



**Connecticut Insurance Department  
2026 Health Carrier Rebate Practices Report  
for Calendar Year 2025**

**Submitted to the Insurance & Real Estate Committee  
Pursuant to C.G.S. §38a-479ttt**

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**March 1, 2026**

Pursuant to Connecticut General Statutes §38a-479ttt, the Connecticut Insurance Department (CID) provides its 2026 Health Carrier Rebate Practices Report for Calendar Year 2025 (“Report”).

This Report summarizes the prescription drug rebate practices for Connecticut health insurance carriers in calendar year 2025 as follows:

1. Explain the manner-in-which the health carrier accounted for rebates in calculating premium for health care plans during such year.
2. Provide a statement disclosing whether, and describing the manner-in-which, the health carrier made rebates available to insureds at the point of purchase during such year.
3. Explain any other manner-in-which the health carrier applied rebates during such year.
4. Provide the percentage of rebate dollars used by the health carrier to reduce premiums paid by insureds during such year.
5. Provide an evaluation of rebate practices to reduce cost-sharing for health care plans delivered, issued for delivery, renewed, amended or continued during such year.

The Insurance Department produced this Report with survey data collected from eight (8) health carriers. Data collected is compiled herein and the results are described on the following pages, including a summary of all carrier responses, for each requirement, on the final page of this Report.

We hope you find this report informative.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Josh Hershman', with a stylized, cursive script.

Josh Hershman  
Insurance Commissioner

**1. Explain the manner-in-which the health carrier accounted for rebates in calculating premium for health care plans during such year.**

Carrier 1

Pharmacy rebates were explicitly included in the rate development as “Pharmacy Rebates.” The rebate appears as a negative amount which reduces the projected total claims. The rate build is included in the filing to CID.

Carrier 2

In addition to the point-of-sale rebate, drug rebates are included in the rate development process for all segments and factored in as a reduction to claims in developing premium rates.

Carrier 3

All of the projected Rx rebates to be retained by carrier serve to lower the projected net claims used to develop premium rates.

Carrier 4

In calculation of premium, the value of rebates is considered in the administrative component of the calculation.

Carrier 5

All collected rebates are recorded by the carrier and used as a component for future premium determination. Rebates given to members at the point of service are also factored into the calculation of future premiums.

Carrier 6

All collected rebates are recorded by the carrier and used as a component for future premium determination. Rebates given to members at the point of service are also factored into the calculation of future premiums.

Carrier 7

We do not apply rebates to premium because there are only 7 policies which include prescription drugs. Our pharmacy benefit manager has indicated that there were no rebates remitted to us for our Connecticut policies for 2025.

Carrier 8

We employ an experience rating methodology whereby rates are based on a credibility weighted blend of book-of-business based experience and case specific experience. In general, rebates will be reflected in the experience used to calculate premium rates. There may be occasions where that is not 100% true (e.g. very recent experience) but any rebates not reflected should be so small that they would not have a material impact on rates.

**2. Provide a statement disclosing whether, and describing the manner-in-which, the health carrier made rebates available to insureds at the point of purchase during such year.**

Carrier 1

Rebates were not provided at point of purchase. Rebates are accounted for in the premium rates. As noted in question 1, the base premium rate accounts for pharmacy rebates. The premium rate for any given insured reflects the rebate.

Carrier 2

For Individual, Small Group, and Large Group business, carrier applied a point-of-sale rebate program for contracts issued or renewed on or after January 1, 2025 to reduce the member out-of-pocket cost.

Carrier 3

Carrier offers various benefit options to our clients for a portion of rebates to be used to reduce drug costs at point of sale which could result in lower customer cost share for non-copay plans.

Carrier 4

At point of sale, rebates are applied to reduce the total cost of the drug before member cost share is calculated.

Carrier 5

The carrier's process applies the estimated rebate amount to the transaction and determines if the member would pay less based on the full drug cost, less the rebate or the standard member share. The member is then charged the lower of those two amounts at the point of service. Most of the benefit to the member is when the member is in the deductible or co-insurance phase of their plan coverage.

Carrier 6

The carrier's process applies the estimated rebate amount to the transaction and determines if the member would pay less based on the full drug cost, less the rebate or the standard member share. The member is then charged the lower of those two amounts at the point of service. Most of the benefit to the member is when the member is in the deductible or co-insurance phase of their plan coverage.

Carrier 7

Our pharmacy benefit manager has indicated that there were no rebates remitted to us for our Connecticut policies for 2025.

Carrier 8

We do not make rebates available to insureds at the point of sale.

**3. Explain any other manner-in-which the health carrier applied rebates during such year.**

Carrier 1

Not Applicable. Rebates are not applied in any other manner.

Carrier 2

There are no other manners in which rebates were handled.

Carrier 3

Nothing at this time.

Carrier 4

The above response are the two manners in which rebates were applied during the year.

Carrier 5

Rebates, except for those given to members at the point of service, are remitted to and retained by the carrier and serve to reduce its prescription drug costs and liabilities.

Carrier 6

Rebates, except for those given to members at the point of service, are remitted to and retained by the carrier and serve to reduce its prescription drug costs and liabilities.

Carrier 7

Our pharmacy benefit manager has indicated that there were no rebates remitted to us for our Connecticut policies for 2025.

Carrier 8

Rebates are not incorporated into the rate calculation in any way other than being reflected in the claim experience – i.e. there are not premium credits or other similar applications of rebates.

**4. Provide the percentage of rebate dollars used by the health carrier to reduce premiums paid by insureds during such year.**

Carrier 1

All of the rebate dollars are used to reduce premiums paid by insureds.

Carrier 2

Carrier reflected all of the drug rebate dollars in its premium rate development, equivalent to a reduction of 6.5%-7.0% in premium rates.

Carrier 3

All of the projected Rx rebates to be retained by carrier serve to lower premium rates for both health plan and insureds.

Carrier 4

92.6% of rebates are used to reduce plan premiums.

Carrier 5

During our rate development process, we offset 100% of the Rx rebates to our claim costs. In other words, the experience period claim costs that are used in rate development are net of pharmacy rebates. So if the pharmacy claims PMPM is \$120 prior to rebates and we receive \$50 in rebates, we would use \$70 for our claim cost in our rate development.

Carrier 6

During our rate development process, we offset 100% of the Rx rebates to our claim costs. In other words, the experience period claim costs that are used in rate development are net of pharmacy rebates. So if the pharmacy claims PMPM is \$120 prior to rebates and we receive \$50 in rebates, we would use \$70 for our claim cost in our rate development.

Carrier 7

Our pharmacy benefit manager has indicated that there were no rebates remitted to us for our Connecticut policies for 2025.

Carrier 8

100% of rebates.

**5. Provide an evaluation of rebate practices to reduce cost-sharing for health care plans delivered, issued for delivery, renewed, amended or continued during such year.**

Carrier 1

We believe that by applying informed projections of future rebate savings, we provide the most timely, and equitable, savings to our insureds.

Carrier 2

At the point of sale for the purposes of quantifying the member's cost share, the allowed benefit is reduced by 100% of the expected rebate, if applicable, and then the member cost share is applied to this reduced amount. This process is in place in all CT markets.

Carrier 3

Carrier uses 100% of projected Rx rebates to be retained. These serve to lower the projected net claims used to develop premium rates with benefit options to our clients for a portion of rebates to be used to reduce drug costs at point of sale.

Carrier 4

Carrier evaluates its prescription drug rebate practices on an ongoing basis to assess their effectiveness in promoting affordability and reducing member cost sharing, while maintaining compliance with applicable law.

Carrier 5

We receive 100% of rebates from our PBM, which helps to reduce cost-share for health plans by reducing costs for members at the point-of-sale and by reducing premiums.

Carrier 6

We receive 100% of rebates from our PBM, which helps to reduce cost-share for health plans by reducing costs for members at the point-of-sale and by reducing premiums.

Carrier 7

Our pharmacy benefit manager has indicated that there were no rebates remitted to us for our Connecticut policies for 2025.

Carrier 8

Our practice of applying rebates as negative claims benefits insured by lowering premium rates. If premium rates are considered as a form of cost-sharing, then it is reduced by this practice. Note that the copay form of cost-sharing (which is the usual form of cost sharing for Rx coverage) is not affected by our rebate practice.

**All carrier responses have been summarized, for each requirement, on the next page.**

## SUMMARY OF CARRIER RESPONSES

- 1. Explain the manner-in-which the health carrier accounted for rebates in calculating premium for health care plans during such year.**

Seven of the eight carriers apply some level of prescription drug rebates received to lower the premium.

- 2. Provide a statement disclosing whether, and describing the manner-in-which, the health carrier made rebates available to insureds at the point of purchase during such year.**

Five of the eight carriers apply some level of prescription drug rebates received at the point of purchase.

- 3. Explain any other manner-in-which the health carrier applied rebates during such year.**

All eight carriers do not engage in any other manner of applying prescription drug rebates in 2025.

- 4. Provide the percentage of rebate dollars used by the health carrier to reduce premiums paid by insureds during such year.**

Six of the eight carriers apply 100% of the rebates to lower premium.

- 5. Provide an evaluation of rebate practices to reduce cost-sharing for health care plans delivered, issued for delivery, renewed, amended or continued during such year.**

Seven of the eight carriers apply rebates either at the point of sale or when calculating premiums for the following year to lower member cost.