

# SISC III

## HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, JULY 18, 2007 1:00 P.M.

### MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:09 p.m. on Wednesday, July 18, 2007, 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  
Dan Munis  
Gary Pickavet  
Dennis Scott

**ALTERNATES PRESENT:**

Paul Baxter  
Dean Bentley  
Richard Graham  
John Stenerson  
Judy Marty

**OTHERS PRESENT:**

Cherie Payne  
Cindy Sproles  
Bonnie Bowles  
Jennifer Bennett  
Carmen Gonzales  
Lauri Phillips  
Raquel Acebedo  
Joe Anna Reynoso – Buckman-Mitchell  
Judy Fussel – Buckman-Mitchell  
Jennifer Thomas – Blue Cross  
Carolyn Temple – Kern Foundation  
Kelly Cooper - Keenan  
Monique Etue – Kaiser

**CONSENT CALENDAR**

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

**Minutes.** Minutes for the June 2007 Regular Board of Directors Meeting.

**SISC III BOARD MEETING  
WEDNESDAY, JULY 18, 2007  
PAGE 2**

**Report of Activity for the Month of June 2007 and Ratification of Payment as follows:**

DELTA DENTAL CLAIMS	\$ 5,121,620.26	
SISC ASO	336,490.46	
DENTAL COALITION CLAIMS	1,034,806.28	
DENTAL COALITION ASO	67,986.77	
DELTACARE/PMI PREMIUM	<u>3,903.00</u>	
TOTAL DENTAL	\$ 6,564,806.77	
VISION SERVICE CLAIMS	\$ 773,656.27	
ASO	85,121.38	
MES CLAIMS	\$ 31,579.19	
ASO	<u>4,362.80</u>	
TOTAL VISION	\$ 894,719.64	
PACIFICARE/BEHAV HEALTH	\$ 433,461.96	
CIGNA BEHAV. HEALTH (MCC SELECT)	\$ 18,222.56	
SECURE HORIZONS PREM (PACIFICARE)	\$ 8,914.38	
SENIOR ADVANTAGE PREM (KAISER)	\$ 28,291.00	
SENIORITY PLUS PREM (HEALTHNET)	\$ 65,994.00	
BLUE SHIELD HMO PREMIUM	\$ 1,760,310.82	
BLUE SHIELD FULLY INSURED PPO	\$ 82,417.70	
HEALTH NET PREMIUM	\$ 926,656.47	
CALIFORNIA CARE PREMIUM	\$ 839,918.00	
KAISER PREMIUM	\$ 2,402,491.78	
PACIFIC CARE PREMIUM	\$ 31,803.72	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	\$ 1,939.50	
UNITED HEALTHCARE (LIFE INSURANCE)	\$ 134,094.86	
NAT'L BENEFIT RESOURCES (Stop Loss)	\$ 83,088.72	
BLUE CROSS HEALTH CLAIMS	\$ 33,923,170.40	
BLUE SHIELD HEALTH CLAIMS	\$ 2,944,460.47	
BEHAVIORAL HEALTH CLAIMS	\$ 281,299.40	
ITS CLAIMS	\$ 1,031,304.99	
COMPANION CARE CLAIMS	\$ 176,733.20	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS		\$ 38,356,968.46
BLUE CROSS NETWORK ASO	\$ 1,028,792.97	
FOUNDATION ADJUDICATION ASO	\$ 517,571.47	
BLUE SHIELD ASO	\$ 107,495.68	
BEHAVIORAL HEALTH ASO	\$ 140,575.11	
ITS ASO	\$ 73,590.95	
COMPANION CARE ASO	<u>\$ 28,803.59</u>	
TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.		<u>\$ 1,896,829.77</u>
TOTAL BLUE CROSS AND BLUE SHIELD		\$40,253,798.23

MERCK CLAIMS	\$ 9,120,382.35
ASO-COPAY	272,062.43
CLAIMS - DISCOUNT CARD	64,820.57
ASO - DISCOUNT CARD	2,754.60
CLAIMS – MEDICARE PART D	290,861.33
ASO – MEDICARE PART D	10,008.04
AHC CLAIMS <b>MAY 1-15 ONLY</b>	943,581.14
AHC – ASO <b>MAY 1-15 ONLY</b>	37,592.10
 TOTAL RX CLAIMS	 <u>\$10,742,062.56</u>
 TOTAL BC, BSC AND RX	 \$50,995,860.79

**PUBLIC COMMENT**

**ACTION ITEMS**

**Financial Report.** Cindy Sproles reviewed with the Board the Financial Report for the period ending June 30, 2007, noting that the LAIF rate is 5.25%. After discussion, motion was made by Director Bentley, seconded by Director Scott and carried approving the Financial Report as presented.

**Election of Vice Chairman for the 2007-2008 Fiscal Year.** Director Bigler advised the Board that Article VIII(c) provides that the Board shall, at the regular July meeting of each year, elect from its membership a vice chairman, a secretary and a treasurer to serve as officers of the Board for a term of one (1) year. After discussion, motion was made by Director Bentley, seconded by Director Graham and carried appointing Dennis Scott as Vice Chairman for the 2007-2008 Fiscal Year.

**Election of Secretary/Treasurer for the 2007-2008 Fiscal Year.** Motion was made by Director Bentley, seconded by Director Pickavet and carried appointing Dan Munis as Secretary/Treasurer for the 2007-2008 Fiscal Year.

**Request Approval of the 2006 Defined Benefit Program Audit.** Cindy Sproles reviewed with the Board the 2006 Defined Benefit Program Audit performed by Daniells, Phillips, Vaughan and Bock. After discussion, motion was made by Director Cox, seconded by Director Baxter and carried to approve the 2006 Defined Benefit Program Audit as presented.

**Request Approval Concerning Covering Proton Pump Inhibitor Prescriptions.** Director Bigler briefly went over the memo regarding proposed changes to Proton Pump Inhibitor prescriptions. John Stenerson went in to greater detail with the Board discussing the background information regarding prescription costs. To help alleviate the rising cost of prescription drugs, Medco has reviewed with us a Preferred Drug Management Program using a step therapy approach. The program is designed to achieve significant pain and member savings without impacting member care by having members first try over the counter or generic drugs for heartburn/acid reflux before filling a prescription for brand medication. Director Pickavet wanted the Board to know that he would vote against the request, explaining that this would be heading in the direction of a formulary. Director Scott suggested that we pass it and bring it back to the Board in June of next year to discuss the Pros and Cons of how the plan was received. After more discussion, motion was made by Director Scott, seconded by Director Bentley, opposed by Director Pickavet and carried approving the Preferred Drug Management Plan and bringing it back to the Board next June for further discussion.

**INFORMATION AND DISCUSSION ITEMS**

**Monthly Blue Cross/SISC PPO Trend History Through June 2007.** John Stenerson reviewed with the Board the Blue Cross/SISC PPO monthly trend history for the month of June 2007. John discussed that our year over year change is at 1%. John let the Board know that we have never been this low, and there is no indication in the marketplace that anyone else is experiencing a 1%. This is our third month in a row where we have significantly lowered our year over year.

**Show the Board three Newspaper Articles on the Michael Moore Movie "Sicko".** Director Bigler reviewed with the Board these articles regarding the movie "Sicko" and Michael Moore's stance on Single Payor Health Care. Director Bigler informed the Board that local CSEA Representatives invited others to come and watch the movie, and then meet at a local park to discuss afterwards.

**Update the Board on the Last Six Months of Claims Recovery by the Phia Group.** Director Bigler reviewed with the Board the history of using Blue Cross for Third Party Liability recovery and how we eventually switched to The Phia Group. Director Bigler went over the figures with the Board to update them on how successful that decision continues to be.

**Review the Investment Policy.** Cindy Sproles advised the Board that pursuant to Ed. Code we are required to bring the SISC Investment Policy to the Board on an annual basis. We are not requesting any changes at this time.

**Sorting Out the Action on the Health Care Front; Bills on Health Care.** Director Bigler reviewed with the Board several Health Care policy proposals that are moving through the Legislative process.

**Comments From the Board.** There were no comments from the Board at this time.

**ADJOURNMENT**

There being no further business to come before the Board, motion was made by Director Bentley, seconded by Director Baxter and carried adjourning the meeting at 1:59 p.m.

**NEXT MEETING**

The next meeting of the Board of Directors will be held **Wednesday, August 15, 2007**, at 1:00 p.m. in the SISC Board Room on the Fifth Floor of the Kern County Superintendent of Schools Office, 1300 17<sup>th</sup> Street, Bakersfield, California.

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DAN MUNIS, Secretary