

GROUP INSURANCE COMMISSION MEETING
Thursday, October 21, 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-three
DATE: October 21, 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 Brandon Moss
GARY ANDERSON (Commissioner of Insurance) Designee Martha Kwasnik
ADAM CHAPDELAINE (Massachusetts Municipal Association)
EDWARD T. CHOATE (Public Member)
CHRISTINE HAYES CLINARD, ESQ. (Public Member)
JANE EDMONDS (Retiree)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
EILEEN P. MCANNENY (Public Member)
MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)
ANNA SINAIKO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)
ELIZABETH CHABOT (NAGE)
TAMARA P. DAVIS (Public Member)

Commissioners Absent:

PATRICIA JENNINGS (Public Member)

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, noted that the Meeting was being made public via simultaneous broadcast through YouTube. The Chair identified all Commissioners present at this meeting.

I. Approval of Minutes

The Vice Chair made a motion to approve the September 23, 2021 meeting minutes, as presented, which was seconded by Commissioner Clinard. There were no additions or corrections to the minutes. The vote was taken by roll call by GIC General Council and passed with twelve affirmative votes and four abstentions.

II. Executive Director's Report

The Chair turned the meeting over to Executive Director Veno who provided an overview of the Executive Director's Report, noting that his written report was distributed prior to the meeting. He also noted that there were three items on the agenda beyond the standard CFO update and that there were no additional votes scheduled for this meeting. He reviewed the agenda items referencing the results from the Member Preferences Survey, a report on COVID-19 data, and a report on the plan audit.

- Calendar

The Executive Director started with a brief review of the 2021 calendar, noting specifically topics that are upcoming and touched on the Health Benefit Procurement process, providing some high-level content at the November meetings. He then mentioned that the December meeting will include the first step in the annual process to develop the preliminary rates for FY23.

The Executive Director then moved on to the projected schedule for calendar year 2022, noting that topics and meetings dates are subject to change. He highlighted preparation for the Annual Enrollment in April 2022. Additionally, a comprehensive overview of the engagement strategy will be presented in February 2022 in advance of the medical and prescription drug RFRs. There will also be several votes related to procurement for the Employee Assistance Program scheduled for next year.

The Executive Director then laid out, in more detail, items that are scheduled for the next twelve months related to the Health Benefit Procurement. He then opened the floor for questions from Commissioners. The Chair complimented the Executive Director and the team on their work laying out the next 18 months. She noted there were no questions and turned the meeting back over to the Executive Director.

- Human Resources

The Executive Director welcomed Leslie Monteiro to the GIC team, hired as Manager of Communications.

Director Veno then opened the floor to questions or comments regarding the written Executive Director's Report. The Chair noted there were no questions but thanked the Executive Director for the written report.

III. Member Preferences Survey Results (INFORM)

The Executive Director began by thanking key members of the GIC staff who spent a significant amount of time over the past few months putting the results of the member preferences survey together: Jannine Dewar, Margaret Anshutz and Jim Rust. He also thanked partners at Deloitte and in the Labor unions as well as GIC members for taking the survey and providing the valuable data. He noted that the initial plan was to release the survey results last Fall but that date was pushed back to allow for more time to discuss it with Labor, as well as to process the data.

The Executive Director noted that the survey specifically models the plan design features members experience with their plans, but that there are also a variety of other factors that the GIC will evaluate while developing the procurement recommendation. He then turned over the presentation of the results to Jannine Dewar and Margaret Anshutz.

Ms. Dewar began by stating that the survey was launched on July 15, 2021 and was open for 20 days. The link to the survey was provided to over 94,600 active GIC members by email, which was supplemented with mailed post cards. Deloitte analyzed 9,201 survey responses, providing significant data from a 10% response rate. Ms. Dewar also noted that this survey used Conjoint analysis to better understand the detailed preferences of members.

Ms. Dewar reviewed the details of the contents of the survey itself, including questions around benefit optimization, additional research questions, and member demographics. She then turned the presentation over to Ms. Anshutz to discuss results.

Ms. Anshutz focused first on the top three most influential benefits changes as identified in the survey. These were: out-of-pocket maximum, deductible, and hospital access. The result regarding out-of-pocket maximum is noteworthy since less than 1% of GIC member households reached this during FY20. She also noted that these top three responses were consistent across demographic groups.

Here, the Executive Director pointed out that in these results “premium contribution” refers to the member’s portion of the premium, not the premium splits between the member and the Commonwealth.

Vice Chair Kaplan was recognized for a question regarding whether the out-of-pocket maximum included co-pays in that or whether there were separate questions tailored around co-pays. Ms. Anshutz replied that co-pays were considered separately from the out-of-pocket maximum. Vice-Chair Kaplan then asked if that was made clear to respondents and Ms. Anshutz replied that while she could not speak to what respondents assumed while taking the survey, the GIC was careful to have multiple tools, such as hover-over definitions, to assist respondents and be as clear as possible. The Executive Director noted his sense that this finding regarding out-of-pocket maximums was likely more of an expression of concern about changes to out-of-pocket obligations in general, rather than out-of-pocket maximums in particular. The Chair stated that she interpreted the information as being a point of fear and concern for members.

The Chair recognized Commissioner Edmonds for a question. She asked Ms. Anshutz to clarify if these responses held true across demographic groups and if there were any noteworthy or interesting responses that were different among demographic groups. Ms. Anshutz said that she would address that question in subsequent slides.

Ms. Anshutz then addressed data results regarding members’ willingness to change plans. She noted that members under the age of 44 were most willing to move to another plan during open enrollment, while members over the age of 55 were more likely to be satisfied with their current plans. However, since members under age 44 make up such a small percentage of the gross number of those covered by the GIC, moving them into new plans would not likely produce significant savings.

Vice-Chair Kaplan then asked if the younger age group are more likely to be individuals or those with families. Ms. Anshutz said that the numbers were based on subscribers only and

that she would have to look back into the data to determine the distinction between subscribers on an individual plan versus a family plan.

Commissioner McAnneny stated that it makes sense that older members, who have established relationships with carriers and providers, would respond as being less likely to change plans in response an open-ended question and that one would have to present specific plan information to get a more nuanced response. Ms. Anshutz noted that that was an important point but noted that there were such trade-offs assessed in the survey itself.

Ms. Anshutz discussed how tiering affects provider choice for different age groups. She then reviewed cost-benefit analysis and discussed optimization as it relates to both member value and cost to the GIC. Over the span of three slides, she drilled down further into details regarding premium contribution, deductible, prescription drugs and out-of-pocket costs, which resulted in a conclusion that members seemed to be willing to pay a slightly higher monthly premium if it lowered their out-of-pocket expenses. She closed by noting that the detailed data and results will be used as one important source, among others, by the GIC as it works to optimize benefit packages through the procurement process.

The Chair clarified that the additional information that Ms. Anshutz referenced in her answer to Commissioner Edmonds was the preference by younger members for tiered plans. She asked if there were any other differences in demographics that would be of interest to the Commission and Ms. Anshutz replied that, while there were some differences among demographic groups, none of them were significant enough to highlight at this point.

Commissioner Sinaiko asked whether characteristics of responders were reviewed or analyzed with respect to characteristics of the entire GIC member population. Ms. Anshutz replied that this had not yet been done but that her team would be looking into that in the future. Executive Director Veno then addressed the key takeaways from the survey results, noting particularly that GIC members are largely satisfied with their current plans and that it is expected that many will remain in those plans during the coming annual enrollment period. He invited members of the Commission and members of the public to review the slide deck from this meeting to understand the information more fully. He also noted that there will be a more complete summary of the results published to the GIC website.

IV. COVID-19 Update (INFORM)

The Executive Director then introduced Ms. Anshutz and Sabrina Werts to present on data regarding COVID-19's impact on GIC members. Ms. Werts began by presenting how COVID-19

has impacted the GIC member population between March 2020 and March 2021, based on claims paid through June 2021. She noted that some data will be provided into the later months of 2021 where available.

Ms. Werts noted that approximately 4.5% (20,301) of the GIC membership had a confirmed COVID-19 diagnosis during the year-long time frame, compared to approximately 9% of the total Massachusetts population. It was nearly equally distributed between men and women, with the exception of the 85-year-old-plus age group in which women were more heavily represented. Executive Director Veno noted that this information was only captured by claim data so if a diagnosis did not result in a claim being filed, it would be missing from this presentation and so the numbers are likely higher than this data shows.

Ms. Werts went on to present further data points regarding cases broken down by month, race/ethnicity, in-patient hospital admission, and outpatient visits.

Commissioner Edmonds asked how the GIC data compared to national data specifically around racial differences in infection. She also asked about deaths caused by COVID-19 as broken down by race. Ms. Werts agreed that the GIC data did not correlate to national data and noted that the “unknown, missing, or refused” race/ethnicity category was likely obscuring some pertinent data that would be known if that information were available. Ms. Anshutz noted that this underlines the need for the GIC to be able to collect this information directly and not rely on claims data to do more substantive analysis. Commissioner Edmonds commented further on the disparity in GIC claims information versus national information.

Ms. Werts reviewed the further breakdown of data, focusing especially on the expanded use of telehealth psychotherapy among members beginning in March 2020. She noted that 63% of all psychotherapy visits between March and December 2020 were delivered via telehealth. This expanded access was supported by the GIC waiving cost-sharing for telehealth visits through the end of the Massachusetts state of emergency, on June 15, 2021. There is currently legislation in effect from the Commonwealth that supports rate parity for telehealth services.

The Chair asked when data would be available regarding telehealth usage since the end of the waiver of the cost-sharing between March 2020 and June 15, 2021.

V. Plan Audit Review (INFORM)

The Executive Director introduced GIC CFO Jim Rust and CTI Vice President for Audit Operations, Michelle Suckow, to discuss the health plan audit results.

Ms. Suckow noted that there is more post-audit work to be done around recommendations for the GIC. She reviewed the audit objectives and components within the audit period of claims incurred between July 1, 2019 and June 30, 2020, paid through December 31, 2020. Broken down by administrators – Fallon, Health New England, and UniCare – she explained the high-level details of the audit. She also reviewed performance, and then expressed the key findings by administrator and across plans.

Vice Chair Kaplan asked whether it was common for health plans to use subcontractors, what they are used for, and whether there was any type of oversight by administrators. Ms. Suckow confirmed that all the administrators used subcontractors in some capacity, noting that UniCare, for example, used subcontractors to clear the backlog in claims processing. She stated that while there may be some types of monitoring or oversight, CTI has recommendations for improvement they will be providing during the post-audit planning sessions.

Ms. Suckow presented key findings across the plans and recommendations to the GIC as a result of the audit. She noted that specialty pharmacy rebates average 2% of the drug cost paid across all plans' medical benefits. While Fallon had a contractual obligation to establish a pass-through process to share pharmaceutical rebates with the GIC but, at the time of the audit, had not done so. Ms. Suckow stated that her recommendations around this need would be included in her post-audit report. She also noted that there is a greater need for GIC-specific overpayment reporting from all the administrators.

Vice Chair Kaplan asked about details around claims paid that would have been denied by CMS. Ms. Suckow replied that there are two main categories that offered the greatest potential for the GIC. One was around unbundling codes used on claims that are screened for by CMS. The other is the MUE, or Medically Unlikely Edit, which is a frequency edit. Additionally, she noted Global Surgery codes that could only be billed at certain times after surgery.

The Chair thanked Ms. Suckow for her presentation. The Executive Director briefly addressed the findings of the audits. The Vice Chair then asked if Ms. Suckow knew the specific dollar amount that was being lost due to rebates that aren't being passed through. Ms. Suckow stated that it was approximately 2% of anything that is going through as a specialty drug but that she did not have the exact number readily available.

VI. CFO Update (INFORM)

Mr. Rust recapped the resolution of issues raised in the 2020 audit for Tufts, Harvard Pilgrim, and Allways. Commissioner Choate asked if Mr. Rust saw any issues ahead for the merging of Tufts and Harvard Pilgrim with regards to claims processing. Mr. Rust said this process will likely take some time. The Executive Director stated he and others on the GIC team have been in regular communication with Harvard Pilgrim/Tufts leadership on these issues. He noted that while he was not able to share the details in a public setting, he is comfortable with the timeline as it has been presented to him.

Mr. Rust and the Executive Director both underlined that the plans have been in good communication with the GIC with regard to the audit findings. Mr. Rust opened the floor to questions about the 2020 audit or about Q3 financial performance. Executive Director Veno noted that audits are important as the GIC goes into the next Procurement as they act as data points and feedback opportunities with administrators. He also suggested that the GIC staff would consider presenting to the Commission on the resolution of prior year audit findings as a regular practice in the future.

The Chair asked if there was any additional business before the Commissioners. The Executive Director made note of the calendar exceptions for 2022. The Chair confirmed that meetings will continue to be virtual until further notice. She also asked if GIC staff morale was still high despite the pandemic. The Executive Director addressed both items in the affirmative. There being no further business or discussion, the Meeting adjourned at 10:23 A.M.

Respectfully submitted,

Matthew A. Veno
Executive Director