

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, JULY 15, 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 1:05 p.m. on Wednesday, July 15, 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
Brian Hawkins
Kip Hearron
Steve McClain
Dan Munis
Gary Pickavet
Richard Pierucci
Dennis Scott

ALTERNATES PRESENT:

Paul Baxter
Tom Valos

OTHERS PRESENT:

Cherie Payne
Cindy Mattern
Bonnie Bowles
Jennifer Bennett
John Stenerson
Megan Hanson
Raquel Acebedo
Lola Nickell
Lauri Phillips
Henry Barker
Steve Bargeon – Kings/Tulare Found.
Jeanne Simpson – Kern Foundation
Melanie Goldsmith – Blue Shield
Kelly Cooper – Burnham Benefits
Patricia Srimongkol – Kaiser
JoeAnna Miller – Buckman Mitchell
Rich Edwards – Merrill Lynch
Fred Bayles – Wells Fargo Advisors
Dan Bly – Delta Dental

CONSENT CALENDAR

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

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

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

DELTA DENTAL CLAIMS	5,148,960.81	
DELTA DENTAL ASO	337,771.83	
	TOTAL DENTAL	5,486,732.64
VSP CLAIMS	1,068,242.93	
MES CLAIMS	37,654.09	
VSP ASO	91,233.90	
MES ASO	5,223.68	
	TOTAL VISION	1,202,354.60
ANTHEM BLUE CROSS HEALTH CLAIMS	45,083,787.27	
BLUE SHIELD HEALTH CLAIMS	5,787,048.53	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	302,489.80	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	232,592.74	
MEDCO DISCOUNT CARD CLAIMS	55,244.81	
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TOTAL HEALTH CLAIMS	51,461,163.15	
ANTHEM BLUE CROSS ASO	1,367,677.90	
BLUE SHIELD ASO	196,640.57	
ANTHEM BC BEHAVIORAL HEALTH ASO	156,449.69	
ANTHEM BC COMPANION CARE RETIREE ASO	42,711.90	
FOUNDATION CLAIMS PROCESSING ASO	557,648.13	
MEDCO DISCOUNT CARD ASO	1,488.81	
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TOTAL HEALTH ASO	2,322,617.00	
	TOTAL HEALTH	53,783,780.15
MEDCO CLAIMS	11,165,354.79	
AMERICAN HEALTH CARE CLAIMS	2,046,227.84	
MEDCO ASO	280,577.64	
AMERICAN HEALTH CARE ASO	51,179.20	
	TOTAL RX	13,543,339.47
 <u>FULLY-INSURED PRODUCTS</u>		
AETNA HMO	1,213,141.96	
BLUE SHIELD HMO	1,033,755.90	
ANTHEM BC CALIFORNIA CARE HMO	975,134.60	
HEALTH NET HMO	1,835,595.84	
KAISER HMO	2,746,823.55	
PACIFIC CARE BEHAVIORAL HEALTH	477,169.34	
CIGNA BEHAVIORAL HEALTH	16,600.47	
UNITED HEALTHCARE DENTAL	970.64	
DELTACARE/PMI DENTAL	3,840.48	
KAISER SENIOR ADVANTAGE RETIREE PLAN	51,226.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	43,400.00	

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AETNA FULLY INSURED PPO	50,547.58	
BLUE SHIELD FULLY INSURED PPO	23,142.00	
HEALTH NET FULLY INSURED PPO	3,977.85	
MUTUAL OF OMAHA LIFE	127,632.88	
ZURICH LIFE	12,655.60	
	TOTAL FULLY-INSURED	8,615,614.69
SISC FLEX CLAIMS		173,069.30
STOP LOSS - VISTA UNDERWRITING PARTNERS		46,818.06
WELLNESS		220,684.18
ALL OTHER		479,557.24
	TOTAL III PAYMENTS	83,551,950.33

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending June 30, 2009 noting the LAIF rate was 1.38%. Director Hawkins asked if we could add a Combined Weighted Average Return figure for SISC II and SISC III. Cindy indicated that would not be a problem, and the Board would see it reflected next month. After discussion, motion was made by Director Hawkins, seconded by Director Pickavet and carried approving the Financial Report as presented.

Election of Vice President for the 2009-2010 Fiscal Year. Director Bigler informed the Board that SISC III By-Laws state the Board shall elect a Vice President each year. Director Hawkins nominated John Caudle, Director Pickavet seconded and the motion was passed electing Director Caudle as Vice President.

Election of Secretary/Treasurer for the 2009-2010 Fiscal Year. Director Bigler informed the Board that SISC III By-Laws state the Board shall elect a Secretary/Treasurer each year. Director Caudle nominated Dan Munis, Director Hawkins seconded and the motion was passed re-electing Director Munis as Secretary/Treasurer.

Request Approval of the 2008 Defined Benefit Program Audit. Cindy Mattern reviewed with the Board the 2008 Defined Benefit Program Audit performed by Daniels, Phillips, Vaughan and Bock. Cindy discussed a new piece regarding internal controls and what steps are being taken to minimize risk. Director Bigler discussed the benefit of this plan for Districts and let the Board know if their district is not involved, they may want to consider it. After discussion, motion was made by Director Scott, seconded by Director Munis and carried to approve the 2008 Defined Benefit Program Audit as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly PPO Trend History Through June 2009. John Stenerson reviewed the PPO trend history with the Board. John reported the trend has been very steady, between 4% and 6%, and currently is at 5.9%. John let the Board know the membership numbers we used when factoring the premiums are declining, probably due to lay-offs, and we will be monitoring those numbers

Give Each Board Member a Copy of the 2009-10 Meeting Dates Calendar. Director Bigler reviewed the meeting dates for this year with the Board. Director Bigler notified them that Board meetings are held the third Wednesday of every month with the exception of September, March and May.

In-Service for New and Review for Returning Board Members. Director Bigler reviewed a few SISC policies with the new and returning Board Members including Public Participation, Relations Between Governmental Agencies, Late Premium Payments, Policyholder Dividends, Funding Stabilization Reserve and Recovery of Claims Paid for Non-Eligible Employees.

Review the Investment Policy. Cindy Mattern advised the Board that pursuant to Ed. Code we are required to bring the SISC Investment Policy to the Board on an annual basis. Cindy reviewed this policy with the Board and notified them we are not recommending any changes at this time. Safety of Principal, Liquidity and Return on Investment continue to be the main priorities.

Review the Concept of Balance Billing with the Board. Director Bigler provided a description of Balance Billing to the Board and discussed what it means from a patient perspective. Director Bigler discussed an article from Workforce discussing the problem and how widespread it has become. Director Bigler let the Board know he has sent a letter to Insurance Commissioner, Steve Poizner, discussing the importance of legislation that would protect our members as members of a JPA that offers PPO products.

Show the Board an Article from Segal. Director Bigler reviewed this article with the Board which summarizes the players, timelines and issues related to health care, and how those issues might wind through Congress. Director Bigler reviewed the latest on-going discussions re: healthcare, and what just passed through the House of Representatives.

Comments From the Board. There were no further comments from the Board.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Scott, seconded by Director Hawkins and carried adjourning the meeting at 1:35 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, August 19, 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