GROUP INSURANCE COMMISSION

Charles F. Hurley Building
19 Staniford Street
Boston, MA 02114

MINUTES OF THE MEETING

NUMBER: Six Hundred Thirty-Six
DATE: January 18, 2018
TIME: 8:30 A. M.
PLACE: 19 Staniford Street, Boston, MA 02114

Members Present:

VALERIE SULLIVAN (Public Member), Chair

GARY ANDERSON, (Commissioner of Insurance)

TAMARA P. DAVIS (Public Member)

THERON R. BRADLEY (Public Member)

EDWARD T. CHOATE (Public Member)

CHRISTINE HAYES CLINARD, ESQ. (Public Member)

JOSEPH GENTILE (AFL-CIO, Public Safety Member)

BOBBI KAPLAN (NAGE)

JANE EDMONDS (Retiree Member)

MELVIN A. KLECKNER (Massachusetts Municipal Association)

MICHAEL HEFFERNAN (Secretary of Administration and Finance)

MARGARET THOMPSON (Local 5000, SEIU, NAGE)

TIMOTHY D. SULLIVAN, Ed. D. (Massachusetts Teachers Association)

EILEEN P. MCANNENY (Public Member)

KEVIN DRAKE (Council 93, AFSCME, AFL-CIO)

Vacant Seats:

Health Care Economist

MMA

No Members Absent

The Chair opened the meeting by welcoming Jane Edmonds, the new retiree member Commissioner.

I. Approval of Minutes — Commission

On a motion by Commissioner Kaplan, seconded by Commissioner Choate, the December Commission Meeting Minutes were unanimously approved.

II. Executive Director's Report — Roberta Herman, M.D.

The Executive Director announced the goals for the meeting:

- regular business and functional updates
- the medical and behavioral health procurement recommendation
- updates on the public hearings
- a brief summary of the out-of-pocket trends, and
- staffing updates.

The Chief of Staff provided a staffing update; she announced that the GIC had hired both a Communications Director and a Legislative Affairs Director; the Legislative Affairs Director was in attendance, and the Communications Director would be in attendance at the next Commission meeting. Their first day is January 22nd, and both will be introduced more formally at the February 1, 2018 Commission meeting.

III. Fiscal & Budget Report — Catherine Moore

- **February estimated premium payments**

The Executive Director stated that there would be a vote needed regarding estimated premium payments. The Fiscal Director presented the estimated premium payments for February, 2018. The GIC paid $53.2 million at the beginning of the month for fully-insured premiums and self-insured plans' administrative fees.

On a motion by Commissioner Kleckner and seconded by Secretary Heffernan, the estimated payments were approved.

- **December Claims report**

The Fiscal Director presented the claim reimbursements for December, 2017. Year-to-date, the GIC's paid claims remain lower than last year. Part of the difference is due to changes in the pattern of invoicing. We are running a surplus against our projections for December, and the aggregate surplus through the end of December is $43 million, $39 million of which is in the main fund.

The Executive Director asked the Fiscal Director if she had any thoughts regarding why we were running a surplus. The Fiscal Director responded that utilization may have been suppressed this year, which is often seen when benefits are changed, and that the prescription deductible likely has affected member spending in the first part of the plan year. She also noted that it remains to be seen how the GIC performs through the end of the fiscal year, but that the agency remains currently in a very positive position. The Executive Director added that in her experience, there is an initial period of conservatism when members are learning how to use their benefits.

The Fiscal Director explained that the surplus is against the funding level that was provided by the state, and that this was tracking to the state's spending level. State share surpluses return to the state and employee share surpluses go into a separate employee reserve account to pay employee claims expenses.

IV. Procurement:

- **Medical/Behavioral Health Decision**

The Executive Director led off by thanking the GIC procurement team and Willis Towers Watson for their work and said that she was very pleased with the pharmacy procurement decision; the GIC has begun initial pharmacy implementation activities.

The Executive Director presented a high-level overview. The overall goal of the GIC is to offer meaningful choices, provide sustainability, and to be innovative, market-leading, and results-driven. She reminded the Commission that she felt the GIC and its members would be better served by moving from many combinations and permutations of carriers and plans to a clearer and more differentiated portfolio with fewer carriers. As previously discussed, she also

believed that it would be advantageous to move to all self-insured funding arrangements [versus a mixture of fully and self – insured], which provides the GIC transparency into the data and product performance and avoids unnecessary fees. The Commission has also concluded that it be would be best to consistently either carve-in or carve-out behavioral health and pharmacy, and has previously approved a strategy of carving out pharmacy and carving in behavioral health.

Commissioner Bradley asked if the number of program offerings and carriers would decrease. The Executive Director said that the number of traditional health plan carriers would decline, with the goal ultimately offering a larger, rationalized portfolio of products and programs.

The Executive Director stated that the GIC looked for opportunities to consolidate with the goal of maximizing value and efficiency and analyzed what combination of the smallest number of carriers, still provided the best value for its members. The GIC's new contracts and programs will start in July, 2018. The expected contract duration is three years, with an option to renew to four or five years, although this is not a requirement.

The Executive Director reviewed the procurement timeline. The GIC released an RFR through COMMBUYS on August 16th, 2016. Proposal responses were received from all of the incumbents, as well as UnitedHealthcare and Aetna, by the deadline of September 25, 2017. All bidders except for Aetna were selected as finalists. Requests for Best and Final Offers (BAFOS) were sent on December 8th. Responses from all finalists were received by the deadline on December 15, 2017.

The Executive Director continued that the carrier portfolio selected supports the GIC's key focus areas outlined in the procurement. For the commercial space, selections were UniCare, Neighborhood Health Plan, and Health New England. In the Medicare space, selections were UniCare and Tufts; for Pool 2, UniCare was the only bidder and therefore will be the only carrier offered. Two carriers were eliminated: Harvard Pilgrim Health Care and Fallon (who also received the lowest scores). In addition to supporting the GIC's strategic goals, the portfolio outlined here generates an estimated savings of $20.8 million a year.

Commissioner Kaplan asked if Tufts was being removed from the commercial space, and the Executive Director replied that it was, although it will be offered for Medicare space.

Regarding member transition considerations, the Executive Director stated that the goal is for GIC subscribers to keep access to their current physicians and hospitals with comparable coverage and benefits after any plan migration.

There was inquiry about the definition of carve-in behavioral health. The Executive Director explained that the GIC will not hold the direct relationship with the behavioral health provider, and that it would now be the responsibility of the carriers to ensure that the behavioral health benefit is integrated with medical, the goal also being to have consistent benefit levels across carriers. More generally, our goal is to be deliberate about where/how product attributes are the same or different across a more limited number of carriers.

Commissioner Anderson commented that the DOI (Division of Insurance) monitors network adequacy and has done work to ensure that networks are adequate for both the medical and behavioral health side.

The Assistant Director of Strategic Initiatives spoke about the current landscape regarding the plans the GIC had, as well as sharing the recommendations that were made back in July, 2017, when Willis Towers Watson joined the GIC and assessed the agency's current products and vendors. As the Assistant Director pointed out, there were many different carriers, product types (indemnity, POSs, HMOs, PPOs,) and funding arrangements (self-insured and fully insured) and variations in the carve-in and carve-out of pharmacy and behavioral health. Most of the GIC members are in self-insured plans; only 17% of members are covered under fully-insured plans. Beacon has dominated as the behavioral health vendor, whether carved-in or carved-out. CVS has also been the strong leader as the pharmacy benefits vendor.

Turning to Medicare, the GIC has traditionally required its commercial plans to also offer a Medicare supplement plan. CVS has been the PBM provider for all Medicare supplement plans.

The Assistant Director then reviewed the recommendations Willis Towers Watson had made in July 2017. One recommendation was that the GIC move to only self-insured plans, underscoring that this is the norm for large employers. In terms of network, the GIC wanted the bidders to be able to bid for select (or narrow) networks. The agency also wanted to maintain tiering of providers and facilities, which has been a hallmark of the GIC. The GIC set up the RFR to provide bidders a broad scope in what they bid for in terms of products and geographies, the latter important as the GIC insures members all over the country. The key point was that the GIC wanted to select the carriers that best met specific member segments and needs (e.g. Medicare versus non-Medicare). The Assistant Director also noted that all the bidders agreed to provide their self-insured data to CHIA and that CHIA committed to seeing how that data can be enhanced for GIC specific analysis, as the GIC wants its metrics to line up with how the state is more generally looking at performance in the market.

The Assistant Director of Strategic Initiatives moved next to Medicare-eligible retirees. The recommendation from Willis Towers Watson was to consolidate Medicare supplement plans into a single offering. Until now, the GIC has had an operational requirement that a Medicare member stay with the same carrier as non-Medicare family members. This requirement has now been eliminated. The GIC wanted to continue to offer Medicare Advantage plans, as they provide great value and manage care; this is especially true in Massachusetts, whose managed care plans are among the nation's leaders. The retired municipal teachers and the elderly governmental retirees are subject to specific statutory requirements that they be pooled separately (Pool 2). The recommendation from Willis Towers Watson was to offer a single fully-insured Medicare supplement plan for Pool 2. The Assistant Director concluded her presentation by thanking the procurement team and Willis Towers Watson for their hard work.

Next to present was Jeff Levin-Scherz of Willis Towers Watson, regarding the results of the best and final offers from the health plans. He emphasized that this had been a rigorous process and that the scoring of plans was relative. There were many excellent plans in Massachusetts, and for that reason a low score did not necessary reflect poor performance, but merely a score that is lower in comparison with many other excellent competitors. Dr. Levin-Scherz explained that the scores were on a 1 to 5 point scale, with 1 being the worst and 5 being the best and had been rounded. After the best and final offers proposals were received, the bidders with the top scores in each category were: Commercial – UniCare, Health New England, and Neighborhood Health Plan; Medicare – Tufts Health Plan and UniCare; and Pool 2 – UniCare. Dr. Levin-Scherz provided a list of key elements on which plans were scored and how they were weighted. The various elements and their weightings were: Supplier Diversity Program (10%), Technical Proposal Scoring (28%), Cost Proposal Scoring (30%), Essay Questions (15%), Finalist Interviews and Presentations (15%), and References (2%). Fallon and Harvard Pilgrim received the lowest scores overall.

Commissioner Kaplan asked Dr. Levin-Scherz about Health New England and Neighborhood Health Plan in terms of geography. He responded that Health New England is primarily centered in western to central Massachusetts, whereas Neighborhood Health Plan is substantially broader, although most of its membership is based in eastern Massachusetts. The plans are complementary; neither plan covers absolutely every zip code in the state.

Commissioner Gentile asked if there would be any areas that were only covered by UniCare, where neither Health New England nor Neighborhood Health Plan was available. Dr. Levin-Scherz responded that every member would ultimately have some choice, pointing out that members have several kinds of choices: carriers, products and providers. One way or another,

it is important for members to continue to see their providers, and the idea was to provide options for this without members resorting to having to pay much higher premiums. Choice of provider is much more important to most members than choice of carrier. The Executive Director added that choice of products is also more important than choice of carrier. Commissioner Gentile stated that if some members have only one choice and other members have a variety of choices, those with only one option may feel slighted, and he felt that we should be cognizant of this issue. The Executive Director conceded that it is a major challenge to ensure members are better informed about choosing a carrier, product, or provider. She also expressed confidence in the procurement process and felt that the choices that would be offered would provide excellent value both for the members and for the state.

Commissioner Clinard asked if the results of the survey would be in conflict with any of the procurement results. The Chair commented that what was most notable in the results of the survey and the listening tours was that members cared most about keeping their doctors, and the Chief of Staff and the Executive Director agreed. The Executive Director pointed out that while the survey indicated that most people dislike change, the most important priority for members was the ability to keep their doctors and hospitals rather than the carrier they had. The survey appeared to be reflected both in the process and in the results. The Executive Director added that the survey provides a baseline, but was not mathematically factored into the procurement process. That said, the Chief of Staff added that the survey confirmed and supported the recommendations that were made.

Dr. Levin-Scherz discussed the financial scenarios that had been considered during the procurement process. Once carriers had been ranked, and consistent with the overall goal of carrier consolidation, the ramifications of serially eliminating the lowest-scoring health plans were explored. [Illustrated on slide 28] There was also a financial comparison made with the status quo (incumbent carriers). He indicated that, if the GIC stayed with its current configuration, , as health care costs continue to rise there would be a 4 or 5% increase in cost, and the procurement process offered a means to combat that now and in the future. Dr. Levin-Scherz added that not only were FY18 costs considered, but they were also trended forward to FY19 to see how those savings would continue. A cost savings of $20 million could potentially translate to not increasing premiums and/or not increasing the out of pocket costs for members. The Chair asked if this was a 3-year or a 5-year projection, and Dr. Levin-Scherz responded that these savings were for one year, and although they are for the first year, they are representative of, in fact compounded over, future years as well.

Commissioner McAnneny asked if Dr. Levin-Scherz could give a bit deeper explanation of the consolidation slide (slide 28). This slide was used to help the Commission decide how far to go

toward consolidation (left to right on slide) through serial elimination of carriers based on their overall score (low to high). Dr. Levin-Scherz explained that ASO (administrative services only) fee savings would be $1.4 million if only Fallon and Harvard Pilgrim were removed, whereas there would be a savings of $2.4 million if Tufts were removed as well. Provider discount savings in those scenarios would go from 9.7M to 17.5M (total 19.6). However, if the GIC were to continue to consolidate in the direction of a single plan, it would save some more money in ASO fees, but would lose out on substantial discounts as well; therefore, the optimum scenario (and the recommendation) was to keep Neighborhood Health Plan, and Health New England in addition to UniCare.

Commissioner Choate asked for a better understanding of the savings, stating that his understanding was that this information is a year one savings against the status quo, with a projected 4 to 5% increase. Dr. Levin-Scherz confirmed this. The Executive Director emphasized that this particular slide was the most critical of the entire presentation.

Commissioner Davis asked if we currently have provider discounts if we kept the same plans as before. Dr. Levin-Scherz confirmed that we did, and Commissioner Davis asked why discounts increase if we remove certain carriers. Dr. Levin-Scherz explained that we are recommending removing the plans with the least favorable provider discounts.

Commissioner McAnneny asked if the provider discounts are determined by a different statutory scheme. Dr. Levin-Scherz explained that there is a state law that allows the GIC's indemnity carrier to require providers in Massachusetts to accept a fee schedule and prohibits providers from billing members for more than that amount ("balance billing").

The Executive Director stated that she was aware that this is a great deal of complex information to process. She explained that the GIC had several options. She explained that the GIC could do nothing, but then costs would be expected to increase 4 or 5% or more. Alternatively, the GIC could find the best scenario along the consolidation continuum for the GIC and its members. It seems clear that, in addition to other strategic benefits, consolidation has the potential to provide a better financial impact; however, taken further than scenario 2, that financial benefit deteriorates because of the very good offers made by HNE and NHP.

Commissioner Bradley asked if a single carrier would give better discounts if they were guaranteed to be the only vendor. Dr. Levin-Scherz responded that all bidders provided figures with the understanding that they could potentially have all GIC membership. He said that there was the possibility that there would be a very compelling bid to make the case for a stand-alone, but that hadn't happened; he added that this could still happen in the future, however.

Commissioner Edmonds asked what the arguments were against the recommendation. Dr. Levin-Scherz responded that the more changes the GIC makes, the more its members have to change health plans, which causes disruption. He stated that any migration comes with execution challenges. The Executive Director explained that the GIC was required to ensure that everybody remain covered, and the agency would start by mapping members to a comparable plan. During open enrollment, members have the ability to make an active choice; however the plan they were "mapped" to would serve as a default. The overall goal was to allow members to keep their doctors, hospitals, and levels of coverage. Commissioner Choate asked if the GIC would map which hospitals and doctors members can see under a particular plan. The Executive Director called attention to slide 40, which shows the current plans available to GIC members. She stated that most of the migration would take place within the broad network plans. As an example, she used Harvard Pilgrim Independence Plan and Tufts Navigator. Members in these plans could move to UniCare Plus, in which they could keep their doctors and hospitals and pay a lower premium. General Counsel added that UniCare Plus covers every hospital and doctor in the state. The Executive Director indicated that members in western Massachusetts could also choose Health New England, which is even less expensive. She also stated that members could buy up to a broader plan, such as from UniCare Plus to UniCare Basic, to cover changing circumstances and family members who may be out of state or travelling.

The Chief of Staff mentioned that the second most important concern members expressed in the survey was that the rate of wage increases were not keeping pace with the cost of health care. She felt that the plans that will be offered under the recommendation will help to offset this and reduce costs for members, which is a very important consideration. Commissioner Gentile asked if this will be explained at the public hearing. The Executive Director replied that the challenge would be to talk simply about the fact that there is a recommendation to change the carriers, accepting the mandate we have been given to provide products which give our members access to their providers and hospitals, with comparable benefits – while allowing most of the time for Public comments. Dr. Levin-Scherz stated that limiting the number of health plans should provide some room to make it less likely that members will face high rate increases. The Executive Director added that there are two challenges: price and rate of rise. She believed that the implementation of this recommendation would put both the GIC and its members in an excellent position now and in the future.

Commissioner Choate asked if the GIC had done any modeling regarding what the percent rate of rise would be. Dr. Levin-Scherz stated the GIC is aiming for a very small rate increases or possibly, flat (no) growth in aggregate. The Executive Director said she believes that the

current recommendation for carriers would result in very modest growth and our best opportunity to hold down out of pocket costs.

Dr. Levin-Scherz moved on to Medicare scoring and stated that, as with the commercial plans, members whose plan is eliminated will be migrated to a comparable plan. 80% of Medicare subscribers will be able to retain their current carrier; the vast majority of members have UniCare, which would significantly reduce the need for migration to another plan. Commissioner Clinard asked how 'comparable' is defined. The Executive Director answered that it means the same doctors and hospitals, as well as no increases in copays or deductibles.

Commissioner Gentile asked if any particular kind of plan was going away completely, such as a PPO plan. Dr. Levin-Scherz responded that plan design had not yet been worked through, and that it would be discussed at a subsequent meeting.

Regarding Medicare scores, the scoring had the same elements as the non-Medicare ("Commercial") plans. In the area of cost proposal, only Fallon and Health New England had substantially lower scores than the other carriers. Tufts and UniCare were the standouts with regard to the interview portion; Tufts had the highest overall score and UniCare had the second highest overall score.

On the Medicare Advantage side, Fallon was not able to carve out pharmacy [a requirement of the bid]. Tufts scored very well; Willis Towers Watson recommended continuing with the Tufts plan and eliminating Fallon, as Fallon is not currently able to meet the bid requirements.

Offering only the Tufts and UniCare Medicare Supplement products saves about $1 million. $3 million could be saved by eliminating UniCare, but keeping UniCare is the best course, as about two-thirds of this population currently has UniCare and this would prevent a major member migration. The Executive Director added that the Commission should think differently about these two populations [the Medicare versus non-Medicare membership] as their needs differ and they need to be managed differently.

With regard to Pool 2, UniCare's score was quite high. It was also the only viable bid for the entire Pool 2 population. While there have been a variety of different carriers for this population in the past it is very expensive to maintain and manage; as 90% of this population currently has UniCare, there will be limited carrier disruption caused by the lack of other bids.

Dr. Levin-Scherz thanked all of the bidders, stating that even the bidders who were not selected provided a great deal of valuable information. He added that Massachusetts is lucky because it has so many excellent health carriers from which to choose.

The Executive Director and Dr. Levin-Scherz noted that there was a great deal of information presented and the Executive Director paused to ask the Commission if they needed a few minutes to digest the information presented to them.

The Executive Director referred back to the timeline for the medical and behavioral health RFR that the Commission has been using since July. She reviewed the three phases that the GIC needed to go through to have products in place for open enrollment, starting with which carriers the agency decided to work with (today). The second phase regarding benefits and products, will be undertaken after hearing from GIC members at the public hearings. The third phase is the setting of the rates (pricing). She said that the product portfolio would be presented at the next Commission meeting on February 1st and the final modeling (including rates) will be presented on February 22nd. She added that the product portfolio needed to be nailed down (specified) before final modeling can be completed. The GIC will then be ready for open enrollment, which starts on April 3rd.

Commissioner Tim Sullivan asked if there are any municipalities that are entering on July 1st that wouldn't have had this information at this point and the Executive Director said that there were not.

Commissioner Kleckner commented that he was not surprised by the recommendations. He mentioned that the GIC had frozen Harvard and Tufts in the hope that their business model would change to suit the GIC's needs. He stated that while 54% of the GIC's members having to change plans was not ideal, he fully supported the balance that the GIC was striving to achieve. He felt that the upcoming public hearings would provide feedback and an opportunity to speak to member concerns.

Commissioner Tim Sullivan stated that he will vote no, but not because he didn't support the recommendation; he felt that there was a process flaw as the Commissioners didn't get the information until 5:30 p.m. the night before. He continued that, due to the fact that he was not supposed to forward or share any of the information contained in the Commission meeting package, he did not have an opportunity to speak with his constituents and could therefore not give an informed vote. The Chair mentioned that Roberta and the GIC staff had said in May or July that there would be a very short timeline. Commissioner Sullivan said that he would have been able to vote if he had the information a week prior.

Commissioner Kaplan stated that while consolidation is something she would have considered and voted on, she felt she could not vote yes today for the reason that Commissioner Sullivan gave, that being unable to share the information. She also stated that it was her belief that no one should cast votes before the public hearings. The Executive Director asked her if she would abstain and Commissioner Kaplan responded that she would vote no.

Commissioner McAnneny echoed the comments of the other commissioners, and said that she felt it was hard to digest the information given. She said that she absolutely supports the goal of the GIC, and that she thought the agency had done a good job; she just needed more time to absorb all of the information and be able to pose relevant questions. She continued by saying she was clearer on the Medicare and Pool 2 pieces, and wondered if there was a way to vote on specific pieces of the recommendation, or if it was a package vote. The Executive Director responded that ideally the GIC wanted a package vote, but that the agency would take what it could get in order to proceed. She stated that the GIC had put forth its best effort and that time had not been on the GIC's side. She felt it important to hold true as best as it could to the sequence required by the procurement process [which precludes sharing of information beyond the Commission until the Commission takes a vote] but was open to suggestions on whether to proceed with a vote now. Commissioner Kleckner offered that he believed that, with the tight timeframe and the upcoming open enrollment, there was a benefit to having a decision and having it as soon as possible. He understood that some thought the timing of the commission package at 5:30 was late, but he also stressed the sense of urgency with open enrollment approaching. He also added that with the holidays coming in the midst of the process, this was probably the quickest the GIC could come up with its recommendations.

The Executive Director stated that she hadn't fully considered what she would do if the recommendations were not accepted and voted on today. She stated that she felt the GIC was at its limits in terms of execution risk; although it may seem counterintuitive, the total number of members moving is not the primary challenge; as much as the number of potential options members are likely to be moving to, particularly given our highly manual enrollment processes. The Executive Director stated that if the GIC cannot get a vote to proceed today, it would probably leave it with the status quo (all current carriers.)

The Chief of Staff addressed the comments of Commissioners Kaplan and Sullivan. She said that while she appreciated the issues of receiving the materials on short notice, this was a decision the GIC felt compelled to make, not just because of the time needed to properly prepare materials. She explained that during the pharmacy procurement process, when materials were distributed 5 days in advance, communication had gotten out of sequence and there had been

some issues with certain parties gaining information before the decision had been announced at the Commission. Learning from that, she continued, the GIC considered its options and decided to release the materials later, after phone calls to key stakeholders had been made. She was surprised by the comments with regard to the listening tour. She felt that the group had been very well-informed since the October time frame, and that the GIC had made an effort to be out in front of this and get member feedback before key decisions needed to be made. Commissioner Kaplan said that the listening tours were great, but the timing of the public hearings was not optimal, and that the Commission should not vote before it gets a chance to hear from its members. As soon as people hear we are eliminating plans, there will be a lot of concern from members about possible changes, including rates, benefit design, copays, deductibles, and keeping their providers. She felt we should not take a vote before the public hearings but didn't disagree that we should consolidate the plans. Commissioner Thompson reiterated that she could not vote until she had heard from her constituents. The Executive Director asked Commissioner Thompson what, if any communication with her constituents had already taken place; specifically had her constituents been informed that significant change (consolidation) might be coming. Commissioner Thompson said "no".

Commissioner Anderson commented that the GIC had a mandate to go out and find the best products and value for its members, and that the commission had asked the staff to use its leverage to get savings for its members. He thought that the commission should vote today, as he felt that there had been a strong effort made and the commission was well aware for a long time that there would be movement happening. Commissioner Kleckner asked the Executive Director what the practical implication would be of not voting today. What would the GIC lose without a vote? General Counsel responded that without a vote, the GIC could not move forward with rates and product design, as it needed to know who the players were in order to take next steps. He explained that the listening tours were designed for the GIC to take feedback to inform its decisions and recommendations, and that without at least an assumption of whom the carriers will be, the GIC cannot move forward with benefit design and rates to present to its members. The Executive Director added that the Commission needed to help move the focus of choice, from choice of carrier, which is actually less important than the products, providers, and services offered. Commissioner Kleckner inquired if there was any possible conditional language in the vote that might make the commissioners more comfortable.

The Chief of Staff asked how many commissioners would feel comfortable voting today, by a show of hands, which ended up as a half and half split. Commissioner Edmonds said that she was new and didn't feel, with the time constraints, that she could adequately represent retirees and would abstain from the vote.

Commissioner Clinard said that her recollection was that something very similar happened last year, that the feeling was that the public hearings should occur before the vote.

The Executive Director responded there are several votes involved (carrier procurement, benefits and products), that the GIC could come out of the public hearings realizing that there is something in the product suite or benefit design- that the GIC may need to address. Choice of carriers was the work of the procurement – i.e. the GIC staff was tasked to develop a recommendation about which carriers to contract with. . We could repeat in the public hearings what we decided and that we were given permission to proceed and then get feedback on what needs to be considered during the next two steps (benefit design and rates). To the best of our ability, GIC will insure that GIC members have comparable benefits year over year. The Executive Director asked what would be needed from the commissioners' constituents in order to make it possible for them to vote today.

Commissioner Drake responded that if the vote is taken today, the constituents will feel they had no choice and were not part of the conversation.

The Executive Director explained that the procurement process, which determines who the GIC contracts with, needs to be linked to a commitment that the GIC is making to its members with regard to the products and benefits that it offers them.

The Chair asked if there could be a vote to approve the procurement process, with the caveat that feedback we received from the listening tour would be taken into account and preserved.

Commissioner Sullivan stated that he is voting no; he needed the materials a week ago and needed time to speak with members of the MTA.

The Chair asked if there was a motion for a caveated vote.

Secretary Heffernan noted that the procurement changes seem to be as good as or better than what the GIC has now. The listening tour will speak to plan design requirements, and it would be understood that provider networks and cost savings will remain intact as before.

Commissioner Thompson said that she will be voting no for process reasons; she had not had the opportunity to talk with her stakeholders. She applauded the work that went into this, but felt disrespected by the short window of time she was given. She had a responsibility to take time to discuss this decision with her constituents. She estimated that would take 2 weeks.

Commissioner Gentile said that this same thing happened last year with the vote being made before the public hearings. He thought that would be remedied this year. He doesn't want to vote today.

The Chair suggested that a caveated motion be drafted by General Counsel. She suggested the motion be that the recommendations made by the procurement team would be in line with what was heard on the listening tour and would preserve members' provider networks and cost savings. She also asked how many people would be voting yes or no

Commissioner Choate suggested they move to vote. The Chair asked if they should start with the caveated motion. The Executive Director reiterated the suggestion that the Commission give staff permission to proceed on the assumption that the GIC will make good on the commitment of ensuring that GIC members have access to their same doctors, hospitals, and comparable benefits.

Secretary Heffernan commented that the Commission has a fiduciary duty to its stakeholders. The procurement had been very good and thorough, but people need time to digest this information. This is not plan design, but a backbone. The GIC is committing to providing as good or better services for its members regarding deductibles, copays, and providers. He said he does not want to see an issue forced and that he recognizes that each commissioner has his or her own stakeholders. He thought it would be a good idea to follow up telephonically.

The Chief of Staff asked if it was feasible to have a 24- to 36-hour deferment. The Chair also asked how many people thought their vote would change if given extra time.

The Chief of Staff asked what timeframe would be required to make the commissioners comfortable in their decision.

Commissioner Thompson stated that she needed at least 1 week.

The Chief of Staff asked if there could be a compromise between a vote right now and in a week.

Commissioner Thompson responded that a week was a compromise; she wanted two weeks.

Commissioner Davis said that there is confusion about exactly what is being voted on. The public will want information that GIC cannot provide, because it has not been stated yet. The plans haven't been modeled or discussed, and the constituents will want to hear specifics about their plans.

The Executive Director observed that we are unfortunately somewhat compromised by the intersection of public meeting law and the State procurement process; As a result, our communication options inevitably appear too early, immediately after vendor decision but before benefit and design, or too late (after all 3 decisions are made). Unfortunately, we need to make today's decision in order to get to more specificity and something concrete (in terms of

product portfolio and rates.) She continues to believe that the GIC has more carriers than it needs to offer the products and services that members want.

Commissioner Davis stated that if she had constituents, she wouldn't have the product information to give to them now. She doesn't yet know what impact it would have on them, and the GIC can't give them specificity. She felt that even with a longer period of time, members would not be able to get the kind of information they want until the plan designs and modeling are completed at the end of February

Commissioner Choate stated that benefit design should be revealed at the public hearings.

Commissioner McAnneny stated that she believed that the commissioners have resistance to the process, not the plan and asked if there was a way to go forward if the vote is not taken today? She feels that people would like to move forward, but that the commissioners need to speak to their constituencies.

Commissioner Kaplan asked if the vote could be deferred until Tuesday to get some sense of how GIC members feel and asked if a vote could be taken telephonically?

A poll of Commissioners suggested a quorum might be present to vote Tuesday at 5 p.m.; however, 3 commissioners who were ready to vote today could not attend, including the Chair.

The Chair asked if the Commission could vote on the caveat that had been proposed earlier.

The Chief of Staff asked for a show of hands as to who could be present on Tuesday. Commissioners indicated they were not available at 9 a.m. The Executive Director asked who could make it at 5 p.m. on Tuesday. There were twelve who indicated they could be there, which would provide a quorum. After GIC staff conferred and realized they were scheduled to be in Western Massachusetts on Tuesday, the Chair suggested they schedule the vote for Wednesday which was not workable either. The Executive Director suggested returning to a conditional vote now; understanding that there would be some no votes and/or Commissioners abstaining.

The Chair then asked if the Commission would entertain a motion. There was question as to whether another vote could come up on Tuesday. This was rejected. Commissioner Bradley noted that the commission had worked hard to understand its constituents concerns and heard loud and clear that they were price, benefit design and ability to keep their provider. Unless the commission goes with the recommendation, it did not appear that it could meet these concerns. He questioned what more would be learned by delaying the vote and noted that delaying the vote to a time some commissioners were unavailable had the same problems as not being able to consult constitutes. He reiterated that the commission had to address the

constituents' three primary concerns and made a motion to vote to accept today's recommendations subject to the proviso that the primary goals of price and maintaining provider relationships are met. Commissioner Clinard seconded the motion. The Chair called for a vote.

The vote was 8 in favor, 5 opposed and 2 abstentions. Voting in favor were Commissioners Clinard, Anderson, Kleckner, Bradley, Davis, Choate, the Chair, and Secretary Heffernan. Voting against the motion were Commissioners Kaplan, Drake, Sullivan, Thompson and Gentile. Commissioners Edmonds and McAnneny abstained.

General Counsel stated that when there is a majority vote, abstentions don't count as votes, and the motion passed with a majority of the votes cast. The Executive Director asked those who have constituents to check in and report back next week.

Secretary Heffernan said that he wanted to make sure the process was fully vetted. He asked if the people who could meet on Tuesday could meet and vote again or make a motion to amend the vote and he would make himself available on Tuesday if necessary. He and the Executive Director both felt that it was important to try to meet on Tuesday as well, so that Commissioners have the option to talk to their stakeholders in the interim.

General Counsel reiterated that the vote had passed and noted that if a vote was contemplated for Tuesday, there could not be designees, except for the statutory seats. The only alternative to that is that the Commission could vote to allow remote participation as a board for Tuesday's vote, and that people could then call in. That meeting would still be required to be a public meeting. There would need to be a roll call vote, and people on the phone could vote.

The Chair announced that the Commission was potentially offering another solution to further gain constituent buy-in.

The Chief of Staff confirmed with the General Counsel that the vote had passed approving the recommendation that was made to the Commission. The Chief of Staff continued that her understanding was that the group was offering to meeting again on Tuesday as a courtesy to give the Commissioners the opportunity to go to their key stakeholders, and then come back to the group to give the feedback they have received. She asked what the expectation was about another vote. Several commissioners indicated that they felt the vote had been taken and passed and that there would be no point in revisiting the vote. Commissioner Sullivan said that he felt meeting on Tuesday was unnecessary. He believed that a vote had been taken and we have moved on. He said that he would speak with his constituents to tell them that he did not get the materials in a timely manner and felt that he could not vote to pass the recommendation. He said that he could also relay how he would have voted, had he had that information. He said that he should have had the information a week ago so that he could have

voted properly. He said that he would be able to inform the Commission how the MTA would have voted after having two weeks with the materials and then attending the next Commission meeting on February 1st.

The Chief of Staff next discussed the public hearings noting the locations of the hearings to the Commission, including where the GIC had been so far. She stated that there are nine public hearings coming up, and that an event flyer had been provided to the Commissioners so that they could promote the events. The public hearings will take place in Worcester, Springfield, Greenfield, Pittsfield, Boston, Dartmouth, Lowell, the Cape and then a second hearing in Boston as the GIC's concluding event on Monday, January 29th. The thought process was to gather feedback in addition to and as a complement to what was heard on the listening tour. Commissioners were encouraged to attend the public hearings as their schedules permit. The Chief of Staff also mentioned that senior participation has been very valuable at the listening tour events. The GIC had been working with not only stakeholders, but also elected officials, particularly on the Cape. This is something the GIC wants to do more of in the future, as there may be external constituency groups that we do not yet have a relationship with; the GIC is trying to bring in as many people as possible.

Commissioner Kaplan asked if the GIC would have the public hearing feedback available by February 1st. The Chief of Staff answered yes, and that similar to the listening tours, part of the next meeting's presentation will include this information.

Commissioner Sullivan noted that the public hearings last year allowed for testimony to be received electronically and that this testimony was made available to the Commission in order to establish common themes. He mentioned the difficulties that teachers, his constituents, had attending these events due to their schedules and time constraints.

The Chief of Staff offered that she and other members of the team are making sure that our inbox is being monitored. We cannot respond one by one but will try to respond to similar questions that occur often.

The Chair pointed out that the range of dates and times for the public hearings makes these easier to attend than last year, which was single session mid-day in Boston, and she hoped that the Commissioners could attend at least one, because she felt they would get a lot of value from it.

Commissioner Kaplan stated that she knew the public hearing information was posted on the GIC website and was there a way for the GIC to e-mail some members to remind them of the public hearings. The Chief of Staff responded that the GIC had been sending event e-mails to its members and also posts the schedule to as many organizations' websites as possible.

V. Out of Pocket Report **Catherine Moore**

The Executive Director suggested that in the interest of time, the Commission skip the out-of-pocket report (though the information was now available for Commissioners to review on their own) and the Chair called for a motion to adjourn. The motion was made by Commissioner McAnneny and seconded by Commissioner Anderson, passed unanimously, and the meeting adjourned at 11:15 am.

Respectfully submitted,

Roberta Herman, M.D.
Executive Director

Appendix A

Materials Distributed at January 18, 2018 Commission Meeting

1. December 19, 2017 Commission Meeting Minutes
2. Commission Meeting Package – January 18, 2018