



Commonwealth of Massachusetts
Group Insurance Commission

COMMISSION MEETING

January 18, 2024



MassGIC



Group Insurance Commission



MA Group Insurance Commission

Agenda

- **I. Minutes, December 21, 2023 (VOTE)** 8:30-8:40
Valerie Sullivan, Chair
Andrew Stern, General Counsel
- **II. Executive Director's Report (INFORM)** 8:40-9:00
Matthew Veno, Executive Director
Members of Senior Staff
- **III. FY2025 Plan Design** 9:00-9:05
Matthew Veno, Executive Director
- **IV. FY2023 Stewardship Meeting Summary** 9:05 –9:20
Cameron McBean, Director of Vendor Management
- **V. Other Business/Adjournment** 9:20-9:30
Valerie Sullivan, Chair
Matthew Veno, Executive Director



APPROVAL OF MINUTES (VOTE)

Valerie Sullivan, Chair
& **Andrew Stern**, General Counsel



Motion

That the Commission hereby approves the minutes of its meeting held on December 21, 2023 as presented.

- Valerie Sullivan, Chair
- Bobbi Kaplan, Vice-Chair
- Cassandra Roeder (A&F Designee)
- Rebecca Butler (Designee for DOI)
- Elizabeth Chabot
- Edward Tobey Choate
- Tamara Davis
- Jane Edmonds
- Joseph Gentile
- Gerzino Guirand
- Patricia Jennings
- Eileen P. McAnneny
- Melissa Murphy-Rodrigues
- Jason Silva
- Timothy D. Sullivan
- Anna Sinaiko



EXECUTIVE DIRECTOR'S REPORT (INFORM)

Matthew Veno, Executive Director
& Members of Senior Staff



Projected Fiscal Year 2024 Calendar

<div>Fall Health Insurance Buy-out</div> <div>Public Information Sessions</div> <div>FY2025 Annual Enrollment</div>											
Jul	Aug	Sep 21	Oct 19	Nov 16	Dec 21	Jan 18	Feb 15	Feb 29	Apr	May 16	Jun 20
No Meeting	No Meeting	Plan Audit	Canceled	Vote: Plan Audit Procurement	FY2025 Preliminary Rates	Presentation: FY2025 Plan Design	No Meeting	Vote: FY2025 Rates	No Meeting	Vote: Trust Funds	Report: Annual Enrollment
		CFO End of FY Report		HPC/CHIA presentation (tentative)	Vote: Regulations Amendments			Report: Public Info Sessions		Report: Out of Pocket	
		Municipal Memo			Muni Program Update						

Note: Topics and meeting dates are subject to change



FY2025 PLAN DESIGN

Matthew Veno, Executive Director

FY2025 Plan Design Recommendation

- The GIC annually reviews health plan design to assure GIC members are receiving optimal benefits and the individual plans are performing as intended.
- As part of the procurement undertaken for FY2024 there were substantial changes to GIC vendors and plan design.
- There are no material plan design changes proposed for FY2025.
 - Through the first half of FY2024, plans are performing as designed.
 - We will continue to collect data and expect to have proposals next year at this time.
 - This recommendation also provides stability for the members to shop and make decisions on their healthcare benefits during Annual Enrollment.



FY2023 STEWARDSHIP MEETING SUMMARY

Cameron McBean,
Director of Vendor Management






Stewardship Meetings: Purpose, Timing, and Objectives

- Each fall, beginning in October and November, to allow time for claim processing and runouts, GIC leadership review the prior year's performance for its insurance carriers and other vendors.
- Since the FY23 plan year marked the end of the five-year contract cycle for the medical plans, carriers were asked to provide information on trends over the course of that period, as well as typical year-over-year metrics.
- Data reported from medical carriers is aggregated for most financial metrics, rather than by plan (for those carriers that offer multiple plan options).

FY23 Stewardship: Medical Trend

Overall Trends

Of the GIC's commercial/active medical plans, only the HMO plan offered by Health New England experienced negligible Year-Over-Year cost increases on a Per Member/Per Month (PMPM) basis. The commercial experience of other carriers, compared to FY22, were:

	Health New England	+0.2%
	Tufts Health Plan*	+1.4%
	Harvard Pilgrim	+4.1%
	Mass General Brigham	+5%
	UniCare	+6%

* Tufts no longer offers commercial plans to the GIC, as of the current fiscal year

Outpatient Utilization



There has been a continued shift to more procedures being performed on an outpatient basis, but savings may be eroded by higher fees than in previous years, particularly at hospitals or their affiliated facilities. This trend has been more broadly confirmed by the Health Policy Commission (HPC).

Provider Consolidation

Mergers and acquisitions within the local market continue to impact carrier contracting with providers. Carriers have reported much more challenging negotiations regarding unit prices than the historical norm.

FY23 Stewardships : Pharmacy Trend

Active/Commercial Plans

FY23 was the final year of the PBM contract with  EXPRESS SCRIPTS, as  CVS caremark® was selected for its contract beginning July 1, 2023. Express Scripts had the largest Per Member Per Month (PMPM) spending increase of any of the GIC's medical or pharmacy partners, at **12.8%**, and that number is net of the contractual rebates.

Medicare/Employer Group Waiver Plans (EGWP)

The CVS **SilverScript** plan saw a **7.5%** increase on a PMPM basis, compared to FY22.

RX Trends

Specialty medications continue to have an enormous impact, accounting for approximately **65%** of all pharmacy spending. Chemotherapy treatments lead the way, but other specialty medications are continually being approved.

Humira, the medication that has had the highest claim costs for the active population, for several years, has a biosimilar debuting this year (2024).

The GIC has had numerous meetings with CVS and its consultants from WTW to review and pursue best practices with regard to GLP-1 agonists, such as Wegovy and Ozempic.

FY23 Stewardship: Other Plans

- The **Mass 4YOU Employee Assistance Program (EAP)** plan from **Optum** showed a small increase in individual utilization, as well as increase in the number of agency-sponsored classes.
 - Receiving actionable data that lends itself to comprehensive analysis remains a challenge for vendors in this space.
- The fully insured **MetLife dental plans** for active employees both had high claims experience, with the Classic plan in particular paying claims valued at **100.9%** of premiums collected.
- **MetLife Life insurance** had high loss ratios for the Retiree and RMT populations, but not unusually so for those age groups. LTD claims were down somewhat in comparison to FY22, but that plan tends to have more volatility year to year than most.

FY23 Stewardship: Summary

The GIC and its carrier partners are likely to continue to face inflationary pressures, including provider consolidation, new specialty medications, and the continued aging of our membership.

The GIC's focus remains on ensuring that its carriers and Pharmacy Benefit Managers (PBMs) are utilizing the most effective clinical protocols available to best serve its membership, while also maintaining its fiduciary obligation to the Commonwealth and participants.



OTHER BUSINESS / ADJOURNMENT

Valerie Sullivan, Chair
& **Matthew Veno**, Executive Director

2024 Group Insurance Commission Meetings & Schedule

January 18	February NO MEETING	February 29	April TBD	May 16
June 20	September 19	October TBD	November 21	December 19

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 [mass.gov/gic](https://www.mass.gov/gic) under Upcoming Events prior to the meeting and under Recent Events after the meeting.

Please note:

- Until further notice, 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.

Note: Topics and meeting dates are subject to change

Appendix

CFO Report

Commission Members

GIC Leadership Team

GIC Goals

GIC Contact Channels



CFO REPORT

James Rust, Chief Financial Officer

FY2024 State Share Expense for GIC Premium Accounts

	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	TOTAL
Allways Health Claims	\$7,941,302	\$7,075,611	\$6,394,346	\$7,350,156	\$9,374,482	\$7,336,217	\$45,472,113
Caremark/Express Scripts/SilverScript Claims	\$90,707,800	\$51,523,663	\$83,689,653	\$79,254,037	-\$23,555,180	\$72,057,401	\$353,677,374
Davis Vision Claims	\$35,528	\$38,889	\$36,053	\$37,020	\$34,370	\$34,111	\$215,970
Fallon Health Claims	\$18,123	-\$71,235	\$15,818	\$5,069	-\$16,189	\$24,100	-\$24,315
Harvard Pilgrim Claims	\$68,691,802	\$69,025,364	\$56,744,370	\$72,683,934	\$61,043,938	\$60,822,601	\$389,012,010
Health New England Claims	\$8,491,758	\$7,654,895	\$6,987,360	\$9,227,780	\$6,847,473	\$8,138,395	\$47,347,661
Tufts Navigator Claims	\$23,364,960	\$10,158,994	\$2,919,241	\$2,405,218	\$240,001	-\$1,438,409	\$37,650,005
Tufts Spirit and Medicare Complement Claims	\$3,149,263	\$2,064,784	\$1,008,432	\$538,279	\$110,300	\$34,190	\$6,905,248
Unicare Claims	\$92,560,274	\$68,076,273	\$58,372,473	\$57,450,752	\$84,475,087	\$56,873,530	\$417,808,389
Other costs	\$1,622,208	\$122,615	\$246,423	\$189,455	\$292,288	\$135,562	\$2,608,552
Claims sub-total	\$296,583,017	\$215,669,852	\$216,414,170	\$229,141,699	\$138,846,569	\$204,017,699	\$1,300,673,007
Basic Life	\$805,334	\$804,970	\$805,835	\$805,892	\$807,377	\$809,162	\$4,838,570
Optional Life	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RMT Life	\$46,011	\$45,954	\$46,156	\$46,281	\$46,375	\$46,361	\$277,138
Long-Term Disability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dental	\$871,144	\$869,754	\$872,032	\$868,204	\$872,185	\$878,215	\$5,231,532
Tufts Medicare Preferred	\$657,460	\$662,688	\$663,279	\$670,139	\$669,949	\$671,000	\$3,994,515
UBH Optum	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760	\$77,760	\$466,560
ASO Administrative Fee	\$7,157,064	\$7,149,356	\$7,137,355	\$7,333,907	\$7,241,756	\$7,253,295	\$43,272,734
Premiums sub-total	\$9,614,773	\$9,610,482	\$9,602,417	\$9,802,182	\$9,715,402	\$9,735,793	\$58,081,050
TOTAL	\$306,197,790	\$225,280,334	\$226,016,587	\$238,943,882	\$148,561,972	\$213,753,492	\$1,358,754,057

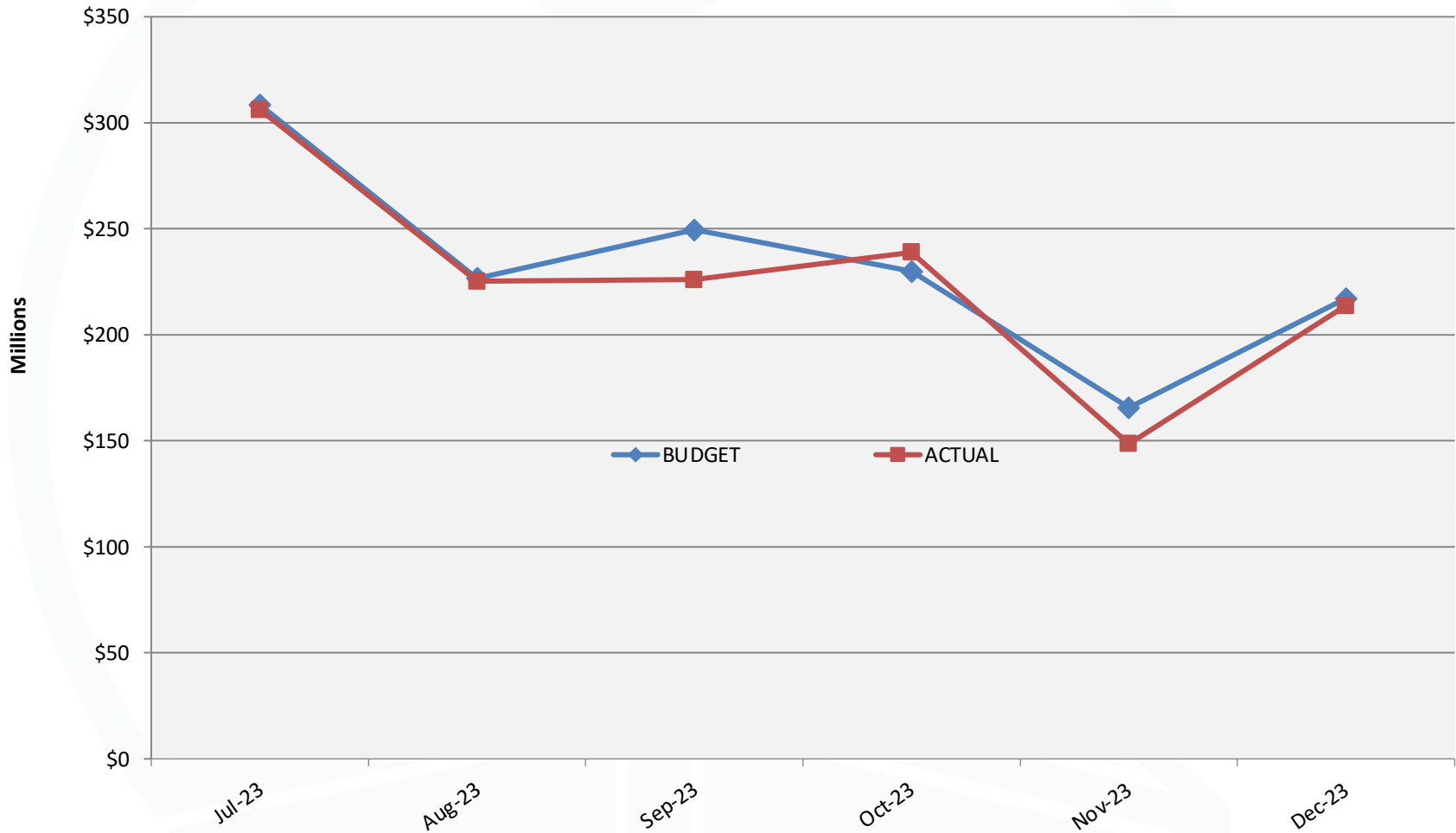
Employer state share spending through December 31st 2023

FY2024 Enrollee Share Expense for GIC Premium Accounts

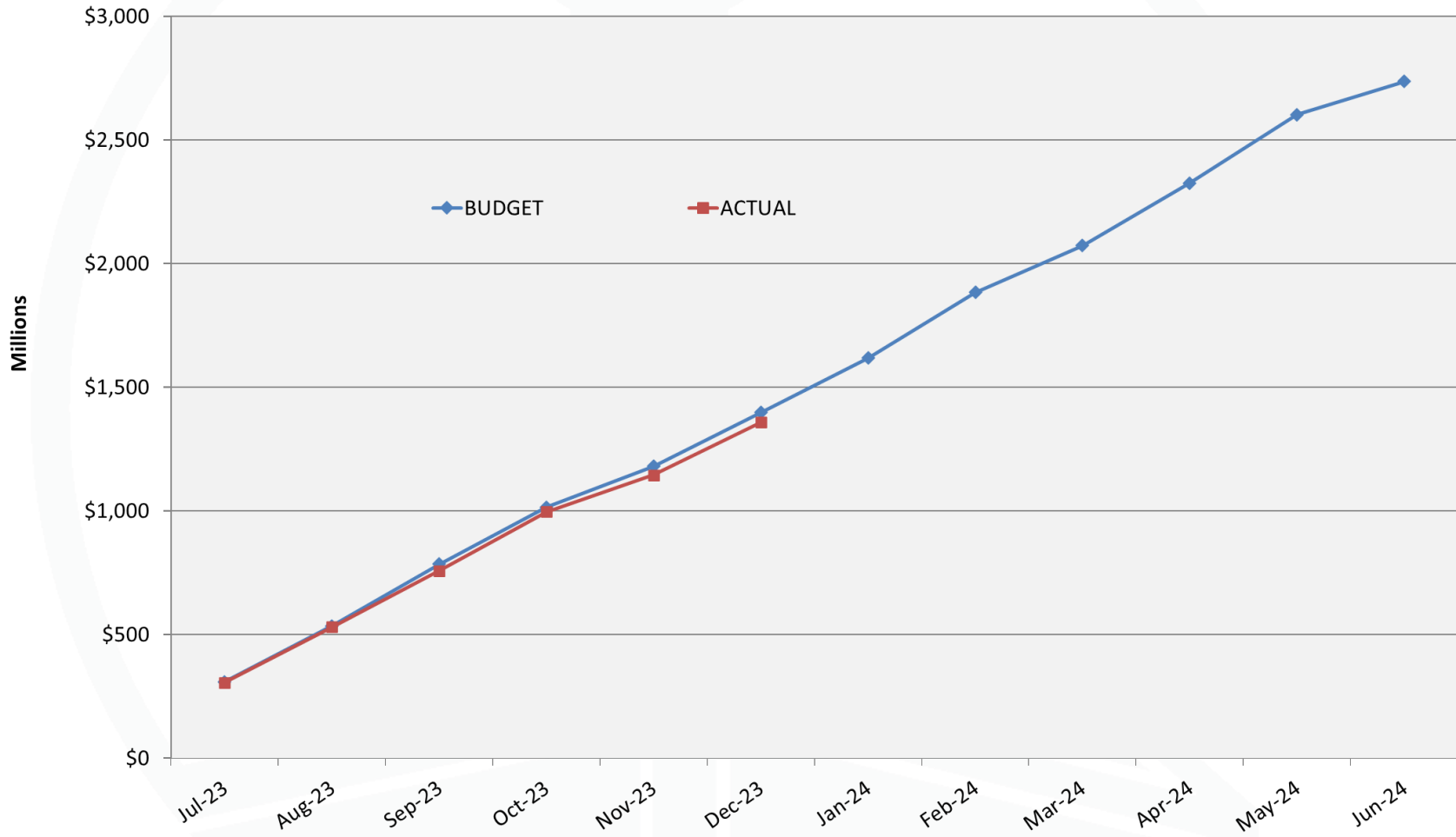
	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	TOTAL
Allways Health Claims	\$2,523,446	\$2,295,267	\$2,074,999	\$2,267,886	\$2,893,094	\$2,264,399	\$14,319,092
Caremark/Express Scripts/SilverScript Claims	\$24,540,134	\$15,354,378	\$22,579,563	\$21,307,646	-\$5,508,257	\$19,385,399	\$97,658,862
Davis Vision Claims	\$6,270	\$6,863	\$6,362	\$6,533	\$6,065	\$6,020	\$38,112
Fallon Health Claims	\$5,072	-\$20,419	\$4,678	\$1,505	-\$4,747	\$7,225	-\$6,686
Harvard Pilgrim Claims	\$20,861,852	\$20,676,060	\$17,034,106	\$20,985,691	\$17,518,355	\$17,452,070	\$114,528,133
Health New England Claims	\$2,663,488	\$2,400,717	\$2,191,414	\$2,783,739	\$2,060,080	\$2,462,322	\$14,561,760
Tufts Navigator Claims	\$6,546,068	\$2,846,205	\$817,872	\$673,860	\$67,240	-\$402,993	\$10,548,252
Tufts Spirit and Medicare Complement Claims	\$853,297	\$523,089	\$241,810	\$134,374	\$32,653	\$8,881	\$1,794,103
Unicare Claims	\$26,217,216	\$19,319,930	\$16,679,144	\$15,717,448	\$23,410,611	\$15,664,365	\$117,008,713
Other costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Claims sub-total	\$84,216,843	\$63,402,090	\$61,629,947	\$63,878,681	\$40,475,093	\$56,847,688	\$370,450,341
Basic Life	\$221,289	\$221,317	\$221,799	\$221,862	\$222,523	\$223,158	\$1,331,947
Optional Life	\$4,176,550	\$4,184,305	\$4,204,423	\$4,211,220	\$4,224,446	\$4,241,269	\$25,242,213
RMT Life	\$11,249	\$11,235	\$11,284	\$11,316	\$11,339	\$11,335	\$67,758
Long-Term Disability	\$1,128,494	\$1,129,796	\$1,180,176	\$1,140,568	\$1,147,795	\$1,154,286	\$6,881,115
Dental	\$2,254,771	\$2,259,002	\$2,269,348	\$2,275,976	\$2,284,301	\$2,288,917	\$13,632,314
Tufts Medicare Preferred	\$159,572	\$161,247	\$161,541	\$154,681	\$154,871	\$155,236	\$947,148
UBH Optum	\$25,920	\$25,920	\$25,920	\$25,920	\$25,920	\$25,920	\$155,520
ASO Administrative Fee	\$2,098,465	\$2,097,845	\$2,096,095	\$1,868,525	\$2,018,599	\$2,024,933	\$12,204,461
Premiums sub-total	\$10,076,310	\$10,090,667	\$10,170,586	\$9,910,067	\$10,089,795	\$10,125,054	\$60,462,477
TOTAL	\$94,293,152	\$73,492,756	\$71,800,533	\$73,788,747	\$50,564,888	\$66,972,741	\$430,912,819

Enrollee share paid claims have an identical pattern through December 31, 2023.

GIC Appropriation for Premium Accounts FY2024 Budgeted vs. Actual



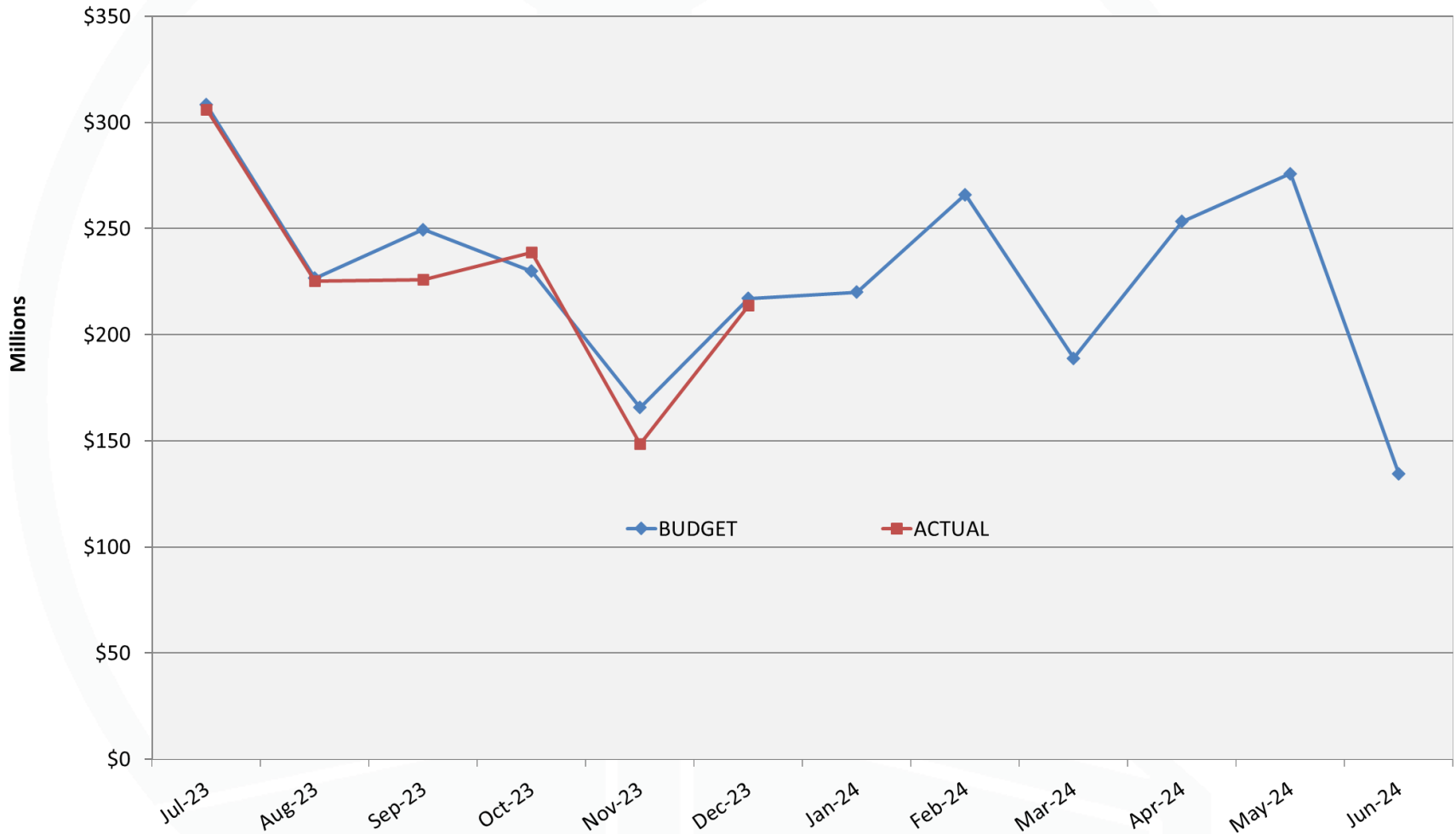
GIC Appropriation for Premium Accounts FY24 Budgeted vs. Actual to Date Cumulative



FY2024 State Share Premium Budget for GIC Premium Accounts as of December 31, 2023

	BUDGET	EXPENSES	Under Budget/ (Over Budget)	% VAR
Basic Life & Health				
Account # 1108-5200 & 1599-6152	\$1,387,038,534	\$1,353,306,554	\$33,731,979	2.4%
Active Dental & Vision Benefits				
Account # 1108-5500	\$5,396,388	\$5,447,502	(\$51,114)	-0.9%
Total State Share YTD	\$1,392,434,922	\$1,358,754,057	\$33,680,865	2.4%

GIC Appropriation for Premium Accounts FY24 Budgeted vs. Actual



Commission Members



Valerie Sullivan, Public Member, Chair



Gary Anderson, Commissioner of Insurance



Elizabeth Chabot, NAGE



Edward Tobey Choate, Public Member



Tamara P. Davis, Public Member



Jane Edmonds, Retiree Member



Joseph Gentile, Public Safety Member



Gerzino Guirand, Council 93, AFSCME, AFL-CIO



Bobbi Kaplan, NAGE, Vice-Chair



Matthew Gorzkowicz, Secretary of Administration & Finance



Patricia Jennings, Public Member



Eileen P. McAnneny, Public Member



Melissa Murphy-Rodrigues, Mass Municipal Association



Jason Silva, Mass Municipal Association



Anna Sinaiko, Health Economist



Timothy D. Sullivan, Massachusetts Teachers Association

GIC Leadership Team

Matthew A. Veno, Executive Director

Erika Scibelli, Deputy Executive Director

Emily Williams, Chief of Staff

Stephanie Sutliff, Chief Information Officer

Paul Murphy, Director of Operations

James Rust, Chief Financial Officer

Andrew Stern, General Counsel

Brock Veidenheimer, Director of Human Resources

GIC Goals

1

Provide access to high quality, affordable benefit options for employees, retirees and dependents

2

Limit the financial liability to the state and others (of fulfilling benefit obligations) to sustainable growth rates

3

Use the GIC's leverage to innovate and otherwise favorably influence the Massachusetts healthcare market

4

Evolve business and operational environment of the GIC to better meet business demands and security standards

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 from GIC (email, phone, mail)
Email	gicpublicinfo@mass.gov	
Telephone	(617) 727-2310, M-F from 8:45 AM to 5:00 PM	
Office location	1 Ashburton Place, Suite 1619, Boston, MA, Not open for walk-in service	
Correspondence & Paper Forms	P.O. Box 556 Randolph, MA 02368	Allow for processing time. Priority given to requests to retain or access benefits

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
Harvard Pilgrim Health Care	(844) 442-7324	point32health.org/gic
Health New England	(800) 842-4464	hne.com/gic
THP Medicare Products	(888) 333-0880	Tuftshealthplan.com/gic
UniCare State Indemnity Plans	(833) 663-4176	unicaremass.com
Medicare Products	(800) 442-9300	
Mass General Brigham Health Plan	(866) 567-9175	massgeneralbrighamhealthplan.com/gic-members