

**SUMMARY MINUTES  
SOUTHERN CALIFORNIA SCHOOLS  
VOLUNTARY EMPLOYEE BENEFITS ASSOCIATION (VEBA)  
May 18, 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 Edward Nelson John deBeck, Joyce LaFleur, Bill Kowba

Absent: Jesus Gandara, Ruth Peshkoff,

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, Jessica Ghaemmaghami (PBH)

The meeting was opened at 2:10 p.m.  
There was a quorum present.

**PUBLIC COMMENTS:** None  
**SUPERINTENDENT'S REPORT:** None.  
**CO-CHAIRS REPORT:**

**MINUTES**

\****MOTION:*** (Doretha Albee) that the OPEN minutes of April 4, 2007, Board meeting be approved. Seconded by John DeBeck and approved.

**OLD BUSINESS**

**Committee Reports**

\* A new representative will have to be elected to represent Management for CHCC, CPEEHCC and VEBA/SCEET since Ruth Peshkoff is leaving San Diego in June. George McGregor and Ed Nelson will meet to discuss appointments.

**VEBA/SCEET**

A new representative will have to be elected from the VEBA.

**California Health Care Coalition (CHCC)**

Doretha and George attended the pharmaceutical company interviews on April 26, 2007 and reported back on their experiences. A new representative will have to be elected to represent from Management since Ruth Peshkoff is leaving San Diego in June.

**California Public Employers Employees Health Care Coalition (CPEEHCC)**

Nothing to report. The next board meeting is not until June 4, 2007

**California State Teachers Retirement System (Calstrs)**

Lois Shive could not attend Calstrs meeting on May 25, 2007 but a colleague would be bringing her back the information. It was noted that due to Lois's retirement, she would no longer be attending Calstrs meetings as of mid-July and another labor trustee would have to be elected to this position.

**Legal**

Hirsch Adell was in attendance at the May 17-18, 2007 retreat and spoke to his role as legal counsel for the VEBA, and the sorts of duties he performs for the trust, such as review of all contracts and important documents. Also, when letters of inquiry come in from attorneys, Hirsch is the person whom they must have all communications with. Mr. Adell told the group that in the State of California there are only 10 or 11 trusts similar to the VEBA and that it was very unique. He noted that he was impressed with the job that the VEBA Board was doing.

**Lag Schedule Review**

Ron Mason presented the Claim Update and Rx Renewal Costs as of May 2007.

Prescription Drugs – although March is a high volume month for claims it was flat from March one year ago. Absolute trend dropped slightly to 8.94%. Change in the number of days of therapy per member per month (PMPM) is up 4.20%. Mail use in most recent months is 54% of therapy days.

HMO – Ron did not have a report for this last time because the numbers were off, PacifiCare reviewed and revised them and it would appear that we have exceeded costs every month. FFS claims dropped in February but in March they made a

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jump. Those claims were attributable to the January and February claims being paid in March. (PMPM) costs were up +13.18% over the previous 12-month period.

POS is operating very well. PacifiCare reported a backlog of any non tier-1 claims. The capitation costs PMPM were up +18.9% - this could rise over time to 25% as we trade capitated for fee-for-service. The blended aggregate paid claim/cap trend is +8.9%.

Out of Area/PPO – This group had no big claims this month.

### Executive Committee Report

George McGregor thanked trustees for attending the April 18 Advisory Committee Meeting and grand opening of the VEBA Advocacy Programs Office. The meeting was well received by all who attended, 60 people total, and George mentioned it would have been good if more people had attended. Dave Hansen, the President of PacifiCare West Coast operations, was there to address the group and went into detail regarding the 2007 issues we have had this year, and his plans on resolving them and some solutions that have worked so far.

### January 2007 Financials

\***MOTION:** (Doretha Albee) That the January 2007 financial statements are approved as submitted. Seconded by Lora Duzyk and approved.

### February 2007 Financials

\***MOTION:** (Lois Shive) That the February 2007 financial statements are approved as submitted. Seconded by Kevin Ogden and approved.

### Health Advocacy Programs Review

Nancy White reported that she is currently compiling all available programs from carriers and putting them in a searchable database so that she can best direct VEBA members to all resources. Nancy has started two weight loss programs so far in 2007, with Cajon Valley in April with 114 participants and San Marcos in May with 25 participants thus far. Nancy is looking to see if Fallbrook would be interested in this program.

### Communications Update

Susan Giesting gave a progress report of the VEBA 2007 Communications Strategy. The Communications Council distributed portfolio boxes of communication samples and also held a contest to encourage users to use the VEBAonline website. Unfortunately, only 5 of the 80 people responded. It was decided that a second chance email would go out to the broader Advisory Committee in hopes of getting a larger group to participate.

The Best Doctors testimonial video with Barbara Severino has been updated and was shown at the Advisory Committee Meeting on April 18, 2007. Susan Geisting and Nancy White have been working on a new outreach campaign targeting SDCCD, SDCOE and SDUSD. They are also meeting with associations by going to site meetings and hoping the extra focus on associations will improve promotion efforts. Susan and Nancy are also establishing a better list of contacts and creating connections at campus level, while maintaining support of the benefits staff. George McGregor, Nancy White and Steve Kaplan met with the president of Best Doctors and indicated that he might be able to provide representatives from his company to attend VEBA meetings. George McGregor said that 46 people were referred last year, and that the 2007 goal was 150 people. Susan Giesting let everyone know that the Best Doctors campaign created by Tower Perrin was submitted for a Golden Quill Award, and they were just notified they won in their category. Thanks were given to Susan and her team for the best in class materials that they continue to create for VEBA. Best Doctors has come out with a new materials campaign that Susan Giesting will be modifying with VEBA's branding for use in the near future.

The Leadership Resource section of the VEBAonline.com website launched on May 1, 2007 and had 100 visitors between May 1<sup>st</sup> and May 11<sup>th</sup>. Susan Giesting went over all the new features of this section of the website, as well as other updates in progress for the main website.

Susan Giesting reported she had met with the ACSA HR Directors group on May 11<sup>th</sup> and would be meeting with the CBOS in the future to provide an overview of the training series and to ask for feedback.

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Some additional activities underway is the finalization of the PowerPoint Deck with VEBA Talking Points, Newsletter articles for April and May, and creation of the FOCUS newsletter, which features the Dr. Ward interview, for early June distribution.

Susan Giesting reviewed the metrics she was using to measure success and asked for feedback. Everyone felt that she was on track with her metrics. Bill Kowba added that in addition it would be good to add a periodic survey to gauge awareness. Susan said that it had been three years since the last one was conducted and that it was something that could definitely be done again, either to just the advisory committee or to the entire membership, and would look into it further.

### **NEW BUSINESS**

#### **PBH Transfer**

Jessica Ghaemmaghami, our account Manager for PacifiCare Behavioral Health (PBH), spoke to the Board regarding the health site transition of PBH to United Behavioral Health (UBH). Currently VEBA member calls are handled out of the center in Van Nuys California.

- In July 2007, PBH After-hours California business will move to UBH San Francisco
- In August 2007 the PBH daytime business will be transferred from Van Nuys and Santa Ana to the UBH San Francisco Health Advocacy Center.
- The San Francisco is NCQA accredited, currently supports UBH employer business in the western region, has experience with Knox Keene business and DMHC regulatory requirements and also experience with high volume accounts.
- The VEBA account management team will stay in place (Jessica Ghaemmaghami and Dan Boyle). Ms. Ghaemmaghami will continue to be officed in Southern California.
- This entire process will be seamless and is totally behind the scenes. There will be no phone numbers changing and all protocols will remain in place as before.

#### **CHCC Issues**

George McGregor brought up some issues surrounding CHCC that he needed direction on. It had come to his attention that several VEBA Districts had been asked to join CHCC outside of VEBA, although they were already members through their VEBA membership. Also, he noted that CHCC would be holding a meeting in San Diego on May 30<sup>th</sup> co-sponsored by VEBA, and was concerned that CHCC endorsements of Blue Shied and another pharmacy vendor would most likely cause confusion to our membership. George McGregor asked if he could write a letter to CHCC that lent VEBA's support to the high quality and purpose of their mission, but ask if they could refrain from product endorsement in San Diego County as it would be destabilizing. Everyone agreed that the CHCC was doing very valuable work and their efforts and information were needed, but that they also agreed with the points George had outlined and asked that he write a letter on behalf of the VEBA to CHCC regarding those two issues.

#### **CPEEHCC Proxy Form**

George McGregor explained that Doretha Albee is the Labor representative; however there is currently not a Management representative on the CPEEHCC board. They have a voting system in place that uses proxy votes, divided equally among labor and management. George will work with Ed Nelson on the appointment of a Management representative to this Trust.  
**\* MOTION:** (Lois Shive) The labor director or management director will have all six VEBA votes on the CPEEHCC Board when the other is not present. If neither or present, George McGregor will hold the proxy and cast the six votes. Seconded by John deBeck and approved.

#### **Carrier Comments**

None

The meeting adjourned at 3:30 p.m.

The next meeting will be held June 6, 2007 at 8:00 a.m. at the SDCOE