

Vermont Education Health Initiative (VEHI)  
Board of Directors  
Meeting Minutes  
January 28, 2025

**Present:**

VEHI Board Members: Suzanne Dirmaier, Mike Fisher, Lisa Grout, Andrew Haas, Lance Mills, 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 3:01 p.m.

**Review of Agenda:**

Lance Mills made the motion to review and adopt the agenda, seconded by Lisa Grout, the motion passed unanimously.

**Public Comment:**

Mike Campbell and Mark Koenig, (Co-chairs of the Commission for Public School Employee Health Benefits) joined the VEHI meeting to make a public comment. Mark K reported that Mark Hage and Steve May had attended their meeting the night before reviewing referenced based pricing (RBP) and other ways that they could make coverage more affordable. They asked that we consider a request for proposal to review options outside of Blue Cross of Vermont. They also asked for time with VEHI board members outside of normal board meetings to review options. Mike Campbell added that the VEHI board should look into reducing the number of plans, RBP and telehealth, and finding new ways to reduce costs. Mike Fisher thanked them for coming and agreed that the board and commission should work together to find ways to reduce costs.

**Approval of Board Minutes: December 3, 2024**

Lisa Grout made a motion, seconded by Suzanne Dirmaier, to approve the meeting minutes of December 3, 2024, as presented. The motion to approve the minutes passed unanimously.

**Management Update**

Mark Hage noted that we had recently met with Remedy Analytics to review the results of the spread-pricing analysis and alluded to a further discussion during the strategy portion of the meeting.

Jon Steiner noted that DFR approved our FY 26 rates following a few routine follow-up questions.

Chris Roberts, director of finance, noted that quarterly financials for calendar year-end 2024 (Q2 of the fiscal year), are not ready for review at this meeting, after running a financial statement before the meeting, she wanted to share that the VEHI pool is running a \$14.6 million operational loss as of 12/31/2024. Taking a positive investment position into account, it brought it up to a \$13.2 million loss. At this time last year, the numbers were \$9.8 and \$7.4 million loss, respectively.

### **Conflict of Interest Policy Review**

Mike Fisher began the discussion and addressed the clause (number 8) in the COI policy that has been a point of contention within the board. While the VSBA appointees are not ready to strike that portion of the policy today, he hoped that the board could review and accept the policy and practice in place today and focus on the bigger issues that the board faces with the understanding that it would be addressed at a later meeting. Various members of the board expressed their opinions that the clause in the COI that seems to be contradicted by the bylaws needs to be addressed but agreed that there were more important issues to address at present, and the practice has been to allow the VT-NEA members to vote on the VT-NEA contract despite the contradiction.

Lisa Grout made the motion to accept the policy as written, and the practice as practiced, Lance Mills seconded the motion. The motion passed unanimously.

### **Strategy Discussion and Legislative Action**

The VEHI management team provided a review of the roles and responsibilities of the board vs the statewide bargaining commission. [VEHI provides plan designs and sets renewal rates. The commission is responsible for split of premium costs, and out-of-pocket costs with HRA and/or HSA funding. The commission can provide non-binding recommendations to VEHI regarding plan designs.] The document also reviewed the changes that VEHI has implemented over the years, as well as the various initiatives that have been proposed, researched, implemented, dismissed, and those that have yet to be fully vetted.

The board of directors with input from the management team discussed the plan designs and next steps for suggesting or making changes. There was a discussion regarding the levers that the board had available to make changes to the plans, including deductibles, networks, pharmacy, carrier, stoploss, etc.

The board asked the team what the next steps are for looking at benefit changes; Bobby-Jo suggested that – as a starting point - she and Mark look at the plan designs and make some simple changes such as reducing to two plans, adjusting deductibles or out of pocket maximums and ask Blue Cross to price them. Mark asked to look outside of the team and Blue Cross for ideas, through an intensive research project for different ways of structuring care, potentially using outside expertise for additional counsel.

The VEHI management team agreed to put together a document that describes the considerations for considering a move to a different vendor, and why generally, moving to a different carrier would not change the underlying issues that are: cost and utilization. There could be sacrifices that would be made regarding formulary or network to see cost savings with a different carrier.

The board discussed the governor's proposal to move from dozens of SU/SDs to 5 mega districts; the report issued by the VT commission on the future of education funding which listed healthcare costs as a point of interest. Mark also briefly discussed the RBP report that was issued in December, which showed pricing higher than 3 times what is paid by Medicare.

Mike Fisher asked that the management team bring a proposal to the board in March on next steps.

The board agreed that they were not able to make any decisions about legislative initiatives at this meeting and that the March meeting may be too late, therefore they decided that they would have an ad hoc meeting in February to review any pending legislation to determine if the VEHI board wanted to take a formal position. Bobby-Jo would contact board members for a time to meet in February.

### **Future Agenda Items and Annual Workplan**

February meeting for legislative positions. March meeting the management team will bring a proposal for next steps or path forward for reviewing and potentially changing plans.

### **Adjournment**

Suzanne Dirmaier moved to adjourn the meeting, seconded by Andrew Haas. The motion passed unanimously, and the board adjourned at 5:01p.m.

Respectfully submitted by: Bobby-Jo Salls