

GROUP INSURANCE COMMISSION MEETING

Thursday, December 18, 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-eight

DATE: December 18, 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)

BOBBI KAPLAN (Vice Chair, NAGE)

MATTHEW GORZKOWICZ (Secretary of Administration and Finance) Designee: Dana Sullivan

MICHAEL CALJOUW (Commissioner of Insurance) Designee: Rebecca Butler

EILEEN P. MCANNENY (Public Member)

JANE EDMONDS (Retiree)

JASON SILVA (Massachusetts Municipal Association)

GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)

KRISTIN PEPIN (NAGE)

TAMARA P. DAVIS (Public Member)

MARTIN CURLEY (Public Safety)

EDWARD T. CHOATE (Public Member)

MELISSA MURPHY-RODRIGUEZ (Massachusetts Municipal Association)

ANNA SINAJKO, Ph.D. (Health Economist)

DEAN ROBINSON (Massachusetts Teachers Association)

CATHERINE WEST (Public Member)

DARREN AMBLER (Public Member)

I. Introduction and Approval of the Minutes

At 8:30 A.M. The Chair started the meeting and announced the Commissioners in attendance. The Chair turned the meeting over to Executive Director Veno to review the Agenda for the meeting.

Executive Director Veno reviewed the agenda.

The Chair asked for a motion to approve minutes from the Commission meeting held on November 20, 2025. Commissioner Kaplan motioned to approve and Designee Sullivan seconded the motion. The General Counsel took a roll call vote.

Chair Sullivan voted aye

Vice Chair Kaplan voted aye

Designee Sullivan voted aye

Designee Butler voted aye

Commissioner Choate voted yes

Commissioner Curley voted aye

Commissioner Davis aye

Commissioner Edmonds voted aye

Commissioner Guirand voted aye

Commissioner McAnneny aye

Commissioner Pepin voted aye

Commissioner Robinson voted aye

Commissioner Ambler voted abstain

Commissioner Silva voted yes

Commissioner Sinaiko voted yes

Commissioner West voted yes

The motion passed.

II. The Executive Director's Report

Presented by Executive Director, Matthew Veno

Dec. 1 was the statutory deadline for municipalities to notify the GIC that they intend to join GIC benefits for benefits effective July 1, 2026. There have been thirteen Letters of Intent received. Eight member units of the Hampshire County Insurance Trust are included in the total. This is the largest number joining since the municipalities the passage of municipal health reform. GIC will do group onboarding.

Chair Sullivan asked when we could expect to see more join. The Executive Director said he expects interest to continue to grow as pressures on municipal budgets continue to increase.

Commissioner McAnneny asked if there is a minimum term of years commitment in joining the GIC. The General Counsel stated that the initial commitment is three years, then it is two for each renewal.

Commissioner Davis stated that she thinks the [commitment] timing is too short. She thinks that it should be a five-year initial term.

Vice Chair Kaplan stated that she has heard the municipalities think they will lose their "say" and independence. She said any hesitance is not related to the commitment periods.

The Executive Director then turned the meeting to Deputy Executive Director Scibelli to discuss the public information sessions for 2026.

The Deputy Executive Director stated that there will be three sessions and they will be virtual. The three sessions are at varied times. If people cannot join live, recorded sessions will be available on the GIC's YouTube site. She said that registration for the sessions is open.

Vice Chair Kaplan asked how members would be notified. The Deputy Executive Director provided all the means by which the information is being communicated.

II. FY2027 Preliminary Cost Increase

Presented by Brian Stitzel, Senior Director, Health Benefits, Willis Towers Watson (WTW)

Mr. Stitzel provided context information on budgeting and an overview of the premium or rate setting process. He also presented certain data from WTW's Best Practices Survey, showing that almost everywhere in the U.S., organizations have had big health care cost growth in the last few years and are expecting large health care cost growth numbers to continue. Public sector entities are expected to have larger increases due to their plans being more generous and also due to covering an older population. There are many drivers that include, but are not limited to, general pharmacy spend, GLP-1 medications, and high-cost claimants.

Commissioner Choate asked how provider unit cost is influencing growth. Mr. Stitzel said that the build-up of trend includes unit price increases, utilization changes, and new procedures that carry higher prices than procedures they replaced (service mix). Commissioner Choate asked how provider pricing is trending as negotiated by our carriers. Mr. Stitzel said that WTW will get an answer for that to get a specific rate of increase.

Commissioner Robinson asked what the difference or interrelation is between the high-cost claimants and the pharmacy costs. Mr. Stitzel provided clarification.

Commissioner Sinaiko clarified that this is not unique to the GIC, the challenges regarding rising health care costs and the impact on budgets is a universal challenge.

Mr. Stitzel then presented the status quo estimated cost increase for the GIC. He stated that, overall, the GIC can expect a 10.9% increase. He clarified that this is the average with a range from a low of 8.9% to a high of 12.9%. Additionally, he emphasized that the actual plan-specific increases will vary, and each

plan's increase may be higher or lower than this average. He noted that the analysis does not account for any plan or benefit structure changes that the GIC might make for the upcoming plan year.

III. Continued Discussion About Balancing Benefits with the Budget

Matthew Veno, Executive Director; Margaret Anshutz, Director of Health Policy and Analytics

The Executive Director gave a brief recap of the discussion at the November meeting and stated that today's discussion is a follow-up to answer the questions posed by the Commissioners.

Designee Sullivan provided an update on the emerging pressures on the state budget, including developments since the November meeting. She said that spending is projected to grow faster than state revenues into the next year, and that health care costs are presenting a particularly large spending exposure for the state. This will require some very difficult decisions for the budget this year, and suggested that it's important for the Commission to consider actions that will reduce the GIC's projected spending increases into FY27.

The Executive Director asked the Commissioners to share their viewpoint on what principles they would like to follow as strategies are considered, and to provide any other ideas they might have. He then presented on options for possible benefit design changes. Regarding the possible cost sharing increases for emergency room and urgent care visits, he said that Commissioner Kaplan had asked for specifics on utilization of these services. He stated that while GIC does not have data on the specific number of members impacted, he had visit numbers. The number of impacted members would be less than the number of visits. Emergency room claims are projected to be 58,000 and the urgent care is projected to be around 91,000 claims.

In looking at increasing the out-of-network co-insurance, the analysis showed that since many behavioral health providers do not take insurance, increasing out-of-network co-insurance would have a substantial impact on those who utilize behavioral health outpatient services since many providers are out of network, and do not take insurance.

It was noted regarding the possible increase of contribution ratios for surviving spouses, that it would impact only state retirees and Retired Municipal Teachers (RMTs), since municipalities set their own contribution ratios. There are a little over 8,000 surviving spouses and around 500 RMTs.

Commissioner Ambler asked if we had looked at the surviving spouses' claims and whether or not their claims are higher or lower relative to other members.

Vice Chair Kaplan asked how many people are using out-of-network providers for behavioral health treatment. Ms. Anshutz stated that GIC staff have requested disruption reports for that question and will provide that to the Commission when available.

The Executive Director said that updates on Vida Health will be shared as implementation occurs. He noted that employer sponsored plan coverage for GLP-1's had dropped, but a recent survey (WTW conducted) found that 57% of employers covered GLP-1's, which is an increase of 5% over last year; 19% are considering removing coverage for weight loss. Coverage is more likely to be found in larger employer plans, at 65%. He said that adoption of programs like Vida are growing, from 14% to 25% from 2024 to 2025; 46% of employers who cover GLP-1's are also considering adopting a program like Vida Health.

The Executive Director noted that the administration has asked the GIC to make plan design changes to reduce the GIC's line item in the budget, but that it is ultimately the Commission who decides on plan design and rates.

Vice Chair Kaplan asked what the GIC is doing regarding disseminating information on the Vida program. She said people do not have the information they need. The Executive Director said earlier this week the first round of communication occurred. He emphasized that there will not be an abrupt change on January 1, 2026 – this is intended to be a reasonable roll out that considers member transitions. The Deputy Executive Director reiterated that communications just went out this week. She added that the GIC has a specific website landing page for Vida and a direct line for GIC members to obtain information. She reminded Commissioners that there is a ninety-day grace period for members to enroll in Vida health, if they are already on GLP-1 medication.

Commissioner Kaplan asked that the labor Commissioners be provided the information to help members be informed. Commissioner Edmonds emphasized that she has also had feedback that members do not have the information they need and she would also like the materials sent to her. The Deputy Executive Director stated that members cannot enroll until January 1, 2026, and therefore the GIC did not want to send things out too early. She also stated that she will both provide the requested information to the Commissioners and will provide feedback to Vida regarding the lack of member information.

Commissioner McAnneny said she would like to see how GIC can reduce costs based on the cost drivers. She also suggested that those who use more services should pay more.

Commissioner Ambler said that some large employers are covering weight loss meds because they are self-insured; he said that the fully-insured market has ended such coverage. He also noted that there is a huge rate increase if plans cover weight loss medication. He proffered that most groups are dropping coverage and that those who are not are cutting deals to get more favorable pricing. He suggested that with Lilly producing an oral medication, there will be a substantial increase for patients who are needle-averse.

Commissioner Davis suggested that the GIC establish a relationship with a drug company to lower the cost.

Commissioner Sinaiko stated that her research shows that there is no evidence that prices for GLP-1s will come down, as there is excess demand. She also stated that while copay coupons help the member with the copays, overall couponing tends to support the status quo high price and spend. It does not lower prices overall. Additionally, she noted that while there has been a pullback in coverage, it remains to be seen if this is temporary or permanent.

Margaret Anshutz then presented on provider price constraints. She defined what price capping actually is and how it is structured. Evidence shows that high unit prices are largely responsible for high U.S. medical costs. Many hospitals average charges in excess of 250% of what Medicare pays for a given service. Several states have implemented price caps, while some who did so subsequently repealed or otherwise terminated those policies. Washington (state), Oregon, Vermont, Indiana, Montana, North Carolina, and New Mexico all have implemented or are set to implement price caps. Four of them passed legislation to implement price caps in 2025. Oregon and Montana have promising results for

savings, lack of unintended consequences, and financial impact to provider facilities. She reviewed each state's initiatives.

Ms. Anshutz stated that North Carolina failed because their policy was implemented only through provider contracts, not statute; therefore, providers could opt out of contracting and avoid the price caps. She noted that the larger health systems have abundant resources where smaller ones are truly hurting. Evaluating true financial health of a system is complex and even when a hospital is losing money it may not mean that they are underpaid. She said that policies can be crafted to protect vulnerable, smaller provider groups and systems.

She noted that in 2026, the GIC's data analytics group has several workstreams focused on evaluating price caps how they could be implemented in the GIC.

Designee Sullivan emphasized that high and rising provider prices is a complicated problem and solutions need to developed carefully and implemented properly, so should not be looked at as an immediate solution. Stakeholders need to be involved.

Commissioner Ambler thinks there will be significant member impacts with price cap initiatives. He assumed that the states listed do not have the same number of people as Massachusetts. He suggested that there would be a larger impact on providers in Massachusetts. Ms. Anshutz corrected him that, numbers-wise, the GIC is roughly comparable to North Carolina. She acknowledged that there are different market dynamics and the GIC will need to look at different parts of each of the states' policies, but she said that looking deeper into the provider and health system reserves, margins and other financial metrics, there is room for a different outcome in Massachusetts.

Commissioner Davis said that she assumes any proposed price caps do not address the pharmaceutical issues. Ms. Anshutz confirmed the same. Commissioner Davis asked whether any of the states had partnered with private insurers to implement these caps. Ms. Anshutz said that most, if not all, are using third party administrators similar to how the GIC operates. Commissioner Davis asked if private insurers would be part of this and Ms. Anshutz said that there is interest on the part of the insurers to engage.

Designee Sullivan restated that she thinks instituting price caps needs to be a slow process and needs to include many stakeholders.

Commissioner Robinson stated that he has been in contact with the person spearheading price caps in Montana. He emphasized that these are necessary for the longer-term solution to core cost drivers.

IV. CFO Report

Presented by CFO Jennifer Hewitt

Ms. Hewitt reminded the Commissioners of a known FY26 funding deficit created, in part, by policy proposals included in the Governor's budget that were not included by the Legislature in the final budget. She also stated that there is a gap in funding for the SRBTF (State Retiree Benefit Trust Fund) which received less appropriated funds this year than in previous years. She also noted that the employee premium account is in deficit due to the FY25 deficit and that deficit was not included in last year's supplemental budget. Overall, GIC is running a projected deficit of \$153 million. She showed the trend of available funds to actual spend.

V. Other Business and Adjournment

The Chair asked for a motion to adjourn. Designee Sullivan motioned and Commissioner Ambler seconded. The vote passed unanimously and the meeting was adjourned.