

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 |

| Initiative | Benchmark (Public Sector) | Members Impacted | Net Budget Savings | Rate Reduction % | Cost Impact | | | | Alignment with GIC Strategic Priorities | | | |
|---|------------------------------|---------------------|-----------------------|---------------------|---|---|---|------------------|---|----------------------|------------------|------------------|
| | | | | | Member Affordability | Behavioral Health | Health Equity | Health Equity | Member Affordability | Behavioral Health | Health Equity | 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 |  |  |  | | | | | |
| 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 |  |  |  | | | | | |

Proposed FY27 Contribution Ratio Changes

Legend - Alignment with GIC Strategic Priorities

| | |
|--|---------------------|
| | Not applicable |
| | Some misalignment |
| | Strongly misaligned |
| | Aligned |

| Initiative | Benchmark (Public Sector) | Members Impacted | Cost Impact | | Alignment with GIC Strategic Priorities | | | |
|--|------------------------------|------------------|--------------------|------------------|--|---|---|--|
| | | | 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 | | | | |

Proposed FY27 Benefit Design Changes

Legend - Alignment with GIC Strategic Priorities

- Not applicable
- Some misalignment
- Strongly misaligned
- Aligned

| Initiative | Benchmark (Public Sector) | Members Impacted | Cost Impact | | Alignment with GIC Strategic Priorities | | | |
|---|------------------------------|------------------|--------------------|------------------|--|---|---|---|
| | | | 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% | ● | ● | ● | ● |
| Remove three free mental health visits (telehealth) | EAP Only | 39K | \$0.8M | 0.0% | ● | ● | ● | ● |
| Increase ER copay from \$100 to \$150 | \$150 | 41K | \$1.4M | -0.1% | ● | ● | ● | ● |
| Limit coverage for hearing aids to only what is mandated in MA: | | | | | | | | |
| <ul style="list-style-type: none"> ▪ Reduce hearing aid coverage for those <21 from every 24 months to every 36 months ▪ Remove coverage for 22+ age group | -- | 2.5K | \$1.5M | -0.1% | ● | ● | ● | |

Proposed FY27 Benefit Design Changes

Legend - Alignment with GIC Strategic Priorities

| | |
|---|---|
|  Not applicable |  Some misalignment |
|  Strongly misaligned |  Aligned |

| Initiative | Benchmark (Public Sector) | Members Impacted | Cost Impact | | Alignment with GIC Strategic Priorities | | | |
|--|------------------------------|------------------|--------------------|------------------|---|---|---|--|
| | | | 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% |  |  |  | |
| Increase out of network coinsurance to 40% (applicable to plans that cover out-of-network services only) | 40% | 13K | \$3M | -0.2% |  |  |  | |
| Implement a uniform methodology for health carrier reimbursement to out-of-network providers in Massachusetts* | -- | 15K claims | \$5.3M | -0.3% |  |  |  | |

* 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.

Proposed FY27 Benefit Design Changes

Legend - Alignment with GIC Strategic Priorities

- Not applicable
- Some misalignment
- Strongly misaligned
- Aligned

| Initiative | Benchmark (Public Sector) | Members Impacted | Cost Impact | | Alignment with GIC Strategic Priorities | | |
|--|-----------------------------------|---|-----------------------|---------------------|--|---|--|
| | | | Net Budget Savings | Rate Reduction % | Member Affordability | Behavioral Health | Health Equity |
| Plan Design Changes | | | | | | | |
| Increase office visit copays: PCP: \$10/\$20/\$40 → \$15/\$30/\$60 Specialist: \$30/\$60/\$75 → \$35/\$70/\$90 | PCP: \$25 Specialist: \$35 | 182K (PCP) 165K (Specialist) | \$6.4M | -0.3% | ● | ● | ● |
| Increase Medical deductible by \$250/\$500 (individual/family) National/broad networks: \$500/\$1,000 → \$750/\$1,500 Limited networks: \$400/\$800 → \$650/\$1,300 | \$600 / \$1,500 | 100K | \$16.4M | -0.9% | ● | ● | ● |
| Increase Medical deductible by \$100/\$200 (individual/family) National/broad networks: \$500/\$1000 → \$600/\$1200 Limited networks: \$400 → \$500 | \$600 / \$1,500 | 100K | \$6.4M | -0.3% | ● | ● | ● |

Proposed FY27 Benefit Design Changes

Legend - Alignment with GIC Strategic Priorities



| Initiative | Benchmark (Public Sector) | Members Impacted | Cost Impact | | Alignment with GIC Strategic Priorities | | | |
|---|--|------------------------------------|--------------------|------------------|---|-------------------|---------------|--|
| | | | 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 | <i>Minimal negative disruption</i> | \$13.9M | -0.7% | | | | |
| Obesity Management: Remove GLP-1 coverage | 33 of 50 states do not cover GLP-1s for Obesity Management | 22K | \$46.3M | -2.4% | | | | |

*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.