

## **GROUP INSURANCE COMMISSION MEETING**

**Thursday, June 20, 2024**

**8:30 A.M.-10:00 A.M.**

Meeting held virtually through online audio-video platform (ZOOM) and accessible on the GIC's YouTube channel.

### **MINUTES OF THE MEETING**

NUMBER: Six hundred and eighty-three  
DATE: June 20, 2024  
TIME: 8:30 A.M.  
PLACE: Meeting held virtually through online audio-video platform (ZOOM) and accessible on the GIC's YouTube channel

#### **Commissioners Present:**

VALERIE SULLIVAN (Chair, Public Member)  
BOBBI KAPLAN (Vice Chair, NAGE)  
MATTHEW GORZKOWICZ (Secretary of Administration and Finance) Designee: Dana Sullivan  
GARY ANDERSON (Commissioner of Insurance) Designee: Rebecca Butler  
JOSEPH GENTILE (AFL-CIO, Public Safety Member)  
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)  
EDWARD T. CHOATE (Public Member)  
TAMARA P. DAVIS (Public Member)  
EILEEN P. MCANNENY (Public Member) - joined late at 9:06 A.M.  
JASON SILVA (Massachusetts Municipal Association)  
MELISSA MURPHY-RODRIGUEZ (Massachusetts Municipal Association)  
ANNA SINAIKO, Ph.D. (Health Economist)  
ELIZABETH CHABOT (NAGE)  
JANE EDMONDS (Retiree)  
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)

#### **I. Agenda and Approval of the Minutes**

At 8:30 A.M. Chairperson Valerie Sullivan gave opening remarks. The General Counsel announced the attendance of Commissioners.

The Executive Director provided an overview of the agenda. He noted that Lauren Peters, Executive Director of the Center for Health Information and Analysis (CHIA) was present to give a presentation on prescription drugs. He described the remaining meeting agenda.

Toby Choate Joined 8:34

The Chair asked for a motion to approve the Commission Minutes from May 16, 2024. Vice Chair Kaplan moved to approve the minutes, seconded by Designee Butler. The General Counsel took a roll call vote and the motion passed unanimously of those who voted. Commissioner Guirand did not vote.

## **II. Executive Director's Report**

The Executive Director provided highlights of his report. The Reduced Waiting Period project, he noted, was ready to go live on July 1, 2024. He then introduced and turned the meeting over to Lauren Peters, Executive Director of CHIA.

Commissioner Elizabeth Chabot has joined at 8:45.

## **III. Center for Health Information and Analysis**

Executive Director Peters was joined by Molly Bailey on CHIA's drug spending and utilization team. Executive Director Peters provided a summary of CHIA and its responsibilities. She noted that CHIA recently issued an annual report, providing top line trends for the health care market. The report revealed persistent, long-term trends that pre-existed the Pandemic. The recent 5.8% growth rate represents the highest single year growth since 2012 when CHIA started measuring the growth rate. Pharmacy spending, she stated, was running higher than any other area and is the largest contributor to the 5.8% growth rate. Ms. Peters then turned the meeting over to Ms. Bailey.

Ms. Bailey stated that CHIA did a separate analysis of commercial prescription drug use and spending. She provided an overview of the market noting that it is a very complex system. Rebates off the list drug price are negotiated behind the scenes. Although rebates are an important part of the system, she said, CHIA does not have rebate data, so it is not reflected specifically in the report. Rather, the report looks at payments made by Pharmacy Benefit Managers (PBMs) and patients. It includes drugs that are covered under pharmacy benefits and looks at fully insured spending. She noted that the GIC is not part of this particular analysis, however, she expects that the trends are the same. From 2018-2022 the number of prescriptions decreased by about 5%, but the cost increased over 20%. Immunosuppressants were the top class of spending across all years.

The Chair asked if people who choose to pay out of pocket instead of using insurance would make an impact. Ms. Bailey replied no, it would not impact the report, as the report examined fully insured market claims, and did not include anything that was not billed through the insurance.

Commissioner McAnneny asked for clarification that self-insured plans are not included in the fully insured analysis. Ms. Bailey confirmed that was true. Commissioner McAnneny then asked about medical side drug spending. Ms. Bailey said CHIA is starting to collect that data in the Fall.

Commissioner McAnneny asked about demographics, specifically asking whether, as the Massachusetts population ages, this growth trend will spike. Ms. Bailey said that is beyond the scope of this report. Commissioner McAnneny followed up asking about the spending trend for Medicare and MassHealth. Executive Director Peters stated that one of the slides they will present shows total spending of the self-insured and fully insured markets, but the report does not include MassHealth and Medicare trends.

Designee Sullivan jointed the meeting at 9:00am.

Commissioner Sinaiko stated that, looking at the rest of the commercial market, one might expect self-insured plans to have more comprehensive coverage and, therefore, might have higher utilization, but the costs probably would not be much different because it is all negotiated. Commissioner Sinaiko asked whether CHIA sees price differences for fully-insured versus self-insured cohorts. Executive Director Peters stated that if the fully insured groups are using the same PBMs, there will probably be some standardization of prices, but she cannot say for sure because it is outside the scope of this analysis.

Vice Chair Kaplan asked if Covid drove down the number of prescriptions and/or increased the costs. Ms. Bailey said that the analysis did capture the Covid years and the vaccines group jumped into the high spend group because of the pandemic.

Ms. Bailey showed the top drugs by spending and number of prescriptions, noting that most of the highest spend drugs are brand name drugs. Conversely, she remarked, when looking at the top drugs by number of prescriptions, they are mostly generics. She stated that the only time a brand name drug is in the highest number of prescriptions is when a new vaccine comes out.

Ms. Bailey then discussed cost sharing trends, stating that individuals paid around \$13 per member per month in 2022, which is roughly 20% more than in 2018. For payers, she said, they paid \$122.82 Per Member Per Month (PMPM), which is 47% more than in 2018.

Executive Director Veno noted that this is the same trend that the GIC has seen. He asked if there has been any evidence of erosion of generic drug pricing over time. Ms. Bailey said that, in the aggregate, CHIA can see how much generics have increased over time. She stated that CHIA did look at this to see if it was an issue but did not have a significant finding.

#### **IV. 2024 Annual Enrollment Report**

The Executive Director turned the meeting over to Director of Operations Paul Murphy and Director of Communications Leslie Monteiro to report on Annual Enrollment.

Director Murphy showed the progression of the GIC member portal enrollment and use, starting the first year with just over 20,000 members enrolled and now with over 100,000.

Vice Chair Kaplan asked if the portal is only for online agencies. Director Murphy stated that all members have access to the portal if the GIC has a valid email on file and provided an overview of different groups that have access to the portal. Director Murphy then showed that the vast majority of data corrections, as well as Annual Enrollment changes, are now being made through the portal.

The Chair asked if there would be videos coming out regarding the portal. Director Murphy said yes.

Director Murphy then talked about other operational improvements, provided high level summaries of Annual Enrollment changes, and a historical look at enrollments by year.

Director Monteiro presented on Annual Enrollment website and communications updates, providing data on how members have consumed information and how members choose to engage with the GIC via the website.

The Chair asked about whether there would be a return to in-person member benefit fairs and information sessions. The Executive Director said that that was unlikely, and that member engagement through virtual information sessions indicates broad acceptance of that method.

The Vice Chair stated that the in-person health fairs and listening sessions are not missed and people are much more likely and able to attend the virtual sessions.

#### **V. Dental and Vision Consultant Recommendation**

Cameron McBean, Director of Vendor Management, then presented a recommendation for a Dental and Vision Consultant for the Commission to vote on. Lockton Companies was the apparent successful bidder vendor.

Vice Chair Kaplan asked why the supplier diversity program score was so low and if they were planning to increase that. Mr. McBean stated that a low score is not unusual for procurement bidders.

Commissioner Choate asked how GIC expects this new bidder to compare, qualitatively, to the current consultant. Mr. McBean said there are not concerns about Lockton's abilities to serve the GIC.

The Chair then asked for a motion to approve the recommendation for the apparent successful bidder. Vice Chair moved and Commissioner Chabot seconded. The General Counsel then took a roll call vote. The motion passed unanimously.

#### **VI. CFO Report**

James Rust, the Chief Financial Officer (CFO) then provided the Budget Report. He noted that the GIC is on target for the budget and does not anticipate needing to request supplemental funds.

Vice Chair Kaplan asked what is causing the dental and vision numbers to be over budget. The CFO stated that it is based on the number of enrollments and it is unclear why, all of a sudden, people are opting in to this benefit at a higher rate.

#### **VII. Other Business and Adjournment**

The Chair then asked for a motion to adjourn. Commissioner Choate motioned and the Vice Chair seconded. The motion passed unanimously.