COMMISSION MEETING

January 16, 2025

MassGIC

Group Insurance Commission

MA Group Insurance Commission

Public Notice: G.L. C-30A, Sec. 20, January , 2025

Agenda

I. Minutes, December 19, 2024 (VOTE) Valerie Sullivan, Chair Andrew Stern, General Counsel	8:30-8:35
II. Executive Director's Report (INFORM) Matthew Veno, Executive Director Members of Senior Staff	8:35-8:45
III. FY2024 Stewardship Meeting Summary (INFORM) Cameron McBean, Director of Vendor Management	8:45 –9:00
IV. FY2026 Plan Design (INFORM) Cameron McBean, Director of Vendor Management Matthew Veno, Executive Director	9:00-10:00
V. Other Business/Adjournment Valerie Sullivan, Chair Matthew Veno, Executive Director	10:00-10:05

I

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 19, 2024 as presented

- Valerie Sullivan, Chair
- Bobbi Kaplan, Vice-Chair
- Dana Sullivan (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
- Anna Sinaiko
- Timothy D. Sullivan
- Catherine West

II

EXECUTIVE DIRECTOR'S REPORT (INFORM)

Matthew Veno Executive Director &
Members of Senior Staff

Projected Fiscal Year 2025 Calendar

Jul	Aug	Sep 19	Oct	Nov 21	Dec 19	Jan 16	Feb 6	Feb 27	Apr 17	May 15	Jun 18
RWP in Effect July 1			Fall Health Insurance Buy-out			Public Information Sessions			FY2026 Annual Enrollment		
No Meeting	**No Meeting**	Plan Audit	**No Meeting**	**Presentation:** HPC	FY2026 Preliminary Cost Increase	**Presentation:** FY2026 Plan Design	**Vote:** FY2026 Plan Design	**Vote:** FY2026 Rates	**TBD**	**Vote:** Trust Funds	**Report:** Annual Enrollment
		GIC Strategic Framework Update		**Presentation:** Affordability Update	**Vote:** Dental/ Vision Plan	**Report:** Stewardship Meetings	**Report:** Public Info Sessions			**Report:** Out of Pocket	
		Pharmacy Update								**Vote:** Life/LTD Consultant	
		CFO End of FY Report									

Note: Topics and meeting dates are subject to change

2025 Public Information Sessions

Register* today at Mass.gov/GIC

JANUARY	JANUARY	JANUARY
28	28	30
12:00 PM	6:00 PM	9:00 AM

*Please register for only one session. All sessions contain the same information.

III

FY2024 Stewardship Meeting Summary (Inform)

Cameron McBean, Director of Vendor Management

FY2024 Stewardship Summary

1 There was high variation in health plan fiscal performance.

- **HNE** had highest Allowed PMPM (Per Member Per Month) trend at **12.6%**
- **Point32** had PMPM trend of **9.5%** (first year of HPHC-only for commercial plans)
- **MGB – 4%**
- **Wellpoint – 2.9%**

2 Pharmacy trends were also mixed

- CVS **Caremark** had FY24 trend (compared to Express Scripts in FY23) of **13.4%**
- CVS **Silverscript** had overall trend (net of rebates) of **-4.5%** in six-month reporting period (calendar-year based)

FY2024 Stewardship Summary

Observations:

1. **HNE** had unusually high trend (historically had lower trend than other carriers)
   - Trend driven by higher acuity for inpatient and outpatient, and increase in HCC's (High-Cost Claimants over $100K)
2. **Point32** trend also driven by increases to Inpatient, Behavioral Health, and HCC's, despite decrease in membership
3. **MGB** noted that it saw an increase in membership, including higher risk scores among new members
   - This increase coincided with MGBHP's transition from a regional network plan to a broad network plan and the sunsetting of Tufts commercial plans.
4. **Prescription plan** trends illustrate the impact of GLP-1's (covered under Commercial/Caremark plan for all indications, while restricted to specific conditions under Medicare)

Health New England Mass General Brigham Point32Health Wellpoint CVSHealth

IV

FY2026 Plan Design (Inform)

Cameron McBean, Director of Vendor Management

Matthew Veno, Executive Director

FY26 Plan Design

Proposed plan design changes include:

- Incorporate Hinge Health app (for musculoskeletal conditions) into coverage via partnership with CVS.

- Harmonize and enhance fertility benefits across plans (minimal financial impact)
  - Cover IUI without demonstrated infertility
  - IVF & Reciprocal IVF
  - Cryopreservation

- Remove Nutritional Counseling limits (recommended for mental health parity)

FY26 Plan Design

Legislative Mandates:

In December 2024, the legislature passed An Act Relative to Pharmaceutical Access, Costs and Transparency ("PACT Act"), which will have impacts on the GIC:

- Requires enhanced coverage for diabetes, asthma, and two most prevalent heart conditions.
  - Includes one generic (insulin for diabetes) to be covered with no ($0) member cost-sharing, and that there be one brand name that costs no more than $25/month.
- Carriers must implement a continuity of care program of 30-day coverage for new members who currently use a medication not otherwise available (excluded from formulary).

FY26 Plan Design

Other Legislative Mandates:

- FY25 Budget – increased Basic Life/AD&D benefit to $10K and expanded fertility coverage
- HB4918 – mandates coverage of breast MRI and 3D mammography for screenings
- HB4999 – coverage for human donor milk and postpartum depression screenings and home visiting services (e.g., midwives)
- HB5143 – changes to pain management mandates, including removing utilization controls like step therapy for non-opioid pain medications, coverage for opioid agonists without cost share, and coverage for licensed recovery coaches
- SB2970 – mandates coverage for ABA, speech, and occupational/physical therapies for those with Down Syndrome

FY26 PLAN DESIGN CONSIDERATIONS

Prescription Drugs & Provider Prices

FY26 Plan Design
Considerations Regarding Prescription Drugs

- Exclude coverage of GLP-1s (not recommended)
- Shift costs to members via increased cost sharing (not recommended)

Other Potential Approaches for Future Discussion

- Secure more favorable pricing via direct negotiations
- Implement access criteria that are more stringent than FDA approval, which other states have adopted (i.e. participation in a robust weight management program, digital therapeutics)
- Place GLP-1s in a higher copay tier
- Evaluate coverage for conditions newly approved by the FDA

FY26 Plan Design

Considerations Regarding Provider Prices

- Expand outpatient site-of-service copay differentials to other services (not recommended at this time)
- Shift costs to members via increased cost sharing (not recommended)

Other Potential Solutions for Future Discussion (FY27 and Beyond)

- Focus on carriers with higher performance, and a demonstrated ability to provide high value to the GIC
- Broadly eliminate, or sharply constrain, access to high-cost provider systems, via changes in product types in the GIC's portfolio
- Replace or reshape the GIC's reliance on carriers to negotiate provider rates, and directly or indirectly intervene to ensure fair, sustainable unit prices

V

OTHER BUSINESS / ADJOURNMENT

Valerie Sullivan, Chair
& Matthew Veno, Executive Director

2025 Group Insurance Commission Meetings & Schedule

January	February	February	April	May
16	6	27	17	15

June	September	October	November	December
18	18	16	20	18

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** 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

Commission Members

GIC Leadership Team

GIC Goals

GIC Contact Channels

Commission Members

Valerie Sullivan, Public Member, Chair

Michael Caljouw, 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

Catherine West, Public Member

GIC Leadership Team

Matthew A. Veno, Executive Director

Erika Scibelli, Deputy Executive Director

Emily Williams, Chief of Staff

James Rust, Chief Financial Officer

Paul Murphy, Director of Operations

Andrew Stern, General Counsel

Stephanie Sutliff , Chief Information Officer

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**
- **Qualifying Events**
- **Information Changes**
- **Retirement**
- **Life Insurance**
- **Marriage Status Changes**
- **Premium Payments**
- **Long-Term Disability**
- **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 1413, 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
Mass General Brigham Health Plan	(866) 567-9175	massgeneralbrighamhealthplan.com/gic-members
Harvard Pilgrim Health Care	(844) 442-7324	point32health.org/gic
Health New England	(800) 842-4464	hne.com/gic
Tufts Health Plan (Medicare Only)	(855) 852-1016	Tuftshealthplan.com/gic
Wellpoint Non-Medicare Plans Medicare Plans	 (833) 663-4176 (800) 442-9300	wellpoint.com/mass

Appendix

Expected FY26 Budget Increase – Context Setting

Why are we here today?

- Based on the current medical and pharmacy carriers and plan design offerings, preliminary Fiscal Year 2026 (FY26) full cost premiums were developed for each of the GIC's products (Non-Medicare and Medicare)
- The purpose of this discussion is to present FY26 Medical and Pharmacy preliminary pricing projections prior to incorporating strategic plan design changes
- A premium reflects the total sum of money that the product is expected to cost in claims and fees (for medical and pharmacy), including the Commonwealth, municipalities and member portion; typically displayed as a monthly amount

What are premiums?

- Out-of-pocket costs at point of service are not included in premiums (e.g., office visit copays)
- Premiums reflect the full cost – members only pay a portion of the full cost premium

How were the premiums developed?

- Self-insured (i.e., ASO): WTW actuaries calculate FY26 premiums utilizing claims data, member data, and trend assumptions developed by the carriers; the individual and family premiums reflect the claims experience and demographics for each product offered (applies to Non-Medicare and Medicare Supplement plans for the GIC)
- Fully-insured: The carriers develop and determine the fully insured FY26 premiums for the GIC (applies to Medicare Advantage medical portion only)

Expected FY26 Budget Increase – Context Setting

Unique market dynamics are influencing health care costs, causing a significant short-term increase and uncertainty for long-term impact

General Inflation	Incremental Health Care Inflation	Utilization and Service Mix	GLP-1 Drugs	Expanded Medicare Pharmacy Benefit

Context: Federal Employee Benefit Plan (FEBP) rate increases average 11.2% for calendar year 2025[1]

Applicable to Commercial + Medicare

Applicable to Medicare only

[1] Friedman, D Federal News Network September 2024

Expected FY26 Budget Increase – Context Setting

General Inflation

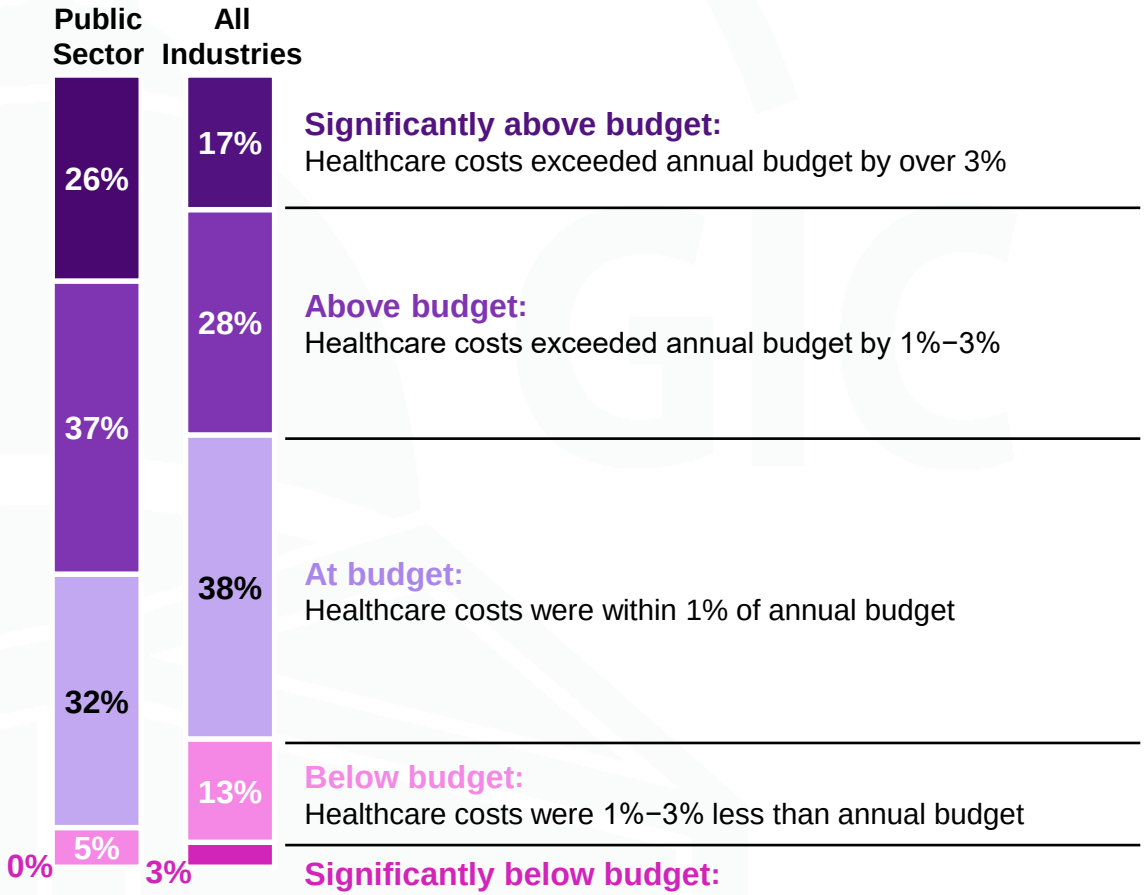
While recent reports indicate inflation rates are somewhat stabilizing, CPI is still higher now than before the pandemic

Incremental Health Care Inflation

Healthcare trend continues to outpace CPI, driven by contentious contract renegotiations between carriers and providers, industry consolidation, and continued clinical labor shortages, among other factors

Expectations on organizations' healthcare costs for 2024

Source: WTW 2024 Best Practices in Healthcare Survey



Expected FY26 Budget Increase – Context Setting

Utilization and Service Mix

As more members use high-cost medical services and drugs, costs increase. The below trends were noted in the recent stewardship meetings and are common across the market.

Inpatient Services

Increased utilization of inpatient services and higher unit costs, shift in service mix to higher acuity surgeries

Outpatient Services

Higher unit cost of outpatient surgeries and tests/screening, driven by musculoskeletal and cardiovascular care

GLP-1 Drugs

Sharp increase in utilization of these very high-cost drugs

Medical Pharmacy

Increased use of high-cost injectable drugs to treat autoimmune diseases like MS and Crohn's/Ulcerative Colitis, and infusion drugs to treat cancer

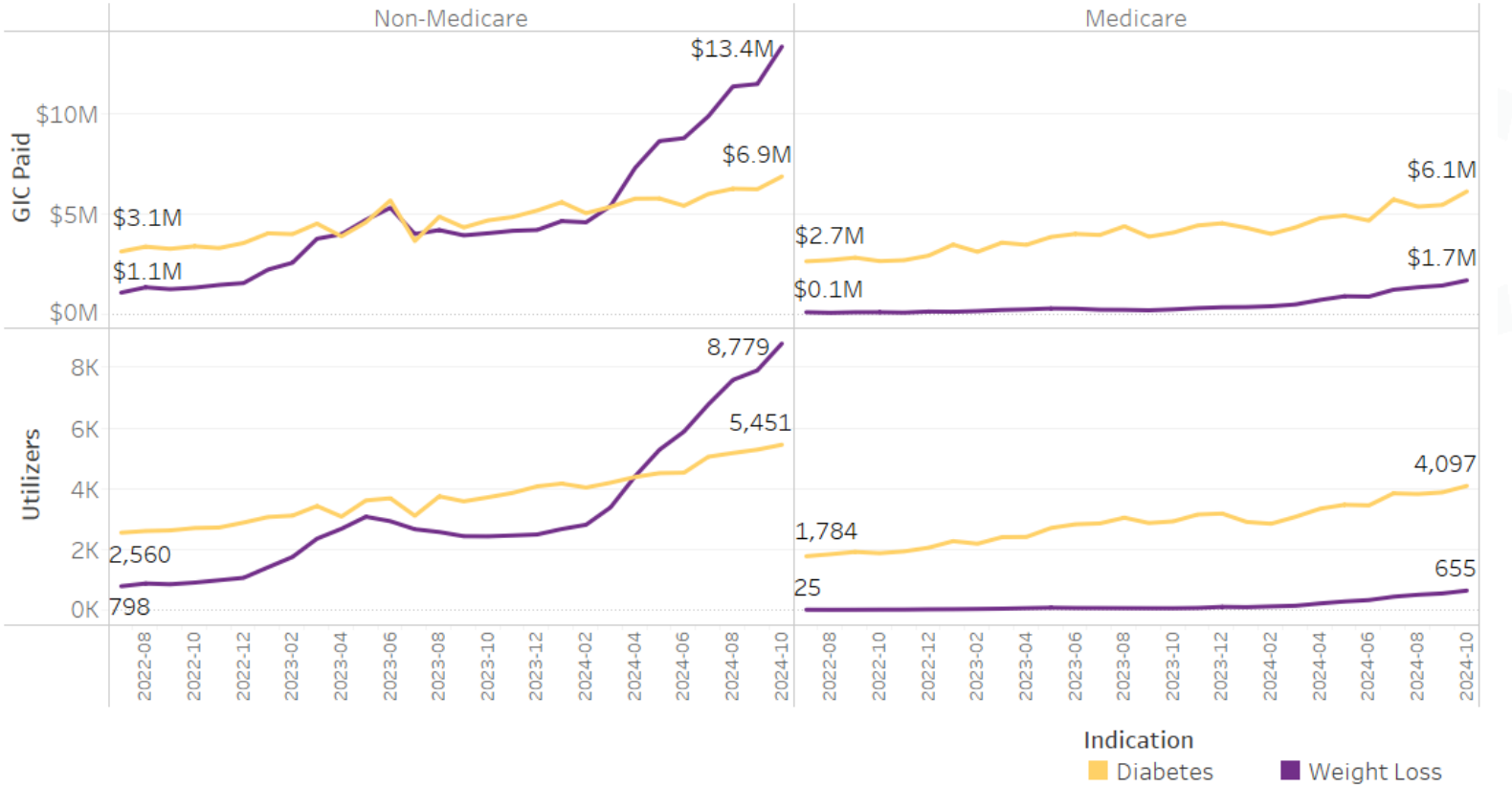
Substance Use Disorder Services

Increased utilization of SUD services and higher unit costs, particularly for alcohol dependence

Expected FY26 Budget Increase – Context Setting

GLP-1 Drugs

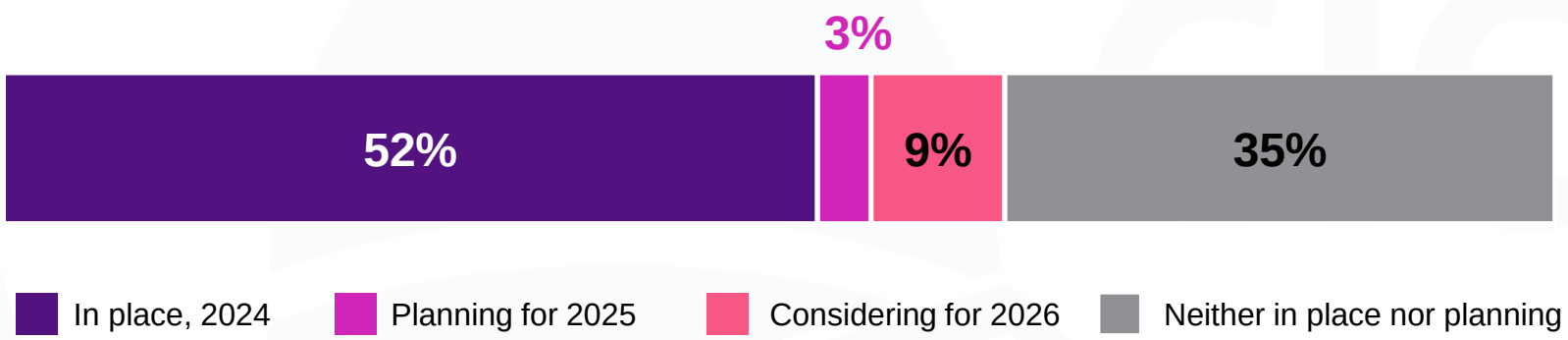
GIC GLP-1 utilization and cost has grown significantly for both diabetes and weight loss. This growth is expected to continue; the cost and increased utilization of these drugs make up a significant portion of projected trend.



Expected FY26 Budget Increase – Context Setting

GLP-1 Drugs

Does your organization cover GLP-1 medications for obesity?



Note: Percentages may not sum up to 100% due to rounding.
Source: WTW 2024 Best Practices in Healthcare Survey.

Expected FY26 Budget Increase – Context Setting

GLP-1 Drugs

GLP-1 medications have numerous benefits and clinical value. These drugs can prevent illness and deaths but are unlikely to lead to lower medical costs.

Diabetes	Obesity
Well-proven benefits ▪ Decreased progression to renal failure ▪ Decreased major adverse cardiovascular events ▪ Decreased fatty liver disease ▪ Decreased all cause mortality among those with kidney disease and diabetes	**Well-proven benefits** ▪ Decreased progression to diabetes ▪ Decreased major adverse cardiovascular events (MACE) and all cause mortality among those with history of cardiovascular events ▪ Sleep apnea

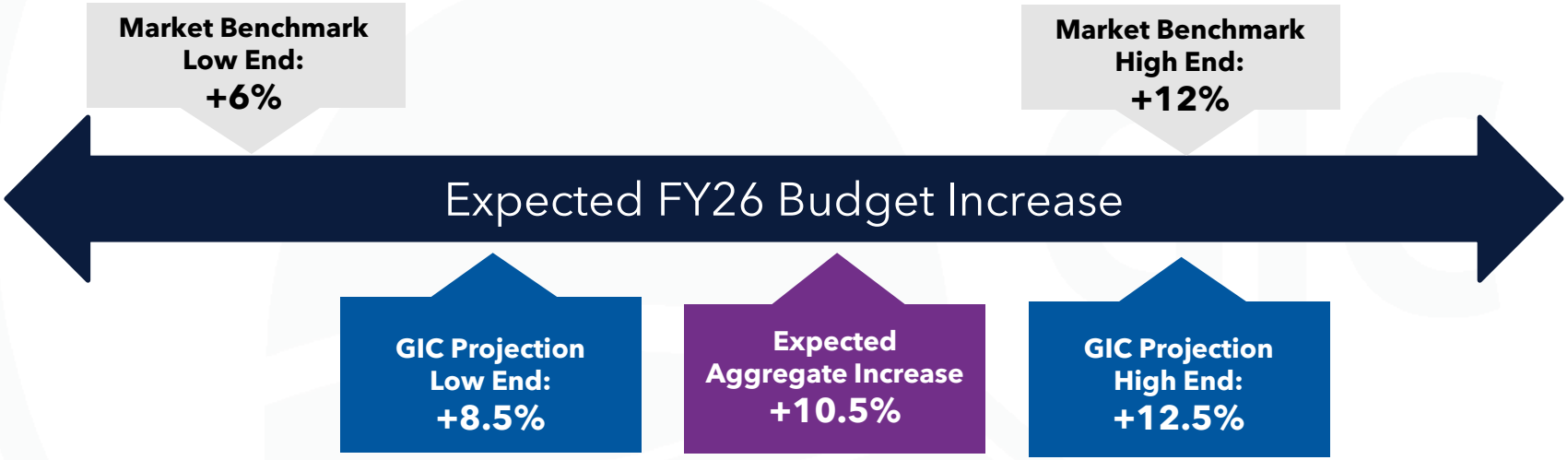
Potential GLP-1 benefits

- Decreased compulsive behavior (addiction, gambling)
- Decreased obesity-related cancer (breast, colon, endometrial)
- Decrease in diagnosis of Alzheimer's dementia
- Improved mental health

References: Renal Failure, Fatty liver disease, MACE, MACE, Compulsive, Cancer, Mental Health, Diabetes, Sleep Apnea, Mortality, Alzheimer's

Preliminary FY26 Budget Increase

- "Preliminary" = Current plan options, programs, plan design, funding mechanism; no anticipated migration or material changes in member behavior
- 10.5% projected aggregate increase prior to plan changes and final claim adjustments



Next Steps:

- Finalize medical and pharmacy trend assumptions provided by vendor partners
- Evaluate and vote on plan design changes, including cost impacts
- Adjust the budget rates increase accordingly and develop premium rates by plan