

SISC III
HEALTH BENEFITS PROGRAM
BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 20, 2007
1:00 P.M.

M I N U T E S

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, June 20, 2007, in the SISC Board Room on the 5th 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
Doug Miller
Russell Miller
Gary Pickavet
Teri Schallock
Dennis Scott

ALTERNATES PRESENT:

Dean Bentley
Richard Graham
Judy Marty
John Stenerson

OTHERS PRESENT:

Cherie Payne
Cindy Sproles
Jennifer Bennett
Ken Hammer
Dan Bly – Delta Dental
JoeAnna Reynoso – Buckman-Mitchell
Judy Fussel – Buckman-Mitchell
Connie Cervantes
Steve Bargeon – Tulare/Kings Foundation

CONSENT CALENDAR

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

Minutes. Minutes for the May 2007 Regular Board of Directors Meeting.

Report of Activity for the Month of May 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 |

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|---|----|------------------|-------------------------------|
| 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. | | | \$ 1,896,829.77 |
| 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 MAY 1-15 ONLY | | 943,581.14 | |
| AHC - ASO MAY 1-15 ONLY | | 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 May 31, 2007. Cindy pointed out that the LAIF rate is at 5.25%. After discussion, motion was made by Director Pickavet seconded by Director Scott and carried approving the Financial Report as presented.

Request Approval of 2007-2008 Meeting Times, Dates and Places. Director Bigler reviewed with the Board a memorandum containing the time, date and location of the 2007-2008 monthly Board Meetings. He noted that all meetings are on the third Wednesday of the month except the months of September, March and May. September and March are months that annually have conflicts on the third Wednesday of the month. May is the Annual Board Meeting/Workshop. After discussion, motion was made by Director Bentley, seconded by Director Cox and carried approving the 2007-2008 Meeting Dates as proposed.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through May 2007. John Stenerson reviewed with the Board the SISC PPO claims history through May 2007. John notified the Board that we had our lowest year-over-year in many years. John pointed out that while it's a little early to call it a trend, a 2.0% is great news and reason to be optimistic about next year's renewal.

Update the Board on the Merced Area. Director Bigler discussed an e-mail that he had sent out to the Board regarding the Merced area. Director Bigler let the Board know that the Merced area was rated separately this year due to their geographical costs rising at a higher rate than areas around them. There was an e-mail that was sent out to many people complaining about the decision. Director Bigler pointed out that our main competition, CVT, actually did this years ago, and our rates are lower than theirs. Nelson Heisey with Merced COE isn't aware of any further complaints or issues.

Show the Board a Newspaper Article on a Medical Group Posting its Rates On-Line. Director Bigler discussed this Los Angeles Times article describing how some doctors are now posting their rates on-line to allow patients to "shop" for the best price for certain common procedures. The article points out that now that consumers are having to pay out of pocket due to higher deductibles, they are becoming more price conscience.

Show the Board a Newspaper Article on how Doctors Payments and Sales Coincide. Director Bigler discussed this article from the New York Times regarding a study that found that doctors who received money from drug companies are prescribing more drugs than doctors who do not receive funds. In addition the study found that doctors who took the most money from makers of atypicals, tended to prescribe the drugs to children the most often.

Show the Board a Newspaper Article on Retirees. Director Bigler discussed this article from the Sacramento Bee regarding retirees having to pay more for their health care costs and what it is doing to their pensions. The article discusses how teachers are taking an increasing amount of money out of their own wallets to cover the cost of health care in retirement and according to a recent survey by the California State Teachers' Retirement System, the trend will escalate.

Discuss the Concept of Future Funding and a Wellness Program. Director Bigler discussed a rate setting formula that would allow a District to get credit for Wellness Program Implementation. The formula would make a Wellness Program more valuable for Districts because they can actually lower their premiums by lowering their claims. Director Bigler discussed how we could possibly develop our own Health Risk Assessment and chart how many individuals are taking the HRA and then reward the District somehow monetarily through deductibles or premium savings. Director Bigler talked about maybe having one available as early as next year. The Board asked several questions regarding the HRA, and how we would go about it. Director Bigler stated that we would work on a plan, and bring it back to the Board.

Comments from the Board of Directors. Director Bigler discussed a CD that was shown several Board meetings ago about the growth of technology. Director Bigler offered to give interested board members a copy of the CD.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Graham, seconded by Director Miller and carried adjourning the meeting at 1:47 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, July 18, 2007**, 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.

DOUG MILLER, Secretary