

GROUP INSURANCE COMMISSION MEETING
Thursday, November 17, 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 seventy
DATE: November 17, 2022
TIME: 8:30 a.m.
PLACE: The Meeting was held virtually

Commissioners Present:

BOBBI KAPLAN (Vice Chair, NAGE)
MICHAEL HEFFERNAN (Secretary of A&F) Designee Cassandra Roeder
GARY ANDERSON (Commissioner of Insurance) Designee Rebecca Butler
ELIZABETH CHABOT (NAGE)
ADAM CHAPDELAIN (Massachusetts Municipal Association)
EDWARD T. CHOATE (Public Member)
CHRISTINE HAYES CLINARD, ESQ. (Public Member)
JANE EDMONDS (Retiree)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
PATRICIA JENNINGS (Public Member)
EILEEN P. MCANNENY (Public Member)
ANNA SINAIKO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Commissioners Absent or Attending Late:

VALERIE SULLIVAN (Chair, Public Member)
TAMARA P. DAVIS (Public Member)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)

Call to Order

Vice Chair Bobbi Kaplan called the Meeting to order at 8:30 a.m. The Vice Chair noted that she would be chairing the meeting until the Chair was able to join, and introduced the Commissioners. The Vice Chair then turned the meeting to Executive Director Matthew Veno to review the agenda. After he outlined the meeting's schedule, the Executive Director turned the meeting back to the Vice Chair who called for a motion to approve the minutes of the previous meeting.

I. Approval of Minutes

Commissioner Edmonds moved to approve the October 20, 2022, meeting minutes, as presented, which was seconded by Commissioner Chapdelaine. A roll call vote was taken by GIC General Counsel Andrew Stern and passed unanimously by members voting.

II. Executive Director's Report

The Vice Chair turned the meeting over to the Executive Director to discuss the Executive Director's Report. He began by congratulating Deputy Executive Director Erika Scibelli on the birth of her daughter in October. He also congratulated two GIC employees, Melissa George and Minh Dang, who have been awarded the 2022 Commonwealth of Massachusetts Citation for Outstanding Performance.

- **Communications**

The Executive Director noted that the GIC has already begun preparing for the upcoming annual enrollment for FY24. He mentioned the three public information sessions that will be held in January 2023 and invited Commissioners and members to join these virtual events. The sessions will be held on January 24, 2023, at noon and at 6:00 pm, and January 26, 2023 at 9:00 am.

- **Engagement**

Executive Director Veno explained that now that health benefit procurement has concluded, the GIC has met with a variety of stakeholders to review the outcome of that process. The discussions were well-received and GIC staff will continue the dialogue with interested parties.

He further noted that the GIC Communications and Operations teams were wrapping up a three-month campaign to promote “My GIC Link”, the online member portal. This is the culmination of the last year’s work to engage all members in becoming familiar with the portal so it can be used in a more robust way in the Spring 2023 annual enrollment.

- **Calendar**

The Executive Director reviewed the remainder of the 2022 calendar, as well as a look ahead into the early months of 2023.

III. 2022 Health Care Cost Trends Report

The Vice Chair then introduced David Seltz, Executive Director of the Health Policy Commission (HPC). The GIC Executive Director also welcomed the HPC Executive Director and Dr. David Auerbach, HPC’s Senior Director of Research and Cost Trends. He noted that 2022 marked a decade of the HPC producing the Annual Cost Trend reports, which provides an essential tool for policy makers to understand and evaluate the evolving Massachusetts health care marketplace, and develop informed health care policy.

The HPC Executive Director began by discussing how the organization had reviewed the data gathered over the last decade and what they found during this review and analysis. He noted that there have been several areas of persistent challenges to advancing health care affordability in Massachusetts. He went on to review them: the continuation of excessive provider price growth unrelated to value; increased market consolidation and a shift in patient volume to high-cost settings of care; high, rising, and non-transparent pharmaceutical pricing; steadily increasing premiums, deductibles, and cost sharing in employer-sponsored plans; a stalled uptake of value-based payment models; and continuing, systemic and persistent disparities in health care access, affordability, and outcomes. As a result of these findings, the HPC has put forth a set of recommendations for the incoming administration and Legislature.

The HPC Executive Director then turned the presentation over to Dr. David Auerbach to review the findings in more detail. Dr. Auerbach went through the annual data, focusing on trends in both medical and prescription drug spending. There was also a significant increase in hospital charges since 2013, even though patients were not presenting with more extreme illnesses or longer hospital stays during that time. Even when inflation is taken into account, the spending significantly outpaced the rate of inflation. In response to a question, Dr. Auerbach and the HPC Executive Director noted a relative lack of competition in the

pharmaceutical sphere, which contributes to rising costs. He also noted that there is currently a successful program within the Massachusetts Medicaid program through which they are able to negotiate rates for prescription drugs and can call upon the HPC to assess the price-to-value ratio for drugs if those negotiations fail. There was additional discussion around the growth in hospital revenue, which is similarly reflected nationally.

Dr. Auerbach continued by noting that in Massachusetts, commercial payments often range around twice as high as the average Medicare payment for the same procedure, largely regardless of hospital system. These higher prices are also seen in laboratory processing across all systems. Finally, it was presented that hospital systems in Massachusetts with higher outpatient prices in 2018 also tended to have higher growth in those prices from 2018 to 2020. All these price increases have led to significantly higher premiums in the Commonwealth over the last 20 years. These increased premiums, in turn, lead to workers seeking higher deductible plans to avoid premium increases, often leading to care avoidance. Care avoidance is found to be higher among lower income as well as Black and Hispanic residents. Finally, the HPC found that the cost of health care, particularly premium costs, combined with the average cost of other household necessities, exceeds the income of middle-class families in the Boston and Worcester metro areas.

In response to questions and comments from Commissioners, the HPC Executive Director outlined some policy proposals that the HPC is recommending for the Commonwealth to slow or reduce the growth in health care costs. There was further discussion between the Executive Directors of the GIC and HPC around the topic of health equity and the responsibility and opportunities of the GIC to address that urgent issue.

The GIC Chair, Valerie Sullivan, entered the meeting at 9:45am and the Vice Chair turned leadership of the meeting over to her.

IV. FY24 Employee Assistance Program (VOTE)

The Chair then turned the meeting over to Jannine Dewar, GIC's Pharmacy and Ancillary Benefits Manager, to discuss the procurement for the Employee Assistance Program procurement, called Mass4YOU. The current contract with Optum expires on June 30, 2023 and has a fixed fee that is based on 144,000 estimated eligible employee households.

There were three bidders for the procurement: Optum, Deer Oaks, and AllOne Health. Based on initial scoring, all three were invited to the interview phase. While the procurement scores were very close, the Strategic Sourcing Team recommended that the GIC enter into contract

negotiations with Optum for the EAP vendor contract which will be effective for the year beginning FY24.

The Vice Chair asked in what way/s Optum's behavioral health (BH) provider network has increased since the beginning of the last contract and how the additional visits would be paid for if not by members. The response was that there was a 6-7% increase across the network since last year, despite the recruitment challenges that are being seen in the behavioral health arena. Fees for the additional two covered sessions will be negotiated during the contract negotiations.

There was further discussion of the Procurement team's decision to choose Optum for the final recommendation versus the other two bidders. Ms. Dewar described limited disruption to members currently using the service, Optum having the absolute lowest cost point which allows the GIC to buy up and enhance the program, and the expanded behavioral health provider network. Optum also had no need to scale up to meet the needs of the GIC, unlike the other two bidders.

The Chair requested a motion to accept the recommendation of the Procurement team and select Optum as the GIC's EAP vendor beginning in FY24. The motion was brought by the Vice Chair and seconded by Commissioner Gentile. The GIC General Counsel conducted a roll call vote and the motion passed unanimously.

V. Other Business & Adjournment

The Chair concluded the agenda and opened the floor to new business. The Vice Chair asked that the Commission be provided the same data that was produced by the HPC, specifically data around care avoidance and accessibility, for the GIC population in general and the lower income members specifically, including retirees. The Executive Director answered that between working with the HPC and utilizing the GIC's internal Data Analytics team, he would investigate what could be done to bring that information back to the Commission. The Chair asked that the Executive Director let the Commission know, either in the December or January meeting, when the data might be compiled and presented to the Commission, keeping in mind that Procurement is ongoing and will be followed by the Open Enrollment period. Executive Director Veno noted that with the heavy work in the months ahead might necessitate a somewhat later date.

There being no further business, the Chair adjourned the Meeting at 9:59 A.M.

Respectfully submitted,

Matthew A. Veno
Executive Director