

Vermont Education Health Initiative

Board of Director's Meeting

August 21, 2014

Present: Mark Hage, Tracy Wrend, Martha Gagner, Bruce Schmidt, Joel Cook, Laura Soares, Joe Zimmerman and Chris Roberts (attended for the financial updates).

The meeting was called to order at 9:03 a.m., by Chair, Tracy Wrend

Approve Minutes of the April 29, 2014 Meeting

Martha Gagner made a motion, seconded by Mark Hage to approve the minutes of the April 29, 2014 Meeting. The Board voted to approve the minutes as written.

Review FY 14 year-end Financials

Chris Roberts reviewed with the Board the FY14 year-end financials. Chris included a written summary which was provided to the Board in the meeting packet. The year end results for both the health and dental programs are positive. The Board accepted the financials as reported.

Review Investment Policy

Chris Roberts reviewed VEHI's Investment Policy with the Board. Chris included a memorandum, dated August 14, 2014, which describes the Board's policy and the investments that make up the portfolio. The investments are producing results that are at or near CPI-U. The Board did not want to change the policy at this time and will continue to monitor results as it relates to dividends and interest earned on these investments.

FY16 Health Program Trends, Renewal Discussion and Recommendation from Trust Administrators

Laura Soares reviewed with the Board claims related material that the Trust Administrators received from BCBSVT. The data will influence the Program's renewal. Laura also reviewed with the Board the financial position of the health program. The Trust Administrators will meet with the DFR in order to share with them VEHI's financial position and the reasoning behind our proposed rate increase. It is VEHI's goal to have our proposed rate filing submitted to the DFR in Early September. That schedule will provide the DFR with enough time to give VEHI notice related to the financial adequacy of the rate proposal. If all goes as planned, VEHI will be able to alert schools of the proposed filed rates in time for budget purposes.

Approve FY16 Health Program Rating for DFR Filing

After thoughtful consideration, Joel Cook made a motion, seconded by Bruce Schmidt to approve a recommended rate increase of 3.9% which will be included in the rate filing that BCBS will submit to the DFR on VEHI's behalf.

Report from Nominating Committee

Laura Soares and Joe Zimmerman reported the Nominating Committee recommends Bruce Schmidt serve another term on the VEHI Board. Bruce is interested in continuing to serve and the committee received no nominations from the field. There remains a possibility of a petition, the deadline for which is the 16th of October. This position will be filled at the Annual Meeting.

Set Date, Time and Location of the VEHI Annual Meeting

Martha Gagner made a motion seconded by Mark Hage to have the Annual Meeting on Friday, October 31, 2014, at 8:30 a.m., at the Lake Morey Inn, Fairlee, Vermont. VEHI will close its books prior to the meeting, to any new members, on October 10th, in accordance with the provisions of the Bylaws.

Discuss Annual Report to Members

The Board agreed to create a separate VEHI Annual Report. In the past, the report from VEHI was contained in the VSBIT Annual Report. The new VEHI Report will contain a message from the Chair as well as an update from the Trust Administrators. A year-end financial report will also be included along with other related Program information.

Continue Discussion on Revised Organizational Mission and Decision Guidelines

The Board continued the discussion on its mission and decision guidelines. Participants who attended VSBIT's Annual Spring Conference and the VSA membership at their spring meeting commented on the draft of VEHI's mission statement. The extended discussion included such topics why is the Vermont-NEA jointly managing VEHI with VSBIT and also there was a feeling that actions made by VEHI affect the bargaining process. The Board discussed another draft of the mission statement and agreed that the statement should recognize the value of the management-labor partnership, by engaging VSBIT and the VT-NEA to carry out the work of the organization. Laura Soares will redraft the mission statement and circulate it among Board members for their further input. Before approving, the Board will seek comments from the VSBA.

Other Updates

Laura Soares and Mark Hage gave the Board an update on the status of the following:

- VEHI's membership continues to be stable, however, effective July 1, one private school left to go with another carrier and five small schools (four private and one public) went into Vermont Health Connect as a result of provisions of the ACA and Act 48.

- VEHI is moving forward with Gallagher Benefits Services (GBS) and Lincoln Financial with respect to a new LTD/Life Program. Members of the current UNUM Program have been notified of the new relationship with GBS. The new program will match or exceed benefits of the current program at a lower cost.
- VEHI is currently negotiating new contracts with BCBSVT and the Vermont State Teachers Retirement System.
- The State Teachers Retirement System (STRS) is working their way through start up issues with regard to the Employer Group Waiver Program (EGWP). By participating in this federally funded program the STRS will save on prescription drug cost. With respect to VEHI's involvement with the EGWP, all financial projections are on target.

Adjournment

There being no further business, the meeting adjourned at 11:21 a.m.

Next Meeting: A meeting wizard will be circulated to find common availability for a meeting in November.

Respectfully submitted by:

Joseph Zimmerman