

**From:** [Carson, Jim](#)  
**To:** [Ratefilings\\_cid](#)  
**Subject:** FW: OAG submissions for the CID hearing record  
**Date:** Monday, August 15, 2022 12:58:12 PM  
**Attachments:** [OAG State by state rate increase requests 8.15.22.pdf](#)  
[OAG -OHA Questions to Connecticare and Cigna.pdf](#)  
[image001.png](#)

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**From:** Passaro, Cara <Cara.Passaro@ct.gov>  
**Sent:** Monday, August 15, 2022 12:52 PM  
**To:** Carson, Jim <Jim.Carson@ct.gov>  
**Cc:** Ryan, Thomas <Thomas.Ryan@ct.gov>; Benton, Elizabeth <Elizabeth.Benton@ct.gov>; Fitzsimmons, Matthew <Matthew.Fitzsimmons@ct.gov>  
**Subject:** OAG submissions for the CID hearing record

Hi Jim,

Attached please find electronic copies of the documents I handed to you. Note that there are two documents (rather than three) because I incorporated the outstanding OHA questions to ConnectiCare into the same PDF as the OAG questions.

Please let me know if you have any questions.

Best,  
Cara



**CARA PASSARO**  
**Chief of Staff**

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August 4, 2022

To: ConnectiCare, Inc.,  
ConnectiCare Benefits, Inc., &  
ConnectiCare Insurance Company, Inc. &

175 Scott Swamp Road  
Farmington, CT 06032

Via email to: [SaraMu@Connecticare.com](mailto:SaraMu@Connecticare.com)

Re: 2023 Health Insurance Rate Filings

Dear Ms. Mu,

The Office of the Healthcare Advocate submits the following questions to ConnectiCare, Inc., ConnectiCare Benefits, Inc., and ConnectiCare Insurance Company, Inc., (hereafter, collectively, ConnectiCare) regarding all of the 2023 health insurance rate filings.

As you are aware, the Connecticut Office of the Healthcare Advocate (OHA), the Office of the Attorney General (OAG) and the Office of Health Strategy (OHS) have been invited by the Connecticut Insurance Department (CID) to participate in the Informational Meeting on 2023 Health Insurance Rate Requests, currently scheduled for August 15, 2022, with an opportunity to direct specific questions to the insurance companies who are present at the meeting.

In anticipation of the Informational Meeting, we are requesting that ConnectiCare provide responses in advance to the following questions. We expect that ConnectiCare's responses to these questions will provide data, context and further explanation beyond any information submitted in prior responses to CID's questions or objections. So that we may have sufficient time to review your responses and prepare for a meaningful dialogue at the Informational Meeting, we request that ConnectiCare submit its responses by close of business on Wednesday, August 10, 2022.

Unless otherwise specified, please answer the following questions for each rate filing that was submitted for the 2023 rate year.

**Instructions:** Except as instructed otherwise, for each requested spending or service question below, please provide: 1. Anticipated 2023 amount; 2. Estimated full-year 2022 amount; 3. Experienced amount for 2021; 4. Experienced amount for 2020; and 5. Experienced amount for 2019.

For quantitative questions, please include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.

1. **Total medical claim payments:** How much do you anticipate your firm will pay (or did you pay, as the case may be) in Medical Claims? (Total, and PMPM)
2. **Total Out-of-Pocket obligation:** What is the anticipated (or actual, as the case may be) total OOP obligation (all sources, deductible, co-pay, co-insurance) for your member families? (Total, and PMPM)
3. **Hospital charges:** For each of the following systems, what is your anticipated (or actual) total allowed charges (for all services) for each system, both in- and out-of-network? (Total, and PMPM)
  - a. Yale New Haven Health
  - b. Hartford Healthcare
  - c. For each of the above-named systems, what is the anticipated (or actual, for past years) total OOP obligation for your families? (Total, and PMPM)
4. **Hospital total spending impact on premium rate request:** For each of the systems named in question 3, based on your anticipated increase (or decrease) of total allowed charges for 2023 for that system, please estimate the impact of each system on your plan's overall requested annual rate increase. In other words, for each system, please estimate what your plan's overall requested annual rate increase for 2023 would be, if allowed medical claims for that system were anticipated to be flat year-over-year in 2023 vs. 2022 – unchanged in nominal dollars. (Total, and PMPM)
  - a. For each of the systems, provide a breakdown of in-network vs. out-of-network total allowed charges.
5. **Hospital prices (a/k/a unit cost) impact on premium rate request:** For each of the systems named in question 3, based on your anticipated increase (or decrease) of total unit cost for 2023 for that system, please estimate the impact of each system on your plan's overall requested annual rate increase. Put another way, for each system, please estimate what your plan's overall requested annual rate increase for 2023 would be if unit cost of medical claims for that system were anticipated to be flat year-over-year in 2023 vs. 2022 – unchanged in nominal dollars. (Total, and PMPM)
6. **CT scan costs:** For each of the following specific facilities, what is your anticipated (or actual experienced) total allowed charges for the following CPT codes: 74177 (abdomen

and pelvis w/o contrast); 74176 (abdomen and pelvis w/ contrast)? (Provide a breakdown of in-network vs. out-of-network allowed charges.)

- a. Yale New Haven Hospital
  - b. Hartford Hospital
  - c. Griffin Hospital
  - d. Bristol Hospital
7. **Number of CT scans:** For each of the facilities named in question 6, how many CT scans of the abdomen & pelvis (CPT 74177 & 74176) did your member families have allowed claims for (or do you anticipate claims for, as the case may be)? (Provide a breakdown of in-network vs. out-of-network.)
8. **Patient out-of-pocket payments for CT scans:** For each of the facilities named in question 6, what is your anticipated (or actual, as the case may be) total OOP obligation for all your member families for CT scans of the abdomen & pelvis (CPT 74177 & 74176)? (Provide a breakdown of in-network vs. out-of-network allowed OOP charges.)
9. **Highest & lowest in-network CT scan prices:** For each plan, among all CT scans of the abdomen & pelvis (CPT 74177 & 74176) rendered in-network and with a site of service in CT, for 2019, 2020, 2021 and 2022 (to date), what was your single highest individual allowed charge for each CPT code? And for the same parameters, what was your single lowest allowed charge? Please provide the name of the facility at which each identified outlier scan was performed. Please respond to these inquiries separately for both inpatient and outpatient.
10. **Top CPT codes:** Please provide a list of the top 50 CPT codes by allowed charge dollar volume, in your actual claims experience since 2019, and please quantify the percentage of total allowed charges dedicated to the top 50 codes.
11. **Drug spending:** Please list the top five drugs for each year by total allowed charges, regardless of site of service.
- a. For these top five drugs, what is the anticipated (or actual, as the case may be) total OOP obligation (all sources: deductible, co-pay, co-insurance) for your member families? (Total, and PMPM)
  - b. For these top five drugs, please provide based on your anticipated increase (or decrease) of total allowed costs for 2023 for that drug, an estimate of the impact of each drug on your plan's overall requested annual rate increase. Put another way, for each drug, please estimate what your plan's overall requested annual rate increase would be if allowed claims for that drug were anticipated to be flat year-over-year in 2023 vs. 2022 – unchanged in nominal dollars. (Total, and PMPM)
  - c. With respect to the trend seen in allowed charges for each of the five top drugs, please provide an explanation or breakdown for each drug of utilization vs. unit

cost.

- d. Please provide the start and end date of your current PBM contract, identify your incumbent PBM and when you intend to solicit new bids for a PBM?
  - e. If you are using a related party PBM that is wholly owned by your parent organization, how did you bid out the PBM to ensure you are getting the best pricing for Connecticut? If you did not and just used the related party, how do you justify not taking every step possible to reduce costs and insure the requested premiums are not excessive?
12. **Covid vaccine:** When estimating the cost of providing Covid vaccines in 2023 relative to the costs incurred in 2021, did you take Connecticut's higher than nationwide average fully vaccinated rate into account? Connecticut is 80.3% fully vaccinated, while the U.S. is 67.7% fully vaccinated.
  13. **Utilization review:** Please describe any recent enhancements to your utilization review management program(s).
  14. **American Rescue Plan:** Do you agree that the ARPA adjustment should be removed with the expectation of the Inflation Reduction Act of 2022 to extend ARPA? If not, then please compare the ARPA expiration adjustment to the ARPA adjustment made in the 2022 rate filing.
  15. **Trend:** It is stated in the Actuarial Memoranda for your filings that there is greater claims trend in 2022YTD. Please provide this analysis. For instance, from the "015 Question 3 & 4 & 5 - Trend Development for CBI Individual.xlsx" file in the On-Exchange Individual market filing, it appears that from Jan-Apr 2021 to Jan-Apr 2022 unit cost is going down at -1.2% and utilization trend is substantially lower than the trend from calendar years 2020 to 2021.
  16. **Risk Adjustment:** The risk adjustment, as noted in the Actuarial Memorandum, is based on 2021 benefit year actual result released by CMS. Please clarify whether this value is being trended to 2023.
  17. **Adverse trend assumptions:** Please clarify why it is reasonable to assume that there will be continued adverse trend from 2021 to 2023, when experience already reflects this, as shown by the higher starting experience rate. Please clarify how the adverse trend is not already reflected in the baseline experience.
  18. **Pent-up demand:** Please quantify the impact of the pent-up demand due to Covid-19 on the utilization trend. Please clarify why this is necessary, as pent-up demand is expected to have dissipated by 2023.
  19. **Unit cost trend:** Please provide an exhibit showing the historical and prospective unit cost

trends for each of the ten largest CT hospitals by allowed charges, as well as for each of the top three independent CT hospitals by allowed charges. Please provide a breakdown of each hospital's total by inpatient vs. outpatient charges.

We thank you for your participation in the upcoming Informational Meeting and your willingness to discuss these important concerns publicly in order to give Connecticut residents confidence that they are getting the best possible premium rates for their health insurance coverage for the 2023 calendar year.

Sincerely,

Ted Doolittle  
Healthcare Advocate  
For the State of Connecticut

Cc: Tom Ryan, OAG  
Cara Passaro, OAG  
Elizabeth Benton, OAG  
Jared Kosky, CID  
Paul Lombardo, CID  
Tricia Dave, CID  
Kristin Campanelli, CID  
Tony Shin, ConnectiCare  
Brett Tracey, ConnectiCare  
Tyler Donofrio, ConnectiCare