

Vermont Education Health Initiative (VEHI)  
Board of Directors  
Teleconference Meeting Minutes  
May 15, 2023

**Present:**

VEHI Board Members: Chair, Tracy Wrend, Vice Chair, Joel Cook, Lisa Grout (joined at 10:11, after technical difficulties), Suzanne Dirmaier, Mike Fisher and Geo Honigford

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

The meeting was called to order at 10:03 a.m., by Tracy Wrend

**Review of Agenda:**

No requested agenda changes.

**Public Comment:**

None.

**Approval of Board Minutes: March 14, 2023**

Mike Fisher made a motion, seconded by Lisa Grout, to approve the meeting minutes of March 14, 2023, as presented. The motion to approve the minutes passed.

**Set Annual Meeting Date**

Tracy Wrend told the board that in conjunction with the VSBA and VSA annual meetings, the proposed date for the VEHI annual meeting is October 27, 2023. Mike Fisher made the motion to hold the annual meeting on the date proposed. Lisa Grout seconded the motion. The motion passed.

**VSTRS Renewal**

Bobby-Jo Salls provided an overview of the VSTRS proposed renewal increase for calendar year 2024 of 2.7 to 3.2 percent for pre-Medicare and 8.3 percent for the VSTRS 65. The management team asked that the board approve the filing of the VSTRS health plan rates. Joel Cook made the motion to file the VSTRS rates as proposed by BCBSVT. Suzanne Dirmaier seconded the motion. The motion passed.

### **Willis Towers Watson (WTW) Proposal for Net Policy Review**

Jon Steiner discussed the requirement to review the net position policy and requested proposals from WTW and PWC (Price Waterhouse Cooper). The management team agreed to select the WTW proposal. Jon confirmed for the board that the intention is to review the policy and make any adjustments, including action steps when above the target. Mike Fisher made the motion to hire WTW to review our net position policy. Lisa Grout seconded the motion. The motion passed.

### **VEHI Q3 FY23 Financials – C. Roberts**

Chris Roberts reviewed the third quarter of FY23 financials, including the Budget to Actual, the Combined Statement of Revenue and Expense and the Net Position Summary. Chris explained that through 3/31/2023 the VEHI health plan a is showing a gain of net position of \$5.1 million. She explained that it was common that the 3-31 health gain is at its most favorable at the beginning of the calendar year when all the deductibles reset for the calendar year. The VEHI dental program was showing a small operating loss of \$112 thousand for dental. The loss for dental is expected. VEHI budgeted to spend down some of the dental reserves. Suzanne Dirmaier made the motion to accept the quarterly financials and it was seconded by Lisa Grout. The motion passed.

### **VEHI FY24 Budget – C. Roberts**

Chris presented the VEHI budget, highlighting the website rebuild that would be capitalized as it was completed. Also, the addition of a new IT staff member at VSBIT. Joel Cook and Mike Fisher asked that the budget process be discussed during the renewal of the VSBIT contract. Tracy noted to discuss this when the VSBIT contract was renewed. Joel Cook made the motion to approve the FY24 VEHI budget as proposed, and the motion was seconded by Lisa Grout. The motion passed.

After the budget was approved, Tracy Wrend asked that the board vote to renew the VT-NEA service agreement for FY 24 with no changes to the contract except the updated amount of \$220,736. Joel Cook made that motion, seconded by Lisa Grout. The motion passed.

Tracy Wrend noted that this item should be affirmed at the next meeting, since it was not on the agenda for this meeting.

### **Audit Engagement**

Chris Roberts asked the board to move forward with the engagement of the new audit firm, Johnson and Lambert. Mike Fisher made the motion, seconded by Lisa Grout. The motion passed.

## **Management Updates**

Mark Hage described for the board, the new cost-savings arrangement with Blue Cross of Vermont, dubbed payment integrity, to share in the savings through their programs (ie: Fraud, Waste and Abuse, Other Party Liability, Claims edits) while they invest further into new technology to enhance these programs. Mark explained that in the past VEHI has been credited for all cost-savings but beginning in FY 24, VEHI would split 70/30 percent with Blue Cross Vermont, in exchange for a smaller increase in administrative costs than what was needed. The management team is working with Blue Cross Vermont to formalize the contract language to include specific reporting requirements. Mike made the motion to approve signing the contract when VEHI management team agrees that it is ready for signature. Suzanne seconded the motion. The motion carried.

The VEHI management team discussed the Blue Cross announcement of May 1<sup>st</sup>, regarding the affiliation with Blue Cross Michigan, with the board and offered to continue to monitor progress and will and invite Blue Cross leadership to a board meeting if/when appropriate.

Bobby-Jo Salls requested approval to move forward with renewing the Gallagher contract with no changes to services and prices. VEHI uses Gallagher for the compliance help desk, particular around topics such as COBRA and CMS reporting. Mike Fisher made the motion to renew the contract with Gallagher, and Suzanne Dirmaier seconded the motion. The motion passed.

Mark discussed the Reference Based Pricing (RBP) status. The management team had the opportunity to meet with Marilyn Bartlett and Chris Deacon to discuss RBP. He stated that the management team was still not in agreement in this venture, but that he would like to continue to research and bring a proposal and blueprint for a project to the next board meeting, as well as invite Marilyn and Chris in to speak to the board. After discussion, the group agreed to hear from them at the next meeting. Mark will invite them to the October 16, 2023, board meeting.

Mark also provided an update on legislation, S.98 which did not make it through the 2023 session but is expected to be raised in 2024. The management team will continue to follow PDAB (Prescription Drug Affordability Board), and the VEHI board can determine if VEHI wants to take a position on this if raised in the next session.

Bobby-Jo Salls provided an update on the PATH/AOE project. The PATH team has recruited seven districts to join the PATH Forward program representing about 1,865 employees. Each district has its own set of issues/concerns and recommendations on how to move forward. Bobby-Jo reviewed what has been done so far including 20 focus groups, various training programs and wellness challenges.

## **VT-NEA Quarterly Report**

Tracy provided an opportunity for Mark Hage to speak about his report or any comments from the board. The board thanked Mark for his update and asked that the management team create a timeline of member (employer and employee) communication and education for a future

meeting. Mike made a motion to accept the quarterly report from VT-NEA. Lisa seconded the motion. The motion passed.

**Discuss Future Agenda Items**

Reference-based Pricing, affirm NEA contract renewal, VSBIT service agreement, education review, PDAB.

**Set Date for Next Board Meeting**

The board is scheduled to meet on October 16, 2023, and the annual meeting is set for October 27, 2024.

**Adjournment**

There being no further business, the board adjourned at 12:45 p.m.

Respectfully submitted by: Bobby-Jo Salls