

SISC III
HEALTH BENEFITS PROGRAM
BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 18, 2008
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 1:10 p.m. on Wednesday, June 18, 2008, 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
Gary Pickavet
Dennis Scott
John Von Flue

ALTERNATES PRESENT:

Paul Baxter
Dean Bentley
Judy Marty
John Stenerson

OTHERS PRESENT:

Cherie Payne
Cindy Sproles
Bonnie Bowles
Jennifer Bennett
Megan Hanson
Tom Valos
Lauri Phillips
Lola Nickell
Melanie Goldsmith
Holly VonderHaar
Carolyn Temple
Kelly Cooper

CONSENT CALENDAR

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

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

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

DELTA DENTAL CLAIMS (EXTRA CYCLE)	5,603,861.95	
SISC ASO	367,613.36	
DENTAL COALITION CLAIMS	942,475.66	
DENTAL COALITION ASO	61,826.40	
DELTACARE/PMI PREMIUM	3,955.04	
TOTAL DENTAL		\$6,979,732.41

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VISION SERVICE CLAIMS	755,960.89	
VSP ASO	90,461.38	
MES CLAIMS	25,122.21	
MES ASO	4,390.59	
	TOTAL VISION	\$875,935.07
PACIFICARE/BEHAV HEALTH	460,730.87	
CIGNA BEHAV. HEALTH (MCC SLECT)	16,924.04	
SECURE HORIZONS PREM (PACIFICARE)	7,500.00	
SENIOR ADVANTAGE PREM (KAISER)	40,234.20	
SENIORITY PLUS PREM (HEALTHNET)	34,271.00	
BLUE SHIELD HMO PREMIUM	1,924,111.41	
BLUE SHIELD FULLY INSURED PPO	86,390.05	
HEALTH NET PREMIUM	1,594,273.56	
CALIFORNIA CARE PREMIUM	1,024,482.00	
KAISER PREMIUM	2,707,753.20	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	1,487.84	
UNITED HEALTHCARE SPECIALTY BENEFITS (LIFE)	139,580.05	
NAT'L BENEFIT RESOURCES (STOP LOSS)	60,404.25	
BLUE CROSS HEALTH CLAIMS	39,709,599.67	
BLUE SHIELD HEALTH CLAIMS	4,405,754.99	
BEHAVIORAL HEALTH CLAIMS	357,502.61	
ITS CLAIMS	1,064,593.19	
COMPANION CARE CLAIMS	192,223.94	
	TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS	\$45,729,674.40
BLUE CROSS NETWORK ASO	1,290,661.17	
FOUNDATION ADJUDICATION ASO	555,928.23	
BLUE SHIELD ASO	146,622.83	
BEHAVIORAL HEALTH ASO	153,432.88	
ITS ASO	80,161.06	
COMPANION CARE ASO	37,469.07	
	TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.	\$2,264,275.24
	TOTAL BLUE CROSS AND BLUE SHIELD	\$47,993,949.64
MERCK CLAIMS (EXTRA CYCLE)	14,916,884.05	
ASO-COPAY	278,015.43	
CLAIMS - DISCOUNT CARD	116,873.41	
ASO - DISCOUNT CARD	2,360.20	
CLAIMS - MEDICARE PART D	498,414.45	
ASO - MEDICARE PART D	11,132.19	
AHC - CLAIMS	2,132,010.36	
AHC - ASO	82,773.60	
	TOTAL RX CLAIMS	\$18,038,463.69
	TOTAL BC, BSC AND RX	\$66,032,413.33

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Sproles reviewed with the Board the Financial Report for the period ending May 31, 2008. Cindy pointed out that the LAIF rate is at 3.07%. After discussion, motion was made by Director Cox seconded by Director Scott and carried approving the Financial Report as presented.

Request Approval of 2008-2009 Meeting Times, Dates and Places. Director Bigler reviewed with the Board a memorandum containing the time, date and location of the 2008-2009 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 2008-2009 Meeting Dates as proposed.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through May 2008. John Stenerson reviewed with the Board the SISC PPO claims history through May 2008. John notified the Board that we had our year-over-year is up to 4%, and that it's been awhile since we have been over 2%. John pointed out that June of 2008 will be 24 months since the CSAC contract and their numbers will now be included in our year-over-year figures. John expects that our year-over-year should be around 7% for June. John let the Board know that even if the numbers jump to 7%, it's still very low considering trend is in the 10% range.

Show the Board a Memorandum on Other Post-Employment Benefits. Cindy Sproles went over this news release with the Board. Cindy discussed an on-line actuarial valuation offered by Demsey Filliger available at no cost to SISC Member Districts.

Show the Board Information on, and Discuss the Problem with Non-Contracting Providers. Director Bigler discussed several articles with the Board regarding the problem with non-contracting providers and facilities, namely Prime Healthcare. Prime Healthcare is cancelling all payment contracts from health plans and then attempting to collect money from these patients who went to a Prime owned hospital seeking emergency medical care. Director Bigler discuss how the problem is continuing to grow because Prime is buying out other hospitals and growing in numbers making the problem worse. Director Bigler also reviewed an e-mail from Blue Cross discussing a change in the fee schedule used for non-participating facilities.

Show the Board a Memorandum on SISC's Flex Program. Cindy Sproles reviewed with the Board the specifics on the SISC Flex Program. Cindy let the Board know that in the current budget year where it's difficult to provide any additional benefits to employees, this program can be offered at no cost to the district or the employee, and save the employee money. Cindy let the Board know that we are receiving phone calls regarding the program and we will continue to market this plan to try and help employees.

Show the Board a Slide from School Services 2008-09 May Revision Workshop. Director Bigler discussed this presentation given by Schools Services regarding GASB 45. The presentation specifically mentions Keenan and PARS as viable options for school districts to consider when deciding who to contract with for GASB 45. Director Bigler reviewed with the Board a letter sent to the CEO of Schools Services introducing SISC and discussing the independent comparison recently conducted by Government Financial Strategies highlighting the financial benefits when choosing SISC to administer GASB 45.

Review a Portion of the JPA with the Board. Director Bigler discussed this page from the JPA, and the terms that you agree to regarding Termination and Withdrawal. Director Bigler discussed the possibility of asking the Board in the future to agree to re-write part of the JPA regarding the districts entitlement to a pro-rata share when leaving to make the rules more clear and less confusing. Director Bigler also discussed with the Board the need to decide whether districts can leave after only one year, or need to make a three year commitment.

Comments from the Board of Directors. Karen Cox asked John about the results from the recent Eligibility Audit. John let the Board know we have had eligibility changes coming in and that we will be looking in July to see how productive the audit was. Director Bigler mentioned to the Board that we are always looking for recommendations for speakers for the Annual Board Meeting, and that if anyone knows of someone to please let us know.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Caudle, seconded by Director Scott and carried adjourning the meeting at 1:39 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, July 16, 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