



VEHI Health Rate Increases for FY 25

The Vermont Department of Financial Regulation (DFR) has approved the VEHI rates as filed for FY 25. As we describe below, the increases ranged from 15.7 - 16.7 percent, averaging 16.4 percent. The decision to file the increase came after a great deal of discussion by the Board and management team.

There are several factors that actuaries and VEHI weigh during a rate analysis. The most financially impactful is “medical trend”: a combination of the volume of claims and the prices charged for the services covered by these claims. In short, utilization of services and price inflation. The combination of medical trend, along with administrative expenses to run VEHI and mandated state and federal fees, accounts for 13.8 percent of the proposed 16.4 percent increase. VEHI then had to add 2.6 percent to this base amount to replenish the financial reserves it is required to have to remain financially secure.

Breaking down FY25’s medical trend, two-thirds is attributable to higher medical prices. Continued increases in hospital budgets and in prices for hospital services, plus more expensive pharmaceutical charges, remain the major cost drivers. We are not alone in this regard. In a recent FAQ explaining to Vermonters its affiliation with Blues Michigan, Blue Cross and Blue Shield of Vermont noted that the main driver of premium increases in FY24 is “rising hospital budgets, and the cost of inpatient and outpatient services, and pharmaceutical prices.”

One third of the medical trend increase for FY25 is pegged to an increase in utilization of services. Services for members in our pool increased in FY23, as it did for the Blues’ membership statewide, as people returned to care, post-pandemic, after deferring treatments for ongoing medical conditions, and, generally, as more folks with medical needs now feel comfortable returning to hospitals and physician practices after a long hiatus.

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

See Page 2 for Rates and Spending Allocations



VEHI Monthly Health Plan Rates FY 25 in effect July 1, 2024 - June 30, 2025 - Approved

	Single	Self + Spouse	Parent + Child(ren)	Family	Percent Increase Over FY 22
Platinum	\$1,202.97	\$2,405.95	\$2,011.55	\$3,403.19	15.7%
Gold	\$1,177.89	\$2,355.79	\$1,971.27	\$3,334.30	15.9%
Gold CDHP	\$1,099.51	\$2,064.93	\$1,699.88	\$3,045.65	16.4%
Silver CDHP	\$1,013.90	\$2,027.82	\$1,709.17	\$2,885.25	16.7%

**VEHI Health Program FY25 Projected Spending Allocation
Funded by Member Contributions**

