

Vermont Education Health Initiative (VEHI)
Board of Directors
Meeting Minutes
January 15, 2020

Present: Joel Cook, Tracy Wrend, John Pandolfo, Peggy Maxfield, Laura Soares, Mark Hage and Bobby-Jo Salls and Chris Roberts, Manager of Finance.

Members of the Public: none

The meeting was called to order at 4:28 p.m., by Chair Joel Cook.

Review and Adoption of Agenda:

Tracy Wrend asked an item be added in the reorganization section to acknowledge the recent resignation from the Board. She also asked that the legislative framework item be expanded to include discussion of testimony in legislature. There were no objections and the agenda was adopted as revised.

Public Comment: None

Approval of Board Minutes of November 21 and December 20, 2019

John Pandolfo made a motion, seconded by Peggy Maxfield, to approve the meeting minutes of November 21, 2019 as presented. Joel Cook presented his concern regarding the lack of reference in the minutes under the VT-NEA Service Agreement discussion to the action taken by verbal agreement. He asked a memo (appended to the minutes for the record) be attached to the minutes of November 21.

Peggy moved to attach Joel's memo to the minutes of November 21, 2019. The motion was seconded by John.

Tracy made a motion to amend the motion to allow her to attach a memo drafted by her on the same issue to the same minutes. The amendment failed 2-2 with Wrend and Pandolfo voting in favor and Cook and Maxfield voting against.

Tracy moved to table the motion to approve the November 21, 2019 minutes until the next meeting. John seconded the motion. The motion failed 2-2 with Wrend and Pandolfo voting in favor and Cook and Maxfield voting against.

The original motion to approve the minutes failed 3-1 with Wrend voting against. The minutes remain unapproved.

John made a motion, seconded by Peggy, to approve the meeting minutes of December 20, 2019 as presented. The motion passed.

Reorganization (tabled from November meeting)

- a. Update from Annual Membership Meeting – the minutes of the meeting were reviewed by those not in attendance, so all Board members are aware of the member questions and comments. There was a discussion on how the organization will respond.
- b. Election/Affirmation of Board Officers (Chair and Vice Chair) – John asked to speak to the protocol established last year on the election of these positions. He indicated his perspective that in testifying last week in the Senate Education Committee, Joel Cook was in violation of item 4 of the protocol. Further, John feels Joel’s testimony was inaccurate and asked for a memo he wrote outlining his concerns be attached to the minutes.

John moved, seconded by Tracy, to elect Tracy as chair of the Board until after the 2020 Annual Member Meeting. After discussion Peggy called the question. The motion failed 2-2 with Wrend and Pandolfo voting in favor and Cook and Maxfield voting against.

John made a motion to attach his statement (appended to the minutes for the record) to the minutes, since the document reflects his rationale for the motion he made to remove Joel as chair. Tracy seconded the motion. The motion failed 2-2 with Wrend and Pandolfo voting in favor and Cook and Maxfield voting against.

- c. Appointment of Corporate Officers (President and Secretary) – both positions are currently open due to resignations, although four specific duties of the President (signing Member Agreements, tax forms or communications with the IRS, rate sheets filed with DFR and major contracts) were delegated to the Chair at the September meeting. The filling of the President position is on hold pending recommendations from legal counsel. Tracy Wrend moved that John Pandolfo be appointed Secretary. Peggy seconded the motion, John accepted the position, and the motion passed.
- d. Acknowledgement of Board Member Resignation – Fran Brock recently submitted her resignation from the Board. Tracy asked the minutes recognize and thank Fran for her 15 months of service on the Board.

Discussion and potential decision on whether VEHI will opt into All Payer Model in 2020 via risk-sharing with OneCare

Joel requested Mark Hage provide an overview of his recommendation included in the Board materials.

John moved that VEHI opt-into the All-Payer model and share risk with OneCare Vermont (OCV) as a part of the BCBSVT network, effective 1/1/2020, and task the management team to develop additional performance measures to hold BCBSVT accountable for that initiative. These measures will be provided to the Board for our consideration by June of this year. The motion was seconded by Tracy.

A discussion took place which included all four board members and the management team. The Board broke for dinner at 6:10 PM without acting on the motion.

When the meeting resumed at 6:25 PM, Joel moved to amend the motion on the floor to strike all and substitute “VEHI Board defer acting on BCBSVT’s invitation to attribute 19,000 lives to the ACO/All-Payer Model in 2020 and act on it for 2021 after learning about how OCV performs in 2019, assessing developments in 2020, and acquiring a deeper understanding of the accountable care model.” There was no second. Tracy called the question. The motion failed 2-2 with Wrend and Pandolfo voting in favor and Cook and Maxfield voting against.

Joel moved that the VEHI Board defer acting on BCBSVT’s invitation to attribute 19,000 lives to the ACO/All-Payer Model in 2020 and act on it for 2021 after learning about how OCV performs in 2019, assessing developments in 2020, and acquiring a deeper understanding of the accountable care model. John seconded the motion.

After discussion, Joel and John accepted friendly amendments to the motion so that the motion on the table was now:

Over the course of 2020 VEHI will examine how OCV performs in 2019, access developments in 2020, and acquire a deeper understanding of the accountable care model. In addition, the Board tasks the management team to develop additional performance measures to hold BCBSVT accountable for that initiative in the event VEHI enters the All-Payer model in 2021. These measures will be provided to the Board for our consideration in a timely manner.

The motion passed 4-0.

Update on FY 21 health rate filing with DFR

Laura Soares provided the update. DFR has requested VEHI review the FY 21 health rate filing for active employees (VSTRS rates are not impacted) in light of the recent Statewide Bargaining Commission decision which goes into effect on January 1, 2021. VEHI is working with BCBSVT, who is contracting the rating analysis to Milliman to meet the timeframe of March 1st set by DFR. The Commission was contacted for data to include in the analysis. Milliman will give an opinion as to whether the filed rates remain adequate given the new dynamic. This in turn will allow VEHI to update projections on the level of net position/reserves projected at the end of FY 21. Management will then look to the Board Net Position Policy to determine if the projected level of net position remains within policy parameters. If not, action will be required by the Board. VEHI will update its narrative to DFR with this information. It will be shared with the Board prior to submission. The field has been notified that the FY 21 rates will not be final until after this process is complete.

Discuss VEHI's role in assisting school districts, local unions and school employees during and after the implementation of the Statewide Bargaining Commission Decision

Mark Hage spoke on the discussions underway among the management team, in conjunction with BCBSVT, to address the role VEHI can play in assisting employees in understanding how their health plan works in conjunction with the various health spending accounts. Bobby-Jo Salls and Laura Soares contributed to the discussion. The Board agreed this would be a standing item on future agendas.

VT-NEA Service Agreement – potential action

After a brief discussion Joel Cook left the meeting briefly, then returned and asked for a motion to adjourn. Peggy moved to adjourn. Tracy abstained from voting, with the remaining Board members voting in favor of the motion.

Act on framework for taking positions on legislation and discussion of testimony in legislature

This item was not addressed.

Act on recommendations from legal counsel to modify documents regarding the Office of President

This item was not addressed.

Discuss future agenda items

This item was not addressed.

Set next meeting(s) of the Board

This item was not addressed.

Adjournment

The meeting adjourned at 7:13 p.m.

Respectfully submitted by: Laura Soares

Two items appended

MEMORANDUM

TO: Laura Soares

FROM: Joel D. Cook, Chair, VEHI Board of Directors

DATE: January 15, 2020

SUBJECT: Recitation of agreement reached at end of November 21 meeting regarding drafting "deliverables" to be considered for inclusion in service agreement with Vermont-NEA

I understand you did not incorporate in the minutes of the November 21 meeting a reference to the agreement I articulated that evening regarding the topic of "deliverables." You concluded, I believe, you did not hear any agreement about it. I certainly did.

As a result, unless there is a simple consensus to amend the minutes of that meeting to include that agreement, I request that you attach this explanatory memo to the minutes of the January 15, 2020 meeting.

In view of doubt about whether the Board reached agreement regarding the drafting of language to specify what the Board cited as "deliverables" for inclusion in what would be a multi-year service agreement with Vermont-NEA, I asked for and received a recording of the meeting. I listened to the relevant portion of the meeting approximately half a dozen times and I transcribed as close as I could make out to a verbatim rendition of the agreement actually reached. I emailed that rendition to Vice Chair Wrend, copying Laura Soares, Bobby-Jo Salls, and Mark Hage, on January 3, 2020. I invited her to listen herself to the recording if so inclined.

Prior to that date, Tracy Wrend and I had an email exchange in which, while we differed as to its specifics, we both acknowledged the Board had, in fact, reached an agreement about this.

The wording of the matter is mine. I referred to Tracy Wrend in the wording since the discussion leading to it centered around her and Martha Gagner's expression of concern about what came to be called "deliverables." Here is what I transcribed:

You and/or you and Martha will develop proposed language about the concerns you express...share with me before the next meeting to see if we can work out deliverables that are satisfactory to the school boards, in which case...the board will agree to years 2 and 3 of the Vermont-NEA proposal. Is that a fair statement?

Tracy Wrend and John Pandolfo responded in a way that was audible on the recording. John Pandolfo said, "Yes." Tracy Wrend said, "I distracted myself..." and a couple of seconds later agreed as well. No one dissented, though when all was said and done, Fran Brock did vote against tabling, or leaving on the table, the pending motion.

To: VEHI Board of Directors
From: John Pandolfo, VEHI Board Member
Re: Concerns Re: Testimony Submitted by Joel Cook to the Senate Education Committee
Date: January 15, 2020

I am writing to share my concerns about Joel Cook's written testimony, which he delivered in violation of VEHI Board Protocols that require both the Chair and Vice Chair to represent VEHI or the Board. Mr. Cook did not collaborate or seek input from the Vice Chair on the content of the testimony. Based on my understanding of what has transpired in the past and my own personal experience on the Board, I have identified the following misleading and/or false statements contained in the testimony. I would like to read this now, and have this document included as an attachment to the VEHI Board minutes for the January 15, 2020 meeting.

Page 1:

1. "Your efforts regarding the composition of the VEHI Board...have, to date, been a success."
 - a. One of the concerns raised in the Senate Education Committee when they were considering the NEA's proposal to legislatively mandate 3-3 VEHI board composition was whether decisions would be able to be made in a timely manner with an equal number of board members.
 - i. Since the VEHI Board was reconfigured, we have not been able to take action on the following items:
 1. Approving the minutes from the January 2019 board meeting
 2. Revising the conflict of interest policy
 3. Agreeing on goals and objectives for the coming year
 4. Approving the 2019-2020 NEA Service Agreement
 5. Reviewing the VEHI mission
 - ii. We did not have an FY 20 budget until two months into the fiscal year, we did not meet with the auditor on the FY 18 audit until we met for the FY 19 audit in September of 2019, and we did not discuss financial statements for the first 7 months of 2019.
 - iii. In addition to the inability to take action on the above matters, the culture and climate of VEHI board meetings is one that I would characterize as tense, with open hostility and even bullying behavior occurring at times.
 - iv. We have had four resignations from the board since it was reconstituted in 2019. Prior to Act 11, the VEHI board had stable membership, with only one resignation since inception, which was when Mark Hage resigned from the board but remained a Trust Administrator.
2. "Righting the balance was a necessary precondition for making VEHI work well again."
 - a. It is not clear what criteria you use to determine that VEHI was not working well under the prior board configuration. See above.

Page 2:

1. Despite assertions that Mr. Cook was testifying on behalf of himself only, the testimony includes the VEHI mission statement document bearing the VEHI logo.

Page 3:

1. “The ‘new’ original board consisted of 3 representatives, now of the Vermont School Boards Association and 2 representatives of Vermont-NEA.”
 - a. This is false. When the board was reconfigured pursuant to DFR’s order, 3 of the board members were elected by the membership, and had no connection to the Vermont School Boards Association.
 - b. The first time the Vermont School Boards Association played a role in VEHI board representation was when VEHI members voted to eliminate one VT-NEA rep and replace it with a VSBA rep. The three remaining board members continued to be elected by the members of VEHI.
2. “The most graphic effect was to deny Vermont-NEA the capacity to obtain even a second to motions it wanted the Board at least to consider.”
 - a. This is a false statement. While there may be instances when Jeff Fannon was unable to obtain a second to a motion, there are also multiple examples of motions he made where he did obtain a second, as well as many unanimous votes on the part of the Board during the time frame referenced in the testimony.
3. “Now, those appointed have a duty of loyalty to VEHI and not to either Vermont-NEA or the Vermont School Boards Association.”
 - a. Pursuant to Vermont law governing non-profit boards, VEHI board members have always had a duty of loyalty to the organization, and not the organizations that appointed them.
 - b. Furthermore, up until Act 11, VEHI members had the ability to elect board members, and so individual board members were accountable to THEM, not to either the NEA or the VSBA.
 - i. Due to the legislature intervening on behalf of VT-NEA through Act 11, VEHI members no longer have any role in the election of VEHI Board members.

Page 4:

1. “An Organizing Year: Achieving Equality”
 - a. This title is misleading and suggests that the entire mission of the Board over the past year has been to “achieve equality.” While that may have been the mission of Mr. Cook, others on the Board have been interested in ensuring the business of VEHI continues – i.e. providing high quality services to our members, reviewing VEHI’s mission statement and developing a corresponding board work plan, approving a budget (which we were unable to do until after the 2020 fiscal year began), and authorizing use of reserves so we could file rates with DFR.
2. “Generally, about positions adopted by the Board, the chair and vice chair together speak for the Board.”
 - a. This is a misleading statement. Board protocols require the chair and vice chair together to speak for “or otherwise represent” the organization, not just represent the positions adopted by the Board.

3. “We recently were able to agree to amend our policy to make it consistent with our governing bylaws, but with one exception, a vestige of the prior imbalance on the Board... We have not been able to eliminate that provision, despite its continuing inconsistency with our governing bylaws and its inapplicability to Board members appointed by – no longer designated for – Vermont-NEA.”
 - a. This segment of the testimony inappropriately invites the legislature into an issue that is the sole purview of the VEHI Board. The testimony portrays the issue in a manner that is favorable to Vermont-NEA and does not reflect the complex nature of the discussion related to conflict of interest and voting on service agreements.

Page 5:

1. “Major Areas of Current Study”
 - a. Because the VEHI Board has been unable to agree upon a work plan for the year, or even had a discussion about the mission of the organization, it is inaccurate to identify these areas as being “major areas” of work by the Board. This appears to be a list of work that Mark Hage would like VEHI to do, but it is not work that has been sanctioned by the Board as our “major areas” of focus.

As someone relatively new to this Board, but not new to board service, I believe the testimony submitted to the Senate Education Committee by Mr. Cook is inconsistent with the role the Chair should play in fairly and accurately representing the organization and the Board. Not only did Mr. Cook violate VEHI Board Protocols by accepting an invitation from the Senate Education Committee to testify without the Vice Chair, but the testimony presented was in some instances false, and in others misleading. His actions have done damage to the already-fragile working relationships on the Board.

Cc: Neil Odell, Board President, VSBA
Sue Ceglowski, Executive Director, VSBA