

GROUP INSURANCE COMMISSION MEETING
Thursday, April 15, 2021
8:30 A.M. – 10:30 A.M.

Meeting held remotely through online audio-video platform (ZOOM), accessible
through YouTube

MINUTES OF THE MEETING

NUMBER: Six Hundred sixty
DATE: April 15, 2021
TIME: 8:30 a.m.
PLACE: The Meeting was held virtually

Commissioners Present:

VALERIE SULLIVAN (Chair, Public Member)
BOBBI KAPLAN (Vice Chair, NAGE)
MICHAEL HEFFERNAN (Secretary of ANF) Designee Cassandra Roeder
GARY ANDERSON (Commissioner of Insurance) Designee Rebecca Butler
ELIZABETH CHABOT (NAGE)
ADAM CHAPDELAINE (Massachusetts Municipal Association)
EDWARD T. CHOATE (Public Member)
CHRISTINE HAYES CLINARD, ESQ. (Public Member)
TAMARA P. DAVIS (Public Member)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
JANE EDMONDS (Retiree)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
EILEEN P. MCANNENY (Public Member)
MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)
ANNA SINAIKO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Commissioners Absent:

PATRICIA JENNINGS (Public Member)

Call to Order

The Chair called the Meeting to order at 8:30 a.m. The Chair explained that the Meeting was being held via audio and video conferencing, described the video capabilities being used, and noted that the Meeting was being made public via simultaneous broadcast through YouTube. The Chair recognized all Commissioners and Designees present.

I. Approval of Minutes

The first item on the agenda was approval of the minutes from the March 4, 2021 meeting. The Chair asked for a motion to approve the March 4, 2021 meeting minutes, as presented. Commissioner Edmonds made the motion, seconded by Commissioner Clinard. The vote was taken by roll call and passed unanimously.

II. Executive Director's Report

- Calendar

The Executive Director reviewed the FY2021 Calendar, noting the new format, and future meeting topics. He stated that the GIC planned to provide more detailed reports on a few key topics to the Commissioners at future meetings. In response to questions from Commissioners, the Executive Director discussed GIC's review of pharmacy costs and other topics raised by Commissioners and stated that the GIC would present such matters to the Commissioners after or near their resolution. He responded that the member survey would be discussed in the Meeting's Engagement Strategy report and that the GIC is moving forward with the member survey but the timeline is slower than initially expected. The Executive Director discussed a recent meeting with Deloitte about developing a new timeline. He stated that he was confident that the new timeline will allow a better opportunity for dialogue about the survey in broader context as part of the engagement strategy, yet still be conducted in time for it to inform the coming healthcare procurement.

- Communications/Legislation/Municipalities

The Executive Director discussed GIC's communication efforts surrounding Mass4You EAP and annual enrollment. He reviewed legislative activity, stating that the House Committee on Ways and Means recently released budget and noted that it generally tracks the Governor's budget proposal on matters concerning the GIC. The Executive Director referred to his written report distributed in advance of the Meeting and briefly discussed municipal engagement activities.

- Human Resources

The Executive Director informed the Commissioners about the departure of Linnea Walsh, Communications Director, discussed her valuable efforts and insight, and how she helped shape the GIC's digital engagement strategy. He then announced that Denise Donnelly, Director of Benefit Procurement and Vendor Management, would retire in April, noted her contributions building strong relationships with the GIC's healthcare and consulting partners, and her role shaping benefit strategy. The Executive Director stated that a search is underway for a newly created communications manager position and that plans are in place to minimize any disruptions while the GIC searches for suitable replacement for Ms. Donnelly's significant role. Ms. Donnelly offered her thanks and praise to the Commissioners and the GIC's staff. The Chair and Vice Chair thanked her for her service and complimented her deep knowledge and exemplary skillset.

- COVID-19

The Executive Director noted information in the written Executive Director's Report and indicated that the Chief Financial Officer would be providing detailed information about the pandemic's impact later in the Meeting.

- Annual Enrollment Plans

Paul Murphy, Director of Operations, stated that annual enrollment is up and running. He reviewed the GIC's activities and noted that the Operations Unit had received over 2,000 phone calls and 1,100 online inquiries during the first week of open enrollment. In addition, he noted that the GIC had received over 4,000 responses to its mailing of over 260,000 member benefit statements. The Director of Operations explained that the number of inquiries are expected to increase significantly in the weeks ahead, and discussed the newly-created, online "virtual benefits fairs" conducted by GIC's vendors, information about which is located on the GIC website.

The Executive Director thanked the Director of Operations and the Operations Unit for all the work they do on an annual basis, including annual enrollment. He explained that the Operations Unit is exceptionally busy at the same time with multiple projects, including multiple technology initiatives. The Director of Operations responded to a question from the Vice Chair concerning enrollment changes by explaining that it is still very early in the process and that enrollment change data would be provided to the Commissioners at a future meeting. The Executive Director responded in the affirmative to questions concerning

whether the staff had the appropriate resources for a successful annual enrollment in a remote work environment, and noted areas of increased efficiency, faster response times, and the implementation of a new phone system which was specifically designed for the remote work environment.

- COBRA

The Executive Director discussed the recently enacted American Rescue Plan Act of 2021 (“ARPA”) and its impact on the Consolidated Omnibus Budget Reconciliation Act (“COBRA”) as it pertains to the continuation of healthcare coverage through the GIC. He explained that the ARPA provided temporary, full-premium COBRA assistance for eligible individuals. He noted that the ARPA and published guidance by the regulating federal agencies do not provide details that would address the GIC’s coverage of multi-employer groups. He described the logistical difficulties the GIC will have in implementing the COBRA changes and that the GIC is still seeking guidance on this matter but in the meantime is working on its compliance plan.

- Dependent Care Assistance Plan Flexible Spending Account

The Executive Director discussed the ARPA’s changes to dependent care flexible spending accounts (“DCAP”). He described the option for employers to allow employees to increase their pretax contributions for calendar year 2021 and noted that contributions to healthcare FSAs remain unchanged. In response to questions from Commissioners, the Executive Director stated that the GIC shares similar concerns and seeks answers to the applicability of these DCAP changes, administrative hurdles to adopting required changes, and how to best inform the GIC’s members of these changes. Andrew Stern, General Counsel, discussed the possible motivations behind the federal government’s actions and that, when the intended result of those changes is made clear through formal guidance, the GIC may have a clearer sense of whether it is advisable to adopt this option. He stated that the GIC continues to monitor guidance from the federal government on this matter.

- Fallon Health Announcement

The Executive Director stated that, as discussed at the prior meeting, Fallon is exiting the commercial marketplace and that the Fallon Direct and Fallon Select plans would no longer be available to the GIC’s members starting July 1, 2022. He noted that there would be no impact to members currently enrolled in these plans or those enrolling in these plans for Fiscal Year 2022 coverage. In response to questions from the Commissioners, the Director of Operations provided the number of subscribers in the Fallon plans and the Executive Director

noted that the GIC will develop a communication strategy for notifying members. Designee Butler stated that Fallon was in the process of developing a notice for members and that the GIC will have an opportunity to review Fallon's notice to GIC members prior to its distribution.

III. Benefit Procurement & Vendor Management

The Executive Director reminded the Commissioners that the procurement is not complete and that the GIC staff is limited in the amount of information it can provide in a public setting, particularly about the financials, so as to preserve its negotiating position during subsequent contract negotiations, in accordance with procurement laws and regulations.

- Health and Pharmacy Consultant

Jannine Dewar, Manager of Pharmacy and Ancillary Benefits, explained that Willis Towers Watson ("WTW") is the GIC's current health and pharmacy consultant and described the terms of the contract, noting that it would end on June 30, 2021 and that WTW had already performed the key functions under the contract. She stated that the GIC therefore needed to procure a health and pharmacy consultant to assist with the GIC's fiscal year 2023 healthcare and pharmacy procurements. Ms. Dewar further stated that the GIC intends to make the new health and pharmacy consultant contract effective July 1, 2021. She then discussed the details of the procurement and noted that WTW had the highest scores across all categories. Ms. Donnelly stated that the procurement resulted in four very strong finalists. She explained that WTW did an excellent job in the procurement, did not take the GIC's business for granted, and showed that they are committed to serving the GIC and its members.

There being no questions, the Chair asked for a motion to approve Willis Towers Watson as the apparent successful bidder for both health and pharmacy consulting engagements and to move to the next highest scoring bidder(s) if contracting is unsuccessful. Commissioner McAnneny made the motion, which was seconded by Commissioner Clinard. The vote was taken by roll call and passed unanimously.

IV. Engagement Strategy

The Executive Director reminded the Commissioners that he and Ms. Donnelly provided an overview of the healthcare procurement process at the September 2020 Commission meeting. He discussed importance of building a robust engagement strategy to reach out to all stakeholders and noted that procurement rules limit the scope of the GIC's direct involvement with engagement activities once the Request for Responses is released. The

Executive Director stated that Deputy Executive Director, Erika Scibelli, would present the plan, timeline, and objectives of the engagement strategy to Commissioners to solicit feedback.

The Deputy Executive Director provided a high-level overview of the timeline. She discussed the importance of engagement, educating stakeholders about the challenges that the GIC faces, and the plan to provide a clear signal to all that the GIC has begun the health and pharmacy benefit procurement process. The Deputy Executive Director stated that understanding member priorities is an essential component of this strategy and discussed how the Conjoint member survey will focus on features of plan design and the need to make a material impact on costs. The Deputy Executive Director discussed the timeline, the work involved with each phase, and noted that she will provide progress reports to the Commissioners on a regular basis.

The Executive Director outlined the priorities of the procurement process. He discussed the challenges of affordability and how the rapidly evolving marketplace is generating both positive and disconcerting developments that create a very complex landscape. He described the efforts the GIC was taking, along with other organizations, to address health disparities, and the need to collect more comprehensive data on race, ethnicity and other characteristics to understand how these disparities affect GIC members. The Executive Director further discussed the GIC's challenges in behavioral health, with a particular focus on the need to provide greater access to needed services. In response to a question from the Vice Chair, the Executive Director explained that Margaret Anshutz, Manager of Healthcare Analytics, is gathering data in order to evaluate vendor carrier efforts to expand behavioral health provider networks, which will be presented at a future Commission meeting. He also noted that the GIC needs to work with multiple stakeholders and colleagues in state government in order to make an impact on the behavioral health system.

The Executive Director stated that the GIC's strategy team meets on a regular basis. He explained that the engagement strategy, built out in this detail, new to the GIC, may not proceed precisely as laid out in the timeline presented but rather that it will evolve as it is implemented, and asked for the Commissioners' patience. The Deputy Executive Director stated that the staff welcomes comments and questions from the Commissioners on all aspects of the engagement strategy.

The Executive Director responded to questions from the Commissioners concerning, but not limited to, the following: narrowing the scope of the engagement process for increased precision in the procurement process; the need to educate stakeholders on aspects of the

procurement as it relates to affordability in the current marketplace; scheduled meetings with stakeholders, including labor; the importance of having educational materials for members in order to assist them in understanding the complexities of health care; data to show that higher costs do not result in better care and how better care does not always result in higher premiums; the new and laudable goals of the engagement strategy; and the engagement strategy's aggressive timeline. The Vice Chair complimented the Executive Director and stated that these actions and the willingness of the GIC to incorporate suggestions from the Commissioners creates the opportunity for Commissioners to have a more active role in the engagement plan's design and the healthcare procurement process. The Executive Director assured the Commissioners that they would be kept informed about the engagement strategy as a regular feature of coming Commission meetings.

V. CFO Update

- COVID Claims Update

James Rust, Chief Financial Officer, provided an overview of his presentation and noted that March financials were not yet complete, and so he would focus instead on the COVID Claims presentation.

The Chief Financial Officer noted the rise of COVID-19 claims in December and January which was in line with the spike of COVID-19 cases around the holidays. He stated that weekly medical claims decreased during this time and explained that this suggests that non-urgent medical care was impacted by the increase in COVID-19 cases. The CFO stated that recent data shows medical claims returning to pre-pandemic levels and attributed that to potentially being at the tail end of the pandemic. The Executive Director noted that the Health Policy Commission released a broad-based study on the impact COVID-19 had on Massachusetts health care and encouraged anyone seeking a comprehensive data analysis on this matter to review that study.

- FY21 Spending to Date

The Chief Financial Officer reviewed the premium account expenses by both state and employee contributions. He then reviewed appropriations for premium accounts by both budgeted and actual amounts. The CFO explained that budgeting during the pandemic was difficult, that claims for the fiscal year had largely been below budgeted amounts and noted that actual costs recently showed signs of rising above the budgeted amounts. In response to a question from Commissioner Sinaiko, the CFO stated that budgeted amounts are developed based on historical data, consultation with the plans, current market year trends

among other datapoints, and with assistance from the GIC's health care consultant. He noted that the GIC generally does not change the budget once it has been established. A discussion ensued about the benefits of the "budget versus actual" line graphs. The CFO concluded his report by reviewing the dollar amounts of actual expenses against the budgeted amounts.

VI. Other Business/Adjournment

The Chair asked if there was any additional business before the Commissioners. There being no further business or discussion, the Meeting adjourned at 10:26 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Matthew A. Veno". The signature is written in a cursive style with a large initial 'M' and a long, sweeping tail.

Matthew A. Veno
Executive Director

APPENDIX A

Additional materials distributed at or prior to the April 15, 2021 Commission meeting.

1. Executive Director's Report: April 15, 2021
2. Fallon Health Press Release dated March 31, 2021