



## VEHI Health Proposed Rates for FY26

On Tuesday, October 22, the VEHI Board of Directors authorized the management team to file FY26 rates for our health benefits program with the Vermont Department of Financial Regulation (DFR). The proposed average premium increase for active employees and their dependents is **11.9 percent**. (See rate sheet on page 2.) The proposed rates will be filed by Blue Cross of Vermont by October 31, and a decision on the rate filing is expected from DFR in January 2025.

### The FY26 Rate-Setting Process

First, as a general reminder, to accommodate school budgeting schedules, VEHI sets premium rates many months in advance of when they go into effect. We utilize the best data sources available on prices, including hospital budgets, and utilization trends, and we project their impact on revenue and costs into the future. Developments may arise in any given year that could not have been anticipated, or, if known prior to filing rates, were not settled matters. If the latter impacts rate projections going forward, positively or negatively, we adjust our thinking and planning accordingly.

For example, on the positive side this year, VEHI's rate-setting process benefitted from lower hospital budget orders by the Green Mountain Care Board, the substitution (at last!) of a lower cost bio-similar/generic drug for Humira, a very expensive medication, and more than a million dollars in savings from a pharmacy contract audit.

When setting rates for the active population in FY26, the VEHI Board of Directors set out to balance its commitment to keep premium increases as low as possible for our 34,000-plus covered members and their school districts, while also securing VEHI's long-term fiscal health. The proposed, average premium increase of **11.9 percent** was the outcome of a thoughtful and complicated deliberation by the Board and management team.

VEHI is also required to maintain financial reserves. Over the past few years, we've experienced a decrease in reserves, and in 2024, VEHI we had to withdraw from our reserve fund to pay weekly claims. This fund, therefore, had to be replenished in the FY26 rating cycle to protect the financial solvency of the pool.

### How are your premium dollars spent?

Every premium dollar VEHI collects pays a bill. VEHI is not in the business – and never has been – of seeking or making a profit. Nearly 90% of every premium dollar is dedicated to paying medical and Rx claims. In FY25, VEHI projects to pay out, on average, \$6.4 million a week in claims. The remaining 10% of revenue, roughly, is allocated to vital services (like claims processing, Gallagher, and Remedy Analytics) and programs (like PATH), standard administrative expenses (for BCBSVT and VEHI), and mandatory state and federal fees. See chart on page 2 for illustration.

**See Page 2 for Rates and Spending Allocations**



For more information **about what factors are driving premium increases, and what VEHI is doing to address these cost drivers**, please find the full write-up [here](#).

Please contact VEHI Trust Administrators Mark Hage or Bobby-Jo Salls if you have questions or concerns at [MHage@VTNEA.org](mailto:MHage@VTNEA.org) or [BobbyJo@VSBIT.org](mailto:BobbyJo@VSBIT.org).

<b>VEHI Monthly Health Plan Proposed Rates FY26 in effect July 1, 2025 - June 30, 2026 - Unapproved</b>					
	Single	Self + Spouse	Parent + Child(ren)	Family	Percent Increase Over FY 25
Platinum	\$1,339.21	\$2,678.44	\$2,239.37	\$3,788.62	11.3%
Gold	\$1,312.77	\$2,625.55	\$2,197.00	\$3,716.11	11.5%
Gold CDHP	\$1,230.72	\$2,311.36	\$1,902.74	\$3,409.12	11.9%
Silver CDHP	\$1,134.21	\$2,268.44	\$1,911.97	\$3,227.61	11.9%

