

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, FEBRUARY 18, 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 1:04 p.m. on Wednesday, February 18, 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:

MEMBERS PRESENT:

Russell Bigler
Thomas Alvarez
John Caudle
Karen Cox
Brian Hawkins
Steve McClain
Russell Miller
Gary Pickavet
Richard Pierucci
Dennis Scott
Ernie Unruh

ALTERNATES PRESENT:

Paul Baxter
Tom Valos

OTHERS PRESENT:

Cherie Payne
Cindy Mattern
Bonnie Bowles
Jennifer Bennett
Judy Fussel – Buckman Mitchell
Carolyn Temple
John Stenerson
Dan Bly – Delta Dental
JoeAnna Miller – Buckman Mitchell
Steve Bargeon – Tulare Foundation
Lauri Phillips
Fred Bayles – Wachovia Securities
Rich Edwards – Merrill Lynch
Jennifer Thomas – Anthem Blue Cross
Henry Barker
Lola Nickell
Megan Hanson

CONSENT CALENDAR

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

Minutes. Minutes for the January 2009 Regular Board of Directors Meeting.

Report of Activity for the Month of January 2009 and Ratification of Payment as follows:

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DELTA DENTAL CLAIMS	6,676,262.02	
DELTA DENTAL ASO	437,962.81	
TOTAL DENTAL		7,114,224.83
VSP CLAIMS	1,194,665.10	
MES CLAIMS	38,214.81	
VSP ASO	91,636.18	
MES ASO	5,262.38	
TOTAL VISION		1,329,778.47
ANTHEM BLUE CROSS HEALTH CLAIMS	42,082,746.48	
BLUE SHIELD HEALTH CLAIMS	4,741,814.98	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	283,927.61	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	221,728.85	
MEDCO DISCOUNT CARD CLAIMS	62,970.43	
TOTAL HEALTH CLAIMS	47,393,188.35	
ANTHEM BLUE CROSS ASO	1,390,483.65	
BLUE SHIELD ASO	191,852.84	
ANTHEM BC BEHAVIORAL HEALTH ASO	157,602.08	
ANTHEM BC COMPANION CARE RETIREE ASO	41,647.65	
FOUNDATION CLMS PROCESSING ASO	562,123.77	
MEDCO DISCOUNT CARD ASO	1,325.61	
TOTAL HEALTH ASO	2,345,035.60	
TOTAL HEALTH		49,738,223.95
MEDCO CLAIMS	10,752,529.79	
AMERICAN HEALTH CARE CLAIMS	1,817,109.11	
MEDCO ASO	242,820.63	
AMERICAN HEALTH CARE ASO	82,397.40	
TOTAL RX		12,894,856.93
<u>FULLY-INSURED PRODUCTS</u>		
AETNA HMO	1,222,229.55	
BLUE SHIELD HMO	1,031,847.21	
ANTHEM BC CALFORNIA CARE HMO	989,947.60	
HEALTH NET HMO	1,861,909.23	
KAISER HMO	2,711,100.48	
PACIFIC CARE BEHAVIORAL HEALTH	482,900.47	
CIGNA BEHAVIORAL HEALTH	16,623.17	
UNITED HEALTHCARE DENTAL	1,025.11	
DELTACARE/PMI DENTAL	4,053.84	
KAISER SENIOR ADVANTAGE RETIREE PLAN	44,803.70	
HEALTH NET SENIORITY PLUS RETIREE PLAN	44,662.00	
AETNA FULLY INSURED PPO	56,253.24	
BLUE SHIELD FULLY INSURED PPO	23,043.60	

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HEALTH NET FULLY INSURED PPO	3,977.85	
MUTUAL OF OMAHA LIFE	129,102.96	
ZURICH LIFE	12,751.20	
	TOTAL FULLY-INSURED	8,636,231.21
SISC FLEX CLAIMS	75,684.45	
STOP LOSS - VISTA UNDERWRITING PARTNERS	47,260.12	
WELLNESS	1,100.00	
ALL OTHER	508,771.67	
	TOTAL III PAYMENTS	80,346,131.63

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending January, 2009. She advised the Board that the LAIF rate is at 2.05%. The Investment Summary Report for the period October 1, 2008 through December 31, 2008 was presented as well. She advised the Board that we are continuing to closely monitor any stocks rated less than A. Our financial advisors are recommending we hold those stocks at this time. In addition, Cindy reviewed the Defined Benefit and GASB 45 Investment Summaries for the quarter ending 12/31/08. After discussion, motion was made by Director Cox, seconded by Director Hawkins and carried approving the Financial Report as presented.

Request Approval of Pharmacy Benefit Changes. Russ discussed the reason for requesting approval for changes to some of the drug coverage under our current pharmacy plan, however, Russ let the Board know we would simply be discussing the possible changes at this Board meeting, and bringing it back to the Board next month as an action item. John Stenerson provided the Board a summary regarding several drugs used to treat ailments including migraine headaches, osteoporosis, intranasal steroids, and non-sedating antihistamines. John discussed the value of utilizing generics and over-the-counter medication to treat the ailments listed above in many cases and reviewed similar changes made to the pharmacy plans in the past, including the outcome both financially as well as from the member's perspective. Gary Pickavet let the Board know that the appeals process in place at Medco is a good safety valve for members. John then reviewed Personalized Medicine with the Board letting them know it is a relatively new approach to prescriptions, based on each patient's genetic variability. After discussion, motion was made by Director Pierucci, seconded by Director Pickavet and carried approving the addition of Personalized Medicine. The decision regarding the possible changes to the pharmacy plan were tabled until the next Board Meeting.

INFORMATION AND DISCUSSION ITEMS

Show the Monthly SISC PPO Claims History Through January 2009. John Stenerson reviewed the claims history with the Board and discussed our year over year change of 4.3%. John mentioned we continue to stay in the 4% to 6% range which is very good.

Update the Board on Chiropractic and Acupuncture Claims. Director Bigler informed the Board we have seen a real spike in Chiropractic and Acupuncture claims due to visits being billed under medical visits and physical therapy. Russ let the Board know we are working with Blue Cross and the Kern Foundation to determine how this is being done. Dennis Scott mentioned that moving to a more industry standard plan might be a good idea.

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Show the Board a Copy of 2008-2009 Funding Opportunity Memo. Cindy Mattern reviewed this memo with the Board and discussed the opportunity for Districts to get reimbursed some of the cost for post employment benefits. Cindy alerted the Board to the June 15, 2009 application deadline.

Mention the 2009-2010 Rates for Every Product except the Medical will be Presented at the March Meeting. Director Bigler reviewed with the Board the decision made at last month's Board Meeting to present Medical and RX Rates one month later to allow more time for determining the correct rates. *Editorial: A week after this meeting it was determined that we would in fact have all the information needed to provide Medical and RX rates at the April meeting after all. An e-mail was sent out to all Board Members notifying them of this change.*

Update the Board on the SISC Wellness Program. Russ discussed the value of SISC's new Wellness Program and let the Board know we would start updating them monthly on the progress. Jennifer Bennett discussed the addition of Member Health Reminders, which is a program where calls are placed to members to remind them of annual screenings. Jennifer let the Board know at this time we do not have a tie in that let's us know how many members went for the screenings after receiving the calls. Jennifer also discussed the Condition Management, Health Screening and the On-Line Assessment and let the Board know the success so far.

Update the Board on Continuity of Operations Plan. Director Bigler reviewed with the Board our plan for replicating our servers off-site. Director Bigler let the Board know we have begun the process and we will be working towards accomplishing it over the next year and a half.

Update the Board on the Stimulus Bill. Director Bigler reviewed an article with the Board discussing the upcoming changes with the COBRA program due to the Stimulus Package.

Show the Board an Article about the Expansion of Medical Coverage for the State Children's Health Insurance Program. Director Bigler reviewed this article with the Board regarding President Obama's plan to expand publicly funded health insurance for children. Director Bigler discussed how the push over the next four years will be for Universal Health Care.

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

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Caudle, seconded by Director Baxter and carried adjourning the meeting at 2:35 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, March 25, 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