

# 1955 • CELEBRATING 65 YEARS • 2020 & 2021



ANNUAL REPORT: FISCAL YEAR 2020 & 2021

The COVID-19 pandemic has tested us in ways we never thought possible. It is changing how we live, learn, work, gather and play, making us more resilient in navigating uncharted territory.

It is fitting, then, that our Annual Report for Fiscal Year 2020 (FY2020) & Fiscal Year 2021 (FY2021) highlights how GIC has adapted to a new normal through strategic investments in state of the art technology to evolve our digital footprint, bolster our business operations, and make it faster and simpler for our members to interact and engage with GIC. Amid uncertainty on a global scale, one thing is clear, GIC, which in 2020, celebrated 65 years since its establishment, is moving forward--with optimism for a brighter future. Unchanged is our commitment to being a reliable partner in providing our 460,000 members with high quality, affordable, and sustainable health and other benefit options.

## What's Inside



YEAR IN  
REVIEW



ABOUT  
THE GIC



FINANCIALS

## GIC AT-A-GLANCE

  
**461,625**  
GIC MEMBERS  
TOTAL NUMBER OF  
CALLS ANSWERED  
BY GIC OPERATIONS  
IN FY2020  
**107,581**

GIC  
COMMISSIONERS

**17**   
**TOP 3**  
REASONS FOR  
CALLING GIC

- 1 Turning Age 65/Medicare
- 2 Retirement
- 3 Qualifying Events/  
Eligibility for Coverage

  
**\$2.2B**  
APPROPRIATION# OF STATE,  
REGIONAL, MUNI,  
QUASI MEMBER  
AGENCIES**418** 

“

From welcoming a new Executive Director and launching **MyGICLink** to conducting reenrollment while working remotely in the midst of a pandemic the GIC adjusted and performed brilliantly. This is a reflection of the enduring dedication and commitment of the GIC staff to serve and protect the health of members. GIC is stronger than ever to deliver for members and the taxpayers of the Commonwealth.

- Edward (Tobey) Choate, Founder, Exeminity and GIC Commissioner [Public Member]

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## WHERE DO OUR MEMBERS LIVE?

**All over, actually!** The GIC serves retirees in 77 countries, including the United Kingdom, Taiwan, Netherlands, Germany and Ireland.



# LETTER FROM OUR EXECUTIVE DIRECTOR



## DEAR FRIENDS:

Fiscal Year 2020 & 2021 were years like no other.

At the GIC, in the first few months of fiscal year 2020, we launched into a leadership transition in which I swapped the role of Commission Designee for that of Executive Director. At almost the same time, the GIC team that I would soon join reached a major milestone in modernizing how we operate and transforming how we interact with our partner agencies. Then, as the Spring approached, the dark clouds of a global pandemic were closing in on us all.

The time since has been one of enormous challenge and uncertainty, and for so many, sadly, of great hardship and suffering.

It is precisely at times like these when insurance is so important – to those who fall ill and need extensive medical care, to those who face the worries of financial hardship, to those who have lost loved ones, and to all of us who look for reassurance and peace of mind.

It is also at times like this when those who chose a career of serving others truly shine – front line health care workers, first responders, public health officials and so many others. It is also a time when the role of government, so often underappreciated, is so critical. During the pandemic, officials at all levels of government, especially state and municipal leaders have played pivotal roles in navigating this storm. What I had the privilege to witness up close were the skills, deep dedication, sense of mission, and commitment to serving those who serve the Commonwealth displayed by the 72 members of the GIC staff. It was then that I knew I was in the right place, surrounded by genuinely good people.

With the richness of our human resources as our core strength, we look ahead with confidence that we will meet the challenges of another year, but also with real excitement about the opportunities for progress that lie before us.

Before the Summer of 2021 was in full swing, we began to settle into our new home at the McCormack Building with an entirely new, modern, remote/in-office hybrid work environment. We launched our engagement with stakeholders in preparation for the upcoming health benefit procurement, and moved on to implement the next, member-facing stage of our multi-year modernization strategy.

At the center of it all, of course, is our mission – to provide our members with sustainable, effectively administered, high quality and affordable benefits, and to use our influence to drive improved health for members and higher value health care delivery in the Commonwealth.

On behalf of the Group Insurance Commission, I would like to express our thanks to all who play a role in helping us deliver on that mission.

Sincerely yours,

Matthew A. Venio  
Executive Director

# TRANSFORMING GIC FOR THE NEXT 65 YEARS

## INTRODUCING MYGICLINK & GIC ONLINE FORMS

On December 4, 2019, the GIC proudly launched the *MyGICLink member benefits portal and GIC Online Forms*, a major first step in its transformation from a heavily paper-based operation to an online, future driven organization.

New Customer Relationship Management (CRM) and electronic signature (eSign) tools through Salesforce and DocuSign now make it far easier, safer, and more secure when enrolling in or changing GIC benefit selection(s). The *MyGICLink* initiative began with a piloting of the program to 29 agencies and municipalities, with a successful three-phase roll-out to its more than 480 member agencies and 40 member municipalities across the Commonwealth.

GIC established a centralized email box, [MyGICLink@mass.gov](mailto:MyGICLink@mass.gov), to keep GIC Coordinators informed about the impact and benefits of *MyGICLink*. Extensive training and support tools were also provided at every step, supplemented with regular communication updates.



**MyGICLink generated impressive results in its first two years of launching**

\*as of 12/31/21



- DocuSign
  - ✓ 112,791 electronic forms were initiated via DocuSign
  - ✓ 69,809 of the pilot agency coordinators successfully completed the DocuSign electronic enrollment process end to end
- DataBank
  - ✓ 132,818 forms received, scanned and uploaded to Salesforce
- Salesforce
  - ✓ Over 224,274 cases closed, in process, or submitted



## VISION STATEMENT

*“Deliver an exceptional customer experience by implementing modern systems and processes that enable GIC specialists to efficiently and effectively resolve complex benefit issues.”*

**For more information, visit [mass.gov/mygiclink](https://mass.gov/mygiclink)**

## BEFORE MYGICLINK

- Paper intensive, “hands-on” operations
- Limited insight on case status, priority, and assignment
- Manual reporting, analytics, and metrics



VS

## SINCE MYGICLINK

- Improved member, coordinator, and GIC specialist experience
- Online and pre-populated GIC forms, and email notifications
- Electronic signature, submission, and receipt of documents
- Cloud-based solution, automated workflow, and case management
- Real-time visibility on case status for all GIC staff!



## NEW E-PAYMENT CAPABILITIES

Making payments using paper-based billing is fast becoming an obsolete business practice. As part of our continuing effort to modernize and to reduce costly and wasteful paper usage, and provide members with convenient payment options, GIC unveiled a new e-payment option in April, 2020.

The GIC E-payment program enables GIC members to use their credit or debit card to make a payment to GIC. This includes anything from a COBRA cost; retiree benefit cost or member coverage change—giving members and retirees peace of mind knowing that their payments are made securely and on time.

## E-PAYMENT BY THE NUMBERS

**Monthly Bills: average 3,500**

**Quarterly Bills: average 6,500**

**Average Bill Amount – \$345**

**Total Payments (prior to e-payment)**

- **December 2019 – 6,396**

*\*Representative sample, can vary month by month*

**Annual Bill Collections – Estimated \$20 Million**





# COVID-19 CLAIMS

## BY THE NUMBERS: CLAIMS PAID BY GIC

COVID-19 claims decreased over the Spring and early Summer of 2021. Given the four to six week lag in reporting as expected, we experienced a steady increase in COVID-19 spending due to the surge in cases related to new variants.

COVID-19 Claims Paid by Month		
Month	Claims Paid	Running Total FY21 and FY22
March 2020	2,235,078	2,235,078
April 2020	9,558,455	11,793,532
May 2020	13,412,956	25,206,489
June 2020	18,154,719	43,361,207
July 2020	14,059,116	57,420,324
Aug 2020	11,050,708	68,471,032
Sept 2020	6,748,804	75,219,836
Oct 2020	9,671,752	84,891,589
Nov 2020	8,650,943	93,542,532
Dec 2020	14,874,875	108,417,407
Jan 2021	16,159,981	124,577,388
Feb 2021	13,367,247	137,944,635
March 2021	13,509,366	151,454,001
April 2021	15,892,384	167,346,385
May 2021	16,131,155	183,477,540
June 2021	11,189,607	194,667,147
Total FY20 COVID-19 Claims		43,361,207
Total FY21 COVID-19 Claims		151,305,940
Total FY20 & FY21 COVID-19 Claims		194,667,147



TOTAL NUMBER OF  
COVID-19 CLAIMS IN  
FY2020

**43 MILLION+**



TOTAL NUMBER OF  
COVID-19 CLAIMS IN  
FY2021

**151 MILLION+**



## TELEMEDICINE IS HERE TO STAY

With a public health emergency caused by COVID-19, the use of Telehealth and Telemedicine technology has been at the forefront of health care delivery—like never before. GIC carriers reported a surge in its utilization in Spring 2020 in lieu of in-office visits. In some cases, Telehealth accounted for 70% or more office visits in April and May of 2020, with that number as high as 80% or more for behavioral health office visits. While in-person medical office visits have since resumed, Telehealth and Telemedicine is here to stay. We expect a new normal in patient care to emerge over time where providers and hospitals shift a larger volume of patient care to Telehealth visits.

# PREPARING FOR COVID-19

In 2020, the coronavirus emerged just as GIC was preparing for its Annual Enrollment period typically held every April and early May. Instead, to comply with Governor Charlie Baker's executive order, GIC staff prepared the agency to shift to remote work preparing GIC staff to work from home, equipping our team with laptops, and other capabilities to provide seamless member service.

GIC developed the following communications to inform members about ongoing events:

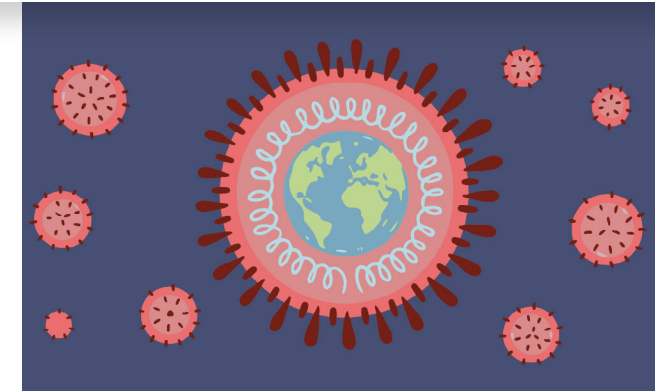
- Informational letter about online resources to support members during COVID-19
- Postcard announcing new online Benefit Guides for FY2021
- In addition, GIC health plans communicated with enrolled members on instructions to manage their benefits online and access Telehealth and COVID-19 testing

## RESPONDING TO THE COVID-19 OUTBREAK

In the wake of the COVID-19 outbreak, GIC took steps to protect the health of its staff and members, and manage processing with reduced work force. These steps were communicated in a letter mailed to members in late March of 2020.

Among the steps taken:

- Promoted member use of the GIC Online Contact Form (still in use) at [mass.gov/GIC](https://mass.gov/GIC) in lieu of telephone calls to manage priorities and volume
- Canceled the Annual Benefit Fairs in accordance with limits on large public gatherings
- Extended the Annual Enrollment deadline from Friday, May 1 to Monday, June 1, 2020 to provide more time for members to review options and get their questions answered by GIC



## PROTECTING OUR MEMBERS' HEALTH

A flu vaccine is perhaps the most effective way to help prevent influenza. According to the Centers for Disease Control and Prevention (CDC), flu costs the U.S. approximately \$10.4 billion\* in direct costs for hospitalizations and outpatient visits for adults.

To raise awareness about the importance of getting a flu vaccine, GIC sponsored flu vaccination clinics at One Ashburton Place and the Charles F. Hurley Building, providing flu shots to some of the Commonwealth's Boston-based employees. GIC, in collaboration with its pharmacy benefit manager, Express Scripts, produced and mailed postcards aimed at promoting the flu vaccine, the cost of which is covered by GIC. The postcard reached more than 137,000 households.

\*Molinari NA, Ortega-Sanchez IR, Messonnier ML, et al. The annual impact of seasonal influenza in the US: measuring disease burden and costs. *Vaccine*. 2007; 25(27):5086-96.

# PREPARING FOR COVID-19

## PROVIDING CASH-FLOW RELIEF TO OUR MUNICIPAL PARTNERS

To help our municipal members with critical cash flow caused by the impacts of COVID-19 on state and local economies, the Baker-Polito Administration announced plans to defer \$190 million in monthly premium payments for the first quarter of FY2021 for local cities and towns, regional school districts, and other entities that became members of the GIC through the Municipal Partnership Act.

This measure provided cash-flow relief to GIC municipal members across Massachusetts while ensuring that the GIC maintained the ability to pay all member claims without any impact on total FY2021 revenue.



“By deferring these monthly GIC premium payments, we are providing relief to local municipalities that are facing budgetary uncertainty and cash-flow constraints due to COVID-19.”

– *Governor Charlie Baker*



“

This year in particular, being a municipal member of the GIC gave communities the flexibility and stability it needed to be successful. The swift action of GIC leadership, in collaboration with Governor Baker, to allow communities to defer payments to later in the fiscal year gave municipalities relief when burdens were at an all-time high. I've been proud to serve on the GIC Commission while we have been weathering a pandemic, but even more importantly being a municipal member of the GIC meant that I knew my team was receiving the attention and care they needed this year when we needed it most.

– *Melissa Murphy-Rodrigues, Town Manager,  
North Andover and GIC Commissioner  
[Massachusetts Municipal Association Member]*

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# PREPARING FOR COVID-19

## PROVIDING SUPPORT TO MEMBERS IN UNCERTAIN TIMES

Employee utilization of the Mass4YOU Employee Assistance Program (EAP) increased in FY2020 as members sought to find ways to manage their stress and anxiety during the pandemic.

In addition to being a valuable resource for supporting members with work and life issues, Mass4YOU provides the Commonwealth's employees and managers with tools and resources to address workplace performance and conduct, share insights as to making the most of the EAP benefit, as well as a reliable partner in providing Critical Incident Response Services (CIRS) to respond to issues relating to workplace grief and trauma.

As employees adjusted to new teleworking environments, Mass4YOU moved to provide virtual webinar sessions to more than 1,150 employees of the Commonwealth on topics such as *Coping and Dealing with Uncertainty*.

The Mass4YOU benefit is available to any GIC benefit-eligible members, spouses, and dependents.



**[Liveandworkwell.com](https://liveandworkwell.com),**  
use access code: **mass4you**



**Substance Use Treatment Helpline:**  
**1-855-780-5955**



**Toll-free: 1-844-263-1982**

*\*All calls to the Mass4YOU program are confidential, in accordance with the law*



## TOP REASONS WHY MEMBERS AND DEPENDENTS CALL MASS4YOU:

### Leading Issues

- Legal (includes estate planning)
- Anxiety
- Adult/Elder Care Support
- Workplace Issues



# MEET OUR COMMISSIONERS

"The pandemic has shined a bright light on the critical need for access to behavioral health services in the Commonwealth and across the country. The dramatic increase in telehealth this year for behavioral health services is encouraging, and an important strategy for helping meet this surge in demand. GIC is steadfastly committed to leveraging its influence in the health care marketplace to strengthen such access to support our members' health and well-being."

– Valerie Sullivan, Chair, GIC Commission (Public Member)



**Valerie Sullivan**  
Chair  
(Public Member)



**Bobbi Kaplan**  
Vice-Chair  
Executive Vice-President, Unit 6,  
Local 207, NAGE (Labor Member)



**The Honorable  
Michael Heffernan**  
Secretary, Executive Office for  
Administration and Finance  
(Ex-Officio Member)



**Gary Anderson**  
Commissioner  
Division of Insurance  
(Ex-Officio Member)



**Elizabeth Chabot**  
President, Local 229  
Massachusetts Probation  
Officers and Vice-President,  
NAGE National Executive  
Committee (Labor Member)



**Adam Chapdelaine**  
Town Manager, Arlington  
(Massachusetts Municipal  
Association Member)



**Edward (Tobey) Choate**  
Chief Administrative Officer,  
Examity (Public Member)



**Christine Clinard, Esq.**  
(Public Member)



**Tamara Davis**  
Managing Director, Davis  
Board Services, LLC  
(Public Member)



**Jane Edmonds**  
Vice-President, Programming  
and Community Outreach,  
Babson College (Retiree Member)



**Joseph Gentile**  
AFL-CIO  
(Public Safety Member)



**Gerzino Guirand**  
Organizer  
(Council 93, AFSCME, AFL-CIO)



**Patricia Jennings**  
(Public Member)



**Eileen P. McAnneny**  
President, Massachusetts  
Taxpayers Foundation  
(Public Member)



**Melissa Murphy-Rodrigues**  
Town Manager, North Andover  
(Massachusetts Municipal  
Association Member)



**Anna Sinaiko, MPP, Ph.D.**  
Assistant Professor, Health  
Economics and Policy,  
Harvard School of Public  
Health (Health Economist)



**Timothy Sullivan, Ed.D.**  
Massachusetts  
Teachers Association  
(Labor Member)

## PREVIOUS COMMISSIONERS

Thank you for your service.  
Commissioners are appointed  
by the Governor.

**Kevin Drake**  
Labor Member  
(2010 – 2021)

**Theron Bradley**  
Public Member  
(2001 – 2019)

**Margaret Thompson**  
Local 5000, SEIU, NAGE  
(2013 – 2018)

**Melvin A. Kleckner**  
Massachusetts  
Municipal Association  
(2012 – 2018)

**Jean Yang**  
Public Member  
(2013 – 2017)

**Katherine Baicker**  
Health Economist,  
Chair  
(2013 – 2017)

**Robert J. Dolan**  
Massachusetts  
Municipal Association  
(2012 – 2017)

**Ed Kelly**  
Public Safety  
(2012 – 2017)

**Richard Waring**  
NAGE, Vice-Chair  
(2011 – 2017)

**Anne M. Paulsen**  
Retiree Member,  
Vice-Chair  
(2007 – 2017)

# LOOKING AHEAD

## GIC'S APPROACH TO PROCUREMENT

As the Commonwealth's largest purchaser of health insurance, GIC seeks to leverage its influence in the health care market place to provide value to our members and their families and taxpayers. A major driver to how GIC accomplishes this is through the procurement process for health care and other benefit providers every five years.

## HEALTH CARE PROCUREMENT

### Where We're At



**FY2021:**

In year three of a five-year contract cycle

### Where We're Headed



**FY2024:**

New coverage takes effect on July 1, 2023

As GIC looks to its next procurement in FY2023, we will be engaging with a wide variety of members and stakeholders to learn from their experiences and use this information to inform our next procurement.



### MEMBERS

- Active
- Retired
- Dependents



### LEGISLATURE

- Leadership
- Key members



### EXECUTIVE

- A&F
- Governor's office
- EOHHS



### LABOR

- Leaders
- Commission members



### POLICY

- Health Policy Commission
- CHIA
- Attorney General
- Trade Associations



### MUNICIPAL

- Current members
- Prospective members



### VENDORS

- Current vendors
- Prospective vendors

# STATEMENT OF EXPENDITURES – JULY 1, 2019 - JUNE 30, 2020

DESCRIPTION	EMPLOYEE/RETIREE PREMIUMS	COMMONWEALTH EXPENDITURES
EXPENDITURES		
Administration (a)	\$0	\$4,212,623
Basic Life Insurance	\$2,663,861	\$9,915,387
Optional Life Insurance	\$45,642,264	\$0
RMT Life Insurance	\$139,457	\$559,566
Health Insurance-All Health Plans (b)	\$565,180,974	\$2,086,551,154
Dental And Vision Insurance	\$1,496,723	\$8,685,895
Long Term Disability Insurance	\$14,708,832	\$0
Retirees' Dental Insurance	\$22,772,485	\$0
<b>Total Expenditures</b>	<b>\$652,604,595</b>	<b>\$2,109,924,626</b>

(a) Additionally, \$2,012,542 from communities participating in the GIC's Health Insurance Programs were used to pay administrative costs..

(b) Does not include medical and prescription drug co-payments, deductibles, and co-insurance.

# STATEMENT OF REVENUE – JULY 1, 2019 - JUNE 30, 2020

DESCRIPTION	COMMONWEALTH EXPENDITURES	
REVENUES		
Housing, redevelopment and other authorities		\$214,349,135
Municipal Program Health Insurance		\$574,041,604
Elderly Governmental Retirees' Health Insurance		\$78,039
Retired Municipal Teachers' Health Insurance		\$50,287,705
Insurance chargebacks to state agencies receiving federal and trust funds		\$344,382,182
Leave of absence chargebacks to state agencies		\$288,030
Other income		\$543,357
Total Revenues		\$1,183,970,053

SUMMARY		
Total Commonwealth Expenditures		\$2,109,924,626
Total Revenue Credited to Commonwealth's General Fund		(\$1,183,970,053)
<b>Net Commonwealth Expense</b>		<b>\$925,954,573</b>
The Commonwealth expense, net of revenue reimbursements, is 44% of the total Commonwealth expenditures.		



# RATE STABILIZATION RESERVES STATEMENT AND EMPLOYEE TRUST FUND STATEMENT

DESCRIPTION	BALANCE AS OF JULY 1, 2019	RECEIPTS	EXPENDITURES	BALANCE AS OF JUNE 30, 2020
<b>RATE STABILIZATION RESERVES STATEMENT</b>				
<b>Benefits for State Employees and Retirees</b>				
Basic Life Insurance	\$2,537,909	\$42,662	\$0	\$2,580,571
Optional Life Insurance	\$27,347,705	\$429,595	\$2,000,000	\$25,777,300
<b>Benefits for Elderly Governmental Retirees</b>				
Health Insurance	\$231,055	\$3,852	\$2,195	\$232,712
<b>Benefits for Retired Municipal Teachers</b>				
Life Insurance	\$116,898	\$1,965	\$0	\$118,863
Health Insurance	\$2,311,217	\$38,772	\$205,426	\$2,144,564
<b>EMPLOYEE TRUST FUND STATEMENT</b>				
<b>Benefits for State Employees, Municipal Employees and Retirees</b>				
Health Insurance	\$4,021,662	\$759,649	\$0	\$4,781,311
<b>Benefits for Elderly Governmental Retirees</b>				
Health Insurance	\$75,156	\$1,238	\$6,537	\$69,856

# STATEMENT OF EXPENDITURES – JULY 1, 2020 - JUNE 30, 2021

DESCRIPTION	EMPLOYEE/RETIREE PREMIUMS	COMMONWEALTH EXPENDITURES
EXPENDITURES		
Administration (a)	\$0	\$4,127,023
Basic Life Insurance	\$2,676,645	\$9,890,455
Optional Life Insurance	\$47,396,919	\$0
RMT Life Insurance	\$140,750	\$563,437
Health Insurance-All Health Plans (b)	\$598,777,333	\$2,195,584,590
Dental And Vision Insurance	\$1,596,926	\$8,944,318
Long Term Disability Insurance	\$14,960,775	\$0
Retirees' Dental Insurance	\$23,383,097	\$0
<b>Total Expenditures</b>	<b>\$688,932,444</b>	<b>\$2,219,109,823</b>

(a) Additionally, \$1,791,893 from communities participating in the GIC's Health Insurance Programs were used to pay administrative costs..

(b) Does not include medical and prescription drug co-payments, deductibles, and co-insurance.

# STATEMENT OF REVENUE – JULY 1, 2020 - JUNE 30, 2021

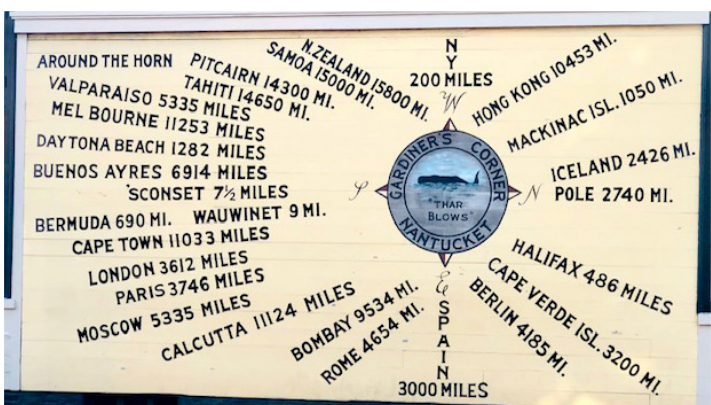
DESCRIPTION	COMMONWEALTH EXPENDITURES	
REVENUES		
Housing, redevelopment and other authorities		\$214,803,887
Municipal Program Health Insurance		\$592,324,372
Elderly Governmental Retirees' Health Insurance		\$43,785
Retired Municipal Teachers' Health Insurance		\$49,735,591
Insurance chargebacks to state agencies receiving federal and trust funds		\$280,166,222
Leave of absence chargebacks to state agencies		\$277,672
Other income		\$1,061,291
Total Revenues		\$1,138,412,820

SUMMARY		
Total Commonwealth Expenditures		\$2,219,109,823
Total Revenue Credited to Commonwealth's General Fund		(\$1,138,412,820)
<b>Net Commonwealth Expense</b>		<b>\$1,080,697,004</b>
The Commonwealth expense, net of revenue reimbursements, is 49% of the total Commonwealth expenditures.		

# RATE STABILIZATION RESERVES STATEMENT AND EMPLOYEE TRUST FUND STATEMENT

DESCRIPTION	BALANCE AS OF JULY 1, 2020	RECEIPTS	EXPENDITURES	BALANCE AS OF JUNE 30, 2021
RATE STABILIZATION RESERVES STATEMENT				
Benefits for State Employees and Retirees				
Basic Life Insurance	\$2,580,571	\$4,840	\$0	\$2,585,411
Optional Life Insurance	\$25,777,300	\$46,646	\$2,000,000	\$23,823,946
Benefits for Elderly Governmental Retirees				
Health Insurance	\$232,712	\$431	\$1,517	\$231,626
Benefits for Retired Municipal Teachers				
Life Insurance	\$118,863	\$223	\$0	\$119,086
Health Insurance	\$2,144,564	\$3,961	\$0	\$2,148,525
EMPLOYEE TRUST FUND STATEMENT				
Benefits for State Employees, Municipal Employees and Retirees				
Health Insurance	\$4,781,311	\$63,993	\$0	\$4,845,303
Benefits for Elderly Governmental Retirees				
Health Insurance	\$69,856	\$126	\$4,566	\$65,416





Commonwealth of Massachusetts  
Group Insurance Commission