

VEHI Board Meeting Minutes for October 21, 2025

Present:

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

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

VEHI Guests: Carolyn Rice and Taylor Kacur of Johnson Lambert

Members of the Public: Chelsea Myers, VT Superintendents' Association

The meeting was called to order at 3:01 pm, by Chair Mike Fisher.

Agenda

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

Public Comment

No public comment.

Review Meeting Minutes from June 17, July 28, September 5, 2025

Cheryl Scarzell made a motion to approve the meeting minutes from June 17, July 28, and September 5, 2025. The motion was seconded by Lisa Grout, and it passed unanimously.

Review and Accept FY 25 year-end Audit Report – Johnson Lambert

Carolyn Rice, CPA and Taylor Kacur, CPA of Johnson Lambert reviewed the FY25 VEHI Audit Report, highlighting the process of the audit in accordance with GAAS and GASB, and reviewing the results. VEHI received an unmodified (clean) audit opinion and Johnson Lambert found no material weaknesses in internal controls. Both Johnson Lambert representatives and members of the VEHI board thanked Chris Roberts, Director of Finance, for the work of her and her team to achieve this continued level of performance.

Cheryl Scarzello made a motion to accept the audit findings as presented by Johnson Lambert, seconded by Andrew Haas. The motion passed unanimously.

Review Active Health Rate Filing for FY27

Bobby-Jo Salls and Chris Roberts began the conversation by identifying the indicated proforma rates (including a contribution to reserves in FY26) of an average of 2.9%. Bobby-Jo and Chris presented the options from the management team of options between an overall average increase of 6.5%-8.5%. Assuming a breakeven year in the current year FY26, this rate increase is projected to replenish reserves back to 15-16.9%. They reviewed the primary drivers of the lower-than-average increase and explained their concerns with the assumptions within the filing, citing examples of “unknowns” such as GLP-1s for obesity that increased nearly 10 times from the original filing of FY25, to the actual results of FY25.

Mark Hage also provided his perspective of the strides that were made at the Green Mountain Care Board with hospital budget decisions, as well as the legislature’s work in capping outpatient infusion therapies to 120% of the average sale price. The board discussed the options provided.

Andrew Haas made the motion to authorize the VEHI management team to file an average increase of 7.3% for the Active population for FY27. Suzanne Dirmaier seconded the motion. The motion passed unanimously.

Review Active Dental Rate Filing for FY27

Bobby-Jo Salls reviewed the dental renewal and the need for an increase to the rates higher than they have done historically. For the past 10 years the pool has experienced 7 years of rate holds and 3 years of increases ranging from 0-2-4%. In most years VEHI has waived the administrative charge and used the strong reserve position to subsize the rates. This year the management team recommended to continue to waive the administrative cost (projected to be about \$660k), and to use about \$1.3 million (after investments) to reduce the rate increases needed. This would still require increases ranging from 0-5-8-12-15%, despite 50% of groups needing increases of more than 20%.

Lisa Grout moved to increase the dental rates in increments of 0 to 15% based on proforma indicated rates of 5.67 – 57.5%, seconded by Lance Mills. The motion passed unanimously.

Executive Session

With contractual and legal topics on the agenda, the management team asked the board to move to executive session. Lisa Grout made a motion to move to executive session, seconded by Lance Mills. The motion passed unanimously.

Andrew Haas made a motion to return from executive session, seconded by Suzanne Dirmaier. The motion passed unanimously.

Benefit Redesign Discussion

The board committee, including Cheryl, Suzanne, Mark, and Bobby-Jo, discussed the extension of the statewide bargaining agreement by a year, which provides additional time for benefit redesign. They reviewed guiding principles and objectives for the benefit redesign process, focusing on reducing the number of plans, lowering premium costs, and maintaining high-quality healthcare. The committee agreed to email these documents to the full board for review and approval at the December meeting. They also discussed the need to identify potential consultants for the benefit redesign process, with Mark, Bobby-Jo, and John planning to present viable candidates in December or January.

Virtual Town Hall and Meeting Plans

The board discussed organizing a virtual town hall meeting in February to present healthcare changes and facilitate Q&A, with Mike volunteering to lead the initiative. They confirmed the annual meeting will be held on Thursday, October 30th at the Doubletree Hotel in Burlington, with both in-person and virtual attendance options.

PBM RFP

Mark stated that the PBM RFP information is being analyzed and compiled by the consultants at Remedy Analytics.

Next Meeting Topics

The December meeting agenda was outlined, including financials, Mark's report, management updates, work plan, policies, and potential discussions about consulting for investments and plan redesign, with the board agreeing to review the consultant interview document rather than approve specific questions.

Adjournment

Lance Mills made a motion to adjourn, seconded by Lisa Grout. The motion passed unanimously. The meeting was adjourned at 6:00 pm.

Respectfully submitted by Bobby-Jo Salls