

GROUP INSURANCE COMMISSION MEETING

Thursday, February 27, 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

DATE: February 27, 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

ELIZABETH CHABOT (NAGE)

EDWARD T. CHOATE (Public Member)

JANE EDMONDS (Retiree)

JOSEPH GENTILE (AFL-CIO, Public Safety Member)

PATRICIA JENNINGS (Public Member)

EILEEN P. MCANNENY (Public Member)

MELISSA MURPHY-RODRIGUEZ (Massachusetts Municipal Association)

ANNA SINAJKO, Ph.D. (Health Economist)

JASON SILVA (Massachusetts Municipal Association)

TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Commissioners Not Present:

TAMARA P. DAVIS (Public Member)

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

CATHERINE WEST (Public Member)

I. Introduction and Approval of Minutes

At 8:30 A.M. The Chair started the meeting and announced the Commissioners in attendance. The Executive Director provided an overview of the coming months and the agenda for the meeting.

The Chair called for a motion to approve the minutes from the February 6, 2025 meeting. A motion to approve the minutes was made by Commissioner Choate and seconded by Vice Chair Kaplan. The General Counsel read the motion and took a roll call vote. The vote was unanimous, with the Chair and Commissioner Chabot abstaining.

II. Executive Director's Report

The Executive Director provided highlights from his report. He informed the Commission of upcoming staff and Commissioner departures: Darryl Ransom will be retiring in early April after 46 years of service at the GIC. The last day for the Chief Financial Officer (CFO), Jim Rust, will be February 28 as he departs for a new role at another state agency. Commissioner Gentile is also retiring from his current position and will be taking a new role at NAGE. The Executive Director then reviewed the calendar of upcoming Commission work, after which he handed the meeting over to other staff to provide information on rates.

III. FY2026 Rates

Cameron McBean, Director of Vendor Management, presented final rates on dental and vision plans. Mr. McBean acknowledged that he stated incorrectly last meeting that orthodontia would be added for retirees. Orthodontia benefits would not be added to the retiree dental plan for the upcoming year, he explained.

The Executive Director then introduced Margaret Anshutz, Director of Health Policy and Data Analytics to present healthcare rates. Executive Director Veno noted that he continues to work with others in state government on strategies to curb rising healthcare costs. He also noted that GIC staff continues to work diligently on steps that the GIC can take and will look forward to presenting them to the Commission over the next year, given the scale of increases in rates and premiums this year.

Margaret Anshutz presented the premiums and rate development process and timeline. She provided an overview of the cost drivers and then presented rates for the various plans. She highlighted the need for members to evaluate the different plans on many factors to see which one would be best for their needs. She gave some examples of factors to consider, including whether their doctors are in the plan, regional access, and price.

The Vice Chair asked how many years the GIC has gone over budget and needed to request additional funding. Ms. Anshutz stated that she did not know. The CFO stated that it's been, at least, over a decade and was likely back during the Patrick Administration. Vice Chair Kaplan requested an accounting of how much money the GIC returned to the general fund each year.

Ms. Anshutz continued with her presentation on healthcare insurance rates and employee contributions, as well as rates and contributions for Medicare plans. She reminded the Commission that the municipal rates presented in today's meeting materials are not final, as they do not yet include the administrative fee, which comes soon after this meeting.

The Executive Director stated that this has been a very challenging and volatile year rate and premium setting.

The Chair asked if the GIC consolidated the broad network plans whether the rates might drop significantly. Ms. Anshutz stated that the WellPoint Total Choice is meant to be a "Cadillac" plan and, therefore, costs more. She stated that to answer the Chair's question properly she would need to evaluate the data, but that she did not anticipate there would be a significant drop in rates if plans were consolidated.

Vice Chair Kaplan asked what the breakdown of subscribers was for individual plans versus family plans. Ms. Anshutz said she does not have those numbers on hand, but that they would be presented to the Commission after the conclusion of Annual Enrollment.

Commissioner Edmonds stated that she has been struggling to evaluate the difficult alternatives. She asked what the impact of a no vote would be. She stated that the choice of choosing to vote for or against the proposed rates is challenging, but she believed that a yes vote would at least limit the impact to those most vulnerable.

The Executive Director confirmed that a yes vote would likely limit the impact to the most vulnerable. Commissioner Edmonds noted that she appreciated that the Executive Director started the rates conversation by emphasizing that he is working to find long-term solutions to a very difficult problem.

Commissioner Tim Sullivan voiced support for Commissioner Edmonds's comments. He stated that many of his constituents are in a similarly challenging financial situation. He said that there is a growing number of people who are having to make very, very difficult financial decisions. He said that he believes there is value to keeping a conversation going with the Health Policy Commission to continue to understand the challenges and how to solve them.

The Vice Chair commented that her membership also has a large number of people who will struggle with the proposed healthcare rates. She emphasized that the proposed increase in healthcare insurance rates is many multiples of what the state workers received this year for their cost-of-living raise. She recalled that when Harvard Pilgrim Health Care increased its rates by 12%, that insurer was "frozen" and new members were not allowed to join.

The Vice Chair continued stating that she received many complaints about higher copays that were implemented not long ago. She said her constituents feel the burden of the higher out-of-pocket payments that resulted. She noted that while she appreciates the context that increases are happening all over the country, that doesn't make it easier for her members. She stated she cannot, in good conscience, vote to approve the rates.

Commissioner McAnneny echoed the comments that the GIC needs to be a leader on affordability. She said she respects that the Health Policy Commission provides the data about trends, but they cannot and do not provide solutions. She emphasized that the Health Policy Commission cannot be a leader in the same way as the Group Insurance Commission. She concluded that it is high time that we demanded change.

The Chair asked for a motion to approve the rates. Commissioner Edmonds moved and it was seconded by Commissioner Sinaiko.

The General Counsel then took a roll call vote. The motion passed by a majority vote with 11 affirmative votes and no votes by Vice Chair Kaplan, Commissioners Chabot and Gentile.

The CFO turned to the municipal administrative fee. He recommended that the administrative fee for municipalities be set at 0.25%, a rate lower than the FY25 rate. He noted that this was not a decrease in amounts owed by each municipality, but rather, the rate is lower because the premiums are higher, resulting in the same net cost.

There was a call for a motion to approve the proposed administrative fee for municipalities. The Vice Chair moved and Commissioner Silva seconded.

The General Counsel took a roll call vote. The vote passed unanimously.

IV. CFO Report

The CFO then gave his monthly report. He stated that there has been a consistent pattern of around \$20 million dollars more per month over what was originally projected and budgeted. This excess of costs has been driven in large part by rising pharmaceutical and provider prices. He then provided a projection of what is expected for the remainder of the year. He also presented the budgeted costs versus the actual costs, noting that there is a growing gap.

Commissioner Choate asked when the GIC is expected to run out of money if a supplemental funding source is not approved by the legislature. The CFO stated somewhere in mid-May. He stated that the administration is aware that the GIC must have continuous cashflow, and that he expected the Legislature to provide a supplemental budget to close the gap.

V. Other Business/Adjournment

The Chair called for any additional business. With no Commissioners raising other business, the Chair asked for a motion to adjourn.

The Vice Chair moved and Commissioner Sullivan seconded. The motion unanimously passed.