

GROUP INSURANCE COMMISSION MEETING

Thursday, January 16, 2025

8:30 A.M.-10:00 A.M.

Meeting held virtually through online audio-video platform (ZOOM) and accessible on the GIC's YouTube channel.

MINUTES OF THE MEETING

NUMBER: Six hundred and eighty-eight
DATE: January 16, 2025
TIME: 8:30 A.M.
PLACE: Meeting held virtually through online audio-video platform (ZOOM) and accessible on the GIC's YouTube channel

Commissioners Present:

VALERIE SULLIVAN (Chair, Public Member)
BOBBI KAPLAN (Vice Chair, NAGE)
MATTHEW GORZKOWICZ (Secretary of Administration and Finance) Designee: Dana Sullivan
MICHAEL CALJOUW (Commissioner of Insurance) Designee: Rebecca Butler
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)
EDWARD T. CHOATE (Public Member)
EILEEN P. MCANNENY (Public Member)
MELISSA MURPHY-RODRIGUEZ (Massachusetts Municipal Association)
JANE EDMONDS (Retiree)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
CATHERINE WEST (Public Member)
ANNA SINAIKO, Ph.D. (Health Economist)
JASON SILVA (Massachusetts Municipal Association)
TAMARA P. DAVIS (Public Member)
PATRICIA JENNINGS (Public Member)

Commissioners Not Present:

ELIZABETH CHABOT (NAGE)

I. Introduction and Vote of the Minutes

At 8:30 A.M. Chairperson Valerie Sullivan gave opening remarks. The General Counsel announced the attendance of Commissioners. The Executive Director, Matthew Veno, provided an overview of the

agenda. A motion was made by Commissioner McAnneny and seconded by Commissioner Choate to approve the Minutes from the December 19, 2024 meeting. The vote passed unanimously of those voting. Commissioners Guirand and Jennings abstained.

II. Executive Director's Report

The Executive Director presented his monthly report, noting recent healthcare legislation that passed. He spoke about the *Act Relative to Pharmaceutical Access, Costs and Transparency* (PACT Act) noting that it will put some upward pressure on GIC premiums, as it reduces certain copayments. An *Act Enhancing the Market Review Process* will expand the Health Policy Commission (HPC), Center for Health Information and Analysis (CHIA), and the Attorney General's Office (AGO) authority for reviewing the healthcare market. The GIC is not directly impacted by the *Act Enhancing the Market Review Process*. He also noted that the Governor's budget was expected to be released the following week, and that the town of Holliston will be joining the GIC.

III. FY2024 Stewardship Meetings Summary

Cameron McBean provided a summary of the stewardship meetings held with the GIC vendors. He informed the Commission that GIC's healthcare vendors, across the board, had very high cost trend rates. He noted that Health New England (HNE) had the highest trend rate, at 12.6%, which was unusual. WellPoint, he noted, had the lowest trend at 2.9%. He further noted that all the health insurers were finding provider contracting to be extremely challenging, with providers demanding high rate increases and refusing to negotiate.

Commissioner McAnneny asked if the number of high-cost claimants was growing and whether they have common traits across the plans.

Mr. McBean stated that there will always be high-cost claimants, with cancer historically being the top category. Neonatal Intensive Care Unit (NICU) claims often are also near the top. He conjectured that an aging population may be driving the trend but noted that plans have good years and bad years.

Director of Analytics Lauren Makishima said that there are certain drivers and provided some information on those. She also stated that part of the trend increase is due to the Tufts and Harvard Pilgrim Health Care merger.

The Executive Director stated that HNE is the smallest enrolled plan so high-cost claimants can cause variability.

Commissioner Edmonds reiterated concern over the drivers. She noted the decline with providers offering primary care and asked if unmet preventative care might be having an impact. She asked if more could be provided regarding the drivers. Mr. McBean said that the GIC will continue to provide information about cost drivers.

The Executive Director noted that there is a standard definition for "high-cost claimant" and that as costs rise, more people will inevitably meet that threshold.

Vice Chair Kaplan asked about provider consolidation and the trend of providers moving to boutique services, noting that both may be an issue contributing to high-cost claimants. Mr. McBean stated that primary care is not as profitable, which is part of why providers increasingly do not choose to practice

primary care. The lack of primary care is not unique to Massachusetts or the GIC, he continued, noting that the dearth of primary care providers is not due to lack of recruiting, but shortage of providers.

The Executive Director acknowledged the importance of that question. He said he is encouraged by the work done by the HPC and CHIA have done in this area. He added that this area has been expressed as a high priority for the Governor and Senate President.

Vice Chair Kaplan then asked whether the increase of CVS/Caremark is solely being driven by the GPL-1 medications. Mr. McBean said that it is not the only driver, but it is a major one, as the cost of other drug categories is also increasing.

Commissioner Sinaiko responded to the issue of primary care. She stated that the evidence suggests that if there was better access to primary care, it would improve quality of care but not necessarily lead to lower health care spending overall. The Chair suggested that she would like to hear HPC speak on trends of primary care.

IV. FY2026 Plan Design Recommendations

Mr. McBean then turned to present on the FY2026 proposed plan design recommendations. Mr. McBean stated that CVS would be adding services provided by Hinge Health for musculoskeletal conditions. Additionally, limits on nutritional counseling will be removed, and fertility benefits will be harmonized and enhanced. He noted that the cost impact of these changes is expected to be minimal.

Commissioner McAnneny asked what the cost impact will be for the fertility coverage. She noted that it is not tailored for only same-sex couples. She expressed concern about the cost impact, given that the requirement for demonstrated infertility is no longer required.

Mr. McBean stated that the costs are difficult to project because there is no way to know how many people will be impacted by this. He stated that it is expected to only raise costs by half a percentage point. He stated that there are still prior authorization requirements for these services.

Commissioner Kaplan asked how the conditions covered by the PACT Act will be determined. The General Counsel stated that it will be the Commission who determines what the most prevalent conditions will be based on staff evaluation of agency data. Also, he stated that it is possible for more than two medications to be designated for lower cost sharing.

Vice Chair Kaplan asked if the most prevalent conditions change, whether the designations will change. The General Counsel stated that the statute is written without specifically naming the conditions for that purpose. That will allow the GIC to change the designation if the prevalence of conditions change.

Commissioner Edmonds said that the PACT Act is aimed at reducing financial barriers. Heart issues, she noted, impact persons of color and low-income individuals disproportionately. She asked how that will be taken into account in the analysis. The Executive Director assured her that the GIC will keep that in mind as the agency moves to implement the requirements of the new law, which just recently was enacted.

Mr. McBean continued to discuss plan design changes. He noted that, as of Fiscal Year (FY) 26, the basic life insurance benefit will be increased from \$5,000.00 to \$10,000.00. Additionally, he stated that there will be changes in the aforementioned fertility coverage, as well as coverage of MRI and 3D

mammograms, coverage for human donor breast milk, post-partum depression screenings, changes to pain management, and coverage for ABA/speech therapy/occupational therapy for Down Syndrome.

The Executive Director provided some background information on the challenge of managing the cost of GLP-1s and other high-cost medications. He stated that the GIC explored whether to eliminate coverage of GLP-1 agonist drugs, or broadly cost shift to members, but is not recommending such changes. He then discussed other potential changes in how the agency manages prescription drugs, stating those may be explored in more detail with the Commission. He then presented ideas other than in the realm of plan design that could manage the rising prices of providers, the other main driver of rising costs.

Commissioner McAnneny stated that the GIC has an obligation as one of the largest purchasers of healthcare to come up with well-developed solutions to provider pricing.

V. Other Business and Adjournment

The Executive Director then asked if the Chief Financial Officer (CFO) wanted to add anything regarding GIC finances, since there was no formal CFO update on the agenda. The CFO stated that the trends described in last month's meeting on financials are still accurate.

The Executive Director reminded the Commissioners of the member information sessions dates. He stated that assistance from Commissioners in sharing information on those dates and how to register and attend would be greatly appreciated.

The Chair called for requests for other business, and there being none then asked for a motion to adjourn.

The Vice Chair so moved. Commissioner West seconded the motion. The motion passed unanimously, and the meeting was adjourned at 9:55 a.m..