

COMMISSION MEETING

September 17, 2026



MassGIC



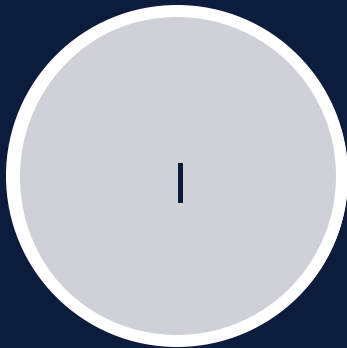
Group Insurance Commission



MA Group Insurance Commission

Agenda

- **I. Executive Director's Report (INFORM)** 8:30-8:45
Matthew Veno, Executive Director
Members of Senior Staff
- **II. Claims Administration Audit** 8:45-9:15
Marie Pollack, HIA, Director of Medical Benefits Audit &
Client Services - CTI Audit Solutions
- **III. Balancing Benefits with the Budget: Massachusetts Data Update** 9:15-10:00
Margaret Anshutz, Director of Health Policy and Analytics
Erika Scibelli, Deputy Executive Director
- **IV. CFO Report** 10:00-10:15
Jennifer Hewitt, Chief Financial Officer
- **V. Other Business/Adjournment** 10:15-10:30
Valerie Sullivan, Chair
Matthew Veno, Executive Director



Executive Director's Report

Matthew Veno, Executive Director



FY2025 Claims Administration Audits

Marie Pollack, HIA
CTI Audit Solutions
Director, Medical Benefits Audit and Client Solutions

Fiscal Year 2025

Claim Administration Audits

Harvard Pilgrim Health Care and
Mass General Brigham



**Commonwealth of Massachusetts
Group Insurance Commission**

September 17, 2026



CTI Audit Solutions

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
 - Any claim administration, eligibility maintenance systems, or processes need improvement.

Audit Components

- Random Sample Audit of 200 claims
- Electronic Screening of 100% of Claims Followed by a Review of 150 Targeted Samples
- Operational Review – including extensive questionnaire and administrative management interviews
- Plan Documentation Analysis

FY2025 Claim Audit

Claims Incurred Between July 1, 2024 and June 30, 2025, and Paid Through December 31, 2025

Harvard Pilgrim Health Care (HPHC)	
Plans Audited	Access America, Explorer POS, Medicare Enhance, Quality HMO
Total Paid Amount	\$1,080,687,832
Number of Claims Processed	3,888,470
Median Claim Turnaround Time	13 days

Mass General Brigham (MGB)	
Plans Audited	Complete HMO Medical
Total Paid Amount	\$161,117,941
Number of Claims Processed	447,436
Median Claim Turnaround Time	8 days

Random Sample Performance Summary

PERFORMANCE	Quartile 1	Quartile 2	MEDIAN	Quartile 3	Quartile 4
	Lowest Highest				
Financial Accuracy					
ADMINISTRATOR	80.88 - 98.39%	98.40% - 99.35%	99.35%	99.36% - 99.78%	99.79% - 100%
HPHC					99.92%
MGB					99.96%
Accurate Payment Frequency					
ADMINISTRATOR	74.78% - 96.50%	96.51% - 98.31%	98.31%	98.32% - 99.00%	99.01% - 100%
HPHC		98.00%			
MGB		97.50%			
Accurate Processing Frequency					
ADMINISTRATOR	66.11% - 96.50%	96.51% - 98.29%	98.29%	98.30% - 99.00%	99.01% - 100%
HPHC		98.00%			
MGB		97.50%			

HPHC Key Findings

- **Random Sample Audit of 200 Claims**
 - Financial Accuracy Rate of 99.92% (0.08% error rate)
 - Four claims identified with a payment error
 - \$1,212.62 in underpayments
 - \$300.75 in overpayments
 - Three of four errors processed manually
- **100% Electronic Screening with 150 Targeted Samples**
 - Paid claims greater than charged, duplicate claims and claims over plan limits for hearing aids for age 22 and over, and excluded services for acupuncture, and non-impacted dental extractions under medical
 - Paid potentially fraudulent, wasteful, or abusive claims for cardiovascular genetic testing and skin substitutes billed with no application code, as well as applied cost share to preventive member services
- **Operational Review**
 - HPHC did not provide CTI with requested reports for overpayment recovery, subrogation activity, disease management, or coordination of benefits savings for review

MGB Key Findings

- Random Sample Audit of 200 Claims
 - Financial Accuracy Rate of 99.96% (0.04% error rate)
 - Five claims identified with a payment error
 - \$689.44 in underpayments
 - \$275.00 in overpayments
 - Three of five errors were processed manually
- 100% Electronic Screening with 150 Targeted Samples
 - Paid large payments directly to members, exceed visit limitations for acupuncture and chiropractic, paid for excluded durable medical equipment, and paid for claims that should have been directed to Workers' Compensation
 - Applied cost share and incorrectly denied preventive services and over-accumulated deductibles for both family and individuals
- Plan Document Review
 - Member handbook was silent on copay requirements for stand-alone pain management services

Recommendations – HPHC and MGB

The GIC and CTI have met with both HPHC and MGB individually to discuss audit findings. Both carriers were receptive to feedback and are actively working on the following:

1. Improved Accurate Payment Frequency and Accurate Processing Frequency
2. Focused analysis of errors identified through ESAS to determine if overpayment recovery and/or system improvements are possible

For systemic errors, the GIC has directed carriers to run impact reports to identify and adjust affected claims with specific direction to ensure adjustments do not negatively impact GIC members.

HPHC Specific Recommendations

1. Review turnaround time reported on randomly sampled claims to determine ways to reduce both median and mean claims processing turnaround.
2. Discuss processes and procedures to determine action or next steps required regarding exceeding established Center for Medicare and Medicaid (CMS) guidelines as well as potential fraudulent or wasteful activity around chiropractic upcoding, genetic testing, remote physiological monitoring, mental health/substance abuse, applied behavioral analysis, and skin substitutes.
3. Request GIC-specific overpayment recovery, subrogation activity, disease management, and COB savings reports from HPHC Account Management for its review. Although CTI requested these reports, HPHC indicated the information was not available on a client specific basis.

MGB Specific Recommendations

1. Require MGB gain approval prior to settling any subrogation case in which recovery is less than a defined amount; for example, when settlement is less than 50% for any lien of more than \$100,000.
2. Discuss copay requirements for stand-alone pain management services as the provision is silent in the Member Handbooks. Based on the outcome of discussion, the Member Handbooks may need to be updated.



Balancing Benefits with the Budget: Massachusetts Data Update

Margaret K. Anshutz, Director of Health Policy & Analytics
Erika Scibelli, Deputy Executive Director

Balancing Benefits with the Budget: Refresh

Where have we been?

GIC has been grappling with increasing costs for 2+ years and looking for responsible solutions to manage costs **without cost shifting to members**

Fall 2025

- Discussions on budget constraints and options for GIC in FY27
- Identification of two **core cost drivers: Provider prices & Pharmacy**
- Overview of other states' approaches, **notably Medicare Reference-Based Pricing in Oregon**

Winter/Spring 2026

- FY27 Rate development
- **HCAWG Announced**
- Presentation from Bailit Health on Medicare Reference-Based Pricing in other states

Summer 2026

- Request from Commission for **staff to return with GIC-specific data regarding Medicare Reference-Based Pricing**
- Data modeling in response to Commission request for GIC-specific data

Balancing Benefits with the Budget: MA Data Update



Where are we today?

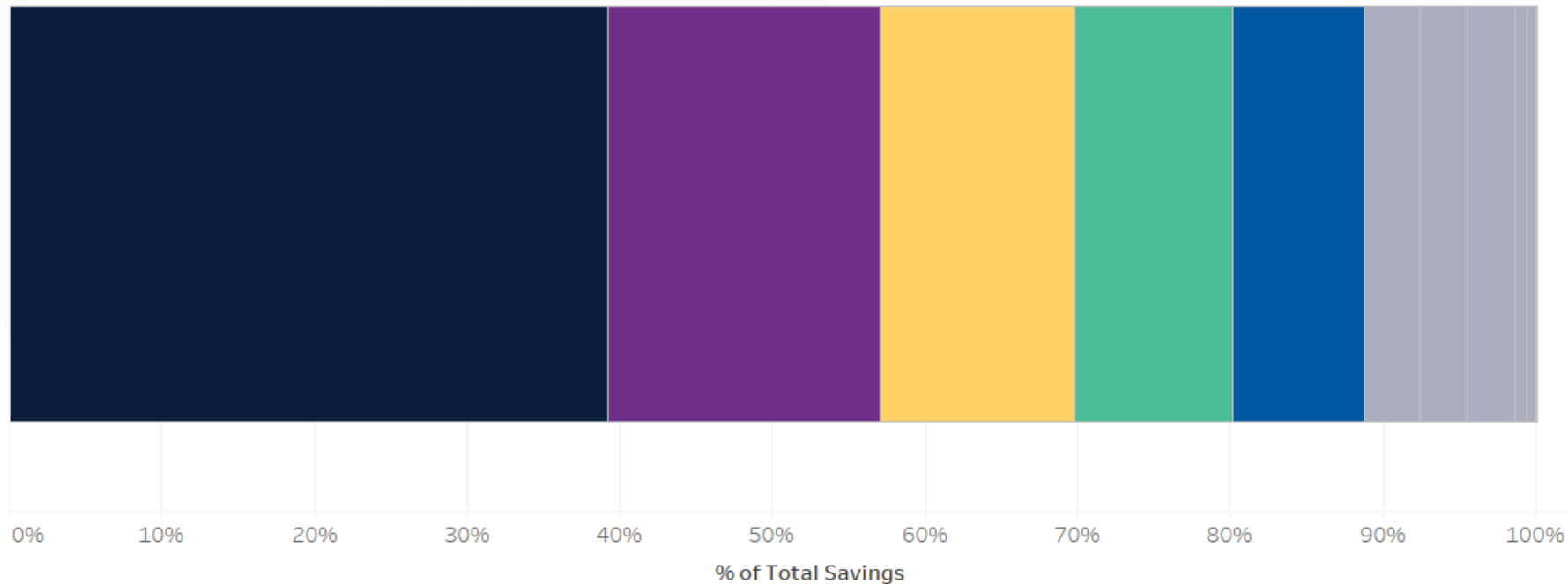
In **response to the Commission's request in June**, GIC staff will review modeling to demonstrate the impact of a Medicare Reference-Based Pricing Model for the GIC for the previous fiscal year, 2025

Modeling Details & Caveats

- Conducted by colleagues at HPC over summer
- Model uses GIC data from the 2025 plan year
- Includes policy specifications similar to that of the policy implemented for Oregon's state employee and teacher health plans
 - Modeled at 200% of Medicare for inpatient and outpatient hospital facility services
 - Excludes primary care and behavioral health services

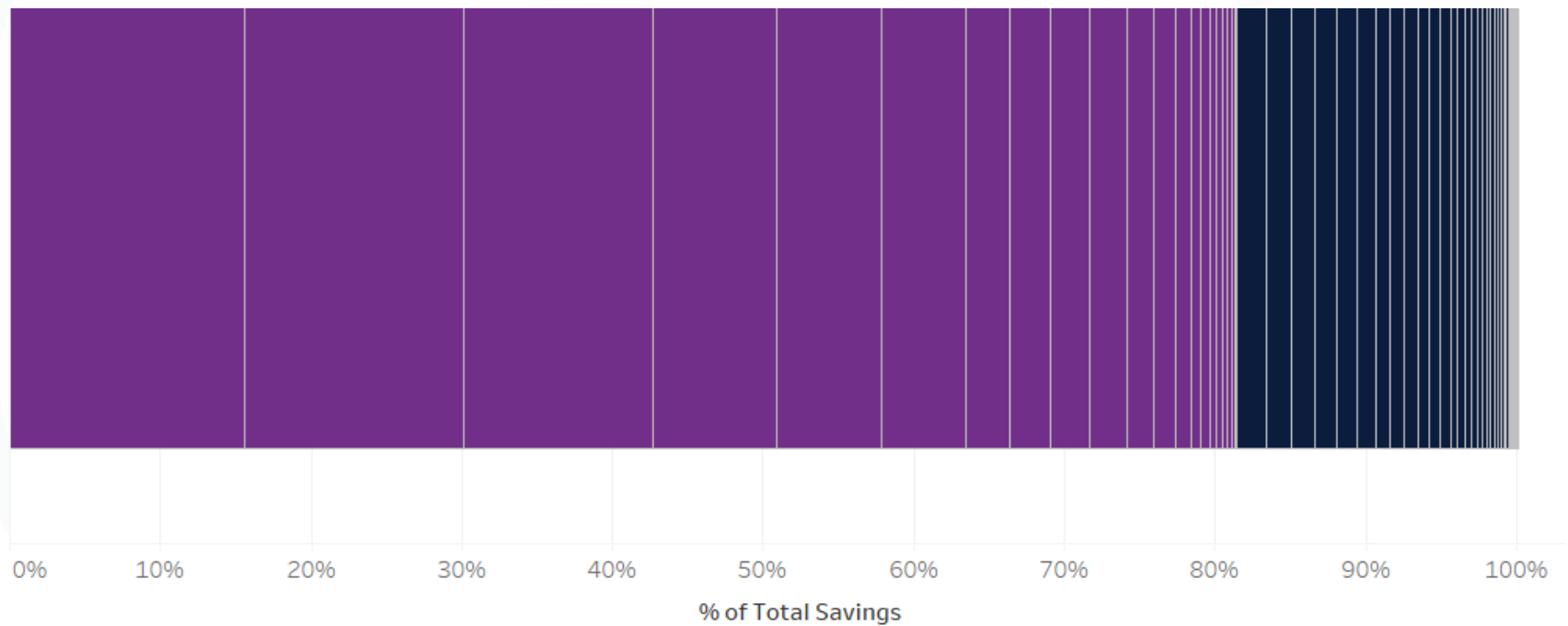
Modeled savings by system (FY2025)

- In aggregate, nearly 90 percent of spending over the cap would have fallen into five health systems
- Almost half of that savings is attributable to one system



Modeled savings by hospital (FY2025)

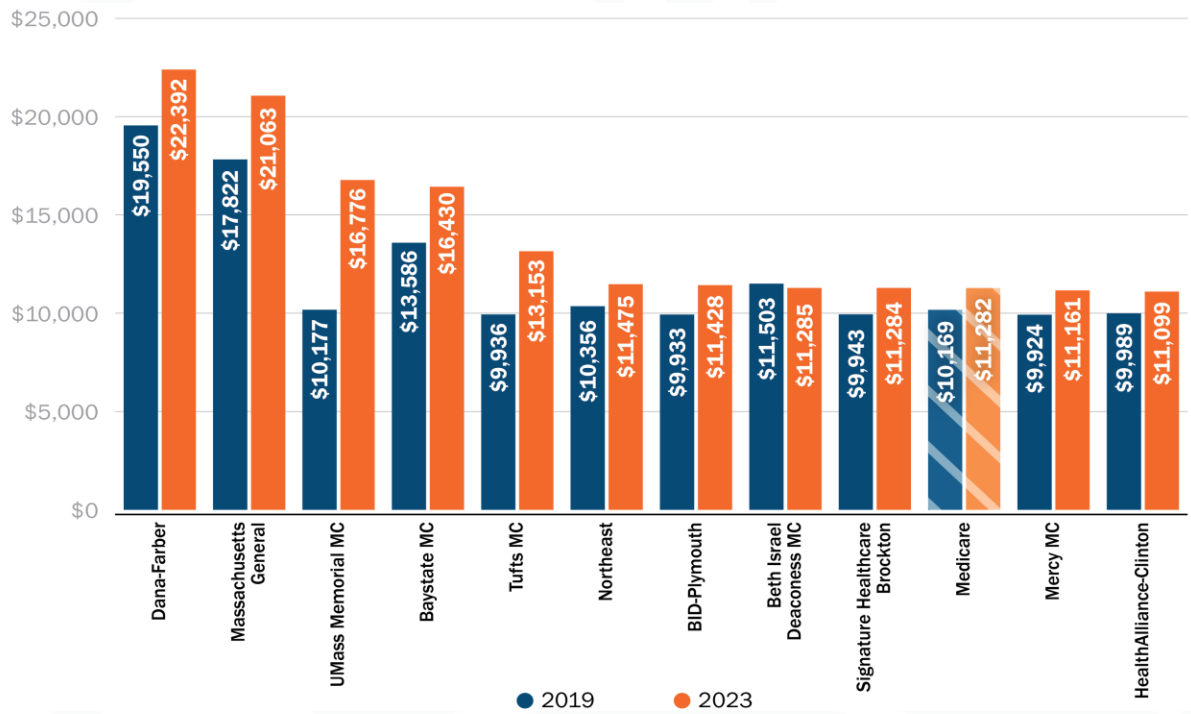
The community high public payer hospitals in Massachusetts would have accounted for just under 20% of savings



Price variation is substantial for clinician-administered drugs, such as Keytruda for chemotherapy.



- Average commercial price of a standard dose of cancer immunotherapy drug Keytruda by hospital, 2019 and 2023



- Prices reflect both drug acquisition costs and additional negotiated payments to the hospital.
- In the Massachusetts market, 0.4 percentage points of the annual HOPD spending increase from 2019-2023 is due to higher spending on Keytruda, which also reflects expanded use.

Notes: Facilities listed are limited to those with at least 20 commercial encounters delivered in 2019 and 2023. Prices reflect encounters (same person, same date of service, same procedure code) to capture the potential for both facility and professional claims billed on the same day. The price shown is for a standard dose of Keytruda (200 mg or 200 billable units). Data are for Keytruda (CPT J9271, 'Injection, pembrolizumab, 1 mg).
Source: HPC analysis of Center for Health Information and Analysis All-Payer Claims Database, V2023 2019 and 2023. HPC analysis of information from the Centers for Medicare and Medicaid Services, ASP Drug Pricing Files (2019 and 2023).

Balancing Benefits with the Budget: Next Steps



Where are we going next?

In furtherance of the Health Care Affordability Working Group's recommendation, GIC is hosting a listening session

August

3

HCAWG Announcement

Governor's Health Care Affordability Working Group included a recommendation for the GIC: **"Give GIC...the tools to better manage hospital prices"**.

October

6

Listening Session: Managing Hospital Prices

Tuesday, October 6, 2:00pm via Zoom

More information on the logistics and parameters of the session will be available on our website next week.

October

15

GIC Commission Meeting

Bring learnings from Listening Session back to Commission for review and discussion.

IV

CFO Report

Jennifer Hewitt, Chief Financial Officer

FY2026 Final Spending - State Share Premium Accounts



(\$ millions)	July'25	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.'26	Feb.	Mar.	April	May	June	Total*
Pharmacy (CVS/SilverScript)	\$145.1	\$86.9	\$42.3	\$118.8	\$67.2	\$9.4	\$79.4	\$87.3	\$1.0	\$73.1	\$81.1	\$ -	\$791.4
Health New England Claims	\$10.5	\$9.2	\$10.8	\$8.6	\$9.8	\$10.5	\$8.0	\$10.3	\$15.2	\$9.5	\$9.9	\$8.8	\$121.1
Mass Gen'l Brigham Claims	\$15.3	\$10.9	\$10.0	\$13.9	\$12.4	\$13.1	\$10.6	\$12.1	\$13.5	\$16.5	\$12.9	\$11.9	\$153.0
Point32 Claims	\$115.0	\$67.5	\$85.1	\$71.6	\$67.6	\$74.1	\$64.0	\$77.7	\$89.6	\$79.5	\$78.9	\$67.2	\$937.8
Wellpoint Claims	\$122.5	\$65.4	\$70.9	\$72.0	\$68.2	\$85.9	\$96.5	\$83.7	\$79.3	\$95.6	\$71.9	\$73.0	\$985.0
Claims Subtotal*	\$408.4	\$239.9	\$219.2	\$284.9	\$225.1	\$193.1	\$258.5	\$271.0	\$198.5	\$274.1	\$254.7	\$160.8	\$2,988.3
Basic/RMT Life Ins. Premiums	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$20.5
Tufts Medicare Preferred	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.6	\$0.7	\$0.7	\$0.6	\$0.7	\$8.0
UBH Optum EAP	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$1.0
ASO Administrative Fees	\$9.3	\$8.7	\$8.8	\$8.7	\$8.7	\$8.9	\$8.7	\$8.7	\$8.7	\$8.8	\$7.1	\$5.3	\$100.4
Other Costs	\$0.2	\$1.1	\$0.3	\$0.3	\$0.4	\$0.2	\$0.2	\$0.3	\$0.3	\$0.2	\$0.0	\$0.0	\$3.7
Dental/Vision Expenses	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.1	\$1.0	\$1.0	\$12.3
Other Expenses Subtotal*	\$13.0	\$13.4	\$12.6	\$12.5	\$12.6	\$12.6	\$12.3	\$12.4	\$12.5	\$12.5	\$10.6	\$8.9	\$145.9
Combined Total*	\$421.4	\$253.3	\$231.7	\$297.5	\$237.7	\$205.7	\$270.8	\$283.5	\$211.0	\$286.7	\$265.2	\$169.7	\$3,134.2

*Totals may not add due to rounding.

FY2026 Spending Year-to-Date - Enrollee Share Premium Accounts



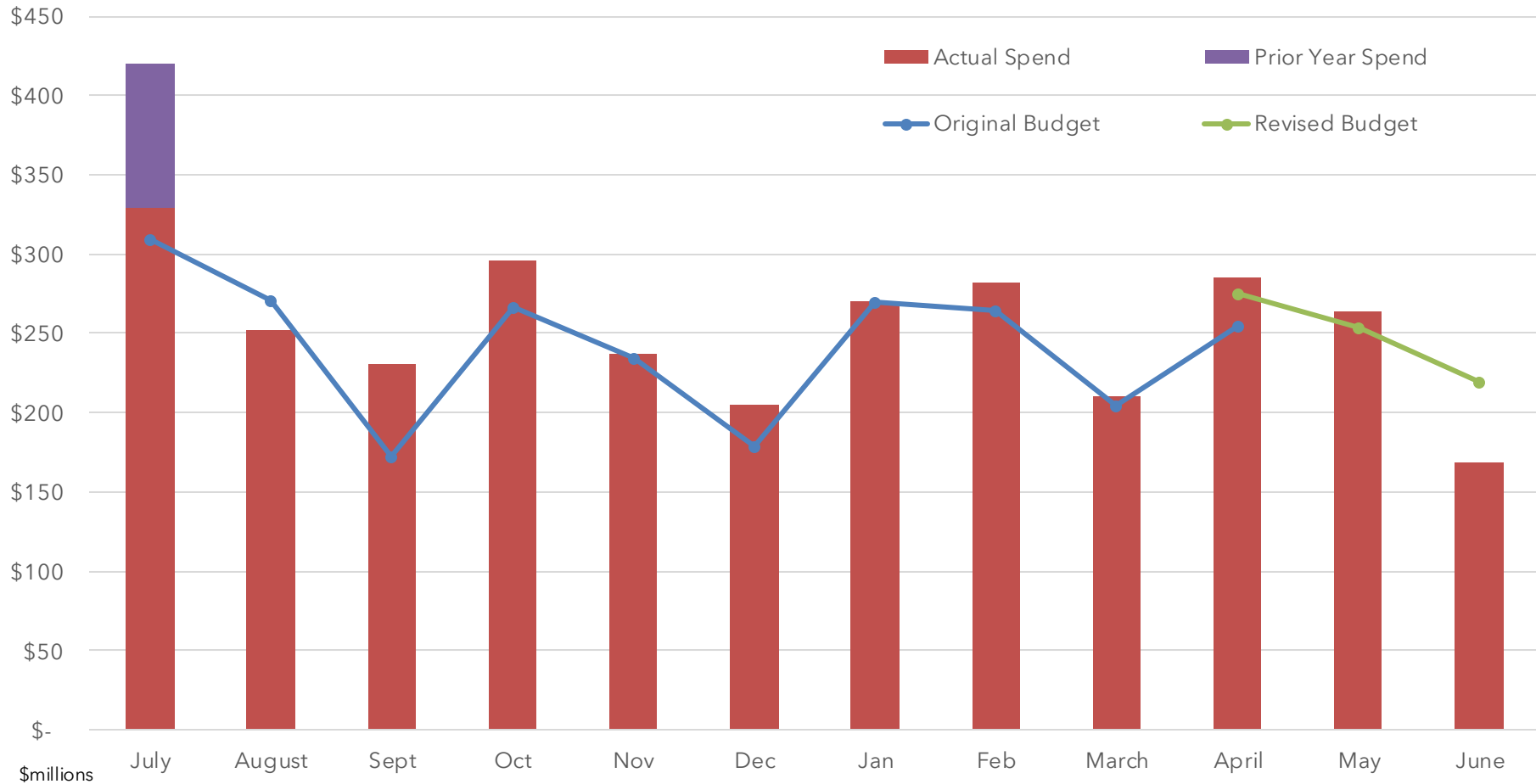
(\$ millions)	July'25	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.'26	Feb.	Mar.	April	May	June	Total*
Pharmacy Claims (CVS/SilverScript)	\$11.7	\$23.3	\$11.0	\$32.5	\$19.1	\$3.0	\$23.3	\$23.8	\$0.2	\$21.0	\$22.2	\$ -	\$191.2
Health New England Claims	\$3.2	\$2.8	\$2.6	\$3.4	\$3.6	\$2.5	\$1.8	\$3.7	\$4.6	\$2.9	\$3.0	\$3.5	\$37.6
Mass General Brigham Claims	\$4.8	\$3.4	\$3.1	\$4.3	\$3.9	\$4.1	\$3.3	\$3.8	\$4.2	\$5.1	\$4.0	\$4.1	\$48.0
Point32 Claims	\$8.4	\$19.5	\$24.7	\$20.8	\$19.6	\$21.5	\$18.6	\$22.5	\$25.9	\$23.1	\$22.9	\$21.1	\$248.5
Wellpoint Claims	\$8.0	\$18.4	\$20.0	\$20.2	\$19.1	\$24.3	\$27.2	\$23.4	\$22.3	\$27.1	\$20.4	\$23.0	\$253.5
Claims Subtotal*	\$36.0	\$67.5	\$61.4	\$81.1	\$65.4	\$55.4	\$74.2	\$77.1	\$57.2	\$79.1	\$72.5	\$51.7	\$778.8
Basic/Voluntary Life Ins. Premiums	\$5.1	\$5.1	\$5.2	\$5.2	\$5.2	\$5.2	\$5.2	\$5.2	\$5.3	\$5.1	\$5.3	\$5.2	\$62.3
Long-Term Disability Ins. Premiums	\$1.3	\$1.3	\$1.3	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$1.4	\$16.3
Tufts Medicare Preferred	\$0.2	\$0.2	\$0.2	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$1.9
UBH Optum EAP	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3
ASO Administrative Fees	\$2.1	\$2.4	\$2.4	\$2.4	\$2.4	\$2.3	\$2.4	\$2.4	\$2.4	\$2.5	\$2.0	\$1.5	\$27.3
Dental/Vision Expenses	\$2.4	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$29.8
Other Expenses Subtotal*	\$11.2	\$11.5	\$11.6	\$11.6	\$11.7	\$11.5	\$11.7	\$11.7	\$11.8	\$11.6	\$11.3	\$10.7	\$137.9
Combined Total*	\$47.2	\$79.0	\$73.1	\$92.8	\$77.0	\$66.9	\$85.9	\$88.8	\$69.0	\$90.7	\$83.9	\$62.4	\$916.7

*Totals may not add due to rounding.

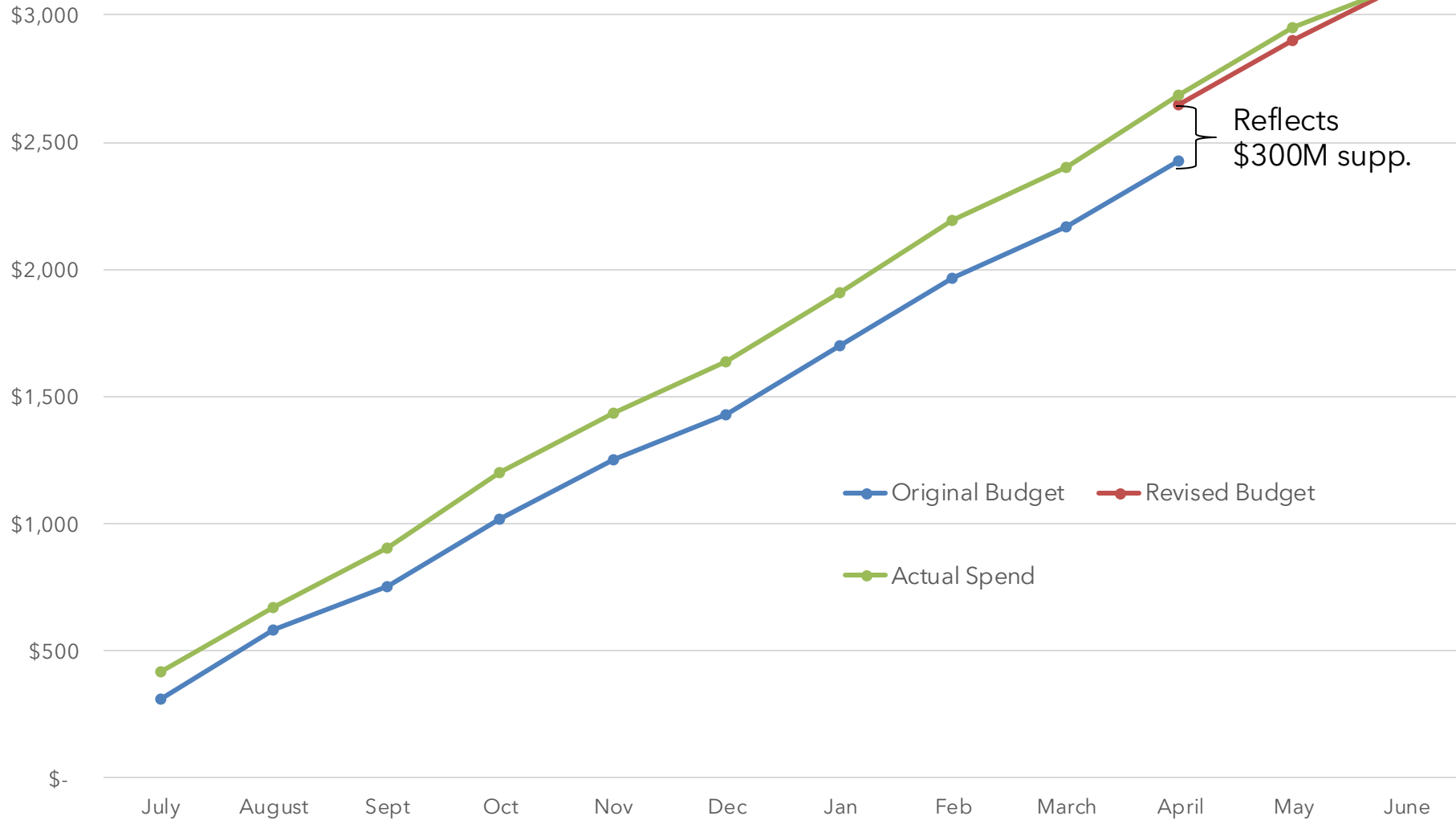
GIC State Appropriation for Health Premium Account

FY2026 Available Funds vs. Actual Spending

as of June 30, 2026



GIC State Appropriation for Health Premium Account FY2026 Available Funds vs. Actual Spending - Cumulative



FY2026 GIC Appropriation Summary

Health Benefits	General Approp. Act	Supplemental Appropriation*	Total Available	Spent thru June 30 th	Reversion
1108-5200 - Actives	\$2,372,061,737	\$300,000,000	\$2,672,061,737	\$2,671,915,169	\$146,569
1599-6152 - Retirees*	\$450,000,000	\$ -	\$450,000,000	\$450,000,000	\$ -
Total Health Budget	\$2,822,061,737	\$300,000,000	\$3,122,061,737	\$2,682,194,828	\$146,569
Dental/Vision Benefits	\$12,634,259	\$ -	\$12,634,259	\$12,279,752	\$354,507
Combined Benefits	\$2,834,695,996	\$300,000,000	\$3,134,695,996	\$2,692,439,783	\$501,075

*\$100M of the \$300M supplemental was due to a reduction in available funding to the State Retiree Benefit Trust Fund (SRBTF) for retiree health costs. The SRBTF had been traditionally funded at \$550M.

FY2027 GIC Appropriation Summary

Health Benefits	General Approp. Act	Projected Spending	Appropriation Shortfall
1108-5200 - Actives	\$2,765,209,719	\$2,815,709,719	\$52,500,000
Jan. 1, 2027, New Munis*	\$ -	\$37,000,000	\$37,000,000
1599-6152 - Retirees**	\$400,000,000	\$550,000,000	\$150,000,000
Total Health Budget	\$3,165,209,719	\$3,402,709,719	\$239,500,000

Dental/Vision Benefits	\$12,634,259	\$12,634,259
Combined Benefits	\$3,177,843,978	\$3,417,343,978

*The GIC is actively working to onboard 4 new municipalities effective January 1, 2027. The amounts noted reflect the anticipated health claim spending for the last 6 months of FY2027, which would be offset by premiums received from those new municipalities.

**Health spending for Retirees was broken into an Operating Transfer to the State Retiree Benefit Trust Fund (SRBTF) in the late 2000s. The final FY2027 budget dedicates up to \$150M in Excess Capital Gains (ECG) to the SRBTF, in lieu of direct funding via the budget. ECG amounts are not known nor available until October 2027, which creates a funding shortfall to pay health claims.



Other Business and Adjournment

Valerie Sullivan, Chair

Matthew Veno, Executive Director

2026 Group Insurance Commission Meetings & Schedule

January 15	February 12	February 26	March 5	May 21
June 18	September 17	October 15	November 19	December 17

Unless otherwise announced in the public notice, all meetings take place from 8:30 am - 10:30 am on the 3rd Thursday of the month. Meeting notices and materials including the agenda and presentation are available at 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



Michael Caljouw, Commissioner of Insurance



Martin Curley, Public Member



Tamara P. Davis, Public Member



Jane Edmonds, Retiree Member



Gerzino Guirand, Council 93, AFSCME, AFL-CIO



Eileen P. McAnneny, Public Member



Kristin Pepin, NAGE



Bobbi Kaplan, NAGE, Vice-Chair



Matthew Gorzkowicz, Secretary of Administration & Finance



Dean Robinson, Massachusetts Teachers Association



Melissa Murphy-Rodrigues, Mass Municipal Association



Jason Silva, Mass Municipal Association



Anna Sinaiko, Health Economist



Nancy Stager, Public Member



Catherine West, Public Member

GIC Leadership Team

Matthew A. Veno, Executive Director

Erika Scibelli, Deputy Executive Director

Emily Williams, Chief of Staff

Jennifer Hewitt, Chief Fiscal Officer

Andrew Stern, General Counsel

Stephanie Sutliff, Chief Information Officer

John Viarella, 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**
- **Qualifying Events**
- **Information Changes**
- **Retirement**
- **Life Insurance**
- **Marriage Status Changes**
- **Premium Payments**
- **Long-Term Disability**
- **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 1413, 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	massgeneralbrighamhealthplan.com/gic-members
Harvard Pilgrim Health Care	(844) 442-7324	point32health.org/gic
Health New England	(800) 842-4464	hne.com/gic
Tufts Health Plan (Medicare Only)	(855) 852-1016	Tuftshealthplan.com/gic
Wellpoint		
Non-Medicare Plans	(833) 663-4176	wellpoint.com/mass
Medicare Plans	(800) 442-9300	