

SISC III
HEALTH BENEFITS PROGRAM
BOARD OF DIRECTORS MEETING
THURSDAY, MAY 20, 2010
4:00 P.M.

MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 4:02 p.m. on Thursday, May 20, 2010, at the Stockdale Country Club in Bakersfield, California, with the following in attendance:

MEMBERS PRESENT:

Russell Bigler
John Caudle
Brian Hawkins
Kip Hearn
Steve McClain
Gary Pickavet

ALTERNATES PRESENT:

Judy Marty

OTHERS PRESENT:

Yolanda Villarreal
Cindy Mattern
Bonnie Bowles
Jennifer Bennett
John Stenerson
Megan Hanson
Ann Bigler
Turner Houston – Houston Insurance
Charlynn Harliss - Legacy
Gabe Rodriguez
Joann Voss
Sue Sniffin
Dotty Binion
Carol Pierce
Duncan Low
JoeAnna Miller – Buckman Mitchell
Judy Fussel – Buckman Mitchell
Steve Bargeon – Tulare/Kings Foundation
Carolyn Temple – Kern Foundation
Elizabeth Maynard – Kern Foundation
Debi Hardwick – Coastal Healthcare
Dan Bly – Delta Dental
Karen Carnekis - MES
Fred Bayles – Wells Fargo Advisors
Mike Schnell - MES
Rich Edwards – Merrill Lynch
Cathy Nisbet – Blue Shield
Melanie Goldsmith – Blue Shield
Andrew Milesky – Phia Group
Ryan Telford – AM Wins
Mike Thelen – Delta Dental
Susan Wooden
Natalie Seaman – Anthem Blue Cross

CONSENT CALENDAR

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

Minutes. Minutes for the April 2010 Regular Board of Directors Meeting.

Report of Activity for the Month of April 2010 and Ratification of Payment as follows:

DELTA DENTAL CLAIMS	7,616,173.50	
DELTA DENTAL ASO	499,620.94	
TOTAL DENTAL		\$8,115,794.44
VISION SERVICE CLAIMS	939,800.58	
MES CLAIMS	93,027.03	
VSP ASO	86,342.46	
MES ASO	11,758.52	
TOTAL VISION	11,756.12	\$1,130,928.59
ANTHEM BLUE CROSS HEALTH CLAIMS	46,914,256.59	
BLUE SHIELD HEALTH CLAIMS	7,978,593.39	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	322,184.13	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	283,028.62	
MEDCO DISCOUNT CARD CLAIMS	92,151.51	
TOTAL HEALTH CLAIMS	55,590,214.24	
ANTHEM BLUE CROSS ASO	1,497,432.75	
BLUE SHIELD ASO	201,396.63	
ANTHEM BC BEHAVIORAL HEALTH ASO	170,707.58	
ANTHEM BC COMPANION CARE RETIREE ASO	45,570.00	
FOUNDATION CLMS PROCESSING ASO	565,557.72	
MEDCO DISCOUNT CARD ASO	1,216.16	
TOTAL HEALTH ASO	2,481,880.84	
TOTAL HEALTH		58,072,095.08
MEDCO CLAIMS	18,891,440.42	
AMERICAN HEALTH CARE CLAIMS	2,087,384.53	
MEDCO ASO	141,295.14	
AMERICAN HEALTH CARE ASO	53,584.20	
TOTAL RX		21,173,704.29
INSURED PRODUCTS		
ANTHEM BC HMO CLAIMS	1,400,676.30	
ANTHEM BC HMO ADMIN FEE	827,904.64	
BLUE SHIELD HMO CLAIMS	1,283,789.59	
BLUE SHIELD HMO ADMIN FEE	173,260.15	
AETNA HMO	1,188,202.69	
HEALTH NET HMO	336,615.10	
KAISER HMO	3,573,902.52	

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PACIFICARE BEHAVIORAL HEALTH	525,221.10	
CIGNA BEHAVIORAL HEALTH	16,008.10	
UNITED HEALTH CARE DENTAL	868.92	
DELTACARE/PMI DENTAL	3,608.22	
KASIER SENIOR ADVANTAGE RETIREE PLAN	53,257.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	50,555.00	
AETNA INSURED PPO	49,508.45	
BLUE SHIELD INSURED PPO	0.00	
HEALTH NET INSURED PPO	0.00	
MUTUAL OF OMAHA LIFE	123,579.05	
ZURICH LIFE	12,977.40	
TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS		\$9,619,934.23
SISC FLEX CLAIMS	236,258.59	
STOP LOSS - VISTA UNDERWRITING PARTNERS	0.00	
WELLNESS	265,547.12	
ALL OTHER	601,309.95	
TOTAL SISC III PAYMENTS		\$99,215,572.29

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending April 30, 2010. Cindy let the Board know the current month LAIF rate is 0.59%. Cindy reviewed the Income Statement noting some of the higher figures were due to an extra cycle. Cindy mentioned, as has been mentioned in the past few months, we are experiencing a larger decrease in net assets than expected. In addition, Cindy reviewed the Investment Summary Reports for both Wachovia and Merrill Lynch. After discussion, motion was made by Director Pickavet, seconded by Director McClain and carried approving the Financial Report as presented.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through April 2010. John Stenerson reviewed with the Board the SISC PPO claims history through April 2010. John discussed that while we had a slight decrease to 9.5%, this was likely due to the addition of Temecula School District in March which provided a greater number of contracts. Over the rolling 12 months we are showing an increase in trend. John reviewed the Budget to Actual by Month for the Board again discussing the possible scenario's for our projected year-end losses.

Show the Board an Article on how Placebos are Getting More Effective. John Stenerson reviewed this article for the Board which discusses the placebo effect (taking a look alike pill and having positive results) and how it seems to be getting stronger worldwide.

Summarize the Recent Ca. Ed. Coalition for Health Care Reform Summit. Director Bigler reviewed with the board that the CECHCR has 9 members and that it holds it's 3rd annual summit on May 3, 2010 and gave the copies of the program. There were three sessions that dealt with National Health Care Reform, Pharmaceutical Transparency and Statewide School Pool.

Review a Newspaper Article on California's Higher Hospital Costs. Director Bigler reviewed the article from the Sacramento Bee, Hospitals are charging insurance companies billions of dollars for expenses not directly related to care and that it is important to SISC because we are self insured, how the increases at the hospital are causing medical trend to escalate.

Go Over the Memorandum Concerning Covering Young Adults to Age 26 Before October 1, 2010. Director Bigler discussed the Memorandum was mailed to all district May 11, 2010. Healthcare Reform – Dependent Coverage up to age 26. Jennifer discussed the memo. Gary Pickavet mentioned it might be difficult getting the enrollment forms in by the deadline and John Stenerson responded that SISC would be lenient the first month.

Show the Board Information on Anthem Backing off its 39% Rate Increase. Director Bigler reviewed the article from the Sacramento Bee and referenced the last paragraph of the article. The proposed rate hike also reignited passions over the health care legislation, which some considered all but dead earlier this year until controversy over the rate hikes reinvigorated overhaul proponents.

Mention There is a New Regulation (GASB 57) that Will Affect Our SISC GASB 45 Trust. Director Bigler reviewed the new regulation (GASB 57) that will affect our GASB 45 Trust, it will require us to determine a common date and minimum frequency for actuarial valuations for all member employers in our plan. This would cause some districts to have an actuarial study done sooner than planned and incur additional expense. SISC decided to have two identical Trusts, Trust A for odd years and Trust B for even years. This will help districts by allowing them to keep their current valuations cycle without additional cost.

Show the Board an Article from School Services of California. Director Bigler discussed the article that PERS will not be required to offer a high deductible health plan. Even if PERS is not required to offer this option to its contracting agencies, high deductible health plans with an HSA are being utilized more frequently by K-14 educational entities than contracts for health care outside of PERS.

Comments from the Board of Directors Will Be Heard There were no comments from the Board.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Hawkins, seconded by Director Caudle and carried adjourning the meeting at 4:58 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, June 16, 2010**, 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