

ANNUAL REPORT: FISCAL YEARS 2022 & 2023



The Group Insurance Commission (GIC) continues to serve over 460,000 members and is preparing for the upcoming procurement, which happens every five years. In addition, the GIC is also making a significant change to its rules so that insurance benefits for newly hired GIC-eligible employees will take effect much sooner after their hire than has been true in the past.

As a result, our Annual Reports for FY2022 & FY2023 spotlight how the GIC has been working to ensure procurement and the Reduced Waiting Period (RWP) rule go in effect as smooth as possible. Leveraging our small but mighty staff, the agency is focusing its efforts on implementing these much desired goals across Massachusetts agencies.

What's Inside



YEAR IN
REVIEW



ABOUT
THE GIC



FINANCIALS

GIC AT-A-GLANCE


453,277
GIC MEMBERS

GIC
COMMISSIONERS
17 


60
GIC STAFF

OF STATE,
REGIONAL, MUNI,
QUASI MEMBER
AGENCIES


917 

 **TOP 3**
REASONS FOR
CALLING GIC

- 1 Turning Age 65/Medicare
- 2 Retirement
- 3 Qualifying Events/
Eligibility for Coverage


\$2.1B
BUDGET

 TOTAL NUMBER OF
CALLS ANSWERED
BY GIC OPERATIONS
IN FY2022
111,399

 TOTAL NUMBER OF
CALLS ANSWERED
BY GIC OPERATIONS
IN FY2023
104,845

MEET OUR COMMISSIONERS



Valerie Sullivan
Chair
(Public Member)



Bobbi Kaplan
Vice-Chair
Executive Vice-President, Unit 6,
Local 207, NAGE (Labor Member)



**The Honorable
Michael Heffernan**
Secretary, Executive Office for
Administration and Finance
(Ex-Officio Member)



Gary Anderson
Commissioner
Division of Insurance
(Ex-Officio Member)



Elizabeth Chabot
President, Local 229
Massachusetts Probation
Officers and Vice-President,
NAGE National Executive
Committee (Labor Member)



Adam Chapdelaine
Town Manager, Arlington
(Massachusetts Municipal
Association Member)



Edward (Tobey) Choate
Chief Administrative Officer,
Examity (Public Member)



Christine Clinard, Esq.
(Public Member)



Tamara Davis
Managing Director, Davis
Board Services, LLC
(Public Member)



Jane Edmonds
Vice-President, Programming
and Community Outreach,
Babson College (Retiree Member)



Joseph Gentile
AFL-CIO
(Public Safety Member)



Gerzino Guirand
(Council 93, AFSCME,
AFL-CIO)



Patricia Jennings
(Public Member)



Eileen P. McAnneny
President, Massachusetts
Taxpayers Foundation
(Public Member)



Melissa Murphy-Rodrigues
Town Manager, North Andover
(Massachusetts Municipal
Association Member)



Anna Sinaiko, MPP, Ph.D
Assistant Professor, Health
Economics and Policy,
Harvard School of Public
Health (Health Economist)



Timothy Sullivan, Ed.D.
Massachusetts
Teachers Association
(Labor Member)

PAST COMMISSIONERS

Commissioners are appointed by the Governor

Theron Bradley
Public Member
(2001 – 2019)

Katherine Baicker
Health Economist,
Chair
(2013 – 2017)

Anne M. Paulsen
Retiree Member,
Vice-Chair
(2007 – 2017)

Robert J. Dolan
Massachusetts
Municipal Association
(2012 – 2017)

Jean Yang
Public Member
(2013 – 2017)

Ed Kelly
Public Safety
(2012 – 2017)

Melvin A. Kleckner
Massachusetts Municipal
Association
(2012 – 2018)

Margaret Thompson
Local 5000, SEIU,
NAGE
(2013 – 2018)

Richard Waring
NAGE, Vice-Chair
(2011 – 2017)

PROGRESS IN PROCUREMENT

GIC'S APPROACH TO PROCUREMENT

As the Commonwealth's largest purchaser of health insurance, the GIC seeks to leverage its influence in the health care marketplace to provide value to our members and their families and taxpayers. A major driver to how GIC accomplishes this is through the procurement process for health care and other benefit providers every five years.

HEALTH CARE PROCUREMENT

Where We're At



FY2023:

In year five of a five-year contract cycle

Where We're Headed



FY2024:

New coverage takes effect on July 1, 2023

As the GIC makes progress in its next procurement in FY2023, we have leveraged our stakeholders and a wide variety of members to learn from their experiences and used this information to inform our upcoming procurement.

MEMBERS



- Active
- Retired
- Dependents

LEGISLATURE



- Leadership
- Key members

EXECUTIVE



- A&F
- Governor's office
- EOHHS

LABOR



- Leaders
- Commission members

POLICY



- Health Policy Commission
- CHIA
- Attorney General
- Trade Associations

MUNICIPAL



- Current members
- Prospective members

VENDORS



- Current vendors
- Prospective vendors

REDUCED WAITING PERIOD (RWP)

IMPACT ON NEW EMPLOYEES

The GIC made a significant change to its rules so that insurance benefits for newly hired GIC-eligible employees take effect much sooner after their hire than has been true in the past. This exciting change impacts newly hired state and municipal employees as well as all agencies and entities offering benefits through the GIC. Reducing the existing waiting period for insurance eligibility will greatly benefit new Commonwealth employees and will enhance the lives of those hired by the Commonwealth and other GIC-insured organizations, ensuring quicker access to essential benefits.

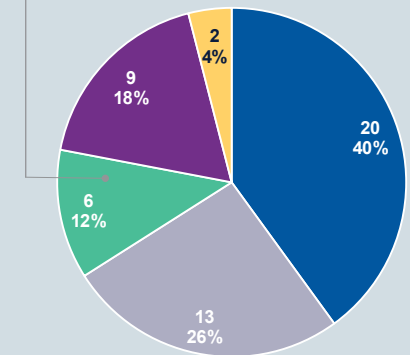
WHAT TO EXPECT

The GIC staff is focused on the development of the infrastructure that will make this implementation possible at the start of the next Fiscal Year, July 1, 2024. The project team has developed several web pages, communications, FAQs, and training sessions from the GIC regarding the development of the project, including tools and resources needed to ensure a smooth transition to this new set of rules.

For more information, visit mass.gov/info-details/new-hire-benefits-law-effective-july-1-2024

Reducing the waiting period will position Massachusetts in line with majority of state employee plan offerings across the country.

CURRENT IMPLEMENTATION BY STATE



- First of Next Month
- 30+ Days Waiting
- 60+ Days Waiting
- First Day of Employment
- First Pay Period After Hire

MYGICLINK MEMBER BENEFITS PORTAL

Since the launch of the MyGICLink member benefits portal, the GIC has been able to automate business process functions, increase staff productivity, and scale of operations, all while improving the GIC member experience. MyGICLink has helped the agency transition business functions from labor-intensive, paper-based processes to a digitized, Customer Relationship Management (CRM) system.

This new model has created opportunities for built-in quality control and reduction in paper data transmission for high-volume functions. This has helped the agency significantly streamline steps in business process workflows by reducing wait times and providing GIC staff with a comprehensive view of member inquiries and cases. Additionally, the adoption of the member self-service portal over the last three years has significantly reduced paper benefit statement correction forms being submitted to GIC to be processed by GIC staff.

GIC member feedback has been crucial in developing this new self-service tool as the agency continues to make improvements to the portal. By the end of FY2023, a new chat function was added to MyGICLink, creating an additional avenue of communication for members to get in touch with GIC staff. This new function allows for GIC members to chat live with GIC staff members during GIC's hours of operation.



MyGICLink registrations have continued to increase nearly doubling from FY22 to FY23

*as of 6/01/2023



- ✓ **41k** GIC members registered for MyGICLink by the end of FY2022.
- ✓ Nearly **80k** GIC members registered for MyGICLink by the end of FY2023.
- ✓ **69k** GIC members registered for MyGICLink are active employees while **11k** are retirees.



BENEFITS OF MYGICLINK

- **24/7 on-line access to manage GIC benefits**
- **Faster delivery of ID cards and plan information**
- **Securely update your personal information and dependents, if applicable**
- **And a lot more**

For more information, visit
www.mass.gov/mygiclink

STATEMENT OF EXPENDITURES – JULY 1, 2021 - JUNE 30, 2022

DESCRIPTION	EMPLOYEE/RETIREE PREMIUMS	COMMONWEALTH EXPENDITURES
EXPENDITURES		
Administration (a)	-	4,595,364
Basic Life Insurance	2,596,140	9,565,495
Optional Life Insurance	46,566,933	-
RMT Life Insurance	134,607	551,589
Health Insurance-All Health Plans (b)	636,210,487	2,320,990,956
Dental And Vision Insurance	3,433,430	9,287,443
Long Term Disability Insurance	12,662,574	-
Retirees' Dental Insurance	20,990,093	-
Total Expenditures	\$722,594,263	\$ 2,344,990,848

(a) Additionally, \$1,737,960 from communities participating in the GIC's Health Insurance Programs were used to pay administrative costs..

(b) Does not include medical and prescription drug co-payments and deductibles.

(c) Health Insurance-All Health Plans included \$156,433,479 of claims the plans identified as COVID-19 costs.

STATEMENT OF REVENUE – JULY 1, 2021 - JUNE 30, 2022

DESCRIPTION	EMPLOYEE/RETIREE PREMIUMS	COMMONWEALTH EXPENDITURES
REVENUES		
Housing, redevelopment and other authorities	-	224,508,160
Municipal Program Health Insurance	-	627,274,145
Elderly Governmental Retirees' Health Insurance	-	44,005
Retired Municipal Teachers' Health Insurance	-	55,194,977
Insurance chargebacks to state agencies receiving federal and trust funds	-	358,487,451
Leave of absence chargebacks to state agencies	-	209,470
Other income	-	270,030
Total Revenues		\$ 1,265,988,238

SUMMARY		
Total Expenditures	-	2,344,990,848
Total Revenue Credited to Commonwealth's General Fund	-	1,265,988,238
Net Commonwealth Expense The Commonwealth expense, net of revenue reimbursements, is 46% of the total expenditures.		\$ 1,079,002,610

RATE STABILIZATION RESERVES STATEMENT AND EMPLOYEE TRUST FUND STATEMENT JULY 1, 2021 - JUNE 30, 2022

DESCRIPTION	BALANCE AS OF JULY 1, 2021	RECEIPTS	EXPENDITURES	BALANCE AS OF JUNE 30, 2022
RATE STABILIZATION RESERVES STATEMENT				
Benefits for State Employees and Retirees				
Basic Life Insurance	\$ 2,585,411	\$ 8,297	-	\$ 2,593,708
Optional Life Insurance	\$ 23,823,946	\$ 12,678,054	\$ 2,570,000	\$ 33,932,000
Benefits for Elderly Governmental Retirees				
Health Insurance	\$ 231,626	\$ 742	\$ 876	\$ 231,492
Benefits for Retired Municipal Teachers				
Life Insurance	\$ 119,086	\$ 380	-	\$ 119,466
Health Insurance	\$ 2,148,525	\$ 6,873	-	\$ 2,155,398
EMPLOYEE TRUST FUND STATEMENT				
Benefits for State Employees, Municipal Employees and Retirees				
Health Insurance	\$ 4,845,303	\$ 181,730	\$ 61,059	\$ 4,965,974
Benefits for Elderly Governmental Retirees				
Health Insurance	\$ 65,416	\$ 209	\$ 2,874	\$ 62,751

STATEMENT OF EXPENDITURES – JULY 1, 2022 - JUNE 30, 2023

DESCRIPTION	EMPLOYEE/RETIREE PREMIUMS	COMMONWEALTH EXPENDITURES
EXPENDITURES		
Administration (a)	-	4,698,716
Basic Life Insurance	2,612,272	9,558,017
Optional Life Insurance	48,864,523	-
RMT Life Insurance	135,235	554,289
Health Insurance-All Health Plans (b)	665,238,505	2,417,871,072
Dental And Vision Insurance	3,738,428	10,260,304
Long Term Disability Insurance	13,308,762	-
Retirees' Dental Insurance	22,311,057	-
Total Expenditures	\$ 756,208,783	\$ 2,442,942,398

(a) Additionally, \$1,577,018 from communities participating in the GIC's Health Insurance Programs were used to pay administrative costs.

(b) Does not include medical and prescription drug co-payments and deductibles.

(c) Health Insurance-All Health Plans included \$135,813,848 of claims the plans identified as COVID-19 costs.

STATEMENT OF REVENUE – JULY 1, 2022 - JUNE 30, 2023

DESCRIPTION	EMPLOYEE/RETIREE PREMIUMS	COMMONWEALTH EXPENDITURES
REVENUES		
Housing, redevelopment and other authorities	-	232,189,129
Municipal Program Health Insurance	-	653,825,155
Elderly Governmental Retirees' Health Insurance	-	6,624
Retired Municipal Teachers' Health Insurance	-	55,440,900
Insurance chargebacks to state agencies receiving federal and trust funds	-	323,008,914
Leave of absence chargebacks to state agencies	-	107,066
Other income	-	6,774,071
Total Revenues		\$ 1,271,351,859

SUMMARY		
Total Expenditures	-	2,442,942,398
Total Revenue Credited to Commonwealth's General Fund	-	1,271,351,859
Net Commonwealth Expense		\$ 1,171,590,539
The Commonwealth expense, net of revenue reimbursements, is 48% of the total expenditures.		

RATE STABILIZATION RESERVES STATEMENT AND EMPLOYEE TRUST FUND STATEMENT JULY 1, 2022 - JUNE 30, 2023

DESCRIPTION	BALANCE AS OF JULY 1, 2022	RECEIPTS	EXPENDITURES	BALANCE AS OF JUNE 30, 2023
RATE STABILIZATION RESERVES STATEMENT				
Benefits for State Employees and Retirees				
Basic Life Insurance	\$ 2,593,708	\$ 105,242	-	\$ 2,698,950
Optional Life Insurance	\$ 33,932,000	\$ 1,275,135	\$ 2,570,000	\$ 32,637,136
Benefits for Elderly Governmental Retirees				
Health Insurance	\$ 231,492	\$ 9,380	\$ 566	\$ 240,306
Benefits for Retired Municipal Teachers				
Life Insurance	\$ 119,466	\$ 4,847	-	\$ 124,314
Health Insurance	\$ 2,155,398	\$ 56,032	\$ 2,210,725	\$ 705
EMPLOYEE TRUST FUND STATEMENT				
Benefits for State Employees, Municipal Employees and Retirees				
Health Insurance	\$ 4,965,974	\$ 395,196	\$ 68,188	\$ 5,292,982
Benefits for Elderly Governmental Retirees				
Health Insurance	\$ 62,751	\$ 2,508	\$ 1,949	\$ 63,310