



SISC III

SELF-INSURED SCHOOLS OF CALIFORNIA

HEALTH BENEFITS

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, JUNE 17, 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 1:02 p.m. on Wednesday, June 17, 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
Karen Cox
Brian Hawkins
Kip Hearnon
Steve McClain
Dan Munis
Gary Pickavet
Richard Pierucci
Ernie Unruh
Russell Miller

ALTERNATES PRESENT:

Paul Baxter
Judy Marty

OTHERS PRESENT:

Cherie Payne
Bonnie Bowles
John Stenerson
Megan Hanson
Rich Edwards – Merrill Lynch
Carolyn Temple – Kern Foundation
Raquel Acebedo
Melanie Goldsmith – Blue Shield
Bob Hunter
Kelly Cooper – Burnham Benefits
Henry Barker
Jennifer Thomas – Anthem Blue Cross
Jeanne Simpson – Kern Foundation

CONSENT CALENDAR

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

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

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

DELTA DENTAL CLAIMS	5,082,986.10	
DELTA DENTAL ASO	333,443.85	
	TOTAL DENTAL	5,416,429.95
VSP CLAIMS	797,327.72	
MES CLAIMS	52,482.96	
VSP ASO	91,287.30	
MES ASO	63,230.97	
	TOTAL VISION	946,328.95

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ANTHEM BLUE CROSS HEALTH CLAIMS	41,726,193.56	
BLUE SHIELD HEALTH CLAIMS	5,226,298.49	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	327,275.19	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	235,203.23	
MEDCO DISCOUNT CARD CLAIMS	84,966.03	
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TOTAL HEALTH CLAIMS	47,599,936.50	
ANTHEM BLUE CROSS ASO	1,369,364.71	
BLUE SHIELD ASO	189,967.36	
ANTHEM BC BEHAVIORAL HEALTH ASO	156,812.38	
ANTHEM BC COMPANION CARE RETIREE ASO	42,570.00	
FOUNDATION CLMS PROCESSING ASO	558,642.24	
MEDCO DISCOUNT CARD ASO	1,353.91	
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TOTAL HEALTH ASO	2,318,710.60	
	TOTAL HEALTH	49,918,647.10
MEDCO CLAIMS	16,310,622.10	
AMERICAN HEALTH CARE CLAIMS	1,879,864.89	
MEDCO ASO	261,762.85	
AMERICAN HEALTH CARE ASO	48,460.50	
	TOTAL RX	18,500,710.34
<u>FULLY-INSURED PRODUCTS</u>		
AETNA HMO	1,207,727.14	
BLUE SHIELD HMO	1,036,288.94	
ANTHEM BC CALIFORNIA CARE HMO	975,899.60	
HEALTH NET HMO	1,839,047.04	
KAISER HMO	2,752,625.15	
PACIFIC CARE BEHAVIORAL HEALTH	477,848.38	
CIGNA BEHAVIORAL HEALTH	16,523.27	
UNITED HEALTHCARE DENTAL	684.58	
DELTACARE/PMI DENTAL	4,053.84	
KAISER SENIOR ADVANTAGE RETIREE PLAN	50,614.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	44,032.00	
AETNA FULLY INSURED PPO	50,321.96	
BLUE SHIELD FULLY INSURED PPO	23,142.00	
HEALTH NET FULLY INSURED PPO	3,977.85	
MUTUAL OF OMAHA LIFE	129,297.33	
ZURICH LIFE	12,676.80	
	TOTAL FULLY-INSURED	8,624,759.88

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SISC FLEX CLAIMS	160,080.75
STOP LOSS - VISTA UNDERWRITING PARTNERS	46,816.82
WELLNESS	436,214.78
ALL OTHER	472,533.82

TOTAL III PAYMENTS 84,522,522.39

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Bonnie Bowles reviewed with the Board the Financial Report for the period ending May 31, 2009. Bonnie let the Board know the monthly LAIF rate is at 1.53%. After discussion, motion was made by Director McClain seconded by Director Baxter and carried, approving the Financial Report as presented.

Request Approval of 2009-2010 Meeting Times, Dates and Places. Director Bigler reviewed with the Board a memorandum containing the time, date and location of the 2009-2010 monthly Board Meetings. He noted that all meetings are on the third Wednesday of the month except the months of September, March and May. Director Bigler also discussed having to personally miss two of the upcoming Board Meetings due to the dates conflicting with his attendance at the Anthem Blue Cross Consumer Relations Committee Meetings. Director Bigler asked the Board if they had any objection to his attendance at the Consumer Relations Committee Meetings, and the Board indicated they did not. After discussion, motion was made by Director Miller, seconded by Director Shelton and carried, approving the 2009-2010 Meeting Dates as proposed.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through May 2009. John Stenerson reviewed with the Board the SISC PPO claims history through May 2009. John notified the Board that our year-over-year trend is 6.3%. John mentioned that after the last two months being in the 7% range, it's great to be back in the 6's. Trend was based on 8%, so we are doing very well.

Update the Board on the SISC Wellness Program. John Stenerson reviewed the Wellness Program with the Board including the success of the \$25 card. John let the Board know the on-site screenings were now over, with 24,500 individuals screened. We are looking to repeat the screenings for the next two years.

Show the Board a Magazine Article on Health Care as it Relates to the Economy. Director Bigler discussed this article with the Board regarding the economy and how it is causing many Americans to cut back on health care to save money. Cost cutting techniques discussed in the article included diminished use of medicines for chronic conditions and skipping some preventative care.

Show the Board Two Newspaper Articles on Health Care as it Relates to Karen Ignagni and the America's Health Insurance Plans. Director Bigler discussed Karen Ignagni, the President and CEO of America's Health Insurance Plan, and her effort to position her industry as an ally of health care change. Previously, when Hillary Clinton was attempting to pass health care reform, the health industry launched the famous "Harry & Louise" ads that helped block the Clinton health care plan. However, these articles indicated that six major industry players, including Ignagni's America's Health Insurance Plans, sent a letter to President Obama sketching out a plan to control health care costs.

Go over SISC's 2009-2010 Medicare Retiree Drug Subsidy Application. Bob Hunter discussed the history of Medicare Retiree Drug Subsidy which is going on its fifth year. Bob let the Board know we are currently in the application process right now. Although there is about an 18 month lag on the collection of subsidies, \$2.1 million has actually gone straight back to district bank accounts. Director Bigler discussed how the process was time consuming for SISC to begin, but we decided to do it for our districts and members, and it has really been successful.

Discuss a Federal Bill that would Fix the Savings Account "Use it or Lose it" Rule. Director Bigler informed the Board about two Congressmen (John Larson & David Camp) who have introduced bi-partisan legislation to fix the medical flexible spending accounts "Use it or Lose it" rule. Director Bigler showed the Board letters written to the Congressmen, thanking them for their efforts to restore fairness and equity to medical FSA's.

Show the Board an Article on the Private Companies Push for Changes to the Healthcare Delivery System. Director Bigler reviewed this article with the Board regarding private insurance companies, and their push for an individual mandate. Private insurance companies hope to use the momentum for reform, as a way to gain support for a proposal that everyone purchase coverage.

Show the Board an Article from the June 1, 2009 Edition of Business Insurance. Director Bigler reviewed this article with the Board regarding SISC being listed as the Largest Public Entity Risk Pool. Director Bigler also let the Board know the products our Finance Department handles are in addition to the figure listed in the article. So all told, it is well over one billion dollars.

Show the Board Journal Articles on Claims Processing. Director Bigler reviewed these articles which discussed the arrest of a woman for fraudulent insurance claims, among other things. Director Bigler let the Board know the woman had been billing SISC Anthem Blue Cross Insurance through the Kern Foundation, and the Foundation had been instrumental in the arrest.

Director Bigler introduced Carolyn Temple from the Foundation to provide further details. Carolyn Temple discussed this case further and talked about how the changing environment of doctor's offices has created a slight billing difficulty due to the sharing of the building and billing, making it difficult to detect possible fraud. Ms. Temple introduced Jeanne Simpson, Provider Relations Manager, and informed the Board that Ms. Simpson had been the key player in ensuring the fraudulent claims being submitted by this woman would stop.

Ms. Simpson addressed the Board, providing further details on the case itself, and her partnership with the Kern County DA's Office and Jennifer Thomas from Anthem Blue Cross to ensure that this woman was stopped.


Comments from the Board of Directors. There were no further comments from the Board.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Shelton, seconded by Director Hearron and carried, adjourning the meeting at 1:52 p.m.

NEXT MEETING

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