

Vermont Education Health Initiative (VEHI)
Board of Director's Meeting Minutes

May 2, 2018
By Conference Call

Present by phone: Tracy Wrend, Elizabeth Fitzgerald, Jeff Fannon, Martha Gagner, Nicole Mace
(4:50) Mark Hage, Laura Soares Members of the Public: None

The meeting was called to order at 4:32 p.m., by Chair Tracy Wrend

1. Laura Soares and Mark Hage updated the Board on the last minute unexpected challenges for school districts, their employees and families with the transition from Future Planning Associates (FPA) to DataPath (DP). Specifically in regards to the action item for this meeting, DP determined at the very end of April that it would need an extended 'blackout' period to correct FPA claims before processing new claims, and that this blackout period would begin May 1st and extend through May 21st. FPA terminated debit card functionality on April 30th and DP debit cards will not work for FSA or HRA funding during the blackout period. **Therefore, from May 1st – 21st employees will need to pay the full cost of any prescription at time of pick up and experience an extended delay before they have access to FSA or HRA funds.**

Payments to employees for claims that FPA did not process correctly will be sent to employees after May 18th. Payments from DP to employee for claims FPA did not pay at all, or that come to DP in May, will begin processing the week of May 21st. Because there was no warning from DP about the changes in the blackout length and the extended timeframe for employees to receive their FSA and/or HRA funds, employees and their families had no time to plan to utilize their debit cards while they still were operational.

Mark pointed out as well that DP will only restore the HRA functionality of debit cards for districts that provide employees pharmacy coverage with no employee cost share or if any employee cost share is last dollar, after employer funds are exhausted. If this is not currently the terms of the CBA, parties will have to negotiate resolution.

2. To assist employees and their families with the cash flow challenges that stem from FPA inability to accurately administer the HRAs it contracted to take on, and the late notice from DP on the transition process it requires to administer HRAs accurately going forward, Mark Hage and Laura Soares **recommend VEHI provide the approximately 24,000 individuals covered by the Gold and Silver CDHP with HRAs administered by FPA through April 30th and administered by DP May 1st, pharmacy at no cost share for three weeks, from May 8th – 28th.**

A motion was made by Martha Gagner, seconded by Jeff Fannon, to implement the recommendation as made.

Board members and trust administrators commented and asked questions.

- This group of individuals have an average pharmacy out of pocket spend of \$70,000 per week. Three weeks cost is therefore estimated at \$210,000, however it may be higher as people may have been waiting to fill prescriptions and may fill them earlier than otherwise, even without early refill overrides during this timeframe.
- The recommendation is limited to prescriptions because Rx requires full payment at time of pick up, and the majority of FPA-related complaints fielded by VEHI, BCBSVT and VT-NEA have been related to pharmacy.
- DFR reviewed VEHI's financial position and determined taking this action, even if the spend is double the estimate, will not have a material impact on VEHI's solvency.
- Laura and Mark pursued multiple other options with FPA, DP and BCBSVT before making this recommendation.
- Elizabeth Fitzgerald asked if there was a way to recoup the spend from the appropriate parties who are benefiting. BCBSVT confirmed with Mark and Laura prior to the meeting there is no way to do this.
- BCBSVT has already contacted Express Scripts who provides the pharmacy benefits for BCBSVT and therefore VEHI, and they can administer this- although it will take three business days to implement from formal notification. This is the reason for the May 8th start date. The exact time will be determined with BCBSVT and ESI.
- Three weeks was selected because by May 28th, employees should have received or will soon receive HRA and FSA funds due, and funds will continue to be released in a timely manner by DP going forward.
- Prescriptions picked up at no cost during this time frame will not apply to employee Rx or total VEHI out of pocket maximums, as employees did not pay for them.
- Prescriptions will also not draw on any FSA or HRA funds available to the employee. To the extent the Rx would have been covered by the employer HRA, it is the employer who is getting the ultimate cost benefit.
- Part of the benefit of being in a pool is the ability of the larger group to absorb risk in a manner that individual districts or a small group could not.
- Martha Gagner requested the record reflect that the challenges are not with the VEHI plans themselves, which are operating as designed. Further, that the challenges are the direct result of FPA's inability to meet its commitments and the challenges DP is having in correcting the FPA errors quickly and establishing systems that will work, requiring modifications of the HRA designs.
- Martha recalled that VEHI recommended Health Equity to members as an entity with capacity and experience and advised VASBO to do due diligence in vendor selection.
- Martha applauded Mark and Laura for bringing forth a well-research option to assist the employees and families impacted by this situation that was outside VEHI's control.

Tracy Wrend took vote by roll call and it passed unanimously.

Elizabeth requested her specific questions be included in the minutes:

- Does this action require member approval?
- What happens if DP does not meet May deadline?
- Is this fair to all members?
- What does this mean for negotiated contracts?

- Can the payments made during the extended blackout period be "trued up" later?
- Why use reserves for pharmacy vs. medical?
- How is this operationalized?
- Does this decision create (future) liability for VEHI?
- Isn't this outside VEHI's purview?

The Board requested a future agenda item to consider whether it is appropriate for VEHI to take legal action against FPA or DP as an interested third party.

Adjournment

The meeting adjourned at 5:14 p.m.

Respectfully submitted by: Laura Soares