



# REPORT ON THE STATUS *of the* CONNECTICUT PARTNERSHIP PLAN

FY23 | Prepared December 2023



PREPARED BY:  
THE OFFICE *of the* STATE COMPTROLLER

# FISCAL YEAR 2023

## EXECUTIVE SUMMARY

The Connecticut Partnership Plan offers non-state public employers the choice to participate in the state employee health plan. Participating groups rely on the same programs as the state health plan, and all claims from both plans are pooled to determine premium rates. All eligible groups that apply are admitted to the plan as long as they include all of their covered lives.

The Partnership Plan has allowed Connecticut cities and towns to obtain quality health insurance for their employees at affordable rates by accessing the contract terms and pricing available to the state as a large purchaser. In addition, participating groups get access to innovative programs, like the state's Health Enhancement Program (HEP), which provides lower premiums and cost share in exchange for members agreeing to receive preventive care and screenings. This program has shown significant positive impacts on preventive cancer screening rates and improvements in health equity.

During this past fiscal year, the plan saw only modest overall cost increases, and as a result the plan collected more in premiums than it paid in claims. In total, the plan took in approximately \$635 million in premiums from enrolled members and paid out approximately \$612 million in claims. The Medical Loss Ratio (MLR)—the percent of premiums the health plan spends on medical and pharmacy claims—was 96.3 percent.

Contributing to the positive financial performance of the plan was the introduction of the PrudentRx copay program. PrudentRx is a voluntary specialty drug discount program that provides enrollees with \$0 cost share for all specialty medications. Participation is voluntary as those who do not wish to participate can opt-out. However, those that do participate enjoy the benefits of a \$0 copay for these medications rather than the standard copay structure that is on our pharmacy plan. Another benefit is that members are enrolled in a specialty management program which ensures appropriate and safe use of specialty drugs.

This program was launched on 7/1/22 and has realized significant savings to the Rx plan. In FY 2023, the program realized a net savings of approximately \$8.2 Million on Partnership 2.0 and \$22.3 Million for the state plan. In addition, the estimated overall out-of-pocket savings to the members was almost \$2 Million.

## THE BASICS



**PLAN OPENED IN 2016**



**22,431 EMPLOYEES**



**52,520 MEMBERS**



**153 ENROLLED GROUPS**

## ABOUT THE PARTNERSHIP PLAN

The Connecticut Partnership Plan is a point-of-service (POS) health plan available to non-state public employers and their employees. This includes municipalities, boards of education, quasi-public agencies, housing authorities, public libraries, and other public entities. The plan shares benefits, administration, and programs with the state health plan.

Claims from Partnership groups are pooled with those of the state health plan and used to establish rates.

The current Partnership Plan was established under Public Act 15-93 and began enrolling members on January 1, 2016. The Office of the State Comptroller administers the plan and contracts with private companies to manage benefits and claims processing, actuarial services, and health care programs.

Leveraging the size and negotiating power of the state employee health plan to benefit municipalities and other non-state public employers is a common practice across states, including Connecticut's neighbors: Massachusetts, Vermont and New Jersey.

### *Participating Groups*

As of January 1, 2024, the Partnership Plan has 52,250 enrolled employees and dependents representing 153 groups. By statute, the plan must admit all complete groups that apply.

Enrolled groups range in size from over 8,000 total members (City of Bridgeport and Board of Education) to one (Several Housing Authorities).

### *Offered Benefits*

Partnership Plan members have access to the same POS health plan as state employees. The plan has no- or low-deductibles for all services. Medical and pharmacy coverage are provided for all members, but individual groups may also decide to add dental coverage or a vision rider.

The state plan also offers a number of cost-saving and wellness programs that are also available to Partnership members. This includes:

- **The Health Enhancement Program (HEP):** a preventive health initiative that incentivizes members to receive several age-based services, such as physicals, dental cleanings, and cholesterol screenings, to maintain long-term health. The program is responsible for significantly improving cancer screening rates across all racial and ethnic groups. A recent Health Equity analysis of the State health plan found that the program was responsible for improving compliance with preventive cancer screenings well in excess of typical employer plans for all racial and ethnic groups.
- **Providers of Distinction:** a program that incentivizes members to use high quality, efficient providers for certain planned surgeries and services.
- **Diabetes Management Programs:** programs to prevent and manage diabetes including the online Diabetes Prevention Program and Virta Health, which provides access to coaching, a free connected glucose meter and supplies to manage diabetes as well clinically overseen diet and lifestyle program to help members reverse their diabetes.
- **Digital Orthopedic Services:** Upswing Health is an orthopedic resource that offers no-cost at home treatments to prevent surgery.

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- **PrudentRx:** a specialty drug discount program that applies manufacturer assistance to reduce member and plan costs for high-cost specialty drugs. The program began July 1, 2022, and has saved the State Plan and Partnership Plan a combined \$37 million through October 2023 and reduced member cost shares by approximately \$2,000,000.
- **Primary Care Initiative:** a pilot program that gives primary care providers additional financial resources to invest in improved care management, coordination, and access for members to improve the care experience, improve outcomes and reduce total health care costs.
- **Flyte:** a clinical weight loss program that combines lifestyle changes with medication assistance to help members lose weight and reduce their risk of comorbidities associated with obesity.

## *Public-Private Partnerships*

The Office of the State Comptroller has contractual agreements with a host of private companies to assist in the administration of the Partnership Plan and provide programs for members.

**Anthem Blue Cross Blue Shield (Anthem)** is the plan's third-party administrator. Anthem manages eligibility and billing for medical and pharmacy coverage and offers its same POS plan design available to state employees.

**Cigna** provides fully insured dental and vision options to Partnership groups and manages the related eligibility and billing.

**CVS Caremark** is the pharmacy benefit manager for both the state health plan and the Partnership Plan. CVS utilizes a tiered prescription pricing plan and a maintenance drug network to allow members to receive maintenance drugs at local pharmacies at reduced costs.

**WellSpark** is the administrator of the virtual Diabetes Prevention Program.

**Upswing** provides telehealth orthopedic care to members with the goal of low-cost treatment and surgical avoidance. Upswing can diagnose injuries, connect members virtually with athletic trainers and recommend additional services as needed.

**Quantum Health** operates the plan's benefits concierge service to answer member questions about coverage and assist in connecting patients with the care they need. Quantum is also the administrator of the Health Enhancement Program (HEP). They manage claims tracking for required preventive services and chronic disease management and related compliance.

**Segal** is an independent actuarial firm contracted to assist in monitoring financials and setting plan rates.

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## FINANCIAL REPORT

The Partnership Plan in FY23, collected more in premiums than it paid in claims. The plan ended FY23 with a MLR of 96.3 percent — meaning for every \$1 collected in premiums, \$0.96 was expended on medical and pharmacy claims.

SPAN	PREMIUMS	CLAIMS	MLR
7/1/17 – 6/30/18	\$140,669,124	\$150,040,021	106.7%
7/1/18 – 6/30/19	\$358,398,841	\$380,547,450	106.2%
7/1/19 – 6/30/20	\$512,762,495	\$484,097,446	94.4%
7/1/20 – 12/31/20	\$272,319,765	\$236,120,985	86.7%
7/1/20 – 6/30/21	\$557,177,149	\$508,175,960	91.2%
7/1/21 – 6/30/22	\$622,034,873	\$659,088,796	106%
7/1/22 – 6/30/23	\$634,853,318	\$611,544,939	96.3%

### Funding

The Partnership Plan is funded by premiums paid by enrolled groups. Premium payments are deposited into the Partnership account. The Partnership account balance as of December 29, 2024, is approximately \$30 million.

### Administrative Costs

Enrolled Partnership Plan groups have administrative costs included in their premiums. Those costs cover the state employees who support the program, as well as fees for the vendors and consultants.

In FY23, administrative costs were approximately 2.7 percent.

FISCAL YEAR	FAD YEAR-END BALANCE
CY 2015	\$384,269
CY 2016	\$8,831,813
CY 2017	\$2,230,584
CY 2018	\$8,040,047
CY 2019	\$23,668,462
CY 2020	\$31,575,411
CY 2021	\$58,486,561
CY 2022	\$29,801,478
<b>CY 2023</b>	<b>\$27,952,991.10</b>

# REPORT ON THE STATUS OF THE CONNECTICUT PARTNERSHIP PLAN

## OVERSIGHT & REPORTING

The Office of the State Comptroller is required to submit annual reports on the Partnership Plan to the Health Care Cost Containment Committee (HCCCC), the Office of Policy and Management (OPM) and the legislature's Appropriations Committee.

The state selected Segal to perform actuarial services for both the Partnership Plan and the State Plan after a competitive bidding process. Segal provides independent financial analysis to determine the fiscal state of the plan and calculates all premium rates for Partnership groups.

The State Auditors of Public Accounts maintain oversight authority into all functions of the Office of the State Comptroller, including the Partnership Plan. Additionally, the Comptroller must provide legal statements of fact on the financial status of the agency and the office, and its employees must comply with all Freedom of Information laws as a public agency.

Third party administrators of the medical, dental and pharmacy benefit plans are audited each year by independent auditors contracted by the Comptroller's office. The audits ensure benefits are administered correctly, claims have been paid appropriately and contractual terms have been met. Currently, Segal Co. and Milliman, Inc. are contracted to perform audits on the behalf of the plan.

Each vendor payment made on behalf of the Partnership Plan is also updated to OpenConnecticut, the Comptroller's transparency website that updates checkbook-level payment information on a nightly basis.

## FUTURE OUTLOOK

The Partnership Plan provides top-quality health care benefits at reasonable rates to 153 groups including municipal, boards of education, and other non-state public employers in Connecticut. It allows smaller public groups to access the state's low administrative costs and aggressive discounts as well as innovative programming like the Health Enhancement Plan, Provider of Distinction Program and Prudent Rx.

The Partnership Plan remains a significant benefit to municipal and board of education employees and their dependents, including police, firefighters, teachers and other essential workers. Combined, the State Plan and Partnership Plan is the largest group plan in Connecticut and has notable market strength that results in favorable contractual terms and innovative programs for enrollees. Enrolled Partnership groups will continue to benefit from being part of that larger pool.

## ADDENDUM

Sec. 3-123yyy of the Connecticut General Statutes requires the Comptroller's Office to "include a plan to ensure the fiscal adequacy of the premium rate structure" for participants in the Partnership Plan, when "the profit loss ratio demonstrates inadequacy in premium payments." As reported above, the Partnership Plan did not incur losses in FY23 therefore the Comptroller's Office is not recommending any adjustments to the rate structure at this time.

# REPORT ON THE STATUS OF THE CONNECTICUT PARTNERSHIP PLAN

## Experience by Group (part 1 of 2) Medical/Pharmacy July 01, 2022 through June 30, 2023

Group Name	Average Subscribers	Average Members	Annual Premium	Annual Medical Claims	Annual Pharmacy Claims Net of Rebates	Annual Total Claims	Loss Ratio
Ansonia City	67	161	\$1,892,675	\$1,080,301	\$191,144	\$1,271,445	67.2%
Bethel BOE	342	946	\$9,646,426	\$6,444,962	\$1,103,098	\$7,548,059	78.2%
Bethel Town	131	324	\$3,543,624	\$2,064,042	\$385,965	\$2,450,006	69.1%
Bloomfield BOE	203	493	\$4,683,650	\$2,951,300	\$658,586	\$3,609,886	77.1%
Bolton Town & BOE	138	335	\$3,200,022	\$2,668,770	\$372,950	\$3,041,720	95.1%
Branford Town	167	374	\$3,522,547	\$2,604,785	\$644,843	\$3,249,628	92.3%
Bridgeport BOE	2,506	4,937	\$62,211,388	\$49,968,803	\$7,994,705	\$57,963,509	93.2%
Bridgeport City	1,453	3,012	\$37,842,299	\$29,502,805	\$5,446,563	\$34,949,368	92.4%
Brookfield BOE	330	860	\$8,815,702	\$9,367,845	\$1,015,560	\$10,383,405	117.8%
Brookfield Town	112	276	\$2,976,773	\$2,416,253	\$306,196	\$2,722,450	91.5%
Canterbury Public Schools	65	153	\$1,542,557	\$802,365	\$188,844	\$991,209	64.3%
Charter Oak Communities	65	134	\$1,545,782	\$1,130,996	\$175,866	\$1,306,862	84.5%
Clinton Public Schools	237	665	\$6,420,283	\$5,052,394	\$1,016,074	\$6,068,468	94.5%
Clinton Town	60	141	\$1,476,412	\$1,189,243	\$174,841	\$1,364,084	92.4%
Columbia Town & BOE	89	216	\$1,928,860	\$1,791,994	\$270,697	\$2,062,691	106.9%
East Hampton BOE	232	616	\$5,962,331	\$3,982,477	\$1,016,876	\$4,999,353	83.8%
East Hampton Town	70	186	\$1,862,832	\$1,167,069	\$247,535	\$1,414,604	75.9%
East Lyme Town & BOE	444	1,132	\$8,773,228	\$9,569,858	\$1,356,494	\$10,926,352	124.5%
East Windsor BOE	163	350	\$3,478,103	\$2,431,296	\$478,239	\$2,909,534	83.7%
East Windsor Town	69	169	\$1,690,821	\$2,263,678	\$1,802,345	\$4,066,022	240.5%
Fairfield PS	1,316	3,551	\$36,598,363	\$27,767,033	\$5,873,932	\$33,640,966	91.9%
Greater Bridgeport Transit (GBTD)	133	244	\$2,883,972	\$2,273,678	\$575,298	\$2,848,976	98.8%
Greater New Haven Transit	83	167	\$1,939,386	\$981,712	\$184,411	\$1,166,123	60.1%
Greenwich Town & BOE	2,154	5,322	\$58,671,950	\$54,025,440	\$7,858,436	\$61,883,876	105.5%
Housatonic Area Transit Auth	57	102	\$1,203,699	\$1,027,402	\$124,049	\$1,151,450	95.7%
Lebanon BOE	139	367	\$3,807,478	\$2,058,610	\$324,920	\$2,383,531	62.6%
Ledyard Town & BOE	297	709	\$6,381,565	\$4,027,755	\$963,123	\$4,990,878	78.2%
Middletown BOE	525	1,255	\$12,553,659	\$9,218,030	\$1,386,090	\$10,604,120	84.5%
Monroe BOE	94	262	\$2,731,074	\$2,201,197	\$333,370	\$2,534,567	92.8%
New Haven Housing Authority	105	256	\$2,680,874	\$2,478,445	\$298,219	\$2,776,664	103.6%
New London Public Schools	389	808	\$9,146,429	\$8,993,541	\$1,462,684	\$10,456,225	114.3%
New Milford Town & BOE	586	1,407	\$9,730,319	\$11,974,930	\$2,223,639	\$14,198,570	145.9%
North Branford BOE	185	445	\$4,648,260	\$3,997,994	\$508,909	\$4,506,903	97.0%
Norwalk City	824	1,998	\$22,811,630	\$19,506,378	\$2,932,880	\$22,439,258	98.4%
Norwalk Public Schools	1,676	3,861	\$41,508,280	\$29,905,679	\$5,128,093	\$35,033,772	84.4%

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## Experience by Group (part 2 of 2) Medical/Pharmacy July 01, 2022 through June 30, 2023

Group Name	Average Subscribers	Average Members	Annual Premium	Annual Medical Claims	Annual Pharmacy Claims Net of Rebates	Annual Total Claims	Loss Ratio
Norwalk Transit District	72	173	\$1,969,752	\$1,578,867	\$320,755	\$1,899,622	96.4%
Oxford Public Schools	68	177	\$1,847,619	\$1,742,289	\$204,462	\$1,946,751	105.4%
Park City Communities / Bridgeport HA	113	220	\$2,737,390	\$2,344,049	\$485,492	\$2,829,541	103.4%
Plainville BOE	323	803	\$7,483,767	\$7,240,146	\$1,046,260	\$8,286,406	110.7%
Plainville Town	104	244	\$2,320,857	\$1,603,173	\$320,400	\$1,923,573	82.9%
Regional School District #1 with Feeder Towns	302	782	\$7,353,622	\$6,138,313	\$898,501	\$7,036,814	95.7%
Region School District #13	234	628	\$6,100,716	\$2,888,513	\$1,003,536	\$3,892,049	63.8%
Regional School District #17	296	843	\$8,082,656	\$5,743,479	\$1,310,894	\$7,054,373	87.3%
Southeast Area Transit (SEAT)	61	116	\$1,313,026	\$798,612	\$136,323	\$934,935	71.2%
Stamford City	1,035	2,469	\$26,902,426	\$22,688,067	\$4,128,595	\$26,816,662	99.7%
Stamford Public Schools	1,708	3,962	\$43,115,786	\$40,009,658	\$6,465,893	\$46,475,551	107.8%
Thompson BOE	119	289	\$2,914,584	\$1,432,619	\$635,118	\$2,067,737	70.9%
Town of Ellington	58	145	\$682,945	\$405,731	\$160,980	\$566,712	83.0%
Trumbull BOE	131	356	\$3,795,552	\$4,496,661	\$649,232	\$5,145,893	135.6%
Trumbull Town	241	615	\$6,596,611	\$4,816,564	\$1,353,577	\$6,170,141	93.5%
West Hartford BOE	1,317	3,459	\$32,323,504	\$28,668,288	\$4,437,715	\$33,106,003	102.4%
West Hartford Town	309	840	\$7,629,360	\$5,462,585	\$810,093	\$6,272,679	82.2%
West Haven BOE	627	1,370	\$14,705,567	\$11,680,616	\$2,013,484	\$13,694,100	93.1%
West Haven City	262	613	\$6,680,906	\$6,246,015	\$1,061,916	\$7,307,931	109.4%
Weston BOE	310	894	\$9,099,016	\$6,479,045	\$1,725,882	\$8,204,927	90.2%
Wilton Town	125	310	\$3,353,735	\$4,387,470	\$352,817	\$4,740,287	141.3%
Woodstock BOE	100	225	\$2,391,017	\$1,276,629	\$205,151	\$1,481,779	62.0%
Small Groups Combined (<50 Subscribers)	1,513	3,400	\$45,139,654	\$34,096,199	\$5,679,741	\$39,775,940	88.1%
Woodstock BOE	102	225	\$2,168,320	\$2,357,890	\$237,647	\$2,595,537	119.7%
Small Groups Combined (<50 Subscribers)	1,503	3,434	\$39,726,205	\$27,392,158	\$5,212,482	\$32,604,640	82.1%
<b>Total</b>	<b>24,934</b>	<b>59,167</b>	<b>\$634,853,318</b>	<b>\$521,112,648</b>	<b>\$90,432,291</b>	<b>\$611,544,939</b>	<b>96.3%</b>

### Data Sources

1. Segal's SHAPE Claims Database from Anthem and CVS: Subscribers, Members, Medical Claims and Pharmacy Claims on paid basis.
2. Pharmacy claims reflect Point of Sale Rebates. Pharmacy claims also reflect savings from the PrudentRx program effective July 1, 2022.
3. Premium: Anthem billed premium
4. This report is subject to change in the future as enrollment and claims are restated with the State's data aggregator.

## Memorandum

**To:** State of Connecticut - Office of the State Comptroller (OSC)  
**From:** Mark Noonan, ASA, MAAA  
**Date:** December 21, 2023  
**Re:** Actuarial Certification

Segal has been retained to calculate preliminary rates for July 1, 2024 and projected loss ratios on behalf of the State of Connecticut for the Partnership 2.0 plan. The calculations in this report were completed in accordance with generally accepted actuarial principles and practices, consistently applied, based on the data described in this report.

The projections in this report are estimates of future costs and are based on information provided to Segal by OSC, Anthem and CVS at the time the projections were made. Segal has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from new health care reform legislation or other recently passed state or federal regulations.

Projections of retiree costs take into account only the dollar value of providing benefits for retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled or terminated employees during a period other than that which is referred to in the projection.

I am an Associate of the Society of Actuaries and member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.



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Mark J. Noonan, ASA, MAAA  
Vice President and Consulting Actuary