

**SUMMARY OPEN MINUTES
SOUTHERN CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEE BENEFITS ASSOCIATION (VEBA)
February 6, 2008**

Members Present: Sam Lucero, Joyce LaFleur, Sam Wong, Tom Eggleston, David Fernandez, Erik Olson Fernandez, Doretha Albee, Steve Kaplan, Ed Nelson, Sam Wong, Janice Cook, Lora Duzyk, Mark Anderson
Absent: John DeBeck, Jesus Gandara, Elizabeth Ahlgren
Administrator: George McGregor, Gina Lane, Annemieke Tomey
Consultant: Lan Brown, Ronald Mason, Susan Giesting
Guests: Cynthia Haro (Aetna), Nancy White, Linda Townley (PacifiCare United), Bob Whiting, Ronnie Adair, Edwina Cardenas (Kaiser Permanente)

The meeting was opened at 8:00 a.m.

PUBLIC COMMENTS: Lois Shive reported that her incorrect EBOs going back to 2006 are still arriving at her home and requested that PacifiCare United correct deficiencies in their processing of claims.

SUPERINTENDENT'S REPORT: None.

CO-CHAIRS REPORT: None.

MINUTES

***MOTION:** (Doretha Albee) that the OPEN minutes of January 9, 2008, Board meeting be approved with the following changes: add Lora Duzyk and Janice Cook as being present to the meeting. On the first page, under CHCC, change the word "vice" to "as opposed to collaborative" and "popular" to "viable". Seconded by Tom Eggleston and approved.

OLD BUSINESS

Committee Reports

California Health Care Coalition (CHCC)

Doretha Albee reported back to the group on the CHCC retreat she attended January 28-29, 2008 in San Jose. The CHCC voted to incorporate an annual audit in their by-laws. There were spirited discussions around trends, challenges, and opportunities. Blue Shield and Catalyst Rx was discussed at length. It was reported that CHCC has grown from 1.7 Million to 3 million members. The group is currently discussing whether or not to continue charging for utilization of services by lives or to return to just charging dues. This will be discussed again at the March 2008 Meeting. Steve Kaplan noted that the United Brotherhood of Electrical Workers would be holding a meeting with CHCC. The meeting is sponsored by the San Diego and Imperial County Labor Council. Kaplan would be attending

Committee Reports (cont...)

California Public Employers Employees Health Care Coalition (CPEEHCC)

The VEBA members who attending the training conference January 16-18, 2008, in Las Vegas were: Elizabeth Ahlgren, Doretha Albee, Mark Anderson, David Fernandez, Steve Kaplan, Joyce LaFleur, Ed Nelson, Sam Wong and Sam Lucero. It was reported that the conference was an excellent source of training on many diverse subjects. David Fernandez suggested offering a briefing for new attendees to help them find their way around. Steve Kaplan thanked George McGregor and Gina Lane for their work on putting together the conference.

LeapFrog

David Fernandez is the newly appointed VEBA representative to the Leapfrog Committee.

Lag Schedule Review

Ronald Mason presented information on claims as of February 2008, as well as information on the upcoming RFP for a Medical Health Plan Carrier.

Prescription Drugs – The overall gross cost trend dipped to +5.15%. Considering that 9-9.5% is the typical trend that Ron Mason sees, this is a very good cost trend.

Claims Review – The Value HMO plan was relatively consistent and the twelve month trend is (1.3%). This is despite an increase in fee-for-service of 21.2% over that time period. The Full Network Deductible Plan is not doing well. The population has health risk scores about 75% higher than the HMO population but claims are three times as high. The aggregate trend for the POS is 18.2%. Over 50% of large fee for service claims in the POS are occurring outside of Tier 1 providers. Nine claims within the plan were recorded as out of area and are in excess of \$25,000. Ron Mason is gathering more information on the inconsistencies. On the Out of Area Plan there were 10 claims over \$25,000 accounting for 64% of FFS costs.

The 2009 Renewal - Ron Mason reported that the RFPs are due on February 8, 2008. Mason said that all the Carriers are still engaged and proposing, except for Cigna that is not due to the complexity of the VEBA plans. At the March Board meeting, finalists will be selected to interview. The Board agreed to set aside the entire day of April 2nd for Finalist interviews and requested that a space be located for the meeting and a notice go out to the entire Board as a reminder.

Communication Report -

Susan Giesting reviewed the Communication Updates as of February including the new VEBA Marketing brochure, the 2008 communications strategy, the ombudsman flyer, and VEBAOnline updates. Giesting is also working on an overall marketing/orientation kit for prospective districts or leaders at existing districts who are new to their role and a 2008 implementation plan for Best Doctors.

Advocacy Programs Status Report

Nancy White reviewed the VEBA Advocacy programs status through February 2008, including Best Doctors outreach progress, the Physicians Education Project on Depression, the North Coastal Network Analysis, the Weight Loss Challenge Updates, Flu Shot Clinic results and the LeapFrog conference she attended.

Executive Committee Report

November 2007 Financials

***MOTION:** (Doretha Albee) That the November 2007 Financial statements be approved as submitted. Seconded by Janice Cook and approved.

Dowling and Yahnkee

George McGregor presented the report dated January 11, 2008 from the Portfolio Manager giving an update on the portfolio.

NEW BUSINESS

Underwriting Letters

George McGregor reported that the Underwriting letters went out to the Districts and that there were a couple of Districts who believed the statement that VEBA was unable to set up a meeting with them was inaccurate. Doretha Albee said there was recently a very good meeting with Santee. Janice Cook, also, attended. Cook said so many people don't understand the workings of VEBA. For example, not understanding this is a labor and management trust and therefore information is shared equally with both groups.

PacifiCare United Fines

George McGregor addressed that PacifiCare United was recently in the news due to facing potential fines of 3.5 million by DMHC and 1.3 Billion by the Department of Insurance. George felt this could be an issue potentially used by brokers against the VEBA. McGregor then gave out a document that Susan Giesting had prepared with questions and answers regarding the PacifiCare United fines for the VEBA membership.

Board Profiles

George McGregor informed that Board that a photographer would be scheduled to visit them in the next month or so as their Board profiles are put together.

Carrier Comments

Meghan Newkirk of PacifiCare United addressed the issue of fines and let the Board know that PacifiCare United takes full accountability. They began remediation in July 2007 and even self reported the problems for which they are being fined. Newkirk is available to attend any meetings as needed to address questions the Board might have regarding this or other PacifiCare United matters. Edwina Cardenas of Kaiser Permanente let the Board know that an Account Manager has been hired for the San Diego area and will start within three months, but in the meanwhile she would be taking care of the VEBA account directly.

The meeting adjourned at 9:17 a.m.

The next meeting will be held March 5, 2008 at 8:00 a.m. at the San Diego County Office of Education.