

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, JANUARY 18, 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 1:10 p.m. on Wednesday, January 18, 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
Nelson Heisey
Ken Hochnadell
Doug Miller
Russell Miller
Dan Munis
Gary Pickavet
Dennis Scott

ALTERNATES PRESENT:

Richard Graman
Judy Marty
John Stenerson

OTHERS PRESENT:

Wanda Carl
Bonnie Bowles
Carmen Gonzales
Judy Fussel-Buckman-Mitchell
JoeAnna Reynolso – Buckman-Mitchell
Carolyn Temple – Kern Foundation
Dan Bly – Delta Dental
Steve Bargeon–Tulare & Kinds Foun.
Mary Bouchard – Kaiser Permanente
Jennifer Bennett
Kim Oliver
Karen Morovich
Cherie Payne
Ken Hammer
Tom Valos

CONSENT CALENDAR

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

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

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

DELTA DENTAL SISC ASO	Claims	\$ 3,700,112.46 243,097.41	
DENTAL COALITION DENTAL COALITION ASO	Claims	632,032.34 41,524.53	
DELTACARE/PMI PREMIUM TOTAL		<u>4,943.80</u>	\$4,621,710.54
VISION SERVICE ASO	Claims	\$ 602,322.06 82,282.28	

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MES CLAIMS	\$ 8,980.59	
ASO	<u>2,757.80</u>	
TOTAL		\$ 696,342.73
PACIFICARE/BEHAV HEALTH	\$ 408,821.25	
CIGNA BEHAV. HEALTH OCT AND NOV	\$ 18,147.09	
SECURE HORIZONS PREM (PACIFICARE)	\$ 10,729.29	
SENIOR ADVANTAGE PREM (KAISER)	\$ 37,555.00	
SENIORITY PLUS PREM (HEALTHNET)	\$ 95,204.01	
BLUE SHIELD HMO PREMIUM	\$ 811,338.71	
HEALTH NET PREMIUM	\$ 814,367.49	
CALIFORNIA CARE PREMIUM	\$ 703,920.54	
KAISER PREMIUM	\$2,100,597.32	
PACIFIC CARE PREMIUM	\$ 26,061.21	
PACIFIC UNIION DENTAL PREMIUM	\$ 2,454.36	
UNITED HEALTHCARE (LIFE INSURANCE)	\$ 145,140.62	
NAT'L BENEFIT RESOURCES (Stop Loss)	\$ 64,766.82	
BLUE CROSS MEDICAL CLAIMS	\$27,312,141.78	
BLUE SHIELD HEALTH CLALIMS	\$ 1,280,873.41	
BEHAVIORAL HEALTH CLAIMS	\$ 214,427.64	
ITS CLAIMS	\$ 841,036.46	
COMPANION CARE CLAIMS	\$ 106,827.14	
TOTAL BLUE CROSS AND BLUE SHIELDCLAIMS		\$29,755,306.43
BLUE CROSS NETWORK ASO	\$ 905,676.57	
FOUNDATION ADJUDICATION ASO	\$ 461,826.75	
BLUE SHIELD ASO	\$ 86,189.67	
BEHAVIORAL HEALTH ASO	\$ 134,020.28	
ITS ASO	\$ 86,369.40	
COMPANION CARE ASO	\$ <u>24,424.95</u>	
TOTAL BLUE CROSS ADMIN.		\$ <u>1,698,507.62</u>
TOTAL BLUE CROSS AND BLUE SHIELD		\$31,453,814.05
MERCK CLAIMS	\$11,996,519.15	
ASO-COPAY	642,771.94	
M/O - DISCOUNT CARD	119,496.43	
ASO - DISCOUNT CARD	<u>7,293.44</u>	
TOTAL MERCK		12,766,080.96
TOTAL BC AND MERCK		\$44,219,895.01

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Sproles reviewed with the Board the Financial Report for the period ending December 31, 2005, noting that the LAIF rate is currently 3.81%. After discussion, motion was made by Director Pickavet, seconded by Director Hochnadel and carried approving the Financial Report as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through December 2005. John Stenerson reviewed with the Board the SISC PPO claims history through December 2005.

Show the Board a Copy of the Memo on Customer Service. Director Bigler advised the Board that we have, and still are, putting together memos, questionnaires and newsletters communicating with SISC III members. Enclosed is a memorandum that will go to each member. It is designed to provide members with better customer service.

Show the Board Information on the United Health Group and PacifiCare Health Systems Merger. Director Bigler advised the Board that we currently use the PacifiCare Behavioral Health and Medicare Advantage products. United Health Care, a United Health Group Company, is strong in the east. This looks like a good fit and might be a player for us in the future.

Show the Board a Copy of a Poster Promoting the Costco/SISC Prescription Program. At the last several Board Meetings we discussed the Costco/SISC prescription drug relationship. It is designed to do two things:

- Have members buy generic drugs at Costco because they are, on average, \$4 per prescription cheaper than anywhere else.
- Promote generic drugs over brand drugs

This relationship has increased both of these points. However, there is still a lot more savings within our membership. Copies of the enclosed poster will be sent, or delivered, to member districts and ask that they be posted. One of the things we really want, and as you go back to your districts and counties please help us, stress is the fact that you don't have to have a Costco Card to use the Costco Pharmacy.

Show the Board the Results of Debra Helling's Research Comparing SISC III and CVT. Also Show the Newspaper Article That Was in the Antelope Valley Press On This Topic. Director Bigler reminded the Board that at the last meeting he mentioned he would share the results of the CVT/SISC comparison Debra Helling, an independent consultant the Palmdale School District hired, to compare the two entities. Since we went through the corresponding newspaper article very quickly last month, the article is also included. Director Bigler mentioned that Mrs. Helling emphasized that a health and welfare benefits pool had to grow because as the pool participants age they will drive up costs, since older clients tend to have greater medical needs.

Discuss Using Three Rates for Premiums. Director Bigler advised that this is something to just discuss for the moment.

Show the Board Information on the California Health Care Coalition. Director Bigler advised that we are on their mailing list even though we are not members. We are not strong in their present markets.

Show the Board a Summary of SISC's Annual Review of Our Prescription Drug Program. Director Bigler advised that we annually go over our prescription drug program with Medco. The enclosed information represents a summary comparing 2005 to 2004. It is done in two parts. One for everything except our signature program "Consumer Share" and one for the Consumer Share Program.

Show the Board a Copy of the 2005-2006 Annual Certification of Compliance Memorandum the Siskiyou JPA Sent To Its Member Districts. Director Bigler advised the Board that although the Siskiyou JPA has been in the SISC III JPA for its members medical benefits for several years, it has maintained its JPA. The enclosed Certification of Compliance document, which really is about communication and fairness to each JPA member, since it requires that each district in their JPA sign and return the Certification of Compliance Form annually. It insures all JPA member districts that every district in the JPA is either in compliance with their and SISC's underwriting guidelines.

An Annual Certification of Compliance, or whatever we would want to call it, would increase our ability to make sure each district is following SISC's underwriting guidelines. The enclosed document is just a sample. He is requesting that the Board buy into a concept. If the Board agrees to the concept, staff would put together a document for Board approval before it was disseminated. The Board gave staff the go-ahead to put together a document(s) and bring it back for approval.

Mention a Possible Partnership with the California State Association of Counties (CSAC) JPA. Director Bigler reminded the Board that several years ago we requested, and the Board approved, looking at administering a cities and counties JPA for a fee. The income from the fee would help offset SISC member district fees and increase SISC's clout in the market to get better discounts from our providers. It didn't go anyplace. We have the opportunity to do this again so we are researching it.

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

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Scott, seconded by Director Doug Miller and carried adjourning the meeting at 1:57 p.m.

NEXT MEETING

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