

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, OCTOBER 20, 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 1:03 p.m. on Wednesday, October 20, 2010, 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
Brian Hawkins
Kip Hearron
Steve McClain
Russell Miller
Gary Pickavet

ALTERNATES PRESENT:

Judy Marty
Tom Valos

OTHERS PRESENT:

Jackie Brouillette
Cindy Mattern
Bonnie Bowles
Megan Hanson
John Stenerson
Frank Fekete
Lola Nickell
Raquel Acebedo
Lauri Phillips
Rich Edwards – Merrill Lynch
Lori Howell – Kern Foundation
Liz Maynard – Kern Foundation
Susan Wooten – KHSD CSEA Representative
Earl Johnson – KCEA
Luis Castellenos – Tulare City School District
Turner Houston – Houston Insurance Services
Cindy Hansen – Golden Valley Medical Center
Trish Srimongol – Kaiser
Judy Fussel – Buckman Mitchell
Steve Bargeon – Tulare Kings Foundation
Charles Phillips, M.D. – Century Medical Group

CONSENT CALENDAR

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

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

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

DELTA DENTAL CLAIMS	7,035,008.78	
DELTA DENTAL ASO	461,496.67	
	TOTAL DENTAL	7,496,505.45
VSP CLAIMS	737,646.92	
MES CLAIMS	97,768.82	
VSP ASO	88,191.88	
MES ASO	8,561.72	
	TOTAL VISION	932,169.34

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ANTHEM BLUE CROSS HEALTH CLAIMS	43,582,970.63	
BLUE SHIELD HEALTH CLAIMS	9,117,854.83	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	16,749.98	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	249,022.87	
MEDCO DISCOUNT CARD CLAIMS	61,293.44	
TOTAL HEALTH CLAIMS	53,027,891.75	
ANTHEM BLUE CROSS ASO	1,176,439.79	
BLUE SHIELD PPO ASO	206,637.56	
ANTHEM BC BEHAVIORAL HEALTH ASO	168,070.40	
ANTHEM BC COMPANION CARE RETIREE ASO	59,853.50	
FOUNDATION CLMS PROCESSING ASO	565,643.52	
MEDCO DISCOUNT CARD ASO	1,770.15	
TOTAL HEALTH ASO	2,178,414.92	
	TOTAL HEALTH	55,206,306.67
MEDCO CLAIMS	12,365,577.06	
AMERICAN HEALTH CARE CLAIMS	2,126,431.06	
MEDCO ASO	368,155.15	
AMERICAN HEALTH CARE ASO	54,388.30	
	TOTAL RX	14,914,551.57
ANTHEM BC HMO CLAIMS	1,685,365.53	
ANTHEM BC HMO ADMIN FEE	694,776.25	
BLUE SHIELD HMO CLAIMS	1,627,171.59	
BLUE SHIELD HMO ADMIN FEE	881,124.96	
AETNA HMO	5,443.32	
HEALTH NET HMO	283,647.50	
KAISER HMO	3,039,915.18	
PACIFIC CARE BEHAVIORAL HEALTH	520,509.00	
CIGNA BEHAVIORAL HEALTH	15,808.20	
UNITED HEALTHCARE DENTAL	697.35	
DELTACARE/PMI DENTAL (NONE DUE)	0.00	
KAISER SENIOR ADVANTAGE RETIREE PLAN	53,326.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	47,790.00	
AETNA INSURED PPO	2,289.78	
MUTUAL OF OMAHA LIFE INS	103,285.48	
ZURICH LIFE	12,830.00	
TOTAL INSURED		8,973,980.14
SISC FLEX CLAIMS		136,491.27
WELLNESS		176,430.00
ALL OTHER		477,077.39
TOTAL SISC III PAYMENTS		88,313,511.83

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PUBLIC COMMENT

- A. Charles Phillips, M.D. with Century Medical Group addressed the Board.
- B. Cindy Hansen, CFO with Golden Valley Medical Center addressed the Board.
- C. Susan Wooten, Kern High School District CSEA Representative addressed the Board.

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending September 30, 2010. Cindy pointed out that the LAIF rate for the month of September was 0.50%. Cindy reminded the Board that next month is the beginning of the new fiscal year. The 2010-11 budget was set with the expectation of using approximately \$28 million of reserves in an effort to keep rates low for our members. She reviewed the Revolving Fund Expenditures with the Board. Cindy also let the Board know that the investment detail would be presented at the next board meeting and we expect it to be positive. After discussion, motion was made by Director Miller, seconded by Director Cox and carried approving the Financial Report as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Trend History Through September 2010. John Stenerson reviewed the monthly SISC PPO Trend history through September 2010 informing the Board that contracts are up from the prior month. Claims per contract for the last 12 months are at \$660. The percent change is at 6.9%, the second time in the last 12 months that it's been below 9%.

Show the Board a Copy of the Memorandum on National Customer Service Week. Director Bigler discussed how much we appreciate being able to serve the Districts in SISC III, and he thanked the Board and Districts for their business.

Show the Board an Article on the Caveats Attached to Health Care Law Changes. Director Bigler discussed an article on the health care law changes. Among other changes, he mentioned that insurers must cover children up to age 26. While this isn't required by law until the new plan year begins, SISC started this on June 1, 2010. This will cost approximately \$5 million per year.

Show the Board an Article about the regulations on "Grandfathering" under the Affordable Care Act. Director Bigler discussed this article discussing the requirements for all insurance plans and the additional requirements for non-grandfathered plans.

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 2:12 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, November 17, 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