

**MINUTES OF A REGULAR MEETING OF THE
BOARD OF DIRECTORS
VLCT EMPLOYMENT RESOURCE AND BENEFITS (VERB) TRUST, INC.
APRIL 28, 2016
VLCT OFFICES - MONTPELIER, VERMONT**

Directors present: Bill Shepeluk, Kathleen Ramsay (by phone), Carrie Johnson, Joel Cope, Sandra Gallup, Charles Safford, Joe Colangelo (by phone) and Todd Odit.

VLCT staff present: Ken Canning, David Sichel, Jeremiah Breer, Larry Smith, Maura Carroll and Kelley Avery.

Others present: Carrie Rice and Kristen Sharrow (Johnson Lambert); Susan Vaters (Equifax)

The meeting was called to order at 9:37 a.m.

A board quorum was confirmed.

Upon motion (Safford/Cope), duly adopted, by roll call, the board voted unanimously to approve the meeting agenda.

Upon motion (Safford/Johnson), duly adopted, by roll call, the board voted unanimously to approve the minutes of the March 10, 2016 meeting.

Carrie Rice and Kristen Sharrow provided an overview of the 2015 VERB Trust audit. This was the first audit of the Trust as a combined entity since the prior Health and UI Trusts merged. No material weaknesses in internal controls, errors, incorrect statements or exceptions were identified. Key areas of the financial statements were highlighted along with the testing processes performed.

Upon motion (Safford/Johnson), duly adopted, by roll call, the board majority voted to approve the results of the 2015 VERB Trust audit as presented.

Ken Canning provided the staff report. Mr. Canning reminded the board both he and David Sichel will be presenting at an NLC RISC Information Sharing Consortium next week in Texas. He also announced various upcoming educational workshops scheduled for June sponsored by the Municipal Assistance Center. Staff is working with Hickok & Boardman on updating the Health Insurance Advisory Services Agreement. Also Jill Muhr will be hosting a focus group at VLCT next week on Human Resources issues.

Larry Smith reported new business developments with respect to vision, dental, life and disability and Health Insurance Advisory Services program activity.

Jeremiah Breer reviewed the unaudited financial results through March 31, 2016. Total net position is up \$6,651 over year-end 2015. Claims came in under budget, and investment income increased 75% compared to the first quarter of 2015. Operating expenses are up 27% higher than last year due largely to changes in the VLCT admin agreement and the new Human Resources consulting program. Total revenue is down 5% compared to last year at this time.

Kelley Avery reviewed the unemployment claims reports through March 31, 2016. First quarter claims costs increased 98% from the prior quarter, and also increased by 6% compared to the first quarter of 2015. Claims frequency is down compared to both prior quarter and the same quarter of 2015.

Upon motion (Safford/Odit), duly adopted, by roll call, the board voted unanimously to approve the staff, financial and unemployment claims reports as presented.

David Sichel provided an overview of the Northeast Delta Dental (NEDD) proposed renewal. NEDD proposed a flat renewal with rates unchanged for the next year. Our claims were lower than expected, and more participants are using the Preferred Provider network, resulting in reduced costs. As some members requested inclusion of white posterior composite fillings in our coverage, staff requested rates for including this coverage from NEDD. The change would require a 2% increase to our existing rates. Presently our coverage only allows for coverage of anterior white composite fillings at the silver amalgam level, then dentists may balance bill for the remaining costs. A motion was made to adopt the 2% increase and white posterior composite benefit.

A motion (Odit/Cope) was made to approve the 2% rate increase and white posterior composite benefit. The motion was defeated, by roll call, with three in favor (Odit, Johnson and Gallup) and five opposed (Shepeluk, Safford, Ramsey, Colangelo and Cope).

Upon motion (Cope/Safford), duly adopted, by roll call, the board voted unanimously to approve the NEDD proposed renewal with a flat rate increase.

David Sichel briefly reviewed the NEDD utilization report.

Susan Vaters of Equifax reviewed the Annual Review and Executive Summary provided by Equifax, the Trust's third party administrator for unemployment claims. In 2015, Equifax managed claims representing \$1.6 million in potential liability, and removed \$188,667 in potential liability at the initial protest and hearing level. Our overall win rate for 2015 was 83%. In addition, over \$6,000 in errors made by the state were recovered in our favor. Actual unemployment charges totaled to \$373,774. Ms. Vaters also detailed how VLCT compares to its peers in the industry with respect to protestable separations, win ratios, late claims received and late separation information.

Kelley Avery provided an overview of a new hearing discount program that EyeMed announced to clients in late March. The program allows for a 40% discount on hearing screenings and discounts on hearing aids and related services. Only five audiology specialists in the state currently participate in this discount program with EyeMed. Staff will be announcing the program to members whose employees participate in the EyeMed coverage.

Dave Sichel provided the legislative update. The independent contractor bill, mentioned in previous meetings, seems to have stalled and seems unlikely to pass it this point. Several bills were introduced regarding Opioids, and the bill restricting large groups over 100 from entering the Exchange in Vermont has passed and will become law once signed by the governor. The legislature hopes to conclude their business for the year by the end of next week.

There was no other business

Upon motion (Safford/Cope), duly adopted, by roll call, the board voted unanimously to adjourn the meeting (12:13 p.m.).

Respectfully Submitted,

David Sichel
Assistant Secretary