

Proposed FY27 Contribution Ratio Changes

Not subject to Commission Vote – Requires Legislation

Legend - Alignment with GIC Strategic Priorities

 Not applicable	 Some misalignment
 Strongly misaligned	 Aligned




<div><div></div> Strongly misaligned</div> <div><div></div> Aligned</div>			Cost Impact		Alignment with GIC Strategic Priorities		
Initiative	Benchmark <i>(Public Sector)</i>	Members Impacted	Net Budget Savings	Rate Reduction %	Member Affordability	Behavioral Health	Health Equity
Dental Contribution Ratio							
Adjust member contribution rate from 15% to 25%, in line with the predominant contribution for medical coverage	--	13K	\$1.3M	N/A	<div></div>	<div></div>	<div></div>
Medical Contribution Ratio							
Align member contribution rate at 25%. Those hired prior to July 1, 2003 contribute 20%, and are 18% of state active enrollees.	19%	15K	\$18.7M	N/A	<div></div>	<div></div>	<div></div>

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Cost Impact Alignment with GIC Strategic Priorities

Initiative	Benchmark (Public Sector)	Members Impacted	Net Budget Savings	Rate Reduction %	Member Affordability	Behavioral Health	Health Equity
Surviving Spouse Contribution Ratio - vote by Commission							
Increase contribution rate of surviving spouses from 10% to match the decedent's contribution ratio (10%, 15%, 20% or 25%)	--	8.1K	\$3.0M	N/A			

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Initiative	Benchmark <i>(Public Sector)</i>	Members Impacted	Net Budget Savings	Rate Reduction %	Member Affordability	Behavioral Health	Health Equity
Plan Design Changes							
Increase urgent care copay from \$20 to \$30	\$30	60K	\$0.4M	0.0%	<div></div>	<div></div>	<div></div>
Remove three free mental health visits (telehealth)	EAP Only	39K	\$0.8M	0.0%	<div></div>	<div></div>	<div></div>
Increase ER copay from \$100 to \$150	\$150	41K	\$1.4M	-0.1%	<div></div>	<div></div>	<div></div>
Limit coverage for hearing aids to only what is mandated in MA: <div><div>▪ Reduce hearing aid coverage for those <21 from every 24 months to every 36 months</div><div>▪ Remove coverage for 22+ age group</div></div>	--	2.5K	\$1.5M	-0.1%	<div></div>	<div></div>	<div></div>

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Initiative	Benchmark <i>(Public Sector)</i>	Members Impacted	Net Budget Savings	Rate Reduction %	Member Affordability	Behavioral Health	Health Equity
Plan Design Changes							
Increase out of network coinsurance to 40% for medical/surgical services (applicable to plans that cover out-of-network services only)	40%	9K	\$1.1M	-0.1%	<div></div>	<div></div>	<div></div>
Increase out of network coinsurance to 40% (applicable to plans that cover out-of-network services only)	40%	13K	\$3M	-0.2%	<div></div>	<div></div>	<div></div>
Implement a uniform methodology for health carrier reimbursement to out-of-network providers in Massachusetts*	--	15K <i>claims</i>	\$5.3M	-0.3%	<div></div>	<div></div>	<div></div>

* If accompanied by member protection legislative language, an OON reimbursement cap would encourage providers to stay in-network and improve member accessibility/affordability. Without this legislative language, members may be turned away from OON providers.

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Cost Impact		Alignment with GIC Strategic Priorities		
Net Budget Savings	Rate Reduction %	Member Affordability	Behavioral Health	Health Equity
\$6.4M	-0.3%			
\$16.4M	-0.9%			
\$6.4M	-0.3%			

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Initiative	Benchmark <i>(Public Sector)</i>	Members Impacted	Net Budget Savings	Rate Reduction %	Member Affordability	Behavioral Health	Health Equity
Pharmacy							
Copay assistance card program (Prudent Rx)*	7 of 14 states with CVS have implemented	Minimal negative disruption	\$13.9M	-0.7%	<div></div>	<div></div>	<div></div>
Obesity Management: Remove GLP-1 coverage	33 of 50 states do not cover GLP-1s for Obesity Management	22K	\$46.3M	-2.4%	<div></div>	<div></div>	<div></div>

*Impact on member affordability will depend on member participation. Members who enroll in the Prudent Rx solution have lower OOP costs, but members pay higher coinsurance if they do not participate. Robust communications and outreach are key to program engagement.