

**SUMMARY OPEN-SESSION MINUTES
CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)
February 28, 2018
5:00 p.m. – 6:00 p.m.**

- Members Present:** Robin Watkins, Ron Reese, Ursula Salbato, Steve Boyle, Nadine Bennett, , Mark Anderson, Brian Marshall, Katie Dexter, Lora Duzyk, Ethel Larkins, Patrick Prezioso, Tim Glover, Barbara Collins
- Members Absent:** Ronda Walen, Matthew Krause, Greg Ottinger, Leticia Munguia, Laura Bowen
- Consultant:** Ron Mason (Tall Pine Consulting, LLC) via Skype
- Administrative Staff:** George McGregor, Annemieke Tomey, Matthew Bittner, Lurinda Green, Suzanna Tomey, Laura Josh, Dr. Michael Carey, Rich Garrett, Rick Winet
- Guests:** Debbie Collins, Dr. Rott, Dr. Nicole Stelter (Kaiser); Sandra Ambrosi (SDEA-R); Susan Bolger (North County CTA-R); James Gaumer (UHC); Amy Daily (ESI); Shawana Grace (CSEA)

The open-session meeting was called to order by Brian Marshall at 5:10 p.m. A quorum was present.

Opening Comments from Co-Chairs

Brian Marshall and Robin Watkins welcomed the Board Members, Consultant, Administrative Staff, and Guests.

Kaiser Permanente Presentation

Dr. Rott, M.D. and Dr. Nicole Stelter, PhD with Kaiser Permanente (KP) introduced themselves to the Board, Administrative Staff and Guests. Dr. Rott presented the Influenza Watch Report to the Board, stating that the purpose of the Influenza Watch is to summarize current influenza surveillance in San Diego County. He noted that of the 16,827 cases, 257 were ICU cases, 269 resulted in deaths and there were 111 outbreaks as of February 2018. He strongly encouraged participants to get the Influenza Vaccine. He stated that during this period, overall vaccine effectiveness was 36%.

Dr. Stelter reviewed the Mental Health and Wellness presentation with the board in detail. She discussed the social and professional impact of mental health conditions such as depression, anxiety and addiction. Dr. Stelter also discussed the screening and brief intervention in the primary care setting; how members access and receive care as well as how Kaiser tracks the outcomes to measure the success rate. The Board inquired about the number of sessions provided to members through the Kaiser mental health program. Dr. Stelter indicated that individual assessments by the assigned doctor determine the length of care on a case by case basis. Dr. Rott reviewed the spectrum of mental health and substance abuse services offered by Kaiser, along with the support and resources for self-care and emotional wellness. He

announced the opening of new clinics at Target stores in Southern California as of November 2017, stating that members can receive routine care and other services conveniently.

Kaiser concluded the presentation at 5:48 p.m.

Approve Minutes:

Draft minutes of the December 13, 2017, open-session Board meeting were reviewed.

MOTION: (Steve Boyle) Approval of the December 13, 2017 open-session minutes. Seconded by Ethel Larkins and approved.

Administrator's Report:

Due to time constraints the Board pended the review of the November and December 2017 Financials.

Consultant's Report:

Ron Mason presented the following claims updates:

- **Prescription Drugs**
 - This claim experience excludes COSD. Specialty drug trend jumped up in January but the annual rate is still below expectations.
 - Cost trends rose due to specialty use and price changes;
 - COSD will be reported when TPC has a clear picture of the number of lives enrolled. This information was missing in the claim file;
 - Use of Smart90 has leveled off at about 12.9% of all days' supply issued;
 - A recent data dump from ESI indicates that over 85% of maintenance medications are being purchased through home delivery or Smart90.

- **HMO**
 - Capitations stabilized in 4Q17, but FFS varied significantly due to large claims;
 - There are two \$1M+ claims in the HMO experience;
 - In 2018, this report will continue as a total for trend purposes. It will be the sum of run-out from the current insured plan, startup of the new Minimum Premium plan, and COSD activity;
 - A separate report will track Minimum Premium by itself to monitor financial status;
 - Inpatient utilization has declined somewhat over the past few years. However, average cost per day in the hospital has increased:
 - Part of this occurs because the large claim content has increased. The cost per day on large claims can be 2x to 3x normal acute care admissions. Large claims have more ICU/CCU and switch from per diem to discounts off FFS.
 - It is anticipated that the 2018 enrollment will show somewhat fewer members on these FFS contracts.
 - Maternity admissions are down fairly significantly in the past few years:
 - While UHC no longer reports on C-sections, the average length of stay has been fairly level during the 3 years.
 - It is estimated that the C-section rate is 32%-35% which continues to be too high.

○ **PPO/EPO/Out of Area (non-CA participants)**

Overall claims continue to be favorable for this population primarily made up of 30% out-of-state retirees and 70% students. Next year this plan needs to be examined for costs and plan design. 'Premium' for students is taken from the Minimum Premium collections.

- Facts at a glance:
 - 16 claimants (3.6% of members) incurred 52% of FFS costs;
 - Members with claims of \$25,000+ average \$67,533;
 - Members with claims <\$25,000 average \$2,292.

PPO/CA

Claims continue to be favorable due to the reduction in large claims. Facts at a glance

- 85 claimants (3.1% of members) incurred 54% of FFS costs;
- Members with claims \$25,000+ average \$102,482;
- Members with claims <\$25,000 average \$2,771.

Other:

Brian Marshall indicated that the Communications Report, 3Q2017 American Business Bank Report and the 4Q2017 Dowling and Yahnke Report were included in the Appendix for review.

MOTION: (Katie Dexter) Acceptance of the 3Q2017 American Business Bank and 4Q2017 Dowling and Yahnke Reports. Seconded by Barbara Collins and approved.

The Open-Session was adjourned at 5:54 p.m.

The next Open-Session meeting will be held on Wednesday, March 28, 2018, at 5:00 p.m.