

GROUP INSURANCE COMMISSION MEETING
Thursday, September 21, 2023
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-six
DATE: September 21, 2023
TIME: 8:30 a.m.
PLACE: The Meeting was held virtually

Commissioners Present:

BOBBI KAPLAN (Vice Chair, NAGE)

MATTHEW GORZKOWICZ (Secretary of Administration and Finance) Designee: Cassandra Roeder

GARY ANDERSON (Commissioner of Insurance) Designee: Rebecca Butler

ELIZABETH CHABOT (NAGE)

CHRISTINE HAYES CLINARD, ESQ. (Public Member)

JANE EDMONDS (Retiree)

JOSEPH GENTILE (AFL-CIO, Public Safety Member)

PATRICIA JENNINGS (Public Member)

MELISSA MURPHY-RODRIGUES (Massachusetts Municipal Association)

ANNA SINAIKO, Ph.D. (Health Economist)

TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)

Commissioners Missing or Attending Late:

VALERIE SULLIVAN (Chair, Public Member)

ADAM CHAPDELAIN (Massachusetts Municipal Association)

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

EDWARD T. CHOATE (Public Member)

TAMARA P. DAVIS (Public Member)

EILEEN P. MCANNENY (Public Member)

Call to Order

Vice Chair Bobbi Kaplan called the Meeting to order at 8:30 a.m.. The Vice Chair reviewed the commissioners in attendance. The Vice Chair turned the meeting to Executive Director Matthew Veno who reviewed the agenda. He noted that Commissioner Chapdelaine had accepted a new position as Executive Director of the Massachusetts Municipal Association and had resigned from the Commission after five and a half years. Additionally, Commissioner Clinard will be stepping down at the end of her current term in October after seven years with the GIC. The Executive Director turned the meeting back to the Vice Chair who echoed her thanks to the departing Commissioners and called for a motion to approve the minutes of the previous meeting.

I. Approval of Minutes

Commissioner Gentile moved to approve the June 15, 2023 meeting minutes, as presented, which was seconded by Commissioner Sullivan. A roll call vote was taken by GIC General Counsel Andrew Stern and passed unanimously by members voting.

II. Executive Director's Report

The Chair turned the meeting over to the Executive Director to discuss the Executive Director's Report. He began by discussing the effort to reduce the waiting period for new hires to access benefits. While the GIC staff has been working diligently on this for over a year, the GIC has now been directed, in the FY24 budget passed in July 2023, to provide benefits to new hires on the first of the month after their hire date, or on their hire date, if that date is the first of the month. This requirement will go into effect on July 1, 2024, and will apply to all benefits in the GIC portfolio, not just health insurance benefits.

The Executive Director acknowledged the numerous GIC staff who have been awarded Commonwealth citations for outstanding work. Additionally, he noted that Cameron McBean has been promoted from Manager within the Vendor Management team to Director. Finally, the Executive Director drew the Commission's attention to the Communications update within the written Executive Director's Report. He then opened the floor to questions.

The Vice Chair congratulated Cameron McBean on his new position. She also thanked everyone at the GIC for all their hard work over the years in ushering the new benefit availability to its current point.

The Executive Director then reviewed the calendar for the remainder of 2023, noting that the October meeting will be cancelled.

Commissioner McAnneny arrived at 8:50

III. Plan Audit

The Executive Director turned the meeting over to CFO Jim Rust who introduced Deb Danilson from Claim Technologies Incorporated (CTI) to review the findings of the biennial plan audits. He noted that after this Commission meeting, the GIC and CTI will meet with the plans to agree upon a remediation plan to address the findings.

Ms. Danilson reviewed the audit objectives. Vendors audited this cycle included Fallon Health, Health New England (HNE), and UniCare for FY22. The audits were conducted remotely and benchmarked against CTI's last 100 book of business audits. The audits included a 200 claim random sample audit as well as a targeted sample of 150 claims, an operational review, and a plan documentation analysis.

Ms. Danilson presented a summary of the audit results. Median claim turnaround times for each carrier in the review varied from UniCare with a 2 day median turnaround time, to HNE with 7 days, to Fallon, with 21 days. Ms. Danilson noted that quicker is not necessarily better as it can impact accuracy.

Moving on to the Performance Summary from the Random Sample Audit, both UniCare and Fallon fell below the median in Financial Accuracy, Accurate Payment Frequency, and Accurate Processing Frequency. HNE came in above the median in all three performance areas. Ms. Danilson further broke down key findings for each carrier audited. She then provided recommendations for the post-audit time-period, such as meeting with the carriers to discuss findings, working with the carriers to improve on the three accuracy areas, and encouraging the carriers to run impact reports to identify and adjust affected claims. Carrier-specific recommendations were also reviewed for the three carriers involved in this audit.

Ms. Danilson thanked the Commission for the opportunity to represent the GIC in the audit process and opened the floor to questions. The Vice Chair asked how the GIC would know if the recommendations were taken by the carriers and if changes were made going forward. The CFO answered that the GIC has already been in contact with each audited health plan to

review the findings and to get a first round of feedback. As previously mentioned, the GIC will be working with CTI and the carriers to address the findings.

Commissioner McAnneny asked what the industry norms are with respect to the financial accuracy error rate and processing turnaround time. Ms. Danilson replied that while turnaround time has lowered over the last 10 years across the industry, sometimes more time spent indicates a greater level of care taken with the claims and less room for error. She noted that the financial accuracy error rate is determined based on the last 100 audits performed by CTI and the quartiles established by the results from those audits.

Commissioner Edmonds asked how CTI knows that errors are created by a quick turnaround time. Ms. Danilson responded that while all carriers have an automatic audit process to catch errors and correct them, CTI focuses on the errors that are not caught by the automated process. While CTI can't say for certain that all errors are caused by a quick turnaround time, it is recommended that the carriers analyze the turnaround time to be sure that it is not contributing to the financial accuracy error rate.

IV. Municipal Bulletin

The Executive Director then turned the meeting over to the Director of Legislative Affairs, Mike Berry. The Director of Legislative Affairs reviewed the background of the Administrative bulletin addressing the assignment of contribution ratios for plans under c. 32B, § 19 agreements, noting that this bulletin had been reviewed by the Commission last year. There are a total of 46 municipal entities enrolled with the GIC through M.G.L. c. 32B. Of those, 28 municipalities enrolled with the GIC through section 19 of that chapter, which enables them to join after a 70% approval of their Public Employee Committee (PEC). The GIC had previously interpreted section 19 to only allow products to have differing employer/employee contribution by plan type (PPO, HMO, POS).

The current Administrative Bulletin informs municipalities that the GIC has determined that there is nothing in the statute that mandates contribution ratios be assigned by plan type only. The Commission will be rescinding the previous guidance and replacing it with an updated administrative bulletin. The new guidance only addresses contribution assignment based on plan type, while making no change to existing prohibitions on assigning different contribution ratios based on factors such as date of hire or retirement, bargaining unit, or type of coverage (i.e. – family vs individual coverage). In the spring of 2023, GIC engaged a working group to be sure that the bulletin was as clear as possible. Stakeholders were uniformly supportive of the proposed bulletin.

The Executive Director thanked the Director of Legislative Affairs and the General Counsel for their work on this matter. The Vice Chair clarified the position of the bulletin with the Director of Legislative Affairs, noting that municipalities can still create ratios based on plan type but they are not limited to that method, nor does the bulletin nullify any current agreements.

V. CFO Report (Inform)

The Executive Director turned the meeting over to the CFO to review the final budget results at the close of FY23. The fiscal year summary showed that the GIC ended the year approximately \$18 million under budget for FY23. Looking at the first quarter of FY24, the GIC is currently on track with the budget. The CFO noted that he would be back with an updated summary in November. The Vice Chair expressed her surprise that the GIC was so significantly under budget. She asked the CFO whether the GIC should expect to see an uptick in costs from COVID-related deferred care. The CFO replied that this expectation was factored into the FY23 budget and was reflected in the costs for that year but because the increase was anticipated.

VI. Other Business and Adjournment

There being no other business, the Executive Director concluded the agenda and turned the meeting back to the Vice Chair. The Vice Chair noted that as there was no further business, the Meeting was adjourned at 10:10 A.M.

Respectfully submitted,

Matthew A. Veno
Executive Director