

**SUMMARY OPEN-SESSION MINUTES
SOUTHERN CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)
July 08, 2009**

Members Present: Co-Chair Steve Kaplan, Ronnie Adair, Mark Anderson, Lora Duzyk, David Fernandez, Sam Lucero, Kim Myers, Kevin Ogden, Erik Olson Fernandez

Absent: Co-Chair Ed Nelson, Elizabeth Ahlgren, Doretha Albee, Janice Cook, John deBeck, Kevin Holt, Joyce LaFleur

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

Consultants: Ron Mason, Lan Brown

Guests: Sandra Chambers (Kaiser), Christopher Dick (UnitedHealthcare), Gloria Feldman (Medco), Cynthia Haro (Aetna), Tim O'Neill (CTA), Kim Rizzuti (Best Doctors), Scott Trendel, (RBTK), Todd Torgerson (Sweetwater Union High School District), Linda Townley (UnitedHealthcare)

The meeting was called to order by Steve Kaplan at 8:02 a.m.

Minutes:

MOTION: (Sam Lucero) Approval of open-session minutes of June 10, 2009. Seconded by Kim Myers and approved.

Independent Auditor's Report:

Scott Trendel, Rosner Brown Touchstone & Keller, LLP, reviewed the 2008 annual audit report. An unqualified or clean report was issued. The VEBA administrator explained that the VEBA Executive Committee had accepted the report in order to meet the required June 30, 2009, filing requirement.

MOTION: (Kevin Ogden) Ratification of the Executive Committee's acceptance of the 2008 Audit Report. Seconded by Sam Lucero and approved.

Committee Reports:

California Health Care Coalition (CHCC)

- The Coalition is involved in two critical projects; the Medical Appropriateness Study and conducting a training program to be held in San Diego in the fall 2009
- By-laws are being reviewed. Consideration is being given to modifying the CHCC Charter; i.e., changing from a 501(c)(3) to 501(c)(6)

California Public Employers/Employees Health Care Coalition (CPEEHCC)

- CVT will retain administration of the Delta Dental plan
- CVT waived administration fees which may decrease the dental rate slightly

VEBA Executive Committee:

The following items were forwarded from the VEBA Executive Committee for review and consideration:

- Action Item Summary
- January and February 2009 Financial Reports

MOTION: (Ronnie Adair) Approval of January and February 2009, Schedule 3, Disbursement Reports. Seconded by Sam Lucero and approved.

VEBA Executive Committee (continued)

- April 2009 Financial Report

MOTION: (Kevin Ogden) Approval of April 2009, Schedule 3, Disbursement Report. Seconded by Sam Lucero and approved.

- Letters from Jamul and Garvey School Districts
- Copy of a SCEET marketing piece

Consultant's Report:

Ron Mason, Towers Perrin

Reports included:

- Detailed claims update report on VEBA medical and prescription drug plans
- Plan change options for 2010
 - A lower cost HMO plan design
 - Two prescription drug copay options for the new PPO plan
 - Plan changes and resulting costs

MOTION: (Ronnie Adair) Add, as an additional option, an HMO plan with a \$20 copay as outlined in the consultant's report. Seconded by Mark Anderson and approved.

MOTION: (Kevin Ogden) The prescription drug copays applicable to the new PPO plan will be as follows: 1) For districts who chose to retain their POS plan and also add the PPO plan, the PPO prescription copay must be the same as the copay on the POS plan; 2) If only the PPO plan is offered, the district may choose from either of the two prescription drug copay plans. Seconded by David Fernandez and approved.

- Potential changes that could be made to the Kaiser plan; e.g. remove the infertility benefit, change the emergency room copay. (Note: No change will be made.)
- Kaiser's renewal rate had been quoted including a small amount assuming implementation of Mental Health Parity. A written opinion by the VEBA attorney and applicable collective bargaining agreements were provided to Board members to indicate that under the law, VEBA has the option of delaying implementation of the Mental Health Parity Act until January 1, 2012.

MOTION: (Lora Duzyk) Advise Kaiser of compliance requirements applicable to VEBA, the decision to delay implementation, and request recalculation of the renewal rate. Seconded by Mark Anderson and approved.

- Suggestions for changes to formulary management to direct members to more cost-effective drugs that work as well

MOTION: (Lora Duzyk) Effective October 1, 2009, approval of formulary management changes as recommended and identified on pages 58 and 59 of Ron Mason's report (including tablet splitting) and the generic copay waiver listed on page 60. Seconded by Sam Lucero and approved.

Administrative Reports:

VEBA Advocacy Programs

Reports included:

- Best Doctors Member Engagement Year-Two Program
- Advocacy Office phone call report
- UnitedHealthcare "Taking Charge of You" program

VEBA Ombudsman

- Visits, meetings, and prospecting activities reported
- Well-received Advisory Committee meeting reported with 27 districts represented and more than 100 in attendance

Marketing and Communications Update:

- Completed and ongoing communication activities reported
- New design changes to VEBAonline.com presented
- Sample rate grid chart for distribution to districts presented

New Business:

A draft Notice of Privacy Practices mailed annually to enrollees in VEBA plans was presented for review and approval. The attorney cost of preparing the Notice is to be shared between the VEBA and the SDCS/SDEA Retiree Trust.

MOTION: (Kim Myers) Approval of the Notice of Privacy Practices as presented. Seconded by Mark Anderson and approved.

The meeting adjourned at 10:10 a.m. for a short break prior to commencement of closed session.

The next open-session meeting of the Board will be held at 8:00 a.m., August 12, 2009, at the San Diego County Office of Education.