

Vermont Education Health Initiative
Board of Director's Meeting

December 8, 2014

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

The meeting was called to order at 12:02 p.m., by Chair, Tracy Wrend

Review and Discuss Letter from the Department of Financial Regulation, dated December 1, 2014

Laura Soares reviewed with the Board the letter dated 12/1/2014 from the DFR. The letter approves VEHI's Health Program rate filing and suggests that the rate be somewhere between 3.9% and 4.5%. The actual rate is VEHI's decision.

Joe Zimmerman reviewed financial modeling demonstrating the potential impact of selecting the high or low end of the range. The rate filing predicts a reduction in reserves with the rate set anywhere in this range. In addition the Board discussed the suggestion by DFR of considering varying the FY 17 rates to ensure an appropriate balance is retained between plans. The Trust Administrators recommended the rate be set at 4.5% to best position the Trust to both phase in any needed rate adjustments between plans or tiers and in the interest of future rate stability.

Set FY16 Contribution Rate for Health Program

After a brief discussion, Joel Cook made a motion, seconded by Mark Hage to approve the recommended rate increase of 4.5% for FY16. Elizabeth Fitzgerald lead a discussion concerning the impact of the addition of dependents to family plan rate as well as the varying actuarial values of VEHI plans receiving a similar rate increase. Following the discussion, the board agreed it would examine these issues in more depth prior to the FY 17 rate filing. The Board unanimously approved the health program rate increase of 4.5% for FY16.

Adjournment

There being no further business, the meeting adjourned at 12:30 p.m.

Next Meeting: February 25, 2015 9 am at the VSBIT offices

Respectfully submitted by: Joseph Zimmerman