



**Connecticut Insurance Department
2025 Health Carrier Rebate Practices Report**

**Submitted to the Insurance & Real Estate Committee
Pursuant to CGS §38a-479ttt**

March 1, 2025

Pursuant to Connecticut General Statute **§38a-479ttt**, the Connecticut Insurance Department (CID) has provided our 2025 Health Carrier Rebate Practices Report.

The report summarizes Connecticut health carrier prescription drug rebate practices for calendar year 2024 as follows:

1. Explain how health carrier accounted for rebates in calculating premium for health care plans during such year.
2. Provide a statement disclosing whether and describing the way 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.

The Department compiled the report with data collected from 8 entities and the results are described on the following pages.

We hope you find this report informative.

Respectfully,

A handwritten signature in blue ink, appearing to read 'A. Mais', with a stylized flourish at the end.

Andrew N. Mais Insurance Commissioner

1. Explain how the health carrier accounted for rebates in calculating premium for health care plans during such year.

Carrier 1

For Affordable Care Act (ACA) segments, pharmacy rebates were explicitly included in the rate development under “Items Not Included In Fee-For-Service Claims Experience” as “Rx Rebate.” The rebate appears as a negative amount which reduces the projected total claims. The rate build is included in the filing to CID.

For Large Group, pharmacy rebates are explicitly included in the Large Group Rate Buildup which is filed with CID. Rebate amounts in the filing are based on an estimate of expected rebates to be collected by the carrier in the plan year. This amount reduces the projected total claims.

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 Company 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 Company 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. No rebates were remitted to the carrier.

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, for ACA segments (Small Group and Individual) and Large Group, 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, 2020 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 Company'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 Company'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

We do not apply rebates at point of sale because there are only 7 policies which include prescription drugs, no rebates were remitted to the carrier.

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

Not applicable.

Carrier 5

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

Carrier 7

We do not apply rebates in any other manner because there are only 7 policies which include prescription drugs, no rebates were remitted to the carrier.

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.

The responses are summarized, for each requirement, below:

1. Explain how 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 how, 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 2024.