**GROUP INSURANCE COMMISSION MEETING**

**Thursday, January 20, 2022**

**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-three

DATE: January 20, 2022

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

ADAM CHAPDELAINE (Massachusetts Municipal Association)

EDWARD T. CHOATE (Public Member)

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

JOSEPH GENTILE (AFL-CIO, Public Safety Member)

JANE EDMONDS (Retiree)

EILEEN P. MCANNENY (Public Member)

MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)

TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

TAMARA P. DAVIS (Public Member)

**Commissioners Not Present:**

CHRISTINE HAYES CLINARD, ESQ. (Public Member)

ANNA SINAIKO, Ph.D. (Health Economist)

Patricia Jennings (Public Member)

ELIZABETH CHABOT (NAGE)

**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 and noted that the Meeting was being made public via simultaneous broadcast through YouTube. The Chair noted that there was an error in the online agenda and clarified that there would be only one vote during this meeting on the previous meeting’s minutes. She reminded viewers that the vote on plan design would be scheduled for the February 2022 meeting. The Chair identified all Commissioners present at this meeting.

1. **Approval of Minutes**

Commissioner Edmonds made a motion to approve the December 16, 2021 meeting minutes, as presented, which was seconded by the Vice Chair. There were no additions or corrections to the minutes. The vote was taken by roll call by GIC General Counsel and passed unanimously.

1. **Executive Director’s Report**

The Chair thanked the GIC staff for working hard to stay abreast of the new COVID-19 initiatives, specifically in relation to the coverage for COVID-19 rapid tests. The Chair then turned the meeting over to Executive Director Veno who provided an overview of the meeting’s agenda as well as the Executive Director’s Report. He then noted that there were three teams at the GIC that were awarded Government Citation Awards: the Audit team, the Life Insurance team, and the Future of Work implementation team. He recognized the achievements of the staff involved and thanked them for their efforts.

* Human Resources

The Executive Director turned the meeting over to Brock Veidenheimer to speak to two items within the Human Resources section of the Executive Director’s Report. Mr. Veidenheimer began by discussing recent updates to the COVID-19 safety protocols since the onset of the Omicron variant. Most GIC employees continue to work from home and those who must be in the office to perform their functions have ample room to socially distance. Employees utilize a reservation system to avoid having too many people in the office at a given time. KN95 masks are being provided to anyone in the office, as well as disinfectant and hand sanitizer. In addition, the GIC has reduced the number of times the Mail Room team goes to the Post Office and the Hurley Building, to minimize their risk of interaction. Finally, GIC stays in contact with HRD (Human Resources Division) for any other guidance they are providing.

Mr. Veidenheimer then noted that Chuck O’Brien has been promoted to a new Operations management position that supports the rollout of new technology and system modernization initiatives. He has been with the GIC for five years and has already displayed his experience and drive to advance the technological modernization of the GIC to benefit members.

* Communications/Legislation/Municipalities

Executive Director Veno then discussed the Public Information Sessions set to begin the week of January 25, 2022. There were over 500 registrations in the first 24 hours after invitations went out to GIC members. The Executive Director thanked Erika Scibelli and Leslie Montero for their work on this project.

* COVID-19

Executive Director Veno addressed new federal guidance released on January 10, 2022 requiring plan sponsors like the GIC to provide coverage for at-home rapid tests. The GIC team spent a considerable amount of time working out how that would be done within current plan offerings, in collaboration with MassHealth and the Division of Insurance. There will be an on-going effort to make sure that the GIC stays up-to-date on the federal directives and clearly communicates with members as this program evolves.

* Calendar

Before the Executive Director reviewed the calendar, the Chair recognized Commissioner Sullivan for a question. The Commissioner asked whether there would be a link available for people to send in questions or comments for the Public Information Sessions. Deputy Executive Director Scibelli answered that it would be made available, that the email address is [gic.info@mass.gov](mailto:gic.info@mass.gov) , and that live questions will also be fielded during the sessions in real time. Executive Director Veno also indicated that the recordings of the sessions will be available online for those who could not attend. The Chair asked whether a large number of procurement questions were being anticipated. The Executive Director and Deputy Executive Director agreed that those questions were expected and that some information around procurement would be provided up front during the sessions.

The Executive Director then reviewed the projected 2022 calendar, noting that February through April will be a particularly busy time for the GIC as preparation for FY23 is underway. He asked for forbearance from the Commission during this busy time, with the possibility that the Commission meeting schedule may change, and reminded them that once the RFR is released there will be very little that can be shared until the Fall of 2022. He also reviewed upcoming strategy presentation and votes on other topics prior to the release of the RFR later in the spring. The Chair recognized Commissioner Choate who asked about scheduling a discussion about the Employee Assistance Program (EAP) and the value of carrying it forward. The Executive Director indicated that that discussion was scheduled for later in the year following the procurement of the EAP consultant.

1. **FY23 Plan Design (INFORM)**

The Executive Director Veno moved on to the next agenda item which would be presented by CFO Jim Rust and himself. As FY23 is the fifth and final year of the current health plan contracts, he underlined that the GIC tries to keep the majority of changes to plan designs to the procurement process. Accordingly, this year the GIC is proposing no changes to co-pays and deductibles for both active and retired members for the upcoming fiscal year. Additionally, while the federal government may make changes to Medicare plans, the GIC is not proposing any changes to those plans at this time.

The Executive Director then described the staff recommendation to expand behavioral health benefits for children and adolescents by adding coverage for a suite of family-based and community-based services. Adding this coverage would align the GIC’s plans with changes instituted recently by the Division of Insurance for the fully-insured commercial market. These are largely services that have traditionally only covered by MassHealth. The Executive Director noted an evolving understanding of the kinds of services that are necessary to meet the behavioral health needs of children and adolescents, and highlighted this as an important step that the GIC can take to acknowledge this.

The Executive Director turned the presentation over the CFO Jim Rust to review the impact this would have on the overall GIC spending. Mr. Rust reviewed the data presented on the change, indicating that the additional cost would be around $1.1 million out of the $2.3 billion GIC budget. He noted that since many of the plans were already covering some of these services, the impact to the GIC FY23 budget was incremental. Mr. Rust and the Executive Director opened the floor to questions.

The Vice Chair was recognized and asked whether all the services were completely covered once the plan deductible was satisfied. Executive Director Veno replied that they will be handled in the same manner as any other covered benefit, as related to cost sharing. The Vice Chair then asked whether the forthcoming public listening sessions would highlight the behavioral health plan changes. Executive Director Veno replied that all normal communications channels would be utilized for this type of benefits change, including the Public Information Sessions, and a forthcoming communication to members highlighting this new benefit, as well as others added in recent years. Director of Operations, Paul Murphy, added that during the open enrollment period, the GIC includes information about new benefits in the benefit decision guides provided to members. Deputy Executive Director Scibelli clarified that the Public Information Sessions are held when they are to allow GIC staff to submit the proposed updates or changes to the Commission and then to the public at large, during or prior to the open enrollment period.

The Chair recognized Commissioner McAnneny for a question. The Commissioner asked if there was a plan in place to consolidate or combine the expanded behavior health initiative with the EAP to both reduce out-of-network costs for members with behavior health treatment, especially during the COVID-19 pandemic, and possibly reduce costs for the GIC. The Executive Director answered that the GIC is indeed thinking along those lines and intends for services provided by the EAP to compliment, rather than duplicate, benefits provided by health plans, especially as regards behavioral health. Executive Director Veno noted that the GIC’s behavioral health strategy is not limited to the upcoming health benefit or EAP procurements, so there will be an ongoing discussion and implementation opportunity.

1. **Out-of-Pocket Report (INFORM)**

The Executive Director invited Lauren Makishima from the GIC’s data analytics unit to deliver the annual Out-of-Pocket Report. Ms. Makishima indicated that she would be presenting out-of-pocket (OOP) data for FY21. She defined OOP costs and how the GIC addresses them. She discussed how these costs are most commonly incurred and described the circumstances in which they could exceed the member’s OOP maximum within a plan year. She stressed that when it comes to pharmaceutical OOP costs, there are two situations in which the amount spent by the member is not counted towards their yearly OOP max and would therefore contribute to costs exceeding that maximum amount. First, when a member fills a brand prescription in lieu of the generic equivalent and must pay the difference in cost, the data is likely to be incomplete or inaccurate because of the availability of manufacturer coupons, also known as copay assistance programs, that offset the member’s OOP liability. In these instances, while the bulk of the product selection penalty is being absorbed by the manufacturer rather than contributing to the total OOP cost for the member, the GIC is not informed by the pharmacy that a manufacturer coupon was used, so it appears that the member/patient paid the entirety of the difference. Second, if a member refills a maintenance prescription for a 30-day supply more than twice a year at a retail pharmacy, rather than requesting a 90-day supply filled by delivery, the member would pay the full prescription cost after the two covered refills. This expense would not be factored into their yearly OOP max. Ms. Makishima also reviewed other events that that would contribute to the exceeding OOP costs, including non-covered services.

Ms. Makishima then reviewed OOP costs per GIC household, year-over-year, from FY16 through FY21. There was a 2.4% decrease in OOP from FY20 to FY21, largely due to the waived cost-sharing for all telehealth visits during COVID-19, which was effective between March 15, 2020 and June 30, 2021. She also reviewed the OOP costs per household income bracket and compared GIC plan OOP costs versus industry benchmarks.

Vice Chair Kaplan asked what services are not covered by GIC plans that would cause a member or family to incur OOP costs. Ms. Makishima responded that there is a distinction for plans that don’t have out-of-network coverage. In those cases, any services rendered by an out-of-network provider are categorized as non-covered services. She also explained that services determined by the plan to be not medically necessary are not included in the data.

Ms. Makishima then reviewed factors that contribute to 2,508 households incurring more than $5,000 in OOP costs during FY21. These households were 1% of the total households covered by GIC plans during that time. She broke this data down in a variety of ways.

Ms. Makishima then presented data regarding out-of-network utilization. Out-of-network OOP costs have consistently represented around 17% of total OOP costs over the last several plan years, likely due to a shortage of in-network provider availability for certain services. In households with more than $5,000 of OOP costs, the top two diagnostic categories of out-of-network expenses were in behavioral health, specifically psychiatry (48% OOP costs) and chemical dependency (71% OOP costs). Ms. Makishima broke the costs down further by service category location and again by households with more than $10,000 in OOP costs.

The data was then expanded to cover out-of-pocket behavioral health spending in the broader GIC population, broken down between in-network and out-of-network. The information reflected the lack of available in-network behavioral health care and was found across the entire GIC population, not solely in households with very high OOP cost levels. She reviewed the key takeaways, and how the GIC can align with the EOHHS Behavioral Health Roadmap. Ms. Makishima rounded out her presentation by discussing how different types of prescription drugs contribute to high OOP costs. These high costs were mostly incurred by the product selection penalty or by the purchase of specialty or single-source brands.

Vice Chair Kaplan asked how the expansion of outpatient evaluation and treatment into primary care would be accomplished, as laid out as a point in the EOHHS Roadmap. Executive Director Veno replied that there are a few different strategies to achieve that goal but that there is a lot of work to be done around that issue, including utilizing community behavioral health centers. Ms. Makishima finished by reviewing data on prescription drug OOP costs broken down by therapy classes and explaining the key takeaways.

Executive Director Veno mentioned that he appreciated that this was a large amount of information to process at once and invited members of the Commission to reach out to GIC staff directly if they have follow-up questions. He also reviewed some of the ways the GIC is looking into lowering the OOP expenses for members.

Commissioner Edmonds thanked Ms. Makishima for an excellent report and commented on the need to humanize the data. Commissioner Choate commented on the frustration he feels when seeing that OOP expenses for members seems to be holding steady, especially as relates to behavioral health, and wondered what the GIC might do to reduce those costs. To this, Executive Director Veno replied that the GIC shares his frustration and is working to find ways to address the issues for members but acknowledged that it is ultimately a problem that needs to be addressed on a larger scale than just the GIC. The Chair added that there is precedent for the GIC to act alone to try to improve access and affordability for members, particularly within behavioral health. The Vice Chair complemented Ms. Makishima on the quality of her presentation. She also echoed Commissioner Edmonds’ comment about the need to humanize the data where possible so that the GIC might have a better idea of how it can focus assistance going forward.

1. **Engagement Update (INFORM)**

The Executive Director turned the meeting over to Deputy Executive Director Erika Scibelli. She reviewed the three engagement objectives and went over the list of engagement meetings to date, as well as other feedback sessions that have occurred beyond those meetings. Upcoming events were also discussed, including the Public Information Sessions explained at the beginning of the Commission Meeting, as were insights and themes heard through a variety of other feedback mechanisms.

1. **CFO Update (INFORM)**

CFO Jim Rust presented the CFO update. He said it would be brief after the deep-dive that was part of the December 2021 meeting. He reviewed data on medical and COVID-19 claim spending, noting that the increase in COVID claim costs reflects the new treatments that have been developed and released since Summer 2021 through the Omicron wave. Mr. Rust also went through spending by plan as well as current spending versus budget and the budget for the remainder of the fiscal year. The Chair then asked if another disbursement of funds from pharmacy rebates was expected and whether the GIC is getting the level of rebates that had been promised by the pharmacy benefit managers. Mr. Rust confirmed that the rebates were coming through when expected and at the anticipated levels.

1. **Other Business/Adjournment**

The Executive Director concluded the agenda and reviewed the dates and times for the Annual Public Information Sessions. The Chair confirmed the web address for registration. The Executive Director noted that up-to-date information on COVID tests and other important topics are provided on the GIC website. Commissioner Choate asked that there be an update in an upcoming meeting on the MyGIC Link progress. Executive Director Veno answered that the project was going very well and stated that an update would be worked into a Commission meeting in the future. The Chair asked if there were any other comments from the Commissioners and reminded them that would be a vote on plan design in the next meeting. There being no further business or discussion, the Chair adjourned the Meeting at 10:19 A.M.

Respectfully submitted,

Matthew A. Veno

Executive Director