

DFR Testimony on Public School Employee Benefits

Michael S. Pieciak, Commissioner of DFR

Solvency is the ultimate consumer protection



Three Primary Functions of Proposed Committee

- Plan Design
- Rate Making
- Cost Share Negotiations

DFR Financial Oversight of VEHI

- DFR authority comes from Title 24, Chapter 121, Subchapter 6 and Regulation I-90-1
- I-90-1 details the rules regarding financial oversight
- Entity is required to file the following, per Section 12 of I-90-1;
 - annual audited financial statements
 - statement of actuarial opinion
 - methodology for establishing annual contributions
 - any additional information considered necessary
- Entity is required to file revisions or alterations or other changes to the Plan, per section 10 of I-90-1
- Entity is subject to Examination at least every five year period, or more frequently if necessary, per Section 13 of I-90-1
- DFR performs financial analysis at least annually, or more frequently if necessary
- DFR receives and reviews financial updates from VEHI on a monthly basis

DFR Plan Oversight of VEHI

- DFR reviews VEHI's plans and rates based on the standardized format SBC (statement of benefits and coverage). DFR directs the benefits being offered by VEHI member school districts are comprehensive and comply with all state mandates.
- Generally, rates are reviewed to make sure premiums are reasonable in relationship to the benefits that are provided, and are not excessive, deficient, or discriminatory.