

**SISC III**  
**HEALTH BENEFITS PROGRAM**  
**BOARD OF DIRECTORS MEETING**  
**WEDNESDAY, SEPTEMBER 24, 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 1:08 p.m. on Wednesday, September 24, 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  
Karen Cox  
Kip Hearn  
Russell Miller  
Gary Pickavet  
Richard Pierucci  
Steve McClain  
Dennis Scott

**ALTERNATES PRESENT:**

Paul Baxter  
Judy Marty

**OTHERS PRESENT:**

Cherie Payne  
Cindy Sproles  
Bonnie Bowles  
Jennifer Bennett  
John Stenerson  
Megan Hanson  
Raquel Acebedo  
Lola Nickell  
Lauri Phillips  
Rich Edwards – Merrill Lynch  
Carolyn Temple – Kern Foundation  
Dan Bly – Delta Dental  
Holly VonderHaar – Kaiser  
Judy Fussel – Buckman Mitchell  
Jennifer Thomas – Blue Cross

**CONSENT CALENDAR**

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

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

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

DELTA DENTAL CLAIMS	5,459,201.06
SISC ASO	358,123.60
DENTAL COALITION CLAIMS	917,023.73
DENTAL COALITION ASO	60,156.76
DELTACARE/PMI PREMIUM	

**SISC III BOARD MEETING**

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	<b>TOTAL DENTAL</b>	<b>\$6,794,505.15</b>
VISION SERVICE CLAIMS	1,156,088.29	
VSP ASO	91,732.30	
MES CLAIMS	28,832.53	
MES ASO	4,388.33	
	<b>TOTAL VISION</b>	<b>\$1,281,041.45</b>
PACIFICARE/BEHAV HEALTH	446,236.59	
CIGNA BEHAV. HEALTH (MCC SLECT)	12,792.26	
SECURE HORIZONS PREM (PACIFICARE)	5,400.00	
SENIOR ADVANTAGE PREM (KAISER)	40,376.20	
SENIORITY PLUS PREM (HEALTHNET)	37,976.00	
BLUE SHIELD HMO PREMIUM	507,375.02	
BLUE SHIELD FULLY INSURED PPO	16,904.66	
HEALTH NET PREMIUM	1,660,456.69	
CALIFORNIA CARE PREMIUM	941,557.00	
KAISER PREMIUM	2,514,757.20	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	1,107.00	
UNITED HEALTHCARE (LIFE INSURANCE)	106,748.30	
NAT'L BENEFIT RESOURCES (STOP LOSS)	57,593.25	
BLUE CROSS HEALTH CLAIMS	40,807,726.16	
BLUE SHIELD HEALTH CLAIMS	5,451,418.63	
BEHAVIORAL HEALTH CLAIMS	314,568.44	
ITS CLAIMS	1,551,886.59	
COMPANION CARE CLAIMS	194,740.76	
	<b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b>	<b>\$48,320,340.58</b>
BLUE CROSS NETWORK ASO	1,244,711.07	
FOUNDATION ADJUDICATION ASO	560,701.44	
BLUE SHIELD ASO	165,642.25	
BEHAVIORAL HEALTH ASO	158,391.52	
ITS ASO	101,905.90	
COMPANION CARE ASO	49,651.83	
	<b>TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.</b>	<b>\$2,281,004.01</b>
	<b>TOTAL BLUE CROSS AND BLUE SHIELD</b>	<b>\$50,601,344.59</b>
MERCK CLAIMS	9,997,771.11	
ASO-COPAY	274,120.30	
CLAIMS - DISCOUNT CARD	67,084.60	
ASO - DISCOUNT CARD	2,145.49	
CLAIMS - MEDICARE PART D	378,848.01	
ASO - MEDICARE PART D	11,900.73	
AHC - CLAIMS	1,966,275.94	
AHC - ASO	77,449.40	
	<b>TOTAL RX CLAIMS</b>	<b>\$12,775,595.58</b>
	<b>TOTAL BC, BSC AND RX</b>	<b>\$63,376,940.17</b>

## **PUBLIC COMMENT**

## **ACTION ITEMS**

**Financial Report.** Cindy Sproles reviewed with the Board the Financial Report for the period ending August 31, 2008. After discussion, motion was made by Director Caudle, seconded by Director Baxter and carried approving the Financial Report as presented.

**Request Approval of the 2008-2009 Budget.** Cindy Sproles reviewed with the Board the tentative budget for this fiscal year. After discussion, motion was made by Director Hearron, seconded by Director Cox and carried approving the 2008-2009 budget.

## **INFORMATION AND DISCUSSION ITEMS**

**Monthly SISC PPO Trend History Through August 2008.** John Stenerson reviewed the monthly SISC PPO Trend history through August 2008 with the Board. John discussed how the last three months have been right around 6% which is still slightly below trend for the market. The numbers are right in line with what we expected.

**Show the Board a Letter from a Member on Balance Billing.** Director Bigler reviewed a letter with the Board from a member describing their trip to the emergency room and the bill they received. Director Bigler discussed balance billing with the Board and the difference between Par and Non-Par providers and what they can charge.

**Update the Board on the California Health Care Coalition.** Director Bigler discussed the mission and goals of the California Health Care Coalition with the Board and also reviewed a list of members including SISC as well as the California Education Coalition for Health Care Reform.

**Show the Board an Article for the Wall Street Journal on Wellpoint, Inc.** Director Bigler discussed this article regarding Wellpoint's (the parent company of Blue Cross) price strategy. The article discussed how Wellpoint is having a difficult time charging enough to keep stockholders happy while not losing members. Director Bigler discussed the difference between "Self" insured and "Fully" insured with the Board, and since we pay our own claims, what happens to Wellpoint stock doesn't effect us.

**Update the Board on SB 840.** Director Bigler reviewed Single Payor (SB 840) with the Board notifying them that it has passed both houses and is on the Governor's desk. We would expect the Governor to veto it as he did before. Director Bigler also reviewed Universal Health Care with the Board. The concept being that everyone would be covered but the delivery system would remain pretty much as is.

**Show the Board a Newspaper Article on Medical Re-pricing.** Director Bigler reviewed this article from the L.A. Times on the difference between what Doctor's bill and what the insurance pays.

**Review the Investment Policy.** Director Bigler reviewed our current investment policy with the Board and, given the country's current financial situation, asked for an open discussion from the Board Members to determine whether or not we should continue with our investments as is. After discussion, the Board said it was comfortable with our current investment policy and diversification.

## **SISC III BOARD MEETING**

**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 Scott, seconded by Director Cox and carried adjourning the meeting at 1:45 p.m.

**NEXT MEETING**

The next meeting of the Board of Directors will be held **Wednesday, October 15, 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