

Vermont Education Health Initiative (VEHI)
Board of Directors
Meeting Minutes
December 3, 2024

Present:

VEHI Board Members: Suzanne Dirmaier, Mike Fisher, Lisa Grout, Andrew Haas, Lance Mills, Cheryl Scarzello

VEHI Management Team: Mark Hage, Chris Roberts, Bobby-Jo Salls and Jonathan Steiner

The meeting was called to order by Suzanne Dirmaier at 3:01 p.m.

Review of Agenda:

Lance Mills made the motion to accept the agenda, seconded by Lisa Grout, the motion passed unanimously.

Public Comment:

None.

Approval of Board Minutes: October 15 and 22, 2024

Mike Fisher made a motion, seconded by Lisa Grout, to approve the meeting minutes of both October 15 and October 22, as presented. The motion to approve the minutes passed unanimously.

Reorganization of the Board

Following the VEHI Board Election of Board Officers Protocol, the chair seat was due to transition to a VSBA appointee, and the vice chair to a VT-NEA appointee. Lisa Grout nominated Lance Mills as the vice chair, seconded by Suzanne Dirmaier. The motion passed. Cheryl Scarzello nominated Mike Fisher for the chair position and Andy Haas seconded the motion. The motion passed.

Review and Accept 9/30/24 Quarterly Financials

Chris Roberts presented the Q1 of FY 25 financial statements to the board. She noted that they look positive thus far but explained that they did last year at this time as well. She reviewed the seasonality of the claims and membership of VEHI, where many new people come on the coverage September 1, which brings a first month of premium, with little to no claims that

month. It will take until October and November to see the claims for these new members to surface. Another cyclical effect happens in January when deductibles reset and VEHI pays less.

Cheryl Scarzello made the motion to approve the 9/30/24 financials, seconded by Lance Mills. The motion passed unanimously.

Net Position Policy

Mike Fisher opened the discussion regarding the net position policy and asked for any questions or feedback. Lance Mills noted that the policy requires a review every five years. The VEHI management team confirmed that it was reviewed by Willis Towers Watson in 2023, who re the validity of the 15 percent, but it was never formally reviewed by the board. Mike asked for that to be shared with the board. The management team agreed to share the findings for future review by the board.

Andrew Haas made the motion to acknowledge the board reviewed the net position policy and identified action for follow up. The motion was seconded by Lisa Grout. The motion passed unanimously.

Review of Bylaws and Amendments

Mike Fisher reviewed the Bylaws and Amendments including a discussion about the difference between special and regular meetings. He noted that changes should be approved by the members. The group discussed potential changes which Mike agreed to take back and revise to present at the next meeting. There was no action on this topic.

Duties of a Non-Profit Board

Mike Fisher began to review the document by William Sorrell, but noted that the document was only 4 pages, of what should have been more than 16. Mike suggested that we table the topic, obtain the full copy, so that every director can attest that they've read it and review it at the next meeting. Suzanne Dirmaier made a motion to table this agenda item until the next regular meeting. The motion was seconded by Lance Mills. The motion passed unanimously.

Discuss the Role of VEHI President

The board discussed the recent history of the role of VEHI president. The role had been held by the former VSBIT president, Laura Soares, before the VSBIT board determined in 2019 that there was a conflict of interest with her being the president and fiduciary for both VEHI and the third-party administrator, VSBIT, who manages VEHI. The board and management team discussed who made that determination, and whether a second opinion was received. Chris Roberts recalled that the responsibilities were moved to either the VSBIT management team/president or the VEHI board chair. Board members expressed interest in reviewing the legal opinion about this conflict and are interested to know if the role must be filled, and if so, who would be the right person/position to fill the role. The management team will research the decision for the board to determine the next steps. Cheryl Scarzello made the motion to table

this agenda item with regard to [VEHI] president. The motion was seconded by Lisa Grout. The motion passed unanimously.

Management Updates

Mark Hage updated the board on the meeting with the Statewide Bargaining Commission, which included the following topics:

- Act 167 report submitted to the GMCB in September,
- FY 25 budget order for UVMHC, and the implications of those reports
- The VEHI rating process
- The management team also fielded questions from the commissioners about:
 - Plan Design
 - RFP or unbundling of services
- UVMHC response to budget order

Mike Fisher noted that some of these would be things to discuss in our first strategy meeting, in January. Bobby-Jo Salls remarked that these decisions would be that of the VEHI Board, not the commission (plan design, RFP, unbundling of services). This raised the question as to the roles of each entity (the board and the commission), Mark agreed to follow up with the statute. Chris Roberts also noted that VEHI is subject to the statute: I-90-1. Mike asked that I-90-1 was also sent out to the board to review.

Mike also said that it would be beneficial for the two chairs of each entity (VEHI Board and Statewide Bargaining Commission) to meet, and Mark offered to pass along the message.

Mark continued reporting that Remedy is reviewing the data provided by Jeff Hochberg. There is no update yet on the renewal rate review by DFR. It is expected around the beginning of January. Lastly, Blue Cross of VT sent a letter to the GMCB urging them to hold UVM accountable with their revenue overages. VEHI was mentioned in the letter.

Legislative Preview

Jonathan Steiner began the conversation by stating that we are expecting school spending to be a primary topic for this legislative session. The VEHI management team does not lobby but will provide facts when asked. Mark Hage explained the situations where he and Bobby-Jo Salls testified, such as when the HRA/HSA vendor that school districts worked with collapsed and if a bill would have a positive or negative impact to VEHI.

Cheryl Scarzello noted that the report by the Commission on the Future of Public Education is due out on December 15th. Cheryl offered to send out information on the commission and their timeline, also noted that they have a website, where you can watch the meetings or read their minutes. Cheryl will send the timeline out to the group.

Lisa Grout asked if there are going to be suggestions from the VEHI management team about ways to benefit schools and districts. Mark noted that their last testimony provided ideas such as centers of excellence, for example. He also remarked that the commission was interested in

unbundling benefits. Lisa stated it was important to provide the best level of service, not necessarily the best price, and preventive care is key. Jon Steiner noted that it was important to keep VEHI intact to provide coverage levels and service for school employees. Andrew Haas noted that local school boards are interested in remaining in the conversation and bargaining for benefits. The group discussed the dynamic with the licensed vs non-licensed (school year vs full-year) benefits and that the cost of health plans can exceed the salary of a lower-paid, school-year employee.

Lisa raised the concern about people being asked to pay more could deter them from receiving preventive care. Bobby-Jo Salls stated that the plan designs coupled with the HRAs in place by the commission remove any deductibles for employees, and the actuarial values are currently around 98.4% for non-licensed and 97.6% for licensed employees, leaving employees responsible for 1.6-2.4% on average for claims costs, post-HRA. Chris Roberts also mentioned that a great deal of preventive care is covered at 100% regardless of plan design. Lisa agreed that it was important for that to be covered, but the board should also be looking at things like reference-based pricing as well.

Future Agenda Items and Annual Workplan

Mike Fisher noted that our January meeting (rescheduled to the 4th Tuesday) will be a strategic discussion and he and Lance Mills will work together to structure the discussion. Mike said that the board should have a better idea of what is happening in the legislature at that point, a quick conversation about the conflict-of-interest policy, and Cheryl asked that the group reviews the December 15th report from the Commission on the Future of Public Education.

Follow up items include net position, bylaws, review statutes (re: commission and I-90-1), role of VEHI president, and strategy.

Mark also asks that the reference-based pricing analysis (due out December 15th) be included in the January agenda.

Adjournment

Lisa Grout moved to adjourn the meeting, seconded by Lance Mills. The motion passed unanimously, and the board adjourned at 4:35 p.m.

Respectfully submitted by: Bobby-Jo Salls