



**Office of Health Strategy
Healthcare Benchmarks
CID Rate Hearing
August 20, 2024**

Why a Cost Growth Benchmark?

Healthcare Cost Growth impacts Connecticut Residents



What is a Cost Growth Benchmark?

- Connecticut's Healthcare Benchmarks were established in March, 2020 in Executive Order No. 5, and later codified in Public Act 22-118.
- The cost growth benchmark is the targeted annual per person growth rate for Connecticut's total healthcare spending.
- The benchmark goal is to slow the growth of healthcare spending and make healthcare more affordable for the residents of Connecticut.

Connecticut's Healthcare Cost Growth Benchmark

Calendar Year	Benchmark Values
2021	3.4%
2022	3.2%
2023	2.9%
2024	*4.0%
2025	2.9%

- The benchmark values are based on a blend of forecasted per capita potential gross state product (PGSP) and forecasted growth in median income.

*Modified from 2.9% to account for inflation

Understanding Benchmark Programs

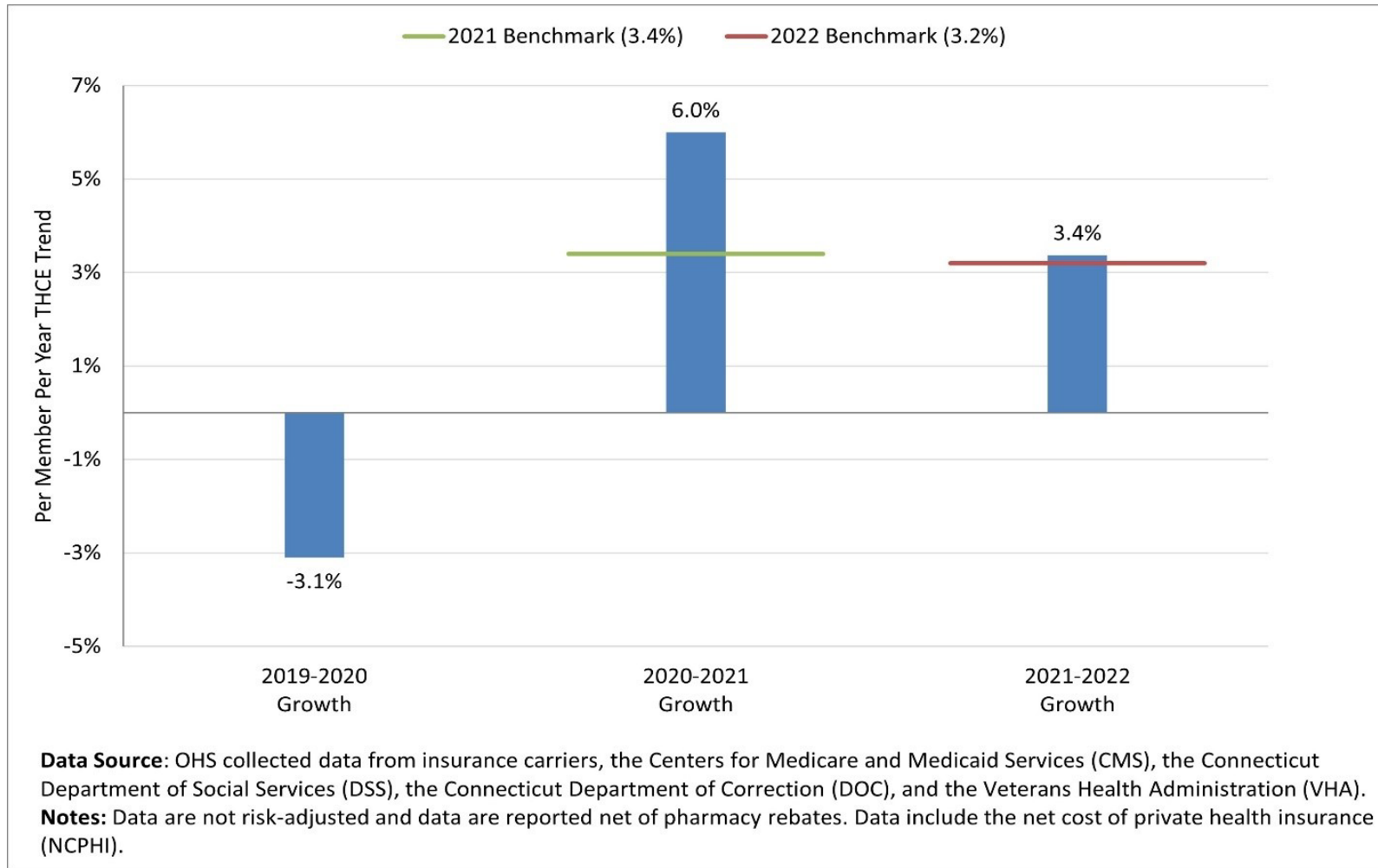
Cost Growth Benchmark Programs are Emerging Around the Country

- *Eight states now have healthcare cost growth benchmark programs.*
- *Connecticut's Benchmark is comparable to benchmarks in other states*

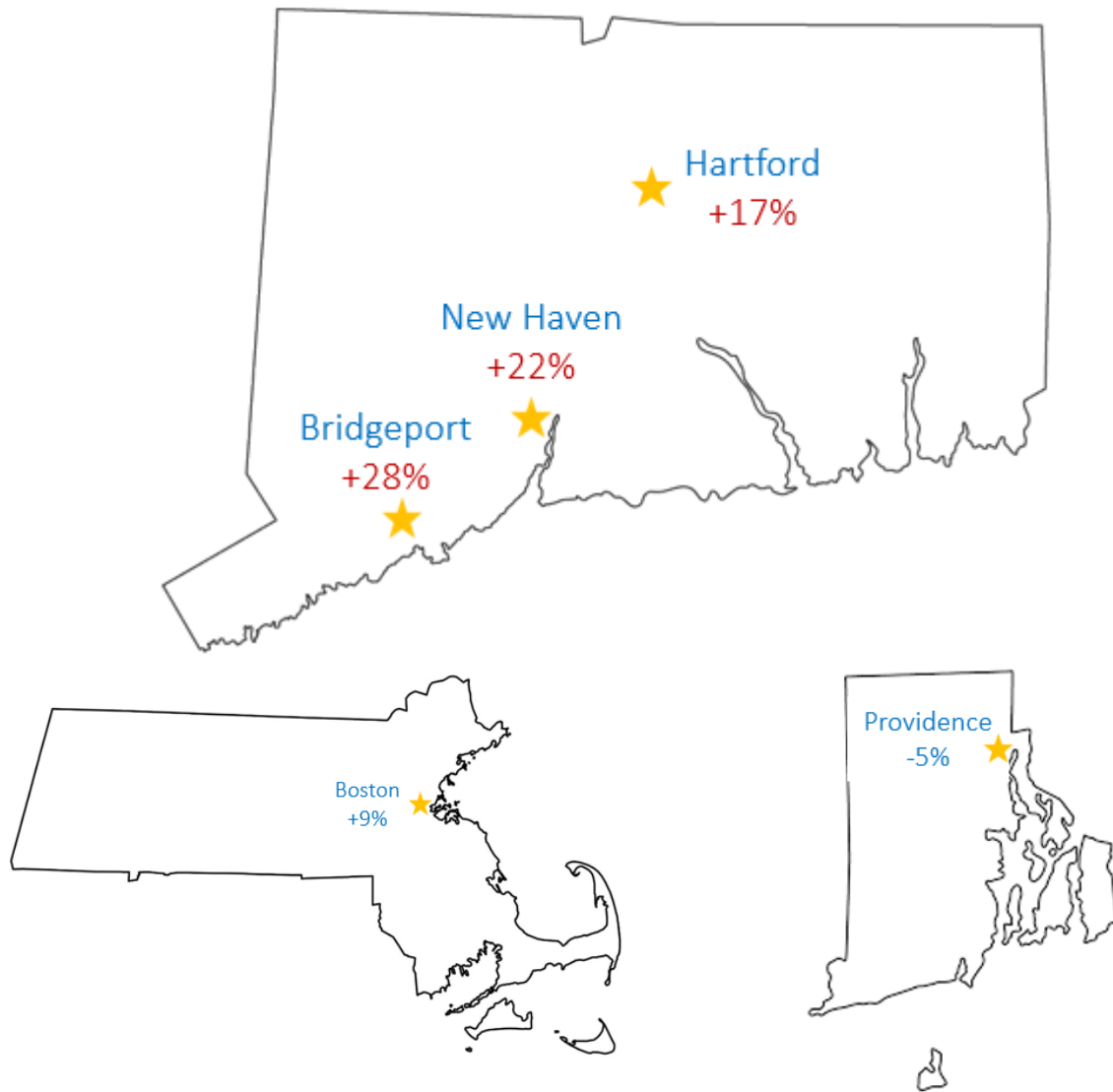
State	2022 Cost Growth Benchmark Value (%)
California	N/A (Implemented beginning 2026)
Connecticut	3.2
Delaware	3.0
Massachusetts	3.1
New Jersey	N/A (2022 is an implementation year; 2023 benchmark is 3.5%)
Oregon	3.4
Rhode Island	3.2
Washington	N/A (Implemented beginning 2024)

Healthcare Benchmark Values (Using state specific reports available here: [source](#)). Values can be adjusted for inflation or other state-determined factors, and may differ from the snapshot above.

Cost Growth Benchmark Results – Statewide



Healthcare prices are higher in Connecticut metros than in national *and* New England comparisons



- Connecticut Healthcare Prices Relative to National and Regional Averages

Source: [Health Care Cost Institute](#). Map reflects overall health care prices in 2021 compared to the national median of 183 metropolitan areas in the U.S.

Retail Pharmacy: Total Spending Trends

Year	Market	Per Member Per Month (PMPM) Spending	Payment per Unit	Utilization per Thousand
2021-2022 Trend	Commercial	14.1%	7.0%	5.9%
	Medicaid	5.3%	8.9%	-3.6%
	Medicare	14.6%	5.8%	7.7%
Average Annual Trend, 2018-2022	Commercial	6.4%	6.1%	1.8%
	Medicaid	1.9%	5.4%	-2.6%
	Medicare	8.8%	7.2%	3.0%

Source: APCD

NASHP Hospital Cost Tool: Price Variation

