

Vermont Education Health Initiative

Board of Director's Meeting

February 22, 2016

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

Members of the Public: Emily Simmons

The meeting was called to order at 1:01 pm., by Chair, Tracy Wrend

Approve Minutes of January 13, 2016. Joel cook made a motion, seconded by Martha Gagner, to approve the minutes, amended to reflect Elizabeth's Fitzgerald's opposing votes on the New Plans items a/b and d at Elizabeth's request. Motion passed.

Enter into Agreement with Auditor for FY 16 Audit

A motion was made by Martha Allen, seconded by Martha Gagner, to enter into the FY 16 audit agreement with Sullivan and Powers. The motion passed. The Board requested the rotation of audit partners and staff investigate other firms for potential consideration for the FY 17 audit.

Review and Accept Financials as of 12-31-15

Laura Soares reviewed the financials, supplementing the written summary by Chris Roberts. A motions was made by Elizabeth Fitzgerald, seconded by Joel Cook, to accept the financial report.

Review and Accept 2016 Business Plan

The Plan was reviewed, Martha Allen verified the Plan does not commit VEHI to any particular action but identifies proposed direction which may be modified as needed during the year. A motion was made by Martha Allen, seconded by Martha Gagner to accept the Plan. Motion passed.

Review Service Agreements for potential changes prior to renewal

The Board reviewed the VSBIT and VT-NEA service agreements for FY 16. Since the scope of work for the VT-NEA was modified for FY16, the Board requested an update on this work from the VT-NEA at the next meeting. The Board will also discuss FY 17 payment at that time.

Wellness Program Update

Laura Soares provided the update on behalf of the Wellness Team. The Adventure is underway, celebrating 25 years of the Wellness Program. Twenty-six SU/SDs applied for the Leadership Funds Data Pilot, and we were able to accept 13 sites. While funding is not available to the other applicants, Shevonne and Gillian are supporting their efforts as well. In conjunction with BCBSVT, 10 years of PATH Health Life Survey and program participation data will be downloaded to a data warehouse, allowing this data to be combined with BCBSVT claims data for extensive analysis. The Board will be kept apprised as the project proceeds. Finally, The Wellness Team is looking at how they can best support the transition to new health plans and assist in educating employees, particularly in the area of pharmacy benefits.

Initial FY 17 Budget Discussion

Laura Soares provided an overview of the FY 17 budget, a full line item budget will be brought to the March meeting. An overall increase of 3% was included in the FY 17 rating process. There is a new assessment from DFR of \$16,000 for the annual rate review process. There will be additional costs associated with the transition including the share of the BSBCVT VEHI Dedicated Account Consultant and legal costs. The payments to Remedy Analytics will be offset by reduced pharmacy claims. The contract with Gallagher Benefits Services for ACA compliance support is being revised. The Board discussed the Service Agreement funding process for the past several years: VT-NEA payments have been adjusted by CPI-U while VSBIT payments have been based on actual expenses due to the transition in leadership, with costs declining as John Gutman and Joe Zimmerman phased out and retired.

Feedback on VEHI Memo of January 19 about new plans/transition details.

Tracy Wrend reported that feedback she heard from staff and management has been consistently negative. Mark Hage reported he has started to visit regional bargaining councils and emphasized the challenge of change and the complexity of the issues will require multiple methods of communication over time. Concerns include the ability of small districts to remain with VEHI, the transition process and the timeframe. Laura Soares indicated the feedback she received since returning from her vacation has been frustration and confusion. The Board and staff will continue to gather feedback from the field, especially at the upcoming workshops. Following the completion of the workshops the Board will discuss next steps.

Legislative/Regulatory Update and Discussion

Laura Soares provided an update on the process with CMS and DFR. CMS has indicated that self-funded pools are allowed to operate outside the ACA small group market regulations. We are requesting written confirmation. Once received, DFR will consider a request by VEHI to change from a 'cost-plus' agreement with BCBSVT to an administrative services agreement, aligning the agreement with a self-funded plan arrangement since VEHI has historically carried

the financial risk. Laura and Mark will work with BCBSVT to bring a proposal to the Board at the March meeting.

Update Pharmacy Program/Remedy Analytics

The new agreement between ESI and BCBSVT is complete and awaiting signatures. The contract is retroactive to 7/1/2015. Remedy Analytics will monitor the terms of the contract and provide analysis to VEHI on a regular basis. The annual savings is projected to be several million dollars per year of the contract.

Public Comment

None

Other Business

Elizabeth Fitzgerald requested the Board review and discuss the default decision at a future Board meeting. Tracy reviewed the process for getting an item on the agenda – the Chair and Trust Administrators develop the agenda based on the Board Annual Plan and the issues requiring Board attention. This item will be added as a discussion item on a future agenda.

Adjournment

There being no further business, the meeting adjourned at 3:03 pm.

Respectfully submitted by: Laura Soares