

Vermont Education Health Initiative (VEHI)

Board of Director's Meeting Minutes

January 30, 2019

Unapproved

Present: Frances Brock, Robert Letovsky, Joel Cook, Martha Gagner, Tracy Wrend, Peggy Maxfield, Mark Hage, Laura Soares and Bobby-Jo Salls.

Members of the Public: Nicole Mace (Until 4 pm) and Elizabeth Fitzgerald (until 5 pm)

The meeting was called to order at 2:04 p.m., Chair Tracy Wrend.

Public Comment: None

Review of the Agenda: There were no requests for revision of the Agenda.

Approve Minutes of Board Minutes of December 20, 2018

It was noted that Laura Soares made changes to the initial draft of unapproved minutes to address several items raised by Joel Cook. The Board discussed and concurred that in the future once the unapproved minutes are posted any amendment to the minutes will take place at the next meeting of the Board.

Martha Gagner made a motion, seconded by Fran Brock, to approve the meeting minutes of December 20, 2018 as provided in the second draft. The motion passed with the correction of one typo.

Status of and Processes for Changes related to Act 11 of 2018

Tracy Wrend provided an overview to ensure all Board members have a common understanding of the following:

- DFR anticipates it will be several months before I-90-1 rules are finalized to align with Act 11. There will be a comment period on draft rule changes prior to finalization. Draft rules have not yet been posted.
- VEHI can begin work on changes to organizational documents to align with Act 11 but need the I-90-1 rules to be finalized before submitting the documents to DFR in a single filing. The Board agreed that as it acts to amend any of these documents, as the Bylaws were amended at the last meeting, these amendments will need to be reviewed in light of the I-90-1 rules prior to submission to DFR.

- DFR must approve any changes to VEHI’s Investment Policy per I-90-1. DFR should be informed if changes are made to the three policies DFR recommended in their five-year exam (Code of Ethics, Conflict of Interest and Net Position which is still pending).

Act to Amend Articles of Incorporation, Bylaws, Membership Agreements and Operational Plan to Comply with Act 11

Laura Soares provided an overview of the proposed changes she and Joel Cook believe would bring these five documents into alignment with Act 11 of 2018. The Bylaw draft also includes the amendments to Article III number 7 and 8 adopted at the last meeting. The Board discussed the proposed amendments to all five documents. Per DFR, member districts will need formal notice of these changes and the opportunity for input before these documents are filed with DFR, who has the authority to review and approve them once I-90-1 rules are updated. Joel Cook made a motion, seconded by Peggy Maxfield, to amend the documents as presented. The motion passed.

Election and Roles and Responsibilities of Board Officers

- a. **Determine how the Board will choose its chairperson and vice chairperson**

Joel Cook made a motion, seconded by Fran Brock, to amend the Bylaws as follows:

ARTICLE IV: SECTION 1. NUMBER.

The officers of the Board shall be a Chair and a Vice-Chair, each of whom shall be elected by the directors. **In the event the directors cannot elect one director as Chair or as Vice Chair, they shall elect one of the Vermont School Boards Association appointees and one of the Vermont-National Education Association appointees as Co-Chairs or, as the case may be, Co-Vice Chairs.** Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

The first sentence of ARTICLE III: SECTION 4. SPECIAL MEETINGS.

Special meetings of the directors may be called by [~~the~~] **a** Board Chair, or by any two directors.

The first sentence of ARTICLE III: SECTION 11. RESIGNATION.

A director may resign at any time by giving written notice to the board or [~~the Board Chair~~] **its Chair**.

ARTICLE IV: SECTION 5. BOARD CHAIR

The Board Chair or Co-Chairs shall be [~~a director~~] directors and shall preside at all meetings of the Board of Directors. The Board Chair or Co-Chair shall have all powers and duties as are set forth in the By-Laws, and shall perform all duties incident to the office and such other duties as may be prescribed by the directors from time to time.

ARTICLE IV: SECTION 6. VICE CHAIR

In the absence of the Board Chair or Co-Chairs, or in the event of the Board Chair's or Co-Chairs' inability or refusal to act, the Vice-Chair or Co-Vice Chairs shall perform the duties of the Board Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Board Chair. The Vice-Chair or Co-Vice Chairs shall perform such other duties as from time to time may be prescribed by the Board Chair or Co-Chairs or by the directors.

The Board discussed the motion. The motion did not pass.

Martha Gagner made a motion, seconded by Peggy Maxfield, to establish an operating protocol on the election of Board officers. Starting at this meeting the chair is selected by and from among the VT-NEA appointees, and the vice-chair is selected by and from among the VSBA appointees, and that at the next organizational meeting, and each year thereafter, the election of positions be reversed. Further, that the agendas for meetings of the Board shall be jointly developed by the chair and vice-chair and the Board Communications Protocol be amended to indicate the authority to speak for, or otherwise represent, VEHI and the Board is granted jointly to the chair and vice-chair, and that separately neither person is authorized to speak on behalf of VEHI or the Board, except as consistent with the Communication Protocol.

After discussion, Joel Cook requested a ten minute break to talk this concept thru. Tracy indicated best practice of a Board is to talk items through together. There was a ten minute break.

Following the break, Martha Gagner accepted a friendly amendment from Peggy Maxfield to have the chair and vice-chair elected at this meeting to serve until the 2020 organizational meeting.

There was discussion to confirm that this protocol is consistent with current Bylaws.

Elizabeth Fitzgerald requested the opportunity to provide comments. She shared her experiences with co-leadership positions for the Board to consider. She also expressed concern on the ten minute break and the concept of caucuses for the VEHI Board which is not a negotiating body.

After further discussion there was a friendly amendment by Joel Cook, accepted by Martha and Peggy, to modify the language in the motion to refer to the next meeting after the Annual Meeting not the organizational meeting. The motion passed to establish an operating protocol as follows:

Starting at this meeting, the chair is selected by and from among the VT-NEA appointees, and the vice-chair is selected by and from among the VSBA appointees, and that at the first meeting held after the 2020 Annual meeting, and each year thereafter, the election of positions be reversed. Further, that the agendas for meetings of the Board shall be jointly developed by the chair and vice-chair, and the Board Communications Protocol be amended to indicate the authority to speak for, or otherwise represent, VEHI and the Board is granted jointly to the chair and vice-chair, and that separately neither person is authorized to speak on behalf of VEHI or the Board, except as consistent with the Communication Protocol.

Peggy nominated Joel Cook to serve as chair, seconded by Fran. Joel accepted the nomination. The Board moved to appoint Joel Cook as chair.

Martha nominated Tracy Wrend to serve as vice-chair. Tracy declined the nomination. Tracy nominated Robert Letovsky to serve as vice-chair, seconded by Martha. Robert accepted the nomination. The Board moved to appoint Robert Letovsky as vice chair.

Fran Brock thanked Tracy Wrend for over five years of service as chair of the Board, and the full Board recognized Tracy's service.

Joel Cook took over as chair of the meeting.

b. Agenda development

Peggy Maxfield made a motion, seconded by Fran Brock, to establish an agenda protocol, based upon her proposal of 12/20 but modified after discussion of the Board and staff. The motion passed and a copy of the protocol will be attached to the minutes.

c. VEHI Board Communication Protocol

Tracy Wrend made a motion, seconded by Fran Brock, to amend items 2 and 3 in the current Communication Protocol to reflect the joint delegation to the chair and vice-chair in the Election of Board Officers Protocol just adopted. In addition, to reflect the separation of President and VSBIT Trust Administrator roles as of August of 2018, item 4 will include both titles. The motion passed.

Appointment of Corporate Officers

a. Determine how the Board will choose President and Secretary

Joel Cook reviewed his November 1, 2018 proposal for changes to the Bylaws to allow for co-presidents to provide for equality. He then recommended that rather than considering Bylaws changes at this time, the President and Trust Administrators develop a proposal on how to optimally accomplish the work of the organization. After discussion, there was consensus among the Board on the importance of clear roles and responsibilities. There was also agreement that this

work needs to be undertaken in light of the Mission of the organization with a clear vision of what success looks like, both of which the Board should discuss at future meetings. In addition, the Service Agreements with VSBIT and VT-NEA should reflect the work the VEHI Board expects from each organization. The Board agreed on the approach suggested by Joel, with an update from management expected when the Board meets in April. The update will include any areas where there is not consensus among the management team on roles and responsibilities. A standing agenda item on this topic will be in place until further notice.

b. Appointment of President and Secretary

No action was taken.

Identify the Work of the Board for 2019 and Update the Annual Work Plan

a. Required/Recommended Annual Work Plan (1/22/19 draft)

Tabled until a future meeting.

b. Bylaws in Addition to Act 11

Tabled until a future meeting.

c. Conflict of Interest and other Policies

At 5:15 pm Joel asked to discuss his document on Conflict of Interest Basics with no action to be taken. There were no objections to this approach. Joel reviewed his document which points out that the current Policy and Disclosure Statement are not aligned with Bylaws language and the Board needs to reconcile this at a future meeting. He proposed that he bring drafts to a future meeting for consideration. Tracy indicated her preference that the Board do this work together as it provides an educational opportunity for all in this important area. Robert noted that the perception of conflict of interest of those outside of the Board itself should be considered as well. He proposes the Board consider an outside body, such as the Vermont Ethics Commission, be engaged to provide an opinion in the event there is not consensus among the Board when an issue about conflict or the perception of conflict arises, or when a person not on the Board disagrees with the decision of the Board in this area. The Board agreed to continue discussion on this topic at a future meeting.

d. And other items (including recommendations submitted by J. Cook on 11/1/18 and E. Fitzgerald on 12/20/18)

Tabled until a future meeting.

Management Updates

Laura Soares provided an update on the FY 19 health rate filing. It is expected that DFR will approve the filing within the week.

Laura reviewed the quarterly financials as of 12-31-18 and memo provided by Finance Manager Chris Roberts. As expected, due to the design of the health plans, the health program is showing a loss of 9.8 million. This number is expected to decrease in the last six months of the fiscal year since the out-of-pocket costs reset with the calendar year.

Management requested the next meeting of the Board be dedicated to management items, primarily a long-term cost and quality initiative that requires Board attention.

The Board was made aware of two bills introduced in the legislature- S.21 to create a public employee health benefit plan and S.41 to regulate TPAs of HRAs. S.41 is supported by Vermont-NEA. The Board did not discuss in-depth or take a position on either bill at this time.

Mark Hage and Bobby-Jo Salls updated on the status of DPAS in resolving the 2018 HRA/FSA administration issues.

Mark updated the Board on the cost and quality initiative staff initiated with BCBSVT. The first step will be to analyze several years of VEHI claims data to set the foundation for future actions to contain costs while maintaining or increasing quality of outcomes for our subscribers and their dependents. The data analysis will be undertaken in the next 6 weeks. At the next meeting, management would like to explore this initiative with the Board and solicit input. Prior to the meeting, the management team will provide the Board a background document.

Set Next Meeting(s) of the Board

The Board will meet March 6th from 1 – 4:30 pm and April 29th from 2 – 6 pm. Board members were asked to hold the as much of the week of May 6th open as possible for a potential meeting as well.

Adjournment

There being no further business, the meeting adjourned at 6:02 p.m.

Respectfully submitted by: Laura Soares

VEHI Board Agenda Protocol 2019

As a general principle, the Annual Board Work Plan is the foundation from which agendas are developed. In setting the agenda, the Chair and Vice-Chair, together, will begin with the Annual Work Plan, and take into account any requests by individual Board members or staff, as well as circumstances which arise that require Board attention in a timely fashion.

1. On each Board agenda there will be an item to allow members of the Board and staff to suggest matters for future agendas.
2. Items from any meeting that were not fully addressed and require further discussion and/or action will be added to the agenda of a future meeting as agreed by the Board.
3. Additionally, up to two weeks before a scheduled meeting, Board members may submit suggestions for agenda items to both the Chair and Vice-Chair. Staff will arrange for an e-mail reminder to be sent to Board members of the date by which to submit potential agenda items.
4. At least two weeks before a scheduled Board meeting, staff will provide the Chair and Vice-Chair a draft agenda based on the Annual Work Plan and any additional items the staff would like to see addressed.
5. After the two week timeframe, any other items that arise which Board or staff feel should be addressed at the next meeting should be brought to the chair and vice-chair's attention and considered by the full Board as a revision to the agenda at the start of the next meeting.
6. Agendas and documents pertinent to meetings will typically be provided to Board members one week prior to the meeting.

Adopted January 30, 2019