

**SUMMARY OPEN-SESSION MINUTES
CALIFORNIA SCHOOLS
VOLUNTARY EMPLOYEES BENEFITS ASSOCIATION (VEBA)
December 13, 2017
5:00 p.m. – 6:00 p.m.**

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

Absent: Ronda Walen, Matthew Krause, Ethel Larkins, Greg Ottinger, Barbara Collins

Consultant: Ron Mason (Tall Pine Consulting LLC) via conference call

Administrative Staff: George McGregor, Annemieke Tomey, Matthew Bittner, Lurinda Green, Suzanna Tomey, Laura Josh, Heather Simonson, Dr. Michael Carey, Rich Garrett, Stephanie Yoshida, Chris Josh

Guests: Amy Daily (Express Scripts), Dot Taylor (San Diego County CTA), Christine Caloza (UHC), Mark Frey (Kaiser)

The open-session meeting was called to order by Robin Watkins at 5:00 p.m. A quorum was present.

Opening Comments from Co-Chairs

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

Approve Minutes:

Draft minutes of the November 1, 2017, Open-Session Board meeting were reviewed.

MOTION: (Mark Anderson) Approval of the November 1, 2017 Open-Session minutes. Seconded by Nadine Bennett and approved.

Administrator's Report:

Annemieke Tomey reviewed the VEBA financial statements and disbursements report for September 2017 and October 2017.

MOTION: (Nadine Bennett) Approval of the financial statements and disbursements report for September 2017. Seconded by Leticia Munguia and approved.

MOTION: (Steve Boyle) Approval of the financial statements and disbursements report for October 2017. Seconded by Mark Anderson and approved.

Mr. Marshall took a moment to briefly discuss the positive changes, innovative programs and continued growth of VEBA as a whole. He stated that 2017 has been an incredible year, with the award of Grossmont School District and the County of San Diego as participating groups for 2018, as well as the soft opening of the VRC. Mr. McGregor stated that he was impressed with the current Board and their involvement in making a difference. The Board collectively agreed that 2017 has been one the most exciting years for VEBA.

Open Enrollment Update:

Matthew Bittner reviewed the 2017 Open Enrollment Summary with the Board at length. He noted the total open enrollment changes as 17,534 and the total number of members as 129,876.

Consultant's Report:

Ron Mason presented the following claims updates:

- **Prescription Drugs**
 - Specialty drug trend continued at the lower level through October;
 - Since February 1, VEBA's net overall trend has been running <6% on an annualized basis. This is composed of a 10.4% annualized trend on specialty drugs and a 3.1% trend on non-specialty drugs;
 - In addition, the days' supply per member has dropped slightly over the last 12 months.

- **HMO**
 - September caps (blue portion of the bar) showed higher than expected because of retroactivity in paying providers. This is due to the negotiations being settled after the start of the new contract.
 - October caps have finally normalized according to UHC.
 - 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.

- **PPO/EPO/Out of Area (non-CA participants)**
 - Claims continued 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.

- **PPO/CA**
 - Premiums returned to normal, but loss ratio was the lowest in the last 15 months which is a little odd on this type of plan. TPC does not receive a monthly claim lag;
 - The large claim content has dropped somewhat.

- **Kaiser VEBA**
 - Rx costs have been running about break-even over the last 12 months.
 - One claim has reached \$1.4M. Very large claims are up by \$4M over the prior year.

Leticia Munguia left the meeting at 5:31 p.m.

Other:

Ms. Tomey reviewed the McGregor and Associates holiday schedule with the Board. She stated that the office will be closed Monday, December 25th through Monday, January 1st, 2018. Normal business operations will resume at 8:00 a.m. on Tuesday, January 2nd, 2018.

Laura Josh communicated that she currently is reviewing Smartphone Solutions for VEBA. She noted that Towers Watson has a platform and offers the flexibility to create a customizable App. She is awaiting proposals to review the services and pricing.

The Board thanked UHC and the Administrator for the holiday treats.

The Open-Session was adjourned at 5:43 p.m.

The next Open-Session meeting will be held on Wednesday, January 31, 2018, at 5:00 p.m.