

COMMISSION MEETING

February 29, 2024





MA Group Insurance Commission



Agenda

>	I. Minutes, January 18, 2024 (VOTE)	8:30-8:40
	Valerie Sullivan, Chair Andrew Stern, General Counsel	
>	II. Executive Director's Report (INFORM)	8:40-9:00
	Matthew Veno, Executive Director Members of Senior Staff	
_	III. 2024 Public Information Sessions Report	9:00 -9:15
	Erika Scibelli, Deputy Executive Director	7.00 -7.13
>	IV. FY2025 Rates (VOTE)	9:15-10:00
	James Rust, Chief Financial Officer Margaret Anshutz, Director of Health Policy and Analytics	
>	V. Other Business/Adjournment	10:00-10:20
	Valerie Sullivan, Chair Matthew Veno, Executive Director	





APPROVAL OF MINUTES (VOTE)

Valerie Sullivan, Chair & Andrew Stern, General Counsel











Motion

That the Commission hereby approves the minutes of its meeting held on <u>January 18, 2024</u> as presented

- ➤ Valerie Sullivan, Chair
- > Bobbi Kaplan, Vice-Chair
- Cassandra Roeder (A&F Designee)
- > Rebecca Butler (Designee for DOI)
- **Elizabeth Chabot**
- Edward Tobey Choate
- > Tamara Davis
- Jane Edmonds

- Joseph Gentile
- Gerzino Guirand
- Patricia Jennings
- Eileen P. McAnneny
- Melissa Murphy-Rodrigues
- > Jason Silva
- Anna Sinaiko
- Timothy D. Sullivan







EXECUTIVE DIRECTOR'S REPORT (INFORM)

Matthew Veno, Executive Director & **Members of Senior Staff**









Projected Fiscal Year 2024 Calendar



Note: Topics and meeting dates are subject to change





2024 PUBLIC INFORMATION SESSIONS REPORT

Erika Scibelli, Deputy Executive Director





2024 Public Information Sessions Report

January 23 12 PM

• 1532 Registrants

• 824 Attendees

January 23 6 PM

• 564 Registrants

• 215 Attendees

January 25 9 AM

1026 Registrants

• 598 Attendees

Totals

Registrants 3,122

Attendees 1,637

Questions & Comments **520**



2024 Public Information Sessions Report

- Each session had ASL Interpreters present and Closed Captioning
- All sessions were recorded and are available for viewing on the GIC's YouTube channel
- Presentation slides and FAQ are available on the GIC's website, mass.gov/GIC
- E-mail with all resources was sent to members after the sessions were completed



Common Question Themes

Availability of +1 plans

• The GIC does not offer an "Individual +1" plan.

UniCare Name change

• Will this impact members' coverage or experience?

Buy Out Program

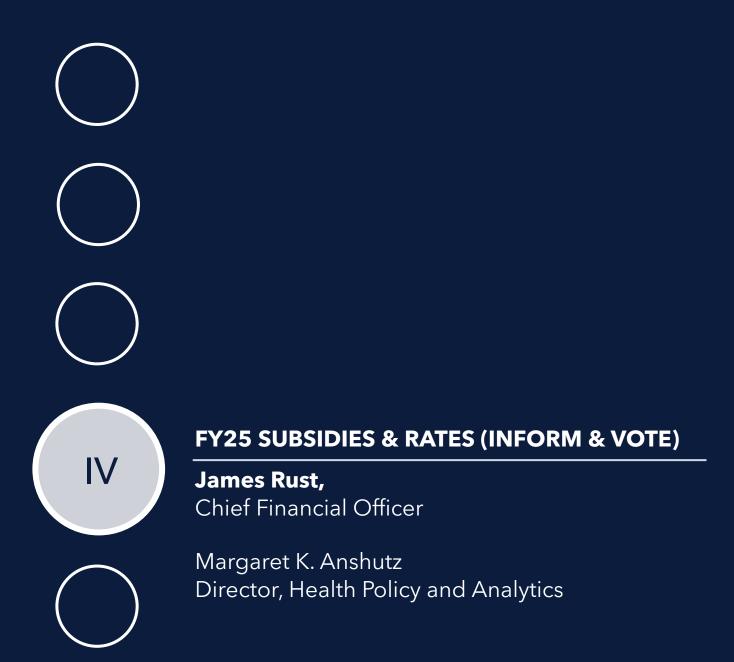
• Who is eligible and how does it work?

Coverage options for members residing outside of New England

- Residency requirements for members who travel often or have two residences
- Location of providers

Retirement







FY25 Dental Plan Rates: Retirees

- The FY25 fully-insured dental rates are unchanged, as agreed to in the contract executed with MetLife.
- Members in the Retiree Dental plan pay 100% of premiums.

MetLife Retiree Dental Plan	FY24 Fully-Insured Monthly Premium Rate	FY25 Fully-Insured Monthly Premium Rate
Individual	\$29.27	\$29.27
Family	\$70.54	\$70.54



FY25 Dental Plan Rates: Active

- The FY25 fully-insured dental rates reflect an increase over FY24, as agreed to in the contract signed with MetLife.
- > FY25 is the fourth year of the contract with MetLife.

MetLife Active Dental Plan	FY24 Fully-Insured Monthly Premium Rate	FY25 Fully-Insured Monthly Premium Rate
Classic Individual	\$40.91	\$42.34
Classic Family	\$126.84	\$131.28
Value Individual	\$29.76	\$30.80
Value Family	\$92.26	\$95.49



FY25 Vision Plan Rates: Active

- For FY25, Davis Vision's rates are unchanged.
- This is also the fourth year of the contract with Davis Vision.

Davis Vision Plan	FY25 Self-Insured Monthly Working Rate
Individual	\$1.93
Family	\$5.55



FY25 Active Dental/Vision Plan Rates

The FY25 active dental/vision rates are calculated by adding the FY25 Davis Vision self-insured working rates to the FY25 MetLife fully-insured dental premium rates.

Dental Plan	FY25 MetLife Dental Monthly Premium	FY25 Davis Vision Monthly Working Rate	FY25 Total Monthly Dental/Vision Rate
Classic Individual	\$42.34	\$1.93	\$44.27
Classic Family	\$131.28	\$5.55	\$136.83
Value Individual	\$30.80	\$1.93	\$32.73
Value Family	\$95.49	\$5.55	\$101.04



FY25 Active Dental/Vision Plan Rates: Member Contributions

- ▶ Below are the rates participants will pay for dental and vision benefits in FY25.
- ➤ Participants pay 15% of the managerial dental/vision monthly costs.

Dental Plan	Proposed Member Monthly Contribution Rates FY25
Classic Individual	\$6.64
Classic Family	\$20.52
Value Individual	\$4.91
Value Family	\$15.16



Fiscal Year 2025 Rates:

Rate Stabilization Reserve Allocation for Elderly Governmental Retirees and their Survivors (EGRs)



Returning Rate Stabilization Reserves to Elderly Governmental Retirees (EGRs)

- Through the end of FY18, the EGR program, by statute, was fully-insured and had insurance reserve accounts associated with their premiums. Over the years, excess funds that were returned to the GIC by the carrier were transferred to these reserve accounts, including excess enrollee contributions.
- > Staff proposes the following subsidies to use these funds to benefit these members as the Commission has approved in prior years.
 - Use approximately \$2,500 of the \$67,000 projected EGR rate stabilization reserve balance to offset the insured share of the Fiscal Year 2025 individual, family, and Medicare indemnity plan premiums.
 - Use approximately \$700 of the \$64,000 projected EGR CIC rate stabilization reserve balance to offset the insured share of the Fiscal Year 2024 individual, family, and Medicare premiums.
- The combined effect of these subsidies is to hold the EGR premiums constant for FY25.



Fiscal Year 2025 Monthly EGR Contributions

The table below displays the FY25 EGR share for Wellpoint Total Choice and Medicare plans, pending approval of the EGR reserve spending and the FY25 premiums.

FY25 EGR Insured Share

Carrier	Product	Tier	EGR Net Monthly Premium
		Individual	\$10.00
Wellpoint	Total Choice	Family	\$24.00
		Medicare	\$1.10



Motion

The Commission hereby approves spending from The Elderly Government Retirees (EGRs) rate stabilization and CIC reserves to reduce the EGR premiums on an ongoing basis and hold them constant for so long as there are EGRs.

- Valerie Sullivan, Chair
- > Bobbi Kaplan, Vice-Chair
- Cassandra Roeder (A&F Designee)
- > Rebecca Butler (Designee for DOI)
- **Elizabeth Chabot**
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Fiscal Year 2025 Full Cost Health Insurance Premium **Presentation and Vote**



Table of Contents

- Overview of Rate Development Process & Timeline
- **Executive Summary**
- Fiscal Year 2025 Full Cost Premiums by Product
 - Non-Medicare
 - Medicare
- Vote to Approve Fiscal Year 2025 Rates
 - Approve recommended Fiscal Year 2025 Non-Medicare and Medicare full cost premiums

FY2025 Rates



Purpose

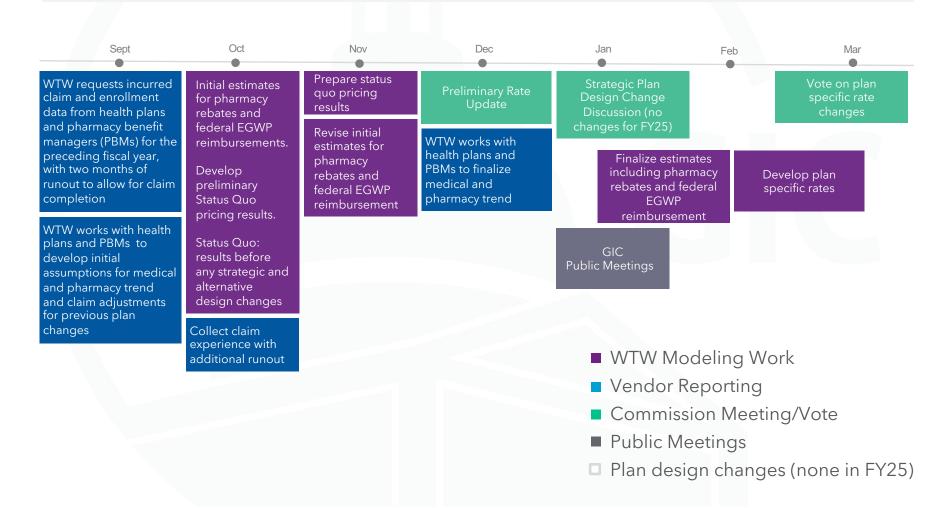
Why are we here today?

- The purpose of this discussion is to present proposed Fiscal Year 2025 (FY25) health insurance premiums for a Commission vote
- Health insurance premiums are developed annually for each of the GIC's plans based on
 - Anticipated members within each plan
 - Anticipated total cost of those members' claims
- The GIC's health plans are classified as non-Medicare products for active employees and retirees not eligible for Medicare, and Medicare products for retirees
- All insurance carriers and plan offerings for Non-Medicare and Medicare plans remain the same as FY24



FY25 Timeline for rate setting

Fiscal Year 2025 rate setting process reflecting no plan design changes





Definitions

What are premiums?

- A premium is the total sum of money that is needed to pay:
 - Medical providers for all eligible claims for service and medication based on negotiated rates
 - Insurance company costs depending upon the risk model for the products
- Premiums do not include out-of-pocket expenses, such as copays and deductibles
- The premiums reflected on the following slides reflect the full cost most members only pay a portion of the full cost premium



Definitions

Who takes on the risk?

- **The Commonwealth of Massachusetts** takes the risk **for active employees and non-Medicare retirees** by using a **self-insured model** for non-Medicare products and for retirees who purchase Medicare Supplemental plans. This means:
 - If claims exceed the premiums, the Commonwealth provides the additional funding, including a supplemental budget, if needed
 - The health insurance carrier takes no risk in this self-insured model
 - This approach reduces costs by fixing payments to the health insurance carriers around administration and eliminating any premium paid to carriers to accept risk
- **The insurance carrier** takes the risk **for retirees** enrolled in Medicare Advantage which is offered in a **fully-insured model**. This means:
 - If total eligible claims exceed collected premiums, the health insurance carrier suffers a loss
 - This approach results in premiums that are higher to cover costs and claims AND ensure a profit
 - If claims are lower than collected premiums, the health insurer retains the difference
 - Medicare Advantage is regulated at the federal level

Background



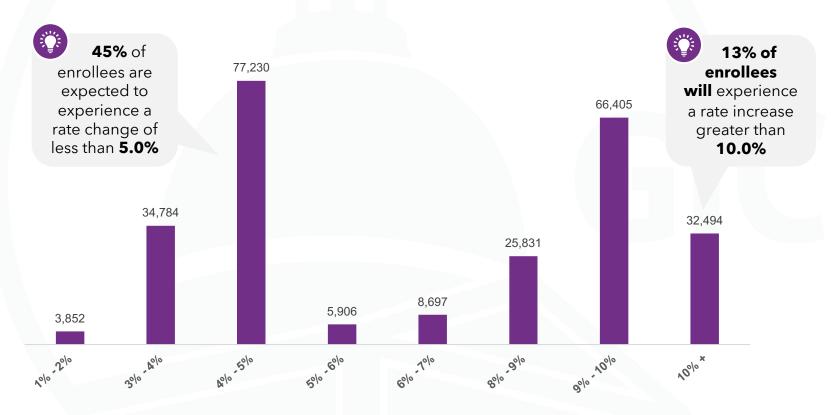
What is driving premium increases?

- **Medical and pharmacy cost inflation** is the primary driver of premium increases
 - Health care inflation and provider consolidation have led to higher unit prices, representative of the contracts that health plans have in place with hospitals and care providers
 - Levels of plan utilization are returning to pre-pandemic levels
 - Pharmaceutical companies have raised prices for brand name and specialty drugs
 - Significant increases in GLP-1 drug class utilization for weight loss have contributed to pharmacy claims increases
- Massachusetts market data collected by the Center for Health Information and Analysis (CHIA) and presented by the Health Policy Commission (HPC) reflect this inflation in the state's broader commercial market
- **GIC** claims data reflects this in:
 - More expensive claims for the same services provided in prior years
 - Faster rate of unit cost increases in relation to utilization
 - Significant pharmacy claims increases from FY22 to FY23



Executive Summary

Overall average Fiscal Year (FY) 2025 premium increase of **8.5%** over FY 2024; this is greater than the FY 2024 increase of 5.1%, but on the low end of the preliminary projected increase range (8% to 11%).



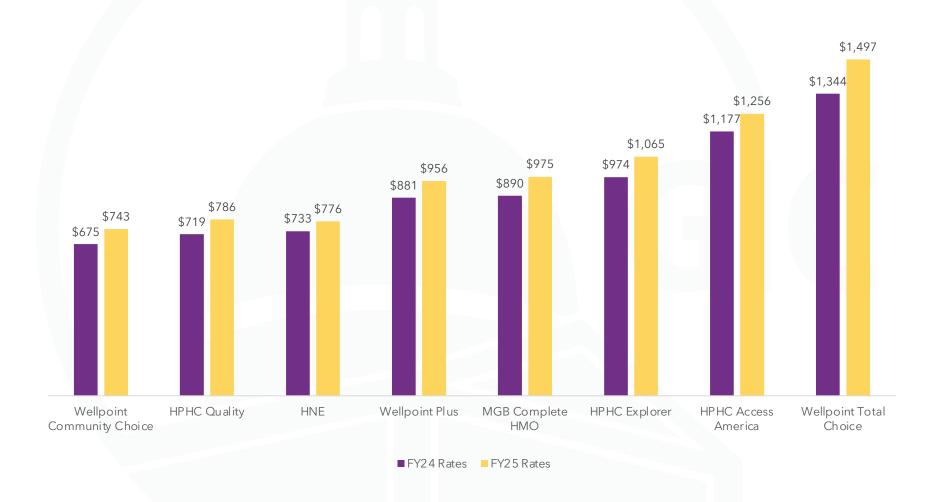
Caveats:

^{*}These are premium rates - not member contributions

^{*}Enrollment as of July 2024 and does not reflect potential migration between plans



Individual Rates by Carrier





Family Rates by Carrier







Fiscal Year 2025 Full Cost Premiums: Non-Medicare

Network	Plan	Tier	FY24 Rates	Current FY24 Enrollment	FY25 Rates	% Increase Over FY24 Rates
Regional	Health New England	Individual	\$732.80	5,906	\$775.92	5.9%
Regional	Treatti New England	Family	\$1,752.35	5,994	\$1,861.38	6.2%
	Wellpoint	Individual	\$674.72	9,412	\$742.74	10.1%
Narrow	Community Choice	Family	\$1,664.17	11,070	\$1,843.56	10.8%
INAITOW	Harvard Pilgrim Quality	Individual	\$719.17	8,339	\$785.68	9.2%
		Family	\$1,823.77	6,692	\$1,999.81	9.7%
	Wellpoint Plus	Individual	\$881.35	11,043	\$955.75	8.4%
		Family	\$2,091.70	14,788	\$2,277.22	8.9%
	MGB Complete HMO	Individual	\$889.83	4,648	\$974.74	9.5%
Broad		Family	\$2,345.38	4,453	\$2,577.69	9.9%
Droad	Harvard Pilgrim Explorer	Individual	\$973.50	18,780	\$1,064.68	9.4%
		Family	\$2,405.64	23,493	\$2,637.99	9.7%
	Mallaciat Total Chaice	Individual	\$1,344.40	7,182	\$1,496.86	11.3%
	Wellpoint Total Choice	Family	\$2,974.26	4,830	\$3,321.75	11.7%
National	Harvard Pilgrim	Individual	\$1,176.87	1,729	\$1,255.62	6.7%
National	Access America	Family	\$2,621.18	974	\$2,800.86	6.9%

^{*} Enrollment counts as of July 2024

- Overall average Fiscal Year 2025 premium increase amongst non-Medicare products is 9.5%
- The highest increase is **11.7%** (Wellpoint Total Choice) and the lowest is **5.9%** (Health New England)
- Wellpoint Community Choice remains the lowest cost product followed by Health New England and Harvard Pilgrim Health Care Quality



Key Insights

- Regional products are offered by providerowned carriers; their premiums reflect their geographies and favorable contracted rates offered by their parent organizations
- Narrow network products offer lower rates due to more efficient providers, and generally attract lower risk members
- Broad network
 products offer a range of
 premiums; premiums
 higher than limited
 products as network is
 more robust
- remain the most expensive; they offer the most generous benefits and maximum choice



Fiscal Year 2025 Member Contributions: Non-Medicare

	21			ember Contrib	utions (State on	ly)
Network	Plan	Tier	90% / 10%	85% / 15%	80% / 20%	75% / 25%
Davisasl	LL- olth Nov. Frankrad	Individual	\$77.59	\$116.39	\$155.18	\$193.98
Regional	Health New England	Family	\$186.14	\$279.21	\$372.28	\$465.35
	Malla sint Community Chains	Individual	\$74.27	\$111.41	\$148.55	\$185.69
Name	Wellpoint Community Choice	Family	\$184.36	\$276.53	\$368.71	\$460.89
Narrow	Harris A Bilania Constitu	Individual	\$78.57	\$117.85	\$157.14	\$196.42
	Harvard Pilgrim Quality	Family	\$199.98	\$299.97	\$399.96	\$499.95
	Wellpoint Plus	Individual	\$95.58	\$143.36	\$191.15	\$238.94
		Family	\$227.72	\$341.58	\$455.44	\$569.31
	MGB Complete HMO	Individual	\$97.47	\$146.21	\$194.95	\$243.69
D. I		Family	\$257.77	\$386.65	\$515.54	\$644.42
Broad	11 101 : 5 1	Individual	\$106.47	\$159.70	\$212.94	\$266.17
	Harvard Pilgrim Explorer	Family	\$263.80	\$395.70	\$527.60	\$659.50
		Individual	\$149.69	\$224.53	\$299.37	\$374.22
	Wellpoint Total Choice	Family	\$332.18	\$498.26	\$664.35	\$830.44
NI c	III ID:I : A A :	Individual	\$125.56	\$188.34	\$251.12	\$313.91
National	Harvard Pilgrim Access America	Family	\$280.09	\$420.13	\$560.17	\$700.22

Note that the member contributions shown above only reflect the core medical portion of member contributions and do not include other benefits contributions such as life insurance, dental and vision; additional administrative fees may also apply (i.e., municipality fees)





Fiscal Year 2025 Full Cost Premiums: Medicare

Product	Plan	Tier	FY24 Rates	Current FY24 Enrollment	FY25 Rates	% Increase Over FY24 Rates
Medicare Advantage	THP Medicare Preferred	Individual	\$351.69	4,653	\$362.75	3.1%
	Harvard Pilgrim Medicare Enhance	Individual	\$420.58	30,131	\$434.83	3.4%
Medicare Supplement	HNE Medicare Supplement Plus	Individual	\$429.00	3,852	\$437.48	2.0%
	Wellpoint Medicare Extension	Individual	\$423.84	77,230	\$443.35	4.6%



Key Insights

- Premium increases across all plans with HNE having the smallest increase
- All Medicare Supplement products offer similar value propositions and premiums
- The majority of GIC Medicare-eligible members are in Wellpoint Medicare Supplement plan

- Overall average Fiscal Year 2025 premium increase amongst Medicare products is 4.1%
- Tufts Health Plan Medicare Preferred is the only Medicare Advantage product offered to GIC members
- There is little premium variation across Medicare Supplement products with a maximum premium differential of about \$9/month

^{*}Enrollment counts as of July 2024



Fiscal Year 2025 Member Contributions: Medicare

			Member Contributions (State only)			
Product	Plan	Tier	90% / 10%	85% / 15%	80% / 20%	75% / 25%
Medicare Advantage	Tufts Health Plan Medicare Preferred	Individual	\$36.28	\$54.41	\$72.55	\$90.69
	Harvard Pilgrim Medicare Enhance	Individual	\$43.48	\$65.22	\$86.97	\$108.71
Medicare Supplement	Health New England Medicare Supplement Plus	Individual	\$43.75	\$65.62	\$87.50	\$109.37
	Wellpoint Medicare Extension	Individual	\$44.34	\$66.50	\$88.67	\$110.84

Note that the member contributions shown above only reflect the core medical portion of individual member contributions and do not include other benefits contributions such as life insurance, dental and vision; additional administrative fees may also apply (i.e., municipality fees)



Motion

The Commission hereby approves the recommended Fiscal Year 2025 full cost premiums as shown on slides 31 and 33

- ➤ Valerie Sullivan, Chair
- > Bobbi Kaplan, Vice-Chair
- > Cassandra Roeder (A&F Designee)
- Rebecca Butler (Designee for DOI)
- **Elizabeth Chabot**
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FY2025 Rates



Fiscal Year 2025 Rates: Establishing the Municipal Administrative Fee



Municipal Administration Fee

The GIC staff recommends setting the Fiscal Year 2025 Municipal Administrative fee to 0.30% of the full cost premiums.

- This represents no change in the municipal administrative fee from the FY24 level (0.30%)
- All participating municipalities pay a fee to the GIC for administrating the municipal program
- The GIC is authorized by statute to charge up to 1.0 % of premium

Note: The 0.30% administrative fee is estimated to yield approximately \$2,750,000 in FY25



Motion

Authorize the GIC to set the Fiscal Year 2025 Municipal Administrative fee at 0.30% of the full cost premiums

- Valerie Sullivan, Chair
- > Bobbi Kaplan, Vice-Chair
- Cassandra Roeder (A&F Designee)
- > Rebecca Butler (Designee for DOI)
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FY2025 Rates







Valerie Sullivan, Chair & Matthew Veno, Executive Director



2024 Group Insurance Commission Meetings & Schedule

January	February	February	April	May
18	NO MEETING	29	NO MEETING	16
June	September	October	November	December
20	19	TBD		19

Unless otherwise announced in the public notice, all meetings take place from 8:30 am - 10:30 am on the 3rd Thursday of the month. Meeting notices and materials including the agenda and presentation are available at mass.gov/gic under Upcoming Events prior to the meeting and under Recent Events after the meeting.

Please note:

- Until further notice, Commissioners will attend meetings remotely via a video-conferencing platform provided by GIC.
- Anyone with Internet access can view the livestream via the MA Group Insurance Commission channel on YouTube. The meeting is recorded, so it can be replayed at any time.

Note: Topics and meeting dates are subject to change





Commission Members

GIC Leadership Team

GIC Goals

GIC Contact Channels



Commission Members



Valerie Sullivan, Public Member, Chair



Gary Anderson, Commissioner of Insurance



Bobbi Kaplan, NAGE, Vice-Chair



Matthew Gorzkowicz, Secretary of Administration & Finance



Elizabeth Chabot, NAGE



Edward Tobey Choate, Public Member



Tamara P. Davis, Public Member



Jane Edmonds, Retiree Member



Joseph Gentile, Public Safety Member



Gerzino Guirand, Council 93, AFSCME, AFL-CIO



Patricia Jennings, Public Member



Eileen P. McAnneny, Public Member



Melissa Murphy-Rodrigues, Mass Municipal Association



Jason Silva, Mass Municipal Association



Anna Sinaiko, Health Economist



Timothy D. Sullivan, Massachusetts Teachers Association



GIC Leadership Team

Matthew A. Veno, Executive Director

Erika Scibelli, Deputy Executive Director

Emily Williams, Chief of Staff

Stephanie Sutliff, Chief Information Officer

James Rust, Chief Financial Officer

Paul Murphy, Director of Operations

Brock Veidenheimer, Director of Human Resources

Andrew Stern, General Counsel



GIC Goals

- Provide access to high quality, affordable benefit options for employees, retirees and dependents
- Limit the financial liability to the state and others (of fulfilling benefit obligations) to sustainable growth rates
- Use the GIC's leverage to innovate and otherwise favorably influence the Massachusetts healthcare market
- Evolve business and operational environment of the GIC to better meet business demands and security standards



Contact GIC for Enrollment and Eligibility

- **Enrollment**
- **Qualifying Events**
- **Information Changes**

- Retirement
- **Life Insurance**
- **Marriage Status Changes**
- **Premium Payments**
- **Long-Term Disability**
- **Other Questions**

Online Contact			Any time. Specify your preferred method of response
Email	gicpublicinfo@mass.gov		from GIC (email, phone, mail)
Telephone	(617) 727-2310, M-F from 8:45 AM to 5:00 PM		
Office location	1 Ashburton Place, Suite 1619, Boston, MA, Not open for walk-in service		
Correspondence & Paper Forms	P.O. Box 556 Randolph, MA 02368		ocessing time. Priority given to retain or access benefits



Contact Your Health Carrier for Product and Coverage Questions

- Finding a Provider
- Accessing tiered doctor and hospital lists
- Determining which programs are available, like telehealth or fitness
- Understanding coverage

Health Insurance Carrier	Telephone	Website
Mass General Brigham Health Plan	(866) 567-9175	massgeneralbrighamhealthplan.com/gic-members
Harvard Pilgrim Health Care	(844) 442-7324	point32health.org/gic
Health New England	(800) 842-4464	hne.com/gic
Tufts Health Plan (Medicare Only)	(855) 852-1016	Tuftshealthplan.com/gic
UniCare State Indemnity Non-Medicare Plans Medicare Plans	(833) 663-4176 (800) 442-9300	unicaremass.com