

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, DECEMBER 21, 2005 1:00 P.M.

MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:10 p.m. on Wednesday, December 21, 2005, 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
Ken Hochnadel
Mike Lingo
Dan Munis
Gary Pickavet
Mike Rucks
Dennis Scott

ALTERNATES PRESENT:

Richard Graham
Kip Hearron

OTHERS PRESENT:

Wanda Carl
Cindy Sproles
Bonnie Bowles
Catherine Jones
Judy Fussel, Buckman-Mitchell
Fred Bayles, Wachovia
Carolyn Temple, Kern Foundation
David Chalupa, Kern High School Dist.
Dan Bly, Delta Dental
Mike Harris, Taft City School District
Adele Ward, Taft City School District
Jennifer Bennett
Kim Oliver
Hazel Fields
Chris Burger, KCSOS
Grant Herndon, KCSOS
Dwayne Chambers, KCSOS
Steve Mattern, KCSOS
Tom Valos

CONSENT CALENDAR

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

Minutes. Minutes for the November 2005 Regular Board of Directors Meeting..

Report of Activity for the Month of November 2005 and Ratification of Payment as follows:

DELTA DENTAL	Claims	\$ 3,062,640.74
SISC ASO		201,215.50
DENTAL COALITION	Claims	542,154.50

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DENTAL COALITION ASO		35,619.56	
DELTACARE/PMI PREMIUM		<u>5,051.40</u>	
TOTAL			\$3,846,681.69
VISION SERVICE ASO	Claims	\$ 595,060.39	
		83,991.04	
MES CLAIMS ASO		\$ 14,224.34	
TOTAL		<u>2,783.70</u>	\$ 696,059.47
PACIFICARE/BEHAV HEALTH		\$ 369,497.26	
CIGNA BEHAV. HEALTH OCT AND NOV		\$ 18,716.29	
SECURE HORIZONS PREM (PACIFICARE)		\$ 8,430.08	
SENIOR ADVANTAGE PREM (KAISER)		\$ 45,347.42	
SENIORITY PLUS PREM (HEALTHNET)		\$ 107,036.95	
BLUE SHIELD HMO PREMIUM		\$ 524,853.95	
HEALTH NET PREMIUM		\$ 855,669.15	
CALIFORNIA CARE PREMIUM		\$ 676,917.18	
KAISER PREMIUM		\$2,185,961.65	
PACIFIC CARE PREMIUM		\$ 26,386.67	
PACIFIC UNIION DENTAL PREMIUM		\$ 2,454.36	
UNITED HEALTHCARE (LIFE INSURANCE)		\$ 142,478.44	
NAT'L BENEFIT RESOURCES (Stop Loss)		\$ 64,926.42	
BLUE CROSS MEDICAL CLAIMS		\$24,932,413.93	
BLUE SHIELD HEALTH CLALIMS		\$ 1,531,191.09	
BEHAVIORAL HEALTH CLAIMS		\$ 203,745.29	
ITS CLAIMS		\$ 789,811.97	
COMPANION CARE CLAIMS		\$ 38,070.42	
TOTAL BLUE CROSS AND BLUE SHIELDCLAIMS			\$27,493,232.70
BLUE CROSS NETWORK ASO		\$ 904,737.33	
FOUNDATION ADJUDICATION ASO		\$ 467,544.00	
BLUE SHIELD ASO		\$ 88,349.30	
BEHAVIORAL HEALTH ASO		\$ 132,682.87	
ITS ASO		\$ 68,406.68	
COMPANION CARE ASO		\$ <u>24,483.90</u>	
TOTAL BLUE CROSS ADMIN.			\$ <u>1,686,204.08</u>
TOTAL BLUE CROSS AND BLUE SHIELD			\$29,179,436.78
MERCK CLAIMS		\$ 7,633,116.14	
ASO-COPAY		305,900.35	
M/O - DISCOUNT CARD		82,742.38	
ASO - DISCOUNT CARD		<u>3,604.68</u>	
TOTAL MERCK			8,025,363.55
TOTAL BC AND MERCK			\$37,204,800.33

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Sproles reviewed with the Board the Financial Report for the period ending November 30, 2005. She advised that the LAIF rate was 3.64%. After discussion, motion was made by Director Scott, seconded by Director Pickavet and carried ratifying the Financial Report as presented.

Approval of 2006 Defined Benefit Budget. Cindy Sproles reviewed with the Board the 2006 Defined Benefit Budget. After discussion, motion was made by Director Lingo, seconded by Director Scott and carried approving the 2006 Defined Benefit Budget as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly Blue Cross/SISC PPO Trend Factor for November 2005. Cindy Sproles reviewed the Blue Cross/SISC PPO monthly trend factor for the month of November 2005.

Go Over Communication Concerning the Department of Managed Health Care. Director Bigler reminded the Board that back in August, SISC III member districts were receiving information from the Department of Managed Health Care requesting certain information. We contacted the Department and they agreed that SISC could sign a master page. We communicated this to the districts. See Memorandum dated August 26, 2005. Upon receiving the packet of information and the Declaration Page, which needed to be filled out, signed and returned, we determined we could not check the last box on the page. After meeting with legal representation, it was determined that the best way to handle this request at this time was to send a memo to each employee. So we did. It has generated several telephone calls. Going forward we will put the information on the enrollment form.

Update the Board on Assembly Bill 1698. Director Bigler advised that the Governor vetoed this bill.

Show the Board the PPO Enrollment Growth Over the Past 12 Years. Director Bigler reviewed with the Board the enclosed information showing this growth. Almost all of the contracts are composite so you can multiply each contract by 2.6 to get the total number of covered lives. Also, these figures do not include our HMO enrollment. Putting the PPO and HMO together there are about 200,000 covered lives.

Update the Board on SISC's GASB-45 Program. We are in the process of finalizing our team to assist school districts with their GASB-45 dilemma. We really believe that the team we have put together coupled with the low administrative fees will make our product the best in the state. Dale Scott reviewed with the Board the GASB-45 presentation made to the Peralta School District earlier in the month.

- If a district's GASB-45 liability is over 25 million and they have stopped providing retirees with lifetime benefits they may want to pass an Other Post Employment Benefit Bond.
 - Dale Scott with Dale Scott and Company, Inc., is the best in the business at putting this concept together and he has agreed to join our team.
 - They are in the process of completing a Bond at Peralta Community College.
 - He will attend the Board Meeting and explain how this works.
- Only one district returned Keenan's invitation to hear about GASB-45 so it was cancelled. I believe this shows SISC member district loyalty to SISC.

Comments From the Board of Directors. There were no comments from the Board of Directors at this time.

ADJOURNMENT

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

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, January 18, 2006**, 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.

DOUG MILLER, Secretary