

**SUMMARY OPEN-SESSION MINUTES  
CALIFORNIA SCHOOLS  
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)  
January 5, 2011**

Members Present: Co-Chair Janice Cook, Co-Chair David Fernandez, Mark Anderson, Marc Capitelli, Lora Duzyk, Kevin Holt, Joyce LaFleur, Kim Myers, Ed Nelson, Kevin Ogden, Tim O'Neill

Absent: Sandra Huezo, Ethel Larkins, Ana Zuniga

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

Consultants: Ron Mason, Lan Brown

Legal Counsel: Hirsch Adell

Guests: Ronnie Adair (SDUSD), Edwina Cardenas (Kaiser), Carissa Green (UnitedHealthcare), Randolph Ward (San Diego County Superintendent of Schools), May Young (UnitedHealthcare)

The meeting was called to order by David Fernandez at 8:50 a.m. following separate caucuses of Labor and Management Directors. A quorum was present.

**Opening Comments:**

Dr. Ward wished everyone a happy new year.

**Consent Agenda:**

- Draft minutes of December 1, 2010 open-and closed-session board meetings
- October 2010 VEBA financial statements and disbursement reports
- Draft Board Expense Reimbursement Policy

**MOTION:** (Mark Anderson) Approval of consent agenda items. Seconded by Kevin Ogden and approved.

**Monthly Operations Reports:**

- General Manager's Report
  - CHCC update
  - PERS considering the appropriateness study
  - results of meeting with VEBA Co-Chairs regarding revised meeting structure

**MOTION:** (Mark Anderson) Suspend the monthly executive committee meetings with review after six months. Seconded by Lora Duzyk and approved.

- CECHCR update
- ERRP application approved and first round of claims submitted
- Supplement to Master Medco Agreement regarding ERRP provisions
- Quote requested by Santee School District who left the VEBA two years ago and has requested a quote for reentry effective July 1, 2011, six months short of the three year requirement.

The following motion was made after lengthy consideration and input from the VEBA attorney.

**MOTION:** (Ed Nelson) The VEBA administrator is authorized to provide a quote to Santee School District and, conditional upon the District meeting all other underwriting requirements, move forward with granting an exception to VEBA's three-year separation policy. Seconded by Joyce LaFleur. The motion lacked consensus due to one dissenting vote. Discussion continued and the dissenting vote was removed with the understanding that the District must meet underwriting requirements. The motion was approved.

- Ombudsman's Report
  - COBRA seminar attended by 20 VEBA districts
  - holiday visits made to all 31 VEBA districts
  - leadership at VEBA districts complimentary regarding VEBA's implementation efforts
  - requests made from VEBA districts for information pertaining to enrollment shifts
- IT Manager's Report
  - transfer of enrollment data issues identified but minimal
  - incorrect network assignments identified and corrected
  - technology being investigated to support VEBA Board
- Communications Manager's Report
  - development strategy
  - high-income surcharge for Medicare D
  - positive feedback from open enrollment survey
  - intent to "overhaul" the VEBA website
- Advocacy Director's Report
  - increase in advocacy calls expected
  - Tufts-Optum Health Research Study described
  - new Best Doctors member engagement materials produced
  - 56 people have expressed interest in Sleep Apnea project

**Consultant's Report:**

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

- claims/utilization updates on the Medco prescription plan and PacifiCare/United Healthcare plans
- prescription drug trends continue to increase, but within the expected range
- in 2010 EGWP members used 1483 days of therapy compared to 360 days for actives and under age 65 retirees
- significant out-of-area claim reported for one member; \$600,000

**Appendix:**

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

- Performance HMO Implementation Status Billing Statement, November 2010
- California Health Care Coalition/PBGH CEO Summit Packet
- California Education Coalition for Health Care Reform 2010 Summit
- U.S. Department of Health & Human Services Correspondence dated 12/06/10  
*Re: ERRP Application Approved*
- Medco Contract Correspondence dated 11/29/10
- *Re: Agreement regarding the Early Retiree Reinsurance Program*
- American Business Bank Third Quarter 2010 Asset Statement
- Development Activity Report
- United Healthcare Draft Member Letter – ID Card Notification
- CMS Medicare Fact Sheet – Medicare Premiums, Deductibles for 2011
- New Advocacy Cases Report – January 1, 2010 to December 8, 2010
- Tufts Medical Center/OptumHealth Work & Health Initiative Study
- Best Doctors Notifications/Flyers
- Best Doctors Member Engagement Portfolio dated December 1, 2010
- Get Smart Flyer, December 2010

The meeting adjourned at 9:58 a.m. The next meeting is scheduled for 4:00 p.m., February 23, 2011, at a location to be announced.