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To the Group Insurance Commission Board Members,

Thank you for your dedication and hard work in advancing sustainable, competitive health insurance options for Massachusetts employees, retirees, and their dependents. I know that work is harder than ever. Health care is one of the most significant and fastest-growing expenses for our residents, our employers and our state budget. And recent federal action – and inaction – has only exacerbated the challenge of maintaining affordable, predictable health care.

We are seeing these pressures across the health care system, and unfortunately the Group Insurance Commission (GIC) is not immune. In FY25, the GIC required \$240 million in supplemental funding to address unexpected health care cost growth for state employees, and last month I filed for an additional \$300 million in supplemental FY26 funding. Counting these infusions, GIC spending has grown over 40 percent over the last four years. Even after the proposed savings in my FY27 budget, the GIC would still be growing by \$200 million, or more than 16 percent, over the current GAA. At the same time, members have been hit with double-digit premium increases. These trends are unsustainable for individuals, families, and our state budget.

Affordability has always been my priority, and I know it is top of mind for the Commission as well. I appreciate your action last meeting to unanimously approve \$15 million in changes to help curb projected cost growth. Following that vote, you agreed it was important to take additional time to fully understand how premiums and other costs would be impacted by further benefit and plan design decisions. I thank the GIC team for quickly providing the data needed to inform your next steps.

As you review this information and prepare for your upcoming votes, I wanted to share my perspective on the options before you. I do this with respect for your independence and for the difficult decisions you must make.

First, with the benefit of clearer data on member impact, I do not believe this is the right time to increase cost-sharing for members. I, therefore, strongly encourage you to vote against the remaining proposals that would increase out-of-pocket costs. These changes would disproportionately impact low- and fixed-income members and retirees who are already facing

high costs of food, housing and energy; and could discourage use of cost-saving, preventative care.

Having said that, I hope you will seriously consider one remaining proposal: eliminating GLP-1 coverage for weight loss. This is not a change I take lightly, but it is necessary to curb the unsustainable growth in GIC premiums paid by all state employees. Fewer than 5 percent of GIC members use GLP-1s, yet the projected increases in GLP-1 spending accounted for nearly one-third of the average 11.7 percent premium increase all members experienced this year.

These pressures are not unique to the GIC. For many public health plans, including MassHealth and municipal plans offered through the Massachusetts Interlocal Insurance Association (MIIA), the cost of GLP-1s has become unsustainable. In fact, this change will bring Massachusetts in line with most other states, more than 35 of which do not cover GLP-1s for weight loss. It is also consistent with decisions made by private insurers in our state, including for example Blue Cross Blue Shield and Point 32 of Massachusetts, as well as benefit managers such as CVS Caremark.

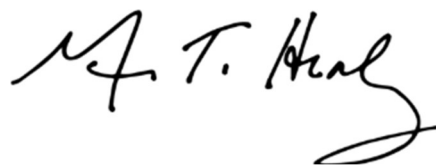
Importantly, without action, members are projected to see double-digit average premium increases this year. If adopted, this proposal will reduce that average premium increase to 7.5 percent – representing meaningful annual savings for *all* members.

There is also a longer-term strategic reason to adopt this proposal. While this is a difficult near-term coverage change, it can help drive more affordable pricing over time. As the largest purchaser of health insurance in the state, the GIC can leverage its market power – alongside the private market and MassHealth – to help push down the cost of these drugs and support more affordable and sustainable pricing in the future.

Finally, I recognize that even if this measure is approved, significant work remains. That is why the Health Care Affordability Working Group, on which the GIC sits, has already begun its important work advancing longer-term, system-wide strategies to reduce health care costs for patients, families, and employers in FY28 and beyond.

None of these decisions are easy, and I am deeply grateful for your work to stabilize costs now while we collectively pursue longer-term solutions. I look forward to our collaborative work to deliver sustainable, affordable coverage for state and municipal employees, and I thank you for your service.

Sincerely,

A handwritten signature in black ink, appearing to read "M. T. Healey". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Maura T. Healey