**GROUP INSURANCE COMMISSION MEETING**

**Thursday, November 18, 2021**

**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 sixty-three

DATE: November 18, 2021

TIME: 8:30 a.m.

PLACE: The Meeting was held virtually

**Commissioners Present:**

VALERIE SULLIVAN (Chair, Public Member)

BOBBI KAPLAN (Vice Chair, NAGE)

MICHAEL HEFFERNAN (Secretary of ANF) Designee Cassandra Roeder

GARY ANDERSON (Commissioner of Insurance) Designee Rebecca Butler

ADAM CHAPDELAINE (Massachusetts Municipal Association)

EDWARD T. CHOATE (Public Member)

CHRISTINE HAYES CLINARD, ESQ. (Public Member)

JANE EDMONDS (Retiree)

GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)

JOSEPH GENTILE (AFL-CIO, Public Safety Member)

EILEEN P. MCANNENY (Public Member)

MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)

ANNA SINAIKO, Ph.D. (Health Economist)

ELIZABETH CHABOT (NAGE)

TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

TAMARA P. DAVIS (Public Member)

**Commissioners Absent:**

Patricia Jennings (Public Member)

**Call to Order**

The Chair called the Meeting to order at 8:30 a.m. The Chair explained that the Meeting was being held via audio and video conferencing and noted that the Meeting was being made public via simultaneous broadcast through YouTube. The Chair identified all Commissioners present at this meeting.

1. **Approval of Minutes**

The Vice Chair made a motion to approve the October 21, 2021 meeting minutes, as presented, which was seconded by Commissioner Clinard. There were no additions or corrections to the minutes. The vote was taken by roll call by GIC General Council and passed with twelve affirmative votes and two abstentions: Designee Roeder abstained and Commissioner Chabot’s vote was recorded as an abstention as she was unable to vote due to technical issues.

1. **Executive Director’s Report**

The Chair turned the meeting over to Executive Director Veno who provided an overview of the Executive Director’s Report, noting that his written report was distributed prior to the meeting. The Executive Director reviewed the meeting’s agenda and invited questions and comments on the pre-distributed Executive Director’s Report.

* Human Resources

The Executive Director indicated that there were three positions for which the GIC was hiring and encouraged the Commissioners to share those openings with their networks.

* Communications/Legislation/Municipalities

The Executive Director noted that there was a significant amount of activity in the Legislature around health care at this time. He mentioned that later that same day, he and other GIC employees would be doing a briefing for members of the Legislature and their staff to continue the ongoing engagement work. He also brought attention to mental health legislation in the Senate that, if enacted, would likely affect the GIC as well as legislation currently in the House that relates to market oversight, He stated that the GIC will be watching all this upcoming legislation closely.

The Executive Director then opened the floor to questions and comments about the Executive Director’s Report. The Chair asked about any new municipalities who were interested in joining onto the GIC. The Executive Director reminded Commissioners that December 1, 2021 is the deadline for new municipalities to express interest and that there will be an update on this topic in the December meeting. The Chair then invited Commissioners Chapdelaine and Murphy-Rodrigues to speak to what they have been hearing. Commissioner Murphy-Rodrigues indicated that she has not been hearing much from the municipalities as they were largely still grappling with the effects of COVID-19 but that her sense was that the communities currently with the GIC were likely to stay and that others were waiting to hear about procurement outcomes before making decisions. Commissioner Chapdelaine added that he had not heard of any municipalities that were planning on leaving the GIC but that Belmont had seemed interested in the GIC when he sat with them during a recent working group.

The Chair recognized Commissioner Clinard for a question. She asked whether there had been any further traction around the expansion in Westborough. Executive Director Veno explained that this was about the proposed inpatient and ambulatory care expansion of the Mass General-Brigham system. He noted a recent article in the Boston Business Journal describing strong concerns that the Attorney General had expressed about the expansion and the impact on delivery system in the health care marketplace. The Executive Director noted that he shares the Attorney General’s strong concerns, especially as the expansion risks exacerbating the problem of high unit prices in that system, which is already a significant cost driver for the GIC. Additionally, this issue was discussed at the Health Policy Commissions cost trends hearing on November 17, 2021. He directed Commissioners who were interested in this issue to review these sources and noted that the GIC was following the situation closely.

* Calendar

The Executive Director briefly reviewed the calendar for the remainder of 2021 and for 2022. He noted only that topics and meeting dates for 2022 are subject to change, due to the extensive amount of work around of work around procurement. He opened the floor to questions.

Commissioner Choate raised the question of whether the Executive Director knew when in-person Commission meetings might resume. Executive Director Veno indicated he had no new or additional guidance about that timeline and that he stays in contact with the Chair about the process.

The Executive Director then turned the meeting over to Jannine Dewar and Cameron McBean to review the Annual Stewardship report.

1. **Annual Stewardship Report (INFORM)**

Mr. McBean stated that the annual stewardship meetings took place between October 12, 2021 and November 4, 2021 with the GIC’s healthcare vendors, noting that since Dental/Vision and Life/LTD contracts had been renewed already, those vendors did not participate in this round of meetings.

He noted that pharmacy claims were not as impacted by COVID-19 as in the 2019-2020 fiscal years. However, increases in spend did continue, driven largely by specialty pharmacy costs. There was also a continuation of the decrease in emergency department utilization in favor of urgent care facilities, across all plans. Mr. McBean also noted that there was an increased focus by the GIC and all health plans on health equity.

There was an increase in utilization as well as risk scores, all likely caused by delays of routine screenings and other aspects of deferred care as a result of COVID-19. There was also an increase in utilization in inpatient and outpatient behavioral health.

Mr. McBean recognized Commissioner Sinaiko for a question. The Commissioner asked if the increase that was being seen now was in equal measure to the decrease in unitization during the earlier part of 2020. Mr. McBean noted that while it was not a 1:1 correlation, there was certainly a correlation found in the data. He also indicated that the unit cost of procedures was found to be higher now than before the pandemic began so the increase that was seen was not just in utilization but also in unit costs.

Mr. McBean recognized Commissioner McAnneny for a question. The Commissioner noted that at the Health Cost Trend Hearing on November 17, 2021 there was discussion of a trend of increased severity of patient issues across the board. She asked if there would be a way of determining if the same trend was being seen among GIC members and what could be done to avoid the cost increases that were being seen elsewhere. Executive Director Veno addressed the question by stating that the GIC was monitoring whether there was actually an increase in severity or whether the coding practices by providers were changing in a way that is not appropriate, as had been suggested by the Health Policy Commission.

Mr. McBean then recognized Commissioner Clinard for a question. She asked if it is possible that there has been a psychological change among providers that was leading to the shift in coding practices due to an over-abundance of caution since the onset of COVID-19. Mr. Veno replied that there would need to be a thoughtful approach to sorting through all the information as to the source of the increase in severity that was being observed.

Mr. McBean recognized Vice Chair Kaplan for a question. The Vice Chair referenced an article in that day’s Boston Globe about an increase in opioid deaths and asked how much of the increase in cost and care was a result of opioid usage. Mr. McBean answered that there was an increase across all plans in behavior health and substance use treatments. He noted that this is an ongoing focus for the GIC and its partners and a key component in the upcoming procurement process. Executive Director Veno also reminded the Commission that the GIC covers drugs for substance abuse treatment without cost-sharing.

1. **Health Benefit Procurement Strategy Update (INFORM)**

Executive Director Veno introduced this section by reminding the Commission that state procurement rules require that the GIC renew each vendor contract every 5 years, and that the currently health plans and PBM contracts are effective until June 30, 2023. He reviewed the current offerings for both active members and retirees and plan designs for active members.

The Executive Director made note of the expiration of coverage through Fallon, beginning on July 1, 2022, emphasizing that this was not a result of action taken by the GIC, but a business decision made by Fallon Health, a private entity. He also informed the Commission that the Harvard Pilgrim/Tufts Health merger into Point32 Health was complete but that both legacy plans will be available to GIC members through the end of June 2023. He stated that they will likely be putting in one unified bid for the upcoming procurement as a single entity: Point32Health. He again noted that this was not a result of actions taken by the GIC, but a business decision made by the parties to merge.

Vice Chair Kaplan then asked if Point32Health would be offering a plan for retirees as well. Mr. Veno stated that that point has not arisen in discussions with the GIC but that they’ve given no indication that they would not offer such a plan.

Executive Director Veno gave a quick overview of the procurement process and went through the stage of research and planning, in which the GIC is currently engaged, as well as conducting the procurement, and finally implementation. Commissioner Davis then asked if there were likely to be any other health care carrier bids from national plans that were being looked at rather than just local or regional plans, as well what was being done to avoid redundancy between plans. The Executive Director responded that with regards to national vendors, there was no exclusion of those vendors with regards to bidding if they so choose. The Chair followed up on Commissioner Davis’ question by asking whether the GIC staff was working to reach out to innovative carriers outside of Massachusetts to invite them to bid on the RFR. Executive Director Veno addressed this by thanking the Chair and Commissioner for their comments and noting that the GIC will be casting a wide net during procurement and that the GIC has already been contacted by some of the non-traditional carriers for conversations that could result in bids.

Vice Chair Kaplan then asked what the current breakdown was between active members and retirees. Mr. McBean estimated that there were approximately 118,000 subscribers (employees, not members) and 100,000 retirees and underlined that Medicare and Active plans are separately evaluated within the same procurement. Mr. Levin-Scherz reminded the Commission that during the last procurement bids were submitted from several eligible national carriers.

Executive Director Veno returned to the procurement process and timeline review and opened the floor to questions on this topic. The Chair asked if there would be any impact to the open enrollment process during the period of complexity created by the procurement timeline. Mr. Veno assured the Commission that the GIC will be doing its best to balance all of the upcoming processes and he felt confident in the ability to meet the needs of members, even with the departure of Fallon and the changes to those members in particular. The Chair then asked if Health New England would be able to cover members in Central Massachusetts given Fallon’s departure and the Executive Director acknowledged that this would be part of the work to cover those members after June 2022 and that there has been interest shown by current carriers in filling the void.

Commissioner Clinard asked whether members are aware of the amount of change that will be coming with the 2023 carrier changes. Executive Director Veno responded that there cannot be too much communication on that point but that the outreach to members thus far has indicated that awareness is higher. He also pointed out that the GIC is building out a robust communication strategy for the coming months to further enhance the awareness of member groups. The need for this strategy to be thorough and multi-faceted was echoed by the Chair, Vice Chair, and Commissioner Sinaiko.

Executive Director Veno then discussed the addressed strategic objectives and principles that were informing the procurement process, reminding the Commissioners of the previously discussed focus areas of affordability, health equity and behavioral health. Commissioner McAnneny discussed how rising health care costs negatively impacts the broader Massachusetts economy beyond the GIC and reiterated the importance of affordability and aligning health care costs with those of other states. Commissioner Choate asked how the GIC was planning to create actionable procurement metrics from the strategic objectives and guiding principles and drive them down to actions in the process of procurement. Executive Director Veno indicated that the GIC is developing its strategy and focusing on actionable measures, some of which would be addressed in the next slide. The Vice Chair noted that GIC members who receive benefits through the state also pay taxes, and so share the concerns of others in the broader economy. She also discussed the strength of the Massachusetts economy and how Massachusetts has enjoyed a net growth in its population. The Chair thanked the Vice Chair for her remarks and reminded the Commissioners that they act on behalf of the GIC’s members. She expressed her respect and gratitude towards each member’s contributions to the Commonwealth.

Executive Director Veno then reviewed the options and aspects of procurement that are currently being evaluated in this stage of the process and underlined that next steps would include meeting with key external stakeholders to evaluate opportunities and determine options moving forward. He then opened the floor for questions, but the Chair noted there were no questions at that time.

The Chair and Vice Chair both commented on the excellent work being done by GIC staff and thanked the Executive Director for his presentation.

The Chair asked if there was any additional business before the Commissioners. There being no further business or discussion, the Meeting adjourned at 10:13 A.M.

Respectfully submitted,

Matthew A. Veno

Executive Director