

**SUMMARY MINUTES
SOUTHERN CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEE BENEFITS ASSOCIATION (VEBA)
April 4, 2007**

Members Present: Doretha Albee, Steve Kaplan, Lois Shive, Mark Anderson, Janice Cook, Kevin Ogden, Elizabeth Ahlgren, Lora Duzyk, Wayne Murphy, Erik Olson Fernandez, Cynthia McDaniel
Absent: Jesus Gandara, Edward Nelson, Ruth Peshkoff, John DeBeck, Joyce LaFleur
Administrator: George McGregor, Gina Lane, Annemieke Tomey
Consultant: Ron Mason, Susan Giesting, Lan Brown
Guests: Barbara Severino, Nancy White, Linda Townley (PacifiCare), Betty Ormsbee, Ronnie Adair, Sally Kuchik, Michael Kin (Kaiser), Jacques Blumer (Kaiser), Desiree Klaar, Jessica Ghaemmaghami (PBH)

The meeting was opened at 8:05 a.m.
There was a quorum present.

PUBLIC COMMENTS: None

SUPERINTENDENT'S REPORT: None.

CO-CHAIRS REPORT: Steve Kaplan reported that he and Erik Olson Fernandez met with representatives at Escondido Union High School District to go over concerns they had raised. The meeting went very well, with all questions being answered. Steve Kaplan attended the DMEC conference in Long Beach on Behavioral Health Issues. The Fortune 500 companies presenting were more assertive in using EAP and Behavioral health and had good results from these programs. Steve Kaplan announced that Lois Shive received the WHO award.

MINUTES

****MOTION:*** (Wayne Murphy) that the OPEN minutes of March 7, 2007, Board meeting be approved. Seconded by Doretha Albee and approved.

OLD BUSINESS

Committee Reports

VEBA/SCEET

George McGregor noted that the SCEET Trust Board would be joining VEBA on May 19th during the VEBA retreat to continue discussions on partnering. They will also be joining the VEBA for lunch.

California Health Care Coalition (CHCC)

It was agreed that Doretha Albee and Ruth Peshkoff would continue to represent VEBA. It was noted that Nancy White also assists on this committee on behalf of the VEBA

California Public Employers Employees Health Care Coalition (CPEEHCC)

****MOTION:*** (Kevin Ogden) That Ruth Peshkoff and Doretha Albee are appointed at the Management and Labor representatives, respectively. Seconded by Lois Shive and approved.

California State Teachers Retirement System (Calstrs)

It was agreed that Lois Shive and George McGregor would continue to represent VEBA.

Lag Schedule Review

Ron Mason presented the Claim Update and Rx Renewal Costs as of April 2007. Prescription drug claims trends leveled off in February. Change in the number of days of therapy per member per month (PMPM) is up 4.70% over the past twelve months. Mail use in most recent months is 54% of therapy days. There was discussion about Rx costs by plan, with some plans having a higher costs relative to premium. Ron Mason explained that a decision would have to be made by the Board regarding whether they would like to do a blended renewal rate or a separate renewal rate on the Rx plans based on this information.

There was no medical plan information to report this month because Ron Mason received the information he needed too late to perform analysis.

Scripps Clinic/Enrollment Results

Ron Mason informed the Board that PacifiCare renewal data indicated that Scripps Clinic enrollment in the Full Network/Deductible Plan was 535 members, down from 4,200 in the previous year.

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Continuity of Care

Ron Mason noted that the first COC reimbursement request is scheduled for late April and that VEBA's liability is 50% of claims up to a maximum of \$500,000.00.

December 2006 Financials

***MOTION:** (Doretha Albee) That the December 2006 financial statements are approved as submitted. Seconded by Wayne Murphy and approved.

Health Advocacy Update and Charter

***MOTION:** (Kevin Ogden) That the VEBA Advocacy Committee Charter be approved with the following changes: Third paragraph under the heading OBJECTIVES, change the words achieved to "achieve". Under the heading COMMITTEE'S CHARGES, under bullet point 9 insert the word "and" between carriers and other, add a bullet point 15 "Document and publish a members health care rights under California law". Seconded by Lois Shive and approved.

Nancy White gave a status report on the VEBA Advocacy programs. There is ongoing planning for increased utilization of Best Doctors, including possibly creating a "VEBA owned" outbound model. The third weight loss challenge was in the process of enrollment. The Health Advocacy Office Space was on target to have a grand opening on April 18, 2007. Nancy White continues to be involved in the California Health Care Coalition (CHCC)

Rate Tier Structures

Ron Mason reviewed a summary chart showing the VEBA 7 tier rate structure for FY07, including a summary description for each tier. Ron Mason was clear that all VEBA Districts participate in one risk pool; however VEBA provides incentive to employers and bargaining units by lowering premiums based on increasing the employer's contribution towards the health coverage.

Policy and Procedures Document

***MOTION:** (Doretha Albee) Motion to approve the Southern California Schools VEBA Administrative Policies and Procedures Document. Seconded by Wayne Murphy and approved.

Board Practices Document

***MOTION:** (Doretha Albee) Motion to approve the Southern California Schools VEBA Board Practices Document. Seconded by Janice Cook and approved.

PacifiCare Updates

George McGregor let the Board know that member complaint calls have been decreasing. A meeting scheduled with David Hansen, president of PacifiCare United was cancelled due to a last minute conflicting meeting, but he noted that David would be attending the meeting on April 18, 2007 with the VEBA Advisory Committee. There was some concern brought up about providers in Fallbrook and coverage for VEBA members. Linda Townley said that any coverage issues in that area had been resolved at this point and that if any members were still experiencing problems or had any concerns, to please refer them directly to her and she would take care of them. Steve Kaplan suggested that all concerns be put in writing to eliminate any confusion.

Communications Update

Susan Giesting gave a progress report of the VEBA 2007 Communications Strategy. She showed examples of the new logos that were developed for the VEBA Advocacy Programs, Communications Council, and Board of Directors. Portfolio boxes were sent out on behalf of the Communications Council, filled with communication samples to District benefit administrators and union staff. Planning and Support for the Advisory Committee Meeting on April 18, 2007, was provided and also assistance in setting up the VEBA art gallery in the Advocacy Programs Office. The VEBAonline.com Leadership Resource Center is almost complete, with the launch set for mid to late April 2007. A talking points PowerPoint deck has been developed for the Board of Directors to use as they visit with VEBA District and Union Staff.

Ron Mason went over two PowerPoint slides he created illustrating the top ten drivers of health care costs in San Diego and what VEBA is doing about them.

As part of the communications efforts, George McGregor mentioned training sessions that are being developed with specific areas of interest for different members within VEBA:

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- 1) Managing Benefit Plans – CBOs/ACSA
- 2) Crisis Intervention –ACSA/HR Directors
- 3) COBRA/HIPAA – General interest program

NEW BUSINESS

Meeting with Superintendent Dr. Randy Ward

George McGregor and Ron Mason met with Dr. Ward to discuss rumors regarding the Scripps Clinic freeze. After being presented with all of the facts regarding the matter, Dr. Ward has resolved any outstanding issues. Steve Kaplan thanked Lora Duzyk for all her help in facilitating a meeting. The interview Susan Giesting had previously scheduled with Dr. Ward was rescheduled for May 1, 2007.

COBRA

George McGregor notified the Board that a COBRA notification would be going out to the VEBA members during the month of April.

Retirement Reception

George McGregor announced that MVI Inc would be having a June reception for retired VEBA Board members and that information would be forthcoming on a date.

VEBA Ombudsman

George McGregor met with Ruth Peshkoff and Mark Anderson to create a job description for a new ombudsman position proposed as a possible part of the VEBA Strategic Focus. George relayed that this job description would be presented at the next VEBA Executive Committee meeting for further review.

VEBA Board Retreat

May Retreat planning was discussed. Board members were asked to reserve a room, if one was needed, prior to April 16, 2007, by contacting Gina Lane. Steve Kaplan let everyone know that Allen Goldstein had been selected as the facilitator for the event.

MEDCO and RationalMed

Ron Mason reviewed PowerPoint's by MEDCO and RationalMed. Rational Med demonstrated considerable savings to the VEBA population, as well as a great service to members by alerting the doctor and patient to possibly harmful drug interactions. Ron Mason also pointed out that in some of the case studies a medication of higher cost was issued, and that the point was about quality for members, not just keeping costs down. Medco gave quite a lot of statistical information on trends and the most popular drugs being used. The most important figures that Ron Mason pointed out were the 59.7% use of generic drugs in the VEBA population, which was an excellent number. Ron also noted the rising average age of the population and that drug costs were going up every year as a result.

SCSEBA Flyers

George McGregor presented the Board with a flyer from a JPA out of San Bernardino entitled "SCSEBA vs. VEBA" for a meeting that was to take place on April 24th and was later cancelled and rescheduled to May 1, 2007. George McGregor noted that he would be attending this meeting.

OTHER

Lois Shive mentioned that the website www.calhospitalcompare.org was now available.

Carrier Comments

None

The meeting adjourned at 10:55 a.m.

The next meeting will be held May 17-18, 2007 at 8:00 – 5:00, The Inn at Rancho Santa Fe