

Vermont Education Health Initiative

Board of Director's Meeting

September 21, 2015

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

The meeting was called to order at 1:04 p.m., by Chair, Tracy Wrend

Approve Minutes of August 19, 2015 Meeting

Mark Hage made a motion, seconded by Martha Gagner to approve the minutes of the August 19, 2015 Meeting. The board approved the minutes as written.

Finalize FY17 Rate Filing and Communication to the Field

Laura Soares summarized the rate filing process including the final approval of the rate by the DFR. Laura also reviewed with the Board the rate announcement to the field. Elizabeth Fitzgerald suggested several modifications. The Trust Administrators will edit the document before it is released. Mark Hage made a motion seconded by Martha Gagner to release the announcement Tuesday, September 22, 2015 at 10:00 a.m. The Board approved the motion.

Annual Meeting Preparation-Dental Rate Setting Process

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. Immediately after the Annual Meeting, VEHI will conduct a Board Meeting to approve Dental rates to final for FY17. VEHI will be meeting with Northeast Delta Dental to review data for the rate renewal. Early indications show that claims during the rating period were as expected. This VEHI Program is performing well.

Update on Pharmacy Program

Mark Hage summarized the work that continues between 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 language. The Board will be kept up to date.

Update new Plan Design Process

Laura Soares updated the Board concerning the status of the new plan design project. The process is on schedule for Board adoption of new plans by February 2016. The Trust Administrators have met with BCBS on several occasions and have scheduled more meetings to finalize the plan options. The Forums begin next week and it is anticipated that feedback will be provided by the attendees.

It is the goal of the Trust Administrators to develop health care plan options which are easy to understand and fit into a coordinated system with core coverages included in all plans offered.

Transition from Current Health Plans to New Health Plans-Decision

Laura Soares reviewed with the Board the complex issues that face VEHI in creating new health plan options for its member school districts. Among the issues which must be addressed are:

- Recognize that approximately 36,000 lives, both active employees and their dependents will be moved from their current health plans to plans being designed by VEHI.
- The move to new plans must be carefully executed. VEHI cannot repeat what happened to the State as it rolled out health plans available through the Health Care Exchange (VHC).
- Consider a January 1 or July 1 effective date for the new plans to begin
- Take into account that VEHI and member school districts must comply with all Federal Programs, such as HRA's, HSA's and Section 125 plans. These Programs suggest a January 1 effective date as most follow the calendar year. BCBS recommends a January date as well and would prefer one large move rather than one district at a time. This strategy would reduce the number of errors in the enrollment process and ease the administrative effort.
- How many health care plan options will districts and their employees have to choose from
- Must allow for the appropriate amount of time to announce VEHI's new plans and time for all to make thoughtful decisions at the district level
- Recognize that health care benefits are collectively bargained
- The pricing of plans must take into account the fact that school districts will take advantage of HRAs, HSAs and FSAs. VEHI must retain pricing equity among plans as utilization between plans may be different due to the use of Federal Programs. VEHI is going to explore partnering with one or more of the vendors who administer these medical savings accounts.
- To ensure no disruption in coverage for any subscriber or dependent, VEHI will identify a "default" plan or plans from among the new plans to transition those school district employees that are not in a position to provide enrollment information by the date established. In order to reduce errors and complications and minimize the additional costs which arise with the use of a default plan, it will be communicated to all stakeholders that every attempt should be made to avoid the need for default plans. VEHI may have to consider an additional surcharge for those districts that require this approach.

After an extended discussion of the above:

A motion was made by Joel Cook, seconded by Mark Hage, to inform the field it is likely that January 1, 2018 will be the transition date from the current VEHI health plans to the new VEHI health plans for active employees. The motion was defeated.

A motion was made by Elizabeth Fitzgerald, seconded by Martha Gagner, to authorize the Trust Administrators to communicate to the field that there will be a transition for all active employees to new health plans effective January 1, 2018. The motion passed.

The Board directed the Trust Administrators to develop a transition plan that ensures no interruption in health coverage for active employees.

Other Updates

- a. **Legislative Studies:** The legislative studies that are taking place over the summer and fall, concerning health care issues (state wide public employee pool) are proceeding. The committee's actuary has VEHI's data. A review of the data, at this point, indicates that the State is more at risk for the excise tax than VEHI. It is unlikely that the committee will complete its work by the November 1, 2015 target date.
- b. **LTD Program:** Laura Soares reviewed with the Board the status of the program. The LTD Program has 2,290 lives, with 65 SU's or school districts as members.
- c. **Open Meeting Law:** The Board discussed Open Meeting Law and will follow up on this topic at a future meeting.
- d. **Potential Staff Position:** In light of the work load anticipated to successfully launch new health plans, the Trust Administrators are considering adding a staff member or working with BCBS to get the needed resources. The Board will be kept up to date with respect to any budgetary issues.
- e. **Future Meetings:** The date of the December meeting may need to change, communication on this will take place in the near future.

Adjournment

There being no further business, the meeting adjourned at 3:22 p.m.

Respectfully submitted by: Joseph Zimmerman