

**SISC III**  
**HEALTH BENEFITS PROGRAM**  
**BOARD OF DIRECTORS MEETING**  
**WEDNESDAY, SEPTEMBER 27, 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 1:05 p.m. on Wednesday, September 27, 2006, 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  
John Caudle  
Karen Cox  
Mike Lingo  
Doug Miller  
Russell Miller  
Gary Pickavet  
Dennis Scott  
John Von Fue

**ALTERNATES PRESENT:**

Richard Graham  
John Stenerson

**OTHERS PRESENT:**

Wanda Carl  
Cindy Sproles  
Bonnie Bowles  
Carmen Gonzales  
Carolyn Temple-Kern Foundation  
Dan Bly, Delta Dental  
Judy Fussel, Buckman-Mitchell  
Joe Anna Reynoso, Buckman-Mitchell  
Steve Bargeon, FMC of Tulare  
Pam Johnson  
John Beck  
Turner Houston  
John Wise, Lake Elsinore  
Mary Bouschard, Kaiser-Permanente  
Holly VonderHaar, Kaiser –Permanente  
Lauri Phillips  
Hazel Fields  
Tom Valos

**CONSENT CALENDAR**

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

**Minutes.** Minutes for the August 2006 Regular Board of Directors Meeting.

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

DELTA DENTAL CLAIMS	\$5,402,050.73
DELTA DENTAL ASO	355,002.76
DENTAL COALITION CLAIMS	1,133,181.97
DENTAL COALITION ASO	74,362.03
DELTACARE/PMI PREMIUM	<u>4,787.68</u>

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TOTAL DENTAL		\$6,969,385.17
VISION SERVICE PLAN CLAIMS	\$ 1,131,451.37	
ASO	81,903.14	
MES CLAIMS	\$ 16,578.79	
ASO	<u>2,751.10</u>	
TOTAL VISION		\$1,232,684.40
PACIFICARE/BEHAV HLTH	\$ 403,374.19	
CIGNA BEHAVIORAL HEALTH (MCC SELECT)	\$ 18,399.65	
SEC HORIZ PREM (PACIFICARE)	\$ 8,479.80	
SENIOR ADVANTAGE PREMIUM (KAISER)	\$ 33,766.00	
SENIORITY PLUS PREMIUM (HEALTHNET)	\$ 84,036.83	
BLUE SHIELD HMO PREMIUM	\$ 429,571.66	
BLUE SHIELD FULLY INSURED PPO	\$ 19,584.70	
HEALTH NET PREMIUM	\$ 750,284.25	
CALIFORNIA CARE PREMIUM	\$ 661,358.07	
KAISER PREMIUM	\$ 1,864,675.33	
PACIFICARE PREMIUMS	\$ 17,933.04	
PACIFIC UNION DENTAL PREMIUM	\$ 1,814.51	
UNITED HEALTHCARE (LIFE INSURANCE)	\$ 95,092.53	
NAT'L BENEFIT RESOURCES (STOP LOSS)	\$ 79,247.10	
BLUE CROSS HEALTH CLAIMS	\$ 34,355,265.70	
BLUE SHIELD HEALTH CLAIMS	\$ 1,655,137.48	
BEHAVIORAL HEALTH CLAIMS	\$ 225,582.63	
ITS CLAIMS	\$ 1,579,089.22	
COMPANION CARE CLAIMS	<u>\$ 160,145.81</u>	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS		\$37,975,220.84
BLUE CROSS NETWORK ASO	\$ 900,047.51	
FOUNDATION ADJUDICATION ASO	\$ 458,963.89	
BLUE SHIELD ASO	\$ 99,786.12	
BEHAVIORAL HEALTH ASO	\$ 134,365.08	
ITS SO	\$ 144,910.84	
COMPANION CARE ASO	\$ 22,733.60	
TOTAL BLUE CROSS AND BLUE SHIELD ADMIN		<u>\$ 1,760,807.04</u>
TOTAL BLUE CROSS AND BLUE SHIELD		\$39,736,027.88
MERCK CLAIMS	\$ 9,158,145.46	
ASO-Co-Pay	\$ 270,418.81	
M/O - DISCOUNT CARD	\$ 85,828.35	
ASO - DISCOUNT CARD	<u>\$ 2,584.95</u>	
TOTAL MERCK		\$ 9,516,977.57
TOTAL BLUE CROSS, BLUE SHIELD AND MERCK		<u>\$49,253,005.45</u>

**PUBLIC COMMENT**

**ACTION ITEMS**

**Financial Report.** Cindy Sproles reviewed with the Board the Financial Report for the period ending August 31, 2006. She noted the LAIF rate is now 4.95. After discussion, motion was made by Director Doug Miller, seconded by Director Scott and carried approving the Financial Report as presented.

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**Request Board Approval of the 2006-2007 Budget.** Bonnie Bowles reviewed with the Board the proposed 2006-2007 Budget. After discussion, motion was made by Director Franey, seconded by Director Scott and carried to approve the 2006-2007 Budget as presented.

**Request Approval of the Medical Stop Loss Quote.** Director Bigler reviewed with the Board a Memorandum dated September 27, 2006, advising that our current specific rate is \$1.14 per contract per month with an attachment point of \$775,000 and is with United Health Care Insurance Company. We directed the company to give us several options. Bob Hunter made several spreadsheets showing an actuarial of each option. After reviewing each option we believe the following option is best for SISC:

- Increase the rate to \$1.17.
- Increase the attachment point to \$825,000.

After discussion, motion was made by Director Franey, seconded by Director Pickavet and carried to approve the specific stop loss quote at the \$825,000 attachment point with United Health Care Insurance Company at \$1.17 per contract per month.

**INFORMATION AND DISCUSSION ITEMS**

**Monthly Blue Cross/SISC PPO Trend History Through August 2006.** John Stenerson reviewed the monthly Blue Cross/SISC PPO Trend History through August 2006.

**Recognize the Tulare Kings Foundation.** Director Bigler advised the Board that SISC III has its Blue Cross PPO claims processed at several locations and we see a monthly printout on turnaround time. While all locations do a good job, the Tulare Kings Foundation has met or exceeded the goal Blue Cross has set for turnaround time for the past 42 consecutive months (3-1/2 Years).

**Update the Board on Companion Care As It Relates to Medicare D.** John Stenerson updated the Board on this using the attached August 21, 2006 memo.

**Newspaper Article on Wal-Mart and Generic Drugs.** Director Bigler advised that the attached newspaper article mentions that Wal-Mart will offer 291 generic drugs for \$4.00. Although that is only a small fraction of the 1,800 or so generics available at Walgreens pharmacies, it is symbolic. With SISC's program at COSTCO and many other entities pushing generics the question is changing from "Do I have to buy a generic?" to "Is there a generic available?"

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

**ADJOURNMENT**

There being no further business to come before the Board, motion was made by Director Franey, seconded by Director Scott and carried adjourning the meeting at 1:40 p.m.

**NEXT MEETING**

The next meeting of the Board of Directors will be held **Wednesday, October 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 17<sup>th</sup> Street, Bakersfield, California.

S/Doug Miller

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DOUG MILLER, Secretary