



Commonwealth of Massachusetts
Group Insurance Commission

COMMISSION MEETING

October 20, 2022



MA Group Insurance Commission



Group Insurance Commission



@MassGIC

	Topic	Speaker	Schedule
I	Minutes, September 15, 2022 (VOTE)	Valerie Sullivan, Chair Andrew Stern, General Counsel	8:30-8:40
II	Executive Director's Report (INFORM)	Matthew Veno, Executive Director & Members of Senior Staff	8:40-8:50
III	Flexible Spending Account Vendor Procurement (INFORM & VOTE)	Cameron McBean, Health & Ancillary Benefits Manager	8:50-9:15
IV	FY24 Medical Benefit Procurement (VOTE)	Matthew Veno, Executive Director James Rust, Chief Financial Officer Cameron McBean, Health & Ancillary Benefits Manager Margaret Anshutz, Director of Health Policy & Analytics Andrew Stern, General Counsel	9:15-10:25
V	Other Business & Adjournment	Valerie Sullivan, Chair Matthew Veno, Executive Director	10:25-10:30

Motion

That the Commission hereby approves the minutes of its meeting held on September 15, 2022 as presented.

- Valerie Sullivan, Chair
- Bobbi Kaplan, Vice-Chair
- Cassandra Roeder (Designee for A&F)
- Rebecca Butler (Designee for DOI)
- Elizabeth Chabot
- Adam Chapdelaine
- Edward Tobey Choate
- Christine Clinard
- Tamara P. Davis
- Jane Edmonds
- Joseph Gentile
- Gerzino Guirand
- Patricia Jennings
- Eileen P. McAnney
- Melissa Murphy-Rodrigues
- Anna Sinaiko
- Timothy D. Sullivan



II. Executive Director's Report (INFORM)

Matthew Veno,
Executive Director
&
Members of Senior Staff

Projected 2022 Calendar*

Jan 20	Feb	Mar 3	Mar 24	Apr	May 19	Jun 16	Jul	Aug	Sep 15	Oct 20	Nov 17	Dec 15
Presentation: FY23 Plan Design	No Meeting	Votes: FY23 Plan Rates & Design	Strategy Update	No Meeting	Vote: Trust Funds	Report: Annual Enrollment	No Meeting	No Meeting	Plan Audit	Vote: FSA Procurement	HPC presentation	FY24 Preliminary Rates
Engagement Update		Report: Public Listening Sessions	Engagement Update		FSA Procurement Update	Vote: EAP Procurement Consultant			EAP Procurement Update	Vote: Medical Benefit	Vote: EAP Procurement	Vote: Pharmacy Benefit (PBM)
Report: Out of Pocket		EAP Procurement Consultant Update				EAP Procurement Update			Municipal Presentation		Vote: Municipal Bulletin	Municipal Update
Public Info Sessions					FY23 Annual Enrollment							Annual Stewardship Report
Stakeholder Engagement				Health Benefit Procurement								

* Topics and meeting dates are subject to change



III. Flexible Spending Account Vendor Procurement (INFORM & VOTE)

Cameron McBean,
Health & Ancillary Benefits Manager

- The GIC staff has completed its evaluation of qualified bids for its contract to provide Flexible Spending Account (FSA) administration services and is ready to present its recommendation.
- This procurement was conducted without utilizing an outside consultant.
- In addition to the incumbent, Benefits Strategies LLC (now a part of Voya Financial Services), a bid was also received from Total Administrative Services Corporation (TASC), a vendor who supplies the same services to the federal government's Office of Personnel Management.
- The procurement process began in June 2022 and finalist interviews were held in late August.

Procurement Results

As a result of the procurement process, the GIC's Strategic Sourcing Team (comprised of Cameron McBean, James Rust, Jannine Dewar, Rachelle Mercier, and Karen Ryan) recommends pursuing a contract with a new vendor, Total Administrative Services Corporation (TASC).

The Strategic Sourcing Team (SST) believes that TASC has the experience, resources, and capabilities to improve upon the participant experience for eligible GIC members who participate in its FSA plans.

- There are debit card functionalities that are incorporated in the TASC program that may be of benefit to some GIC members, in that it can also act as a prepaid debit card for purchases that would not qualify as FSA-compatible expenses.
- As a vendor with broad government sector expertise and clientele, TASC has expressed every confidence in being able to handle implementation across the hundreds of payroll systems utilized by the GIC's participating offline agencies.
- While there is a small increase in the monthly administrative fee charged for each FSA participant (\$0.14/month), the GIC still intends to partially fund those fees utilizing the plan's Forfeiture Account. This means that individual participants will continue to pay \$1.00/month to participate in either or both plans.

Motion

That the Commission hereby approves the GIC's selection of Total Administrative Services Corporation as the apparent successful bidder to provide FSA administrative services beginning in FY 2024.

- Valerie Sullivan, Chair
- Bobbi Kaplan, Vice-Chair
- Cassandra Roeder (Designee for A&F)
- Rebecca Butler (Designee for DOI)
- Elizabeth Chabot
- Adam Chapdelaine
- Edward Tobey Choate
- Christine Clinard
- Tamara P. Davis
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- Anna Sinaiko
- Timothy D. Sullivan



IV. FY24 Medical Benefit Procurement (VOTE)

Matthew Veno,
Executive Director

Jim Rust,
Chief Finance Officer

Cameron McBean,
Health & Ancillary Benefits Manager

Margaret Anshutz,
Director of Health Policy & Analytics

Andrew Stern,
General Counsel

Refresh – Procurement Background

- Over the last six months, the GIC has worked closely with WTW to complete the Medical and Behavioral Health Request for Response (RFR)
- Today, Commissioners will vote on the recommended vendors for FY24+ (go-live 7/1/2023)



Special thanks to the scoring and advisory teams

Scoring members

Margaret Anshutz, Director of Health Policy and Analytics
Jannine Dewar, Pharmacy and Ancillary Benefits Manager
Cameron McBean, Health and Ancillary Benefits Manager
Paul Murphy, Director of Operations
Jim Rust, Chief Financial Officer
Andrew Stern, General Counsel
Matthew Veno, Executive Director

Advisory (non-scoring) members

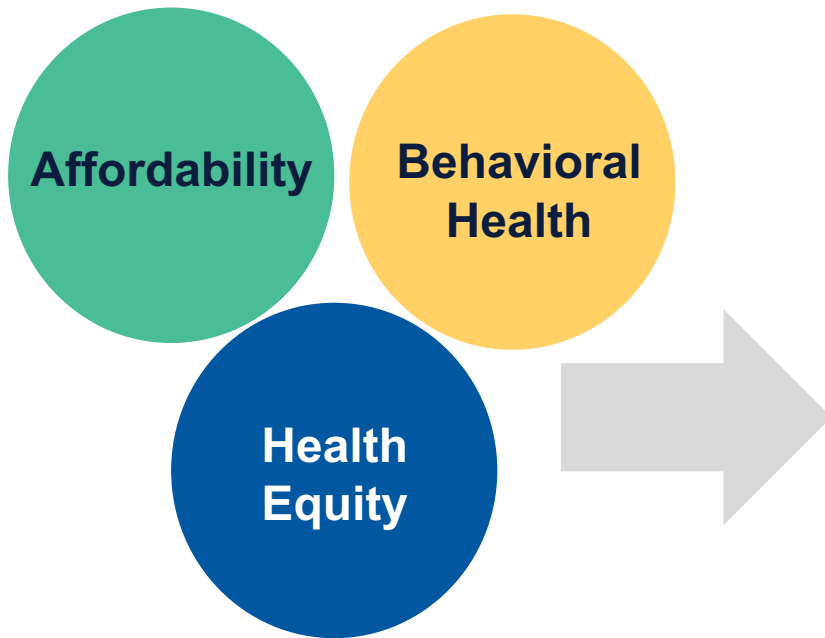
Erika Scibelli, Deputy Executive Director
Lauren Makishima, Data Analytics Manager
Emily Williams, Chief of Staff
Catherine Moore, Budget Director

A vendor's inclusion in the GIC's plan offering is contingent on successful contracting

Refresh – Evaluation Process

The GIC, in collaboration with WTW, evaluated responses for each bidder with a focus on the GIC's Priority Areas of Focus and Guiding Principles

Priority Areas of Focus



Procurement Guiding Principles

- Utilize buying power to make healthcare affordable by addressing underlying problems
- Use buying power to improve quality and outcomes for GIC members and others
- Carefully consider and manage member disruption
- Present low implementation risk
- Improve access to mental health and substance use disorder services
- Address diversity, equity and inclusion and social determinants of health
- Improve member experience, including navigation
- Play to the strengths of health plan partners and tap into specialized solutions to supplement weaknesses

Refresh – GIC Current State

- The GIC currently offers 9 active/non-Medicare health plans through 5 health insurance carriers (vendors)

National	Broad	Regional	Limited
	  	 	  

- The GIC currently offers 5 Medicare plans (1 Medicare Advantage, 4 Medicare Supplement, through 4 vendors)

Local Medicare Advantage	Medicare Supplement	
	 	 

RFP Background – Active/Non-Medicare

The GIC received RFR responses from all current vendor partners, as well as Aetna



The GIC and WTW evaluated all vendors across six categories:

1. Supplier Diversity
2. Technical Proposal
3. Cost Proposal
4. Essay Questions
5. Finalist Interviews/Presentations
6. References

NOTE: in 2021, Harvard Pilgrim Health Care and Tufts Health Plan merged to become Point32 Health. The combined organization provided one bid which results in de facto consolidation of the GIC's product offerings in the broad and limited network categories. Point32 Health will leverage the Harvard Pilgrim name for the Commercial offerings.

Refresh: Components of Self-Insured Medical Expenses

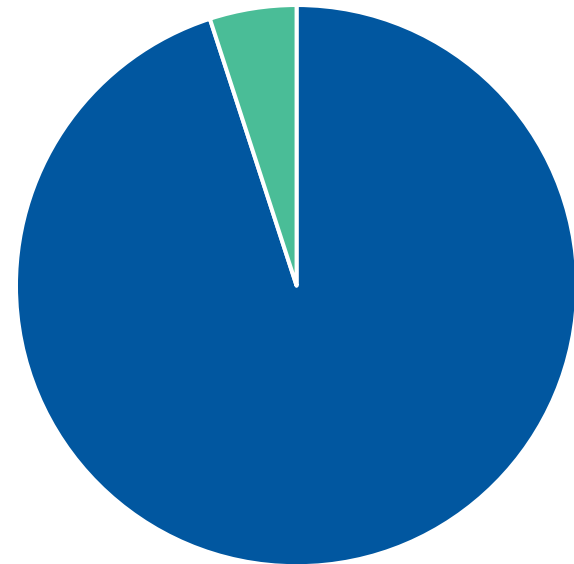
Self-insured medical expenses are made up of two primary components:

- **Administrative services only (ASO) fees**
 - A per employee per month (PEPM) fee paid to the medical plan vendor in exchange for access to the network and other administrative functions
 - Negotiated between the plan sponsor (GIC) and the medical vendor and is influenced by the GIC's size and scale
 - **Fixed/known cost** that fluctuates based on the headcount of employees enrolled; can decrease with higher enrollment
- **Claims Costs**
 - The costs of all members' medical services
 - Driven by negotiated discounts between the vendor and provider/facility; not GIC-specific
 - **Variable cost** based on member utilization and unit cost

Net paid claims typically account for approximately 95% of overall medical spend, while ASO fees account for approximately 5%

Self-Insured Medical Expenses

ASO Fees: ~5% of overall cost, influenced by GIC's size and scale



Claims Costs: ~95% of overall cost, not GIC-specific, determined by negotiations between the vendor and provider/facility

RFP Scoring Results – Active/Non-Medicare



 Harvard Pilgrim
Health Care
(Point 32)




Health New England










- HPHC (Point32) demonstrated strong commitment to diverse suppliers and received the full possible 25 points
- HPHC (Point32), UniCare, and Aetna scored highest on the technical capabilities
- Aetna’s proposal scored the lowest on financials, driven by a discount disadvantage compared to other bidders
- All bidders received strong references from similarly large, complex clients
- For the limited network, HPHC (Point32) and AllWays both submitted bids, in addition to UniCare including Community Choice in its suite of Indemnity products

Recommendation - Active/Non-Medicare

The GIC proposes maintaining its current vendor partners while making the following targeted changes to product types and geography:

1. Establish Harvard Pilgrim as the new National product offering for members
2. Restrict membership in UniCare Basic to those living in New England and overseas
3. Re-classify AllWays (soon to be Mass General Brigham Health Plan) as a Broad Network plan, aligning it with the GIC's tiering approach for similarly-positioned vendors

Recommended Vendor/Product Configuration*:

National	Broad	Regional	Limited
 Harvard Pilgrim Health Care (Point 32)	  Harvard Pilgrim Health Care (Point 32)  UniCare	 Health New England	 Harvard Pilgrim Health Care (Point 32)  UniCare

Rationale - Active/Non-Medicare

These four vendors best position the GIC to make progress on our three strategic priorities



Affordability

- All vendors agreed to cost control performance guarantees aligned with state objectives
- All vendors agreed to caps for non-claims-based charges to help manage overall cost
- All vendors recognize the need to address cost and premium trends, and committed to work with the GIC to find new ways to address cost drivers

Health Equity

- All vendors demonstrated a focus on health equity
 - Agreement to collect race and ethnicity data to support stratified reporting on clinical measures
 - Thoughtful solutions to eliminating disparities in maternal health
 - Commitments to seek NCQA Health Equity Accreditation

Behavioral Health

- AllWays and HPHC are “carving in” behavioral health with the prospect to create greater integration and an improved member experience
- Several vendors proposed innovative digital health solutions to address mental health and substance use disorder treatment access
- All committed to implement EHS's behavioral health roadmap to expand access to new provider types

NOTE: in 2021, Harvard Pilgrim Health Care and Tufts Health Plan merged to become Point32 Health. The combined organization provided one bid which results in de facto consolidation of the GIC's product offerings in the broad and limited network categories. Point32 Health will leverage the Harvard Pilgrim name for the Commercial offerings.

Rationale - Active/Non-Medicare

National



Why choose Harvard Pilgrim as the National Plan?

- **Greater value and premium savings for GIC and its members**
 - >30% premium reduction compared to UniCare Basic
 - \$9M due to improved provider discounts
 - \$300K due to ASO and shared savings fee reduction
- **Minimal network disruption for members**
 - 97-98% of all FY22 claims in-network with HPHC
- **4,200 members are enrolled in Basic outside New England today**
 - ~1% of the GIC's total population

Broad



Why re-classify AllWays as a Broad Plan?

- AllWays Health Partners has continued to expand in Massachusetts and is able to serve a large portion of the state
- Health plans that cover all or most of Massachusetts are by definition "broad" and they are all subject to tiering to steer members toward value
- 17,000 members are enrolled in this plan today

RFP Scores – Medicare

- The GIC received RFR responses from all current vendor partners, as well as Aetna, Fallon, and UnitedHealthcare

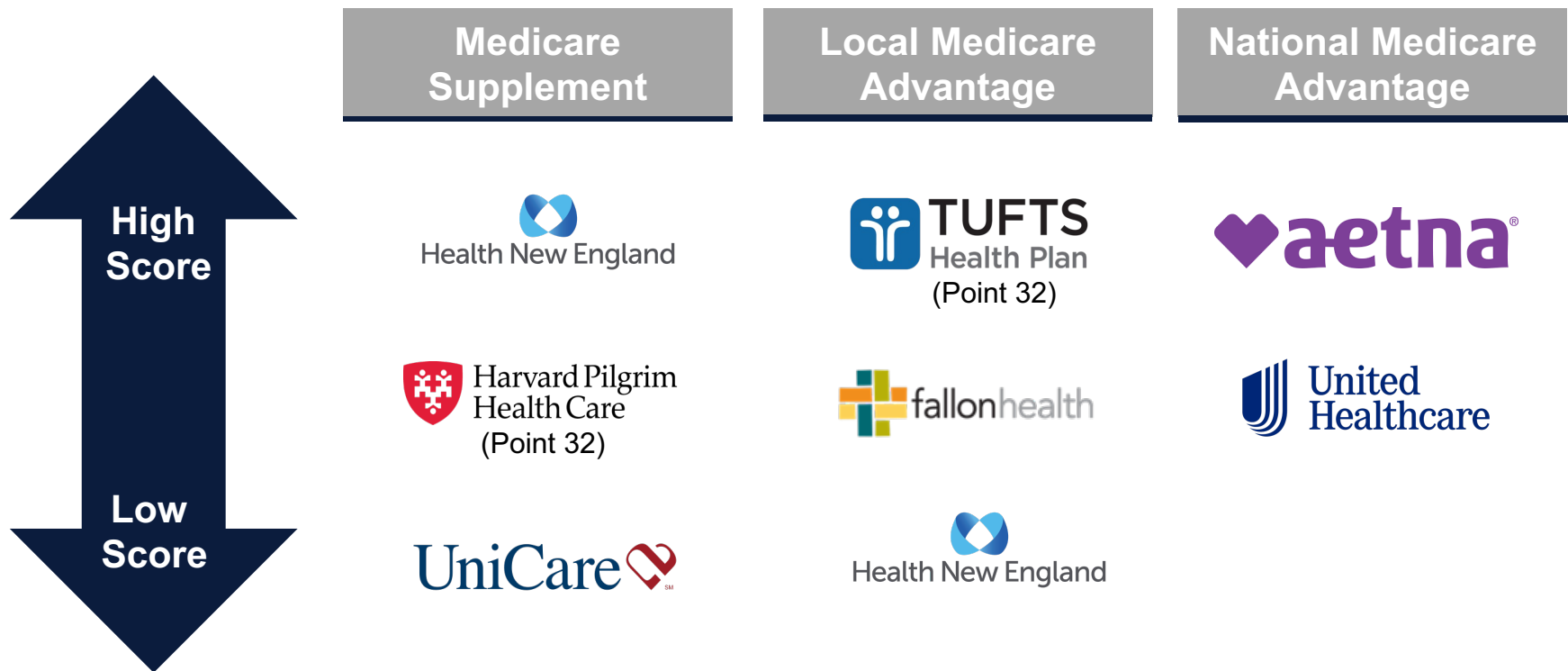


- In addition to the existing Medicare Supplement and Local Medicare Advantage products offered, the GIC requested bids for a National Medicare Advantage offering that would be new to the product portfolio

NOTE: in 2021, Harvard Pilgrim Health Care and Tufts Health Plan merged to become Point32 Health. The combined organization provided one bid which results in de facto consolidation of the GIC’s product offerings in the broad and limited network categories. Point32 Health will leverage the Harvard Pilgrim and Tufts brand names for the different offerings.

RFP Scores – Medicare

Based on the scores, the GIC evaluated potential configurations of vendors and products that best meet the member needs.



NOTE: in 2021, Harvard Pilgrim Health Care and Tufts Health Plan merged to become Point32 Health. The combined organization provided one bid which results in de facto consolidation of the GIC’s product offerings in the broad and limited network categories. Point32 Health will leverage the Harvard Pilgrim and Tufts brand names for the different offerings.

Recommendation (Medicare)

The GIC recommends maintaining current vendors for Medicare Supplement and Local Medicare Advantage. The GIC is not recommending moving forward with a National Medicare Advantage offering for FY24. This recommendation results in no changes for members in vendor or product.

Recommended Vendor/Product Configuration

Medicare Supplement



Health New England




Harvard Pilgrim
Health Care
(Point 32)



UniCare

Local Medicare Advantage



TUFTS
Health Plan
(Point 32)

NOTE: in 2021, Harvard Pilgrim Health Care and Tufts Health Plan merged to become Point32 Health. The combined organization provided one bid which results in de facto consolidation of the GIC's product offerings in the broad and limited network categories. Point32 Health will leverage the Harvard Pilgrim and Tufts brand names for the different offerings.

Next Steps

1

GIC will begin contracting with selected vendor partners

2

GIC will work with vendor partners on implementation activities leading up to July 1, 2023 go-live

3

More details on plan design (deductibles, copays, coinsurance) will be shared at the January Commission meeting

A vendor's inclusion in the GIC's plan offering is contingent on successful contracting

Motion

- 1. That, subject to the successful execution of contracts, the Commission affirms the choice of UniCare, Point32, Health New England, and AllWays Health Partners as apparent successful bidders for administration of Medical and Behavioral Health benefits to Commercial (non-Medicare) members**
- 2. That, subject to the successful execution of contracts, the Commission affirms the choice of UniCare, Point32, and Health New England as apparent successful bidders for administration of Medicare Supplement plans and Point32 for a local Medicare Advantage plan**

- Valerie Sullivan, Chair
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V. Other Business & Adjournment

Valerie Sullivan,
Chair

Matthew Veno,
Executive Director



FY22 GIC Commission Meeting Schedule

Unless otherwise announced in the public notice, all meetings take place from 8:30 am - 10:30 am on the 3rd Thursday of the month. Meeting notices and materials including the agenda and presentation are available at mass.gov/gic under Upcoming Events prior to the meeting and under Recent Events after the meeting.

Please note:

- Until further notice, Commissioners will attend meetings remotely via a video-conferencing platform provided by GIC.
- Anyone with Internet access can view the livestream via the MA Group Insurance Commission channel on YouTube. The meeting is recorded, so it can be replayed at any time.

Upcoming Group Insurance Commission Meetings

November 2022

17

December 2022

15

January 2023

19

February 2023

16

March 2023

2

April 2023

20

Appendix

Commission Members

GIC Leadership Team

GIC Goals

GIC Contact Channels

Commission Members

Valerie Sullivan, Public Member, Chair

Bobbi Kaplan, NAGE, Vice-Chair

Gary Anderson, Commissioner of Insurance

Michael Heffernan, Secretary of Administration & Finance

Elizabeth Chabot, NAGE

Joseph Gentile, Public Safety Member

Adam Chapdelaine, Mass Municipal Association

Patricia Jennings, Public Member

Edward Tobey Choate, Public Member

Anna Sinaiko, Health Economist

Christine Clinard, Public Member

Timothy D. Sullivan, Massachusetts Teachers Association

Tamara P. Davis, Public Member

Eileen P. McAnneny, Public Member

Jane Edmonds, Retiree Member

Melissa Murphy-Rodrigues, Mass Municipal Association

Gerzino Guirand, Council 93, AFSCME, AFL-CIO

GIC Leadership Team

Matthew A. Veno, Executive Director

Erika Scibelli, Deputy Executive Director

Emily Williams, Chief of Staff

Stephanie Sutliff , Chief Information Officer

Paul Murphy, Director of Operations

James Rust, Chief Financial Officer

Andrew Stern, General Counsel

Brock Veidenheimer, Director of Human Resources

GIC Goals

1

Provide access to high quality, affordable benefit options for employees, retirees and dependents

2

Limit the financial liability to the state and others (of fulfilling benefit obligations) to sustainable growth rates

3

Use the GIC's leverage to innovate and otherwise favorably influence the Massachusetts healthcare market

4

Evolve business and operational environment of the GIC to better meet business demands and security standards

Contact GIC for Enrollment and Eligibility

	Enrollment	Retirement	Premium Payments
	Qualifying Events	Life Insurance	Long-Term Disability
	Information Changes	Marriage Status Changes	Other Questions
Online Contact	mass.gov/forms/contact-the-gic		Any time. Specify your preferred method of response (phone, email, mail) from GIC
Email	gicpublicinfo@mass.gov		
Telephone	(617) 727-2310		M-F from 8:45 AM to 5:00 PM
Office location	1 Ashuburton Place, Suite 1619 Boston, MA		Not open for walk-in service
Correspondence	P.O. Box 8747 Boston 02114		Allow for processing time. Priority given to requests to retain or access benefits, and to reduce optional coverage during COVID-19.
Paper Forms	P.O. Box 556 Randolph, MA 02368		

Contact Your Health Carrier for Product and Coverage Questions

- Finding a Provider
- Accessing tiered doctor and hospital lists
- Determining which programs are available, like telehealth or fitness
- Understanding coverage

Health Insurance Carrier	Telephone	Website
AllWays Health Partners	(866)-567-9175	allwayshealthpartners.org/gic-members
Harvard Pilgrim Health Care	(800) 542-1499	harvardpilgrim.org/gic
Health New England	(800) 842-4464	hne.com/gic
Tufts Health Plan (THP)	(800) 870-9488	tuftshealthplan.com/gic
THP Medicare Products	(888) 333-0880	
UniCare State Indemnity Plans	(800) 442-9300	unicarestatplan.com

October 20, 2022

Date: October 14, 2022
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.

HUMAN RESOURCES:

- **Workpartners - Employee Leave Program Administration**

We supported the Human Resources Division in communications to GIC employees about a new outside vendor to administer many of the Commonwealth's employee leave programs. Workpartners began handling the programs for many Commonwealth employees, including GIC employees, on September 22. Employees who are planning to take a leave of absence for their own medical condition, including for maternity leaves, or a leave due to a family member's serious health condition will now contact Workpartners and they will help the employee with the planning and approval of their leave.

In addition, Workpartners has taken over the administration of employee Sick Leave, so employees who wish to use time from their sick time bank due to an illness, medical appointment or other eligible reason, must now call Workpartners to report the planned sick time to them. Workpartners will notify the employee's supervisor within 5 minutes of the employee's call.

- **Mandatory Training Programs**

The Human Resources Division introduced a new approach and system for employee mandatory training programs in Fiscal Year 2022, with all required training modules assigned at the beginning of the Fiscal Year and employees allowed until August 31, 2022 to complete the courses at their own pace. The GIC had a 100% completion rate for the FY'22 mandatory courses. HRD will be assigning the mandatory training programs for FY'23 shortly and will again allow employees to complete them at their own pace during the Fiscal Year.

COMMUNICATIONS UPDATE:

- GIC is beginning the internal planning process for the next annual enrollment. As usual, we are also preparing to host public information sessions in the new year for all members.
- The MyGICLink email and social media marketing campaigns are ongoing and will conclude at the beginning of November. GIC communications has been working on a 3-month marketing campaign that began in September of 2022 to increase the number of registrations for the portal by the end of 2022. This campaign consists of emailing GIC members that have received a MyGICLink registration email as of August 1, 2022 and are not yet registered for the portal.

October 20, 2022

- GIC communications continues to collaborate with **Mass4YOU**'s benefit manager to develop ongoing email, social media, newsletter communications to increase usage and awareness of the program.

LEGISLATIVE UPDATE:

- Regarding health policy, the legislature will not likely be enacting legislation in this area in the waning months of this legislative session. There remains significant discussion on matters of economic development, tax policy, and the "MGL 62F" tax rebate provision. These matters are likely to be addressed via an "informal session" in which there are no roll call votes taken. It is possible that we may see language that impacts the GIC with regard to the current 60-day waiting period for benefits. We are in frequent communication with both chambers in the Legislature on this matter and will update the Commission should anything arise from it.
- The 2022 Annual Cost Trends Hearing of the Health Policy Commission will occur on Wednesday, November 2 at 1:00 p.m. See this [LINK](#) for more information.

MUNICIPAL UPDATE:

- The Town of East Bridgewater requested their medical claims data in late September, bringing the total data requests this season to 12. As of this writing, there is no news on the status of communities that are in renewal or considering GIC enrollment. This picture will become clearer after the procurement and into early November.