

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, AUGUST 20, 2008 1:00 P.M.

MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:05 p.m. on Wednesday, August 20, 2008, 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
Karen Cox
Brian Hawkins
Kip Hearn
Nelson Heisey
Dan Munis
Gary Pickavet
Steve McClain

ALTERNATES PRESENT:

Judy Marty
John Mendiburu
Tom Valos
Bill Voss

OTHERS PRESENT:

Cherie Payne
Cindy Sproles
Bonnie Bowles
Jennifer Bennett
Joe Anna Miller - Buckman-Mitchell
Judy Fussel – Buckman-Mitchell
Janet Clary – Kern Foundation
Holly VonderHaar - Kaiser
Jennifer Thomas – Blue Cross
Megan Hanson
Bob Hunter
Rich Edwards – Merrill Lynch
John Stenerson
Connie Cervantes

CONSENT CALENDAR

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

Minutes. Minutes for the July 2008 Regular Board of Directors Meeting.

Report of Activity for the Month of July 2008 and Ratification of Payment as follows:

DELTA DENTAL CLAIMS	6,714,846.59	
SISC ASO	440,493.95	
DENTAL COALITION CLAIMS	1,201,431.11	
DENTAL COALITION ASO	78,813.88	
DELTACARE/PMI PREMIUM	3,955.04	
TOTAL DENTAL		\$8,439,540.57
VISION SERVICE CLAIMS	1,213,764.45	
VSP ASO	92,170.18	
MES CLAIMS	34,851.95	
MES ASO	4,388.94	
TOTAL VISION		\$1,345,175.52

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PACIFICARE/BEHAV HEALTH	462,652.32	
CIGNA BEHAV. HEALTH (MCC SLECT)	16,897.54	
SECURE HORIZONS PREM (PACIFICARE)	6,300.00	
SENIOR ADVANTAGE PREM (KAISER)	39,552.20	
SENIORITY PLUS PREM (HEALTHNET)	36,836.00	
BLUE SHIELD HMO PREMIUM	497,112.35	
BLUE SHIELD FULLY INSURED PPO	15,136.12	
HEALTH NET PREMIUM	1,709,726.71	
CALIFORNIA CARE PREMIUM	1,014,698.00	
KAISER PREMIUM	2,698,439.20	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	1,576.40	
UNITED HEALTHCARE (LIFE INSURANCE)	140,790.01	
NAT'L BENEFIT RESOURCES (STOP LOSS)	56,154.75	
BLUE CROSS HEALTH CLAIMS	40,520,882.88	
BLUE SHIELD HEALTH CLAIMS	5,163,252.30	
BEHAVIORAL HEALTH CLAIMS	408,680.47	
ITS CLAIMS	1,370,468.46	
COMPANION CARE CLAIMS	184,797.85	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS		\$47,648,081.96
BLUE CROSS NETWORK ASO	1,305,393.89	
FOUNDATION ADJUDICATION ASO	562,283.28	
BLUE SHIELD ASO	170,342.70	
BEHAVIORAL HEALTH ASO	158,554.26	
ITS ASO	80,554.73	
COMPANION CARE ASO	32,180.43	
TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.		\$2,309,309.29
TOTAL BLUE CROSS AND BLUE SHIELD		\$49,957,391.25
MERCK CLAIMS	9,841,554.07	
ASO-COPAY	277,470.02	
CLAIMS - DISCOUNT CARD	60,890.80	
ASO - DISCOUNT CARD	2,284.24	
CLAIMS - MEDICARE PART D	349,421.66	
ASO - MEDICARE PART D	10,596.17	
AHC - CLAIMS	2,079,380.00	
AHC - ASO	81,983.60	
TOTAL RX CLAIMS		\$12,703,580.56
TOTAL BC, BSC AND RX		\$62,660,971.81

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Sproles reviewed with the Board the Financial Report for the period ending July 31, 2008. The Investment Summary Report for the period April-June 2008 was reviewed as well. Rich Edwards from Merrill Lynch discussed the approach used for investment strategies. After discussion, motion was made by Director Cox, seconded by Director Pickavet and carried approving the Financial Report as presented.

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Request Approval of the 2008-2009 SISC GASB 45 Budget. Cindy Sproles reviewed the proposed GASB 45 budget with the Board and discussed the reason for the requested increase is due to the business picking up the last year. We anticipate quite a bit of new districts coming on in the next year. After discussion, motion was made by Director Hearron, seconded by Director Cox and carried approving the 2008-2009 GASB 45 budget as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Trend History Through July 2008 John Stenerson reviewed the monthly SISC PPO Trend history through July 2008. John discussed the CSAC "contract" vs. the SISC "contract" and how the contracts affect the numbers.

Provide Each Board Member With a List of All Board Members. Director Bigler reviewed with the Board a listing of current Board Members.

Update the Board on SISC's Verification of Eligibility Audit. Director Bigler discussed the history of eligibility audits and the reasons for conducting them. Bob Hunter described for the Board how he went about charting the results of the eligibility audit. A difference of 15 dependents per 1000 subscribers was found.

Update the Board on the Retiree Drug Subsidy Revenue. John Stenerson discussed the Retiree Drug Subsidy with the Board and informed them that an employer (district) can get back as much as 28% of the actual drug cost for their qualifying retirees over the age of 65 when the district is paying a portion of their expenses. Districts that qualified and applied are now getting their Retiree Drug Subsidy money for 2006 transferred electronically from Medicare to their designated bank accounts. It totals several hundred thousand dollars.

Show the Board a Letter from Kaiser on Balance Billing. Director Bigler reviewed this letter with the Board from Kaiser informing others of the restraining order they were able to secure against Prime Healthcare, preventing Prime from balance billing the members. Director Bigler discussed Prime's philosophy of not agreeing to a contract with any insurance companies, then accepting the money the insurance pays and balance billing the patient for the remainder. Director Bigler discussed Bill 981 with the Board and how it's not necessarily the right solution for Balance Billing.

Show the Board an Article for the Insurance Journal. Director Bigler let the Board know that we work with many brokers, but the brokers featured in this article in the Insurance Journal (Alliant Insurance Services) are the brokers SISC III works with statewide.

Show the Board an Article from the L.A. Times. Director Bigler discussed this article with the Board regarding the Governor and the State of California trying to rein in the consumer-unfriendly market for individual health insurance. After failing to pass a single payor or universal health plan, two bills are being proposed to attempt to improve the situation in the individual market. Director Bigler let the Board know that neither of the proposed bills will effect SISC members, but the limited scope of the article is interesting.

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 Cox, seconded by Director Mendiburu 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 24, 2008**, 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