



# COMMISSION MEETING

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September 19, 2024



MassGIC



Group Insurance Commission

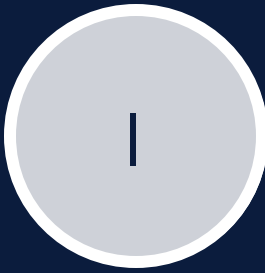


MA Group Insurance Commission

Public Notice: G.L. C-30A, Sec. 20, September 17, 2024

# Agenda

- **I. Minutes, June 20, 2024 (VOTE)** 8:30-8:35  
Valerie Sullivan, Chair  
Andrew Stern, General Counsel
- **II. Executive Director's Report (INFORM)** 8:35-8:40  
Matthew Veno, Executive Director  
Members of Senior Staff
- **III. Claim Administration Audits (INFORM)** 8:40 -9:00  
Marie Pollock, Director of Audits, Claims Technology Incorporated
- **IV. Mental Health Parity Analysis Results (INFORM)** 9:00-9:20  
Stephen Wynn, Senior Product Manager, CXC Solutions
- **V. Strategic Framework Update (INFORM)** 9:20-9:45  
James Rust, Chief Financial Officer
- **VI. Pharmacy Update (INFORM)** 9:45-10:15  
Deven Shah, Senior Director, WTW
- **VII. CFO Report (INFORM)** 10:15-10:25  
James Rust, Chief Financial Officer
- **VIII. Other Business/Adjournment** 10:25-10:30  
Valerie Sullivan, Chair  
Matthew Veno, Executive Director



## APPROVAL OF MINUTES (VOTE)

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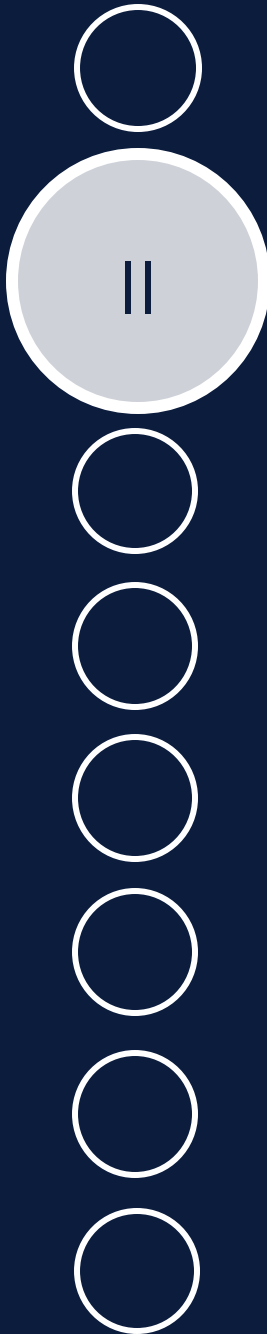
**Valerie Sullivan** Chair &  
**Andrew Stern** General Counsel



# Motion

**That the Commission hereby approves the minutes of its meeting held on June 20, 2024 as presented**

- Valerie Sullivan, Chair
- Bobbi Kaplan, Vice-Chair
- Martha Kwasnik (A&F Designee)
- Rebecca Butler (Designee for DOI)
- Elizabeth Chabot
- Edward Tobey Choate
- Tamara Davis
- Jane Edmonds
- Joseph Gentile
- Gerzino Guirand
- Patricia Jennings
- Eileen P. McAnneny
- Melissa Murphy-Rodrigues
- Jason Silva
- Anna Sinaiko
- Timothy D. Sullivan
- Catherine West



## EXECUTIVE DIRECTOR'S REPORT (INFORM)

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**Matthew Veno** Executive Director &  
**Members of Senior Staff**

# Projected Fiscal Year 2025 Calendar

RWP in Effect July 1			Fall Health Insurance Buy-out			Public Information Sessions			FY2026 Annual Enrollment		
Jul	Aug	Sep 19	Oct	Nov 21	Dec 19	Jan	Feb	Mar	Apr	May	Jun
<b>No Meeting</b>	<b>No Meeting</b>	Plan Audit	<b>No Meeting</b>	<b>Presentation:</b> HPC	FY2026 Preliminary Cost Increase	<b>Presentation:</b> FY2026 Plan Design	<b>Vote:</b> FY2026 Rates	<b>TBD</b>	<b>TBD</b>	<b>Vote:</b> Trust Funds	<b>Report:</b> Annual Enrollment
		GIC Strategic Framework Update		<b>Presentation:</b> Affordability Update	<b>Vote:</b> Dental/ Vision Plan	<b>Report:</b> Stewardship Meetings	<b>Report:</b> Public Info Sessions			<b>Report:</b> Out of Pocket	
		Pharmacy Update		<b>Report:</b> CFO Report			<b>Vote:</b> Data Warehouse			<b>Vote:</b> Life/LTD Consultant	
		CFO End of FY Report									

Note: Topics and meeting dates are subject to change



## **Claim Administration Audits**

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**Marie Pollock** Director of Audits  
**Claims Technology Incorporated**

**Claim Administration Audits**

# **Harvard Pilgrim Health Care, Mass General Brigham, and Tufts Health Plan**

**Presented to**



**Commonwealth of Massachusetts  
Group Insurance Commission**

***September 19, 2024***



**CLAIM TECHNOLOGIES  
INCORPORATED**

PART OF THE BROWN & BROWN TEAM



## Audit Objectives

- The goal of CTI's medical claim audits was to determine whether:
  - GIC contract terms were followed;
  - Claims were paid according to plan documents and if those provisions were clear and consistent;
  - Members were eligible and covered by a GIC plan at the time a service was incurred and paid; and
  - Any claim administration, eligibility maintenance systems, or processes need improvement.

## Audit Components

- Random Sample Audit of 200 claims
- 100% Electronic Screening and Analysis (ESAS®) followed by a targeted sample of 150 claims
- Operational Review – including extensive questionnaire and administrative management interviews
- Plan Documentation Analysis

## FY2023 Claims Audit

<b>AUDIT PERIOD:</b> Claims incurred July 1, 2022, through June 30, 2023, and paid through December 31, 2023	
<b>Harvard Pilgrim Health Care (HPHC)</b>	
<b>Plans Audited</b>	Independence POS, Primary Choice HMO, Medicare Enhance
<b>Total Paid Amount</b>	\$410,376,774
<b>Number of Claims Processed</b>	1,625,088
<b>Median Claim Turnaround Time</b>	12 days
<b>Mass General Brigham (MGB)</b>	
<b>Plans Audited</b>	Complete HMO
<b>Total Paid Amount</b>	\$99,928,352
<b>Number of Claims Processed</b>	263,701
<b>Median Claim Turnaround Time</b>	7 days
<b>Tufts Health Plan (Tufts)</b>	
<b>Plans Audited</b>	Navigator, Spirit, Medicare Complement
<b>Total Paid Amount</b>	\$541,141,825
<b>Number of Claims Processed</b>	1,966,838
<b>Median Claim Turnaround Time</b>	8 days

## Random Sample Audit – Performance Summary

Administrator Performance by Quartile					
KEY PERFORMANCE INDICATOR	Quartile 1	Quartile 2	MEDIAN	Quartile 3	Quartile 4
	Lowest <div></div> Highest				
Financial Accuracy					
ADMINISTRATOR	87.29% - 97.58%	97.59% - 98.90%	98.90%	98.91% - 99.70%	99.71% - 100%
HPHC		98.74%			
MGB				99.56%	
Tufts		98.43%			
Accurate Payment Frequency					
ADMINISTRATOR	88.00% - 95.37%	95.38% - 97.60%	97.60%	96.71% - 98.63%	98.64% - 100%
HPHC		97.50%			
MGB	90.50%				
Tufts		97.00%			
Accurate Processing Frequency					
ADMINISTRATOR	88.00% - 95.05%	95.06% - 97.11%	97.11%	97.12% - 98.50%	98.51% - 100%
HPHC				97.50%	
MGB	90.50%				
Tufts		97.00%			

## HPHC Key Findings

- Experienced a cybersecurity ransomware incident: 4/17 to 7/24/23
  - Affected all systems used to serve members, accounts, brokers, and providers
  - Provided reconciliations and invoice credits to GIC in October 2023 and March 2024
- Random Sample Audit of 200 Claims
  - 98.74 percent Financial Accuracy Rate (1.26 percent error rate)
  - Five claims identified with payment errors totaling \$189.65 in underpayments and \$57,758.96 in overpayments
    - Three of the five errors adjudicated automatically, two adjudicated manually
- 100% Electronic Screening with 150 Targeted Sample Analysis
  - Paid duplicate claims, claims over plan limits for hearing aids and chiropractic services, and paid excluded services for abdominoplasty, liposuction, and mouth x-rays
  - Paid for claims during global prohibited periods, paid for potentially fraudulent, wasteful, or abusive claims for cardiovascular genetic testing, and certain durable medical equipment

## MGB Key Findings

- Random Sample Audit of 200 Claims
  - 99.56 percent Financial Accuracy Rate (0.44 percent error rate)
  - Nineteen claims identified with payment errors totaling \$7,109.37 in overpayments
    - Fourteen of the 19 errors adjudicated automatically, five adjudicated manually
- 100% Electronic Screening with 150 Targeted Sample Analysis
  - Paid for potentially fraudulent, wasteful, or abusive claims including large payments to members, interoperative neuromonitoring, spinal region upcoding, and certain durable medical equipment
  - Applied deductibles to preventive services and over-accumulated deductibles for family and individual in-network services

## Tufts Key Findings

- Random Sample Audit of 200 Claims
  - 98.43 percent Financial Accuracy Rate (1.57 percent error rate)
  - Six claims identified with payment errors totaling \$43,028.84 in overpayments
    - One of the six errors adjudicated automatically, the remaining five adjudicated manually
- 100% Electronic Screening with 150 Targeted Sample Analysis
  - Paid duplicate claims and claims over plan limits for advanced medical imaging and intense outpatient services, and paid excluded services for hearing aid supplies, dental procedures, and otoplasty
  - Paid PPO provider without a discount; paid potentially fraudulent, wasteful, or abusive claims for cardiovascular genetic testing, paid claims for end-stage renal disease that should have been covered by Medicare; and denied preventive services for members
- Beginning fiscal year 2024 the audited Tufts' plans were superseded by Point32Health plans

## Recommendations – All

1. Meet with carriers to discuss findings; focus on improving the carriers' Financial Accuracy, Accurate Payment Frequency, and Accurate Processing Frequency as needed. For systemic errors, carriers should run impact reports to identify and adjust affected claims as directed.
2. Carriers should conduct focused analysis of errors identified through ESAS to determine if overpayment recovery and/or system improvements are possible. CTI will provide claim detail to use in this analysis.
3. Discuss fees paid to carriers' overpayment recovery vendors and confirm fees are charged only for situations within GIC's control, such as retro-active eligibility changes.
4. Consider negotiating contract language requiring carriers to make the GIC whole when claim processing issues are identified.



## Recommendations – HPHC

1. Continue to monitor and evaluate impact of HPHC's cybersecurity ransomware incident.
2. HPHC should review turnaround results to determine ways to reduce claim processing time.
3. Request and review GLC-specific overpayment recovery reports from HPHC.
4. Consider modifying HPHC contract language to ensure performance guarantees provide more oversight and accountability for the administrator.

## Recommendations – MGB

1. Require MGB to gain approval prior to settling any subrogation case when recovery is less than a defined amount for any lien; for example, less than 50% of more than \$100,000.
2. Review performance guarantees to ensure penalty payments are made for the missed guarantees during the audit period.



## **Mental Health Parity Analysis**

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**Stephen Wynn**, Senior Product Manager  
**CXC Solutions**



# **Mental Health Parity Analysis Results**

FR/QTL Testing and NQTL Comparative Analysis

Performed for: Commonwealth of Massachusetts Group Insurance Commission (GIC)

Presented by: CXC Solutions





# Introduction and Acronym Key

- Analysis performed for four separate insurance carriers
  - Health New England (HNE)
  - Mass General Brigham (MGB)
  - Point32, including Harvard Pilgrim Health Care and Tufts Health Plan
  - UniCare/Wellpoint
- Analysis performed:
  - Financial Requirements and Quantitative Treatment Limits Testing (FR/QTL)
  - Nonquantitative Treatment Limitations Analysis (NQTL)
  - Comparative analysis of Medical/Surgical (M/S) benefits and Mental Health/Substance-Use Disorder (MH/SUD)





# Health New England (HNE)

- FR/QTL Results
  - 300-minute limit for Smoking Cessation should be removed from plan
  - All other FR/QTL tests passed, no other recommendations
- NQTL Results
  - No evidence was found that suggests any of the NQTLs are noncompliant
  - Areas of improvement for carrier documentation and reporting
    - Written documents outlining the design and application of NQTLs related to the provider networks and plan exclusions
    - Additional data regarding the operational impact of NQTLs related to provider networks and plan exclusions



# Point32 (Harvard Pilgrim and Tufts Health Plan)

- FR/QTL Results
  - All FR/QTL tests passed, no changes are needed
- NQTL Results
  - No evidence was found that suggests any of the NQTLs are noncompliant
  - Areas of improvement for carrier documentation and reporting
    - Written documents outlining the design and application of NQTLs related to the provider networks and plan exclusions
    - Additional data regarding the operational impact of NQTLs related to provider networks and utilization management practices





# Mass General Brigham (MGB)

- FR/QTL Results
  - 300-minute limit for Smoking Cessation should be removed from plan
  - 30-visit limit for Physical and Occupational Therapy is being reviewed by GIC for applicability to MH/SUD conditions
  - All other FR/QTL tests passed, no other recommendations
- NQTL Results
  - No evidence was found that suggests any of the NQTLs are noncompliant
  - Plan language should be reviewed, and amended if necessary, to provide clarity on medically necessary SUD benefits coverage
  - “Factors” for Medical Necessity and Network Adequacy differ between M/S and MH/SUD
    - Carrier asserts that the factors are no more stringent for MH/SUD than M/S
    - Additional analysis has been requested from carrier
  - Areas of improvement for carrier documentation and reporting
    - Written documents outlining the design and application of NQTLs related to plan exclusions
    - Additional data regarding the operational impact of NQTLs related to plan exclusions





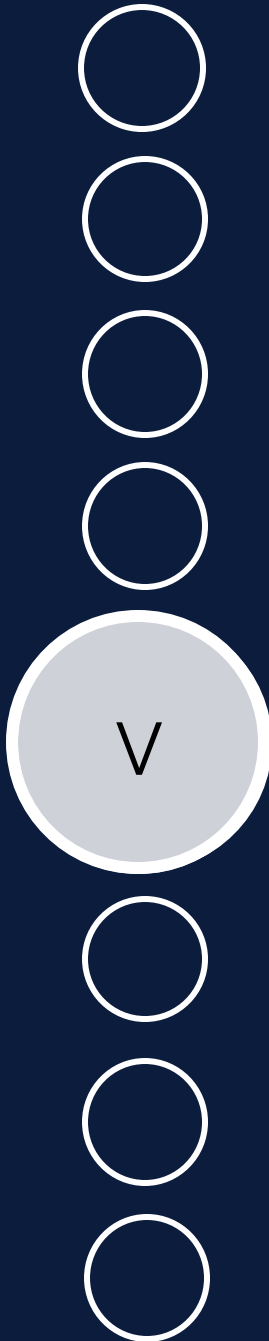
# UniCare/Wellpoint

- FR/QTL Results
  - 300-minute limit for Smoking Cessation should be removed from plan
  - 20-visit limit for Speech Therapy is being reviewed by GIC for applicability to MH/SUD conditions
  - All other FR/QTL tests passed, no other recommendations
- NQTL Results
  - Plan language should be reviewed, and amended if necessary, to provide clarity on medically necessary SUD benefits coverage
  - “Factors” for Provider Reimbursement differ between M/S and MH/SUD
    - Carrier asserts that the factors are no more stringent for MH/SUD than M/S
    - Additional analysis has been requested from carrier
  - Areas of improvement for carrier documentation and reporting
    - Written documents outlining the design and application of NQTLs related to the provider networks and plan exclusions



Questions?





## Strategic Framework Update (INFORM)

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**James Rust,**  
Chief Financial Officer

# 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

# GICs Strategic Approach

The GIC developed its three strategic pillars and guiding principles to govern its prioritization and decision-making process for all strategic opportunities, in alignment with its goals

**Affordability**

**Behavioral  
Health**

**Health  
Equity**

## 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
- Align with other Massachusetts government agency initiatives

# GIC Affordability Initiatives

Healthcare cost trends in the US, and local Massachusetts markets continue to be a challenge. The GIC continues to explore strategies to contain healthcare costs in alignment with the Massachusetts Healthcare Cost Benchmark

## Accomplishments

- Conducted robust medical and pharmacy RFRs to ensure most competitive financial arrangements (admin fees and claims discounts)
  - Implemented Harvard Pilgrim Access America with more advantageous discounts for the national market
  - Transitioned active pharmacy benefits to CVS with strong discounts and rebates
- Performed annual audits and pharmacy market checks
- Negotiated best in class performance guarantees including cost trend PGs aligned with the Massachusetts cost trend benchmark

## Exploring

- Continue to conduct market reviews to ensure best in class pricing
- Evaluate new market entrants and opportunities
- Comprehensive review of GIC eligible membership

# GIC Behavioral Health Initiatives

The GIC is committed to investing in behavioral health resources for its members in alignment with other Massachusetts agencies and stakeholders

## Accomplishments

- Partnered with carrier partners to expand network access for behavioral health in part based on work to improve provider payments for BH
- Increased access to digital behavioral health solutions
- Conducted in-depth review of BH programs and capabilities across all vendor partners to ensure appropriate program design
- Using the GIC's purchasing power to support EHS BH Roadmap
  - Worked with its carrier partners to support the new model
  - Promotion of mental health crisis line for members

## Exploring

- Continue to support the EHS Roadmap
- Evaluate center of excellence opportunities for Substance Use Disorder

# Improved Behavioral Health Access

1

## The GIC's Behavioral Health Network has continued to grow

	Health New England	MGB	Point32	Wellpoint
Historical growth rate (2019-2023)	35%	20%	64%	41%
Projected growth rate 2024	7%	4%	10%	9%

All information is self-reported by the health plans

2

## Access to digital behavioral health solutions

- The GIC's Mass4You EAP program offers virtual behavioral health support including 3 free visits
- All carriers have a robust telemedicine options for behavioral health including 3 free virtual visits
- Some of the GIC's health plan partners have added virtual solutions for low acuity behavioral health needs



# GIC Health Equity Initiatives

The GIC is committed to investing in health equity to improve health outcomes for all peoples. The GIC is focusing specifically on areas with the largest disparities

## Accomplishments

- Conducted in-depth review of value-based insurance design with a focus on health equity initiatives
- Implemented a performance guarantee requiring that all health plans pursue Health Equity Accreditation from NCQA
  - The accreditation provides a framework to support health plan's health equity work, with a focus on REL data collection, cultural and linguistic needs of members, and addressing disparities in care
- Implemented a performance guarantee requiring the plans report on select clinical measures stratified by race, ethnicity, and language (REL)

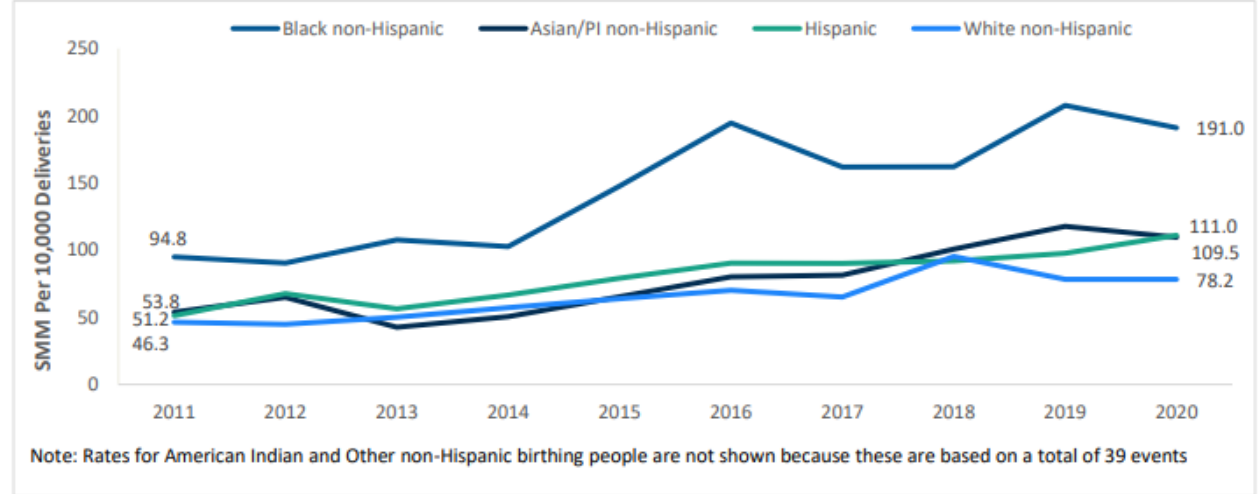
## Exploring

- Developing a maternal health strategy in collaboration with DPH and Massachusetts Perinatal Quality Improvement Network (PNQIN) to address maternal disparities and C-section reduction
- GIC to further explore opportunities around Maternity, Cardiovascular, Diabetes, Hypertension, and Asthma

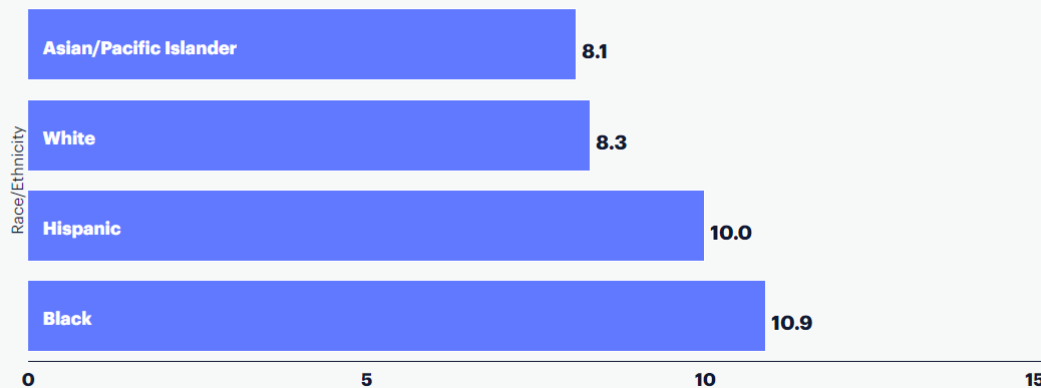
# Current status of maternity care in Massachusetts

In 2011, the gap between SMM rates for Black non-Hispanic and White non-Hispanic birthing people was two-fold. By 2020, the SMM rate for Black non-Hispanic birthing people increased to 2.5 times higher than that of White non-Hispanic birthing people.

**Figure 4. SMM in Massachusetts by Race and Hispanic Ethnicity: 2011-2020**



## Percentage of live births in 2019-2021 (average) born preterm



Black and Hispanic birthing people are more likely to have preterm births than White birthing people. Preterm births often correspond to increasing morbidities or illnesses.

\*July 2023 Data Brief: An Assessment of Severe Maternal Morbidity in Massachusetts: 2011-2020, MA DPH, July 2023, [www.mass.gov/doc/an-assessment-of-severe-maternal-morbidity-in-massachusetts-2011-2020/download](https://www.mass.gov/doc/an-assessment-of-severe-maternal-morbidity-in-massachusetts-2011-2020/download); March of Dimes. "2022 March of Dimes Report Card for Massachusetts." March of Dimes | PerStats, [www.marchofdimes.org/perstats/reports/massachusetts/report-card](https://www.marchofdimes.org/perstats/reports/massachusetts/report-card); Levin-Scherz, Jeff. "What Employers Can Do to Make Childbirth Safer in the U.S." *Harvard Business Review*, 26 Apr. 2023, [hbr.org/2023/04/what-employers-can-do-to-make-childbirth-safer-in-the-u-s](https://hbr.org/2023/04/what-employers-can-do-to-make-childbirth-safer-in-the-u-s).

# GIC Maternal Health Strategy Framework

**Goal: Improve maternal health outcomes and reduce maternal health disparities**

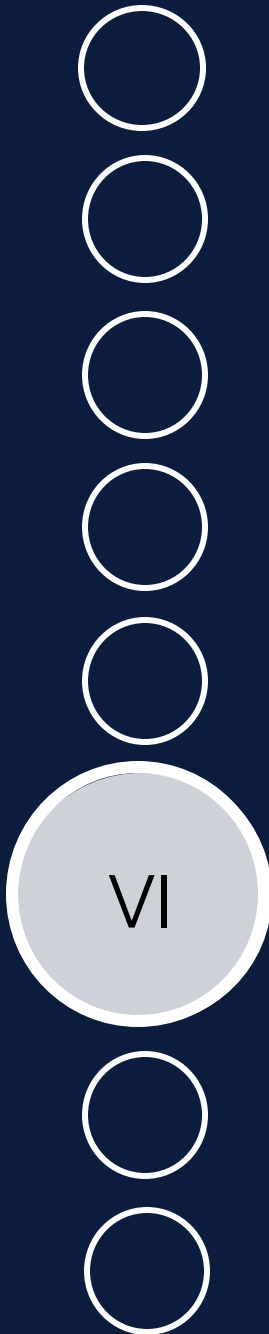
**Support Birthing  
People**

**Promote Quality  
& Safety**

**Foster Provider  
Accountability**

## **Indicators of Success:**

- Improved member outcomes, particularly in the BIPOC community, including reduced c-sections, **fewer NICU days**, and resulting complications that worsen maternal **& infant** health outcomes
- Increased member access to resources that improve maternal health outcomes

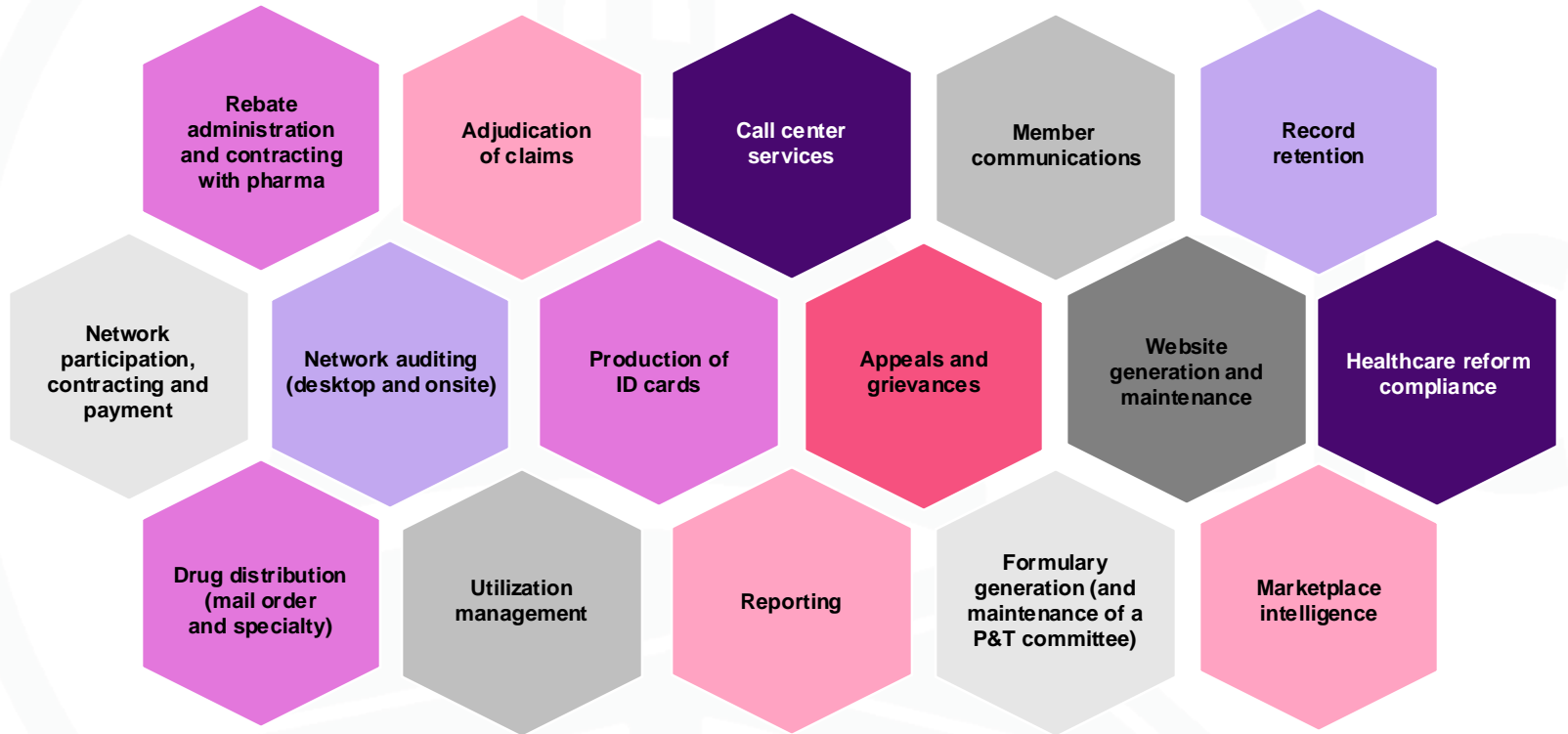


## Pharmacy Update (INFORM)

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**Deven Shah**, Senior Director - WTW

# What do PBMs do?



# Why do PBMs Exist?

## Economics

- Primary business is pharmacy, with focus on **reducing costs** for plan sponsors
- More **aggressive** pricing due to market share leverage with drug manufacturers, leading to more favorable rebates and discounts for mail-order drugs

## Expertise and services

- **Expertise** in pharmacy healthcare with a dedicated team to address pharmacy issues
- Complete service offering from **account management** to sophisticated **quality management** programs
- High-level service provider for **mail-order** pharmacy, **specialty pharmacy** and other services

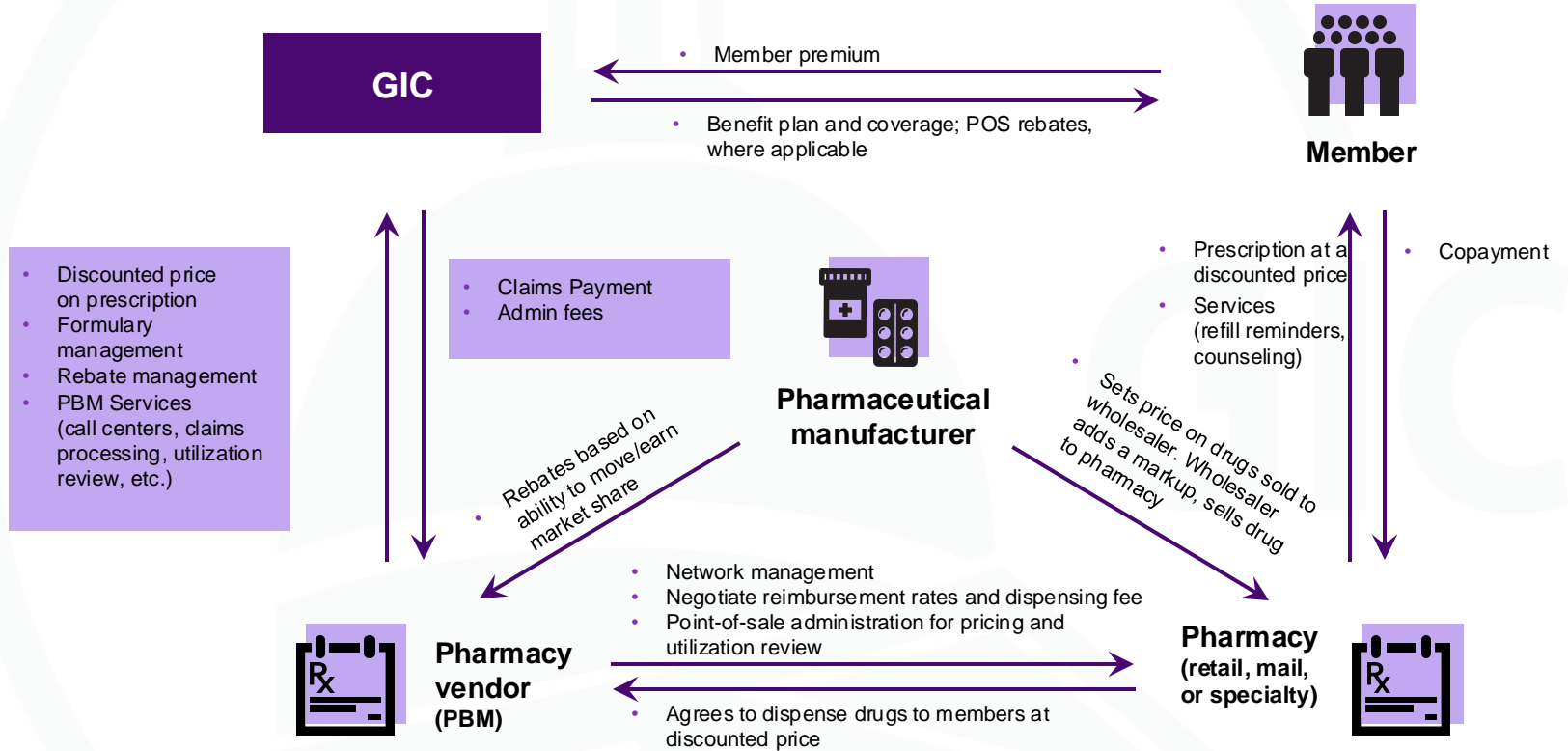
## Specialization

- **Specialized** management of a complex health benefit
- Clinical management programs to **drive behavior** change

## Control

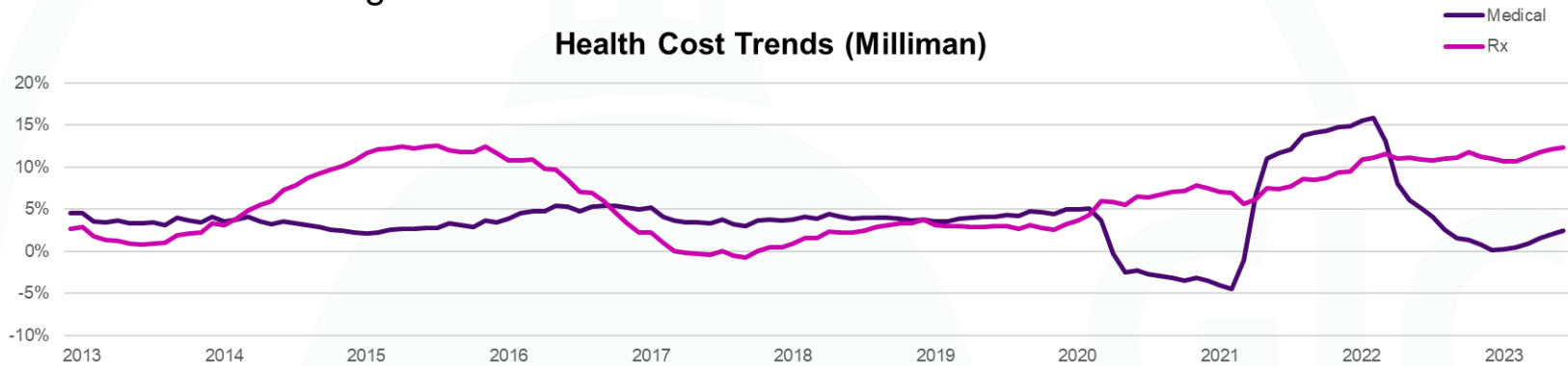
- **Flexibility** for formulary composition, benefit plan design, network and clinical program selection
- **Customized reporting** to support decision making

# The prescription drug benefit delivery process and key players



# Milliman Health Trend Guideline (HTG) Historical Trend Graph

Incurred 12-month rolling trend



- Milliman HTG measures the historical change in healthcare claim costs and utilization in self-insured markets

Year	National		Northeast	
	Medical	Rx	Medical	Rx
2013	4.1%	3.3%	4.8%	4.0%
2014	2.2%	10.7%	3.5%	10.4%
2015	3.5%	11.6%	3.0%	9.9%
2016	4.9%	2.2%	5.5%	3.8%
2017	3.7%	0.4%	3.8%	2.0%
2018	3.7%	3.8%	4.6%	2.6%
2019	4.9%	3.2%	5.1%	3.3%
2020	-3.5%	7.5%	-5.7%	8.7%
2021	14.8%	9.4%	17.6%	9.0%
2022	0.2%	11.0%	1.4%	11.6%
2023*	3.2%	12.9%	4.0%	14.8%

\* Incurred 12-month rolling trend through July 2023



## Long Term Trend Considerations for active medical/rx trend

Impact on Trend	Factors
↑	<b>Physician/hospital supply shortage:</b> Hospitals and physicians are expected to seek higher rate increases (potentially also at a higher frequency) in contract negotiations. Workforce shortages and physician consolidation can further amplify the effect. Further, provider “burnout” and increased patient demand are expected to keep the pressure up on clinical workforces across the industry.
↑	<b>Increasing cost of pharmaceuticals:</b> Employers are experiencing inflationary pressure from the rising median price of new drugs, as well as the increasing price of existing drugs. Combined with the accelerated approvals of new cell and gene therapies, pharmacy trends are not expected to slow down in the next 3 to 5 years.
↑	<b>Utilization of GLP-1s for weight loss</b> is expected to grow in the next 3 to 5 years given the positive efficacy data.
↓	<b>Medicare reimbursement challenges</b> could potentially put pressure on commercial pricing.
↓	<b>Reduced inflation:</b> The general inflation is expected to decrease to historical level (~2%-3% annual) in the next 3-5 years.
↓	<b>Biosimilars:</b> The prices of biosimilars are, on average, more than 50% lower than the reference products at the time of biosimilar launch, driving significant savings.
↓	<b>Total cost of care management</b> initiatives such as value-based care can help maintain year over year trend. Nationally, these programs generally demonstrated better cost management and subsequently achieved lower cost trends. As these programs continue to grow, they will have a deflator effect overall on medical cost trends.
↔	<b>Healthier population:</b> Health equity efforts to improve population health and GLP-1 efficacy for weight loss in the long term can have a positive impact on medical cost trends.
↔	<b>COVID-19:</b> Impacts of changes in federal and state policies and the need for vaccines, testing and treatment vary, with the net effect likely being neutral.
--	<b>Behavioral health:</b> While utilization of behavioral health grew during the pandemic and continues to grow, its cost remains relatively lower than other medical costs. We expect that behavioral health utilization will stabilize in the next three to five years.

# What's trending in pharmacy



## Weight Loss / Diabetes

### New GLP-1 medications are effective and expensive

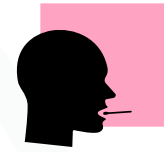
- Glucagon-like peptides (GLP-1) medications slow food down in the stomach and decrease food craving in the brain
- GLP-1 drugs are quite expensive, retailing for as much as \$15,000 per year. We estimate they cost employers between \$9,000 and \$10,000 per patient per year after discounts and rebates
- While only Wegovy, Zepbound and Saxenda are currently approved for weight loss, two diabetes drugs (Ozempic and Mounjaro) are very effective for weight loss and are likely prescribed "off-label" for weight loss



## Biosimilars

### Additional biosimilars come to market

- The biosimilar pipeline is robust, with several drug classes expecting new entrants within the next two years.
- While biosimilars for inflammatory conditions currently present a significant savings opportunity, other drug classes, such as multiple sclerosis and asthma, are on the horizon.
- Members need to be educated on what biosimilars are, their role in medicine, and their safety and efficacy



## Pharmacogenomics (PGx)

### Advances in technology

- Many drugs that are currently available don't work the same way for everyone. Inherited differences in genes affect the body's response to medications.
- Pharmacogenomics (PGx) is the study of how inherited genes affect a person's response to drugs
- PGx testing is conducted using a simple at-home saliva test
- The results are used by prescribers to determine safe and effective medications and doses tailored to a person's genetic makeup

# Pharmacy Pipeline

Sickle Cell Disease

Non-alcoholic steatohepatitis (NASH)

Inflammatory Bowel Disease:  
Ulcerative Colitis, Crohn's Disease

Hepatitis D

Alzheimer's Disease

Duchenne Muscular Dystrophy

Symptomatic menopause

Systemic lupus erythematosus (SLE)



# Utilization Management (UM)

Program	Brief description	Member disruption	Effectiveness	Example
Quantity level limits	Ensures quantities are considered safe by the (FDA) and medical studies and establishes maximum quantity per Rx	Low	Highly effective but conflicts with physician prescribing patterns	Migraine therapy (Imitrex) 8 – 16 tablets per Rx
Dose duration limits	Establish maximum length of therapy based on approved guidelines	Low	Only effective for “approved” drug indications	Interferon therapy for Hepatitis A; 24 weeks versus 48 weeks
Quantity duration limits	Establish maximum quantity per treatment period	Low	Low cost and highly effective but conflicts with physician prescribing patterns	Sleep aids (Ambien, Lunesta) 60 tablets per 90-day period
Smart prior authorization	Automated drug coverage review based on previous claims experience	Low – moderate	Highly effective and low cost	Retin-A for acne if patient age under 30
Prior authorization – coverage review	Controls access to specific drugs based on defined criteria	Moderate – high	Subject to criteria interpretation	Growth hormones for FDA-approved indications
Step therapy	Requires trial of a lower-cost (usually generic) alternative as a frontline option before a more expensive brand drug is covered	High	May increase preferred drug use by over 40%	Preferred heartburn drug use

# CVS Commercial/Non-Medicare Data

**Total Rx claims - 1,650,896**  
**Percent of claims subject to Utilization Management – 2%**

1/1/24-6/30/24	Non-Specialty PA		Non-Specialty Quantity Limit		Non-Specialty Step Therapy		Specialty Utilization Management	
Number of Prior Authorization Requests	21,118		2,154		1,633		8,527	
Approval rate	63%		71%		81%		53%	
Average turn around time	2.8 hrs		1.1 hrs		1.5 hrs		2.9 hrs	
Top 10 drug classes with approval rates	Wegovy	61%	IR Opioids	76%	Oral CGRP Receptor Antagonists	82%	Dupixent	50%
	Ozempic	71%	IR Opioid Combination Products	82%	Injectable CGRP Receptor Antagonists	87%	Humira (and biosimilars)	36%
	Zepbound	66%	Anti-emetics	47%	Opioids ER-Step w/limits	82%	Infertility	66%
	Mounjaro	61%	Topical Corticosteroids	26%	Zoryve	79%	Osteoarthritis	65%
	Saxenda	61%	Topical Antifungal	63%	Topical Vitamin D	76%	Botox	57%
	Trulicity	81%	Gabapentin	88%	Eucrisa	61%	Skyrizi	70%
	Tretinoin topical	62%	Migraine- Triptans	58%	Vtama	84%	Xolair	65%
	Depo-Testosterone	69%	Diabetic Test Strips	54%	Qbrexza	78%	Multiple Sclerosis	53%
	Other Antiobesity Agents	28%	Pulmicort Respules	10%	Reyvow	40%	Taltz	59%
	Lidoderm	27%	IR Opioid- age 19 and under	63%			IVIG	57%

# CVS Commercial/Non-Medicare PA Experience

Non-Specialty 01/01/24 – 06/30/24

Request Type	Approved	Denied	No Response	Grand Total	% Approval	% Denial	Average TAT
Appeal Level 1	1487	605	0	2092	71%	29%	134 hrs.
Appeal Level 2	87	44	0	131	66%	34%	219 hrs.
Exception	1943	3666	894	6503	30%	56%	6.5 hrs.
External Appeal	23	38	0	61	38%	62%	N/A
Prior Authorization	16212	7146	1547	24905	65%	29%	2.5 hrs.

# CVS Data - EGWP/Medicare

01/01/24 – 06/30/24

## Total number of paid claims

- 1,559,716

## Number of Prior auth:

- **0.4% of all claims**
- 7,486 Prior Authorizations
- 112 Step Therapy

## Approval rates

- Clinical Prior Authorizations: 72%
- Step Therapy: 83%

## Average turn-around time

- CMS-required turnaround times are 72-hours for standard review and 24-hours for expedited review

Drug Class	Approval Rates
INCRETIN MIMETIC AGENTS	44.32%
LOCAL ANESTHETICS - TOPICAL	23.90%
NON-BARBITURATE HYPNOTICS	66.28%
STIMULANTS - MISC.	81.47%
ANDROGENS	82.79%
ANTICONSULSANTS - MISC.	83.48%
AMPHETAMINES	81.54%
SYMPATHOMIMETICS	1.36%
GLUCOCORTICOSTEROIDS	80.93%
CENTRAL MUSCLE RELAXANTS	31.47%

## Utilization Management - Pharmacy

- Important tool to assure appropriate use of prescription benefits
  - Prevents waste and abuse
  - Offers safety oversight
  - Steers members towards higher value alternatives
- UM programs are dynamic and subject to change based on updated clinical experience
- GIC monitors UM programs on a regular cadence and holds vendors accountable based on operational performance







## **CFO REPORT**

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**James Rust,** Chief Financial Officer

# FY2024 State Share Expense for GIC Premium Accounts



	Subtotal Q1	Subtotal Q2	January 2024	February 2024	March 2024	Subtotal Q3	April 2024	May 2024	June 2024	Subtotal Q4	TOTAL
MGB Health Plan (Allways) Health Claims	\$21,411,258	\$24,060,855	\$9,413,467	\$7,902,016	\$7,701,750	\$25,017,233	\$9,142,801	\$11,441,990	\$6,194,201	\$26,778,992	\$167,757,684
Caremark/Express Scripts/SilverScript Claims	\$225,921,116	\$127,756,258	\$77,148,204	-\$8,921,257	\$68,844,890	\$137,071,837	\$95,943,963	-\$1,010,355	\$73,985,990	\$168,919,598	\$1,150,418,020
Davis Vision Claims	\$110,470	\$105,500	\$36,902	\$41,307	\$38,921	\$117,129	\$39,958	\$41,250	\$36,060	\$117,268	\$783,466
Fallon Health Claims	-\$37,294	\$12,979	\$66,652	-\$3,335	-\$1,835	\$61,482	-\$15,601	\$2,760	\$18,011	\$5,170	\$79,504
Harvard Pilgrim Claims	\$194,461,536	\$194,550,474	\$72,193,286	\$64,356,217	\$74,117,774	\$210,667,277	\$89,330,393	\$67,604,773	\$60,269,247	\$217,204,412	\$1,416,562,986
Health New England Claims	\$23,134,013	\$24,213,648	\$8,211,890	\$8,752,560	\$7,137,139	\$24,101,589	\$10,153,362	\$10,259,317	\$9,280,844	\$29,693,522	\$172,592,024
Tufts Navigator Claims	\$36,443,195	\$1,206,810	\$651,865	\$774,754	\$44,455	\$1,471,074	\$5,451,960	\$207,555	\$526,582	\$6,186,097	\$84,428,254
Tufts Spirit and Medicare Complement Claims	\$6,222,480	\$682,769	\$23,301	\$97,044	-\$48,088	\$72,257	\$7,804	\$9,426	\$31,357	\$48,587	\$14,003,597
Unicare Claims	\$219,009,020	\$198,799,369	\$53,066,474	\$97,309,430	\$90,539,862	\$240,915,765	\$87,396,375	\$85,930,846	\$48,280,307	\$221,607,528	\$1,539,055,837
Other costs	\$1,991,246	\$617,306	\$174,155	\$187,930	\$263,678	\$625,763	\$295,484	\$180,612	\$461,628	\$937,723	\$7,406,353
<b>Claims sub-total</b>	<b>\$728,667,039</b>	<b>\$572,005,968</b>	<b>\$220,986,195</b>	<b>\$170,496,665</b>	<b>\$248,638,547</b>	<b>\$640,121,407</b>	<b>\$297,746,497</b>	<b>\$174,668,174</b>	<b>\$199,084,225</b>	<b>\$671,498,896</b>	<b>\$4,553,087,724</b>
Basic Life	\$2,416,139	\$2,422,431	\$809,995	\$810,834	\$809,672	\$2,430,501	\$811,419	\$811,418	\$793,119	\$2,415,955	\$416,954,098
Optional Life	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RMT Life	\$138,121	\$139,018	\$46,263	\$46,308	\$46,244	\$138,816	\$46,238	\$46,116	\$45,771	\$138,125	\$970,033
Long-Term Disability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dental	\$2,612,930	\$2,618,603	\$881,537	\$886,639	\$915,063	\$2,683,240	\$888,871	\$888,073	\$1,228,604	\$3,005,548	\$18,835,092
Tufts Medicare Preferred	\$1,983,427	\$2,011,088	\$669,353	\$665,869	\$682,595	\$2,017,817	\$661,604	\$660,746	\$658,248	\$1,980,598	\$14,005,262
UBH Optum	\$233,280	\$233,280	\$77,760	\$90,729	\$80,352	\$248,841	\$80,352	\$80,352	\$80,352	\$241,056	\$1,671,857
ASO Administrative Fee	\$21,443,776	\$21,828,958	\$7,254,379	\$7,255,444	\$7,241,826	\$21,751,649	\$7,252,711	\$7,249,315	\$7,245,964	\$21,747,990	\$151,796,757
<b>Premiums sub-total</b>	<b>\$28,827,672</b>	<b>\$29,253,377</b>	<b>\$9,739,288</b>	<b>\$9,755,823</b>	<b>\$9,775,753</b>	<b>\$29,270,864</b>	<b>\$9,741,195</b>	<b>\$9,736,018</b>	<b>\$10,052,058</b>	<b>\$29,529,272</b>	<b>\$204,233,099</b>
<b>TOTAL</b>	<b>\$757,494,712</b>	<b>\$601,259,345</b>	<b>\$230,725,483</b>	<b>\$180,252,488</b>	<b>\$258,414,300</b>	<b>\$669,392,271</b>	<b>\$307,487,692</b>	<b>\$184,404,192</b>	<b>\$209,136,284</b>	<b>\$701,028,169</b>	<b>\$4,757,320,824</b>

Employer state share spending FY24

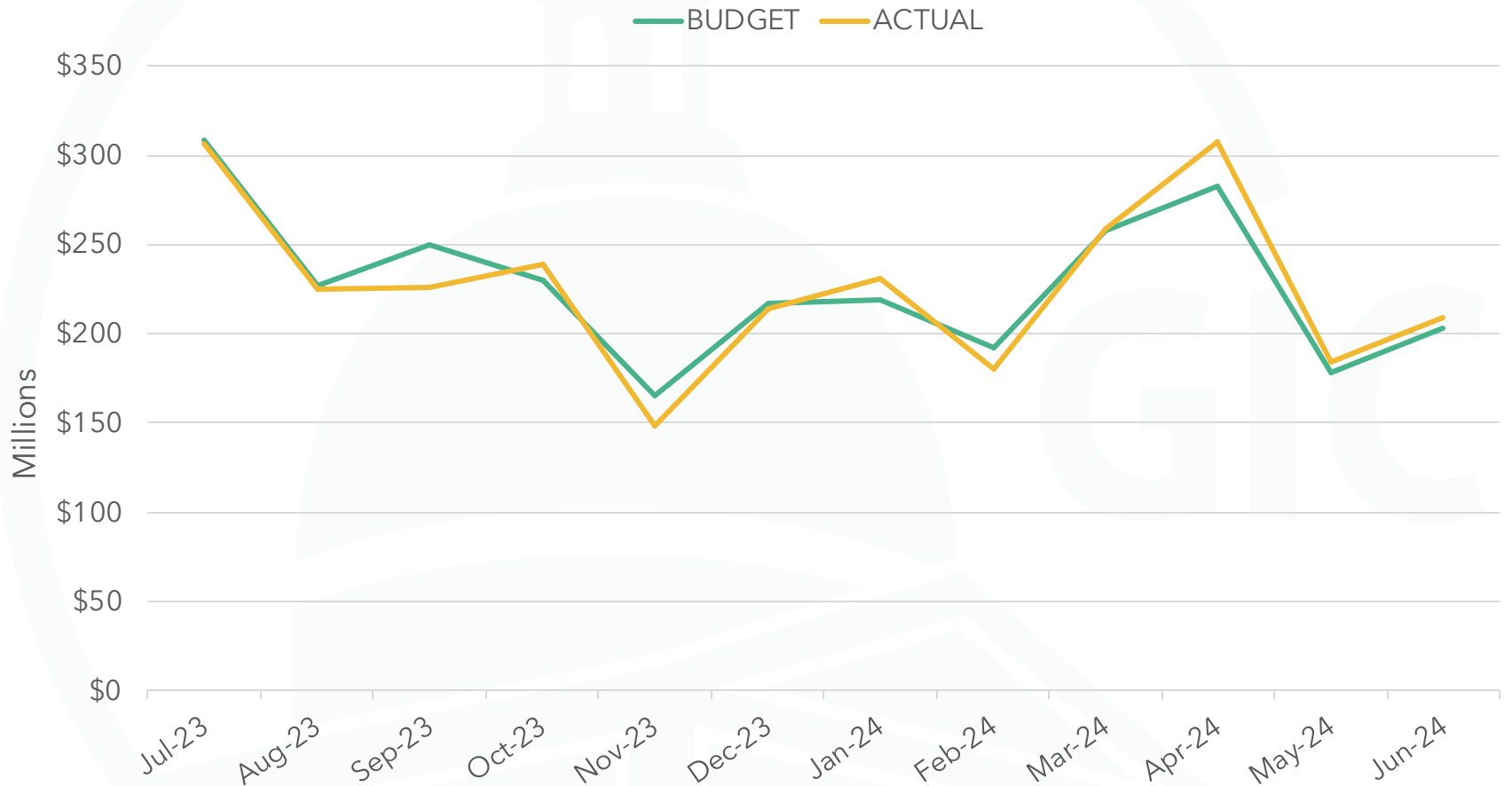
# FY2024 Enrollee Share Expense for GIC Premium Accounts



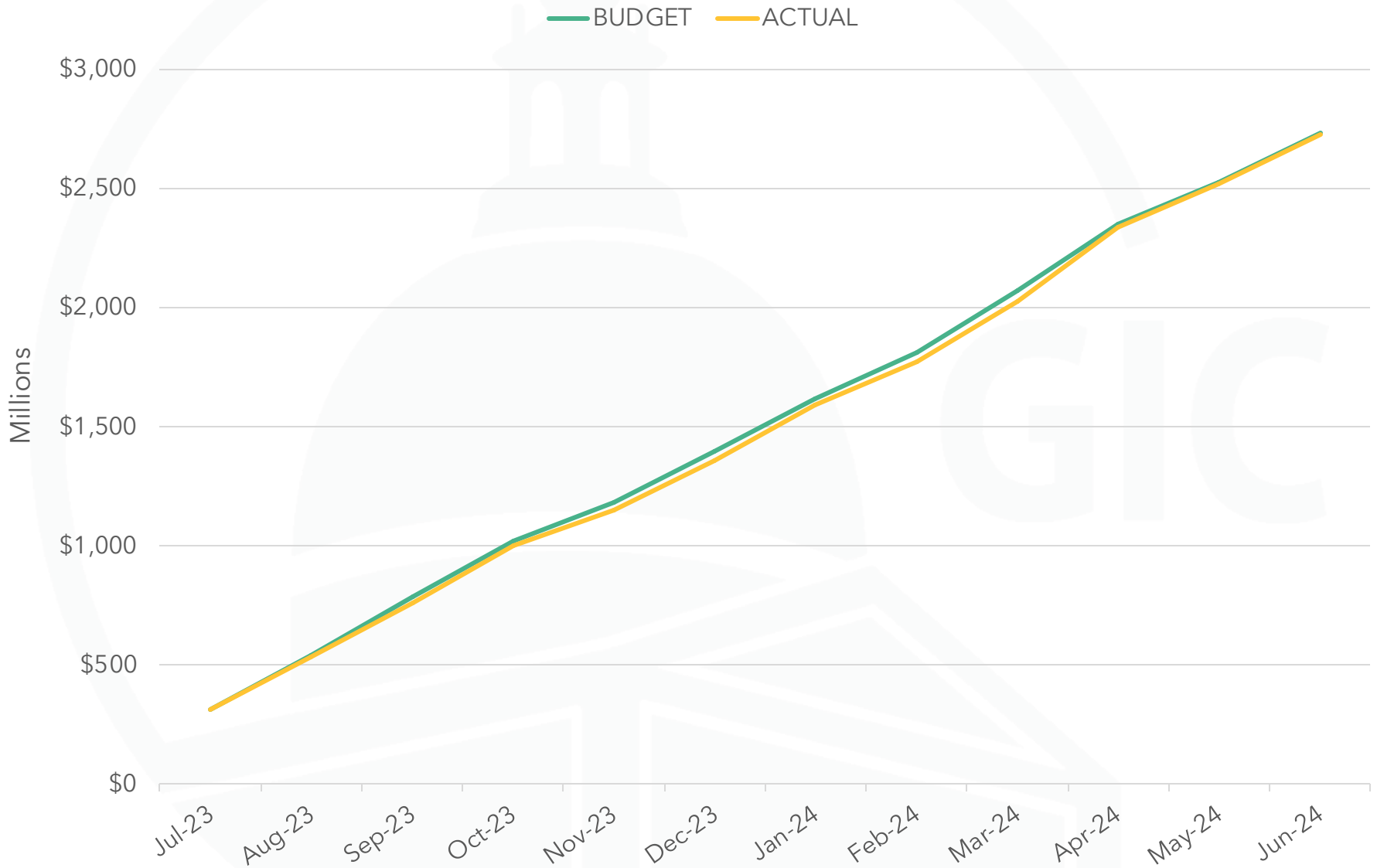
	Subtotal Q1	Subtotal Q2	January 2024	February 2024	March 2024	Subtotal Q3	April 2024	May 2024	June 2024	Subtotal Q4	TOTAL
MGB Health Plan (Allways) Health Claims	\$6,893,712	\$7,425,379	\$2,903,576	\$2,109,719	\$2,374,896	\$7,388,192	\$2,820,245	\$3,531,749	\$1,913,181	\$8,265,175	\$51,679,741
Caremark/Express Scripts/SilverScript Claims	\$62,474,075	\$35,184,788	\$20,930,872	-\$4,839,624	\$19,035,226	\$35,126,474	\$25,133,736	-\$405,658	19,598,442	44,326,520	\$309,897,193
Davis Vision Claims	\$19,495	\$18,618	\$6,512	\$7,289	\$6,868	\$20,670	\$7,051	\$7,279	6,364	20,694	\$138,259
Fallon Health Claims	-\$10,669	\$3,983	\$18,876	-\$945	-\$491	\$17,440	-\$4,422	\$817	5,042	1,437	\$22,944
Harvard Pilgrim Claims	\$58,572,018	\$55,956,116	\$20,698,066	\$15,953,449	\$21,343,585	\$57,995,100	\$25,703,507	\$19,461,125	19,123,552	64,288,185	\$409,334,652
Health New England Claims	\$7,255,619	\$7,306,141	\$2,469,856	\$2,348,675	\$2,141,190	\$6,959,721	\$3,057,957	\$3,101,477	2,806,192	8,965,625	\$52,008,588
Tufts Navigator Claims	\$10,210,145	\$338,107	\$182,630	\$217,060	\$12,455	\$412,145	\$1,527,454	\$58,150	147,530	1,733,134	\$23,653,927
Tufts Spirit and Medicare Complement Claims	\$1,618,196	\$175,907	\$8,085	\$26,710	-\$11,473	\$23,323	\$1,717	\$2,624	7,057	11,398	\$3,646,249
Unicare Claims	\$62,216,289	\$54,792,424	\$14,470,971	\$24,667,958	\$25,200,305	\$64,339,234	\$24,450,396	\$23,650,538	13,480,560	61,581,494	\$424,277,389
Other costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	\$0
<b>Claims sub-total</b>	<b>\$209,248,880</b>	<b>\$161,201,462</b>	<b>\$61,689,445</b>	<b>\$40,490,292</b>	<b>\$70,102,562</b>	<b>\$172,282,298</b>	<b>\$82,697,641</b>	<b>\$49,408,100</b>	<b>\$57,087,920</b>	<b>\$189,193,661</b>	<b>\$1,274,658,941</b>
Basic Life	\$664,405	\$667,542	\$223,493	\$223,937	\$223,701	\$671,131	\$224,444	\$224,528	219,986	668,958	4,675,114
Optional Life	\$12,565,278	\$12,676,935	\$4,254,994	\$4,351,762	\$4,411,895	\$13,018,651	\$4,431,615	\$4,446,634	4,125,131	13,003,380	89,525,109
RMT Life	\$33,768	\$33,990	\$11,312	\$11,324	\$11,307	\$33,943	\$11,305	\$11,275	10,946	33,526	236,927
Long-Term Disability	\$3,438,466	\$3,442,649	\$1,160,614	\$1,199,993	\$1,236,839	\$3,597,446	\$1,234,786	\$1,238,795	1,165,027	3,638,608	24,595,730
Dental	\$6,783,121	\$6,849,194	\$2,291,688	\$2,294,748	\$2,298,791	\$6,885,226	\$2,301,002	\$2,304,032	2,305,792	6,910,826	47,945,907
Tufts Medicare Preferred	\$482,360	\$464,788	\$154,759	\$153,995	\$132,313	\$441,067	\$153,127	\$153,100	152,589	458,816	3,235,246
UBH Optum	\$77,760	\$77,760	\$25,920	\$2,929	\$23,328	\$52,177	\$23,328	\$23,328	23,328	69,984	485,378
ASO Administrative Fee	\$6,292,405	\$5,912,056	\$2,026,304	\$2,027,580	\$2,023,598	\$6,077,482	\$2,028,355	\$2,028,555	1,887,938	5,944,849	42,508,734
<b>Premiums sub-total</b>	<b>\$30,337,562</b>	<b>\$30,124,915</b>	<b>\$10,149,082</b>	<b>\$10,266,267</b>	<b>\$10,361,773</b>	<b>\$30,777,122</b>	<b>\$10,407,962</b>	<b>\$10,430,248</b>	<b>\$9,890,735.97</b>	<b>\$30,728,946.32</b>	<b>\$213,208,145</b>
<b>TOTAL</b>	<b>\$239,586,442</b>	<b>\$191,326,377</b>	<b>\$71,838,527</b>	<b>\$50,756,559</b>	<b>\$80,464,334</b>	<b>\$203,059,421</b>	<b>\$93,105,603</b>	<b>\$59,838,348</b>	<b>\$66,978,656</b>	<b>\$219,922,607</b>	<b>\$1,487,867,086</b>

Enrollee share paid claims FY24.

# GIC Appropriation for Premium Accounts FY24 Budgeted vs. Actual as of June 30, 2024



# GIC Appropriation for Premium Accounts FY24 Budgeted vs. Actual to Date Cumulative



## FY2024 State Share Premium Budget for GIC Premium Accounts as of June 30, 2024

	BUDGET	EXPENSES	Under Budget / Over Budget	% VAR
Basic Life & Health*				
Account #1108-5200 & #1599-6152	\$2,720,662,389	2,717,803,809	\$2,858,580	0.1%
Active Dental & Vision Benefits				
Account #1108-5500	\$11,095,514	11,095,514	0	0%
<b>State Share YTD</b>	<b>\$2,731,757,903</b>	<b>\$2,728,899,323</b>	<b>\$2,858,580</b>	<b>0.1%</b>



## **OTHER BUSINESS / ADJOURNMENT**

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**Valerie Sullivan**, Chair  
& Matthew Veno, Executive Director

# 2024 Group Insurance Commission Meetings & Schedule

January 18	February NO MEETING	February 29	April NO MEETING	May 16
June 20	September 19	October NO MEETING	November 21	December 19

Unless otherwise announced in the public notice, all meetings take place from 8:30 am - 10:30 am on the 3<sup>rd</sup> Thursday of the month. Meeting notices and materials including the agenda and presentation are available at [mass.gov/gic](https://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.

Note: Topics and meeting dates are subject to change



# Appendix

**Commission Members**

**GIC Leadership Team**

**GIC Goals**

**GIC Contact Channels**

# Commission Members



**Valerie Sullivan**, Public Member, Chair



**Gary Anderson**, Commissioner of Insurance



**Elizabeth Chabot**, NAGE



**Edward Tobey Choate**, Public Member



**Tamara P. Davis**, Public Member



**Jane Edmonds**, Retiree Member



**Joseph Gentile**, Public Safety Member



**Gerzino Guirand**, Council 93, AFSCME, AFL-CIO



**Bobbi Kaplan**, NAGE, Vice-Chair



**Matthew Gorzkowicz**, Secretary of Administration & Finance



**Patricia Jennings**, Public Member



**Eileen P. McAnneny**, Public Member



**Melissa Murphy-Rodrigues**, Mass Municipal Association



**Jason Silva**, Mass Municipal Association



**Anna Sinaiko**, Health Economist



**Timothy D. Sullivan**, Massachusetts Teachers Association



**Catherine West**, Public Member

## GIC Leadership Team

**Matthew A. Veno**, Executive Director

**Erika Scibelli**, Deputy Executive Director

**Emily Williams**, Chief of Staff

**James Rust**, Chief Financial Officer

**Paul Murphy**, Director of Operations

**Andrew Stern**, General Counsel

**Stephanie Sutliff**, Chief Information Officer

**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 from GIC (email, phone, mail)
Email	gicpublicinfo@mass.gov	
Telephone	(617) 727-2310, M-F from 8:45 AM to 5:00 PM	
Office location	1 Ashburton Place, Suite 1619, Boston, MA, Not open for walk-in service	
Correspondence & Paper Forms	P.O. Box 556 Randolph, MA 02368	Allow for processing time. Priority given to requests to retain or access benefits

# 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
Mass General Brigham Health Plan	(866) 567-9175	<a href="https://massgeneralbrighamhealthplan.com/gic-members">massgeneralbrighamhealthplan.com/gic-members</a>
Harvard Pilgrim Health Care	(844) 442-7324	<a href="https://point32health.org/gic">point32health.org/gic</a>
Health New England	(800) 842-4464	<a href="https://hne.com/gic">hne.com/gic</a>
Tufts Health Plan (Medicare Only)	(855) 852-1016	<a href="https://Tuftshealthplan.com/gic">Tuftshealthplan.com/gic</a>
Wellpoint		
Non-Medicare Plans	(833) 663-4176	<a href="https://wellpoint.com/mass">wellpoint.com/mass</a>
Medicare Plans	(800) 442-9300	