

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING FEBRUARY 20, 2008 - 1:00 P.M.

A G E N D A

I. CONSENT CALENDAR

- A. Approval of Minutes for January 2008 Board of Directors Meeting Russell Bigler
- B. Report of Activity for the Month of January 2008 and ratification of payment as follows: Russell Bigler

DELTA DENTAL CLAIMS	6,117,754.28	
SISC ASO	401,324.68	
DENTAL COALITION CLAIMS	1,046,070.20	
DENTAL COALITION ASO	68,622.21	
DELTACARE/PMI PREMIUM	4,007.08	
	TOTAL DENTAL	\$7,637,778.45
VISION SERVICE CLAIMS	1,191,524.56	
VSP ASO	90,545.04	
MES CLAIMS	40,099.53	
MES ASO	4,417.55	
	TOTAL VISION	\$1,326,586.68
PACIFICARE/BEHAV HEALTH	462,875.63	
CIGNA BEHAV. HEALTH (MCC SLECT)	17,125.33	
SECURE HORIZONS PREM (PACIFICARE)	7,830.86	
SENIOR ADVANTAGE PREM (KAISER)	40,150.00	
SENIORITY PLUS PREM (HEALTHNET)	35,357.00	
BLUE SHIELD HMO PREMIUM	1,907,213.09	
BLUE SHIELD FULLY INSURED PPO	86,703.89	
HEALTH NET PREMIUM	1,583,401.51	
CALIFORNIA CARE PREMIUM	1,016,328.00	
KAISER PREMIUM	2,708,965.80	
PACIFICARE PREMIUM (No Longer Offered)	0.00	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	1,480.46	
UNITED HEALTHCARE SPECIALTY BENEFITS (LIFE)	119,030.46	
NAT'L BENEFIT RESOURCES (STOP LOSS)	56,622.00	
BLUE CROSS HEALTH CLAIMS	41,205,830.21	
BLUE SHIELD HEALTH CLAIMS	3,688,839.59	
BEHAVIORAL HEALTH CLAIMS	329,198.96	
ITS CLAIMS	1,157,815.81	
COMPANION CARE CLAIMS	187,354.75	
	TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS	\$46,569,039.32

BLUE CROSS NETWORK ASO	1,241,263.67	
FOUNDATION ADJUDICATION ASO	559,109.07	
BLUE SHIELD ASO	10,688.64	
BEHAVIORAL HEALTH ASO	154,549.88	
ITS ASO	67,794.43	
COMPANION CARE ASO	37,232.97	
TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.		\$2,070,638.66
TOTAL BLUE CROSS AND BLUE SHIELD		\$48,639,677.98
MERCK CLAIMS	9,442,032.67	
ASO-COPAY	355,286.85	
CLAIMS - DISCOUNT CARD	67,306.76	
ASO - DISCOUNT CARD	3,504.15	
CLAIMS - MEDICARE PART D	313,945.76	
ASO - MEDICARE PART D	10,805.52	
AHC - CLAIMS	1,968,631.89	
AHC - ASO	72,548.60	
TOTAL RX CLAIMS		\$12,234,062.20
TOTAL BC, BSC AND RX		\$60,873,740.18

II. PUBLIC COMMENT

III. ACTION ITEMS

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| A. Financial Report - Financial Statements For Prior Month Presented For Approval | Cindy Sproles |
| B. Request Approval of the 2006-2007 Independent Financial Audit | Russ Bigler |

IV. DISCUSSION AND INFORMATION ITEMS

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| A. Show the Monthly SISC PPO Claims History Through January 2008 | John Stenerson |
| B. Update the Board on Phia Recoveries | Russ Bigler |
| C. Update the Board on SISC's Health Improvement Program | Russ Bigler |
| D. Update the Board on the CHCC Presentation given at the December Board Meeting | Russ Bigler |
| E. Update the Board on the SISC Flex Program | Russ Bigler |
| F. Show the Board a Comparison between the PERS and SISC GASB 45 Plans | Russ Bigler |
| G. Mention Blue Cross of California Name Change | Russ Bigler |
| H. Review an Article from the <u>L.A. Times</u> | Russ Bigler |
| I. Comments from the Board of Directors Will Be Heard | |
| J. Adjournment | |
| K. Next Meeting: | Wednesday, March 26, 2008
1:00 p.m.
SISC Board Room – City Centre |

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INFORMATION ITEMS

- A. **Monthly SISC PPO Claims History Through January 2008.** The SISC PPO claims history through January 2008 will be shown at the meeting.
- B. **Update the Board on Phia Recoveries.** The attached two pages show the recovery number for SISC since we began contracting with The Phia Group.
- C. **Update the Board on SISC's Health Improvement Program.** The name of the program is Health Smarts and we are introducing it throughout SISC. Staff will give you a presentation at the Board Meeting.
- D. **Update the Board on the CHCC Presentation given at the December Board Meeting.** As you are aware, Sally Covington, Executive Director of the California Health Care Coalition, CHCC, gave us an update. Two things she mentioned were:
- Doctors Medical Center in Modesto – She mentioned CHCC had obtained a better contract with them than Blue Cross and confirmed SISC had already sent CHCC documentation to have our claims from this facility re-priced. She mentioned at the meeting we should have the results by January or February, but as of now (2/4/08) we haven't seen anything.
 - Catalyst RX – She mentioned that CHCC had put together a committee to explore Pharmacy Based Management, PBM's, and had come up with a PBM by the name of Catalyst RX as the best and wanted SISC to have our claims re-priced by Catalyst RX. Any insurance entity, SISC included, is very reluctant to have another insurance entity know about their discounts. Therefore, we have countered with having Catalyst RX send SISC their pricing components, we would sign a confidentiality/non-disclosure agreement and re-price the claims against the pricing structure we have with Medco. Additionally:
 1. Medco is one of the top 2 or 3 largest PBM's in the U.S. By comparison, Catalyst RX is very small and it is hard to believe they can get the same, or better, discounts.
 2. Medco ranks at the top in customer service.
 3. It appears CHCC and Evergreen have a conflict of interest as it relates to Evergreen providing a no-cost financial comparison of SISC's current PBM contracts to the Catalyst RX contract. If SISC were to decide to implement the Catalyst Rx contract, it is my understanding we would pay \$0.08 PMPM to Evergreen. In addition, we would pay \$0.05 per claim to CHCC. These two payments from SISC would total well over \$200,000 per year.
 4. I recently received e-mails pointing out that Keenan has the best PBM, Paul Johnson with Johnson Rooney Welch told us they have the best PBM, I'm sure PERS thinks they have the best PBM. The person that heads CVT headed the committee that selected Catalyst Rx and they haven't made a move, so we want to do our due diligence but not give anything away in the process.
- E. **Update the Board on the SISC Flex Program.** There are two sheets attached showing employee and district growth in this program since its inception.
- F. **Show the Board a Comparison Between the PERS and SISC GASB 45 Plans.** A law was recently passed that allows PERS to do GASB 45 administration for all governmental entities. That's ok. Here is a comparison between SISC and PERS.
- G. **Mention Blue Cross of California Name Change.** As you are aware, Blue Cross of California is a subsidiary of Wellpoint. The name Wellpoint was kept when Wellpoint and another big insurance company by the name of Anthem merged. The National Headquarters is where the Anthem Headquarters was in Indiana but the merged company took the Wellpoint name. Blue Cross of California is in the process of branding everything because it will have a name change to Anthem Blue Cross. It's possible that new ID cards will be issued at open enrollment. I believe they will start the marketing and information process with commercials on American Idol.

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INFORMATION ITEMS (Continued)

- H. **Review an Article from the L.A. Times.** You have probably either seen this in the newspaper, on television or heard it on the radio. The letters were only sent to physicians concerning people that had taken out individual HMO policies (all SISC active and retirees are in the large group market) because there were inconsistencies with what the person was being treated for and what the person had put on the application. This mostly has to do with subscribers not putting down pre-existing conditions.

- I. **Comments from the Board of Directors Will Be Heard.** Comments from the Board will be heard at this time.