

**SUMMARY OPEN-SESSION MINUTES
SOUTHERN CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)
September 02, 2009**

Members Present: Co-Chair Ed Nelson, Co-Chair Steve Kaplan, Mark Anderson, Janice Cook, John deBeck, Lora Duzyk, Kevin Holt, Ken Leighton, Sam Lucero, Kim Myers, Kevin Ogden, Erik Olson Fernandez

Absent: Elizabeth Ahlgren, Joyce LaFleur, David Fernandez

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

Consultants: Ron Mason, Lan Brown

Guests: Ronnie Adair (SDUSD), Laura Bowersox (ESTA), Sandra Chambers (Kaiser), Christopher Dick (UnitedHealthcare), Gloria Feldman (Medco), Tim O'Neill (CTA), Todd Torgerson (Sweetwater Union High School District), Linda Townley (UnitedHealthcare), Edwina Cardenas (Kaiser)

The meeting was called to order by Steve Kaplan at 8:05 a.m.

Co-Chairs Report:

With regret, the retirement of Doretha Albee from the VEBA Board was announced. Ethel Larkins, representing San Diego Unified, CSEA Chapter 720, was announced as her replacement. Doretha's long service record as a VEBA Board member was noted with gratitude. An appropriate recognition will be scheduled for a later date.

Minutes:

MOTION: (John deBeck) Approval of open-session minutes of August 12, 2009. Seconded by Mark Anderson and approved.

Investments:

The VEBA administrator submitted the Dowling & Yahnke investment report. He said the report was reviewed and found to be in compliance with existing investment policy.

Committee Reports:

Appointments will need to be made to replace Doretha Albee as VEBA's representative to CHCC, CPEEHCC, and CECHCR.

VEBA Executive Committee

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

- Executive Committee Meeting agenda, August 26, 2009
- Action Item Summary
- June 2009 Financial Reports

MOTION: (John deBeck) Approval of June 2009, Schedule 3 Disbursement Reports. Seconded by Sam Lucero and approved.

Consultant's Report:

Ron Mason, Towers Perrin

Reports included:

- Detailed claims update report on VEBA medical and prescription drug plans

Consultant's Report (continued):

- Information on Kaiser utilization reported for the first time
- Mercy Physicians moving to fee-for-service

Administrative Reports:

VEBA Advocacy Programs

Reports included:

- Copy of the *Step Up to the Challenge* program
- Best Doctors report, 2009 first and second quarter
- *Health and Fitness Challenge Participation by District June 2008 to July 2009*

Marketing and Communications Update:

Reports/Announcements included:

- Copy of *2010 Renewal and Annual Enrollment Update* sent to VEBA advisory committee
- Redesigned leadership resource center on vebaonline.com
- Request for volunteers from the Board to assist with a project focused on making reports more effective; Ed Nelson and Kevin Ogden volunteered

VEBA Ombudsman

Reports/Announcements included:

- Organization visits, carrier meetings, district visits, Communication Council meeting, and prospecting activities
- Dates of IFEBP carrier dinners; November 8 and 10, 2009
- Feasibility study in process; California State Alliance of YMCA's

New Business:

- The proposed 2010 meeting calendar was reviewed and a date for the annual retreat was discussed.

MOTION: (Kim Myers) Approval of the 2010 meeting calendar with designation of the annual retreat for May 12-13, 2010. Seconded by Mark Anderson and approved as revised.

- A draft proposal was forwarded from the Executive Committee regarding temporary modification to full-time student requirements. The proposal would offer to participating VEBA districts, the option of waiving the full-time requirement under specified conditions, in recognition that students may not be able to get the classes they need to meet the full-time student requirement due to the California budget crisis and the resulting decreased funding to colleges and universities (including community colleges).

MOTION: (Ed Nelson) Approval of the Full-time Student Waiver Option as revised. Seconded by Sam Lucero and approved.

- Forwarded from the Executive Committee was a draft policy (reflecting current practice) outlining procedures for Board members to follow when needing to make requests from VEBA consultants.

MOTION: (Kevin Ogden) Approval of the Consultant Contact Policy as submitted. (Seconded by Mark Anderson and approved.

- The VEBA administrator presented a draft version of bylaws for the California Coalition of Employee Benefit Plan Sponsors (referred to as the Purchasing Cooperative). Board members were requested to review the proposed bylaws and submit comments. The document will then be submitted to outside counsel for review.

Other:

- Sam Lucero and Eric Olson Fernandez volunteered to work with the VEBA administrator on removing legislative barriers to lobbying
- A packet of information was provided regarding the Milliman, *Review of Medco Health Solutions' AWP Re-Contracting Process*

Carrier Comments:

Sandra Chambers, Kaiser, announced the following Kaiser activities:

- Kaiser Trust Fund Forum on Healthcare Reform, scheduled for September 30, 2009
- Tour of the San Marcos facility on September 22, 2009
- Kaiser-sponsored dinner for VEBA Board members at the IFEBP conference

The meeting adjourned at 10:05 a.m. for a short break prior to commencement of closed session.

The next meeting of the Board will be an all-day closed-session meeting beginning at 8:00 a.m., October 7, 2009, at Marina Village Conference Center.