**GROUP INSURANCE COMMISSION MEETING**

**Thursday, October 20, 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: October 20, 2022

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 A&F) Designee Cassandra Roeder

GARY ANDERSON (Commissioner of Insurance) Designee Rebecca Butler

ELIZABETH CHABOT (NAGE)

ADAM CHAPDELAINE (Massachusetts Municipal Association)

EDWARD T. CHOATE (Public Member)

CHRISTINE HAYES CLINARD, ESQ. (Public Member)

TAMARA P. DAVIS (Public Member)

JANE EDMONDS (Retiree)

JOSEPH GENTILE (AFL-CIO, Public Safety Member)

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

EILEEN P. MCANNENY (Public Member)

ANNA SINAIKO, Ph.D. (Health Economist)

TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

**Commissioners Absent or Attending Late:**

Patricia Jennings (Public Member)

MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)

**Call to Order**

The Chair called the Meeting to order at 8:30 a.m. The Chair identified herself and turned the meeting over to General Counsel Andrew Stern to introduce the Commissioners. The Chair then requested that Executive Director Matthew Veno review the agenda. After he outlined the meeting’s schedule, the Executive Director turned the meeting back to the Chair who called for a motion to be made to approve the minutes of the previous meeting.

1. **Approval of Minutes**

A motion was made by Vice Chair Kaplan to approve the September 15, 2022, meeting minutes, as presented, which was then seconded by Commissioner Edmonds. The vote was taken by roll call by GIC General Counsel and passed unanimously by voting members.

1. **Executive Director’s Report**

The Chair turned the meeting over to the Executive Director who began by opening the floor to questions from Commissioners regarding the written Executive Director’s Report. The Chair asked him to give a short briefing on how the new IT support was proceeding. The Executive Director explained that the IT modernization program was going very well in this last year of system improvement at the GIC. This year will be focused on rolling out the member services portal to retiree members as well as building out the capabilities for a more active annual enrollment in the future. The portal has had significant success, particularly with new employees, and the new work that is being completed this year will only seek to build on that success with a wider member population.

The Vice Chair, after sharing her appreciation for the GIC IT staff’s work asked whether East Bridgewater was going to leave the GIC’s participating municipalities. The Executive Director stated that as of the time of the meeting, the town had requested data to evaluate its options for remaining with or leaving the GIC. He noted that this is a routine occurrence for the GIC member municipalities. A full update of the municipal portfolio would be reviewed at the December meeting, following the municipalities’ decision deadline of December 1st. There being no further questions from Commissioners, the Chair asked the Executive Director to move forward.

* Calendar

The Executive Director reviewed the remainder of the 2022 calendar, noting the number of procurement votes that would be occurring during the November and December meetings. He encouraged Commissioners to review all materials that would be circulated to them in advance of these meetings. The Chair commented that she was curious as to the dates of the listening sessions in 2023, particularly to provide advance notice so that the various constituencies can attend. The Executive Director replied that these were meetings were under discussion and the dates would be provided as soon as they are finalized. The Deputy Executive Director added that currently the week of January 23, 2023, was the likely timeframe of those listening sessions.

1. **Flexible Spending Account Vendor Procurement**

The Executive Director turned the meeting over to Cameron McBean, the GIC Health and Ancillary Benefits Manager. Mr. McBean began by bringing Commissioners’ attention to the recommendation memorandum that had been circulated to them prior to the meeting. He noted that the current vendor for the FSA plan is Benefit Strategies LLC. The GIC received bids from the incumbent and from Total Administrative Services Corporation (TASC). The procurement process began in June 2022 and finalist interviews were held in August.

Based on the final scoring of the bidders following an extensive procurement process, the procurement team recommends that the Commission change vendors and select TASC as the new FSA vendor. Mr. McBean outlined the reasons why, including TASC’s significant experience in working with both state governments and the federal government, as the vendor supplying the same services to the U.S. Office of Personnel Management. While the decision was a very close one, this significant government-related experienced pushed TASC into the primary position. He then opened the floor to questions from Commissioners. The Vice Chair asked if it was unusual to only have two bidders in a procurement like this. Mr. McBean replied that it was somewhat unusual, but it may be a result of the lower administrative fee, that was made public during the process, deterring some companies from bidding if they felt they could not match that fee closely. The Vice Chair then asked if there was any feedback provided on the customer service at TASC. Mr. McBean responded that the references came back to the GIC with excellent feedback and that, in combination with information provided in the technical proposal as well as during the interview, the procurement team did not have any significant concerns about the quality of TASC’s customer service. The Vice Chair then asked about how TASC behaves with regards to missing member information. Before Mr. McBean could answer, the Chair asked that the final slide of the presentation, which summarized the written results of the procurement process, be presented before further questions or discussion. Mr. McBean reviewed the information as requested and explained how the procurement team selected TASC over Benefit Strategies LLC. He noted that if the Commission votes to approve TASC, an entirely new FSA handbook and all new material would be provided to members to explain new functionalities and the options TASC provides. The Vice Chair then asked how many states are covered by TASC versus federal employees. Mr. McBean replied that he recalled at least three states utilize TASC for their FSA needs, including the Commonwealth of Virginia.

The Chair then opened the floor to the motion for a vote. The Vice Chair had an additional question regarding the FSA debit cards, inquiring as to how the transition to the new vendor would be communicated to members so as to avoid confusion. The Chair noted that implementation was not being discussed yet but thanked the Vice Chair for her important question. The Chair recognized the General Counsel for comment. General Counsel replied that during the last vendor change, funds were rolled over into the new accounts and that the implementation team will take this issue into consideration when designing that process. The Executive Director also noted that while the presentation does not go into intensive detail around the capabilities of a potential vendor, it is a significant part of the evaluation that occurs prior to a vendor being submitted to the Commission for approval.

There being no other questions, the Chair entertained a motion to approve the GIC’s selection of Total Administrative Services Corporation as the successful bidder to provide FSA services beginning in FY24. The motion was made by the Vice Chair and seconded by Commissioner Choate. The Chair then asked General Counsel to complete the roll call for the vote. The vote passed unanimously.

1. **FY24 Medical Benefit Procurement**

The Executive Director reviewed the past year’s efforts around the Medical Benefit Procurement for plans taking effect July 1, 2023. The Medical and Behavioral Health RFR was released on April 1, 2022, after several months of receiving feedback from member groups and of assessing the landscape of the current Massachusetts health care marketplace. The results of the procurement process were then provided to Commissioners prior to this meeting for their review. The Executive Director reminded the Commission that Harvard Pilgrim and Tufts submitted a single combined bid as “Point32 Health” but will continue to use the Harvard Pilgrim brand for their commercial offerings and the Tufts brand for their Medicare Advantage offerings. Additionally, he noted that AllWays Health Partners would be undergoing a name change to MassGeneral Brigham Health Plan in the coming months but would be referred to as AllWays for the purposes of the presentation, since that was how they branded their response to the RFR.

The Executive Director then turned the meeting over to the GIC CFO Jim Rust. The CFO began by refreshing the Commission’s memory as to the procurement process and timeline. He also reviewed the process by which the evaluations are formed. The CFO then turned the meeting to Cameron McBean to present the responses, results, and recommendations. Mr. McBean was the project lead for this procurement.

Mr. McBean began by reviewing the current plans being offered by the five current vendors. He then went into the details of the Active/Non-Medicare RFR responses. He reminded the Commission that the Administrative Services Only (ASO) fees are only approximately 5% of overall plan cost. He reviewed the scoring results of the five bidders from highest to lowest. As a result of these results, it was the procurement team’s recommendation that the Commission continue to contract with its current vendor partners while making targeted changes to product types and geography to better serve all active and non-Medicare members. He explained how these four vendors will address the three GIC strategic priorities of Affordability, Health Equity, and Behavioral Health and then paused for questions.

The Vice Chair asked how many active GIC members live outside of Massachusetts. Mr. McBean answered that approximately 4200 such members live outside of New England and confirmed that their insurance carrier would change to Harvard Pilgrim from UniCare. Commissioner Edmonds asked if there was more information regarding a timeline around the bullet points under the Health Equity focus. The Executive Director suggested that Margaret Anshutz would be better equipped to answer that question and turned the meeting over to Ms. Anshutz.

Ms. Anshutz answered that the GIC was waiting for the State’s guidance around the standards for Health Equity data collection and that all the plans would then be required to use those standards. The standards from the State are expected within the next six months. It would then likely take an active enrollment period to collect that information from the GIC membership. Ms. Anshutz also addressed Commissioner Edmonds’ concern around language in the slides specific to maternal health. Commissioner Edmonds underscored that her concern was that the GIC and the carriers do more than treat maternal health as a check box. The Chair then asked Ms. Anshutz if it would be possible during contracting to include financial consequences should the carriers fall short of collecting the required data. Ms. Anshutz agreed that health equity-specific performance guarantees would be included in the contracts and that the first step towards carriers meeting those guarantees would be accurate data collection per the State standards.

The Vice Chair weighed in, in support of comments from the Chair and Commissioner Edmonds. The Executive Director reminded the Commission that procurement is not the only or even best tool for the GIC to make all important decisions. He recognized that the Commissioners’ feelings of an urgency for action, specifically around health equity, was a feeling shared by GIC staff. Ms. Anshutz added that there is also a GIC-specific project focused on maternal health to address known disparities that exist within the national population and that there is no need for this project to wait for GIC member data as it is unlikely wildly different from the national data.

Ms. Anshutz moved on to discuss the rationale behind changing certain plans, specifically choosing Harvard Pilgrim over UniCare for the national plan, and re-classifying AllWays as a broad plan. The Vice Chair asked when AllWays would be rebranding themselves. Mr. McBean replied that the name change would be official on January 1, 2023 but would remain as AllWays with GIC members through FY23. The new name would be instituted beginning FY24. The Vice Chair then asked whether the $9 million in annual savings under the Harvard Pilgrim national plan would be savings for members or for the GIC. Ms. Anshutz replied that the savings would be in overall premium reduction for that plan, with lower premiums for both the state and members, but that premiums are also subject to the current inflation. The Chair pointed out that there was a projected 30% reduction in premiums for subscribers to the national plan over the current national plan with UniCare, while allowing for inflationary increases.

The Chair then recognized Commissioner Sinaiko who noted that GIC members are also taxpayers and that the plan cost reduction would help overall by reducing needed tax revenue to pay for claims. The Chair then asked whether the 17,000 members listed on the slide were with AllWays currently or with the three broad plans of AllWays, Harvard Pilgrim, and UniCare. Ms. Anshutz replied that the 17,000 members are currently enrolled in AllWays.

Mr. McBean then moved on to the scores for the Medicare plans. There were bids received from all current carriers as well as Aetna, Fallon Health, and UnitedHealthcare. He reviewed the scores from highest to lowest. The final recommendation was that there be no changes for members in either vendors or products offered. This includes not moving forward for a National Medicare Advantage offering for FY24, despite substantial potential savings, because a smooth implementation could not be guaranteed at this time. The Chair asked if there was any chance of savings as there was with the Active/non-Medicare plans. Mr. McBean responded that notable savings were unlikely since much of the cost of these plans is shouldered by the federal government.

Mr. McBean then turned the meeting over to the General Counsel to review contracting and next steps. The General Counsel reminded the Commission that procurement does not end until contracts are signed and that a vendor’s inclusion in the GIC plan offering is contingent upon successful contracting. He also reviewed the upcoming timeline and then opened the floor to questions.

There being no questions, the Chair entertained a motion to affirm the choices set forth by the procurement teams. The motion was made by Commissioner Davis and seconded by the Vice Chair. The General Counsel led the roll call and the vote passed unanimously. The Chair then thanked everyone at the GIC, WTW, and the Commission for all the work that went into this procurement.

1. **Other Business & Adjournment**

The Executive Director concluded the agenda and thanked everyone for all of their work so far and for the rich discussion throughout the meeting and turned the meeting back to the Chair for new business or questions. Commissioner Choate asked what the status was on having in-person meetings again. The Executive Director replied that there have been extensive discussions with the Chair and Vice Chair on this topic and in early 2023, depending on the course of the pandemic, there would be an effort to reintroduce some version of in-person meetings. Vice Chair Kaplan asked if a hybrid model would be available for Commissioners that would not be able to attend in-person. The General Counsel replied that under current pandemic open meeting law rules, a hybrid system would be available. However, if the pre-pandemic rules went back into effect, such a system would be difficult. The Deputy Executive Director added that there is information gathering going on as to how in-person meetings can be hybridized, particularly after the March 2023 expiration of the current rules, if no extension of the rules is granted by the Legislature.

There being no further business, the Chair adjourned the Meeting at 10:05 A.M.

Respectfully submitted,

Matthew A. Veno

Executive Director