

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

AGENDA

I. CONSENT CALENDAR

- A. Approval of Minutes for April 2010 Board of Directors Meeting Russell Bigler
- B. Report of Activity for the Month of April 2010 and ratification of payment as follows: Russell Bigler

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

II. PUBLIC COMMENT

III. ACTION ITEMS

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| A. Financial Report - Financial Statements For Prior Month Presented For Approval | Cindy Mattern |
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IV. DISCUSSION AND INFORMATION ITEMS

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| A. Monthly SISC PPO Trend History Through April 2010. | John Stenerson |
| B. Show the Board an Article on how Placebos are Getting More Effective | John Stenerson |
| C. Summarize the Recent Ca. Ed. Coalition for Health Care Reform Summit | Russell Bigler |
| D. Review a Newspaper Article on California's Higher Hospital Costs | John Stenerson |
| E. Go Over the Memorandum Concerning Covering Young Adults to Age 26 Before October 1, 2010 | Jennifer Bennett |
| F. Show the Board Information on Anthem Backing off its 39% Rate Increase | Russell Bigler |
| G. Mention There is a New Regulation (GASB 57) that Will Affect Our SISC GASB 45 Trust | Cindy Mattern |
| H. Show the Board an Article from School Services of California | Russell Bigler |
| I. Comments from the Board of Directors Will Be Heard | |
| J. Adjournment | |
| K. Next Meeting: | Wednesday, June 16, 2010
1:00 p.m.
SISC Board Room - City Centre |

ADDRESS OF THE STOCKDALE COUNTRY CLUB FOR BOARD MEETINGS ON 5/20/10 AND THE PROGRAM ON 5/21/10:
7001 Stockdale Hwy., Bakersfield California

SISC III INFORMATION ITEMS

- A. **Monthly SISC PPO Trend History Through April 2010.** John Stenerson will report on this.
- B. **Show the Board an Article on How Placebos are Getting More Effective.** John Stenerson will go over this interesting article.
- C. **Summarize the Recent Ca. Ed. Coalition for Health Care Reform Summit.** From time to time I give you an update on what the Ca. Ed. Coalition for Health Care Reform is doing. Here is the latest; CECHCR held its 3rd annual summit on May 3, 2010 and I have attached a copy of the program. As you can see the three sessions dealt with the following topics:
1. National Health Care Reform
 2. Pharmaceutical Transparency – the thrust was on the term “Academic Detailing”. The concept is to take information that has been learned in the scientific community to the doctor’s office. This would be done by having a specially trained communicator, with a health background, go to the doctor’s office and explain why a certain drug should be used. Since the summit we have discussed Medco assigning SISC its own Academic Detailer.
 3. Statewide School Pool – This is being orchestrated by a committee that is sponsored by CECHCR called the Large Purchasers. (I am a member of this committee) I will go over the attachment. As most of you are aware, they have discussed either promoting one single pool or 3 or 4 large pools over the last couple of years. It now appears they have decided one single pool is what they will work towards getting approved by the legislature. I enclosed a letter from the Governor. Two or three years ago this wouldn’t be included so CECHCR has picked up a little steam.
- D. **Review a Newspaper Article on California’s Higher Hospital Costs.** We hear a lot about the money, and rightfully so, the insurance companies are making. This article discusses, and is important to SISC because we are self insured, how the increases at the hospitals are causing medical trend to escalate.
- E. **Go Over the Memorandum Concerning Covering Young Adults to Age 26 Before October 1, 2010.** This memorandum was sent to member districts and Jennifer Bennett will review it for you. Director Bigler will also go over a couple of newspaper articles.
- F. **Show the Board Information on Anthem Backing off its 39% Rate Increase.** I think everyone is aware Anthem Blue Cross was going to increase some premiums in their individual markets by 39%. There are several parts to this but there is one interesting thing that came out of their proposal and one out of this article:
- From part of the last paragraph – 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.
 - The interesting thing to come out of this is we have received several calls from member districts asking if Anthem gave SISC the wrong figures for our 2010-11 rate setting. While a very good question, if you are asked, remember we are self insured and 2010-11 rates were based on SISC member district trend and John updates you on this monthly.

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- G. Mention There is a New Regulation (GASB 57) that Will Affect Our SISC GASB 45 Trust.** There is a new GASB regulation (GASB 57) that will affect our SISC GASB 45 Trust. GASB 57 requires us to determine a common date and minimum frequency for actuarial valuations for all member employers in our plan. This could cause some districts to have an actuarial study done sooner than planned (and incur the additional expense). So in talking to our actuary, auditor, consultant and investment advisor, we decided we could easily have two identical Trusts (Trust A-Odd Years and Trust B-Even Years). This will help districts by allowing them to keep their current valuation cycle (without additional costs), and be in an odd-year cycle Trust, or even-year cycle Trust. See attached letter I would like to send to our member districts. Please review and comment.

This will create a companion Trust and will require separate investment reports. The added Trust should not cost us any additional fees with our Trustee (Union Bank). We are aiming for an implementation date of July 1, 2010 and will be sending participating districts the enclosed letter.

Our GASB 45 program currently has 27 districts and we project deposits to be \$116,692,568 by June 30, 2010. I have also enclosed a study Schools Insurance Authority, a large JPA out of Sacramento, had done to give their members guidance on which GASB 45 program in which to participate.

- H. Show the Board an Article from School Services of California.** Director Bigler will go over this article at the Board Meeting.
- I. Comments from the Board of Directors Will Be Heard**