



# Health Care Update

**MARCH 11, 2024**





- Financials (Rae-Ellen)
  - Rates
  - Medicare Advantage
- Results of PBM RFP (Josh)
- Partnership (Bernie)
- High-level utilization (Josh)
  - Professional services (Segal)
- Auditing RFP Implementation (Bernie)
- HEP Compliance Update (Tracy)
- Communications (Betsy)
- Point solution 6-month results (Josh)
  - Virta
  - Flyte
- Primary Care Initiative Update (Tom/Sandra)



# Public Comment



<b>FY 2023-2024 Anticipated Year End Health Account Balances</b>	
Budget Review 2.15.24	
<b>Active Employee Healthcare Appropriation</b>	
<b>Projected Appropriation Balance:</b>	<b>\$ 10,575,384.67</b>
<b>Active Employee Healthcare FAD Accounts</b>	
Projected Active Health FAD	\$ 129,038,365.28
Projected Active Rx FAD	\$ 29,309,877.95
<b>Combined FAD Balances:</b>	<b>\$ 158,348,243.23</b>
<b>Retired Employee Healthcare Appropriation</b>	
<b>Projected Appropriation Balance:</b>	<b>\$ 2,780,028.57</b>
<b>Retired Employee Healthcare OPEB FAD Accounts</b>	
Projected Retiree Health	\$ 200,961,809.02
Projected Retiree Rx	\$ 22,728,908.46
<b>Combined FAD Balances:</b>	<b>\$ 223,690,717.48</b>

# FY2024-2025 Premium Rates



## **Dental**

- 2.75% Basic/Enhanced
- 0% DHMO

## **Active**

Medical/Prescription

- 1.2% Medical
- 10.9% Prescription
- 2.0% Total Rate Increase

## **Retiree**

Medical/Prescription

- 3.4% Medical
- 7.2% Prescription
- 4.1% Total Rate Increase

## **MAPD**

- \$11.00 Rate Cap
- \$71.00 Inflation Reduction Act liability

# Medicare Inflation Reduction Act



**The *Inflation Reduction Act of 2022* includes several provisions to reduce Medicare's federal Part D drug spend in 2025, including:**

- Elimination of the Coverage Gap Phase;
- Requiring Part D plans and drug manufacturers to pay a greater share of costs for Part D enrollees with high drug costs;
- Increased low-income plan liability; and
- Decrease in federal reinsurance not fully offset by the direct CMS subsidy.

## **How might that affect our Plan?**

- Actuaries from Segal and Aetna have completed model analyses of our Plan utilization and estimate that the reduced subsidy and increased Plan cost may result in an additional \$71 PMPM to our Plan.
- This equates to an additional spend of \$31.23 million in FY25.
- Actual Plan impact will not be known until Summer 2024.

## 2023 COMPLIANCE - TOTALS

### Updated Totals

<b>Total Eligible Households: 79,989</b>	<i>As of 12/5/23</i>	<i>As of 1/3/2024</i>	<i>As of 2/1/2024</i>	<i>As of 3/7/2024</i>
Compliant	43,310 (53%)	55,805 (69%)	59,509 (74%)	62,905 (79%)
Non-Compliant	38,086 (47%)	25,090 (31%)	20,972 (26%)	17,085 (21%)

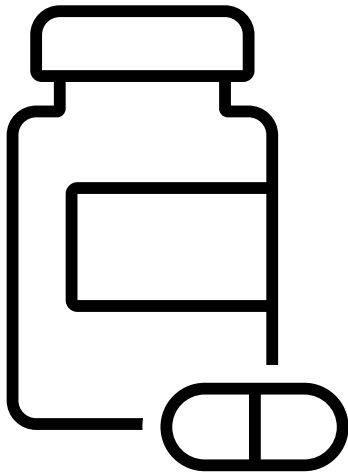
<b>Total Eligible Participants: 183,293</b>	<i>As of 12/5/23</i>	<i>As of 1/3/2024</i>	<i>As of 2/1/2024</i>	<i>As of 3/7/2024</i>
Compliant	133,470 (71%)	149,332 (81%)	154,252 (84%)	160,495 (88%)
Non-Compliant	55,367 (29%)	35,810 (19%)	30,013 (16%)	22,799 (12%)

# HEP Compliance Update

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# Pharmacy Services RFP

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## RFP Process Timeline

**RFP Release Date:** 8/30/2023

**Bidders' Conference:** 9/14/2023

**Q & As Posted:** 10/19/2023

**Add'l Q & As Posted:** 11/1/2023

**Closing Date:** 11/15/2023

**Interviews Held:** Jan. & Feb. 2024



# Goals of Pharmacy Services RFP

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- Retain transparency provisions of current contract
- Reduce total costs
- Limit member disruption
- Move specialty pharmacy network to acquisition cost pricing (ACP)
- Align incentives

## Align incentives:

- PMPM guarantee
- Add third party to review formulary and Prior Authorization (PA) criteria
- Third party to have no financial incentives for savings
- Require PBM to contract with drug manufacturers on our Plans' behalf when our utilization or formulary adjustments don't align with overall PBM contracting strategy

# Pharmacy RFP's Three Scopes

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Pharmacy Benefit Manager (PBM)

Specialty Pharmacy

Formulary Management

# Responses

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## **PBM**

CaremarkPCS Health (CVS),  
incumbent

CarelonRx (Anthem)

CapitolRx

ArrayRx

## **Specialty Pharmacy**

Yale

Hartford HealthCare

UConn

CaremarkPCS Health (CVS)

Optum (United Healthcare)

## **Formulary Management**

US-Rx Care

TrudataRx



# Recommendations

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## PBM Services

- CaremarkPCS Health (CVS), incumbent

## Specialty Pharmacy

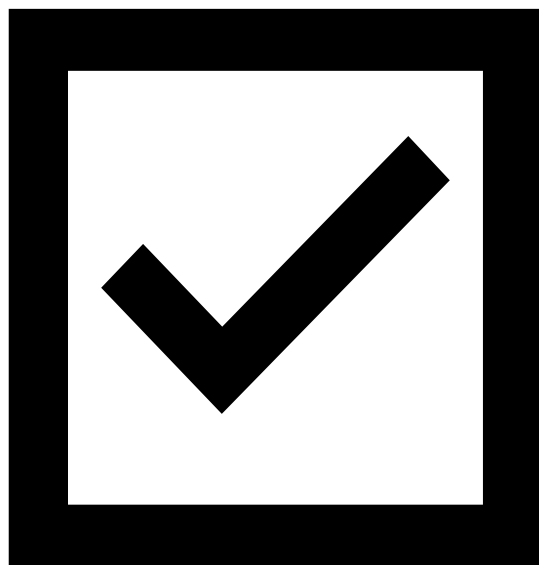
- CaremarkPCS Health (CVS), existing
- **Yale**, existing
- **Hartford HealthCare**, existing
- **UConn**, existing

## Formulary Management

- **TruDataRx**, new

# Goals Accomplished

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- ❑ Retain transparency provisions of current contract
  - Add drug level rebate reporting
- ❑ Reduce total costs
- ❑ Limit member disruption
- ❑ Move specialty pharmacy network to ACP (acquisition cost pricing)
- ❑ Align incentives
  - PMPM guarantee
  - Add third party to review formulary and PA criteria
  - Third party to have no financial incentives for savings
  - Require PBM to contract with drug manufacturers on the plan's behalf when our utilization or formulary adjustments don't align with overall PBM contracting strategy





## Partnership 2.0

- As of 3/1/24 there are 155 groups enrolled totaling just over 23,000 employees and approximately 50,000 members.
- There is one small group joining for 4/1/24 and one confirmed for 7/1/24. We have several new potential groups that are showing strong interest for 7/1. We are not aware of any current groups looking to leave the plan.
- We released the 7/1/24 renewal rates to the existing groups as well as on our website of 2% for the actives and they were well received.
- A quarterly update meeting has been scheduled for this week (Tuesday & Thursday) for current groups. We will also be sending out an invite for the following week to any potential groups that want to hear more about how the plan and how it may be a good option for them.

## Partnership 1.0

- As of 3/1/24 we still have 5 groups remaining totaling approximately 2,400 employees and just under 3,400 members.

# Actives & Non-Medicare Retirees

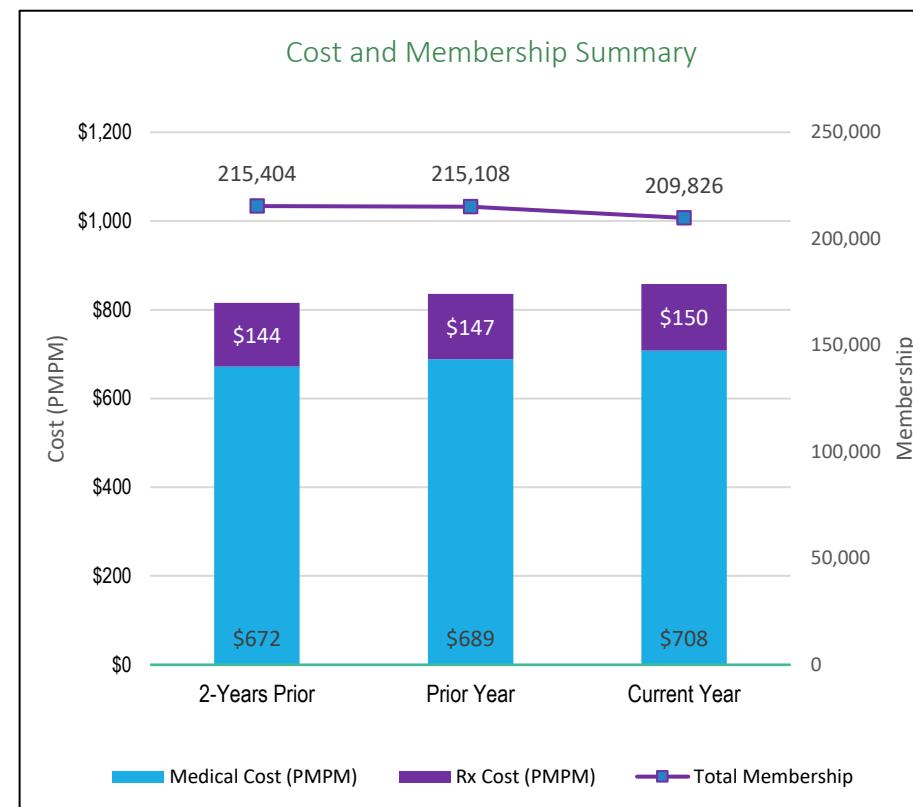
All Plans

## Claims Summary<sup>1</sup>

	Total Cost (PMPM)	% of Total Cost	Current Trend
<b>Medical</b>	<b>\$707.99</b>	<b>82%</b>	<b>▲ 2.8%</b>
Inpatient Facility	\$130.65	15%	▼ 4.6%
Outpatient Facility	\$284.01	33%	▲ 5.0%
Professional Services	\$271.93	32%	▲ 4.4%
Ancillary	\$21.38	2%	▲ 2.2%
<b>Pharmacy<sup>2</sup></b>	<b>\$150.28</b>	<b>18%</b>	<b>▲ 2.0%</b>
<b>Total Cost</b>	<b>\$858.27</b>		<b>▲ 2.7%</b>

## Drivers of Trend

Service Category	Current PMPM	Prior PMPM	Change
Inpatient - Surgery	\$55.55	\$64.79	▼ \$9.24
Outpatient - Surgery	\$89.97	\$80.76	▲ \$9.21
Outpatient - Lab/Pathology	\$9.13	\$12.99	▼ \$3.86
Prescription Drugs - Brand	\$83.50	\$80.12	▲ \$3.39
Professional - Lab/Pathology	\$17.05	\$19.92	▼ \$2.87



### Observations

- PMPM medical costs have increased 2.8% Year-over-Year (“YoY”) and accounted for 82% of total spend.
- PMPM Rx costs have increased 2.0% YoY and accounted for 18% of total spend.
- The second table above illustrates the top 5 drivers of trend. Inpatient - Surgery was the top driver of spend on a PMPM basis, decreasing \$9.24 PMPM over last year.

<sup>1</sup> Reflects paid claims through January 2024. Claims for the current period have been completed using a factor of 0.95

<sup>2</sup> Pharmacy costs reflect PrudentRx savings and other direct manufacturer savings.

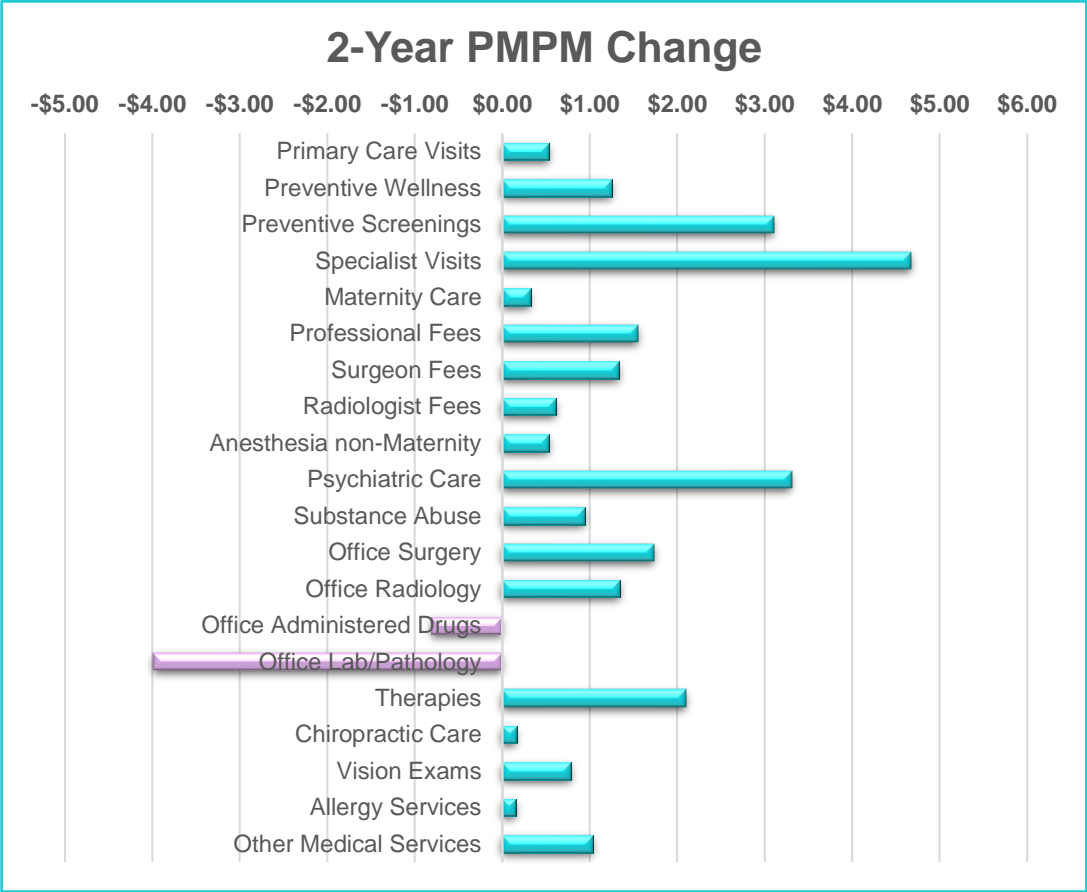
# Professional Services Trends - Overview

	Allowed <u>PMPM</u>	Current <u>Trend</u>	Spend <u>Distribution</u>
<b>All Plans</b>			
Inpatient Facility	\$132.73	-2.8%	15%
Outpatient Facility	\$284.20	5.6%	33%
Professional Services	\$270.67	4.0%	32%
Ancillary	\$21.50	2.9%	3%
Pharmacy	\$149.44	0.7%	17%
<b>Total</b>	<b>\$858.53</b>	<b>2.8%</b>	<b>100%</b>

**Professional Services Trends have been around 4% per year for the last 2 years**

- The Professional Services category includes office visits and physician bills for facility visits (latter often referred to as “Professional Fees”)
  - PCP and Specialist Visits
  - Preventive Care
  - Labs and Radiology performed outside of a hospital
  - Surgeon or Anesthesiologist bills from Hospital/Facility visits
- These represent about a third of total cost, and have typically experienced much lower trends than hospital-based services
- Next few slides will focus on the 2-year change in Allowed PMPM

# Professional Services Trends – Overall Drivers



- The largest increases are in Specialist visits, Preventive Screenings, Psychiatric Care, and Therapies
  - Labs declining from pandemic highs
  - Minor regional variations observed, one noteworthy outlier was Office Surgeries in the Bridgeport Area

# Professional Services Trends – Specialist Visits & Therapies

## Specialist Visits

- PMPM trend has increased **6.9%** per year over the past 2 years, primarily due to unit cost increases
  - Price increases and shifts in mix of services/specialties over time
- The most noticeable increases were observed on Respiratory and Ear, Nose and Throat Diagnoses
  - Increases in sinus infections, ear infections, and other respiratory infections
  - Increases in Acute Bronchitis and Influenza
  - Increases in “Cornea and External Diseases” (broad range of eye-related issues like dryness, redness, pink eye, sight issues ...etc.)

## Therapies

- PMPM trend has increased **7.2%** per year over the past 2 years
  - In aggregate, utilization has been flat but there are a lot of shifting services
  - The increase is mostly due to increased utilization in Neurodevelopmental Disorders, which is currently common throughout the industry as these were historically underutilized (underdiagnosed, provider shortages, limited coverage)



# Professional Services Trends – Preventive Screenings & Psychiatric Care

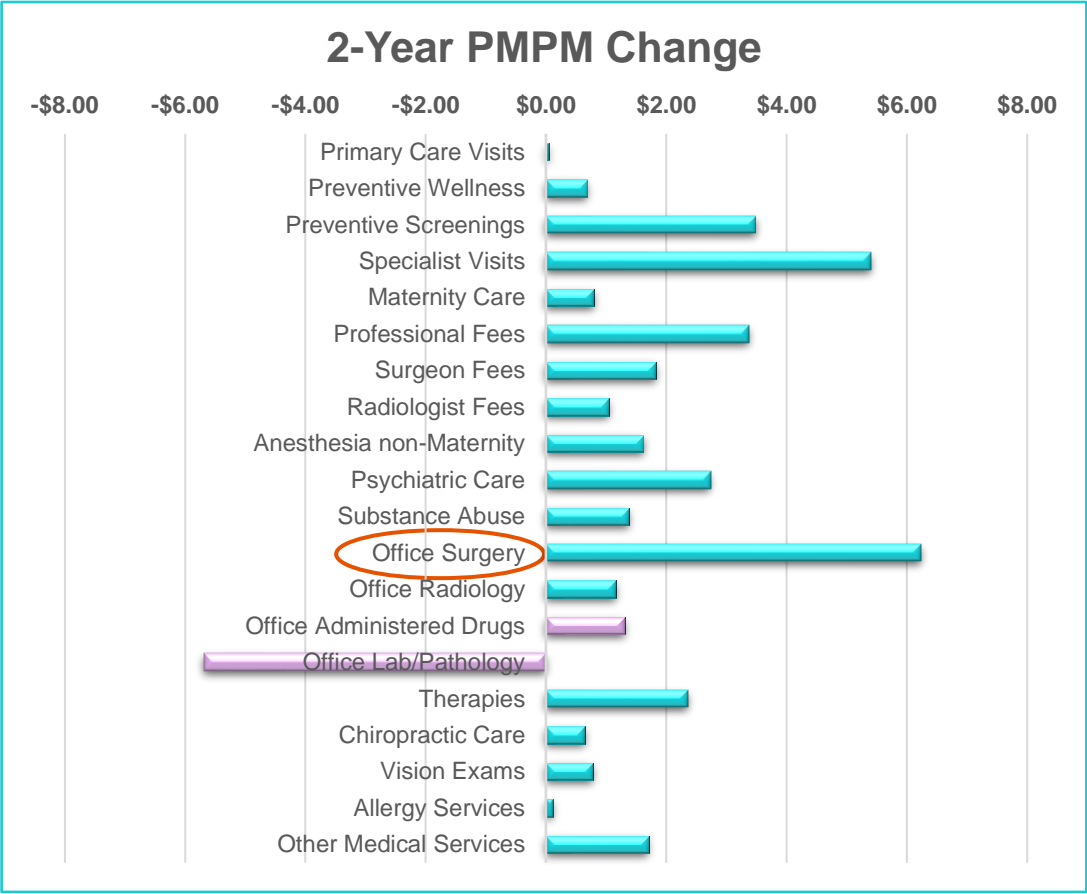
## Preventive Screenings

- PMPM trend has increased **16.7%** per year over the past 2 years
  - This is almost entirely due to large increases in Colorectal Cancer Screenings
  - Unit Costs for these screenings has also steadily increased

## Psychiatric Care

- PMPM trend has increased **7.8%** per year over the past 2 years, driven primarily by utilization increases
  - Services have shifted back to the office setting, but a good share have remained virtual, with the overall effect being a net increase in utilization
  - Noteworthy increases in Anxiety and Major Depressive Disorders

# Professional Services Trends – Bridgeport Drivers



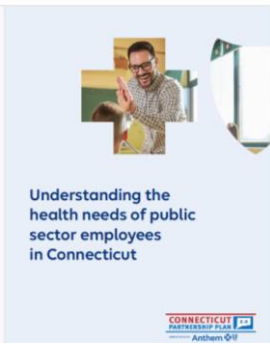
- **Office Surgery** is the primary driver in Bridgeport, this is unique to this area
  - The main outlier appears to be high rates of sinus procedures: 31298 - Nasal/sinus endoscopy, surgical, with dilation (eg, balloon dilation)
  - Additional detail can be provided for vendor research

# Monthly All-User Email Impact



Email Topic	Sent*/Group	Open Rate	CTOR
<b>SPP Retention Campaign</b> (Feb 21 – March 27); 153 Group administrators	1. SPP CT-Focused Health Needs? Read our new White Paper (Feb 21)- Kick-off email		
	2. SPP Clinical Health Programs (Feb 28)-clinical programs		
	3. SPP Rewards for proven healthcare providers (March 6)-POD		
	4. SPP Telehealth—Are your employees missing out? (March 13)-Telehealth		
	5. SPP One-click access to personalized benefits (March 20)-Benefits Portal		
	6. SPP Reduce your employees' health risks now — before they start (March 27)-HEP/Preventive Care		
<b>Quantum Health Survey</b>	State –Feb 2	17%	7%
	Spouse-State Feb 23	64%	4%
	State personal –Feb 2	47%	2.3%
	SPP- Feb 2	44%	2.5%
	Spouses (SPP)-Feb 23	64%	4%
<b>Clinical Health Programs</b>	State –Feb 21	49%	13%
	SPP -Jan 22	48%	2.5%
	State personal –Jan 22	52%	3.5%
<b>Upswing- webinar-Monthly</b> <i>Managing Knee Surgery</i> (March 14, 12 pm)	State –Feb 29	18%	5.2%
	SPP -Feb 29	43%	1.5%
	State personal –Feb 29	43%	1.4%

Open Rate = Unique Opens / Deliveries; Industry standard = 23.7%; CTOR = Unique Clicks / Unique Opens; Industry Standard = 13.4%; Emails were also sent to agency/group benefit contacts, call centers, Judicial and Higher Ed, HCCCC representatives' \*\*Facebook posts created and boosted (ads) to align with all-user topics each month; additional' marketing may include a slider featured on the QH benefits portal





# Care Compass Communication Plans

## March

- **New** Medical page update (See image/QR code below)
- **New** Care Coordinator webpage
- **Provider of Distinction** (See sample below)
- **New** Form: HEP Opt-Out CO-1416 (posted)
- **All-users:**
  - HEP portal/make appointments
  - Spouse outreach (new emails)
  - New provider tool (pending)



## April

- **Agency Benefits Specialist meeting**
- Dental and Pharmacy webpage updates
- **New** Transition to Retirement Guide
- 'OE is coming' (postcard)
- Retiree OE quad-fold (multiple versions by group)
- **All-users:**
  - New provider tool
  - OE Q&A event schedule/registration

## May

- The 'Benefits Enrollment' webpage updated
- Benefit guide tools updated
- Active, Retiree, New Hire, and Retiree Transition Planners 2024-2025 updated
- **Live Event Benefit Q & As**
- **OE bi-fold mailer (highlights)**
- **Weekly all-user -OE topics**

### KEY



Mailer



Email



Care Compass website

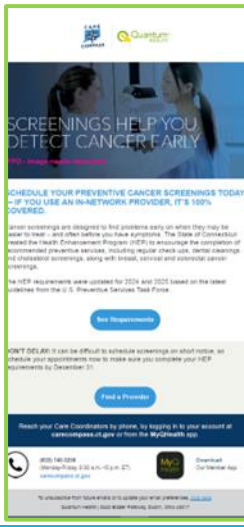
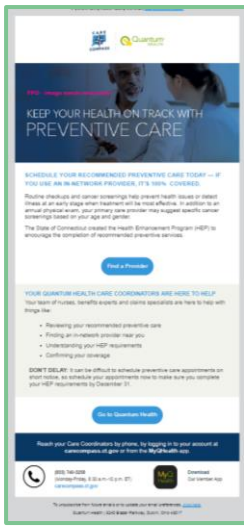


Virtual Meeting

# Quantum Health HEP Communication Plans



Campaign	Key Messages	Tactic	Audience	Timeline	
				Materials sent/ship/drop	Estimated EE Arrival Date
<b>2024 HEP Announcement</b>	<ul style="list-style-type: none"> <li>Access your Quantum Health account to see your 2024 compliance status.</li> <li>Quantum Health member site updated with 2024 HEP information</li> </ul>	<ul style="list-style-type: none"> <li>email</li> <li>letter</li> </ul>	All HEP eligible employees	<ul style="list-style-type: none"> <li>Email 3/5-7</li> <li>Mail List: 3/1</li> </ul>	<ul style="list-style-type: none"> <li>3/15/24</li> </ul>
<b>HEP 2023 Non-Compliance Reminders</b>	<ul style="list-style-type: none"> <li>You are out of compliance for 2023</li> <li>Steps to get into compliance at carecompass.ct.gov by end of May</li> </ul>	<ul style="list-style-type: none"> <li>email</li> <li>letter</li> </ul>	Current non-compliant members	<ul style="list-style-type: none"> <li>Email 3/12-14</li> <li>Letter 3/18</li> </ul>	<ul style="list-style-type: none"> <li>4/1-4</li> </ul>
<b>Benefit Reinstatement letter</b>	HEP benefits were automatically reinstated on 3/1.	<ul style="list-style-type: none"> <li>Special Letter</li> </ul>	1,033 people in compliance for 2022 because of 2024 HEP changes	<ul style="list-style-type: none"> <li>3/7/24</li> </ul>	<ul style="list-style-type: none"> <li>3./20/24</li> </ul>
<b>HEP 2023 Chronic Condition</b>	<ul style="list-style-type: none"> <li>Steps to get into compliance at carecompass.ct.gov by the end of May</li> </ul>	<ul style="list-style-type: none"> <li>email</li> </ul>	Current non-compliant members with chronic condition	<ul style="list-style-type: none"> <li>3/26-27</li> </ul>	<ul style="list-style-type: none"> <li>3/26-27</li> </ul>
<b>Cancer Screening Reminders</b>	Reminder of HEP purpose; CTA to confirm cancer screening status	<ul style="list-style-type: none"> <li>Postcard</li> </ul>	All HEP eligible employees	List: 3/29/24	Drop: 4/12/24
	Reminder of HEP purpose; CTA to confirm cancer screening status	<ul style="list-style-type: none"> <li>Email</li> </ul>	All HEP eligible members	List: 4/5/24	Send: 4/9 - 11
<b>Preventive Care Reminders</b>	Reminder of HEP purpose; CTA to schedule preventive care exams	<ul style="list-style-type: none"> <li>Postcard</li> </ul>	All HEP eligible employees	List: 5/28/24	Drop: 6/11/24
	Reminder of HEP purpose; CTA to schedule preventive care exams	<ul style="list-style-type: none"> <li>Email</li> </ul>	All HEP eligible members	List: 5/31/24	Send: 6/4 - 6





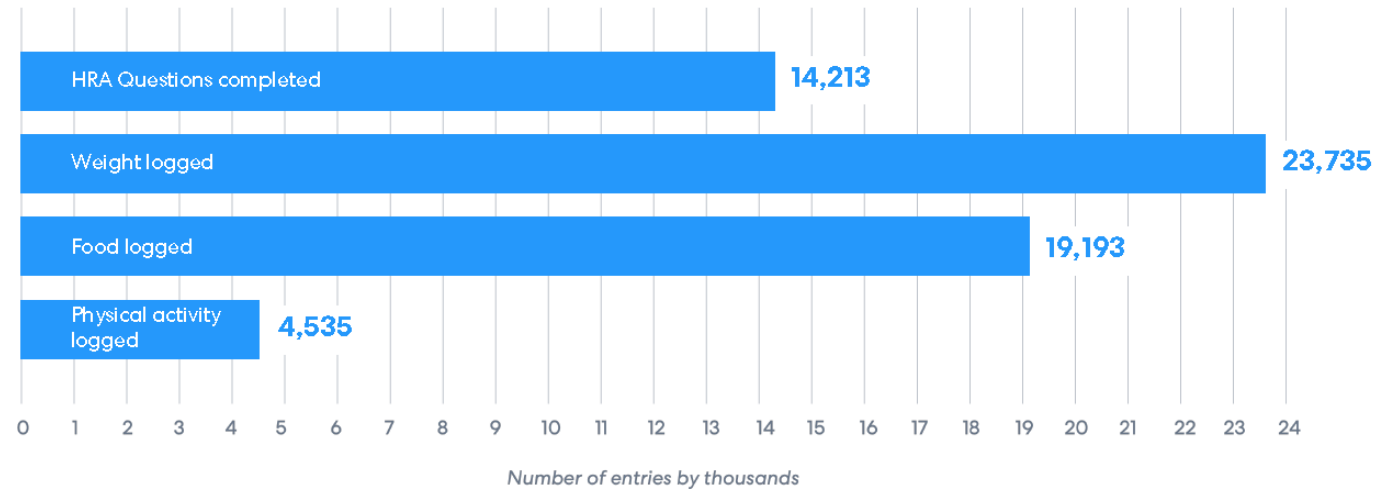
# Flyte

## 6 Month Results



# Flyte

## Evolve App Activity



Medication Decision Support Algorithms Executed	1,248	Behavioral Lifestyle Events Executed	47,463	Ave Patient Events Per Month	7,910	Avg Patient Events Per week	1,695
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\*As of 12/31/2023

## Initial Patient Care Experiences

### Common Presentation Themes

- **Inappropriate Prescriptions**

*Examples:* Compounded Semaglutide/Tirzepatide (despite FDA warning), inappropriate dose adjustments/titration (e.g. automatic titration schedules without assessing for tolerability and side effects)

- **Safety Concerns**

*Examples:* Prescribing GLP-1s for individuals with alcohol dependence or heavy alcohol consumption, history of pancreatitis, compounded Semaglutide/Tirzepatide with added ingredients and impurities

- **Unaddressed Needs**

*Examples:* No counseling provided by prescribers regarding medication use/administration, common side effects, lifestyle (dietary, physical activity, behavioral) modification

- **Missed Diagnoses**

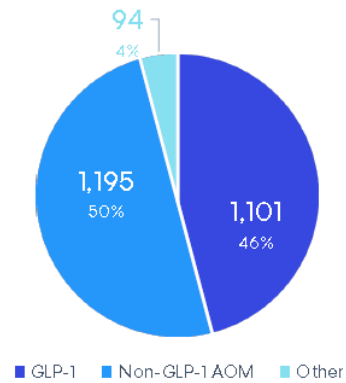
*Examples:* Medication-induced weight gain (diabetes, hypertension, depression), obstructive sleep apnea, hypothyroidism

# Flyte

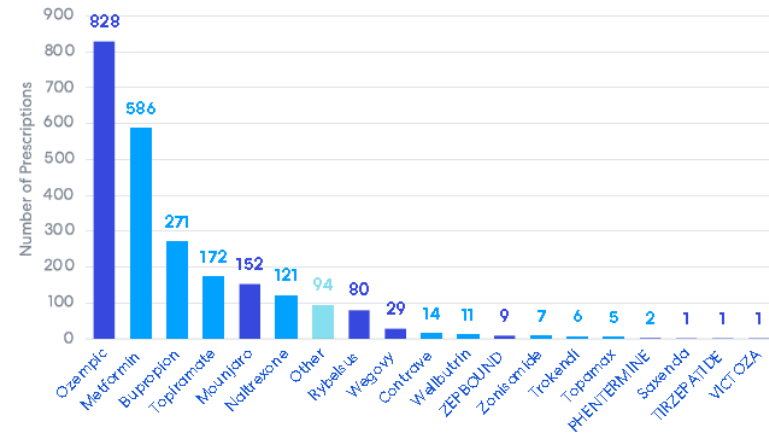
## Prescribed Medications

2,390 Unique Prescriptions

Prescribed Medications by Type



Prescriptions as of 12/31/23



# Flyte

## Weight

### Average Weight

n= 1248 PATIENTS

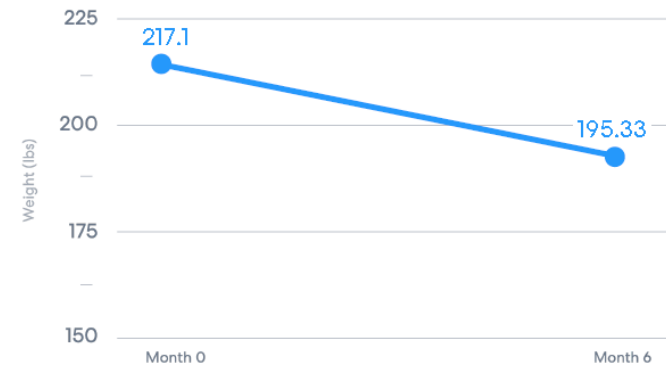
At enrollment, for patients with appointments

229.16 lbs

### Weight Change Over Time

n= 182 PATIENTS

For patients who have been enrolled at least 6 months and have data available



% change ↓ 10.03%



# Flyte

## BMI

**Avg. BMI** n= 1248 PATIENTS  
At enrollment, for patients with appointments

37.16

90.7%  
% of Patients with BMI > 30

**BMI Over Time** n= 182 PATIENTS  
For patients who have been enrolled at least 6 months  
and have data available



### BMI Classification

Normal BMI: 18.5-24.9  
Overweight: 25-29.9  
Class I Obesity: 30-34.9  
Class II Obesity: 35-39.9  
Class III Obesity:  $\geq 40$

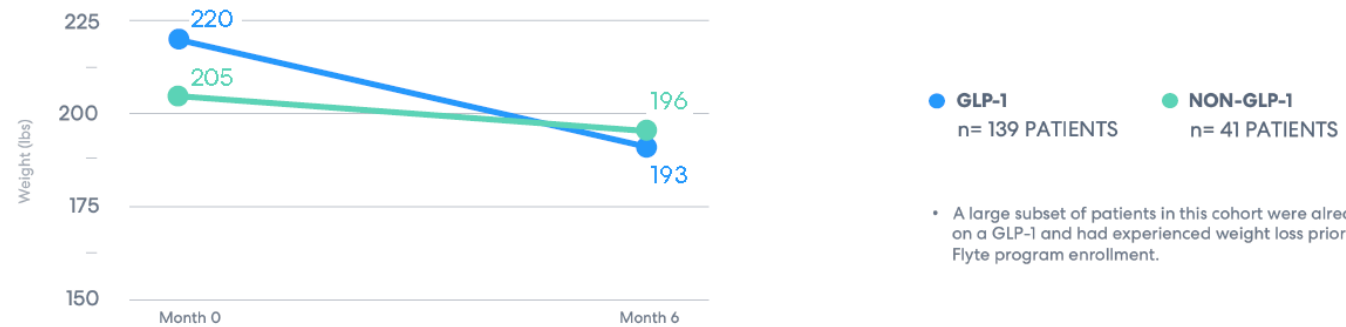
% change ↓ 8.26%

# Flyte

## 6 Month Weight Loss

### Patients on a GLP-1 vs Non GLP-1

For patients who have been enrolled at least 6 months, weight data is available, and were prescribed a medication by a Flyte Provider



• A large subset of patients in this cohort were already on a GLP-1 and had experienced weight loss prior to Flyte program enrollment.

Change in weight ↓ **27.0 lbs**    % change ↓ **12.27%**

Change in weight ↓ **9.0 lbs**    % change ↓ **4.39%**

# Flyte

## Blood Pressure

### Avg. Blood Pressure n= 704 PATIENTS

At enrollment, for patients with appointments

**136.6** Systolic

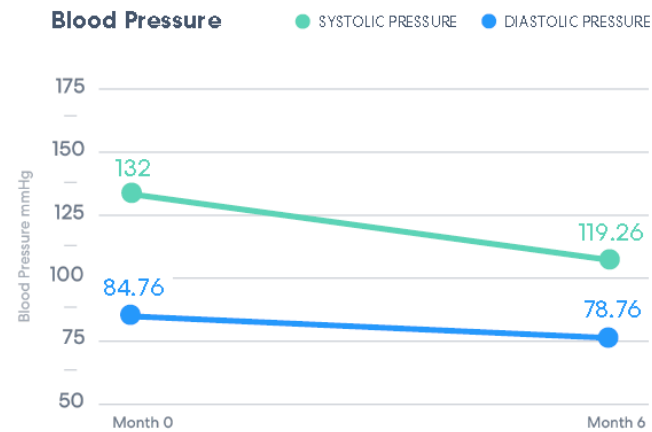
**86.81** Diastolic

% of Patients with **Systolic BP > 120** **78.0%**

% of Patients with **Diastolic BP > 80** **68.2%**

### Blood Pressure Over Time n= 60 PATIENTS

For patients who have been enrolled at least 6 months and have data available



BLOOD PRESSURE CATEGORY	SYSTOLIC mm Hg (upper number)		DIASTOLIC mm Hg (lower number)
NORMAL	LESS THAN 120	and	LESS THAN 80
ELEVATED	120 - 129	and	LESS THAN 80
HIGH BLOOD PRESSURE (HYPERTENSION) STAGE 1	130 - 139	or	80 - 89
HIGH BLOOD PRESSURE (HYPERTENSION) STAGE 2	140 OR HIGHER	or	90 OR HIGHER
HYPERTENSIVE CRISIS (consult your doctor immediately)	HIGHER THAN 180	and/or	HIGHER THAN 120

change ↓**12.74** mmHg % change ↓**9.65%**

change ↓**6.0** mmHg % change ↓**7.08%**

# Virta

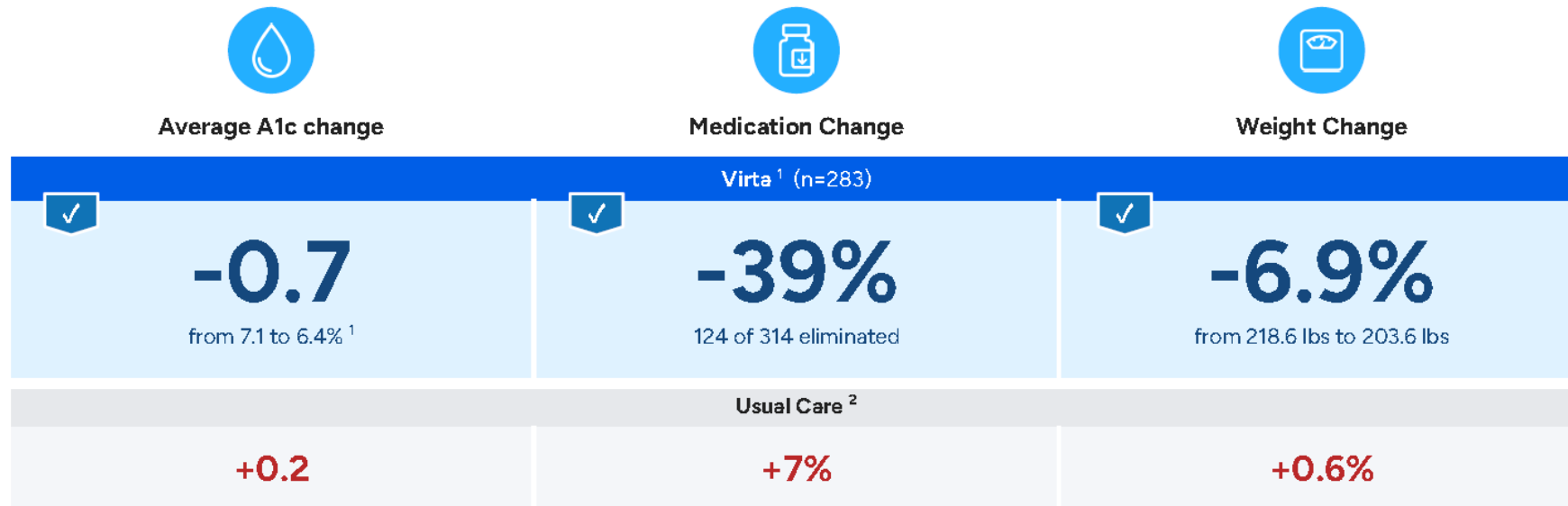
6 Month Results

Diabetes Reversal (remission)

# Virta

## TYPE 2 DIABETES REVERSAL

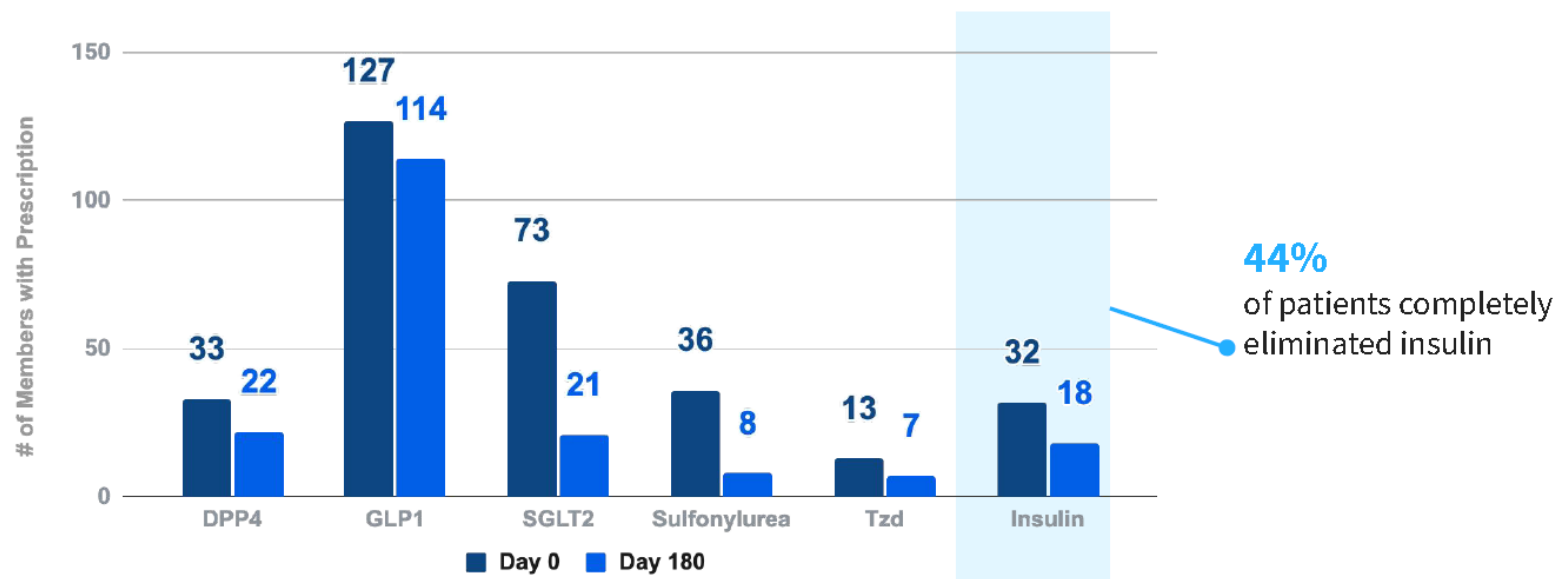
State of CT members see sustained clinical improvements at 6 months on Virta



# Virta

## TYPE 2 DIABETES REVERSAL

State of CT patients are eliminating diabetes medications, including costly medications like insulin





- ❖ Provider contracting
- ❖ Pharmacy data to provider groups
- ❖ PCI Provider Town Hall
  - Quality metric review
  - Attribution



# Questions and Comments





**Adjourn**



# Appendix