Always a Trendsetter: Providing High Quality Benefits at Affordable Costs

Fiscal Year 2014 Annual Report
The mission of the Group Insurance Commission (GIC) is to provide high-value health insurance and other benefits to state employees, retirees, and their survivors and dependents. The GIC also covers housing and redevelopment authorities as well as certain municipalities that elect to join the GIC. The agency works with vendors selected through competitive bidding to offer cost-effective benefits produced with careful plan design and rigorous ongoing management. The agency’s performance goals are to provide affordable, high quality benefits and, as the largest employer purchaser of health insurance in the Commonwealth, to use that position to drive improvements in the health care system.

The GIC offers the following benefit programs:

- A diverse array of health insurance options
- Term life insurance
- Long Term Disability (LTD) insurance
- Dental/Vision coverage for managers, legislators, legislative staff and certain Executive Branch employees
- Dental coverage for retirees
- Vision discount program for retirees
- Health Care Spending Account (HCSA)
- Dependent Care Assistance Program (DCAP)
Dear Friends:

Fashions can be fads that come and go quickly. Being in style can also mean doing your best to look your best. Best of all is to be a trendsetter and let others follow you. That’s the aim of the GIC. As the largest employer-purchaser of health care in New England, we have a responsibility to move the health care market toward better care at better costs. Changing the health care delivery system is not easy, but we and our plans have made great strides during year two of our Centered Care Initiative to do just that.

Inside this report, you will see evidence that health plans are working with doctors and hospitals to move to global payments and to encourage coordinated care. We and our plans are asking members to designate their Primary Care Provider with their health plan. We’re pushing providers for expanded hours and also urgent care access so that enrollees can see providers when they need them rather than relying on emergency rooms.

Alongside going bold with health care delivery, we continue our work to provide quality benefits at reasonable costs. A spring 2014 survey of all members showed high satisfaction levels with their GIC health insurance benefits. Major Information Technology projects have improved member access to benefits and streamlined operations. Benefit enhancements were made to the Long Term Disability, pre-tax Flexible Spending Accounts, life insurance and wellness pilot programs. We have also been busy adding over 14,500 members and implementing federal health care reform. Through the Retiree Drug Subsidy program, we continue to contribute funds to the Commonwealth’s General Fund, and we have identified areas needing improvement in the claims payment operations of several of the plans through our audit process.

As you read this report, we hope you will conclude that the GIC is a trendsetter in improving health care at affordable costs for our members and the taxpayers of the Commonwealth.

Very truly yours,

Dolores L. Mitchell
Executive Director
Going Bold: The Centered Care Initiative

In July of 2013, the GIC implemented the Centered Care initiative with our new five-year health plan contracts that help implement health care payment reform and change the health care delivery system. The new contracts encourage our plans through incentives and penalties to contract with providers on a global payment basis instead of the standard fee for service method. Primary Care Providers play a critical role in this arrangement, helping to achieve better patient care, better population health, and lower per capita costs. Because the GIC does not contract directly with providers, the health plans act as our agents in contracting with doctors and hospitals who agree to be Centered Care providers.

The GIC’s plans have annual budget targets over the five-year period beginning July 2013 that allow for 2% rate increases in the early years, followed by flat and then falling rates in the final years of the contract. Adjustments are permitted for externally imposed mandates and in certain other limited circumstances. The health plans are given financial incentives for achieving budget targets and adopting new payment systems, or penalties for not achieving those benchmarks. Better coordinated care and the new contract arrangements are critical for meeting the targets.

There’s no question that this initiative is truly bold. Changing the way providers are paid is not a walk on the beach – it’s a tough climb. To make this happen, aggressive benchmarks have been established over the five years. The first year all plans met the deadlines and milestones established:

- **September 30, 2013**: All plans submitted detailed implementation plans and demonstrated that at least 15% of their GIC members were seeing providers under a Centered Care agreement or contract.
- **January 1, 2014**: All plans demonstrated that 20% of their GIC members were seeing providers with Centered Care contracts in process and another 10% were seeing providers under Centered Care contracts.

Rates Were Truly Fabulous

These efforts to manage spending benefit members and Commonwealth taxpayers. Not only did we avoid cutting benefits for July 1, 2014, we were able to add federally-mandated benefits and some modest benefit enhancements, while also achieving an overall 0.8% premium increase for all employee and Medicare plans for the Fiscal Year 2015, the lowest increase in over 10 years. These rates are much lower than national employer trends, which according to Mercer’s National Survey of Employer-Sponsored Health Plans will increase 2.1% in 2014 and another 5.2% in 2015.

Flaunt It: Centered Care

The success of the GIC’s Centered Care Initiative depends on engaging all participants – providers, our health plans, members, and the GIC. Initially we called it our Integrated Risk Bearing Organization (IRBO) initiative, but that phrase does not roll off one’s tongue. We needed a name people could easily relate to and understand. We held brainstorming sessions with our health plans and their marketing staffs to get everyone thinking about key messages that should be conveyed to providers and members. From this, we developed a new program name, Centered Care, and created a corresponding logo that the plans and the GIC now use to get the word out. The GIC used every available communications vehicle to promote the new program and make members aware of how it affected them: every newsletter, the website, Coordinator trainings, a public hearing, Benefit Decision Guides, Twitter, emails, and the Annual Report.

We also identified 10 Key Elements of Centered Care practices and these are being incorporated into provider contracts and promoted to members:
1) **Primary Care Provider (PCP) designation** – your health plan keeps track of who your PCP is and lets the provider know that you are that PCP’s patient and you have selected him or her to coordinate your care.

2) **PCP engagement** – your PCP feels responsible for coordinating your care.

3) **Data sharing** – electronic health records provide secure access to your health history, prescriptions, lab results and appointments to help your PCP and other providers keep track of your medical needs and make sure they are met.

4) **Low cost providers are encouraged** – you will continue to have incentives for choosing lower cost, high quality specialists and hospitals.

5) **Expanded hours and urgent care access** – the GIC and our health plans are working to expand providers’ hours to include some evening and weekend appointments making it more convenient for members with off-hour urgent care needs.

6) **High level of care for chronically ill** – if you have a chronic condition, your PCP will monitor and advise you all year long.

7) **Disease management** – members’ health plans will identify patients at risk for complications and will help those members and their PCP navigate their care and find out about best practices.

8) **Group visits** – patients with similar conditions sometimes meet together with providers for education, group interaction, support, self-management assistance, and direct patient-practitioner encounters. These types of visits include wellness programs for patients with weight-related issues, diabetes, or low back pain.

9) **Transitional care management** – when you are discharged from the hospital to rehab or home, your treatment plan accompanies you.

10) **Essential reporting package** – our health plans will help providers to help you by giving them timely reports on patients, their fellow physicians, and best practices.

**Showcasing the Best: Clinical Performance Improvement Initiative (AKA Select & Save)**

The GIC’s Clinical Performance Improvement (CPI) initiative – also known as Select & Save – entered its ninth year and continued to make a mark on improved transparency, quality and efficient use of resources. Sixty-six million physician claims were analyzed for differences in how physicians perform on nationally recognized measures of quality and/or cost efficiency. Members pay the lowest copay for the highest-performing doctors:

- ★★★ Tier 1 (excellent)
- ★★ Tier 2 (good)
- ★ Tier 3 (standard)

To help improve communication to providers on their tier designation, the GIC, Mercer and our plans produced a single tiering mailing. In the past, specialists received six mailings on their tiering designation. In January over 6,000 specialists received one mailing that gave them their tier designation for each of the six plans and information on how the tiers were determined.

**Is it a Hit? State Innovation Model Grant**

Collaborating with the Executive Office of Health and Human Services, the GIC was granted study funds by the Centers for Medicare and Medicaid to evaluate our health care payment reform efforts. Through a bidding process, we chose a team from JSI, Inc. and the University of New Hampshire to carry out research related to Accountable Care Organizations. One study will help determine whether or not Centered Care providers perform more efficiently than other health care systems. The other will investigate whether these providers under-treat their patients to make sure that appropriate treatment is not denied.
Major Faux Pas – Falling on the Runway: Patient Safety Strides

Avoiding medical mistakes continues to be near and dear to our hearts. We were the first state to join the Leapfrog Group, a coalition of employers committed to reducing medical errors in hospitals. Our collaboration with the Leapfrog Group continues to reap rewards for better health quality in our region:

- Leapfrog’s searchable website provides composite safety score of A, B, C, D or F for each reported hospital on 26 evidence-based, national safety measures.
- Massachusetts hospitals collectively had a “GPA” of 3.6 as of June 2014.
- No Massachusetts hospital scored lower than C, a marked contrast to the rest of the country.
- The Massachusetts hospital response rate was 93.1%, second among Leapfrog regions (Maine is #1) and comparing very favorably with the national rate of 41.3%.

Keeping up with the Joneses: Federal Health Care Reform

Additional Affordable Care Act (ACA) requirements went into effect this fiscal year and the GIC pulled out all the stops to cross our “T’s” and dot our “I’s:”

Privacy and COBRA notices: The GIC drafted and disseminated new Health Insurance Portability and Accountability Act (HIPAA) and COBRA notices in compliance with the new requirements in September 2013.

W-2 Reporting: Employers with 250 or more employees must now report the value of each employee’s health insurance benefit on their annual W-2 form. The GIC collaborated with the Comptroller to provide this information to employees covered under the major HR/CMS and UMass payroll systems and provided this data to participating offline agencies and municipalities.

Marketplace Notice: The GIC collaborated with a number of agencies to implement a new Marketplace Notice that was required to be distributed by October 1 and to new employees. This notice replaced the Health Insurance Responsibility Disclosure form that had been developed under Massachusetts health care reform. All procedures were updated and we spread the word through our over 900 participating agencies and municipalities as well as through the newsletter and emails.

Medical Loss Ratio: The ACA and Massachusetts law require fully insured health plans to rebate members if their medical expenses fall below 85% of premiums. One of our plans was just below the 85% threshold and the GIC worked through the logistics for distributing refunds or premium reductions to members and to non-state employers (such as municipalities).

Section 125 Plan for Non-GIC Eligible Employees: Federal guidance issued by the Department of Labor and the Internal Revenue Service in the fall of 2013 indicated that Section 125 plans could no longer be used to purchase pre-tax health insurance for employees without an employer contribution. In collaboration with other agencies, the GIC got the word of this change out to our participating agencies and municipalities and changed all procedures and guidance accordingly.

New Fees: The ACA requires all health insurance issuers and self-insured group health plans to make contributions under the Transitional Reinsurance Program to support payments to individual market issuers that cover high-cost individuals. It also imposes the Patient-Centered Outcomes Research Institute (PCORI) fee. The Institute will assist patients, clinicians, purchasers and policy-makers in making informed health decisions by advancing clinical effectiveness research. The GIC included these fees in the final FY15 rates and was still able to achieve a low 1.4% increase for employee/Non-Medicare plans.
We Like Your Look: Net Membership Gains

Adding new members is a major endeavor and continues to put major pressures on the GIC’s budget and 50-person staff. However, after 14 enrollment waves since Municipal Reform, county reform and transportation consolidation laws enacted over the last seven years, we have become a well-oiled machine helping to ensure smooth transitions: data exchanges, series of training sessions, communications development and distribution, programming changes, health fairs, data entry and billing reconciliation. During FY14, the following new groups joined for health insurance benefits (the MBTA also joined all other GIC benefits):

Effective January 1, 2014: 3,466 New Members
City of Gloucester
City of Northampton
Town of North Andover

Effective July 1, 2014: 11,239 New Members
MBTA Carmen’s Union
Town of East Bridgewater
Town of Framingham
Town of Middleborough

Effective July 1, 2014: 1,689 Members Withdrew for 9,550 Net Membership Gain
Town of Saugus
Spencer/East Brookfield School Districts covered under Retired Municipal Teacher (RMT) program

What a Deal! Flexible Spending Accounts Grow; Costs Lowered

Through increased promotion of the pretax Flexible Spending Accounts – the Health Care Spending Account for out-of-pocket medical expenses and the Dependent Care Assistance Program for child care expenses – participation increased 12% to 18,266 for 2014. With our five-year contract with Benefit Strategies ending, the GIC went out to bid for a carrier. A very competitive bidding process resulted in the selection of a new carrier, ASIFlex, which will reduce participants’ administrative fee by 30%. The minimum amount for the HCSA account was also lowered to $250 to allow employees to try the program with a lower commitment.

Always Put Your Best Foot Forward: Medicare Part D Reimbursement

The federal government provides an incentive called the Medicare Part D Retiree Drug Subsidy program to employers that offer drug coverage to Medicare retirees. The GIC participates in a process to reconcile prescription drug coverage for our Medicare members with the federal government and four of our Medicare health plans. This process has translated since FY06 into a total of $190.8 million to the Commonwealth’s General Fund including reimbursement for FY13 of $29.3 million. A portion of this money goes to municipalities who participate in GIC insurance. In just the last two years, the GIC returned $15.2 million to participating cities and towns.

You Look Smashing: WellMASS Wellness Program Participation Increases

During year two of the WellMASS pilot program for Executive Department, Constitutional, and Legislative staff enrolled in GIC health benefits, 2,661 people completed the WellMASS health assessment and one quarter of those who were eligible for health coaching enrolled in that program. Onsite programming was available to all state employees, regardless of their GIC health insurance status. Onsite programs continued to be very popular, and additional programs were implemented in order to involve as many employees as possible. These included webinars, informational drop-by-tables, onsite blood pressure screenings, and quarterly challenges. During FY14, 2,168 employees participated in onsite programs; 1,333 attended Lunch ‘n Learns and 835 participated in other onsite programs.
Looking Under the Garments: Audits

Five audits were performed in FY14, providing a valuable review of the claims payment operations of the GIC’s vendors, giving an opportunity to recoup errors, and finding areas for improvement: Tufts Health Plan, Harvard Pilgrim Health Care, CVS Caremark, Beacon Health Strategies and United Behavioral Health (the former mental health carrier). The pharmacy benefit audit showed excellent adherence to best practices. Audits of the two health plans showed some areas needing improvement and staff is working with the plans on these areas. The audit of the former mental health carrier raised some concerns, particularly for out-of-network claims payments. We are working with the current mental health carrier to address areas of concern identified in their audit.

Accentuate Your Assets: Life Insurance and Long Term Disability Benefits Improve

**Long Term Disability:** Recognizing that mental health challenges put tremendous strains on employees and their families, the GIC enhanced mental health benefits for the Long Term Disability (LTD) program: benefits increased from 24 to 36 months for disabilities occurring on or after July 1, 2014. This is particularly notable as more than 95 percent of employees cap LTD mental health benefits at 24 months or less.

**Optional Life Insurance:** The accelerated life benefit allows terminally ill participants to elect an advance payment of their life insurance death benefit. The GIC improved this benefit effective July 1, 2014: upon payment of the accelerated life benefit, future life insurance premiums will be waived regardless of a member’s age. Separately, the GIC offered an open enrollment – no proof of good health required – for the first time in 10 years. Eligible state employees actively at work and employees on an approved military leave could:

- Enroll for one, two or three times salary; or
- Increase their coverage by an additional one to three times salary.

A total of 5,294 employees took advantage of the open enrollment: 2,914 enrolled for the first time and 2,380 increased their coverage.

**Today’s Look: Communications and Member Education**

Communicating with our diverse population is one of the most important and most challenging tasks we face. Throughout FY14, the GIC’s communications supported our objectives of providing quality and cost-effective benefits. We used multiple means to communicate with our over 413,000 covered people to help them understand their benefits and take charge of their own health:

**Member Survey:** In March 2014, we embarked on a customer service survey to elicit input from all GIC members regarding their opinions about their GIC health insurance benefits. Over 222,000 surveys were distributed at the end of March 2014 via email and mail. Almost 17,000 responses were received and the response rate from retirees was particularly high. The overall response rate was 7.5%. These are very high results from a survey of this type. State retirees’ response rate was 12.4% and municipal retirees’ response rate was 8.3%. Ninety-seven percent of retirees and 85% of employees said they were satisfied to very satisfied with their benefits.

Retirees are “very satisfied” with GIC health benefits and employees are “satisfied”
Annual Enrollment Communications: The Benefit Decision Guide plays a critical role for our Annual Enrollment communications and 80% of members cited the guide as their first or second source of information in our member survey. We produced three versions of the guide based on eligibility – active state employees, state retirees, and municipal members. Starting with the 120 pages of information in our guides, they were complemented with additional communications: home mailing notices, pay and pension advice messages, coordinator and employee emails, health fair posters, Twitter, overhaul of 260 pages of our website, and 12 health fairs. We also held five training sessions across the state for 500 benefit coordinators before Annual Enrollment began and successfully enrolled over 11,200 new members, including from the MBTA’s Carmen’s Union and three new municipalities.

Additional communications were created for the special optional life insurance open enrollment. Over 2,900 employees enrolled in optional life for the first time and almost 2,400 increased their coverage amount.

Social Media: Our social media presence continued to grow during FY14. Tweeting over 330 times, we doubled the number of followers. Additionally, those without Twitter can now see our tweets on a new scrolling news bar on the home page of our website. We used YouTube for promoting a panel session on Centered Care, our annual public hearing, and the coordinator training presentation. Traffic to the GIC’s website continued to grow and the site averaged 28,700 visits and over 190,000 page views per month.

Awards and Recognition
One hundred percent of GIC staff participated in this year’s Commonwealth of Massachusetts Employee Charitable Campaign (COMECC). The GIC also was one of 13 agencies to receive an Operational Services Division Supplier Diversity Women-Owned Business Enterprise (WBE) award for meeting and exceeding its WBE purchasing benchmarks.

Never Get Caught Wearing Last Year’s Styles: Technology Enhancements

MyGIC Online Benefit Access: During FY14, the GIC rolled out its new secure online benefit access system to employees. MyGIC provides all of the features of the annual benefit statements on an up-to-date basis:
- View GIC health and other insurance benefits
- Life insurance beneficiaries (state employees)
- Covered dependents
- Download and print personalized GIC benefit statement anytime you choose

Through a series of 22 mailings we sent Personal Identification Numbers to almost 121,600 employees and almost 10,000 employees have enrolled. Additional enhancements to MyGIC, such as online change capabilities and expansion to retirees and survivors, will be rolled out in future phases.

New Correspondence System: A new system to track inbound correspondence and responses was implemented in early fall. Over 1,200 written inquiries the GIC receives per month are now scanned, assigned to particular units, matched to eligibility feeds, and tracked for resolution. The system allows supervisors to better monitor the work flow in their unit.

MAGIC System Upgrade: The GIC received funding from the Information Technology Division to move off of the state’s mainframe computer in order to create a more modern system and allow the decommissioning of the mainframe. This transition requires the re-creation of the GIC’s critical eligibility and billing systems (MAGIC) in a new systems environment. Boston Data Group, a skilled IT consulting company with particular strength in project management, was chosen to help build the new system.
As the GIC sets trends in changing the health care delivery system, outreach and sharing ideas with others is more critical than ever. GIC staff participate in a variety of national and state organizations and the GIC’s Executive Director is frequently asked to speak about the GIC and our initiatives. She serves as a board member of the following national organizations:

- **National Committee for Quality Assurance (NCQA)** – Board Chair of the accrediting organization for managed care plans, physicians, and medical homes.
- **National Quality Forum and its Measures Applications Partnership and Affordability Task Force** – advises the federal Secretary of Health and Human Services on patient safety and quality measurements.
- **Catalyst for Payment Reform** – a founding member of this organization, led by large health care purchasers devoted to improve quality and reduce costs by identifying and coordinating workable solutions to how we pay for health care in the U.S.

The Executive Director, or her designee, also is a board member of the following state organizations:

- **Massachusetts Health Connector Authority** – the Massachusetts exchange that runs Commonwealth Care and Commonwealth Choice and implemented Chapter 58, the Massachusetts health reform law, and now, the Affordable Care Act.
- **Institute for Clinical and Economic Review (ICER) Advisory Committee** – appraises the clinical effectiveness and comparative value of new and existing health care interventions.
- **Other Post-Employment Benefits Commission (OPEB)** – investigated and studied Massachusetts public retiree health care and other non-pension benefits in an effort to reduce the cost of future benefits, preserve public employee benefits, and prevent budget cuts in other areas.
- **State Retiree Benefit Trust Fund** – funds and pays for the state share of retiree health insurance premiums.
- **Statewide Quality Advisory Committee** – makes recommendations to the Department of Public Health for promulgation of quality-related measures.
- **Special Commission on Dental Insurance** – makes recommendations to the legislature related to reimbursement for dental services.
- **Northeast Business Group on Health** – a network of employers, providers, insurers and other organizations that work together to improve the quality and reduce the cost of health care in New York, New Jersey, Connecticut and Massachusetts.

In addition, GIC staff collaborate with others to implement national and state health reform legislation (Federal Health Care Reform Implementation and Employer Shared Responsibility Workgroups), consolidating and sharing databases (Inter-Agency Quality Work Group and All-Payer Claims Database Release Committee), staying abreast of trends in the employee benefits field (New England Employee Benefits Council, on which the GIC’s Communications Director serves as a member of its board), improving health care quality (The Leapfrog Group, Statewide Quality Advisory Committee, and “Choosing Wisely” Advisory Committee) and implementing the Governor’s strategic plans for better health care, government and performance (A&F Strategic Plan, HR/CMS Steering Committee, and ANF-IT Steering Committee).

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**Trend Watch: It’s All About Who You Know (and who knows you!)**
Moving health care delivery to new ways of paying for care will continue to be a challenge, but the GIC is used to being bold and will continue to pull out the stops to move Centered Care forward. Through collaboration with others in the industry, our plans, the provider community, and ongoing outreach to members, we are seeing positive movement in the ways of getting and paying for care. The next program milestones are steep, and we all have our work cut out for us.

In the meantime, the GIC is facing a severe budget shortfall due primarily to unfunded new members and the elimination of federal Early Retiree Reinsurance Program funds. Although half of our budget is reimbursed by municipalities or offline agencies, those funds are credited to the General Fund and not the GIC’s appropriated account. Rising prescription drug costs, particularly for specialty drugs, will put tremendous pressure on our budget, as will new mandates, and additional groups that are expected to join.

Our eligibility and billing system is in the process of a major overhaul that will help improve efficiencies. We will be expanding the online MyGIC to retirees, making it more convenient to members to access their benefits online, and will continue to expand our communications efforts to engage members in taking charge of their health. Work is underway on our pharmacy benefit vendor for UniCare members and we will be evaluating all options to see how best to maximize benefits and lower costs.

It’s a dynamic time in the employer benefits field and the GIC will set the style for comprehensive benefits at affordable costs—not only for our members, but for the benefit of all Commonwealth of Massachusetts residents.

STATE’S GENERAL FUND REIMBURSED FOR 50.5% OF GIC APPROPRIATION

Fiscal Year 2014 Report 9 Group Insurance Commission
### STATEMENT OF EXPENDITURES

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<th>DESCRIPTION</th>
<th>ENROLLEES</th>
<th>COMMONWEALTH</th>
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<td>Basic Life Insurance for State Employees and Retirees</td>
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<td>Optional Life Insurance for State Employees and Retirees (b)</td>
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<td>Dental And Vision Insurance for State Managers &amp; Legislators</td>
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<td>Long Term Disability Insurance for State Employees</td>
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<td>Life Insurance for Retired Municipal Teachers (c)</td>
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### STATEMENT OF REVENUE

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<td>Municipal Program Health Insurance</td>
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<td>Elderly Governmental Retirees’ Health Insurance</td>
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<td>Retired Municipal Teachers’ Health Insurance</td>
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<td>Insurance chargebacks to state agencies receiving federal and trust funds</td>
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<td>Leave of absence chargebacks to state agencies</td>
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<td>Federal subsidy for Medicare Part D Program</td>
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<td>Other income</td>
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<td><strong>Total Revenue Credited to Commonwealth’s General Fund</strong></td>
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### SUMMARY OF REVENUES/EXPENDITURES

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<tr>
<td>Total Expenditures</td>
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<td>Funds from the Early Retiree Reinsurance Program (ERRP)</td>
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<td><strong>Total Revenue Credited to Commonwealth’s General Fund</strong></td>
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<td><strong>Net Commonwealth Expense</strong></td>
<td><strong>$ 894,994,355</strong></td>
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(a) Plus an additional $493,163 from employees’ trust funds which were used to pay administrative costs such as postage, telephone and supplies, that are included on the next two statements; and $1,908,823 from communities participating in the GIC’s Health Insurance Programs to cover the additional administrative costs.

(b) Medical and prescription drug co-payments and deductibles for FY14 totaled $212,458,178.

(c) The EGR share includes $10,964 from the EGR Trust Fund and $8,690 from the EGR Rate Stabilization Reserve. These amounts are subsidies to the retirees’ premiums.
RATE STABILIZATION RESERVE STATEMENT

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EMployees’ Trust Fund Statements

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<th>BEGINNING BALANCE</th>
<th>RECEIPTS</th>
<th>EXPENDITURES</th>
<th>ENDING BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Insurance for State and Municipal Employees and Retirees</td>
<td>2,530,101</td>
<td>248,288</td>
<td>493,163</td>
<td>$2,285,225</td>
</tr>
<tr>
<td>Health Insurance for Elderly Governmental Retirees</td>
<td>127,355</td>
<td>231</td>
<td>10,964</td>
<td>$116,621</td>
</tr>
</tbody>
</table>

CHANGE IN GIC AVERAGE COST PER ENROLLEE vs. OTHER BENCHMARKS

![Chart showing changes in GIC average cost per enrollee compared to other benchmarks from 2010 to 2014.](chart.png)

### HEALTH PLAN MEMBERSHIP BY INSURED STATUS FY2014

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Total Active</th>
<th>Total RET &amp; SUR</th>
<th>Total EGR&amp;RMT</th>
<th>Total Enrollees</th>
<th>Total Dependents</th>
<th>Total Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>UniCare Basic Indemnity Plan</td>
<td>8,773</td>
<td>10,337</td>
<td>2,423</td>
<td>21,533</td>
<td>15,985</td>
<td>37,518</td>
</tr>
<tr>
<td>UniCare PLUS</td>
<td>7,847</td>
<td>2,497</td>
<td>0</td>
<td>10,344</td>
<td>13,277</td>
<td>23,621</td>
</tr>
<tr>
<td>UniCare Community Choice</td>
<td>11,398</td>
<td>1,633</td>
<td>0</td>
<td>13,031</td>
<td>17,648</td>
<td>30,679</td>
</tr>
<tr>
<td>UniCare Medicare OME Plan</td>
<td>22</td>
<td>59,896</td>
<td>6,606</td>
<td>66,524</td>
<td>0</td>
<td>66,524</td>
</tr>
<tr>
<td>Fallon Health Direct</td>
<td>2,777</td>
<td>202</td>
<td>27</td>
<td>3,006</td>
<td>3,036</td>
<td>6,042</td>
</tr>
<tr>
<td>Fallon Health Select</td>
<td>3,116</td>
<td>451</td>
<td>137</td>
<td>3,704</td>
<td>5,539</td>
<td>9,243</td>
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<tr>
<td>Fallon Medicare Senior Plan</td>
<td>0</td>
<td>399</td>
<td>62</td>
<td>461</td>
<td>0</td>
<td>461</td>
</tr>
<tr>
<td>Harvard Pilgrim Independence Plan</td>
<td>22,685</td>
<td>6,001</td>
<td>0</td>
<td>28,686</td>
<td>39,417</td>
<td>68,103</td>
</tr>
<tr>
<td>Harvard Pilgrim Primary Choice Plan</td>
<td>6,867</td>
<td>527</td>
<td>0</td>
<td>7,394</td>
<td>9,458</td>
<td>16,852</td>
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<tr>
<td>Harvard Pilgrim Medicare Enhance Plan</td>
<td>4</td>
<td>11,056</td>
<td>92</td>
<td>11,152</td>
<td>0</td>
<td>11,152</td>
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<tr>
<td>Health New England</td>
<td>8,012</td>
<td>1,216</td>
<td>203</td>
<td>9,431</td>
<td>11,791</td>
<td>21,222</td>
</tr>
<tr>
<td>Health New England Medicare MedPlus Plan</td>
<td>0</td>
<td>1,795</td>
<td>173</td>
<td>1,968</td>
<td>0</td>
<td>1,968</td>
</tr>
<tr>
<td>Neighborhood Health Plan</td>
<td>3,095</td>
<td>125</td>
<td>36</td>
<td>3,256</td>
<td>3,301</td>
<td>6,557</td>
</tr>
<tr>
<td>Tufts Navigator Plan</td>
<td>33,151</td>
<td>5,579</td>
<td>0</td>
<td>38,730</td>
<td>55,828</td>
<td>94,558</td>
</tr>
<tr>
<td>Tufts Spirit Plan</td>
<td>2,984</td>
<td>181</td>
<td>0</td>
<td>3,165</td>
<td>2,868</td>
<td>6,032</td>
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<tr>
<td>Tufts Medicare Preferred Plan</td>
<td>1</td>
<td>3,754</td>
<td>84</td>
<td>3,839</td>
<td>0</td>
<td>3,839</td>
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<tr>
<td>Tufts Medicare Complement Plan</td>
<td>3</td>
<td>4,758</td>
<td>51</td>
<td>4,812</td>
<td>0</td>
<td>4,812</td>
</tr>
<tr>
<td>Total – Indemnity Plan</td>
<td>8,773</td>
<td>10,337</td>
<td>2,423</td>
<td>21,533</td>
<td>15,985</td>
<td>37,518</td>
</tr>
<tr>
<td>Total PPO-Type Plans</td>
<td>75,081</td>
<td>15,710</td>
<td>0</td>
<td>90,791</td>
<td>126,170</td>
<td>216,961</td>
</tr>
<tr>
<td>Total HMO-Type Plans</td>
<td>26,851</td>
<td>2,702</td>
<td>403</td>
<td>29,956</td>
<td>35,993</td>
<td>65,949</td>
</tr>
<tr>
<td>Total – Medicare Indemnity Plans</td>
<td>26</td>
<td>70,952</td>
<td>6,698</td>
<td>77,676</td>
<td>0</td>
<td>77,676</td>
</tr>
<tr>
<td>Total – Medicare HMO Plans</td>
<td>4</td>
<td>10,706</td>
<td>370</td>
<td>11,080</td>
<td>0</td>
<td>11,080</td>
</tr>
<tr>
<td><strong>TOTAL-ALL</strong></td>
<td><strong>110,735</strong></td>
<td><strong>110,407</strong></td>
<td><strong>9,894</strong></td>
<td><strong>231,036</strong></td>
<td><strong>178,148</strong></td>
<td><strong>409,184</strong></td>
</tr>
</tbody>
</table>

* Active enrollment includes enrollment figures for enrollees with IRS or non-IRS dependent coverage.


### ACTIVE EMPLOYEES BY PLAN TYPE – FY2014

- **HMOs and EPOs** 24.3%
- **Tufts Navigator** 29.9%
- **Community Choice** 10.3%
- **PLUS** 7.1%
- **Basic Indemnity** 7.9%
- **Harvard Independence** 20.5%

### RETIREES AND SURVIVORS BY PLAN TYPE – FY2014

- **Tufts Navigator** 4.6%
- **Harvard Independence** 5.0%
- **Non-Medicare HMOs and EPO** 2.8%
- **UniCare Community Choice** 1.4%
- **UniCare PLUS** 2.1%
- **UniCare Basic Indemnity** 10.6%
- **Medicare HMOs** 9.2%
- **UniCare OME and HPMC Medicare Enhance** 64.4%
COST PER CAPITA
(Total State and Employee/Retiree Share)

* The PPO-Type Plans include the UniCare Indemnity PLUS and Community Choice, HPHC Independence, and Tufts Navigator plans.
* Non-Medicare HMO-Type Plans include Fallon Direct and Select, HPHC Primary Choice, HNE HMO, NHP Care, and THP Spirit.
* Does not include EGrPs, RMTs, or enrollees' out of pocket expenses.

TOTAL HEALTH CARE COSTS OF THE GIC AND ITS ENROLLEES

COMMONWEALTH OF MASSACHUSETTS
DEV AL PATRICK, Governor

GROUP INSURANCE COMMISSION
DOLORES L. MITCHELL, Executive Director

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RICHARD E. WARING (NAGE), Vice Chair
KATHERINE BAICKER (Health Economist)
THERON R. BRADLEY (Public Member)
RAY A. CAMPBELL III (Public Member)
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KEVIN DRAKE (Council 93, AFSCME, AFL-CIO)
DEBRA E. KAPLAN, Designee for Joseph G. Murphy, Commissioner of Insurance
EDWARD A. KELLY (President, Professional Firefighters of Massachusetts)
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MARGARET THOMPSON (LOCAL 5000, SEIU, NAGE) (January 2014 - June 2014)
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JEAN YANG (Public Member) (January 2014 - June 2014)

COMMONWEALTH OF MASSACHUSETTS
GROUP INSURANCE COMMISSION
19 Staniford Street, PO Box 8747, Boston, MA 02114-8747
617.727.2310
TDD/TTY 617.227.8583
www.mass.gov/gic