

GROUP INSURANCE COMMISSION MEETING
Thursday, December 17, 2020
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 Fifty-six
DATE: December 17, 2020
TIME: 8:30 a.m.
PLACE: The Meeting was held telephonically

Members 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
TAMARA P. DAVIS (Public Member)
EILEEN P. MCANNENY (Public Member)
CHRISTINE HAYES CLINARD, ESQ. (Public Member)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)
ADAM CHAPDELAINE (Town of Arlington--Massachusetts Municipal Association)
EDWARD T. CHOATE (Public Member)
JANE EDMONDS (Retiree)
ANNA SINAIKO, Ph.D. (Health Economist)
MELISSA MURPHY-RODRIGUES (Town of Sudbury--Massachusetts Municipal Association)
ELIZABETH CHABOT (NAGE)
PATRICIA JENNINGS (Public Member)

Members Absent:

KEVIN DRAKE (Council 93, AFSCME, AFL-CIO)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)

Commissioner Chabot arrived at 8:48 a.m.

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. The Chair noted that the meeting was being made public via simultaneous broadcast through YouTube and conformed with all legal requirements. The Chair then welcomed ANF Designee Cassandra Roeder and the Group Insurance Commission's (GIC's) new Deputy Director, Erika Scibelli.

I. Approval of Minutes

The first item on the agenda was approval of the minutes from the November 19, 2020 meeting. There being no comments, the Chair asked for a motion to approve the November 19, 2020 meeting minutes, as presented. The Vice Chair made the motion, seconded by Commissioner Clinard. The General Counsel performed a roll call vote which passed 13-0-1, with Designee Roeder abstaining.

II. Executive Director's Report

The Executive Director reviewed the list of topics in the Director's Report, explained Meeting contingency plans in the event that weather-related disruptions occur, and described recent reports on the proliferation of COVID-19 due to holiday travel. He reviewed recent guidelines issued by the Commonwealth's COVID-19 Command Center and reminded everyone to stay safe during the holidays.

- Calendar

The Executive Director reviewed the FY2021 Calendar and discussed how the December Meeting's agenda items fit into the larger FY2021 Calendar, and explained how future presentations, ongoing activities, and required Commission approvals are interlinked.

- Communications

The Executive Director discussed communication initiatives including a recent employee assistance program (EAP) communication which outlined multiple strategies to manage holiday stress. He described the metrics used to measure the communication's effectiveness and stated that it was well received. The Executive Director stated that

additional EAP communications regarding financial wellness and a series of virtual webinars would be released in 2021. He concluded by stating that the GIC's 2019 Annual Report was available on the GIC's website and that the 2020 Annual Report is currently in production.

- Legislation & Municipalities

The Executive Director provided a report on the current status of legislation and stated that the Commonwealth's fiscal year 2021 budget was enacted. He explained that while the Governor had issued line-item vetoes, none impacted the GIC's budget.

The Executive Director stated that municipal membership was steady and that no municipal employer notified the GIC of their intention to leave by the December 1 statutory deadline. He stated that the GIC was watching legislation that would impact the GIC and its members, most notably regarding telehealth. In response to a question from Commissioner Clinard concerning municipal employer interest in joining the GIC and the impact COVID-19 may have on that decision, the Executive Director stated that there was no expressed interest among any new municipalities to join the GIC. He observed that the pandemic is likely causing many employers to stick with their current carrier(s) to avoid disruption for their employees during an uncertain time. The Chair reinforced Commissioner Clinard's inquiry and stated that the GIC should investigate whether the current health insurance market provides opportunities to recruit new municipalities. The Executive Director stated that the GIC's municipal strategy is an important strategy that he, the Deputy Director, and the Director of Legislative Affairs, Mike Berry, would continue to develop.

- Human Resources Updates

The Executive Director welcomed two new employees to the GIC, Erika Scibelli and Martha DeCelle. He stated that Ms. Scibelli is the GIC's new Deputy Director, discussed her qualifications and his prior work experience with Ms. Scibelli in areas of health care and healthcare policy. At the Executive Director's invitation, Mr. Scibelli greeted the Commissioners and gave a brief description of her experience. The Executive Director then described the addition of Ms. DeCelle as an operations support specialist and stated that she was a welcome addition to the GIC.

- Public Information Sessions

The Executive Director referenced the public information session discussion at the November 19, 2020 meeting, noted the need to have virtual sessions in 2021, and discussed how the timing is related to the review of plan rates and plan design changes. He stated

that the public listening sessions provide members with an opportunity to help shape the plan design process. The Executive Director provided a list of dates and times for the public listening sessions and explained that these dates and times were designed to give members ample opportunity to participate in at least one session. He stated that the details will be provided well in advance of these meetings. The Commissioners asked questions and discussed the need to reach as many members as possible, effective communication strategies, adequate meeting times for certain member groups, and the ability for members to review these sessions after they have taken place. A discussion ensued where the Executive Director responded to the Commissioners' suggestions and provided insight to the GIC's considerations on member engagement.

- COVID-19

The Executive Director stated that there were many items to discuss surrounding COVID-19 but he wanted to focus on a few due to time constraints. He described how telework for GIC staff is expected to continue and become a permanent feature for the majority of the GIC staff. The Executive Director described the changes taking place so that the GIC can have a seamless annual enrollment. He informed the Commissioners that the GIC is extending its waiver of cost-sharing for telehealth services through the end of March 2021. The Executive Director described the GIC's role in the administration of the COVID-19 vaccine, the logistics involved, and the necessary steps to ensure members do not incur a financial obligation associated with obtaining a vaccine.

The Chair, Vice Chair and Commissioner Edmonds thanked the Executive Director and the GIC for all the work they have accomplished on behalf of members. Commissioner McAnney referenced the telehealth research being performed by the Massachusetts Health Quality Partners (MHQP), noted some interesting findings, and asked the GIC to collaborate with the MHQP regarding the GIC's telehealth policies. The Executive Director stated that MHQP President and CEO, Barbra Rabson, had reached out to the GIC several weeks earlier and that the GIC and other agencies are actively collaborating. He further noted his interest to better understand data on the effectiveness of telehealth for different conditions. A discussion ensued where the Commissioners discussed the benefits and detractions of telehealth, whether utilization of telehealth can drive down costs, and asked the Executive Director to provide information on telehealth as it becomes available.

III. COVID-19 Data Review

The Executive Director introduced Margaret Anshutz, Manager of Healthcare Analytics, and asked her to provide her report on COVID-19 in the GIC population. Ms. Anshutz referenced

the map she presented at the November 19, 2020 meeting, noted the differences in the map on page 10 of the Meeting materials, and discussed the metrics used to create the map. She compared GIC confirmed member and statewide COVID-19 cases and GIC member confirmed and probable COVID-19 cases by age group and by sex. Ms. Anshutz reviewed confirmed and probable COVID-19 cases by race and ethnicity for all of Massachusetts and noted the disparity by ethnicity and race as well as the large number of cases whose race and ethnicity are listed as “other” or “unknown.”

In response to questions from the Commissioners, Ms. Anshutz described the data used to determine probable COVID-19 cases, discussed the efforts the GIC was undertaking to obtain member data by race and ethnicity, and the ability to obtain data by age group and active versus retired members. Commissioner Edmonds stated that the lack of data by race and ethnicity makes it difficult to determine whether inequality exists even though preliminary data suggests that it does. The Executive Director agreed with Commissioner Edmonds and stated that he became aware of the paucity of data over a decade ago. He stated that the GIC is committed to obtaining these data and that he and Ms. Anshutz have met to discuss how to obtain and provide these data to the Commissioners. In response to a question from Commissioner Clinard, Ms. Anshutz described the difference between “other” and “unknown” in the data. She explained that “unknown” was far more troubling from a statistical perspective because these data are not available. After additional discussion by the Commissioners, the Chair asked the Executive Director to create a plan of action with a deadline and routine progress reports. She noted that multiple aspects of obtaining these data was not within the GIC’s control but reiterated other Commissioners’ statements as to the necessity of having these data in order to bring value to the GIC’s members.

IV. Benefit Procurement & Vendor Management

- FY22 Preliminary Rate

The Executive Director introduced Denise Donnelly, Director of Benefit Procurement and Vendor Management, and asked her to provide the FY22 Preliminary Rate report. Ms. Donnelly explained that the GIC was in step one of a four-step, rate-review process. She stated that step one was reviewing status quo pricing and explained that status quo pricing simply means the plan’s price if there were no changes to all the possible variables. Ms. Donnelly stated that proposed plan design changes, if any, and the potential impact on cost would be presented at the January 21, 2021 meeting. She stated that the Commissioners will be asked to approve these changes at the February 11, 2021 meeting and that the Commissioners will be asked to approve product specific premiums at

the March 4, 2021 meeting. She then introduced Vince Kane, Senior Director at Willis Towers Watson (WTW), and asked him to discuss the process associated with the expected aggregate rate increase.

Mr. Kane discussed how WTW reviewed all GIC plan offerings against the marketplace in order to forecast pricing in FY22. He described the challenges in forecasting plan rates due to the anomalies caused by the pandemic, how WTW applied established underwriting practices in an attempt to normalize the forecasting by excluding the potential impacts associated with the pandemic, and what benchmarks were used to forecast price increases. Mr. Kane stated that WTW expected a preliminary average increase of 5.8% for all non-Medicare and Medicare plans, with a possible range of 4-7% once finalized. However, he explained that the final increases would vary by plan, and some could be lower than the 4% or higher than the 7%. Mr. Kane stated that the GIC was on the lower end of average expected increases when compared to the larger, commercial marketplace. A discussion ensued where Mr. Kane, Ms. Donnelly, and the Executive Director responded to questions on such topics as: cost projection differences based on pandemic and pre-pandemic data modeling; worst and best case scenario cost projections; the probable impact the pandemic will have on claims and cost; the appropriateness of WTW's underwriting approach; the need to be aware that underwriting assumptions cannot predict changes to post-pandemic normalcy in light of new practices such as telehealth; the need for more complete data in order for the Commission to make well-informed decisions; and the proliferating cost of health care.

- Dental & Vision Procurement Recommendation

The Executive Director introduced Cameron McBean, Manager of Health and Ancillary Benefits Management, and asked him to provide his report. Mr. McBean provided the procurement report for dental coverage and, separately, self-funded vision coverage for active non-union and eligible retiree members. He discussed the timeline of the procurement, noted that the GIC partnered with Boston Benefit Partners to conduct the procurement, and reviewed the GIC's recommendations. Mr. McBean stated that the GIC obtained increased benefits and lower costs for members, and he explained the reductions in monthly premiums. In response to questions by the Vice Chair, Mr. McBean described the increased benefits obtained for members, the benefits of using an in-network provider, and how the procurement team sought to enhance benefits that would have a significant impact for members. The Executive Director thanked the procurement team and each of its members for their diligence with this procurement.

The Chair asked for a motion to approve MetLife and Davis Vision as the apparent successful bidders for dental and vision benefits, respectively, and to move the next highest scoring bidders if contracting is unsuccessful. The Vice Chair made the motion, seconded by Commissioner Clinard. The General Counsel performed a roll call vote which passed unanimously (15-0).

V. Regulation Amendments

General Counsel discussed the process associated with changing the GIC's regulations with an emphasis on obtaining public comments, holding public hearings, and obtaining suggestions from the Secretary of the Commonwealth's Publications and Regulations Division. He described the minimal changes based on the public comments obtained and noted that the Publications and Regulations Division had comments that were largely administrative. General Counsel stated that the regulations would not be final until published by the Publications and Regulations Division and asked the Commissioners for their approval to complete the process of making the proposed regulations final. The Executive Director thanked the individuals associated with all the work surrounding the changing of the regulations.

The Chair asked for a motion to approve the amendments to the regulations as presented and to authorize GIC staff to complete the process of promulgation and publication in the Massachusetts Register. The Vice Chair made the motion, seconded by Commissioner Clinard. The General Counsel performed a roll call vote which passed unanimously (15-0).

VI. Modernization

The Chair noted that there was little time left in the meeting and a lot of material to cover. She then recognized John Harney, Chief Information Officer, and Paul Murphy, Director of Operations, to discuss the deployment of digital technology to improve operations and member satisfaction. Mr. Harney discussed how the GIC is improving accuracy and efficiency through digital technology. He discussed how technology can meet the GIC's immediate and long-term goals, the time and cost savings associated with replacing paper with digital forms, and how a digital, online interface empowers the GIC's members.

Mr. Murphy discussed how digital workflows differ from paper workflows, different software operations, and the benefits of cloud-based solutions. He noted that technology allows members to obtain information more easily and allows the GIC staff to see member cases in real time. Mr. Murphy reviewed the increased utilization of digital solutions by

members, discussed the proliferation in online credit card payments via the GIC's ePayment Gateway, and stated that these trends are likely to increase over time. He then described the development, implementation, and training associated with the GIC's new technology, the complexities involved, and recognized GIC staff members for their time, assistance, and patience. Mr. Harney referenced the workflows on page 40 of the Meeting materials as an example of the complexity of implementation, the exacting diligence undertaken by the operations group, and thanked the operations staff for their work and assistance. Mr. Murphy then reviewed the member interface with an emphasis on enrollment and stated that the online portal will eventually make it easier for members to review and compare plans and benefits. Mr. Harney reviewed plan comparison tools and stated that the interface will be better focused on the individual member. In response to a question from the Chair, Mr. Murphy discussed the systematic implementation of technology and what technology will be available during annual enrollment.

The Chair stated that, due to time constraints, she would like to forgo any questions the Commissioners may have in order to move to the next agenda item.

VII. CFO Update

- Budget Update

Jim Rust, Chief Financial Officer, stated that, unless the Commissioners objected, he would omit the oral review of his written report in order to allow sufficient time for the Plan Audit Update presentation. He asked the Commissioners to contact him should they have questions.

- Plan Audit Update

Michelle Suckow, Vice President of Claims Technologies Incorporated ("CTI"), discussed the audit, acknowledged the cooperation of the three plans involved, especially in light of the COVID-19-related disruptions, and stated that she would not address each page of the presentation due to time constraints. She stated that the main goals of the audits were to ensure claim payments were being processed correctly, complied with the terms of the applicable contract, and identify any areas in need of process improvements. Ms. Suckow described the audit approach and the statistical validity of the sampling method. She explained that there is no industry benchmark for performance, described CTI's proprietary benchmark, and discussed its value in comparing plans against one another and the industry. Ms. Suckow reviewed key findings by administrator, suggested best practices, and

whether the findings were common industry practice or plan specific. She emphasized the differences in pharmacy rebate practices by plan. Ms. Suckow briefly noted CTI's recommendations and stated the CTI, under the direction of the GIC, will continue to work with the health plans in order to implement process improvements.

The Chair thanked Ms. Suckow and reiterated CTI's findings that plans are substantially in compliance and that certain practices need process improvements. A discussion ensued where Ms. Suckow, General Counsel, the CFO, and the Executive Director answered the Commissioners' questions, among others, concerning: pharmacy rebate practices; contractual compliance; contractual penalties; and the evolving practices in healthcare plan administration.

VIII. Other Business/Adjournment

The Chair asked if there was any additional business before the Commissioners, there being none, she adjourned the Meeting at 10:41 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Matthew A. Veno". The signature is written in a cursive style with a large initial "M".

Matthew A. Veno
Executive Director

APPENDIX A

Additional materials distributed at or prior to the December 17, 2020 Commission meeting.

1. Procurement Memo – Dental and Vision
2. GIC Member Density & COVID-19 Diagnosis Maps
3. Claim Administration Audit – AllWays Health Partners
4. Claim Administration Audit – Harvard Pilgrim Health Care
5. Claim Administration Audit – Tufts Health Plan