

**SUMMARY OPEN-SESSION MINUTES
SOUTHERN CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)
October 1, 2008**

Members Present: Co-Chair Ed Nelson, Co-Chair Steve Kaplan, Ronnie Adair, Elizabeth Ahlgren, Doretha Albee, Mark Anderson, Janice Cook, John deBeck, Thomas Eggleston, David Fernandez, Joyce LaFleur, Sam Lucero, Kevin Ogden, Erik Olson Fernandez

Absent: Lora Duzyk, Jesus Gandara

Administrative Staff: George McGregor, Dawna Agosto, Betty Ormsbee, Barbara Severino, Sherrie Shumaker, Annemieke Tomey, Nancy White, Bob Whiting

Consultants: Lan Brown, Susan Giesting

Guests: Brian Au (Medco), Laura Bowersox (ESTA Escondido High), Sandra Chambers (Kaiser), Christopher Dick (PacifiCare/United), Gloria Feldman (Medco), Cynthia Haro (Aetna), Megan Newkirk (United Healthcare), Todd Torgerson (Sweetwater UHSD), Linda Townley (PacifiCare),

The meeting was called to order by Ed Nelson at 8:03 a.m.

Minutes:

MOTION: (John deBeck) That the open-session minutes of September 3, 2008, be approved as corrected. Seconded by Doretha Albee and approved.

Committee Reports:

California Health Care Coalition (CHCC)

- Due to the departure of Cindy Young, Michael Parks of CSEA will assume the duties of interim president of CHCC until a new president is elected.
- It was noted that the July 1-August 30, 2008, CHCC *Flash News* was included in the Board Package.
- A second meeting with CalPERS to address Kaiser issues is scheduled for October 15, 2008.

California Public Employers/Employees Health Care Coalition (CPEEHCC)

- Attention was called to the January 21-23, 2009, annual training conference agenda.

International Foundation of Employee Benefit Plans (IFEBP)

- The IFEBP training opportunities schedule was provided.

VEBA Executive Committee

- Attention was called to the Action Item Summary.
- The July 2008 Financial Report was presented.

MOTION: (Doretha Albee) That the July 2008 Financial Statements and related schedules be approved as submitted. Seconded by Ronnie Adair and approved.

- The VEBA administrator reviewed a communication from Dowling and Yahnke affirming that the capital structure and liquidity of Charles Schwab & Company, Inc. are sound.

VEBA Executive Committee (continued)

- Information was provided regarding the American Business Bank. The VEBA administrator said that the bank is very healthy. He also reported that multi-employer trusts are FDIC-insured at \$100,000 per member.
- The Executive Committee will review the advisability of making investment changes; i.e., to remain at risk or maintain capital for the foreseeable future.

Consultant's Reports:

Towers Perrin

Lan Brown

- The Claims Update report was reviewed in detail.
- Towers Perrin is now receiving quarterly utilization reports from Kaiser.
- Cost expectations on the HMO and POS plans (compared to the norm) were presented based on PacifiCare's statewide labor and trust book of business. Likewise, reports were also presented on select clinical conditions. These reports will be run again comparing to PacifiCare's statewide education book of business.

Susan Giesting

- Communications activities completed and underway were reviewed.
- A web-based contest designed to increase knowledge of the Best Doctors program will begin on October 13, 2008.

Administrative Reports:

- The new benefits eligibility system, formerly known as iBet, has been renamed ARES (Accounting, Reporting, Eligibility, System). PacifiCare/United has requested that ARES implementation be delayed in order to avoid conflict with a new system they will be implementing later this fall. The new scheduled implementation date for ARES is March 1, 2009.
- The VEBA Advocacy Programs report included information about the new Walking Challenge program, an increase in the number of calls to the Advocacy office and the opportunity to provide assistance, Optum online assessment tools, and a High Risk Survey tool.
- The VEBA ombudsman reported on visits with member districts, employee organizations/associations, and carrier representatives. He said that due to the good response to the meeting held in August 2008, the Communications Council will schedule another meeting for benefits administrators for February 2009. Prospecting activity was also reported.
- Medco was reported as having been certified by HR Policy Association as one of 15 pharmacy benefit managers willing to provide full transparency in drug contracting in 2009.
- San Dieguito Union High School District submitted an "Action Plan for Compliance With VEBA Guidelines". It was noted that the plan lacked district as well as employee organization/association signatures.

Administrative Reports (continued)

MOTION: (Doretha Albee) That the Action Plan submitted by San Dieguito Union High School District be approved subject to signatures of all contractual parties and that the previous notification of the 4% rate load be rescinded. Seconded by John de Beck and approved.

- The Board discussed the procedure that should be followed in the event that districts and employee organizations/associations do not, or due to bargaining deadlock are unable to, make 2009 plan selections. The VEBA administrator recommended enrolling members in plans that are most closely aligned with their current plans.

New Business:

The Board reviewed the proposed 2009 meeting calendar.

MOTION: (John deBeck) That the 2009 meeting calendar be adopted with selection of the date for the annual Board retreat being May 13-14, 2009. Seconded by Doretha Albee and approved.

Carrier Comments:

PacifiCare—Linda Townley

- New provider directories have been posted on the PacifiCare website.
- Effective for 2009, the Senior Sneakers program, previously applicable only to the Senior Advantage plan, will be extended to the Senior Supplement plan.
- UnitedHealthcare will provide ten grants of \$500 each to K-12 educators in VEBA-member districts for childhood obesity programs.

Kaiser—Sandra Chambers

- Confirmed the new utilization report will be furnished quarterly.
- Kaiser will also provide a Partnership In Health report indicating chronic conditions and costs associated with those conditions.

The meeting adjourned for closed session at 9:15 a.m.

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

