

**SUMMARY OPEN-SESSION MINUTES  
SOUTHERN CALIFORNIA SCHOOLS  
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)  
November 4, 2009**

Members Present: Co-Chair Ed Nelson, Co-Chair Steve Kaplan, Elizabeth Ahlgren, Mark Anderson, Janice Cook, Lora Duzyk, David Fernandez, Kevin Holt, Ethel Larkins, Ken Leighton, Kim Myers, Kevin Ogden, Erik Olson Fernandez

Absent: John deBeck, Joyce LaFleur, Sam Lucero

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

Consultants: Ron Mason, Lan Brown

Guests: Laura Bowersox (ESTA), Sandra Chambers (Kaiser), Christopher Dick (UnitedHealthcare), Gloria Feldman (Medco), Jessica Ghaemmaghami (PBH/Optum), Tim O'Neill (CTA), Todd Torgerson (Sweetwater Union High School District), Linda Townley (UnitedHealthcare)

The meeting was called to order by Steve Kaplan at 11:17 a.m.

**Introductions/Announcements:**

Steve Kaplan announced that David Fernandez will assume the position of Labor Co-Chair effective January 1, 2010. He also introduced Tim O'Neill, who was appointed by CTA to become Steve's successor as a labor director effective January 1, 2010.

Appreciation was expressed to the vendors and other guests for their patience with regard to the delayed start of open session.

**Minutes:**

**MOTION:** (Ed Nelson) Approval of open-session minutes of September 2, 2009. Seconded by Mark Anderson and approved.

**MOTION:** (Janice Cook) Approval of open-session minutes of October 7, 2009. Seconded by Mark Anderson and approved.

**Investment Report:**

The VEBA administrator presented the investment report prepared by Dowling & Yahnke. He said that the report had been reviewed by the Executive Committee and found to be in compliance with existing investment policy.

**Committee Reports:**

**Executive Committee**

Materials reviewed by, and forwarded from, the Executive Committee included:

- Executive Committee Meeting Agenda
- Towers Perrin Updated Quality/Cost Chart, Quality of Service Ratings, and Financial Position Reports
- Action Item Summary
- July 2009 and August 2009 Financial Reports

**MOTION:** (Mark Anderson) Approval of July 2009 and August 2009, Schedule 3 Disbursement Reports. Seconded by Kim Myers and approved.

Executive Committee (continued)

- Letter from CSEA appointing David Fernandez labor director and Erik Olson Fernandez as alternate labor director effective January 1, 2010
- Letter to San Diego Electrical Health & Welfare Trust offering membership in the Purchasing Cooperative
- Copy of Settlement Agreement with San Diego Unified School District
- First quarter 2009 Medco Rebate Reports
- California Health Care Almanac Report on “San Diego: Retreat from Capitation Raises Cost Concerns”
- California Health Care Foundation reports, “Insurance Markets: What Health Insurance Pools Can and Can’t Do” and “It Takes a Region: Lessons from a National Conference on Better Ideas for Chronic Disease Care”
- Detailed claims update report on VEBA medical and prescription drug plans submitted by VEBA consultant, Ron Mason

California Health Care Coalition (CHCC)

CHCC will meet with the VEBA Executive Committee after the Committee’s regular meeting scheduled for November 18, 2009.

California Public Employers/Employees Health Care Coalition (CPEEHCC)

The VEBA administrator will begin distributing information to district benefits administrators regarding VEBA scholarships and bus transportation to the annual training conference.

**Administrative Reports:**

The VEBA administrator reported the following:

- In the interest of time, the Advocacy, Communications, and Ombudsman reports are tabled for the next Board meeting
- Through outreach to SISC, a 300- district JPA located in Kern County will work with the VEBA Cooperative to receive Medco PBM services. The result of this action will save VEBA approximately \$700,000 per year on the Medco prescription plan. Ron Mason will assume responsibility for communications with Medco when the proposal is received.
- A grant writer has been contracted to raise money for disease management both for the Cooperative and for VEBA
- San Diego Electrical Health & Welfare Trust joined the Cooperative and has committed to the same contribution toward the medical appropriateness study as was committed by the VEBA
- The settlement agreement with San Diego Unified School District has been ratified
- The contract with Minnesota Life has been executed
- CPEEHCC has made a formal request to VEBA to participate in a public relations campaign encouraging no increases from carriers in 2011

**MOTION:** (Ed Nelson) Approve VEBA’s participation in the CPEEHCC public relations initiative. Seconded by Mark Anderson and approved.

**Consultant’s Report:**

Ron Mason presented a claims review of the medical and prescription plans.

**Other:**

- Included in the Board packet was a letter from the VEBA attorney regarding required changes that will need to be made to HIPAA Business Associate Agreements. The requirement was effective September 23, 2009, but enforcement has been delayed until February 22, 2010, probably due to a delay in issuing the model addendum
- For the record, Steve Kaplan noted that in closed-session, the Board had extended discussion on two items; the concentric network and the 65% employer contribution requirement

The meeting adjourned at 11:35 a.m.

The next open-session meeting of the Board will be held at 8:00 a.m., December 2, 2009, at the San Diego County Office of Education.