

SISC III
HEALTH BENEFITS PROGRAM
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 15, 2006
1:00 P.M.
MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:03 p.m. on Wednesday, February 15, 2006, 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
Dennis Franey
Nelson Heisey
Ken Hochnadel
Mike Lingo
Doug Miller
Dan Munis
Gary Pickavet

ALTERNATES PRESENT:

Richard Graham
Judy Marty
John Stenerson

OTHERS PRESENT:

Wanda Carl
Cindy Sproles
Bonnie Bowles
Carmen Gonzales
Carolyn Temple - Kern Foundation
Karen Morovich
Lauri Phillips
Jennifer Bennett
Judy Fussel, Buckman-Mitchell
JoeAnna Reynoso, Buckman-Mitchell
Cherie Payne
Lori Brackett
Mary Bouchard, Kaiser-Permanente
Jennifer Thomas – Blue Cross
Natalie Seaman – Blue Cross

CONSENT CALENDAR

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

Minutes. Minutes for the January 2006 Regular Board of Directors Meeting..

Report of Activity for the Month of January 2006 and Ratification of Payment as follows:

DELTA DENTAL SISC ASO	Claims	\$ 4,005,079.90 263,133.75	
DENTAL COALITION DENTAL COALITION ASO	Claims	753,056.20 49,475.80	
DELTACARE/PMI PREMIUM TOTAL		<u>4,787.68</u>	\$5,075,533.33
VISION SERVICE ASO	Claims	\$ 1,070,681.21 82,312.54	
MES CLAIMS – ASO – TOTAL		\$ 9,963.53	\$ 1,162,957.28

PACIFICARE/BEHAV HEALTH	\$	407,654.76	
CIGNA BEHAV. HEALTH (MCC SELECT)	\$	18,500.11	
SECURE HORIZONS PREM (PACIFICARE)	\$	10,297.99	
SENIOR ADVANTAGE PREM (KAISER)	\$	34,261.86	
SENIORITY PLUS PREM (HEALTHNET)	\$	95,055.49	
BLUE SHIELD HMO PREMIUM	\$	699,231.88	
HEALTH NET PREMIUM	\$	810,556.50	
CALIFORNIA CARE PREMIUM	\$	697,746.50	
KAISER PREMIUM	\$	2,119,293.30	
PACIFICARE PREMIUM	\$	25,478.61	
PACIFIC UNION DENTAL PREMIUM	\$	2,412.19	
LIFE – UNITED HEALTH	\$	173,141.32	
NAT'L BENEFIT RESOURCES. (STOP LOSS)	\$	64,767.96	
BLUE CROSS MEDICAL CLAIMS	\$	29,008,100.75	
BLUE SHIELD HEALTH CLAIMS	\$	1,379,750.85	
BEHAVIORAL HEALTH CLAIMS	\$	240,732.74	
ITS CLAIMS	\$	888,286.05	
COMPANION CARE CLAIMS	\$	132,217.04	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS			\$31,650,087.43
BLUE CROSS NETWORK ASO	\$	906,185.38	
FOUNDATION ADJUDICATION ASO	\$	462,038.50	
BLUE SHIELD ASO	\$	87,884.30	
BEHAVIORAL HEALTH ASO	\$	135,202.63	
ITS ASO	\$	91,918.42	
COMPANION CARE ASO	\$	24,287.40	
TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.			\$ 1,707,516.63
TOTAL BLUE CROSS AND BLUE SHIELD			\$33,357,604.06
MERCK CLAIMS	\$	7,769,190.27	
ASO-COPAY	\$	308,579.25	
M/O - DISCOUNT CARD		83,390.77	
ASO - DISCOUNT CARD		3,509.46	
TOTAL MERCK CLAIMS			8,164,669.75
TOTAL BC, BSC AND MERCK			\$41,522,273.81

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Sproles reviewed with the Board the Financial Report for the period ending January 31, 2006. The Investment Summary Report for the period October 1, 2005 through December 31, 2005 was presented as well. She advised the Board that we are continuing to monitor a couple of stocks rated Triple B by Standard and Poor's and A by Moody's. After discussion, motion was made by Director Franey seconded by Director Miller and carried approving the Financial Report as presented.

Request Approval to Support the California Health Care Coalition. Director Bigler reminded the Board that this topic has been on the Agenda several times over the past year. At the July 20, 2005, Board Meeting, the Board was asked to adopt a Resolution to Participate. At that time the Board had concerns with their stance on SB-840. SB-840 addresses the Single Payor delivery of health care insurance in California. Director Bigler reviewed with the Board the Coalition's response and advised he feels it answers

the Board's concerns in such a way that we can participate. Their goal, to reduce costs and improve medical outcomes, is something we would all agree is worth supporting. After discussion, motion was made by Director Lingo, seconded by Director Pickavet and carried approving the Resolution of the Board of Directors of the Self-Insured Schools of California Medical, Dental and Vision System Supporting the California Health Care Coalition of the California Works Foundation.

Request Approval of the 2004-2005 Independent Financial Audit. Cindy Sproles reviewed with the Board the Health and Welfare Benefits Program (SISC III) Independent Financial Audit. After discussion, motion was made by Director Lingo, seconded by Director Miller and carried to approve the audit as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through January 2006. John Stenerson reviewed with the Board the SISC PPO claims history through January 2006.

Mention That 2006-2007 Rates Will Be Set At the March Board Meeting. Director Bigler advised the Board that the Rates Committee will meet at 2:00 p.m. on March 14, 2006.

Discuss an Article in the Los Angeles Times on Health Care. Director Bigler advised the Board that this article relates to what the author sees the direction the Federal Government is taking in regard to Health Care.

Update the Board on SISC's GASB-45 Program. Director Bigler advised the Board that we are starting to get requests from districts asking for presentations on GASB-45.

Discuss the State of the Union As It Relates to Health Care. The Board was advised that the President said he is going to make health care more affordable, accessible and portable. He said that one way to achieve these goals is by expanding worker participation in health savings accounts. He didn't offer any specifics.

Discuss the State of the Union As It Relates to Social Security. The Board was further advised that the President said that after failing to get Congress to take up his ideas on Social Security reform last year, he proposes forming another commission to study the issue. He said that the retirement of the baby boom generation will put staggering strains on the Social Security, Medicare and Medicaid programs – consuming almost 60 percent of the federal budget by 2030.

Share a Memo With the Board Titled "Partial Premium Holiday for Active PPO Subscriber. Director Bigler reviewed with the Board a memorandum from Central Valley Schools Health and Welfare Trust regarding a "partial premium holiday" for March 2006.

Problems With Blue Cross With Claims Payment for Spouse and Overage Dependents Will Be Discussed. Director Bigler advised the Board that Blue Cross made a change in its internal programming that is effecting its clients statewide. We have sent out information on this to the Superintendents and key contacts of SISC Blue Cross Member Districts. Blue Cross representative Natalie Seaman reviewed with the Board information on Coordination of Benefit Letters, the change of the Pursue and Pay Policy to Pay and Pursue, and Over Age Dependent Letters.

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

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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 2:25 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, March 15, 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

RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SELF-INSURED SCHOOLS OF CALIFORNIA MEDICAL, DENTAL AND VISION SYSTEM SUPPORTING THE CALIFORNIA HEALTH CARE COALITION OF THE CALIFORNIA WORKS FOUNDATION

WHEREAS, Skyrocketing health care costs are creating serious problems for workers/ consumers, unions, employers and municipalities by undermining wages and pensions, escalating the number of uninsured and underinsured, placing a significant strain on public health and public dollars, and contributing to economic stagnation; and

WHEREAS, the health delivery system is characterized by a bewildering variation in provider costs and charges and lacks a standard definition for the quality of services that are purchased; and

WHEREAS, Americans spend more for healthcare than any other country in the world, yet there are no assurances that the quality of medical care is equal to the quality of medical care that the most advanced medical science can offer; and

WHEREAS, while health plans and insurance companies have reaped enormous profits from the premiums they established, yet they have failed to stabilize costs and develop reliable base standard of services delivered; and

WHEREAS, working Americans can no longer afford to write blank checks to health care providers or intermediaries without knowing what the base standard quality will be; and

WHEREAS, working Americans can and must reform health markets so that costs are stable and predictable and that a high standard of health care can be provided to our families and communities; and

WHEREAS, our greatest opportunity lies in combining our strength as purchasers, working together to challenge charges, questioning the excessive and unjustified costs, demanding an end to the poor quality of care of hospitals, medical groups, and the health industry in general and focusing our purchasing power directly on providers;

NOW THEREFORE BE IT RESOLVED that the Self-Insured Schools of California Medical, Dental and Vision System, supports the California Health Care Coalition of the California Works Foundation and will participate with other Joint Powers Authorities, labor unions, public and private purchasers and employers determined to bring significantly greater performance accountability and transparency to the healthcare industry; and

BE IT FURTHER RESOLVED that the Self-Insured Schools of California Medical, Dental and Vision System will adopt, promote and support the California Health Care Coalition.

BY ORDER OF THE SELF-INSURED SCHOOLS OF CALIFORNIA BOARD OF DIRECTORS, MEDICAL, DENTAL AND VISION SYSTEM.

Dated February 15, 2006

Russell E. Bigler, Ed.D
Chairman