

Vermont Education Health Initiative (VEHI)

Board of Director's Meeting Minutes

September 25, 2017

Present: Jeff Fannon, Tracy Wrend, Nicole Mace, Martha Gagner (12:15 arrival), Elizabeth Fitzgerald, Laura Soares, Mark Hage and Chris Roberts (Until 1:00).

Members of the Public: Fred Duplessis, CPA, Sullivan Powers (Until 12:20)

The meeting was called to order at 12:02 p.m., by Chair Tracy Wrend.

Public Comment: None

Approve Minutes of August 30, 2017 Meeting

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

Accept FY 17 Audit Report

- a. Meet with Sullivan Powers auditor - Fred Duplessis, CPA of Sullivan Powers reviewed the audit report for FY17 with the Board. Fred reported to the Board that the audit was considered clean, with no findings or deficiencies and no accounting adjustments necessary. Elizabeth Fitzgerald, made a motion, seconded by Martha Gagner, to accept the audit report and to commend Chris Roberts and her staff. The motion passed.

Investment Overview – Chris Roberts, Manager of Finance

Manager of Finance Chris Roberts provided the Board with an overview of the VSBIT approach to investments and the VEHI historical approach. VSBIT is contracted to provide financial services to VEHI and manage investments within the terms of the VEHI Board's Investment Policy. Laura and Chris recommend that the Board revise their policy to allow for investment in equities to provide greater returns, over the long term, on funds that are not needed to operate the program. The Board had a discussion on the limits of I-90-1, the use of index versus managed funds, Vanguard and its fee structure, and the risk and potential benefits of this policy change.

Continue Discussion on Potential Revisions to Investment Policy – possible action to adopt

A motion was made by Martha Gagner, seconded by Jeff Fannon, to amend the Investment Policy as presented, to allow for investment in equities. The Policy will go to DFR for approval as required. Laura and Chris Roberts will bring to the board their plan for investing in equities once the Policy is final and before any investments are made. The motion passed.

FY 19 Dental Rating Discussion and Action

The Board reviewed and discussed the recommendation of the Trust Administrators. Given the strength of the dental program fund balance, Martha Gagner made a motion, seconded by Nicole Mace, to authorize the Trust Administrators to use up to one million of fund balance in the FY 19 rate filing. The motion passed.

FY 19 Health Program Rating Update

Laura provided an update on the FY 19 health rates filing, which is scheduled to be completed and filed with DFR on Friday September 29th.

a. Review of Willis Towers Watson Report

The report from the consulting actuaries was made available to the Board for review. This report is for use by the Board and Trust Administrators only, and is considered confidential in nature without express permission of WTW to release. This is their standard terms of agreement. Mark and Laura relied on the report in the FY 19 rate filing and it will be informative in the FY 20 rating as well.

b. Act on Recommendations of Trust Administrators regarding VSTRS FY 19 subsidization

A motion was made by Martha Gagner, seconded by Elizabeth Fitzgerald, to accept the recommendation of the Trust Administrators (below) with the addition of number 6):

- 1) As soon as data is available in September of 2019, VEHI will analyze FY 19 claims data (July 1, 2018 – June 30, 2019 paid through August 31, 2019) to determine the amount of FY 19 subsidization, if any, between VSTRS and the active population.
- 2) If there is a subsidization amount determined in number 1) **and** VEHI's net position is above 14% of expenses at the end of FY 19, VEHI will reimburse VSTRS the actual FY 19 subsidization amount up to a maximum of 1.5 million dollars from the funds available above the 14% of expense level.
- 3) Further, if there is not sufficient funds available over the 14% of expenses at the end of FY 19 to reimburse the identified FY 19 amount in number 1) VEHI will utilize any funds over 14% of expenses at the close of FY 20 to reimburse the remaining FY 19 identified subsidization amount in number 1) up to the 1.5 million total maximum.
- 4) In no event shall the total reimbursement provided to VSTRS exceed 1.5 million.
- 5) These calculations and actions will take place regardless of VSTRS membership status in September of 2019 or 2020.

- 6) If DFR modifies VEHI's FY 19 rate filing, this motion will be revisited by the VEHI Board at the next regular meeting of the Board.

The motion passed.

Nicole Mace asked the Board to discuss the communication to the field on the FY 19 rate filing. After discussion, Martha Gagner made a motion, seconded by Nicole Mace, for the Trust Administrators to provide their draft communication to Chair Tracy Wrend by Wednesday. Tracy will finalize the communication and provide the Board a copy before it is released to the field. The motion passed.

Adopt Whistleblower Policy to Address VSTRS Contract Requirement

Martha Gagner made a motion, seconded by Elizabeth Fitzgerald, to adopt the Whistle Blower Policy as presented, to comply with the terms of the VSTRS contract as a member of the health program. The motion passed.

Updates: Trust Administrators provided updates on the following:

- a. VEHB Commission – This group has had its second meeting. Agendas, minutes and handouts are posted on the DFR website. VEHI has not been asked to provide additional information at this time. Two members of the Commission indicated a successful outcome of their work would be to restructure the VEHI Board, however this has not been discussed as an agenda item to date.
- b. Wellness Leader Conferences – These were completed last week. The Board was provided a sample of the data packets provided to each SU/SD to focus their local wellness activities.
- c. Dental Program Oral Health Reports – for the first time NEDD has provided SU/SD level indicators on preventive care and use of HOW evaluations. This information was provided to the Wellness leaders with the above materials. Both health and dental data was shared with superintendents and HR professionals as well at member meetings of those groups.
- d. Gallagher Benefits Services – there has been an uptick in the requests for compliance services. 2017 IRS reporting support is in development. This arrangement continues to be a cost-effective approach to providing members with compliance support.
- e. Remedy Analytics/Pharmacy – Laura and Mark did a second year review last week with the Remedy team. Highlights of the report were provided to the Board. In FY 17 VEHI saved 6.1 million due to the contract terms with ESI.

Adjournment

There being no further business, the meeting adjourned at 2:54 p.m.

Respectfully submitted by: Laura Soares

Next Meetings:	October 20 th	8:30 – 9:30 – Annual Meeting at Lake Morey
	November 27 th	1:00 – 4:00
	December 11 th	1:00 – 4:00