

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, JANUARY 16, 2008 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. by John Stenerson in Director Bigler's absence on Wednesday, January 16, 2008, 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:

John Caudle
Nelson Heisey
Russell Miller
Dan Munis
Gary Pickavet
Teri Schallock
John Von Flue

ALTERNATES PRESENT:

Judy Marty
John Stenerson
Tom Valos

OTHERS PRESENT:

Cherie Payne
Cindy Sproles
Jennifer Bennett
Carmen Gonzales
Dan Bly – Delta Dental
Raquel Acebedo
Jennifer Thomas – Blue Cross
Judy Fussell – Buchman Mitchell
Kelly Cooper – Burnham Benefits
Janet Clary - Foundation
Carolyn Temple – Foundation
Steve Bargeon - Tulare Foundation

CONSENT CALENDAR

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

Minutes. Minutes for the December 2007 Regular Board of Directors Meeting.

Report of Activity for the Month of December 2007 and Ratification of Payment as follows:

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|---|--|------------------------|
| DELTA DENTAL CLAIMS | 3,905,068.97 | |
| SISC ASO | 250,890.10 | |
| DENTAL COALITION CLAIMS | 633,289.54 | |
| DENTAL COALITION ASO | 41,543.81 | |
| DELTACARE/PMI PREMIUM | 4,163.20 | |
| | TOTAL DENTAL | \$4,834,955.62 |
| VISION SERVICE CLAIMS | 669,136.13 | |
| VSP ASO | 90,715.92 | |
| MES CLAIMS | 24,143.79 | |
| MES ASO | 4,386.59 | |
| | TOTAL VISION | \$788,382.43 |
| PACIFICARE/BEHAV HEALTH | 463,415.74 | |
| CIGNA BEHAV. HEALTH (MCC SLECT) | 16,908.38 | |
| SECURE HORIZONS PREM (PACIFICARE) | 8,101.74 | |
| SENIOR ADVANTAGE PREM (KAISER) | 39,817.00 | |
| SENIORITY PLUS PREM (HEALTHNET) | 38,653.00 | |
| BLUE SHIELD HMO PREMIUM | 2,126,963.20 | |
| BLUE SHIELD FULLY INSURED PPO | 91,884.59 | |
| HEALTH NET PREMIUM | 1,596,072.00 | |
| CALIFORNIA CARE PREMIUM | 1,026,736.00 | |
| KAISER PREMIUM | 2,745,414.97 | |
| PACIFICARE PREMIUM (No Longer Offered) | 0.00 | |
| UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL) | 1,156.76 | |
| UNITED HEALTHCARE SPECIALTY BENEFITS (LIFE) | 144,329.00 | |
| NAT'L BENEFIT RESOURCES (STOP LOSS) | 55,250.25 | |
| BLUE CROSS HEALTH CLAIMS | 33,143,128.56 | |
| BLUE SHIELD HEALTH CLAIMS | 3,845,102.78 | |
| BEHAVIORAL HEALTH CLAIMS | 193,665.96 | |
| ITS CLAIMS | 907,618.52 | |
| COMPANION CARE CLAIMS | 132,102.35 | |
| | TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS | \$38,221,618.17 |

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|--|--------------|------------------------|
| BLUE CROSS NETWORK ASO | 1,242,418.22 | |
| FOUNDATION ADJUDICATION ASO | 559,492.69 | |
| BLUE SHIELD ASO | 268,723.76 | |
| BEHAVIORAL HEALTH ASO | 154,289.75 | |
| ITS ASO | 110,850.10 | |
| COMPANION CARE ASO | 35,533.05 | |
| TOTAL BLUE CROSS AND BLUE SHIELD ADMIN. | | \$2,371,307.57 |
| TOTAL BLUE CROSS AND BLUE SHIELD | | \$40,592,925.74 |
| MERCK CLAIMS | 9,439,201.99 | |
| ASO-COPAY | 276,142.26 | |
| CLAIMS - DISCOUNT CARD | 62,116.34 | |
| ASO - DISCOUNT CARD | 2,564.29 | |
| CLAIMS - MEDICARE PART D | 228,604.18 | |
| ASO - MEDICARE PART D | 10,234.37 | |
| AHC - CLAIMS | 2,027,398.62 | |
| AHC - ASO | 105,936.00 | |
| TOTAL RX CLAIMS | | \$12,152,198.05 |
| TOTAL BC, BSC AND RX | | \$52,745,123.79 |

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Sproles reviewed with the Board the Financial Report for the period ending December 31, 2007. She advised that the LAIF rate was 4.80%. After discussion, motion was made by Director Miller, seconded by Director Schallock and carried ratifying the Financial Report as presented.

INFORMATION AND DISCUSSION ITEMS

Show the Monthly SISC PPO Claims History Through December 2007. John Stenerson reviewed the claims history with the Board and discussed our year over year change of 2.3%. This number includes Cities and Counties in the CSAC-EIA JPA.

Show the Board a Summary of SISC's Annual Review of our Medco Prescription Drug Program. John Stenerson discussed our Consumer Share Drug plan, and all other Drug Plans with the Board. John discussed that while medical trend has slowed, pharmacy trend remains 8-12%.

Mention the State of the State as it Relates to Health Care. John Stenerson reviewed with the Board the State of the State address where the Governor discussed the importance of reform as it relates to health care. John let the Board know that the Governor did discuss a bad situation involving someone being canceled off their insurance plan and then dying of cancer. The Governor used this example as a way of emphasizing how badly he feels our system is broken.

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Update the Board on 403(b) Consulting. Cindy Sproles discussed the research done by Director Bigler and her on this subject. While SISC will not get involved, we will refer districts to CASBO.

Show the Board an Article on Prescription Samples. John Stenerson discussed this article with the Board involving a study that found that wealthy insured are more likely to receive free RX samples from their Doctors than the un-insured / needy.

Show the Board an article on a new Procedure for Patients with Osteoarthritis. John Stenerson discussed this article that describes a new procedure available to patients in need of a hip replacement. The procedure offers some an option that is far less invasive and allows the patient to be active again much quicker.

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

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Miller, seconded by Director Von Flue and carried adjourning the meeting at 1:21 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, February 20, 2008**, 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.

DAN MUNIS, Secretary