

GROUP INSURANCE COMMISSION MEETING
Thursday, March 4, 2021
8:30 A.M. – 10:30 A.M.

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

MINUTES OF THE MEETING

NUMBER: Six Hundred Fifty-nine
DATE: March 4, 2021
TIME: 8:30 a.m.
PLACE: The Meeting was held virtually

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
ELIZABETH CHABOT (NAGE)
ADAM CHAPDELAINE (Massachusetts Municipal Association)
EDWARD T. CHOATE (Public Member)
CHRISTINE HAYES CLINARD, ESQ. (Public Member)
TAMARA P. DAVIS (Public Member)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
JANE EDMONDS (Retiree)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
PATRICIA JENNINGS (Public Member)
EILEEN P. MCANNENY (Public Member)
MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)
ANNA SINAICO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Members Absent: None

Call to Order

The Chair called the Meeting to order at 8:30 a.m. The Chair explained that the Meeting was being held via audio and video conferencing, described the video capabilities being used, and noted that the meeting was being made public via simultaneous broadcast through YouTube. The Chair recognized all commissioners and designees present. Due to technical difficulties Commissioner Chabot was not able to participate until 8:44 a.m.

I. Approval of Minutes

The first item on the agenda was approval of the minutes from the February 11, 2021 meeting. The Chair asked for a motion to approve the February 11, 2021 meeting minutes, as presented. Commissioner Edmonds made the motion, seconded by Commissioner Clinard. The vote was taken by roll call and passed unanimously.

II. Executive Director's Report

- Calendar

The Executive Director reviewed the FY2021 Calendar and noted only two substantive items were on the Meeting agenda to allow sufficient time to discuss fiscal year 2022 plan rates. He explained that there may be a pause in the meeting at 9:30 a.m. to allow Sree Chaguturu, M.D., Chief Medical Officer at CVS Caremark to provide a presentation on COVID-19 vaccine hesitancy. The Executive Director reviewed the calendar and noted planned future presentations on engagement and cost drivers.

- Communications/Legislation/Municipalities

The Executive Director discussed GIC's communication efforts regarding annual enrollment and with the MASS4YOU employee assistance program. He reviewed legislative activity and noted new leadership in legislative committees likely to impact healthcare and the GIC.

- Human Resources

The Executive Director discussed the GIC's relocation to One Ashburton and the implementation of a work force that largely telecommutes with a minimal in-person office presence. In response to questions from Commissioner Choate, the Executive Director provided information on the implementation of continued telecommuting, how employees

were being provided with the technology to perform their jobs remotely, and how the new office space can accommodate employees who periodically need to be physically present.

- COVID-19

The Executive Director referenced the COVID-19 claims data presented at the prior meeting and briefly noted that while no new claims data was available for this Meeting, the GIC provided the Commissioners with a summary of carrier administration of COVID-19 vaccines to members. He discussed the expectation that there will be a significant delay in vaccination claims reporting, especially concerning the mass vaccination sites, and that the numbers, therefore, likely significantly undercount actual administered vaccines.

- Annual Enrollment Plans

The Executive Director noted that the staff of the GIC is diligently working to ensure that annual enrollment is a success and recognized the efforts of several members of the staff.

III. Benefit Procurement & Vendor Management

- Dental & Vision Rates

Cameron McBean, Manager of Health and Ancillary Benefits, referenced the December 17, 2020 meeting where the Commissioners approved MetLife and Davis Vision as the apparent successful bidders for dental and vision benefits, respectively. He noted that the contract process was complete and that both contracts were available for the Commissioners to review. Mr. McBean discussed the eligibility requirements for the GIC's dental and vision programs. He stated that the GIC obtained increased benefits and lower costs for members and he provided the amount of reductions in monthly premiums by member group. In response to a question from the Vice Chair about whether confidential employees are covered by dental and vision benefits, General Counsel noted that such employees are included in dental and vision coverage. In response to a question from Commissioner Guirand, Mr. McBean discussed the differences in dental providers based on employees who obtain dental coverage with the GIC and those employees who obtain dental coverage through a collective bargaining unit.

IV. Premium Reserve Allocation for Elderly Governmental Retirees and Survivor's (ERGs) Subsidies

The Chief Financial Officer discussed insurance reserve accounts associated with the former fully insured basic and Medicare indemnity plans for elderly governmental employees ("EGRs"). He explained that these reserve accounts were created by statute and that the GIC is asking the Commissioners to authorize the use of these funds to reduce the basic and Medicare rates for EGRs. In response to questions from the Chair, the Chief Financial Officer discussed how this annual approval item has been in place for years and that there are currently ten retirees in the EGR category.

The Chair asked for a motion to approve the recommended spending from the Elderly Government Retirees premium and CIC reserves to reduce the fiscal year 2022 premiums, as presented. Commissioner Sullivan made the motion, seconded by Commissioner Clinard. The vote was taken by roll call and passed unanimously.

V. FY22 Health Plan Rates

Vincent Kane, Senior Director at Willis Towers Watson ("WTW"), provided a brief overview of the Fiscal Year 2022 Full Cost Premium Presentation. He stated that the development of full cost premiums is performed annually by the actuarial team at WTW, the employees at the GIC, and a multitude of employees at the health and pharmacy plans. Mr. Kane stated that the goal is to forecast each plan's membership and the total cost of member claims in the upcoming year. Mr. Kane noted that there were no changes to carriers or Medicare plans and described the behavioral telehealth benefit enhancement to non-Medicare plans.

Mr. Kane reviewed an in-depth timeline of the plan design and plan rate change process. He discussed the process of identifying trends and the impact these trends may have on plans. Mr. Kane noted the impact the pandemic had on the process. He discussed full cost premiums and how those premiums are split between employer and employee. Mr. Kane described how virtually all GIC offerings are self-insured and provided a definition and examples of self-insured plans. He stated that self-insuring helps keep premiums low. Mr. Kane noted that the medical portion Tufts Medicare Advantage plan is fully-insured.

Mr. Kane stated that the largest driver of costs has been unit costs followed by pharmacy costs. He described the impact of these costs in relation to utilization and the impact COVID-19 has had on utilization. Mr. Kane further stated that the proposed fiscal year 2022 rates are not inconsistent with, and are actually lower than, rates that have been approved by the

Commonwealth's Division of Insurance for the commercial insurance market. He then reviewed trends in GIC member claims.

Mr. Kane reviewed proposed rate increases by plan and noted that 67% of members are expected to experience a rate change of 5% or less while 3% of members may experience the highest rate increase of 11.6% or 12.1%. He stated that the average fiscal year 2022 premium increase is 5.2% which is in line with the fiscal year 2020 increase of 5.1% and noted that the fiscal year 2022 increase was at the lower end of the previous reported expected range of 5% to 7%. In response to a question from Commissioner Sinaiko, Mr. Kane stated that the 5.2% is a weighted average increase and discussed the metrics involved in obtaining the 5.2% number. Mr. Kane noted that WTW expected a 5.1% increase prior to implementing the waiver for behavioral telehealth visits which presented an immaterial increase in plan costs.

Mr. Kane reviewed full cost premiums for all non-Medicare plans for fiscal years 2021 and 2022. He noted the specific increases by plan. In response to a question from the Vice Chair about the 12.1% increase in the AllWays Health Partners Complete HMO ("AllWays"), Mr. Kane described how the increase in claim costs for GIC members in the plan drives the increase in premium and how double digit increases are not inconsistent with AllWays' commercial insurance market plan increases. The Executive Director explained that AllWays historically insured Medicaid recipients through provider contracts based on Medicaid rates and that, as AllWays transitioned their provider network to insure non-Medicaid recipients, claims costs increased. He stated that this resulted in increased rates and noted that, the increase notwithstanding, AllWays premiums put them in the middle of the pack with other GIC carriers. A robust discussion ensued during which Commissioners asked questions and discussed the justification for premium increases including market volatility, pooled risk, and high-cost facilities. At its conclusion, the Executive Director stated that he would share the Commissioners' concerns with the representatives from AllWays as well as incorporate comments into the annual plan design review.

Mr. Kane reviewed individual and family non-Medicare premiums by carrier for fiscal years 2021 and 2022 and noted how the GIC's open enrollment period allows members to compare plans and select a plan of comparable value at a lower premium. He then reviewed non-Medicare member premiums by percentage of cost sharing for fiscal year 2022.

Mr. Kane reviewed full cost premiums by carrier for Medicare plans for fiscal years 2021 and 2022 and explained that the increases across Medicare plans are in the 2.1% to 2.3% range. He stated that the Medicare options are similar and that the proposed increases are generally equivalent across all Medicare plans. The Executive Director noted that the individual and

average increases for Medicare plans are very similar and described how the federal government sets provider rates whereas the non-Medicare plans are subject to the market forces that result in higher provider and pharmaceutical unit prices. Mr. Kane then reviewed Medicare member premiums by percentage of cost sharing for fiscal year 2022.

The Executive Director discussed the fact that, earlier in the plan design and plan rate setting process, the projected average aggregate annual increase was 5.8%. He explained how the GIC worked with the carriers and pharmacy benefit managers to review the most current information that brings that rate down to 5.2%. The Executive Director noted that these annual increases are not sustainable, though they compare favorably to commercial market increases which can be two to three times higher. The Executive Director emphasized the importance of encouraging members to review their choices during annual enrollment, as less expensive plans may be available that also meet their needs. He noted that the recently described potential plan design changes, which were not recommended by GIC staff nor pursued by the Commission, would have produced little in terms of premium savings and would have resulted in increased out-of-pocket costs for members. The Executive Director further noted that the upcoming procurement process, by contrast, provides the better opportunity to deliver meaningful premium savings.

The Vice Chair stated that there have been no salary increases for active membership in the prior two years and emphasized how premium increases can have a detrimental impact on members and their households. She stated that such annual increases are inconsistent with any other inflationary metric.

The Chair asked for a motion to approve the recommended Fiscal Year 2022 full cost premiums, as presented. Commissioner Davis made the motion, seconded by Commissioner Clinard. The vote was taken by roll call and passed 15-2-0, with the Vice Chair and Commissioner Sullivan voting in the negative.

VI. Municipal Administration Fee

The Chief Financial Officer explained that the municipal administration fee was designed to cover the costs of the GIC administering municipal plans. He stated that the GIC was authorized to charge up to 1.0% of full cost premiums and that the GIC was recommending no change to the current 0.35% rate. In response to questions from Commissioners, the Chief Financial Officer and Executive Director discussed municipal satisfaction on the administrative fee and administrative services. Commissioners Chapdelaine and Murphy-

Rodrigues discussed their support for the proposed municipal administrative fee and noted the GIC's consistent service during a difficult budget year.

In response to a question from Commissioner Davis, the Executive Director discussed municipal engagement and outreach, described the creation of an engagement team lead by the Deputy Executive Director, and stated that increased activity in municipal engagement will commence in the next several months.

The Chair asked for a motion to authorize the GIC to maintain the municipal administrative fee at 0.35% of the full cost of premiums for fiscal year 2022. The motion was so moved by Commissioner Chapdelaine, seconded by Commissioner Murphy-Rodrigues, and unanimously approved.

VII. Vaccine Hesitancy Presentation

Dr. Chaguturu, provided an overview of his presentation, types of vaccines, applicability to the population of Massachusetts, and variant strains of COVID-19. He noted that information in both the oral and written report was kept limited to accommodate the allotted time and that he was happy to answer questions, including those that go beyond the scope of the presentation.

Dr. Chaguturu discussed COVID-19 vaccine clinical trials, vaccine efficacy, and the recent approval and distribution of the Johnson & Johnson vaccine. He explained how the broad clinical trials undertaken by Johnson & Johnson produces a more reliable outcome. Dr. Chaguturu described how the Johnson & Johnson vaccine's 66% efficacy rate could be more robust than vaccines with higher efficacy rate but limited clinical trials. He stated that while it is difficult to compare vaccines, the efficacy of all three vaccines is very impressive as is the 99% efficacy rate against hospitalizations and deaths.

Dr. Chaguturu discussed vaccine distribution through CVS. He described how CVS had an ongoing partnership with federal and state governments as well as partnering with other pharmacy companies to collect and provide data to the U.S. Centers for Disease Control and Prevention. He then discussed the depth and breadth of managing such a program.

Dr. Chaguturu described the CVS vaccine hesitancy survey methodology, noting that the data was weighted to approximate a target sample of adults based on age, educational attainment, gender, race and region. He reviewed survey responses by gender, race and ethnicity, and stated that the survey showed significantly higher vaccine hesitancy among

minority respondents, with Black survey respondents in particular having the highest rates of vaccine hesitancy. He also reviewed survey responses by U.S. geographical regions, type of living area and political affiliation. He noted that the highest hesitancy rates among these categories was in the Midwest and Southern U.S., among rural areas, and with those who identify politically as Republican. He stated that safety and efficacy were the two top concerns of vaccine-hesitant respondents.

Dr. Chaguturu discussed how people who want to wait and see how others are impacted by the vaccine as well as people who are uncertain about obtaining the vaccine can and should be persuaded to obtain the vaccine. He further discussed how this movable middle category should be a focal point for ensuring an effective mass vaccination of the nation's population. Dr. Chaguturu then reviewed perceptions and concerns of those with vaccine hesitancy, general awareness of accurate vaccine information, and noted that vaccine awareness is far lower among the Black and Hispanic population.

The Executive Director provided information on GIC data concerning member vaccinations, described the GIC's efforts to educate members, and thanked the GIC's carriers and pharmacy benefit managers for their assistance in communicating vaccination information to the GIC's members. He then asked the Commissioners if they had any questions for Dr. Chaguturu. A lengthy discussion ensued where Dr. Chaguturu answered questions concerning, among others, vaccine hesitancy data, the root causes of hesitancy among minority populations, and efforts to encourage underserved and minority communities with vaccinations.

VIII. Other Business/Adjournment

The Chair asked if there was any additional business before the Commissioners. Commissioner Choate stated that every time he votes for a premium rate increase he feels powerless to affect a decrease. He stated the importance of member input, specifically what members want and how their preferences could potentially affect a decrease in premiums. Commissioner Choate asked for the status of the conjoint survey and noted how important it was to obtain member sentiment in order for the Commissioners to effectively represent members. The Executive Director stated that an update on the conjoint survey would be provided at the April meeting and discussed how the conjoint survey is a two-way communication in that it solicits member feedback and also educates members about the GIC's challenges and limitations.

The Vice Chair congratulated the Executive Director and the GIC on all the informative presentations provided to the Commissioners, including today's presentation on vaccine hesitancy. She expressed her wish to see additional data-based healthcare presentations, especially with regard to healthcare disparities among black and brown communities.

There being no further business or discussion, the Meeting adjourned at 10:33 a.m.

Respectfully submitted,

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

Matthew A. Veno
Executive Director

APPENDIX A

Additional materials distributed at or prior to the March 4, 2021 Commission meeting.

1. Executive Director's Report: March 4, 2021
2. COVID-19 Vaccine – Are You Prepared? Insights from CVS Health
3. Shifting Trends in Vaccine Hesitancy: Greater Divergence in Attitudes, Growing Reticence Among Minorities – White Paper by CVS Health
4. COVID-19 update: vaccinations – CVS Health