

**SUMMARY OPEN-SESSION MINUTES
CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)
November 30, 2016
4:30 p.m. – 5:00 p.m.**

Members Present: Brian Marshall, Mark Anderson, Lora Duzyk, Ethel Larkins, Leticia Munguia, Ursula Salbato, Nadine Bennett, Robin Watkins, Barbara Collins, Ron Reese, Laura Bowen

Absent: Christine Balentine, Matthew Krause, Karen Janney, Patricia Koch, Steve Boyle, Katie Dexter, Marianne Monfils,

Consultants: Ron Mason (Tall Pine Consulting LLC)

Administrative Staff: George McGregor, Laura Josh, Annemieke Tomey, Paul Bergman, Alexandra Kroeger, Kat Alexander, Heather Simonson, Lurinda Green, Nancy White

Guests: James Gaumer, Christine Caloza (UHC); Debbie Collins (Kaiser); Amy Daily (Express Scripts); Sandra Ambrosi (SDEA-R)

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

Opening Comments from Co-Chairs

Brian Marshall welcomed the Board Members, the Administrative Staff and the guests. Robin Watkins welcomed everyone back after the Thanksgiving holidays.

Approve Minutes:

Draft minutes of the October 26, 2016, open-session Board meeting were reviewed.

MOTION: (Ethel Larkins) Approval of the October 26, 2016 open-session minutes. Seconded by Nadine Bennett and approved.

Administrator's Report:

Annemieke Tomey reviewed the VEBA financial statements and disbursement report for September 2016.

Ms. Tomey reviewed the property purchase at length. She indicated that the financial statements show the purchase as a fixed asset, 80 percent being the cost of the building, net of accumulated depreciation and 20 percent being the cost of the land.

MOTION: (Laura Bowen) Approval of the September 2016 financial statements and disbursement report. Seconded by Nadine Bennett and approved.

Spencer Valley School District – Dental Coverage

George McGregor updated the Board on the addition of dental coverage for Spencer Valley School District, effective January 1, 2017. Mr. McGregor indicated that Spencer Valley School District already purchases their medical coverage through VEBA.

Consultant's Report:

Ron Mason presented the following claims updates:

- Prescription Drugs
 - Claims continued to be favorable against revenues, however claim costs increased noticeably in October.
 - Trend costs are expected to increase in 2017.
 - Unit price has increased for several of the prescription drugs currently listed in VEBA's top 20 drug categories (highest Trust spend).

- UnitedHealthcare
 - No claims were received this month.

- Kaiser
 - Claims have increased by 13% during the last 12 months. The increase accounts for \$35.5M in cost.
 - Large inpatient costs were attributed to neonatal health issues, mental health admissions and three large claims.
 - Fourteen claimants (.03% of members) incurred 3.4% of FFS costs.

- Comparing the HMO and PPO
 - High-level overview of costs and quality in CA HMO and PPO plans shows that HMO's generally outperform PPO's in terms of quality while maintaining cost-competitiveness.

Other

None.

The open-session adjourned at 4:52 p.m.

The next Open Session meeting is scheduled to be held on Wednesday, December 14, 2016, at 5:00 p.m. in the McGregor and Associates Conference Room, suite 337.