

Vermont Education Health Initiative (VEHI)  
Board of Directors  
Teleconference Meeting Minutes  
October 16, 2023

**Present:**

VEHI Board Members: Chair, Tracy Wrend, Vice Chair, Joel Cook, Lisa Grout, Suzanne Dirmaier, Mike Fisher and Geo Honigford

VEHI Management Team: Mark Hage, Chris Roberts, Bobby-Jo Salls and Jonathan Steiner

Guest: Marilyn Bartlett, Carolyn Rice, Taylor Kacur

The meeting was called to order at 3:01 p.m., by Tracy Wrend

**Review of Agenda:**

Tracy Wrend asked to add board member announcements to the beginning of the agenda.

**Board Member Announcements**

Joel Cook announced he would be stepping down from the VEHI board, effective January 2024. The VT-NEA has appointed Lance Mills, a former teacher at Oxbow and Fairlee select board member, to take his place.

Tracy Wrend announced that she will also be stepping down from the VEHI board, effective January 2024. The VSBA has not announced a new appointee at this time.

The board and management team thanked them both for their years of service to the VEHI board.

**Public Comment:**

None.

**Approval of Board Minutes: May 15, 2023**

Lisa Grout made a motion, seconded by Mike Fisher, to approve the meeting minutes of May 15, 2023, as presented. Mike Fisher asked for the minutes to reflect if the decision was unanimous. The motion to approve the minutes passed unanimously.

**Auditors Report**

Carolyn Rice and Taylor Kacur from Johnson and Lambert presented their findings with their first VEHI audit, conducted this summer. They thanked Chris Roberts and the team for their hard work in collecting the needed documentation and answering their follow-up questions

quickly before, during and after the audit. Carolyn stated that it was a clean audit, with the only suggested best practice to add the IT director as an administrator for the accounting software.

Mike Fisher asked that we add that follow up, best practice, item to the future agenda items portion of the agenda.

Joel Cook thanked Chris Roberts and Angela Tremblay for their work and made the motion to accept the audit report by Johnson and Lambert. Geo Honigford seconded the motion. The motion passed unanimously.

Carolyn Rice and Taylor Kacur left the meeting.

### **VEHI Dental Renewal for Actives**

Bobby-Jo Salls provided an overview of the VEHI Northeast Delta Dental (NEDD) renewal, which she had just received earlier that day. She requested to use the same methodology used in former years of 0-4% increases depending on a particular group's experience. She also requested the use of reserves up to \$750,000.

Geo Honigford moved to file the FY 25 rates for active school employee benefit plans, as determined for VEHI by independent actuary John Stiefel, to cover expected claims and expenses associated with the VEHI Dental Program. FY25 rates per member group will range from a low of 0 percent to a maximum of 4%, dependent upon each group's prior year's experience. This rate change also allows the use of \$750,000 from the VEHI Dental Reserves. The motion was seconded by Lisa Grout. There were friendly amendments added to the motion, to add the specific range to the motion, and the word "increases", accepted by Geo.

Amended to: Move to file the FY 25 rate increases for active school employee benefit plans, as determined for VEHI by independent actuary John Stiefel, to cover expected claims and expenses associated with the VEHI Dental Program. FY25 rate increases per member group, will range from a low of  
0 percent (0-5%)  
2 percent (5-11.9%)  
to a maximum of 4% (12% or higher), dependent upon each group's prior year's experience. This rate change also allows the use of \$750,000 from the VEHI Dental Reserves.

The motion passed unanimously.

Mike Fisher made a motion to authorize the board chair to sign the FY 25 dental rate filing. Suzanne Dirmaier seconded the motion. The motion passed unanimously.

Lisa Grout made the motion to authorize Bobby-Jo Salls to file the FY 25 dental rates with the Department of Financial Regulation on behalf of VEHI. Mike Fisher seconded the motion. The motion passed unanimously.

## **VEHI Health Renewal for Actives**

The VEHI management team provided the board with the requested increase to health rates, as well as the contributing factors, and the impact to members and districts. The renewal called for a minimum increase to rates of 13.8% for FY25. With a 3.5% expected decrease to net position for FY24 due to an increase in utilization and medical costs and pharmacy costs, the management team requested an additional 2.6% increase to replenish reserves toward the 15% net position goal. Jonathan Steiner briefly reviewed the information received by Willis Towers Watson stating that the suggested rate of reserves was between 15-19%, but also that when reviewing our position this year facing the needed increases, that targeting 14% would bring the risk from 1/400 chance of a total loss to 1/200, which was acceptable for this year.

Mike Fisher moved to file the FY 25 rates for active school employee benefit plans, as determined for VEHI by Blue Cross of Vermont, to cover expected claims and expenses associated with the VEHI Health Program of 13.8%, with an additional 2.6% (totaling 16.4% on average) with the goal of rebuilding net position toward the target level as outlined in the Board's Net Position Policy. Suzanne Dirmaier seconded the motion. A friendly amendment to include the word increase and to define the net position policy target was accepted.

Amended to: Move to file the FY 25 rate increases for active school employee benefit plans, as determined for VEHI by Blue Cross of Vermont, to cover expected claims and expenses associated with the VEHI Health Program of 13.8%, with an additional 2.6% (totaling 16.4% on average) with the goal of rebuilding net position toward the target level of 15%.

After further discussion, the motion passed unanimously.

Mike Fisher made a motion to authorize the board chair to sign the FY 25 health rate filing. Lisa Grout seconded the motion. The motion passed unanimously.

Lisa Grout made the motion to authorize Bobby-Jo Salls to file the FY 25 health rates with the Department of Financial Regulation on behalf of VEHI. Mike Fisher seconded the motion. The motion passed unanimously.

## **Reference-Based Pricing**

Marilyn Bartlett joined the meeting to provide an overview of her experience in Montana regarding reference-based pricing. She described the Montana State Employee health pool as facing a loss in reserves, projecting negative nine million in reserves, and she was recruited after the legislature passed a bill to either turn the pool around or dissolve it. Marilyn provided information on the tools used to study hospital budgets and recontract with hospitals to revive the failing system.

The board thanked Marilyn Bartlett for her presentation. Marilyn Bartlett left the meeting.

There was discussion about the role of VEHI in this work, as VEHI is not a lobbying organization, and suggestions that this work is done by VT-NEA, VSEA and VSBA. Mark Hage

asked to continue his research. Geo Honigford asked that they have time to digest, put on a future agenda, and review and watch other presentations referenced in the presentation. Mark will send links to other presentations.

### **Management Updates**

Bobby-Jo Salls reviewed the status of the VSTRS contract, which is nearing completion with changes in figures for administration and wellness as well as their total expenditure allowed. Joel Cook made the motion to authorize the board chair to sign the contract when complete, Lisa Grout seconded the motion. The motion passed unanimously.

Mark Hage reviewed the approval by DFR of the affiliation of Blue Cross of Vermont and Blue Cross of Michigan. He has done research to determine the impact on VEHI and our members. Mark drafted a document with questions to ask Blue Cross at a future meeting, which will be reviewed and finalized by the management team.

Tracy Wrend asked that we affirm the decision made in May to approve the VT-NEA contract, since it was not on the agenda for May. Lisa Grout made the motion to approve the VT-NEA contract for FY 24, seconded by Joel Cook. The motion passed unanimously.

Chris Roberts referenced the prior discussion during rate setting about financials, and that while the claims and trends were high, the operating expenses were in line with expectations. Mike Fisher made the motion to receive and accept the quarterly financials, seconded by Suzanne Dirmaier. The motion passed unanimously.

Bobby-Jo Salls reviewed the annual meeting time for VEHI will be Friday, October 27, 2023, at 8:15, and there will not be an online option, unless someone requests it. The board agreed to be in-person only, expecting no issues to arise that would need a board vote.

### **VT-NEA Quarterly Report**

Tracy provided an opportunity for Mark Hage to speak about his report or any comments from the board. Mike asked about Hinge Health, virtual PT. Mark noted that while Blue Cross Vermont was unable to move forward, it is still being considered for implementation direct with VEHI. Mike made a motion to confirm receipt of the quarterly report from VT-NEA. Suzanne seconded the motion. The motion passed unanimously.

### **Discuss Future Agenda Items**

Report from VSBIT board regarding auditor's request to add IT to the administrator's access to the accounting software, Reference-based Pricing, benefit design.

### **Set Date for Next Board Meeting**

The management team will provide a doodle poll for the next business meeting.

## **Adjournment**

There being no further business, the board adjourned at 6:00 p.m. The board again thanked Joel Cook and Tracy Wrend for their service to the VEHI board.

Respectfully submitted by: Bobby-Jo Salls