

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

Members Present: Co-Chair David Fernandez, Co-Chair Janice Cook, Marc Capitelli, Kevin Holt, Desiree Klaar, Joyce LaFleur, Ethel Larkins, Ed Nelson, Kevin Ogden, Tim O'Neill, Patrick Prezioso, Ana Zuniga-Juarez

Absent: Mark Anderson, Zoe Carpenter, Lora Duzyk, Sandra Huevo

Administrative Staff: George McGregor, Paul Bergman, Celia Bloom, Talena Conlon, Laura Josh, Ron Mason, Sherrie Shumaker, Annemieke Tomey, Nancy White, Bob Whiting

Guests: Sandra Chambers (Kaiser), Christopher Dick (UHC), Rick Frommeyer (Optum Health), James Gaumer (UHC), Carissa Green (UHC), Megan Newkirk (UHC), Laura Zaman (Optum Health)

The meeting was called to order by David Fernandez at 1:09 p.m. A quorum was present.

Public Comments: None

Co-Chairs Report: None

Consent Agenda:

- Draft minutes of April 20, 2011 open- and closed-session board meetings

MOTION: (Kevin Holt) Approval of consent agenda. Seconded by Tim O'Neill and approved.

Monthly Operations Reports:

- Chief Financial Officer's Report

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

MOTION: (Janice Cook) Approval of the February 2011 VEBA financial statements and disbursement reports. Seconded by Joyce LaFleur and approved.

- General Manager's Report

The general manager's report included the following:

- Enhanced Online enrollment tool will be ready to release to districts for testing in August 2011
- Member survey (5,000 VEBA members) has been mailed and responses are coming in
- New district implementation project plan was provided to the Board. Implementations are progressing and the new districts are pleased with the process so far
- Received positive feedback on the new district and member support services rollout
- Best Doctors report for quarter-29% of total cases had a diagnosis change, and 86% ended with a treatment change
- American Business Bank Year-end Summary was presented showing the bank financially healthy

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
- Attended California School Administrator's "Honoring Our Own" awards ceremony
- Participated in panel for member district benefits administrator interviews
- Presented VEBA update information to the Julian Union School District Board

(Ombudsman's Report continued)

- Presented Towers Watson results of Risk Factors to Fallbrook Union School District
- Presented monthly update to ACSA management group
- Open enrollment presentations to Southwestern Community College and Copper Mountain Community College Districts
- Attended CSEA Appreciation Day events for Sweetwater and San Dieguito chapters
- It was noted that numerous VEBA districts will be experiencing staff turnovers in leadership and benefits staff
- IT Manager's Report
 - SDUSD file transfer issues stabilizing into more normal operation
 - Begun development of enhanced interfaces with PacifiCare, which promises ability to communicate with providers at a higher level
 - Development has begun on the 2011 online enrollment tool
 - Mobile application project development expected delivery June-July 2011
- Communications Manager's Report
 - Member survey scheduled to begin May 9, 2011 with final deadline May 20th
 - New district implementations moving forward smoothly, open enrollments in process
 - PacifiCare will be under the UHC branding effective July 1, 2011
 - "Take Back the Park" challenge getting great attention in Jurupa
- Advocacy Director's Report
 - Benefit questions account for 48% of total calls with no specific category identified
 - Best Doctors 2011 Q1 Report
 - Health and fitness challenges for Winter Spring have begun enrollments
 - VEBA districts are being approached with offers to provide support for their wellness programs

Board Retreat Actions:

1. Continue the Network One Subsidy for the VEBA Performance HMO
2. Keep the existing preventive healthcare coverage copay for Kaiser
3. Request additional information on UnitedHealthcare's chiropractic and acupuncture plans
4. United Healthcare to replace Optum for behavioral health coverage
5. Medco Prescription Program:
 - a. Change to revised formulary.
 - b. Do not reduce retail network.
 - c. Renegotiate for lower rates.
 - d. Modify copayments for all packages.

MOTION: (Marc Capitelli) Approve five changes and actions listed above. Seconded by Kevin Ogden and approved.

Consultant's Report:

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

- Claims/utilization updates on the Medco prescription plan and UnitedHealthcare plans
- Mail Rx utilization rose to 62% of therapy days in April, highest ever for VEBA
- HMO fee-for-service claims have dropped, but not by level expected
- Senior Supplement plan now holds 40% of over-age 65 enrollment in VEBA
- California PPO; 14 claimants responsible for 59% of FFS costs.

Appendix:

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

- New District Implementation Project Plan for July 1, 2011 Effective Date
- Able Laboratories Settlement Fund Claim Refund, April 13, 2011
- American Business Bank Summary Annual Report 2010
- SDUSD IT File Processing Turnaround Timetable
- VEBA Administrator Update, May 5, 2011
- VEBA Alert Notifications
- 2011 VEBA Member Opinion Survey Content
- Take Back the Park Press Release
- Take Back the Park Winning Artwork
- New Advocacy Cases Report, 1/1/11-5/9/11
- Best Doctors Q1 Impact Summaries, Kaiser and UHC
- VEBA Health Coaching Health and Fitness Challenge Reports
- District-Specific Wellness Support Update, 5/11/11\
- District Wellness and Onsite Services Description
- Underwriting and Compliance Rules Documents
- CECHCR School Pool Position Papers

The meeting adjourned at 1:26 p.m. The next open-session Board meeting will be held at 5:00 p.m. on June 15, 2011 at the San Diego County Office of Education.