The background of the slide is a solid blue color with a repeating pattern of small, white, stylized human figures. Each figure is composed of a simple head, torso, and two legs, arranged in a grid-like fashion across the entire page.

California Schools VEBA

2014 Status Report

Making Health Care **Better** for Everyone

Today's Health Care Market

- Use of health services is actually declining nationally, primarily due to economics. This does not impact costs for cancer, musculoskeletal, or cardiac care.
 - Within VEBA, use of many services has increased, including ER and hospital services.
- Nationally, more employers are putting incentives and disincentives in their plans around health metrics.
- It is expected that over 5 million Americans will lose eligibility under their employer's plan—with the option to enroll in health exchanges.
- Doctors, hospitals, and drug manufacturers are raising the prices for their services at the same pace as in prior years.
 - For example, specialty drug costs (to treat conditions such as MS, RA, cancer, and hepatitis C) are expected to increase in VEBA by 30% to 40% in 2014. The average cost in the HMO is about \$4,800 for a one-month supply of one drug.
- Employers are expecting an increase nationally (before health reform taxes, plan design changes, and payroll deduction increases) of about 7% for 2014.

Affordable Care Act

- ACA has impacted previous renewals:
 - Dependents to age 26
 - Waive preventive care copays
 - Elimination of pre-existing condition limitations
 - Medical Loss Ratio reimbursement used to reduce rates
- 2013 marks beginning of the most significant ACA costs that are passed on to consumers
 - PCORI, Transitional Reinsurance Fee, Health Insurer Tax
- In total, ACA taxes/fees are raising the overall VEBA renewal by \$12.8M for 2014
 - These fees raised 2014 renewal by almost 50% over what it would have been.
- The average additional cost on rates adds about:
 - \$172 to the average single rate
 - \$340 to the average two-party rate
 - \$478 to the average family rate
- This is the average—in some plans, ACA adds \$335-\$800 to a family rate.

Responding to ACA

- As of July 8, the employer penalties and IRS reporting for 2014 was deferred to 2015.
- Tracking of measurement periods and stability periods is not required.
 - However, since it will be required in 2015, it makes a lot of sense to begin your tracking in late 2013.
- Updated regulations are expected later this summer.
- VEBA Activities
 - Evaluation of Plan Designs for ACA Compliance
 - Plan Design Options
 - VEBA Board is looking at less expensive, reduced benefit options in response to the ACA penalties
 - There are questions for the IRS which may change the compliance approach
 - Timing of a low plan offering will be evaluated at the September VEBA Board meeting
 - ACA Education Toolkit
 - Included in portfolio—keep in your VEBA Resource Binder

The Next Evolution

- Medical Appropriateness Project is latest quality-focused initiative that will reduce costs
- Based on Performance HMO Plan success that identifies highest performing medical groups
- The goal is to reduce waste and ineffective treatments as well as improve quality of care, especially proactive care that reduces the need for repeat visits
- Set up as a foundation that works with USC and UCSF to evaluate member data
- Identifies specific providers who deliver most appropriate care
- Results will be used to create innovative health plans
- Expected to reduce premiums significantly in next 3 to 5 years
- If additional large employer/insurance pool groups sign on, the project might gain statistical significance making possible nationwide extrapolations about the findings

The Next Evolution



Medical Appropriateness Project (MAP)

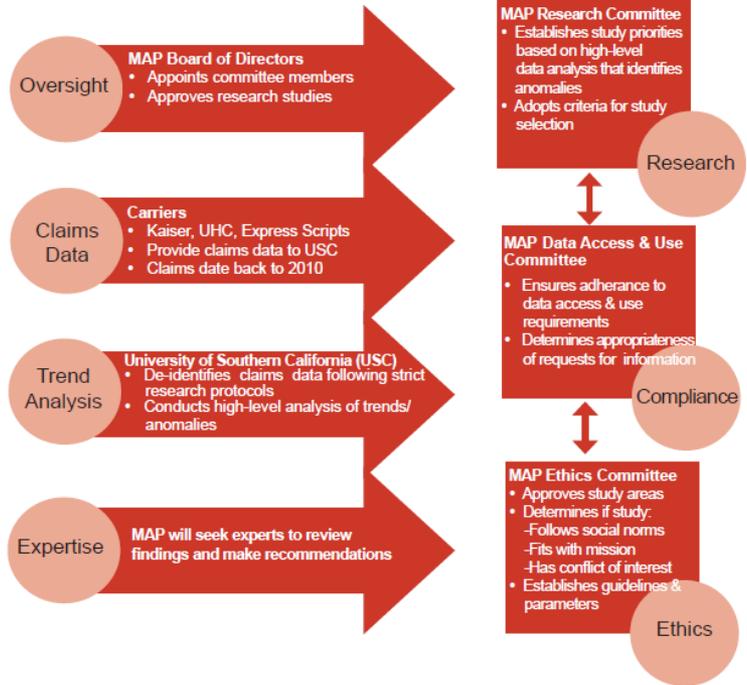
MAP is designed to identify trends and best practices in the delivery of health care among Southern California medical groups and individual physicians. It aims to demonstrate that the quality of health care improves through the delivery of the most cost-effective and appropriate care. MAP defines "appropriate care" as health care treatment that is necessary, proven to be the most effective protocol for the specific medical condition, and whose benefits far outweigh any risks.

MAP Vision → MAP Process → MAP Findings

Spearheaded by the **California Schools VEBA (VEBA)** and the **California Coalition of Employee Benefit Plan Sponsors (Co-Op)**, MAP research will gather, analyze and interpret claims data provided by participating organizations.

VEBA: With more than 120,000 members, this benefits trust, formed by a collaboration of labor and management representatives, gives education employees the highest-quality benefits at the lowest cost.

Co-OP: With more than 2,500 members, this not-for-profit organization unites a diverse group of employers who are committed to improving health care through collaborative efforts. The goal is to provide better care and lower costs for members, by addressing key issues that impact health care.



The statistical evidence uncovered by MAP research about the inefficiencies in health care in Southern California will be used as a catalyst for positive health care change for VEBA and Co-Op members, as well as the population at large.

Findings will be presented to stakeholders with the goal that they will use the information to improve health care quality and, as a result, reduce premiums by up to 30% in the next 3 to 5 years.

MAP Endorsers



San Diego Electrical Health & Welfare Trust



Available Resources

■ VEBA Wellness

- Worksite wellness tools and consulting
- Health challenges through new Café Well program
- Health coaching
- Pilot programs

■ VEBA Advocacy

- Member advocacy and transition of care program
- Best Doctors medical review program
- Employee Assistance Program for life's issues

■ VEBA Open Enrollment

- Online enrollment tool and online portal
- Flu shots
- Biometric screenings and giveaways
- Employee presentations
- Customized communication materials

■ VEBA Administration

- Affordable Care Act compliance consultation
- WebCOBRA
- Eligibility verification services

VEBA Online Resources

myARESONline.com

Employee Lookup

Select an Option

Employees

Provides real-time personal and benefit information on employees and dependents

Using a wild card search, look up an employee based on SSN, name or VEBA employee pin.

Filter search results to include inactive

Reports

Select an Option

Employees

A list of real-time reports that are accessible year-round

Documents

Select an Option

Employees

Send and receive documents to and from VEBA securely

Reports

Documents

The screenshot shows the 'Documents' section of the myARESONline.com interface. It includes a table of documents with columns for document name, description, category, and upload date. Below the table is an 'Upload Document' form with fields for 'Bifurcated For', 'Document Description', 'File to upload', and 'Category'. The 'File to upload' field is currently empty, and the 'Category' is set to 'Benefits Summary'.

Tag For Deletion

Option to remove documents from view

Action

Edit document description

Save document

Upload almost any file type: xls, doc, jpeg, etc. and select the VEBA administrator that you want to receive it.

VEBAonline.com

The screenshot shows the VEBAonline.com homepage. It features a navigation menu with options like 'Making Health Care Better for Everyone', 'Defining the VEBA Value', and 'Serving District Administrators and Individual Members'. A large image of a man and a child playing football is prominent. Text on the page includes 'What is VEBA?' and 'Welcome HDIEET Members'. A sidebar on the right lists various services and login options.

The screenshot shows a dropdown menu from the VEBAonline.com website. It lists various school districts and their associated VEBA plans, such as 'Alpine Union School District - Confidential' and 'Escondido Union High School District - Classified'. A search bar is visible at the top of the dropdown.