

**SUMMARY OPEN-SESSION MINUTES
CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)
September 28, 2016
5:00 p.m. – 6:00 p.m.**

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

Absent: Christine Balentine, Matthew Krause, Karen Janney, Jenny Salkeld

Consultants: Ron Mason (Tall Pine Consulting LLC)

Administrative Staff: George McGregor, Laura Josh, Annemieke Tomey, Paul Bergman, Chris Josh, Alexandra Kroeger, Kat Alexander, Heather Simonson

Guests: Sandra Ambrosi (SDEA-R); Rob Falkenberg, James Gaumer (UHC); Debbie Collins, John Rott, MD, Nancy Voltero, Sammy Totah (Kaiser)

The open-session meeting was called to order by Brian Marshall at 5:02 p.m. A quorum was present.

Opening Comments from Co-Chairs

Brian Marshall welcomed the Board Members, the Administrative Staff and the guests. Mr. Marshall introduced Laura Bowen, the new CTA-appointed board member, who is replacing Mary Ellen Berumen.

Introduction – Rob Falkenberg, CEO, UHC California

Prevention and Lifestyle Risks Report

Dr. Edward Rott and Debbie Anderson with Kaiser Permanente presented the Annual Lifestyle Risk Reports for the VEBA population for the period from January 1, 2015 through December 31, 2015. Dr. Rott reviewed the report metrics and indicated that engagement is defined as to how often and actively VEBA members use the wellness and health management tools available to them. Categories reported on include: registering at KP.org, staying up to date on screenings, and knowing numbers such as BMI, blood pressure. Partnership in Health Reports use VEBA patient data against national benchmarks to gauge health risks such as weight management and exercise.

Sammy Totah with Kaiser Permanente presented the update on the new Kaiser hospital facility being built in Kearny Mesa. He reviewed the technology infrastructure, noting that board members and staff will be invited to tour the facility closer to the grand opening date.

Approve Minutes:

Draft minutes of the August 31, 2016, open-session Board meeting were reviewed.

MOTION: (Steve Boyle) Approval of the August 31, 2016 open-session minutes. Seconded by Mark Anderson and approved.

Administrator's Report:

Annemieke Tomey reviewed the VEBA financial statements and disbursement report for July 2016.
MOTION: (Nadine Bennett) Approval of the July 2016 financial statements and disbursement report. Seconded by Barbara Collins and approved.

Annemieke Tomey reviewed the federal and state 2015 tax returns for the California Schools VEBA.
MOTION: (Katie Dexter) Approval to file the 2015 tax returns with the Internal Revenue Service and the Franchise Tax Board, respectively. Seconded by Ethel Larkins and approved.

PPPL & Fiduciary Liability Policy Renewals

Annemieke Tomey presented the renewal of both the Plan Purchasers Liability policy and the Fiduciary Liability policy. The renewals will be effective October 1, 2016 through October 1, 2017.
MOTION: (Steve Boyle) Approval of the Plan Purchasers Liability and Fiduciary Liability policy renewals as presented. Seconded by Mark Anderson and approved.

Other

Mr. McGregor reported that he received a letter of intent from the Cardiff School District management and labor groups to join VEBA effective December 1, 2016.
MOTION: (Leticia Munguia) Approval to allow the Cardiff School District management and labor groups to join VEBA effective December 1, 2016. Seconded by Lora Duzyk and approved.

George McGregor updated the Board that Sweetwater Union High School District will participate in the self-funded Delta Dental PPO through California Schools VEBA, effective January 1, 2017. Mr. McGregor reviewed the district's request for VEBA to administer their United Concordia Dental DHMO on a "pass-through" basis.
MOTION: (Leticia Munguia) Approval to accept Sweetwater Union High School District's request with the requirements of the district's participation in the self-funded Delta Dental PPO through VEBA as well as the continued medical coverage participation in VEBA. Seconded by Steve Boyle and approved.

Consultant's Report:

Ron Mason presented the following claims updates:

- **Prescription Drugs**
 - The large drop in specialty drug trend has contributed to the cost trend remaining at approximately 0%.
 - Many large purchasers are experiencing 10% to 14% Rx trends.
- **HMO**
 - VEBA is experiencing a general reduction in utilization, although unit costs continue to increase.
 - One hundred sixteen claimants accounted for 40% of FFS claims and 8% of total claim cost.
- **PPO/EPO/Out of Area (non-CA participants)**
 - There has been a reduction in large claims, however, historically this population has been subject to large shifts in these claims.

- Thirteen claimants (3% of members) incurred 44% of FFS costs.
- PPO/CA
 - The dollar volume of large claims increased in July 2016.
 - The \$625,000 claim has posted.
 - One hundred-twelve claimants incurred 51% of FFS costs.

The open-session adjourned at 6:02 p.m.

The next Open Session meeting is scheduled to be held on Wednesday, October 26, 2016, at 5:00 p.m. in the McGregor and Associates Conference Room, suite 337.