

**SUMMARY OPEN-SESSION MINUTES  
CALIFORNIA SCHOOLS  
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)  
August 31, 2016  
5:00 p.m. – 6:00 p.m.**

**Members Present:** Brian Marshall, Mark Anderson, Katie Dexter, Lora Duzyk, Ethel Larkins, Leticia Munguia, Karen Janney, Ursula Salbato, Jenny Salkeld, Nadine Bennett, Steve Boyle, Robin Watkins, Barbara Collins, Ron Reese,

**Absent:** Christine Balentine, Mary Ellen Berumen, Matthew Krause, Marianne Monfils

**Consultants:** Ron Mason (Tall Pine Consulting LLC)

**Administrative Staff:** George McGregor, Laura Josh, Paul Bergman, Ed Nelson, Nancy White, Chris Josh, Alexandra Kroeger, Matt Bittner, Kat Alexander, Heather Simonson

**Guests:** Harris Zeyae (Express Scripts), Carissa Green (UHC), Meghan Newkirk (UHC), Debbie Collins (Kaiser)

The open-session meeting was called to order by Brian Marshall at 5:11 p.m. A quorum was present.

**Opening Comments from Co-Chairs**

Brian Marshall welcomed the Board Members and the Administrative Staff. Mr. Marshall thanked the vendors for their attendance at and contributions to the Advisory Meeting on August 12, 2016. He thanked McGregor & Associates for organizing the event.

**Approve Minutes:**

Draft minutes of the July 27, 2016, open-session Board meeting were reviewed.

**MOTION:** (Mark Anderson) Approval of the July 27, 2016 open-session minutes. Seconded by Katie Dexter and approved.

**Administrator's Report:**

George McGregor reviewed the VEBA financial statements and disbursements report for June 2016.

**MOTION:** (Ethel Larkins) Approval of the financial statements and disbursements report for June 2016. Seconded by Nadine Bennett and approved.

Steve Boyle left the meeting at 5:16 p.m.

**Other**

George McGregor reported on actions taken during the closed-session board meeting including the acceptance of:

- The revised eligibility audit policy;
- The revised board practices;
- The revised investment policy

Mr. McGregor updated the Board on the status of the Dental Coalition, indicating that the expected kick-off date is January 1, 2017.

**Consultant's Report:**

Ron Mason presented the following claims updates:

- HMO
  - Fee for Service claims declined during June, 2016. Hospital claims remained at the same level as May, 2016.
  - One hundred twenty-one claimants accounted for 43% of FFS claims and 9% of total claim cost.
  - VEBA is seeing a general reduction in utilization, however unit costs continue to increase.
- HMO Observations
  - General hospital admission have declined by 10% in the last year.
  - C-section rates for the most recent 12 months are running at 10%, which is considered an aberrant fluctuation. VEBA's typical rate has been between 32% to 40%.
  - Outpatient surgery use has remained the same over the last 12 months.
  - There was a 5% increase in the use of emergency room services.
- PPO/EPO/Out of Area (non-CA participants)
  - Thirteen claimants (3% of members) incurred 41% of FFS costs.
- PPO/CA
  - Large claims decreased in dollar amount for the 12 months ended June 30, 2016.
  - A \$625,000 claim is pending and is expected to post in June 2016.
  - One hundred-seventeen claimants incurred 49% of FFS costs.
- Kaiser - VEBA
  - Claims have increased by 12% in the last 12 months. Both increases in member use and unit prices contributed to the escalation.
  - A new \$4.7M claim appeared in the most recent quarter.
  - Seventeen claimants incurred 5.8% of FFS costs.

**Other:**

George McGregor presented the appendix items for the Board's review. Mr. McGregor updated the Board on "Alliance to Fight the 40" as it relates to the upcoming election.

The open-session adjourned at 5:33 p.m.

The next Open Session meeting is scheduled to be held on Wednesday, September 28, 2016, at 5:00 p.m. in the McGregor and Associates Conference Room, suite 337.