



The Department of Financial Regulation (DFR) approved the FY 21 VEHI Health Rates

Click [here](#) to review the approved rates.

VEHI filed the health rates for FY 21 on September 13, 2019 with the Vermont Department of Financial Regulation (DFR). In January, DFR requested that VEHI review its FY 21 rate filing in light of the final agreement on statewide health benefits, which was announced in December.

DFR has now completed its review of the FY21 rates and no adjustments will be made to the rates.

Background:

Essentially, our regulators wanted to be assured that VEHI's rates for FY 21, as reflected in the filing, will be sufficient to cover cost increases that result from the implementation of the statewide bargaining agreement **during the second half of FY 21** (January 1, through June 30, 2021), and if not, that VEHI has sufficient reserves to absorb any additional costs. So VEHI worked with BCBSVT to review the potential impact on rates based on the out-of-pocket cost-sharing arrangements that become effective on January 1, 2021, and a possible increase in enrollment over the last six months of FY21.

As you know, VEHI holds reserves to cover unanticipated expenses, and the proposed FY21 rates VEHI submitted to DFR in September included 2% to strengthen VEHI's reserves and to account for a number of "unknowns" at the time of the filing.

After further review, VEHI believes that the reserves are adequate to absorb the projected increase in claims and enrollment, and no adjustment is needed to the rates. DFR has concurred. The FY 22 rates, which will be developed in the fall of 2020, will take into account these new dynamics arising from the statewide agreement.

Thank you for your patience, and, as always, contact the management team if you have questions; [Bobby-Jo Salls](#), [Laura Soares](#) or [Mark Hage](#). (Click a name to open an email.)

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