

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, AUGUST 18, 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 1:00 p.m. on Wednesday, August 18, 2010 by Director Bigler, 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
Eva Chavez
Brian Hawkins
Kip Hearron
Steve McClain
Gary Pickavet
Bryon Schaefer

ALTERNATES PRESENT:

Tom Valos
Judy Marty

OTHERS PRESENT:

Jackie Brouillette
Cindy Mattern
Bonnie Bowles
John Stenerson
Megan Hanson
Henry Barker
Jo Anna Miller - Buckman-Mitchell
Judy Fussel – Buckman-Mitchell
Turner Houston – Houston Insurance Services
Steve Bargeon – Foundation for Med. Care
Carolyn Temple – Foundation for Med. Care Kern
Chip Schweitzer – Kaiser Permanente
Susan Wooten – KHSD CSEA Representative
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 July 2010 Regular Board of Directors Meeting.

DELTA DENTAL CLAIMS	8,542,067.99	
DELTA DENTAL ASO	560,359.65	
	TOTAL DENTAL	\$9,102,427.64
VISION SERVICE CLAIMS	1,183,321.88	
MES CLAIMS	117,913.06	
VSP ASO	88,321.82	
MES ASO	6,817.29	
	TOTAL VISION	\$1,396,374.05
ANTHEM BLUE CROSS HEALTH CLAIMS	52,192,046.88	
BLUE SHIELD HEALTH CLAIMS	9,426,013.24	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	321,443.61	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	275,794.25	
MEDCO DISCOUNT CARD CLAIMS	65,167.31	
TOTAL HEALTH CLAIMS	62,280,465.29	

**SISC III BOARD MEETING
WEDNESDAY, AUGUST 18, 2010
PAGE 2**

ANTHEM BLUE CROSS ASO	1,458,667.84	
BLUE SHIELD ASO	193,702.85	
ANTHEM BC BEHAVIORAL HEALTH ASO	166,337.68	
ANTHEM BC COMPANION CARE RETIREE ASO	31,139.50	
FOUNDATION CLMS PROCESSING ASO	553,962.24	
MEDCO DISCOUNT CARD ASO	1,536.32	
TOTAL HEALTH ASO	2,405,346.43	
	TOTAL HEALTH	64,685,811.72
MEDCO CLAIMS	12,640,395.52	
AMERICAN HEALTH CARE CLAIMS	2,043,143.32	
MEDCO ASO	385,487.23	
AMERICAN HEALTH CARE ASO	51,360.20	
TOTAL RX		15,120,386.27
INSURED PRODUCTS		
ANTHEM BC HMO CLAIMS	1,554,011.16	
ANTHEM BC HMO ADMIN FEE	716,592.54	
BLUE SHIELD HMO CLAIMS	2,124,200.60	
BLUE SHIELD HMO ADMIN FEE	850,354.52	
AETNA HMO	1,216,572.16	
HEALTH NET HMO	319,801.10	
KAISER HMO	3,283,851.76	
PACIFICARE BEHAVIORAL HEALTH	520,362.70	
CIGNA BEHAVIORAL HEALTH	15,707.80	
UNITED HEALTH CARE DENTAL	868.92	
DELTACARE/PMI DENTAL	3,608.22	
KASIER SENIOR ADVANTAGE RETIREE PLAN	52,756.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	48,975.00	
AETNA INSURED PPO	50,690.51	
MUTUAL OF OMAHA LIFE	134,538.65	
ZURICH LIFE	12,704.60	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS		\$10,905,596.24
SISC FLEX CLAIMS	200,610.53	
WELLNESS	0.00	
ALL OTHER	339,265.71	
	TOTAL SISC III PAYMENTS	\$101,750,472.16

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending July 31, 2010. The Investment Summary Report for the period April-June 2010 was reviewed as well. After discussion, motion was made by Director Hearron, seconded by Director Hawkins and carried approving the Financial Report as presented.

Request Approval of the 2010-2011 GASB 45 Budget. Cindy Mattern reviewed the proposed 2010-2011 GASB 45 Budget for the Board. After discussion, motion was made by Director Caudle, seconded by Director Hawkins, and carried approving the 2010-2011 GASB 45 Budget as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Trend History Through July 2010. John Stenerson reviewed the monthly SISC PPO Trend history through July 2010. John informed the Board we lost no member districts. We are running at 8% trend for the month of July, 2010.

Provide Each Board Member With a List of All Board Members. Director Bigler reviewed the list of Board Members, asking that each member review their information and send any updates to Jackie.

Get Feedback from the Board on Ways to Get Greater Participation from Member Districts in Our Wellness Programs. John Stenerson reviewed the Health Smarts Wellness Program with the Board. Health Media's program has been selected. John explained that we are trying to come up with ways to promote participation to our member districts. He said this program has worked, but management needs to be involved and engaged. We need to meet with school district superintendents, demonstrating a program that is exciting, meaningful and worthwhile. Director Chavez said that it is important to communicate with senior leadership. We need to find a way to get the word out in a meaningful way. Incentives have worked in the past, but it needs to be the right incentive and the right set-up.

Show the Board Information from Anthem Concerning Balanced Billing. Director Bigler provided the Board with information from Anthem concerning the issues surrounding balanced billing.

Mention to the Board SB 810 Passed the Assembly Health Committee. Director Bigler presented information about SB 810.

Show the Board Information on the Incoming Anthem Blue Cross President. Director Bigler presented information in the board packet about the change in Anthem Blue Cross leadership.

Update the Board on Volume of Business with Delta Dental. Director Bigler shared an e-mail from John Stenerson to Dan Bly, our Delta Dental representative. With the addition of Stockton and Sacramento we exceeded the number needed to receive a lower administration fee rate from Delta Dental. This will save us between \$83,000 and \$85,000 annually. Director Bigler remarked on how well SISC's Finance Department, Health and Welfare Benefits Department and Delta Dental work together.

Let the Board Know, Effective 01/01/11, Members May Need a Prescription to Purchase Over the Counter Prescription Drugs. Cindy Mattern reviewed this with the Board. Cindy said it would impact the SISC Flex plan participants, requiring a prescription for over the counter medications for those medications to be applied to the Flex plan. There is currently a movement to delay implementation of the law, allowing for a better transition period for all participants.

Show the Board an Article About the Torrance Unified School District. Director Bigler shared an article with the Board sent to him by Director Chavez. It talked about the effect of widespread layoffs on healthcare.

Update to the Board on the Continuity of Operations Project. Director Bigler introduced this discussion item, stating that about 400 school districts, approximately one third of the school districts in California, participate in SISC. Because of the importance of the information that SISC is responsible for, it was determined that we needed an offsite location to store this information in case this building were to be damaged by flood, fire, earthquake, etc. Henry Barker discussed the partnership between San Luis Obispo County Office of Education (SLOCOE) and SISC. After meeting with the Information Systems Department at SLOCOE, we arrived at a plan to update a building at their site. There are data racks, an uninterrupted source of power, and a generator provided by SLOCOE. In return, we provide them with storage space here at KCSOS. The project went from a data replication project to a true continuity of operations plan, where we can continue to operate if we were unable to use this building. The tech team at KCSOS has been a huge help in developing this project.

Review the GASB 45 Investment Policy. Cindy Mattern reviewed the GASB Investment 45 Policy with the Board, stating that no changes are recommended.

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

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Caudle, seconded by Director Hawkins and carried adjourning the meeting at 1:42 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, September 22, 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.

KAREN COX, Secretary