

# VEHI

*Vermont Education Health Initiative*

## *Annual Summary Report*



*For the Year Ending  
June 30, 2022*

## **VEHI Board of Directors**

The VEHI Board is comprised of three appointees of the Vermont School Boards Association (VSBA) and three appointees of the Vermont-National Education Association (VT-NEA).

### **Board appointees, including chair and vice chair, are:**

VSBA appointees: Tracy Wrend (Current Vice Chair), Geo Honigford and Mike Fisher.

VT-NEA appointees: Joel Cook (Current Chair), Peggy Maxfield and Lisa Grout.

### **Corporate Officers**

President:	Vacant
Secretary:	Vacant



# **VEHI Program Update for FY22 Annual Report**

Over the course of FY22, VEHI made available to school districts and the Vermont State Teachers' Retirement System (VSTRS) a range of employee benefit plans, including health, dental, life insurance, and long-term disability. Additionally, VEHI invested in school-based wellness programs that give individuals and families the confidence, support, and resources they need to live healthy, productive lives. VEHI trust administrators responded as always to requests for assistance from central office personnel, active school employees and their dependents, and VSTRS staff, retirees and their dependents.

## **COVID-19 & VEHI Programs**

COVID-19 continued to have an impact on our schools and on how VEHI interacted with its member groups and subscribers. While the majority of meetings for FY22 happened virtually, including the VEHI annual meeting and benefit and wellness meetings, the frequency of in-person meetings increased during the second half of FY22 and we expect that trend to continue in FY23.

Our greatest concern here has been the potential impact of the pandemic on our health plans. Blue Cross and Blue Shield of Vermont (Blue Cross) and the Vermont Department of Financial Regulation (DFR) continue to monitor the pandemic's impact to our claims and services.

## **Cost-and-Quality Initiatives**

VEHI remains committed to advancing high-quality care and lowering costs for everyone. We are always investigating new ways to reduce costs without compromising access to high-quality care. The VEHI management team has requested of Blue Cross that conversations about cost-and-quality initiatives, which were suspended at points during the pandemic, resume in FY23.

## **Rx Initiatives**

Prescription drug prices comprise, on average, 20 percent of every dollar of health insurance premiums, which is approximately the same amount VEHI spends on non-hospital physician medical care, primary and specialty. According to Blue Cross, Rx prices are "the main driver of health care premium increases in recent years, both nationally and in Vermont." The VEHI management team continues to work with our Rx consultant partner, Remedy Analytics, to identify opportunities to implement programs that reduce costs and deliver effective and pharmaceutical services to our subscribers, in collaboration with Blue Cross.

## **VEHI Dental Program**

Operated in partnership with Northeast Delta Dental (NEDD), VEHI's dental program once again sustained stable membership and a strong financial position. Rates in FY22 remained level for all school districts, a cost-saving trend that began in July 2015.

NEDD offers at no additional cost to VEHI subscribers its "Health through Oral Wellness Program," which includes an oral health risk assessment provided by dentists. Subscribers considered to be at risk for oral disease can also

receive additional preventive dental benefits covered under the plan. Find out more about the VEHI-NEDD dental program on page 11.

## **VEHI Long-Term Disability/Life Program**

VEHI has offered high-quality, LTD and life insurance programs since 2002. Since 2014, our offerings were in partnership with Gallagher Benefits Services and the Lincoln Financial Group. Beginning in FY23, VEHI will endorse **National Insurance Services (NIS)** rather than Lincoln Financial, which offers LTD and life insurance coverage through **Madison National Life (MNL)**.

NIS/MNL offered a 22% discount, along with a rate guarantee of up to four years, to VEHI groups that move to NIS/MNL. VEHI member groups, of course, are still able to choose any LTD/Life Insurance company that works best for them. See page 13 for more information.

## **VEHI Wellness Program**

As members and beneficiaries of VEHI's health pool, school districts and local unions come together to accomplish a shared goal: to provide high-quality, affordable health coverage at the lowest responsible price. Our Wellness Program is an important part of this effort. In FY22, the VEHI Wellness Team, in partnership with BCSBVT and school-based Wellness Leaders, continued to deploy a robust, research-based program to support school employees and their families in leading healthy lives.

The Wellness Team has incrementally begun to return to in-person trainings and meetings, while using new programs created during the COVID emergency to respond to specific needs and problems caused by the pandemic.

## **VEHI Health Program & the Vermont Commission on Public School Employee Health Benefits**

The Vermont Commission on Public School Employee Health Benefits determines the premium and out-of-pocket cost share terms between employers and employees. The current terms, which will be in effect through December of 2022, allow school employees to retain access to all four of VEHI's health plans. Each plan offers the same comprehensive benefit coverage and provider networks. See VEHI's website for more details on health plans, health spending accounts (HRAs, HSAs and FSAs), and cost-sharing for premiums and out-of-pocket charges consistent with the outcomes of the second round of statewide healthcare bargaining in 2021, which will be in effect 2023 – 2025.

## **Vermont State Teachers' Retirement System (VSTRS)**

VEHI serves the health benefit needs of approximately 8,830 VSTRS retirees and their dependents. On January 1, 2022, about 6,600 retirees previously with VEHI were moved by VSTRS to Medicare Advantage plans designed and offered by Vermont Blue Advantage (VBA), a Blue Cross subsidiary. VEHI continues, however, to contract with VSTRS to offer a slate of health benefit plans to approximately 850 non-Medicare retirees. Additionally, approximately 1,000 retirees/dependents were unable to transfer to VBA's Medicare Advantage plans because they also carried an individual Part D plan, which would have been cancelled if they were enrolled in a group MA plan. The VEHI management team and board, at VSTRS's request, agreed to retain those members as part of the VEHI program until their future status in relation to VBA is resolved.

As always, if you have questions or comments regarding VEHI's benefit programs and services, please contact one of us.

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



## Vermont Education Health Initiative [VEHI] Board membership

Mike Fisher [VSBA]	2022-present
Geo Honigford [VSBA]	2021-present
Elizabeth Grout [VT-NEA]	2020-present
Zack McLaughlin [VSBA]	2020-2022
Joel Cook [VT-NEA]	2018-present
Tracy Wrend [VSBA]	2018-present
Peggy Maxfield [VT-NEA]	2018-Present
John Pandolfo [VSBA]	2019-2020
Fran Brock [VT-NEA]	2018-2020
Martha Gagner [VSBA]	2018-2019
Robert Letovsky	2018-2019
Elizabeth Fitzgerald	2018-2018

### 2018 Act 11 Reorganization

Jeff Fannon [VT-NEA]	2017-2018
Nicole Mace [VSBA]	2016-2018
Martha Allen [VT-NEA]	2015-2016
Elizabeth Fitzgerald [School Director]	2014-2018
Tracy Wrend [Superintendent]	2013-2018
Martha Gagner [Business Manager]	2013-2018
Bruce Schmidt [School Director]	2013-2014
Mark Hage [VT-NEA]	2013-2015
Joel Cook [VT-NEA]	2013-2017

### 2013 Board Reorganization to comply with Regulation I-90-1

Steve Post [VSBIT]	2011-2013
Martha Allen [VT-NEA]	2009-2013
Bob Giroux [VSBIT]	2009-2010, 2012-2013
Laura Soares [VSBIT]	2006-2013
Steve Hier [VSBIT]	2006-2009
Mary Sherrer [VSBIT]	2005-2006
Mark Hage [VT-NEA]	2001-2013
Joel Cook [VT-NEA]	2000-2013
Chaunce Benedict [VSBIT]	1998-2003
Perry Kacik [VT-NEA]	1997-1999
Ray Proulx [VSBIT]	1996-1998, 2004-2006
Angelo Dorta [VT-NEA]	1996-2008
Jeffrey Isham [VT-NEA]	1996-2012
John Gutman co-chair [VSBIT]	1996-2012
Richard Lange [VT-NEA]	1996-1997
Joe Zimmerman [VSBIT]	1996-2013
Joe Blanchette [VT-NEA]	1996-2001
Martha Heath [VSBIT]	1996-2004

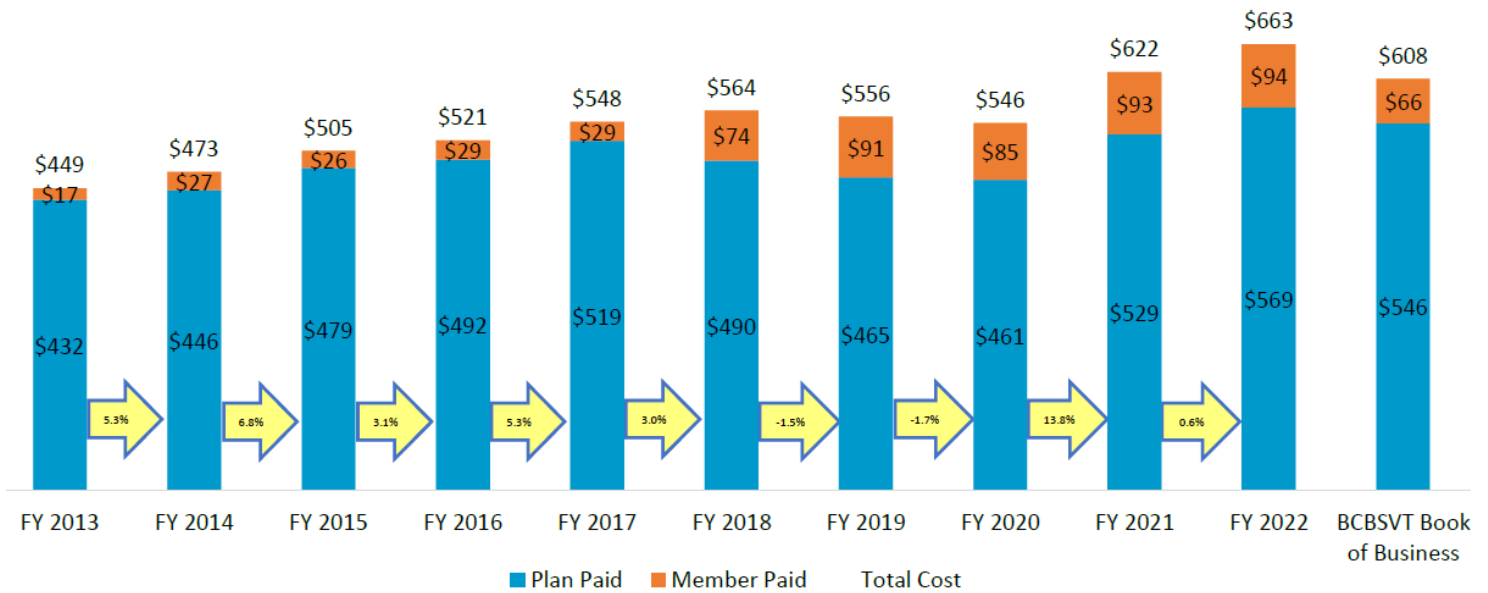
# Health Benefits Utilization

Our health plan paid out approximately \$255,335,984 for claims submitted during the FY22 year (through 6/30/22). The following graphs and charts provide information on health care utilization by the employees and their dependents enrolled on our plans. These graphs only include VEHI claims cost. See the pie chart on Page 12 for a complete list of VEHI expenses.

## Average Claims Cost Per-Member, Per-Month

### OBSERVATIONS

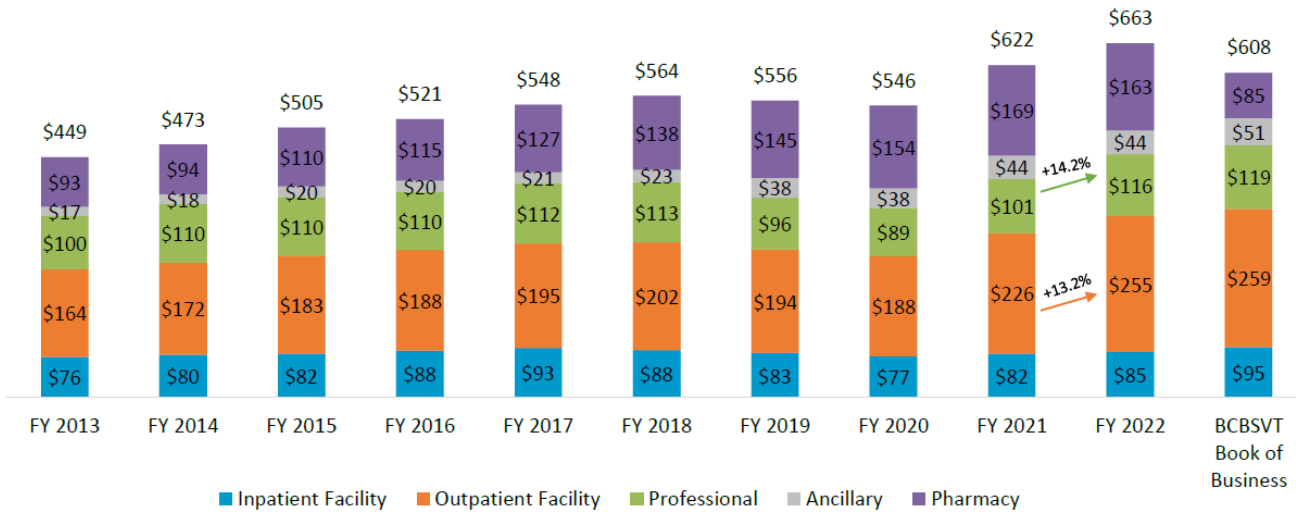
- VEHI's health care costs have increased annually by an average of 5.3% from FY 2013 to FY 2022
- BCBSVT Book of Business' costs were 8.3% lower than VEHI in FY 2022



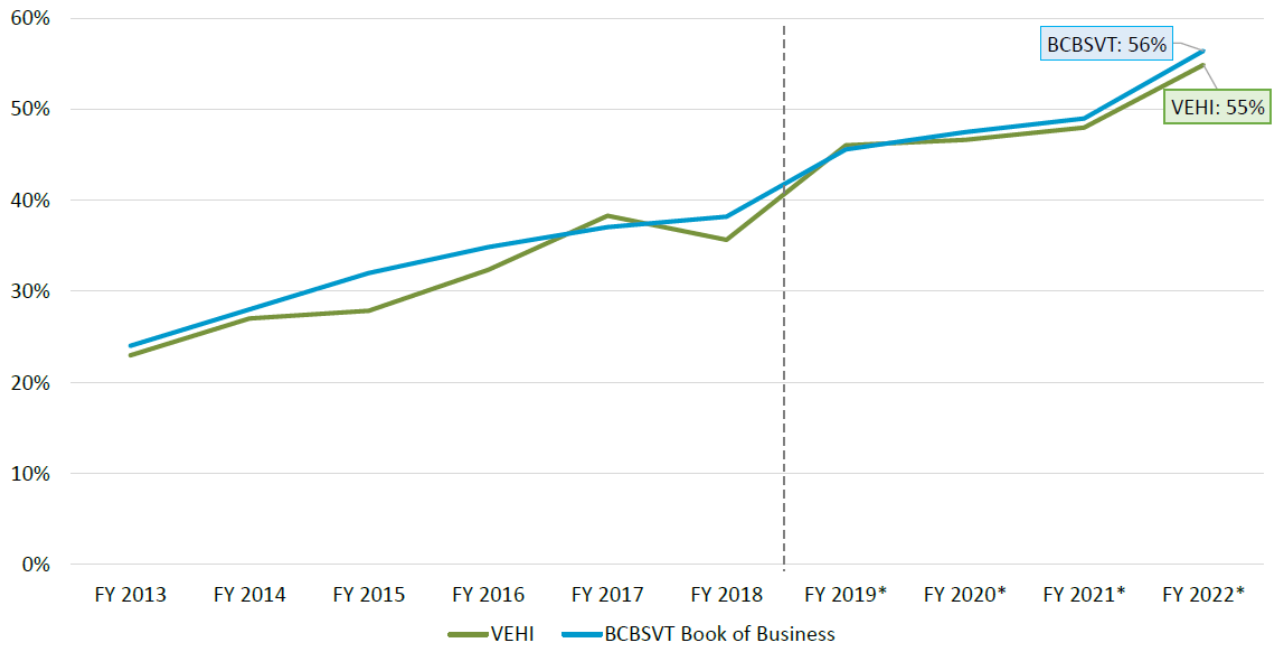
# Average Claims Cost Per-Member, Per-Month By Service Category

## OBSERVATIONS

- Outpatient increased 13.2% and professional increased 14.2% from FY 2021 to FY 2022



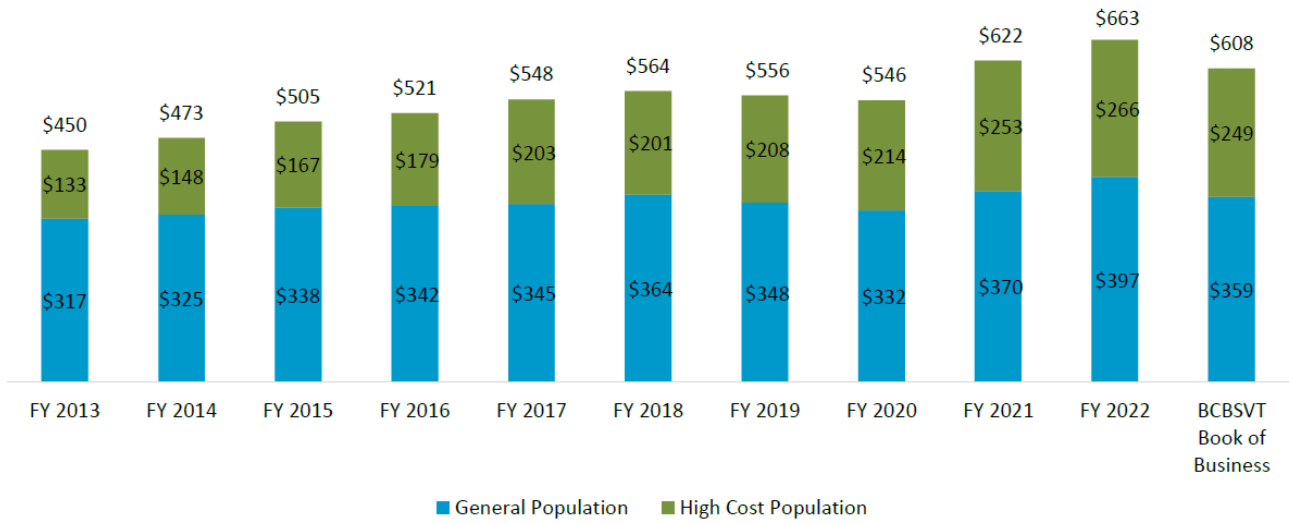
## Percent of Pharmacy Costs due to Specialty Drugs



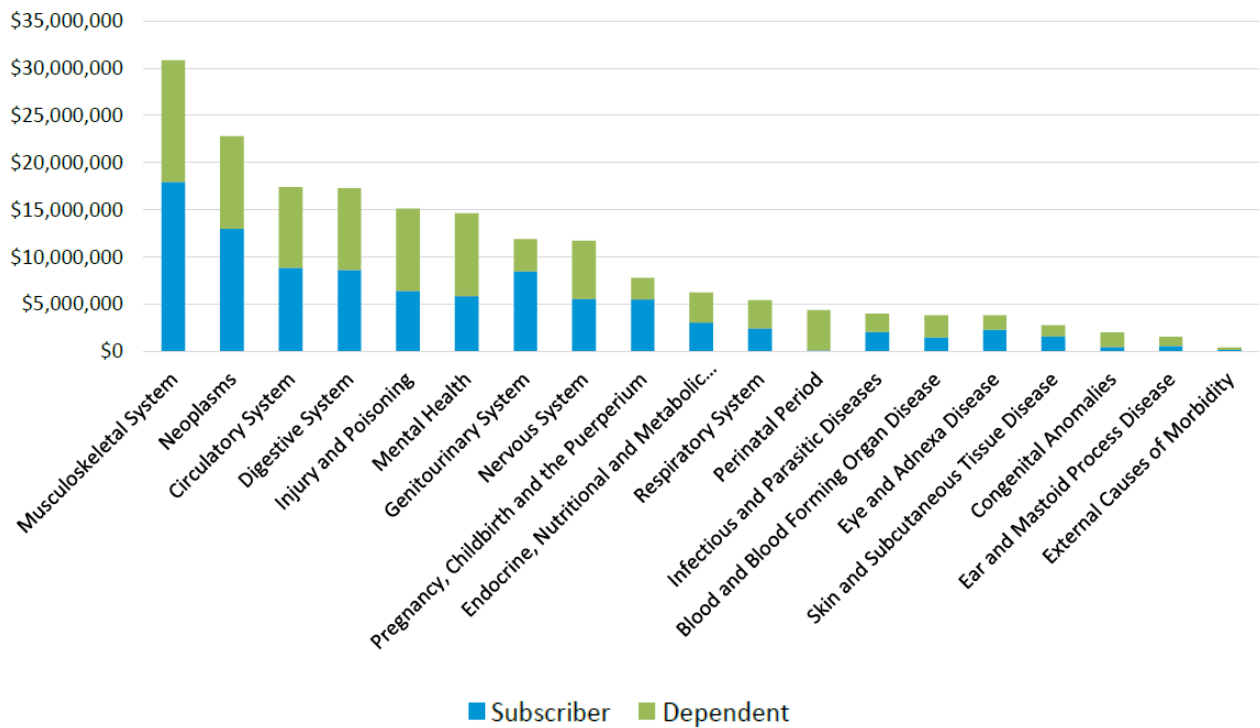
*\*Specialty Drug List Updated*



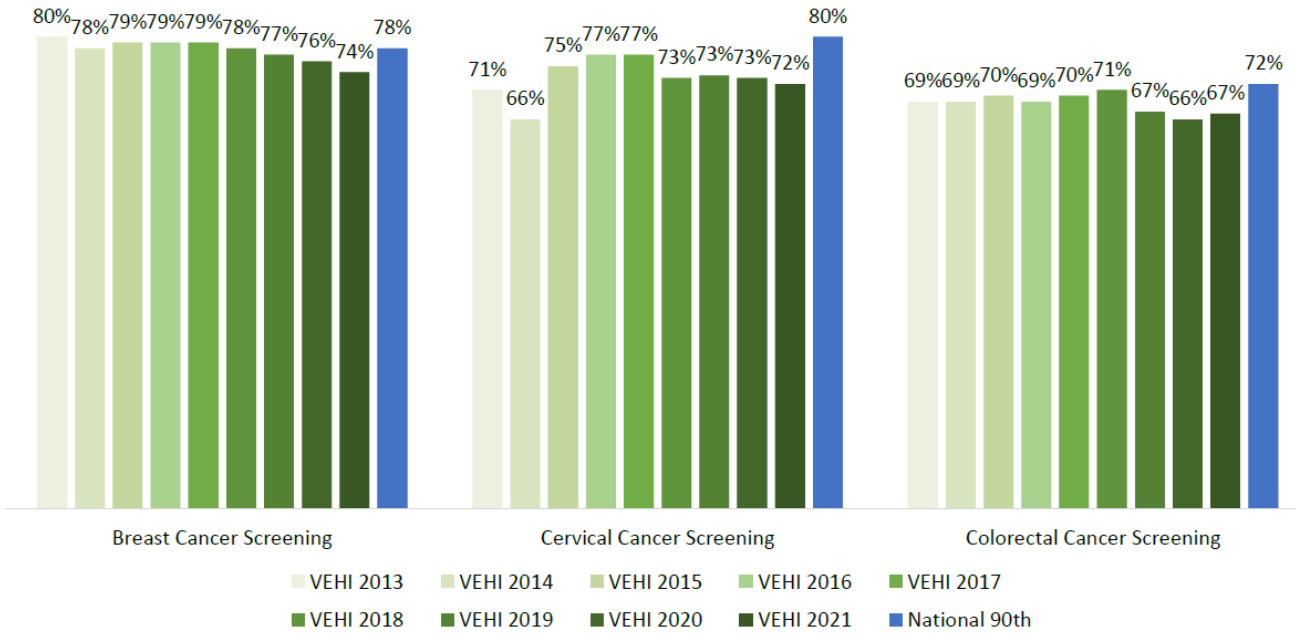
## Average Claims Cost Per-Member, Per-Month By High Cost\* and General Population



## VEHI Diagnosis Analysis by Total Cost



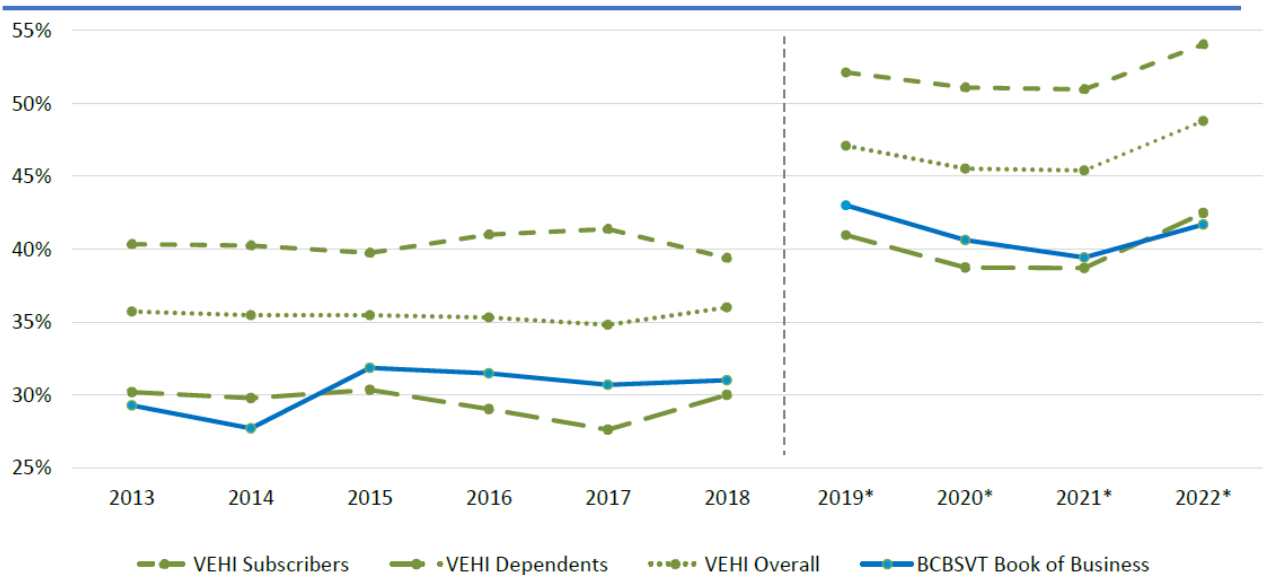
# Preventive Screening Rates



## Annual Preventive Visit Rate Adults 18-64

### OBSERVATION

- The overall preventive visit rate for VEHI has increased by 3.4 percentage points to 48.8% and is above the Book of Business benchmark



# Dental Program

The VEHI Dental Program began on July 1, 2000, with approximately 3,550 employees and has since grown to include approximately 9,369 employees, covering 20,996 lives including dependents. The Program currently has 47 member supervisory unions/districts. Five basic plan options are available through the VEHI/Northeast Delta Dental (NEDD) Program, however, school districts which purchase dental coverage directly with Delta Dental are able to enroll in the VEHI Program with their existing plan.

VEHI's Dental Program continues to be successful. The program remains financially sound and premiums continue to be lower than those obtained directly from Delta Dental. Districts participating in the VEHI/Delta Dental Program saw rates hold in the 2021-2022 year with no increase or decrease.

## VEHI DENTAL PLANS OFFERED

<u>Plan</u>	<u>Preventive</u>	<u>Deductible</u>	<u>Basic</u>	<u>Major</u>	<u>Maximum</u>	
1	100%	\$0	90%	60%	\$1,500	per person
2	100%	\$0	80%	50%	\$1,500	per person
3	100%	\$25	80%	50%	\$1,000	per person
4	100%	\$50	100%	50%	\$1,000	per person
5	100%	\$0	100%	NA	\$750	per person

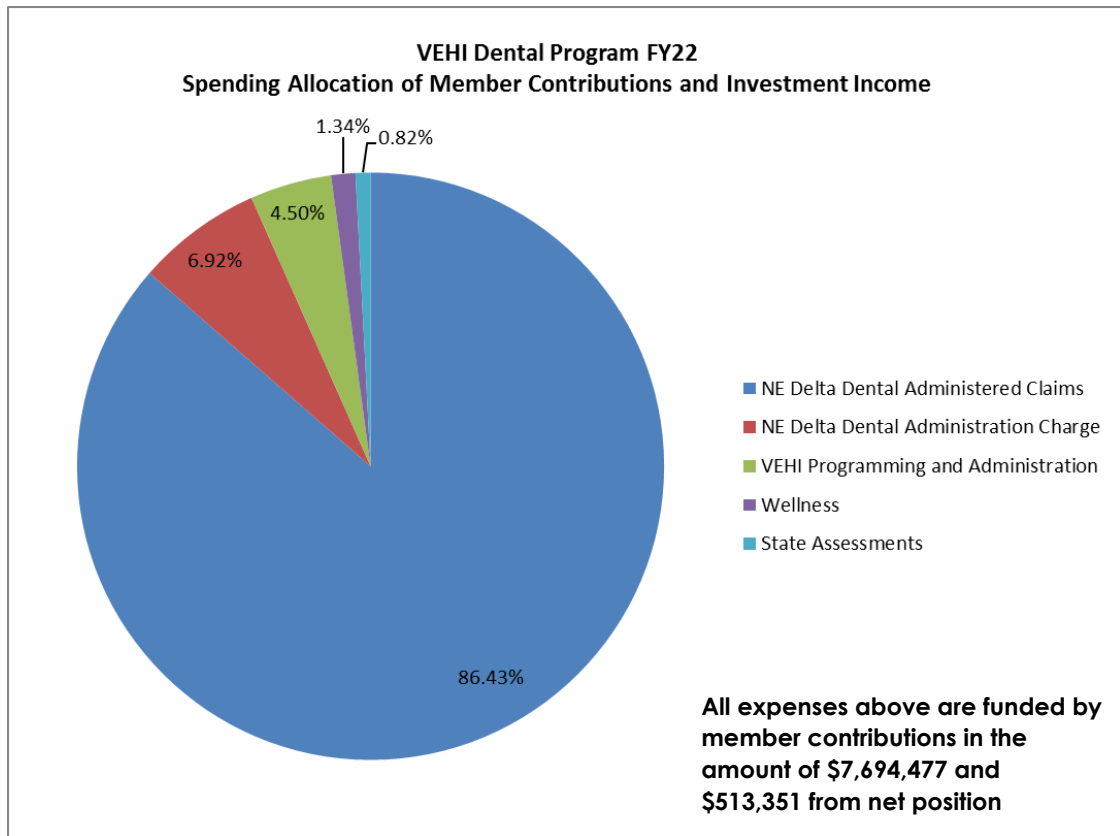
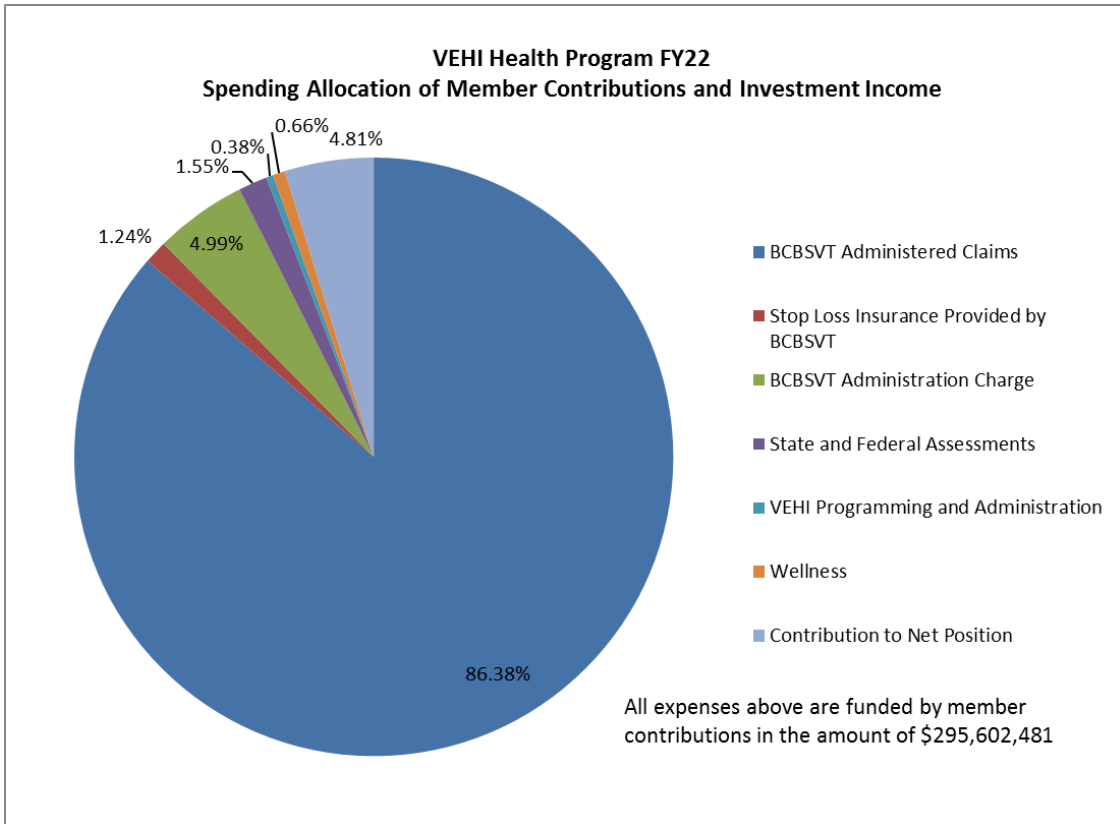
### Monthly Rates Effective July 1, 2022, for groups without prior coverage\*

<u>Plan</u>	<u>Single</u>	<u>2-Person</u>	<u>Family</u>
1	\$49.12	\$94.48	\$158.45
2	\$41.23	\$79.27	\$134.39
3	\$38.44	\$73.88	\$127.00
4	\$52.03	\$100.12	\$173.97
5	\$39.98	\$76.68	\$153.12

*\*Basic rates - Ortho coverage for child and/or adult is slightly higher*



# How monies collected by VEHI are allocated on behalf of its members:



## Life and Disability Plans

Since July 2002, VEHI has offered high quality Long-Term Disability and Life plans. In September of 2014, we enhanced the Life and Long-Term Disability program in partnership with Gallagher Benefits Services and Lincoln Financial Group. This partnership was aimed to deliver savings, stability and enhanced contractual terms to members.

Beginning in July of 2022 VEHI is now endorsing a new partner, **National Insurance Services (NIS)** offering coverage through **Madison National Life (MNL)**. NIS offered a 22% discount with a rate guarantee up to four years to VEHI groups that move to NIS/MNL. VEHI groups are able to choose the company that works best for them.

### Key Features of Our Program Include the following:

- Guaranteed 22%\* discount from current rates, matching plan design.
- Rates guaranteed\*\* through June 30, 2026.
- Available to all VEHI school districts, regardless of current carrier.
- Seamless and simple transition.
- Identity Theft Assistance Protection\*\*\*

VEHI remains committed to bringing members high quality employee benefit products with highly competitive pricing.

If you are interested in learning more about this enhanced program, or receiving a quote, please contact us at [bobbyjo@vsbit.org](mailto:bobbyjo@vsbit.org).

Administered by:



#### Corporate Headquarters:

250 South Executive Drive, Suite 300  
Brookfield, WI 53005

Underwritten by:



PO Box 5008, Madison, WI 53705

This offer is only available to Vermont school districts who do NOT currently offer this coverage through Madison National Life Insurance Company, Inc.

\* 22% off applies to employer-paid coverage.

\*\* Rate guarantee to align with VEHI block rate guarantee

\*\*\* Identity Theft Services are provided through Identity Theft Guard Solutions, Inc. Identity Theft Guard Solutions, Inc. is not affiliated with Madison National Life Insurance Company, Inc. and is not a provider of insurance services. None of the services provided by Identity Theft Guard Solutions, Inc., as a part of the Identity Theft Services, are insurance.

## **VEHI PATH (*Planned Action Toward Health*)** **Employee Wellness Benefit Opportunities and Results**

Over the past year, the VEHI PATH team offered member school employees, administrators, and teacher retirees a variety of best-practice programs and workplace-based strategies to help them live their best lives in thriving environments — at work, at home and in their communities.



We engaged over 500 building wellness leaders and champions in VEHI member buildings statewide and maintained a user-friendly website that was accessed by over 14,000 employees. We designed and oversaw our renowned 10-week annual wellness challenge called the PATH Adventure, with the title theme “Keep Roaring” wherein we encouraged everyone to take full advantage of powerful resiliency skills through unbearable difficulties. In so doing, they played a virtual game to uncover helpful facts about staying strong in hard times. We also included our annual exercise video (shot in a covid-safe manner) and new cooking segment filmed as a cook-off competition.

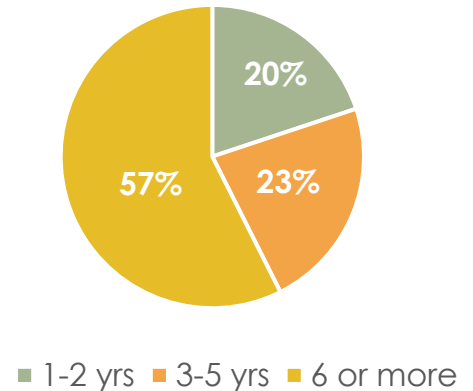
Other additions for 2021 included:

- *Intuitive Eating* – a self-paced course on ending the diet cycle and making peace with food.
- *How Ya Donin’?* – a short mental health course to help ease the impact of trauma.
- *PATH Good News* – timely video shows (born out of covid) in which we highlight inspiring program elements, promote “Rockstars” (inspiring member employees and member building communities), and feature a brain break (wellness breaks one can do in 3 minutes or less).
- *Healthy SU* – a partnership with BCBSVT to provide funding and significant oversight to 11 SD/SU’s committed to addressing prominent employee health issues based on their leadership and on aggregate claims and health assessment data.
- *Incentives* – holding steady at a time when other programs are dwindling, we rewarded 5,668 gift cards to those who earned 200 PATHpoints (same as the year prior).

PATH program signature elements also continue to include the Healthy Life Survey; Progress Health Coaching (professional, telephonic coaching to help people discover more about their own best thinking); the Peer Coaching Course to help people practice skills of mutual support; Quizify (health care literacy quizzes); a robust employee assistance program (Invest EAP) for crisis support, short-term counseling, and management support; Keeping Fit for year-long exercise tracking; the Sizzlin’ Summer Challenge to take on family-oriented health goals; and local building wellness leader events.

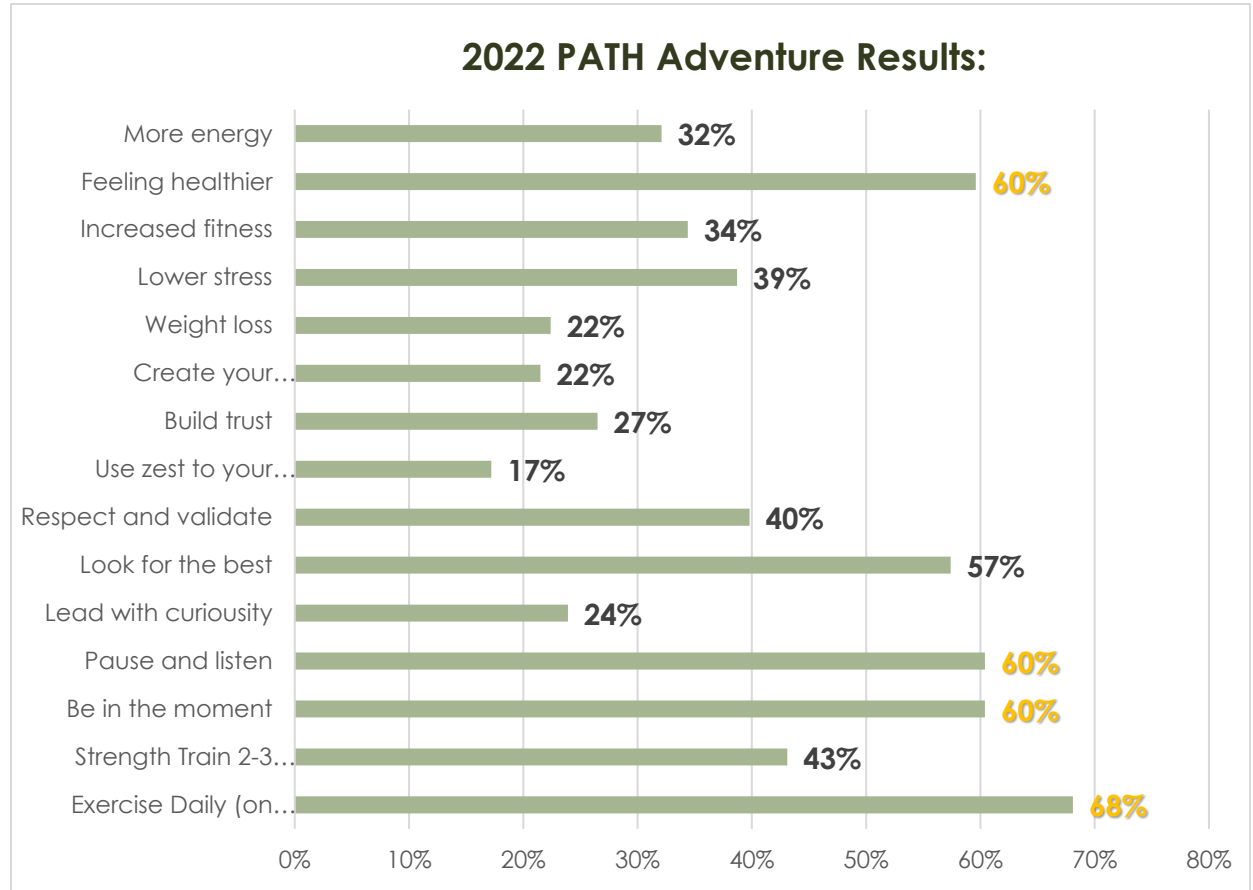
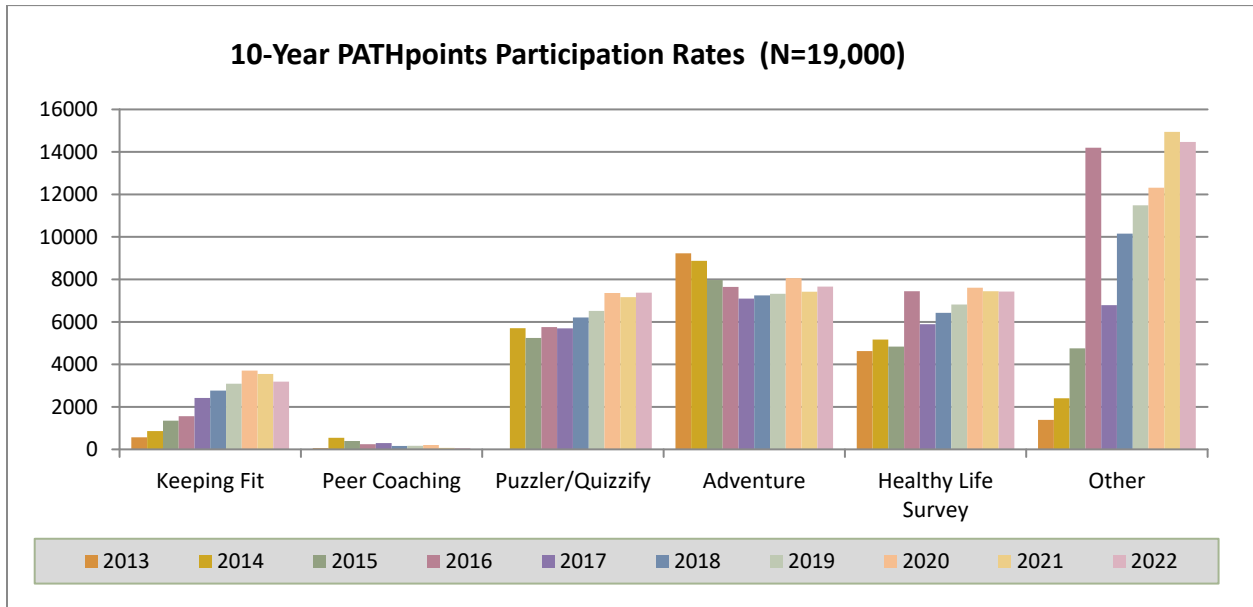
In collaboration with BCBSVT we continued to provide funding and training directly to member buildings to promote musculoskeletal health, reduce stress and anxiety, improve sleep, and increase healthy eating. Because of covid, onsite workshops or trainings were rarely possible. Instead, we offered kits for each employee that Wellness Building Leaders could order and distribute with instructions and virtual workshop follow-ups. All-in-all we provided 4,782 kits (a 36% increase from the previous year).

Years of Participation



The 2021-2022 year was full to the brim with challenges. Participation in the program was down in some ways with people saying it was one more to-do list item they couldn't handle. Nevertheless, member stories told us that being there and offering extra mental health options as well as webinars and kits made a huge difference even if participation wasn't directly apparent.

We continue to work toward our mission of helping all employees thrive and flourish in a workplace where success is quite simply the norm, where health goals are easily reached, and where people can be at their best for the children and families they serve.



**Vermont Education Health Initiative, Inc.**  
**Combining Statement of Net Position**  
**For the Year ending June 30, 2022**

<u>ASSETS</u>	Health Program	Dental Program	Total
Current Assets:			
Cash & Investments	\$ 51,320,371	\$ 7,757,525	\$ 59,077,895
Accrued Interest Receivable	18,327	1,497	19,825
Contribution Receivable	1,232,216	13,387	1,245,604
Working Fund Deposit	5,370,000	0	5,370,000
Other Receivables	371,082	0	371,082
Prepaid Expenses	<u>114,520</u>	<u>7,354</u>	<u>121,874</u>
Total Current Assets	<u>58,426,516</u>	<u>7,779,763</u>	<u>66,206,279</u>
Total Assets	<u>58,426,516</u>	<u>7,779,763</u>	<u>66,206,279</u>
 <u>LIABILITIES AND NET POSITION</u>			
Current Liabilities:			
Accounts Payable	781,085	166,100	947,185
Assessments Payable	471,601	69,601	541,202
Unearned Revenue	1,157,384	15,274	1,172,658
Claims Payable	6,565,325	549,088	7,114,413
Reserve for ULAE	<u>13,255</u>	<u>0</u>	<u>13,255</u>
Total Current Liabilities	<u>8,988,650</u>	<u>800,063</u>	<u>9,788,712</u>
Total Liabilities	<u>8,988,650</u>	<u>800,063</u>	<u>9,788,712</u>
Net Position:			
Unrestricted Net Position	<u>49,437,866</u>	<u>6,979,700</u>	<u>56,417,567</u>
Total Net Position	<u>49,437,866</u>	<u>6,979,700</u>	<u>56,417,567</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 58,426,516</u></u>	<u><u>\$ 7,779,763</u></u>	<u><u>\$ 66,206,279</u></u>



**Vermont Education Health Initiative, Inc., Combining Statement of Revenue,  
Expenses and Changes in Net Position  
For the Year ending June 30, 2022**

	Health Program	Dental Program	Total
Revenue:			
Program Contributions	\$ 295,598,480	\$ 7,694,478	\$ 303,292,958
Administrative Performance Revenue	4,000	0	4,000
Investment Income - Interest and Dividends	346,352	101,939	448,292
Investment Income/(Loss) - Other	<u>(2,008,929)</u>	<u>(555,300)</u>	<u>(2,564,229)</u>
 Total Revenue	 <u>293,939,903</u>	 <u>7,241,117</u>	 <u>301,181,020</u>
Expenses:			
Net Change in Claims Paid and Reserved	254,960,985	7,093,671	262,054,656
Reinsurance Premiums	3,656,942	0	3,656,942
Administration Fees to Outside Administrator	14,746,068	568,079	15,314,147
Investment/Bank Fees	33,927	1,499	35,426
State and Federal Assessment Expense	4,584,374	67,501	4,651,875
General and Administrative and Wellness Expenses	<u>3,410,571</u>	<u>477,078</u>	<u>3,887,649</u>
 Total Expenses	 <u>281,392,866</u>	 <u>8,207,828</u>	 <u>289,600,694</u>
 Excess/(Deficiency) of Revenue Over Expenses	 <u>12,547,038</u>	 <u>(966,712)</u>	 <u>11,580,326</u>
 Net Position - July 1, 2021	 <u>36,890,829</u>	 <u>7,946,412</u>	 <u>44,837,241</u>
Net Position - June 30, 2022	<u>\$ 49,437,866</u>	<u>\$ 6,979,700</u>	<u>\$ 56,417,567</u>



**VEHI Mission Statement**

The Vermont Education Health Initiative (VEHI) is a non-profit organization that, for more than two decades, has served school districts by offering employee benefit plans responsive to the needs both of employers and of employees and their dependents. VEHI also provides health insurance benefits to retired teachers and their dependents through the Vermont State Teachers' Retirement System.

Our work has three essential components:

1. Making available a range of employee benefit plans, in collaboration with major insurance carriers, that are cost effective, affordable and high quality;
2. Designing and investing in school-based and post-employment wellness programs that give individuals and families the confidence, support and resources they need to lead healthy, productive lives; and
3. Keeping school districts, local union Associations, and the Vermont State Teachers' Retirement System informed about the health insurance market, health care reform initiatives and regulatory compliance obligations under federal and state law.

The VEHI Board acknowledges the value to school districts of a solid partnership between school boards and their employees' representatives by conducting this work in concert with both VSBIT and Vermont-NEA.

In conducting our work, we adhere to the following guidelines:

1. VEHI will only offer employee benefit programs and services that are valuable to members and can make a meaningful difference.
2. All information and education provided by VEHI will be accurate, timely and unbiased.
3. VEHI will maintain the fiscal integrity of the organization so it can meet its current and future obligations to members.
4. VEHI will provide factual and vetted information, as requested, and in a purely neutral and objective manner, to parties engaged in collective bargaining.



*Visit us online at:*

[www.vehi.org](http://www.vehi.org)