



Information on October 1, 2018 Changes to VEHI Board

Notice: Act 11 of 2018 Requires Changes to the VEHI Board and Its Organizational Documents

February 21, 2019

Act 11 of 2018 (<https://legislature.vermont.gov/bill/status/2018.1/H.16>) became law in Vermont in late June, during a Special Session of the Legislature. Beginning on page 251 of the Act, Section H.25 outlines the required composition of the board of directors of any health benefit association that serves school districts. This applies to VEHI. The changes mandated by Act 11 took effect **October 1, 2018**, and require VEHI to amend its organizational documents.

Accordingly, VEHI has amended its Member Agreements, Articles of Incorporation, Bylaws, and Operational Plan for its health and dental programs. Versions with tracked changes are on the VEHI website (<https://vehi.org/home/membership/act-11/>). These documents have **been** approved by the new VEHI Board of Directors and will be submitted to Department of Financial Regulation (DFR) for approval once DFR updates its rules as required by Act 11.

As stipulated in Act 11, VEHI members will no longer vote for VEHI Board Directors. **Effective October 1, 2018, VEHI has a six-member Board, with three directors appointed by Vermont-NEA and three appointed by the Vermont School Boards Association.** More information on the VEHI Board, including its membership, meeting schedules, agendas and minutes, are on the VEHI website (<http://vehi.org/board-members/>). VEHI Board meetings will continue to be open to the public.

An Introductory FAQ on Act 11 Changes and VEHI

Membership in VEHI

1. How does this change impact the VEHI Membership Agreements?

Section IV of both the health and dental program Agreements has been eliminated, as Members no longer have the authority to vote for and elect the Board of Directors.

2. Do the Members still have the right to vote at the Annual Meeting?

Members retain the right to vote on any changes to the Bylaws related to the term of office of directors. Terms were set at a length of three years by a vote of the Membership at the 2016 Annual Meeting.

3. Do Members need to take any action to retain Membership?

No. VEHI Membership **will continue uninterrupted.**

4. Is membership in VEHI's health and dental programs still voluntary?

Yes, Membership in both VEHI programs remains voluntary and can be terminated after one year with 90-day notice. Be aware, however, there is a 24-month waiting period to rejoin either program after termination of membership. Please note that membership changes take effect on the first day of the month following eligibility to join or leave the program.

Organizational Impact

1. How does the change in Board impact the contracts, policies, or other operations of VEHI?

VEHI will continue to operate as it does currently, with all contracts and policies in place. The only changes to the organization relate to the composition of the Board as required by Act 11 and reflected in the organizational documents identified above. The new VEHI Board will determine if any other changes need to be made for the successful operation of the organization.

2. How does Act 11 impact the health plans VEHI offers?

The VEHI Board is required to solicit the input of the newly created Commission on Public School Employee Health Benefits regarding the design of health plans offered. Further, changes approved to VEHI's health plans, both in design and number, can go into effect beginning the first plan year of the Commission's second bargaining agreement, which at the earliest in statute is FY23.

3. How does Act 11 impact private schools and VSTRS?

Act 11 clearly states that private schools remain eligible for membership in VEHI and that nothing in the Act changes the health benefit plans offered to retired school employees and their dependents through VEHI.

VEHI will continue to keep all parties apprised of its work and to assist you with your needs. Our website includes extensive information on the organization, as well as on its health, dental, wellness, life insurance, and LDT programs

If you have questions or concerns regarding VEHI, please contact VEHI President **Laura Soares** (laura@vsbit.org or (802) 223-5040, extension 208), VEHI Trust Administrator **Mark Hage** (mhage@vtnea.org or (802) 223-6375) or VEHI Trust Administrator **Bobby-Jo Salls** (bobbyjo@vsbit.org or (802) 223-5040, extension 233).