

CONNECTICUT HEALTHCARE PARTNERSHIP

Overview:

The Connecticut Healthcare Partnership proposal will open the State Employee health plan and allow Municipal Employees, Small Businesses and Non-Profits to join voluntarily.

- State Employees will agree to open their contract with the State and switch to a self-insured plan, which will bring short and long-term savings to the State.
- Municipal employees, small businesses and non-profits will be able to take advantage of the increased bargaining power and reduced administrative costs associated with the State plan.
- By opening the State plan to these groups, many Connecticut employers and their workers will gain access to the same comprehensive benefit package that state employees currently receive. This will permit employers to stretch their dollars further, provide a boost to our local economy, and help determine whether the State plan could be successful if expanded further.

Key Points:

Self-Insuring

- The State Employee Health Plan will switch from a fully insured plan to a self-insured plan with an agreement between State Employees and the State. Under the self-insured structure, the State will pay the medical claims directly to the medical providers through an Administrative Services Only (ASO) arrangement with a third-party administrator.
- **Large Short-Term Savings**
 - By switching to a self-insured plan, the State will see an immediate savings approximately equal to two-months of premium costs. This savings is a result of the natural transition from a fully insured to a self-insured plan. Under a fully insured plan, the premiums, which include a risk service charge for the insurance provider, are paid up front. However, a self-insured plan only requires payment for actual claims after they have been incurred.

Participation Will Be Voluntary

- Municipalities, small businesses and non-profits will have time to evaluate the State Employee health plan and determine on their own whether it is in their best interest to join. Municipalities will be able to join by making an agreement with their municipal employees. The advantages of a large purchasing pool can provide immediate cost-savings to small organizations. Larger municipalities that already self-insure can benefit by long-term stabilization.

Long-Term Savings through Medical Management

- A self-insured plan will allow the State to see long-term savings by directly managing the medical claims and health service utilization. The State will be able to create true incentives for healthy lifestyles and use scientific data for case management services that will provide direct savings to State funds.

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24 States	Local Government Employees Covered by State Employee Plan
Arkansas	School employees. (since 2003)
California	Municipal employees. (since 1967)
Delaware	Municipal employees.
Florida	School employees.
Georgia	Municipal and school employees
Hawaii	Municipal and school employees.
Illinois	Municipal employees.
Kentucky	School employees.
Louisiana	School employees. (since 1980)
Maryland	Municipal employees.
Massachusetts	Municipal employees. (since summer 2007)
Mississippi	School employees.
Missouri	Municipal and school employees.
Nevada	Municipal and school employees.
New Jersey	Municipal and school employees. (since 1964)
New Mexico	Municipal employees.
New York	Municipal and school employees. (since 1958)
North Carolina	School employees.
South Carolina	Municipal and school employees.
Tennessee	Municipal and school employees.
Utah	Municipal and school employees. (since 1977)
Washington	Municipal and school employees.
West Virginia	Municipal and school employees. (since 1988)
Wisconsin	Municipal employees.

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Self-insuring the State Employee Plan

- The legislature's Office of Fiscal Analysis estimates that the state will save over \$70 million from transitioning the plan from fully-insured to self-insured.
- More than half of Connecticut workers who have employer-sponsored insurance receive it under a self-insured plan.
- **Connecticut's Largest Municipalities Self-Insure**
 Nine out of Connecticut's 10 largest municipalities self-insure all or part of their healthcare plan, including Bridgeport, New Haven, Hartford, Stamford, Norwalk, Danbury, New Britain, West Hartford and Bristol
- **Connecticut's Largest Employers Self-Insure**
 Including United Technologies, Foxwoods, Wal-Mart, General Dynamics Electric Boat and AT&T.

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STATE PLAN

BENEFIT FEATURES	POE AND POE-G	POS IN NETWORK	POS OUT-OF-NETWORK
Annual Deductible			
Each Individual	\$0	\$0.00	\$300.00
Family (3 or more)	\$0.00	\$0.00	\$900.00
Maximums			
Each Individual	\$0.00	\$0.00	\$2,000 (plus deductible)
Family	\$0.00	\$0.00	\$4,000 (plus deductible)
Coinsurance	\$0.00	\$0.00	20% of allowable charge
Lifetime Maximum	\$0.00	\$0.00	\$0.00
Outpatient Physician Visits	\$10.00	\$15.00	80%
Preventative Care			
Children	\$0.00	\$0.00	80%
Adults	\$10.00	\$15.00	
Family Planning			
Oral Contraceptives-Rx plans	covered on same basis as other Rx	covered on same basis as other Rx	covered on same basis as other Rx
Vasectomy	100%	100%	80%
Tubal ligation	100%	100%	80%
Inpatient Physician	100%	100%	80%
Inpatient Hospital	100%	100%	80%
Outpatient Surgery Facility	100%	100%	80%
Ambulance	100% if emergency	100% if emergency	100% if emergency
Pre-admission Certification/Concurrent View	through participating provider	through participating provider	penalty of 20% up to \$500 for no certification
Mental Health	pre-certification required	pre-certification required	pre-certification required
Inpatient	100%	100%	80%
Outpatient	\$10.00	\$15.00	80%
Substance Abuse	pre-certification required	pre-certification required	pre-certification required
Detoxification	100%	100%	80%
Inpatient	100%	100%	80%
Outpatient	\$10.00	\$15.00	80%
Skilled Nursing Facility	100%	100%	80%, up to 60 days/year
Home Healthcare	100%	100%	100%
Hospice	100%	100%	80%, up to 200 visits/year
Short Term Rehabilitation and Physical Therapy	100%	100%	80%, up to 60 inpatient days, 30 outpatient days per condition per year
Diagnostic X-Ray and Lab	100%	100%	80%
Pre-Admission Testing	100%	100%	80%
Urgent or Emergency Care	100%	100%	80%
Durable Medical Equipment	100%	100%	80%
Prosthetics	100%	100%	80%
Routine Eye Exam	\$15.00, 1 exam/year	\$15.00, 1 exam/year	50%, 1 exam every 2 yrs
Audiological Screening	\$15.00, 1 exam/year	\$15.00, 1 exam/year	80%, 1 exam/year
Prescription Drugs			
Retail Pharmacy	\$3 generic/\$6 brand name for up to 34-day supply		
	Maintenance drugs 3-month supply - \$3 generic/\$6 brand name		
Mail-order Pharmacy	Maintenance drugs 3-month supply - \$3 generic/\$6 brand name		

ANNUAL PREMIUM COSTS
NO STATE CONTRIBUTIONS
For Coverage Period July 1, 2008 through June 30, 2009

	Subscriber	Subscriber +1	Family
MEDICAL PLANS			
Point of Service Plans (POS)			
Anthem State Preferred POS	\$ 8550.10	\$ 18,810.27	\$ 23,085.45
Anthem State BlueCare POS	\$ 6,052.07	\$ 13,314.39	\$ 16,340.43
Health Net Charter POS	\$ 6,345.17	\$ 13,959.06	\$ 17,131.78
Oxford Freedom Select POS	\$ 5,268.81	\$ 11,591.01	\$ 14,225.28
Point of Enrollment Plans (POE)			
Anthem State BlueCare POE	\$ 5,866.24	\$ 12,905.41	\$ 15,838.52
Health Net Charter POE	\$ 5,980.55	\$ 13,157.01	\$ 16,147.03
Oxford HMO Select POE	\$ 5,024.51	\$ 11,053.87	\$ 13,565.98
Point of Enrollment - Gatekeeper Plans (POE-G)			
Anthem State BlueCare POE Plus	\$ 5,844.05	\$ 12,856.60	\$ 15,778.76
Health Net Passport HMO	\$ 6,049.20	\$ 13,308.39	\$ 16,332.86
Oxford HMO	\$ 4,640.58	\$ 10,209.28	\$ 12,529.57
DENTAL PLANS			
United Healthcare Dental PPO	\$ 391.50	\$ 1,194.08	\$ 1,194.08
United Healthcare Basic Dental	\$ 425.69	\$ 1,298.21	\$ 1,298.21
Cigna DHMO	\$ 259.96	\$ 571.85	\$ 701.83
OUT OF AREA PLANS			
Anthem State Preferred	\$ 8,193.05	\$ 18,024.66	\$ 22,121.32
Oxford USA	\$ 5,573.66	\$ 12,262.04	\$ 15,048.74

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