

# **WORKING GROUP TO STUDY PAYMENTS BY INSURANCE COMPANIES FOR DEPOSIT INTO THE INSURANCE FUND**



**FINAL REPORT | JANUARY 2025**

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# MISSION STATEMENT

*Pursuant to Special Act 24-15: The chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies shall convene a working group to study payments by insurance companies for deposit into the Insurance Fund.*

The mission of the *Working Group to Study Payments by Insurance Companies for Deposit into the Insurance Fund* is to support and enhance the accessibility and affordability of insurance for the residents of the State of Connecticut by determining if the various fees assessed on insurance policies under the Insurance Fund (IF) used to support the functionality of state agency operations and programs are necessary and appropriate or if alternative approaches and funding are warranted.

Before being amended to create the working group to study payments by insurance companies for deposit into the Insurance Fund, SB 372 proposed to limit the type of domestic insurance entities required to pay assessments associated with the Office of the Healthcare Advocate (OHA) and the Office of Health Strategy (OHS) *only* to health insurance entities that wrote policies in the preceding calendar year.

According to the associated fiscal note, together, those two budgets equal approximately **\$17.8 million in FY 25**. An Office of Fiscal Analysis (OFA) examination of 2018 tax filings estimated that approximately **79 percent** of the FY 19 general assessment was paid by health entities. To the extent that that percentage reflects the share of OHA and OHS costs health insurers already pay, the bill proposed shifting the remaining **21 percent (approximately \$3.7 million in FY 25)** onto health carriers only. Given the continued concern around the impact of such assessments on all types of insurance products, it was determined that further study was required.

**The working group solicited a variety of materials and testimony in support of their review and analysis summarized in this report. Details of the Insurance Fund itself can be found in Appendix B and Appendix C.**

# MEMBERSHIP

**Representative Kerry Wood**, Co-Chair, Insurance and Real Estate Committee

**Senator Jorge Cabrera**, Co-Chair, Insurance and Real Estate Committee

**Representative Toni Walker**, Co-Chair, Appropriations Committee

**Senator Catherine Osten**, Co-Chair, Appropriations Committee

**Representative Cara Pavalock-D'Amato**, Ranking Member, Insurance Committee

**Senator Tony Hwang**, Ranking Member, Insurance and Real Estate Committee

**Representative Tammy Nuccio**, Member, Insurance and Real Estate Committee

**Jim Carson**, Connecticut Insurance Department

**Jane Callanan**, Connecticut Insurance Department

**Susan Halpin**, Connecticut Association of Health Plans

**Chris Davis**, CBIA

**Wyatt Bosworth**, CBIA

**Eric George**, Insurance Association of Connecticut

# BACKGROUND

## ***Insurance Fund Budget***

The budget for the Insurance Fund includes allocations to various state agencies, including, but not limited to, the:

- Connecticut Insurance Department (CID)
- Office of the Healthcare Advocate (OHA)
- Office of Health Strategy (OHS)
- Department of Mental Health and Addiction Services (DMHAS)
- Office of Policy & Management (OPM)
- Department of Aging and Disability Services (ADS)

Most recently, the Insurance Fund was expanded to fund the Office of the Behavioral Health Advocate (OBHA). To date, the position has not been filled.

In addition, funds are deposited into the Insurance Fund that are used for the state's purchasing pool for vaccines and a variety of public health initiatives under the Department of Public Health (DPH), with total appropriations for Fiscal Year 2025 estimated at \$68.2 million.

Notably, the fiscal note associated with the Insurance Fund assessments has no fiscal impact on the state's General Fund. Instead, the assessments are levied under three separate formulas on various segments of the insurance industry the costs of which are born by policyholders through payment of premium.

## ***Office of Legislative Research (OLR) Report***

The OLR report (Appendix C) provides an overview of assessments and fees insurers, and related entities pay into Connecticut's Insurance Fund, including who pays them, what they cover, and when they began being paid from the fund. According to the OLR report, Connecticut established its Insurance Fund in 1991, primarily to pay for the Insurance Department's expenses (CGS § 38a-52a).

## ***Insurance Fund Overview***

The Insurance Fund is capitalized through three separate assessments on insurers and, to a limited extent, third party administrators:

1. *General Assessment (CGS §38a-47)*. All Connecticut domestic insurance companies and health care centers are assessed annually on a pro rata basis (based on premium tax paid) in an aggregate

amount that equals (i) the expenditures of the CID and the OHA, (ii) certain costs of the OHS, and (iii) the costs of a variety of programs managed by other agencies including the ADS, Department of Housing (DOH) and DMHAS.

***The aggregate General Assessment amount for FY2024-2025 totaled \$37.0 million.***

CID: The core mission of the CID is consumer protection. Through the funding provided by the Insurance Fund, the CID carries out its mission by enforcing State insurance laws to ensure that policyholders and claimants are treated fairly. In addition, the CID closely monitors the financial condition and practices of insurance carriers to help ensure that a healthy industry is available to provide a wide range of insurance products to Connecticut residents.

OHA: The funding for OHA allows it to empower consumers to navigate healthcare challenges, advocate for denied benefits, and represent their interests in policy and industry discussions, helping to ensure access to fair and transparent health benefits.

OHS: OHS' mission is to drive data-informed policies and programs that improve healthcare access, equity, quality and affordability, helping to ensure Connecticut residents have access to high-quality, cost-effective care.

OBHA: Public Act 2023-101 established OBHA and provides for funding from the General Assessment. As of the date of this report, OBHA has not been established and the General Assessment for FY2024/2025 did not include an allocation for OBHA related costs.

Other Agency Programs:

- The Fall Prevention Program administered by ADS provides a variety of support services to Connecticut residents at risk of falling.
- The DOH's Homeowner Advocate addresses the needs of our communities with crumbling foundations.
- The DMHAS' Young Adult Services supports young adults with mental health challenges through trauma-sensitive, community-based services that promote independence, stability, and successful transitions to adulthood.

2. Public Health Assessment (CGS §19a-7p). All Connecticut domestic health insurers and health care centers writing specified lines of business are assessed annually on a pro rata basis an aggregate amount that equals the cost of certain programs administered by the Department of Public Health (DPH). These programs pertain to syringe services, breast and cervical cancer detection and treatment, x-ray screening and tuberculosis care, sexually transmitted disease control and children's health initiatives.

***The aggregate Public Health Assessment for FY 2024-2025 totaled \$12 million.***

3. *Health and Welfare (Vaccine) Assessment (CGS §19-7j)*. All Connecticut domestic insurers and health care centers writing specified lines of business and licensed third party administrators and insurers administering certain self-insured health plans are assessed annually on a pro rata basis an aggregate amount that equals the cost of the vaccine program administered by the DPH. This program includes the purchase, storage, and distribution of vaccines for routine immunizations for Connecticut residents.

***The aggregate Health and Welfare Assessment for FY2024-2025 totaled \$56.5 million.***

Table 1 provided in the full report (Appendix B) identifies these assessments and fees and the purposes of each. It also identifies legislation, where available, relating to each being paid from the Insurance Fund. (Additional information on the Connecticut Insurance Fund, is available under OLR Issue Brief 2023-R-0156 or Appendix B)

## ***OHS Presentation***

The Office of Health Strategy presentation highlights key initiatives funded by the assessment supporting OHS, focusing on efforts to improve health equity, access, and overall healthcare quality in Connecticut.

The presentation underscores the role of OHS in using these funds to address state health policy priorities including controlling healthcare cost growth, enhancing healthcare quality, driving primary care investment, building health equity, and improving population health. Full details of the OHS presentation are available in Appendix E.

## ***Office of Policy & Management***

The Office of Policy and Management (OPM) provided the following background on the Connecticut's Immunization Fund.

***Immunization Program Description:*** *To ensure that high risk children had access to vaccines, Congress passed the Vaccines for Children (VFC) Act in 1993. The VFC Act provides access to free vaccines for children who are uninsured, on federal Medicaid, or who are American Indians/Alaska Natives. Under the VFC Act, the Centers for Disease Control and Prevention's (CDC) Advisory Committee on Immunization Practices (ACIP) votes on which vaccines will be included in the program. While the VFC program funds about 44% of childhood vaccines administered in the state, there were vaccination funding gaps and issues related to access for the children who did not qualify. In the 1980's Connecticut started the Connecticut Vaccine Program (CVP) through a small appropriation from the General Fund and the program gradually grew to address the gaps of the VFC over the years. In 2014, PA 14-217 shifted the program to the Insurance Fund, establishing the current model for the CVP program. Through this program, the State buys vaccine at the lowest possible price through the federal CDC VFC contract and*



*provides the vaccines at no cost to clinics, private practices, and other health care settings, and children who do not qualify for the VFC are vaccinated without a charge for the cost of the vaccine. Only public health departments can access and purchase vaccines under this contract. Insurance carriers ultimately save money on the cost of vaccine administration when vaccines are purchased under the federal contract, since they are purchased by the state at a discounted rate relative to the commercial rates, they would have otherwise paid. It is estimated that carriers save up to \$23.8m (28%) per year with this program. With the inclusion of the Human Papilloma Virus (HPV) Vaccine in the Connecticut Vaccine Program, Connecticut is now one of 10 universal vaccination states. This means that all ACIP recommended childhood vaccines are available at no cost to all children. With this program, Connecticut has seen childhood vaccination rates consistently in the high 90s and has maintained vaccination rates higher than the national averages. For example, the national average vaccination rate for children entering kindergarten is about 93%. In Connecticut, the average vaccination rate is about 97%. <sup>1</sup> This program has had an invaluable impact on childhood vaccination and a clear savings for the state.*

Description	FY2020	FY2021	FY2022	FY2023	FY2024	Cumulative Total
Admin. Cost : Immunization Compensation	\$362,264	\$417,166	\$407,582	\$351,054	\$432,727	\$1,970,793
Sexually Transmitted Diseases	\$201,327	\$65,253	\$233,999	\$157,666	\$76,638	\$734,881
Tuberculosis Control*	\$42,943	\$21,396	\$246	\$5,169	\$88,251	\$158,004
Vaccines*	\$53,027,759	\$60,326,642	\$61,793,513	\$40,395,087	\$25,917,399	\$241,460,400
<b>Grand Total</b>	<b>\$53,634,293</b>	<b>\$60,830,457</b>	<b>\$62,435,340</b>	<b>\$40,908,975</b>	<b>\$26,515,015</b>	<b>\$244,324,079</b>

Administrative Cost Percentage	0.68%	0.69%	0.65%	0.86%	1.63%	
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<sup>1</sup> [https://www.cdc.gov/mmwr/volumes/72/wr/mm7245a2.htm#T1\\_down](https://www.cdc.gov/mmwr/volumes/72/wr/mm7245a2.htm#T1_down)

\*STD and Vaccine statutory reference to be paid out of Immunization Fund: [Sec. 19a-7j](#)

- **When did funds become available to DPH under insurance fund?** FY2015 PA14-217, budget implementer, transferred \$31.5m to support vaccine procurement and the transfer of 3 FTEs from the General Fund to the Insurance Fund.
- **What is the Business Imperative for including vaccine programs?** The core rationale for the assessment of the Connecticut Insurance Fund, specifically for the Department of Public Health's vaccination program, centered around significant cost savings for the insurance industry. By leveraging federal contracts, the state was able to procure vaccines at much lower prices compared to what insurers would have paid on the open market. This bulk purchasing approach enabled the state to buy vaccines in larger quantities and at discounted rates, making it much more cost-effective for insurers.



- ***How do we calculate the vaccines needed?*** Annual vaccine needs are calculated by looking at the population estimate, historical vaccine distribution trends, new vaccines introduced to the schedule as well as any changes to the current vaccine recommendations. Vaccine needs can change over the course of a year, so we are meeting monthly to make any necessary revisions as needed.
- ***What is the benefit of utilizing federal contract to procure vaccines as compared to open market procurement?*** Cost saving to the insurer. For instance, in FY2024, there was approximately \$23.8m (28%) savings in cost of vaccines procured through the program as compared to open market price. In addition, there is a guaranteed availability through the federal contract as compared to the open market potential uncertainty.
- ***The immunization program is supported by three staff:***
  - *Health Program Assistant 1:* This position processes vaccine orders for approximately 650 immunization providers who order through the CT vaccine program. The positions also part of a rotating function within the program that provides customer services responses and follow-up to providers on questions they might have regarding their orders or other concerns.
  - *Epi2(Infectious/Chronic Disease):* Ensures compliance of providers that vaccines are used in the manner intended for the age groups in accordance with the ACIP recommendations. The ACIP is a committee within the United States Centers for Disease Control and Prevention (CDC) that provides advice and guidance on effective control of vaccine-preventable diseases in the U.S. civilian population. This position also ensures proper storage and handling compliance assurance.
  - *Health Program Associate:* This is the supervisory position for the program that oversees processors for the CT Vaccine Program. It ensures that providers can input information into CT WIZ, the electronic immunization system. The position also validates the readiness of providers to begin receiving vaccines by coordinating site visits to assess storage capacity, correct temperatures, adequacy of refrigeration systems, etc. The position supervises a team of 4-5 persons regularly.

The Office of Policy and Management (OPM) offered details of how assessments under the Insurance Fund are structured, stressing that the assessment aligns with state fiscal policy by targeting entities whose operations most directly affect the state's healthcare costs. As noted in the OLR summary above, the Health and Welfare Fee and the Public Health Fee are only assessed against health care entities.

In Secretary Beckham's letter date August 27, 2024, to Insurance Commissioner Mais found here, OPM summarized the Immunization/Vaccine assessment as follows:

*In accordance with section 19a-7j of the Connecticut General Statutes, please be advised that \$64,201,121 has been appropriated to the Department of Public Health for Immunization Services for the fiscal year ending June 30, 2025. This appropriation will be used by the*

*Department of Public Health to purchase, store, and distribute vaccines and antibiotics, to administer the childhood immunization program, and for the operation of the childhood immunization registry. For the fiscal year ending June 30, 2024, \$26,515,014.65 was expended for these purposes from the amount of the appropriation used for the purpose of the health and welfare fee (\$34,186,580), a difference of \$7,671,565.35.*

With respect to the Public Health fee portion of the Insurance Fund, the letter provides the following insight:

*In accordance with section 19a-7p of the Connecticut General States, please be advised that the following amounts have been appropriated to the Department of Public Health for the fiscal year ending June 30, 2025: \$501,629 for the Syringe Services Program (SID name = Needle and Syringe Exchange Program); \$3,315,046 for Children's Health Initiatives; \$5,284,470 for AIDS Services; \$2,503,761 for Breast and Cervical Cancer Detection and Treatment; \$970,931 for X-Ray Screening and Tuberculosis Care; and \$201,791 for Sexually Transmitted Disease Control (SID name = Venereal Disease Control). Please determine the fees to be assessed against each domestic insurer, health care center, third party administrator, or exempt insurer, as applicable, for the fiscal year ending June 30, 2025 and submit a statement to each such entity that includes the proposed fee calculated in accordance with the stated sections above.*

The letter concludes by direction the Insurance Commissioner as follows:

*Please determine the fees to be assessed against each domestic insurer, health care center, third party administrator, or exempt insurer, as applicable, for the fiscal year ending June 30, 2025, and submit a statement to each such entity that includes the proposed fee calculated in accordance with the stated sections above.*

Additional background in the Immunization Fund can be found in Appendix D.

# FINDINGS AND RECOMMENDATIONS

Based on a comprehensive review of the Insurance Fund structure and the insights gained from related reports and presentations, the following findings and recommendations are proposed:

- 1) Maintain the current assessment and funding structure for the state's Immunization Fund to promote the continued success of state vaccination rates and stability and security of the program.**
- 2) Transfer financial responsibility for State Public Health Programs (Needle Exchange, Children's Health Initiatives, AIDS Services, Breast and Cervical Cancer Detection, Tuberculosis Care and Sexually Transmitted Disease Control) from the Insurance Fund back to the General Fund over a five-year period beginning July 1, 2025.**

*These programs were originally funded via the General Fund but were shifted into the Insurance Fund during a period of recurring state deficits. The working group finds that these programs are more appropriately funded under the General Fund where the expenses are spread across the wider sector of the population that they are intended to benefit rather than on insurance policy holders, which will reduce CT policy holders' annual premiums.*

- 3) Transfer financial responsibility of the Office of Health Strategy from the Insurance Fund to the General Fund over a five-year period beginning July 1, 2025, consistent with the funding structure of other state agencies thereby promoting affordability of all lines of insurance in the state.**
- 4) Increase public transparency around the Insurance Fund by inviting the Office of Policy & Management to report, at least annually, to a joint meeting of the Appropriations and Insurance & Real Estate Committees on the status of the fund and the recommended transfers.**
- 5) Implement a legislative process for the approval of any future assessments to the Insurance Fund.**
- 6) The Working Group's recommendations will maintain various public health programs and agency funding while lowering premiums paid by Connecticut's policy holders.**

**7) The working group believes that action should be taken to mitigate the financial impact of the Insurance Fund on Health Insurers and their policyholders.**

*The Insurance Department is responsible for regulating health insurance plans offered in Connecticut. Significantly, the Department's regulatory authority does not extend to self-insured health plans, which are governed by Federal Law (ERISA). As of year-end 2023, approximately 480,000 out of 3.6 million Connecticut residents had health insurance policies that were subject to state regulation. Of the 480,000 insured lives, approximately 200,000 were insured through health insurance products provided to individuals and small employers. The remaining 3.1 million Connecticut residents participated in self-insured health plans, Medicare or Medicaid programs.*

*With regard to the General Assessment, the amounts paid by health insurance companies and health care centers are determined based only on the fully insured business written. As a result, 13% of Connecticut residents currently bear the expense of the General Assessment costs that are the responsibility of the health carriers, which is approximately 50% of the total assessment or \$18.4 million.*

**8) Non-health insurers such as the property casualty and auto companies question the nexus of their operations to the functions and services provided by the Office of Health Strategy and the Office of the Health Care Advocate and the financial impact it has on associated premiums.**

*The working group agreed that the nexus is minimal and believes action should be taken to mitigate the impact.*

# GLOSSARY OF TERMS

## Layman's Glossary of Terms

1. **Fully-Insured Health Plans:** A fully-insured health plan is a type of health insurance where an employer pays an insurance company to provide coverage for employees. The insurance company handles all the costs of paying for medical claims, like doctor visits, hospital stays, or prescriptions. In return, the employer pays a set monthly premium to the insurer, and that cost through payroll deductions. If claims are higher than expected, the insurance company absorbs the extra cost, not the employer or the employee. In other words, all the risk and management of health coverage is outsourced to the insurance company. Fully-insured health plans are regulated by the State.
2. **General Assessment:** Funds the Insurance Department, Office of Healthcare Advocate, services under the Office of Health Strategy, and a variety of programs managed by other agencies including the Department of Aging and Disability Services, Department of Housing and Department of Mental Health and Addiction Services. All Connecticut domestic insurance companies and health care centers (health plans) are assessed annually based on premium tax paid. The General Assessment applies across all lines of insurance from Life and Health to Property Casualty, Auto, and Long Term Care among others.
3. **Health and Welfare Assessment:** Funds the state's vaccine purchase pool program as recommended by the Department of Public Health. All Connecticut domestic health insurers, health care centers (health plans) writing fully-insured products, and licensed third party administrators (TPAs) and insurers administering certain self-insured plans are assessed annually on a pro rata basis an aggregate amount that equals the cost of the vaccine program administered by the Department of Public Health. This program includes the purchase, storage and distribution of vaccines for routine immunizations for Connecticut residents.
4. **Public Health Fee:** Funds various programs under the Department of Public Health including the needle/syringe services, breast and cervical cancer detection and treatment, x-ray screening and tuberculosis care, sexually transmitted disease control and children's health initiatives that includes programs like the easy breathing initiative. All Connecticut domestic health insurers and health care centers (health plans) writing fully-insured and self-insured business annually are assessed on a pro rata basis an aggregate amount that equals the cost of the programs.
5. **Self-Insured Health Plans:** A self-insured (or self-funded) health plan is when an employer acts as the insurance company. Instead of paying premiums to an insurance company to cover employees, the employer sets aside money to directly pay for associated healthcare claims as they come in. An employer may hire a company (which may share the name of a major insurer) to manage the paperwork and process claims, but the employer is the one actually paying for medical expenses. If

claims are lower than expected, the employer saves money. But if claims are higher than expected, the employer must cover the extra costs, which can make it riskier for them. Many self-insured employers purchase stop-loss coverage for protection against higher than anticipated claims. Self-insured plans are regulated by the Federal Department of Labor under ERISA. The state does not have authority over self-insured plans although self-insured plans may voluntarily participate in state policies and programs.

6. **Third-Party Administrator:** A Third-Party Administrator (TPA) is an entity that manages health insurance plans for employers in Connecticut. If an employer chooses to self-insure, meaning they pay for their employee's medical costs directly, they might hire a TPA to process claims, keep track of employee coverage, and answer employee benefit questions. TPAs would fall under the federal ERISA regulatory structure.

# APPENDIX A

## A. INSURANCE FUND BUDGET

	2023-2024
<b>GENERAL GOVERNMENT</b>	
<b>OFFICE OF POLICY AND MANAGEMENT</b>	
Personal Services	360,051
Other Expenses	6,012
Fringe Benefits	277130
<b>AGENCY TOTAL</b>	<b>643,193</b>
<b>DEPARTMENT OF ADMINISTRATIVE SERVICES</b>	
Personal Services	775,605
Fringe Benefits	706,368
IT Services	514136
<b>AGENCY TOTAL</b>	<b>1,996,109</b>
<b>REGULATION AND PROTECTION</b>	
<b>INSURANCE DEPARTMENT</b>	
Personal Services	17,235,304
Other Expenses	1,609,489
Equipment	140500
Fringe Benefits	15,942,656
Indirect Overhead	247375



<b>AGENCY TOTAL</b>	<b>35,175,324</b>
<b>OFFICE OF THE BEHAVIORAL HEALTH ADVOCATE</b>	
Personal Services	378,000
Other Expenses	65,500
Fringe Benefits	391,000
Indirect Overhead	22,500
<b>AGENCY TOTAL</b>	<b>857,000</b>
<b>OFFICE OF THE HEALTHCARE ADVOCATE</b>	
Personal Services	1,851,701
Other Expenses	292,991
Equipment	5,000
Fringe Benefits	1,807,652
Indirect Overhead	49,885

<b>AGENCY TOTAL</b>	<b>4,007,229</b>
<b>CONSERVATION AND DEVELOPMENT</b>	
<b>DEPARTMENT OF HOUSING</b>	
Crumbling Foundations	177,592
<b>HEALTH</b>	
<b>DEPARTMENT OF PUBLIC HEALTH</b>	
Needle and Syringe Exchange Program	501,629
Children's Health Initiatives	3,297,866

AIDS Services	5,284,470
Breast and Cervical Cancer Detection and Treatment	2,500,594
Immunization Services	34,186,580
X-Ray Screening and Tuberculosis Care	970,931
Venereal Disease Control	201,791
<b>AGENCY TOTAL</b>	<b>46,943,861</b>
<b>OFFICE OF HEALTH STRATEGY</b>	
Personal Services	1,966,556
Other Expenses	9,823,324
Equipment	20,000
Fringe Benefits	1,924,234
<b>AGENCY TOTAL</b>	<b>13,734,114</b>
<b>DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES</b>	
Managed Service System	451,181
<b>HUMAN SERVICES</b>	
<b>DEPARTMENT OF AGING AND DISABILITY SERVICES</b>	
Fall Prevention	382,660
<b>NON-FUNCTIONAL</b>	
<b>STATE COMPTROLLER - MISCELLANEOUS</b>	
Nonfunctional - Change to Accruals	72,835

<b>TOTAL - INSURANCE FUND</b>	<b>104,441,098</b>


	<b>2024-2025</b>
<b>GENERAL GOVERNMENT</b>	
<b>OFFICE OF POLICY AND MANAGEMENT</b>	
Personal Services	363008
Other Expenses	6,012
Fringe Benefits	277130
<b>AGENCY TOTAL</b>	<b>646,150</b>
<b>DEPARTMENT OF ADMINISTRATIVE SERVICES</b>	
Personal Services	776947
Fringe Benefits	707,589
IT Services	514136
<b>AGENCY TOTAL</b>	<b>1,998,672</b>
<b>REGULATION AND PROTECTION</b>	
<b>INSURANCE DEPARTMENT</b>	
Personal Services	17459258
Other Expenses	1,609,489
Equipment	62500
Fringe Benefits	16,149,814
Indirect Overhead	247375
<b>AGENCY TOTAL</b>	<b>35,528,436</b>

<b>OFFICE OF THE BEHAVIORAL HEALTH ADVOCATE</b>	
Personal Services	387,000
Other Expenses	65,500
Fringe Benefits	401,000
Indirect Overhead	22,500
<b>AGENCY TOTAL</b>	<b>876,000</b>
<b>OFFICE OF THE HEALTHCARE ADVOCATE</b>	
Personal Services	1,876,329
Other Expenses	292,991
Equipment	5,000
Fringe Benefits	1,831,655
Indirect Overhead	49,885
<b>AGENCY TOTAL</b>	<b>4,055,860</b>
<b>CONSERVATION AND DEVELOPMENT</b>	
<b>DEPARTMENT OF HOUSING</b>	
Crumbling Foundations	178,788
<b>HEALTH</b>	
<b>DEPARTMENT OF PUBLIC HEALTH</b>	
Needle and Syringe Exchange Program	501,629
Children's Health Initiatives	3,315,046
AIDS Services	5,284,470
Breast and Cervical Cancer Detection and	2,503,761


Treatment	
Immunization Services	64,201,121
X-Ray Screening and Tuberculosis Care	970,931
Venereal Disease Control	201,791
<b>AGENCY TOTAL</b>	<b>76,978,749</b>
<b>OFFICE OF HEALTH STRATEGY</b>	
Personal Services	1,982,363
Other Expenses	9,829,264
Equipment	10,000
Fringe Benefits	1,939,640
<b>AGENCY TOTAL</b>	<b>13,761,267</b>
<b>DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES</b>	
Managed Service System	451,181
<b>HUMAN SERVICES</b>	
<b>DEPARTMENT OF AGING AND DISABILITY SERVICES</b>	
Fall Prevention	382,660
<b>NON-FUNCTIONAL</b>	
<b>STATE COMPTROLLER - MISCELLANEOUS</b>	
Nonfunctional - Change to Accruals	352,916
<b>TOTAL - INSURANCE FUND</b>	<b>135,210,679</b>

# APPENDIX B

## B. OLR ISSUE BRIEF: THE CT INSURANCE FUND



# Issue Brief



## The Connecticut Insurance Fund

### Background

Established in 1991 the Insurance Fund is one of the state's 13 appropriated funds (CGS § 38a-52a). Originally, the fund was established to provide the Insurance Department with dedicated resources and increased staff necessary to achieve National Association of Insurance Commissioner accreditation. Today, the Insurance Fund is used to finance the department's operations and several other state programs, as described below.

### Assessments and Fees

The Insurance Fund is capitalized by three different assessments on insurers: the General Assessment, about \$56.6 million or 54% of the Insurance Fund's \$104.4 million FY 24 budgeted expenditures; the Health and Welfare Fee (about \$34.2 million in FY 24); and the Public Health Fee (about \$12.8 million in FY 24). While all domestic insurers and health care centers (i.e., HMOs) pay the General Assessment (CGS § 38a-47), generally only domestic health insurers and HMOs pay the Health and Welfare (CGS § 19a-7j) and Public Health (CGS § 19a-7p) fees.

Separately, insurers must also pay the department to defray the cost of certain regulatory activities, such as mandated health benefit reviews (CGS § 38a-21) and examinations of non-domestic insurers (CGS § 38a-51).

These assessments and fees are distinct from taxes on insurance premiums that are paid to the Department of Revenue Services and deposited into the General Fund (see Chapter 207 of the General Statutes).

### Assessments on Insureds

While most assessments or fees on the insurance industry are imposed directly on insurers, there is at least one fee which is imposed directly on the insureds.

By law, a \$12 annual surcharge is imposed on insureds with certain homeowners insurance policies. This surcharge, collected by insurers, is ultimately remitted to the Healthy Homes Fund, which was established to support homeowners with crumbling concrete foundations and certain other structural concerns. The surcharge sunsets on January 1, 2030 (CGS § 38a-331).

August 11, 2023

2023-R-0156

## FY 24 Insurance Fund Budgeted Expenditures by Assessment and Fee

### Paid for by the General Assessment

#### Department of Administrative Services

Personal Services  
Fringe Benefits  
IT Services  
Total: \$2.0 million

#### Department of Mental Health and Addiction

Managed Service System (Young Adult Services Program)  
Total: \$451,000

#### Office of the Health Care Advocate

Personal Services  
Other Expenses  
Equipment  
Fringe Benefits  
Indirect Overhead  
Total: \$4.0 million

#### Department of Aging and Disability Services

Fall Prevention  
Total: \$383,000

#### Insurance Department

Personal Services  
Other Expenses  
Equipment  
Fringe Benefits  
Indirect Overhead  
Total: \$35.2 million

#### Office of Health Strategy

Personal Services  
Other Expenses  
Equipment  
Fringe Benefits  
Total: \$13.7 million

#### Department of Housing

Homeowner Advocate  
Total: \$178,000

#### Office of the Behavioral Health Advocate\*

Personal Services  
Other Expenses  
Fringe Benefits  
Indirect Overhead  
Total: \$857,000

#### Office of Policy and Management

Personal Services  
Other Expenses  
Fringe Benefits  
Total: \$643,000

\*The Office of the Behavioral Advocate is a budgeted expenditure from the Insurance Fund, but current statutory language does not include it in any assessment. Presumably, it will come from the General Assessment in the future.

### Paid for by the Public Health Fee

#### Department of Public Health

Needle and Syringe Exchange Program  
Children's Health Initiatives  
AIDS Services  
Breast and Cervical Cancer Detection and Treatment  
X-Ray Screening and Tuberculosis Care  
Venereal Disease Control  
Total: \$12.8 million

### Paid for by the Health and Welfare Fee

#### Department of Public Health

Immunization Services  
Total: \$34.2 million (increasing to \$64.2 million in FY 25)

Source: Office of Fiscal Analysis. General Assessment excludes \$73,000 (FY 24) and \$353,000 (FY 25) in nonfunctional change to accruals

## Additional Insurer Assessments

In addition to the assessments and fees listed above, the law allows several entities to assess insurers to cover operating costs. For example, the FY 24 budget of Access Health CT, the state's health insurance exchange, includes a \$30.8 million assessment on health insurers (CGS § 38a-1083). The Health Reinsurance Association assessed health insurers a total of \$275,000 for FY 24 (CGS § 38a-556). The Connecticut Insurance Guarantee Association and the Connecticut Life and Health Insurance Guarantee Association, which pay certain insurance claims when an insurer becomes insolvent, assesses insurers on an as-needed basis.

**Learn  
More**

Healthy Homes Fund,  
OLR Report [2020-R-0247](#)

Connecticut Insurance Guaranty Funds,  
OLR Report [2020-R-0240](#)



OFFICE OF LEGISLATIVE RESEARCH

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Connecticut General Assembly  
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# APPENDIX C

## C. OLR Report: Payments to the Insurance Fund



## ResearchReport

### Payments to the Insurance Fund

By: Janet Kaminski Leduc, Chief Attorney  
July 23, 2024 | 2024-R-0125

#### Issue

This report provides an overview of assessments and fees insurers and related entities pay into Connecticut's Insurance Fund, including who pays them, what they cover, and when they began being paid from the fund.

#### Summary

Connecticut established its Insurance Fund in 1991, primarily to pay for the Insurance Department's expenses ([CGS § 38a-52a](#)). Today, the Insurance Fund is used to finance all or part of (1) the operations of several agencies (e.g., the Insurance Department, the Office of the Healthcare Advocate (OHA)) and the Office of Health Strategy (OHS) and (2) certain state public health programs. Programs paid for from the Insurance Fund include fall prevention, immunizations, syringe services, AIDS services, breast and cervical cancer detection and treatment, x-ray screening and tuberculosis care, sexually transmitted disease control, and children's health initiatives.

The Insurance Fund is capitalized by three assessments and fees on insurers and related entities: the general assessment, the health and welfare fee, and the public health fee. All domestic insurers and health care centers (i.e., HMOs) pay the general assessment. Domestic insurers and HMOs doing health insurance business in the state pay the health and welfare and public health fees. Licensed third-party

administrators (TPAs) and domestic insurers not subject to TPA licensure servicing self-insured health benefit plans also pay the health and welfare fee.

Table 1 below identifies these assessments and fees and the purposes of each. It also identifies legislation, where available, relating to each being paid from the Insurance Fund. (For additional information on the Connecticut Insurance Fund, see OLR Issue Brief [2023-R-0156](#).)

Table 1 (continued)

Assessment or Fee	Expenses Covered	Relevant Acts
Health and Welfare Fee ( <a href="#">CGS § 19a-7j</a> )	<p>Pays expenses of DPH's immunization services program, including:</p> <ul style="list-style-type: none"> <li>• purchase, storage, and distribution of childhood vaccines</li> <li>• other vaccine, biologic, and antibiotic purchase and distribution</li> <li>• immunization information system</li> </ul>	<p><a href="#">PA 03-3, June Special Session, § 6</a>, created the fee and directed deposits to the General Fund</p> <p><a href="#">PA 14-217, § 66</a>, directed deposits to the Insurance Fund instead of the General Fund</p>
Public Health Fee ( <a href="#">CGS § 19a-7p</a> )	<p>Pays expenses of multiple DPH programs, including:</p> <ul style="list-style-type: none"> <li>• syringe services program</li> <li>• AIDS services</li> <li>• breast and cervical cancer detection and treatment</li> <li>• x-ray screening and tuberculosis care</li> <li>• sexually transmitted disease control</li> <li>• children's health initiatives</li> </ul>	<p>Prior to 2015, these were part of the General Fund appropriations to DPH</p> <p><a href="#">PA 15-5, June Special Session, § 345</a>, moved funding from the General Fund to the Insurance Fund for the first five items</p> <p><a href="#">PA 17-4, June Special Session, §§ 16 &amp; 17</a>, moved DPH's children's health initiatives account from the General Fund to the Insurance Fund</p> <p><a href="#">PA 19-117, § 72</a>, added children's health initiatives to the public health fee</p>

# APPENDIX D

## D. IMMUNIZATION FUND

VACCINE/Brand Name	DOSES DISTRIBUTED
Covid-Novavax	3
Covid-Moderna 6m-11y	11,754
Covid-Moderna 12years+	3053
Covid-Pfizer 6m-4y	1650
Covid-Pfizer 5-11y	1200
Covid-Pfizer 12 years+	630
DTaP-Daptacel	12,809
DTaP/IPV/Hib-Pentacel	25,258
DTaP/IPV-Quadracel	5224
DTaP-Infanrix	7952
DTaP/IPV/Hepatitis B-Pediarix	8591
DTaP/IPV-Kinrix	11,704
DTaP/IPV/Hib/Hepatitis B-Vaxelis	25,170
Hepatitis A-Vaqta	26,010
Hepatitis A-Havrix	18,306
Hepatitis B-Recombivax	14,763
Hepatitis B-Engerix	16,261
HIB-Pedvax	7,973
HIB-ActHib	15,814
HIB-Hiberix	306
HPV-Gardasil	36,459
Polio-IPV	11,266
Meningococcal Conjugate-MenQuadfi	39,034
Meningococcal Conjugate-Menveo	6,438
Meningococcal Group B-Trumenba	2,737
Meningococcal Group B-Bexsero	22,256
Meningococcal Conjugate/Group B-Penbraya	95
MMRV-ProQuad	18,520
MMR-M M R II	23,593
MMR-Priorix	659
Pneumococcal Conjugate-Prevnar 13	4151
Pneumococcal Conjugate-Prevnar 20	40,142
Pneumococcal Conjugate-Vaxneuvance	30,676
Pneumococcal Polysaccharide-PPSV23	307
Rotavirus-Rotateq	35,957
Rotavirus-Rotarix	11,443
RSV-Beyfortus	8,870
Tetanus-Td Vax	56
Tetanus-Tenivac	150
Tdap-Adacel	7,427
Tdap-Boostrix	17,401
Varicella-Varivax	28,850



## Summary of OHS Positions in Insurance Fund—History

Years	# of Added Positions and Total Positions	Justifications
FY 2018		OHS created by PA17-2 (SS, First funds and positions est. in FY 19 (2018-2019))
FY 2019	6	Transfer of 5 positions from OHA for the SIM project; 1 position transferred from OD
<b>Total FY 18 &amp; FY 19 Positions</b>	<b>6</b>	
FY 19 Adjst	3	Transfer the rest of the 3 positions from OHA for SIM project.
<b>Total FY 19 Positions</b>	<b>9</b>	
FY 2020 & FY 2021*	1	Complete transfer of 1 position from OHA to OHS, Conducts consumer engagement, represents OHS on advisory boards, and lead in partnership initiatives
<b>Total FY 20 &amp; FY 21</b>	<b>10</b>	
FY 2022 & FY 2023	-	
<b>Total FY 22 &amp; FY 23</b>	<b>10</b>	
FY 23 Adjst	-	
<b>Total FY 23</b>	<b>10</b>	
FY 2024 & FY 2025	3**	1 position to support Statewide Health IT Plan; 2 positions to enhance data analytic capacity (Data Scientist and Health Care Analyst)
<b>Total FY24 &amp; FY25**</b>	<b>13**</b>	

\*New FY 23 adjustment due to COVID-19: In addition to 1 position for consumer policy goal will be removed via technical adjustment

## Office of Health Strategy Strategic Work Streams Supported by The Insurance Fund

### Health Information Exchange

[Conn. Gen. Statutes Sec. 77b-50a](#)

- Real-time secure access to patient health information (PHI) – 374,050 weekly encounters from 2,900 connected organizations
- Secure/no cost access to PHI for patients
- Supports care coordination
- Reduces costs associated with preventable readmissions, duplicative testing and medical errors
- Supports public health & population health analytics



Strategic Work Streams Supported by The Insurance Fund

CONNECTICUT

## Office of Health Strategy Strategic Work Streams Supported by The Insurance Fund

### Health Information Exchange

[Conn. Gen. Statutes Sec. 77b-50a](#)

- Health Information Technology Advisory Council (HITAC)
- Health Insurance Exchange Regulations Subcommittee
- PA 24-10 Health Insurance Exchange Recommendations Workgroup
- Annual Report State Health IT & Health Information Exchange

Strategic Work Streams Supported by The Insurance Fund

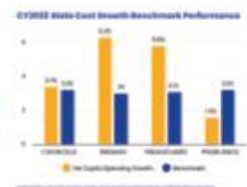
CONNECTICUT

## Office of Health Strategy Strategic Work Streams Supported by the Insurance Fund

### Healthcare Benchmarks Initiative

[Conn. Gen. Statutes Sec. 10a-74a, 10a-74b, 10a-74c, 10a-74d](#)

- Set an annual healthcare **cost growth** benchmark and **primary care** spending target
- Developing healthcare **quality** benchmarks
- Developing strategies in consultation with stakeholders to meet benchmarks
- Monitors ACO, PCMH and alternative payment models
- Supports public health & population health analytics
- Enhances transparency of \$36.4 billion in total health expenditures
- Developing data dashboards to provide public information on health care cost growth, hospital prices, and prescription drug prices



Strategic Work Streams Supported by the Insurance Fund

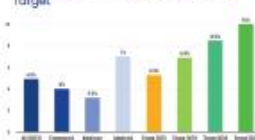
CONNECTICUT

## Office of Health Strategy Strategic Work Streams Supported by the Insurance Fund

### Connecticut's Healthcare Quality Benchmark

Phase 1 (Effective January 2022)
- Asthma Medication Ratio
- Controlling High Blood Pressure
- Glycemic Status Assessment for Patients with Diabetes
Phase 2 (Effective January 2024)
- Child and Adolescent Well Care Visits
- Follow-up After Hospitalization Visit for Mental Illness (7-day)
- Obesity Equity Measure

### Connecticut's Primary Care Spending Target



Strategic Work Streams Supported by The Insurance Fund

CONNECTICUT

# APPENDIX F

## F. OHS RESPONSE TO THE INSURANCE FUND WORKING GROUP

 **CONNECTICUT**  
December 9, 2024

Office of Health Strategy

### **RE: Insurance Fund Working Group**

Dear Members of the Insurance Fund Working Group:

Thank you for the opportunity to share the work of the Office of Health Strategy (OHS) with you during the September 13th Working Group meeting and for your thoughtful questions. We appreciate your engagement with the important work of OHS, and we are providing this letter in response to specific follow up questions you had and to further that conversation with additional information on our work and the specific programs supported by the Insurance Fund.

This correspondence is intended to address the key questions raised during the meeting; specifically, the following are addressed below:

- I. The overall portfolio of OHS and funding sources;
- II. The funding process for the Health Information Exchange;
- III. Key outcome measures for the Health Information Exchange;
- IV. The funding process for the Healthcare Benchmark Initiative;
- V. Key outcome measures for the Healthcare Benchmark Initiative; and
- VI. The unique role of OHS among the health and human services agencies.

While this package of information is intended to broadly cover issues raised at the Working Group meeting, we recognize that you may have follow-up questions about our work. We welcome the opportunity to continue the conversation and to discuss how the work of OHS fits into the State's goal of ensuring equity, access, affordability, and quality of healthcare for all Connecticut residents.

### **The overall portfolio of OHS and funding sources**

OHS was created in 2018 to develop and implement a comprehensive and cohesive health care vision for the state. OHS's portfolio spans the healthcare sector including coordination of the state's health information technology initiatives; development and implementation of the state's health systems

plans (excluding long term care) through the certificate of need (CON) program and Statewide Health Care Facilities and Services Plan and Inventory; reporting on hospital financial stability and investments in community benefits; convening the Governor's Health Care Cabinet and other healthcare stakeholder groups; and setting and monitoring the state's healthcare benchmarks for cost, quality, and primary care investment.<sup>1</sup>

Along with the programs OHS administers, a key function of the agency is to promote transparency in the healthcare sector through data collection, analysis and reporting. Key reports published and linked below by OHS in 2024 include:

- [the Connecticut Healthcare Affordability Index \(CHAI\)](#),
- [the Quality Benchmark Report](#),
- [the Primary Care Report](#),
- [the Cost Growth Benchmark Report](#), the
- [Community Benefit Summary and Analysis Report](#), an
- [Analysis of Impacts of Hospital Consolidation in Connecticut](#),
- [the Report on Payment Parity and Behavioral Health Coverage by Private Insurers](#),
- [the Hospital Financial Stability Report](#), and
- [the Statewide Health Care Facilities and Services Plan](#).

Collectively, these reports and analyses provide the public and the General Assembly with transparent analysis and evidence regarding key issues in the healthcare sector. It is OHS' hope that these resources have been useful to individual legislators and the General Assembly as a whole as you seek to implement innovative health policy through legislation.

This broad portfolio of programs, analyses, and reports is supported by a total fiscal year (FY) 2025 budget allocation of \$18,228,838. Of that, \$13,761,267 is funded from the insurance fund and is broken down as follows:

- Personal Services \$1,982,363
- Other Expenses \$9,829,264
- Equipment \$10,000
- Fringe Benefits \$1,939,640

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<sup>1</sup> For a more complete description of agency activities along with key outcomes, please see the OHS Administrative digest [<https://portal.ct.gov/das/-/media/das/communications/communicationslist-docs/digest/digest-2022-2023/health-strategy-officeof.pdf?rev=d3b25070f20d47b8ba5921ab03ac194f>], also attached to this correspondence.



For FFY 2025, the Health Information Alliance (the Health Information Exchange Contractor [HIE]) has an annual contract with OHS in the amount of \$7,867,641. \$6,063,986 is the state share of that cost and \$1,803,655 is received through DSS as federal Medicaid match. Additionally, \$1,104,189 in Medicaid reimbursement is received for HIE activities and deposited to the **General Fund** as federal grants revenue. With Medicaid funding and insurance fund support, the HIE stands as a model for shared investment, creating a foundation that serves the healthcare industry by enhancing quality, reducing costs, and meeting the needs of all payers.

The other piece of the OHS FY 25 budget, \$4,467,571, was appropriated from the General Fund. The majority of OHS General Fund activities are supported through a Hospital Assessment which gets deposited to the General Fund.<sup>2</sup> As discussed during our testimony at the Working Group meeting, and as described below, the Insurance Fund dollars support the Health Information Exchange and associated project team as well as the Healthcare Benchmark Initiative. The General Fund dollars

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primarily support the CON program, the legal department, and general agency operations.<sup>3</sup>

## **The funding process for the Health Information Exchange;**

- A State-wide Health Information Exchange (HIE) was established pursuant to CGS Sec. 17b-59d to empower consumers to make effective health care decisions, promote patient-centered care, improve the quality, safety and value of health care, reduce waste and duplication of services, support clinical decision-making, keep confidential health information secure and make progress toward the state's public health goals.
- As required by statute, OHS contracted with a nonprofit, nongovernmental entity known as Health Information Alliance (HIA), also known as Connie, and designated it to be the operator of HIE. OHS has administrative and regulatory oversight of the HIE program while HIA is responsible for the day-to-day operations and technical aspects.
- As detailed above, the funding for Connecticut's HIE is sourced from a combination of federal and state funds.
- **Federal Funding:** Connecticut's HIE has received significant federal funding including through the Health Information Technology for Economic and Clinical Health (HITECH) Act, and the Medicaid Enterprise Systems (MES).

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<sup>2</sup> C.G.S. 19a-631

<sup>3</sup> At the Working Group meeting, Representative Nuccio expressed concern that a small portion of the budget, as presented, was dedicated to the CON program. The slide presentation focused only on the Insurance Fund budget allocations, and the vast majority of CON activities are funded through the General Fund.

- **State Appropriations:** CGA has allocated state funds to support the HIE in line with its role in achieving state healthcare goals. These appropriations provide essential financial support to cover costs that federal funds may not.
- **Bond Funding:** OHS also received some bond funding to support the initial creation and development of the statewide HIE.

## Key outcome measures for the Health Information Exchange

Measure Description	Estimate 2025	Target Value
% of hospitals completing mandate requirements	93%	93% of hospitals will have met their data submission mandates
% of providers submitting data to HIE (all others)	40%	40% total providers to be submitting data to HIE*
% of payers receiving/submitting data from HIE	55%	55% of payers receiving/submitting data from HIE

% growth in Connie patient searches (year over year)	100%	100% growth in Connie patient searches (year over year)
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\*Changes to estimates reflect updated Connie legislation (PA 24-19) that doesn't require active connectivity and participation in the HIE until 18 months after the date of implementation of policies and procedures (estimated for purposes of this data to be no earlier than December 2026).

## The funding process for the Healthcare Benchmark Initiative

The Healthcare Benchmark Initiative (HCBI) was established by Executive Order (EO) 5 in January 2020. Following the EO, the legislature approved \$1 million from the General Fund in FY 20 (The General Assembly codified much of EO 5 in PA 22-118, and accordingly provided approximately \$788,000 in each fiscal year from the Insurance Fund to support the development of the Benchmarks. These latter funds primarily supported contracted technical assistance related to analyzing benchmark data.

Contractual support for the HCBI is as follows:

- Bailit Health Purchasing (\$503,999 for FY 2025) for data analytics such as recommending changes to the benchmarks based on data analysis, economic factors, or other factors; collecting data to analyze progress at meeting benchmarks; identifying entities that significantly

contributed to exceeding the cost growth benchmark; and identifying cost drivers and potential solutions to address them. Total funding is \$2,727,798 for 5-year contract.

- Mathematica (\$401,841 for FY 2025) for data analytics services using information from the AllPayers Claims Database (APCD) including hospital discharges, outpatient surgical center and hospital financial data and other publicly available data sets for ongoing support and monitoring of Connecticut’s health care benchmarks and primary care target initiative, other analytic projects and data use strategy. Total funding is \$1,916,564 for 5-year contract.

## Key outcome measures for the Healthcare Benchmark Initiative

The HCBI recommends data driven policies to increase the accessibility, affordability, and quality of Connecticut’s healthcare system, and does targeted engagement to promote these goals. It promotes public transparency by reporting on the state’s performance against Cost Growth and Quality Benchmarks, as well as the Primary Care Spending Target; on the rising cost of prescription drugs; on the adoption of Alternate Payment Models; and more.

Measure Description	Estimate 2025	Target Value
Stakeholder Engagement at Healthcare Forums	50	50 attendees at Healthcare Forums
Policy Recommendations	6	6 policy recommendations, supported by data, to lower healthcare costs, improve quality, and/or increase primary care spending in Connecticut
Cost Growth Spending Growth – by Market	75	75% of markets will have total medical expense growth below the Benchmark value
Cost Growth Spending Growth – by Commercial Payer	75	75% of commercial payers will have total medical expense growth below the Benchmark value
Primary Care Spending Growth	80	80% of commercial payers will increase their primary care spending
Quality Benchmarks	85	85% of Quality benchmarks will be met at the market level, across the Commercial, Medicaid Advantage, and Medicaid markets

## VI. The unique role of OHS among the health and human services agencies.

The roles and responsibilities currently under OHS have been moved several times in recent history. In 1994, the General Assembly created the Office of Health Care Access (OHCA) to be responsible for

developing a plan and recommendations for hospital payments. Subsequently in 2009, OHCA was relocated to be a division within the Department of Public Health under a separate Deputy Commissioner of Public Health who was to “exercise independent decision-making authority over all CON related matters”. Finally, effective January 1, 2018, OHCA was moved out of DPH as one of the components of the new OHS. The CON responsibilities were added to additional responsibilities and authorities including the Health Information Exchange, the All-Payer Claims Database, and other health innovation and strategy programs.

OHS takes a systems-level approach to all aspects of healthcare delivery including quality, access, cost, and equity.

# APPENDIX G

## G. AGENCY RESPONSES

### Department of Mental Health and Addiction

- 1. Please provide a summary of what services are funded by this line item and identify any state and non-state entities who received funding to provide the associated services and how much each entity receives.**

The \$451,181 from the Insurance Fund is allocated to contracts with two non-state entities: Bridges Health Inc. in Milford (\$225,415) and Youth Continuum Inc. in New Haven (\$225,766). These funds are used to support two of the state's four Access Centers for young adults, which provide a physical location for young adults so go to and access mental health and related resources (community-based supports, education, employment, housing), and find connection to care. These programs provide critical services to engaged disconnected youth to needed supports.

- 2. Is it anticipated that these services are needed going forward?**

Yes, it is anticipated that these services will be needed going forward. Discontinuation of these necessary resources for at-risk young adults would likely result in increased psychiatric admissions, homelessness, and incarceration for this vulnerable population.

### Office of the Behavioral Health Advocate

- 1. Note from OPM:** OPM has been informed that DAS posted the Office of the Behavioral Health Advocate job opening on September 5th and closed it on October 4th this year. While BHA is APO to the Department of Insurance, no staff have been hired, and no assessment to support the agency costs has been made.

### Department of Aging & Disability Services

#### Questions from Representative Wood:

- 1. What does the fall prevention program do throughout the year?**

Throughout the year, Tai Ji Quan: Moving for Better Balance, a research-based balance training regimen, is administered by Connecticut Community Care at 18 community sites (e.g., senior centers and other settings) across the state. Designed for older adults at risk of falling, the program centers on body movement to improve stability, posture, coordination, walking, and range of motion for foot, leg, and hip strength. Participants report that, with practice, their daily activities become easier to do, and with a lower risk of falling. To achieve optimal results, participants are encouraged to commit to attending at least 36 classes (out of 48) over 24 weeks.

Beginning in 2025, small grants will be awarded to municipalities to support implementing the National Fire Protection Association's (NFPA) Steps to Safety: Prevent Fire and Falls at Home program with their staff and first responders. The training program educates older adults on 16 key home safety messages—eight fire prevention and eight fall prevention—developed by experts from national and local safety organizations. Once trained, first responders and community partner organizations train their local senior population through group presentations and home visits, while leveraging related wraparound resources such as smoke alarm and grab bar installation services.

In partnership with the Connecticut Department of Public Health, ADS has re-established the Fall Prevention Coalition to share best practices and develop a standardized approach to fall prevention, along with shared access to statewide resources. Known as Falls Free CT, the coalition has a current roster exceeding 100 members and is led by a steering committee of professionals working toward more robust statewide programming and education. The coalition meets quarterly and has created a statewide resource guide, surveyed strategies of community providers, and regularly shares information about programming and funding opportunities.

For SFY 2026, ADS anticipates funding two additional fall prevention innovation contracts with community providers following a competitive RFP process.

## **2. How many people are affected?**

Tai Ji Quan: Moving for Better Balance served an average of 300 participants per year in SFYs 2023 and 2024.

According to 2019-2023 state data presented by the CT Department of Public Health, an average of 749 individuals per 100,000 aged 60 and over experienced a non-fatal fall injury each year. Unintentional falls were the leading cause of death in the Connecticut population of those 75 years and older with an age-adjusted mortality rate of 8.9 per 100,000 individuals in 2023. In 2022, CT hospitals billed \$4.6 million to care for people (of all ages) injured by a fall.

## **3. How many staff are employed?**

There is one primary ADS staff member responsible for overseeing the fall prevention program, in addition to other health promotion programs, with supervision by a manager, however neither are funded through the Insurance Fund. CT Community Cares utilizes a portion of its contract amount for the staff overseeing the initiative.

## **4. What does “multiple programs ready to be deployed” mean?**

In addition to continuing to provide Tai Ji Quan: Moving for Better Balance, ADS has:

- Scheduled the first training of the Steps to Safety program for March 2025 and will be awarding grants to municipalities to implement the program with their emergency response providers, and

- Drafted a Request for Proposals to identify at least two community providers to implement innovative fall prevention programming beginning in SFY26.

5. **Why is this an insurance assessment?**

Based on a search of the legislative history (see below), the idea appears to have been based on a cost-benefit analysis that funding fall prevention programming would help the state mitigate the costs of injuries from falls, such as within the Medicaid program. In a 2015 study, Tai chi: Moving for Better Balance had a net benefit of \$529.86 per participant and an return on investment (ROI) of 509%. A more recent 2019 study found similar results.

Excerpt from APP Committee transcript 11/18/2009

REP. URBAN: Thank you. Thank you, Madam Chair.

This is kind of a related question, Deputy Commissioner. So we had a long discussion this session over fall prevention and looking at the evidence base. And as you know, we did a results based accountability study of fall prevention. And I think that once we got all that data and realized -- and now it does kind of relate back to what we're discussing here, that their conservative estimate of 119 million we could save yearly in Medicaid funding for the long-term care of people that were egregiously injured, and falled, and somewhere in the realm of 136 million in direct hospital costs for this fall prevention. And we, very fortunately, were able to fund it.

6. **How was this funded prior to being an assessment?**

Between SFYs 2008 and 2009, the state legislature appropriated funds for fall prevention. Beginning in SFY 2010, fall prevention was funded through the Insurance Fund, with the assessment authorized in PA 09-5 SSS, §§ 52-54.

***Questions from Susan Halpin:***

1. **The 2023-2024 budget allocated a total of \$382,660 from the Insurance Fund to a line item for Fall Prevention. Please provide a summary of what services are funded by this line item and identify any non-state entities who received funding to provide the associated services and how much the entity receives.**

Connecticut Community Care received \$50,000 to provide the Tai Ji Quan: Moving for Better Balance program in SFY 2024.

Background Note: ADS had previously fully utilized dedicated funding to fund a statewide fall prevention program through Yale. Due to retirements both at Yale and within ADS, spending for this initiative was temporarily reduced in SFY 22 through SFY 24. With a new dedicated Health Program Assistant now on board at ADS, fall prevention spending, and numbers served, is expected to rebound starting this SYF25 and even further in SFY26.



**2. Is it anticipated that this service is needed going forward?**

One out of three persons aged 65 and older falls annually and 20% to 30% of falls result in injury. ADS anticipates continued demand for statewide fall prevention services because our state's aging population continues to grow, and new service providers need to be trained as well. For example, according to NFPA applied research, there was a 35% increase in lift assists from 2014 to 2017. Fire service personnel now attend more falls than fires among older adults.

**Department of Housing**

**1. Please provide a summary of what services are funded by this line item and identify any non-state entities who received funding to provide the associated services and how much the entity receives.**

In accordance with Section 8-444 of the Connecticut General Statutes, this line item is used exclusively to fund one position, the Special Homeowner Advocate, within the Department of Housing, including salary and fringe benefits.

**2. Is it anticipated that this service is needed going forward?**

It is anticipated that this position will continue to have a role related to "crumbling foundations" for as long as the problem exists, and it is anticipated to take another 20 to 25 years to resolve.

**Department of Administrative Services**

**The 2023-2024 budget allocated a total of \$1,998,672 from the Insurance Fund to the Department of Administrative Services for Personal Services, Fringe Benefits, and IT Services.**

**Questions:**

- **Please provide a summary of what positions and services are funded by this allocation.**

- **Is it anticipated that this service is needed going forward?**

\$1,998,672 was provided to DAS in FY 2025 to cover salary and fringe for employees serving DOI as part of IT Optimization and HR Centralization. Eight employees are currently being charged to the DOI funding. DAS was given \$776,947 for salary and \$707,589 for fringe benefits. DAS was also provided \$514,136 to pay for IT-related costs/services specific to DOI.

DAS expects funding to come to us yearly as DOI is now part of our HR Centralized and IT-optimized teams.

Please see below for additional information on the eight employees, including their position control number, position title, and the percentage charged to the Department of Insurance for each position.

<b>PCN</b>	<b>Position</b>	<b>% Charged to DOI</b>
00004018	InformationTechnologyManager2	40%
00009059	IT Analyst 3	100%
00009156	IT Supervisor	100%
00009161	HRGeneralist2	50%
00009163	IT SubjMatterExpert	100%
00009201	IT Analyst 2	100%
00076424	IT Analyst 3	100%
00132532	InformationTechnologyManager3	100%

## **Department of Public Health**

### **1. AIDS Services \$5,284,470**

Funds under this account supported HIV Prevention and Care activities that focus on persons at highest risk of contracting or transmitting HIV based on the most recent data. Services include HIV/HCV testing in clinical and nonclinical settings, screening and referral to pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) services for HIV prevention, patient and provider education, community level interventions, such as awareness day's events/health fairs, public education dissemination and outreach with the goal of identifying persons unaware of their HIV status and linking them to care. There are four region leads in CT (Yale University, APEX Community Care, City of Hartford Health Department, and Alliance for Living (AFL) and one Statewide Provider (Planned Parenthood of Southern New England), delivering HIV Testing

AIDS Services		
Grant Name	Contractor	Budgeted
	AIDS Connecticut, Inc.	\$275,900.00
	AIDS Project New Haven, Inc (APHN)	\$112,490.00
	Alliance for Living, Inc	\$108,602.00
	Apex Community Care, Inc.	\$345,791.00
	Community Hlth Center, Inc.	\$54,739.00
	Conn Children's Medical Center	\$54,463.00
	Conn Correction, Dept of	\$87,500.00
	Cornell Scott-Hill Health Corporation	\$73,354.00
	Cross Sector Consulting	\$110,000.00
	Family Centers, Inc	\$21,011.00
	GBAPP, Inc	\$93,376.00
	Greater Hartford Harm Reduction Coalition, Inc.	\$23,066.00
	Hartford - City of Health Dept	\$440,939.00
	Hartford Gay & Lesb Hlth Collective, Inc	\$97,797.00
	InterCommunity, Inc.	\$37,500.00
	Perception Programs	\$19,741.00
	Planned Parenthood of SNE, Inc	\$173,341.00
	Southwest Community Hlth Ctr	\$72,869.50
	StayWell Health Care, Inc.	\$54,546.00
	The Anchor Health Initiative	\$45,000.00
	Waterbury - City of, Health Dept	\$93,750.00
	Yale New Haven Hospital	\$54,698.00
	Yale University, Grant & Contract	\$398,891.00
	Available for new Contracts (RFP)	\$136,472.50
	ICF Macro, Inc.	\$50,000.00
	<b><u>Subtotal AIDS Services HIV-P Contracts</u></b>	<b><u>\$3,035,837.00</u></b>
	Region 1- Yale New Haven Hospital	\$211,734.00
	Region 2- APEX, Inc.	\$206,288.00
	Region 3- City of Hartford DHS	\$260,534.00
	Region 4- Litchfield	\$56,455.00
	Region 5-Alliance For Living (AFL)	\$151,871.00
	Region 6- Windham Regional Community Council	\$37,860.00
	Statewide - ACT, Inc. (TLC)	\$75,258.00
	<b><u>Subtotal AIDS Services HCSS Contracts</u></b>	<b><u>\$1,000,000.00</u></b>
	<b><u>Total - Contracts</u></b>	<b><u>\$4,035,837.00</u></b>
	Medical Supplies - AIDS/HIV Community Prevention initiatives	\$1,006,105.00
	Other ( HIV Inservice training, legal notices, data mapping, data collection, research data etc.)	\$242,528.00
	<b><u>Total</u></b>	<b><u>\$1,248,633.00</u></b>
<b>Total AIDS Services</b>		<b>\$5,284,470.00</b>

## 2. Services in Connecticut

The account also supports harm reduction supplies for SSP funded programs, HIV services including medical case management (MCM) and HIV Care and support services to assist persons living with HIV to take antiretroviral medications appropriately to prevent HIV transmission and disease progression.

### 3. **Children's Health Initiatives \$3,315,046**

Funds under the Children's Health Initiative are utilized to support 5 *initiatives*, as follows:

1) The CT Medical Home Initiative, 2) Reproductive Health and Perinatal Support Program, 3) Sickle Cell Disease Program, 4) Connecticut Asthma Program, and 5) Child Sexual Abuse and Lead Treatment Program.

4. **The CT Medical Home Initiative** (CMHI) for Children and Youth with Special Health Care Needs provides community-based medical home care coordination networks and collaboratives to support children with special health care needs. Services include a statewide point of intake, information, and referral in addition to provider and family outreach and parent-to-parent support. Care coordination services include linkage to specialists and to community resources, coordination with school-based services, and assistance with transition to adult health care and other services. Community Care Coordination Collaboratives support local medical home providers and care coordinators to access state and local resources, and work to resolve case specific and systemic problems, including reduction in duplicity of efforts. The CMHI partners with Connecticut Children's Medical Center to conduct Educating Practices training modules on topics including Care Coordination in the Medical Home, Developmental Surveillance Screening and Help Me Grow, and Family Professional Partnership in the Medical Home.
5. **Reproductive Health and Perinatal Support Program** - Services supported under this program include collaboration with partners to provide community-informed and community-driven programming including Best Support Education and Beyond (SEB), an intensive in-home, client-centered program provided to pregnant women who are between the ages of 10 to 25 with a current or past child welfare involvement, significant mental health diagnoses, or a history of significant childhood trauma. The services must be provided statewide and must target services to young women, ages 10-22, who are at high risk for pregnancies. Eligibility also includes young women up to age 25 who are in or aging out of foster care, homeless young women, women who are victims of human trafficking, pregnant or parenting young women, and young women who live in areas with high teen birth rates. Services are available statewide but have a focus on the City of Waterbury. Also, the program has a focus on teen pregnancy prevention and reducing maternal mortality and morbidity in this population with services such as training activities for the project, advocacy and outreach services for pregnant and non-pregnant adolescents in New Britain and surrounding areas.
6. **Sickle Cell Disease Program** – Services supported under this program include coordination with University of Connecticut Health to provide clinical care to persons diagnosed with Sickle Cell Disease (SCD), to connect pediatric SCD patients with transition programs to

adult medicine practices, and to coordinate sub-contractors and other stakeholders throughout the state to improve services to consumers with SCD through dissemination and education on best practices of emergency room and other protocols.

- **Connecticut Asthma Program** – Services supported under this program include conducting data surveillance, developing and revising the Putting on AIRS (POA) asthma home visiting program protocol to standardize across sites, evaluating the POA asthma home visiting program, monitoring POA delivery and data collection, training of community health workers (CHWs) on asthma and asthma home visiting, and training, technical assistance, and monitoring of four federally funded asthma contracts with the goal to improve asthma control in children, reduce asthma Emergency Department visits and hospitalizations; and reduce asthma disparities through an asthma home visiting program, access to and asthma care coordination, and partnerships with local and community services. The activities related to this program are supported by internal DPH staff funded by this account.
- **Child Sexual Abuse Program** - Funds are utilized to support counselling services, training for Providers to screen for signs of child sexual abuse serving children between three (3) through seventeen (17) years of age, who are suspected of being victims of sexual abuse, physical abuse, witness to domestic violence and other crimes which may include child sex trafficking or exploitation or poly-victimization.
- **Lead Poison Treatment** - Funds are utilized to support two regional lead poisoning treatment centers in different areas of the state to provide services including, but not limited to, consultation services for physicians regarding proper treatment of lead poisoning. Services may also include operating lead poisoning screening clinics and assistance with relocating families of poisoned children to lead-safe environments.

Children's Health Initiative		
Grant Name	Contractor	Budgeted
	Conn Children's Medical Center	\$194,923.00
	Child Health Development/CT Family Support Network Inc.	\$38,369.00
	FAMILY CENTERED SERVICES OF CT INC	\$139,931.00
	FAVOR INC.	\$421,016.00
	St Mary's Hospital	\$137,278.00
	Stamford Health Systems	\$137,561.00
	United Community & Fam Svcs, Inc.	\$93,983.00
	<b><u>Subtotal CT Medical Home Initiative</u></b>	<b><u>\$1,163,061.00</u></b>
	Hospital of Central CT (Case Mgmt. - Pregnant Women)	\$110,273.00
	Birth Support Education & Beyond (Case Mgmt. - Pregnant Women)	\$69,065.00
	<b><u>Subtotal Reproductive Health and Perinatal Support</u></b>	<b><u>\$179,338.00</u></b>
	Conn Children's Medical Center	\$656,856.00
	UConn Health Center	\$238,166.00
	<b><u>Subtotal Sickle Cell Disease</u></b>	<b><u>\$895,022.00</u></b>
	St Francis Hosp & Med Ctr (Multidisciplinary Child Sex Abuse)	\$126,317.00
	Yale University, Sch Med, 47 College (Multidisciplinary Child Sex Abuse)	\$125,787.00
	<b><u>Subtotal Child Sexual Abuse</u></b>	<b><u>\$252,104.00</u></b>
	Conn Children's Medical Center (Lead Treatment Ctrs)	\$142,436.00
	Yale New Haven Hospital (Lead Treatment Ctrs)	\$142,377.00
	<b><u>Subtotal Lead Poison Treatment</u></b>	<b><u>\$284,813.00</u></b>
	Other (Internal DPH staff support staff)	\$540,708.00
<b>Total Children's Health Initiative</b>		<b>\$3,315,046.00</b>

#### 7. Breast and Cervical Cancer Detection and Treatment \$2,503,761

Breast and cervical cancer screening, diagnostic and treatment referral services available throughout Connecticut for medically underserved women to increase the number of women who receive breast and cervical cancer screening, diagnostic and treatment referral services. This critical fund provides breast and cervical cancer screening, diagnostics, and navigation to treatment for 5,000 women annually. All services are offered free of charge through DPH's contracted health care providers located statewide. To be eligible for this program all women must: (a) be 40-64 years of age for mammograms and 21-64 years of age for clinical breast exams and Pap tests, (b) at or below 250% of the federal poverty level and (c) have no health insurance, health insurance that does not cover these services or a high insurance deductible (\$1,000 or more). The funds are also used to support educational outreach to the general public and populations of need, such as justice involved, about the benefits of screening and the early detection of cancer and recruit eligible women for screening services.

Breast and Cervical Cancer Detection		
Grant Name	Contractor	Budgeted
	CT Dept of Correction	\$90,000.00
	Hartford HealthCare - Htfd Hospital	\$493,364.00
	Prospect ECHN	\$104,002.00
	Western Connecticut Health Network	\$399,278.00
	Trinity Health of New England St. Francis Hospital & Medical Ctr.	\$305,395.00
	Yale - New Haven Health System	\$620,398.00
	Other (Internal DPH staff support, Medical IT Subscription & Education Se	\$491,324.00
<b>Total Breast and Cervical Cancer Detection</b>		<b>\$2,503,761.00</b>

## 8. X-Ray Screening and Tuberculosis Care \$970,931

Funds under the X-Ray/TB account primarily utilized to conduct clinical testing and follow-up health care for persons with tuberculosis. Any resident of the state afflicted with tuberculosis in any form who requires and applies for medical care is treated in a state chronic disease hospital, a private hospital, or clinic or by a physician or other health care provider without regard to the financial condition of the patient. The cost of care and treatment is directly reimbursed to medical and/or public health providers for care of persons infected with tuberculosis.

Grant Name	Contractor	Budgeted
	Bridgeport - City of	\$45,834.00
	Danbury - Hlth Dept	\$20,834.00
	Hartford - City of Health Dept.	\$45,834.00
	New Haven - Health Dept.	\$62,851.00
	Norwalk, City of	\$20,834.00
	Stamford, City of	\$62,500.00
	Medical Services (non-contractual support)	\$712,244.00
<b>X-Ray Screening and TB Care</b>		<b>\$970,931.00</b>

## 9. Needle and Syringe Exchange Program \$501,629

Funds under the syringe services programs (SSPs) account is utilized to provide services through local health departments or other local community-based organizations across CT to enhance health outcomes of people who use drugs, including inject drugs in any community impacted by the human immunodeficiency virus or hepatitis C. SSP services include access to new syringes, harm reduction education, HIV/HCV testing, overdose prevention services, including access to naloxone for opioid overdose reversal, and referral to STD testing, mental health, substance use disorder (SUD) treatment services, and linkage to HIV care and support services for persons with HIV. There are four region leads in CT (Yale University, APEX Community Care, City of Hartford Health Department, and Alliance for Living (AFL) and one Statewide Provider (CT-Harm Reduction Alliance (CT-HRA), delivering SSP services in CT.

Grant Name	Contractor	Budgeted
	AIDS Connecticut, Inc.	\$37,581.00
	Alliance for Living, Inc	\$59,067.00
	Apex Community Care, Inc.	\$78,714.00
	Family Centers, Inc	\$28,714.00
	GBAPP, Inc	\$28,949.00
	Connecticut Harm Reduction Alliance	\$103,714.00
	Hartford - City of Health Dept	\$47,794.00
	Perception Programs	\$28,713.00
	Waterbury - City of, Health Dept	\$18,000.00
	Yale University	\$70,383.00
<b>Total Needle &amp; Syringe Exchange Program</b>		<b>\$501,629.00</b>

### 10. Venereal Disease Control \$201,791

Funds under this Venereal Disease account is utilized to supports Sexually Transmitted Diseases (STD) clinical services o ensure increase access to STD clinical care and decrease transmission and incidence of STDs that if left untreated may cause severe irreversible damage ranging from infertility to cancer. This fund also supports distribution of STD medications.

Grant Name	Contractor	Budgeted
	Bridgeport - City of	\$30,601.00
	Hartford - City of Health Dept.	\$44,981.00
	New Britain - City of	\$17,627.00
	New Haven - City of-Planned Parenthood	\$35,362.00
	Norwalk - City of	\$17,224.00
	Stamford - City of	\$31,661.00
	William Backus Hospital, The	\$24,335.00
<b>Total Venereal Disease Control</b>		<b>\$201,791.00</b>



# APPENDIX H

## Information on the Fully Insured Market Presented by CID

The fully insured/self-insured lives reported by the carriers in mid-2024 in connection with the Public Health Assessment is as follows:

FY2024-2025 Public Health Assessment (Reported Lives)	
Fully Insured	381,303
Self-Insured	367,291
Unspecified	493,630
Total Reported Lives	1,242,224

### Summary:

- (i) This is to clarify for the working group that the 200,000 number shared on Friday only included individuals and small group lives,
- (ii) The number of fully insured lives at the end of 2023 was approximately 480,000 – which includes individual, small group and large group. Fully insured large group, not under CID's authority, for example could include a municipality or a non-profit in that larger number referenced in the table above.
- (iii) We expect that approximately 100,000 of the unspecified lives are fully insured.