

VEHI Board Meeting Minutes for December 2, 2025

Present:

VEHI Board Members: Suzanne Dirmaier, Mike Fisher, Lisa Grout, Andrew Haas, Lance Mills, and Cheryl Scarzello,

VEHI Management Team: Mark Hage, Chris Roberts, Bobby-Jo Salls and Jon Steiner

VEHI Guests: none

Members of the Public: none

The meeting was called to order at 3:03 pm, by Chair Mike Fisher.

Agenda

Cheryl Scarzello made a motion to approve the agenda as presented, seconded by Lisa Grout. The motion passed unanimously.

Public Comment

No public comment.

Review and Approve Meeting Minutes from October 21, 2025

Cheryl Scarzello made a motion to approve the meeting minutes from October 21, 2025. The motion was seconded by Andrew Haas, and it passed unanimously.

Reorganization of the Board

The board reorganized leadership positions, with Lance selected as chair and Mike Fisher as vice chair. VT-NEA representative, Lisa Grout, nominated Lance Mills as the Chair for the VEHI Board, seconded by Suzanne Dirmaier. VSBA representative, Cheryl Scarzello, nominated Mike Fisher as Vice Chair, seconded by Andrew Haas. With no discussion or concerns raised, the representatives from each association approved their nominations unanimously.

Review and Accept FY26 Q1 Financial Reports

Chris Roberts presented the quarterly financial reports, highlighting a \$6.7 million loss in the health program and \$183,000 loss in dental, with total net position at \$22.2 million for health and \$6.1 million for dental. Chris discussed her communication with DFR regarding rate increases and financials, with Chris reporting that DFR was satisfied with the communication thus far and is continuing to track progress. Claims are running 15% higher than last year. The

market is performing positively; however, it is seeing lower than normal returns because of the diminished principle.

The board discussed financial challenges, with Chris reporting they are hoping for a break-even year in FY26 and may need to withdraw more funds from Vanguard in the coming months, though they have sufficient liquidity. Chris explained that while December claims will continue to impact cash flow into January, the board should expect to see benefits from recent changes around 3-4 weeks into January, particularly from pharmacy and GLP-1 point-of-sale transactions.

Mike Fisher made the motion to accept the quarterly financial reports as presented. The motion was seconded by Lisa Grout and passed unanimously.

Review Investment Consultant Recommendation

Chris presented the research she had done, and three options identified, to review the current investment strategy. Chris explained that while Vanguard is performing well, the review would fulfill fiduciary responsibilities and ensure they are making optimal decisions with taxpayer funds. The board reviewed investment consultant recommendations and Mike Fisher made a motion to hire Concord Advisory Group for \$25,000 as presented in their engagement letter. The motion was seconded by Cheryl Scarzello and passed unanimously.

VT-NEA Update

Mark presented a proposal for exploring the creation of a public health service authority (PHSA), which could possibly serve all public sector employees in Vermont, potentially covering 75,000-90,000 lives. He asked the board to approve sharing the ASO service agreement and amendments and the VEHI benefit documents with the consultant, USI. He reported that similar approvals are being requested by VSEA and AFT. Mark expressed that this is in a preliminary exploratory stage but suggested that the PHSA could potentially use VEHI as a service arm, that the PHSA would design plans, conduct risk analysis, negotiate contracts, and oversee the pool with a possible role for the VEHI board in the PHSA board. Mark emphasized that the benefit would be increased bargaining power and leverage to negotiate better prices and services. Lisa Grout expressed interest in potential benefits of having a larger pool.

The VSBA board members asked for a proposal in writing before being asked to make a decision that could lead to VEHI's dissolution. Lance suggested having a special meeting in late December in case the VT-NEA wants to introduce new legislation about this. However, Cheryl Scarzello expressed concern about the lack of employer representation in initial discussions. The group also considered demographic and risk factors in a potential merger, with Chris raising concerns about combining different employee populations. Bobby-Jo Salls also noted that

pools with varying size and benefits can struggle to maintain larger groups with better experience who may decide to leave the pool, leaving the pool with the worst risk. Mark will provide a written proposal to the board for discussion at the next meeting. No action was taken on this topic.

Executive Session

Andrew Haas made the motion to enter Executive Session under 1 V.S.A. 313 (a) because premature General public knowledge would put VEHI at a substantial disadvantage to discuss Contracts and pending or probable civil litigation. Lisa Grout seconded the motion, and it passed unanimously.

Mike Fisher made the motion to return from Executive Session, which was seconded by Lisa Grout and passed unanimously.

Mike Fisher made a motion to direct the management team to respond to the Blue Cross Blue Shield of Vermont letter, dated December 2nd, 2025, reiterating our position that there is no contractual basis for the recovery fee. Lance Mills seconded the motion. It passed unanimously.

Review Benefit Committee Documents

The board reviewed the guiding principles and benefit design objectives, which will be used to communicate with candidates. Mike B. Fisher made a motion that the Board approve the guiding principles and the design objectives as listed on page 28 in our Board packet. This was seconded by Lisa Grout and passed unanimously.

Annual Work Plan

The board discussed the annual work plan, noting that the board officer elections should be moved to December after the annual meeting. Mike will update the work plan and present it at the next meeting for final approval.

Review Board Policies – Bylaws and Articles of Amendment

The VEHI Board reviewed the Bylaws and Articles of Amendment. Mike Fisher made a motion that the board has reviewed the bylaws, seconded by Suzanne Dirmaier. The motion passed unanimously.

Mike Fisher made a motion that the board has reviewed the articles of amendment, and no immediate changes are necessary. This was seconded by Suzanne Dirmaier. The motion passed unanimously.

Review Board Policies – VEHI Net Position Policy & VEHI Investment Policy

The board reviewed the VEHI Net Position Policy and no changes were suggested. Lisa Grout made the motion to accept the health program's net position policy as written. Mike Fisher seconded the motion, and it passed unanimously.

The board reviewed the VEHI Investment Policy and no changes were suggested. Cheryl Scarzello made the motion to accept the VEHI Investment Policy as written. Mike Fisher seconded the motion, and it passed unanimously.

Review and Accept the Duties of a Non-Profit Board

The Duties of a Non-Profit Board as created by the Office of the VT Attorney General was reviewed by the board.

Member Forum

Mike proposed organizing a member forum in January to discuss health programs and insurance costs, with the board agreeing to target the week of January 20th, ahead of their board meeting on the 27th. Cheryl Scarzello noted the importance of the timing with the upcoming budgets for town meeting day. Mike offered to take the lead with the help of the management team to create and execute the meeting.

Adjournment

With no further business, Mike Fisher made the motion to adjourn the meeting, seconded by Lisa Grout. The motion passed unanimously. The meeting was adjourned at 6:00 pm.

Respectfully submitted by Bobby-Jo Salls