

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

MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:05 p.m. on Wednesday, December 17, 2008, in the SISC Board Room on the Fifth Floor of the Kern County Superintendent of Schools Office, 1300 17th Street, Bakersfield, California, with the following in attendance:

MEMBERS PRESENT:

Russell Bigler
Thomas Alvarez
John Caudle
Brian Hawkins
Russell Miller
Gary Pickavet
Richard Pierucci
Dennis Scott

ALTERNATES PRESENT:

Paul Baxter
Sandy Keene
John Mendiburu
Tom Valos

OTHERS PRESENT:

Cherie Payne
Cindy Mattern
Bonnie Bowles
John Stenerson
Megan Hanson
Judy Fussel – Buckman Mitchell
Steve Bargeon – Tulare/Kings Foundation
Michael Brouse
Fred Bayles – Wachovia Securities
Rich Edwards – Merrill Lynch
Mike Wachter – Reinhart Partners
Carolyn Temple – Kern Foundation
Melanie Goldsmith – Blue Shield
Raquel Acebedo
Dan Bly – Delta Dental
Lauri Phillips

CONSENT CALENDAR

Motion was made by Director Miller, seconded by Director Hawkins and carried to approve the Consent Calendar as follows:

Minutes. Minutes for the November 2008 Regular Board of Directors Meeting.

Report of Activity for the Month of November 2008 and Ratification of Payment as follows:

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	
	TOTAL DENTAL	\$4,652,008.69
VISION SERVICE CLAIMS	662,124.92	
VSP ASO	91,584.56	
MES CLAIMS	27,663.57	
MES ASO	5,318.08	
	TOTAL VISION	\$786,691.13
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	
	TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS	\$41,733,690.80
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	
	TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.	\$2,348,118.47
	TOTAL BLUE CROSS AND BLUE SHIELD	\$44,081,809.27
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	
TOTAL RX CLAIMS		\$12,249,693.91
TOTAL BC, BSC AND RX		\$56,331,503.18

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending November 30, 2008. Cindy pointed out that the LAIF rate for the month of November was 2.57%. Cindy discussed the attached investment page with Lehman Brothers taken out of the numbers. Cindy also updated the Board on several securities. Rich Edwards from Merrill Lynch and Fred Bayles from Wachovia Securities both addressed the Board's questions around our financial portfolio. Mike Wachter with Reinhart Partners discussed the performance of the SISC Investment Pool with the Board and addressed their questions. After discussion, motion was made by Director Scott, seconded by Director Pierucci and carried approving the Financial Report as presented.

Approval of the 2009 Defined Benefit Budget. Director Bigler went over the reasons the Defined Benefit program exists and the success of the plan with the Board. Cindy Mattern reviewed this program with Board and discussed the requested budget for the coming year. After discussion, motion was made by Director Scott, seconded by Director Baxter and carried approving the 2009 Defined Benefit Budget.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Trend History Through November 2008 John Stenerson reviewed the monthly SISC PPO Trend history through November 2008. John let the Board know our numbers have been very consistent for the last six months with our trend staying around 5% to 6%. Since double-digit trend is what is being experienced outside of SISC, we are doing exceptionally well.

Mention a Claim to the Board. Director Bigler reviewed a claim with the Board and discussed the history of the situation surrounding the claim. Director Bigler informed the Board that we will keep them updated as more information becomes available.

Discuss the Generic Substitution Plan with the Board. Director Bigler reviewed the letter that was sent out to members affected by the Generic Substitution Plan and reviewed the list of phone calls SISC received on the subject. Based on the limited number of phone calls we received after the letters were mailed out, it appears that the program is fine to continue.

Mention the Possibility of a Statewide Pool for Health Care. Director Bigler updated the Board on the activities of the CECHER and reviewed the people involved and the organizations they represent.

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Comments From the Board of Directors. There were no comments from the Board members at this time.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Scott, seconded by Director Baxter and carried adjourning the meeting at 1:57 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, January 21, 2009**, at 1:00 p.m. in the SISC Board Room on the Fifth Floor of the Kern County Superintendent of Schools Office, 1300 17th Street, Bakersfield, California.

DAN MUNIS, Secretary