

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, JANUARY 21, 2009 1:00 P.M.

MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:08 p.m. by John Stenerson in Director Bigler's absence on Wednesday, January 21, 2009, 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: (Director Bigler was at a meeting and arrived at 1:17 to chair the meeting.)

MEMBERS PRESENT:

Russell Bigler
Thomas Alvarez
John Caudle
Karen Cox
Brian Hawkins
Kip Hearron
Nelson Heisey
Steve McClain
Russell Miller
Gary Pickavet

ALTERNATES PRESENT:**OTHERS PRESENT:**

Cherie Payne
Cindy Mattern
Bonnie Bowles
Jennifer Bennett
John Stenerson
Megan Hanson
Henry Barker
Judy Fussel – Buckman Mitchell
Rich Edwards – Merrill Lynch
Fred Bayles – Wachovia Securities
Lola Nickell
JoeAnna Miller – Buckman Mitchell
Elizabeth Maynard – Kern Foundation
Jennifer Thomas – Anthem Blue Cross
Kelly Cooper – Burnham Benefits
Raquel Acebedo
Lori Howell – Kern Foundation
Lauri Phillips

CONSENT CALENDAR

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

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

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

| | | |
|-----------------------------------------|----------------------|-----------------------|
| DELTA DENTAL CLAIMS | 5,552,063.06 | |
| DELTA DENTAL ASO | 364,215.33 | |
| TOTAL DENTAL | | \$5,916,278.39 |
| VISION SERVICE CLAIMS | 702,420.91 | |
| MES CLAIMS | 29,271.48 | |
| VSP ASO | 91,666.44 | |
| MES ASO | 5,278.01 | |
| TOTAL VISION | | \$828,636.84 |
| ANTHEM BLUE CROSS HEALTH CLAIMS | 40,967,772.51 | |
| BLUE SHIELD HEALTH CLAIMS | 4,985,407.98 | |
| ANTHEM BC BEHAVIORAL HEALTH CLAIMS | 298,306.91 | |
| ANTHEM BC COMPANION CARE RETIREE CLAIMS | 209,892.14 | |
| MEDCO DISCOUNT CARD CLAIMS | 37,755.03 | |
| TOTAL HEALTH CLAIMS | 46,499,134.57 | |
| ANTHEM BLUE CROSS ASO | 1,364,810.07 | |
| BLUE SHIELD ASO | 177,815.52 | |
| ANTHEM BC BEHAVIORAL HEALTH ASO | 158,205.20 | |
| ANTHEM BC COMPANION CARE RETIREE ASO | 40,205.08 | |
| FOUNDATION CLMS PROCESSING ASO | 562,554.72 | |
| MEDCO DISCOUNT CARD ASO | 1,701.08 | |
| TOTAL HEALTH ASO | 2,305,291.67 | |
| TOTAL HEALTH | | 48,804,426.24 |
| MEDCO CLAIMS | 10,068,676.34 | |
| AMERICAN HEALTH CARE CLAIMS | 2,026,966.53 | |
| MEDCO ASO | 276,891.33 | |
| AMERICAN HEALTH CARE ASO | 87,736.20 | |
| TOTAL RX | | 12,460,270.40 |
| FULLY INSURED PRODUCTS | | |
| AETNA HMO | 1,259,189.41 | |
| BLUE SHIELD HMO | 849,964.10 | |
| ANTHEM BC CALIFORNIA CARE HMO | 977,211.70 | |

| | | |
|------------------------------------------------|--------------|------------------------|
| HEALTH NET HMO | 1,844,061.61 | |
| KAISER HMO | 2,620,522.72 | |
| PACIFICARE BEHAVIORAL HEALTH | 478,142.24 | |
| CIGNA BEHAVIORAL HEALTH | 16,331.98 | |
| UNITED HEALTH CARE DENTAL | 432.61 | |
| DELTACARE/PMI DENTAL | 4,213.86 | |
| KASIER SENIOR ADVANTAGE RETIREE PLAN | 39,298.46 | |
| HEALTH NET SENIORITY PLUS RETIREE PLAN | 42,766.00 | |
| AETNA FULLY INSURED PPO | 59,333.53 | |
| BLUE SHIELD FULLY INSURED PPO | 24,618.00 | |
| HEALTH NET FULLY INSURED PPO | 3,977.85 | |
| MUTUAL OF OMAHA LIFE | 134,595.50 | |
| ZURICH LIFE | 12,728.20 | |
| TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS | | \$8,367,387.77 |
| SISC FLEX CLAIMS | 210,800.16 | |
| STOP LOSS - VISTA UNDERWRITING PARTNERS | 47,177.66 | |
| WELLNESS | 232,500.00 | |
| ALL OTHER | 424,780.32 | |
| TOTAL SISC III PAYMENTS | | \$77,292,257.78 |

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending December 31, 2008. She advised the Board that the LAIF rate is at 2.35%. After discussion, motion was made by Director Hawkins, seconded by Director McClain and carried approving the Financial Report as presented.

INFORMATION AND DISCUSSION ITEMS

Show the Monthly SISC PPO Claims History Through December 2008. John Stenerson reviewed the claims history with the Board and discussed our year over year change of 6.2%. John pointed out our trend has been between 5 and 6.3% for the last seven months which is the most stable trend we have seen in a long time.

Show the Board an Article from the U.S.A. Today. Director Bigler thanked Gary Pickavet for this article and discussed it with the Board

Show the Board a Summary of SISC's Annual Review of Our Prescription Drug Program. John Stenerson reviewed the trend analysis of our Consumer Share Plan and the rest of our RX plans combined.

Show the Board an Article from the LA Times. Director Bigler reviewed this article regarding seeking medical treatment abroad. Although this option is really not utilized by our members, it's interesting to note the numbers of people involved.

Update the Board on SISC's GASB 45 Trust. Cindy Mattern reviewed the GASB 45 Trust with the Board.

Show the Board an Article from School Services Fiscal Report. Director Bigler reviewed this article with the Board. Director Bigler pointed out that the information is good but the trends they cite may not be the trends experienced by SISC.

Show the Board an Article from the LA Times. Director Bigler reviewed this article with the Board regarding the recent ruling by California's Supreme Court which prevents non-network providers from balance billing an HMO patient for emergency care when the HMO has paid "customary and reasonable". Director Bigler discussed the need to get the same result for PPO products. Director Bigler pointed out that providers may try to re-coup the cost by charging higher amounts to PPO patients.

Show the Board an article from MSNBC.com on Customary and Reasonable. Director Bigler reviewed this article with the Board. It seems that Balance Billing is becoming more of a problem. This article discusses a law suit which questions the validity of "customary and reasonable" charges. United Health care has agreed to pay a settlement after it was disclosed they owned the company charged with determining what "customary and reasonable" should be.

Mention to the Board the Reason for Bringing out Rates Later. Director Bigler discussed the need to bring medical and RX rates to the Board later in order to shorten the window between deciding rates and when they go in to effect. Director Bigler let the Board know the shorter the window, the more accurate the rates. Director Bigler told the Board we could still provide actual Dental, Vision and Life rates in March, as well as estimates for Medical and RX, but will need until May to give out actual rates for Medical and RX. Several Board Members expressed concern over the rates being released any later than the second week of May. Director Bigler ensured the Board they would be available no later than the second week of May.

Discuss the Annual Board Meeting. Director Bigler let the Board know in an effort to reduce costs in this difficult budget year he would like to request the Board to hold our annual meeting in Bakersfield this year. The dates would be the same, just the venue would change. The Board agreed that, under the circumstances, it was the best thing to do.

Comments From the Board of Directors. Director Bigler introduced Henry Barker the new Coordinator for Insurance Services to the Board. Henry came to SISC from the KCSOS IT Department and accepted the job previously held by Ken Hammer.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Miller, seconded by Director Cox and carried adjourning the meeting at 1:56 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, February 18, 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