

Executive Director's Report

2025

Date: November 20, 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.

LEGISLATIVE & MUNICIPAL

Legislative

Several of the estimated 250 bills we are tracking have moved to the next stage of the process, having hearings and being reported out of the committee that reviewed them. The MA Senate and House of Representatives passed S.137, *An Act dignifying individuals with intellectual or developmental disabilities*, legislation that modernizes the Massachusetts General Laws to bring terminology up to date regarding individuals with intellectual or developmental disabilities. Chapter 32A, our enabling statute, is among the chapters updated by this legislation. It will need to be signed by the Governor before becoming law.

Municipal

We have concluded our Special Enrollment Period for READS Collaborative, which is joining effective January 1, 2026. Staff continue to be in touch with READS staff to ensure they are prepared to handle new hires, billing, and any other aspects of participation in the GIC.

Staff have been in contact with many municipal entities that are strongly considering the GIC for health insurance effective July 1, 2026, and two of those entities have taken initial steps to officially join. The City of Malden has submitted its Public Employee Committee agreement to the GIC, and we will begin to onboard the City after all official documentation has been received. The Charles River Pollution Control District submitted its Letter of Intent to join effective July 1, 2026.

On October 29, 2025, the GIC offered another informational webinar to municipal entities that are currently members of the Hampshire County Group Insurance Trust (HCGIT), which is facing significant fiscal challenges. We invited the entities that expressed a continued interest in learning about the GIC by a deadline of October 15. To date, 24 entities have noted that they wish to continue the conversation about joining, and 4 of these entities have shared updates regarding official steps they have taken internally to meet GIC requirements for joining.

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Many entities in the HCGIT have raised concerns about meeting GIC deadlines in the context of financial challenges at the Trust, so the GIC has decided to offer a one-time extension for HCGIT member units that are actively working to complete statutory requirements to join effective July 1, 2026. On November 13, the GIC Deputy Executive Director Erika Scibelli sent a letter to all HCGIT member units announcing this decision. All HCGIT member units looking to join July 1, 2026 will still be required to submit a Letter of Intent by December 1, meeting the statutory deadline. Units that need more time to submit proof of local votes and agreements will have until January 5, 2026 to do so, given their adherence to other requirements laid out in the communication.

Federal Actions

We have been tracking recent developments out of Washington on GLP-1s. On November 6th, The White House announced a deal with the major GLP-1 manufacturers Novo Nordisk and Eli Lilly to sell their GLP-1 obesity drugs at substantially lower prices to Medicare and Medicaid, and to lower their direct-to-consumer prices.

Currently individuals may purchase these drugs directly from these two manufacturers and pay \$499 per month for anti-obesity GLP-1s. This is \$100 lower than the average price, net of rebates and discounts, paid by most employer health plan sponsors. Medicare plans, which are currently prohibited from covering these drugs for the indication of obesity, would be allowed to begin coverage for these medications in 2026, and would be required to cover them in 2027. Further details are forthcoming.

The impact of these changes on GLP-1s purchased through employer sponsored health plans is not yet clear, as the agreement does not explicitly address prices to commercial plans such as the GIC. However, with the potential advent of Medicare coverage, the GIC could benefit for its EGWP/Medicare population.

FY2026 BUDGET UPDATE

As reported at the October Commission meeting, the GIC entered FY2026 with a \$77M budget deficiency due to policy decisions made in the enacted budget. At that meeting, we reported on two midyear adjustments which will take effect on January 1, 2026, to offset approximately \$15M of the deficiency. GIC's new CFO, Jennifer Hewitt, has been with us for almost two months and has been working to get up to speed on all things GIC, including closing out FY2025 and initial work on FY2027. She is taking the time to rebuild the current year budget tracking files to better inform the Executive Team and the Commission, and further refinements are needed before it can be launched. We plan to have the initial results to share at the December Commission meeting.

In lieu of a more detailed report, we can share that we continue to track several items that will inform our current year modeling, and lead to an updated FY2026 projection.

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- We are continuing to track enrollment and have noted that enrollment in GIC plans is higher than what was originally forecast for FY2026. It is a small but noticeable increase that will impact spending and is a change from a slightly declining enrollment that had been the GIC's experience in the 2010s and early 2020s. We are continuing to track why that enrollment is increasing, and in which agencies and entities we are seeing it.
- We also continue to monitor spending on pharmaceuticals, particularly usage of high-cost specialty drugs.