



Presentation for:

2021-22

MUNICIPAL TREND



State of Connecticut

Partnership Plan 2.0

Claims, Demographics &

Other Considerations

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STATE PARTNERSHIP 2.0 SNAPSHOT

The State of Connecticut Partnership Plan 2.0 (SPP) is open to “Non-state public employers” which means a municipality or other political subdivision, including boards of education or quasi-public agencies such as public libraries or fire districts. The medical benefits on the plan were previously administered by Oxford Health Plans, a subsidiary of United HealthCare, but as of October 1, 2020 they have moved to Anthem. The pharmacy benefits are administered by CVS Caremark. Dental and vision benefits are optional and are administered by Cigna.

2016

The second iteration of the State of CT Partnership Plan was rolled out on January 1, 2016.

124

As of February 2021, there are 141 different entities enrolled in the Partnership Plan.

24,206

As of February 2021, there are 24,206 employees enrolled in the Partnership Plan.

101%

From January 1, 2016 through September 30, 2020, the Partnership Plan paid out \$1.01 in claims and fees for every \$1 collected in premium.

CLAIMS HISTORY– JULY 2016 THROUGH JUNE 2018

CT State Partnership 2.0

Month	Total Contracts	Total Members	Fixed Cost	UHC Medical Claims	CVS/Caremark Pharmacy Claims	Total Paid Claims	Plan Cost	Anticipated Rebates	Plan Cost after Rebate	Medical & Pharmacy Budget	Loss Ratio	
											Plan Cost vs. Premium	Plan Cost after Rebate vs. Premium
Jan-2016	17	40	\$680	\$5,897	\$4,734	\$10,631	\$11,311	\$852	\$10,459	\$26,079	43.4%	40.1%
Feb-2016	17	43	\$680	\$4,986	\$4,898	\$9,884	\$10,564	\$882	\$9,682	\$28,229	37.4%	34.3%
Mar-2016	78	186	\$3,120	\$19,798	\$23,213	\$43,011	\$46,131	\$4,178	\$41,953	\$119,279	38.7%	35.2%
Apr-2016	195	475	\$7,800	\$111,399	\$74,955	\$186,354	\$194,154	\$13,492	\$180,662	\$298,499	65.0%	60.5%
May-2016	200	495	\$8,000	\$268,126	\$53,993	\$322,119	\$330,119	\$9,719	\$320,400	\$308,001	107.2%	104.0%
Jun-2016	199	494	\$7,960	\$271,343	\$65,256	\$336,599	\$344,559	\$11,746	\$332,813	\$322,733	106.8%	103.1%
Jul-2016	2,732	6,809	\$109,280	\$715,063	\$867,362	\$1,582,425	\$1,691,705	\$156,125	\$1,535,580	\$4,403,929	38.4%	34.9%
Aug-2016	2,855	7,120	\$114,200	\$2,778,006	\$1,113,056	\$3,891,062	\$4,005,262	\$200,350	\$3,804,912	\$4,594,815	87.2%	82.8%
Sep-2016	4,209	10,540	\$168,360	\$3,393,136	\$1,430,194	\$4,823,330	\$4,991,690	\$257,435	\$4,734,255	\$6,831,542	73.1%	69.3%
Oct-2016	4,234	10,608	\$169,360	\$3,742,112	\$1,517,008	\$5,259,120	\$5,428,480	\$273,061	\$5,155,419	\$6,861,261	79.1%	75.1%
Nov-2016	4,386	10,964	\$175,440	\$4,720,002	\$1,620,077	\$6,340,079	\$6,515,519	\$291,614	\$6,223,905	\$7,105,091	91.7%	87.6%
Dec-2016	4,390	10,976	\$175,600	\$5,709,561	\$1,582,273	\$7,291,834	\$7,467,434	\$284,809	\$7,182,625	\$7,075,404	105.5%	101.5%
Jan-2017	4,482	11,241	\$179,280	\$5,216,304	\$1,932,549	\$7,148,853	\$7,328,133	\$347,859	\$6,980,274	\$7,285,702	100.6%	95.8%
Feb-2017	4,476	11,241	\$179,040	\$5,212,550	\$1,675,605	\$6,888,155	\$7,067,195	\$301,609	\$6,765,586	\$7,252,521	97.4%	93.3%
Mar-2017	4,478	11,261	\$179,120	\$6,381,848	\$1,856,142	\$8,237,990	\$8,417,110	\$334,106	\$8,083,004	\$7,264,178	115.9%	111.3%
Apr-2017	4,561	11,396	\$182,440	\$5,371,795	\$1,730,971	\$7,102,766	\$7,285,206	\$311,575	\$6,973,631	\$7,261,258	100.3%	96.0%
May-2017	4,562	11,402	\$182,480	\$5,640,297	\$1,945,786	\$7,586,083	\$7,768,563	\$350,241	\$7,418,322	\$7,323,816	106.1%	101.3%
Jun-2017	4,549	11,367	\$181,960	\$5,848,904	\$1,918,183	\$7,767,087	\$7,949,047	\$345,273	\$7,603,774	\$7,346,366	108.2%	103.5%
Jul-2017	7,421	18,215	\$278,288	\$7,162,979	\$2,711,689	\$9,874,668	\$10,152,956	\$488,104	\$9,664,851	\$12,395,411	81.9%	78.0%
Aug-2017	7,450	18,271	\$279,375	\$10,395,594	\$3,217,415	\$13,613,009	\$13,892,384	\$579,135	\$13,313,249	\$12,357,900	112.4%	107.7%
Sep-2017	7,540	18,485	\$282,750	\$8,326,582	\$2,648,442	\$10,975,024	\$11,257,774	\$476,720	\$10,781,054	\$12,460,053	90.4%	86.5%
Oct-2017	8,935	21,745	\$335,063	\$9,284,158	\$3,017,172	\$12,301,330	\$12,636,393	\$543,091	\$12,093,302	\$15,035,383	84.0%	80.4%
Nov-2017	8,924	21,717	\$334,650	\$12,799,088	\$3,017,064	\$15,816,152	\$16,150,802	\$543,072	\$15,607,730	\$14,985,263	107.8%	104.2%
Dec-2017	8,936	21,721	\$335,100	\$9,986,473	\$2,924,999	\$12,911,472	\$13,246,572	\$526,500	\$12,720,072	\$12,436,824	106.5%	102.3%
Jan-2018	11,535	27,992	\$432,563	\$14,849,805	\$4,119,578	\$18,969,383	\$19,401,946	\$741,524	\$18,660,421	\$18,149,035	106.9%	102.8%
Feb-2018	11,667	28,386	\$437,513	\$15,141,408	\$4,310,854	\$19,452,262	\$19,889,775	\$775,954	\$19,113,821	\$18,745,589	106.1%	102.0%
Mar-2018	11,667	28,395	\$437,513	\$16,938,351	\$4,018,762	\$20,957,113	\$21,394,626	\$723,377	\$20,671,248	\$18,492,131	115.7%	111.8%
Apr-2018	11,664	28,405	\$437,400	\$14,174,813	\$4,290,410	\$18,465,223	\$18,902,623	\$772,274	\$18,130,349	\$18,531,561	102.0%	97.8%
May-2018	11,678	28,417	\$437,925	\$17,990,268	\$4,746,549	\$22,736,817	\$23,174,742	\$854,379	\$22,320,363	\$17,892,086	129.5%	124.7%
Jun-2018	11,681	28,418	\$438,038	\$14,969,072	\$4,331,103	\$19,300,175	\$19,738,213	\$779,599	\$18,958,614	\$18,503,287	106.7%	102.5%



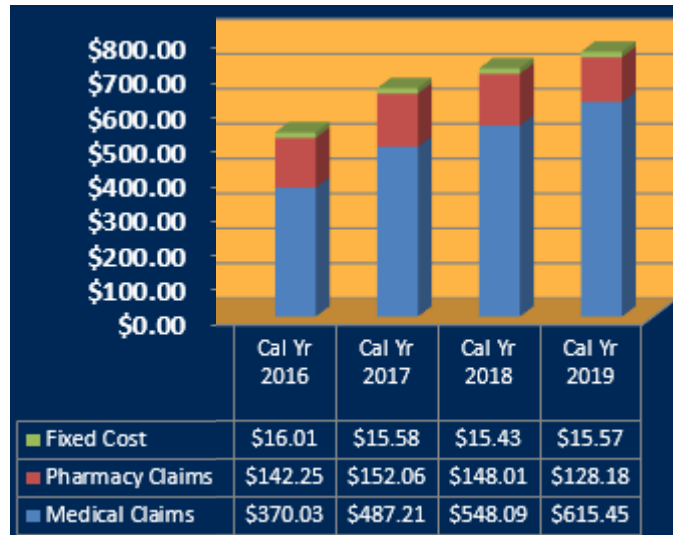
CLAIMS HISTORY– JULY 2018 THROUGH SEPT. 2020

CT State Partnership 2.0

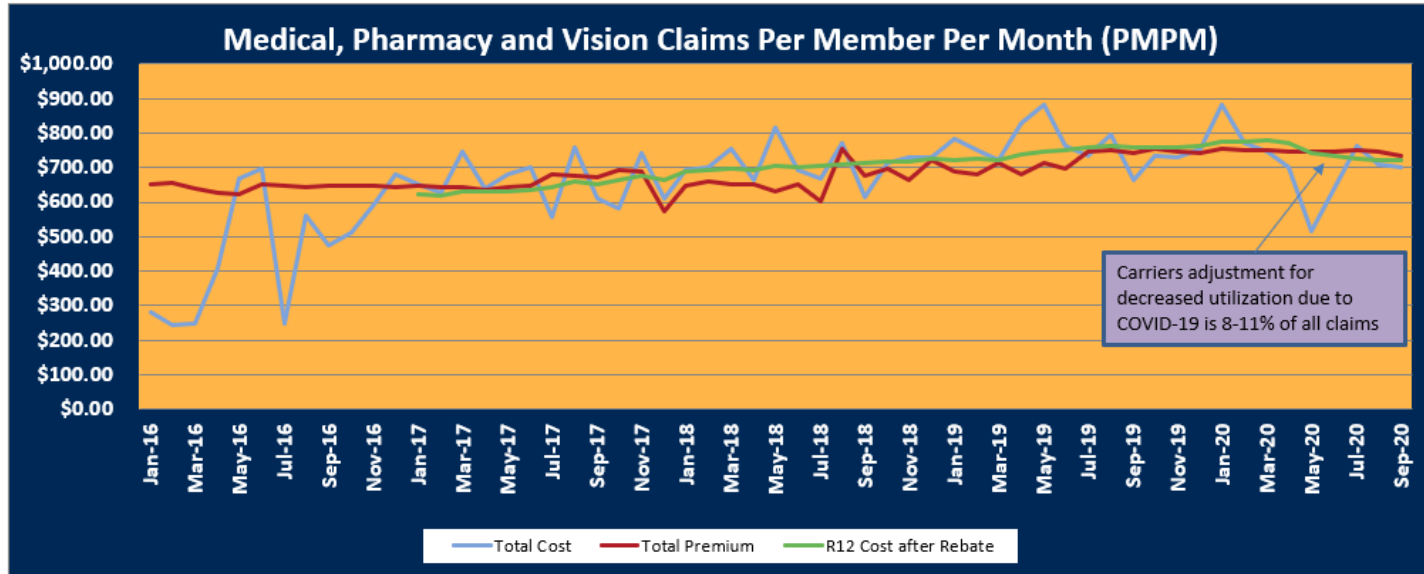
Month	Total Contracts	Total Members	Fixed Cost	UHC Medical Claims	CVS/Caremark Pharmacy Claims	Total Paid Claims	Plan Cost	Anticipated Rebates	Plan Cost after Rebate	Medical & Pharmacy Premium	Loss Ratio	
											Plan Cost vs. Premium	Plan Cost after Rebate vs. Premium
Jul-2018	14,105	34,710	\$528,938	\$17,601,072	\$5,030,941	\$22,632,013	\$23,160,951	\$905,569	\$22,255,381	\$20,903,635	110.8%	106.5%
Aug-2018	14,192	34,928	\$532,200	\$20,830,928	\$5,590,597	\$26,421,525	\$26,953,725	\$1,006,307	\$25,947,418	\$26,371,243	102.2%	98.4%
Sep-2018	16,735	40,679	\$627,563	\$19,272,943	\$5,112,371	\$24,385,314	\$25,012,877	\$920,227	\$24,092,650	\$27,517,616	90.9%	87.6%
Oct-2018	17,471	42,412	\$655,163	\$23,175,093	\$6,459,252	\$29,634,345	\$30,289,508	\$1,162,665	\$29,126,842	\$29,558,109	102.5%	98.5%
Nov-2018	18,332	44,078	\$687,450	\$25,037,504	\$6,460,198	\$31,497,702	\$32,185,152	\$1,162,836	\$31,022,316	\$29,312,771	109.8%	105.8%
Dec-2018	18,388	44,179	\$689,550	\$25,284,812	\$6,360,017	\$31,644,829	\$32,334,379	\$1,144,803	\$31,189,576	\$31,904,462	101.3%	97.8%
Jan-2019	18,643	44,678	\$699,113	\$27,096,622	\$7,198,175	\$34,294,797	\$34,993,910	\$1,295,672	\$33,698,238	\$30,690,409	114.0%	109.8%
Feb-2019	19,244	45,826	\$721,650	\$27,193,547	\$6,556,640	\$33,750,187	\$34,471,837	\$1,180,195	\$33,291,642	\$31,188,391	110.5%	106.7%
Mar-2019	19,271	45,929	\$722,663	\$25,672,092	\$6,839,734	\$32,511,826	\$33,234,489	\$1,231,152	\$32,003,336	\$32,779,203	101.4%	97.6%
Apr-2019	19,660	46,893	\$737,250	\$30,798,330	\$7,297,591	\$38,095,921	\$38,833,171	\$1,313,566	\$37,519,605	\$32,003,512	121.3%	117.2%
May-2019	19,655	46,915	\$737,063	\$33,399,648	\$7,227,033	\$40,626,681	\$41,363,744	\$1,300,866	\$40,062,878	\$33,399,888	123.8%	119.9%
Jun-2019	19,653	46,947	\$736,988	\$28,108,645	\$6,942,090	\$35,050,735	\$35,787,723	\$1,249,576	\$34,538,146	\$32,769,603	109.2%	105.4%
Jul-2019	23,291	56,443	\$873,413	\$34,199,391	\$6,322,029	\$40,521,420	\$41,394,833	incl in Rx Clms	\$41,394,833	\$42,204,816	98.1%	98.1%
Aug-2019	23,388	56,690	\$877,050	\$37,361,522	\$6,830,950	\$44,192,472	\$45,069,522	incl in Rx Clms	\$45,069,522	\$42,456,025	106.2%	106.2%
Sep-2019	23,382	56,742	\$876,825	\$30,818,509	\$6,009,190	\$36,827,699	\$37,704,524	incl in Rx Clms	\$37,704,524	\$42,223,192	89.3%	89.3%
Oct-2019	23,439	56,930	\$878,963	\$34,366,360	\$6,575,986	\$40,942,346	\$41,821,309	incl in Rx Clms	\$41,821,309	\$42,906,342	97.5%	97.5%
Nov-2019	23,455	56,981	\$879,563	\$35,166,607	\$5,524,148	\$40,690,755	\$41,570,318	incl in Rx Clms	\$41,570,318	\$42,658,426	97.4%	97.4%
Dec-2019	23,483	57,109	\$880,613	\$36,219,295	\$5,900,515	\$42,119,810	\$43,000,423	incl in Rx Clms	\$43,000,423	\$42,433,436	101.3%	101.3%
Jan-2020	23,805	57,253	\$892,688	\$42,828,016	\$6,763,728	\$49,591,744	\$50,484,432	incl in Rx Clms	\$50,484,432	\$43,117,055	117.1%	117.1%
Feb-2020	23,782	57,283	\$891,825	\$36,801,404	\$6,579,890	\$43,381,294	\$44,273,119	incl in Rx Clms	\$44,273,119	\$43,094,273	102.7%	102.7%
Mar-2020	23,791	57,367	\$892,163	\$34,533,224	\$7,441,821	\$41,975,045	\$42,867,208	incl in Rx Clms	\$42,867,208	\$43,084,394	99.5%	99.5%
Apr-2020	23,784	57,364	\$891,900	\$32,703,852	\$6,724,001	\$39,427,853	\$40,319,753	incl in Rx Clms	\$40,319,753	\$42,791,572	94.2%	94.2%
May-2020	23,757	57,346	\$890,888	\$22,940,131	\$5,717,955	\$28,658,086	\$29,548,974	incl in Rx Clms	\$29,548,974	\$42,869,489	68.9%	68.9%
Jun-2020	23,741	57,375	\$890,288	\$29,476,698	\$6,292,353	\$35,769,051	\$36,659,339	incl in Rx Clms	\$36,659,339	\$42,923,476	85.4%	85.4%
Jul-2020	24,250	58,712	\$909,375	\$37,868,611	\$5,990,050	\$43,858,661	\$44,768,036	incl in Rx Clms	\$44,768,036	\$44,003,690	101.7%	101.7%
Aug-2020	24,358	58,980	\$913,425	\$34,778,451	\$6,037,895	\$40,816,346	\$41,729,771	incl in Rx Clms	\$41,729,771	\$43,940,908	95.0%	95.0%
Sep-2020	24,278	58,801	\$910,425	\$33,984,601	\$6,400,336	\$40,384,937	\$41,295,362	incl in Rx Clms	\$41,295,362	\$43,281,827	95.4%	95.4%

CLAIMS HISTORY SUMMARY– JULY 2016 THROUGH SEPT. 2020

Month	Total Contracts	Total Members	Fixed Cost	UHC Medical Claims	CVS/Caremark Pharmacy Claims	Total Paid Claims	Gross Plan Cost	Anticipated Rebates	Total Medical & Pharmacy Plan Cost	Medical & Pharmacy Budget	Loss Ratio	
											Plan Cost vs. Premium	Plan Cost after Rebate vs. Premium
Jan 16 - Jun 16	706	1,733	\$28,240	\$681,549	\$227,049	\$908,598	\$936,838	\$40,869	\$895,969	\$1,102,820	84.9%	81.2%
Jul 16 - Jun 17	49,914	124,925	\$1,996,560	\$54,729,578	\$19,189,206	\$73,918,784	\$75,915,344	\$3,454,057	\$72,461,287	\$80,605,883	94.2%	89.9%
Jul 17 - Jun 18	119,098	290,167	\$4,466,175	\$152,018,591	\$43,354,037	\$195,372,628	\$199,838,803	\$7,803,727	\$192,035,076	\$189,984,523	105.2%	101.1%
Jul 18 - Jun 19	215,349	518,174	\$8,075,588	\$303,471,236	\$77,074,639	\$380,545,875	\$388,621,463	\$13,873,435	\$374,748,027	\$358,398,842	108.4%	104.6%
Jul 19 - Jun 20	283,098	684,883	\$10,616,175	\$407,415,009	\$76,682,566	\$484,097,575	\$494,713,750	\$0	\$494,713,750	\$512,762,496	96.5%	96.5%
Pr. Rolling 12	240,378	577,732	\$9,014,175	\$348,145,715	\$80,502,899	\$428,648,614	\$437,662,789	\$11,041,331	\$426,621,458	\$410,490,381	106.6%	103.9%
Rolling 12	285,923	691,501	\$10,722,113	\$411,667,250	\$75,948,678	\$487,615,928	\$498,338,041	\$0	\$498,338,041	\$517,104,888	96.4%	96.4%
Cal Yr 2016	23,512	58,750	\$940,480	\$21,739,429	\$8,357,019	\$30,096,448	\$31,036,928	\$1,504,263	\$29,532,665	\$37,974,862	81.7%	77.8%
Cal Yr 2017	76,314	188,062	\$2,929,545	\$91,626,572	\$28,596,017	\$120,222,589	\$123,152,134	\$5,147,283	\$118,004,851	\$123,404,675	99.8%	95.6%
Cal Yr 2018	169,115	410,999	\$6,341,813	\$225,266,069	\$60,830,632	\$286,096,701	\$292,438,514	\$10,949,514	\$281,489,000	\$275,881,525	106.0%	102.0%
Cal Yr 2019	256,564	618,083	\$9,621,150	\$380,400,568	\$79,224,081	\$459,624,649	\$469,245,799	\$7,571,027	\$461,674,772	\$447,713,243	104.8%	103.1%
Jan 16 - Sept. 20	741,051	1,796,375	\$27,915,963	\$1,024,947,626	\$234,955,778	\$1,259,903,404	\$1,287,819,367	\$25,172,088	\$1,262,647,279	\$1,274,080,989	101.1%	99.1%



Breakdown: Recent Claims Months

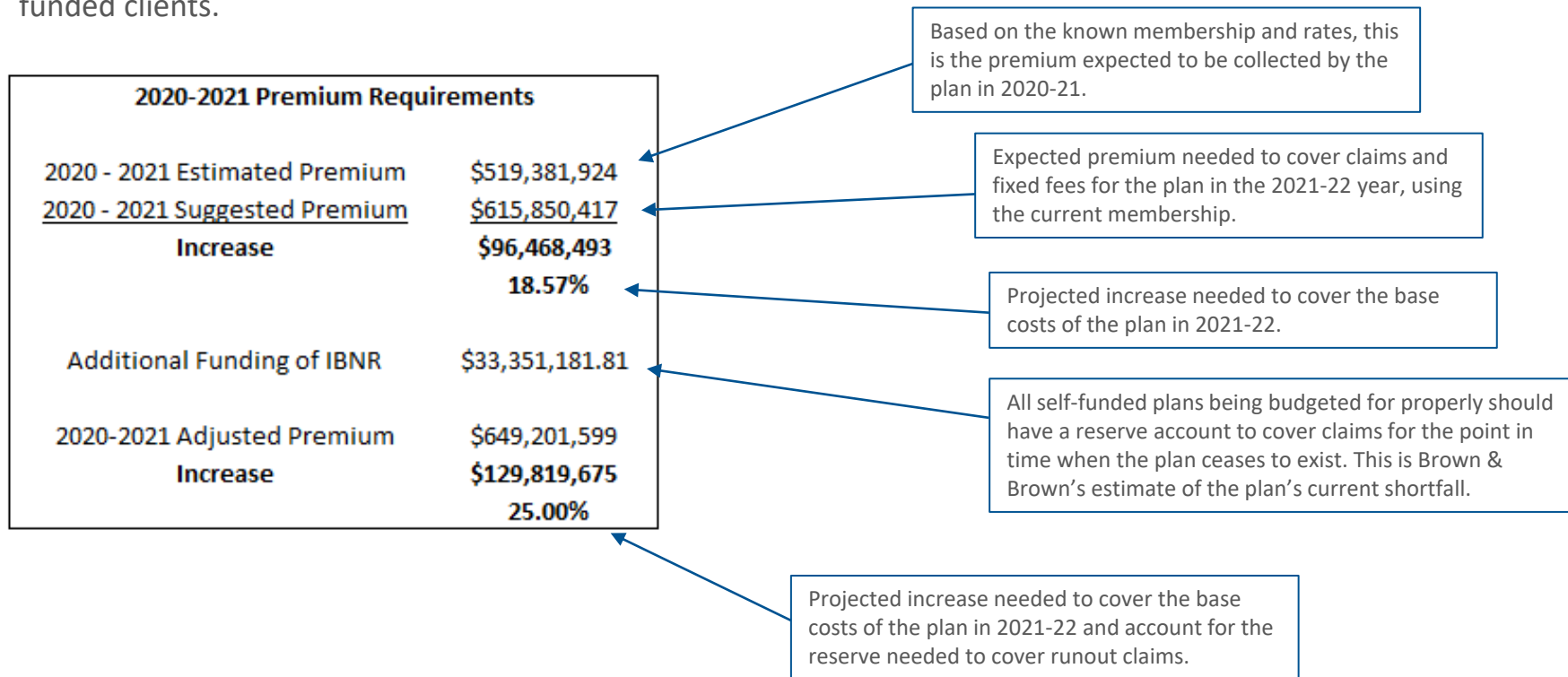


As shown on the chart above, the SPP's Per Member Per Month cost has risen consistently over time. The SPP's loss ratio for 2019-20 did decrease to its lowest point in three years, but we believe that was primarily due to delay in care related to COVID-19. We expect an increase in claims for the near future.

	Total Medical & Pharmacy Plan Cost	Medical & Pharmacy Budget	Loss Ratio
Jul 19 - March 20	\$388,185,685	\$384,177,959	101.0%
April 20 - June 20	\$106,528,065	\$128,584,537	82.8%
Jul 20 - Sept. 20	\$127,793,169	\$131,226,425	97.4%

UNDERWRITING PROJECTION

The SPP's overall trend has been climbing slightly faster than the renewal increases being issued by the state. That raises some concerns regarding the adequacy of the premiums being collected versus the claims being paid. Brown & Brown took the data we collected and did the same type of renewal analysis we would perform for any of our self-funded clients.



The State has released a preliminary +3.0% base increase for the 2021-22 year.

RENEWAL INCREASES

One of the major selling points of the SPP has been its historically low annual increases. In a time when the medical and pharmacy trend has fluctuated between 8% and 12%, the SPP has generally had low single-digit increases. The charts below track the SPP's increases back to the original inception of the Partnership Plan. From 2011 through 2015, the plan analyzed each prospective group's claims and demographic information, issuing each group their own renewal. From 2016 to 2019, the 2.0 version posted just one set of rates on its Web site each year, which was the same for all groups. In 2020, they began regionalizing the rates by county.

<u>Plan Year</u>	<u>Budgetary Increase</u>
2021-2022	See chart to right
2020-2021	3% + County Adjustment
2019-2020	8.0%
2018-2019	8.0%
2017-2018	5.0%
2016-2017	5.0%
2015-2016	4.0%
2014-2015	4.9%
2013-2014	4.9%
2012-2013	0.0%
2011-2012	2.0%

<u>County</u>	<u>2021-2022 Active Rates*</u>	<u>2021-2022 Retiree Rates*</u>
Fairfield	4.0%	12.0%
Hartford	0.0%	7.0%
Litchfield	1.0%	8.0%
Middlesex	3.0%	10.0%
New Haven	4.0%	11.0%
New London	3.0%	10.0%
Tolland	-1.0%	6.0%
Windham	3.0%	10.0%

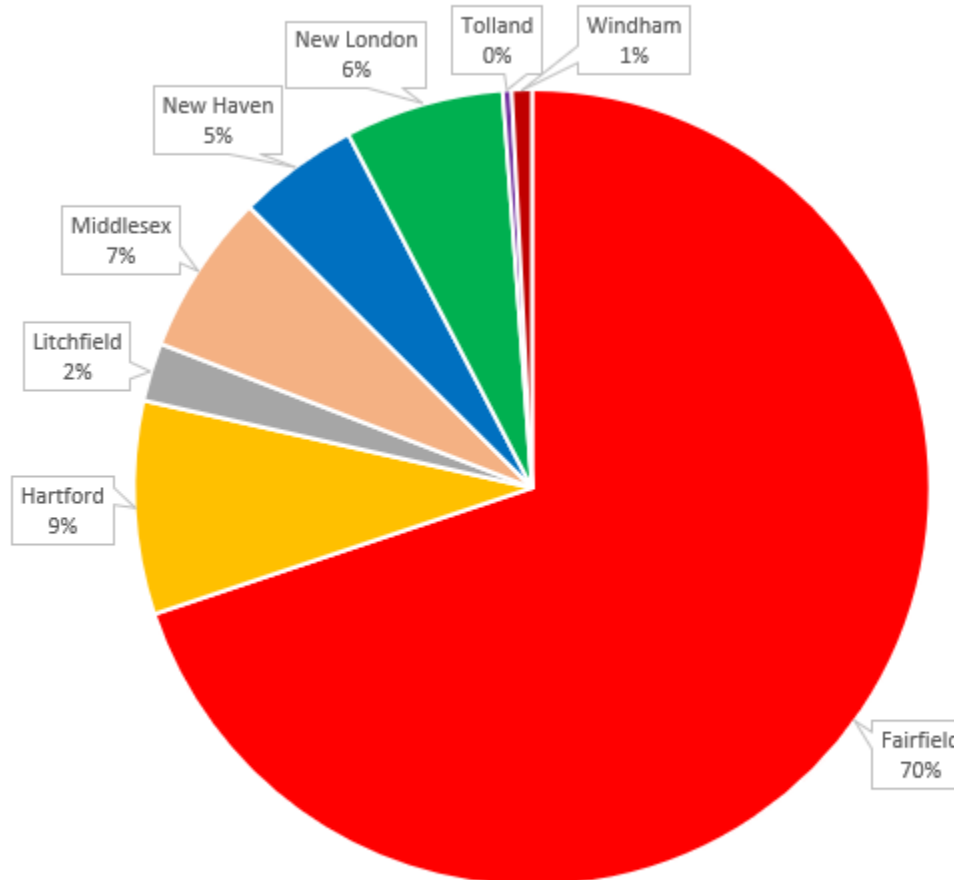
* 2021-22 rate actions are estimates released by the state on 2/9/21

PARTNERSHIP PLAN: BUDGETARY CONCERNS

- Adverse Selection
 - *By not underwriting each potential group and simply posting rates, only groups whose costs are currently higher will join.*
 - *The state does analyze for risk when only part of a group applies for admission. But if an entire entity requests entrance, by statute, the state cannot deny them admission to the program.*
- Deteriorating Experience
 - *The claims experience shows the 2.0 Plan had the following medical loss ratios:*
 - *85% loss ratio in 2016*
 - *94% in 2016-17*
 - *105% in 2017-18*
 - *108% in 2018-19*
 - *96.5% in 2019-20*
- Demographics
 - *In addition to adverse selection, claims for the plan are increasing due in large part to an influx of membership from Fairfield County.*

COUNTY DEMOGRAPHICS

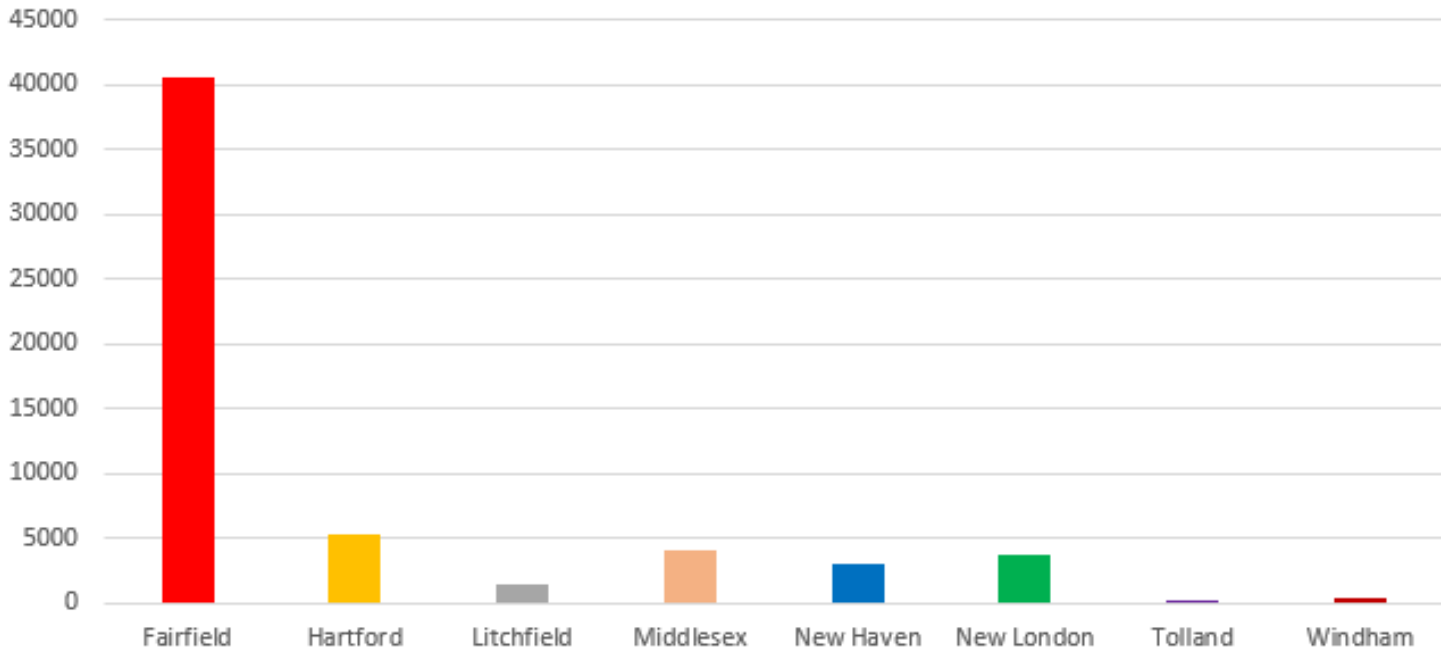
STATE PARTNERSHIP PLAN - MEMBERSHIP PERCENTAGE BY COUNTY



■ Fairfield ■ Hartford ■ Litchfield ■ Middlesex ■ New Haven ■ New London ■ Tolland ■ Windham

COUNTY DEMOGRAPHICS (Continued)

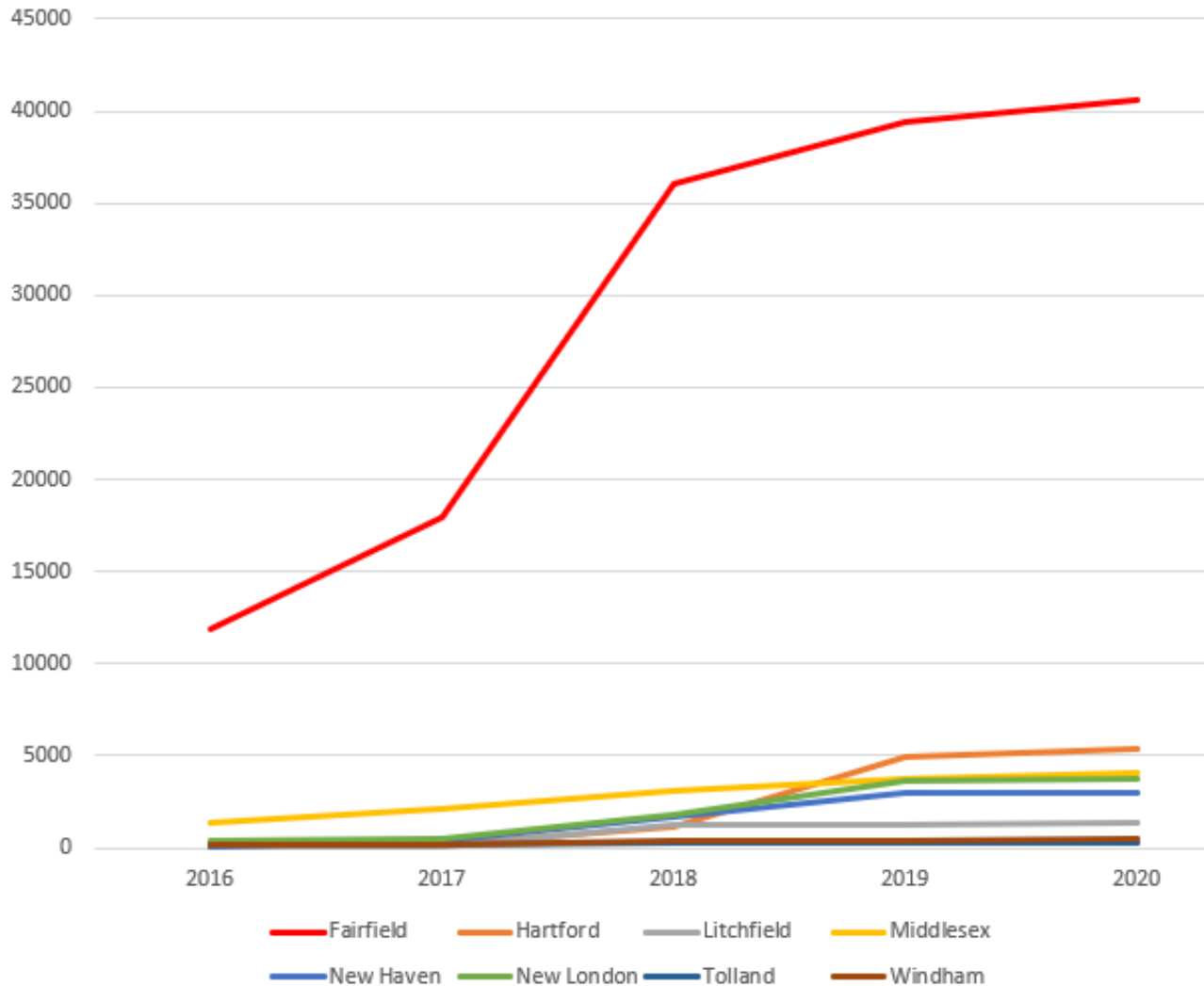
State Partnership Plan - Members by County



Fairfield	Hartford	Litchfield	Middlesex	New Haven	New London	Tolland	Windham
40,657	5,329	1,406	4,030	2,980	3,702	248	448

COUNTY DEMOGRAPHICS (Continued)

State Partnership Plan - Year Over Year Growth by County



WHY DO DEMOGRAPHICS MATTER?

The cost of services in one area of the state can vary greatly from another area. Insurance carriers traditionally charge more in premiums to groups located in more expensive areas, such as Fairfield County. Presumably, this factored greatly into the state's decision to begin adjusting rates by county as of July 1, 2020.

The chart below shows the per employee per month (PEPM) claims experience by county for all of the Partnership Plan's groups that have at least 50 employees.

Note: With Tolland County having just one group of this size with only 51 total employees, their data wouldn't be considered credible.

<u>County</u>	<u>PEPM Claims*</u>	<u>Number of 50+ Groups</u>	<u>Total Employees</u>
Tolland	\$2,149	1	51
Fairfield	\$1,770	26	16,654
Litchfield	\$1,726	2	320
Hartford	\$1,682	3	1,755
Middlesex	\$1,615	5	1,379
New London	\$1,478	6	1,360
New Haven	\$1,409	6	828
Windham	\$1,241	1	101

**Based on group-by-group data provided by the State of Connecticut for the 2019-20 fiscal year*

WHY DO DEMOGRAPHICS MATTER?

When insurance carriers create quotes for potential groups, they take several factors into account. Age and gender of the employees and their dependents are considered, as well as where the group is located. In the large group market, carriers are often willing to manipulate their quotes to gain business. They often refer to this as “making an investment.” However, in the small group market, quotes are generated blindly – taking only age, gender and county into consideration.

To see how different counties are rated by the various carriers in the small group market, we took an identical sample small group census and ran it through the quoting tools of each carrier in the small group marketplace. You can see from the ratios below that all of the carriers would require a group in Fairfield County to pay anywhere from 11% to 17% more than the rest of the state.

CT Small Group Rating Differential by County				
<i>Using Rates as of 1/1/2019</i>				
	<u>Anthem Blue Cross</u>	<u>ConnectiCare</u>	<u>Harvard Pilgrim</u>	<u>UnitedHealthcare</u>
Fairfield	1.12	1.09	1.17	1.05
Hartford	1.00	0.98	1.02	1.00
Litchfield	1.00	0.98	1.02	0.96
Middlesex	1.04	1.07	1.07	1.07
New Haven	1.04	1.00	1.07	1.02
New London	1.00	1.08	1.02	0.99
Tolland	1.00	1.00	1.00	0.99
Windham	1.00	1.00	1.00	1.00

Quoted rates from carriers available on small group quoting tool



State of CT General Fund – Fiscal Year 2021

In a letter dated January 20, 2021, Melissa McCaw, Secretary of the State's Office of Policy & Management, provided an update to the comptroller on the state's general fund. The high-level report notes they are anticipating a surplus of \$166.2 million by year-end, though there are several portions of the budget that are expecting to run a deficit. Far and away the largest single entry in the deficit section is related to fringe benefits, which in turn is particularly burdened by deficits related to health insurance. From page three of that report:

- State Comptroller – Fringe Benefits. A total shortfall of \$85.8 million is anticipated. Of this amount, \$41.0 million is due to revised contribution requirements for the State Employees' Retirement System resulting from the June 30, 2019 valuation of the fund. A \$3.4 million shortfall is anticipated in the Judges Retirement System, also reflective of the June 30, 2019, valuation for that system. In addition, we anticipate shortfalls of \$2.8 million in the Unemployment Compensation account, \$4.8 million in the Employers Social Security Tax account, \$33.7 million in the State Employees Health Service account, \$11.9 million in the Retired State Employees Health Service Cost account, and \$2.0 million in the SERS Defined Contribution Match account. Partially offsetting these shortfalls are projected lapses of \$11.7 million in the Higher Education Alternative Retirement System account, \$124,000 in the Pensions and Retirements – Other Statutory account, and \$2.0 million in the Other Post Employment Benefits account.

You can read the full report here:

https://portal.ct.gov/-/media/OPM/Budget/ComptrollerLetter/FY2021/FY_2021_JAN_20_2021_Comptroller_Letter.pdf?utm_source=CTNewsJunkie+Main+List+With+Publication+Groups&utm_campaign=96774307ac-MCP_COPY_02&utm_medium=email&utm_term=0_a493d2308d-96774307ac-92870421

State of CT Miscalculated Savings Opportunities for FY 2018 and FY 2019

In a report presented by the State Employees Bargaining Agent Coalition (SEBAC) to Gov. Lamont and the General Assembly on Dec. 10, 2019, several aspects of proposed money-savings programs from previous years were analyzed. Ten programs were outlined in the “Employee Health Care” section. Three of those either had no firm data available or no initial savings projection to compare to. Here are the totals of the other seven, taken directly from the report, found at: <https://www.osc.ct.gov/reports/sebacavings/SEBACSavingsReport2019.pdf>

Financial incentive to utilize urgent care	\$9.6M
Utilization management - on physical and occupational therapy services	\$2.4M
Incentives to utilize lower cost imaging	\$5.0M
Member incentive based program (SmartShopper)	\$5.1M
Increased co-pays for certain prescription drugs	\$9.3M
<u>Adopting the CVS Standard Formulary</u>	<u>\$14.7M</u>
TOTAL	\$46.1M

PLAN BENEFITS

The most enticing aspect of the plan for many people is the rich set of benefits. While the majority of groups in the public sector have moved to High Deductible Health Plans in recent years, the SPP's benefits are closer to what members would have last had well over a decade ago. However, there's no guarantee those benefits will remain in tact. In 2017, as a result of concessions from the state's unions, the SPP passed the following benefit changes along to its members:

- Preferred tier doctors visits go from \$15 co-pay to \$0
- "Site of Service" for outpatient lab work – use a preferred lab or you pay 20% coinsurance
- Narrower drug formulary
- Rx co-pays from \$5/\$20/\$35 to \$5/\$10/\$25/\$40
- PT/OT services added to prior authorization list

The state also made a change to the language on its Web site regarding state mandated benefits. Instead of agreeing to cover all state mandates, the site now reads:

Does the plan follow all Connecticut state mandates?

The Partnership plan is self-insured and therefore is not required to follow all Connecticut state mandates. However, we try to follow state mandates as best we can. There are certain instances where there are union agreements or other mitigating circumstances that take precedent.

PLAN BENEFITS (Continued)

Despite the generally rich benefits, there have been some unions in the state who have expressed concerns about the managed care elements of the SPP. Here are the benefits listed in the SPP's plan documents as requiring prior authorization:

Medical Services Requiring Prior Authorization	
Air ambulance	Kidney dialysis
Bariatric surgery	Oral surgery
Chemotherapy	Organ transplant
Colonoscopy	Orthoptic exercises
Durable medical equipment over \$500	Sleep studies
Gender reassignment surgery	Outpatient occupational therapy
Hearing aids (bone-anchored)	Outpatient physical therapy
High cost diagnostic imaging (MRI, MRA, CAT, CTA, PET, SPECT scans)	Outpatient surgery
Infertility treatments	Private duty nursing
Inpatient non-emergency care (includes childbirth)	Skilled nursing facility admission
Inpatient hospice	Speech therapy
Inpatient mental health	Specialized infant formula
Inpatient substance abuse treatment	Specialty hospital admission
Internal & external prosthetic devices	Substance abuse residential treatment



THANK YOU

Brown & Brown represents several towns and board of education groups that currently participate in the SPP.

This report is intended to offer guidance regarding the SPP for our clients.

If you have any questions related to this report, please contact our Municipal Benefits team at:

munibenefits@bbofct.com

All data in this report is taken from documentation received from the State of Connecticut in December 2020 and January 2021 based on an FOI request submitted by Brown & Brown on Sept. 18, 2020.