

Vermont Education Health Initiative (VEHI)

Board of Director's Meeting Minutes

June 11, 2019

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

Members of the Public: Nicole Mace (until 3:30), Don Tinney, Jeff Fannon (2 pm)

The meeting was called to order at 1:30 p.m., Chair Joel Cook.

Public Comment: none

Discussion of the Chair's process/guidelines for public comment: Joel Cook indicated he will allow public comment both during the public comment item on the agenda and prior to Board action if requested, after considering context, duration, relevance, timing and tone.

Election of Vice Chair

Robert Letovsky submitted his resignation from the Board last week. Joel Cook looked to the remaining VSBA appointees to fill the vice chair role, as provided in the Bylaws. Martha Gagner nominated Tracy Wrend for the position of vice chair. Tracy accepted the nomination, and there being no other nominations, **Tracy was elected vice chair.**

Review and Adoption of Agenda

Joel Cook asked to discuss item 7, Conflict of Interest Discussion, to affirm that the intent during his and Robert's development of the agenda was for this item to include both a discussion on Rob Halpert's responses to the follow up COI questions from the prior meeting, and a hearing on the April 12 COI complaint. Tracy Wrend stated that she did not feel the agenda item reflected the potential for a hearing. Fran Brock made a motion, seconded by Peggy Maxfield, to adopt the agenda with the understanding that item 7 will include both a discussion of the comments provided by Rob Halpert and a possible executive session to deal with the April 12th COI complaint. **There were no objections.**

Approval of Board Minutes of May 14, 2019

Martha Gagner made a motion, seconded by Peggy Maxfield, to approve the meeting minutes of May 14, 2019 as presented. **The motion passed.**

Act on FY 20 Contracts: The management team recommends the contracts with Gallagher Benefits Services, VSTRS and BCBSVT and the FY21 BCBSVT admin fee, be approved. Laura, Mark and Bobby-Jo reviewed background memos provided and responded to questions. Martha Gagner made a motion, second by Fran Brock, to approve the contracts with Gallagher, VSTRS, and BCBSVT, as well as the BCBSVT FY21 admin fee as presented. **The motion passed.**

Conflict of Interest Discussion

There was a discussion of the responses attorney Rob Halpert provided in follow up to his presentation at the last Board meeting. Fran, Joel and Peggy each indicated they had now completed the conflict of interest disclosure forms. Tracy indicated the importance of identifying a process for aligning and addressing the COI of issues and requested this be addressed at the retreat.

Joel indicated there was a written COI complaint on April 12th by Tracy Wrend regarding him. Neither the chair nor the current vice chair could therefore preside over the issue. He reviewed the process for responding to a complaint, as outlined in policy. He also indicated there was also a code of ethics complaint and reviewed that policy. Tracy Wrend spoke to the process as well.

Peggy made a motion, seconded by Martha Gagner, to enter executive session under 1 V.S.A. § 313 section (a) (3) to deal with the April 12th code of conduct complaint. **The motion passed.** Joel Cook requested it be a public hearing and the Board **did not go into executive session.**

Martha, Fran and Peggy jointly agreed to allow each party 10 minutes to present their position. Peggy kept time. Tracy Wrend distributed a document and verbally presented her complaint. Joel Cook distributed a document and verbally refuted the complaint. Each party was provided three minutes to respond and then the remaining Board members were given the opportunity to ask questions.

Martha made a motion, seconded by Tracy Wrend, for the Board to find there may have been a conflict of interest in the chair communicating with VT-NEA regarding the Service Agreement beyond the scope of the Board's authorization. After discussion, Martha **withdrew the motion.**

Tracy Wrend moved, seconded by Martha that the Board find that Joel's conduct in conjunction with matters related to advancing the Service Agreement with the VT-NEA, including underlying work on conflict of interest policy and Bylaws themselves, is a conflict of interest. **The motion failed** 2-2 (Peggy, Fran against / Martha, Tracy in support - Joel Cook recusing himself).

Peggy requested the Board establish group norms for behavior and clarity.

Nicole Mace asked to be recognized. Joel recognized her. Nicole thanked the Board for the opportunity to comment, as the VSBA supports school boards in handling COI issues, including complaints. In a small state where people wear a variety of hats it is common for COI issues to arise. The law allows for COI complaints to be brought forth and that questions around COI are

not to be treated as a threat or an attack on an individual's character. People need to be comfortable bringing issues to the table, discussing them and resolving them.

There was a five minute break.

Continue Discussion on Service Agreement FY 19 Evaluation

There was a discussion on the April Service Agreement evaluations and Tracy asked the Board to consider whether to develop a formal response to the evaluations to provide feedback to the Service Agents allowing them an opportunity to respond and approve as appropriate. There was a question of whether the VT-NEA served all employees on behalf of VEHI, and a discussion about the specific deliverables to request of VT-NEA as a part of their evaluation next year. Tracy asked this to be a future agenda item. Tracy indicated it was important to her to separate VT-NEA member services that may touch on health care and Mark's role as VT-NEA Director of Benefits from the services VT-NEA provides on behalf of VEHI and Mark's role as VEHI Trust Administrator.

Consideration of Service Agreement Cost

- a. Vermont-NEA Proposal
- b. VSBIT Annual Payment

Fran Brock made a motion, seconded by Peggy Maxfield that VEHI service providers – VSBIT and Vermont-NEA – in accordance with principles of best practice and basic fairness, deserve to and shall be paid the actual cost of the services each of them jointly agrees with VEHI it will provide.

Tracy reminded the Board that the VSBIT Service Agreement extends until FY 22, and the payment to VSBIT is not negotiated until the end of that term. Tracy distributed written background documents to provide a history of the determination of the VT-NEA payment amount to inform the discussion on the cost of the VT- NEA Service Agreement for FY 20.

Tracy moved (Martha seconded) to table Fran's motion until there was time to reflect on adoption of a principle/policy. **The motion to table failed** 2-3 (Fran, Joel against / Peggy, Martha and Tracy in support).

After further discussion, Fran **withdrew the motion**.

Fran moved to postpone action on FY 20 Service Agreement costs until principles have been established. Peggy seconded the motion. After discussion, **the motion was withdrawn**.

Joel made a motion, seconded by Fran, to propose to VT-NEA a short-term extension of the FY 19 Service Agreement to enable the VEHI Board to consider a framework within which to make funding decisions. Joel invited Jeff Fannon of VT-NEA to speak. Jeff indicated VT-NEA is amenable to waiting until the August 26th meeting to continue the conversation between parties on the FY 20 Service Agreement.

Further, Jeff is happy to answer questions regarding the VT-NEA's June 3rd proposal. Peggy indicated her interest in hearing from the VT-NEA on this matter, and Joel invited Jeff to speak.

Jeff provided an overview of the VT-NEA's written proposal responding to the VEHI Board's request. VT-NEA believes the Service Agreement needs to more accurately reflect the work done by the VT-NEA on behalf of VEHI and provide stability to both parties with a three-year contract term. VT-NEA sees every school employee as a member or a potential member and responds to inquiries by all school employees. Marks' time is calculated by using the time cards he fills out to meet DOL requirements to estimate his time for VEHI work. Tracy inquired as to whether Mark's time on health related matters not specific to fulfilling the VEHI Service Agreement scope of services, but rather in his role as VT-NEA Director of Benefits is clearly delineated on the time cards. Jeff indicated it was an estimate. Don Tinney, President of VT-NEA added his perspective.

The motion for a short-term extension failed 2-3 (Tracy, Martha against / Joel, Fran and Peggy in support).

Tracy made a motion, seconded by Martha, to extend the VT-NEA Service Agreement for one year with a 2.25% increase to allow time to consider all the issues raised. **The motion failed** 3-2 (Joel, Fran and Peggy against / Tracy and Martha in support).

No other action was taken. In response to a question on the process if no Service Agreement with VT-NEA or budget is in place prior to the start of the 7/1 fiscal year, Laura indicated VSBIT would continue to make all payments to fulfill VEHI's obligations, including payments to VT-NEA under the terms of the current Agreement.

Review of budget in anticipation of FY 20 and possible adoption of it.

This item was tabled.

Act 11 Follow Up: Final review of documents to file with DFR

This item was tabled.

Retreat Planning Discussion

This item was tabled.

Management Updates

As there was only a brief opportunity for management to provide verbal updates, Laura Soares distributed copies of her notes. Topics included an update on the Health Program Net Position Policy, on which DFR has no further questions at this time; the federal changes to HSA compatible plans effective 1/1/2020 will increase the Rx oop max (**not** the total oop maximums) on the two CDHPs as of 1/1/2020; the legislature passed S.41 regulating TPAs; exploration of the interstate Rx analysis is ongoing, in conjunction with VEHI's Rx consultant Remedy Analytics, the updated Benefit Description Documents will be filed with DFR by the end of June; management and

BCBSVT will meet June 20th with Altarum to further discuss the Opportunity Reports; after Mark and Bobby-Jo's meeting with the Commission on this issue, VEHI and BCBSVT will explore what role we may be able to play in identifying one or more TPAs that will be able to provide effective, efficient and accountable administration of whatever health care spending accounts are utilized as a result of the Commission's final decision. We may have a request for Board action on this topic prior to the next scheduled Board meeting August 26th.

Tracy requested an after action review of VEHI's role with TPAs during the transition to the new health plans, including what worked, what did not work, and how we can learn from both to ensure there is a common understanding of the issues and a clearly articulated vision on any role VEHI may play in the future.

Discuss Date and Time of Annual Meeting

a. Notice of Meeting

A motion was made by Martha Gagner, seconded by Tracy Wrend, to set the date and time of the Annual membership meeting for November 8, 2019 at 8:30 am at Lake Morey Resort and to set the date to close the Membership Books on October 25, 2019. The motion passed.

b. Annual Report Letters

Laura provided copies of the last several Annual Reports to assist the Board in determining by the August meeting if it wants to include a letter in the FY 19 Annual report which will be printed in September.

Discuss future agenda items and set next meeting(s) of the Board

Items raised during the meeting will be added to the Annual Work Plan. The next meeting is set for August 26th at 4:30 pm.

Adjournment

There being no further business, the meeting adjourned at 5:20 p.m.

Respectfully submitted by: Laura Soares