

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, JANUARY 17, 2007 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, January 17, 2007, 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
Nelson Heisey
Dan Munis
Teri Schallock
Dennis Scott

ALTERNATES PRESENT:

Dean Bentley
Richard Graham
Judy Marty
John Stenerson

OTHERS PRESENT:

Cherie Payne
Cindy Sproles
Bonnie Bowles
Carmen Gonzales
Lauri Phillips
Jennifer Bennett
JoAnna Reynoso – Buchman Mitchell
Judy Fussell – Buchman Mitchell
Mary Bouchard - Kaiser
Holly Vonderhaar – Kaiser
Carolyn Temple – Foundation
Rick Thatcher – Abacus
Steve Bargeon - Tulare Foundation
Tom Valos

CONSENT CALENDAR

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

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

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

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DELTA DENTAL	Claims	\$ 2,670,530.88	
SISC ASO		175,453.87	
DENTAL COALITION	Claims	563,074.52	
DENTAL COALITION ASO		36,900.86	
DELTACARE/PMI PREMIUM		<u>4,787.68</u>	
TOTAL			\$3,450,747.81
VISION SERVICE	Claims	\$ 660,602.13	
ASO		84,738.68	
MES CLAIMS		\$ 20,154.90	
ASO		<u>4,316.60</u>	
TOTAL			\$ 769,812.31
PACIFICARE/BEHAV HEALTH		\$ 431,122.49	
CIGNA BEHAV. HEALTH OCT AND NOV		\$ 18,269.19	
SECURE HORIZONS PREM (PACIFICARE)		\$ 8,029.16	
SENIOR ADVANTAGE PREM (KAISER)		\$ 24,648.00	
SENIORITY PLUS PREM (HEALTHNET)		\$ 78,346.16	
BLUE SHIELD HMO PREMIUM		\$ 1,798,841.20	
BLUE SHIELD FULLY INSURED PPO		\$ 97,941.38	
HEALTH NET PREMIUM		\$ 930,918.53	
CALIFORNIA CARE PREMIUM		\$ 833,415.69	
KAISER PREMIUM		\$ 2,346,367.81	
PACIFIC CARE PREMIUM		\$ 26,177.24	
PACIFIC UNIION DENTAL PREMIUM		\$ 2,082.09	
UNITED HEALTHCARE (LIFE INSURANCE)		\$ 122,810.19	
NAT'L BENEFIT RESOURCES (Stop Loss)		\$ 78,330.33	
BLUE CROSS HEALTH CLAIMS		\$ 27,205,051.49	
BLUE SHIELD HEALTH CLAIMS		\$ 1,372,674.46	
BEHAVIORAL HEALTH CLAIMS		\$ 131,088.71	
ITS CLAIMS		\$ 1,023,947.90	
COMPANION CARE CLAIMS		\$ 125,550.69	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS		\$29,858,313.25	

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BLUE CROSS NETWORK ASO	\$ 1,028,058.00	
FOUNDATION ADJUDICATION ASO	\$ 517,198.76	
BLUE SHIELD ASO	\$ 108,021.76	
BEHAVIORAL HEALTH ASO	\$ 141,226.95	
ITS ASO	\$ 82,608.58	
COMPANION CARE ASO	\$ 26,812.18	
TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.		<u>\$ 1,903,926.23</u>
 TOTAL BLUE CROSS AND BLUE SHIELD		 \$31,762,239.48
 MERCK CLAIMS	 \$11,986,714.47	
ASO-COPAY	530,902.11	
CLAIMS - DISCOUNT CARD	135,553.50	
ASO - DISCOUNT CARD	6,796.81	
CLAIMS – MEDICARE PART D	374,029.61	
ASO – MEDICARE PART D	56,977.49	
AHC CLAIMS (NOV 16-30 & DEC 1-15)	1,717,658.49	
AHC – ASO (NOV 16-30 & DEC 1-15)	91,917.50	
TOTAL RX CLAIMS		<u>\$14,900,549.98</u>
 TOTAL BC, BSC AND RX		 \$46,662,789.46

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Sproles reviewed with the Board the Financial Report for the period ending December 31, 2006. She advised that the LAIF rate was 5.13%. After discussion, motion was made by Director Cox, seconded by Director Scott and carried ratifying the Financial Report as presented.

Request Approval to Reject a Claim. Director Bigler reviewed with the Board a claim being submitted by a Residential Treatment Center in Utah. Director Bigler informed the Board that Blue Cross has deemed the treatment received by the Member’s dependent as not medically necessary; in addition, the complaint from the treatment center was not filed timely. After discussion, motion was made by Director Scott, seconded by Director Bentley and carried approving the denial of the claim totaling \$85,756.00.

INFORMATION AND DISCUSSION ITEMS

Show the Monthly SISC PPO Claims History Through December 2006. John Stenerson reviewed the claims history with the Board and discussed our year over year change of 5.4%. John discussed that claims seem to average 8.0%. John’s opinion is that Blue Cross will recommend an 8% to 12% trend factor for the coming year.

Review the Governor’s State of the State as it Relates to Health Care. Director Bigler discussed with the Board the Governor’s State of the State. The Governor’s plan includes a mandate that all Californians must have health insurance coverage, including un-documented individuals. The Governor wants to focus more on prevention and believes that covering all Californian’s with at least a minimum level of coverage will help more people utilize the services of physicians versus accessing their care at expensive emergency rooms. Director Bigler let the Board know that if we begin to get questions regarding State Mandated Health Care that SISC will put out a memo.

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Show the Board a Wellness Program Called Heart Age. Rick Thatcher with Abacus presented to the Board a wellness program called Heart Age. Mr. Thatcher informed the Board that his companies' Heart Age Program uses Heart Study logic to give the patient an approximate "age" of their heart. Mr. Thatcher then described the interactive web site that participating members can use to make changes in critical areas, such as exercise, healthy eating and smoking cessation. Mr. Thatcher explained that the reasons to put a program in place that focuses on cardiovascular are, it gets people's attention, it's often undetected, in addition, lifestyle changes will leverage across multiple conditions such as, Type 2 Diabetes, Cancer and Strokes. Director Bigler stated that he would put a timeline together regarding possible implementation, to go over at the next Board Meeting.

Show the Board an article from The Wall Street Journal. Director Bigler discussed with the Board The Wall Street Journal article regarding a possible merge between Express Scripts' and Caremark RX. If approved, the combined Express Scripts and Caremark would process about 26% of US prescriptions.

Update the Board on SISC's GASB 45 Trust. Cindy Sproles informed the Board that we currently have two districts with Deposits totaling close to 21 Million. There are four other Districts with Board Resolutions that we will be talking with.

Comments From the Board of Directors. Director Scott addressed a question to Cindy Sproles and John Stenerson regarding the rating of the retirees as it relates to GASB 45. Director Scott discussed the need to have blended rates of retiree's and actives when you sit down in negotiations. Cindy Sproles will e-mail Director Scott with information on this topic and share the information with the Board at the February meeting.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Cox, seconded by Director Bentley and carried adjourning the meeting at 2:37 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, February 21, 2007**, 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