

**SUMMARY OPEN-SESSION MINUTES  
CALIFORNIA SCHOOLS  
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)  
March 30, 2016  
4:30 p.m. – 5:30 p.m.**

Members Present: Brian Marshall, Mark Anderson, Barbara Collins, Katie Dexter, Lora Duzyk, Ethel Larkins, Marianne Monfils, Leticia Munguia, Chris Oram, Ursula Salbato, Jenny Salkeld

Absent: Christine Balentine, Nadine Bennett, Mary Ellen Berumen, Steve Boyle, Matthew Krause, Ron Reese, Robin Watkins

Consultants: Ron Mason (Tall Pine Consulting LLC)

Administrative Staff: George McGregor, Paul Bergman, Celia Bloom, Heather Simonson, Ed Nelson, Betty Ormsbee, Annemieke Tomey, Nancy White

Guests: Sandra Ambrosi (SDEA-R), Lourdes Baptista (UHC), Debbie Collins (Kaiser)

The closed-session meeting was called to order by Brian Marshall at 4:35 p.m. A quorum was present.

**Approve Minutes:**

Draft minutes of the February 24, 2016, open-session Board meeting were reviewed.

**MOTION:** (Barbara Collins) Approval of the February 24, 2016 open-session minutes. Seconded by Katie Dexter and approved.

**Administrator's Report:**

Annemieke Tomey reviewed the VEBA financial statements and disbursements report for December, 2015.

**MOTION:** (Katie Dexter) Approval of the financial statements and disbursements report for December, 2015. Seconded by Marianne Monfils and approved.

**Consultant's Report:**

Ron Mason presented the following claims updates:

- Prescription drugs: Actives, Retirees <65
  - Trends went up to 13.6% for the 12 months ending 01/31/2016;
  - Driven by specialty drugs, increases in costs on certain brands, and the highest utilization since March 2015;
  - TPC's projections is that VEBA's revenues (including projected rebates) were actually greater than costs for the month.
- Prescription drugs: EGWP
  - During January 2016, \$269,000 in claims were invoiced which occurred during December 2015;
  - This plan terminated 12/31/2015;

- The remainder of the claim activity should be relatively minor (usually less than \$5000 in total), so no further reports will be made on this terminated plan.
- HMO
  - January 2016 capitations went up significantly. Part of this is because UHC cut capitations too low in November and December. TPC is awaiting a formal response from UHC;
  - Two premature births at UCSD have turned out to be only about \$500K (\$250 each);
  - At this point, the 2015 flex funding has developed a surplus which TPC estimates at +\$2,000,000.
- Medicare Supplement
  - This plan terminated 12/31/2015;
  - NPPO claims will be provided in a few months.
- PPO/EPO/Out of Area (non-CA participants)
  - The large claim content went down slightly as a % of claims;
  - Premiums rose about 12% in January 2016.
- PPO/CA
  - Large claims stayed level, although a few large claims (including a heart transplant) are pending;
  - PPO enrollment stayed level in January 2016.
- Kaiser (other than MEBA)
  - Claims have increased by 9.8% in the last 12 months;
  - Large claims went up significantly, driven in part by one \$3.0 M claim and two \$1M claims;
  - The average pharmacy claim has increased by 12%--specialty claims are over 33% of Rx spend.
- Kaiser MEBA
  - On a PMPM basis, claims have increased by 11.4% in the last 12 months;
  - The increase was driven by 26% increase in inpatient hospital and 27% in Rx;
  - Specialty drugs rose from 19% to 27% of Rx spend.

**Upcoming Events:**

- IFEBP Annual Conference

Board members were provided information about the annual IFEBP conference scheduled for November 13-16, 2016, in Orlando, Florida and reminded that registrations should be made as soon as possible as hotel space is filling up quickly.
- Board Retreat

The annual Board retreat is scheduled for May 11-13, 2016 at the South Coast Winery and Resort.
- Healthcare Subcommittee

Board members were invited to attend the meeting scheduled for April 8, 2016, 9:00 a.m. at the McGregor & Associates Conference Room.

**Other:**

George McGregor shared information about a letter written to the Board by a member pleased with the assistance provided by an employee in the Advocacy Department (Ginger Southwood).

The meeting adjourned at 5:00 p.m.

The next Open Session meeting is scheduled to be held on Wednesday, April 27, 2016, at 5:00 p.m. in the McGregor and Associates Conference Room, suite 337.