

Executive Director's Report

2025

Date: May 15, 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.

HUMAN RESOURCES

Staffing Updates

I am pleased to announce that we have filled three key open positions at the GIC.

Morgan Simko joined the GIC on April 22 as our new Government Affairs Manager. She reports to Deputy Executive Director Erika Scibelli and oversees the GIC's legislative and municipal strategy and initiatives. Morgan has experience working in legislative and Chief of Staff roles at both the Massachusetts and New York Senate. She holds a Masters of Public Health degree from Boston University.

Dan Gumble joined the GIC on April 7 as Counsel working on the GIC's Legal team. Dan will report to our General Counsel, Andrew Stern, and will support a broad range of Legal programs including serving as the Records Access Officer, supporting compliance with state and federal law, and conducting legal research in a variety of areas. Dan earned his JD degree at the Suffolk University Law School and he has prior experience at two law firms and at the Harvard School of Public Health.

Jang Soo Lee, who has been working as a student intern for the GIC since 2024, has accepted our offer to move to a full-time Health Care Analyst position following his graduation in May from the Masters program at the Harvard University School of Public Health. Jang Soo has demonstrated his strong data and analytic skills during his internship and will work with Margaret Anshutz and Lauren Makishima to help expand the important work that the GIC Analytics team is conducting. Jang Soo will report to GIC Data Analytics Manager Lauren Makishima.

PHARMACY UPDATE

As you may know, CVS Caremark updates its formulary twice a year. CVS recently announced their updates for July 1, 2025, which includes a change to remove **Zepbound** from coverage for weight loss, with **Wegovy** and **Saxenda** remaining preferred, due to lower unit costs. GIC staff are working closely

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with CVS concerning their communication outreach to affected members and their prescribers, and confirmed that an exception process is in place for members on Zepbound who are not able to take Wegovy. Staff are also working closely with CVS to determine the impact on our GLP-1 spend for weight loss, which exceeded \$17.5 million in March alone (excluding rebates).

LEGISLATIVE & MUNICIPAL

Legislative

In early April, the Governor filed a supplemental budget request to close the GIC's projected FY25 funding gap with the aim of passage before May 12, 2025. Unfortunately, the supplemental budget language has not yet been enacted, but we are hopeful that it will get accomplished this week. The supplemental budget passed the House on May 12th and the Senate has reported that they will take it up on Thursday, May 15th. We expect that the Governor will then sign it in short order. As you are aware, because the supplemental budget did not pass before May 12th, the GIC was unable to continue paying medical claims and requested that carriers pend medical claims until the funding issue is resolved, meaning providers would continue to see patients as usual, but will receive payment at a later date. While extremely difficult, this was the only reasonable contingency plan that would cause the least disruption to our members and would not impact pharmacy and member's access to life saving drugs. Once the bill is signed and the funding is in place, the GIC will promptly resume payment to carriers who will, in turn, resume payments to providers. Again, we expect swift passage this week.

The FY26 budget season is also upon us with the House having passed their budget at the end of April and the Senate slated to take up their budget in late May. As always, we are monitoring amendments and maintaining a presence at the State House in order to make ourselves readily available to staff for any questions they may have.

Regarding other legislation, we continue to track and monitor bills as they move through committees and will keep the Commission apprised of any legislation that is moving and would be impactful for the GIC.

Municipal

We continue to receive frequent inquiries from municipalities, school districts, and the like about joining the GIC. As requests come in, staff provide basic information and offer an introductory meeting to answer specific questions about joining. At present, we have not received any formal letters of intent to join.