

Vermont Education Health Initiative

Board of Director's Meeting

December 17, 2015

Present: Tracy Wrend, Mark Hage, Martha Allen (until 12:30), Joel Cook, Martha Gagner, Elizabeth Fitzgerald, Laura Soares, Joe Zimmerman (by phone), Chris Roberts (present for Audit review and Quarterly Financials), and Rick Brigham (present during Audit review)

The meeting was called to order at 10:02 a.m., by Chair, Tracy Wrend

**Meet with Auditor and Accept FY15 Audit Report**

Rick Brigham of Sullivan Powers reviewed the audit report for FY15 with the Board. Rick reported to the Board that the audit was considered clean, with no findings or deficiencies and no accounting adjustments necessary. Martha Gagner made a motion, seconded by Mark Hage to accept the audit report. The Board voted to accept the report.

**Review Financials as of 9/30/15**

Chris Roberts summarized for the Board the financial statements as of 9/30/15. Chris indicated that all financial targets are being met as planned. Mark Hage made a motion, seconded by Martha Gagner to accept the quarterly financial report as summarized by Chris Roberts. The Board accepted the report.

**Approve Minutes of September 21<sup>st</sup> and October 23<sup>rd</sup> Meetings**

Mark Hage made a motion, seconded by Martha Gagner to approve the minutes of the September 21, 2015 and October 23, 2015 Meetings. The board approved the minutes as written.

**Board Reorganization**

- a. Martha Gagner made a motion seconded by Elizabeth Fitzgerald to accept Mark Hage's resignation as a Group B Board Member. The motion carried.
- b. The Board Appointed Martha Allen to serve the remainder of Mark Hage's term as a Group B Member.
- c. The meeting was turned over to Laura Soares for election of the chair. Upon a motion of Martha Gagner, seconded by Martha Allen, the Board elected Tracy Wrend as Chair. Tracy then continued to chair the meeting. Upon a motion by Elizabeth Fitzgerald, seconded by Martha Allen, Joel Cook was elected Vice Chair. The Board also appointed Laura Soares as President of the Corporation and elected Martha Gagner as Secretary (motion by Elizabeth Fitzgerald and seconded by Martha Allen).
- d. Board Members completed and signed Conflict of Interest Statements.

- e. Martha Gagner made a motion, second by Martha Allen, to affirm VEHI's Mission and Decision Guidelines. The Board voted to affirm the existing Guidelines.
- f. Joel Cook made a motion, seconded by Martha Allen, to Adopt a Resolution covering the Delegation of Authority for Bank and other Corporate Responsibilities. The motion carried to adopt the Resolution as presented.

### **New Plan Design Process**

- a. Summary of Fall Forum Input: Laura Soares and Mark Hage summarized the discussion points that were talked about during the Fall Forums. Approximately 350 school district administrators, school board members, association leaders and district employees attended the Forums. There was considerable discussion with respect to the new plans to be made available by VEHI on 1/1/2018. Most attendees felt that three to five options, with a variety of actuarial values, would be adequate. The attendees were mixed with respect to having an "enrollment tool/system" to assist with the enrollment process. Some thought that "case studies" would be enough help for those making the decision. There was overwhelming support for VEHI to engage a vendor to assist in administering HSA, FSA and HRA accounts in a cost- effective manner for those members who determine through negotiations to utilize these accounts. The input received through the Forums informed the new plan development process.
- b. Discussion of New Plans and pricing: Laura Soares summarized the effort that was made to identify the array of plans that the Trust Administrators are recommending for consideration by the Board. These plans will replace all current plans for active employees and take effect January 1, 2018. The Administrators reviewed more than 20 plan configurations in order to come up with the mix of plan benefits, out of pocket cost and price. VEHI worked closely with BCBS marketing and actuarial staff to get a favorable distribution of plans to consider. The Trust Administrators proposed four plans with an AV spread of 14%, which is close to VEHI's current spread of 13%. After considerable discussion, Martha Gagner made a motion, seconded by Elizabeth Fitzgerald to include another mid-level gold and a bronze plan to the recommended mix for a total of six plans to send to DFR for review. Joel Cook proposed an amendment, which was accepted, to approve no more than four plans from these six at the January meeting. The motion carried.
- c. Discussion of Decision Points: Also at the January meeting the Board will need to name the plans, set the default plan and determine the parameters for which plans must be offered to employees. The Trust Administrators reviewed the options and various dynamics for the Board to consider ahead of the decisions.
- d. After discussion, Joel Cook made a motion, seconded by Martha Allen, to engage with Health Equity to administer medical savings accounts.

### **Securing Authority to Continue to Serve all Current Members-Update**

Laura Soares outlined for the Board the efforts being made by the Trust Administrators to have all of the authorization necessary to ensure the new plans are available to all size members. Laura and Mark are working with the Administration, DFR, the House and the Senate to determine if legislation is needed and if so, how to secure passage. A motion was made by Martha Gagner, seconded by Joel Cook, to authorize the Trust Administrators to engage a lobbyist for the month of January to assist in these efforts if needed.

### **Other Updates**

- a. Pharmacy Program: Mark Hage reported that a revised contract with ESI is in the final stages. It will be retroactive to 7/1/2015.
- b. Legislative Studies: There was a discussion of the legislative study report released December 4<sup>th</sup>. It was noted that there is federal legislation pending that would delay the federal excise tax until 2020; this legislation should be final in the next week.
- c. Open Meeting Law: Rob Halpert provided a summary of the Open Meeting Law as it relates to VEHI.
- d. New Staff Position: Anticipating the need for additional help to introduce the new VEHI health plan options, the Trust Administrators worked with BCBSVT to identify an experienced BCBSVT dedicated staff member to work with VEHI during the transition. VEHI and BCBS have agreed to a fair financial arrangement concerning this.

The Board thanked Joe Zimmerman for his many years of service to VEHI as President, Trust Administrator, Board Member and Secretary and wished him the best as he retires full time at the end of 2015.

### **Next two Meetings: January 13, 2016 and February 22, 2016**

### **Adjournment**

There being no further business, the meeting adjourned at 1:20 p.m.

Respectfully submitted by: Joseph Zimmerman