

**SUMMARY OPEN MINUTES  
SOUTHERN CALIFORNIA SCHOOLS  
VOLUNTARY EMPLOYEE BENEFITS ASSOCIATION (VEBA)  
January 9, 2008**

Members Present: Kevin Ogden, Elizabeth Ahlgren , Sam Lucero, Joyce LaFleur, Mark Anderson, Sam Wong, Tom Eggleston, David Fernandez, Erik Olson Fernandez, Doretha Albee, Steve Kaplan, Ed Nelson, Sam Wong, Janice Cook, Lora Duzyk

Absent: John DeBeck, Jesus Gandara

Administrator: George McGregor, Gina Lane, Annemieke Tomey, Fay Manabat, Bryce Van De Moere

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:** None.

**SUPERINTENDENT'S REPORT:** None.

**CO-CHAIRS REPORT:** Ed Nelson wished everyone a Happy New Year and thanked Steve Kaplan for his role in facilitating and guiding the Board meetings in 2007.

**MINUTES**

**\*MOTION:** (Doretha Albee) that the OPEN minutes of December 5, 2007, Board meeting be approved. Seconded by Kevin Ogden and approved.

**OLD BUSINESS**

Committee Reports

**California Health Care Coalition (CHCC)**

Doretha Albee is attending the Board Meeting in San Jose in January. Steve Kaplan will be meeting with Sally Covington regarding VEBA's concerns with their approach to hospitals being accusatory as opposed to collaborative. Also, Blue Shield was picked but is not viable in San Diego.

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

The 10<sup>th</sup> Annual Conference January 16-18, 2008 was mentioned.

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

Sam Lucero reported that he handed the VEBA position statement CalSTRS. The HealthCare pool study should be out January 2008. The report will be developed based on a meeting in December and will be delivered in February 2008 to the Committee.

## **Lag Schedule Review**

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

**Prescription Drugs** – The current trend rate is the lowest for the VEBA since January 1999. Ron Mason expects the trends to go up slightly by the end of the 1<sup>st</sup> quarter in 2008.

**Claims Review** – On the Value HMO the FFS claims declined, producing favorable results for November (the claim trend was almost close to zero). On the Full Network Deductible, the group is at 219% of premium with 2.6 million in losses for PacifiCare. It was noted that 87% of members are signed up with Scripps Clinic in this plan and that this population is hospitalized about 50%-100% more often than the rest of VEBA. On the POS plan, the aggregate paid claim/cap trend on a rolling 12-month basis is + 19.9%. In the OOA/PPO plan 10 claims over \$25,000 accounted for 57% of the FFS costs. MediCare Supplement program is doing well.

**Injectible Drugs** – MediCare has moved many fairly common immunizations to Part D. On 01/08, MediCare also moved the physician charges for administering the injection to Part D. PacifiCare no longer covers these expenses under its portion of the MediCare Supplement so VEBA will begin covering these immunizations on 1/08 under the Rx plan. Medco does not have physician contracts and a workaround for the injection fee won't be in place until the end of 1Q08 so retirees will have to file claim for the physician's bill with Medco in the interim. Steve Kaplan requested that the 1400 members of the Senior Supplement program be sent this information.

**VEBA Member Satisfaction Survey** – MSI will be working with Towers Perrin and MVI to provide 2000 completed interviews by phone at a cost of \$58,500.00. George said that this was already approved at the Executive Committee. The results will be reviewed at the Board May retreat. Steve Kaplan asked that some questions be added to the survey: 1) Have you seen your new doctor (outside of Scripps Clinic)? 2) Do you know about the Advocacy Office? 3) Do you have dependents without insurance?

**The 2009 Renewal** - Ron Mason gave an RFP update saying that he would be meeting with all carriers by January 18<sup>th</sup> to give them a "heads up" on the RFP and to make sure everything runs on schedule so that the VEBA Board would have everything they need to make a decision at their May retreat. The Carriers being given an opportunity to bid on the RFP are: Blue Cross, Blue Shield, Sharp, Aetna, Cigna and PacifiCare United. Ron said that instead of having a vendor conference he is holding all of the meetings one-on-one so that they feel free to talk about their different strategies and disease management programs.

## **Communications Report -**

Susan Giesting reviewed the Communication Updates as of January 2008, including newsletter articles, website refresh and work on Best Doctors Outreach. Susan Giesting also worked on retiree medical plan single topic inserts, the Ombudsman flyer, the 2008 VEBA Marketing brochure, a presentation for the CPEEHCC about VEBA communications, drafting of Underwriting letters, and the development of the overall 2008 communications plan and budget allocation.

### **Advocacy Programs Status Report**

Nancy White reviewed the VEBA Advocacy programs status through December 1, 2007, including Best Doctors outreach progress, the Physicians Education Project on Depression, and the Weight Loss Challenge Updates.

### **Executive Committee Report**

#### **October 2007 Financials**

\***MOTION:** (Doretha Albee) That the October 2007 Financial statements are approved as submitted. Seconded by Tom Eggleston and approved.

### **NEW BUSINESS**

#### **MedCo Audit**

The MedCo Audit recovered \$15,421.28. 95% of this money was from prescriptions filled by members who did not pick them up.

#### **MedCo Rebate**

MedCo gave SCSVEBA a rebate of \$50,000.00 for performance guarantees; specifically not being able to process all direct claims within their targeted turnaround time and also missing their ASA guarantee by 2.2 seconds due to a sharp increase in call in the 1<sup>st</sup> quarter as a result of SCSVEBA copay changes.

#### **Rational Med**

Rational Med has enhanced its program pull in claims data from PacifiCare to look for gaps in the care of medical issues so that they can intervene through physicians. They are updating their algorithm often to ensure quality of care and member safety.

#### **Kaiser Permanente**

Kaiser reported that they met all performance guarantees.

#### **LeapFrog**

George McGregor noted that the Leapfrog annual conference would be January 28-29, 2008, and asked if there would be a Board member interested in being a committee representative. The Leapfrog meetings are held quarterly.

### **Carrier Comments**

None

The meeting adjourned at 8:44 a.m.

The next meeting will be held February 6, 2008 at 8:00 a.m. at the San Diego County Office of Education.