

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, MARCH 26, 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 1:02 p.m. on Wednesday, March 26, 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
Kip Hearron
Nelson Heisey
Dan Munis
Gary Pickavet
Teri Schallock
Dennis Scott
John Von Flue

ALTERNATES PRESENT:

Dean Bentley
Judy Marty
John Stenerson

OTHERS PRESENT:

Cherie Payne
Cindy Sproles
Bonnie Bowles
Jennifer Bennett
Carmen Gonzales
Lauri Phillips
Raquel Acebedo
Robert Hunter
Connie Cervantes
Lola Nickell
Dan Bly – Delta Dental
Judy Fussel – Buckman Mitchell
Holly VonderHaar - Kaiser
Carolyn Temple – Kern Foundation
Jennifer Thomas – Blue Cross
Catherine Mauldin – CSAC-EIA
Kelly Cooper – Burnham Benefits
Dan Exceen – Burnham Benefits

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 February 2008 Regular Board of Directors Meeting.

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

DELTA DENTAL	Claims	\$ 5,159,514.56	
SISC ASO		338,464.16	
DENTAL COALITION	Claims	928,053.01	
DENTAL COALITION ASO		60,880.27	
DELTACARE/PMI PREMIUM		<u>4,007.08</u>	
TOTAL			\$6,490,919.08

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VISION SERVICE CLAIMS	\$ 937,036.68	
ASO	90,600.22	
MES CLAIMS	\$ 31,121.80	
ASO	<u>4,415.31</u>	
TOTAL		\$ 1,063,174.01
PACIFICARE/BEHAV HEALTH	\$ 459,759.05	
CIGNA BEHAV. HEALTH (MCC SELECT)	\$ 17,149.13	
SECURE HORIZONS PREM (PACIFICARE)	\$ 10,987.34	
SENIOR ADVANTAGE PREM (KAISER)	\$ 36,979.80	
SENIORITY PLUS PREM (HEALTHNET)	\$ 36,260.00	
BLUE SHIELD HMO PREMIUM	\$ 1,902,042.60	
BLUE SHIELD FULLY INSURED PPO	\$ 89,343.34	
HEALTH NET PREMIUM	\$ 1,548,117.71	
CALIFORNIA CARE PREMIUM	\$ 1,030,206.00	
KAISER PREMIUM	\$ 2,748,761.20	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	\$ 1,567.54	
UNITED HEALTHCARE SPECIALTY BENEFITS (LIFE)	\$ 138,494.73	
NAT'L BENEFIT RESOURCES (Stop Loss)	\$ 56,475.00	
BLUE CROSS HEALTH CLAIMS	\$ 31,892,456.61	
BLUE SHIELD HEALTH CLAIMS	\$ 3,641,912.52	
BEHAVIORAL HEALTH CLAIMS	\$ 302,009.02	
ITS CLAIMS	\$ 1,074,325.03	
COMPANION CARE CLAIMS	\$ 208,084.61	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS	\$ 37,118,787.79	
BLUE CROSS NETWORK ASO	\$ 1,239,892.58	
FOUNDATION ADJUDICATION ASO	\$ 558,467.62	
BLUE SHIELD ASO	\$ 149,438.48	
BEHAVIORAL HEALTH ASO	\$ 154,317.52	
ITS ASO	\$ 76,229.50	
COMPANION CARE ASO	\$ <u>36,996.87</u>	
TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.		\$ <u>2,215,342.57</u>
TOTAL BLUE CROSS AND BLUE SHIELD		\$39,334,130.36
MERCK CLAIMS	\$ 10,012,910.40	
ASO-COPAY	297,047.67	
CLAIMS - DISCOUNT CARD	71,177.46	
ASO - DISCOUNT CARD	2,531.28	
CLAIMS - MEDICARE PART D	331,423.67	
ASO - MEDICARE PART D	11,029.28	
AHC CLAIMS	1,994,313.71	
AHC - ASO	86,291.70	
TOTAL RX CLAIMS		\$ <u>12,806,725.17</u>
TOTAL BC, BSC AND RX		\$52,140,855.53

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Sproles reviewed with the Board the Financial Report for the period ending February 29, 2008. Cindy pointed out the current LAIF rate of 4.16%. After discussion, motion was made by Director Pickavet, seconded by Director Hearron and carried approving the Financial Report as presented.

Request Approval of 2008-2009 Rates. The Rates Committee met on March 25, 2008. John Stenerson reviewed with the Board the recommendations of the Committee.

2008-2009 Dental Rates. John let the Board know the numbers reflected only 4 months worth of the addition of dental implant coverage, and next year will be our first full year. John discussed our PPO plan, and the need to raise the premium more on that plan. After discussion, motion was made by Director Von Flue, seconded by Director Pickavet and carried approving a 1.9% increase in the Premier Incentive Plan and a 9.0% increase in the PPO Plan.

2008-2009 Vision Rates. After discussion, motion was made by Director Bentley, seconded by Director Caudle and carried, keeping rates the same in both Medical Eye Services and VSP .

2008-2009 Behavioral Health Rates. After discussion, motion was made by Director Cox, seconded by Director Von Flue and carried to approve a 3.29% increase in Behavioral Health Rates.

2008-2009 Prescription Drug Card Rates. John reviewed an L.A. Times article with the Board discussing a study regarding prescription drugs. The study found that people given identical pills reported greater pain relief from the pill they were told cost more.

John discussed with the Board the Medco Preferred Drug Step Therapy plan for Sleep Aids and Hypnotics. John reviewed the success of the Drug Step Therapy for PPI's (Heartburn/Acid Reflux) that went in to effect last year. After discussion, motion was made by Director Scott, seconded by Director Caudle and carried approving the addition of the Preferred Drug Step Therapy plan for Sleep Aids and Hypnotics with an October 1st, 2008 effective date. The Board requested that we update them on the plan at the March 2009 Board Meeting. Director Pickavet discussed the importance of taking member care into consideration along with cost concerns. Director Bigler thanked Director Pickavet for his thoughts, and reiterated SISC's commitment to customer service and satisfaction.

John went on to discuss the addition of MPD Managed to the plan effective October 2008. MPD (Member Pays the Difference), means if a member chooses to use a brand medication when there is a generic equivalent available (including when the prescriber has specified to dispense as written), the member will be responsible for the generic co-pay plus the difference in cost between the brand and the generic.

After discussion, motion was made by Director Bentley, seconded by Director Hearron and carried approving the rates for each co-payment group as presented to the Board with the addition of the Preferred Drug Step Therapy plan for Sleep Aids, and the MPD (Member Pays the Difference) plan.

2008-2009 SISC/PPO Premiums. John Stenerson reviewed with the Board the financial history of the SISC/PPO Premiums. John let the Board know that Rates at a Glance should be available mid to late April. After discussion, motion was made by Director Pickavet, seconded by Director Caudle and carried approving the rate changes contained in the PPO Renewal Summary by Pool.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through February 2008. John Stenerson reviewed with the Board the SISC PPO claims history through February 2008. John let the Board know that trend in the industry is around 10% and yet we are still coming in single digits.

Discuss the May Board Meeting Workshop. Director Bigler reminded the Board that the SISC Annual Coastal Board Meeting has been scheduled for May 15 and 16, 2008, at Mandalay Beach Resort Embassy Suites in Oxnard, California. The schedule of events is as follows:

Thursday, May 15, 2008	1:30 p.m.	SISC I Board Meeting
	2:30 p.m.	SISC II Board Meeting
	3:30 p.m.	SISC III Board Meeting
	5:00-6:30 p.m.	Reception and Networking
Friday, May 16, 2008	7:00-8:00 a.m.	Breakfast
	8:00 a.m.	Speaker

Discuss the Concept of Dependent Verification Audit. Director Bigler and John Stenerson discussed with the Board, the additional expense the plan incurs when ineligible dependents are either put or kept on employee's health plans. Director Bigler and John discussed outside companies who offer to handle Dependent Verification Audits and mentioned a few school districts who have already gone through the process. John reviewed with the Board a memo that will be sent out from SISC to members asking for documentation that proves eligibility for dependents on their plan. The memo is scheduled to go out sometime in April. Districts will be sent a memo first, describing what is involved and letting them know the importance of performing an eligibility verification.

Show the Board the attached Memo regarding Blue Cross Changing their Name to Anthem Blue Cross. Director Bigler let the Board know that Blue Cross of California will be changing their name to Anthem Blue Cross effective April 1st. Director Bigler let the Board know that the name change does not effect the members benefits or network in any way. Director Bigler showed the Board a copy of the postcard that was sent to members notifying them of the name change.

Comments from the Board of Directors Will Be Heard 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 Cox, seconded by Director Caudle and carried adjourning the meeting at 2:39 p.m.

NEXT MEETING

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