

Vermont Education Health Initiative

Board of Director's Meeting

August 19, 2015

Present: Tracy Wrend, Mark Hage, Joel Cook, Martha Gagner, Elizabeth Fitzgerald, Laura Soares, and Joe Zimmerman

Guests present for health plan transition discussion: Stephen Dale (VSBA), Chris Leopold (attorney representing schools) and Suzanne Dirmaier (VT-NEA)

The meeting was called to order at 9:04 a.m., by Chair, Tracy Wrend

**Approve Minutes of June 23, 2015 Meeting**

Mark Hage made a motion, seconded by Martha Gagner to approve the minutes of the June 23, 2015 Meeting. The board approved the minutes as written. Elizabeth Fitzgerald abstained from voting.

**Annual Meeting**

The Nominating Committee, Laura Soares and Joe Zimmerman, reported that it interviewed one candidate who expressed interest in Martha Gagner's position on the Board. The Committee recommended that Martha Gagner's name be included on the slate to be presented to Members, for vote, at this year's Annual Meeting. Elizabeth Fitzgerald made a motion, seconded by Mark Hage to accept the Committee's report. The Board voted to accept the report. The VT-NEA is nominating Joel Cook to serve another term on the Board.

Laura Soares reported that the Annual Meeting will be on October 23, 2015, at 8:30 a.m. at the Lake Morey Inn, in Fairlee, Vermont. Martha Gagner made a motion seconded by Mark Hage to accept the report. The Board affirmed the date, time and place of the meeting. The Board also approved closing the Membership Books on October 5, 2015 for the purpose of determining members entitled to vote at the October 23 meeting.

The 2015 Annual Report is being prepared. The Board Chair will also prepare a statement for inclusion in the report.

**Update on Pharmacy Program**

Mark Hage summarized the work involved with BCBS, ESI (Express Scripts, Inc.) and Remedy with respect to reducing pharmacy cost. Remedy and BCBS are working together for VEHI in order to get the best possible pricing with ESI and make sure ESI lives up to the agreed upon contract. Work continues with

respect to this. The Board will be kept up to date. Mark Hage gave credit to BCBS' Andrew Garland for his leadership.

### **Review Investment Policy and Performance**

Laura Soares summarized the current investment policy and performance with the Board. Mark Hage made a motion, seconded by Martha Gagner to affirm that the current policy is serving VEHI as well as can be expected, especially during this economic period of extremely low interest rates. The board approved the motion.

### **Health Program Rating Recommendation**

Laura Soares summarized for the Board highlights of the BCBS presentation that the trust administrators reviewed previously. The preliminary analytics outline where VEHI stood in comparison to BCBS's book of business. It was noted that the cost of health care increased, even though VEHI's utilization rates remained stable. Pharmacy cost increased the most, due to the high cost and use of specialty drugs.

The Board reviewed Chris Roberts' memorandum of August 19, 2015 which summarized the FY15 unaudited year- end financials in order to understand VEHI's current financial position. The Trust administrators provided a projection of the FY 16 year based upon current available data. With the indefinite postponement of Green Mountain Care, VEHI's health program has a longer horizon which requires longer-term view of reserves. With this background, the Board discussed the FY 17 increase should be set to retain the level of reserves anticipated at the end of FY16.

### **Approve FY17 Health Program Rate Filing for DFR**

After a thorough discussion Mark Hage made a motion seconded by Martha Gagner to authorize the Trust Administrators to increase ISL to \$750 to keep pace with medical inflation and to file a rate intended to maintain the reserves at FY 16 levels. The Board approved the motion. The Trust Administrators will develop an announcement to distribute to the field at the time of the rate filing.

### **Update new Plan Design Process and Discuss Fall Forums**

Laura Soares updated the Board concerning the status of the new plan design project. The process is on schedule. The Trust Administrators have met with BCBS on several occasions and have scheduled more meetings to discuss the plan options.

District employees are registering for the Forums that will take place this Fall. The Forums will give districts a chance to weigh in with suggestions on VEHI's new health care options.

Laura Soares updated the Board on a BCBS project that will affect VEHI and member districts. BCBS is working to introduce a new enrollment and decision platform. Given the changes upcoming at BCBS, the move to new VEHI health plans and increasing expectations for electronic interfaces Laura Soares recommends VEHI explore including an electronic enrollment and decision-tool platform that would be

an added value to members financed by the VEHI health and dental programs. Mark Hage made a motion seconded by Martha Gagner to move forward with exploration of this project. The Board approved the motion. Updates and cost projections will be brought to the Board at a future meeting.

### **Other Updates**

- a. **Legislative Studies:** The legislative studies that are taking place over the summer, concerning health care issues are on schedule, and preliminary analysis may be available at the next VEHI Board meeting.
- b. **VHC Comparison Guide:** An updated comparison guide showing the differences between FY 16 VEHI plans and the 2016 VHC will be ready later this Fall.

### **Discuss Transition from Current Health Plans to New Health Plans**

Tracy Wrend started the discussion by setting the expectation of the session. The discussion is meant to gather information and perspectives on how the process for moving to new plans might work and what areas could be a challenge. This input, combined with administrative, legal and regulatory considerations will inform the Board's decision.

The Board thanks the guest for their perspectives and agreed it was important to make a firm decision on the transition at the next meeting to allow members the ability to plan.

### **Adjournment**

There being no further business, the meeting adjourned at 12:37 p.m.

Respectfully submitted by: Joseph Zimmerman