

METROPOLITAN EMPLOYEES BENEFITS ASSOCIATION (MEBA)
Regular Meeting of Board of Trustees
Fullerton Joint Union High School District
Wednesday, February 27, 2008
MINUTES

Pat Prezioso, Co-Chair, called the meeting to order at 2:00 p.m.

1. Roll Call

- Union Trustees:

Classified Union Trustees:

Cheri Smith (FJUHSD CSEA)

John Lynch (CAPO CSEA)

Dianna Mullen (FSD CSEA)

Alternate Trustee: Joe Ahlert (FSD CSEA)

Professional Staff Trustee:

Pat Prezioso (CSEA)

Absent: none.

Certificated Union Trustees:

Karen Hall (FSTO)

Joyce Wills (BPTA)

Frank Weirath (CUEA)

Alternate Trustee: _____ (____)

Professional Staff Trustee:

Steve Balentine (CTA)

- District Trustees:

Jeff Bristow, (Capistrano)

Ken Chandler, (La Habra)

Mark Douglas, (Fullerton)

Doug Kimberly, (FJUHSD)

Alternate: Sherry Hahn, (Capistrano)

Absent: Jeff Bristow, Sherry Hahn, Greg Magnuson, and Steve Wagner

Greg Magnuson, (Buena Park)

Barbara Ott, (Brea Olinda)

Steve Wagner, (OCHSA)

Gary Cardinale (Fullerton)

Alternate: Carl Erickson, (FJUHSD)

- Also Present: Tom Cahill, Pamela Hoffman, Ron Riley, and Vicki Vego, HUB; Cheryl Masters, Mercer; John Fogarty, Brea Olinda Unified; and Rhonda Walen, Capistrano Unified.

2. Approval of Minutes

- *Motion* - It was moved by Karen Hall, seconded by Mark Douglas, and approved without objection the minutes of January 23, 2008, with one correction; add "life" to insurance under Medical Benefits in the District Benefits Clerks section.

3. Chairperson's Report

- Pat Prezioso chaired the meeting during the absence of Jeff Bristow. No report.

4. HUB Report – A copy of the HUB Report was distributed to all MEBA Board members.

Administration

- Tom Cahill reported that all billings, enrollments, changes, and terminations are up to date. HUB is working closely with Blue Cross and Kaiser to confirm that 2008 renewal rates and codes are correct. Mr. Cahill will get in touch with all district contacts to determine their level of satisfaction, to address concerns, and resolve any issues to better serve the districts.

Finance/Accounting

- Ron Riley reported that the payment listing covers the time period February 6, 2008 to February 26, 2008. The payment approval listing includes checks #3344 through #3353 totaling \$778,172.97 for Board ratification; and checks #3354 through #3375 (check 3355 was voided), totaling \$8,236,320.24 are presented for Board approval. Wire transfers for Delta

Dental, dated January 25, 2008, through February 26, 2008, totaling \$229,815.85 are presented for Board ratification.

- *Motion*: It was moved by Frank Weirath, seconded by Ken Chandler, and approved unanimously without objection, the payment approval listings and wire transfers as presented.

Additional Financial Data – Please note that check 3341 dated January 22, 2008, was inadvertently shown on last month's payment approval listing with an incorrect amount, \$646,665.59 rather than \$64,655.59. It did not impact on the December 2007 Financial report submitted last month and it has been corrected so the January 2008 Financial report reflects the correct amount. The MEBA fund balance, revenues, and additional financial data are included in the HUB report. The MEBA audit should begin the first part of March, 2008.

CPEEHCC (California Public Employers/Employees Health Care Coalition)

- *Annual Training Conference* – The next Board meeting is March 3, 2008, at the California Teachers Association (CTA) Regional Resources Center in San Diego.

Other

- *MEBA Minute* – It was recommended that the MEBA Minute include information on Blue Cross's name change to "Anthem Blue Cross." There will be a few modifications made before the *MEBA Minute* will be sent out.
- *Expense Forms* – Mr. Riley reported that HUB has received various styles of expense reports for reimbursement and to make it uniform for future reimbursement requests, a MEBA Expense Form was created with some of the MEBA guidelines.

5. Mercer Report

- *Claims Experience Report* (handout) – Cheryl Masters stated that Gary Wards sends his regrets for not being in attendance today. The Claims Experience report reflects the full 12-month period for 2007. This is the one time the adjusted premium and loss ratios match the actual premium and loss ratios. Attached are MEBA Claims Comparison graphs by plan of the past two 12-month periods by headcount and graphs which reflect per capita costs for tracking.
- *Renewal Question* – Steve Balentine asked if Mercer would be in a position at this time to see what next year would be like. Ms. Masters stated that it was premature to predict 2009 renewal increases at this time. Ms. Masters added that a better time to have indicators and trend would be during the months of April and May.

6. Committee Reports

Governance/Marketing/Finance (GMF) Update –

- *MEBA Audit by Vicenti, Lloyd and Stutzman (VLS)* – VLS had previously provided an engagement letter stating the audit fee would not exceed \$9,120 plus \$650 for the tax filings. The engagement letter also stated there would be additional charges for compliance with 13 new auditing standards. The original engagement letter did not have a cost estimate or cap for the additional amount. The GMF Committee directed Mr. Riley to discuss this with VLS. Mr. Kimberly reported that subsequent to Mr. Riley's discussion with VLS, they issued a new engagement letter with the additional amount not to exceed \$3,800.

- *New Reimbursement Form* – The committee will review the new reimbursement form put together by Ron Riley and be looking at the Expense policy to make sure it meets MEBA guidelines.

Medical Benefits/Wellness

- *Kaiser* – Joyce Wills said that Kaiser will be opening some new facilities in the near future.
- *New Blue Cross Insurance Cards* – Blue Cross will be sending out new insurance cards on August 1, 2008. The numbers will be the same but the cards will reflect the new name, Anthem Blue Cross (ABC).
- *Blue Cross Performance Guarantee* – The information will be reviewed by Mercer. Blue Cross representative, Bob Susterich, will be sending data to Cheryl Masters to review and approve.
- *California Health Care Coalition (CHCC) and California Education Coalition for Health Care Reform (CECHCR)* – CHHC and CECHCR work together to help labor and management representatives of school districts to become better informed purchasers, not just payers of insurance. CECHCR is supported by nine statewide education organizations consisting of labor and management representatives. The Medical Benefits Committee is looking for ways to help lower health care costs and CECHCR offers training programs which will help educate MEBA's Labor and Management Trustees. It is recommended that CECHCR be allowed to present one of their modules or an overview of offerings at the MEBA Retreat with a 40-minute presentation and 20-minute question and answer period. MEBA Board members agreed with the recommendation. Ron Riley will contact CECHCR for a presentation at the MEBA Retreat in April.

7. Old Business –

- *Wellness Sub Committee* – Handouts of “Wellness Marketplace Summary” and Email of “MEBA Questions on HRA Management” were shared by Cheryl Masters to help answer MEBA Board member questions relating to Health Risk Assessments (HRA). Blue Cross is providing MEBA a \$50,000 incentive, plus \$2,000 administrative fee for MEBA members completing an HRA through WebMD. Blue Cross will reward completed HRAs. MEBA needs to know what to do to get the program going, but having two carriers presents some problematic issues that need to be addressed, see handout. Blue Cross is unable to administer to Kaiser members; however, Kaiser does have a HRA on their website. A lot of discussion was held on the need to develop a wellness program or programs for MEBA. It was recommended that the Wellness Sub Committee interview prospective companies or individuals with programs and come back to the June Board meeting with some recommendations.
 - *Motion* – It was moved by Frank Weirath, seconded by Doug Kimberly, and unanimously approved for the Wellness Sub Committee to move forward to interview and investigate companies with wellness programs in order to make a recommendation to the MEBA Board members at the June Board meeting.

8. New Business -

Marketing – Mercer is working on two requests for proposals. First, Mercer has been approached by Ocean View School District for a proposal. Secondly, Charter Oak has released a proposal to MEBA to expand their MEBA benefits to other bargaining groups at Charter Oak. A Request for Proposal was sent to Mercer for the MEBA Trust and to HUB to act as consultant/broker to a

district. A discussion was held on strategies and how Mercer and HUB should respond to the requests for MEBA.

9. Closed Session – None.

Next Meeting: The next regular business meeting will be held 2:00 p.m. on Wednesday, March 26, 2008, at the Fullerton Joint Union High School District Board Room.

The meeting adjourned at 3:15 p.m.

Respectfully submitted,

Diana

Diana Dorado, MEBA Secretary