

Executive Director's Report

Date: September 17, 2026
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

Government Affairs

Governor Healey's Health Care Affordability Working Group (HCAWG)

On August 3, 2026, [Governor Healey announced mid-point recommendations](#) from the Health Care Affordability Working Group. The GIC was referenced in two of the action items:

1. Prescription Drug Costs: Direct state agencies to come together to leverage their purchasing power to reduce the costs of medications.
2. Give GIC, which provides health insurance for city, town, and state employees, the tools to better manage hospital prices.

GIC staff are working diligently with HCAWG leadership and colleagues throughout state government in furtherance of these two action items, including the presentation before you today on hospital prices. We will continue to update the Commission on the progress of these action items as information becomes publicly available.

Legislative

On July 31, the Legislature wrapped up its formal legislative session. Under new Joint Rules of the House and Senate, legislators may continue to negotiate legislation, as long as the two chambers' versions of the bill have been assigned to a conference committee of three senators and three representatives by the July 31 deadline. So, staff continue to monitor legislation that remains alive in the process, including H.5576, *An Act relative to economic development in the commonwealth*, and S.3141, *An Act relative to primary care for you*.

Also in July, the Governor signed the Fiscal Year 2027 (FY27) budget without vetoes. The GIC's line item to cover health claims (1108-5200) was funded at \$2,765,209,719, which is \$93M over Fiscal Year 2026 (FY26) funding, including the \$300M supplemental budget. The budget for Retiree Benefits, funded via an operating transfer to the State Retiree Benefits Trust Fund (SRBTF), is \$400M, which is \$150M below the GIC's projected need in FY27. That need is met in the budget by dedicating 58.6% of potential excess capital gains to the SRBTF via outside sections. This is noteworthy because excess capital gains are a volatile revenue source which will not be available until October 2027 at the earliest, and therefore does not support the GIC's need to pay Retiree health claims in FY27. In FY26, there was an SRBTF funding shortfall of \$100M that was incorporated in the \$300M supplemental budget.

Executive Director's Report

Municipal

The most recent Executive Director report noted that we hosted our final training for the eleven municipalities joining the GIC effective July 1, 2026. Municipal interest in the GIC remains strong, and since the last report, four municipalities have officially stated their intent to join the GIC effective January 1, 2027: Town of Belmont, City of Greenfield, City of Methuen, and Town of North Attleborough. Together, these municipalities have over 5,600 eligible members. On August 3, the GIC hosted its Kickoff Meeting for those four municipalities, offering a detailed presentation on benefits, onboarding steps and important GIC structures, as well as fielding questions from municipal leadership and staff. The first of two trainings for these municipalities was held on September 16, with a focus on enrollment procedures. The GIC is hosting a Special Enrollment for this cohort's eligible members from October 5 – October 30, 2026.

COMMUNICATIONS

The U.S. Department of Justice's Title II Final Rule on Web Accessibility requires state and local governments to ensure that content and services provided through web and mobile applications are accessible to people with disabilities. The compliance deadline originally meant to be in place in 2026 has been extended to April 2027. Given the large volume of member documents, online materials, and tools published by the GIC, ensuring compliance is a large and complex undertaking. GIC Communications has been working with a vendor to complete remediation of the remaining files, which are expected to be completed by the end of September.