

Vermont Education Health Initiative (VEHI)

Board of Director's Meeting Minutes

May 14, 2018

Present: Nicole Mace, Martha Gagner, Tracy Wrend, Jeff Fannon, Elizabeth Fitzgerald, Mark Hage, Laura Soares.

Additional Attendees: Rob Halpert Esq., Zalinger, Cameron & Lambek, P.C,

Members of the Public: Wanda Otero-Wever, VT-NEA General Counsel.

The meeting was called to order at 2:02 p.m., by Chair Tracy Wrend.

Public Comment: None

Approve Minutes of April 9, April 23, and May 2, 2018 Meetings

Nicole Mace made a motion, seconded by Martha Gagner, to approve the minutes of April 9th as presented. The motion passed.

Martha Gagner made a motion, seconded by Nicole Mace, to approve the minutes of April 23rd with the adjustment requested by Mark Hage. The motion passed with the adjusted language.

Elizabeth Fitzgerald made a motion, seconded by Martha Gagner, to approve the minutes of May 2nd. Mark Hage requested an adjustment with which the Board concurred. Elizabeth Fitzgerald requested that the questions she asked during the phone meeting, which she had prepared ahead in writing, be appended to the minutes. Since Elizabeth did not have her written questions to present the motion was tabled.

Discussion of Duties of Non-Profit Board Members/Officers with Attorney Rob Halpert

Attorney Rob Halpert was invited by the Chair to offer assistance to the Board with respect to the legal duties and obligations of the directors (board members) of a non-profit board. Tracy noted that the Code of Ethics complaint regarding Jeff Fannon has been withdrawn.

Rob Halpert indicated directors of a non-profit board have a duty of loyalty to the organization they serve and must act in a manner to uphold and advance the mission of the organization. Once you take a seat on the board of an organization, your role changes: directors need to set aside individual interest as well as the interests of other organizations they work for or with and act with good faith in the best interest of VEHI. This does not mean that board members must agree. There may be differences of opinions in what the mission of the organization should be, and/or how to achieve the mission. Those differences should be brought to the attention of the board and discussed at meetings. Once a board acts and makes a decision, all board members should work

to uphold the decision. Board members who feel decisions of the board are inconsistent with their own beliefs or hopes, have the option to resign from the board if they feel they are no longer able to have the impact they anticipated as a director.

Jeff Fannon raised the issue of the December 2016 meeting where Joel Cook presented the fall of 2016 petitions submitted by VT-NEA members.

It is not uncommon for small boards to hold discussions prior to a formal motion being made. A second is not required to entertain a discussion of an item – a board can establish its own rules and process.

Rob spoke to the inherent tension in the current structure of the VEHI Board as outlined in the Bylaws – specifically, VSBA and VT-NEA have seats on the board that must be filled by staff or a director of that organization. If the VSBA or VT-NEA, with their own membership, find that their organization has a position that is inconsistent with the VEHI mission, there will be a conflict in that VEHI director serving both her/his duty of loyalty to VEHI and to the membership of VSBA or VT-NEA. If the director resigns from VEHI to fulfill their duty to the VSBA or VT-NEA (of which they are paid staff or a director), their seat must be filled by another paid staff or director of their organization.

Rob noted that calling for the demise of the organization you serve on the board of is not in the best interest of the organization as required by non-profit law. A board member may believe the organization is no longer able to achieve its mission or otherwise viable and request the board discuss dissolving the organization. But if the majority of the board does not agree, the individual should resign their seat before calling for and/or taking action for demise of the organization.

In addition to having a seat on the VEHI Board, VT-NEA is a paid Service Provider to VEHI which creates a second inherent conflict to acknowledge, address and manage. Rob recommended the chair of the VT-NEA Board of Directors sign the Service Agreement on behalf of VT-NEA, not the Executive Director if that individual is serving on the VEHI Board.

Review Service Provider Code of Conduct for Potential Changes

Rob recommended the Code of Conduct for Service Providers to be signed annually by each Service Agent and be incorporated into or referenced in all future Service Agreements.

Rob also recommended all Service Agreements (currently there are two - one with VSBIT and one with VT-NEA) have a similar format and structure, and include notice for termination by either party, as well as an evaluation and renewal process.

Martha Gagner made a motion, seconded by Elizabeth Fitzgerald, to request Rob provide an updated Service Agreement including these elements that will be incorporated in all future Agreements. The motion passed.

Evaluation of FY 18 VT-NEA Service Agreement Performance

Jeff Fannon provided a summary evaluation of the services provided to VEHI by VT-NEA. Jeff highlighted that Mark Hage is primarily responsible for the support and education around the new health plans, responding to the questions arising from the FPA challenges, responding to questions from VSTRS members, and providing forward-thinking ideas for cost savings, such as a different approach to telemedicine. (A note was made that the reference to prescriptions as a leading cause of premium increases on page 3 be changed to reflect that Rx is 18% of VEHI claims and it is the fastest growing expense, not a leading cause.)

Tracy asked for confirmation that VT-NEA is the primary liaison for VEHI in working with and educating school employees, and Jeff and Mark concurred. Tracy asked if VT-NEA developed any additional materials, beyond what was developed with Marks' input for VEHI, and Mark confirmed he relies on the VEHI materials.

Tracy requested VT-NEA solicit feedback on what worked well in various locations about education on both the new VEHI health plans and the use of HRA/FSA/HSA. While the TPA administering the various health spending accounts needs to be in the lead in the education of these accounts and local parties need to take the lead in helping employees understand their local CBA cost share arrangements, VEHI should reflect on the role it can play in supporting these important learning needs. Martha and Tracy's districts both use Health Equity and praised their resources, trainings and support.

Tracy stressed it is critical the Board has access to the data supporting statements that are being made on the experiences employees and employers are having with the new health plans to allow VEHI to understand, reflect, learn and make adjustments as appropriate. Data should not be shared with other stakeholders or interested parties before the VEHI Board has had to opportunity to review.

There was discussion of VEHI developing a statistically valid and reliable survey of employee experiences to inform education materials and future plan design discussions. Mark and Laura already have this on the radar.

Discuss FY 19 VT-NEA Service Agreement Scope of Services

Nicole Mace recognized the value of the VT-NEA bringing the employee perspective to VEHI, and the importance of VEHI's materials and resources developed in a manner that is understandable and useful to the employees and their families that enroll in VEHI health plans. She asked Mark to explain how VT-NEA provided education to employees, and Mark indicated 1) VEHI materials and resources distributed and posted on the VEHI website and through the Campaign Monitor system, 2) Mark himself in-person, phone and email with individuals and small groups, 3) through education of the UniServ Directors and local union leaders.

Nicole was concerned that as part of the Service Agreement, VEHI could be viewed as paying VT-NEA for direct support for local bargaining where there is no corresponding mechanism to provide this education and support to school boards. She thinks it is challenging to separate these roles and that the Service Agreement should address this. Tracy asked Rob to incorporate updates discussed into the revised Service Agreement for VT-NEA for the June 11th meeting.

Update Health Plan Transition

a. **Report from Trust Administrators/VT-NEA on specific documented issues/complaints/problems with the VEHI health plans.**

The Board reviewed the spreadsheet summarizing the complaints and concerns brought to the attention of VEHI/BCBSVT since January. Several complaints reflect the need for further education on the cost-sharing designs of the various VEHI health plans. However, the high volume of calls are related to the challenges with accessing HRA and/or FSA funds administered by Future Planning Associates.

Mark Hage provided 25 medical and financial hardship stories collected through a VT-NEA survey, unrelated to the challenges with FPA. Jeff Fannon provided an additional email VT-NEA received earlier in the day. Tracy Wrend requested Board members read the material with an eye to how these stories can inform future education efforts, especially around selecting the plan that is best for each individual and preparing for and managing the new Rx cost share designs when a CDH plan is selected

b. **Update on Facilitation of districts who moved to DataPath from Future Planning.**

DataPath provided an update late last week, and appears on track in their work to take over administration of the FPA accounts. There has been positive feedback from the field on the May 2nd decision of the VEHI Board to provide prescriptions with no cost share for three weeks for the people impacted by this transition who found their debit cards inactivated without notice.

Review March 31, 2018 Financials

The Board reviewed the March 31, 2018 monthly statement and summary memo from Chris Roberts. Due to the change in health plans, both the VEHI claims expense and the premium revenue for this program are lower in March of 2018 as compared to March of 2017. As of March 31, the health program is showing a loss of \$4.4 million.

FY 19 Budget Review and Discussion

Laura Soares reviewed the draft FY 19 line item budget with the Board. The budget as presented is level funded. The Board gave conceptual approval to the budget, which will be acted upon at the June meeting.

Gallagher Benefits Services FY 18 Contract Summary and FY 19 Scope of Services

Laura Soares reviewed with the Board the services and value provided by Gallagher Benefits Services (GBS) over the past year, and her recommendation to continue to contract with GBS in FY 19 as outlined in her memo. Martha Gagner made a motion, seconded by Nicole Mace, to engage Gallagher Benefits Services for a one year contract as outlined. The motion passed. Jeff Fannon requested a copy of the current contract with GBS be provided to the Board, and that the new contract be provided to the Board once executed. Laura will provide as requested in the Dropbox.

Adjournment

There being no further business, the meeting adjourned at 4:41 p.m.

Respectfully submitted by: Laura Soares

Meetings: Second Monday of the Month 1:15 – 4 PM unless otherwise noted