GROUP INSURANCE COMMISSION MEETING
Thursday, May 15, 2025
8:30 A.M.-10:00 A.M.

Meeting held virtually through online audio-video platform (ZOOM) and accessible on the GIC's YouTube channel.

MINUTES OF THE MEETING

NUMBER: Six hundred and ninety-three
DATE: May 15, 2025
TIME: 8:30 A.M.
PLACE: Meeting held virtually through online audio-video platform (ZOOM) and accessible on the GIC's YouTube channel

Commissioners Present:
VALERIE SULLIVAN (Chair, Public Member)
MATTHEW GORZKOWICZ (Secretary of Administration and Finance) Designee: Dana Sullivan
MICHAEL CALJOUW (Commissioner of Insurance) Designee: Rebecca Butler
KRISTIN PEPIN (NAGE)
EDWARD T. CHOATE (Public Member)
TAMARA P. DAVIS (Public Member)
JANE EDMONDS (Retiree)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
EILEEN P. MCANNENY (Public Member)
MELISSA MURPHY-RODRIGUEZ (Massachusetts Municipal Association)
JASON SILVA (Massachusetts Municipal Association)
ANNA SINAIKO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)
CATHERINE WEST (Public Member)

Commissioners Not Present:
BOBBI KAPLAN (Vice Chair, NAGE)
PATRICIA JENNINGS (Public Member)

I. Introduction and Approval of the Minutes

At 8:30 A.M. The Chair started the meeting and introduced Commissioner Kristin Pepin who was appointed to fill the open NAGE seat. The General Counsel announced the Commissioners in attendance. The Executive Director provided an overview of the meeting agenda.

The Chair called for a motion to approve the minutes from the April 17, 2025 meeting. Commissioner Choate motioned to approve the minutes and Commissioner Edmonds seconded the motion. The General Counsel read the motion and took a roll call vote. The vote was unanimous.

II. The Executive Director's Report

The Executive Director announced new hires at the GIC. Morgan Simko as Government Affairs Manager , Daniel Gumble as Counsel I, and Jang-Soo Lee as Healthcare Analyst.

Commissioner Choate asked how the Governor's announced hiring freeze will impact the GIC. The Executive Director stated that he does not anticipate it impacting us immediately and only on unexpected departures in the future. The Executive Director specifically noted that since the hiring process for the Chief Financial Officer (CFO) position is already underway, the freeze will not impact that position.

Chair Sullivan asked what the timeline was for the CFO hire. She urged that the GIC move quickly so that the hiring freeze does not impact that position. The Executive Director stated that he anticipates the CFO will be hired by the end of the fiscal year. He reiterated that the hiring freeze does not apply to the CFO role since it's already in process.

The Executive Director then provided an update on the supplemental budget for the GIC. He said that the GIC would be unable to pay claims after May 12, 2025 until additional funding is authorized by the Legislature and signed by the Governor. He said that while medical claims have been pended, claims for prescription drugs would continue to be paid. He explained that a robust communication strategy was implemented to inform insurance carriers, members, and providers so that members would be assured that coverage for their care would not be impacted. He said that the supplemental budget is expected to be passed by the Senate today, May 15, 2025. He emphasized that so long as the supplemental budget enacted soon the GIC will not miss any payments to the insurance carriers.

Commissioner McAnneny asked why pharmaceutical claims were still being paid and how those funding streams differ. She also asked if we are considering building in a cushion for the future to avoid such a situation.

The Executive Director stated that since pharmacy claims adjudicate almost immediately, unlike medical claims which have a longer time lag, staff made the policy decision to keep paying prescription drug claims to make sure members maintained access to necessary medications.

Commissioner Choate asked the Executive Director whether the budget submitted for the upcoming fiscal year contained a financial buffer. The Executive Director stated that, based on current projections, it is anticipated that the funds will be sufficient for the coming year. He underscored that there is always uncertainty and always some amount of volatility.

Commissioner Choate stated that supplemental budgets used to be an annual event which could be disruptive and confusing to members.

The Executive Director said that unless unforeseen dynamics come into play over the course of the year, he did not anticipate needing a supplement in the coming fiscal year.

Commissioner Sinaiko asked whether the GIC has done an analysis on how much of the increases and over budget is being driven by GLP-1 medications or whether is it something else driving these things.

The Executive Director said that the increased spend for GLP-1 medications is a big driver, though not the only driver. Medical provider rate increases are also a big driver, he noted, most notably rate increases that came into effect after the Commission approved FY25 premiums but before the start of the fiscal year.

The Executive Director additionally noted that there was a significant change in the CVS formulary for July 1, 2025, removing GLP-1 weight loss drug Zepbound from the preferred drug list. The alternatives Wegovy and Saxenda will remain as preferred on the formulary. These are the types of changes, he noted, that the GIC relies on the pharmacy benefit manager to make to ensure that our members have access to important drugs while also tamping down on the costs. Members, he continued, who are currently on Zepbound and who cannot take Wegovy will be able to follow an exception process to remain on Zepbound, in certain circumstances. He underscored that many carriers and employers are dropping coverage for GLP-1s altogether, but the GIC is maintaining as much coverage as possible.

The General Counsel also provided a brief overview of the exception process and the copays associated with the formulary change.

The Executive Director provided the Commissioners updates relative to the GIC Commission calendar, noting that the life insurance and long-term disability (LTD) consultant vote had been moved to June.

III. Out Of Pocket Report

Presentation by Lauren Makishima, Data Analytics Manager

The Executive Director gave a brief introduction and then handed the meeting to Ms. Makishima.

Ms. Makishima noted that this year's report was different based on Commissioner feedback. This report, she stated, looks at both out of pocket and GIC payments so that a comparison of cost drivers can be understood in the fullest context.

Ms. Makishima first presented out of pocket costs for Medicare members, both for medical versus prescriptions. She then showed the same information for non-Medicare members. She provided a look at how plan changes through the last health benefit procurement have impacted out of pocket costs as well as GIC's spending trend. Membership shifts responding to the plan changes was also provided. She noted that the GIC's costs have grown in comparison to the growth of member out of pocket costs, but both are concerning.

The Executive Director stated that trends being presented are also what is expected for the coming year, both in growth and in savings.

The Chair asked about oncology services and whether those costs are in the in-patient medical section. Ms. Makishima stated that any drugs administered at a facility is captured in the "all other medical" bucket. She said that it was definitely a component of increasing spend, but the focus is on the top 5 categories.

Ms. Makishima then presented data on GLP-1 agonist use and costs, both for weight loss and diabetes. The data shows, she noted, that use of these drugs for weight loss has increased immensely, both in number of users and in overall cost. She stated that staff at the GIC are evaluating strategies aimed to maintain access to these medications while taking steps to stabilize the costs.

Commissioner McAnneny asked whether there are different criteria or step therapy requirements for weight loss use of GLP-1 prescriptions. Ms. Makishima stated that there are different requirements for weight loss and diabetes, and explained what some of the requirements are for weight loss.

The Chair asked whether the GIC gets data on the use of weight management programs. The Chair raised the idea that a member might be denied medication if they are not using a weight loss program.

Ms. Makishima stated that CVS does provide high level information about some of these things, but she does not have those numbers on hand.

The Chair asked for information on how many members who are on GLP-1 medications for weight loss continually use the diet and exercise program. She stated a belief that it is important for these members to be using a weight loss program. The Chair asked for follow-up data.

Ms. Makishima provided benchmarks on coverage and costs, showing different groups that cover GLP-1 medications and associated costs, comparing them to the GIC coverage and costs. She noted that GLP-1s are a significant driver of costs both for member out of pocket costs and the GIC's costs in premium.

She concluded that given all that is going on in the market regarding GLP-1 medications and in comparison to others in the market, the GIC member costs continue to remain low overall.

IV. Other Business and Adjournment

The Chair called for any additional business and reminded the Commissioners that the next meeting is on a Wednesday, not a Thursday, due to a holiday.

With no Commissioners raising other business, the Chair then asked for a motion to adjourn. Commissioner McAnneny motioned to adjourn and Commissioner Choate seconded the motion. The vote passed unanimously and the meeting was adjourned.