

**SISC III**  
**HEALTH BENEFITS PROGRAM**  
**BOARD OF DIRECTORS MEETING**  
**THURSDAY, MAY 14, 2009**  
**4:00 P.M.**

**MINUTES**

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 4:01 p.m. on Thursday, May 14, 2009, at the Kern County Museum in Bakersfield, California, with the following in attendance:

**MEMBERS PRESENT:**

Russell Bigler  
John Caudle  
Karen Cox  
Brian Hawkins  
Steve McClain  
Dan Munis

**ALTERNATES PRESENT:**

Judy Marty  
Tom Valos  
Bill Voss

**OTHERS PRESENT:**

Yolanda Villarreal  
Cindy Mattern  
Bonnie Bowles  
Jennifer Bennett  
John Stenerson  
Megan Hanson  
JoeAnna Miller – Buckman-Mitchell  
Judy Fussel – Buckman-Mitchell  
Steve Bargeon – Tulare/Kings Foundation  
Karen Carnekis – MES  
Carolyn Temple – Kern Foundation  
Fred Bayles – Wachovia Securities  
Rich Edwards – Merrill Lynch  
Henry Barker  
Nancy Russo  
Lori Howell – Kern Foundation  
Jennifer Thomas – Blue Cross  
Sri Sagadevan - IHR  
Dan Bly – Delta Dental  
Lola Nickell  
Debi Hardwick – Coastal Healthcare  
Amy Daily - Medco  
Phyllis Munis  
Katy Wolfe – Kaiser Permanente

**CONSENT CALENDAR**

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

**Minutes.** Minutes for the April 2009 Regular Board of Directors Meeting.

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

DELTA DENTAL CLAIMS	7,242,902.26	
DELTA DENTAL ASO	475,134.35	
	<b>TOTAL DENTAL</b>	<b>7,718,036.61</b>
VSP CLAIMS	988,289.53	
MES CLAIMS	21,931.31	
VSP ASO	91,415.46	
MES ASO	5,247.14	
	<b>TOTAL VISION</b>	<b>1,106,883.44</b>
ANTHEM BLUE CROSS HEALTH CLAIMS	45,810,075.75	
BLUE SHIELD HEALTH CLAIMS	5,566,541.75	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	492,161.92	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	238,037.10	
MEDCO DISCOUNT CARD CLAIMS	424,468.07	
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TOTAL HEALTH CLAIMS	52,531,284.59	
ANTHEM BLUE CROSS ASO	1,406,190.08	
BLUE SHIELD ASO	197,320.90	
ANTHEM BC BEHAVIORAL HEALTH ASO	156,967.34	
ANTHEM BC COMPANION CARE RETIREE ASO	42,475.40	
FOUNDATION CLMS PROCESSING ASO	559,157.04	
MEDCO DISCOUNT CARD ASO	13,095.88	
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TOTAL HEALTH ASO	2,375,206.64	
	<b>TOTAL HEALTH</b>	<b>54,906,491.23</b>
MEDCO CLAIMS	11,026,867.72	
AMERICAN HEALTH CARE CLAIMS	1,957,266.00	
MEDCO ASO	246,883.16	
AMERICAN HEALTH CARE ASO	52,123.10	
	<b>TOTAL RX</b>	<b>13,283,139.98</b>
<b><u>FULLY-INSURED PRODUCTS</u></b>		
AETNA HMO	1,224,798.88	
BLUE SHIELD HMO	1,032,617.90	
ANTHEM BC CALIFORNIA CARE HMO	976,723.60	

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HEALTH NET HMO	1,826,222.98	
KAISER HMO	2,752,121.35	
PACIFIC CARE BEHAVIORAL HEALTH	478,611.36	
CIGNA BEHAVIORAL HEALTH	16,573.07	
UNITED HEALTHCARE DENTAL	936.55	
DELTACARE/PMI DENTAL	4,107.18	
KAISER SENIOR ADVANTAGE RETIREE PLAN	51,182.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	43,082.00	
AETNA FULLY INSURED PPO	60,404.56	
BLUE SHIELD FULLY INSURED PPO	23,142.00	
HEALTH NET FULLY INSURED PPO	3,977.85	
MUTUAL OF OMAHA LIFE	129,410.04	
ZURICH LIFE	12,687.60	
	<b>TOTAL FULLY-INSURED</b>	<b>8,636,598.92</b>
SISC FLEX CLAIMS		<b>138,528.13</b>
STOP LOSS - VISTA UNDERWRITING PARTNERS		<b>47,009.02</b>
WELLNESS		<b>54,300.00</b>
ALL OTHER		<b>733,678.72</b>
3/10/2009	<b>TOTAL III PAYMENTS</b>	<b>86,624,666.05</b>

**PUBLIC COMMENT**

**ACTION ITEMS**

**Financial Report.** Cindy Mattern reviewed with the Board the Financial Report for the period ending April 30, 2009. Cindy pointed out that the Unpaid Claims Liability is at a 90% confidence level, and the current month LAIF rate is 1.61%. Cindy informed the Board that the name of Wachovia Securities has changed and will now be called Wells Fargo Advisors. In addition, Cindy reviewed the Investment Summary Reports for both Wachovia and Merrill Lynch. After discussion, motion was made by Director Hawkins, seconded by Director McClain and carried approving the Financial Report as presented.

**INFORMATION AND DISCUSSION ITEMS**

**Monthly SISC PPO Claims History Through April 2009.** John Stenerson reviewed with the Board the SISC PPO claims history through April 2009. John discussed that while we are at 7.7% and that is the highest we have been in quite sometime, when you consider the number is arrived at by comparing it to April of 2008 which was exceptionally low at 2.4%, we are doing just fine.

**Update the Board on the SISC Wellness Program.** Jennifer Bennett reviewed the Health Screening Results Summary with the Board and informed them that the program would be wrapping up at the end of May.

**Show the Board an Article from the N.Y. Times on Pills and Capsules to Treat Cancer and the page from a Brochure on Typhoid Vaccine Capsules.** Director Bigler discussed this article with the Board involving cancer treatment that is now available in pill form. Director Bigler let the Board know that even though the article discusses how many insurance companies are not covering the medication, it is in fact covered by SISC plans. Director Bigler also discussed a brochure on the Typhoid Vaccine Capsules that last five years and pointed out that these are not a covered benefit of the SISC plans.

**Show the Board an Article from Yahoo News on the Federal Government Working Towards Universal Health Care.** Director Bigler discussed this article with the Board and let them know we will update them as more information becomes available.

**Show the Board an Article from the Associated Press on America's Uninsured not yet Showing Collective Power.** Director Bigler discussed this article regarding the lack of power or pull the uninsured have. An interesting point in the article was about how the uninsured would have more members than the AARP is they were a political lobbying group.

**Show the Board a Copy of Keenan's Letter about Delta Dental that was sent to School Districts.** Director Bigler reviewed this letter with the Board that was sent out by Henry Loubet, Senior V.P. and Chief Strategy Officer for Keenan to Keenan districts with Delta Dental notifying them that Delta had been downgraded to a B++ rating by the AM Best Company. Judy Fussel pointed out that Corcoran School District had received the letter as well, even though they have Delta through SISC. Director Bigler reminded the Board that as a self-insured group with adequate reserves, Delta being downgraded does not represent a problem to SISC districts.

**Show the Board a Copy of Delta's Response.** Director Bigler reviewed the response by Delta to Keenan's Letter.

**Comments from the Board of Directors Will Be Heard** Director Cox complimented the SISC staff on excellent Health Presentations, and the zero premium increase. Director Bigler discussed other options to keep rates down in the future and let the Board know that costs are higher in the northern part of the State.

#### **ADJOURNMENT**

There being no further business to come before the Board, motion was made by Director Caudle, seconded by Director Hawkins and carried adjourning the meeting at 4:25 p.m.

#### **NEXT MEETING**

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

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DAN MUNIS, Secretary