

GROUP INSURANCE COMMISSION MEETING
Thursday, May 19, 2022
8:30 A.M. – 10:30 A.M.

Meeting held remotely through online audio-video platform (ZOOM), accessible
through YouTube

MINUTES OF THE MEETING

NUMBER: Six Hundred sixty-seven
DATE: March 3, 2022
TIME: 8:30 a.m.
PLACE: The Meeting was held virtually

Commissioners Present:

VALERIE SULLIVAN (Chair, Public Member)
MICHAEL HEFFERNAN (Secretary of ANF) Designee Cassandra Roeder
GARY ANDERSON (Commissioner of Insurance) Designee Rebecca Butler
ADAM CHAPDELAINE (Massachusetts Municipal Association)
ELIZABETH CHABOT (NAGE)
EDWARD T. CHOATE (Public Member)
CHRISTINE HAYES CLINARD, ESQ. (Public Member)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
PATRICIA JENNINGS (Public Member)
EILEEN P. MCANNENY (Public Member)
MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)
ANNA SINAIKO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Commissioners Not Present:

JANE EDMONDS (Retiree)
TAMARA P. DAVIS (Public Member)
BOBBI KAPLAN (Vice Chair, NAGE)

Call to Order

The Chair called the Meeting to order at 8:30 a.m. The Chair identified all Commissioners present and turned the meeting over to Executive Director Veno to review the agenda.

I. Approval of Minutes

Commissioner Chabot made a motion to approve the March 3 and 24, 2022 meeting minutes, as presented, which was seconded by Commissioner McAnney. There were no additions or corrections to the minutes. The vote was taken by roll call by GIC General Counsel and passed unanimously by members present.

II. Executive Director's Report

The Chair turned the meeting over to the Executive Director who began the Executive Director's Report by deferring to Director of Human Resources Brock Veidenheimer.

- **Human Resources**

The HR Director presented the Commission with information regarding retirements among the GIC staff. He noted that two GIC employees would be retiring in May: Ann Lopes from Data Entry and Donna Thompson from the Life Insurance team. He said that after conferring with colleagues at other agencies, there seems to be an increase recently in retirements across state government, possibly correlating with the return to offices since the COVID-19 pandemic measures taken in 2020. The GIC has 16 employees with over twenty years of seniority.

The Chair asked if there was difficulty backfilling positions left by retirees in other agencies he had spoken with and whether the GIC anticipates having a problem serving its members as a result of having unfilled openings. The HR Director said that he was not aware of a trend of positions remaining open for an extended period of time but that he and Director of Operations, Paul Murphy, had recently noted a smaller number of applicants for open positions than they had seen a year or two ago.

Commissioner McAnneny noted that the Massachusetts Taxpayers Foundation (MTF) has been doing research regarding demographics in Massachusetts which indicates that the workforce in the Commonwealth is contracting because it has an older-than-average population compared to the rest of the country, as well as the decrease in immigration into Massachusetts. The Chair asked the Commissioner if MTF had any suggestions to bring older workers back into the workforce in a flexible way, or if this was looking like a larger state-wide issue. Commissioner McAnneny replied that there was no silver bullet to solve the problem but perhaps looking at flexibility in job requirements and hours needed are actions that could be taken to increase the candidate pools.

The HR Director noted that there is a state program that allows retired employees to return to work on a part-time basis, and that that hiring can be from any agency experience.

At this time, the Executive Director turned the meeting over to Deputy Executive Director Erika Scibelli to present a Legislative Update.

- Legislative Update

The Deputy Executive Director reminded the Commission that the Legislature was currently in the midst of the budget process, with the Governor's budget having already been released and the House of Representative's budget having been passed on April 27, 2022. There was no language in the House budget that would impact the GIC directly. The Senate budget was released on May 10, 2022 and will be debated during the last week of May. The Deputy Executive Director noted that the GIC will keep the Commission apprised of any items or amendments in the Senate budget that would affect the GIC and will come back with a more complete report during the June meeting. She explained that the Legislative Director, Mike Berry, is watching four health-care-related bills closely: the Governor's comprehensive health care bill, currently in the Senate; a pharmaceutical transparency bill, also before the Senate; a Senate mental health bill, and; a House bill focused on provider and hospital expansion.

The Deputy Executive Director turned the meeting back to the Executive Director who concluded the Executive Director's Report and then reviewed the remainder of the summer on the projected 2022 calendar.

III. Trust Fund Request

The Chief Financial Officer, James Rust, presented the annual Trust Fund Spending Authorization request. The CFO reviewed the purpose and function of the Employee Trust Fund and reminded the Commission that despite asking for and receiving permission to use

the Trust Fund in FY21 and FY22, the existing budget of the GIC was sufficient to cover all expenses and no Trust Fund resources were spent in those years. He also noted that the Trust Fund authorization requests for FY23 were materially similar in amounts to prior years.

The FY23 requests included Information Technology, Administrative Services, Member Engagement services, and continued authorization for the use of up to ten (10) temporary employees, though the GIC was not currently employing any temporary staff since the agency is working largely from home.

Commissioner Choate asked what the current plan was to use the FY23 Trust Fund allotment based on the budget for the upcoming fiscal year. The CFO replied that it was to be determined but since the GIC was fully funded in the administrative budget, there was nothing currently urgent that requires expenditure of these funds. The Chair then asked what happened to the funds for the past two fiscal years that had not been used. The CFO replied that the funds reside with the GIC in an interest-bearing bank account with the State Treasurer's office.

The Chair then asked if the ongoing IT projects assisting members with online inquiries and transactions, were part of this IT Request or if they were already included in the yearly GIC IT budget. The CFO answered that the Trust Funds act only to supplement, if needed, projects for which capital funds had already been acquired. The Chair then asked for an update on the IT work at a future meeting and the Executive Director noted that this would occur at a meeting within the next several months.

The Chair then called for a motion to authorize the use of the Trust Funds as requested. The motion was made and seconded and the General Counsel called the roll. The vote passed unanimously.

Commissioner Clinard then asked whether the number of towns that had requested their medical claims data, as seen in the Municipal Update in the Executive Director's Report, was an unusually high number. The Deputy Executive Director replied that it was a standard number of requests given the time of year and that Lauren Makishima, on the CFO's team, was doing an exemplary job of getting that data out to the municipalities in a timely fashion. The Chair then asked that this topic be covered in depth for the Commission at a future meeting since there seemed to be both interest and questions from Commissioners.

IV. Flexible Spending Accounts: Procurement Update

The Executive Director turned the meeting over to Cameron McBean, Health and Ancillary Benefits Manager, to review the Flexible Spending Accounts (FSA) procurement. The Manager informed the Commission that this procurement is in its very early stages, as the notice of intent was only just posted on the CommBuys site. Benefit Strategies is the current administrator of both the Health Care Savings Account (HCSA) and the Dependent Care Assistance Plan (DCAP). He reviewed the membership in both plans and the administrative cost of the plans and noted that enrollment is 100% online. He noted the objectives of the procurement and presented the timeline, running through November 2022, at which point it will be presented to the Commission for a vote.

Commissioner Sinaiko asked what percentage of eligible members are utilizing the FSA plans. The Manager estimated that approximately 80,000 GIC members are eligible for the FSA plans and that he will follow up with a more precise answer. The Chair asked if there was feedback as to why more eligible members don't use the FSA options. The Manager replied that there has been an approximate 6% drop off in utilization since the COVID pandemic, primarily from the DCAP.

The CFO noted that the FSA procurement was being run without a consultant due to the in-house GIC expertise under the Manager, Mr. McBean's, leadership.

V. Other Business/Adjournment

The Executive Director then concluded the agenda and turned the meeting back to the Chair for new business. The Chair reiterated her request for an update on municipalities in an upcoming meeting as well as an update on IT project work. She also noted the request for more information on the utilization of the Employee Assistance Program (EAP). The Executive Director noted that the June 16, 2022 meeting would include an update on the EAP procurement and a vote on the EAP consultant.

There being no further business or discussion, the Chair adjourned the Meeting at 9:12 A.M.

Respectfully submitted,

Matthew A. Venio
Executive Director