

**SISC III**  
**HEALTH BENEFITS PROGRAM**  
**BOARD OF DIRECTORS MEETING**  
**THURSDAY, MAY 15, 2008**  
**3:30 P.M.**

**MINUTES**

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 3:40 p.m. on Thursday, May 15, 2008, at the Mandalay Beach Resort in Oxnard, California, with the following in attendance:

**MEMBERS PRESENT:**

Russell Bigler  
John Caudle  
Karen Cox  
Gary Pickavet  
Bill Voss

**ALTERNATES PRESENT:**

Dean Bentley  
Judy Marty  
John Stenerson

**OTHERS PRESENT:**

Cherie Payne  
Cindy Sproles  
Bonnie Bowles  
Jennifer Bennett  
Carmen Gonzales  
Charles Lee – American Health Care  
JoeAnna Miller – Buckman-Mitchell  
Judy Fussel – Buckman-Mitchell  
Steve Bargeon – Tulare/Kings Foundation  
Karen Carneki – MES  
Carolyn Temple – Kern Foundation  
Fred Bayles – Wachovia Securities  
Rich Edwards – Merrill Lynch  
Melanie Goldsmith – Blue Shield  
Catherine Mauldin – CSAC-EIA  
Jessica Ghaemmaghami – Pacificare  
Lorena Flores – Blue Shield  
Jennifer Thomas – Blue Cross  
Dr. David Omerod – Blue Shield  
Kelly Cooper – Burnham Benefits  
Tom Ziencina – DataNet Solutions  
Virginia Rivas – Medco  
Amy Daily - Medco

**CONSENT CALENDAR**

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

**Minutes.** Minutes for the April 2008 Regular Board of Directors Meeting.

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

DELTA DENTAL CLAIMS	5,142,114.81	
SISC ASO	337,322.72	
DENTAL COALITION CLAIMS	917,566.69	
DENTAL COALITION ASO	60,192.38	
DELTACARE/PMI PREMIUM	4,007.08	
	<b>TOTAL DENTAL</b>	<b>\$6,461,203.68</b>
VISION SERVICE CLAIMS	930,394.92	
VSP ASO	90,557.50	
MES CLAIMS	34,271.23	
MES ASO	4,414.68	
	<b>TOTAL VISION</b>	<b>\$1,059,638.33</b>
PACIFICARE/BEHAV HEALTH	460,678.17	
CIGNA BEHAV. HEALTH (MCC SLECT)	17,080.20	
SECURE HORIZONS PREM (PACIFICARE)	7,200.00	
SENIOR ADVANTAGE PREM (KAISER)	40,572.20	
SENIORITY PLUS PREM (HEALTHNET)	35,411.00	
BLUE SHIELD HMO PREMIUM	1,898,369.80	
BLUE SHIELD FULLY INSURED PPO	84,578.86	
HEALTH NET PREMIUM	1,596,364.55	
CALIFORNIA CARE PREMIUM	1,000,144.00	
KAISER PREMIUM	2,716,731.20	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	1,443.56	
UNITED HEALTHCARE SPECIALTY BENEFITS (LIFE)	139,019.06	
NAT'L BENEFIT RESOURCES (STOP LOSS)	56,320.50	
BLUE CROSS HEALTH CLAIMS	38,775,624.28	
BLUE SHIELD HEALTH CLAIMS	4,641,101.83	
BEHAVIORAL HEALTH CLAIMS	309,184.39	
ITS CLAIMS	1,296,627.59	
COMPANION CARE CLAIMS	182,532.09	
	<b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b>	<b>\$45,205,070.18</b>

BLUE CROSS NETWORK ASO	1,291,271.28	
FOUNDATION ADJUDICATION ASO	556,134.15	
BLUE SHIELD ASO	126,987.60	
BEHAVIORAL HEALTH ASO	152,926.54	
ITS ASO	96,101.94	
COMPANION CARE ASO	37,351.02	
<b>TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.</b>		<b>\$2,260,772.53</b>
<b>TOTAL BLUE CROSS AND BLUE SHIELD</b>		<b>\$47,465,842.71</b>
MERCK CLAIMS	9,880,048.92	
ASO-COPAY	282,488.60	
CLAIMS - DISCOUNT CARD	59,052.06	
ASO - DISCOUNT CARD	2,319.77	
CLAIMS - MEDICARE PART D	321,565.01	
ASO - MEDICARE PART D	10,570.62	
AHC - CLAIMS	2,028,181.80	
AHC - ASO	82,679.00	
<b>TOTAL RX CLAIMS</b>		<b>\$12,666,905.78</b>
<b>TOTAL BC, BSC AND RX</b>		<b>\$60,132,748.49</b>

## **PUBLIC COMMENT**

## **ACTION ITEMS**

**Financial Report.** Cindy Sproles reviewed with the Board the Financial Report for the period ending April 30, 2008. Cindy pointed out that the LAIF rate is at 3.40%. Cindy discussed our Wachovia Securities SISC Investment Pool and let the Board know that the annualized return for the last quarter was 11.20%. In addition, Cindy let the Board know that our Merrill Lynch annualized return for the last quarter was 7.51%. Cindy introduced Fred Bayles with Wachovia and Rich Edwards with Merrill Lynch to the Board. After discussion, motion was made by Director Bentley, seconded by Director Voss and carried approving the Financial Report as presented.

## **INFORMATION AND DISCUSSION ITEMS**

**Monthly SISC PPO Claims History Through April 2008.** John Stenerson reviewed with the Board the SISC PPO claims history through April 2008. John discussed that we continue to remain under 5%, much better than trend.

**Show the Board Copy of a Newspaper Article Concerning Doctors Distributing Free Samples.** Director Bigler reviewed this article with the Board citing a study that found patients who were given free samples actually spent more money on prescription medication than those patients who weren't given free samples.

**Show the Board the Results of a Comparison Schools Insurance Authority Recently had Conducted.** Director Bigler discussed this independent study with the Board that found when compared with CSBA and CalPERS, a districts balance would be far greater if they were enrolled in the SISC GASB 45 program. Cindy Sproles went over the overview and comparison pages. Director Bigler further noted that this study was even more positive due to the fact that it was conducted by another agency and was not requested by SISC.

**Show the Board an Article from Fortune Magazine Showing their Ranking of America's Most Admired Companies.** Director Bigler discussed this article with the Board ranking Medco as one of America's Most Admired Companies in several categories including Health Care and Social Responsibility. Director Bigler commented that it is wonderful to be associated with such a well respected company.

**Review a Newspaper Article with the Board Concerning the Governor Wanting to Reduce Medi-Cal and Denti-Cal by 10 percent.** Director Bigler discussed the budget being put together in Sacramento and how it could possibly lead to premium costs going up due to the cuts being proposed in Medi-Cal and Denti-Cal.

**Show the Board the Memorandums that were sent to the Administration and to each Employee Concerning Member Eligibility.** Director Bigler discussed the background of this memo and discussed eligibility audits. John Stenerson informed the Board the printing of the letter to members had occurred and they would begin mailing them within a week. John discussed how members need to report ineligible dependents by June 1, and the districts should report those changes to SISC so that ineligible dependents can be removed from the plan with an effective date of July 1<sup>st</sup>.

**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 Voss and carried adjourning the meeting at 4:11 p.m.

#### **NEXT MEETING**

The next meeting of the Board of Directors will be held **Wednesday, June 18, 2008**, 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