

GROUP INSURANCE COMMISSION MEETING
Thursday, September 15, 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-nine
DATE: September 15, 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 A&F) Designee Kelly Govoni
GARY ANDERSON (Commissioner of Insurance) Designee Rebecca Butler
ADAM CHAPDELAINE (Massachusetts Municipal Association)
ELIZABETH CHABOT (NAGE)
EDWARD T. CHOATE (Public Member)
CHRISTINE HAYES CLINARD, ESQ. (Public Member)
JANE EDMONDS (Retiree)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
PATRICIA JENNINGS (Public Member)
EILEEN P. MCANNENY (Public Member)
ANNA SINAICO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Commissioners Absent or Attending Late:

TAMARA P. DAVIS (Public Member)
MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)

Call to Order

The Chair called the Meeting to order at 8:30 a.m. The Chair identified all Commissioners present and turned the meeting over to General Counsel Andrew Stern to introduce the Commissioners. The Chair then called for a motion to approve the minutes.

I. Approval of Minutes

A motion was made by the Vice Chair to approve the June 16, 2022, meeting minutes, as presented, which was then seconded by Commissioner Chabot. The Chair recognized Commissioner Clinard for a question about the minutes prior to the vote. Commissioner Clinard asked why the EAP procurement vote in June was listed as unanimous when she recalls abstaining from the vote. The General Counsel explained that the minutes reflect the votes taken, which were unanimous, and Commissioner Clinard withdrew her request for an editing of the minutes. The vote was taken by roll call by GIC General Counsel and passed unanimously by members voting.

The Chair then called for a motion to approve the March 24, 2022, Executive Session minutes, as presented. The Vice Chair made the motion and Commissioner Edmonds seconded. GIC General Counsel called the roll and the vote was passed with one vote against.

II. Executive Director's Report

The Chair turned the meeting over to Executive Director, Matthew Veno, who reviewed the agenda for the meeting. After reviewing the agenda, the Executive Director turned the meeting over to Brock Veidenheimer, the GIC Director of Human Resources.

- Human Resources

The Director of Human Resources began by addressing recent changes in the GIC IT organization since the retirement of John Harney earlier this summer. This retirement led to the need for a new leadership structure for the GIC IT team, culminating in Stephanie Sutliff accepting the position of Chief Information Officer for the GIC. After being with the Commonwealth for 34 years, Ms. Sutliff most recently served as Director for Strategic

Initiatives for Administration & Finance (A&F). Additionally, Stephen Gerard has accepted the position of IT Lead for the GIC, reporting to Ms. Sutliff. Mr. Gerard has been with the GIC IT team for approximately seven years prior to accepting this new role. Finally, on the IT team, the GIC has welcomed a new team member, Kratika Gupta, who will be working as A&F's Project Manager on two new initiatives for the GIC.

The Director of Human Resources also noted some human resources changes within the GIC Operations team, with three new employees and one returning employee: Stephanie Medina, Christine Arseneault, Kristen Bent, and Donna Carbone. Donna, who recently retired from the GIC, returned as a post-retirement employee part-time while recruitment is underway in the Data Entry unit. Additional open positions within the GIC Operations group will be discussed as needed with the Commission at future meetings.

The Chair recognized the Vice Chair for a comment. The Vice Chair welcomed the new hires to the GIC and congratulated them. Commissioner Choate asked if the GIC was having a difficult time with either recruitment or retention. The Director of Human Resources answered that it is more difficult now than it was a few years ago. He stated that when a position is posted, the GIC is receiving fewer applicants and that applicants are taking jobs quickly – sometimes even before interviews can be scheduled. But interviews continue and the effort to fill positions is ongoing, despite the increased challenge. The Chair asked The Director of Human Resources if Ms. Sutliff will be reporting to GIC or to A&F and how she will manage her bandwidth. The Executive Director replied that both Ms. Sutliff and Mr. Gerard are filling positions within A&F IT, as embedded staff at the GIC, and Ms. Sutliff will be fully dedicated to the GIC.

The Executive Director welcomed additional questions regarding the written Executive Director's Report. There being none, he moved on to reviewing the 2022 calendar.

Commissioner Murphy Rodrigues arrived at 8:50 a.m.

- Calendar

The Executive Director drew the Commission's attention to the multiple procurements that were being run by various GIC staff teams. He noted that there would therefore be procurement-related votes at each of the remaining meetings of the calendar year and reviewed each vote and when it would take place. He also reminded the Commissioners that the majority of them had each signed a Non-Disclosure Agreement which precludes them from sharing what they learn from the pre-vote information with their individual

constituent groups or anyone else outside the GIC. He thanked them for their compliance and important contributions in the procurement process. He reviewed the remainder of the calendar and thanked the GIC staff for all their hard work in putting together the procurements. He opened the floor to questions regarding the calendar. The Chair noted there were no questions and thanked the Executive Director for his regular reports during the procurement process.

III. Plan Audits

The Executive Director turned the meeting over to GIC Chief Financial Officer (CFO) Jim Rust. The CFO introduced Michelle Suckow, Vice President from Claim Technology Incorporated (CTI). The CFO also noted that Catherine Moore, the Project Manager for the Plan Audits, worked closely with Ms. Suckow on behalf of the GIC during this biennial process. The CFO turned the meeting over to Ms. Suckow to review the findings.

Ms. Suckow introduced her presentation by informing the Commission that the audits being reviewed would be of Always Health Partners, Harvard Pilgrim Health Care, and Tufts Health Plan. She stated that at the current time, all audits are being performed remotely as there are no plans to return to on-site audits. She reviewed the objectives, components, and time period (FY21) of the audit. Ms. Suckow presented the details of the audit and outlined the performance summary and the key findings from each of the plans, including their Financial Accuracy Rates. She concluded by outlining the CTI recommendations for all plan administrators, as well as those for each individual plans, both of which will be included in the action plans that CTI will present to the plans themselves.

Ms. Suckow took questions. The first question came from the Vice Chair who asked what type of claim appeals were being denied by the plans as well as the percentage of appeals that are denied. Ms. Suckow responded that CTI reviews all appeal data from the plans to make sure that appeals are being handled in a timely manner as well as reviewing the upheld rate versus the overturned rate. She noted that it is not uncommon for CTI to see upheld rates ranging from 50-67% but in this audit they saw the inverse, so they will be digging into that number further as part of the post-audit action planning. At that time, they will be able to see what types of claim appeals are being either upheld or overturned. The Vice Chair asked Ms. Suckow about the marriage counseling finding, asking her to clarify whether counseling would fall under the health plans or the Employee Assistance Program (EAP). Ms. Suckow replied that while those services often fall under the EAP, there is often a visit limit under that program so further services would be picked up by the health plan coverage liability.

The Chair, seeing no further questions, thanked Ms. Suckow for her presentation.

IV. EAP Procurement Update

The Executive Director also thanked Ms. Suckow for her detailed work, as well as the CFO and his staff for overseeing the audit process on behalf of the GIC. He turned the meeting over to Jannine Dewar, the Health & Pharmacy Benefits Manager (H&P Benefits Manager), for an update on the Employee Assistance Plan (EAP) procurement.

The H&P Benefits Manager began by reminding the Commissioners that, due to procurement laws, there might not be as much detail provided as they may want since the public release of some information is prohibited until the procurement process is complete. She also introduced the members of the team from Segal, the EAP consultants: Stephen Kuhn, Lisa Bertola, and Sarah Gunderson.

Mr. Kuhn began by explaining that this would be a very high-level overview of the process and the program, since bids for the EAP provider are due on Friday, September 16th. He reviewed the remaining timeline in preparation for the recommendation of a vendor to the Commission during the November meeting.

Mr. Kuhn turned the meeting over to Ms. Bertola, who reviewed the program goals and vendor criteria used during the bidding and assessment process. The Vice Chair asked what Segal will be looking for in determining if a particular vendor will be able to encourage more utilization of the EAP. The Chair echoed the Vice Chair in asking both Ms. Bertola and the Executive Director how the GIC is going to figure out what vendors are going to commit to increasing EAP utilization. Ms. Bertola replied that there were questions included in the Request for Responses (RFR) to address, in a detailed way, how the engagement would be improved. She also noted that because the EAP is within a very complete suite of offerings both from the Commonwealth, through the GIC, and through individual employers or unions, a lower engagement number might make sense for the GIC population because the GIC membership has multiple access points to needed services.

Ms. Bertola turned to Sarah Gunderson who discussed the key EAP features and related vendor criteria. Ms. Gunderson discussed how the bidding vendors would be evaluated with regards to the essential features that are needed within the EAP plan.

The H&P Benefits Manager opened the floor to questions. There being none, the Chair asked the H&P Benefits Manager for the next steps in the process. She replied that final proposals

are due on September 16th and the recommendation will come in November for the Commission's vote.

The Executive Director thanked the H&P Benefits Manager and the team from Segal for their presentation. He addressed the overlap of the EAP and the health plans behavioral health benefits in providing counseling, particularly marriage counseling. He noted that the GIC is viewing both the EAP and health plan procurements as an opportunity to bring the best of both of those resources to bear for GIC members in a way that is coordinated and not duplicative.

V. Municipal Presentation

The Executive Director turned the meeting over to Mike Berry, the GIC Director of Government Affairs, to present in response to recent questions from the Commission about municipal insurance participation. The Director of Government Affairs outlined his intention to provide an overview and background of the municipal insurance landscape as well as a better understanding of the municipal data request and renewal process.

He began by addressing the vast diversity of the insurance marketplace of Massachusetts municipalities, and reviewing the history of municipal insurance reform within the Commonwealth. The Chair asked the Director of Government Affairs to define what a purchasing group is. He replied that it allows for two communities or more get together and collectively purchase health insurance, and sometimes offer multiple carriers to their employees.

The Director of Government Affairs continued by reviewing the GIC municipal portfolio, noting that municipal employees make up just under 25% of all GIC subscribers. He then addressed how municipal claims data requests to the GIC are handled; these data are necessary to allow a municipality to obtain market bids and determine whether or not they are best served by remaining in the GIC. The GIC received 11 such data requests from municipalities during the 2022 process. There is not a direct correlation, however, between a city or town making such a request and leaving the GIC.

The Director of Government Affairs concluded his presentation and opened the floor to questions. Commissioner Clinard asked how the GIC communicates with potential municipalities if it does not specifically solicit business from them. Mr. Berry replied the GIC is more reactive than proactive and that the insurance consultants that work with the cities and towns are well aware of the GIC and usually reach out to the GIC when a municipality is procuring new insurance.

The Vice Chair thanked the Director of Government Affairs and asked if there was anything the GIC could do to be more encouraging to municipalities to join the GIC without soliciting business directly. He responded that since cities and towns can replicate plan design without joining the GIC, that remains an attractive option for them since it allows them to retain local control. The Executive Director followed up by reiterating that municipal insurance coverage is intensely localized and since the GIC cannot always offer exactly what is needed by each individual municipality, the cities and towns will sometimes determine that maintaining local control and addressing their own needs is more important to them. This and other unique factors weigh heavily into a municipality's decision as to whether or not they will join the GIC. These are the sorts of locally-based decisions that have informed the non-proactive posture of the GIC when it comes to soliciting municipal business.

Commissioner Choate stated that he was unsure as to why the GIC did not come out on top with regards to any pricing for municipal coverage. The Chair additionally asked whether the GIC had ever had a chance to compare its rates to those the municipality would get on its own and present that comparison to the municipality in question. The Director of Government Affairs replied that it is very difficult to compare GIC plan design to a community outside of the GIC because what goes into the rate determinations are population-specific and that comparing GIC premiums to premiums for the municipality alone is difficult as there are many factors that contribute to those numbers. This is where the independent insurance consultant becomes an asset to the municipality. Commissioner Choate also asked whether the GIC tracks the medical loss ratios to see trends within the GIC communities. The Director of Government Affairs noted that not tracking the medical loss ratios is something that is discussed with municipalities, which is one of the attractive aspects of the GIC, as it doesn't punish a municipality for having a bad year or brief time of higher medical loss ratios and is consistent with the municipal insurance statute which required the GIC to pool everyone together. The Chair recognized Commissioner Tim Sullivan. Commissioner Sullivan asked if the Director of Government Affairs was aware of any municipal unions that went through the 30 days expedited bargaining period and did not agree to use the GIC but were forced into it by the municipality. The Director of Government Affairs noted that he would be able to get that information for the Commission but that he did not have it at his fingertips. He also noted that communities are required to set aside 25% of the savings from joining the GIC, often as a health care trust fund to mitigate costs, and this can benefit communities as the savings are sometimes very significant.

The Chair recognized Commissioner Chapdelaine. The Commissioner commented on the political and administrative reasoning that some municipalities face when deciding whether

or not to join the GIC, based particularly on his own experience with the process in Arlington, MA. He noted that a municipality making a change in health benefits, whether joining or leaving the GIC, is a major administrative and consensus-building lift, and is not driven solely by an evaluation of the costs and benefits.

The Chair recognized Commissioner Gentile. The Commissioner commented on the benefit that the GIC can provide to some communities and that it is a wonderful option for the municipalities that do decide to join, but that the GIC should not be pressuring communities to join.

The Chair noted that there while there is not a complete consensus among the Commissioners as to whether the GIC should be more proactive in attracting municipalities, there is agreement as to the benefit the GIC provides to any municipalities that do join.

The Chair recognized the Vice Chair. The Vice Chair thanked Commissioners Sullivan and Chapdelaine for their perspectives in helping her understand the process. She noted that she believes there should be a concerted approach to attracting new municipalities to the GIC.

The Chair thanked the Director of Government Affairs for his prestation and thanked everyone for the lively discussion. She invited the CFO to begin his report.

VI. CFO Year End Report

The CFO began by reviewing medical claims since the beginning of the COVID pandemic. The Chair recognized Commissioner Choate for a question. Commissioner Choate asked about how coding around COVID was possibly affecting the reviewed data. The CFO acknowledged that this could be having an effect and that it would be something that would be addressed during the post-audit period with the plans as was mentioned by Ms. Suckow earlier and at that time, the data will be re-run.

The CFO continued by reviewing share expenses through the end of FY22. He compared the projected versus actual budget for FY22, the cumulative budget for the same time period, and the numbers behind the graphs. The final costs came in 2.3% under budget, representing just over \$55 million, which is in keeping with the last several years. He opened the floor up to questions.

The Vice Chair asked if the \$55 million surplus would be returned to the general fund. The CFO replied that yes, any money not spent from the appropriation is returned to the general fund.

The Chair recognized Commissioner McAnneny for a comment. The Commissioner complimented the CFO and his team on the accuracy of their budget.

VII. Other Business & Adjournment

The Executive Director concluded the agenda and thanked everyone for a rich discussion throughout the meeting and turned the meeting back to the Chair for new business. There being no further business, the Chair adjourned the Meeting at 10:27 A.M.

Respectfully submitted,

Matthew A. Veno
Executive Director