

GROUP INSURANCE COMMISSION MEETING

Thursday, September 19, 2024

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 eighty-five
DATE: September 19, 2024
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: Martha Kwasnik
KEVIN BEAGAN (Acting Commissioner of Insurance) Designee: Rebecca Butler
ELIZABETH CHABOT (NAGE)
TAMARA P. DAVIS (Public Member)
JANE EDMONDS (Retiree)
JOSEPH GENTILE (AFL-CIO, Public Safety Member)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
PATRICIA JENNINGS (Public Member)
MELISSA MURPHY-RODRIGUEZ (Massachusetts Municipal Association)
JASON SILVA (Massachusetts Municipal Association)
ANNA SINAIKO, Ph.D. (Health Economist)
TIMOTHY D. SULLIVAN (Massachusetts Teachers Association)
CATHERINE WEST (Public Member)

Absent:

EDWARD T. CHOATE (Public Member)
EILEEN MCANNENY (Public Member)

Agenda & Approval of the Minutes

At 8:30 A.M. Chair Valerie Sullivan gave opening remarks. General Counsel Andrew Stern announced the attendance of Commissioners.

Chair Sullivan introduced Catherine West, a newly appointed Commissioner, who provided her background.

Executive Director Matthew Veno provided an overview of the agenda.

The Chair asked for a motion to approve the minutes from June. Commissioner Edmonds moved and it was seconded by Vice Chair Kaplan.

The General Counsel took a roll call vote. Commissioners Jennings, West, and Kwasnik abstained. Commissioners Chabot and Guirand had technical difficulties, and their votes were not heard. All others voted in favor and the motion passed with a majority.

The Executive Director then noted a few items from his written Executive Directors report, and reviewed the calendar. Commissioner Jane Edmonds asked when diversity, equity, and inclusion would be discussed. The Executive Director responded that it would happen early next year.

The Executive Director handed the meeting to the Chief Financial Officer (CFO), James Rust.

Claims Administration and Mental Health Parity Audit Findings

The CFO introduced the Claim Administration and Mental Health Parity Audits. The audits covered the time period of Fiscal Year 2023. Marie Pollock from Claim Technologies Inc. (CTI) provided the claims audit results. In general, plans that were audited performed well, and areas where they did not meet standards were noted. It was recommended that the GIC meet with carriers to discuss findings and remediations, which staff acknowledged was in process.

Commissioner Edmonds asked, given the other audits CTI performs, how does the GIC measure up? Ms. Pollock stated that the GIC is well aligned to their peers, which would be plans of the same size.

Stephen Wynn, of CXC Solutions (CXC), who partners with CTI, presented the findings of the Mental Health Parity analysis and audit. He explained the analysis for both the Financial Requirements and the Quantitative Treatment Limits testing (FR/QTLs) and also the Non-Quantitative Treatment Limitations (NQTLs). He reviewed the findings for each plan. There were very few recommended changes for the plans, with most plans only having one minor finding and recommended change.

Commissioner Kaplan asked for more information regarding a finding that the 30-visit limit for physical and occupational therapy in the reviewed plan design. Mr. Wynn stated that the 30-visit limit for physical and occupational therapy needs to be reviewed to ensure that it is not being applied inappropriately. It is not a finding of non-compliance, but the plan documents language may need to be clarified.

The Chair asked how the GIC compares to others and what the Commission should be thinking about in this area. She also asked if it was nationwide or is this just in Massachusetts. Mr. Wynn stated that Massachusetts is unique because of the required structure of insurance coverage. The GIC's plans are about average for what is seen elsewhere. Perfection is unattainable in this area and the GIC should be striving to do the best they can.

GIC Strategic Framework Update

After the audit presentation, the CFO provided an update on the GIC's strategic framework. He noted that Margaret Anschutz is leading this work, but could not be present today. The GIC's three strategic pillars are advancing affordability, improving behavioral health, and ensuring health equity. The CFO spoke about GIC's affordability initiatives, such as audits, pharmacy market checks, cost control performance guarantees, etc. He also noted that the GIC is also currently looking at market reviews to ensure best in class pricing, evaluating new market entrants and opportunities, etc.

Regarding behavioral health, the GIC supports the Executive Office of Health and Human Services Behavioral Health Roadmap, which has included but is not limited to raising rates to promote practitioners opting into insurance networks. The GIC required all our carriers to contract with every community BH center in Mass. GIC is also evaluating centers of excellence for substance use disorder. Regarding behavioral health access, the GIC continues to push carriers to expand their contracted provider network.

For health equity initiatives, GIC has added health equity focused performance guarantees in carrier contracts and is requiring stratified reporting of data by race, ethnicity, and language. GIC is additionally looking at coverage for maternity, cardiovascular, diabetes, hypertension, and asthma as areas for improvement opportunities.

The Chair asked where the plans are regarding their NCQA Health Equity certification and for the timeline of that. The CFO stated that Margaret Anschutz is running that initiative and the GIC will follow up with those answers.

Commissioner Edmonds asked about why cancer is not listed in the conditions being looked at right now, as many disparities exist in cancer care and outcomes. The CFO stated that the list presented was not comprehensive, but he will provide a complete list to the Commissioners.

The Vice Chair asked what specifically is required in the contracts around race, ethnicity, and language data. The CFO stated that it is specifically requiring plans to collect data on those markers. Abby Mercer, from Willis Towers Watson (WTW), stated that the data is collected on an annual basis, but they are working with the carriers to clean the data and to make sure it is accurate, on a more frequent basis.

The Vice Chair asked what clinical measures are being looked at for maternity. Ms. Mercer stated that detailed data on outcomes, prenatal, and postnatal care is being collected. The CFO stated that the Commonwealth, in general, is focused on improving health equity for maternity care, as there are historical disparities in this area and the disparities continue to grow and worsen. The Commonwealth is taking active steps to quickly improve those outcomes and the GIC is part of that initiative. The GIC is particularly focused on supporting birthing people, promoting safety and quality, and fostering provider accountability.

Commissioner Tim Sullivan left the meeting at 9:42am.

Pharmacy Overview

Deven Shah from WTW provided a pharmacy update. He provided an overview of the role pharmacy benefit managers (PBMs) play in the pharmacy industry.

Designee Martha Kwasnik left the meeting at 9:50am.

Mr. Shah explained how the GIC uses PBMs to get the best prices and rebates, and provide high levels of provider and member engagement. He explained that the GIC monitors medications both for effectiveness of treatment and costs, using these trends to forecast costs. Both the Executive Director and Mr. Shah emphasized the importance the GIC places on transparency, how the GIC monitors its contracts to ensure compliance, and noted that all rebates and discounts are passed through to the GIC. Mr. Shah then reviewed pharmacy trends and cost drivers.

Commissioner Sinaiko asked how the federal Inflation Reduction Act is linked to the GIC's Medicare pricing. Mr. Shah stated that Medicare, for the first time, attempted to negotiate pricing for the top drugs. There will be little to no impact, he said, on the commercial market. Many of the drugs in that program are either off patent or shortly to be off patent, he explained. He stated that WTW is continuing to monitor this area and continues to keep the GIC informed.

Mr. Shah mentioned that three trends to watch right now are the weight loss/diabetes GPL-1 medications, biosimilars that are coming to market, and Pharmacogenomics (the study of how inherited genes affect a person's response to drugs).

The Executive Director asked for the presentation to move on to the data portion, due to time constraints.

Mr. Shah then discussed Utilization Management (UM), explaining how it operates and what types of UM programs exist. Vice Chair Kaplan stated that since switching to Caremark, she has received reports of concerns about disruption and denials from members. She also stated that many people are going to alternative means to obtain affordable medications, such as GoodRx. The Executive Director noted that forthcoming slides address her concerns.

Mr. Shah stated that all PBMs have tightened limits on GPL-1 medications and the denials are increasing in that area. He noted that 98% of all medications do not require prior authorization. For the remaining 2% of medications, the GIC is seeing 65%-80% approvals. He noted that it is expected that the approvals ought to be in the 80% range. However, there's a lot more pressure on providers to write the prescriptions and the providers, he explained, are sometimes writing them knowing that they will be denied by the PBM, but do not want to be the ones to tell the patient no. WTW evaluates the criteria that CVS uses for prior authorization and WTW has not seen anything inappropriate.

Commissioner Kaplan noted that she knows people who have diabetes and have been denied their medications. She stated that they are obtaining the medications through Canada or other means. Chair Sullivan interjected with a suggestion that WTW further look into denials and issues with obtaining medications. Specifically, the Chair asked through what other sources members could obtain these brand name drugs, instead of through the PBM.

Mr. Shah stated that WTW is looking at exactly these inquiries.

Chair Sullivan noted that the GPL-1s are not listed as "specialty" drugs. Mr. Shah confirmed they are not specialty drugs.

Mr. Shah then provided data on appeals. He stated that appeals are closely monitored.

Vice Chair Kaplan noted that she knows at least three people who were denied at CVS and then have gone directly to the manufacturer, resulting in better pricing.

Mr. Shah said he would follow up with the Vice Chair regarding those members. He then discussed Medicare and EGWP data on approval rates on prior authorizations. He said that CVS adheres to the required Medicare turn-around times for prior authorizations.

Commissioner West asked if Mr. Shah would be returning with national data on medications. Mr. Shah said that the GIC is in line with the national benchmarks. Executive Director Veno stated that GIC staff will discuss how and when to follow up on this topic.

CFO Report

The CFO then presented the fiscal year 2024 final report, noting that the GIC experience was consistent with its expectations and predictions and there was a small budget surplus, but the year ended essentially at budget. Currently, he stated, the GIC is sufficiently funded for FY25, but the GIC continues to monitor funding, since costs continue to rise.

Other Business and Adjournment

The Chair asked if any additional discussion points needed to be raised.

The CFO stated that the GIC was planning to post the Life and Long-Term Disability (LTD) consultant procurement prior to the November meeting. He also stated that the data warehouse procurement and the dental and vision procurement are both underway.

Vice Chair Kaplan wanted to confirm that we returned \$2.8M back to the general fund. The CFO confirmed that is accurate. The employee trust fund, he reminded the Commission, does not revert to the state, only allocated general fund money reverts.

The Chair asked for a motion to adjourn.

The Vice Chair moved to adjourn and Commissioner Chabot seconded. Chair Sullivan asked for a vote to adjourn and it was unanimously approved.

The meeting was adjourned at 10:29am.