

Vermont Education Health Initiative (VEHI)
Board of Directors
Ad Hoc Meeting Minutes
April 17, 2025

Present:

VEHI Board Members: Michael Fisher (Chair), Lance Mills (Vice Chair), Suzanne Dirmaier, Lisa Grout, Andrew Haas, Cheryl Scarzello

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

The meeting was called to order by Mike Fisher at 3:32 p.m.

Review and Adopt Agenda

The first order of business was to review and adopt the agenda. Cheryl Scarzello moved to adopt the agenda, seconded by Lance Mills. Mike Fisher then asked to amend the agenda by adding a discussion about GLP-1s at the end of the agenda. Lisa Grout moved to accept the amended agenda, seconded by Cheryl Scarzello. The motion passed unanimously.

Public Comment:

None.

Discuss Updated Legislative Issues

Mike Fisher asked Mark Hage to discuss the reference-based pricing (RBP) pilot proposal that was brought forward by VT-NEA and VSEA to the legislature in March, but was ultimately left out of the bill. Mark indicated that the associations were still interested in RBP, however, it was not in any existing bill at that time.

Mark reviewed the states that have implemented or is considering RBP in one form or another (by pool or state). Stating that the proposal would include all the 2 entities that would be impacted immediately would be school employees licensed and non-licensed, active and retired, who are covered by VEHI and the State employees or State employees who are part of the State of Vermont's Medical Fund, AFSCME, the other union that's implicated in collective bargaining. The plans would be capped at 200% of Medicare costs for the six PPS (prospective payment system) hospitals including UVMHC, CVMC, Northwestern, Brattleboro, Southwestern and Rutland Regional. Any hospital who left the network would be capped at 185%. The parties would work with their third-party administrators (currently Blue Cross of VT for both entities) to ensure that they were capped at those amounts or hire a Medicare re-pricer.

Mike thanked Mark for the information and asked for specificity around day-to-day operations, accountability and costs for administering this type of program.

Mark noted that the work of the pricing would likely fall to Blue Cross of VT, which would need to be codified in our contract, or we could hire a re-pricer. Also, we would be responsible for auditing this process.

Cheryl Scarzello asked about the costs and the overall savings expected from this, and if it has been modeled. Mark discussed the report that was made available in December which indicated a \$400 million dollar savings over a 5.75 year period, at 200% of Medicare, for all services, at all VT hospitals, for both associations.

Bobby-Jo Salls and Jonathan Steiner noted the need for specifics because the assumptions change using the December report when adjusting to: VEHI-only, six hospitals (or even three or one), at 200% or 250% of Medicare, for one year will indicate actual potential savings. That, coupled with the potential costs to administer, would determine potential savings.

Mark encouraged further discussion and research to determine the costs and savings, and agreed actual numbers would change based on the percentage of Medicare and the number of hospitals that were included.

No action was taken on the topic.

Discuss Benefit Design/Timeline

Bobby-Jo Salls began the conversation by going back to the presentation from March to ask for any follow-up questions and reviewed an updated slide that showed the dollar amount of claims paid out of pocket by employees after the HRA, by increment. The board discussed what items were in the purview of the board (plan design) vs the commission (cost-sharing of premium and claims). Bobby-Jo noted that by pricing plan designs, either new versions of the current plans, or even considering repricing our pre-2018 plans, that it could help with the parameters that VEHI is working with. Many stakeholders are looking to VEHI to reduce costs and this is a way that VEHI can reduce costs and relieve pressure from local budgets. No action was taken.

Mark Hage continued the conversation about benefit design and stated that we need to reduce costs, not shift them with changes to plan design elements like deductibles or copayments. Mark stated that by putting cost barriers in place there is no way to know if they are high or low value care. He also noted that Bobby-Jo's presentation does not take income into account when reviewing how much employees pay for their medical and pharmacy claims. He notes the VEHI plan design history from the mid-90s to 2017, price increases, the profits of national insurers, the high costs in VT compared to other states, as well as Australia and Spain. Mark stated that he wants to research other plan design ideas and hire an outside consultant to think through other potential ideas before requesting any pricing.

The board discussed and considered a subcommittee on plan design. No action was taken.

Discuss RFI Considerations Document

With limited time Mike Fisher asked for board approval for Mike and Lance to have a conversation with the chairs of the bargaining commission to discuss the upcoming plan re-design, the simplification of the plans, as well as the potential request for information from other carriers and review the document created by the management team “RFI Considerations.”

The motion was made by Lisa Grout to authorize the board chair and vice chair to have a conversation with the Commissioners [co-chairs] to ensure they understand the role of Blue Cross and Blue Shield as an ASO and to discuss the Board’s general thoughts on plan redesign. The motion was seconded by Cheryl Scarzello. The motion passed unanimously.

GLP-1 Introduction

Jonathan Steiner gave a brief description of what GLP-1s are, and different categories (diabetes and weight loss). He indicated that the VEHI team has begun having discussions with our pharmacy consultant, Remedy, as well as Blue Cross of Vermont to determine if VEHI should continue to cover them for weight loss. The prescriptions are very expensive and the utilization is on a steep incline. Mike Fisher asked that the management team be ready to discuss further in May with data about the usage, cost, and the impact of a change.

Next Meeting Agenda

Mike Fisher referred to the Annual Work Plan to determine the agenda for May. Topics included, VEHI Retiree Filing (VSTRS), GLP-1s, Financials, Auditor Engagement, RPB, and possible RFI.

Adjournment

Andrew Haas made the motion to adjourn the meeting, seconded by Cheryl Scarzello. The motion passed unanimously. Mike Fisher adjourned the meeting at 5:34 p.m.