



Overview

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What is VEHI?

Vermont Education Health Initiative (VEHI) was formed as a partnership between VSBIT and the Vermont-NEA.

VEHI is a non-profit organization that, for more than two decades, has served school districts by offering employee benefit plans [Health, Dental, LTD and Life Insurance] responsive to the needs both of employers and of employees.

VEHI also provides health insurance benefits to retired teachers and their dependents through the Vermont State Teachers' Retirement System.

VEHI's New Regulatory Status

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- ▶ In 2013, VEHI was reorganized as an intermunicipal risk sharing pool regulated by the Department of Financial Regulation
- ▶ New board has 3 seats elected by member districts and 2 seats representing the VT-NEA
- ▶ Allows small employers with grandfathered health plans to continue to offer those plans outside of the exchange.

VEHI Health Plan Summary

July 2014 data

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Approximately 42,900 covered lives

Average Age subscribers: 54

Average Age all enrollees: 42

Gender breakdown: 55% female/45% male

Plan enrollment by subscribers (no dependents included in the figures below)

	VEHI in Total with VSTRS	% of Total	VEHI excl VSTRs	% of Total	VSTRS only	% of Total
Contracts by Plan						
VHP	12,848	60%	12,170	83%	678	10%
Comp \$0	29	0.1%	29	0.2%	0	0%
Comp \$100	129	0.6%	129	0.9%	0	0%
Comp \$300	4,889	23%	704	5%	4,185	63%
Comp \$1200	690	3%	690	5%	0	0%
JY	1,824	9%	819	6%	1,005	15%
\$1800 H.S.A.	91	0.4%	91	1%	0	0%
Medicomp	747	4%	6	0%	741	11%
	21,247	100%	14,638	100%	6,609	100%
Contracts by Tier						
Single	6,023	28%	4,785	33%	1,238	19%
Two-Person	4,196	20%	3,968	27%	228	3%
Family	5,884	28%	5,873	40%	11	0%
Carveout/MC	5,144	24%	12	0.1%	5,132	78%
	21,247	100%	14,638	100%	6,609	100%

Over 98.5% of enrolled plans are grandfathered



VEHI's Most Popular Plans

- ▶ Vermont Health Partnership [VHP]
 - ▶ 83% active employees are enrolled in this plan
 - ▶ AV of 95%
- ▶ \$ 300 Comprehensive
 - ▶ 5% of active employees
 - ▶ AV of 93%
- ▶ JY plan
 - ▶ 6% active employees
 - ▶ AV 95%
- ▶ \$1200 Comprehensive - HRA compatible
 - ▶ 5% of active employees
 - ▶ AV of 84% before HRA contribution
- ▶ \$1800 CDHP - HSA compatible
 - ▶ 1% active employees
 - ▶ AV 82% before HSA contributions

Metal Level Comparisons

Based on Actuarial Values

Health Connect Plans

FY 15 Popular VEHI Plans

	VHP Platinum+ (95/5)	JY Platinum+ (95/5)
Platinum (90/10)	\$300 Comp Platinum (93/7)	
Gold (80/20)	\$1,200 Comp HRA Compatible Gold (84/16)	\$1,800 CDHP Blue HSA Compatible Gold (82/18)
Silver (70/30)		
Bronze (60/40)		

FY 16 Annual Premium Costs

Plan	Single	Two Person	Family
VHP	\$8,320	\$16,453	\$22,056
\$300 Comp Plan	\$8,320	\$16,453	\$22,056
JY	\$9,396	\$18,528	\$24,916
\$1200 Comp Plan	\$6,696	\$13,162	\$17,647
\$1800 CDHP	\$6,696	\$13,162	\$17,647

VEHI Plan Option Comparison

- Vermont Health Partnership (VHP) – GF*
- Comprehensive \$300 Deductible – GF*
- JY Plan – GF*
- Comprehensive \$1,200 Deductible – ACA**

* GF = “Grandfathered” under the Affordable Care Act (ACA).

** ACA = Compliant with but not “grandfathered” under the ACA.

Prescription Drug Benefit

Same Prescription Drug Benefit for all options:

- \$0 deductible for prescriptions:
 - \$5 co-payment for **generic** drugs
 - \$20 co-payment for **preferred brand-name** drugs
 - \$45 co-payment for **non-preferred brand-name** drugs

Vermont Health Partnership (VHP)

- ▶ Select a Primary Care Physician (PCP) for each family member, coordinate your care through your PCP and use in-network providers to get the most from your benefits.
- ▶ The VHP **network** includes 98% of Vermont physicians; referrals are not needed for network hospital or specialty care.
- ▶ Prior approval **is** required for out-of-network care, with the exception of emergencies. If you receive services out-of-network for non-emergency services without obtaining prior approval, you will either pay more or receive no coverage at all.

Vermont Health Partnership (VHP)

► Preferred Benefits using network providers:

- \$15 co-payment for PCP visit
- \$25 co-payment for Specialist visit
- Full coverage for Screening Mammogram and Colonoscopy
- \$20 co-payment for vision exam
- \$50 co-payment for Ambulance
- 100% coverage for inpatient and outpatient services & emergency care
- \$100 deductible and 20% coinsurance for medical equipment and supplies

Comprehensive Plan - \$300

- National Blue Card network of providers
- \$300 Individual deductible/\$600 Family deductible
- 20% coinsurance until you meet \$600/\$1200 out-of-pocket limit
- Full coverage for Screening Mammogram and Colonoscopy
- What services are subject to deductible and coinsurance?
 - PCP visits
 - Specialist visits
 - Hospital inpatient and outpatient services
 - Emergency care
 - Ambulance
 - Chiropractic care
 - Medical equipment and supplies

JY Plan

- National Blue Card network of providers
- \$20 copayment for:
 - PCP visits
 - Specialist visits
 - Chiropractic care
- No deductible for:
 - Hospital inpatient and outpatient services
 - Emergency care
- Full coverage for Screening Mammogram and Colonoscopy
- \$100 deductible and 20% coinsurance to \$600 out of pocket limit for:
 - Ambulance
 - Medical equipment and supplies

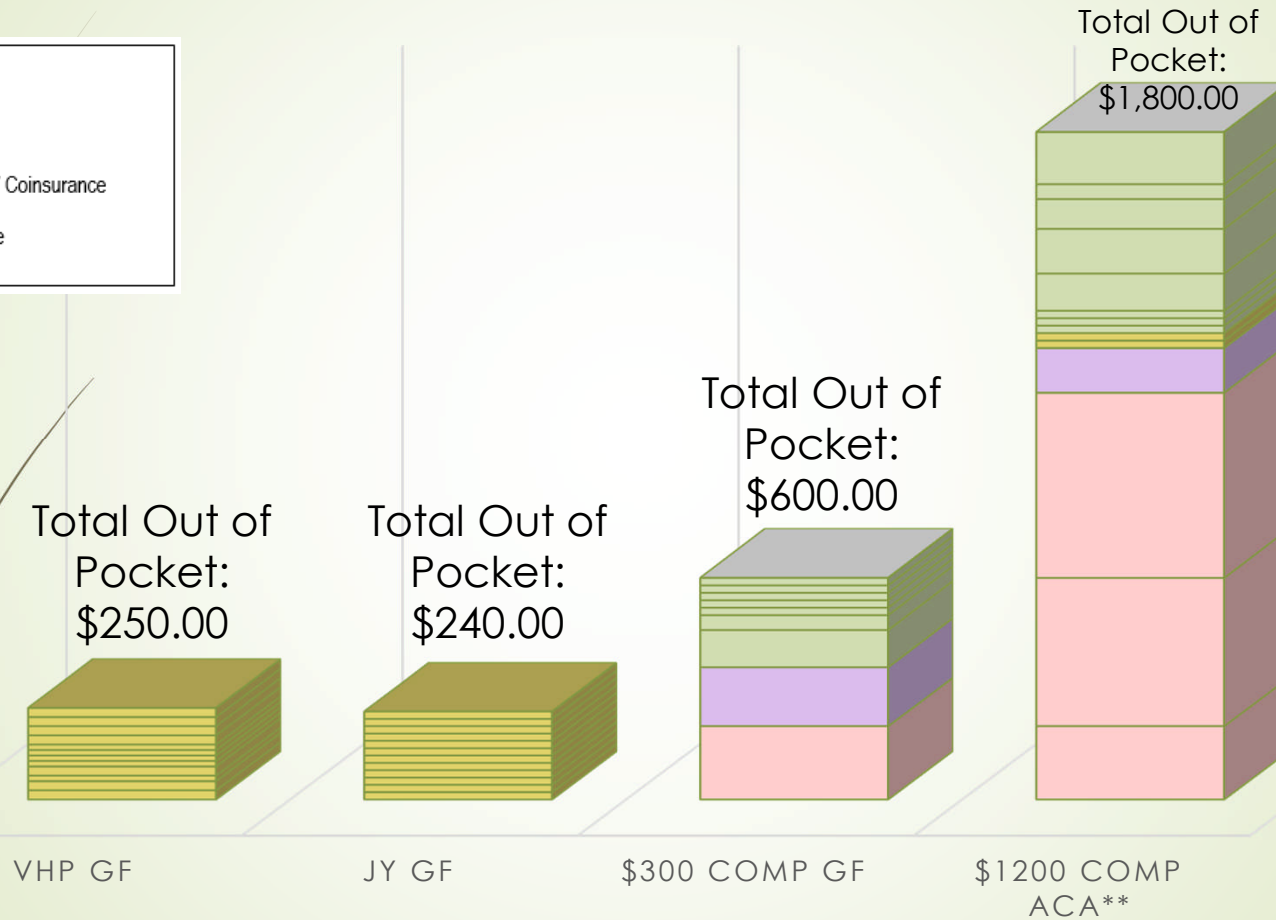
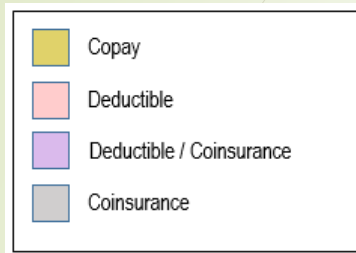
Comprehensive \$1,200 Plan

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- **Covered in full for Preventive office visits** (well baby, adult preventive, OB-GYN preventive visits)
- Full coverage for Screening Mammogram and colonoscopy preventive screenings
- \$20 sick visit co-payment, General and Family Practice, Internal Medicine and Pediatrics
- \$1,200 Individual deductible/\$2,400 Family deductible
- 20% coinsurance to \$1,800 out-of-pocket limit per individual or \$3,600 per family
- After you reach your out-of-pocket limit, plan pays 100% of allowed amount for the rest of the calendar year

ACA Compliant

TOTAL OUT OF POCKET PER SINGLE PLAN FOR \$4,600.00 IN SERVICES



** Employer may provide HRA to cover some or all of OOP costs



VEHI's Value to Members

- Rates are set as low as responsibly possible by a member-elected board
- Rates are set to meet school budget timing needs
- Any funds not needed by the health program belong to the member schools
- Assist VSTRS in controlling medical and Rx costs. In 2014 alone CMS estimates VSTRS will save 3.4 million in pharmaceutical costs by partnering with VEHI to implement a new drug benefit program [EGWP] for Medicare retirees.
- VEHI provides a robust research-based wellness program designed specifically for school employees and school cultures
- High level of customer service for both school business offices and school employees
- In-depth, customized support to understand and implement the ACA
- Union partnership allows for confidence by both parties regarding rates, plans and information



New Health Care Realities Affect the Value of VEHI to Members

Although historically VEHI has been the best place for Vermont school districts and VSTRS to obtain health coverage, federal and state health care reform has changed the dynamics.



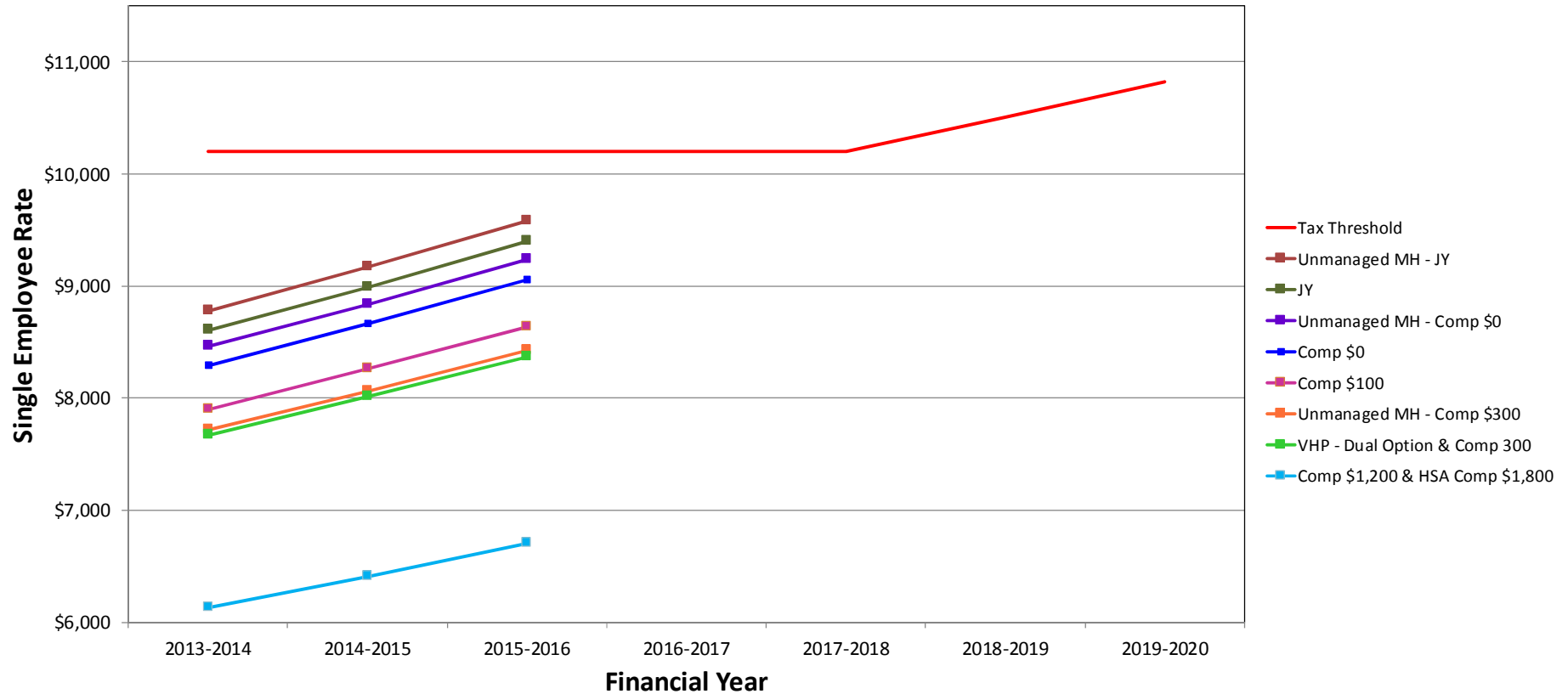
Challenges of Remaining with VEHI

A district must be willing to accept the limitations of grandfathered [GF] plans which means the district must:

- Continue to offer platinum plus plans
- Be satisfied with their current VEHI plan offerings
- Be satisfied with cost sharing arrangements between employer and employees
- Understand that as of 2018 the ACA includes an excise tax on high costs plans.

FY16 - Excise Tax Exposure

VEHI Excise Tax Exposure Analysis - FY16



Important

Please see the following page for important notes and considerations on the Excise Tax Exposure analysis.

Important Notes on Exposure Analysis

- ▶ **The exposure analysis illustration is for single employee rates.**
 - ▶ The original law established both single and family thresholds, with no allowance for two-person tiers. VEHI is awaiting final federal guidance on how the “family” threshold will apply to two-person and family tiers before conducting analysis on these plans.
- ▶ **“Plan Value” is used to determine exposure, rather than the VEHI rate alone.**
 - ▶ While VEHI Rates have been used to illustrate exposure, the excise tax will apply to the total plan value. Current guidance suggests that plan value will include VEHI rates **AND** all employer contributions toward an HRA, all employee and employer contributions toward an FSA, and all employer contributions and employee pre-tax contributions toward an HSA. Final guidance is expected to clarify inputs for plan value as 2018 approaches.
- ▶ **Excise tax threshold may be adjusted as 2018 approaches.**
 - ▶ Certain factors may be cause the thresholds to move up from their current levels, and plans may delay crossing excise thresholds as a result.



VEHI is Responding to the Current Context and Challenges