Commonwealth of Massachusetts
Group Insurance Commission

Executive Director Report: October 21, 2021

Date: October 18, 2021
To: Group Insurance Commission
From: Matthew Veno, Executive Director
Subject: Executive Director's Report

Purpose: The purpose of this memo is to provide Commissioners with the monthly Executive Director's report in writing. Questions and comments from Commissioners on the content of this memo are welcome during this portion of the agenda.

HUMAN RESOURCES

Commonwealth Employee Vaccination Mandate:

- We have been working with the Human Resources Division and following up with GIC staff to ensure that GIC employees are in compliance with Governor Baker's Executive Order requiring Commonwealth employees to provide evidence that they are fully vaccinated, or receive an approved exemption, by October 17, 2021. As of October 14, all GIC employees are in compliance with the vaccination requirement, having either completed the attestation process or submitted an exemption.

COMMUNICATIONS

Since the last meeting of the Commission, we have not sent out additional emails regarding the EAP, but are developing communications for November and December in partnership with our vendor partner. We are also working with them to develop a communications calendar for the EAP for calendar year 2022.

We are beginning the internal planning process for the next annual enrollment and are excited that Leslie Monteiro has officially joined as Communications Manager to assist us in this significant undertaking. As usual, we are also preparing to host public information sessions in the new year for all members.

LEGISLATIVE & MUNICIPAL UPDATE

The GIC Executive Team expects to conclude its engagement with legislative leadership in early November. Based on the feedback we have received from leaders in both the House and Senate, we will be pivoting to an engagement opportunity open to all legislators and staff. We have a tentatively scheduled virtual event in mid-November that will serve both as an opportunity better inform our audience about who the GIC is, as well as to provide an overview of the upcoming procurement.

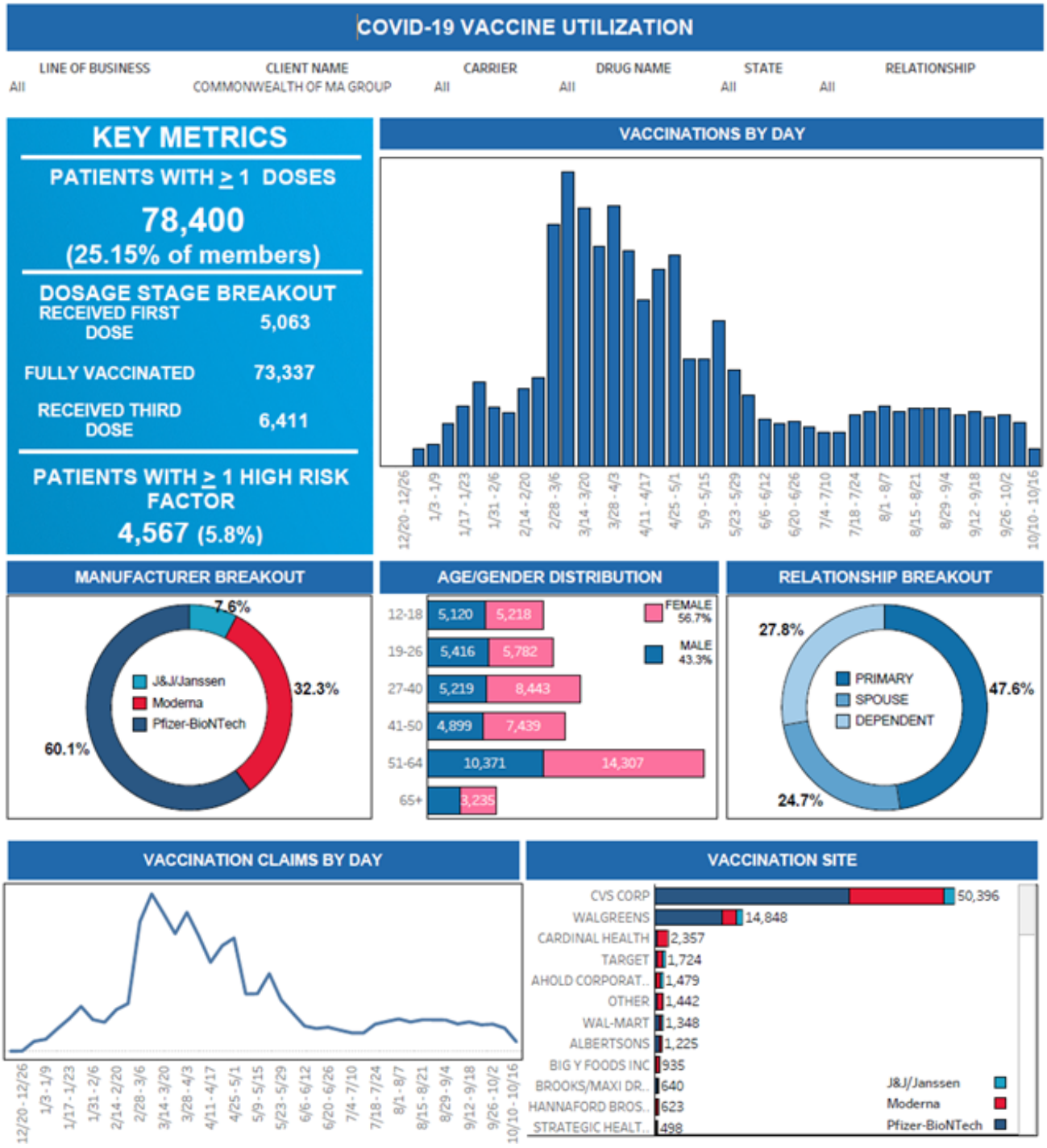
Several municipalities are in their final stages of their evaluation process regarding continued participation in the GIC and alternative options in the insurance marketplace. As a reminder, the statutory deadline for municipalities to notify the GIC of plans to withdraw from the GIC is December 1, however, we anticipate have a reasonably clear sense of the landscape by the November Commission meeting.

COVID-19 VACCINE:

VACCINE CLAIMS BREAKOUT BY HEALTH PLAN (TIME FRAME: 12/22/2020-10/08/2021)

	1st DOSE:	FINAL DOSE:	ALL DOSES:
Brand			
Moderna	22,879	23,101	46,729
Pfizer	39,823	39,859	84,849
J&J	-	-	6,020
Plan			
Fallon	1,899	1,880	4,101
Harvard	10,019	9,990	21,908
HNE	5,296	5,342	11,496
AllWays	3,048	3,083	6,651
Tufts	18,886	18,904	41,222
Unicare	23,554	23,761	52,220
TOTAL COVID VACCINE CLAIMS	**62,702**	**62,960**	**137,598**

EXPRESS SCRIPTS DASHBOARD (TIME FRAME: 12/14/2020-10/12/2021)



ENGAGEMENT

Continuing our engagement with Labor, we have time set aside time on October 22 to meet virtually with leaders and staff from more than twelve unions with members enrolled in the GIC. This meeting will feature a presentation regarding the member survey and carrier procurement but will also touch on some of the highlights from the October 21 Commission meeting.

Executive Director Report: October 21, 2021

GIC continues to engage our external partners and sister organizations including members of the Mass. Health Connector Board and the Health Policy Commission. Several productive meetings have been held with members of both organizations over the past several months and will continue through the end of the year.

Executive Director Veno is also seeking to engage thought leaders from the health policy/academia community and throughout the medical community that he believes can offer unique perspectives and insights. In short, the engagement process that began several months ago continues to move full steam ahead and continues to engage a diverse spectrum of experts, industry observers and stakeholders.

Commonwealth of Massachusetts
Group Insurance Commission

Your Benefits Connection

Commission Meeting

October 21, 2021

(Public Notice: G.L. C-30A, Sec. 20, October 19, 2021)

Agenda

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

	Topic	Speaker	Time
I.	Approval of 09/23/2021 Minutes (VOTE)	Valerie Sullivan, Chair	8:30-8:35
II.	Executive Director's Report (INFORM) • Calendar • Human Resources • Communications/Legislation/Municipalities • COVID-19 • Engagement	Matthew Veno, Executive Director & Members of Senior Staff	8:35-8:45
III.	Member Preferences Survey Results (INFORM)	Jannine Dewar, Manager of Health and Pharmacy Benefits Margaret Anshutz, Manager, Health Care Analytics	8:45-9:15
IV.	COVID Update Report (INFORM)	Margaret Anshutz, Manager, Health Care Analytics Sabrina Werts, Intern, Health Care Analytics	9:15-9:45
V.	Plan Audit Report (INFORM)	Jim Rust, Chief Financial Officer Michelle Suckow, Vice President, Audit Operations, CTI	9:45-10:15
VII.	CFO UPDATE (INFORM)	Jim Rust, Chief Financial Officer	10:15-10:25
VIII.	Other Business/Adjournment	Valerie Sullivan, Chair	10:25-10:30

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I. Approval of Minutes (VOTE)

Motion:

That the Commission hereby approves the minutes of its meeting held on September 23, 2021 as presented.

- Valerie Sullivan, Chair
- Bobbi Kaplan, Vice-Chair
- Brendan Moss (Designee for A&F)
- Rebecca Butler
- Elizabeth Chabot
- Adam Chapdelaine
- Edward Tobey Choate
- Christine Clinard
- Tamara P. Davis
- Gerzino Guirand
- Jane Edmonds
- Joseph Gentile
- Eileen P. McAnneny
- Patricia Jennings
- Melissa Murphy-Rodrigues
- Anna Sinaiko
- Timothy D. Sullivan

II. Executive Director's Report (INFORM)

Commonwealth of Massachusetts
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- Calendar
- Human Resources
- Communications/Legislation/Municipalities
- COVID-19
- Engagement

Matthew Veno, Executive Director
&
Members of Senior Staff

II. Executive Director's Report: Calendar 2021

Commonwealth of Massachusetts
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Jan 21	Feb 11	Mar 4	Apr 15	May 20	Jun 17	Jul	Aug	Sep 23	Oct 21	Nov 18	Dec 16
Presentation: FY22 Plan Design	Vote: FY22 Plan Design	Vote: FY22 Plan Rates	Vote: Health Benefit Consultant	Behavioral Health Challenges	HPC/CHIA Annual Cost Trends	No Meetings		Summary of Learnings	Member Preferences Survey Results	Annual Stewardship Report	FY23 Preliminary Rates
Report: Out of Pocket	Report: Out of Pocket	CVS Presentation Vaccine Hesitancy	Update: Engagement	Dependent Care Assistance Plan (DCAP)	Diversity, Equity, & Inclusion			Engagement Review	COVID Data Report	Procurement Strategy Update	Municipal Update
Vote: Life & LTD	Race & Ethnicity Data			Cost Drivers	Vote: Trust Funds			Specialty Drugs	Plan Audit		
Public Listening Sessions	Public Listening Sessions				Report: Annual Enrollment						

Annual Enrollment

Stakeholder Engagement

II. Executive Director's Report: Projected Calendar 2022*

Commonwealth of Massachusetts Group Insurance Commission
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Jan 20	Feb 10	Mar 3	Apr 14	May 19	Jun 16	Jul	Aug	Sep 15	Oct 20	Nov 17	Dec 15
Presentation: FY23 Plan Design	Vote: FY23 Plan Design	Vote: FY23 Plan Rates	Procurement Update	Behavioral health Update	Report: Annual Enrollment	No Meetings		Plan Audit	Annual Stewardship Meeting Report	FY24 Preliminary Rates	FY24 Preliminary Rates
Engagement Update	Strategy Update	EAP Procurement Consultant Update	Engagement Update	Vote: Trust Funds	Vote: EAP Procurement Consultant			Presentation: Medical Benefit	Vote: Medical Benefit	Presentation: Pharmacy Benefit (PBM)	Vote: Pharmacy Benefit (PBM)
Report: Out of Pocket	Report: Public Listening Sessions	Engagement Update			EAP Procurement Update			EAP Procurement Update	Vote: EAP Procurement		

Public Listening Sessions

FY23 Annual Enrollment

Stakeholder Engagement

* Topics and meeting dates are subject to change

II. Executive Director's Report: Projected Procurement Timeline

Commonwealth of Massachusetts
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November '21	• Strategy Update
February '22	• Final Strategy Update
April '22	• Release of RFR
May-August '22	• Bid submission and review
September '22	• Presentation of Medical Benefit Recommendation
October '22	• Vote on Medical Benefit Recommendation
November '22	• Presentation on PBM Recommendation
December '22	• Vote on PBM Recommendation

III. Member Preferences Survey Results (INFORM)

- Survey Overview
- Review of Results
- Key Takeaways
- Next Steps

Jannine Dewar, Manager of Health and Pharmacy Benefits

Margaret Anshutz, Manager, Health Care Analytics

2021 Member Preference Survey Results: Overview

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- Active July 15, 2021 - August 4, 2021 (20 days)
- Survey link sent to 94,605 active subscribers with health coverage (via email and direct mail)
- 9,201 completed surveys were analyzed
- 10% response rate was within the target range of 10-12%
- 72% of respondents identified as union members

- Conjoint analysis is a sophisticated market research technique used to understand how customers value different components or features of a product or service

- A mechanism to understand the health plan features that matter most to GIC members
- One of several tools to gather data to inform the development of a procurement strategy
- The outcome of the procurement will reflect a balancing of these inputs

2021 Member Preference Survey Results

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The Member Preference survey showed respondents a series of packages in which plan features vary, to better understand which features drive respondents to choose one health care package over another.

The survey included 3 sections:

Optimization

- Choice-Based Conjoint questions used to understand which features of a health insurance plan are most likely to influence a member's choice of a certain plan (*e.g., changes to deductible, premium, hospital access, etc.)*

Additional Research Questions

- Scaled and select questions to provide additional insight into the survey population (e*.g., influence of tiers on provider choice)*

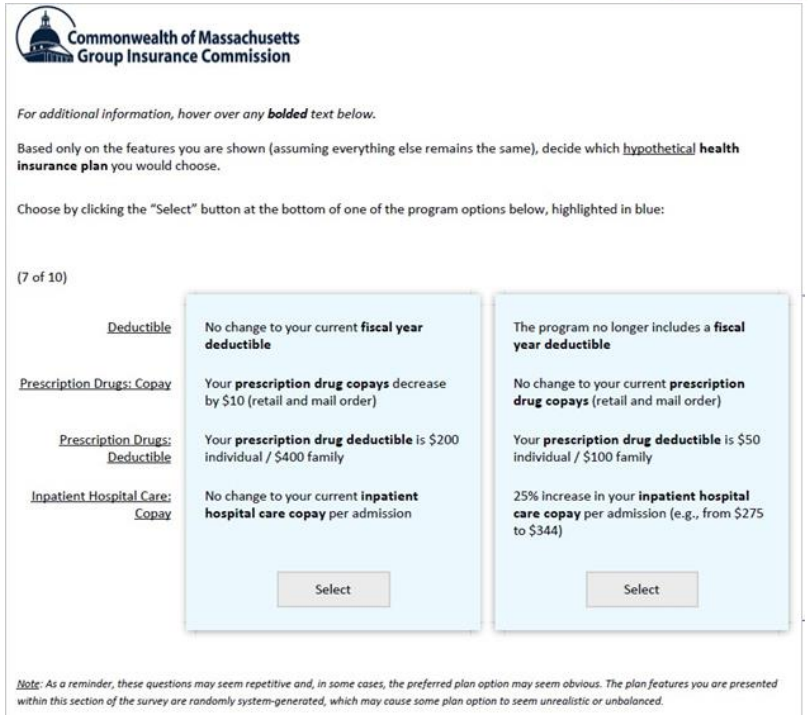
Demographics

- Demographic questions provide insights into the characteristics of the participating member population. (*e.g., self-reported age, race/ethnicity, gender, etc.*)

2021 Member Preference Survey Results

Conjoint Study – Assessing member preferences in benefit design

Type of question	Sample question
Benefit optimization	Respondents asked to choose between health plan packages where plan features vary (e.g., Deductible: No change to your current fiscal deductible vs. Plan no longer includes fiscal deductible)
Research	Respondents rank agreement with statements on a scale of 1-5 (e.g., Tier-level costs for office visits influence my health provider choice.)



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*For additional information, hover over any **bolded** text below.*

Based only on the features you are shown (assuming everything else remains the same), decide which hypothetical **health insurance plan** you would choose.

Choose by clicking the "Select" button at the bottom of one of the program options below, highlighted in blue:

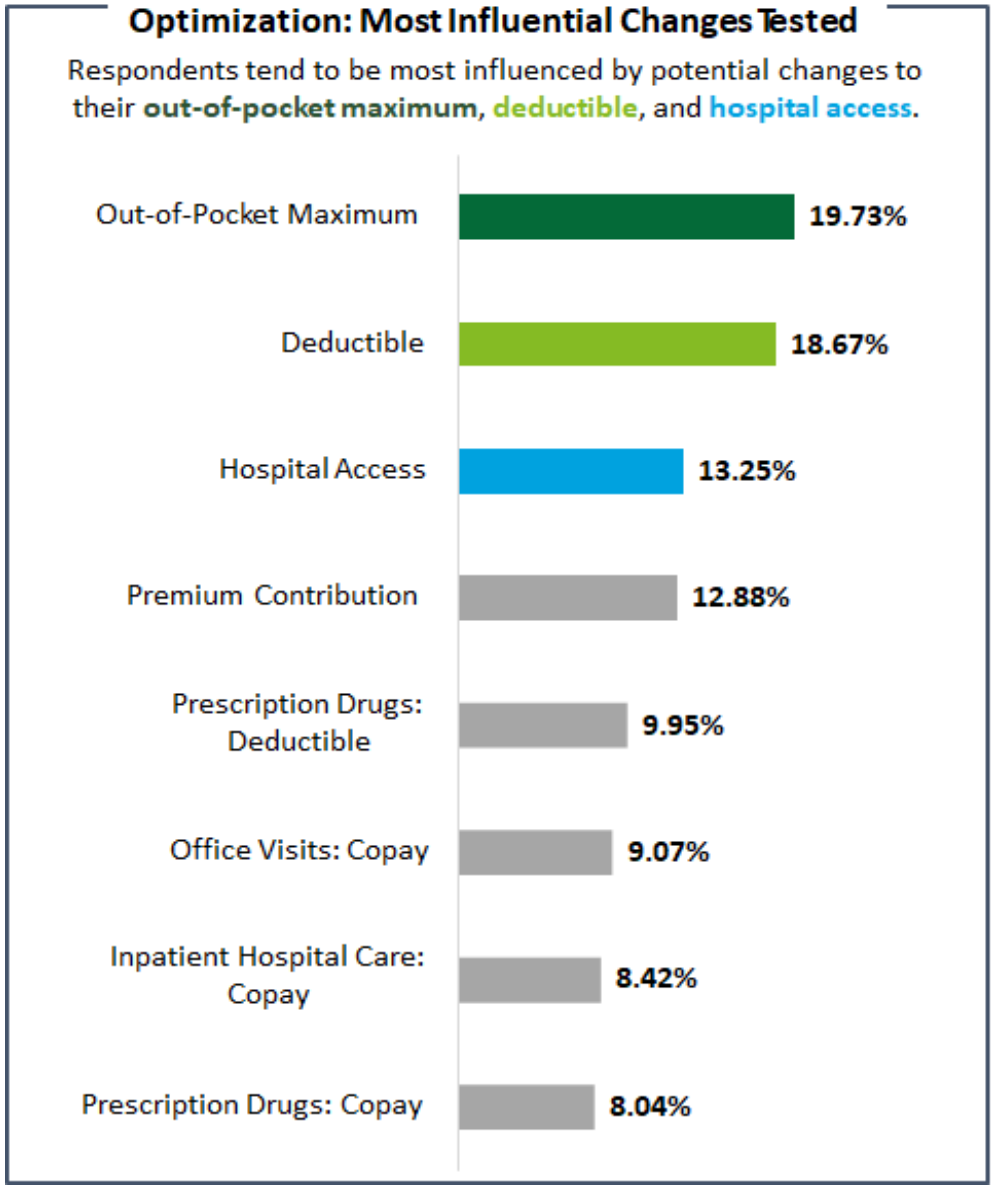
(7 of 10)

Deductible	No change to your current **fiscal year deductible**	The program no longer includes a **fiscal year deductible**
Prescription Drugs: Copay	Your **prescription drug copays** decrease by $10 (retail and mail order)	No change to your current **prescription drug copays** (retail and mail order)
Prescription Drugs: Deductible	Your **prescription drug deductible** is $200 individual / $400 family	Your **prescription drug deductible** is $50 individual / $100 family
Inpatient Hospital Care: Copay	No change to your current **inpatient hospital care copay** per admission	25% increase in your **inpatient hospital care copay** per admission (e.g., from $275 to $344)
	Select	Select

Note: As a reminder, these questions may seem repetitive and, in some cases, the preferred plan option may seem obvious. The plan features you are presented within this section of the survey are randomly system-generated, which may cause some plan option to seem unrealistic or unbalanced.

Sample question	Demographic variation in responses			
I would be willing to pay more in monthly health insurance premiums to have access to the most expensive hospitals for everyday medical use.	Income	Age	Gender	Race/ethnicity
Tier-level costs for office visits influence my health provider choice.	Income	Age	Gender	Race/ethnicity

2021 Member Preference Survey Results



- The top three influential most influential benefit changes:
  1. Out-of-pocket maximum
  2. Deductible
  3. Hospital access
- Less than one percent of households exceeded the OOP maximum in FY20
- Responses were consistent across demographic groups

2021 Member Preference Survey Results

Member migration to alternatives more likely in younger age groups

Majority of those willing to change plans would do so if…	The majority of those not willing to change plans…
They can maintain coverage at current doctor offices and clinics (most strongly associated with subscribers 44 years and younger)	Plan to stay in the same plan in 2022 (most strongly associated with subscribers 55 years+)
They can maintain coverage at my current doctor's office and clinics, at the same or potentially lower cost (most strongly associated with subscribers 44 years and younger)	Are confident in their own ability to choose between health plan options available to them (most strongly associated with subscribers 55 years+)
The plan design does not change and it reduces the amount that premiums go up every year (most strongly associated with subscribers 34 years and younger)	Are confident in ability to choose between health carriers available (most strongly associated with subscribers 55 years and older)
	Are satisfied with health carrier overall (most strongly associated with subscribers 55 years+)

- Subscribers aged 34 and younger enrolled in Broad or National network plans account for only 4.9% of total spend among subscribers (this is the amount of subscriber $ at play in moving young members to narrow networks)

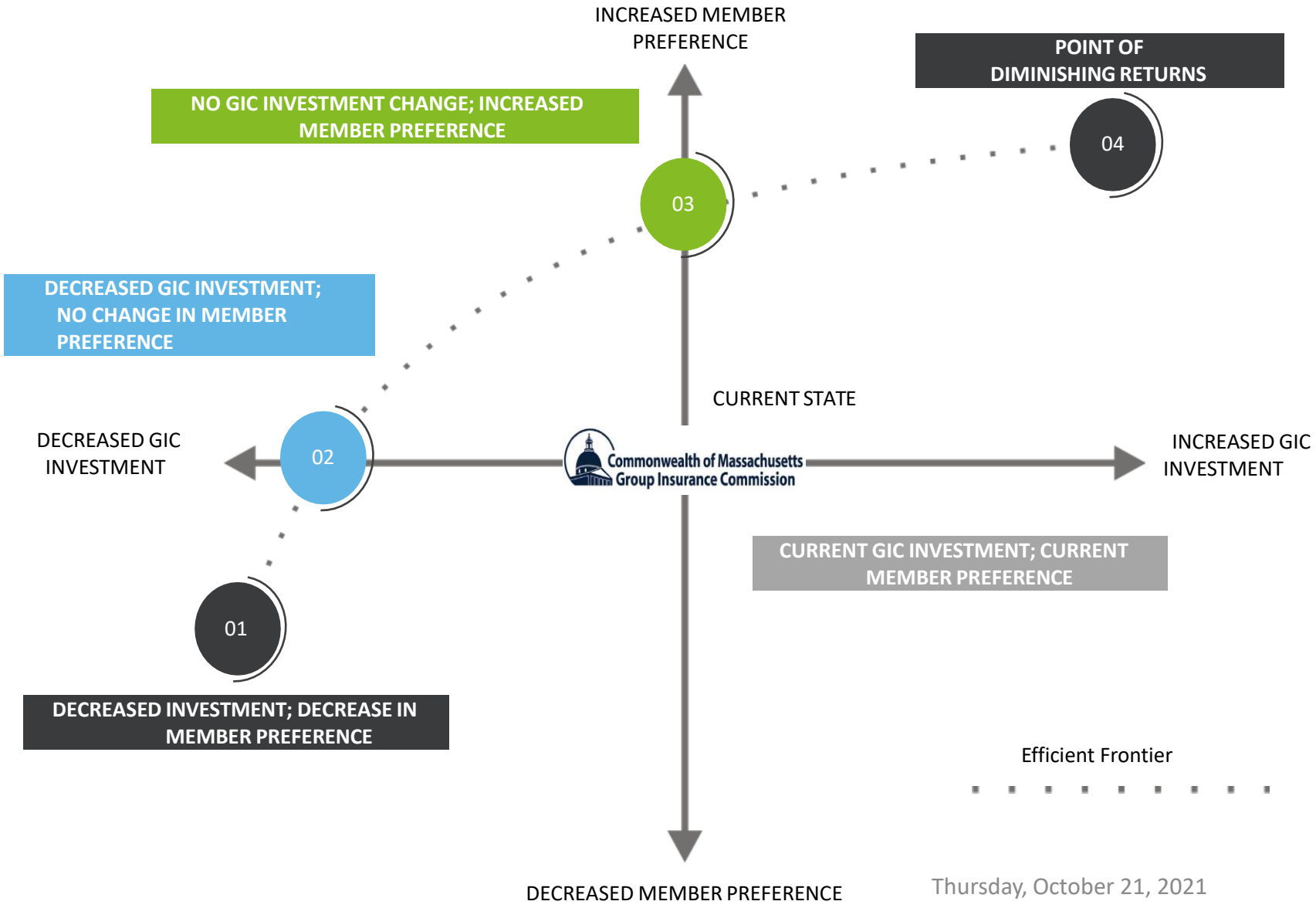
2021 Member Preference Survey Results–Tiering

Age Band	Percent agree that tier level costs influence provider choice
Under 26 years	55%
26 to 34 years	47%
35 to 44 years	38%
45 to 54 years	33%
55 to 64 years	30%
65 years and older	29%
Prefer not to respond	31%

- Younger subscribers are the most influenced by tiering, but are also where the least cost-savings can be realized through steerage
- Subscribers 34 years of age and younger comprise only 14% of total subscriber professional spending

2021 Member Preference Survey Results

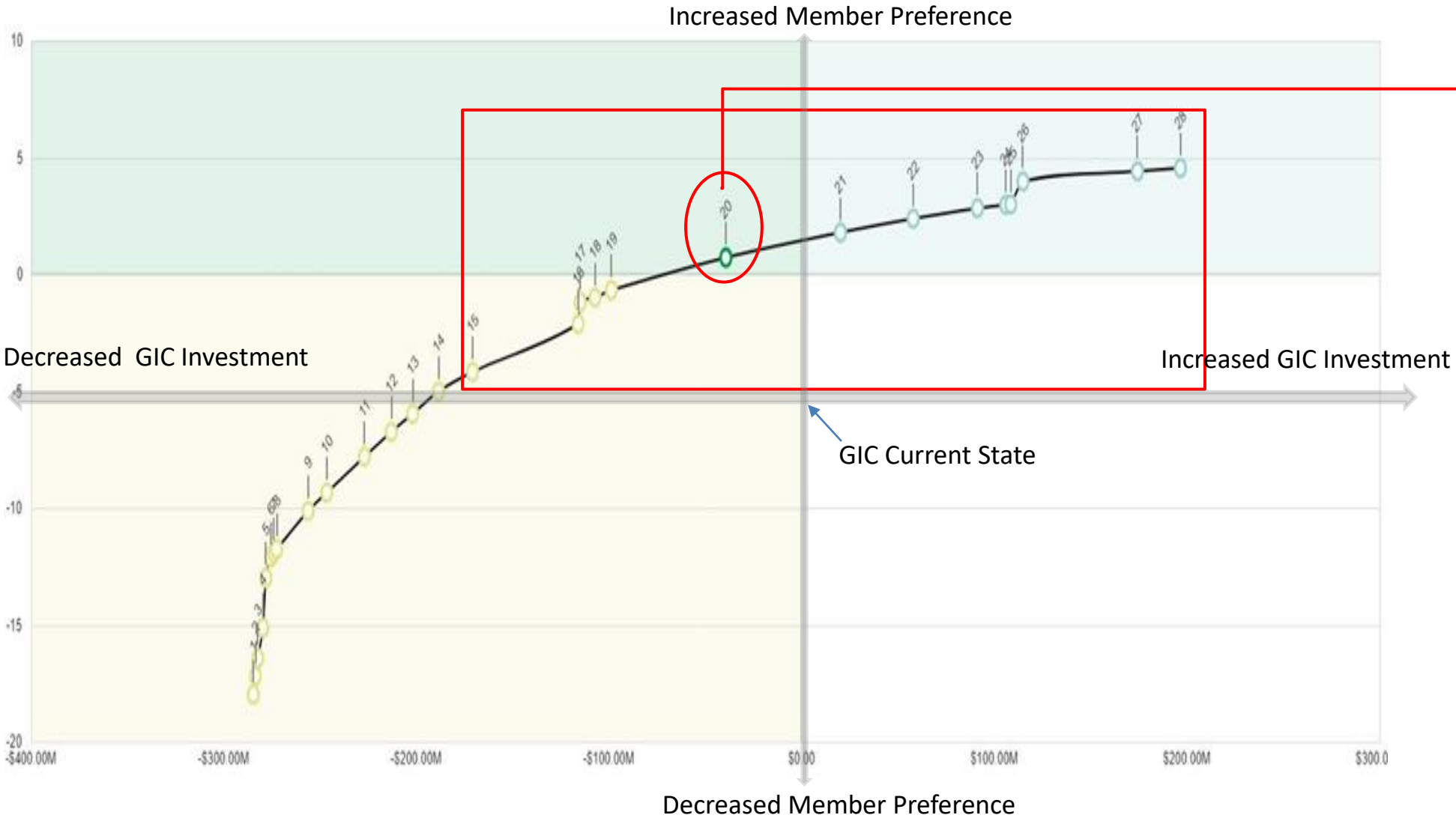
Efficient frontier framework– maximizing benefits while minimizing costs



- Member preferences based on survey responses were synthesized into benefit packages
- Benefit packages were then placed within the framework of the efficient frontier
- The most cost-effective packages fall into the top left quadrant

2021 Member Preference Survey Results

Efficient frontier framework – top tested benefit packages



- Only one tested package fell on the line of optimization in the top left quadrant, indicating that it maximizes effectiveness and decreased costs
- Cost savings and member benefits associated with the optimal package were both minimal

2021 Member Preference Survey Results

Efficient frontier framework – example custom benefit packages

Attribute	Custom Package #1	Cost (000s)
Premium Contribution	10% increase in your monthly premium cost for health insurance coverage (e.g., from $120 to $132)	($59,482)
Health Deductible	No change to your current fiscal year deductible	$0
Prescription Drug Deductible	Your prescription deductible is $50 individual/$100 family	$7,760
Out-of-Pocket Max	Your OOP max is $2,500 individual/$5,000 family	$8,900
Change in Cost	($42,912)	
Percent of members who prefer	60.0%	

- By customizing packages, GIC can assess the impact of benefit design changes on subscriber preferences and costs
- Subscribers expressed a preference over the status quo for lower deductible and a lower OOP max offset by increased premiums
- GIC staff will continue to work within Deloitte's tool to optimize the benefit package in terms of cost and subscriber preference across demographics

2021 Member Preference Survey Results: Key Takeaways

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1. Findings confirm much of what we have heard in past listening sessions, and from labor colleagues
2. Members are most sensitive to out-of-pocket costs, especially deductibles, and less sensitive to marginal increases in their share of premium
3. Members are also sensitive to changes to broad access to the hospitals, which we also see in the low and declining enrollment in plans with networks that that exclude high priced hospitals.
4. Members overall are satisfied with the plans they are currently enrolled in, and expect to remain in them in the coming annual enrollment
5. However, underneath the overall numbers, there is measurably more sensitivity to premium increases among younger members than older members, and a greater appetite for options with more modest premiums.

2021 Member Preference Survey Results: Next Steps

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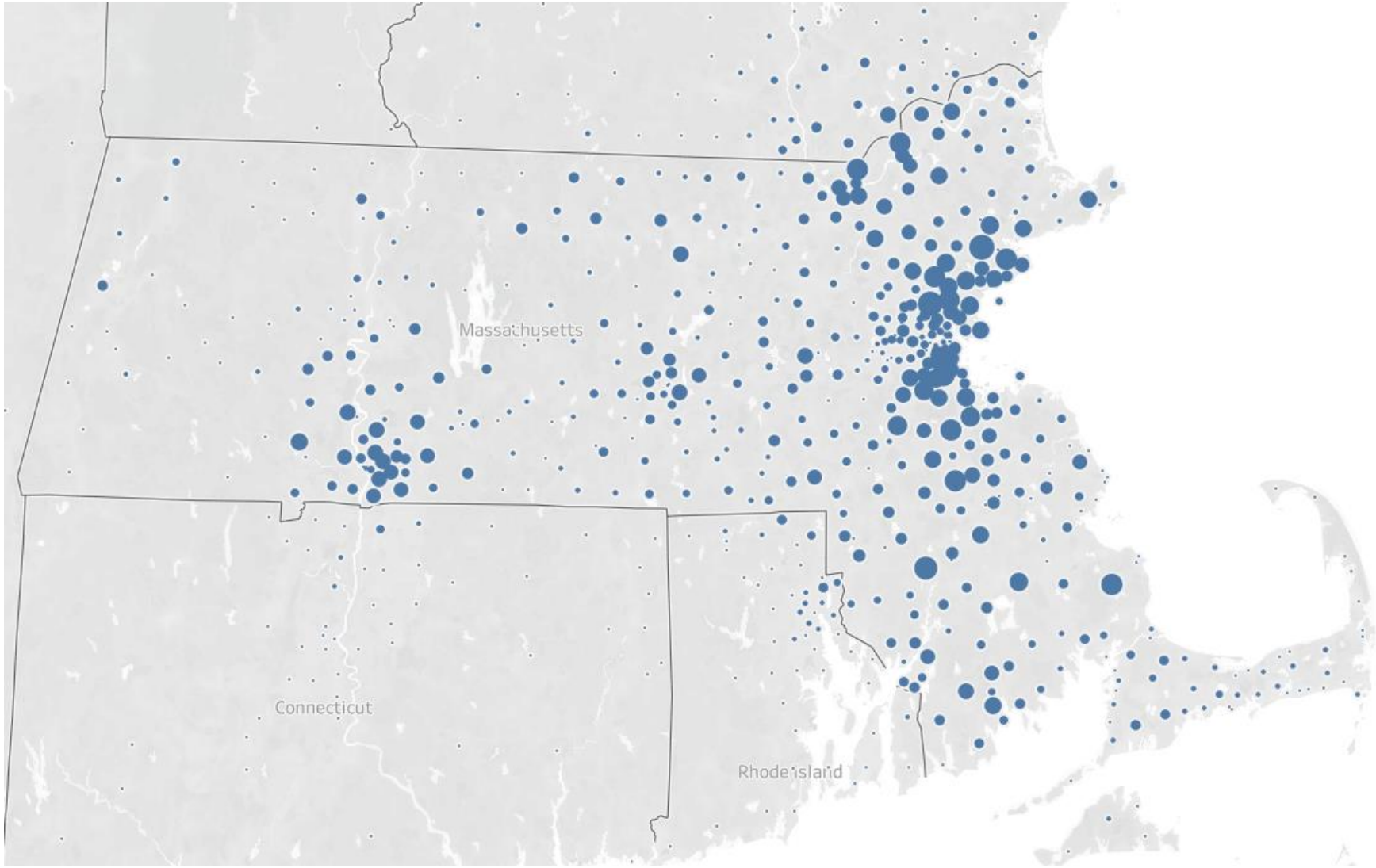
IV. COVID 19 Update (INFORM)

- Data Review

Margaret Anshutz, Manager, Health Care Analytics
Sabrina Werts, Intern, Health Care Analytics

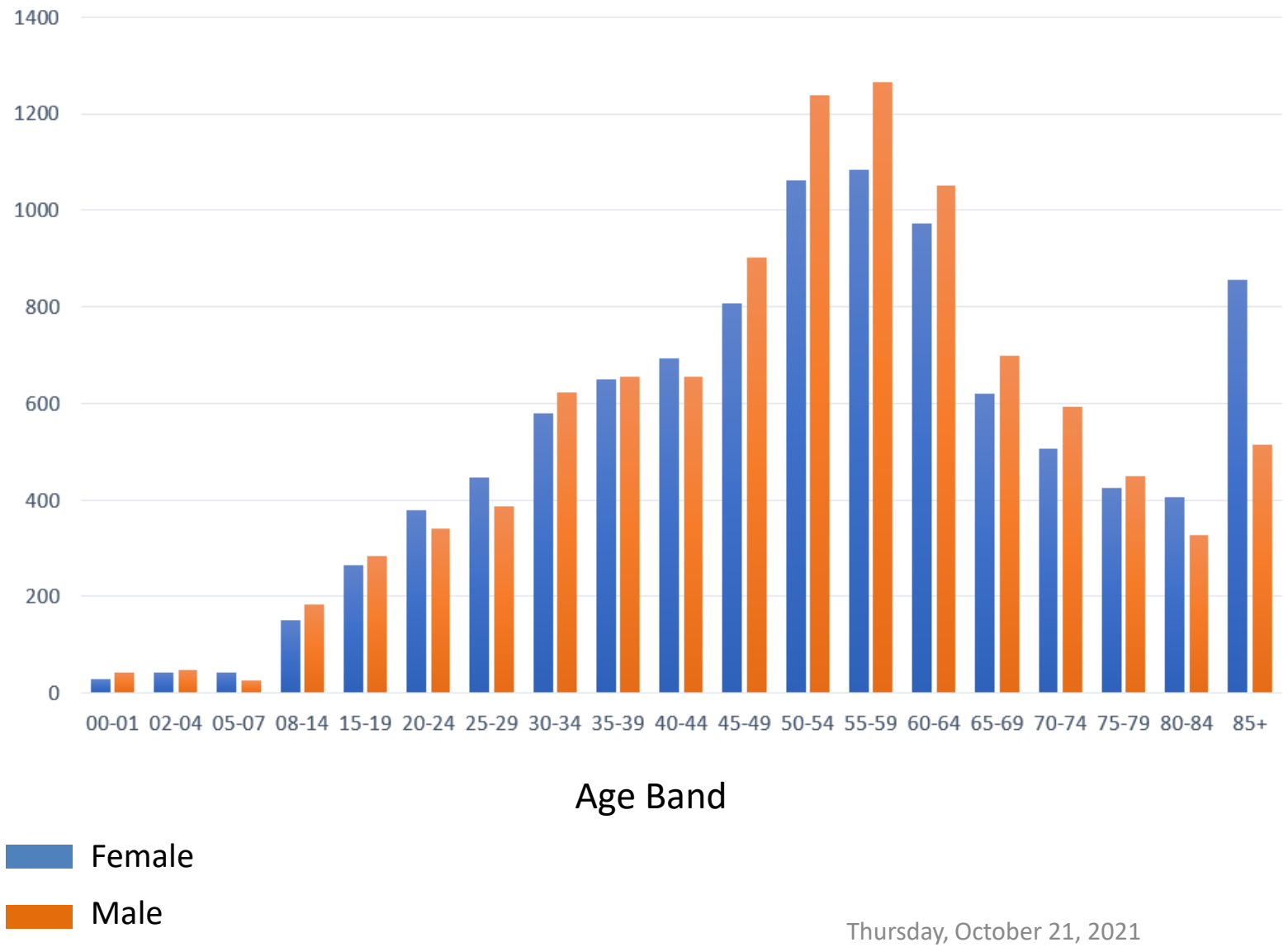
COVID-19 Update

Data incurred March 2020 – March 2021 and paid through June 2021 unless otherwise specified



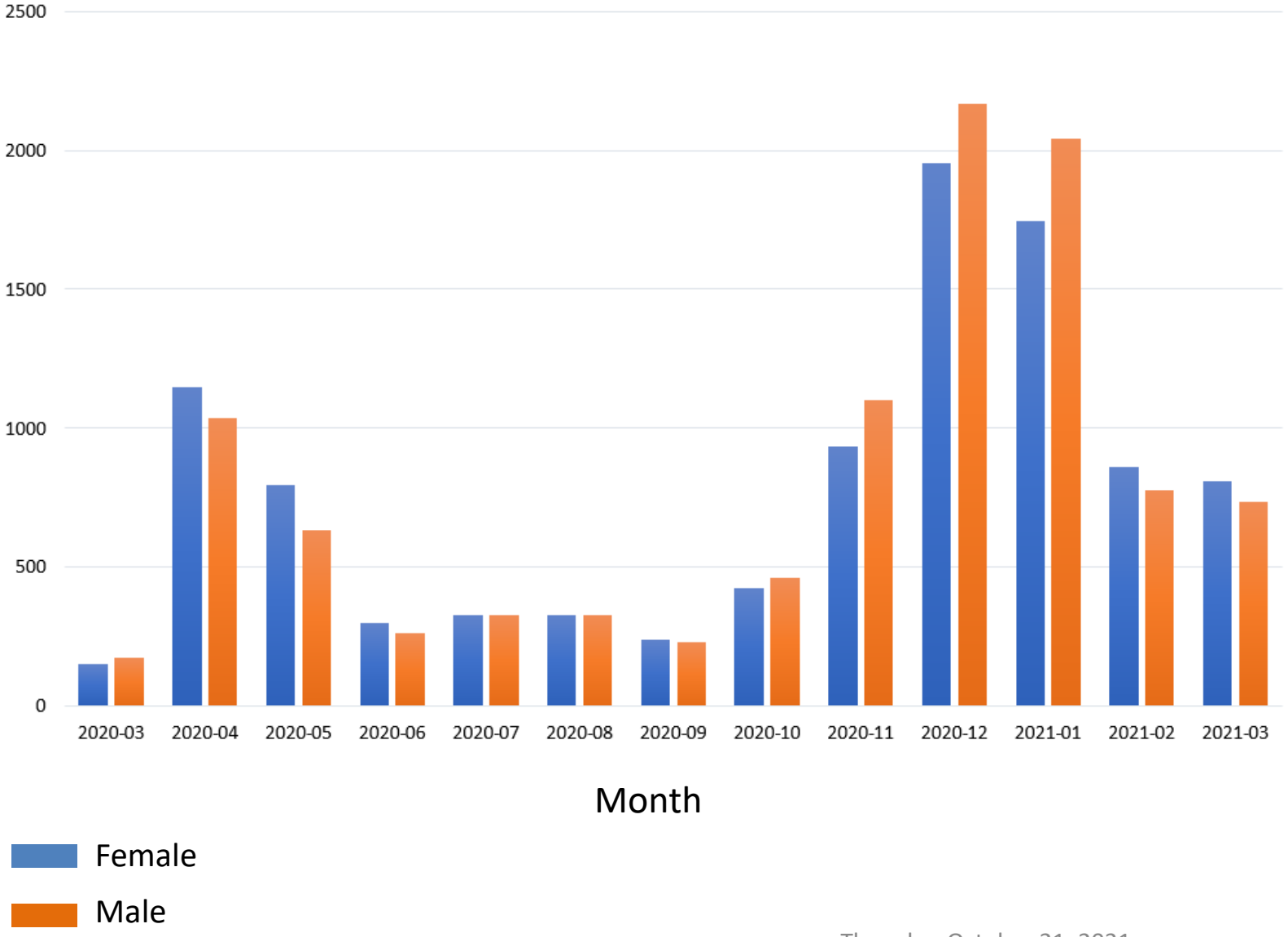
Map displays COVID-19 diagnoses by subscriber home zip code

COVID-19 confirmed positive diagnosis by age, sex



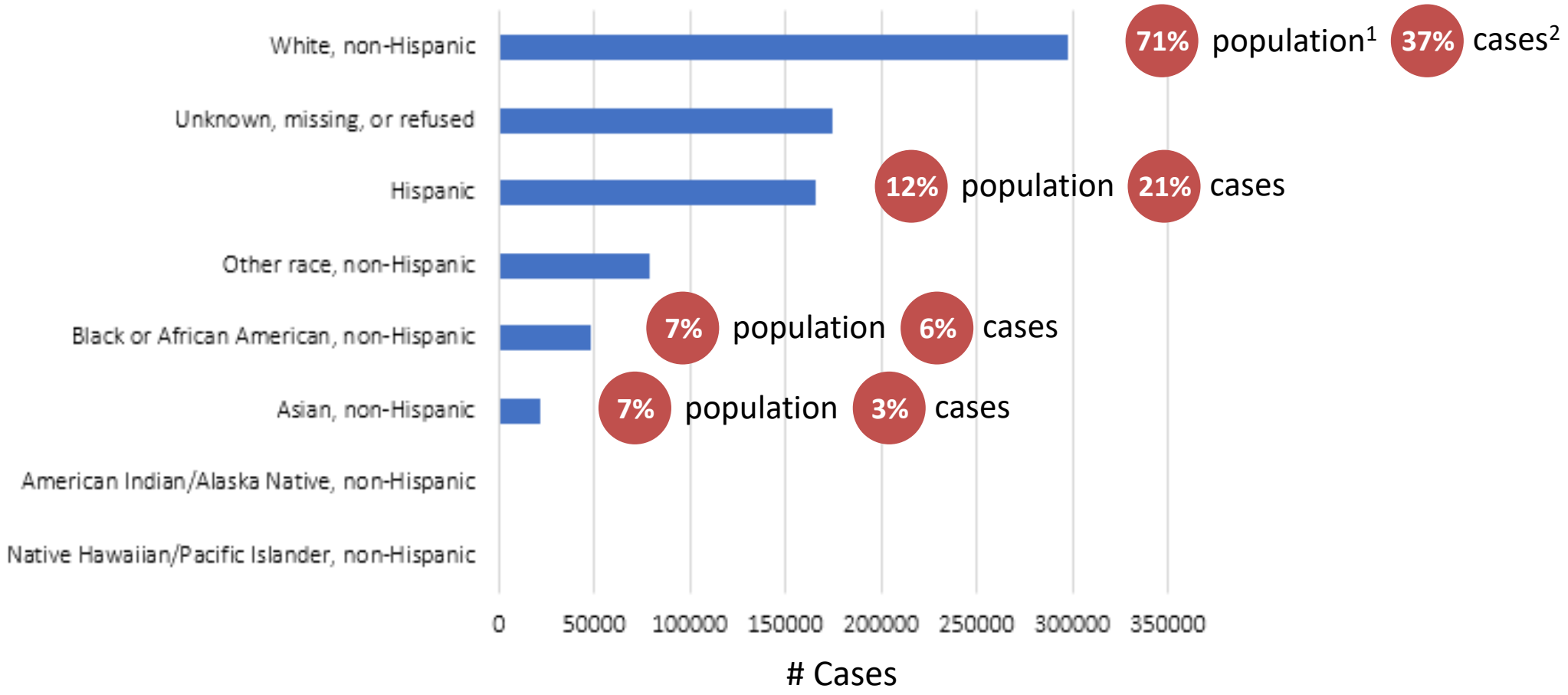
- 20,301 GIC members have a confirmed COVID-19 diagnosis between March 2020 and March 2021
- Overall, women and men account for nearly an equal amount of confirmed COVID-19 diagnoses
- GIC currently lacks data on member race/ethnicity but is working to remedy this deficiency

COVID-19 confirmed positive diagnosis by year-month, sex



- COVID-19 diagnoses spiked in early 2020 and again between November 2020 and January 2021
- There were 9,942 COVID-19 diagnoses between November 2020 and January 2021, accounting for 49% of all COVID-19 diagnoses between March 2020 and March 2021

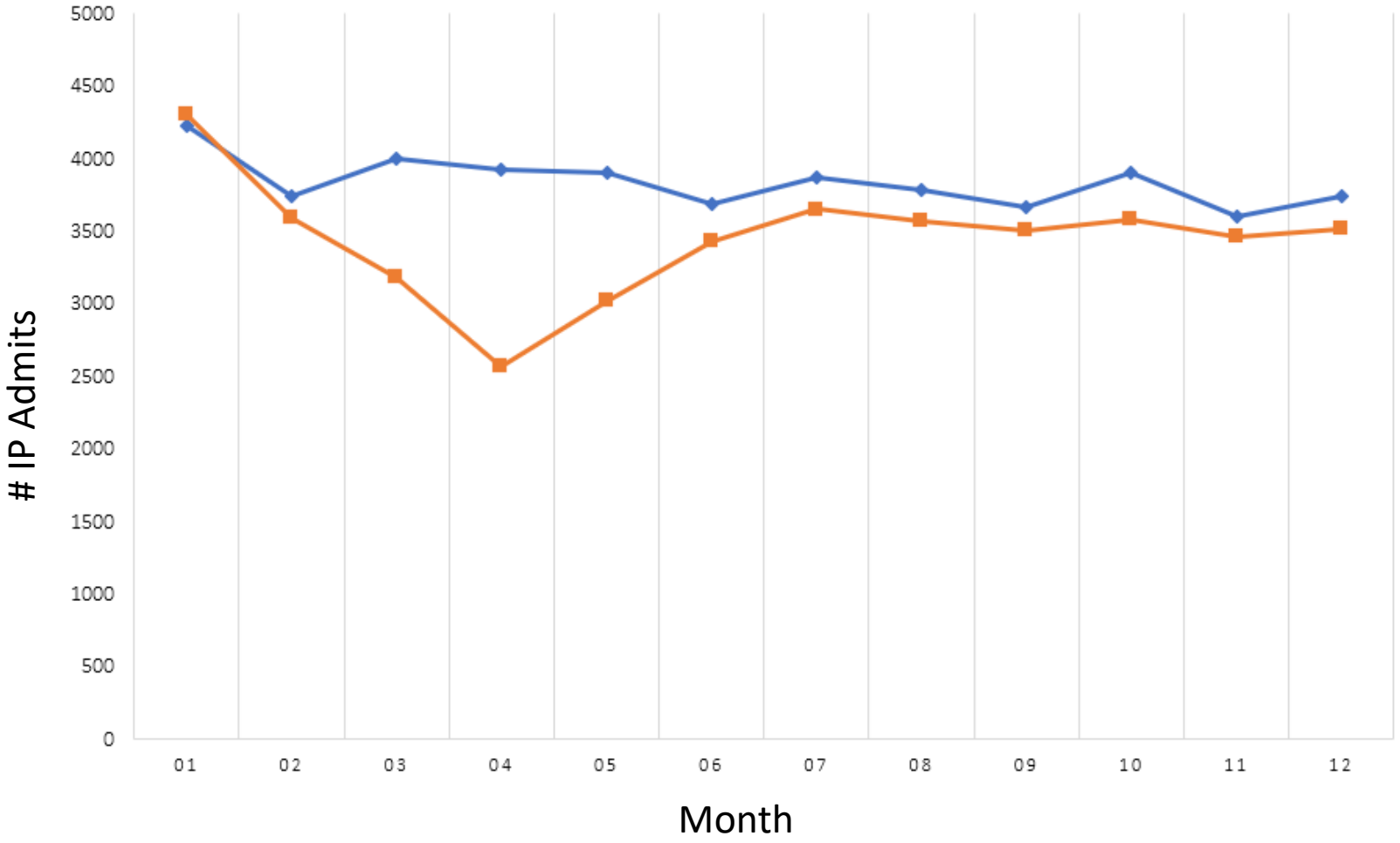
COVID-19 cases by race/ethnicity



[1] % population defined as total White, non-Hispanic MA residents divided by total MA residents
[2] % cases defined as total reported COVID cases for White, non-Hispanic MA residents divided by total COVID cases reported for MA residents

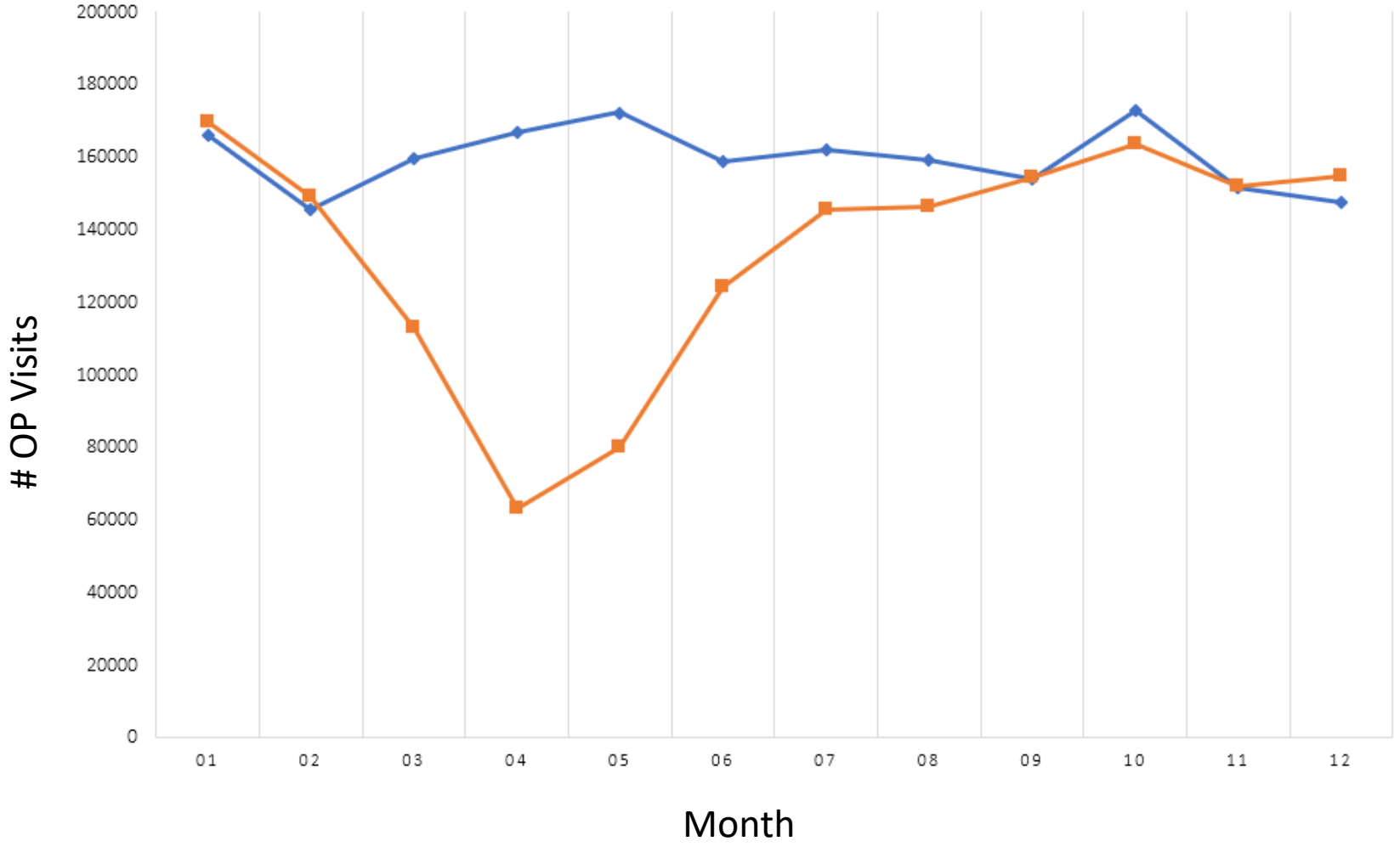
Data through 9/21/21 from the MA Department of Public Health

Inpatient admits by month, year



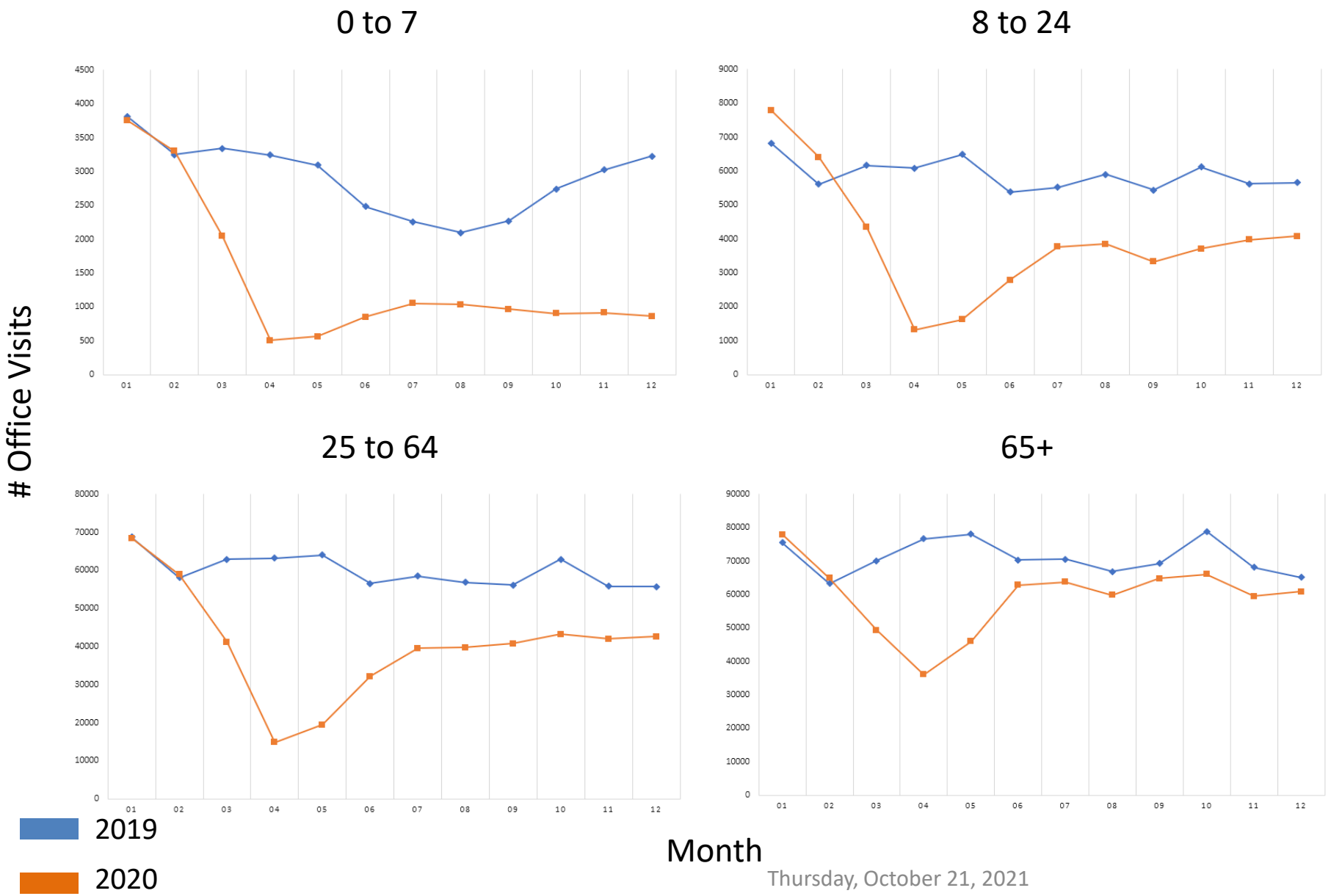
- Inpatient admits dropped by 10% overall in CY20 compared to CY19
- Inpatient admits dropped by 26% overall for March-May 2020 compared to the same time period in CY19
- April 2020 shows the sharpest decline in inpatient admits for CY20 compared to the CY19 baseline

Outpatient visits by month, year



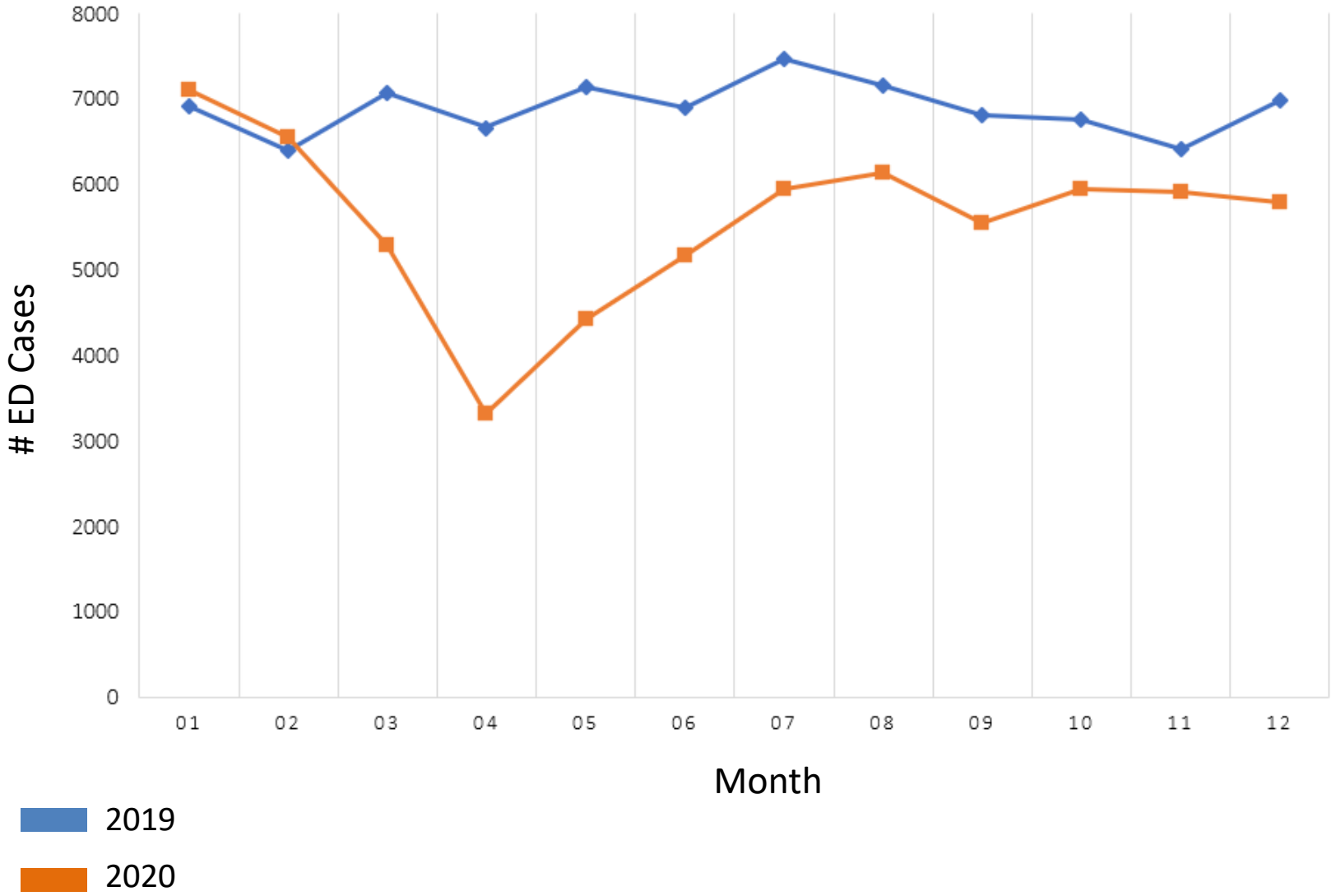
- Outpatient visits dropped by 16% overall in CY20 compared to CY19
- Outpatient visits dropped by 42% overall for March-June 2020 compared to the same time period in CY19
- CY20 outpatient visits rebounded to CY19 levels in September 2020

Office visits by age band, month, year



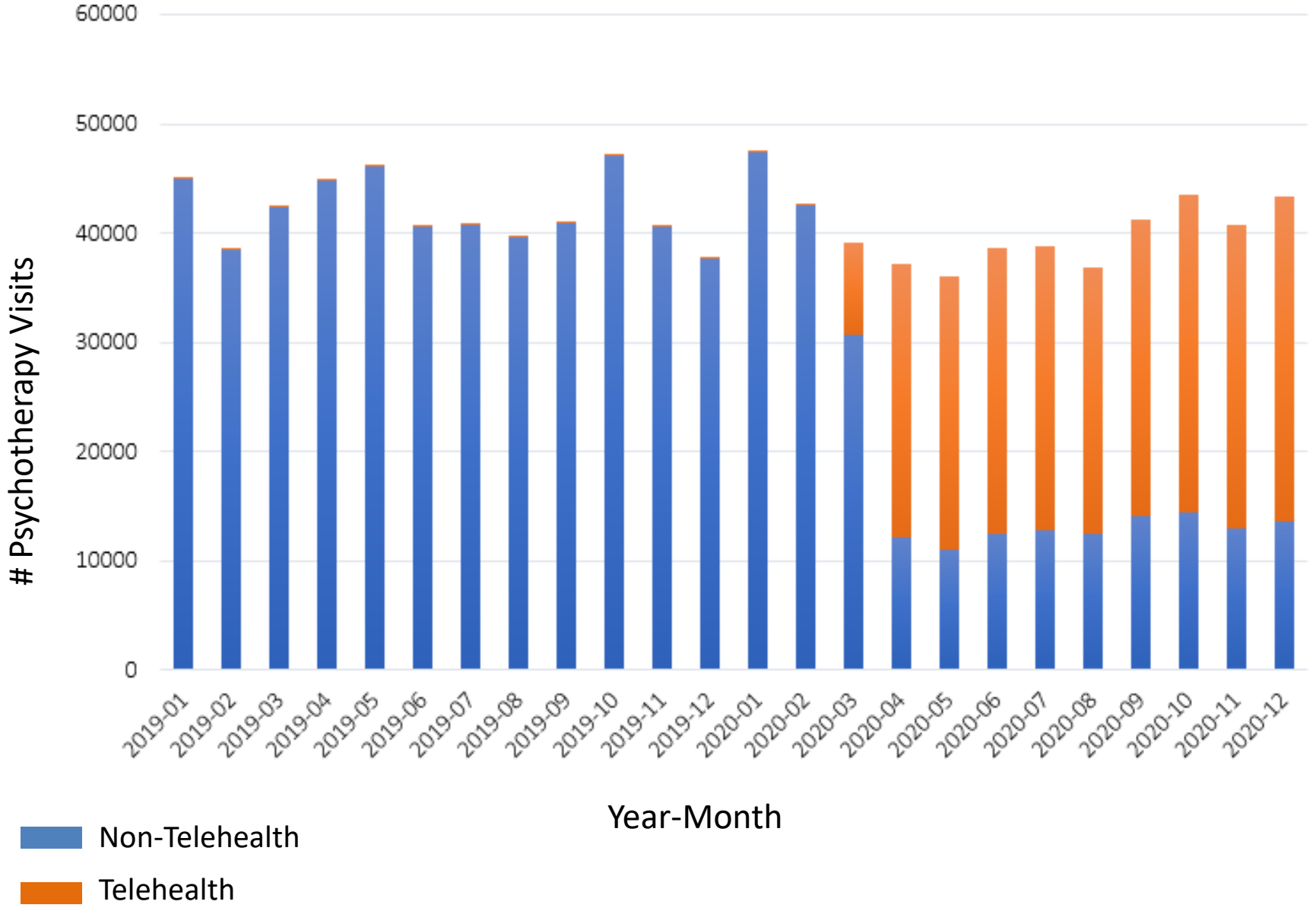
- Office visits dropped steeply for all age bands in April 2020
- While office visits for the three older age bands rebounded, office visits for the 0 to 7 age band did not
- Younger children were less likely to return to office visits than older children, adults, and the elderly

Outpatient emergency department cases by month, year



- Outpatient emergency department cases dropped by 19% in CY20 compared to CY19
- Outpatient emergency department cases dropped by 35% overall for March-June 2020 compared to the same time period in CY19

Psychotherapy visits by place of service, year-month



- Access to physicians and psychotherapists during the pandemic was expanded due to the adoption of telehealth
- 63% of all psychotherapy visits between March 2020 and December 2020 were delivered via telehealth

Data Notes

- **COVID Diagnosis:** At least one diagnosis code in list B9729, B9721, U071 across primary through 10th position
- **Office Visit:** Place of service 11, services rendered by PCP or specialist
- **Non-Telehealth Psychotherapy Visit:** At least one CPT code in list 90832-90853, 90875, 90876 **and** place of service code *not* 2 (Health Policy Commission definition)
- **Telehealth Psychotherapy Visit:** At least one CPT code in list 90832-90853, 90875, 90876 **and** place of service code 2 **and** at least one procedure modifier in list GT, GQ, 95 (Health Policy Commission definition)

All data pulled from Milliman MedInsight database

V. Plan Audit Report (INFORM)

- Audit Review

James Rust, Chief Financial Officer

Michelle Suckow, Vice President, Audit Operations for CTI

Claim Administration Audits

Fallon Health, Health New England, and UniCare

Presented to

Commonwealth of Massachusetts
Group Insurance Commission

October 21, 2021

CLAIM TECHNOLOGIES INCORPORATED

Audit Objectives

- The goal of CTI's medical claim audits was to determine whether:
  - GIC contract terms were followed;
  - Claims were paid according to plan documents and if those provisions were clear and consistent;
  - Members were eligible and covered by a GIC plan at the time a service was incurred and paid; and
  - Any claim administration, eligibility maintenance systems, or processes need improvement.

Audit Components

- Random Sample Audit of 200 claims
- 100% Electronic Screening with 150 targeted sample analysis (ESAS®)
- Data Analytics – an additional analysis of the plan claim files to assess provider discounts, correct coding, and compliance
- Operational Review – including extensive questionnaire and administrative management interviews
- Plan Documentation Analysis

FY2020 Claims Audit

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Audit Period:	Claims incurred July 1, 2019, through June 30, 2020, paid through December 31, 2020
Fallon Health	
Plans Audited	Direct Care, Select Care
Total Paid Amount	$59,874,599
Number of Claims Processed	209,470
Median Claim Turnaround Time	21 days
Health New England	
Plans Audited	Employees and Retirees without Medicare and Group Medicare Supplement Plus
Total Paid Amount	$88,900,068
Number of Claims Processed	366,966
Median Claim Turnaround Time	8 days
UniCare	
Plans Audited	Basic Indemnity, Community Choice, Plus, and Medicare
Total Paid Amount	$699,715,481
Number of Claims Processed	3,881,902
Median Claim Turnaround Time	1 day

Random Sample Audit – Performance Summary

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Administrator Performance by Quartile					
KEY PERFORMANCE INDICATOR	Quartile 1	Quartile 2	MEDIAN	Quartile 3	Quartile 4
	Lowest →				*Highest*
Fallon Health					
Financial Accuracy		98.11%	98.58%		
Accurate Payment		95.50%	96.53%		
Accurate Processing	89.50%		96.03%		
Health New England					
Financial Accuracy			98.58%	99.14%	
Accurate Payment		96.00%	96.53%		
Accurate Processing		96.00%	96.03%		
UniCare					
Financial Accuracy	92.42%		98.58%		
Accurate Payment	90.00%		96.53%		
Accurate Processing	90.00%		96.03%		

Fallon Key Findings

- Random Sample Audit of 200 Claims
  - 98.11 percent Financial Accuracy Rate (1.89 percent error rate)
  - Nine claims identified with payment errors totaling $7,515.00 in underpayments and $1,270.70 in overpayments
    - Seven of the nine errors adjudicated automatically, two adjudicated manually
    - Six of the nine were copayment calculation errors
- 100% Electronic Screening with 150 Targeted Samples
  - Overpayment of Limited Services – Excess rehabilitation and habilitation services for Applied Behavioral Analysis
  - End Stage Renal Disease – Incorrectly paid claims as primary versus secondary
  - Excluded Services – Payment of labs for pre-employment physicals and assistant surgeons not held to the 80 – 90 percent reductions
  - Potential Incorrect Copayments – Tier 2 versus Tier 1 and emergency room and imaging versus emergency room only
  - Only 0.18 percent of claims were paid for people who may not have been covered by the GIC at the time they received care (1 percent or less is typical)

HNE Key Findings

- Random Sample Audit of 200 Claims
  - 99.14 percent Financial Accuracy Rate (.86 percent error rate)
  - Eight claims identified with payment errors totaling $965.41 in underpayments and $11.57 in overpayments
    - Seven of the eight errors adjudicated manually, one adjudicated automatically
    - Four of the seven were copayment calculation errors
- 100% Electronic Screening with 150 Targeted Samples
  - Subrogation/Right of Recovery From Third Party – the HNE data file did not indicate if claims had been investigated for potential third-party liability, so CTI was unable to determine if the $4,949,469 identified by ESAS had been appropriately investigated
    - CTI identified HNE was not investigating third-party liability for dog bites or product liability
  - Overpayment of Limited Services – Nutritional counseling is limited to four visits per plan year – this was exceeded due to a system configuration error that has now been resolved
  - Only 0.023 percent of claims were paid for people who may not have been covered by the GIC at the time they received care (1 percent or less is typical)

UniCare Key Findings

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

- Random Sample Audit of 200 Claims
  - 92.42 percent Financial Accuracy Rate (7.58 percent error rate)
  - Twenty claims identified with payment errors totaling $10,970.10 in underpayments and $11,074.26 in overpayments
    - Fourteen of the 20 errors were adjudicated automatically
    - Seven of the 20 were copayment calculation errors
- 100% Electronic Screening with 150 Targeted Samples
  - Potential Medicare Eligible Members with End Stage Renal Disease – Did not investigate if Medicare should have paid primary
  - Potential Paid Greater than Charged – Incorrectly paid claims at a rate greater than contracted
  - Potential PPO Provider without Discount – Accenture paid billed amount without a member discount
  - Payments for Excluded Services – Hearing Aids and Supplies, Genetic Counseling, and Nurse Surgery Assistant
  - Potential Out-of-Pocket and Deductible Over-Accumulation – Applied the incorrect deductible
  - Potential Fraud, Waste, and Abuse
    - Specialty Medications – Services were paid by UniCare without being reviewed for medical necessity
    - Chiropractic Upcoding – Services billed were not supported by number of spinal regions treated
    - Repeat Genetic Testing – Services for repeated labs were submitted without documentation to support medical necessity
  - Overpayments for Limited Services
    - Partial Hospitalization – Partial hospitalizations were not reviewed for medical necessity
    - Sleep Study –Sleep studies were not reviewed for prior authorization or medical necessity
  - Potential Incorrect Copayments – Incorrect copayments less for occupational therapy and high-tech radiology
  - Only 0.30 percent of claims were paid for people who may not have been covered by the GIC at the time they received care (1 percent or less is typical)
- Operational Review
  - There are no authority limits for any third-party liability lien reductions in place with UniCare

Key Findings Across Plans

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

- Operational Review
  - Specialty pharmacy rebates average 2% of actual drug cost paid under the medical benefit. The contract requirements regarding pass-through of rebates to the GIC vary.
    - Fallon was required by contract to establish a process to pass through manufacturer rebates for these drugs but for the audit year had not yet done so. The GIC should follow up with Fallon.
    - HNE and UniCare are following their contractual requirements
  - Inadequate GIC-specific overpayment reporting
- Data Analytics
  - While the GIC administrators' have the majority of the CMS edits in place for NCCI and Global Surgery, CTI found claims for each administrator that would have been denied by CMS – CTI typically sees .50 percent or less when compared to the audit universe
    - Fallon – .77 percent
    - HNE – 1.30 percent
    - UniCare – 1.03 percent

Recommendations

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

1. The GIC should meet with its administrators to discuss the audit findings, focusing on steps necessary to improve Financial Accuracy, Accurate Payment Frequency, and Accurate Processing Frequency as needed. For any systemic financial errors, the GIC's administrators should run impact reports to identify and adjust all affected claims.

2. The GIC's administrators should conduct a focused analysis of errors identified through ESAS to determine if overpayment recovery and/or system improvements are possible to reduce or eliminate similar errors going forward. CTI will provide administrators with claim detail to use in this analysis.

3. The GIC should use CTI's Data Analytics findings to address the potential for additional cost savings to the plan. While all administrators have the majority of CMS edits in place, CTI a found that these administrators paid a significant amount of claim dollars that would have been denied by CMS.

4. The GIC should review the results of the eligibility screening to determine whether claims were paid for ineligible claimants, and if so, perform causal analysis to identify workflow and/or system improvements to reduce or eliminate paying claims on ineligible claimants.

Recommendations, continued

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

5. Fallon Health did not have a process in place, as required by contract, to pass through to the GIC manufacturer rebates for prescription drugs on the medical benefit. The GIC should work with Fallon to ensure that this process has been established and rebates are passed through as required.

6. The GIC should implement authority limits for UniCare requiring approval for any third-party liability lien reductions exceeding agreed upon percentages and amounts.

7. The GIC should request monthly overpayment reports from its administrators categorizing outstanding overpayment amounts, recovered overpayment activity by reason, and any associated recovery fees.

Thank You!

CLAIM TECHNOLOGIES INCORPORATED

VII. CFO UPDATE (INFORM)

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

- 2020 Resolved Audit Update
- COVID Claims Payments Update
- FY22 First Quarter Budget Results

Jim Rust, Chief Financial Officer

VII. CFO UPDATE (INFORM)

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

2020 Audit Recommendations

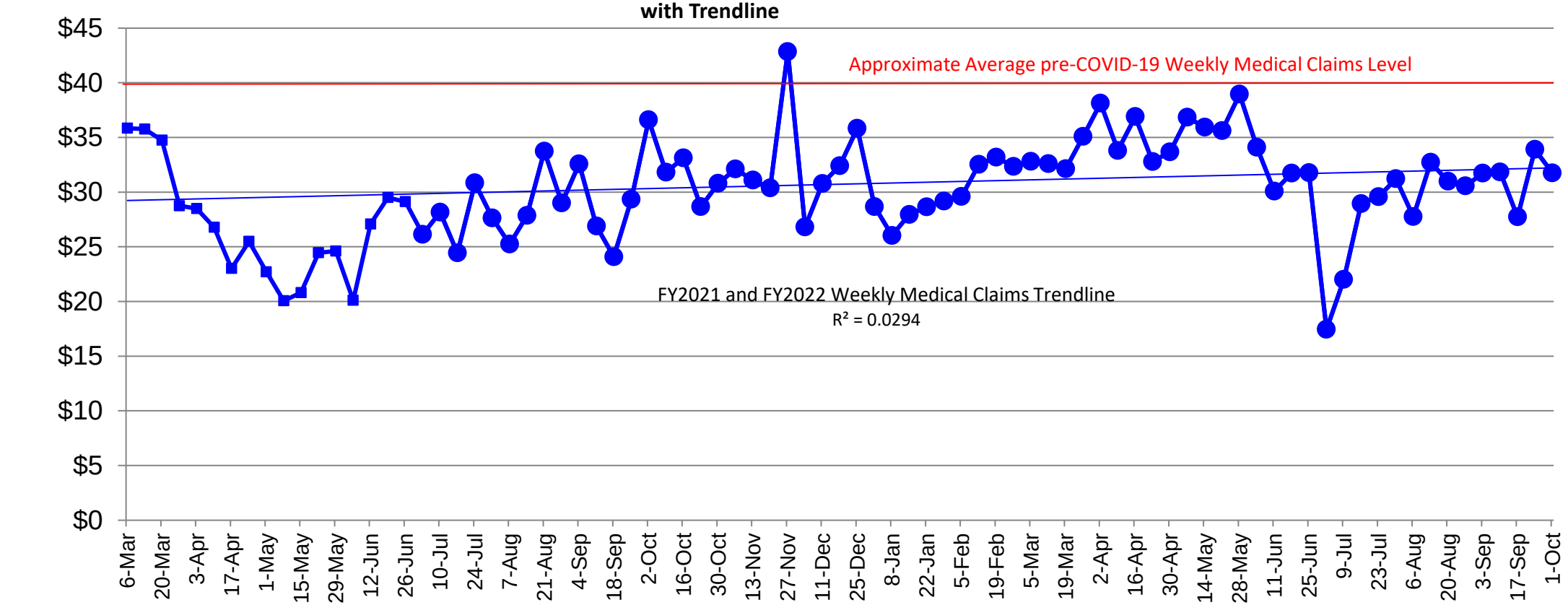
1. The GIC should meet with its administrators to discuss the audit findings, focusing on steps necessary to improve Financial Accuracy, Accurate Payment Frequency, and Accurate Processing Frequency as needed.
2. The GIC should review the results of the eligibility screening to determine whether claims were paid for ineligible claimants, and if so, perform causal analysis to identify workflow and/or system improvements to reduce or eliminate paying claims on ineligible claimants.
3. GIC should confirm that manufacturer rebates for prescription drugs processed under the medical benefit are being passed through to the GIC as contractually obligated.
4. The GIC should request monthly overpayment reports from each administrator categorizing outstanding overpayment amounts, recovered overpayment activity by reason, and any associated recovery fees.
5. The GIC should verify which performance measures for Tufts and HPHC are reported on an aggregate basis rather than client-specific and determine if all performance guarantees can be reported specific to GIC members only.
6. The GIC should implement authority limits for Tufts and AllWays requiring approval for any third-party liability lien reductions exceeding agreed upon percentages and amounts.
7. The GIC should use CTI's Data Analytics findings to address the potential for additional cost savings to the plan. While all administrators have the majority of CMS edits in place, CTI a found that these administrators paid a significant amount of claim dollars that would have been denied by CMS.
8. The GIC's administrators should conduct a focused analysis of errors identified through ESAS to determine if overpayment recovery and/or system improvements are possible to reduce or eliminate similar errors going forward.

VII. CFO UPDATE (INFORM)

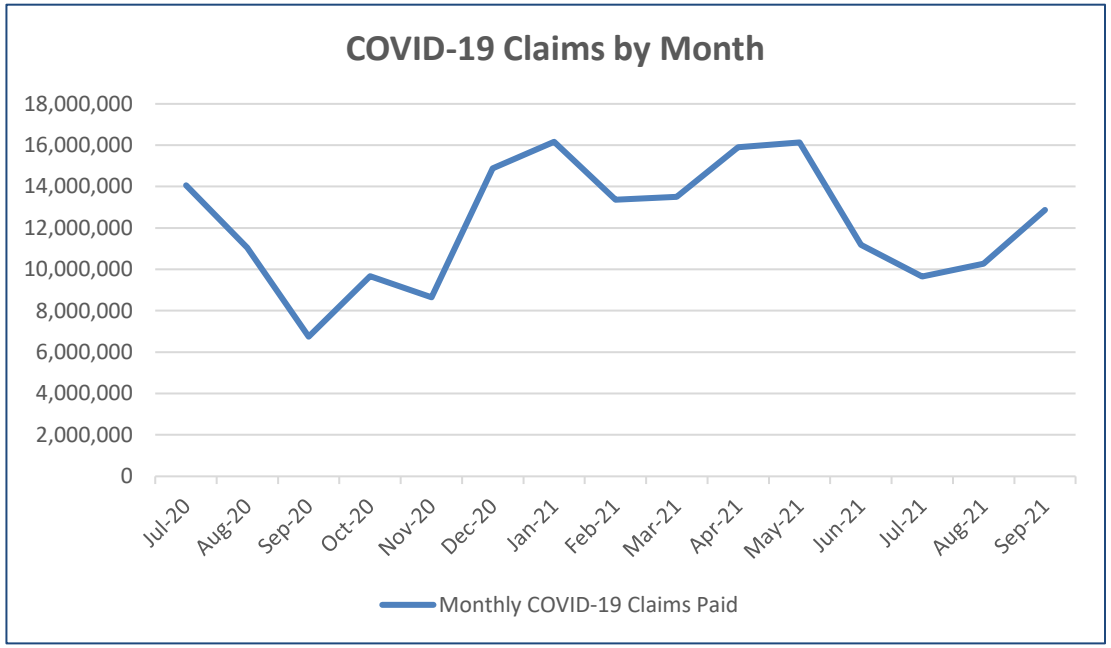
Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

GIC Medical Claims for the Weeks Ending March 6, 2020 through October 1, 2021

with Trendline



VII. CFO UPDATE (INFORM)



- COVID-19 claims decreased over the Spring and early Summer
  - Given the 4-6 week lag in reporting we are, as expected, seeing an increase in COVID-19 spending due to the recent surge in cases related to the Delta variant

COVID-19 Claims by Month		
Month	Monthly COVID-19 Claims Paid	Running Total FY21 and FY22
Jul-20	14,059,116	14,059,116
Aug-20	11,050,708	25,109,825
Sep-20	6,748,804	31,858,629
Oct-20	9,671,752	41,530,381
Nov-20	8,650,943	50,181,325
Dec-20	14,874,875	65,056,200
Jan-21	16,159,981	81,216,181
Feb-21	13,367,247	94,583,428
Mar-21	13,509,366	108,092,794
Apr-21	15,892,384	123,985,178
May-21	16,131,155	140,116,333
Jun-21	11,189,607	151,305,940
Jul-21	9,652,793	160,958,733
Aug-21	10,274,656	171,233,389
Sep-21	12,873,807	184,107,196
FY22 COVID-19 Claims to Date		32,801,256
Total FY21 COVID-19 Claims		151,305,940
Total FY20 COVID-19 Claims		43,361,207
Total COVID-19 Claims to Date FY19 thru FY22		227,468,403

VII. CFO UPDATE (INFORM)

Commonwealth of Massachusetts
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FY22 STATE SHARE EXPENSE FOR GIC PREMIUM ACCOUNTS				
	July 2021	August 2021	September 2021	TOTAL
Allways Health Claims	$6,799,082	$5,211,481	$7,002,293	$19,012,856
Caremark/Express Scripts/SilverScript Claims	$35,183,140	$38,436,649	$66,591,618	$140,211,407
Davis Vision Claims	$34,908	$38,730	$32,960	$106,598
Fallon Health Claims	$5,689,347	$6,576,620	$5,399,044	$17,665,011
Harvard Pilgrim Claims	$35,231,278	$35,016,938	$27,114,575	$97,362,790
Health New England Claims	$7,511,202	$8,638,456	$6,916,134	$23,065,793
Tufts Navigator Claims	$33,813,646	$27,126,192	$28,142,993	$89,082,831
Tufts Spirit and Medicare Complement Claims	$4,605,855	$3,519,080	$3,194,985	$11,319,920
Unicare Claims	$43,400,899	$58,171,403	$49,021,377	$150,593,679
Other costs	$37,560	$710,981	$244,843	$993,384
Claims sub-total	$172,306,918	$183,446,530	$193,660,823	$549,414,271
Basic Life	$804,276	$804,087	$803,255	$2,411,619
Optional Life	$0	$0	$0	$0
RMT Life	$45,627	$45,570	$45,930	$137,126
Long-Term Disability	$0	$0	$0	$0
Dental	$722,812	$648,372	$684,299	$2,055,484
Tufts Medicare Preferred	$674,902	$676,817	$680,111	$2,031,829
UBH Optum	$104,040	$104,040	$104,040	$312,120
ASO Administrative Fee	$6,799,934	$6,792,852	$6,771,442	$20,364,228
Premiums sub-total	$9,151,590	$9,071,738	$9,089,077	$27,312,406
TOTAL	$181,458,508	$192,518,268	$202,749,900	$576,726,676

- The first quarter of FY 22 spending reflects, on average, a continued and gradual return to pre COVID-19 levels

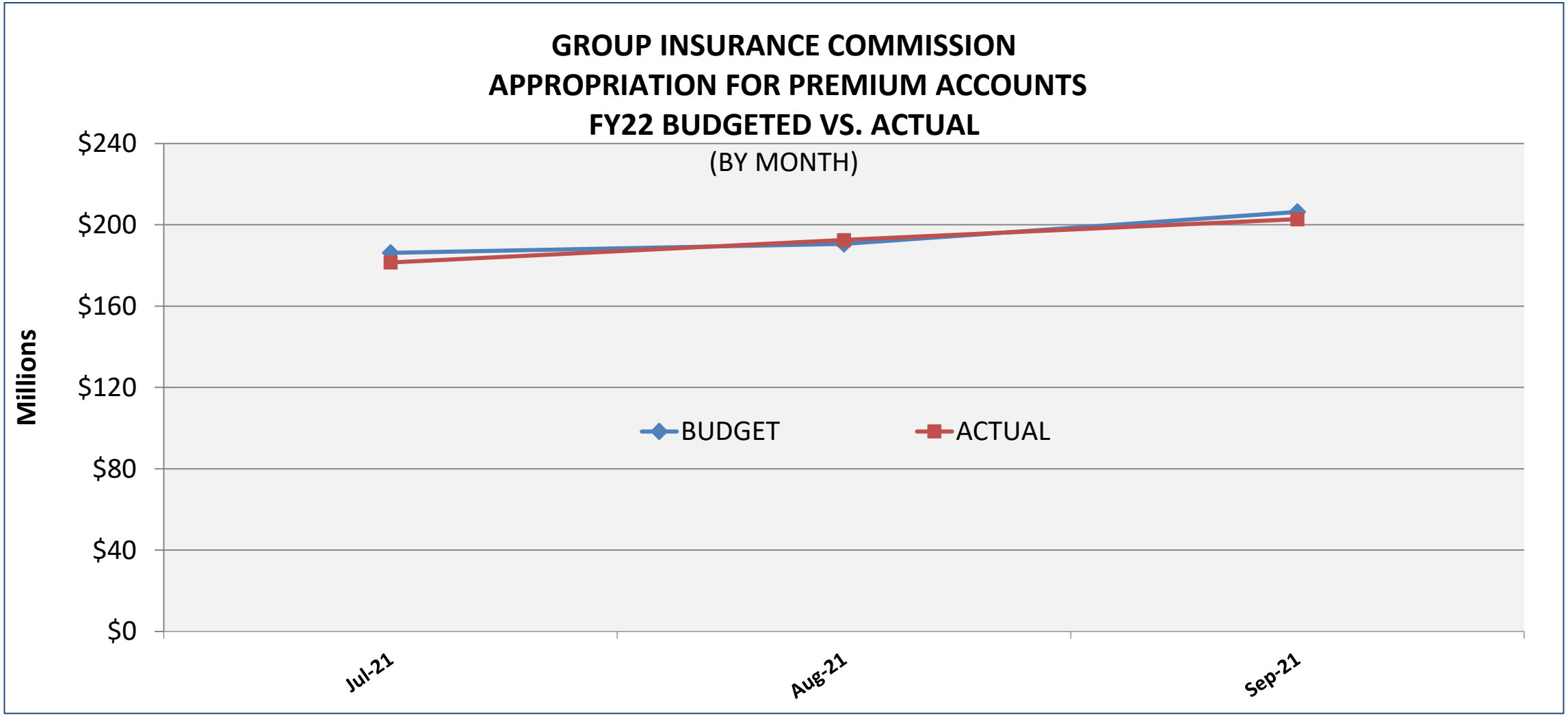
VII. CFO UPDATE (INFORM)

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

FY22 ENROLLEE SHARE EXPENSE FOR GIC PREMIUM ACCOUNTS				
	July 2021	August 2021	September 2021	TOTAL
Allways Health Claims	$2,008,098	$1,540,255	$2,072,808	$5,621,161
Caremark/Express Scripts/SilverScript Claims	$8,528,243	$10,688,689	$17,013,392	$36,230,324
Davis Vision Claims	$6,160	$6,835	$5,816	$18,811
Fallon Health Claims	$1,631,579	$1,898,720	$1,558,378	$5,088,677
Harvard Pilgrim Claims	$9,561,245	$9,474,611	$7,362,637	$26,398,494
Health New England Claims	$2,158,467	$2,484,394	$2,001,785	$6,644,646
Tufts Navigator Claims	$9,368,030	$7,527,759	$7,825,241	$24,721,031
Tufts Spirit and Medicare Complement Claims	$1,270,371	$959,669	$875,647	$3,105,687
Unicare Claims	$12,017,842	$16,089,479	$13,673,480	$41,780,802
Other costs	$0	$0	$0	$0
Claims sub-total	$46,550,036	$50,670,411	$52,389,185	$149,609,631
Basic Life	$217,940	$217,907	$217,819	$653,666
Optional Life	$3,854,002	$3,860,835	$3,867,538	$11,582,375
RMT Life	$11,155	$11,141	$11,227	$33,524
Long-Term Disability	$1,054,431	$1,048,632	$1,047,746	$3,150,809
Dental	$1,993,257	$1,990,149	$2,005,562	$5,988,969
Tufts Medicare Preferred	$143,307	$143,898	$144,901	$432,106
UBH Optum	$18,360	$18,360	$18,360	$55,080
ASO Administrative Fee	$1,854,697	$1,854,276	$1,850,346	$5,559,319
Premiums sub-total	$9,147,151	$9,145,198	$9,163,498	$27,455,847
TOTAL	$55,697,187	$59,815,609	$61,552,683	$177,065,479

- As expected, enrollee share paid claims have an identical pattern

VII. CFO UPDATE (INFORM)



VII. CFO UPDATE (INFORM)

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Group Insurance Commission
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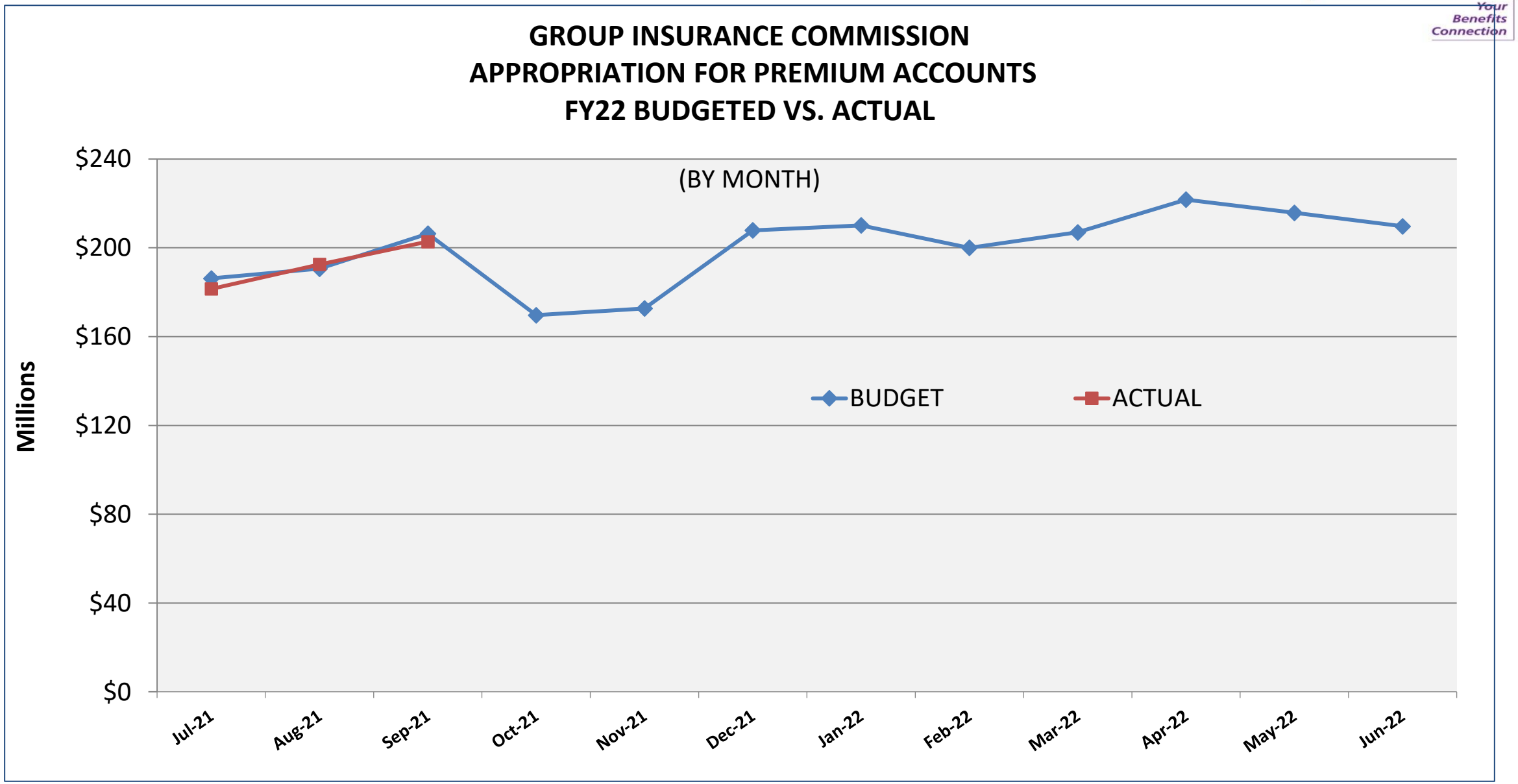

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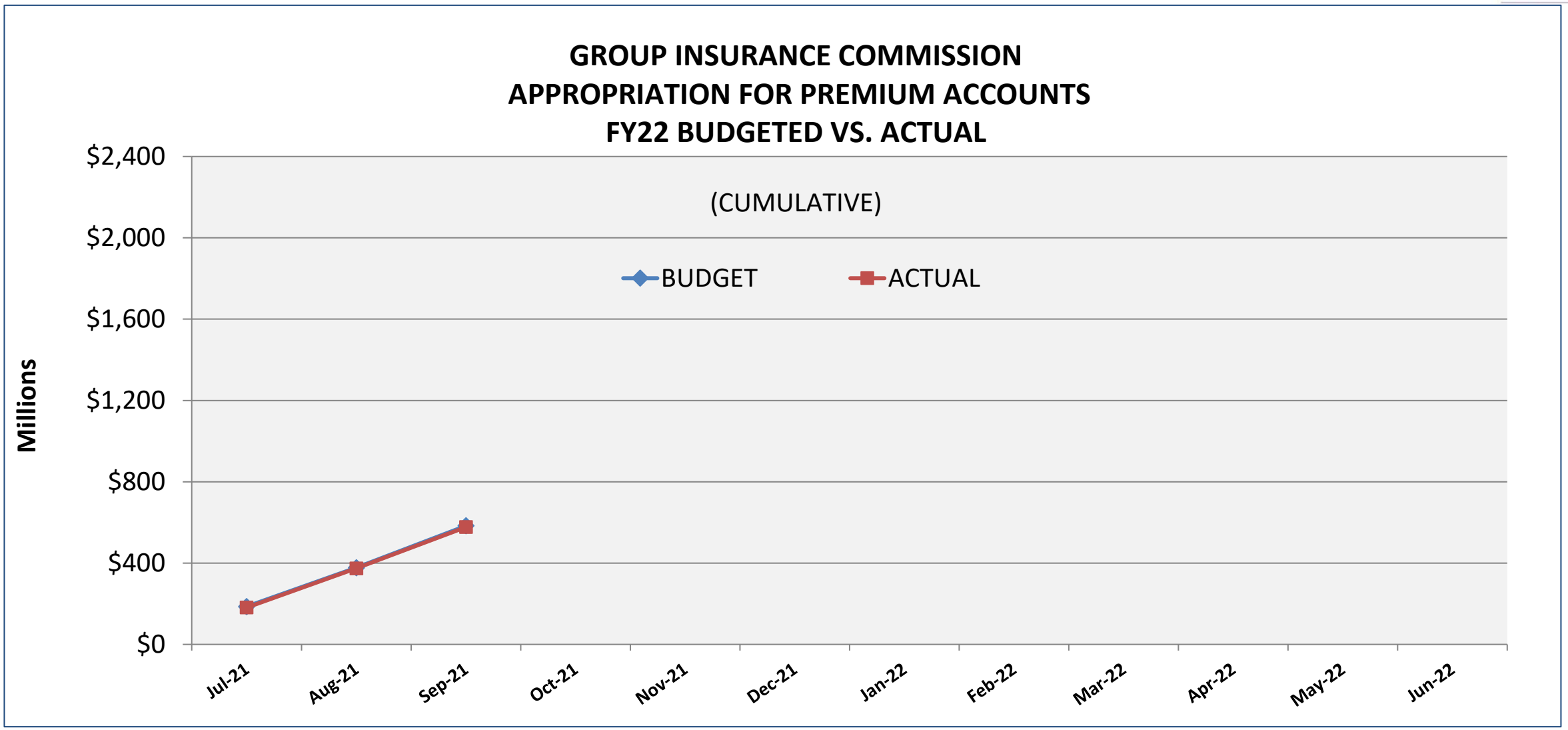

VII. CFO UPDATE (INFORM)

Commonwealth of Massachusetts
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FY22 STATE SHARE PREMIUM BUDGET FOR GIC PREMIUM ACCOUNTS AS OF SEPTEMBER 30, 2021					
	BUDGET*	EXPENSES	Under Budget / Over Budget	%	VAR
Basic Life & Health Account #1108-5200 & #1599-6152	$580,469,215	$574,564,595	$5,904,620	1.0%	
Active Dental & Vision Benefits * Account #1108-5500	$2,689,992	$2,162,082	$527,910	19.6%	
Total State Share YTD	$583,159,207	$576,726,676	$6,432,530	1.1%	

VIII. Other Business/Adjournment

Commonwealth of Massachusetts
Group Insurance Commission
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FY21 GIC Commission Meeting Schedule

- Unless otherwise announced in the public notice, all meetings take place from 8:30 am - 10:30 am on the 3rd Thursday of the month.
- Meeting notices and materials including the agenda and presentation are available at www.mass.gov/gic under Upcoming Events prior to the meeting and under Recent Events after the meeting.

Please note these exceptions:

- February's meeting is scheduled on the 2nd Thursday and March's meeting is scheduled on the 1st Thursday to make decisions regarding the next Benefit Year in a timely manner prior to Annual Enrollment in May.
- April's meeting is rescheduled for the 2nd Thursday of the month in order to avoid conflicting with Passover.

Please note these changes:

- Until the ban on public gatherings is lifted, Commissioners will attend meetings remotely via a video-conferencing platform provided by GIC.
- Anyone with Internet access can view the livestream via the MA Group Insurance Commission channel on YouTube. The meeting is recorded, so it can be replayed at any time.

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FY2022 Group Insurance Commission Meetings

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

July 2021

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August 2021

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 2021

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19	20	21	22	23	24	25
26	27	28	29	30		

October 2021

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24	25	26	27	28	29	30
31						

November 2021

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21	22	23	24	25	26	27
28	29	30				

December 2021

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26	27	28	29	30	31	

January 2022

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23	24	25	26	27	28	29
30	31					

February 2022

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March 2022

S	M	T	W	T	F	S
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April 2022

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24	25	26	27	28	29	30

May 2022

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June 2022

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Member Preferences Survey Appendix

Deloitte Executive Summary: An Overview of Member Preference Survey Findings

The Member Preference Survey was live during July/August 2021; 9,685 members completed the survey.

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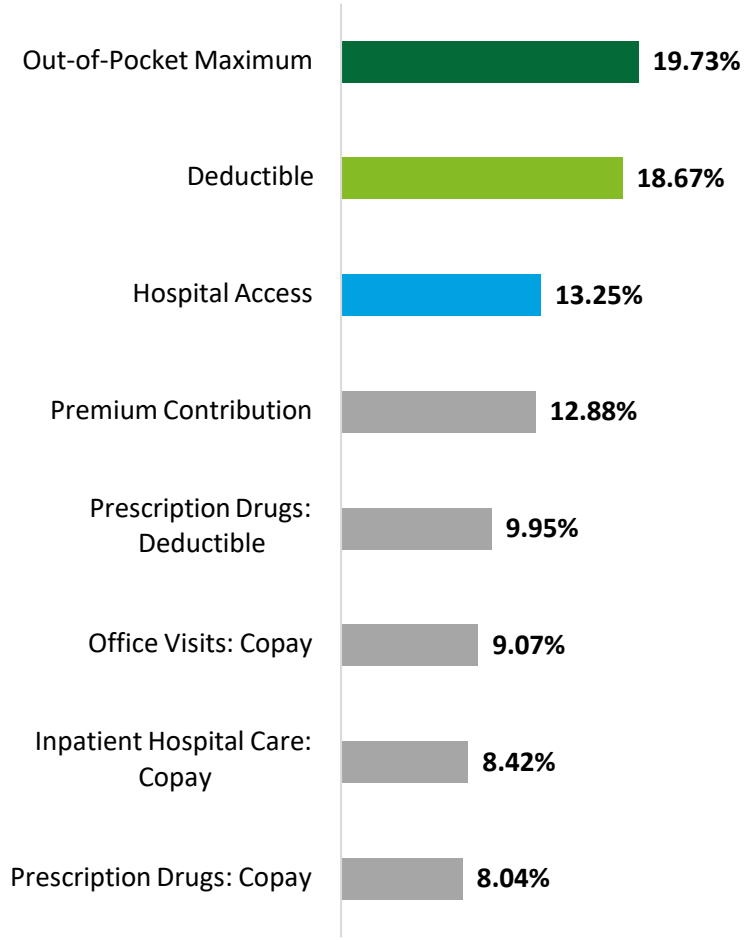
Your Benefits Connection

Optimization: Most Influential Changes Tested

Respondents tend to be most influenced by potential changes to their **out-of-pocket maximum**, **deductible**, and **hospital access**.



Findings

Optimization:

- The top drivers of preference for nearly all respondents are their **out-of-pocket maximum** (43%), **deductible** (33%), and **hospital access** (17%).
- Decreasing the **out-of-pocket maximum, prescription deductible,** and **inpatient hospital copay amounts** and providing **access to all hospitals** would provide the highest return on investment.
- The change that members preferred, according to the survey, is minimal increases to **medical premiums** rather than increases to out-of-pocket maximums and annual medical deductibles. Increases to **out-of-pocket maximums** and **annual medical deductible** should be considered carefully and would require significant change management as the decrease in member preference greatly outweighs the potential cost savings.
- Responses were **fairly consistent** across demographic groups, indicating that **changes** based on the analysis **may result in similar reactions across members.**

Research Questions:

- Most respondents would not be willing to consider a switch to a **narrower network** and/or **limited prescription drug plan** in exchange for lower medical premiums.
- Most respondents would be willing to consider **changing their health insurance carrier** and/or using a **mail order option for their prescription drugs** if it meant **reducing the amount they pay.**
- About 6 in 10 respondents are satisfied with both their **health insurance plan** and **carrier.**
- Most (75%) respondents plan to remain in the **same health insurance plan in 2022**.
- Most respondents have not used **behavioral telehealth** in the past, though more than half of respondents **value the ability to have access to this benefit**.

Deloitte Executive Summary: Key Insights and Opportunities

The optimization study results revealed rich insights and opportunities for GIC to consider.

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Insights	Opportunities
Confidence with choosing a health insurance plan and carrier are all lower for members enrolled in Fallon Health and Health New England. Those enrolled in Fallon Health are also less likely to remain in this plan in 2022.	*Targeted communications may be needed to better educate members around plan details and resources available to members enrolled in plans with these carriers.*
Those 44 years and younger, are less satisfied with their health insurance plan. Those under 34 years old are also less likely to remain in their current plan in 2022.	*Find ways to increase satisfaction for this group; consider offering voluntary benefits or wellness programs that appeal to younger members. A wellbeing program tied to wellness dollars may incentivize younger employees to become more engaged and satisfied*
Members are sensitive to changes to their out-of-pocket maximum and medical deductible. However, are less sensitive to changes in their prescription drug and inpatient hospital care copays.	*Consider increasing monthly premiums slightly while also decreasing the medical and prescription drug deductible to optimize the medical plan. Communicate the benefits of using mail-order prescription refills on maintenance drugs. The mail-order benefit is already in place and offers savings for "bulk- order" prescriptions*
GIC currently has six different health insurance carriers, with moderate levels of satisfaction across all current carriers. There is some willingness to change carrier's depending on other parameters like plan design and network coverage.	*The merger of Harvard Pilgrim and Tufts along with Fallon's forthcoming exit from the commercial market will reduce the number of incumbent carriers going forward. GIC could consider offering multiple plan designs with some leaner benefit options. Migration to less rich plans along with fewer carriers could reduce trend and fixed costs. GIC could also implement a healthcare navigator that can overlay on the medical carriers and help members make more efficient benefit decisions.*
Distinct preference groups exist, segmented by behavioral/ attitudinal questions. Segments vary by behavioral responses and demographics/attitudes. *For example, typically, younger respondents were in favor of changes that would lower their medical premiums (e.g., narrow network).*	*Understanding member demographics, especially in conjunction with preference and attitudinal/ behavioral data will help inform medical plan strategy.*
Members value the ability to have access to three in-network behavioral telehealth visits; however, the biggest barriers to use behavioral telehealth are primarily limited awareness and cost.	*Targeted communications may be needed to better communicate and educate members on the behavioral telehealth program available to them.*

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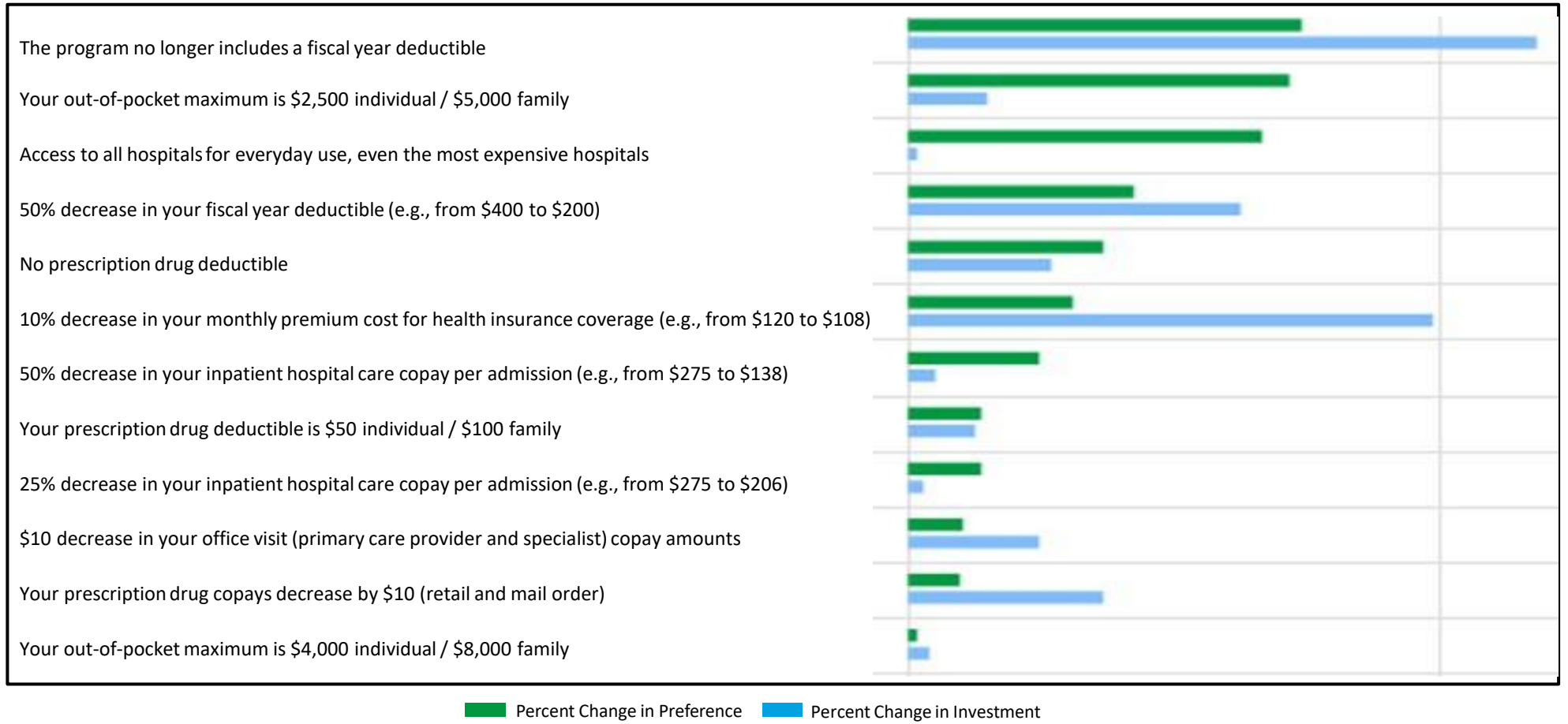
Optimization: Maximizing Return on Investment

To achieve the highest levels of return on investment, GIC may consider investing in enhancements where the change in preference (green bars) exceeds the change in cost (blue bars), such as **decreasing the out-of-pocket maximum, prescription deductible,** and **inpatient hospital copay amounts** and **providing access to all hospitals for everyday use**.



Reducing the **annual medical deductible** is relatively a less efficient area for GIC to make an investment due to the high-cost relative to the gain in member preference.

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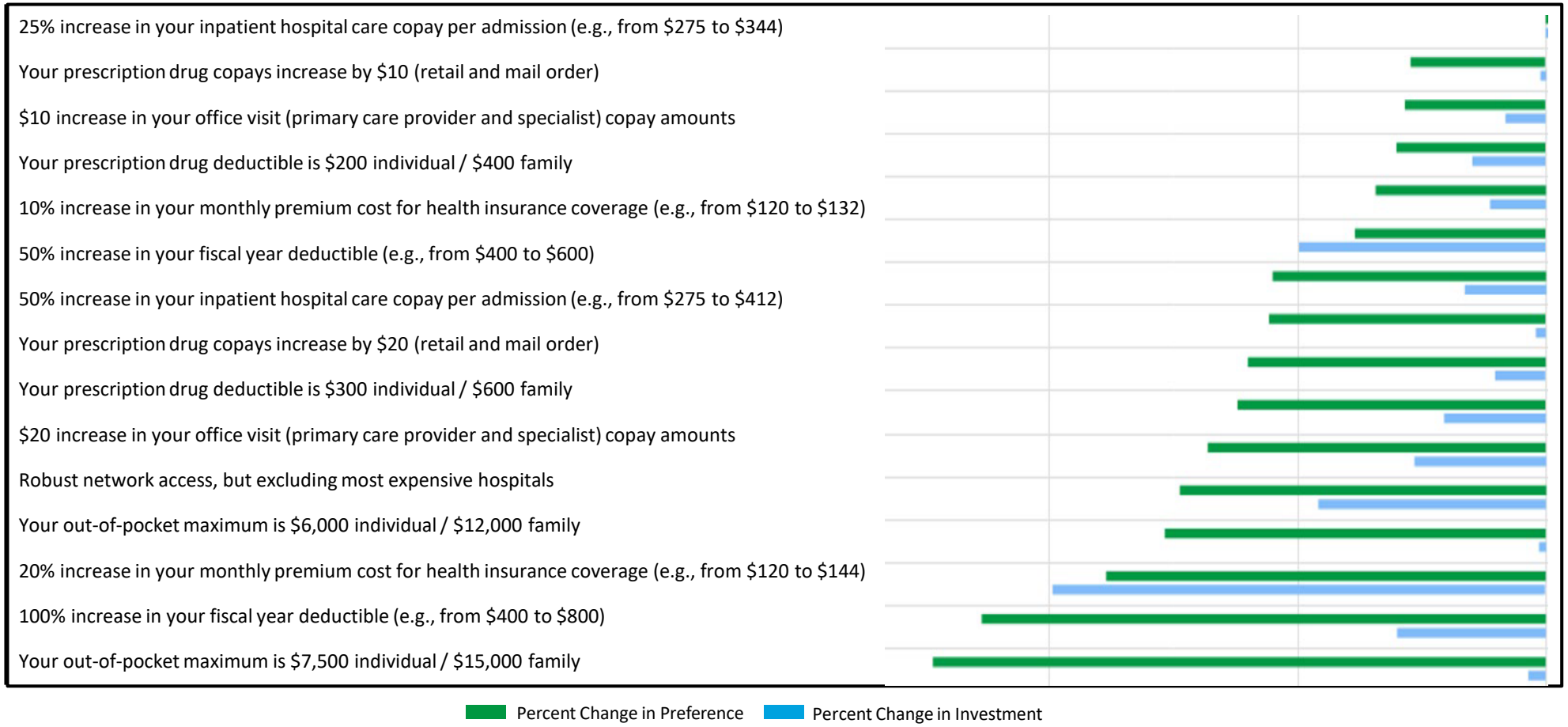
Optimization: Identifying Optimal Cost Savings Opportunities



GIC should avoid increases to **out-of-pocket maximums** and **annual medical deductible** because the decrease in member preference greatly outweighs the cost savings.

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

APPENDIX

- Commission Members
- GIC Leadership Team
- GIC Goals
- GIC Contact Channels

Commission Members

- Valerie Sullivan (Public Member), Chair
- Michael Heffernan, Secretary of Administration & Finance
- Elizabeth Chabot (NAGE)
- Edward Tobey Choate (Public Member)
- Tamara P. Davis (Public Member)
- Jane Edmonds (Retiree Member)
- Eileen P. McAnneny (Public Member)
- Melissa Murphy-Rodrigues (Mass Municipal Association)
- Bobbi Kaplan (NAGE), Vice-Chair
- Gary Anderson, Commissioner of Insurance
- Adam Chapdelaine (Mass Municipal Association)
- Christine Clinard (Public Member)
- Gerzino Guirand (Council 93, AFSCME, AFL-CIO)
- Joseph Gentile (Public Safety Member)
- Patricia Jennings (Public Member)
- Anna Sinaiko (Health Economist)
- Timothy D. Sullivan (Massachusetts Teachers Association)

GIC Leadership Team

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

Matthew A. Veno, Executive Director

Erika Scibelli, Deputy Executive Director

Emily Williams, Chief of Staff

John Harney, Chief Information Officer

Paul Murphy, Director of Operations

James Rust, Chief Fiscal Officer

Andrew Stern, General Counsel

Brock Veidenheimer, Director of Human Resources

Mike Berry, Director of Legislative Affairs

GIC Goals

- Provide access to high quality, affordable benefit options for employees, retirees and dependents
- Limit the financial liability to the state and others (of fulfilling benefit obligations) to sustainable growth rates
- Use the GIC's leverage to innovate and otherwise favorably influence the Massachusetts healthcare market
- Evolve business and operational environment of the GIC to better meet business demands and security standards

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Contact GIC for Enrollment and Eligibility

Enrollment	Retirement	Premium Payments
Qualifying Events	Life Insurance	Long-Term Disability
Information Changes	Marriage Status Changes	Other Questions

Online Contact	mass.gov/forms/contact-the-gic	Any time. Specify your preferred method of response (phone, email, mail) from GIC
Email	gicpublicinfo@mass.gov	
Telephone	(617) 727-2310	M-F from 8:45 AM to 5:00 PM
Office location	1 Ashuburton Place, Suite 1619 Boston, MA	**Not open for walk-in service**
Correspondence	P.O. Box 8747 Boston 02114	Allow for processing time. Priority given to requests to retain or access benefits, and to reduce optional coverage during COVID-19.
Paper Forms	P.O. Box 556 Randolph, MA 02368	

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

Contact Your Health Carrier for Product and Coverage Questions

Finding a Provider

Accessing tiered doctor and hospital lists

Determining which programs are available, like telehealth or fitness

Understanding coverage

Health Insurance Carrier	Telephone	Website
AllWays Health Partners	(866)-567-9175	allwayshealthpartners.org/gic-members
Fallon Health	(866) 344-4442	fallonhealth.org/gic
Harvard Pilgrim Health Care	(800) 542-1499	harvardpilgrim.org/gic
Health New England	(800) 842-4464	hne.com/gic
Tufts Health Plan (THP)	(800) 870-9488	tuftshealthplan.com/gic
THP Medicare Products	(888) 333-0880	
UniCare State Indemnity Plans	(800) 442-9300	unicarestateplan.com