

GROUP INSURANCE COMMISSION MEETING

Thursday, September 18, 2025

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 ninety-five
DATE: September 18, 2025
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: Dana Sullivan
MICHAEL CALJOUW (Commissioner of Insurance) Designee: Rebecca Butler
EDWARD T. CHOATE (Public Member)
JANE EDMONDS (Retiree)
GERZINO GUIRAND (Council 93, AFSCME, AFL-CIO)
EILEEN P. MCANNENY (Public Member)
KRISTIN PEPIN (NAGE)
MELISSA MURPHY-RODRIGUEZ (Massachusetts Municipal Association)
JASON SILVA (Massachusetts Municipal Association)
ANNA SINAIKO, Ph.D. (Health Economist)
DEAN ROBINSON (Massachusetts Teachers Association)
CATHERINE WEST (Public Member)

Commissioners Not Present:

MARTIN CURLEY (Public Safety)
TAMARA P. DAVIS (Public Member)

I. Introduction, Approval of the Minutes and Agenda Review

At 8:30 A.M. The Chair started the meeting. She informed the Commission that Commissioner Jennings had resigned and that Commissioner Tim Sullivan was moving on and Dean Robinson will be the new appointee for the Massachusetts Teachers Association (MTA). She turned the meeting over to Commissioner Tim Sullivan who gave remarks of thanks and appreciation for his time on the Commission.

Commissioners West and Sinaiko joined at 8:36am.

The Chair introduced Commissioner Robinson, who then provided information on his background and area of expertise and expressed excitement to join the Commission.

The Executive Director expressed his deep gratitude to Commissioner Sullivan for his dedication and longstanding service to the Commission.

In reviewing the agenda for the day's meeting, he stated that the Chief Financial Officer's (CFO) report would come next, followed by a request to vote on trust fund approval for IT projects. Finally, he said there would be a presentation on GLP-1 medications for weight loss.

The Chair asked for a motion to approve minutes from the previous Commission meeting held on June 18, 2025. Vice Chair Kaplan motioned to approve and Commissioner West seconded the motion. The General Counsel took a roll call vote. The motion passed unanimously.

II. The Executive Director's Report

The Executive Director informed the Commission that a longtime member of the GIC staff, Minh Dang, passed away from a tragic accident in August. The Executive Director said that Minh was a dedicated worker and had been with the GIC for 40 years. He stated that Minh will be deeply missed and that that he and the agency were grateful for all that he contributed to the GIC over four decades.

The Executive Director announced that Jennifer Hewitt will be the GIC's new CFO and she will be starting the following week. The Executive Director recognized and praised the incredible work that Interim Chief Financial Officer, Catherine Moore, had done and stated that without her the GIC could not have functioned.

He stated that the GIC is working to onboard a new municipal entity called the READ's Collaborative, a group that has elected to join GIC benefits in January of 2026. Also on the municipal front, he shared that the GIC had become aware that a Joint Purchasing Arrangement called the Hampshire County Group Insurance Trust (HCGIT) had been facing significant fiscal challenges. He noted that the GIC has been in close communication with the various governmental entities that comprise the HCGIT and has made itself available to provide information to all HCGIT members about joining the GIC, in case they wish to pursue that option.

Executive Director Venio also noted that the GIC has been working on complying with new accessibility requirements in federal law related to online content, and more information will be given in the CFO's report and trust fund request.

Vice Chair Kaplan thanked Commissioner Tim Sullivan for his work on the Commission. She noted that she has had a lot of complaints that TASC, the GIC's Flexible Spending Account (FSA) administrative

vendor, has locked many persons' cards whenever there is a dispute. She noted that they ought to be freezing the amount in dispute, not the whole amount of FSA funds. The Executive Director thanked the Vice Chair for her feedback and said that the GIC is look into the matter.

There was discussion about federally mandated accessibility compliance and meeting the April 2026 deadline. The Deputy Director stated that the GIC is working closely with colleagues in the information technology unit of Administration and Finance to ensure that we are on target to be in compliance.

There was a discussion regarding the municipalities and how they might join.

II. Chief Financial Officer's Report

Presented by Interim Chief Financial Officer, Catherine Moore

Interim Chief Executive Financial Officer (CFO) Moore provided an update on the Fiscal Year 2025 (FY25) budget, noting that the GIC ended up being just under \$240,000,000.00 over the initially appropriated annual funds. The overage was covered by a supplemental budget allocation requested by the Governor and enacted by the Legislature.

The Chair asked how the current year's spending is tracking. The Interim CFO stated that it was too early to predict the pattern of spending for the year, but that the staff will provide information to the Commission in the months to come when sending trends becomes clearer.

Commissioner Edmonds joined at 9:10am.

Commissioner West asked what percentage of the premium increases and spending overages GLP-1 medications were responsible for, versus the rest of the contributing factors. Interim CFO Moore stated that the answers to Commissioner West's question is extremely complicated and she would need to consult with the actuarial and pharmacy benefit consultants before answering it. The Interim CFO emphasized that the increase of premiums and budget overages were not all driven by GLP-1 medications.

Commissioner Sinaiko stated that the high spending trend experienced by the GIC is something being seen across the commercial market. She stated that it is a market level issue, not pressures unique to the GIC. She said some of it is likely new, very expensive technologies or medications and some of it is something else entirely.

Commissioner Edmonds asked for a complete summary of how the GIC is identifying levers for cost savings. For example, she stated, joining with other state purchasers, technological advances, or other proven innovations in the market. The Executive Director provided a brief overview of the activity going on in this area, noting that the Commission will be discussing this more over the coming months.

Commissioner Robinson asked whether the GIC is looking at Montana, a state that has instituted Medicare reference-based pricing. The Executive Director affirmed that the GIC is aware of the strategies that Montana implemented, as well as the state employee health plan in Oregon which has taken the Montana example and built on it.

III. Employee Trust Fund Request

Presented by Interim Chief Financial Officer, Catherine Moore

The Interim CFO presented a request for the Commission to approve trust fund spending. She noted that the GIC has not actually spent any of the trust fund approvals in a few years but that they expect to need to this year, due to an increasingly tight state budget. She noted that most of the IT requests and potential uses of the trust fund mirror the request from FY25, but two new items have been added for FY26. The first new request reflects potential spending to improve the benefits portal and the second is potential spending to support the ongoing accessibility improvements noted in the Executive Director's Report.

Vice Chair Kaplan asked for the current trust fund balance. The Interim CFO stated that it is roughly \$6,000,000.00.

The Chair asked for a motion to approve the funding request. Commissioner Choate motioned to approve and Vice Chair Kaplan seconded the motion. The General Counsel took a roll call vote. The motion passed unanimously.

IV. GLP-1 Informational Presentation

Presented by Executive Director, Matthew Veno and Director of Health Policy and Analytics, Margaret Anschutz

The Executive Director began by providing an overview of legislative actions that have created a deficiency in the GIC's FY26 budget. The Governor proposed changes to member premium contribution ratios, which would have resulted in a reduced GIC budget. The proposed premium contribution change was not adopted by the Legislature, yet the GIC's appropriated funding was not raised back up to the original appropriation in the budget that was enacted. In addition, in July the Governor vetoed another \$27.5 million from the GIC's budget with a request that the Commission consider elimination of coverage for GLP-1 drugs for weight loss starting on January 1, 2026. The Governor also filed separate authorization legislation to enable such a mid-year change. The combined effect of these actions resulted in a \$77,000,000 deficiency.

He then presented on GLP-1 spending and utilization, and the enormous financial pressures it brings to all health benefit sponsors, including the GIC. In reviewing a graph on utilization and monthly cost trends, he noted that the spending numbers presented did not include rebates received by the GIC, but the overall trend is accurate. He noted a study by the American Medical Association (AMA) that found that the manufacturer pricing of these drugs would need to be 31-82% less than current pricing in order to match the lifetime savings from forgone treatment for complicating health issues arising from not treating obesity. The projected increase in GLP-1 spending for weight loss for this year, he said, represented approximately one quarter to one third of the GIC's 11.7% premium increase (FY26).

Commissioner Edmonds asked what the demographics are of the members currently on these medications. The Executive Director stated that the Director of Health Policy and Analytics would be presenting on that. He emphasized that it is very much a concern of the GIC.

The Executive Director showed a map of states that are, and are not, covering GLP-1 medications for weight loss. The Vice Chair asked whether some of the states not currently covering the medications had previously covered them. The Executive Director affirmed that some states had withdrawn coverage, while others had chosen not to provide coverage, or were prohibited from providing coverage by state law.

Margaret Anschutz, Director of Health Policy and Analytics, presented on the value presented by GLP-1 drugs to treat obesity, including their efficacy and related health equity considerations. Ms. Anschutz provided an overview of the biologic causes of obesity, which the AMA recognizes as a chronic, metabolic disease. She described obesity treatment with bariatric surgery and how it affects the biology of the body. She presented on what GLP-1 medications are currently approved for by the Food and Drug Administration (FDA). Ms. Anschutz noted that the chronic conditions and co-morbid conditions that GLP-1s are effective in treating represent a disproportionate burden on the Black, Indigenous, and Persons of Color (BIPOC) communities. Studies show, she stated, that when GLP-1 medications are cut from coverage, wealthy people remain on them, but lower income patients cannot and do not stay on them, thus exacerbating the health inequity. Ms. Anschutz provided information on the weight loss medication treatment pipeline. She underscored that new FDA approvals for additional conditions are on the horizon, but generics will likely not be available until the 2030's. Ms. Anschutz reviewed the current GIC prior authorization criteria in place for GLP-1 medication, as well as the FDA guidelines for use. She noted that if the GIC were to deviate from the FDA recommendations, it would have significant negative impacts on current rebates for those medications, and increase costs of the GIC.

Ms. Anschutz presented on the different interventions that the GIC is evaluating to manage the cost of these drugs, and how those would impact the health of the membership. Commissioner McAnneny asked specifically whether the GIC was obligated to find savings due to the Governor's actions. She inquired whether the GIC has to save by cutting GLP-1 medications or whether it could find them elsewhere. The Executive Director replied that, yes, there are other steps that the GIC can take beyond GLP-1s but that the menu of options to provide savings that could be implemented during the plan year is very limited. He stated that people buy coverage for a year and it is designed to stay consistent, not change mid-year. He emphasized that the GIC is currently prohibited from making major benefit changes mid-year.

The Executive Director provided a brief overview of the pharmacy benefits market. The GIC is in the third contract year with CVS, its Pharmacy Benefits Manager (PBM), and the GIC has started efforts to reprocure this contract early and does not intend to extend the current contract through its last optional year. He then presented next steps for the GIC to take in order to make recommendations, including that the staff will present to the Commission in October about interventions that could be implemented.

Commissioner Robinson asked whether price regulation is being evaluated. Ms. Anschutz stated that the GIC is looking at it but recognized that the PBM contract restricts what can be done. The GIC is looking at reprocurement as an option to potentially fix the prohibitive contractual issues.

V. Other Business and Adjournment

Commissioner Choate urged that the GIC use the court of public opinion to target CVS/PBMs and the providers, in order to bring down costs, rather than cutting benefits and taking other steps that harm members

The Chair reminded Commissioners that the next meeting will be October 16, 2025.

The Chair asked for a motion to adjourn. Vice Chair Kaplan moved to adjourn and Commissioner Choate seconded the motion. The motion passed unanimously and the meeting adjourned at 10:19am.