

HEALTHCARE COST
CONTAINMENT COMMITTEE



165 Capitol Ave
HARTFORD, CONNECTICUT
06106-1775
Telephone (860) 702-3480
Facsimile (860) 702-3556

STATE OF CONNECTICUT
HEALTHCARE POLICY & BENEFIT SERVICES DIVISION
OFFICE OF THE STATE COMPTROLLER

HEALTHCARE COST CONTAINMENT COMMITTEE MEETING MINUTES
January 10, 2022

Meeting Called to Order by Tom Woodruff:

Attendance:

Labor	State Comptroller Administrative Staff
Carl Chisem – CEUI	Joshua Wojcik
Dan Livingston – SEBAC	Thomas Woodruff
Dave Glidden – CSEA	
	Presenters
	Bernie Slowik – OSC
Management	Rae-Ellen Roy – OSC
Gregory Messner	Betsy Nosal – OSC
	Consultants
Dept. of Insurance	Terry DeMattie, Segal
Paul Lombardo	

Public Comment:

Rep. Tammy Nuccio: questions on Partnership plan, financial standing of plan and use of \$40M received by State of CT.

Tom Woodruff: the \$40M was federal covid relief funds used to offset additional costs associated with COVID that were incurred by the municipalities during the plan year.

Financial report to be posted to the Comptroller website.

James Stirling thanked committee members for their work and wishing all a healthy and safe 2022.

Partnership:

Bernie Slowik: As of 1/1/22, Partnership 2.0 has 153 groups enrolled totaling almost 26,000 employees and over 63,000 members, 102 groups who have completed their 3-year contract commitment under Partnership and had the option of leaving the plan without an early termination penalty. To date, no group has left Partnership 2.0. Several large groups that are expressing interest for 7/1/22.

Partnership 1.0 still has 5 groups remaining totaling approximately 2,400 employees and just under 3,400 members.

Partnership Financials:

Plan continues to be in good financial standing with medical loss ratio (MLR) for FY21 at 91.2% and associated administrative cost at 2.9%. Projections for FY2022 show a MLR of 98.7% with associated projected administrative cost of 2.4%. FAD Balance as of 12/31/21 = \$58,486,561

Josh Wojcik: OSC set to submit a detailed annual financial report by the end of the week to OPM and the Legislature's Appropriations Committee (posted to Comptroller website: [Partnershipreport_FY21.pdf \(ct.gov\)](#)).

Covid Relief Funds (CRF):

Josh Wojcik: As CRF funds that were set to expire on Jan 1, 2022, messaging went to all agencies on how to justifiably utilize these funds. CRF funds had been used to reimburse the state employee plan for COVID testing and other related costs for the state plan, but not Partnership. OSC had put forward this request to use these funds for Partnership as it would be a benefit to municipalities and since the premium was calculated using the experience of both Partnership and the State Employee Health Plan including the reserve amounts, it would be beneficial to the state employee plan for the Partnership to be reimbursed those costs.

Tom Woodruff: OSC submitted report to OPM, which was submitted to the feds that showed by line-item incurred expenses for testing, treatment, and hospitalization.

Rep. Nuccio: requested a copy

Greg Messner: approved release of report to be shared with Rep. Nuccio and Posted to Comptroller website

Josh Wojcik: The amounts that were reimbursed will have an impact on the overall rates for Partnership and the State Employee plan for next year, mitigating the required increases. The initial budget projections will go to OPM in the coming weeks.

Rep Nuccio: noted her understanding is there is a 6% trend, does this mean it will only increase rates by 1.5 to 2%?

Josh Wojcik: explained trend projection process includes other factors.

Tom Woodruff: explained COVID has caused volatility in claims from month to month, not a smooth trend line but will be improved with these funds. Last fiscal year, the state plan was reimbursed \$40M for COVID Relief Funds related to COVID-19. OPM had already established this was an appropriate category to offset these unusual, unanticipated expenses due to COVID-19. Total federal subsidy to the state and Partnership plan is closer to \$130M, with the previous amount going into the last FY budget. (posted to Comptroller website: [COVIDReliefFundsDoc1-2022OSC](#))

Financials:

Rae-Ellen Roy: Current active appropriation is anticipated to close the fiscal year with a \$19.5M surplus. This is largely due to the influx in anticipated retirements. Additionally, the active member population remains steady, and many new employees are opting for lower cost plans, which increases the appropriation balance. On the active health FAD side, IBNR has been built into the premium equivalent for the current year which has been helpful however, an uptick has been noted in medical claims on the active and retiree sides. This may be due to members now utilizing services that were delayed due to COVID. This increase will result in a higher than anticipated premium equivalent increase for the renewal for the coming year. While a 6% trend across the board for medical and pharmacy had been anticipated, it is now coming in higher.

The retiree appropriation shows an \$8.3M deficit, improvement of approximately \$3M from the prior month, likely due to retirement counts coming in less than anticipated. It was noted that OSC does not have actual counts of those intending to retire despite efforts to solicit this information from retirement eligible employees. An increase in Medicare premium reimbursements is noted in the balance. Retiree FAD balances continue to be healthy. OSC is working with Segal to determine IBNR adjustment needed for the coming year.

Communications Update:

Betsy Nosal: Provided an overview of email communications to members which highlighted programs available to health plan members related to diabetes, pre-diabetes and orthopedic issues. Live Events further promoted these programs and provided a forum where participants and agency administrators could have their questions answered.

Overview described how using Google ads assists members searching for benefit program information such as HEP, diabetes prevention and orthopedic conditions as well as connecting them to their benefits webpage Care Compass. Membership for the CareCompass FaceBook page also continues to grow as another avenue to share Benefits communications. The page provides information on Live Events, such as the ones held in November and December, links to CareCompass benefits webpage and educational materials from sites such as CDC and NIH.

Tom Woodruff entertained a motion to adjourn the meeting. The motion was made by Greg Messner, seconded by Dan Livingston. The meeting adjourned at 9:30am.