

**SUMMARY OPEN MINUTES
SOUTHERN CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEE BENEFITS ASSOCIATION (VEBA)
August 8, 2007**

Members Present: Elizabeth Ahlgren, Steve Kaplan, Lois Shive, Mark Anderson, Janice Cook, Lora Duzyk, Wayne Murphy, Joyce LaFleur, Kevin Ogden, David Fernandez, Erik Olson Fernandez, Jesus Gandara, Ed Nelson

Absent: Doretha Albee, Bill Kowba, John deBeck

Administrator: George McGregor, Gina Lane, Annemieke Tomey, Barbara Severino

Consultant: Ron Mason, Susan Giesting, Lan Brown

Guests: Betty Ormsbee, Richard Muniz (PacifiCare), Denise Joyce (PacifiCare), Todd Torgerson (Sweetwater Union High School District), Jessica Ghaemmaghani (PBH), Ronnie Adair, Cynthia Haro (Aetna), Michael Kin (Kaiser), Desi Klaar, Sally Kuchik, Cathy Arana, Nancy White, Barbara Severino

The meeting was opened at 8:02 a.m.
There was a quorum present.

PUBLIC COMMENTS: None.

SUPERINTENDENT'S REPORT: None.

CO-CHAIRS REPORT: Steve Kaplan announced that this would be Lois Shive's last meeting with VEBA and thanked Lois for her outstanding contributions on behalf of the members during her many years on the Board. Kaplan recognized and welcomed David Fernandez the new CSEA appointed VEBA trustee.

MINUTES

***MOTION:** (Wayne Murphy) that the OPEN minutes of July 11, 2007, Board meeting be approved. Seconded by David Fernandez and approved.

OLD BUSINESS

Committee Reports

VEBA/SCEET

Nothing to report

California Health Care Coalition (CHCC)

George McGregor reported that CHCC sent letters to the CEOs of San Diego hospitals but has only heard from Scripps so far. CHCC is considering replacing Walgreens with Longs Drugs as their mail order company. The Board members were given a current listing of the CHCC Board Members.

California Public Employers Employees Health Care Coalition (CPEEHCC)

The CPEEHCC will be having their annual training meeting January 16-18, 2008 at the Flamingo Hotel in Las Vegas.

California State Teachers Retirement System (CalSTRS)

Lois Shive reported that the CalSTRS Health Benefits Task Force Report was expected out at the end of the month and would be taking input from all constituencies.

Lag Schedule Review

Ron Mason presented information on claims, an update on the 2007 retro, continuity of care, and the acupuncture rider for August 2007.

2007 Retro – Towers Perrins has examined claims and determined the plan is running at a small loss for the first half of 2007 (January to June); with expected high summer claims creating a loss position. Therefore, Ron Mason felt it was prudent to continue booking incremental costs towards the \$1 million retro.

Continuity of Care (COC) – There are 32 members still on COC. Costs for the Second quarter were \$20,652.35 (VEBA's portion will be \$10,326.17).

Acupuncture – Ron Mason presented the Board with information on the additional costs to incorporate acupuncture within the current 30 chiropractic visits.

***MOTION:** (Lois Shive) that the acupuncture plan, as incorporated in the 30 chiropractic visits, be offered to Districts on a voluntary election basis. Seconded by Wayne Murphy and approved.

Claims Review - Ron gave a general overview comparing all of the plans. The Deductible Full Network had the highest costs per member per month, which Ron said correlated to the older demographics of this group. The RX plan continues to run well. The Value HMO plan was separated this month from the Deductible Full Network and you could see less fluctuation because of capitation. The Full Network plan had very high utilization and Ron Mason noted that these are the members that should be contacting Best Doctors. Also, this is the plan in which members are eligible to earn a \$1500 credit, however only 7 or the 24 people admitted to the hospital have taken advantage by seeking out these credits. The POS Plan paid claims showed a large increase in April and May of 2007 due to the lag time in claims being paid by PacifiCare. However, in June, when processing caught up, there was a large drop in the fee for service claims. The Out of Area/PPO plan continued to run fine, however Ron Mason was going to check PacifiCare's numbers to make sure that students were being correctly reported against their parent's plans and not within the OOA numbers.

Communications Update

Susan Giesting gave a progress report of the VEBA Communications Strategy as of August 2007 including Communications Council activities, Advocacy Programs Support, VEBAOnline Updates and 16 Single Topic informational inserts to assist with the 2008 Open Enrollment. Web trends show that VEBAOnline had 1,202 visits in July. Susan Giesting let the Board know that the Single Topic inserts were vetted with both Carriers and Consultants for accuracy.

Health Advocacy Programs Review

Nancy White gave status updates on the Advocacy Office, Best Doctors, the Weight Loss Challenge, a Health Initiatives Proposal, and the Provider Education Program on Depression (partnering with UBH/PBH).

There was discussion about possibly offering an incentive program to local doctors to refer their patients to Best Doctors. Nancy White let the Board know that there will also be VEBA staff at all District Health Fairs and Open Enrollments to get out the word about Best Doctors.

George McGregor and Nancy White met with representatives of UBH/PBH to discuss a provider education program so that physicians could recognize the symptoms of depression in their patients and refer them for appropriate treatment

NEW BUSINESS

Santee Request for Claims Data

George McGregor told the Board that the Executive Committee decided to continue with their practice of not releasing claim information to keep the pool intact.

Scripps Clinic Freeze

***MOTION:** (Lois Shive) Remove the restriction that prevented a member currently having a Scripps Clinic primary care physician from maintaining that primary care physician when changing employment to another district offering the Full Network Deductible HMO Plan. Seconded by Wayne Murphy and approved.

Dowling and Yahnkee Investments

Steve Kaplan handed out information from Paul Temby, of Dowling and Yahnkee, regarding the quality of VEBA's investments in the home loans market. Paul Temby written opinion stated that investments like VEBA's mortgage based bond investments are in sectors having either very limited exposure to the sub-prime market or in the case of Federal Farm Credit investments are effectively unexposed to the sub-prime housing market.

APEX Award

George McGregor showed the Board a draft of the APEX Award article that would be placed in HUB Magazine.

Carrier Comments

None

The meeting adjourned at 9:40 a.m.

The next meeting will be held September 5, 2007 at 8:00 a.m. at the SDCOE