

**SISC III  
HEALTH BENEFITS PROGRAM  
BOARD OF DIRECTORS MEETING  
FEBRUARY 17, 2010  
1:00 P.M.**

**A G E N D A**

**I. CONSENT CALENDAR**

- A. Approval of Minutes for January 2010 Board of Directors Meeting Russell Bigler
- B. Report of Activity for the Month of January 2010 and ratification of payment as follows: Russell Bigler

|   |                      |                       |
|---|----------------------|-----------------------|
| DELTA DENTAL CLAIMS                     | 7,338,704.65         |                       |
| DELTA DENTAL ASO                        | 481,419.08           |                       |
| <b>TOTAL DENTAL</b>                     |                      | <b>\$7,820,123.73</b> |
| VISION SERVICE CLAIMS                   | 1,232,043.50         |                       |
| MES CLAIMS                              | 103,102.80           |                       |
| VSP ASO                                 | 86,598.78            |                       |
| MES ASO                                 | 11,186.40            |                       |
| <b>TOTAL VISION</b>                     |                      | <b>\$1,432,931.48</b> |
| ANTHEM BLUE CROSS HEALTH CLAIMS         | 39,025,709.02        |                       |
| BLUE SHIELD HEALTH CLAIMS               | 6,375,658.82         |                       |
| ANTHEM BC BEHAVIORAL HEALTH CLAIMS      | 251,619.67           |                       |
| ANTHEM BC COMPANION CARE RETIREE CLAIMS | 267,941.52           |                       |
| MEDCO DISCOUNT CARD CLAIMS              | 52,613.82            |                       |
| <b>TOTAL HEALTH CLAIMS</b>              | <b>45,973,542.85</b> |                       |
| ANTHEM BLUE CROSS ASO                   | 1,357,150.01         |                       |
| BLUE SHIELD ASO                         | 163,725.26           |                       |
| ANTHEM BC BEHAVIORAL HEALTH ASO         | 164,446.61           |                       |
| ANTHEM BC COMPANION CARE RETIREE ASO    | 45,570.00            |                       |
| FOUNDATION CLMS PROCESSING ASO          | 557,060.40           |                       |
| MEDCO DISCOUNT CARD ASO                 | 1,749.03             |                       |
| <b>TOTAL HEALTH ASO</b>                 | <b>2,289,701.31</b>  |                       |
| <b>TOTAL HEALTH</b>                     |                      | <b>48,263,244.16</b>  |
| MEDCO CLAIMS                            | 11,898,208.71        |                       |
| AMERICAN HEALTH CARE CLAIMS             | 1,892,307.38         |                       |
| MEDCO ASO                               | 324,698.23           |                       |
| AMERICAN HEALTH CARE ASO                | 53,534.00            |                       |
| <b>TOTAL RX</b>                         |                      | <b>14,168,748.32</b>  |
| <b>INSURED PRODUCTS</b>                 |                      |                       |
| ANTHEM BC HMO CLAIMS                    | 615,143.85           |                       |
| ANTHEM BC HMO ADMIN FEE                 | 552,465.59           |                       |
| BLUE SHIELD HMO CLAIMS                  | 730,062.91           |                       |
| BLUE SHIELD HMO ADMIN FEE               | 173,556.80           |                       |
| AETNA HMO                               | 1,388,826.39         |                       |
| HEALTH NET HMO                          | 341,610.60           |                       |
| KAISER HMO                              | 2,856,927.39         |                       |

|  |            |                        |
|--|------------|------------------------|
| PACIFICARE BEHAVIORAL HEALTH                   | 509,135.55 |                        |
| CIGNA BEHAVIORAL HEALTH                        | 15,985.80  |                        |
| UNITED HEALTH CARE DENTAL                      | 697.35     |                        |
| DELTACARE/PMI DENTAL                           | 3,608.22   |                        |
| KASIER SENIOR ADVANTAGE RETIREE PLAN           | 53,721.00  |                        |
| HEALTH NET SENIORITY PLUS RETIREE PLAN         | 50,555.00  |                        |
| AETNA INSURED PPO                              | 73,096.13  |                        |
| BLUE SHIELD INSURED PPO                        | 0.00       |                        |
| HEALTH NET INSURED PPO                         | 0.00       |                        |
| MUTUAL OF OMAHA LIFE                           | 134,078.51 |                        |
| ZURICH LIFE                                    | 12,576.40  |                        |
| <b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b> |            | <b>\$7,512,047.49</b>  |
| <br>   |            |                        |
| SISC FLEX CLAIMS                               | 153,174.23 |                        |
| STOP LOSS - VISTA UNDERWRITING PARTNERS        | 0.00       |                        |
| WELLNESS                                       | 144,800.00 |                        |
| ALL OTHER                                      | 258,073.73 |                        |
| <b>TOTAL SISC III PAYMENTS</b>                 |            | <b>\$79,753,143.14</b> |

## II. PUBLIC COMMENT

### III. ACTION ITEMS

- |  |                |
|--|----------------|
| A. Financial Report - Financial Statements For Prior Month Presented For Approval              | Cindy Mattern  |
| B. Request Approval of Billing Districts on a "Pay as Billed" Basis vs. a Payroll Based System | Russell Bigler |

### IV. DISCUSSION AND INFORMATION ITEMS

- |  |                                  |
|--|----------------------------------|
| A. Show the Monthly SISC PPO Claims History Through January 2010   | John Stenerson                   |
| B. Update the Board on the Federal Government Health Care Bill   | Russ Bigler                      |
| C. Show the Board the Percentage of Reserves to Liabilities Over the Past 5 Years                                      | John Stenerson                   |
| D. Mention the 2010-11 Rates for Every Product except the Medical with be Presented At the March Meeting               | Russ Bigler                      |
| E. Update the Board on the SISC Wellness Program   | Jennifer Bennett                 |
| F. Update the Board on Continuity of Operations Plan   | Russell Bigler                   |
| G. Update the Board on SISC Flex Enrollment and Deposits   | Cindy Mattern                    |
| H. Update the Board on the Anthem Changes to their Physical Therapy, Occupational Therapy, and Speech Therapy Networks | Russell Bigler                   |
| I. Comments from the Board of Directors Will Be Heard  |                                  |
| J. Adjournment   |                                  |
| K. Next Meeting:   | <b>Wednesday, March 24, 2010</b> |

**1:00 p.m.**  
**SISC Board Room – City Centre**

**Any materials required by law to be made available to the public prior to a meeting of the Board of Directors of the Joint Powers Authority can be inspected at the following address during normal business hours at 1300 17<sup>th</sup> Street, Bakersfield, Ca. 93301**

## **SISC III BOARD OF DIRECTORS**

### **INFORMATION ITEMS**

- A. **Monthly SISC PPO Claims History Through January 2010.** The SISC PPO claims history through January 2010 will be shown at the meeting.
  
- B. **Update the Board on the Federal Government Health Care Bill.** The Republican Scott Brown's victory over Democrat Martha Coakley for the U.S. Senate seat in Massachusetts gives the Republicans the 41<sup>st</sup> vote they need to block legislation in the Senate. This is causing the Democrats to rethink their options.
  
- C. **Show the Board the Percentage of Reserves to Liabilities Over the Past 5 Years.** John Stenerson will go over this.
  
- D. **Mention the 2010-11 Rates for every Product except the Medical and RX will be Presented at the March Meeting.** Per our January 2010 Board Meeting, staff will ask approval for 2010-11 rates for dental, vision and behavioral health.
  
- E. **Update the Board on the SISC Wellness Program.** We are entering the 2<sup>nd</sup> year of an excellent Wellness Program and the staff has been marketing it throughout SISC Member Districts because it continues to be the next big area for cost containment.
  
- F. **Update the Board on Continuity of Operations Plan.** Background: The old name was Disaster Recovery. Counting SISC I, II, III and the added value programs in the SISC Finance Department, we are talking about one billion dollars a year and somewhere around 380 school districts or county offices from the Oregon to the Mexican borders and from the Pacific Coast to the Arizona/Nevada borders. As we work with the business community, the vendors, many of them smaller than SISC, are amazed we don't have our servers duplicated off-site.

We have realized for sometime, and the independent audit firm reconfirmed, we need an offsite location to replicate our servers and we believe we have found such a site.

The San Luis Obispo County Office of Education has worked with the Kern County Office of Education for several years. With that as background, it appears we could utilize a portion of their site, at no cost, to house a replica of the current server farm currently utilized by SISC for daily warehousing. KCSOS would do the same for SLOSOS. There will be the cost of hardware and some ongoing cost but not nearly as much as there would be if we were going on our own.

At some point we know we need to establish an offsite work area for staff to utilize to continue to serve members and member districts in case of a fire, flood, earthquake, etc. to this building. However, right now we are concentrating on the protection of SISC data.

**Update:** The Construction job went to bid several weeks ago, and we have accepted the low bid of \$114,495.00. This represents a substantial reduction in cost from what was originally thought the cost to be, due to SISC and KCSOS working together to redesign the original plan. Construction is expected to take several months and finish some time in April. We are currently getting prices on the equipment we will need once construction has been completed.

G. **Update the Board on SISC Flex Enrollment and Deposits.** Per the attachment you can see more people are participating and they are putting more money in their SISC Flex Plan.

H. **Update the Board on the Anthem Changes to their Physical Therapy, Occupational Therapy, and Speech Therapy Networks.** At our monthly Anthem Service Meeting, on January 29, 2010, we learned Anthem was making, and the reasons for making, the changes mentioned in the handout to their P.T., O.T. and Speech Therapy Networks. Anthem cited the following reasons for making these changes;

Expand the provider network, improve member access to care and reduce overall medical costs.

We are closely monitoring this and are ready to communicate these changes to member districts if we believe that would be the best thing to do.

I. **Comments from the Board of Directors**