

SISC III
HEALTH BENEFITS PROGRAM
BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 16, 2010
1:00 P.M.

MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:09 p.m. on Wednesday, June 16, 2010, 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
John Caudle
Eva Chavez
Karen Cox
Brian Hawkins
Steve McClain
Russell Miller
Gary Pickavet
Richard Pierucci

ALTERNATES PRESENT:

Tom Valos

OTHERS PRESENT:

Cherie Payne
Cindy Mattern
Bonnie Bowles
Jennifer Bennett
Megan Hanson
John Stenerson
Cathy Nisbet – Blue Shield
Kelly Cooper – Burnham Benefits
Melanie Goldsmith – Blue Shield
Judy Fussel – Buckman Mitchell
JoeAnna Miller – Buckman Mitchell
Cindy Hardin – Kaiser Permanente
Lori Howell – Kern Foundation
Jeanne Simpson – Kern Foundation
Lola Nickell
Lauri Phillips
Rich Edwards- Merrill Lynch
Fred Bayles – Wells Fargo Advisors

CONSENT CALENDAR

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

Minutes. Minutes for the May 2010 Regular Board of Directors Meeting.

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Report of Activity for the Month of May 2010 and Ratification of Payment as follows:

DELTA DENTAL CLAIMS	5,635,906.96	
DELTA DENTAL ASO	369,715.44	
TOTAL DENTAL		\$6,005,622.40
VISION SERVICE CLAIMS	792,545.86	
MES CLAIMS	61,813.82	
VSP ASO	86,160.90	
MES ASO	11,780.44	
TOTAL VISION	11,756.12	\$952,301.02
ANTHEM BLUE CROSS HEALTH CLAIMS	39,381,487.06	
BLUE SHIELD HEALTH CLAIMS	8,000,028.30	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	356,786.33	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	272,519.53	
MEDCO DISCOUNT CARD CLAIMS	68,067.10	
TOTAL HEALTH CLAIMS	48,078,888.32	
ANTHEM BLUE CROSS ASO	1,475,383.88	
BLUE SHIELD ASO	592,144.96	
ANTHEM BC BEHAVIORAL HEALTH ASO	169,904.56	
ANTHEM BC COMPANION CARE RETIREE ASO	44,935.55	
FOUNDATION CLMS PROCESSING ASO	564,136.56	
MEDCO DISCOUNT CARD ASO	1,124.73	
TOTAL HEALTH ASO	2,847,630.24	
TOTAL HEALTH		50,926,518.56
MEDCO CLAIMS	12,725,890.06	
AMERICAN HEALTH CARE CLAIMS	2,031,981.20	
MEDCO ASO	267,727.20	
AMERICAN HEALTH CARE ASO	51,773.40	
TOTAL RX		15,077,371.86
INSURED PRODUCTS		
ANTHEM BC HMO CLAIMS	1,343,199.76	
ANTHEM BC HMO ADMIN FEE	172,928.42	
BLUE SHIELD HMO CLAIMS	1,385,679.79	
BLUE SHIELD HMO ADMIN FEE	172,928.42	
AETNA HMO	1,251,893.96	
HEALTH NET HMO	326,305.10	
KAISER HMO	3,213,463.05	
PACIFICARE BEHAVIORAL HEALTH	526,573.85	
CIGNA BEHAVIORAL HEALTH	15,868.30	
UNITED HEALTH CARE DENTAL	868.92	
DELTACARE/PMI DENTAL	3,608.22	
KASIER SENIOR ADVANTAGE RETIREE PLAN	50,546.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	48,185.00	
AETNA INSURED PPO	65,889.16	
BLUE SHIELD INSURED PPO	0.00	
HEALTH NET INSURED PPO	0.00	

MUTUAL OF OMAHA LIFE	133,952.54	
ZURICH LIFE	12,953.80	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS		\$8,724,844.29
SISC FLEX CLAIMS	206,375.90	
STOP LOSS - VISTA UNDERWRITING PARTNERS	0.00	
WELLNESS	259,134.00	
ALL OTHER	376,260.63	
TOTAL SISC III PAYMENTS		\$82,528,428.66

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending May 31, 2010. Cindy pointed out the current month LAIF rate of 0.56%. After discussion, motion was made by Director Cox seconded by Director Hawkins and carried approving the Financial Report as presented.

Request Approval of 2010-2011 Meeting Times, Dates and Places. Director Bigler reviewed with the Board a memorandum containing the time, date and location of the 2010-2011 monthly Board Meetings. He noted that all meetings are on the third Wednesday of the month except the months of September, March and May. In September and March, finance requires extra time to prepare information for the Board, and May is the Annual Board Meeting/Workshop. Director Bigler asked the Board Members to let us or their Alternates know about any dates they can't make the meeting so we can ensure someone attends in their place. After discussion, motion was made by Director Cox, seconded by Director Pickavet and carried approving the 2010-2011 Meeting Dates as proposed.

Request Approval of 2009-2010 Budget Revision. Director Bigler mentioned to the Board that current economic situations dictate a revision of the budget. Cindy Mattern reviewed the proposed changes with the Board and mentioned medical and pharmacy claims exceeded our expectations and necessitated the need for revisions and the importance of revisions to maintain fiscal responsibility. After discussion, motion was made by Director Chavez, seconded by Director Caudle and carried approving the 2009-2010 Budget Revision as requested.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through May 2010. John Stenerson reviewed with the Board the SISC PPO claims history through May 2010. John mentioned that May was a better month for change over prior year at 9.4%. We have been hovering between 9-10% for the last eight months, while previously we were hovering between 5-6%. John reviewed the Budget to Actual form with the Board discussing the year-end scenario possibilities.

Show the Board an Article on Health Care from a Major Health Insurance Company. Director Bigler reviewed this article for the Board and mentioned this is great info to take back to school districts as ambassadors of SISC and as an explanation of the driving costs of health care, taking note that this company is pleased with a 13% administrative cost, while SISC operates on a 4.9% administrative cost.

Show the Board an Article from the Bakersfield Californian dated May 24, 2010. Director Bigler reviewed this article for the Board regarding the Grossman Burn Center in Bakersfield celebrating its one year anniversary. Director Bigler mentioned the article appeared in the local paper just two days after Dr. Grossman presented to our group at the May meeting.

Update the Board on the New Health Care Reform Legislation as it Relates to the Retiree Reinsurance Program. John Stenerson provided a summary of this topic to the Board explaining that money is being made available through health care reform to allow an entity to recoup 80% of the payments between \$15,000-\$90,000 that were made on behalf of an early retiree, age 55 or older, who is not eligible for Medicare. The program is set to run for 3 ½ years or until the \$5 Billion dollars is spent. The money is to be used to reduce plan premiums of health benefit costs for the plan sponsor or, to reduce the amount a participant must pay for plan premiums. John mentioned communication will be going out to districts shortly to explain the process for completing the applications. We don't know at this time whether each district will have to complete an application, or whether we can submit one application for all SISC districts that qualify.

Show the Board the Growth for 2010-2011. Director Bigler reviewed the districts that have either joined SISC this year, or are considering joining on October 1, 2010. The additional districts help to provide us the size to negotiate additional reductions in the costs we pay the various entities with which we do business, however, Director Bigler mentioned that we consider each group carefully to determine whether or not they would be a good fit for our JPA before signing them up.

Show the Board a Copy of the July HEAR Billing. Director Bigler reviewed the memo's that were sent to the districts regarding "Pay as Billed", and further explained the reasoning behind this change in billing.

Show the Board an Article Concerning CVS Caremark and Walgreens. Director Bigler reviewed this article for the Board which discusses an on-going battle between CVS and Walgreens. Director Bigler wanted to direct the Board's attention to the three large PBM's out there and mentioned SISC is with the largest of the three.

Comments From the Board of Directors. Director Bigler let the Board know Cherie Payne has accepted the job of Director of Human Resources for KCSOS, and this would be her last official Board Meeting. Director Bigler congratulated Cherie and wished her well in her new job.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Miller, seconded by Director Pickavet and carried adjourning the meeting at 1:41 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, July 21, 2010**, 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