

GROUP INSURANCE COMMISSION MEETING
Thursday, February 06, 2020
8:30 A.M. – 10:30 A.M.

John W. McCormack Building
1 Ashburton Place
Boston, MA 02108

MINUTES OF THE MEETING

NUMBER: Six Hundred Fifty
DATE: February 06, 2020
TIME: 8:30 a.m.
PLACE: John W. McCormack Building, Conference Rooms 1 & 2, 21st Floor,
1 Ashburton Place, Boston, MA 02108

Members:

VALERIE SULLIVAN (Chair, Public Member)
BOBBI KAPLAN (Vice Chair, NAGE)
MICHAEL HEFFERNAN (Secretary of ANF) Designee Bill McNamara
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)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
ADAM CHAPDELAINE (Town of Arlington--Massachusetts Municipal Association)
EDWARD T. CHOATE (Public Member)
JANE EDMONDS (Retiree)
ANNA SINAICO, Ph.D. (Health Economist)
MELISSA MURPHY-RODRIGUES (Town of Sudbury--Massachusetts Municipal Association)
PATRICIA JENNINGS (Public Member)

Absent:

KEVIN DRAKE (Council 93, AFSCME, AFL-CIO)

ELIZABETH CHABOT (NAGE)

Comm. Davis arrived at 8:33

Comm. McAnneny arrived at 8:33

Comm. Chapdelaine arrived at 8:44

Comm. Edmonds arrived at 9:14

Call to Order

The Chair called the Meeting to order at 8:32 a.m.

I. Approval of Minutes

The Chair asked if there were any questions or comments on the January 16, 2020 meeting minutes. Hearing none, the Chair asked for a motion to approve the minutes. Commissioner Choate so moved, seconded by the Vice Chair, and the motion passed unanimously.

II. Directors' Report

The Chair introduced the Interim Executive Director and asked her to provide her report. The Interim Executive Director provided a brief overview of the items for discussion in her report.

- **Calendar**

The Interim Executive Director directed the Commissioners' attention to calendar on page 5 of the Meeting materials and noted that the GIC would recommend a data warehouse vendor to the Commissioners at this Meeting. She also stated that the GIC would present proposed plan design changes in the UniCare plans that relate to behavioral health benefits. She stated that, if approved, the proposed plan design changes would take place at the February 27, 2020 meeting. The Interim Executive Director stated that the GIC had concluded its Public Listening Sessions and that the GIC would present member feedback after the legislative update. She stated that the GIC would make a budget request in conjunction with its annual outreach programs associated with open enrollment. She then noted the "launch member survey procurement" item on the calendar and explained that

this initiative was a result of member feedback and designed to increase member engagement by asking members what their priorities were concerning their benefits. The Interim Executive Director stated that this survey would be distributed in the fall. She explained that the vote of the Commissioners would be to authorize the procurement of services of a third-party to assist in the survey design and to conduct the survey. The Interim Executive Director asked if there were any questions. There being none, she moved to the next segment of the Directors' Report.

- Legislative Update

The Interim Executive Director introduced the Director of Legislative Affairs, Michael Berry, and asked him to provide the legislative update. The Director of Legislative Affairs stated that there was a lot of activity taking place in the state house with over 6,000 pieces of legislation filed. He stated that the GIC is tracking over 350 bills that could impact the GIC, including House Bill 4134, An Act to Improve Health Care by Investing in VALUE. Governor Baker and Executive Office of Health & Human Services Secretary, Mary Lou Sudders, appeared in support of the bill before the Joint Committee on Health Care Financing on January 28, 2020.

He explained that some of the bills propose altering the composition of the Commissioners, lowering deductibles and co-pays, and changes to ancillary benefits, but that it was too early to tell which bills would move forward and possibly become law. The Director of Legislative Affairs stated that advancement and favorable committee reviews do not mean bill passage is imminent given that just 12% of proposed legislation becomes law. He described the ordering of priorities in the legislature and stated that health care legislation would likely be debated in the last few months of the legislative session ending July 31.

The Director of Legislative Affairs stated that, as part of the GIC's municipal outreach, he had been meeting with the City of Holyoke and noted their intention to move forward within the prescribed process under MGL c. 32B to adopt the GIC as their benefit provider by taking its first formal step in the process. He explained that it was still early in the process and described the many approvals that would be needed to move forward. He concluded by stating that when municipalities review the GIC's offerings against the market, the GIC's offerings look very appealing to municipalities.

- Feedback from Listening Sessions

The Interim Executive Director thanked the GIC staff for working late and traveling across the state in order to conduct Public Listening Sessions and named each member of the staff who contributed to the success of the Public Listening Sessions. She also thanked the Commissioners for their support and attendance at the Public Listening Sessions and named each and their contributions.

The Interim Executive Director noted that the information presented during each session was made public and asked if all the Commissioners had a copy. She stated that by providing information up front and obtaining questions in advance of the Public Listening Sessions, the GIC was trying to make the process as effective and as transparent as possible. The Interim Executive Director stated that attendance was down this year noting that average attendance was in the low thirties. The Interim Executive Director stated that it was the consensus of the staff that the low numbers were attributable to the fact that there were few proposed changes and that the information provided in advance of the meeting negated the need for many members to attend.

She stated that there is still a lot of acrimony over prior attempted changes and, to avert the disruption and pain that comes with changes, members requested as much notice as possible so they can understand and plan for such changes. The Interim Executive Director stated that one of her priorities in the year ahead is to keep member disruption at a minimum. She stated that the GIC would continue to engage its members, including the use of a survey to understand what their expectations are regarding their benefits. The Interim Executive Director explained that there was member dissatisfaction around the fact that members were not allowed to vote on proposed changes. She explained further that during each public session she reminded members that because Commissioners represent members and have the responsibility for voting on each proposed change, member should engage directly with the Commissioners through all available channels, including public meetings, the GIC website's Contact Form and GIC's email gicinfo@mass.gov, or with GIC staff who would forward member feedback to Commissioners.

The Interim Executive Director noted several common concerns derived from member feedback. She stated that health care access was the primary concern and explained that members in western Massachusetts wanted to expand provider networks into contiguous states, to reduce a sense of geographic disadvantage by gaining access to better choices and specialists, and to address increasing costs associated with out-of-network behavioral health providers. The Interim Executive Director stated that another common theme was operational in nature. She noted that members wanted to reduce the 60-day waiting period for new hires. She explained that even if existing rules about the specified waiting

period were changed to reduce or eliminate the waiting period, operational barriers related to more than 200 payroll systems remain. She also noted that municipal members want access to the active dental plan.

Regarding direct online access enabled by the myGICLink system launched in December, the Interim Executive Director stated that some people were happy to bypass their organization's GIC coordinator and utilize the new technology while others wanted to maintain the face-to-face relationship. She stated that technology was not meant to reduce or eliminate personnel, but that it was meant to eliminate low-value, repetitive operational tasks in order to increase the amount of time members had for valuable face-to-face conversations with benefits personnel. She also noted that members were under the mistaken belief that they were entitled to any budgetary surplus because they considered the budget surplus "their money." The Interim Executive Director explained that there were members who were vocal about issues not in the GIC's control, such as wage increases. She stated that she is dedicated to increasing effective communication with members in order to educate members about the scope of, and the limits to, the GIC's ability to make changes and the members' ability to work with the GIC within that scope. The Interim Executive Director recognized that the form of effective communication is different depending on the individual member.

The Interim Executive Director stated that the third common theme was member engagement. She explained that members requested six months advance notice for any big plan changes. The Interim Executive Director stated that, as always, a frequent theme was having a listening session or benefit fair in their town to which she explained the GIC's limitations and multitude of requirements needed to hold such an event. In response to a question from the Chair concerning when the GIC would be able to live stream Public Listening Sessions, the Interim Executive Director stated that the GIC is probably one fiscal year away from being able to live stream events like the Public Listening Sessions. She explained that, while the technology exists, there are many other hurdles including operational and privacy concerns. She noted that there are open questions as to whether the meetings require a transcript, whether the stream is recorded and available for viewing at a later date, will it be uploaded to YouTube and exist beyond the control of the GIC in perpetuity. The Chair asked that live streaming become a goal for the next Public Listening Sessions. The Interim Executive Director stated that it was a laudable goal. She warned that live streaming could have negative consequences and explained that if members know they are being recorded and that the recording was going to be publicly available, members might be less forthcoming with their problems. The Vice Chair suggested that the GIC ask members what they think about live streaming and reminded the Commissioners that

members asked for notice of any big changes. In response to a question from the Chair, the Vice Chair stated that she was concerned about retirees who may not understand technology and may have different concerns about live streaming. She stated that many retirees prefer face-to-face interaction and noted the great job the Interim Executive Director did explaining the insurance product choices to non-Medicare retirees. She stated that the Interim Executive Director made them feel better about their choices. The Interim Executive Director thanked the Vice Chair for her kind words.

The Interim Executive Director stated that the fourth and final common theme from listening session feedback was related to insurance product choices. She explained that non-Medicare retirees have difficulty affording active employee plans on a fixed income and that a \$5,000 out-of-pocket maximum is too high. The Interim Executive Director stated that the GIC is looking into options for making non-Medicare retirees Medicare eligible. She stated that discussions about the feasibility and costs of this action have taken place but need further analysis. In addition to affordability, one of the main concerns is the impact this group has on the risk profile of the active member insured pool. The Interim Executive Director explained that it was estimated that there are 6,000 members who would have to become Medicare eligible and that all 6,000 would have to agree to the change. She stated that an actuarial assessment should still go forward, but the chances of the conversion going forward look questionable at this time. The Interim Executive Director noted that members of the GIC staff met with members of Mass Retirees and shared their findings. The Interim Executive Director stated that other feedback regarding insurance product choices included several questions about employee plus 1 tiers and high-deductible plans. She noted that there was no actuarial benefit to an employee plus 1 tier and that high deductible plans carry the risk that young and healthy members would join that plan which would result in higher costs for the older and sick members who would remain in a traditional plan. The Interim Executive Director explained that the GIC was not willing to take that risk.

Commissioner Clinard congratulated the Interim Executive Director for her performance at the Public Listening Sessions. She stated that the Interim Executive Director did a fantastic job explaining complex matters in a way everyone could understand and that members appreciated the information she provided. Commissioner Choate concurred stating that the Interim Executive Director did an excellent job explaining the complexity of behavioral health plans and congratulated her on her presentations. The Interim Executive Director stated that the GIC staff had been instrumental in developing her understanding of these complicated health plan issues. The Commissioners responded with applause.

The Interim Executive Director explained that the federal government no longer required Form 1095-B Health Coverage to be filed with an individual tax return due to the fact that the federal penalty for individuals not having minimum essential health insurance coverage under the Affordable Care Act was effectively eliminated. In response to a question from Designee McNamara, the Interim Executive Director stated that the state requirement to file health care information has not changed. She did note that the GIC would update their website to remind members that the state forms are provided by their health care provider, not the GIC and noted that the GIC receives a high volume of calls during tax season regarding this issue.

III. FY21 Plan Design Recommendation

- **UniCare Behavioral Health Benefits**

The Interim Executive Director introduced the Director of Benefit Procurement and Vendor Management, Denise Donnelly, and asked her to present the plan design recommendations. Ms. Donnelly stated that the goal of the proposed plan design changes was to minimize the financial barriers to access behavioral health care by smoothing out the differences between medical and behavioral health benefits in the UniCare plans. She noted that the GIC was quite pleased with the changes and explained how the changes align with behavioral health initiatives in the Governor's health care bill. Ms. Donnelly stated that the proposed changes to the UniCare plan design do not address the fact that 52% of behavioral health care providers do not accept insurance. She noted that it is possible that the Governor's bill will provide an incentive for behavioral healthcare providers to accept insurance.

Ms. Donnelly stated that the GIC was only focusing on the UniCare plans because UniCare is an indemnity plan. She explained that an indemnity plan allows members to utilize any provider in the state and does not make an in-network or out-of-network distinction. Referencing page 9 of the Meeting materials, she noted that behavioral health had recognized such a distinction and that, after the plan design change, no in-network or out-of-network distinctions existed. Ms. Donnelly noted that page 10 represented the proposed plan design for the UniCare Basic plan. She explained that, in addition to eliminating network terminology for behavioral health, the proposed plan design eliminated certain co-pays and deductibles for better alignment with the plan's medical health benefits. She stated that the changes resulted in a behavioral health benefit that was equal to and better than the current medical benefit.

In response to a question from Commissioner McAnneny regarding in-network and out-of-network distinctions in an indemnity plan, Ms. Donnelly stated that the distinction is that any in-network provider for behavioral health through UniCare is simply a behavioral health care provider who has a contract with Beacon Health Options and an out-of-network provider does not have such a contract. In response to a question from the Vice Chair regarding in-network and out-of-network distinctions in an indemnity plan, Ms. Donnelly explained the costs borne by the members under the UniCare Basic behavioral health coverage. A discussion ensued about member cost of behavioral health care, balance billing, and Beacon Health Options' historical record on timely payment. The Vice Chair stated that members still face issues regarding coverage and payment. The Interim Executive Director stated that the plan design changes were not designed to address all problems related to member experience with behavioral health care, but that these design changes should lower the member cost of behavioral health under the UniCare plans. General Counsel, Andrew Stern, responded to a question regarding why 52% of behavioral health care providers do not accept insurance by noting that the Governor's health care bill tries to addresses one of the presumed impediments by proposing a single credential that must be accepted by all insurers. The General Counsel stated that this would be a vast improvement over the current state of the industry where each behavioral health practitioner must obtain a separate credential for each insurer.

Referencing page 11 of the Meeting materials, Ms. Donnelly described the UniCare Plus plan noting that all health care providers and all facilities in Massachusetts are considered Plus providers, and everyone else is Non-Plus. She explained that Plus was the only plan that had separately-accruing deductibles for Plus providers and Non-Plus providers. She reviewed the proposed changes to Plus and Non-Plus copays and deductibles. In response to a question from the Vice Chair regarding the differences in deductibles, Ms. Donnelly explained the application of deductibles under the Plus and Non-Plus plan and noted that the proposed plan eliminated certain co-pays and lowered deductibles in order to align the behavioral health plan with the medical health plan. In response to a question from Commissioner Sinaiko concerning how the Plus and Non-Plus plan align with Beacon Health Options, the General Counsel stated that Plus providers have a contract with Beacon Health Options whereas Non-Plus providers do not. The Interim Executive Director explained further that an indemnity plan creates confusion in that there are contracted versus non-contracted benefits along with in-state and out-of-state protections.

Referencing page 13 of the Meeting materials, Ms. Donnelly described the UniCare Community Choice Plan, stating that it was a limited hospital network plan and explaining that only hospitals are limited in this plan, not medical or behavioral health providers. She

stated that the proposed plan lowered and eliminated certain behavioral health copayments, eliminated outpatient deductibles, eliminated in-network and out-of-network terminology, and generally aligned behavioral health with medical health benefits. The General Counsel explained the differences between UniCare Community Choice and UniCare Plus and described the differences in deductibles including the application of a single deductible in the Choice plan versus separate deductibles in the Plus plan. In response to a question from the Vice Chair about how to effectively communicate such complex material to the GIC's members, Ms. Donnelly stated that the GIC is focusing on its communication to members and continues to work towards more robust and effective communication. She stated that GIC's communication strategies are evolving and the GIC is contemplating how to best accomplish this goal in conjunction with the next procurement process. As an example of the complexity of the issue, Ms. Donnelly reminded the Commissioners that only three of the eleven plans were currently being discussed. In response to a question from Commissioner Davis, Ms. Donnelly stated that the Commonwealth of Massachusetts would be absorbing about \$1.9 million that would have been paid by the GIC's members. In response to a question from Commissioner Jennings concerning the data used to estimate the expense, Ms. Donnelly stated that the GIC looked at its most current utilization data in order to make the \$1.9 million estimate. A discussion ensued.

The Interim Executive Director stated that the proposed plan changes are, from a member's perspective, highly beneficial in that they lower costs to members by eliminating and lowering deductibles and co-pays, which has the added benefit of members being able to meet their maximum annual deductible more quickly. She explained that members are gaining value and, ultimately, a better behavioral health benefit. She did note that the lowered costs may result in more members in the UniCare plans utilizing the behavioral health benefit as well as members migrating to UniCare from other plans. In response to a question from Commissioner McAnneny regarding how the proposed changes in UniCare behavioral health compare to other plans, Ms. Donnelley stated that, if you took out the fact that UniCare was an indemnity plan, they looked similar. Commissioner Sinaiko provided her perspective on the potential benefits to members, specifying that lowering member cost is a way to provide greater access and may result in increased utilization. She stated that a likely result of the change would be more utilization and more members choosing these types of plans and noted the potential for increased costs due to increased utilization.

The Chair asked if there were any questions or comments on the proposal to accept the UniCare plan design change. Hearing none, the Chair asked for a motion to approve the

UniCare plan design change as presented. The Vice Chair so moved, seconded by Commissioner Choate, and the motion passed unanimously.

IV. Annual Enrollment

The Interim Executive Director stated that the next items for review were associated with the annual enrollment process and that the Commissioners would be asked to approve a budget associated with conducting coordinator trainings and health fairs. She then introduced the Director of Operations ("DOO"), Paul Murphy. The DOO stated that this was the GIC's thirty-fourth year conducting health fairs and coordinator trainings across Massachusetts.

- **Coordinator Trainings**

The DOO stated that five coordinator training sessions are scheduled throughout Massachusetts and provided the four sites and noted that two would take place in Boston. He explained that between 550 and 600 coordinators attend these sessions during which the GIC staff train the coordinators about annual enrollment procedures, their responsibilities as coordinators, and methods for accessing and processing information. The DOO noted that there would also be myGICLink training, the new technology the GIC had recently introduced.

- **Health Fairs**

The DOO stated that the GIC would hold nine health fairs across Massachusetts in anticipation of 3,500 members attending. He noted that the locations and schedule was essentially the same as last year's health fairs. The DOO discussed the sites and times of the benefit fairs and noted that they were designed to reach as many members as possible. He stated that this was a great opportunity for members to ask questions and noted that there were usually a lot of questions concerning retirement.

- **Budget/ Trust Fund Approval**

The DOO directed the Commissioner's attention to page 20 of the Meeting materials and noted the requested budget associated with conducting outreach activities associated with open enrollment. He stated that the prior year's expenditures totaled \$6,895.66. This year he was asking for a proposed maximum budget of \$15,525.00 and explained that the GIC was requesting up to that amount, but that did not mean that it would spend that amount.

He explained that the higher requested budget was designed to cover any unexpected costs and reminded the Commissioners that last year the courier transporting all benefit fair materials was in an automotive accident which resulted in the loss of supplies. He noted that ultimately the vendor reimbursed the GIC, but that was the type of contingency the proposed budget was trying to address. He reviewed some of the listed line items and explained year to year variances.

The DOO stated that after the Listening Sessions and just prior to the annual enrollment period, the GIC provides a benefit statement to all members which, in turn, generates a lot of questions, especially in conjunction with annual enrollment. He noted that the annual benefit statement contains information about the individual member's current coverage. He explained that a correction form accompanies the annual benefit statement and that the mailing generates roughly 6,000 correction forms every year. The DOO stated that this year they hoped that active employees and retirees would submit these forms via myGICLink.

In response to questions from Commissioner Edmonds about the demographic of attendees, non-attendees, and what the implications of such attendance might be, the DOO stated that, based on his experience, the single largest group of attendees are contemplating retirement in the next six to twelve months and that these people need help navigating retirement, Social Security, and Medicare. He stated that another group are members contemplating changing plans. In response to an additional question from Commissioner Edmonds concerning seniors, the DOO stated that a lot of seniors attend because, even though information is available to them online, in print, or through their benefit coordinators, they prefer a face-to-face discussion. The DOO stated that that is a one of the reasons the GIC conducts these health fairs, because a lot of people, especially retirees, are not comfortable navigating all this information by themselves.

Commissioner Sullivan stated that he has continually requested that health fairs be held at times when more members are available to attend. He noted that teachers were working during the health fairs and remained unavailable, often until 4 p.m. Commissioner Sullivan stated that he was aware that two Saturday health fairs were on the calendar, but reiterated his concern that not enough health fairs take place where school employees could attend and that, as it had been said at this Meeting, face-to-face interaction is very important. The DOO stated that these were all very good points. He noted that in response to these concerns, several health fairs in 2018 did not end until 5 p.m. and that, unfortunately, attendance after 3:30 p.m. was minimal. He also stated that the GIC had changed times based on member feedback and attendance.

Commissioner McAnneny noted the large member response to the annual benefit statement mailed to GIC's members and asked if the GIC should do more to reach as many members as possible and suggested including information on myGICLink. The DOO stated that the GIC is increasing the information in mailings and promoting these topics at the health fairs. He also stated that information on myGICLink will be mailed with the annual benefit statement and noted other myGICLink promotions. The Vice Chair stated that it was impossible for many people to attend the health fair unless it was held in the building where they work. She stated that she receives complaints from active members who would like to attend but cannot.

The Interim Executive Director acknowledged that there are members who want to but cannot attend and stated that she would like to work with the Commissioners to see what an acceptable calendar of health fairs would look like. She noted that there are limitations on time and resources that will always result in member dissatisfaction and that the GIC always tries to accommodate as many members as possible when planning such events. The Interim Executive Director stated that the GIC is aware that most retirees do not want to attend a session in the evening, that teachers cannot attend sessions taking place during the day, and other such prohibitions and preferences from members. She explained that the GIC thinks about as many contingencies as possible when planning these events, while meeting additional requirements for access, timing, and public transportation, and that the GIC would love to work with the Commissioners to help increase attendance at health fairs and other outreach initiatives.

Commissioner Edmonds stated that this problem is an opportunity for the Commissioners and the GIC to think about who should be involved to produce a more satisfactory result. She stated that these problems could not be solved solely by the people at the Meeting, but that the people in the room could reach out to others for greater planning and involvement. Commissioner Edmonds questioned whether everyone needs to take a step back and ask what the problems are as a first step in being able to solve them. She stated that everyone needs to work together in order to solve these problems and provided examples of encouraging participation, including participation from the Office of Administration and Finance ("ANF"). Designee McNamara stated that he would take these suggestions back to Secretary Heffernan and that it was very clear that this was an issue for members. He also noted that member satisfaction increases with effective communication. The Interim Executive Director indicated that, while the health fairs are effective communication tools, the GIC attempts to reach out to members wherever they may live in order to get them the information that they need.

The Chair then requested a motion to approve the proposed fiscal year 2020 annual enrollment budget request as presented. Designee McNamara so moved, seconded by the Vice Chair, and the motion passed unanimously.

V. Contracts and Amendments

The Chair stated that the next item on the agenda was contracts and amendments. The Interim Executive Director stated that, after the presentation, the GIC sought a vote to approve the data warehouse vendor. The Interim Executive Director welcomed Manger of Analytics, Margaret Anshutz, and asked her to provide her report.

- **Data Warehouse Recommendation**

Ms. Anshutz explained that the data warehouse acts as a central repository for the prior 10 years of the GIC's health claims and that the warehouse, in connection with its business intelligence tool, allows the staff of the GIC to conduct analytics using its own claims experience. She explained the types of warehoused data, the importance of this data to the GIC, and its use in producing reports, such as out-of-pocket expenses. Ms. Anshutz stated that the RFR was posted on October 22, 2019, six vendors made proposals, and three finalists were selected: IBM Watson, Milliman, and the incumbent vendor, Optum Health Care Solutions ("Optum"). She stated that the GIC met with staff from each finalist, discussed their proposals, and tested their products in order to move to the best and final offer ("BAFO") phase of the review. She stated further that after the finalists presented their BAFOs, the GIC judged the offers based on their procurement scores and the best value proposition. She explained the evaluation including scoring of each bidder's data integration, data quality, data security, and health analytics capabilities. She stated that Milliman and Optum were the top two finalists but that Milliman's pricing bid was three and a half times the amount of Optum's.

In response to a question from Commissioner Choate about how the GIC determines best value, Ms. Anshutz stated that best value combines capabilities and cost, and explained the procurement team's approach to measuring this metric. In response to a question from the Chair, Ms. Anshutz stated that both Milliman and Optum had good product offerings and explained the factors that made Optum the GIC's choice. A discussion ensued and Ms. Anshutz answered questions from the Commissioners, including, but not limited to, the GIC's satisfaction with Optum's prior performance, the GIC's data relationship with the Massachusetts Center for Health Information and Analysis ("CHIA"), data capabilities, and behavioral health data. The Interim Executive Director stated that the data warehouse procurement is part of a long-term effort to develop the GIC's data analytics staffing and

capabilities. She stated that the GIC needs deep, mature analytical capabilities in order to more intelligently prepare to procure benefits and explained that Ms. Anshutz's position was created for that purpose. She noted that Ms. Anshutz had previously worked for CHIA, was seasoned, and passionate about health care. The Interim Executive Director then described Ms. Anshutz's ability to challenge the potential vendors' thinking about their own products and product capabilities. Commissioner Sinaiko concurred by noting Ms. Anshutz's experience and skill and thanked her for her work.

The Chair requested a motion to approve Optum as the GIC's data warehouse vendor. The motion was so moved by Commissioner Clinard, seconded by Commissioner McAnneny, and unanimously approved.

VI. Other Business

- **Executive Director Selection Process Update**

The Chair stated that the next item on the agenda was an update on the selection of the GIC's next Executive Director. She stated further that over 100 applications were received and she thanked everyone involved in the process for all of their hard work. She enumerated all the items that make it such an exciting time to lead the GIC and asked A&F Secretariat and Chief Human Resources Officer, Sara Giannandrea, and Human Resources Division Recruitment Manager, Joseph "Dan" Clancy, to the podium to provide an update on the status of the selection process. Ms. Giannandrea specified the various channels in which the position was posted, then noted that 110 applications had been received and winnowed to 30. She stated that the Chair selected ten candidates from among those 30 and, to date, had spoken with eight. She discussed the upcoming panel interview which will be conducted with the Chair's advisors in order to narrow the pool to two finalists for presentation to the full Commission for a public interview, deliberation, and vote.

Mr. Clancy stated that based on the feedback he received from the candidate pool, the perception of the GIC is very positive. He noted the time he spent on the phone speaking with candidates and his goal to submit specific candidates to the Chair by next Thursday. Mr. Clancy noted that it is common for job postings to result in a lot of unqualified applicants, but that this was not the case with the applicants for the Executive Director role. He explained that the candidates had a range of backgrounds, all of which were strong foundations for success in the Executive Director role. Mr. Clancy expressed his pleasure at having a large number of qualified candidates to select from within the directives provided by the Commissioners.

The Chair discussed what worked well in the selection process and noted the hiring activities undertaken as well as the input the Commissioners provided. She stated that one of the main directives from the Commissioners is to select an Executive Director who will provide leadership and be passionate about the job. The Chair explained the timing of the interview process and that it was likely that two finalists would be presented and interviewed at the February 27, 2020 meeting. She stated that the Commissioners should make extra time in their schedules for that meeting and advised them that it is possible that the Commission may need to schedule a separate meeting to interview the finalists. The Interim Executive Director stated that the Commissioners could table the Directors' Report in order to increase time available at the February 27, 2020 meeting for finalist interviews, and Commissioners' deliberation and vote.

Commissioner Davis asserted that candidates should be evaluated on the same criteria despite differences in their backgrounds. She noted that unintended biases in the interview process are common and warned that such subjective biases should not be a factor in the selection process. Commissioner Davis encouraged her fellow Commissioners to use an objective framework when vetting the candidates. The Chair thanked Commissioner Davis for her input and stated that it would be incorporated in the next meeting she has with her team of advisors. In response to comments from Commissioner Davis, Mr. Clancy specified what the team of advisors would provide to the Commissioners, including, not only the finalists, but the rationale for selection. He stated that the team of advisors is handing the process to the Commissioners for their review and for the ultimate approval of the next Executive Director.

Commissioner Davis thanked Mr. Clancy for his response, affirmed that it was helpful, and asked that an objective summary document be provided to the Commissioners that will make it easy to compare the candidates. Mr. Clancy stated that he could create such a list based on the candidate selection input previously provided by the Commissioners. In response to a question from Commissioner Edmonds, Mr. Clancy stated that the information provided would be organized based on the candidate selection criteria. The Chair asked Ms. Giannandrea and Mr. Clancy to contact Commissioner Edmonds and any other Commissioner who would like to provide input on an objective interview process noting that such a process should be comprehensive within time limitations. Commissioner Davis reminded the Commissioners that they are not obligated to select a finalist for the Executive Director role. She stated that if the Commissioners felt that the finalist was not up to the task, they should not hire that finalist. Commissioner Davis stated that the Commissioners should not feel pressured to hire someone who does not meet the

standards for the position and that the Commissioners can start a new search for the appropriate candidate. The Chair concurred with Commissioner Davis' statements.

Adjournment

The Chair asked if there was any additional business before the Commissioners, there being none, she asked for a motion to adjourn. The motion was so moved by Designee McNamara, seconded by Commissioner McAnneny, and unanimously approved. The Meeting adjourned at 10:32 AM.

Respectfully submitted,



Joan M. Matsumoto
Interim Executive Director

APPENDIX A

Materials Distributed at or prior to the February 6, 2020 Commission Meeting

1. Procuring A Data Warehouse Vendor



**PROVIDING HEALTH ANALYTICS SERVICES TO THE GROUP
INSURANCE COMMISSION**

RFR – BD-20-1049-GIC00-06GIC-43186

Procurement Team Recommendation

GIC Commission Meeting
February 6, 2020

Issued: February 6, 2020

PROCUREMENT TEAM

Team Lead: Margaret K. Anshutz, Health Analytics Manager
Team Member: Cameron McBean, Health & Ancillary Benefits Manager
Team Member: Joan Matsumoto, Interim Executive Director
Team Member: Jim Rust, Chief Financial Officer
Team Member: Andrew Stern, General Counsel

AWARD RECOMMENDATION

The GIC Data Warehouse and Analytics Consultant procurement team recommends that the Commission designate Optum as the apparent successful bidder and direct staff to enter contract negotiations for an initial two-year contract term with three one-year options to renew.

It is the teams' consensus that Optum offered the best combination of experience, team strength, methodology, and value for this engagement.

Within the scope of the final contract, Optum will provide the Group Insurance Commission with consulting services related to the Commission's health data and analytics needs.

Scope Provide intake services and interface for GIC claims data; software licenses for advanced analytic functions

Terms	Dates
2-Year initial	July 1, 2020 to June 30, 2022
1-Year optional	July 1, 2022 to June 30, 2023
1-Year optional	July 1, 2023 to June 30, 2024
1-Year optional	July 1, 2024 to June 30, 2025

PROCUREMENT SUMMARY

Current Contract Vendor(s): Optum

Current Contract End: Tuesday, June 30, 2020

Request for Response (RFR) Posted: Tuesday, October 22, 2019

Bidders' Conference: Thursday, November 7, 2019

All questions raised by potential bidders' in person were provisionally answered. Questions were also accepted in writing. All questions and official answers were compiled and posted on the Commonwealth's COMMBUYS website on November 19, 2019.

Submission Deadline: Tuesday, December 3, 2019 by 12:00 PM

Dual submission in COMMBUYS electronically and to GIC in hard copy.

Submissions Received in COMMBUYS and at GIC:

- Artemis
- HealthTech Solutions
- IBM Watson
- Milliman
- Optum
- Protiviti

Threshold Review Qualifying Submissions:

Threshold Review ensures that each bid received complied with the minimum submission requirements: meeting deadlines for submission and submitting through specified channels; providing the requisite number of copies of documents, original signatures on required forms, and other administrative requirements. All six bidders' submissions cleared the threshold review process.

SCORING PROCESS

The Procurement Team established criteria for analyzing and scoring the proposals before opening prospective vendors' bids, as required by the Operational Services Division. Bidders were not informed of the points, weighting, or criteria assigned to the various sections of the RFR.

The 1,000-point maximum score was distributed across two phases shown below.

EVALUATION CRITERIA AND POINT DISTRIBUTION

<u>Initial Scoring Phase</u>	<u>750 points</u>	<u>Scorer(s)</u>
Narrative Proposal	600 points	All
Cost Proposal	150 points	All

The scoring criteria specify that the procurement team may designate a group of finalists based on the results of the initial scoring phase.

<u>Final Scoring Phase</u>	<u>200 points</u>	
Interviews	100 points	All
Supplier Diversity Program (SDP)	100 points	All

Best and Final Offer (BAFO) Revision Phase:

Best and Final Offer (BAFO) is an opportunity for finalists to clarify certain aspects of their proposal and statements made during the interviews, and to revise their cost proposals.

Revisions are then evaluated based on the same scoring criteria as the original cost proposal. The revised score from the BAFO replaces the cost proposal score each finalist had received in the initial scoring phase.

<u>Best Value Provision</u>	<u>50 points</u>	<u>All</u>
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The Procurement Team may award up to fifty points to each vendor based on its assessment of the best value to the Commonwealth and/or its employees and retirees.

INITIAL SCORING PHASE SUMMARY

Narrative proposals were evaluated based on content and clarity with which the bidders addressed the analytic needs stated within the RFR. The proposals were scored based on the detail and comprehensiveness of the response related to the core scope of work: Data integration, Data Quality, Data Security, and Health Analytics Capabilities.

Cost Proposals were evaluated purely on price.

Value was scored based on the comprehensiveness of the consultant's proposal, usability and functionality of the data interface tool, experience of the staff, as well as cost.

The chart below illustrates the scores for each bidder for each section of the initial scoring phase, as well as the subtotal and rank for each bidder at the end of the initial scoring phase.

Initial Scoring (Alphabetical by Bidder)	Narrative Proposal	Cost Proposal	Subtotal	Rank
	Max = 600	Max = 150	Max = 750	
Artemis	301.40	72.23	373.63	6
HealthTech Solutions	379.00	81.15	460.15	4
IBM Watson	508.80	140.22	649.02	1
Milliman	496.58	44.32	540.90	2
Optum	394.00	135.46	529.46	3
Protiviti	282.16	50.22	332.38	5

Based on the relative strength of their narrative responses, IBM Watson, Milliman, and Optum were the vendors carried forward for finalist interviews.

FINAL SCORING PHASE SUMMARY

Interviews

As finalists, IBM Watson, Milliman, and Optum were invited to bring their key personnel who would be assigned to the GIC's account to interview as a panel.

The GIC asked each finalist panel questions regarding methodology for data intake and quality assurance and asked them to perform a demonstration of their analytics tool. Consultants' narrative scores were adjusted based on additional information discovered or presented in the interview.

After the interviews, the GIC gave each finalist the opportunity to provide a Best and Final Offer (BAFO), which encompassed the cost proposal, and additions to the contract that arose over the course of the interviews. Bidders were not required to revise their initial cost proposals; however, they were offered the opportunity to do so.

Best Value

Best Value points were awarded to Optum, based on the scope of their tool's capabilities and their cost.

The total scores for the Finalists are shown below.

Final Scoring (Alphabetical by Bidder)	Narrative Proposal Max = 600	Cost Proposal* Max = 150	Interview Max = 100	SDP Max = 100	Best Value Max = 50	Total Max = 1000	Rank
IBM Watson	435	139.5	40	100	0	714.50	3
Milliman	514	45.55	90	100	0	749.55	2
Optum	388	135.46	80	100	50	753.46	1

* This column was revised under BAFO