

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

**A G E N D A**

**I. CONSENT CALENDAR**

A. Approval of Minutes for May 2010 Board of Directors Meeting

B. 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	
<b>TOTAL DENTAL</b>		<b>\$6,005,622.40</b>
VISION SERVICE CLAIMS	792,545.86	
MES CLAIMS	61,813.82	
VSP ASO	86,160.90	
MES ASO	11,780.44	
<b>TOTAL VISION</b>	11,756.12	<b>\$952,301.02</b>
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	
<b>TOTAL HEALTH CLAIMS</b>	<b>48,078,888.32</b>	
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	
<b>TOTAL HEALTH ASO</b>	<b>2,847,630.24</b>	
<b>TOTAL HEALTH</b>		<b>50,926,518.56</b>
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	
<b>TOTAL RX</b>		<b>15,077,371.86</b>
<b>INSURED PRODUCTS</b>		
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	

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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	
<b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b>		<b>\$8,724,844.29</b>
SISC FLEX CLAIMS	206,375.90	
STOP LOSS - VISTA UNDERWRITING PARTNERS	0.00	
WELLNESS	259,134.00	
ALL OTHER	376,260.63	
<b>TOTAL SISC III PAYMENTS</b>		<b>\$82,528,428.66</b>

**II. PUBLIC COMMENT**

**III. ACTION ITEMS**

- |   |                |
|---|----------------|
| A. Financial Report - Financial Statements For Prior Month Presented For Approval | Cindy Mattern  |
| B. Request Approval of 2010-2011 Meeting Times, Dates and Places                  | Russell Bigler |
| C. Request Approval of 2009-2010 Budget Revision                                  | Cindy Mattern  |

**IV. DISCUSSION AND INFORMATION ITEMS**

- |  |                          |
|--|--------------------------|
| A. Monthly SISC PPO Trend History Through May 2010   | John Stenerson           |
| B. Show the Board an Article on Health Care from a Major Health Ins. Company                                   | Russell Bigler           |
| C. Show the Board an Article from the Bakersfield Californian dated May 24, 2010                               | Russell Bigler           |
| D. Update the Board on the New Health Care Reform Legislation as it Relates to the Retiree Reinsurance Program | John Stenerson           |
| E. Show the Board the Growth for 2010-2011   | Russell Bigler           |
| F. Show the Board a Copy of the July HEAR Billing  | John Stenerson           |
| G. Show the Board an Article Concerning CVS Caremark and Walgreens   | Russell Bigler           |
| H. Comments From the Board of Directors Will Be Heard  |                          |
| I. Adjournment   |                          |
| J. Next Meeting:   | Wednesday, July 21, 2010 |

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 INFORMATION AND DISCUSSION ITEMS JUNE 16, 2010

- A. Monthly SISC PPO Trend History Through May 2010.** The SISC PPO monthly trend history for the month of May 2010 will be shown at the meeting.
- B. Show the Board an Article on Health Care from a Major Health Insurance Company.** Interesting article showing where member premiums go if they are fully insured with this company. As you can see, it is 13%, this is typical, and the company is very pleased. In contrast, SISC member districts only pay 4.9 percent of premium for administrative costs. On the right hand side it mentions what is driving the cost of health care. If you are asked this question, these also apply to SISC. We also think younger members are being laid off so our population is aging. In addition, we think members, of all ages, are not sure if they will have a job so everyone is going for health care.
- C. Show the Board an Article from the Bakersfield Californian dated May 24, 2010.** This article appeared in our local paper just two days after Dr. Grossman spoke to us about the Grossman Burn Center.
- D. Update the Board on the New Health Care Reform Legislation as it Relates to the Retiree Reinsurance Program.** A portion of the new health care reform legislation is the retiree reinsurance program. It will 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 regulations have not yet been finalized.

One requirement is an entity has to have in place procedures to generate cost savings for members with chronic and high cost conditions; which SISC has. The money can be used for the following two reasons:

- a. To reduce the plan sponsor's plan premiums or health benefit costs;
  - b. To reduce the amount a participant must pay for plan premiums, copayments, deductibles, coinsurance or other out-of-pocket costs, or any combination of these items.
- E. Show the Board the Growth for 2010-2011.** This is the 3<sup>rd</sup> time in the past 23 years medical trend has taken off. Each of the first two times SISC experienced a lot of growth. For a variety of reasons it is happening again. To date, the following districts have either joined SISC this year, or it appears they will by October 1, 2010.
1. Santa Barbara City School District
  2. Santa Cruz County Office of Education and seven small districts in the county that form a pool.
    - San Lorenzo
    - Live Oak
    - Scotts Valley
    - Bonny Doon El.
    - Happy Valley
    - Pacific
    - Mountain
  3. ACE Charter High School in Ventura
  4. Alvord Unified in Riverside
  5. Temecula Valley in Riverside
  6. Mendocino Unified
  7. Central Union High Classified in El Centro – We already have Certificated
  8. Yosemite Community College
  9. SISC's Dental Coalition:
    - Stockton Unified – 11/1/2009
    - Sacramento City Unified

**SISC III**  
**INFORMATION AND DISCUSSION ITEMS - Continued**  
**JUNE 16, 2010**

Also, keep in mind we don't let every district in that wants to be a part of the JPA. Staff reviews the applications very closely for adverse selection, financial stability, etc. before we let them in.

These districts, like the rest of the districts in the JPA, will provide us the size to negotiate additional reductions in the costs we pay the various entities in which we do business.

It also helps to slightly lower each districts administrative cost.

- F. Show the Board a Copy of the July HEAR Billing.** This has to do with changing to the "Pay as Billed" method. John Stenerson will go over it at the Board Meeting.
  
- G. Show the Board an Article Concerning CVS Caremark and Walgreens.** Director Bigler will review this at the Board Meeting.
  
- H. Comments From the Board of Directors Will Be Heard**