

**SISC III**  
**HEALTH BENEFITS PROGRAM**  
**BOARD OF DIRECTORS MEETING**  
**WEDNESDAY, OCTOBER 15, 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 1:07 p.m. on Wednesday, October 15, 2008, in the SISC Board Room on the Fifth 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  
 Brian Hawkins  
 Steve McClain  
 Dan Munis  
 Gary Pickavet  
 Richard Pierucci  
 Ernie Unruh

**ALTERNATES PRESENT:**

Judy Marty  
 Tom Valos  
 Bill Voss

**OTHERS PRESENT:**

Cherie Payne  
 Bonnie Bowles  
 Jennifer Bennett  
 John Stenerson  
 Kelly Cooper – Burnham Benefits  
 Judy Fussel – Buckman Mitchell  
 Steve Bargeon – Tulare/Kings Foundation  
 Holly VonderHaar - Kaiser  
 Raquel Acebedo  
 Lola Nickell  
 Janet Clary – Kern Foundation  
 Megan Hanson  
 Fred Bayles – Wachovia  
 Rich Edwards – Merrill Lynch

**CONSENT CALENDAR**

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

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

**Report of Activity for the Month of September 2007 and Ratification of Payment as follows:**

DELTA DENTAL CLAIMS	4,033,746.98	
SISC ASO	264,613.80	
DENTAL COALITION CLAIMS	681,208.33	
DENTAL COALITION ASO	44,687.27	
DELTACARE/PMI PREMIUM	0.00	
	<b>TOTAL DENTAL</b>	<b>\$5,024,256.38</b>
VISION SERVICE CLAIMS	879,386.85	
VSP ASO	92,650.78	
MES CLAIMS	37,612.43	
MES ASO	4,373.26	
	<b>TOTAL VISION</b>	<b>\$1,014,023.32</b>

**SISC III BOARD MEETING  
WEDNESDAY, OCTOBER 15, 2008  
PAGE 2**

PACIFICARE/BEHAV HEALTH	474,795.26	
CIGNA BEHAV. HEALTH (MCC SLECT)	19,689.23	
SECURE HORIZONS PREM (PACIFICARE)	6,000.00	
SENIOR ADVANTAGE PREM (KAISER)	39,097.22	
SENIORITY PLUS PREM (HEALTHNET)	39,401.00	
BLUE SHIELD HMO PREMIUM	1,899,945.76	
BLUE SHIELD FULLY INSURED PPO	79,498.26	
HEALTH NET PREMIUM	1,653,587.85	
CALIFORNIA CARE PREMIUM	966,287.00	
KAISER PREMIUM	2,497,373.20	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	1,107.00	
UNITED HEALTHCARE (LIFE INSURANCE)	108,170.33	
NAT'L BENEFIT RESOURCES (STOP LOSS)	56,774.25	
BLUE CROSS HEALTH CLAIMS	37,665,105.11	
BLUE SHIELD HEALTH CLAIMS	4,803,792.72	
BEHAVIORAL HEALTH CLAIMS	299,048.29	
ITS CLAIMS	1,178,975.37	
COMPANION CARE CLAIMS	142,345.48	
<b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b>		<b>\$44,089,266.97</b>
BLUE CROSS NETWORK ASO	1,259,669.43	
FOUNDATION ADJUDICATION ASO	567,413.34	
BLUE SHIELD ASO	168,650.15	
BEHAVIORAL HEALTH ASO	159,671.70	
ITS ASO	78,237.05	
COMPANION CARE ASO	40,868.91	
<b>TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.</b>		<b>\$2,274,510.58</b>
<b>TOTAL BLUE CROSS AND BLUE SHIELD</b>		<b>\$46,363,777.55</b>
MERCK CLAIMS	10,328,156.48	
ASO-COPAY	311,643.81	
CLAIMS - DISCOUNT CARD	57,057.99	
ASO - DISCOUNT CARD	12,992.30	
CLAIMS - MEDICARE PART D	376,133.14	
ASO - MEDICARE PART D	2,623.16	
AHC - CLAIMS	2,041,143.03	
AHC - ASO	81,128.70	
<b>TOTAL RX CLAIMS</b>		<b>\$13,210,878.61</b>
<b>TOTAL BC, BSC AND RX</b>		<b>\$59,574,656.16</b>

**PUBLIC COMMENT**

**ACTION ITEMS**

**Financial Report.** Bonnie Bowles reviewed with the Board the Financial Report for the period ending September 30, 2008. Bonnie pointed out that the LAIF rate for the month of September was 2.77%. Bonnie also let the Board know that the investment detail would be presented at the next board meeting. After discussion, motion was made by Director Caudle, seconded by Director Hawkins and carried approving the Financial Report as presented.

**Request Approval of the 2007-2008 GASB 45 Audit.** The correct figures were not available from our auditors at the time of the board meeting. It was decided to table the discussion until the November Board Meeting.

#### **INFORMATION AND DISCUSSION ITEMS**

**Monthly SISC PPO Trend History Through September 2008.** John Stenerson reviewed the monthly SISC PPO Trend history through September 2008 informing the Board that the percentage of change is at 6% for September. John reported that our trend is very consistent.

**Update the Board on SB 840.** Director Bigler discussed this bill initiated to create a single payor health system. Director Bigler informed the Board the bill was vetoed by the Governor.

**Review an Article from Time Magazine.** Director Bigler discussed this article with the Board regarding wellness and taking care of ourselves through weight management and smoking cessation. The article discussed the cost savings that could be obtained by giving up smoking, and taking care of yourself.

**Show the Board a Copy of the Memorandum on National Customer Service Week.** Director Bigler discussed how much we appreciate being able to serve the Districts in SISC III, and he thanked the Board and Districts for their business.

**Update the Board on Lehman Brothers Bonds.** Director Bigler reviewed our current investment policy with the Board. Director Bigler reminded the Board of the discussion last month regarding the 1.23 percent of SISC III investments with Lehman Brothers Bonds, and went on to explain that counting the reserves with the County and LAIF, Lehman Brothers Bonds only represent .468% of SISC III's total reserve investments. Director Bigler informed the Board that although Lehman Brothers was rated A2A on the Friday before they filed Chapter 11, it appears that all other corporate bonds are sound.

**Show the Board an Article that describes Senator Obama's and Senator McCain's Position on Health Care.** Director Bigler discussed this article which reviewed both Obama and McCain's points on health care reform.

**Comments From the Board of Directors.** There were no comments from the Board members at this time.

#### **ADJOURNMENT**

There being no further business to come before the Board, motion was made by Director Voss, seconded by Director Munis and carried adjourning the meeting at 1:25 p.m.

#### **NEXT MEETING**

The next meeting of the Board of Directors will be held **Wednesday, November 19, 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.

---

DAN MUNIS, Secretary