

VERMONT EDUCATION HEALTH INITIATIVE

2026 MEMBER FORUM

JANUARY 26, 2026

vehi

AGENDA

- Introduction 5m
- Purpose of this Meeting 5min
- What is VEHI? 5min
- Historical Context 10min
- Cost Containment and Improving Outcomes 15min
- Looking Forward 10min
- Q&A 40min

INTRODUCTIONS



Michael B. Fisher
VEHI Board
Vice Chair



Jonathan Steiner
VSBIT President
VEHI Trustee



Mark Hage
Vermont NEA
VEHI Trustee



Bobby-Jo Salls
VSBIT Director
VEHI Trustee



Chris Roberts
VSBIT Finance Director
VEHI Trustee

INTRODUCTION – MIKE FISHER

- Why are we having this forum?
- Selective agenda
- Full Q&A session, but also use the Zoom Q&A
- What will we NOT be covering?

WHAT IS VEHI?

- VEHI is an Intermunicipal Risk Pool - What is a Risk Pool?
 - Self-Insured member program
 - Over 500 across the country for Health, Property, Worker's Comp
 - Schools, Municipalities, Counties and more
- *Pooling is the single most successful example of intergovernmental cooperation saving millions and millions of dollars for its members*

VEHI SELF-INSURES. WHAT DOES THAT MEAN?

- Not for Profit
- Sets its own rates
- Holds its own reserves
- Makes decisions about the program (coverages, wellness programs, etc)
- VEHI takes the risk
- Governed by a board 3 appointed by VSBA and 3 appointed by VTNEA
- Regulated by VT Department of Financial Regulation

MORE ABOUT HOW VEHI WORKS...

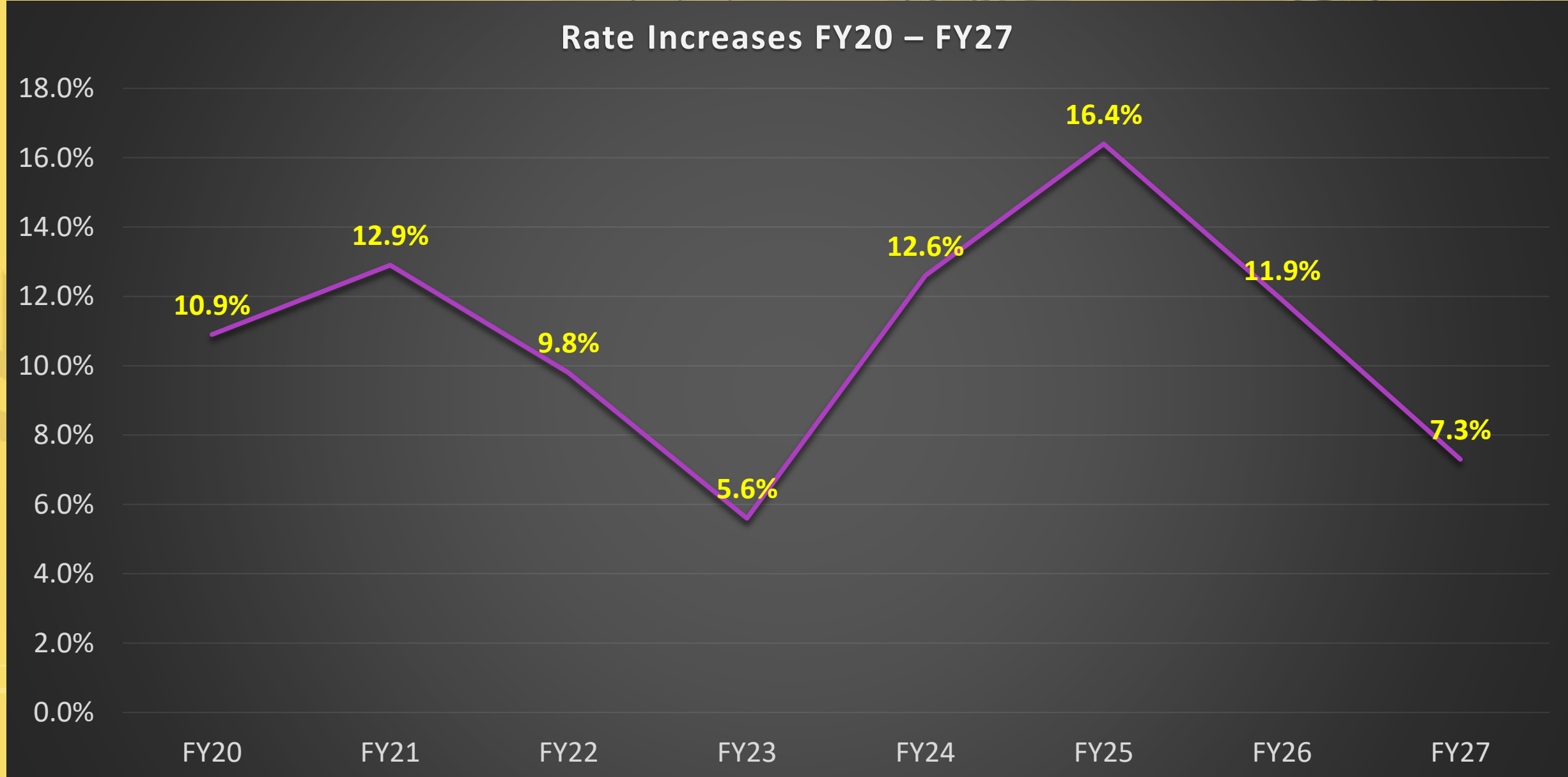
- VEHI is its own “insurance company”
- Contracts with Blue Cross VT for network, claims, customer service
- Blue Cross VT rates and financial position are not to be confused with VEHI
- Also contracts with Northeast Delta Dental and other partners

HISTORICAL CONTEXT

THE HEALTHCARE AFFORDABILITY CRISIS IN VERMONT IS IMPACTING EVERYONE

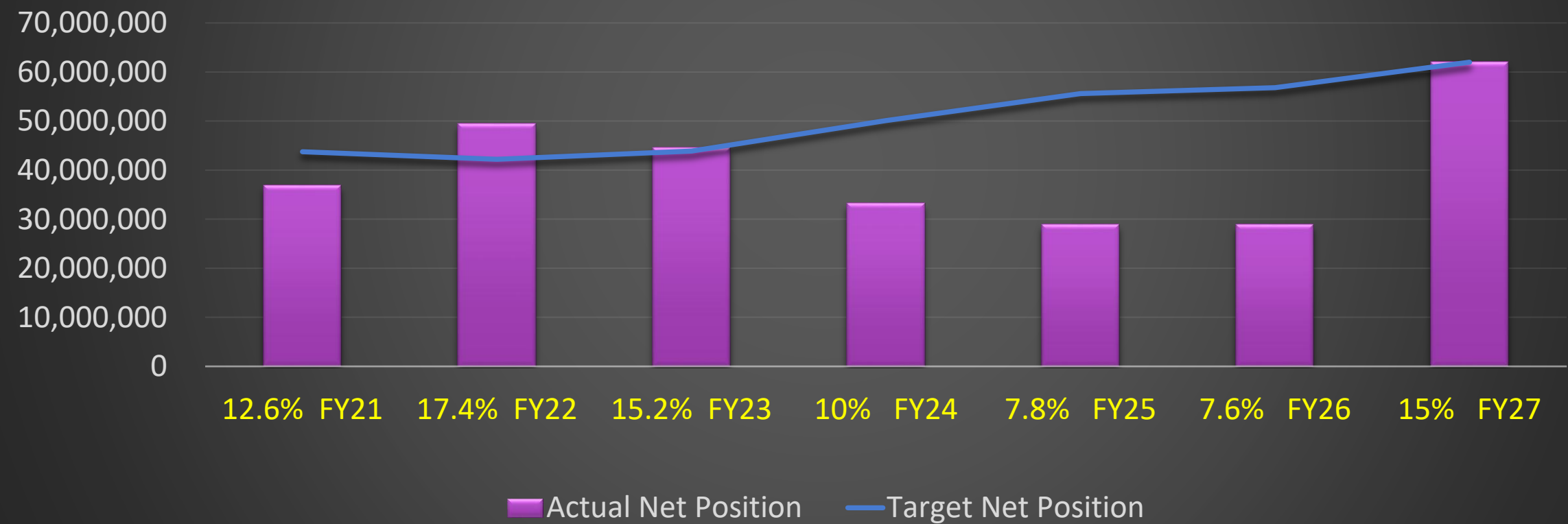
- Vermont's **commercial insurance premiums** are the most expensive in the country.
- Kaiser Family Foundation: nationally, the average annual premium for family coverage increased **12%** since 2018; in Vermont, the growth has been **92%**.
- Hospital costs (nearly \$4 billion) are the main driver of premium increases. In 2020 (the most current federal data), Vermont had **4th highest hospital spending per person** of any state in the country.
- 2nd largest driver of increased costs are prescription medicine
- The largest share of **VEHI's** outpatient and inpatient claims are incurred at UVMMC. **55%** of VEHI's claims are for hospital services.

VEHI'S AVERAGE PREMIUM RATE INCREASES : FY20–27

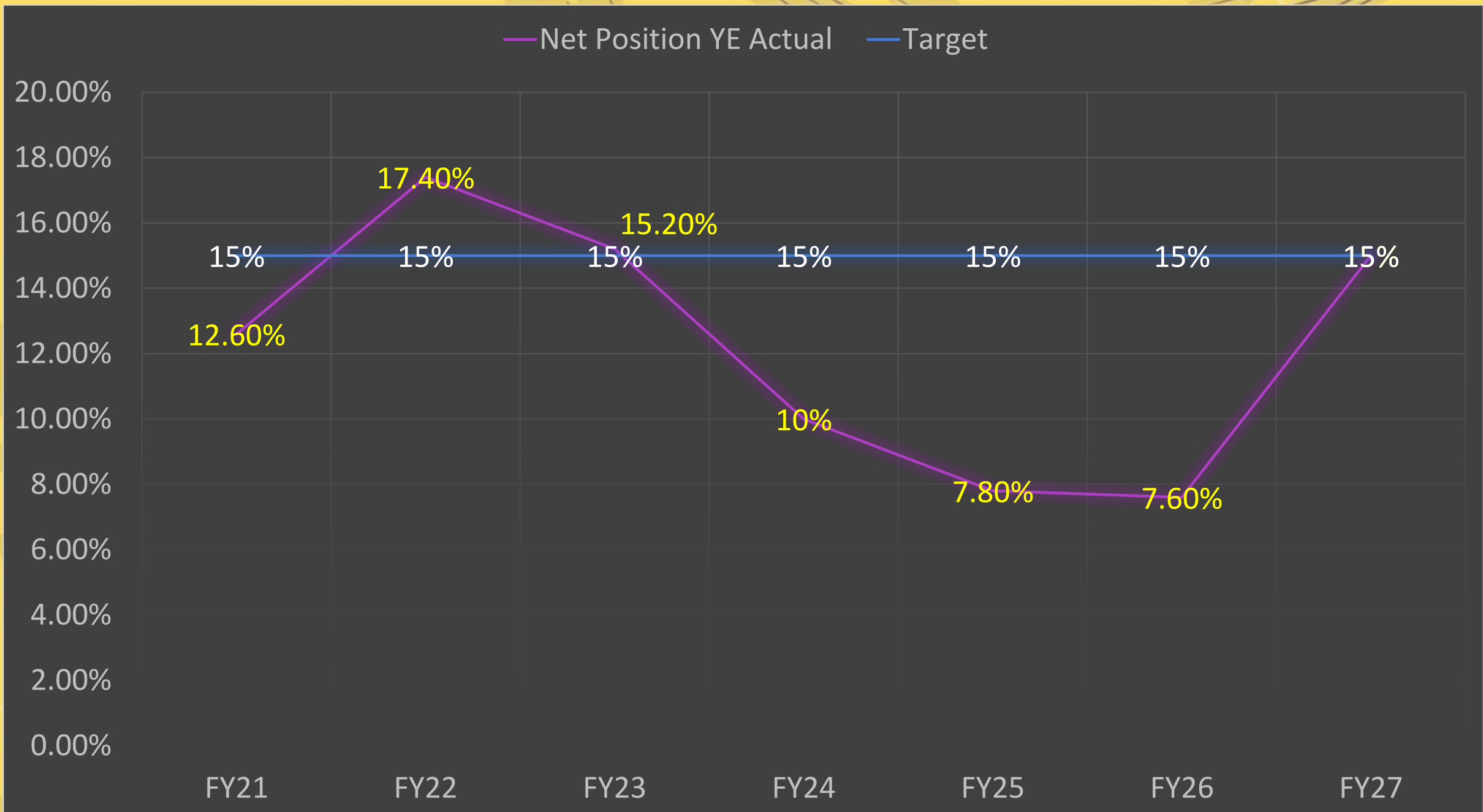


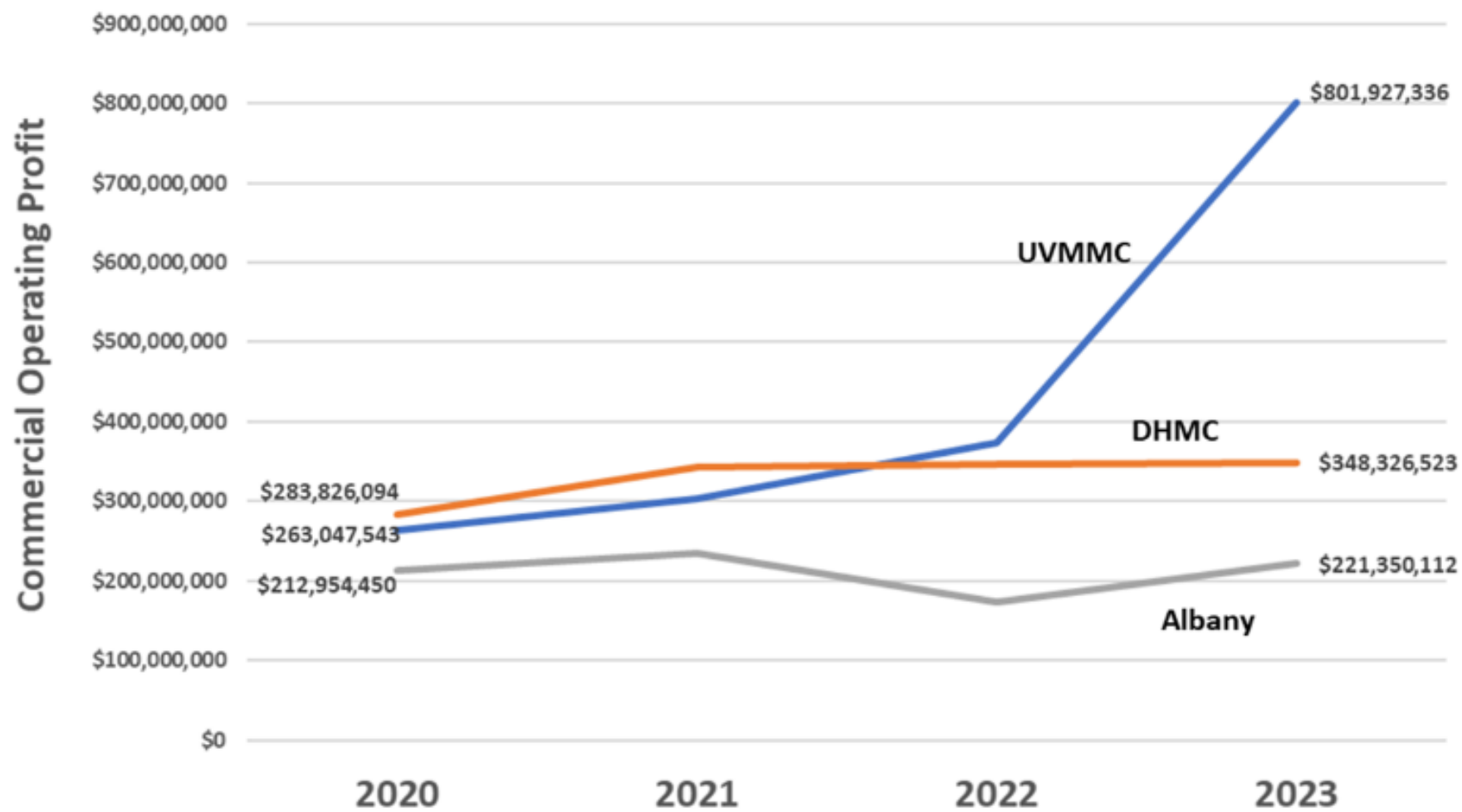
RESERVES (AKA “NET POSITION”)

VEHI Health Program Net Position
Target is 15% of Annual Expenses
FY21-FY25 Actual, FY26-FY27 Projected



NET POSITION TARGET VS ACTUAL (PROJECTED FOR FY26 & 27)





Key Findings

- In 2023, UVMHC reported a dramatic increase in commercial profit to **\$801,927,336**.
- DHMC and Albany did not show a similar increase in commercial profits despite caring for many Vermonters.
- The UVMHC profit was driven by an increase in the commercial revenue paid for each patient discharge.

HEALTHCARE REFORM GAINS TRACTION - GMCB

- Green Mountain Care Board was created in 2011
- Owen Foster as chair in 2022
- Real reforms began to emerge

HEALTHCARE REFORM GAINS TRACTION - LEGISLATIVE

- Act 167 Report - Hospital Sustainability and affordability
- S98 – Prescription Drug Affordability Division of GMCB
- Act 55 – Capping Outpatient Infusion Medications at 120%
- Act 68 - Lowering Hospital Prices/Referenced Based Pricing
- Act 49 - Adjusting hospital reimbursements to protect solvency of commercial insurers

CONTROLLING COSTS AND IMPROVING OUTCOMES

- PATH Wellness Program
 - Robust website
 - Supporting Local Wellness Activities
 - Consistent results
- Hinge Health – Virtual Physical Therapy
 - Introduced in 2024, at home PT
- RFP for Pharmacy Benefit Manager (PBM)
 - In the final stages

CONTROLLING COSTS AND IMPROVING OUTCOMES

- Health Plan Redesign for 2029
 - Reduce number of plan offerings
 - Consider using plan design to direct care to centers of excellence
- Excluding Coverage for GLP-1 Coverage for weight loss
 - FY23-25: spent \$11m on GLP-1s, while running a \$20m loss
 - If covered in FY27, would have increased rates by 4-5%
- Political Advocacy – continue to monitor legislative initiatives that would benefit VEHI

LOOKING FORWARD

- School Redistricting
- Current legislative session
- GMCB strategy & focus
 - Hospital budgeting
 - Liaison report coming from settlement with UVMHN

“WHAT SHOULD WE AS VERMONTERS BE PAYING ATTENTION TO?”

- Legislative proposals & Gov. Scott response
- Green Mountain Care Board work on hospital budgets
- Vermont Healthcare 911
 - <https://www.vhc911.org/>

Q & A