

**SUMMARY OPEN-SESSION MINUTES  
CALIFORNIA SCHOOLS  
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)  
December 16, 2015  
5:00 p.m. – 6:00 p.m.**

- Members Present:** Robin Watkins, Ursula Salbato, Marianne Monfils, Barbara Collins, Steve Boyle, Ethel Larkins, Ron Reese, Nadine Bennett, Mary Ellen Berumen, Lora Duzyk, Brian Marshall, Katie Dexter, Chris Oram, Leticia Munguia, Matthew Krause
- Members Absent:** Jenny Salkeld, Mark Anderson, Christine Balentine
- Consultant:** Ron Mason (Tall Pine Consulting, LLC)
- Administrative Staff:** Annemieke Tomey, Laura Josh, Paul Bergman, Alexandra Kroeger, Ed Nelson, Celia Bloom, Nancy White (McGregor & Associates)
- Guests:** Bonnie Woodruff (UHC); Amy Daily (Express-Scripts)

The Open-Session was called to order by Robin Watkins at 5:00 p.m. A quorum was present.

**Opening Comments from Co-Chairs**

Robin Watkins welcomed the Board Members, Administrative Staff and Guests. Brian Marshall wished the VEBA Board and staff, happy holidays.

**Approve Minutes**

Draft minutes of the November 18, 2015, open-session Board meeting were reviewed.

**MOTION:** (Steve Boyle) Approval of the November 18, 2015 open-session minutes. Seconded by Ron Reese and approved.

**Administrator's Report**

Annemieke Tomey reviewed the VEBA financial statements and disbursement report for the month of October, 2015.

**MOTION:** (Steve Boyle) Approval of the financial statements and disbursement reports for October, 2015. Seconded by Ethel Larkins and approved.

**Julian Union High School District**

Annemieke Tomey reported that the Julian Union High School District school board passed a Board Resolution to join VEBA effective January 1, 2016.

**MOTION:** (Katie Dexter) Approval to allow Julian Union High School District to join VEBA effective January 1, 2016. Seconded by Leticia Munguia and approved.

**Consultant's Report:**

Ron Mason with Tall Pine Consulting, LLC, presented his report to the Board.

- Prescription drugs: Actives, Retirees <65

- Data shows the net trend at 15.87%
- Trend levels decreased in November; the trend is 5% for increases in use and 10% for increases in price/mix of drugs.
- Prescription drugs: EGWP
  - Drug trend decreased due to a decrease in non-specialty Rx costs.
- HMO
  - FFS claims continued at the same level in October with the claim lag appearing to return to normal.
  - Out of area claims continue to be high in cost. In July-August 2015, the plan paid \$2.3 million in out of area claims.
  - One hundred ten claimants accounted for 40% of FFS claims and 8% of total claim costs.
- Medicare Supplement
  - It appears that last month's decrease may have been due to a claim payment slowdown.
- PPO/EPO/Out of Area (non-CA participants)
  - There has been a substantial increase in large claims in this population which have doubled in the last six months.
  - Eighteen claimants (4 percent of members) incurred 68 percent of FFS costs.
- PPO/CA
  - Large claims leveled off at 110 in the twelve months ending October 31, 2015. UHC has been asked for diagnostic information on these claimants.
  - One hundred ten claimants (3.8 percent of members) incurred 61 percent of the FFS costs.

**Other:**

Annemieke Tomey reported that the final 2016 VEBA Board calendar approved at the last meeting has been included in the board package.

Ms. Tomey updated the Board on the holiday office hours for McGregor & Associates. She indicated that district management and labor contacts have been notified.

The meeting was adjourned at 5:21 p.m.

The next Open-Session meeting will be held on Wednesday, January 27, 2016, at 5:00 p.m., in the McGregor and Associates Conference Room.