

Vermont Education Health Initiative (VEHI)

Board of Director's Meeting Minutes

June 19, 2017

Present: Jeff Fannon, Elizabeth Fitzgerald, Nicole Mace (until 4:45), Tracy Wrend, Martha Gagner, Mark Hage, and Laura Soares

Members of the Public: None

The meeting was called to order at 11:01 a.m., by Chair Tracy Wrend.

Public Comment - None

Approve Minutes of April 17, 2017 Meeting

Martha Gagner made a motion, seconded by Nicole Mace, to approve the meeting minutes as presented. Motion passed.

Set date and time of 2017 Annual Membership Meeting and set date of close of Membership Books

A motion was made by Martha Gagner, seconded by Jeff Fannon, to set the date and time of the meeting for October 20, 2017 at 8:30 am at Lake Morey Resort and to set the date to close the Membership Books on October 3, 2017. The motion passed.

Authorize VEHI President to execute an Administrative Services Contract with BCBSVT

In order to continue operating the VEHI Health Program outside of the grandfathered provisions of the ACA, VEHI has authorization from the Department of Financial Regulation to move to a fully self-funded/self-insured organization on January 1, 2018. This necessitates a new contract with BCBSVT for administrative services only. Currently, and continuing through December 31, 2017, VEHI has a Cost-Plus contract with BCBSVT. VEHI engaged the legal services of the firm of Jackson Lewis in the development of the contract, and this work is now nearing completion. Mark Hage and Laura Soares jointly confirm this contract meets the needs and interests of VEHI and its members.

Martha Gagner made a motion, seconded by Nicole Mace, to authorize VEHI President Laura Soares to execute the Administrative Services Only contract with BCBSVT. The motion passed.

Update VSTRS RFP Process and Decision

Mark Hage provided an update to the Board. After completing the RFP process, the VSTRS Board voted to retain membership in VEHI for FY 18, subject to successful contract negotiations with VEHI. The State requires a contract between VEHI and VSTRS in addition to the Membership Agreement required by VEHI. VSTRS has retained Hickok & Boardman to provide consulting services during the term of this contract. Mark and Laura have been working with staff of the State Treasurer and H & B to finalize the contract, which is nearly complete and will be executed by June 30th.

Wellness ROI Analytics Update – Gillian Pieper, Health Promotion Specialist

On behalf of the PATH Wellness Team, Laura Soares provided an overview of the initial analysis completed by BCBSVT analytics team using VEHI claims data matched with PATH data to evaluate the impact of PATH programming on claims cost. The analysis indicates statistically significant positive results. This analysis is being expanded and a complete presentation will be made to the Board at a later date.

A motion was made by Martha Gagner, seconded by Jeff Fannon, to restore a Wellness Coordinator position in the FY 18 budget. The motion passed.

Discuss the allocation of funding to the service agents, reviewing evaluation frameworks and evidence provided by each organization.

Tracy Wrend asked Board members to take time to review the FY 17 Service Agreements and the information provided by both organizations regarding their work on behalf of VEHI, as well as supporting evidence/documentation. The Board evaluated each organization to determine whether the services provided in FY 17 were satisfactory.

Tracy Wrend then led a discussion with the Board. VSBIT financial services were reviewed for evidence that the services provided met the needs of the organization. The Board concurred that the summary of the items and evidence provided to the Board over the course of the year, including quarterly financials and the annual audit, is sufficient to determine that the financial services from VSBIT are satisfactory.

The extensive Wellness Programming provided by VSBIT staff was reviewed. The Board stressed the importance of evaluating the connection between the program and outcomes. The Board also stressed the importance of ongoing and expanded ROI analysis and reporting. The Board was satisfied with the direction of the VEHI-specific ROI data analysis of the program and that the services provided are satisfactory.

The Board then reviewed VSBIT administrative series. They discussed the communication system, the materials on the website, that contracts are in place and in good standing, the annual report and meeting, the Board materials, DFR's approval of the plans and rates and organizational documents that insurance coverage is in place, all as evidence that VSBIT is satisfactorily fulfilling its obligations in this area. It was noted that at the next renewal of the

VSBIT Services Agreement the scope of services should be expanded to better capture the expectations of the VEHI Board.

The Board then reviewed the VT-NEA Service Agreement. The Agreement was revised in FY 16 to add more specificity to the scope of services. Tracy suggested items 1-6 be looked at as administrative services provided in conjunction with VSBIT, and further proposed that these have been satisfactory based on the evidence that was received related to joint activities of VSBIT and VT-NEA. The Board concurred.

In regards to items 7 and 8, there was a discussion about the education of school employees in regards to the new health plans and transition, and whether the needs of the organization, as outlined in the mission, were sufficiently met. The concern was expressed by multiple Board members that the evidence provided, as well as ongoing review of artifact evidence of Board members, is inconsistent with and sometimes undermining VEHI's mission. The majority of the Board found the VT-NEA unsatisfactory in meeting the responsibilities under these items and expressed an interest in revising the scope of the Service Agreement for FY18.

Mark Hage strongly disagreed with this assessment and expressed his deep concern that VT-NEA bias was implied. Mark indicated the information going out through the VT-NEA as a conduit for VEHI is unbiased, and the work of the VT-NEA in the support of local negotiations is outside the scope of VEHI. The Board discussed the potential conflict of interest between VT-NEA's collective bargaining mission and VEHI's mission related to employee education.

Tracy indicated that it is of interest to VEHI to know the terms of out of pocket cost sharing agreements, as this dynamic impacts VEHI's rating assumptions and pricing risk.

Nicole Mace expressed concern of the tone and content the last two newsletters of the VT-NEA discussing the new VEHI health plans as inconsistent with VEHI's Mission. Concerns were raised in the Uniserv Directors acting as agents of VEHI. Nicole asked for a copy of their job description to help her understand their educational role. Nicole then questioned whether engaging the VT-NEA as the sole service provider in the employee education arena is sufficient or appropriate for VEHI in meeting the needs of the organization to meet its mission.

Elizabeth Fitzgerald shared her perspective that the VT-NEA has not consistently carried out the terms of the agreement to her expectations.

Given the concerns of the majority of the Board and concerns from the field expressed to Board members, Tracy asked Jeff to respond on behalf of VT-NEA.

Jeff Fannon acknowledged the advocacy role of the VT-NEA, but believes that does not prevent the VT-NEA from providing factual information on how the VEHI plans work. He stated that parties cannot negotiate from ignorance and VT-NEA has a strong interest in factual information on the plans as a foundation. He is confident the Service Agreement is being met satisfactorily in its entirety.

Martha Gagner proposed the scope of the Service Agreement be modified for FY 18 and revisions were discussed. To address the need VEHI has to include out of pocket cost sharing data in rating assumptions, Laura Soares suggested the VT-NEA provide copies of settlement terms on an ongoing basis as they become available. Jeff agreed to incorporate this into the scope of services.

Act on the VT-NEA FY 18 Service Agreement

Martha Gagner made a motion, seconded by Elizabeth Fitzgerald, to adopt the VT-NEA Service Agreement for 2017-2018 with revisions to the scope of services as discussed, at an amount of \$191,000.

Mark Hage and Jeff Fannon spoke against the motion, indicating the VT-NEA would be asked to provide more services with less funding at a time VEHI is transitioning all active employees and dependents to new health plans. The motion passed (4-1 with Jeff Fannon against).

Nicole Mace made a motion, seconded by Elizabeth Fitzgerald, to direct the Trust Administrators to bring forth a proposal on how to best deploy resources and ensure the capacity of VEHI to provide employee education to support the goals of the transition. The motion passed. Tracy Wrend invited the VT-NEA to put forth a proposal to complete this work if desired.

Adopt FY 18 Budget

Nicole Mace made a motion, seconded by Martha Gagner, to adopt a budget for FY 18 in the amount of \$4,169,489, amending the draft budget as follows: The VT-NEA Service Agreement funded at \$191,000; adding \$35,000 to the Actuarial Services line item to provide for independent actuarial review of the FY 19 rate recommendation; adding a line item for Employee Education with initial funding of \$49,111. The motion passed.

Nicole Mace left the meeting due to another commitment.

Debrief Legislative Discussion and Potential Impact on VEHI

Laura Soares provided initial analysis from BCBSVT on the potential underfunding of the FY 18 rates under various employer out of pocket funding scenarios. Any actual impact on the FY 18 rates will not be known until all contracts are settled, members are enrolled in the new plans, and actual claims occur. This information was provided to JFO at their request, to inform their analysis for the upcoming legislative session on June 21st.

The Board confirmed that VEHI aspires to be neutral in the ongoing discussions in the legislature, consistent with the Mission of the organization. This will be revisited in a future meeting.

Board Governance

Jeff and Tracy each passed out a draft revision of the VSBA Code of Ethics that was provided as a starting point. Board members were asked to review both versions and prepare to discuss them at a future meeting.

Other Updates

The Board agreed to set another meeting ahead of the August 30th meeting, and to set a regular schedule for monthly meetings beginning in September.

Adjournment

There being no further business, the meeting adjourned at 5:15 p.m.

Respectfully submitted by: Laura Soares

Next Meetings: TBA

August 30th 11:00 – 2:00