

**SISC III**  
**HEALTH BENEFITS PROGRAM**  
**BOARD OF DIRECTORS MEETING**  
**WEDNESDAY, SEPTEMBER 23, 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, September 23, 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  
 Eva Chavez  
 Karen Cox  
 Brian Hawkins  
 Kip Hearron  
 Steve McClain  
 Gary Pickavet  
 Richard Pierucci  
 Dennis Scott  
 Ernie Unruh

**ALTERNATES PRESENT:**

**OTHERS PRESENT:**

Cherie Payne  
 Cindy Mattern  
 Bonnie Bowles  
 Jennifer Bennett  
 John Stenerson  
 Megan Hanson  
 Fred Bayles – Wells Fargo Advisors  
 Rich Edwards – Merrill Lynch  
 Luis Castillo - TASEBA  
 Judy Fussel – Buckman-Mitchell  
 JoeAnna Miller – Buckman-Mitchell  
 Steve Bargeon – Tulare/Kings Foundation  
 Carolyn Temple – Kern Foundation  
 Henry Barker  
 Lola Nickell

**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 August 2009 Regular Board of Directors Meeting.

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

DELTA DENTAL CLAIMS	6,462,797.34	
DELTA DENTAL ASO	423,959.49	
<b>TOTAL DENTAL</b>		<b>\$6,886,756.83</b>
VISION SERVICE CLAIMS	1,254,603.23	
MES CLAIMS	51,206.95	
VSP ASO	90,233.54	
MES ASO	5,208.02	
<b>TOTAL VISION</b>		<b>\$1,401,251.74</b>

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ANTHEM BLUE CROSS HEALTH CLAIMS	43,681,635.39	
BLUE SHIELD HEALTH CLAIMS	6,283,151.89	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	269,405.64	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	225,332.94	
MEDCO DISCOUNT CARD CLAIMS	52,536.74	
<b>TOTAL HEALTH CLAIMS</b>	<b>50,512,062.60</b>	
ANTHEM BLUE CROSS ASO	1,459,880.93	
BLUE SHIELD ASO	189,063.57	
ANTHEM BC BEHAVIORAL HEALTH ASO	154,842.80	
ANTHEM BC COMPANION CARE RETIREE ASO	42,877.45	
FOUNDATION CLMS PROCESSING ASO	551,041.92	
MEDCO DISCOUNT CARD ASO	1,328.83	
<b>TOTAL HEALTH ASO</b>	<b>2,399,035.50</b>	
	<b>TOTAL HEALTH</b>	<b>52,911,098.10</b>
MEDCO CLAIMS	10,850,482.67	
AMERICAN HEALTH CARE CLAIMS	1,964,311.53	
MEDCO ASO	249,318.99	
AMERICAN HEALTH CARE ASO	50,356.30	
	<b>TOTAL RX</b>	<b>13,114,469.49</b>
<b>FULLY INSURED PRODUCTS</b>		
AETNA HMO	0.00	
BLUE SHIELD HMO	370,874.70	
ANTHEM BC CALIFORNIA CARE HMO	928,668.00	
HEALTH NET HMO	1,781,245.28	
KAISER HMO	2,468,967.50	
PACIFICARE BEHAVIORAL HEALTH	471,625.76	
CIGNA BEHAVIORAL HEALTH	15,565.57	
UNITED HEALTH CARE DENTAL	708.48	
DELTACARE/PMI DENTAL	0.00	
KASIER SENIOR ADVANTAGE RETIREE PLAN	51,292.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	44,348.00	
AETNA FULLY INSURED PPO	0.00	
BLUE SHIELD FULLY INSURED PPO	0.00	
HEALTH NET FULLY INSURED PPO	3,977.85	
MUTUAL OF OMAHA LIFE	98,419.44	
ZURICH LIFE	12,497.40	
<b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b>		<b>\$6,248,189.98</b>
SISC FLEX CLAIMS	153,769.03	
STOP LOSS - VISTA UNDERWRITING PARTNERS	46,085.22	
WELLNESS	-992.68	
ALL OTHER	440,345.81	
	<b>TOTAL SISC III PAYMENTS</b>	<b>\$81,200,973.52</b>

**PUBLIC COMMENT**

**ACTION ITEMS**

**Financial Report.** Cindy Mattern reviewed with the Board the Financial Report for the period ending August 31, 2009. Cindy pointed out that the LAIF rate for the month of August was 0.09%. Cindy let the Board know that this is the lowest the LAIF rate has been since she has been here. However, the investments are looking positive and will be reported soon. Cindy also reviewed the SISC Defined Benefit Plan for the quarter ending 3/31/09. After discussion, motion was made by Director Scott, seconded by Director Cox and carried approving the Financial Report as presented.

**Request Approval of the 2009-2010 Budget.** Cindy Mattern reviewed with the Board the tentative budget for this fiscal year. After discussion, motion was made by Director Scott, seconded by Director Hawkins and carried approving the 2009-2010 budget.

**INFORMATION AND DISCUSSION ITEMS**

**Monthly SISC PPO Trend History Through August 2009.** John Stenerson reviewed the monthly SISC PPO Trend history through August 2009 with the Board. John reported that contracts are down 18,043 through August which represents a 2.4% decrease in membership over the last 7 months. John let the Board know our current percentage of change is 6.1%, which has remained very consistent. The industry is still reporting trend between 8-12%.

**Update the Board on the California Health Care Coalition.** Director Bigler discussed the history of CECHCR and their belief in the need for a Statewide School Pool for health insurance. Director Bigler discussed CECHCR's plan which includes hiring a company to develop a white paper, school pool position paper, which will include recommendations for who should run the pool. Interviews have been scheduled and SISC will be interviewing.

**Review the August 19<sup>th</sup> Anthem Blue Cross Consumer Relations Committee Meeting.** Director Bigler thanked Director Caudle for running the board meeting in the month of August, and reviewed his notes from the Anthem Blue Cross Consumer Relations meeting he attended. Director Bigler provided an over-view on balance billing for the Board and discussed the effects on member lives. Director Bigler reviewed our administrative costs and provided a comparison of ours vs. the large insurance companies. Finally Director Bigler discussed plan designs that are being considered for temporary or part time workers.

**Update the Board on the Auto Payment Program as it relates to the Individual Retiree Program.** Jennifer Bennett discussed this ability with the Board and reviewed the history around why we started offering it. Over 300 retirees are currently participating in this program which has proved to be very beneficial to them.

**Update the Board on Anthem Blue Cross Contracting with MFA Medical Group and Emanuel Medical Center.** Director Bigler let the Board know that Anthem Blue Cross and MFA Medical Group out of Merced have come to an agreement, and Anthem and Emanuel are still in negotiations.

**Show the Board a Newspaper Article on Hospitals.** Director Bigler reviewed this article from the USA Today on the cost containment measures that are going in to effect at hospitals to save money, including cutting down substantially on the types of supplies they utilize.

**Comments From the Board of Directors.** Director Scott asked a question about flu shots and whether they would be covered under SISC plans. Director Bigler mentioned the Vons stores in Bakersfield will be accepting SISC insurance and giving the shots at their stores, waiving the co-pay, although it's best to call first. Director Chavez asked whether SISC puts together flu vaccination clinics for districts, and several board members discussed how they have handled clinics in their offices.

**ADJOURNMENT**

There being no further business to come before the Board, motion was made by Director Caudle, seconded by Director Cox and carried adjourning the meeting at 2:10 p.m.

**NEXT MEETING**

The next meeting of the Board of Directors will be held **Wednesday, October 21, 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