

**VERMONT STATE TEACHERS' RETIREMENT SYSTEM**  
Meeting of the Board of Trustees – BGS-MTPL Conference Room  
**April 9, 2019 – 2:00 p.m.**

**Members present:**

JON HARRIS, Chairperson, Active Member Representative, term expiring July 1, 2019  
JUSTIN NORRIS, Active Member Representative, term expiring July 1, 2021  
DANIEL RADDOCK, Financial Regulation Representative -via telephone  
JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2020 – via telephone  
LINDA DELIDUKA, VRTA Alternate Representative, term expiring July 1, 2020 – voting member  
PERRY LESSING, Active Member Alternate Representative, term expiring July 1, 2021 – via telephone  
EMILY SIMMONS, representing Secretary of Agency of Education  
BETH PEARCE, VT State Treasurer

**Members absent:**

**Also attending:**

Michael Clasen, Deputy State Treasurer  
Tim Duggan, Assistant Attorney General  
Erika Wolffing, Director Retirement Operations  
Lesley Campbell, Retirement Program Technician  
Maribeth Spellman, Hickok and Boardman  
Barry Blixt, Hickok and Boardman  
Steve May, Hickok and Boardman  
Mark Hage, VEHI/Vermont-NEA  
Bobby-Jo Salls, VEHI

Deputy Treasurer Michael Clasen, called the Tuesday, April 9, 2019 meeting to order at 2:06 p.m., which was held in the BGS-MTPL Conference Room, Pavilion Building, 4<sup>th</sup> Floor, 109 State Street, Montpelier, VT.

**ITEM 1:      Agenda approval and announcements**

There were no announcements or changes to the agenda.

**ITEM 2:      Approve the Minutes of:**

- March 14, 2019

**On a motion made by Ms. Deliduka, seconded by Mr. Norris, the Board voted unanimously to approve the minutes of March 14, 2019**

**ITEM 3:      VSTRS Health Insurance Potential Changes**

Mr. Clasen explained the proposed changes to the VSTRS Health Insurance Plan and the process for making changes. Mr. Blixt gave a brief overview of how the plan is currently running, after FY17 there was a 6% surplus equating to about \$3 million. There was also a subsidization between the over and under 65 populations. The Board made changes to start allocating rate increases differently to help close the gap. At the end of FY18, the subsidy gap began to close, and the surplus was cut in half.

Ms. Pearce joined the meeting at 2:14 p.m.

Mr. May further explained the potential changes to the plan that were presented at the prior Board meeting, including changes to the drug formulary, OTC drugs, fertility drugs, and erectile dysfunction medications. The OTC, fertility and erectile dysfunction drugs are only covered by Caremark and therefore are only covered for the over 65 population. OTC drugs cost the plan \$254,000 in FY17 with 1,200 members taking advantage of OTC drugs.

Mr. May explained the proposal to move to the national preferred formulary for the under 65 group which would save approximately \$1.7 million total between active teachers and retirees. The change would exclude 48 drugs, where there are generic or equivalent versions available. 24 members would be impacted by this change. State employees recently moved to the national preferred formulary. Mr. Hage explained that the exclusions are updated annually and therefore the number of excluded drugs could increase. Mr. Hage clarified that VEHI will be recommending the formulary change for the active teachers at the April VEHI Board meeting for a January 2020 effective date.

**On a motion made by Mr. Norris, seconded by Ms. Deliduka, the board voted unanimously to remove OTC, Fertility, and Erectile Dysfunction drugs from the prescription plan effective January 1, 2020.**

**On a motion made by Mr. Norris, seconded by Ms. Deliduka, the Board voted unanimously to approve moving retirees to the National Preferred Formulary (NFP) and Accredo Exclusive Specialty Network effective January 1, 2020.**

Mr. Harris explained the reasons for why the Board requested information on adding acupuncture coverage. The active population does not have acupuncture and adding coverage for retirees would cost between \$105,000 - \$138,000 depending on the number of visits allowed. The Board requested any research on acupuncture alleviating opioid usage and managing pain in both the younger and older populations. The Board decided to table discussion on the issue pending further discussion.

**On a motion made by Ms. Pearce, seconded by Ms. Deliduka, the Board voted by roll call to clarify the action moving to the National Preferred Formulary to be effective contingent on VEHI approving the change for the active population, with Mr. Harris, Ms. Pearce, Mr. Norris, Mr. Raddock, Ms. Simmons, and Ms. Deliduka voting in the affirmative.**

Representatives from VEHI and Hickok and Boardman left the meeting at 3:08 p.m.

**ITEM 4: 2019 Election Procedures – VSTRS Active Member Trustee**

Ms. Wolffig presented the 2019 election procedures for the active member trustee and briefly updated the Board on the timeline for the election if needed. Mr. Harris requested the procedures be updated to remove requiring active members of the system to count ballots.

**On a motion made by Mr. Norris, seconded by Ms. Deliduka, the Board voted unanimously to approve the 2019 Election Procedures with the edit to who counts ballots.**

**ITEM 5: Disability recommendation(s) from the February 21, 2019 Meeting of the Medical Review Board:**

- **Jacqueline Kaufman (New)**
- **Mary Ann Seguin (New)**
- **Timothy Ziegler (New)**

**On a motion made by Ms. Pearce, seconded by Ms. Simmons, the Board voted unanimously to enter Executive Session at 3:15 p.m. pursuant to 1 V.S.A. § 313 for the purpose of discussing personnel issues.**

The Board came out of Executive Session at 3:27 p.m.

**On a motion made by Ms. Pearce, seconded by Ms. Deliduka, the Board voted unanimously to approve disability retirement for Jacqueline Kaufman with a one-year review.**

**On a motion made by Ms. Deliduka, seconded by Ms. Pearce, the Board voted unanimously to approve disability retirement for Mary Ann Seguin without review.**

**On a motion made by Ms. Pearce, seconded by Ms. Simmons, the Board voted unanimously to approve disability retirement for Timothy Ziegler without review.**

**ITEM 6: Other Business**

Mr. Norris asked the Board if a teacher working as a coach on a stipend could include that time toward their service credit. Mr. Harris clarified that a coaching stipend only counts if you are coaching within your own school district. Ms. Pearce updated the Board that the Budget Adjustment Act passed the Legislature including additional funding for the VSTRS pension fund.

**ITEM 7: Adjournment**

**On a motion made by Ms. Pearce, seconded by Ms. Deliduka, the Board voted unanimously to adjourn at 3:34 p.m.**

**Next Meeting Date:**

The next VSTRS Board meeting is the Quarterly In-House Meeting on May 14, 2019 at 9:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Erika Wolfing".

Erika Wolfing  
Retirement Office