GROUP INSURANCE COMMISSION MEETING
Thursday, May 20, 2021
8:30 A.M. – 10:30 A.M.

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

MINUTES OF THE MEETING

NUMBER: Six Hundred sixty-one
DATE: May 20, 2021
TIME: 8:30 a.m.
PLACE: The Meeting was held virtually

Commissioners Present:

VALERIE SULLIVAN (Chair, Public Member)

BOBBI KAPLAN (Vice Chair, NAGE)

MICHAEL HEFFERNAN (Secretary of ANF) Designee Cassandra Roeder

GARY ANDERSON (Commissioner of Insurance) Designee Rebecca Butler

ELIZABETH CHABOT (NAGE)

ADAM CHAPDELAINE (Massachusetts Municipal Association)

EDWARD T. CHOATE (Public Member)

CHRISTINE HAYES CLINARD, ESQ. (Public Member)

TAMARA P. DAVIS (Public Member)

GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)

JOSEPH GENTILE (AFL-CIO, Public Safety Member)

PATRICIA JENNINGS (Public Member)

EILEEN P. MCANNENY (Public Member)

MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)

ANNA SINAIKO, Ph.D. (Health Economist)

TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Commissioners Absent:

JANE EDMONDS (Retiree)

Call to Order

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

I. Approval of Minutes

The first item on the agenda was approval of the minutes from the April 15, 2021 meeting. The Chair asked for a motion to approve the meeting minutes, as presented. The Vice Chair made the motion, seconded by Commissioner Clinard. The vote was taken by roll call and passed unanimously.

II. Executive Director's Report

The Executive Director reviewed the FY2021 Calendar and discussed meeting topics. He asked the Commissioners if they had any questions on the report. The Executive Director stated that the Meeting agenda was largely dedicated to educational presentations for the Commissioners.

- Annual Enrollment Plans

Paul Murphy, Director of Operations, stated that annual enrollment started on April 7 and ended on May 5, and that the GIC was in the middle of processing all the forms from annual enrollment. He further stated that this was the GIC's second virtual annual enrollment and that it had received over 18,000 electronic documents, answered over 13,800 phone calls, and responded to over 1,500 inquiries submitted on the GIC's website. The Director of Operations noted that annual enrollment data entry should be complete by June. He explained that, while the data is not complete, he did see a trend where members were leaving limited network plans in favor of broad network plans. The Director of Operations stated that he would provide a more comprehensive report at the June Commission meeting. The Executive Director thanked the Director of Operations and noted his length of service and expertise. The Chair thanked the Director of Operations and the GIC for providing consistent, quality services to members.

III. Behavioral Health Strategy

- Introduction

The Executive Director revisited the GIC's Challenges to Behavioral Health presentation materials and stated that much of the information relies on extensive work done by the Executive Office of Health and Human Services ("EOHHS"). He reviewed the past steps that the GIC took to meet member needs for behavioral health services, including promoting greater integration of behavioral health services with medical care, launching an employee assistance program, ensuring compliance with mental health parity laws, and directing carriers to increase reimbursement for behavioral health services. The Executive Director reviewed the GIC's 2019 analysis of carrier reimbursement rates for behavioral health services. He discussed the benefits of the GIC's actions which include carriers expanding their behavioral health networks. The Executive Director then discussed how the GIC will continue working with the EOHHS to reform the behavioral health delivery system to better serve members.

- Executive Office of Health and Human Services: Roadmap for Behavioral Health Reform

Lauren Peters, EOHHS Undersecretary of Health Policy, discussed the Baker-Polito Administration's Roadmap for Behavioral Health Reform ("Roadmap") presentation, which was provided to the Commissioners in advance of the Meeting. She described how the Roadmap was a program for multi-year reform though multi-agency collaboration designed to assist all people in the Commonwealth with access to behavioral health treatment, regardless of how they are insured. Ms. Peters described the benefits of inter-agency cooperation and stated that she looks forward to the GIC's continued involvement in behavioral health reform.

Brooke Doyle, Commissioner of the Department of Mental Health, reviewed the historical and structural challenges for individuals to access behavioral health and addiction treatment in the Commonwealth. She provided a list of the major roadblocks which include the following: lack of knowledge that services exist; too few providers accepting insurance; no effective system for immediate/emergency behavioral health care; the inability to obtain mental health and substance use disorder treatment at the same location; and a shortage of culturally competent behavioral healthcare providers. Ms. Doyle then reviewed how the pandemic has exacerbated the need for accessible behavioral health care and how the proliferation of telehealth was a beneficial outcome of the pandemic that will provide greater access to behavioral health.

Ms. Doyle stated that the Roadmap consists of 24-hour, real-time, centralized behavioral health treatment with same-day evaluation services and alternatives to emergency room

visits. She stated that some of the goals would advance health equity, encourage providers to accept insurance, broaden insurance coverage, and implement interventions to strengthen workforce diversity and competency. Ms. Doyle described the Baker-Polito Administration's financial commitments to behavioral health reform and noted that a critical component of this program's success depends on commercial insurers playing an important role. She then described the robust behavioral health treatment systems that would provide early intervention, general integration with physical health care, and a lifetime of support.

The Chair announced that Commissioner Sinaiko joined the Meeting at 9:01 a.m.

Christie Hager, Managing Director, Public & Private Health Solutions at UMass Medical School, provided an overview of proposed behavioral health reforms and stated that structural support for increased access to treatment is paramount. She described how a centralized system providing real-time triage and service navigation would greatly aid those in need of care. Ms. Hager described how increased integration would better serve everyone involved with healthcare delivery. She reviewed proposed alternatives to emergency room visits which included community-based behavioral health delivery. Ms. Hager discussed ideas to reduce behavioral health disparities by focusing on race, language, and physical ability. She then discussed strategies to encourage more behavioral health providers to accept insurance.

In response to questions from the Vice Chair concerning the Roadmap's aggressive timeframe and resource requirements, Ms. Hager reviewed the Roadmap's timeline and explained that this undertaking would take several years to implement, face multiple challenges, and require the support of all stakeholders. She stated that, while this undertaking may be a novel approach to behavioral health reform, with the support of other state agencies, the Legislature, the private sector, and the public, these reforms will come to fruition. Ms. Doyle stated that the pandemic helped put behavioral health at the forefront of national discourse which helped reduce the stigma. She stated that Massachusetts is unique in both its ideology and health care which will benefit the proposed reform. Ms. Doyle explained that it will take a lot of time to implement these changes, that a lot of engagement will be needed, and that the taskforce proposed reforms they believed were both possible and sustainable.

Mses. Doyle and Hager responded to questions from Commissioners concerning the Roadmap, including, but not limited to, the following: integration of behavioral health services; encouraging providers to accept insurance; provider peer coordination; and evaluating and reporting progress.

Commissioner McAnneny left the Meeting at 9:28 a.m.

IV. Dependent Care Assistance Plan Flexible Savings Accounts

The Executive Director reviewed how, in response to the pandemic, the Consolidated Appropriations Act, 2021 (“CCA”) and the American Rescue Plan Act of 2021 (“ARPA”) provided flexibility to employee benefit plans offering health flexible spending arrangements (“FSAs”) and dependent care assistance programs (“DCAPs”) to adjust these programs to help employees better manage the unanticipated consequences of the pandemic. He described the changes the GIC implemented to facilitate greater flexibility for members, including extending grace periods and easing requirements to make mid-year election changes. He then described recent federal guidance on DCAPs related to raising the contribution limit for calendar year 2021, explaining the complexity of raising the limit only for calendar year 2021 given the GIC’s July 1st to June 30th plan-year end. He noted that this fact increases the risk members lose the pre-tax benefit on certain DCAP contributions and face unexpected tax consequences. The Executive Director then stated that, in addition to the members’ taxable income risk, the GIC had to consider plan compliance risks, member confusion, and administrative burdens associated with increasing the DCAP contribution limits through 2021. He stated that the GIC reviewed the risks involved and determined at this time it is not advisable to implement increased DCAP contribution limits through 2021. Commissioner Sullivan stated that the Massachusetts Teachers Association had shown interest in the increased $10,500 contribution level and that he was made aware of very recent or soon to be released guidance on this matter and whether the GIC might change their decision on this matter. The Executive Director stated that the GIC continues to monitor federal legislative and regulatory developments that may present new opportunities to assist members relative to the contribution limits, that a vote of the Commission would not be required to make changes, and that the GIC would report to the Commissioners for the June meeting.

V. Discussion of Cost Drivers

- Prescription Drugs [*Tabled*]
- Provider Prices

The Executive Director referred to recent presentations from Vincent Kane of Willis Towers Watson, in conjunction with plan design and rate setting, which showed that rising unit prices, not utilization of services, is the main cost driver. He stated that today’s presentation is designed to highlight the issues that the GIC must grapple with in order to provide

sustainable and affordable benefits to members, especially in light of the upcoming procurement.

Margaret Anshutz, Manager of Healthcare Analytics, discussed how price and utilization impact the total cost of health care. She reviewed the factors that influence price and utilization and provided examples of provider-driven influences and patient-driven influences. The Chair and Ms. Anshutz discussed the role of enhanced member education efforts. Ms. Anshutz reviewed data showing how rapidly rising provider prices are a national problem. She discussed cumulative changes in spending as compared to utilization and noted that utilization increased 3.1% while provider prices increased 15% during the same time period. Ms. Anshutz stated that ample data shows that provider prices have been rising for decades and that rapidly increasing provider prices is not a new phenomenon.

Ms. Anshutz stated that data shows three important points regarding rising provider prices: a wide variation in prices persists with no correlation to quality; providers with the highest Medicare/Medicaid percentage have the lowest commercial prices; and Massachusetts consumers use high-cost providers more than in other states, and how that trend is growing. The Executive Director stated that these points are no longer subject to debate because they have been consistently demonstrated by years of state data.

Ms. Anshutz reviewed aggregate commercial hospital inpatient payments relative to what such hospitals would have received from Medicare for the same services, noting the wide variation. Ms. Anshutz provided an example of how prices vary for the same procedure across multiple hospitals in the same geographic location while quality of care does not vary substantially. She noted how the highest priced hospital had the same or lower quality scores despite the considerably higher cost. Ms. Anshutz provided data showing that price is not strongly correlated with quality and how no Massachusetts-based healthcare plan has obtained enough market share to demand lower prices from high-leverage provider systems. In response to a question from the Chair concerning metrics behind the Leapfrog safety scores, Ms. Anshutz stated that scores were derived from quantitative data, not from patient experience, and that you would not be able to predict the quality of care if the individual hospitals were listed by price. Ms. Anshutz stated that increasing provider costs result in higher healthcare premiums for members with no corresponding increase in healthcare benefits.

The Executive Director discussed how increasing healthcare provider prices impacts health equity for members. He described how healthcare providers in low-income communities are paid markedly less than those in affluent communities despite the fact that members are

paying the same premium regardless of where they receive care. The Executive Director then reviewed data showing how lower-wage families were disproportionately impacted by increased healthcare insurance premiums.

The Executive Director reviewed the strategies previously employed by the GIC and others in an attempt to control healthcare costs. He then reviewed the key takeaways from this presentation. The Executive Director responded to questions from the Commissioners concerning, but not limited to the following: whether alternative analyses on healthcare provider costs and cost controls exist; tiered provider structures; how one's residence influences their healthcare choices; how members can understand and embrace value propositions; and member premiums tiered by salary. The Chair thanked the Executive Director for his responses and the GIC's continued support of members in light of difficult market dynamics.

VI. CFO Update

- COVID Claims Update

James Rust, Chief Financial Officer, stated that COVID-19 claims continue to be relatively high and discussed the possible reasons for the sustained level of claims. He further stated that paid claims do not provide meaningful insight into the reasons for these claims and that the GIC will perform a retrospective review of COVID-19 claims-related data after the pandemic subsides.

- FY21 Spending to Date

The Chief Financial Officer reviewed the budgeted and actual spending for fiscal year 2021 and noted that actual expenses in April were above budgeted expenses. The Chief Financial officer stated that this resulted in a decrease in the favorable-to-budget position which was around $100M at the beginning of April and roughly $84M at the end of April. He explained that members are beginning to seek care as the threat of the pandemic recedes. The Chief Financial Officer also explained that this increase in claims was expected and will likely continue in May. He discussed how utilization and accompanying claims are trending upward to pre-pandemic levels. He then asked the Commissioners if they had any questions and stated that he is always available should they have any inquiries.

VII. Other Business/Adjournment

- FY22 GIC Commission Meeting Schedule

The Executive Director discussed the proposed FY22 meeting schedule noting the general approach of every 3rd Thursday of month with exception of February and March.

The Chair stated that the GIC should contact Commissioners in advance of a meeting with a heavy agenda and request a thirty-minute extension to allow sufficient time to cover all materials. She then thanked the GIC for inviting members of EOHHS to provide a report on behavioral health reform. The Chair discussed the importance of removing the stigma associated with behavioral health and how expanding behavioral health benefits would have a positive impact on all Commonwealth communities and promote the greater good.

The Chair asked if there was any additional business before the Commissioners. There being no further business or discussion, the Meeting adjourned at 10:30 a.m.

Respectfully submitted,

Matthew A. Veno
Executive Director

APPENDIX A

Additional materials distributed at or prior to the May 20, 2021 Commission meeting.

1. Executive Director's Report: May 20, 2021
2. Roadmap for Behavioral Health Reform: Ensuring the right treatment when and where people need it. A Multi-Year Plan: Summary, February 2021