GIC COMMISSION MEETING
Thursday, January 17, 2019
8:30 A.M. – 10:30A.M.

Charles F. Hurley Building
19 Staniford Street
Boston, MA 02114

MINUTES OF THE MEETING

NUMBER: Six Hundred Forty-one
DATE: January 17, 2019
TIME: 8:30 AM
PLACE: John W. McCormack Building, Conference Rooms 1&2, 21st Floor, 1 Ashburton Place, Boston, MA 02108

Members Present:

VALERIE SULLIVAN (Chair, Public Member)

GARY ANDERSON, (Commissioner of Insurance) Designee Matt Veno

MICHAEL HEFFERNAN (Secretary of ANF)

ADAM CHAPDELAINE (Town of Arlington--Massachusetts Municipal Association)

THERON R. BRADLEY (Public Member)

EDWARD T. CHOATE (Public Member)

CHRISTINE HAYES CLINARD, ESQ. (Public Member)

KEVIN DRAKE (Local 93, Labor)

JANE EDMONDS (Retiree)

JOSEPH GENTILE (AFL-CIO, Public Safety Member)

BOBBI KAPLAN (NAGE)

EILEEN P. MCANNENY (Public Member)

ANNA SINAIKO, Ph.D. (Health Economist)

TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Not Present:

TAMARA P. DAVIS (Public Member)

Vacant Seat:

(Local 5000, SEIU, NAGE)

(MMA)

I. Approval of Meeting Minutes

The Chair called the meeting to order at 8:33am. The Chair asked if anyone had questions or comments about the minutes from December 6, 2018 and welcomed everyone to 2019. Hearing no comments, she asked for a motion to approve the minutes. DOI Designee Veno moved to approve the minutes seconded by Commissioner Kaplan. The motion passed unanimously.

The Chair turned the meeting over to the Executive Director for her report.

II. Director's Report

The Executive Director (Roberta Herman) reviewed the agenda and noted that the slides they would be reviewing should look familiar by now, as the same calendar was shared in October. She advised that she would be making recommendations about next year's plan design which would be voted on the next time the Commission gets together on February 7, 2019. At the end of February we will ask for you to vote on rates based on the plan designs voted on the 7th and, plan performance and trends. The Executive Director directed attention to the upcoming listening sessions scheduled between January 17 meeting and the February 7 meeting.

[Commissioner T. Sullivan arrived at 8:34 a.m.]

With respect to the listening sessions, The Executive Director noted that last year was a procurement year and we discussed very controversial topics so we covered the state as best we could. This year we are trying to figure out what is the right maintenance strategy. We scaled back the number of sessions this year as it is not a procurement period. If it turns out not to be right, we will adjust them again next year. For example, we can try to rotate sessions in the North Shore and South Shore. The Executive Director asked all Commissioners to consider attending at least one of the sessions. She stressed that it is important to have at least one Commissioner at each session as it means a lot to our members that Commissioners hear them.

The Chair inquired if there would be any availability to stream video or audio at the public listening sessions? The Chief of Staff responded that staff was currently working on getting availability; however it is not yet available. She noted written comments will be welcomed.

III. Benefit Plan Design Recommendations:

The Executive Director moved on to the benefit plan design and provided an Executive Summary discussing what the staff is proposing for next year, and foreshadowing where it might be going in future years. She indicated that she believed the public would be more comfortable with a sense of what the Commission was planning and she would really like to see the Commission get a different communication rhythm on that. She advised it was really important to remember what it is the Commission is trying to do and that the challenges it faces are not unique to the state or the GIC. The Executive Director noted that healthcare costs are rising at a rate that is a lot faster than employee wages, which is very hard on our members. At the same time, the state is spending a large proportion of its budget on healthcare at the expense of all other priorities. Taxpayers have a right to know that the Commission is being a good steward of their money and it is important that we get the right balance between these competing interests. Our goals are to keep costs to a minimum for everyone, use our size for leverage to try to contain costs and achieve the best possible value for GIC members, and, wherever possible, conserve choice for our members and provide an opportunity to share in savings.

The Executive Director stated she would be covering three topics, but only one of them will be a benefit proposal that will need a vote. The Executive Director anticipated lots of discussion about what changes the Commission was trying to accomplish and what it all looks like.

The Executive Director reviewed FY18 and noted that last year the GIC did a number of positive things. Behavioral Health benefits were reintegrated into the health plans providing an opportunity for better coordinated care. The tier 3 specialist copay was reduced from $90 to $75 because it looked out of line with our peers and we heard it overwhelmed people. Deductibles for some limited network plans were reduced, the GIC achieved a zero percent aggregate increase, primarily due to carving out pharmacy from all the plans, and an employee assistance program was introduced.

What is proposed for this year, are minimal changes. There are no proposed benefit changes to the Medicare plan. Everything discussed today will be Non-Medicare plans; that said, there are no proposals to eliminate any carriers or any products, or to change any deductibles.

Commissioner Kaplan asked about the EAP plan's utilization. The Chief of Staff responded that it was too early to provide data. She indicated that quarterly meetings with the vender are held and the second one will occur in early February, closer to the first year mark, and it is anticipated that data will be available to share after that.

The Executive Director next discussed "Benefit Harmonization" (aka increasing benefit consistency). She noted that there are some differences in how the plans offer and provide some benefits. These are differences you would only notice of you went through the handbooks very carefully. Staff is trying to look across the plans and make these benefits more consistent so that members aren't inadvertently advantage or disadvantage by the plan they chose for other more important reasons. These are not the type of benefits are typically discussed or laid out in the decision materials. At this point, staff is just cataloguing these.

Next the Executive Director addressed "Steerage")(aka creating incentives through differential out of pocket expenses), which she noted was an industry term but not one we like. She proposed introducing a site of service differential copay as a concept this year. This would be a benefit change that encourages members to make choices about where they access care and rewards them if chose lower cost facilities. . Lastly she indicated she would discuss tiering, both for specialists next year, as well as the Commission approach going forward, which would tier primary care doctors and hospitals that are in the same group in the same tier.

The Executive Director also mentioned other initiatives on the horizon such as centers of excellence where the GIC could leverage its size to get the best deal for our members, and other site of service differentials, such as for high tech radiology.

Commissioner Clinard asked if these future initiatives would be discussed at the listening sessions. The Chief of Staff responded affirmatively. The Executive Director went on to explain that even if we don't have details yet, this will give members an idea of what the GIC may be doing in the future.

The Executive Director reminded the Commission that they had seen the Health Policy Data several times that demonstrates, for multiple years in a row, a very predictable pattern in the market; when members seek care and need more complex care, if they start out in a physician- led practice, their expense tend to be significantly lower than if they start out at an academic medical center affiliated practice. The GIC asked its plans to consider this data as they thought about how to do tiering as we move forward, particularly if they did not have a current group methodology.

The Executive Director reviewed the GIC's prior approach to specialist tiering, which looked at individual doctors and used a proprietary methodology to tier them. This approach was extremely resource intensive and often resulted in different doctors in the same practice being in different tiers as well as individual doctors being in different tiers in different carriers and/or products. Moreover, often as much as 25% of the doctors changed tiers year over year. This was very confusing for members and hard to explain. In the meantime, with the introduction of healthcare reform, the growth of integrated group practices, group performance evaluation, and consolidation of primary care, specialist and hospitals into single care delivery systems, focusing on specialists alone no longer makes sense.

In recognition of these latter changes, the GIC launched a "group initiative" in 2013 while simultaneously continuing individual specialist tiering, leaving it with two different methodologies. In 2018, the GIC retired the proprietary individual specialist tiering approach and Harvard Pilgrim and Tufts introduced group based performance tiering. At this point, the GIC needs to change the methodology for specialist tiering for the rest of the plans and invited proposals from the plans, with the idea that they should try to incorporate the HPC data or come up with a better approach.

The Executive Director noted that the second reason to spend time discussing tiering is that group tiering only works well when all of the providers in the system are tiered together – specialists, primary care, and hospitals. Starting next year, the GIC needs to take the next step in tiering and is currently re-evaluating its products.

Jeff Levin-Scherz, from WTW, began with a general overview. He noted that the proposed change is very small and does not involve cost shifting. Basically, it's an attempt to make sense of the tiering and to be able to more easily communicate what the GIC is doing to members and providers.

Dr. Levin-Scherz reviewed the process of working with the plans as the GIC considered moving from the individual specialist tiering to the recommended group based tiering.

Dr. Levin-Scherz then reviewed how the proposal impacted individual products. He stated there were no changes in the UniCare Basic indemnity product; all things will remain pretty much as they are. UniCare proposed a group tiering approach matching the HPC data for the Plus and Community Choice products. Initially, this will only be implemented for specialists so there will be some mismatch with the facilities as the facilities will remain tiered as they are this year. The goal is to tier the specialists in a manner forward compatible with where the facilities will be in the future.

A question was raised as to whether these tiers are common in the market place or unique to GIC. Dr. Levin-Scherz indicated that the commercial market is moving in this direction although there is not yet a uniform approach. Designee Veno referenced state law that promoted tiering and is driving the commercial market in this direction.

Dr. Levin-Scherz explained that the proposal had no adverse impact on copay design and was not something the Commission needed to vote on. There was a necessity to move away from what the GIC was doing, because that was individual based. The data sources for individual tiers were becoming old and obsolete so it needed to be changed. The new approach anticipates and seeks to be consistent with where hospitals and PCPs would be in the future. Lastly, he noted, that saying that we are not making any adverse changes does not mean an individual member might not experience a copay change if he/she saw the same specialist this year and next year. Based on the available data, the number of people that will face a positive copay change is about equal as to the people with a negative copay change.

Commissioner Heffernan noted that 20 % of specialists moved each year in the past so this sounds normal. It was noted that the proposed change should lead to less change and less confusion in the future.

Dr. Levin-Scherz then focused on what this proposal looks like for each category of products; Broad, Limited, Regional and National. He noted that for FY20, all the Broad networks would continue to have three tiers of specialist with no copay changes. The limited network and regional products will have two specialist tiers instead of three and the highest in-network copay will be $60. In the event a product has an out of network benefit, it will be treated as tier 3. Similarly, the national product will go from three to two tiers in Massachusetts.

Commissioner Edmonds asked a question in regards to the relationship between cost and quality. Dr. Levin-Scherz responded that over all there is little data that support a positive correlation between cost and quality. That's not to say that there aren't certain procedures you would rather have in one

place than another. Product design is not that granular a tool. He noted there are other possible approaches, for example you could focus on service lines not on hospitals, then maybe not service lines, but individual procedures like orthopedics, hip or knee.
Commissioner Edmonds noted her concern is that some places where people go for services are not performing the way that they should; it's a continuing concern for people trying to reduce cost. How do Commissioners make sure people are not getting substandard care?

The Executive Director stated that CMS is doing hospital performance metrics, but they are not as good as they should be, however they are well attended too. In general, there are no patterns, no correlation between cost and quality which is why we are looking at centers of excellence programs. The GIC will be figuring out what those procedures are, who does them the best and then trying to leverage its size to get the best deal irrespective of product.

[Commissioner Drake arrived at 9:22 a.m.]

The Executive Director reminded the Commissioners that the one benefit they will have to vote on in February is about a co-pay differential or site of service differential. Staff has recommended a copay differential for certain ambulatory care procedures this year. The GIC is considering radiology for next year and allowing a little more time and notice to think about it.

Dr. Levin-Scherz stated that the biggest problem in health care is that the cost per unit is high. One way to address this, is to move procedures out of the hospital to an ambulatory surgery center. The cost is almost twice as high at the hospital as in an ambulatory surgery center. He presented data that indicated GIC members use of ambulatory service centers was, at best, no more than 25% for the applicable procedures, so there is room for improvement. In the current model, the cost share is $250 when people have outpatient surgery regardless of site, with an exception for UniCare, which has no copay for ambulatory surgery centers. The proposal for a vote lowers the cost share at an ambulatory care rather than a hospital to $150. He contrasted this approach with one that paid incentives if you chose an ambulatory surgery center. The copay differential is automatic and members to not have to do anything other than go to a center to save money. The only way this works is if the cost share encourages people to get the surgery at the ambulatory care center.

Dr. Levin-Scherz explained that for next year, the GIC was only proposing that that this will apply to eye surgery and GI procedures. These are the most common procedures at ambulatory surgery centers and there is more adequate access across the state for them. Nonetheless, members can still go to the hospital if they have access issues or prefer it and pay $250, as they always have.

Commissioner Sinaiko noted one difference between ambulatory surgical centers and outpatient centers affiliated with a hospital is hospital affiliated outpatient centers charge an additional fee. She asked how much of the cost differential is simply because they are charging an additional fee rather than doing anything more for the patient? Dr. Levin-Scherz responded that if you go to a free standing facility you are probably getting the same care and the additional fee is most of the difference.

The Executive Director noted that there are physicians that do the same procedure across the board at both facilities. This is similar as to how the flu shot has evolved. Not that long ago, we had to make an appointment and get a flu shot from a doctor. Today, you can get it done by a doctor, pharmacist or nurse, at a flu clinic, work site or a local pharmacy. The health care delivery system is trying to figure out more and more how the exact same service can be delivered outside the hospital. The data isn't in yet because the volume isn't high enough, but a lot of folks expect, that because these centers are focusing on a finite number of procedures that they are set up to do one after another, that it should lead to better outcomes and not being in a hospital should decrease infections.

Dr. Levin-Scherz briefly discussed high tech imaging. Based on the data, a minority of outpatient MRI's and freestanding CT scans are done at free standing facilities rather than hospitals. The GIC would like to change that in time, but has decided this was not the right time to introduce it.

The Chair thanked the Executive Director and her staff for their forward thinking and work. She believed the staff had been very thoughtful in trying to balance the needs of the state and the membership. The Chair expressed that it was clear that staff had listened to the members on last years' 11 long listening tours. She hoped this year there would be a chance for dialogue at the listening sessions and our members would see know how much we are thinking about them.

The Executive Director thanked the plans and WTW for the work they had done over the last few months to help the staff shape its proposal

Commissioner Heffernan expressed his appreciation for both the state and members for the work that the staff had done this year and last year, and the projected modest increase this year to help keep the members in the forefront.

IV. Flexible Spending Account (FSA) Procurement

The Associate General Counsel, began her presentation of the FSA procurement results by reminding Commissioners that that the flexible spending account procurement does not end until the contract is completed and signed. The Chair expressed that was a good reminder.

The Associate General Counsel provided an overview of FSA accounts. She explained that an FSA account is an IRS governed plan that allows members to set aside pretax dollars for specific expenses and that the GIC offers two such accounts: dependent care assistance program (DCAP) and health care spending account (HCSA) She reminded commissioners that this is an employee pay all program, meaning that eligible participants may contribute to one or both and they also pay the administrative fee. The state does not contribute to the account.

She stated that the current contract ends on June 30 2019, which necessitated a procurement for FSA administrative services. WTW was hired as a procurement consultant and partnered with the GIC to help manage the procurement. The GIC selected a diverse procurement team which included: Attorney Mercier, Karin Eddy, Paul Murphy, Jim Rust, and Linnea Walsh. The cross functional team

represented many GIC departments, including legal, communications and external affairs, operations, fiscal, administrative services, and human resources.

[Commissioner McAnneny arrived at 10:08 a.m.]

The Associate General Counsel explained the team used multiple and diverse stakeholder feedback channels, such as UMass and MWRA, GIC coordinators, and the Comptroller's office, feedback from Commissioners at previous meetings, current and past feedback from participants and GIC staff who had managed the program or who had dealt with member calls regarding the program.

Using the stakeholder feedback, the team and the consultant developed 5 strategic priorities or opportunity for improvements:

1. Enhanced member experience;

2. Improve communications/member education;

3. Increase member participation;

4. Sophisticated website and tools; and

5. A vendor that can meet GIC's current needs and any future capabilities?

The Associate General Counsel underscored that, as the GIC is in the process of redesigning and improving its operations, the vendor needed to be able to adapt and grow as the GIC's operational capabilities change.

The Associate General Counsel stated that there were five bidders: Benefit Strategies; Navia; Nova, Inc.; Wage Works; and ASI Flex, Inc. (the GIC's current administrator.) She stated that, across the board, strong bids were submitted, and that all bidders except Nova, Inc. advanced to the finalist stage. She then stated that the procurement team recommended Benefit Strategies as the apparent successful bidder.

The Associate General Counsel mentioned that Benefit Strategies was the FSA administrator partner prior to ASI Flex. She then provided an overview of why the procurement team was recommending Benefit Strategies. They are familiar with the GIC and their technological capabilities allow them to grow with the GIC. Benefit Strategies' online tools, including the website and mobile application, were best in class. The Associate General Counsel stated that Benefit Strategies currently administers a parking and transit benefits offered to Commonwealth employees through the Comptroller's office, which could allow a common portal and card for all pre-tax benefits that members are enrolled in, further enhancing the member experience.

Commissioner Kaplan expressed concern that when the GIC previously had Benefit Strategies, they were not following IRS substantiation guidelines, although our members found that easier since less was expected from them. She stated that she hoped Benefit Strategies had cleaned up their operations and asked what assurance the Commission was provided on this matter.

The Associate General Counsel explained that Benefit Strategies had demonstrated improved compliance through their bid and interview. The consulting team included a compliance counsel who assisted the team in drafting the RFR and reviewing the responses to assure that bidders had proper compliance systems and procedures in place to meet IRS rules. The team was impressed with Benefit Strategies improvements, overall, as it was clear that they had taken a hard look at why they lost the business and done the work to make necessary improvements. The Associate General Counsel also stated that she specifically drafted contract provisions that were agreed to in the Best and Final Offer stage and will be incorporated into the contracts; this language addresses auditing and provides the GIC with the ability to investigate if things seem amiss.

The Associate General Counsel continued discussing the reasons for recommending Benefit Strategies. She noted that Benefit Strategies offered the most financially competitive bid, relative to their peers. She stated that the administrative fee has been declining over the previous procurement cycles: two contracts prior the fee was $3.60, currently the fee is $2.50, and Benefits Strategies is offering $2.00 per member per month as a fee. This will save over $107,000.00 per year, over the current fee.

A question was asked to clarify that it is a savings of $0.50 a month per member over the current fee. The Associate General Counsel confirmed that was correct.

The Associate General Counsel further stated that Benefit Strategies had strong marketing and communications materials, and that the procurement team was very impressed by Benefit Strategies' interview. She stated that one very unique offering was through their mobile app, there is a scanning capability that a member can use to determine if a purchase would be FSA eligible. This is often helpful for members trying to spend down remaining money at the end of a plan year.

The Associate General Counsel then stated that Karin Eddy, Director of Administrative Services, would lead the remaining discussion of scoring before the Commissioners would be asked for a vote.

The Director of Administrative Services greeted the Commissioners then started her presentation. She underscored that Benefit Strategies' interview really stood out. She said the interview made it clear Benefit Strategies had looked back at their prior experience with the GIC and had done their homework, presenting a very tailored offering of how they intended to serve the GIC and its members through FSA, demonstrating meeting current needs and how they can partner with the GIC on where it may want to go.

A number of Commissioners pressed for more information on scoring noting they had been given more details in the past. They noted that the information provided lacked details and did not allow the Commissioners to see where the bidders' relative strengths and weaknesses were and that the final scores all came in under 80% and that probably meant that there was opportunity for growth somewhere in the bid; however, since no details were provided, the Commissioners were unable to appreciate each bidder's strengths and weaknesses. Additionally, they wanted to know if there were particular categories where bidders fell down as a group or if there were other themes in the bids and scores and would have liked to see scoring in each category and how the bidders scored relative to each other in each category.

The Director of Administrative Services stated that final scores would become public after the contract is signed and approved.

She explained that the team examined many components and that there were themes; one example was that bidders had all made a commitment to Supplier Diversity spending program, which demonstrates a growth in the awareness and importance of the program.

The Director of Administrative Services also added that the GIC would follow up with the Commissioners with additional, detailed information on scoring. She also noted that many bidders ask for debriefs after contracting ends to learn more about their own strengths and weaknesses.

The Chair stated that she was surprised ASI didn't score higher.

Commissioner Kaplan inquired what maximum amount contribution amount would be for the coming plan year for the health care savings account.

The Director of Administrative Services explained that currently, the plan has a maximum of $2650 for the health care savings account, based on the IRS limit set in the fall of 2017. She explained that the IRS generally raises the plan maximum in the late fall and had raised it in November of 2018 to $2700.00. She stated that the GIC FSA plan can and generally does increase the limit at the start of the new plan year (July 1).

The Director of Administrative Services advised that, if approved by the Commission to proceed, the GIC would meet with the apparent successful bidder next week. She noted there was a lot of implementation work between now and open enrollment in April: the GIC and Benefit Strategies will work together on programming and member communications, notify members, coordinators, and other stakeholders about the vendor change, negotiate a contract, coordinate workflow between the current and incoming vendor, etc. She reminded Commissioners that the run out grace period is July 1st through September 15th and that would be another huge communications lift to let members know where claims should be sent. She then asked for the Commission to approve the recommendation of the apparent successful bidder, Benefit Strategies.

The Chair asked for a motion to vote. Commissioner Heffernan moved to approve the recommendation. Commissioner Bradley seconded. The motion passed, unanimously.

The Director of Administrative Services introduced Tom Smith, President of Benefit Strategies. Mr. Smith expressed gratitude to the audience and thanked everyone for all of their time, stating that he and his company were thrilled to move forward to the contracting phase of procurement. He stated that he and his team would do all they can to satisfy the GIC and its members, to remove any reservations about how things went in the past, and to make sure they deliver the best in service.

V. Contract Amendments:

a. Accenture
b. Davis Vision

The General Counsel introduced two contract amendments for approval. First was an amendment to extend the Davis Vision contract for the two available optional renewals. The amendment would lock in the current administrative fees and discounts for the remainder of the contract.

The General Counsel reminded the Commissioners that the vision contract needed to be approved as it is part of the rate for the Dental /Vision program they will have to approve in late February. While the two programs are through different vendors and under different contracts, they are offered as a single program by legislative mandate.

The Chair asked when the contract would expire if amended? The General Counsel responded that it will expire in FY21 so the GIC will need to procure next year.

Commissioner Sinaiko moved to authorize the Executive Director to sign the amendment. Commissioner Kaplan seconded the motion which passed unanimously.

The General Counsel next presented an Amendment to the Accenture statement of work.-He explained that Accenture had put in a lot of time and work with staff moving forward with the strategic review, and business process assessment and redesign and analytic assessment. In order to actualize their recommendations the GIC needed further support, to move from recommendation to actual improvement on each of the work streams. The amendment is broken out across the work streams and designed to flex as things move forward. The Business Process Redesign has a maximum value of $360,000 and includes things such as acquiring and implementing a new imaging process, modernizing the call center and developing staff and management processes and training.

The Analytics work stream includes the development of Executive Dashboards, Financial reporting, health care reporting and supports implementation of data visualization tools to pull data from the warehouse and Magic for staff and the commission. This component has a maximum value of $165,000.

The Strategic Planning work stream has a maximum value of $132,000 and looks at strategic investment opportunities and additional modernization approaches. The total amount across all work streams is $657,000 max and is the most we will pay.

This work will run through June of this year.

Commissioner Bobbi Kaplan inquired when the commission could expect a report of the results.

The Executive Director stated they would be ready in February if we weren't tied up with other business, however, at the latest, they should be ready in March to discuss some of the things we are already acting on. Open enrollment is around the corner, and we hope to be able to put in place some of the easier recommendations. The March-October period is our window to talk about more strategic items and where we are going as an agency.

The General Counsel noted, in response to a question by Commissioner McAnneny, that while the work covered in the amendment was still in the scope of the original SOW, if further work was needed the GIC would go back out to bid under the state wide contract.

Commissioner Heffernan moved to authorize the Executive Director to sign the amendment seconded by Commissioner Choate. The motion passed unanimously.

The Executive Director noted that she had forgotten to provide an update on the annual report. The Chief of Staff reminded the commission that this year the report will be primary digital and it will take an outside-in view. Staff has been asking for quotes and have already received excellent quotes from the health plan CEO's. She believed the report will be ready by mid-March. She asked the Commissioners to share any ideas that they had for socializing the report. She noted they planned to utilize social media.

The Executive Director provided a brief legislative update. She noted that there are 30 new legislators. The Assistant Director of Legislative Affairs has already begun working with some and has set a very ambitious personal goal to meet every new legislator before the end of the month. We are waiting for the Chairs to be named and we will be watching and seeking to establish relationships.

The Executive Director reminded the commission that a couple of years ago we had filed legislation to try to establish a GIC rate cap at 160% of Medicare and an expansion of the GIC balance billing protection. It didn't go anywhere at the time; However, we learned this week, that the Governor's budget includes the expanded balance billing protection for GIC members, something we also filed for 2 years ago. The budget will be filed on January 23.

Commissioner Kaplan inquired as to when we might have an out of pocket report. The Executive Director responded that the report ties together data for multiple sources. She has asked the CFO to focus on updating what he calls the regular finance reports and hopes they are to be able to do an out of pocket report before the end of the fiscal year. It's on staff's radar and she thanked Commissioner Kaplan for bringing that up.

VI. **Functional Reviews:** Budget & Financial

The Chief Financial Officer provided a budget update. He indicated that we now have 6 months of claims on the books for FY19. Beacon is the exception as its claims are in runout. Most of the claims payments are in or around the monthly averages. He next provided the state share of expenses for all accounts noting that it was very similar to last year. To date the monthly claims expenses have been roughly the same with an uptick in December, which is consistent with normal seasonal variations.

Commissioner Kaplan requested the CFO to provide the employee share of the FY18 surplus. The CFO responded that he will provide the requested information.

The CFO then depicted actual vs budget spending graphically. He noted that looking at spending for just the first 6 months of the fiscal year there is a spike of 15 million in the budget amount in October.

He explained the budget is forecast based on historic spending patterns that take seasonality into account so it is important to see where we are and look forward to where we expect to be. This was depicted graphically. Taking the seasonality into account, the GIC was running 17 million favorable to budget and projecting that forward, it is he expects spending to be favorable on budget or right on budget.

Commissioner McAnneny complimented the CFO on how on track the GIC was with the budget.

The Executive Director, referring back to Commissioner Kapan's question about the surplus, advised it is important to remember that the employee share of any surplus remains in an account for state employees ("Employee Premium Account") and can be used only for the benefit of the employees.

VII. Closing: Out & About, Misc. Updates, Wrap-Up & Discussion & Other Business

a. Governance

-The Executive Director handed the table over to The Chair.

The Chair reviewed the makeup of the Governance subcommittee. The committee consists of Commissioners Kaplan, Davis, Tim Sullivan and herself, and will be joined by Commissioner McAnneny and ANF designee Denniston. Commissioner Davis is the subcommittee Chair. Their next meeting was scheduled for after the February 7 meeting.

She informed the Commission that at the first subcommittee meeting; they compared the bylaws from other agencies and reviewed the GIC's historic regulations. They discussed what had changed since the 80's and what made sense to put into new bylaws and what might go into a GIC procedure document. Some of the items discussed included what were the objectives of the subcommittee; procedures for electing and removing a chair and vice chair, the selection and removal of an Executive Director, and remote participation.

b. Other Business

The Chair then opened the floor to any other business. Commissioner Kaplan inquired if the GIC will be able to email or send slides that are used at the listening sessions to members who will be unable to attend, so they can be informed as to what was said? She noted that with open enrollment coming, these members will otherwise be uninformed?

The Chief of Staff advised that staff given a lot of thought to communication with members. She noted the listening session slides are expected to be very brief, but staff was currently crafting communications that will announce to members what the GIC has proposed, including the discussion that happened at this meeting. The GIC would also be reaching out with this information to various stakeholders as well as GIC coordinators to leverage all communication channels.

Commissioner Sullivan inquired about an email for public comment. He stated he thought it was on the flyer; however he did not see it posted. The only email he saw was an email for ADA. He expressed that he also had a concern that there was an incorrect address for the Springfield location. He asked how that would be handled.

The Director of Legislative Affairs stated there was an updated flyer that went out with an email address near Christmas Eve, December 24, 2019. It contained the correct address and location for parking in the Springfield and Worcester locations and that was given to members in January.

Commissioner Sullivan advised he was still looking for the email address for public comment.

The Director of Legislative Affairs informed him that the GIC did send it, provided it orally to the Commissioner, and indicated that he would double check the communications that had been sent to make sure it was provided. He also indicated that another email would be sent out later that day and he would make sure it was in it.

Commissioner Sullivan then inquired if the Commissioners would be informed of what transpired at the listening sessions. The Executive Director advised that staff intended to report back at the next meeting.

Commissioner Timothy Sullivan stated they had received numerous emails from members and union representatives in regards to complaints over the lack of listening sessions in the South East, North East and the Berkshires.

Commissioner Kaplan advised she received a letter requesting information requested from the GIC, that she understood should be delivered to the commissioners. She stated she did not know who had received it other than herself and Commissioner Sullivan. She stated that 7 different union representatives had requested information regarding the budget, the employee trust fund and the state share.

The Chief of Staff noted that the letters had been delivered that morning (Thursday, January 17, 2019) and would be distributed after the meeting. She confirmed that there had been a number of requests in the letter in regards to surplus and other financial information. The Executive Director added as soon as the GIC had received the letters, outreach was made to the Unions along with an acknowledgement of the letters.

The Chair then requested a motion to adjourn which was made by Commissioner Heffernan and seconded by Commissioner Kaplan. The motion passed unanimously, The Chair informed the board she would see every one next month and the meeting adjourned at 11:36am.

Respectfully submitted,

Roberta Herman

Roberta Herman, M. D.,
Executive Director

APPENDIX A

Materials Distributed at the January 17, 2019 Commission Meeting

1. January 17, 2019 Meeting Minutes
2. Commission Meeting Package- January 17, 2019