

Executive Director's Report

January 16, 2025

Date: January 16, 2025
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.

LEGISLATIVE & MUNICIPAL

Legislative

The Legislature wrapped up the 193rd biennial Legislative session on December 31, 2024 and sent a pair of health care related bills to the Governor for signature. On January 8, 2025, Governor Healey signed into law [An Act Relative to Pharmaceutical Access, Costs and Transparency](#) ("PACT" Act) and [An Act Enhancing the Market Review Process](#) (summaries attached separately).

"PACT" Act: Among other items, the Act extends the Health Policy Commission's (HPC) authority to include pharmaceutical manufacturers, PBMs, and others as witnesses for its Annual Cost Trends Hearings and establishes the Office for Pharmaceutical Policy and Analysis within the HPC to analyze pharmaceutical trends. In addition, the Division of Insurance is newly authorized to license and regulate PBMs that operate in the Commonwealth. The "PACT" Act implicates GIC in the following ways:

- Requires the GIC to provide coverage for one generic and one brand name drug used to treat diabetes, asthma, and the two most prevalent chronic heart conditions. The law further requires that the selected generic drug not be subject to any cost-sharing, including co-payments and co-insurances, or deductible; and that the brand name drug shall not be subject to any deductible or co-insurance and shall cap insulin co-payments at \$25 per 30-day supply.
- Requires the HPC, in consultation with the GIC and other Commonwealth agencies, to evaluate the impact of the program to cap out-of-pocket costs for select drugs that treat diabetes, asthma, and two chronic heart conditions.

An Act Enhancing the Market Review Process: The Act expands the authority of the HPC and others (i.e., Center for Health Information and Analysis, Attorney General's Office) to review health care market transactions. The makeup and appointing authorities of HPC's Board of Commissioners received an update, including removing the State Auditor's role in appointing Commission members. The Act also reconstitutes the existing Health Planning Council under the Executive Office of Health and Human Services as the Office of Health Resource Planning under the HPC. The GIC is not directly impacted by this new law.

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FY26 Budget & New Legislative Session:

The FY26 budget process will kick off with the release of the Governor's budget (H1) on January 22, 2025, followed by the House budget in April and the Senate budget in May. Administration officials have signaled publicly that FY26 will be a challenging budget year, with growth in tax revenues outside of the surtax consistently coming in short of projections. GIC staff will keep the Commission updated as the budget process plays out over the weeks and months ahead.

As always, staff will monitor bills in the new legislative session, particularly as they are filed and sent to respective committees.

Municipal

In FY26, the GIC is excited to welcome a new municipality, the Town of Holliston. GIC staff recently held the first onboarding meeting with Town officials and are on track to enroll Holliston employees during the GIC's coming Annual Enrollment. This brings the GIC's roster of participating municipal entities, collaboratives, and school districts to 55.

Once again, GIC staff will attend the Massachusetts Municipal Association's annual conference, called *Connect 351*, on January 24, 2025. This is our third year participating in this conference and we look forward to engaging with municipal officials, and explaining the value proposition to cities and towns as they evaluate their health benefit purchasing options.

COMMUNICATIONS

As previously announced, the Annual Public Information sessions will take place during the last week of January. [Registration links](#) are live on our website. To ensure all members who want to attend are able to, we ask that Commissioners only sign up for one session, if interested.