

VEHI Board Meeting Minutes for June 17, 2025

The meeting was called to order at 3:04 pm, by Chair Mike Fisher.

Agenda and Public Comment Discussion

The board meeting begins with a discussion about the agenda, where Mike makes a motion proposing swapping items 10 and 11 to provide an update on conversations with committee chairs before discussing the subcommittee. The motion is seconded by Suzanne Dirmaier. The amended agenda is approved unanimously. During the public comment period, Shelly Wilson, a VEHI member, joins to speak about covering GLP-1 medication for VEHI members, which is on the agenda for discussion.

Public Comment

The board meeting begins with public comment from Shelley, a VEHI member since 2002 and a public-school employee. She shares her personal experience with GLP-1 medications for obesity treatment, emphasizing the life-changing benefits she has experienced, including improved metabolic health markers. Shelley urges the board to consider options for continued coverage of these medications, such as offering them in specific plans or exploring financial tiers. A board member also discloses that he is also a GLP-1 user and expresses appreciation for Shelley's testimony. The board thanks Shelley for her comments.

Approve Meeting Minutes for May 20, 2025

Cheryl Scarzello made a motion to approve the meeting minutes for May 20, 2025 as written, seconded by Suzanne Dirmaier. Five members of the board voted to approve the minutes, Andrew Haas abstained from voting because he did not attend the meeting. The motion passed.

Management Updates

Mark and Bobby-Jo report on a meeting they facilitated with representatives from four "next-gen" pharmacy benefit managers (PBMs). They believe there is good reason for VEHI to explore contracting with an alternative PBM through an RFP process, which could potentially provide significant cost savings of 15-20% (specific to pharmacy costs, which is about 20% of the overall claims costs) while maintaining high-quality services. However, they emphasize this is just an exploratory process and not a decision to change PBMs yet. Lance Mills made the motion to authorize the management team to initiate an RFP bidding project with Remedy Analytics to

investigate the potential advantages, cost savings, and operational implications of changing PBM services. The motion was seconded by Lisa Grout. The motion passed unanimously.

Legislative and VT Healthcare 911 Updates

Mark Hage reported that three significant healthcare reform bills have been signed into law, including provisions for reference-based pricing and expanded authority for the Green Mountain Care Board. He also provided a brief update on VT Healthcare 911, and referred the board to their newsletters.

VEHI Annual Meeting Planning Updates

The board discusses legislative updates and plans for VEHI's annual meeting. The board decided to hold a brief formal annual meeting on October 30th at the VSBA conference, and a separate town hall-style meeting in mid-November to engage more broadly with stakeholders. They vote unanimously to close the membership books on October 20th and hold the annual meeting on October 30th.

VEHI FY26 Budget

The board discusses the FY26 budget for VEHI, which shows a 3.7% overall increase. Chris explains that this is a lean increase considering inflation and healthcare costs. The budget includes existing line items with no new additions. Lisa Grout moves to accept the FY26 budget as presented, seconded by Cheryl Scarzello. The board approves the motion unanimously.

GLP-1 Medication Cost Management

The board discusses the high cost of GLP-1 medications and potential ways to manage it. Mark explains that the pricing is set through opaque negotiations between pharmaceutical benefit managers (PBMs) and drug companies, resulting in significant markups. The board considers options like implementing utilization management techniques, adding HSA options to more plans, and potentially suspending coverage for some uses. The management team recommends not making a decision yet on coverage for the coming fiscal year, as they are still researching and awaiting information from Blue Cross. The board discusses their ability to add or remove prescription drug coverage, with clarification that obesity medication is not currently considered an "essential benefit" by regulators, allowing them more flexibility in coverage decisions.

They plan to make a decision on coverage by September at the latest, in time for rate setting, though they may need to decide sooner. The management team will gather more information on current utilization management practices and HSA usage to inform the decision.

Review and Approve Whistleblower and Code of Ethics Policies

After a brief review of the Whistleblower policy, Lisa Grout made a motion to approve the current whistleblower policy as-is, seconded by Cheryl Scarzello. The motion passed unanimously.

The board also reviewed the Code of Ethics and Suzanne Dirmaier made the motion to approve the Code of Ethics policy as-is, seconded by Cheryl. The motion passed unanimously.

Bobby-Jo Salls will update the policies with the new reviewed date and post online.

Healthcare Plan Redesign

Finally, Suzanne and Cheryl reported on their planning meeting regarding plan redesign, where they agreed on simplifying to potentially two plans (one CDHP with HRA/HSAs and one traditional plan) while aiming for implementation by January 2028. The board discusses the possibility of a two-phase approach to making changes to their healthcare plans. In phase one, they would make some immediate decisions without a consultant, such as reducing the number of plans offered. In phase two, they would engage a consultant for more complex changes. Some board members express concerns about making decisions without expert input. The group agrees to have further discussions outside the meeting to clarify the proposed approach and try to reach consensus before their next meeting in September.

Update on Commission Conversation

Mike Fisher discussed the recent meeting VEHI Board Chair and Vice Chair along with commission chairs regarding plan redesign, where the chairs expressed support for healthcare reform and simplification of plans, while offering to provide data consultants to inform the redesign process. The commissioners expressed interest in working together to understand the board's reasoning in plan design to understand the impact of commission decisions.

Contracts

The board reviewed the VSBIT contract with the updated language as requested at the last meeting. Lance Mills made the motion to approve the VSBIT contract beginning July 1, 2025, seconded by Lisa Grout. The motion passed unanimously.

The board reviewed the VT-NEA contract, with Cheryl Scarzello noting the need for a reconciliation process like VSBIT's. The board agreed to table the reconciliation issue for FY26 and can be considered for FY27. Suzanne Dirmaier made the motion to approve the VT-NEA agreement as presented, beginning July 1, 2025, seconded by Cheryl. The motion passed unanimously.

Mark presented concerns about the Blue Cross of Vermont contract renewal, leading to motions passed for a renewal extension and an independent contract analysis, which will be completed within a month. Lance Mills made the motion to authorize the management team secure a renewal extension on FY25 Service Agreement with Blue Cross of Vermont to provide sufficient time for the team and the VEHI Board (a) to analyze the carrier's latest proposed changes to the FY26 Service Agreement and (b) for the management team subsequently to negotiate mutually satisfactory terms for submission to the VEHI Board for review and approval. The motion was seconded by Lisa Grout and passed unanimously.

Lance Mills also moved that the management team contract with a health benefits analyst of their choosing to conduct a thorough review of the terms and conditions of VEHI's FY25 Service Agreement, including its Payment Integrity component, with Blue Cross of Vermont and of the recommended changes to that Agreement by the carrier for FY26, and to advise the team and the VEHI Board on potential revisions and improvements to the Agreement. The motion was seconded by Lisa Grout and passed unanimously.

Bobby-Jo presented an amendment to the Gallagher Benefit Services contract. Cheryl Scarzello made the motion to approve the Gallagher compliance contract as presented, beginning July 1, 2025. This was seconded by Suzanne Dirmaier and was approved unanimously.

Next Meeting Topics

The next meeting is scheduled for September, where topics will include rate increases, plan redesign, and reserve analysis, GLP-1 coverage, Blue Cross contract, and potential updates on the next-gen PBM RFP process.

Adjournment

Andrew Haas made the motion to adjourn the meeting, seconded by Lance Mills. The motion passed unanimously.

The meeting was adjourned at 6:00 pm.

Respectfully submitted by Bobby-Jo Salls.