

**SUMMARY OPEN-SESSION MINUTES
CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)
September 01, 2010**

Members Present: Co-Chair Janice Cook, Co-Chair David Fernandez, Mark Anderson, John deBeck, Lora Duzyk, Kevin Holt, Sandra Huezo, Ethel Larkins, Kim Myers, Ed Nelson, Kevin Ogden, Erik Olson-Fernandez, Tim O'Neill, Ana Zuniga

Absent: Marc Capitelli, Joyce LaFleur

Administrative Staff: George McGregor, Laura Josh, Betty Ormsbee, Sherrie Shumaker, Annemieke Tomey, Linda Townley, Nancy White, Bob Whiting

Consultants: Ron Mason, Lan Brown

Guests: Ronnie Adair (SDUSD), Mary Ann Barnes (Kaiser), Dr. Paul Bernstein (Kaiser), Edwina Cardenas (Kaiser), Sandra Chambers (Kaiser), Christopher Dick (UnitedHealthcare), Gloria Feldman (Medco), Carissa Green (UnitedHealthcare), Jim Malone (Kaiser), Marianne Monfils (CSEA), Patrick Prezioso (CSEA), Todd Torgerson (Sweetwater Union High School District)

The meeting was called to order by Janice Cook at 8:00 a.m. A quorum was present.

New Board Member:

Janice Cook introduced and welcomed new Board member Ana Zuniga. Ms. Zuniga replaces Sam Lucero as the labor representative.

Kaiser Presentation:

Kaiser representatives Dr. Paul Bernstein, Area Medical Director, Mary Ann Barnes, SVP/Executive Director, and Jim Malone, Medical Group Administrator, made a presentation to the Board noting Kaiser's quality, access, service improvement strategies, service performance outcomes, and facilities.

Consent Agenda:

- Draft minutes of August 11, 2010 board meeting
- June 2010 VEBA financial statements and disbursement reports

MOTION: (Lora Duzyk) Approval of Consent Agenda items. Seconded by Mark Anderson and approved.

Monthly Operations Reports:

Operations reports presented at the August 25, 2010 Executive Committee meeting were briefly reviewed for the Board as follows:

- Financial dashboard reports reflecting the status of the trust and the self-insured plans
- Chief Financial Officer's Summary Report including Key Financial Results for June 2010
- General Manager's Report
 - explanation of how Medco rebates are earned and reflected in premium reductions
 - 2011 meeting calendar

MOTION: (John deBeck) Approval of the 2011 meeting calendar as revised. Seconded by Tim O'Neill and approved.

- approval by the Executive Committee to contract with Pacific Medical International & TC3 Service to perform a fraud and abuse audit of out-of-area claims
- decision made by the Executive Committee to leave November 1, 2011, as the deadline for Districts to submit 2011 plan selections
- Executive Committee's decisions relating to eligibility and administration policies of the Post-65 Retiree Plan

Monthly Operations Reports continued:

- Ombudsman's Report
 - Performance HMO presentations to insurance committees and employee groups
 - update on the Kaiser Post-65 plan and the Executive Committee's approval to add a Western Dental plan option
- Communications Manager's Report
 - communications toolkit distributed to benefits staff at Districts
 - release of joint VEBA, Sharp Health Care and UHC press release
 - tracking rates releases and communications to Districts
 - Executive Committee's approval to bring web development in-house
- Advocacy Director's Report
 - new advocacy cases
 - update on "Walk Your Way" challenge
 - results of health and fitness challenges, January through June 2010
 - Sleep Apnea Pilot Program materials

Consultant's Report:

Ron Mason, Towers Watson, presented information on the following:

- Claims updates on the Medco prescription plan and the PacifiCare/United Healthcare plans
- An option to delete Delta PMI coverage from the Kaiser Senior Advantage plan. This option was forwarded to the Board for consideration from the Executive Committee. A reduced monthly premium would result.

MOTION: (Kim Myers) Approval of offering, on a District basis, the option of removing Delta PMI coverage from the Kaiser Senior Advantage plan. The motion died for lack of a second.

- Health Care Reform overview including issues requiring immediate attention
- Health Care Reform implications pertaining to retiree plans; advantages of setting up a retiree-only plan consisting of early retirees, post-age 65 retirees, and Medicare Supplement plan retirees

MOTION: (Kevin Ogden) The VEBA administrator is instructed to develop a retiree-only plan. Seconded by Mark Anderson and approved.

- Health Care Reform special rule for collective bargaining agreements

Consensus: Rely on collective bargaining agreements exemption for 2011 and instruct VEBA administrator to take steps necessary to determine status for 2012

Appendix:

The following materials/reports supplement and document key issues listed in the management operations

Draft 2011 VEBA Board Meeting Calendar

Pacific Medical International & TC3 Service Proposal dated July 1, 2010

Re: Reducing Healthcare Fraud, Waste and Abuse: Taking VEBA to the Next Level of Integrated Loss Control Technologies

California Schools VEBA Pro-Rata Share of OxyContin Marketing Litigation Third Party Payor Settlement dated July 21, 2010

VEBA Post-65 Retiree Optional Western Dental Plan Proposal

CPEEHCC Annual Training Conference 'Save the Date' Flyer

Development Activity Report

Performance HMO District Presentation Schedule as of August 30, 2010

Performance HMO Meeting Observation Report as of August 26, 2010

Performance HMO Physician Network Overview

Performance HMO Joint Press Release for Week of August 30, 2010

New Advocacy Cases Report – January 1, 2010 to August 18, 2010

"Walk Your Way" Challenge Welcome Kit & Program Materials

Health & Fitness Challenges Executive Report, January – June 2010

Appendix continued

Sleep Safe - Sleep Apnea Program Materials

Get Smart Flyer, August 2010

Post-65 Informational Seminar Schedule – General

Post-65 Informational Seminar Schedule – SDUSD-SDEA Retiree Trust

The meeting adjourned at 10:36 a.m. for a brief break prior to commencement of closed session.

The next meeting of the Board is scheduled for 8:00 a.m., October 6, 2010, at the San Diego County Office of Education.