

Vermont Education Health Initiative (VEHI)  
Board of Directors  
Meeting Minutes  
October 15, 2024

**Present:**

VEHI Board Members: Suzanne Dirmaier (Chair), Mike Fisher (Vice Chair), 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 Suzanne Dirmaier at 3:02 p.m.

**Review of Agenda:**

Lisa Grout made the motion to accept the agenda, seconded by Lance Mills, the motion passed unanimously.

**Public Comment:**

None.

**Approval of Board Minutes: June 11, 2024**

Andy Haas made a motion, seconded by Lisa Grout, to approve the meeting minutes of June 11, 2024, as presented. The motion to approve the minutes passed unanimously.

**Review and Accept Audit Findings from October 1, 2024 Report**

Chris Roberts introduced Taylor Kacur, Sr Manager, and Carolyn Rice, Partner, of Johnson Lambert who presented the findings of the annual VEHI audit to the VEHI board. The auditors issued an unmodified (clean) audit opinion over GASB GAAP\* financial statements. The auditors commended and thanked Chris Roberts and the team for their work in providing the requested documentation for the audit in a timely manner. Mike Fisher also thanked Chris and the team for their hard work. The [full audit report](#) can be found on the VEHI website.

\*Generally Accepted Auditing Standards and Generally Accepted Accounting Practices

Lisa Grout made the motion to accept the auditing findings from 10/1. The motion was seconded by Mike Fisher. The motion passed unanimously.

### **Review and Accept Fiscal Year-end 24 Financials**

Chris Roberts presented the FY 24 year-end financial statements which highlighted another year of losses. The estimated contribution to reserves for FY 24 was \$3.3 million (before investments) at the time of the filing in 2022, however, the actual impact to reserves was a loss of \$15 million (before investments) at the end of FY 24. Chris noted that the net position at the end of FY 23 was 15.2 percent, and at the end of FY 24 was 10 percent. Chris also indicated that claims thus far in FY 25 have been higher than FY 24, and these two points would be reviewed again during the rating discussion.

Lisa Grout made the motion to approve the FY 24 year-end financials, seconded by Mike Fisher. The motion passed unanimously.

### **Review and Approve the FY 25 Budget**

Chris Roberts presented the FY 25 Budget with the final number for the VT-NEA budget, highlighting the areas of change from FY 24, including holding the PATH Wellness Budget from the prior year. The overall change to the budget is \$269,490, or 5.75 percent.

Mike Fisher made the motion to approve the FY 25 budget, seconded by Lance Mills. The motion passed unanimously.

### **Review Annual Work Plan Proposal**

Mike Fisher presented the newly formatted annual work plan that he created with input from Bobby-Jo Salls and Suzanne Dirmaier, highlighting the different categories of meeting topics, such as standing items, board governance, and strategy. The new format was discussed. Mike made the motion to approve the draft work plan as the board's work plan, going forward. The motion was seconded by Lisa Grout. The motion passed unanimously.

### **Review Board Meeting Rules of Order Proposal**

Mike Fisher and Suzanne Dirmaier presented the simplified rules of order for boards for consideration of use on the VEHI board. Lisa Grout made the motion to adopt the proposed meeting rules of order. Cheryl Scarzello seconded the motion. The motion passed unanimously.

### **Review and Approve the FY 26 VEHI Dental Rates**

Bobby-Jo Salls reviewed the dental renewal for VEHI, suggesting that VEHI follow the strategy from the past two years that VEHI waive the administrative cost to the groups, and the same increases of those needing increases up to 5 percent would have a rate hold, groups indicating an increase needed between 5.1 and 12 percent would receive a 2 percent increase, and 12.1 percent and higher would receive a 4 percent increase. This would be anticipated use of \$1.157 million of reserves. Cheryl Scarzello asked that we consider reserving the voting on this topic until the

health rates were discussed. Mike Fisher moved to table the dental rates [conversation until after the health rating discussion], seconded by Lisa Grout. The motion passed unanimously.

### **Review and Approve the FY 26 VEHI Health Rates**

The VEHI management team presented the renewal information for the board's consideration. The projected needed increase per the Blue Cross of VT actuaries was 10.8 percent. Returning to the discussion of net position at the end of FY 24, and the position thus-far in FY 25, the management team felt that it was necessary to add to reserves to avoid dropping the reserves further into "action" territory. The management team presented a variety of options, recommending that the board choose an increase no less than 14.8 percent and no higher than 15.4 percent. These amounts took into consideration both the impact on school budgets and the employees, while keeping the pool solvent. Based on the information provided the reserves were not expected to hit the net position target of 15 percent, however, would maintain or add modestly to the reserves even if FY 25 did not hit the anticipated target of a \$6 million dollar gain.

After a thoughtful discussion, Lisa Grout made the motion to file an average increase of 15.1 percent to the VEHI Health Plan FY26 billed rates to cover expenses and help to rebuild the VEHI Net Position toward the target of 15 percent, understanding that the Stop Loss rate may be adjusted slightly. Cheryl second the motion. After further discussion, Lisa amended her motion there was a friendly amendment to change to 15.2 percent. Cheryl seconded the amended motion. The motion passed unanimously.

### **Review and Approve the FY 26 VEHI Dental Rates**

Mike Fisher moved to return to the dental rate discussion, seconded by Lisa Grout. The motion passed unanimously. In an attempt to relieve further pressure from school budgets, Cheryl Scarzello made the motion to use a projected \$1.157 million in reserves for the FY26 VEHI Dental Plan, allowing a 0 percent increase for any group. Lance Mills seconded the motion. The motion passed unanimously.

### **Management Updates**

The management team provided brief updates on the Prescription Drug Affordability Board, Reference-based Pricing analysis, the Blue Cross of VT Hub & Spoke Program for comprehensive opioid addiction, collaboration with the Rutland Pharmacy group, the launch of the Hinge Health virtual physical therapy, the Remedy Audit of the Blue Cross/Optum Annual reconciliation process, and an update on five private schools leaving for 1/1/25.

### **Update on Act 167 report and GMCB Order for UVMHC FY 25 Budget**

Mark Hage provided a brief update on the recently released Act 167 report and the GMCB order for UVMHC, feeling optimistic to see more regulatory oversight on hospital budgets.

### **VT-NEA Quarterly Report**

The group discussed the Act 167 report and the different views of the GMCB and the hospital administration. Mike Fisher made the motion to accept the quarterly report, seconded by Lisa Grout. The motion passed unanimously.

### **Review By-laws (section re: Regular Meeting Requirement)**

Mike Fisher reviewed the section of the By-laws that refers to “regular meeting requirement” at the same date and place as the annual meeting of members, and that every other meeting is considered a special meeting. Mike suggested that we review this portion of the bylaws and bring his recommendation for change to the December meeting.

### **Discuss Next Board Meeting Agenda**

While reviewing upcoming agenda items, Suzanne Dirmaier noted the contract review for VSTRS. Bobby-Jo Salls and Mark Hage confirmed that the VSTRS contract was in the final stages and the VSTRS team would want the contract signed promptly following the finalization of the document.

Suzanne also noted that board reorganization, net position policy, discussion of bylaws and a paper written by Bill Sorel about duties of a non-profit as potential topics. She also asked board members to

Bobby-Jo and Mark confirmed for the board that the language and the dollar amounts in the contract extension have already been verified by the VEHI management team and asked for a motion to allow the board chair to sign the contract when completed. Lisa Grout made the motion that Suzanne Dirmaier is authorized as chair of the VEHI board to sign the VEHI VSTRS contract for calendar year 2025 contingent upon authorization from the management team, seconded by Cheryl Scarzello. The motion passed unanimously.

### **Adjournment**

Lance Mills moved to adjourn the meeting, seconded by Lisa Grout. The motion passed unanimously, and the board adjourned at 6:07 p.m.

Respectfully submitted by: Bobby-Jo Salls