



COMMISSION MEETING

NOVEMBER 19, 2020

 *Group Insurance Commission*

 *@MassGIC*

Agenda

	Topic	Speaker	Time
I.	Approval of 09/17/2020 Minutes (VOTE)	Valerie Sullivan, Chair	8:30-8:35
II.	Director's Report (INFORM) <ul style="list-style-type: none"> • Calendar • Legislation • Human Resources • Engagement <ul style="list-style-type: none"> • Regulation Amendments • Office Move • Life/LTD Procurement • Dental/Vision Procurement 	Matthew A. Veno, Executive Director Members of the GIC Senior Team	8:35-9:15
III.	Benefit Procurement & Vendor Management (INFORM) <ul style="list-style-type: none"> • Stewardship Learnings 	Denise Donnelly, Director of BPVM	9:15-10:00
IV.	COVID-19 Update (INFORM) <ul style="list-style-type: none"> • COVID-19 in the GIC Population 	Margaret Anshutz, Manager, Healthcare Analytics	10:00-10:10
V.	CFO Update (INFORM) <ul style="list-style-type: none"> • Budget process and COVID claims update • FY21 spending to date 	Jim Rust, Chief Financial Officer	10:10-10:20
VI.	Other Business/Adjournment	Valerie Sullivan, Chair	10:20-10:30

I. Approval of Minutes (VOTE)

Motion:

That the Commission hereby approves the minutes of its meeting held on September 17, 2020 as presented.

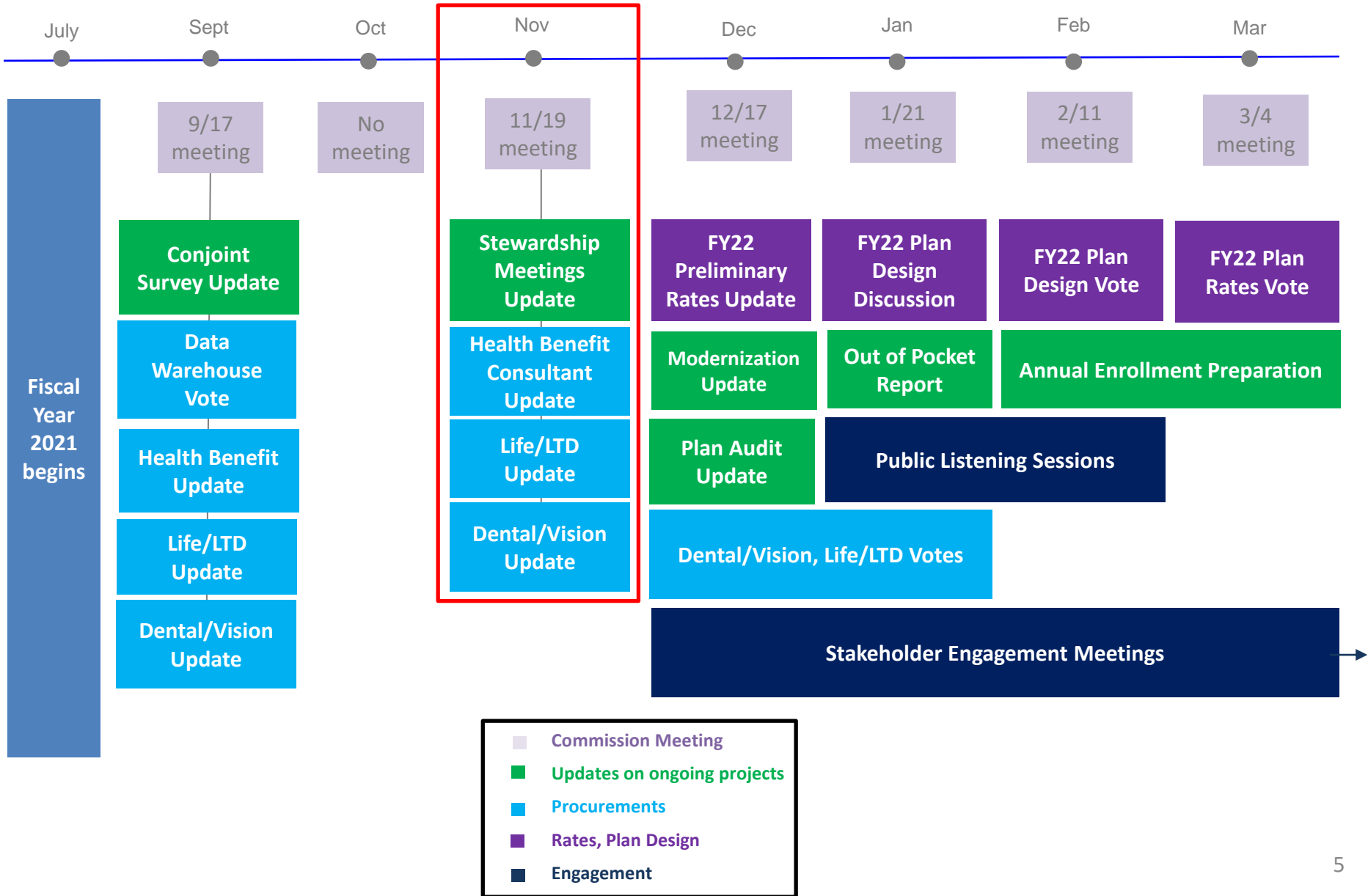
- Valerie Sullivan, Chair
- Bobbi Kaplan, Co-Chair
- Emily Jue Williams
- Rebecca Butler
- Elizabeth Chabot
- Adam Chapdelaine
- Edward Tobey Choate
- Christine Clinard
- Tamara P. Davis
- Kevin Drake
- Jane Edmonds
- Joseph Gentile
- Eileen P. McAnney
- Patricia Jennings
- Melissa Murphy-Rodrigues
- Anna Sinaiko
- Timothy D. Sullivan

II. Directors' Report (INFORM)

- Calendar
- Legislation
- Human Resources
- Engagement
- Regulation Amendment
- Office Move
- Life/Long Term Disability Procurement
- Dental/Vision Procurement

Matthew A. Veno, Executive Director
Members of the GIC Leadership Team

II. FY2021 Calendar

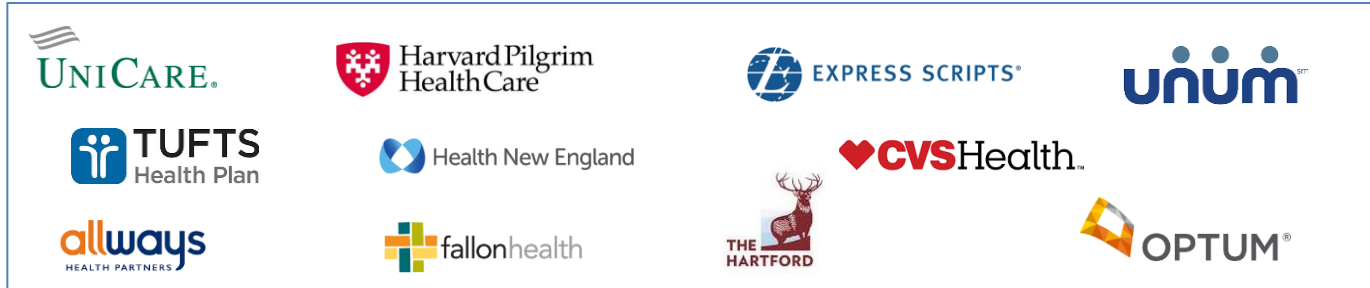


III. Benefit Procurement & Vendor Management: (INFORM & UPDATE)

- Stewardship Learnings

Denise Donnelly, Director of BPVM

Annual Stewardship Meetings



- Overall medical claim spending flat due to COVID
 - Large plans in particular were running above projections through Q3
 - Unit costs continue to increase
 - Specialty drugs (particularly chemo) saw large increases in cost in all but one plan
- High-cost claimants continue to drive health care cost increases
- Overall engagement in health plan programs is low
- Telehealth has arrived
 - Primarily driven by local network providers, not national vendors (i.e. Teladoc)
 - Behavioral health telehealth usage has seen a dramatic increase
- EAP Utilization Remains Low

Medical Trends

- High-cost claimants continue to drive medical spend
 - HCC's account for 0.6% of active members, and 24% of total spend (\$442M in FY20)
 - Cancer is most prevalent condition
- Specialty drugs continue to drive pharmacy trends
 - Over \$142M in medically administered drugs
 - Some savings seen in moving site of care
- Unit cost increases
 - Both inpatient and outpatient facility charges are rising
- C-Section rates remain high



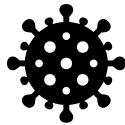
Care Management

- Major conditions driving costs include cancer, maternity, diabetes, musculoskeletal disease, and behavioral health
- Programs overall have low engagement rates, and measurement by health plans is variable
- Promising early engagement data from pilot diabetes program (Onduo via Tufts Health Plan)
- New maternity support program was recently launched to part of the GIC member population (Ovia via Harvard Pilgrim Health Care)



COVID-19 Impacts

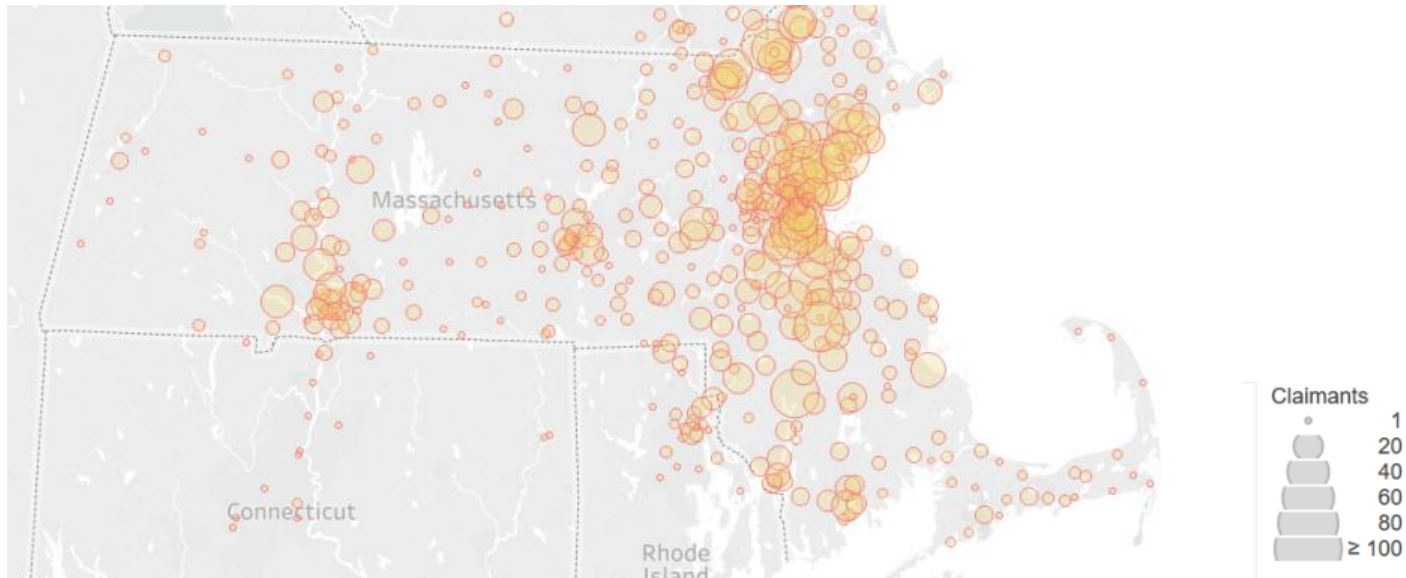
- Due to COVID, overall utilization has decreased from FY20 – decrease in total cost year over year PMPM
 - Deferred care: general office visits, urgent care, elective procedures, preventive exams
 - Decreased risk scores (except for UniCare) attributed to fewer claims and diagnoses
 - As of June, in-network utilization has started to increase
- Telehealth
 - Telehealth utilization has increased for medical and behavioral by huge factors (up to 60,000% in one plan)
- Behavioral health utilization and costs PMPM stayed the same or increased
 - Depression and anxiety most common diagnoses



IV. COVID-19 Update (INFORM)

COVID-19 in the GIC Population

Margaret Anshutz, Manager, Healthcare Analytics

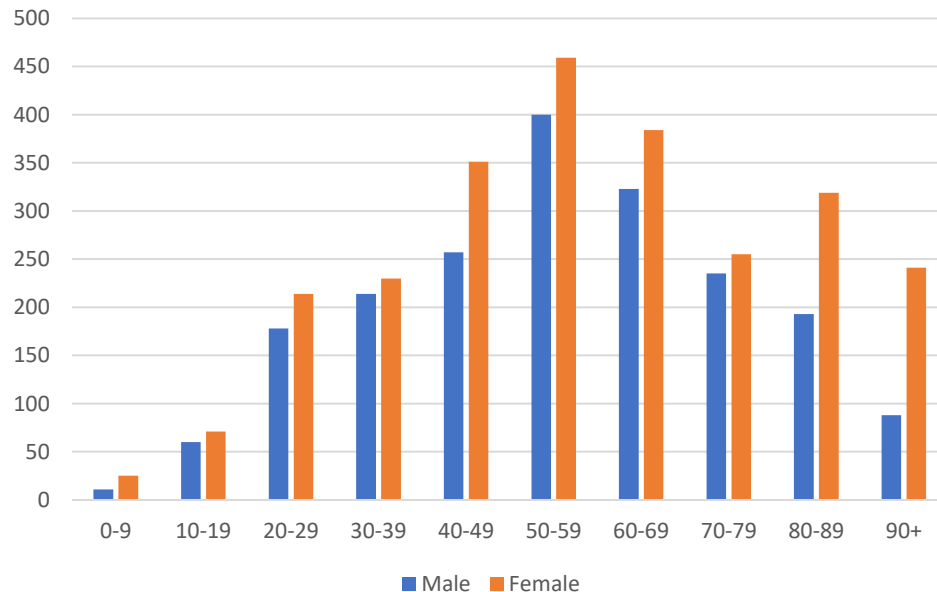


Covid-19 in the GIC member population

(data incurred March – June 2020, paid March – September 2020)

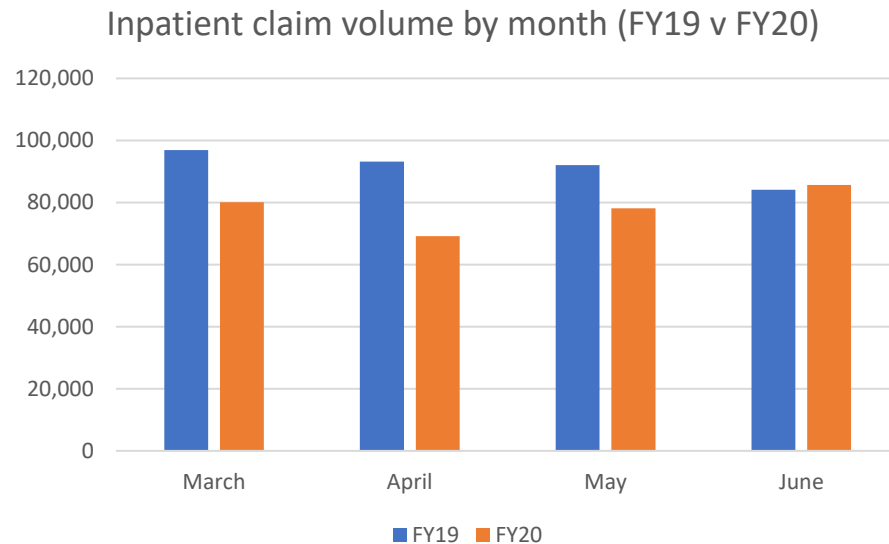
Demographics of Confirmed Covid-19 Diagnosis

Covid-19 confirmed positive diagnosis by age, sex



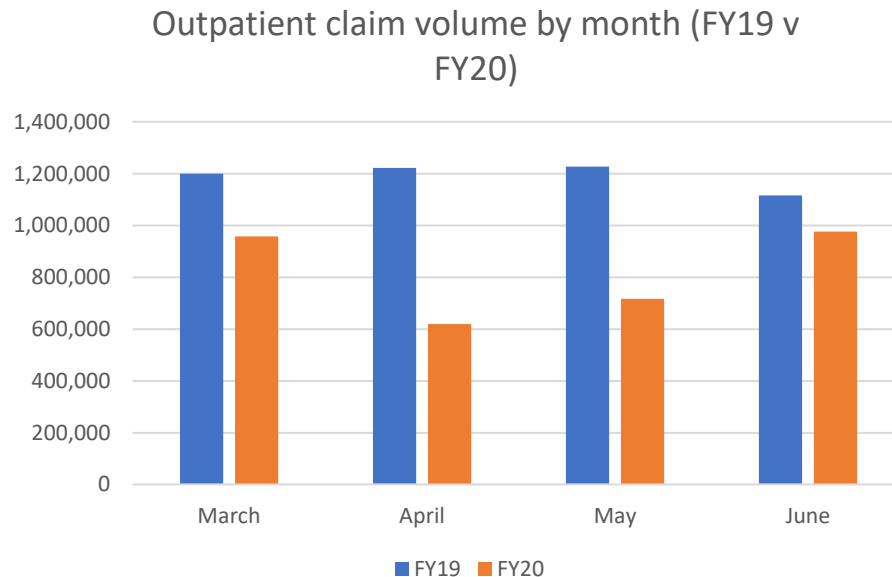
- 4,557 GIC members have a confirmed Covid diagnosis between March and June
- Women account for 57% of the confirmed Covid diagnoses and 54% of total membership
- GIC currently lacks data on member race/ethnicity, but is working to remedy this deficiency

Inpatient utilization – a decline in use of health care services



- From March – June FY20, inpatient claim volume dropped by 15% overall compared to the same period in FY19
- April showed the sharpest decline in utilization, dropping 26% from FY19
- By June, utilization was 2% higher than baseline suggesting that members may be returning to receive inpatient care

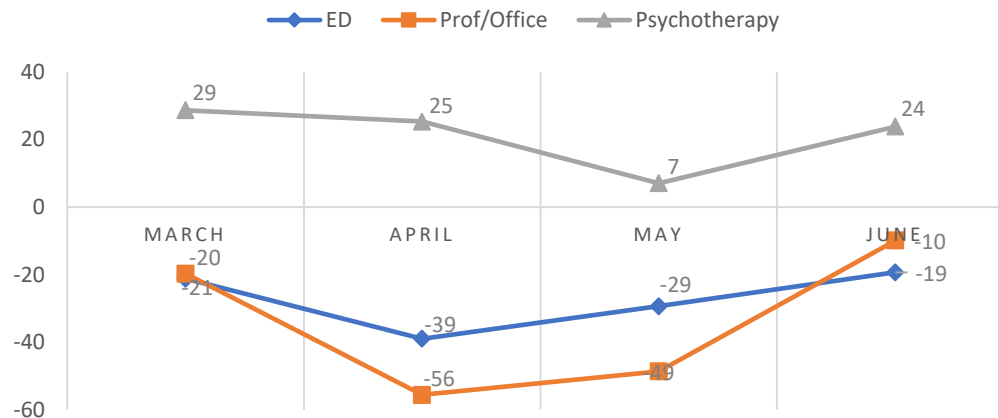
Outpatient Utilization – a decline in use of health care services



- From March – June FY20, outpatient claim volume dropped by 31% overall compared to the same period in FY19
- As with inpatient care, April showed the sharpest decline in utilization, with a 49% decrease in services compared to FY19
- Utilization may be recovering, as we see only a 12% decrease in services in June FY20 compared to June FY19

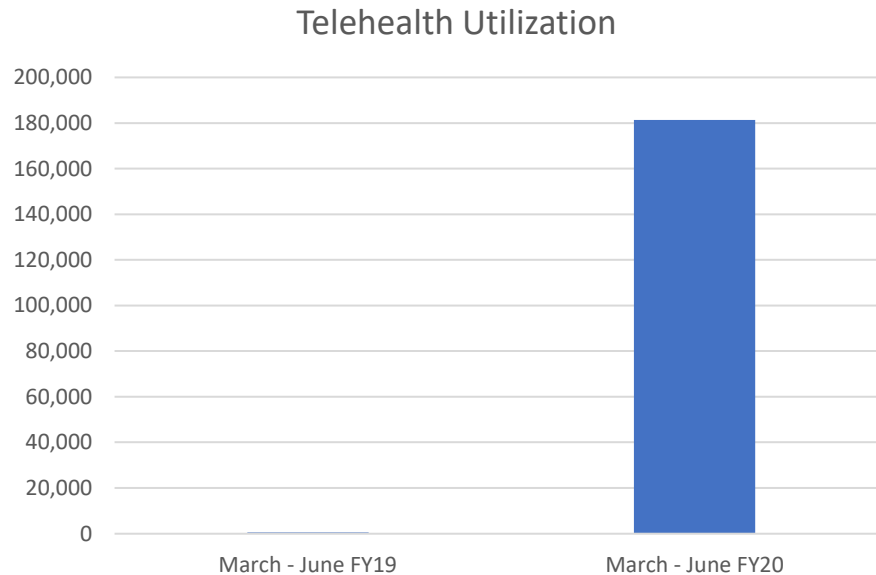
Outpatient utilization – emergency department, professional/office visit, psychotherapy

PERCENTAGE CHANGE IN UTILIZATION, BY SERVICE



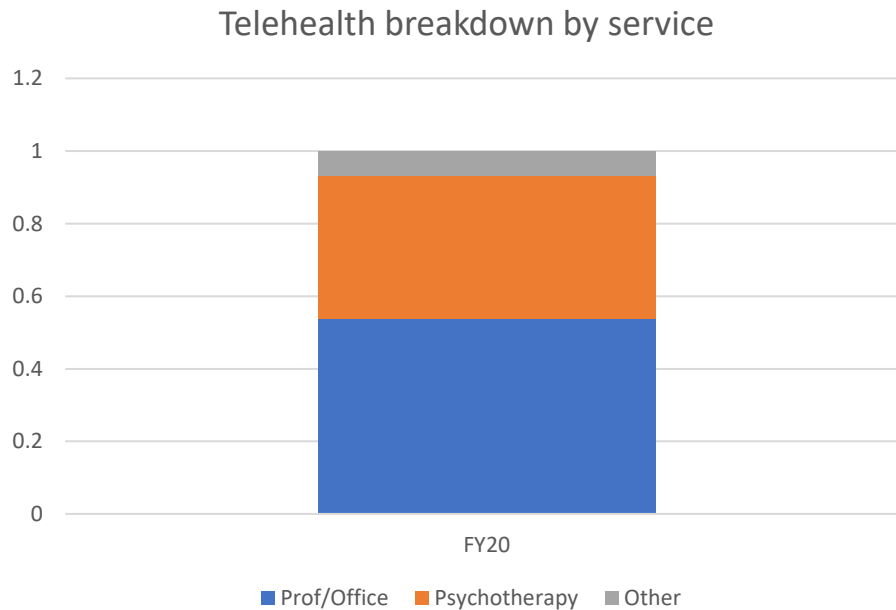
- Within outpatient services, substantial drops in utilization occurred in both the Emergency Department (27% total decline) and office visits (24% total decline)
- Psychotherapy utilization increased over this time period by 21%

Telehealth utilization – changes in how services were provided



- The Covid pandemic has catalyzed the adoption of telehealth in the Massachusetts market
- Services jumped from 552 in the prior time period to 181,362 in the current

Telehealth utilization – services received March-June FY20



- Access to physicians and psychotherapists during the pandemic was expanded due to the adoption of telehealth
- Over 90% of telehealth services in the current time period were either the equivalent of an office visit (54%) or psychotherapy (40%)
- Telehealth accounted for 22% of total psychotherapy visits and 11% of total Professional/office visits

Appendix – data notes

- A positive Covid-19 diagnosis is defined as a member with one of three diagnosis codes (B9729, B9721, U071) present on a claim incurred from March-June 2020.
- The GIC's current data warehouse vendor, Optum, only imports the first three diagnosis codes on a claim, which may lead to an under counting of total Covid-19 diagnoses in the member population.
- Service categories and services are defined at the CPT code level by Optum

V. CFO UPDATE (INFORM)

- Budget process and COVID claims update
- FY21 spending to date

Jim Rust, Chief Financial Officer

V. CFO UPDATE (INFORM)

Budget Notes and Updates

- The GIC continues to operate under an interim budget as the Commonwealth's FY21 budget development process progresses
 - Interim funding is sufficient to support claims and GIC operations
- Health plan claims payments continue to rise as members receive both planned and deferred care.
 - Claims dropped in March 2020 due to COVID-19 and the accompanying shutdown
 - June 2020 represents “reopening” levels of claims
- Continuing an upward trend, September and October ended between June “reopening” levels and pre-Covid “normal”

V. CFO UPDATE (INFORM)

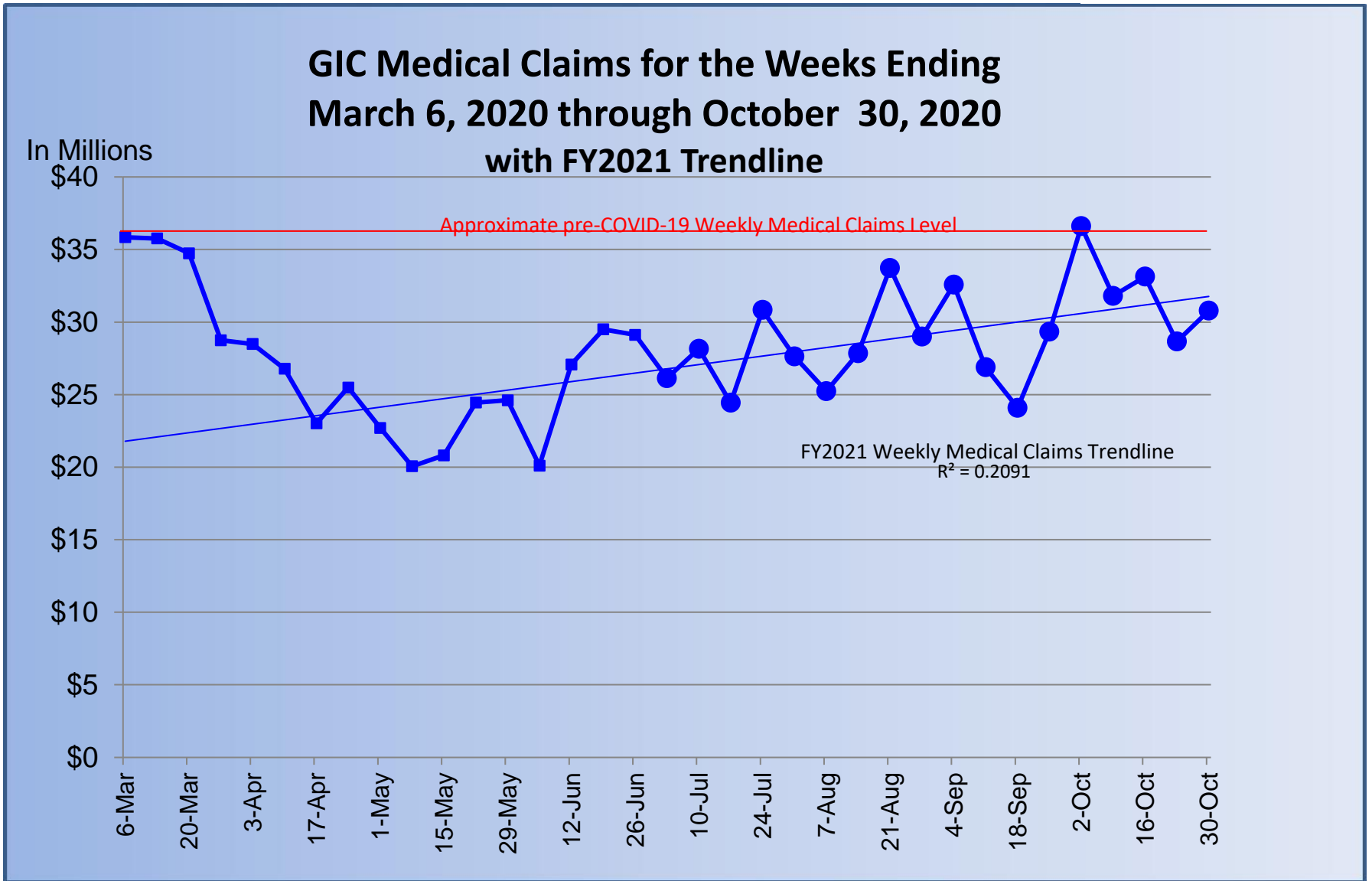
Budget & Financial:

Budget Notes and Updates (Continued)

- The resumption of previously deferred care is still projected to increase claims over the remainder of FY21 (assuming no second shutdown due to a rise in cases)
- Covid-19 claims volume update:
 - FY21 Covid-19 related claims – Approximately \$41.6M
 - FY20 Covid-19 related claims – Approximately \$43.4M
 - Total COVID-19 claims to date – Approximately \$85M*

*Claims are adjusted in arrears as more information on COVID-19 becomes available and coding procedures evolve but this should not change this total materially

V. CFO UPDATE (INFORM)



V. CFO UPDATE (INFORM)

FY21 STATE SHARE EXPENSE FOR GIC PREMIUM ACCOUNTS					
	July 2020	August 2020	September 2020	October 2020	TOTAL
Allways Health Claims	\$5,812,204	\$5,523,873	\$6,084,869	\$5,304,091	\$22,725,037
Caremark/Express Scripts/SilverScript Claims	\$31,063,815	\$37,919,658	\$60,020,907	-\$12,943,392	\$116,060,989
Davis Vision Claims	\$25,904	\$29,880	\$29,661	\$20,931	\$106,375
Fallon Health Claims	\$4,873,114	\$5,211,090	\$4,437,874	\$4,404,298	\$18,926,377
Harvard Pilgrim Claims	\$30,742,851	\$23,793,092	\$34,261,639	\$25,105,831	\$113,903,413
Health New England Claims	\$7,052,990	\$7,347,837	\$6,081,038	\$5,249,524	\$25,731,388
Tufts Navigator & Spirit Claims	\$34,169,987	\$24,102,500	\$27,224,857	\$32,874,775	\$118,372,119
Tufts Medicare Complement Claims	\$814,630	\$2,396,931	\$2,830,703	\$3,561,139	\$9,603,404
Unicare Claims	\$43,178,822	\$62,769,083	\$47,441,478	\$55,415,628	\$208,805,010
Other costs	\$32,116	\$1,342,358	\$740,820	\$144,433	\$2,259,728
Claims sub-total	<u>\$157,766,432</u>	<u>\$170,436,302</u>	<u>\$189,153,847</u>	<u>\$119,137,259</u>	<u>\$636,493,839</u>
Basic Life	\$830,652	\$831,801	\$828,111	\$828,290	\$3,318,855
Optional Life	\$0	\$0	\$0	\$0	\$0
RMT Life	\$46,353	\$46,288	\$46,182	\$47,037	\$185,859
Long-Term Disability	\$0	\$0	\$0	\$0	\$0
Dental	\$718,399	\$717,807	\$712,364	\$712,922	\$2,861,492
Tufts Medicare Preferred	\$669,376	\$669,824	\$672,766	\$678,415	\$2,690,380
UBH Optum	\$111,384	\$111,384	\$111,384	\$111,384	\$445,536
ASO Administrative Fee	\$6,778,249	\$6,780,846	\$6,740,184	\$6,721,725	\$27,021,004
Premiums sub-total	<u>\$9,154,413</u>	<u>\$9,157,950</u>	<u>\$9,110,991</u>	<u>\$9,099,773</u>	<u>\$36,523,126</u>
TOTAL	<u>\$166,920,844</u>	<u>\$179,594,252</u>	<u>\$198,264,838</u>	<u>\$128,237,031</u>	<u>\$673,016,966</u>

- Claim volume continues to recover from COVID-19
- Claims in September thru October are approaching but not yet reaching normal levels

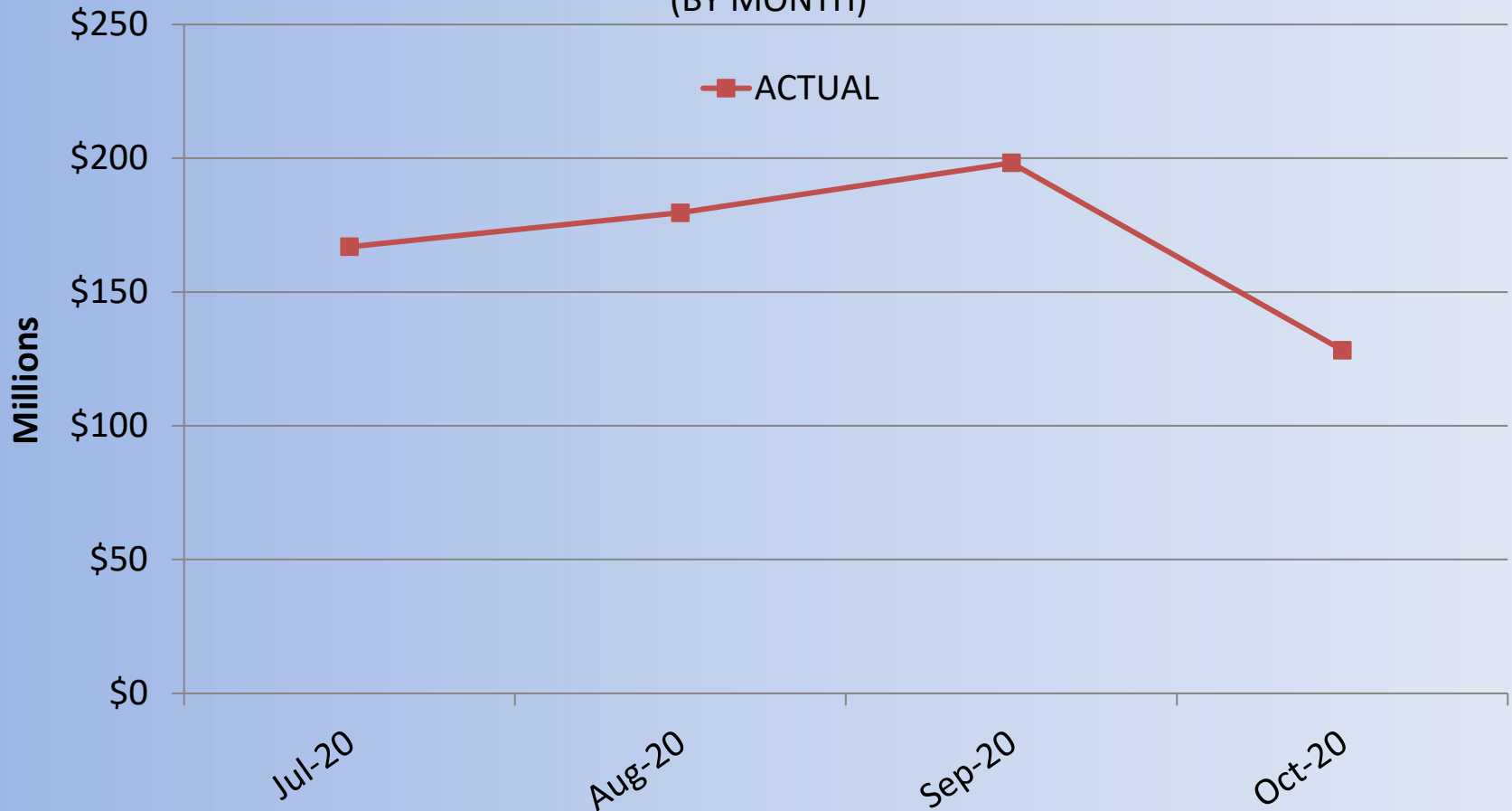
V. CFO UPDATE (INFORM)

FY21 ENROLLEE SHARE EXPENSE FOR GIC PREMIUM ACCOUNTS					
	July 2020	August 2020	September 2020	October 2020	TOTAL
Allways Health Claims	\$1,717,115	\$1,627,880	\$1,790,465	\$1,564,286	\$6,699,746
Caremark/Express Scripts/SilverScript Claims	\$8,683,641	\$9,037,360	\$15,183,128	-\$3,322,304	\$29,581,825
Davis Vision Claims	\$4,571	\$5,273	\$5,234	\$3,694	\$18,772
Fallon Health Claims	\$1,405,709	\$1,495,825	\$1,270,102	\$1,263,811	\$5,435,448
Harvard Pilgrim Claims	\$8,316,735	\$6,416,445	\$9,241,658	\$6,783,791	\$30,758,628
Health New England Claims	\$2,018,128	\$2,108,219	\$1,737,178	\$1,505,632	\$7,369,157
Tufts Navigator & Spirit Claims	\$9,474,752	\$6,645,911	\$7,502,479	\$9,065,923	\$32,689,064
Tufts Medicare Complement Claims	\$179,355	\$654,583	\$763,999	\$977,073	\$2,575,010
Unicare Claims	\$11,914,772	\$17,362,123	\$13,077,091	\$15,305,568	\$57,659,555
Other costs	\$0	\$0	\$0	\$0	\$0
Claims sub-total	\$43,714,779	\$45,353,620	\$50,571,334	\$33,147,473	\$172,787,205
Basic Life	\$224,883	\$225,060	\$223,751	\$223,923	\$897,617
Optional Life	\$3,923,235	\$3,923,170	\$3,925,204	\$3,953,910	\$15,725,520
RMT Life	\$11,636	\$11,620	\$11,593	\$11,808	\$46,657
Long-Term Disability	\$1,251,801	\$1,249,859	\$1,246,794	\$1,247,604	\$4,996,058
Dental	\$2,040,398	\$2,048,286	\$2,051,202	\$2,067,762	\$8,207,648
Tufts Medicare Preferred	\$137,007	\$137,268	\$138,055	\$139,328	\$551,657
UBH Optum	\$19,656	\$19,656	\$19,656	\$19,656	\$78,624
ASO Administrative Fee	\$1,840,273	\$1,840,081	\$1,827,160	\$1,823,898	\$7,331,412
Premiums sub-total	\$9,448,890	\$9,455,000	\$9,443,415	\$9,487,889	\$37,835,192
TOTAL	\$53,163,668	\$54,808,620	\$60,014,748	\$42,635,362	\$210,622,398

- Enrollee share paid claims have an identical pattern

V. CFO UPDATE (INFORM)

**GROUP INSURANCE COMMISSION
BUDGET FOR PREMIUM ACCOUNTS
FY21 ACTUAL
(BY MONTH)**



V. CFO UPDATE (INFORM)

FY21 STATE SHARE PREMIUM BUDGET FOR GIC PREMIUM ACCOUNTS AS OF OCTOBER 30, 2020	
EXPENSES	
Basic Life & Health Account #1108-5200 & #1599-6152	\$670,049,099
Active Dental & Vision Benefits * Account #1108-5500	\$2,967,867
Total State Share YTD	\$673,016,966

- *The majority of GIC spending is in the accounts that provide health insurance and basic life for state and municipal enrollees*
- *The FY21 budget process is continuing to work through the legislative process*
- *Spending through October of FY21 is in-line with the Governor's proposed budget*
- *As previously noted, all spending accounts are adequately funded in the interim budget provided by ANF*

VI. Other Business/Adjournment

FY21 GIC Commission Meeting Schedule

- 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 www.mass.gov/gic under Upcoming Events prior to the meeting and under Recent Events after the meeting.

Please note these exceptions:

- February's meeting is scheduled on the 2nd Thursday and March's meeting is scheduled on the 1st Thursday to make decisions regarding the next Benefit Year in a timely manner prior to Annual Enrollment in May.

Please note these changes:

- April will have a meeting this year due to efficiencies gained through elimination and reduction of printed materials.
- Until the ban on public gatherings is lifted, 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.

FY2021 Group Insurance Commission Meetings

July						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
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29	30					

February						
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28						

May						
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23/30	24/31	25	26	27	28	29

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June						
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27	28	29	30			

APPENDIX

- Commission Members
- GIC Leadership Team
- GIC Goals
- GIC Contact Channels

Commission Members

Valerie Sullivan (Public Member), Chair

Bobbi Kaplan (NAGE), Co-Chair

**Michael Heffernan,
Secretary of Administration & Finance**

**Gary Anderson,
Commissioner of Insurance**

Elizabeth Chabot (NAGE)

Adam Chapdelaine (Mass Municipal Association)

Edward Tobey Choate (Public Member)

Christine Clinard (Public Member)

Tamara P. Davis (Public Member)

Kevin Drake (Council 93, AFSCME, AFL-CIO)

Jane Edmonds (Retiree Member)

Joseph Gentile (Public Safety Member)

Eileen P. McAnney (Public Member)

Patricia Jennings (Public Member)

**Melissa Murphy-Rodrigues
(Mass Municipal Association)**

Anna Sinaiko (Health Economist)

**Timothy D. Sullivan
(Massachusetts Teachers Association)**

GIC Leadership Team

Matthew A. Veno, Executive Director

Denise Donnelly, Director Benefit Procurement & Vendor Management

John Harney, Chief Information Officer

Paul Murphy, Director of Operations

James Rust, Chief Fiscal Officer

Andrew Stern, General Counsel

Brock Veidenheimer, Director of Human Resources

Mike Berry, Director of Legislative Affairs

Linnea Walsh, Director of Marketing and Communications

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	Retirement	Premium Payments
Qualifying Events	Life Insurance	Long-Term Disability
Information Changes	Marriage Status Changes	Other Questions

Online Contact	mass.gov/forms/contact-the-gic	Any time. Specify your preferred method of response (phone, email, mail) from GIC
Email	gicpublicinfo@mass.gov	
Telephone	(617) 727-2310	M-F from 8:45 AM to 5:00 PM
Office location	19 Staniford Street Boston, MA 02114	Not open for walk-in service during COVID-19
Correspondence	P.O. Box 8747 Boston 02114	Allow for processing time. Priority given to requests to retain or access benefits, and to reduce optional coverage during COVID-19.
Paper Forms	P.O. Box 556 Randolph, MA 02368	

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
AllWays Health Partners	(866)-567-9175	allwayshealthpartners.org/gic-members
Fallon Health	(866) 344-4442	fallonhealth.org/gic
Harvard Pilgrim Health Care	(800) 542-1499	harvardpilgrim.org/gic
Health New England	(800) 842-4464	hne.com/gic
Tufts Health Plan (THP)	(800) 870-9488	tuftshealthplan.com/gic
THP Medicare Products	(888) 333-0880	
UniCare State Indemnity Plans	(800) 442-9300	unicarestatementplan.com