

Vermont Education Health Initiative (VEHI)

Board of Director's Meeting Minutes

March 20, 2017

Present: Nicole Mace, Elizabeth Fitzgerald, Jeff Fannon, Martha Gagner, Tracy Wrend, Mark Hage, Laura Soares

Members of the Public: None

The meeting was called to order at 11:02 a.m., by Chair Tracy Wrend.

Public Comment - None

Approve Minutes of December 15, 2016 Meeting

Elizabeth Fitzgerald made a motion, seconded by Nicole Mace, to approve the meeting minutes with a typo corrected. Motion passed, with Jeff Fannon abstaining.

Board Governance

- a. Appoint Director to vacant VT-NEA position** – the VT-NEA recommends Jeff Fannon to fill the vacancy of the VT-NEA position. The Board appointed Jeff to the seat.
- b. Elect Vice Chair** – Nicole Mace made a motion to appoint Jeff Fannon to replace Joel Cook as Vice Chair of the Board. Elizabeth Fitzgerald seconded and the motion passed with Jeff Fannon abstaining.
- c. Review Legal Duties of Board as outlined in the Vermont Attorney General's Guide for Board Rules of Charitable Non Profits Organizations in Vermont (November 2015)** Attorney Rob Halpert confirmed this Guide applies to the VEHI Board. The Board discussed the guidance, with a focus on the duty of loyalty. The Board asked that the Executive Summary of the Guide be posted on the Board page of the VEHI website and provided to prospective and new VEHI Board members.
- d. Items d and f – Discussion of Code of Ethics and Communication Protocols**

Nicole Mace shared her interest in the Board developing a Code of Ethics that would supplement the AG Guide and outline the process the Board will use if there is concern about a violation of the duties and/or an actual violation of the duties, so that there is a clear process for holding themselves accountable as Board members. She will share the Code of the VSBA.

Elizabeth Fitzgerald expressed concern that the recent Urgent VEHI Edition of the VT-NEA newsletter may be inconsistent with the obligations outlined in the Guide. Mark acknowledged he assisted in the writing of the piece. Jeff Fannon felt the piece was consistent with the mission of the VT-NEA and was appropriate communication with its members. Tracy reminded VT-NEA that it is under contract with VEHI as a service provider and is committed to a code of conduct in that capacity, and that the VT-NEA newsletter appears to be questioning the integrity of the health plans VEHI will be offering in 2018.

The Board acknowledged the tensions between the missions of the different organizations. VSBA and VT-NEA may both elect to communicate with their members on VEHI's health plans; however VSBA has a different relationship with VEHI as it is not under contract. The Board agreed to continue discussion on this topic.

Jeff expressed his concern on how VEHI was represented in Vermont Digger on February 21, 2017, specifically comments attributed to Laura Soares. Laura indicated she was misquoted and that in addition, the article includes factual mistakes, several which are material. Laura and Mark have agreed to speak jointly to the press on matters related to VEHI going forward.

e. Discuss Consensus Decision Making

Jeff would like the Board to adopt a formal commitment to making decisions by consensus. Tracy assumes the Board as a whole is committed to reaching decisions by consensus whenever possible, believing it is in the best interest of the board to do so. Mark suggested that at a minimum, consensus should be used when making decisions around plan design, cost-sharing, and premium rates.

Jeff Fannon made a motion that the VEHI Board adopt consensus decision making as its form of governance. There was no second and the motion failed.

Nicole asked Jeff for a written definition of consensus decision making and what would happen if the board could not come to consensus, which would allow her to consider his motion. Other members of the board concurred and Jeff agreed to provide.

Review Service Agreements– reports from VSBIT and VT-NEA

It is the goal of the VEHI Board to develop a framework for evaluating the Service Agreements with VSBIT and VT-NEA prior to their next renewal. Tracy Wrend stressed this process is not to evaluate Laura Soares or Mark Hage personally, but VSBIT and VT-NEA as organizations. The framework submitted for this meeting from VT-NEA was focused on an evaluation tool for Mark Hage. Jeff Fannon agreed to respond on behalf of VT-NEA as an organization ahead of the April 17th meeting of the board.

Review and Accept 12/31 Quarterly Financials

The Board reviewed and then accepted the financials on a motion by Martha Gagner, seconded by Nicole Mace.

Enter into Agreement with Sullivan and Powers FY 17 Audit

Martha Gagner made a motion, seconded by Jeff Fannon to approve the agreement with Sullivan Powers for the FY 17 audit. The Board approved the motion.

Discuss VSTRS RFP

Mark Hage provided an overview of the RFP process to date. A motion was made by Jeff Fannon, seconded by Martha Gagner, to formally respond to the VSTRS RFP consistent with the FY 18 rate filing decisions for the health program. The motion passed.

Review and Accept 2017 Business Plan

Laura Soares summarized the 2017 Business Plan. Nicole Mace made a motion, seconded by Jeff Fannon, to accept the revised 2017 Business Plan. The Board approved the motion.

Update status ASO Contract with BCBSVT

Laura indicated the ASO contract was nearing completion. The Jackson Lewis attorneys have done an excellent job representing the interest of VEHI in the negotiations with BCBSVT. There are only a couple of outstanding issues to be resolved. Mark and Laura expect to bring a contract to the Board for approval in the next two months. The signed contract will be filed with DFR at their request. If any Board member has any specific question or concern they would like addressed prior to taking action on the contract, they need to let Laura or Mark know by the first week of April.

Discuss Draft Member Assessment Protocol for adopting at future meeting

The Board reviewed the draft policy document. Martha Gagner made a motion, seconded by Nicole Mace, to approve the first draft and submit to DFR as a draft prior to taking any formal action on the policy.

Accept Actuarial Analysis of Target Surplus Level

Martha Gagner made a motion, seconded by Elizabeth Fitzgerald, to accept the actuarial analysis request by DFR. The motion passed.

Program Updates

a. Transition to New Health Plans

The Transition is underway with presentations to employees continuing. Mark, Laura and Bobby-Jo are developing materials for the FY 18 open enrollment process, refining

and expanding the resources on the website, and developing an outline for what will be a user's guide to navigating the 2018 health plans and how to effectively engage the most appropriate health services.

b. Health Program Rates Approved by DFR; Future Rating Considerations

Laura Soares confirmed that DFR approved the 2018 rates as filed. DFR requested a follow up meeting and indicated to VEHI and BCBSVT that in future rate filings, DFR will expect each plan and tier to receive its indicated rate change and that VEHI's historical practice of applying a uniform rate change across all plans and tiers will require including documentation that this is necessary rather than convenient.

In addition, The Board discussed the need to carefully monitor the claims data to determine, to the degree possible, if the new plans are bringing the reduced utilization that was included in the rate setting process, and furthermore whether any of the reduced utilization is of necessary care that could both have a negative impact on subscribers and also future claims costs of the program. The Board will spend time over the next year discussing how to best manage this dynamic.

- c. **Pharmacy** – Mark provided an update to the Board. Remedy provided analytics on prescription adherence for five common conditions. This information will be discussed with BCBSVT pharmacy team to identify opportunities to reach out to the subscribers to better support them in managing their condition. In addition, the analytics may provide baseline data for future analysis related to the 2018 plan designs and potential impact on adherence.

- d. **Legislative** – VEHI testified on the new health plan transition at the request of five different committees.

Adjournment

There being no further business, the meeting adjourned at 2:15 p.m.

Respectfully submitted by: Laura Soares

Next Meetings:

April 17 th	11:00 – 2:00
June 19 th	11:00 – 2:00
August 30 th	11:00 – 2:00