

**SUMMARY OPEN-SESSION MINUTES  
CALIFORNIA SCHOOLS  
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)  
April 20, 2011**

Members Present: Co-Chair David Fernandez, Co-Chair Janice Cook, Mark Anderson, Marc Capitelli, Zoe Carpenter, Lora Duzyk, Kevin Holt, Desiree Klaar, Joyce LaFleur, Ethel Larkins, Kevin Ogden, Tim O'Neill, Patrick Prezioso

Absent: Ed Nelson, Sandra Huezo, Ana Zuniga

Administrative Staff: George McGregor, Paul Bergman, Celia Bloom, Laura Josh, Betty Ormsbee, Tess Rutherford, Sherrie Shumaker, Annemieke Tomey, Nancy White, Bob Whiting

Consultant: Ron Mason

Guests: Sandra Ambrosi (SDEA Retirees), Laura Bowersox (Escondido Secondary Teachers Association), Sandra Chambers (Kaiser), Christopher Dick (UHC), Rick Frommeyer (Optum Health), Carissa Green (UHC), Megan Newkirk (UHC), Laura Zaman (Optum Health)

The meeting was called to order by David Fernandez at 4:45 p.m. A quorum was present.

**Introductions:**

David Fernandez welcomed Desiree Klaar, the new Board member filling the San Diego Community College District seat. He also asked the guests to introduce themselves and noted that Tess Rutherford is a new member of the administrative staff.

**Consent Agenda:**

- Draft minutes of March 16, 2011, open- and closed-session board meetings

**MOTION:** (Mark Anderson) Approval of consent agenda. Seconded by Janice Cook and approved.

**Monthly Operations Reports:**

- Chief Financial Officer's Report

The chief financial officer reviewed the Status of the Trust report and the January 2011 VEBA financial statements and disbursement reports

**MOTION:** (Mark Capitelli) Approval of the January 2011 VEBA financial statements and disbursement reports. Seconded by Zoe Carpenter and approved.

- General Manager's Report

The general manager's report included the following:

- New approach: Carriers are involved as partners prior to going out to bid
- Letters of intent to join VEBA received from four new groups

**MOTION:** (Kevin Ogden) Approval for Southwestern Community College District, Chino Valley Unified School District/CSEA Chapter 102, Copper Mountain Community College District, and South County Teachers United to join the VEBA effective July 1, 2011. Seconded by Mark Anderson and approved.

- VEBA membership will be larger than the historic high prior to layoffs with the addition of the four new groups
- Claims of \$1.3 million submitted under the Early Retiree Reinsurance Program (ERRP)
- Board attendance records for 2010 and year-to-date 2011 were included in the Board packet. (David Fernandez and Janice Cook expressed appreciation to Board members for attendance and actions taken.)

**General Manager's Report Continued:**

- A formal complaint registered with Health and Human Services has been cleared regarding VEBA's delayed effective date for Mental Health Parity. VEBA's effective date is January 1, 2012, due to the collective bargaining nature of the Plan. (Note: The date of implementation is based on bargaining agreements in effect prior to October 3, 2008. At least two VEBA districts, Sweetwater and San Marcos, have bargaining agreements effective July 1, 2008, and extend through June 30, 2011.)
- A letter was received from Medco regarding its termination by CalPERS
- Pathways Genomics approached VEBA to serve as pilot group of 200 participants; description of program included in Appendix
- Vallecitos reported its charter school will remain an "arm of the district"

**Monthly Operations Reports continued:**

Written reports were furnished by the following:

- **Ombudsman's Report**
  - Reported several presentations to staff at CSEA field offices and CTA leadership meetings
  - Exhibitor at CASBO Annual Conference and School Business Expo
  - Presented Towers Watson analysis of Performance HMO to San Diego County CBOs and to insurance committees of three San Diego high schools
  - Participated as a panelist at Senior Exhibition Day at Morse High School
  - Attended two "Tiger Team" meetings at SDUSD
  - Presented the VEBA Solution to insurance committee at Pomona Unified School District
- **IT Manager's Report**
  - SDUSD file transfer issues stabilizing into more normal operation
  - New reporting features being developed to push more information than ever before to districts
  - Development has begun on the 2011 online enrollment tool
- **Communications Manager's Report**
  - Member survey scheduled to begin May 2, 2011
  - New district activity continuing strong with opportunities developing for October 1, 2011
  - Invitations sent for the first round of the VEBA Collaborative membership
  - Final letter distributed to VEBA-district school board members
- **Advocacy Director's Report**
  - Change in call routing has resulted in a higher number of calls and broader variety of issues
  - Advocacy case report indicates access issues account for 20% of total calls and wellness access calls at 18%
  - Participation in health and fitness challenges has increased over last year likely due to process simplification and increased variety of choices
  - VEBA has been approached by UHC to serve as a pilot group of 300 participants regarding in-person pharmacist counseling for diabetics

**Consultant's Report:**

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

- Claims/utilization updates on the Medco prescription plan and UnitedHealthcare plans
- Price of brand-name drugs increasing 8% with some increasing 10-20%
- PPO/EPO plan experienced a 400% loss ratio; one claim \$800,000
- California PPO; 4% of members responsible for 66% of claims

**Appendix:**

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

Appendix Continued:

- Letter of Intent to Join VEBA, Southwestern Community College District
- Letter of Intent to Join VEBA, Chino Valley Unified School District, CSEA Chapter 102
- Letter of Intent to Join VEBA, Copper Mountain Community College District
- Early Retirement Reimbursement Program Data Release Agreement between VEBA and UnitedHealthcare
- VEBA Board Attendance Record, Calendar Year 2010 and YTD 2011
- VEBA Collective Bargaining Timeline for Mental Health Parity Implementation January 2012 Based Upon Sweetwater Union HSD Agreements July 1, 2008 through June 30, 2011
- CECHCR “The School Pool” Publication, dated April 26, 2010
- Medco Letter to VEBA Regarding CalPERS Termination, dated March 22, 2011
- “Pathway Fit” Program Draft, dated April 13, 2011 (Pathway Genomics)
- “Pathway Fit” Pilot Program Proposed Workflow Timeline
- “Pathway Fit” Personal Genetic Report Sample
- Vallecitos School District Letter dated April 13, 2011 to Request for Approval of ‘Arm of the District’ Charter
- VEBA Board Appointment Letter dated March 18, 2011 – Desiree Klaar
- Medco Rebate Notification, September 18, 2010 –December 24, 2010
- Dowling & Yahnke Investment Report, First Quarter, 2011
- Pacific Business Group on Health Brief “Raising the Bar”
- VEBA Communications, Administrator Updates, Capabilities Brochures
- New Advocacy Cases Report – January 1, 2011 through March 31, 2011
- Diabetes Management Presentation for VEBA UHC Members

The meeting adjourned at 5:25 p.m. The annual Board retreat is scheduled for May 19-20, 2011. The open-session Board meeting will be held at 1:00 p.m. on May 20, 2011.