

SISC III
HEALTH BENEFITS PROGRAM
BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 25, 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 1:00 p.m. on Wednesday, March 25, 2009, in the SISC Board Room on the 5th 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
Karen Cox
Brian Hawkins
Kip Hearn
Steve McClain
Dan Munis
Gary Pickavet
Richard Pierucci

ALTERNATES PRESENT:

Paul Baxter
John Mendiburu
Tom Valos
Bill Voss

OTHERS PRESENT:

Cherie Payne
Cindy Mattern
Bonnie Bowles
Jennifer Bennett
John Stenerson
Megan Hanson
Scott McClave – Alliant Insurance
RossAnn McNerny - Keenan
Kelly Cooper – Burnham Benefits
Rich Edwards – Merrill Lynch
Fred Bayles – Wachovia Securities
Carolyn Temple – Kern Foundation
Jennifer Thomas – Anthem Blue Cross
Karen Morovich
Melanie Goldsmith – Blue Shield
Raquel Acebedo
Lola Nickell
Lauri Phillips
Kim Lyon
Henry Barker
Katy Wolfe – Kaiser
JoeAnna Miller – Buckman-Mitchell

CONSENT CALENDAR

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

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

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

| | | |
|---|----------------------------|----------------------|
| DELTA DENTAL CLAIMS | 6,614,479.67 | |
| DELTA DENTAL ASO | 433,909.85 | |
| | TOTAL DENTAL | 7,048,389.52 |
| VSP CLAIMS | 1,015,867.74 | |
| MES CLAIMS | 33,573.85 | |
| VSP ASO | 91,598.80 | |
| MES ASO | 5,245.10 | |
| | TOTAL VISION | 1,146,285.49 |
| ANTHEM BLUE CROSS HEALTH CLAIMS | 36,695,434.41 | |
| BLUE SHIELD HEALTH CLAIMS | 5,227,385.67 | |
| ANTHEM BC BEHAVIORAL HEALTH CLAIMS | 322,755.99 | |
| ANTHEM BC COMPANION CARE RETIREE CLAIMS | 260,821.71 | |
| MEDCO DISCOUNT CARD CLAIMS | 54,181.02 | |
| | TOTAL HEALTH CLAIMS | 42,560,578.80 |
| ANTHEM BLUE CROSS ASO | 1,367,939.57 | |
| BLUE SHIELD ASO | 191,640.51 | |
| ANTHEM BC BEHAVIORAL HEALTH ASO | 157,817.67 | |
| ANTHEM BC COMPANION CARE RETIREE ASO | 41,600.35 | |
| FOUNDATION CLMS PROCESSING ASO | 561,674.88 | |
| MEDCO DISCOUNT CARD ASO | 1,373.66 | |
| | TOTAL HEALTH ASO | 2,322,046.64 |
| | TOTAL HEALTH | 44,882,625.44 |
| MEDCO CLAIMS | 10,655,109.70 | |
| AMERICAN HEALTH CARE CLAIMS | 1,823,142.06 | |
| MEDCO ASO | 264,452.30 | |
| AMERICAN HEALTH CARE ASO | 80,682.50 | |
| | TOTAL RX | 12,823,386.56 |
| <u>FULLY-INSURED PRODUCTS</u> | | |
| AETNA HMO | 1,213,523.73 | |
| BLUE SHIELD HMO | 1,022,197.50 | |
| ANTHEM BC CALIFORNIA CARE HMO | 980,629.60 | |
| HEALTH NET HMO | 1,842,956.17 | |
| KAISER HMO | 2,811,351.44 | |
| PACIFIC CARE BEHAVIORAL HEALTH | 481,019.68 | |
| CIGNA BEHAVIORAL HEALTH | 16,632.47 | |
| UNITED HEALTHCARE DENTAL | 1,157.95 | |
| DELTACARE/PMI DENTAL | 4,053.84 | |
| KAISER SENIOR ADVANTAGE RETIREE PLAN | 59,872.98 | |
| HEALTH NET SENIORITY PLUS RETIREE PLAN | 45,610.00 | |
| AETNA FULLY INSURED PPO | 55,852.56 | |
| BLUE SHIELD FULLY INSURED PPO | 22,748.40 | |

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| HEALTH NET FULLY INSURED PPO | 3,977.85 | |
| MUTUAL OF OMAHA LIFE | 128,177.51 | |
| ZURICH LIFE | 12,742.20 | |
| | TOTAL FULLY-INSURED | 8,702,503.88 |
| SISC FLEX CLAIMS | 173,430.69 | |
| STOP LOSS - VISTA UNDERWRITING PARTNERS | 47,236.56 | |
| WELLNESS | 202,498.00 | |
| ALL OTHER | 236,914.75 | |
| | TOTAL III PAYMENTS | 75,263,270.89 |

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending February 28, 2009. Cindy pointed out the current LAIF rate of 1.87%. After discussion, motion was made by Director Pickavet, seconded by Director Cox and carried approving the Financial Report as presented.

Request Approval of Four Prescription Drug Changes. John Stenerson reviewed the background information regarding this requested change previously discussed at the last board meeting. After discussion, motion was made by Director Hearron, seconded by Director Baxter and carried authorizing the proposed prescription drug changes with an October 1, 2009 effective date.

Request Approval of Physical Medicine and Acupuncture Changes. John Stenerson reviewed the background information regarding this requested change with the Board. John confirmed for the Board we would notify members that have utilized more than 12 visits that the benefit is changing. After discussion, motion was made by Director McClain, seconded by Director Cox and carried authorizing the proposed changes with an October 1, 2009 effective date.

Request Approval of 2009-2010 Rates. The Rates Committee met on March 24, 2009. John Stenerson reviewed with the Board the recommendations of the Committee.

2009-2010 Dental Rates. John reviewed our current membership, our enrollment projections along with projected claims and let the Board know it's our recommendation to hold the rates. After discussion, motion was made by Director Hawkins, seconded by Director Baxter and carried approving a 0% increase in the dental rates for 2009-2010.

2009-2010 Vision Rates. After discussion, motion was made by Director Bentley, seconded by Director Caudle and carried, keeping rates the same in both Medical Eye Services and VSP.

2009-2010 Behavioral Health Rates. After discussion, motion was made by Director Baxter, seconded by Director Cox and carried, keeping rates the same in all Behavioral Health Plans.

2009-2010 Prescription Drug Card Rates. John reviewed the projected claim numbers with the Board along with the recommended funding rates for all plans. John let the Board know that due to the prescription drug changes the Board approved it's our recommendation to hold the rates for the 2009-2010 year on all prescription plans. After discussion, motion was made by Director Cox, seconded by Director Hawkins and carried approving a 0% increase for prescription plans for 2009-2010.

2009-2010 HMO Rates. John reviewed the rates for the HMO plans with the Board. John let the Board know this was for informational purposes only and no approval was needed due to the plans being capitated.

2009-2010 SISC/PPO Premiums. John Stenerson reviewed with the Board the projected enrollment and 20 month trend factor with the Board. John also pointed out the benefit adjustment which was savings due to the Board's approval of the acupuncture and chiropractic changes. John let the Board know that our recommendation would be for a rate pass on most pools. After discussion, motion was made by Director Hawkins, seconded by Director Pierucci and carried approving the proposed rates contained in the PPO Renewal Summary by Pool.

Request Approval of the 2007-2008 Independent Financial Audit. Megan Hanson discussed the results of the 2007-2008 Independent Financial Audit with the Board. Megan reviewed with the Board the areas the auditors are required to communicate, along with their findings. Megan let the Board know the audit was very positive. After discussion, motion was made by Director Hearnon, seconded by Director Hawkins and carried approving the Independent Financial Audit as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through February 2009. John Stenerson reviewed with the Board the SISC PPO claims history through February 2009. John let the Board know that we continue to be very consistent with our trend, currently at 5.7% for February.

Discuss the May Board Meeting Workshop. Director Bigler advised the Board that the SISC Annual Board Meeting has been scheduled for May 14 and 15, 2009, at the Kern County Museum in Bakersfield, California. The schedule of events is as follows:

| | | |
|------------------------|----------------|--------------------------|
| Thursday, May 14, 2009 | 2:00 p.m. | SISC I Board Meeting |
| | 3:00 p.m. | SISC II Board Meeting |
| | 4:00 p.m. | SISC III Board Meeting |
| | 5:00-6:00 p.m. | Reception and Networking |
| | 6:00-8:00 p.m. | Dinner |

The Program on Friday will be held at the Four Points Sheraton Hotel, located at 5101 California Avenue, Bakersfield California with the following schedule of events:

| | | |
|----------------------|----------------|-----------|
| Friday, May 15, 2009 | 7:30-8:30 a.m. | Breakfast |
| | 8:30 a.m. | Speaker |

Update the Board on the SISC Wellness Program. Jennifer Bennett provided an update to the Board regarding the SISC Wellness Program. Jennifer informed the Board that the Health Screening Project has been very successful and she shared with the Board the number of members who have taken the on-line assessment.

Show the Board an Article on the Federal Stimulus Package. Director Bigler reviewed this article with the Board regarding the Stimulus Package as it relates to Cobra.

Update the Board on Medicare Secondary Payer. Jennifer Bennett discussed the current issue going on around Medicare Secondary Payer and let the Board know that collection calls have been placed to both SISC and some school districts. Jennifer reviewed a memo that was sent out to districts letting them know what to do in the event they receive one of these calls. Jennifer let the Board know SISC is working towards resolving the situation, and showed the Board a sample letter that is received by CMS when we have provided proof of payment.

Show the Board a Copy of the COBRA Memorandum. Jennifer Bennett explained the new Cobra changes that were a result of the Stimulus Plan and described how members could apply for the Cobra Subsidy. Jennifer let the Board know we are still waiting for clarification on "involuntary termination".

Comments from the Board of Directors Will Be Heard Several Board Members congratulated SISC for a well run program which resulted in such great rates. Director Bigler discussed with the Board that even though we had several zero increases, we do have some programs receiving an increase. Director Bigler mentioned the importance of attending the Rate Book Presentations provided by SISC staff even though your pool may have a zero increase because of important information that is provided during those presentations. Director Bigler asked the Board if anyone had experienced or heard of problems with Medco mail-order. The Board Members indicated they had not.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Cox, seconded by Director Hawkins and carried adjourning the meeting at 2:34 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, April 15, 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