

GROUP INSURANCE COMMISSION MEETING
Thursday, May 21, 2020
8:30 A.M. – 10:30 A.M.

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

MINUTES OF THE MEETING

NUMBER: Six Hundred Fifty-two
DATE: May 21, 2020
TIME: 8:30 a.m.
PLACE: The Meeting was held telephonically

Members:

VALERIE SULLIVAN (Chair, Public Member)
BOBBI KAPLAN (Vice Chair, NAGE)
MICHAEL HEFFERNAN (Secretary of ANF) Designee Emily Jue-Williams
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 CHAPDELAIN (Town of Arlington--Massachusetts Municipal Association)
EDWARD T. CHOATE (Public Member)
JANE EDMONDS (Retiree)
ANNA SINAIKO, Ph.D. (Health Economist)
MELISSA MURPHY-RODRIGUES (Town of Sudbury--Massachusetts Municipal Association)
ELIZABETH CHABOT (NAGE)
PATRICIA JENNINGS (Public Member)

about the process for being recognized during the remote meeting. The Chair then thanked the Executive Director for providing a thorough overview of his first few weeks at the GIC.

The Vice Chair thanked the Executive Director for his work, stated that she was encouraged by his fresh approach, was excited about the continued development of technology, and believed he was a positive presence for the members she represents. The Executive Director thanked the Vice Chair for her comments and stated that the amazing team at the GIC deserves to share her compliments.

IV. COVID-19 Update [Presentation Slides 9-15 – [YouTube 0:37:43 – 1:21:34](#)]

The Chair stated that the next item on the agenda was the COVID-19 Update.

- Operations [Presentation Slides 10,11 – [YouTube 0:38:00 - 1:08:49](#)]

The Executive Director referenced page 11 of the Meeting materials and discussed the GIC's actions to protect employees while ensuring operational continuity, including: the development of a continuity of operations plan; enabling employees to telework; encouraging member use of online resources; establishing a triage protocol to ensure members received assistance according to their needs in a timely, effective manner; promoting expanded use of myGICLink; and expediting rollout of electronic payment capability for members whose premiums are invoiced directly. He thanked DOR and the Center for Health and Information Analysis (CHIA) for their help in acquiring phones and laptops, discussed how the staff worked to resolve the inevitable problems that arise with such technology, and the need for technology support. The Executive Director stated that the majority of the GIC staff successfully transitioned to telework within a two-week timeframe.

The Executive Director referenced page 12 of the Meeting materials and stated that a very small number of staff continued to work at the office. He described certain functions that required in-office staff, including the mailroom and financial functions. He recognized the sacrifice these employees were making and described the GIC Leadership Team's efforts to ensure that protocols exist to keep these employees safe. The Executive Director also described efforts to keep the GIC staff engaged and thanked Commissioner Edmonds for her suggestion to have weekly virtual water-cooler video conferences to allow staff to stay in touch with each other. The Executive Director further described the senior team's efforts to ensure the GIC staff were kept informed.

The Executive Director referenced page 13 of the Meeting materials and described GIC's reliance on Coordinators to support members, and the steps the GIC took to ensure that the Coordinators had the tools they needed for annual enrollment. He explained how these efforts took on increased significance once annual Coordinator training was cancelled due to the Governor's prohibition on public gatherings due to COVID-19. The Executive Director said the success of these efforts can be seen in the numbers and noted that enrollment numbers are on average with other years. He described the diligent efforts of the GIC staff and the benefits of having launched myGICLink just months before the pandemic hit. The Executive Director explained that the GIC was moving away from paper-based processes and stated that the number of members using myGICLink was testament to the increased value of digital communications. He stated that the pandemic is not slowing the GIC down and asked the Commissioners if they had any questions.

The Vice Chair commended the GIC staff for their efforts and stated that their ability to handle the case volumes during the pandemic was impressive. The Executive Director stated that the GIC could not have accomplished this without the enormous contributions from the staff, and highlighted the work of the following team players: Paul Murphy, Director of Operations ("DOO"); John Harney, Chief Information Officer ("CIO"); Donna Wortman, Assistant Director of Operations; Nick Vogler, Digital Engagement Manager; and Charles O'Brien, Program Coordinator. The Executive Director also acknowledged the critical assistance of Dennis McEvoy, Chief of IT Support at ANF.

Commissioner Chabot stated that she echoed the praise provided by the Vice Chair concerning the GIC staff's accomplishments and asked the Executive Director how he envisioned telework in the future. The Executive Director stated that the success of telework has resulted in a reevaluation of the GIC's office space and technology needs. He stated further that, while he does not expect all staff to return to the office in the near term, a lot of consideration was being given to a flexible work environment with perhaps staggered schedules in which some staff continue to work from home some days and in the office on others. Commissioner Chabot thanked the Executive Director for the GIC's digital efforts, especially the developments in online payment.

In response to a request from Commissioner Choate to compare the volume of member inquiries and tasks associated with annual enrollment this year with prior years, the COO stated that this year's phone call volume is average when compared to prior years and noted that phone call volume can substantially increase during annual enrolment. The COO stated that myGICLink was a critical factor in enabling staff to transition so quickly and smoothly to telework. He stated that processing 32,000 cases via myGICLink is quite

remarkable and noted that he would provide more information to the Commissioners during his presentation. The COO further stated that there are still two weeks left in open enrollment and that many more cases are expected.

Designee Jue-Williams stated that she also wanted to echo the Vice Chair's compliments and recognized the fact that removing technological barriers, keeping employees safe, remaining accessible to GIC members, and continuing to work without interruptions in productivity was an impressive feat. She provided her compliments to the Executive Director, the Chief of Staff, and the staff of the GIC. The Chair commended the Chief of Staff for her hard work as Interim Executive Director.

Commissioner Sullivan stated that he was in contact with a GIC member in crisis and noted that the GIC responded to this member in less than an hour to provide assistance and to ensure this member was okay. He further stated that he received a heartfelt letter from the member about the GIC's support helping the member meet with a doctor telephonically. Commissioner Sullivan complimented the staff of the GIC for the excellent response they provided to this member. The Executive Director stated that the utilization of telehealth during the pandemic has grown significantly and noted that the GIC is watching this trend closely and sees it as a positive development.

The Chair informed the Meeting participants that they were behind schedule. She thanked the Meeting participants for their compliments directed at the staff of the GIC and noted that these compliments reflect how the GIC staff keep members paramount in everything they do.

- Annual Enrollment [Presentation Slides 15, 16 – [YouTube 1:08:50](#)]

The Chair recognized the COO and asked him to provide his report on annual enrollment.

The COO referenced page 15 of the Meeting materials and discussed GIC preparations for annual enrollment and disruption to those preparations due to the pandemic. He explained the technological, educational and communication challenges the GIC faced, especially with Coordinators. The COO described the importance of keeping Coordinators well informed and discussed the series of emails sent by the GIC to Coordinators to prepare them for annual enrollment. He described the reduction of printing and mailing costs derived from the implementation of a digital benefits guide and noted that printed books were available for members who do not have online access. The COO stated that annual benefit statements were mailed around the same time the phones systems were being transitioned

to telework. He explained that the annual benefit statement content allows members to review their existing benefit information for accuracy and to submit corrections, if necessary. The COO stated that roughly 9,000 correction forms were received. He also stated that the new premium rates were sent to over 700 agencies so they can update the payroll systems to make the correct deductions beginning in June.

The COO referenced page 16 of the Meeting materials and discussed annual enrollment activity to date. He stated that telework made clear that the GIC needs to have everyone's current email address. The COO explained that a new feature was developed on myGICLink which allows members to provide email addresses to use myGICLink. He stated that 4,900 plan transfers were processed in the prior year's annual enrollment compared to the 1,238 plan transfers during the present annual enrollment but noted that there were still two weeks remaining in the annual enrollment period, and members typically wait until the last minute to make such changes. He discussed the implementation of electronic payments and described member notification of electronic payments, noting that while the technology exists on the GIC's website, the GIC has not yet provided a mass communication to its members. The COO stated that he hopes to see an increase in the volume of electronic payments. He asked the Commissioners if they had any questions. There being none, the Chair thanked the COO for his report and for all the hard work he and his staff accomplished to date.

- Alignment, Bulletins, & Plan Changes [Presentation Slides 17-19 – [YouTube 1:18:07](#)]

The Chair recognized the Director of Benefit Procurement and Vendor Management, Denise Donnelly and asked her to provide her report.

Ms. Donnelly informed the Commissioners that she was providing an update on the GIC's work with carriers to adjust plan provisions to align with federal and state bulletins on COVID-19. Ms. Donnelly referenced page 18 of the Meeting materials and described the multiple federal and state entities issuing legislation, directives, guidance, orders, and bulletins concerning COVID-19-related care and insurance claims. She stated that the GIC was working closely with all carriers and with pharmacy benefit managers to ensure compliance with these directives.

Ms. Donnelly referenced page 19 of the Meeting materials and stated that each box represented a change that was adopted. She discussed the items under the Reduced Financial Burdens column and described the waivers as well as the modification of Flexible Savings Account (FSA) rules to provide members with more latitude to use such funds. Ms.

Donnelly discussed the changes implemented to reduce barriers to access as well to reduce the administrative burdens associated with certain aspects of health care, prescription benefits, and flexible savings accounts. She described the large volume of work that took place to implement these changes and the effort to create a positive impact on the GIC's members. She asked the Commissioners if they had any questions. There being none, the Ms. Donnelly introduced Cameron McBean, Manager of Health and Ancillary Benefits.

[Note: Due to time constraints, there was no presentation or discussion on the next item on the Agenda, "Guidance on Eligibility of Furloughed Employees".]

V. Selection of Dental & Vision Consultant [Presentation Slides 20,21 – [YouTube 1:21:35 – 1:33:47](#)]

Mr. McBean stated that the Commissioners were provided with the embargoed memo containing the procurement team's recommendation to select Boston Benefit Partners ("BBP") as the GIC's dental and vision consultant, and noted that BBP is currently the GIC's dental and vision consultant. He asked the Commissioners if they had any questions. The Vice Chair asked about the Supplier Diversity Program, generally, and how BBP's Supplier Diversity Program score compared to other vendors. Mr. McBean explained that the Supplier Diversity Program ("SDP") was established to promote supplier diversity in public contracting by encouraging the Commonwealth to award contracts in a way that increases business opportunities for minority owned, women owned, and service-disabled veteran owned businesses. He noted that BBP is a certified woman-owned business where the other vendors were large, publicly owned companies and described how these facts could affect the SDP scores. He stated that the SDP score was 10% of the total score and that, while impactful, it was not the only criteria for awarding contracts and discussed the other criteria for which vendors are scored. A discussion on the SDP ensued. Ms. Donnelly stated that BBP's presentation was superlative and that BBP received the unanimous recommendation of the procurement team. Commissioner Edmonds thanked the Vice Chair for raising the issue and asked that the Commissioners be made aware of the how the SDP works, what standards are employed, and whether the SDP is effectively meeting its goal of increased diversity. The General Counsel thanked Commissioner Edmonds for her remarks and stated that an educational session on the SDP will be forthcoming.

The Chair asked if there were any further questions. There being none, she asked for a motion for the Commission approve the GIC Dental & Vision Benefit Consultant procurement team's recommendation that Boston Benefit Partners be approved as the apparent successful bidder and instruct General Counsel to enter contract negotiations. The motion was made by the Vice Chair, seconded by Commissioner McAnney. The Chair then

asked General Counsel to perform a roll call vote on the motion. General Counsel performed the roll call vote and the motion passed with fourteen yeas, Commissioner Jennings abstained, and Commissioner Davis was unavailable.

VI. CFO Update [Presentation Slides 22-30 – [YouTube 1:33:48 - 1:53:09](#)]

The Chair stated that the next item on the agenda was the CFO Update, introduced the Chief Financial Officer, James Rust (“CFO”), and asked him to provide his report.

- FY20 & FY21 Budget Updates Presentation Slides 23-28 – [YouTube 1:34:11](#)]

The CFO referenced page 23 of the Meeting materials and stated that the pandemic impacted the Commonwealth’s share of healthcare claims which resulted in a 37% decrease in April when compared to the FY 2020 monthly average. In reference to page 24 of the Meeting materials, he further stated that the employee share of healthcare claims also decreased by 37%. The CFO referenced page 25 of the Meeting materials and explained that the graph was designed to show the GIC’s budget for all account premiums against the actual premium expense. He stated that the GIC typically sees a seasonality decrease around this time of year but noted that the decrease was lower than projected. In reference to page 26 of the Meeting materials which shows the appropriation for premium accounts, he noted that the actual spending was well below expectations. The CFO referenced page 27 of the Meeting materials, described how large the budget is, noted that budgeted spending is still within a reasonable spread of actual appropriations, but warned that the pandemic may cause a divergence. He referenced page 28 of the Meeting materials and explained that these were the numbers behind the graphs. The CFO stated that the GIC was \$17.6 million favorable to budget which equated to a 1% variance and expressed his confidence that the GIC will end the FY 2020 underspending its appropriation.

- COVID-19 National Data [Presentation Slides 29-31 – [YouTube 1:39:12 – 1:53:09](#)]

The CFO referenced page 30 of the Meeting materials, noted that the data reflected national reporting, and discussed the uncertainty of the pandemic’s impact on the budget for the remainder of the fiscal year or the next fiscal year. He stated that deferred care could have a large impact on next year’s budget, noted the difficulties with tracking data, and described his team’s weekly examination of data. The CFO noted the precipitous decline in physician visits broken down by specialty, stated that the trend continues, and noted that while GIC does not have data broken down by specialty, GIC claims continue to be lower than projected. He referenced the items on page 31 of the Meeting materials and asked the Commissioners if they had any questions.

In response to a question from Commissioner Jennings concerning the financial impact deferred care was having on carriers and hospitals, the Executive Director stated that he has had introductory calls with the GIC's carriers and learned that carriers are working closely with their network of providers to address the financial challenges associated with the pandemic. He discussed steps carriers are taking to assist providers, including pre-payment of performance guarantees, year-end reconciliations and global payment arrangements. The Executive Director noted the significant pressure the pandemic places on providers and his observation that carriers are acting in good faith to support them. He also noted the large increase in telehealth.

In response to a question from the Vice Chair concerning member expenses and the possibility for dramatic increases, the CFO stated that the expectation is for increased utilization over the summer with a gradual increase throughout the remainder of the calendar year. He stated that it is likely that increased expenses due to increased utilization because of deferred care will cause claims to exceed budgeted claims in FY 2021. The Executive Director stated that actuaries are doing their best to predict what claims will be in the year ahead but cautioned that a lot is dependent on the future direction of the virus, the progression of the repeal of COVID-19 related orders, and the reopening of the economy. He explained that the return of deferred care, and the possibility of a return of the virus could result in an increase that looks like a camel's hump and cautioned that these projections were speculative.

In response to a question from the Vice Chair concerning whether the potential FY 2020 budget surplus could be allocated to the FY 2021 budget considering the expected excessive expenses, the CFO stated that any funds appropriated but unspent remain in the General Fund. The Executive Director stated that the impact deferred care will have on the FY 2021 budget is impossible to know at this time and that the GIC will work with ANF on the FY 2021 budget and discuss how any reversion will be handled. The CFO stated that the ANF's budget analysts were aware of this situation and that information concerning this matter is being exchanged continuously. The Chair stated that the potential budget variance may seem like a lot but reminded the Commissioners that it was only 1% of the GIC's budget. Commissioner McAnney discussed the Commonwealth's mounting budgetary challenges and stated that the pandemic is predicted to cost the Commonwealth \$6 billion. She also added that it was important to understand the role of insurance and noted that budgeted versus actual claims can benefit the insured in some years and the insurer in others. Commissioner McAnney then stated that she needed to leave the meeting at 10:30 a.m.

VII. Contracts & Amendments [Presentation Slides 32-33 – [YouTube 1:53:10 - 2:02:20](#)]

The Chair stated that the next item on the agenda was Contracts and Amendments and asked General Counsel to provide his report.

- Data Warehouse Contract Negotiations [[YouTube 1:53:53 -1:54:38](#)]

General Counsel provided an overview of the data warehouse contract negotiations and described the critical role data plays in achieving the GIC's mission of providing access to high quality, affordable benefit options for members now and in planning for the future benefit procurement. He stated that the GIC's analytic capabilities will be greatly improved because of this procurement.

- Regulations: Proposed Amendments [Presentation Slide 33 – [YouTube 1:54:39 – 2:02:20](#)]

In reference to page 33 of the Meeting materials, the General Counsel discussed the regulatory process and requirements surrounding the GIC's proposed regulatory amendments. He explained that the Commissioners were being provided with a preview of the proposed changes and that a more formal review will take place before the GIC takes steps to make the proposed changes official. General Counsel noted that a copy of the proposed amendments to the Title 805 of the Code of Massachusetts Regulations ("CMR") was provided in advance of this Meeting.

General Counsel stated that the two major updates to Title 805 of the CMR concerned reflecting new technology used by the GIC to exchange member data and to clarify joint responsibility and joint consequences surrounding divorce and remarriage. He described three proposed amendments: the removal of a requirement for all family members to be with the same carrier when they were split between Medicare and active plans; the allowance for a handicapped dependent with no surviving parents to continue receiving coverage; and alignment with federal regulations which prohibit residence exclusions for 19-26 year old dependents. General Counsel explained that several amendments consisted of clarifications in response to common areas of member inquiries and described those amendments. He then stated that the remainder of the amendments were simply non-material changes.

The Chair thanked the General Counsel for his information on the proposed changes and asked the Commissioners if they had any questions. There being none she thanked the General Counsel for his attention to regulatory detail.

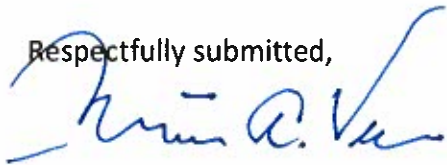
VIII. Other Business/Adjournment [Presentation Slide 33 – [YouTube 2:02:21 – 2:04:00](#)]

The Executive Director asked the Chair for a moment to recognize the Chief of Staff and described how important the Chief of Staff has been during his brief time at the GIC.

The Chair thanked everyone for their hard work making the first remote GIC meeting a success. She stated that she enjoyed seeing everyone via video conference and that she looks forward to the day she can see everyone at an in-person meeting.

The Chair asked if there was any additional business before the Commissioners, there being none, the Meeting adjourned at 10:34 AM.

Respectfully submitted,



Matthew A. Veno
Executive Director

APPENDIX A

Additional materials distributed at or prior to the May 21, 2020 Commission Meeting

1. **Administrative Bulletin 2020-01: Guidance Regarding Benefit Eligibility of Furloughed Employees**
2. **Summary of Regulatory Amendments**
3. **Procuring a Dental and Vision Insurance Consultant**