

**SISC III  
HEALTH BENEFITS PROGRAM  
BOARD OF DIRECTORS MEETING  
DECEMBER 17, 2008  
1:00 P.M.**

**A G E N D A**

**I. CONSENT CALENDAR**

- A. Approval of Minutes for November 2008 Board of Directors Meeting Russell Bigler
- B. Report of Activity for the Month of November 2008 and ratification of payment as follows: Russell Bigler

DELTA DENTAL CLAIMS	3,709,428.00	
SISC ASO	243,338.46	
DENTAL COALITION CLAIMS	652,191.28	
DENTAL COALITION ASO	42,783.75	
DELTACARE/PMI PREMIUM	4,267.20	
<b>TOTAL DENTAL</b>		<b>\$4,652,008.69</b>
VISION SERVICE CLAIMS	662,124.92	
VSP ASO	91,584.56	
MES CLAIMS	27,663.57	
MES ASO	5,318.08	
<b>TOTAL VISION</b>		<b>\$786,691.13</b>
AETNA - HMO	1,815,271.83	
AETNA - FULLY INSURED PPO	82,555.49	
PACIFICARE/BEHAV HEALTH	480,292.16	
CIGNA BEHAV. HEALTH (MCC SLECT)	17,235.63	
SENIOR ADVANTAGE PREM (KAISER)	44,504.57	
SENIORITY PLUS PREM (HEALTHNET)	44,244.88	
BLUE SHIELD HMO PREMIUM	891,980.90	
BLUE SHIELD FULLY INSURED PPO	21,961.20	
HEALTH NET PREMIUM	1,852,733.46	
HEALTH NET FULLY INSURED PPO PREMIUM	3,977.85	
CALIFORNIA CARE PREMIUM	1,004,521.80	
KAISER PREMIUM	2,577,274.84	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	1,587.04	
MUTUAL OF OMAHA (LIFE)	127,423.35	
VISTA (STOP LOSS)	47,689.16	
BLUE CROSS HEALTH CLAIMS	35,988,325.97	
BLUE SHIELD HEALTH CLAIMS	4,364,044.20	
BEHAVIORAL HEALTH CLAIMS	244,044.09	
ITS CLAIMS	931,523.25	
COMPANION CARE CLAIMS	205,753.29	
<b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b>		<b>\$41,733,690.80</b>

BLUE CROSS NETWORK ASO	1,307,292.12	
FOUNDATION ADJUDICATION ASO	563,378.40	
BLUE SHIELD ASO	169,662.35	
BEHAVIORAL HEALTH ASO	158,751.40	
ITS ASO	108,687.42	
COMPANION CARE ASO	40,346.78	
<b>TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.</b>		<b>\$2,348,118.47</b>
<b>TOTAL BLUE CROSS AND BLUE SHIELD</b>		<b>\$44,081,809.27</b>
MERCK CLAIMS	9,695,660.35	
ASO-COPAY	218,692.52	
CLAIMS - DISCOUNT CARD	34,226.69	
ASO - DISCOUNT CARD	1,365.05	
CLAIMS - MEDICARE PART D	370,002.66	
ASO - MEDICARE PART D	11,405.15	
AHC - CLAIMS	1,843,074.19	
AHC - ASO	75,267.30	
<b>TOTAL RX CLAIMS</b>		<b>\$12,249,693.91</b>
<b>TOTAL BC, BSC AND RX</b>		<b>\$56,331,503.18</b>

**II. PUBLIC COMMENT**

**III. ACTION ITEMS**

- |   |               |
|---|---------------|
| A. Financial Report - Financial Statements For Prior Month Presented For Approval | Cindy Mattern |
| B. Approval of 2009 Defined Benefit Budget  | Cindy Mattern |

**IV. DISCUSSION AND INFORMATION ITEMS**

- |   |   |
|---|---|
| A. Show the Monthly SISC PPO Claims History Through November 2008 | John Stenerson  |
| B. Mention a Claim to the Board                                   | Russell Bigler  |
| C. Discuss the Generic Substitution Plan with the Board           | Russell Bigler  |
| D. Comments from the Board of Directors Will Be Heard             |   |
| E. Adjournment  |   |
| F. Next Meeting:  | Wednesday, January 21, 2009<br>1:00 p.m.<br>SISC Board Room - City Centre |

**Any materials required by law to be made available to the public prior to a meeting of the Board of Directors of the Joint Powers Authority can be inspected at the following address during normal business hours at  
1300 17<sup>th</sup> Street, Bakersfield, Ca. 93301**

# SISC III INFORMATION ITEMS

**December 17, 2008**

A. **Monthly SISC PPO Claims History Through November 2008.** The SISC PPO claims history through November 2008 will be shown at the meeting.

B. **Mention a Claim to the Board.** A former employee of one of the brokers we work with sued the broker and now has filed a claim against SISC III. The technical wording of the claim says we colluded and blocked insurance brokers and entities from obtaining competitive quotes. We work with many brokers around the state so this is not correct.

When the employee left the company, the company told us he would be paid for 4 years as part of a non-compete clause. Shortly after he left the firm he solicited one of the SISC III districts he had worked with when he was with the company. We called the company to see if we should still work with him, or not, and then stepped back and let the two of them deal with it.

We were presented with the claim on 12/4/08. Bill Hornback, with Schools Legal Services, has been working with us to send documents to the former employee's attorney per their request. Now that he has filed a claim against us, we are looking at:

- Continuing to work with Bill Hornback
- Have the brokerage firm defend and indemnify us
- Hiring an attorney through SISC II

I will keep you updated, but I wanted you to know.

C. **Discuss the Generic Substitution plan with the Board.** Per the Boards request, the attached letter was sent to every SISC III member that are taking a brand drug that has a generic equivalent, over 1500, on November 26.

On Monday, December 1<sup>st</sup> we received 5 calls  
December 2<sup>nd</sup> – 2 calls  
December 3<sup>rd</sup> – 1 call  
December 4<sup>th</sup> – 1 call  
December 5<sup>th</sup> – 1 call  
December 9<sup>th</sup> – 1 call

D. **Comments From the Board of Directors.** Comments from members of the Board will be heard at this time.