

GROUP INSURANCE COMMISSION MEETING
Thursday, September 23, 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: September 23, 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 A&F) Designee Cassandra Roder
GARY ANDERSON (Commissioner of Insurance) Designee Rebecca Butler
ADAM CHAPDELAINE (Massachusetts Municipal Association)
EDWARD T. CHOATE (Public Member)
CHRISTINE HAYES CLINARD, ESQ. (Public Member)
TAMARA P. DAVIS (Public Member)
JANE EDMONDS (Retiree)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
PATRICIA JENNINGS (Public Member)
EILEEN P. MCANNENY (Public Member)
MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)
ANNA SINAIKO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Commissioners Absent:

ELIZABETH CHABOT (NAGE)
TAMARA P. DAVIS (Public Member)

Commissioner McAnneny left the Meeting at 9:30 a.m.

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 welcomed Commissioners back from the summer break and stated that the GIC staff had been working diligently on multiple projects during the break.

I. Approval of Minutes

The Vice Chair made a motion to approve the June 17, 2021 meeting minutes, as presented, which was seconded by Commissioner Clinard. The vote was taken by roll call by GIC General Council and passed unanimously.

II. Executive Director's Report

The Chair turned the meeting over to the Executive Director. The Executive Director provided an overview of the Executive Director's Report which was distributed in advance of the Meeting. He reviewed the Meeting agenda and noted that there were no votes scheduled other than approval of the minutes. The Executive Director noted that this Meeting would follow up on prior educational topics by providing more detailed information. He stated that future meetings will be more focused on the upcoming procurement.

- Human Resources

The Executive Director thanked his former Executive Assistant, Janine Hynds, who started a new position with the Commonwealth's Department of Transportation. He then welcomed Tansey Helmke who will be acting as Executive Assistant, as well as announced that Leslie Montero will be joining the GIC in early October as Communications Director, reporting to Deputy Executive Director Scibelli. The Executive Director also welcomed Lori Montefusco to the GIC's Medicare Operations Unit. He then informed the Commissioners that Nick Vogler would be leaving shortly to move to an opportunity in the private sector.

- Office Move Update

The Executive Director stated that the move to 1 Ashburton Place is complete and the GIC is now settled into its new space. The office remains mostly empty as staff has not returned to in-office work. He noted the hard work of everyone involved and specifically thanked Maureen Quinn, Janine Hynds, and Brock Veidenheimer, among others, who greatly contributed to the smooth transition.

- Communications/Legislation/Municipalities

The Executive Director noted that the GIC has had a steady stream of communications to members regarding the Employee Assistance Program and have more communications scheduled to go out soon.

The Executive Director asked if there were any questions on the Executive Director's Report. Noting that there were no questions from the Commissioners, the Chair thanked the Executive Director for his report. The Chair welcomed Tansey Helmke, Leslie Montero, and Lori Montefusco to the GIC team. She asked the Executive Director to discuss recent meetings with municipalities.

The Executive Director stated that the potential for municipalities to either join or leave the GIC is an annual topic typically discussed at the end of the calendar year and that the Commissioners could expect a more robust discussion at that time. He described a recent meeting with municipal consultants and how these meetings were productive and facilitated open communication, especially as relates to the upcoming procurement. He concluded by stating that the GIC will have a better understanding of the municipal portfolio after the December 1st notification deadline.

Commissioner Clinard asked whether the GIC had received any notices of intent to leave from any municipalities at this point in the year, the Executive Director responded that no municipality had yet provided a notice of intent to leave the GIC at this time but, given how much work municipalities had to do around this issue, the GIC didn't expect to receive those notices until closer to the December 1st deadline. He then stated that there have been approximately a dozen municipalities that have requested their data to make the determinations needed for this process and noted that this was not unusual.

- Calendar

The Executive Director reviewed the remainder of the FY2021 Calendar, discussed future meeting topics, including the Conjoint survey that was completed in August 2021, a data-grounded COVID-19 report, and a presentation on Plan Audits for 2-3 of the health carriers including, per the Commissioners' request, a report on resolution of findings from the 2020 plan audits. He described how there will be a shift at the November meeting at which staff will present a comprehensive summary of strategy development regarding the health benefit procurement. The Executive Director emphasized that this will be a major feature of all Commission Meetings leading up to release of the Request for Response in Q2 of 2022. He stated that at December's Meeting, the Commission will begin the process of premium rate development and plan design changes for FY2023 offerings. The Executive Director noted that this is a calendar view of near-term Meetings and there will be a longer-view calendar review at the October Meeting inclusive of all CY2022 Meetings. The Executive Director opened the floor to questions about the calendar. There were no questions.

NOTE: At this point there was a technical issue and the Meeting had to stop and be restarted. After a brief delay, the Meeting was restarted, the Chair welcomed everyone back and turned the agenda back to the Executive Director. There was no Commission discussion during the break.

Commissioner Edmonds joined the Meeting as it resumed.

The Executive Director returned to a final note regarding the calendar, indicating that the GIC is working with colleagues at the Health Policy Commission (HPC) and the Center for Health Information and Analysis (CHIA) to find a time for them to present to the Commission on the cost trends hearings before the end of the year.

- Engagement/Conjoint Survey

The Executive Director then turned the Meeting over to the Deputy Executive Director. Ms. Scibelli reminded the Commissioners about the previously presented three-prong strategy for engagement in conjunction with the procurement process. The Deputy Executive Director reviewed engagement meetings held with various external partners and stakeholders, particularly during the July and August Commission recess. She also reviewed the upcoming engagement meetings, noting a November legislative briefing open to all legislative members and staff and meetings with labor partners to keep them involved with the procurement process, also scheduled for later this fall.

The Deputy Executive Director reviewed alternate feedback mechanisms that the GIC staff are using during the engagement process. She addressed key themes of significant feedback provided to date: alignment, affordability, pharmacy benefit managers (PBMs), and behavioral health access. The Deputy Executive Director stated that there has been a very positive reaction to the engagement process and the degree to which the GIC has involved stakeholders. She further stated that there are several meetings in the weeks ahead with a variety of experts and observers of the health care system, including at the HPC and CHIA, which will provide an additional dimension of feedback and assist the GIC in developing its strategy for the upcoming procurement.

In response to a question from Commissioner Choate, the Deputy Executive Director explained that the topic of increased transparency regarding PBMs was raised at several meetings. The Executive Director stated that several audiences, particularly in the Legislature and other close observers of the health care system, expressed a keen interest in this topic. He further noted that PBMs will likely be the topic of proposed legislation in the year ahead, and GIC staff will track these developments for any potential impact on the GIC procurement.

The Deputy Executive Director addressed next steps in the engagement process, assuring that during this process, feedback will be brought back to the Commission as it comes in.

The Chair thanked the Executive Director and the Deputy Executive Director and invited questions from the Commissioners. In response to a question from the Vice Chair, the Executive Director stated that he was aware of reported potential issues regarding physical therapy coverage and noted that this issue was limited to one carrier. He stated that the GIC is looking into this matter and will follow up with the Vice Chair.

Commissioner Sinaiko expressed her interest in the results of the conjoint survey and continued stakeholder engagement. She noted that as the process continues it would be beneficial for the Commissioners be kept updated throughout this process. She further noted the importance of member education. Executive Director Veno discussed the multiple member engagement strategies the GIC was implementing as well as the GIC's efforts to effectively communicate with the different member groups.

Commissioner Choate echoed Commissioner Sinaiko with regards to the need to continued member engagement and asked how the GIC can utilize the open enrollment process for member education. He suggested that the GIC take that opportunity to "take it to the next level" going forward. The Executive Director thanked him for the suggestion, agreed, and

stated that more can be done post-COVID with regards to in-person benefit fairs and using open enrollment as an educational tool.

In response to a question from the Vice Chair concerning the legislative outreach session, the Deputy Executive Director stated that the session was targeted for November 2021 and that the impetus for this session was a combination of feedback from legislators and an internal GIC initiative to put together a “GIC 101” briefing. Vice Chair Kaplan expressed her appreciation for the planning.

Commissioner Edmonds stated how excited she was to see this this level of robust engagement and congratulated the GIC staff for this new attitude towards the process. She asked if there were any particular issues that are foreseen with regard to retirees and the engagement process. The Deputy Executive Director stated that the GIC is working closely with Mass Retirees since they know their members the best and can act most effectively in connecting the GIC with their membership.

III. Specialty Drug Overview (INFORM)

Mr. Deven Shah of Willis Towers Watson referenced his materials and recapped the prior discussion on pharmaceuticals from the April Commission Meeting and then introduced the topics scheduled for this Meeting. He defined the term “specialty drugs,” and noted that the term is not standardized across the pharmaceutical industry. Mr. Shah presented a variety of characteristics that these drugs that help classify them as specialty drugs. He then compared specialty vs non- specialty drugs spending by Medicare and Commercial insurers during FY2021. Mr. Shah compared the increase in spending on specialty drugs to that of non-specialty drugs. He expanded on the trend of increased utilization of these drugs by illustrating some of the components of their increased popularity including increased efficacy and heavy advertising.

Mr. Shah explained how the rise in utilization and gradual cost increases are only two of the contributing factors making specialty drug spend account for nearly half the total drug spend. He illustrated the current specialty drug pipeline, particularly for ultra-rare diseases and for gene/cell one-time therapies. Mr. Shah reviewed the specific disease conditions that are driving the GIC’s spend on current specialty therapies. He discussed the top three conditions contributing to almost \$356 million in spending for 5,078 members. He also reviewed the top ten specialty drugs within the GIC’s membership and how much each is costing. He zeroed in on inflammatory conditions, which is the number one grouping of disorders within the specialty drug spend for the GIC. Mr. Shah explained steps the GIC is taking to manage these costs while providing the members access to necessary therapies.

In response to a question from the Vice Chair, Mr. Shaw stated that he was not certain how much advertising contributed to the cost of Humira and explained how effective advertising can lead to increased utilization.

Mr. Shah provided an overview of the steps GIC has taken to address specialty drug costs and summarized key takeaways in three categories: financial, clinical and benefit designation. Mr. Shah stated that specialty drugs are the fastest growing trend in health care. He further stated that the GIC is focused on controlling specialty drug costs using a variety of levers, and that there are four key considerations when thinking about specialty drugs and the GIC membership: health outcomes, member impact; plan costs; and access to care. He then welcomed questions. There were none.

IV. Summary of Learnings (INFORM)

Margaret Anshutz, Manager of Healthcare Analytics, summarized the key take-aways from the learning models presented to the Commission during 2020 and 2021 Meetings associated with the GIC priorities of affordability, health equity, behavioral health, and specialty drugs. The Executive Director stated that the GIC has a variety of tools and strategies to address these priorities.

The Vice Chair asked whether the increase in utilization of behavioral health services was through the Mass4U employee assistance program or because more people are seeking help through customary health providers. The Executive Director explained that there will be more data to answer that question after the GIC meets with the EAP vendor in the coming months, but that data to date does not indicate that the EAP is the resource most members have turned to for treatment but rather behavioral health providers through the behavioral health benefit, primarily via telehealth appointments. The Executive Director noted that there will be a separate EAP procurement soon. Ms. Anshutz stated that more data about behavioral health access during COVID will be shared with the Commission at the next Meeting that will show telehealth through the carriers was responsible for much of the behavioral health utilization during this period.

V. CFO Update (INFORM)

The Chief Financial Officer (CFO) reviewed the COVID claims payment update and the FY2021 final budget results. The CFO explained that COVID medical claims continued to rise but at a decreasing rate from March 6, 2020 through September 10, 2021. He also reviewed the claims paid by month since July 2020 through August 2021. The CFO reviewed amounts paid to vendors for FY2021, both the Commonwealth's share and the members' share. He also reviewed the FY2021 amount budgeted for claims against the actual amount spent on claims, which tracked fairly closely despite the difficulty of predicting the past year due to COVID-related variables. He summarized that the GIC ended up approximately \$100 million under budget for claims, almost entirely because of under-utilization by members due to the decision to defer care because of COVID.

The Vice Chair asked about the \$60 million that was moved from the FY2021 budget to the FY2022 budget to pay for expected expenses related to deferred care. She inquired as to whether that would reduce the amount requested from the legislature or if it would be in addition to the regular appropriated amount. The CFO affirmed that it would be in addition to the normal FY22 appropriation from the legislature. The Vice Chair then asked if it was specifically designated for deferred care. The CFO stated that every dollar could not be tracked for that exact designation but noted that the \$60 million is to cover the expected increase in claims which will likely include claims for deferred care.

The Chair asked the CFO what percent of total claims are, in fact, COVID-related claims. The CFO estimated that approximately 10% of claims were COVID-related claims. The Executive Director stated that \$215 million in COVID-related claims from FY2019 through FY2022 was a significant number. He then noted that while the GIC came in \$100 million under budget for FY2021, that is not an insignificant increase in total spend over the prior year and that year-over-year spend continues to increase.

VI. Other Business/Adjournment

The Executive Director noted that the prior Meeting Calendar projected an April 2022 Meeting that falls in the middle of Passover and suggested moving that Meeting to the second Thursday of April so as not to conflict with the holiday. He also confirmed that Meetings will continue to be held remotely for the foreseeable future.

There being no further business or discussion, the Chair adjourned the Meeting.

Respectfully submitted,

Matthew A. Veno
Executive Director