

GROUP INSURANCE COMMISSION MEETING

Thursday, November 20, 2025

8:30 A.M.-10:00 A.M.

Meeting held virtually through online audio-video platform (ZOOM) and accessible on the GIC's YouTube channel.

MINUTES OF THE MEETING

NUMBER: Six hundred and ninety-seven
DATE: November 20, 2025
TIME: 8:30 A.M.
PLACE: Meeting held virtually through online audio-video platform (ZOOM) and accessible on the GIC's YouTube channel

Commissioners Present:

VALERIE SULLIVAN (Chair, Public Member)
BOBBI KAPLAN (Vice Chair, NAGE)
MATTHEW GORZKOWICZ (Secretary of Administration and Finance) Designee: Dana Sullivan
MICHAEL CALJOUW (Commissioner of Insurance) Designee: Rebecca Butler
EILEEN P. MCANNENY (Public Member)
JANE EDMONDS (Retiree)
JASON SILVA (Massachusetts Municipal Association)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
KRISTIN PEPIN (NAGE)
TAMARA P. DAVIS (Public Member)
MARTIN CURLEY (Public Safety)
EDWARD T. CHOATE (Public Member)
MELISSA MURPHY-RODRIGUEZ (Massachusetts Municipal Association)
ANNA SINAICO, Ph.D. (Health Economist)
DEAN ROBINSON (Massachusetts Teachers Association)
CATHERINE WEST (Public Member)
DARREN AMBLER (Public Member)

I. Introduction and Approval of the Minutes

At 8:30 A.M. The Chair started the meeting and announced the Commissioners in attendance. She introduced a new commissioner, Darren Ambler. She noted that Jennifer Hewitt, the GIC's new Chief Financial Officer (CFO), was attending her first meeting. The Chair turned the meeting over to Executive Director Veno to review the agenda for the meeting.

Executive Director Veno reviewed the agenda. He stated that there would be a presentation of health plan audits and then a discussion of the Commonwealth's budget picture as it relates to the GIC for the coming fiscal year beginning July 1, 2026. A guest speaker, Chris Marino, Assistant Secretary for Budget at The Executive Office for Administration and Finance, would join to walk the commission through where the GIC fits into the broader budget picture.

The Chair asked for a motion to approve minutes from the Commission meeting held on October 16, 2025. Commissioner Kaplan motioned to approve and Commissioner Choate seconded the motion. The General Counsel took a roll call vote.

Chair Sullivan voted aye

Vice Chair Kaplan voted aye

Designee Sullivan voted aye

Designee Butler voted aye

Commissioner Choate voted yes

Commissioner Curley voted aye

Commissioner Davis aye

Commissioner Edmonds voted aye

Commissioner Guirand voted aye

Commissioner McAnneny aye

Commissioner Pepin voted aye

Commissioner Robinson voted aye

Commissioner Ambler voted abstain

Commissioner Silva voted yes

Commissioner Sinaiko voted yes

Commissioner West voted yes

The motion passed.

II. The Executive Director's Report

Presented by Executive Director, Matthew Veno

The Executive Director began by commenting on the federal action regarding GLP-1 pricing for Medicare and Medicaid, and direct-to-consumers channels. He stated that adding Medicare coverage will help the GIC as Medicare does not currently cover GLP-1 medication. He is hopeful that movement on the federal level will eventually bring GLP-1 prices down in the commercial insurance market as a side effect.

The Executive Director introduced Morgan Simko, Government Affairs Manager, to provide a municipal update. Ms. Simko stated that dozens of municipalities are expressing interest in joining for July 1, 2026, including many that are part of the Hampshire County Group Insurance Trust (HCGIT). Some smaller HCGIT municipalities have struggled to meet the opt-in notification deadline. The GIC has offered a one-time extension to January 5, 2026, for HCGIT entities only that needed votes to confirm joining the GIC, so long as the entity submitted a Letter of Intent (to join) on or before December 1, 2025 and completes all required steps by the deadline. Outside of the HCGIT, the GIC has received a Letter of Intent from Charles Water Pollution Control District and a PEC agreement from the City of Malden, to join on July 1, 2026.

The Executive Director noted that since the GIC's CFO, Jennifer Hewitt is still coming up to speed, there would be no CFO report at this meeting, however he turned the meeting to the CFO to provide an informal and brief update.

CFO, Jennifer Hewitt stated that she is working on tracking FY26 spending against budget and is projecting a shortfall, but does not have details to present yet. Municipal enrollments are adding to uncertainty, she noted. She also stated that the GIC's FY26 enrollment was 1.5% higher than projected in the original budget estimates. Last, she noted that pharmacy spending continues to be a budget challenge.

The Executive Director then updated the Commissioners on a previously asked question regarding savings from canceling the Docusign contract. He stated that it would be a little over \$370,000 from the contract and a bit more on the maintenance.

II. FY24 Plan Audit Update

Presented by Rachelle Mercier, Deputy General Counsel, and Marie Pollock, HIA, Director of Audits, CTI

The Deputy General Counsel provided background information and a brief history of the Mental Health Parity Addiction and Equity Act's (MHPAEA), its intent and regulatory development. She stated that two years ago the GIC stepped up oversight of mental health parity by instituting these vendor audits. Current audits are on the 2024 fiscal year. Plan coverage has changed since FY24, so an audit of the current plans would likely yield different results. She emphasized that the findings are preliminary and any final findings would be examined against current plan design to assess if changes are necessary. IN addition to mental health parity audits, traditional claims audits are also being presented today. The plans are audited every other year on claims payment accuracy and operational considerations. This year Health New England and Wellpoint were audited. The Deputy General Counsel thanked the

auditors from CTI and CXC for their work. She then turned the meeting over to Marie Pollock, Director of Audits for CTI.

Ms. Pollock presented the preliminary findings for mental health parity audits for all GIC plans and, following that, the findings for the claims audits. Findings indicated that there are some issues with WellPoint that keep showing up and the GIC is recommending that they have an additional off-cycle audit next year to ensure the issues are fixed.

Following the presentation, Commissioner Choate asked if there are more findings this year than in prior years. Ms. Pollock said yes, particularly for WellPoint. Commissioner Choate asked about the target turnaround time for claims. Ms. Pollock stated that auditors like it to be under 10 days, but Wellpoint appears to be paying claims very quickly which may be a cause of processing errors. Vice Chair Kaplan asked whether when Wellpoint was last audited, if the turnaround time was higher. Ms. Pollock stated that it was the same as the current audit showed and, in that previous audit, the speed was highlighted as a risk.

The Executive Director affirmed that the GIC has seen persistence in audit issues with Wellpoint over several years, which is why the GIC is requiring additional oversight to find and address the root causes of the problems.

The Deputy General Counsel stated that the GIC had looked back at the last two audits before making a recommendation for the required off-cycle audit.

Chair Sullivan noted that the auditors looked at the trends but did not share that analysis. She then asked what the estimated overpayment amount was for all claims, rather than the 200 random sample in the audit. Ms. Pollock stated that Health New England had a high percentage, so extrapolation may not be appropriate, but that CTI will provide an estimate for WellPoint to the Commission. The General Counsel added that there will be a larger data pull on problematic categories to obtain numbers on overpayment that are more firm.

Chair Sullivan asked what the auditor was hearing from payer groups on using artificial intelligence (AI) to accelerate payment and make it easier. Ms. Pollock stated that they are seeing AI being utilized mainly in payment integrity, post payment audit, and also customer service to help members with questions. Payers have been programming their systems for auto-adjudication for years now, which could be considered AI. Chair Sullivan thanked Marie and her team.

III. Discussion About Balancing Benefits with the Budget

Presented by Chris Marino, Assistant Secretary for Budget, Administration and Finance (A&F), and Matthew Veno, GIC Executive Director

Discussion of State and GIC Budget

The Executive Director welcomed and introduced Assistant Secretary Chris Marino. He handed the meeting to Mr. Marino.

Mr. Marino discussed the Commonwealth's current fiscal picture. Massachusetts is facing fiscal headwinds and there are three forces that are working to create budget gaps.

The first force is federal actions. He noted that it was not just the (federal) government shutdown, but the impacts from the “One Big Beautiful Bill” or “OB3” that was passed. Massachusetts realized a \$1.3B impact in FY26. In health care, specifically, Medicaid and the Massachusetts Health Connector were affected. OB3 is expected to cost the state \$663M in lost tax revenue and the FY26 budget was created prior to knowing about that loss.

The second force is spending pressure. The cost of running government is rising, relative to prior year’s expectations, especially in health care. Massachusetts has seen three times growth in health care expenditures compared to state revenue growth. In FY25, \$240M was needed in supplemental budget allocations for the GIC, and \$2B for MassHealth. Health care is one aspect in which spending is increasing at an unexpected rate, but there are more.

The third force is tax revenues. Tariffs, immigration policies, etc. have negatively impacted the Massachusetts economy, and the state is seeing less tax revenue as a result. Additionally, there are tax cuts mandated by OB3 that are linked to state tax revenues. He acknowledged that they are expecting that resources will not keep up with spending growth, since the most predictive factors are seen to be underperforming or on benchmark (i.e., not keeping up with spending growth). Therefore, cost management is a priority.

Commissioner McAnneny noted that Massachusetts has seen both tax growth and expanded programs in recent years. She asked how much of the cost pressures are eaten up by new program expansions. Mr. Marino stated that most of those programs have been absorbed but some will likely not be comfortable, budget-wise.

Commissioner McAnneny asked whether the [Healey] administration is looking at systemic reforms in health care. Mr. Marino stated that the administration is taking a look at everything to see where sustainability can be achieved, including health care. He emphasized that health care is a top priority, still.

Designee Sullivan stated that there is a website, [Mass.gov/fedimpact](https://www.mass.gov/fedimpact), where people can look at the impact of OB3 on Massachusetts.

Commissioner Robinson asked what parts of the rainy-day fund might be in play and whether there is any potential to cover some losses from Fair Share funds. Mr. Marino stated that the surtax program has been successful, but those revenues are earmarked for education and transportation. He further noted that the stabilization fund is unlikely to be used unless there is a downturn in revenue. He stated that Massachusetts is in revenue growth right now, so the challenge is primarily on the spending side.

Commissioner Robinson continued, asking Mr. Marino why they are calling for extensive pre-emptive budgetary cuts if Massachusetts is in revenue growth. He asked what the premises behind the planning are. Mr. Marino stated that the fundamental issue is that spending is outpacing revenue growth. Revenue is growing, but not by as much as spending.

Commissioner Edmonds stated that she has heard from a number of people in the state that we have not been as thoughtful as we should be. She noted that the GIC seems to be shifting the burden to the members instead of addressing the root problems of rising costs. She asked what concrete evidence would show that the Vida program will reduce costs more effectively than supporting members through their PCPs. She asked how A&F and the GIC could ensure that low-income members are not

disproportionately harmed or excluded from GLP-1 medications. Mr. Marino stated that he is not well equipped to speak to Vida but noted that health equity is a top priority of this administration.

Commissioner McAnneny acknowledged that it is a tough situation, part of which stems from acceptance of status quo. She asked that the GIC and the administration begin taking a systemic look to find a permanent fix for rising health care costs. Designee Sullivan assured her that looking at the system is on the administration's mind, but that it is a balancing act. She noted that underlying causes do not yield quick fixes and there is an immediate problem that needs to be addressed.

Commissioner Sinaiko stated that drivers of growth in Medicaid and in commercial health care are different. She stated that there is a real possibility that Medicaid spending will come down while commercial will not.

Vice Chair Kaplan voiced concern for the impact on members. She asked why the burden should be absorbed by workers. She pressed and asked why the Governor is not introducing legislation to negotiate with providers to manage costs. She asked what is being done to avoid dropping the burden on the workers.

Mr. Marino stated that affordability is a top priority. He said they are leaving no stone unturned and are looking across the entire budget, not just at the GIC and MassHealth. He said that they are looking at all 700+ line items to see what the growth is and how the state can manage costs.

Chair Sullivan said that this is going to be a difficult year and people can have different ideas of what health care should be. If we stay with the status quo, she said, there will continue to be problems.

Commissioner Robinson asked if any thought was given to add additional sources of tax revenue to make up some of the difference. Mr. Marino said that no decisions have been made yet. It is too early in the process, he noted, to make any assertions about revenue sources, but reiterated that spending is outpacing revenue growth.

Discussion of Benefit Options

The Executive Director stated that the GIC's expectation is that their allocated budget will be below what the GIC expects to spend. He stated that for this reason, the GIC is intentionally starting the discussion of potential benefit changes early. He emphasized that the potential changes presented are all available levers, but they are not recommendations at this time.

He noted that one thing the GIC is doing is planning an audit of dependents to ensure that the people we are covering are eligible.

He stated that affordability has two components: affordability for the members and for the Commonwealth. Because of that, he noted, tradeoffs will be required. He then reviewed potential changes that would result in cost savings and the impacts each would make on the GIC's strategic priorities of member affordability, behavioral health access and health equity. These included increasing urgent care copays, removing the three free telehealth mental health visits, increasing the ER copay, and limiting coverage for hearing aids to only what is required under state law. Additional options include increasing out of network coinsurance, implementing a uniform methodology for carrier payment to out of network providers in Massachusetts, increasing office copays, and increases to the deductibles. Other

possibilities include implementing a prescription drug program called Prudent Rx, elimination of GLP-1 coverage for obesity, and changes to dental and surviving spouse premium contribution ratios.

The Executive Director invited comments and questions from the Commissioners, since the GIC is specifically looking for feedback from the Commission.

Commissioner McAnneny said that she would like to see what other states are doing. She said a number of states have addressed these issues with provider rate caps and would like to hear about how they accomplished that.

Vice Chair Kaplan asked for the numbers on utilization of ER and urgent care. She also asked how Prudent Rx would relate to Vida. The Executive Director said the GIC will look into the ER and urgent care questions and fold that into presentations at future Commission meetings. He also stated that Prudent Rx only applies to specialty drugs for which there are manufacturer coupons.

Vice Chair Kaplan then asked how many surviving spouses there are and what would be the impact on children of deceased employees. The Executive Director assured her that the GIC will find that information and provide it at a future Commission meeting.

Commissioner Choate stated that they have never tackled provider pricing and only rely on plans to do that work, which has only resulted in increased prices.

Chair Sullivan noted that a change like that would require legislation. The Chair noted that we need to look at these as additional strategies to evaluate them. Commissioner Choate noted that all strategies that will have a big impact will require legislative action, but the alternative is to throw the problem on the backs of state employees.

Commissioner Ambler voiced support for copay programs as in his experience they were very helpful to members who may save a lot in copays, as well as the employee health plan sponsor.

Commissioner Robinson endorsed comparative or referenced based provider pricing initiatives like those done in other states as the way to get to the underlying drivers. The alternative is just making bad choices.

Commissioner Edmonds asked what the state is currently doing to address pricing and purchasing of pharmaceuticals. She asked what cross agency strategies are being explored to exploit the Commonwealth's purchasing power.

Commissioner Sinaiko noted that Vermont, Washington state, and Indiana have all passed legislation to address provider prices by tying them to Medicare prices.

Commissioner Davis lamented that there is more of a tendency to put band-aids on things rather than addressing underlying issues. She suggested starting with a blank slate to determine an ideal strategy to formulate a health plan that will make sense and then phase it in.

Designee Sullivan said that for cross agency strategies, there are limitations on what we can collaborate with MassHealth on, since it is a very different program and partially federally funded. On long-term planning, she said it was important, but there are both short-term and long-term issues to address.

The Executive Director noted that the GIC is in regular touch with colleagues at MassHealth but affirmed that the GIC has very different programs with different constraints. He said that the future may hold other opportunities and that the GIC is exploring them.

IV. Other Business and Adjournment

The Chair asked for a motion to adjourn. Commissioner McAnenny motioned and Vice Chair Kaplan seconded. The vote passed unanimously and the meeting was adjourned.