

METROPOLITAN EMPLOYEES BENEFITS ASSOCIATION (MEBA)
Regular Meeting of Board of Trustees
Fullerton Joint Union High School District, Board Room
Wednesday, March 25, 2009
MINUTES

Steve Balentine called the meeting to order at 2:05 p.m.

1. Roll Call

• Union Trustees:

Classified Union Trustees:

_____ (____ CSEA)

Dianna Mullen (FSD CSEA)

Cheri Smith (FJUHSD CSEA)

Alternate Trustee: Joe Ahlert (FSD CSEA)

Professional Staff Trustee:

Pat Prezioso (CSEA)

Absent: Cheri Smith and Joe Ahlert

Certificated Union Trustees:

Karen Hall (FSTO)

Frank Weirath (CUEA)

Joyce Wills (BPTA)

Alternate Trustee: _____ (____)

Professional Staff Trustee:

Steve Balentine (CTA)

• District Trustees:

Jeff Bristow, (Capistrano)

Ken Chandler, (La Habra)

Mark Douglas, (Fullerton)

John Fogarty (Brea Olinda)

Alternate: Matthew Krause, (Capistrano)

Absent: Phil Fleming, and Steve Wagner

Doug Kimberly, (FJUHSD)

Deanna Glenn, (Buena Park)

Barbara Ott, (Brea Olinda)

Steve Wagner, (OCHSA)

Alternate: Phil Fleming, (FJUHSD)

- Also Present: Tom Cahill and Ron Riley, HUB; Cheryl Masters and Gary Ward, Mercer; Ronda Walen, Capistrano Unified; and Debbie Garrega, Buena Park School District

2. Approval of Minutes

- *Motion* – It was moved by Jeff Bristow, seconded by Pat Prezioso and approved unanimously without objection the February 25, 2009, minutes as read.

3. Chairs Report – Steve Balentine welcomed everyone to the meeting and reported that as the new MEBA Chair, he signed a lot of documents both Pacific Mercantile Bank and HUB.

4. HUB Report – Ron Riley distributed a copy of the HUB Report to all MEBA Board members and focused on a few items.

Administration

- *Migration Report* - Mr. Riley stated that a summary report on the movement from one carrier to another during open enrollment is included in the HUB Report on the third page. If any of the MEBA districts would like a separate summary report, HUB can provide the breakdown. Please give Mr. Riley a call.

Finance/Accounting

- Mr. Riley reported that the attached payment approval is for March, 2009. The payment approval listing includes checks #3951 through #3968, totaling \$6,187,380.29 is presented for Board ratification. Checks #3969 through #3977, totaling \$713,618.43 are presented for Board approval. Wire transfers for Kaiser premiums dated March 12, 2009, totaling \$652,648.24, and wire transfers for Delta Dental premiums dated March 2, through March 20, 2009, totaling \$185,753.77 are both presented for Board ratification.

- *Motion* – It was moved by Mark Douglas, seconded by Pat Prezioso, and approved unanimously without objection the payment approval listings and wire transfers as presented.
- *Additional Financial Data* – As of February 28, 2009, the financials have been converted to accrual accounting. The rationale is that accrual accounting more accurately reflects the financials on a daily basis. The Financials have to be converted each year to accrual accounting from cash basis for the audit every year. The MEBA Fund balance on accrual basis was \$1,276,017.42 as of February 28, 2009 and revenue exceeded expenses on accrual basis by \$190.44 for the two months ending February 28, 2009. The Performance Guarantee check for \$60,967 was received from Anthem Blue Cross and deposited on March 11, 2009. The deposit will be reflected in the March financials.

CPEEHCC (California Public Employers/Employees Health Care Coalition)

- *March 2nd Board Meeting* – At the Board meeting, the financials were presented and discussed.
- *Next Board Meeting* – The next Board meeting is on June 1, 2009, 10:00 a.m. at the California School Employees Association (CSEA) Orange Field Office.
- *VEBA Trust* – VEBA is purchasing a second pool outside the trust. It will be interesting to see what this will mean to the VEBA Trust and the impact to other trusts.

Other

- *MEBA Minute* – The *MEBA Minute* was reviewed in Medical Benefits. As usual, please send any additional changes to Pam Stinson.
- *Retreat* – The MEBA Retreat on April 22, 2009, will be held in the Lower Nile room at the Embassy Suites, Brea. A more detailed agenda will come out the latter part of next week. It starts at 8:00 a.m. and goes to 3:30 p.m. After the Retreat, there will be a Board Meeting.
- *IFEBC Annual Employee Benefits Conference* – The conference will be in Orange County, in Orlando, Florida on November 8-11, 2009.

5. Mercer Report

- *Health Reform* – Cheryl Masters relayed that earlier this week she sent out the Department of Labor (DOL) official notice for the Consolidated Omnibus Budget Reconciliation Act (COBRA) subsidy to all Medical Benefits Committee and Board members and it should be in everyone's hands. In the Medical Benefits Committee, we have a check list that is helpful. Mr. Balentine mentioned that it was nice to receive this information in a timely manner.
- *Private Fee for Service (PFS) Bid* – Gary Ward relayed that Coventry is the major player in this arena. Coventry purchased or is purchasing on their end a Private Fee for Services (PFS) plan for Medicare. The concern about the PFS plan is that there is no network or contracting at this time. As of January 1, 2011, there will be a contract. We don't know where this is going to end up. It may or may not be something we can deal with in the future.
- *Claims Experience for February* – Gary Ward stated that the adjusted loss ratio is down by one percent and overall February was a good month experience wise.

6. Committee Reports

Governance/Marketing/Finance (GMF) Update – Doug Kimberly reported that the following items were addressed:

- *Accuracy Audit* – We are passing this information on to the MEBA districts in case they are interested in using Jan Cannon’s services.
- *Mailing* – Anthem Blue Cross notified GMF that a very small number of letters were inadvertently mailed out with Social Security numbers of Retirees. Dr. Kimberly stated that in the future, it would be good to know in advance of special mailings.
- *Retreat Agenda Items* – A few items were discussed for the Retreat Agenda:
 - Pros and Cons for a Second Pool Study. The Board approved the formation of a Second Pool meeting on April 3, 2009, to see if we still have the interest from other districts. Hopefully, there is the same interest to create a window and the results will be discussed at the Retreat.
 - Combining Trusts – This information came out of a Mercer study.
 - Underwriting 101 – Gary Ward will look at the feasibility of self-funding.
 - Use of Reserves – Discussion for adopting a rate model for refunding and use of undesignated reserves, 8.2 million dollars.
- *Management Caucus Requested* - A short caucus of Management members is requested after the Board meeting today.
- *Wellness* – Dr. Kimberly reported that funding a wellness model for \$100,000 is key for promoting a wellness program for a period of three years. If this is not sufficient, the GMF Committee will look at other proposals that would give a return on investment with the \$100,00 per year for a three year period.
- *Mid-Year Open Enrollment for Employee Layoffs* – Ron Riley stated that the GMF Committee talked about the feasibility of an open enrollment period allowed under new Consolidated Omnibus Budget Reconciliation Act (COBRA) law that would allow employees involuntarily let go from employment to enroll in a plan with less benefits.. HUB is willing to assist districts. Cheryl Master of Mercer stated that the open enrollment would be available only for Anthem Blue Cross participants. Jeff Bristow asked to have this subject put on the next agenda for further discussion.

Medical Benefits/Wellness –

- *ABC Health Bus* – Joyce Wills recommended on behalf of the Wellness Committee the ABC Health Bus be hired for health screenings by MEBA as a start of a wellness program. The bus could be used for 12 days and would go to each of the districts for about \$75 per person or for a total of approximately \$7,500 for eight hours per location for 100 people. Each participant would fill out a health risk assessment which would give management aggregate data for future wellness programs. A motion was made by Joyce Wills, seconded by Jeff Bristow, and to hire the Anthem Blue Cross Health bus for ten stops for 100 people per day at \$75 per person not to exceed \$7,500 per location for a total of approximately \$75,000. The Board did not approve the motion.

8. Old Business –

- *Medicare Advantage* – Tom Cahill of HUB was requested to give a report on health care rates with respect to Medicare eligible participants.

9. New Business –

- *COBRA Open Enrollment* – Study feasibility of this special open enrollment.

10. Other –

- *Items for next months' MEBA Board meeting* – Jeff Bristow suggested COBRA open enrollment feasibility.
- *Reminder May MEBA Meetings to be held at Capistrano* – The May MEBA meetings, May 27, 2009, will be held at Capistrano Unified School District. The committees will meet at 10:00 a.m. and the Board will meet at 1:00 p.m. The Capistrano's Board of Trustees may be in attendance.

Next Meeting: The next regular business meeting will be held at on Wednesday, April 22 2009, 2:00 p.m., at the Embassy Suites, Brea, after the Retreat.

The meeting adjourned at 3:17 p.m.

Respectfully submitted,

Diana

Diana Dorado, MEBA Secretary