**GROUP INSURANCE COMMISSION MEETING**

**Thursday, May 18, 2023**

**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 seventy-four

DATE: May 18, 2023

TIME: 8:30 a.m.

PLACE: The Meeting was held virtually

**Commissioners Present:**

VALERIE SULLIVAN (Chair, Public Member)

BOBBI KAPLAN (Vice Chair, NAGE)

MATTHEW GORZKOWICZ (Secretary of Administration and Finance) Designee Khushbu Webber

GARY ANDERSON (Commissioner of Insurance) Designee: Rebecca Butler

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)

MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)

ANNA SINAIKO, Ph.D. (Health Economist)

TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

**Commissioners Absent or Arriving Late:**

ELIZABETH CHABOT (NAGE) (arrived at 8:40am)

ADAM CHAPDELAINE (Massachusetts Municipal Association)

TAMARA P. DAVIS (Public Member)

JANE EDMONDS (Retiree)

Patricia Jennings (Public Member)

EILEEN P. MCANNENY (Public Member)

**Call to Order**

Chair Valerie Sullivan called the Meeting to order at 8:30 a.m. The Chair welcomed Deputy Executive Director Erika Scibelli back from leave and commended the GIC staff for a successful Annual Enrollment period. She invited the General Counsel to review the list of commissioners in attendance and then turned the meeting over to Executive Director Matthew Veno who reviewed the agenda.

1. **Approval of Minutes**

The Chair called for a motion to approve the minutes of the previous meeting. Vice Chair Kaplan moved to approve the March 2, 2023, meeting minutes, as presented, which was seconded by Commissioner Choate. A roll call vote was taken by GIC General Counsel Andrew Stern and passed unanimously by the voting members.

1. **Executive Director’s Report**

The Chair turned the meeting over to the Executive Director to discuss the Executive Director’s Report. The Executive Director touched on a few items contained in the written report including updates on HR developments, the legislative and municipal actions, and noted a detailed written breakdown of outreach and engagement efforts leading up to and during Annual Enrollment. He noted that as a result of these communication efforts, the GIC saw a very high rate of engagement from members during Annual Enrollment, and that a comprehensive report of this will be presented during the June 2023 meeting.

The Executive Director noted that the GIC Legal Team continues to work on contracts with pharmacy, FSA, EAP, and health plan vendors in advance of the June signatory time.

He also noted that on April 17, 2023, Harvard Pilgrim Health Care (HPHC) informed the GIC of a ransomware incident that significantly impacted their systems. HPHC took their systems offline immediately upon learning of the breach. Due to the timing of the incident occurring during the GIC’s Annual Enrollment, the GIC and HPHC worked closely and quickly to meet the members’ needs so that members could continue to evaluate their health plan options. They continue working together and are in close contact for any additional updates on the incident. The Executive Director expressed his gratitude to both HPHC and GIC staff for all their work and flexibility through the challenge. He then opened the floor to questions.

The Vice Chair commended the GIC staff for their hard work during the Annual Enrollment period. This sentiment was echoed by the Executive Director. The Chair turned the meeting back to the Executive Director who briefly reviewed the calendar of upcoming Commission meetings.

1. **Out of Pocket Report (INFORM)**

The Executive Director then turned the meeting over to Lauren Makishima, the GIC Data Analytics Manager, and Margaret Anshutz, the Director for Health Policy and Data Analytics. Ms. Makishima introduced the out-of-pocket (OOP) report for FY22, provided background definitions, and explained the major drivers of out-of-pocket costs for GIC members, such as out-of-network provider utilization, prescription drug penalties, and non-covered services (which are not included in data because they are often not processed through the health plans). Overall OOP costs for all members increased 9.1% over the FY21 levels as COVID-19 waived copay policies were sunsetted and utilization returned to pre-pandemic levels. Aggregate OOP costs for FY22 were $302 million or $1,324.00 average per household, which was still below pre-pandemic levels. For Medicare members, prescription costs accounted for most of the OOP costs whereas medical costs accounted for the majority of OOP costs for non-Medicare members.

Ms. Makishima reviewed the impact of the pandemic on the OOP changes seen in FY22 and displayed GIC members OOP costs to both benchmark comparators and other private and public health plan sponsors in Massachusetts. She then went into more detail around costs broken down by households and members, and emphasized how the use of the pharmacy benefit outside of the benefit could lead to high OOP costs for certain members. She noted that many of these costs may be covered through drug manufacturer coupons or other incentives that are not captured in the data. There was discussion about how the mail-order drug program works and FSA usage for non-covered or long-term prescriptions.

Ms. Makishima then reviewed OOP costs for claims with a primary behavioral health diagnosis, including anxiety, depression and substance use disorder treatment. She then opened the floor to questions. The ensuing discussions addressed details around how GIC members compare to similar populations, prescription drug formularies, and whether certain members have high OOP costs by choice or as a result of a primary care referral to a specialist.

1. **Behavioral Health Update (INFORM)**

The Chair then turned the meeting over to Ms. Anshutz to present on the Behavioral Health Roadmap for Reform. This is based on the continued effort of the Executive Office of Health and Human Services (EOHHS) to reform and promote behavioral health access regardless of insurance type or status. Ms. Anshutz outlined the components of the of the Roadmap and explained that while these services are currently only available to MassHealth members, the GIC is actively working to expand access to its membership as well. The exception to this is the 24/7 Behavioral Health Help Line, which is open to all residents of Massachusetts regardless of insurance, including GIC members.

Ms. Anshutz reviewed the next steps that are underway at the GIC to fully integrate its population into the Roadmap. She then opened the floor to questions. She was asked if there was a timeline for completing the GIC integration to the Roadmap. Ms. Anshutz replied that she would have to think more to be able to provide an exact timeline since it is dependent on communication with carriers and their provider contracting but that the continued progress is encouraging.

1. **Trust Funds (INFORM & VOTE)**

The Executive Director then turned meeting over to the CFO Jim Rust to review the FY24 Employee Trust Fund request. The CFO reviewed what the Employee Trust Fund is and why authorization was requested for the next fiscal year. He outlined the specific areas for which he was requesting funds and the specific amount in each area. He confirmed that for the past three years, the GIC has not spent any of the authorized money from the Trust Fund as the agency’s administrative budget has been sufficient.

The Chair then called for a motion to approve and authorize the CFO to pay certain GIC expenses from the applicable Trust Funds, as recommended and requested. Vice Chair Kaplan made that motion, which was seconded by Commissioner Gentile. A roll call vote was taken by GIC General Counsel and passed unanimously.

1. **CFO Report (INFORM)**

The CFO then continued to the CFO Report, including a budget update. He reviewed the budgeted and actual costs for FY23, illustrating that the GIC is likely to come in at approximately 1.3% under budget for the year.

1. **Other Business and Adjournment**

The Chair asked the GIC staff to find a way to have an in-person meeting for the September Commission meeting. The Executive Director thanked the Commission, the GIC staff and the partners at WTW for everyone’s work through a very busy year including procurement, votes, Annual Enrollment, and all the effort that has gone into each of those aspects of FY23.

There being no other business, the Chair concluded the meeting. The Chair adjourned the Meeting at 10:30 A.M.

Respectfully submitted,

Matthew A. Veno

Executive Director