

# SISC III

## HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, NOVEMBER 19, 2008 1:00 P.M.

### MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order by John Stenerson in Director Bigler's absence at 1:00 p.m. on Wednesday, November 19, 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:**

John Caudle  
Karen Cox  
Brian Hawkins  
Kip Hearnon  
Nelson Heisey  
Steve McClain  
Dan Munis  
Dennis Scott  
Ernie Unruh

**ALTERNATES PRESENT:**

Judy Marty  
Marysia Ochej  
Tom Valos

**OTHERS PRESENT:**

Cherie Payne  
Cindy Mattern  
Bonnie Bowles  
Jennifer Bennett  
John Stenerson  
Megan Hanson  
Rich Edwards – Merrill Lynch  
Carolyn Temple – Kern Foundation  
Jennifer Thomas – Anthem Blue Cross  
Dan Bly – Delta Dental  
Fred Bayles – Wachovia Securities  
Raquel Acebedo  
Lola Nickell  
Dennis Franey – Greenfield School District  
Gary Rice – Greenfield School District  
Katy Wolfe – Kaiser  
Kelly Cooper – Burnham Benefits

**CONSENT CALENDAR**

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

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

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

DELTA DENTAL CLAIMS	4,989,137.73	
SISC ASO	327,287.43	
DENTAL COALITION CLAIMS	822,373.38	
DENTAL COALITION ASO	53,947.70	
DELTACARE/PMI PREMIUM	4,267.20	
<b>TOTAL DENTAL</b>		<b>6,197,013.44</b>

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VISION SERVICE CLAIMS	689,477.10	
VSP ASO	91,034.54	
MES CLAIMS	43,417.07	
MES ASO	5,105.97	
	<b>TOTAL VISION</b>	<b>829,034.68</b>
AETNA - HMO	566,846.22	
AETNA – FULLY INSURED PPO	23,618.59	
PACIFICARE BEHAVIORAL HEALTH	479,882.97	
CIGNA BEHAVIORAL HEALTH (MCC SELECT)	16,654.93	
SENIOR ADVANTAGE PREM (KAISER)	39,581.55	
SENIORITY PLUS PREM (HEALTHNET)	42,675.12	
BLUE SHIELD HMO PREMIUM	836,123.62	
BLUE SHIELD FULLY INSURED PPO	23,142.00	
HEALTH NET PREMIUM	1,847,810.17	
CALIFORNIA CARE PREMIUM	956,648.80	
PACIFICARE PREMIUM	26,218.50	
KAISER PREMIUM	2,854,325.36	
UNITED HEALTHCARE (FORMERLY PACIFIC UNION DENTAL)	1,631.32	
MUTUAL OF OMAHA (LIFE)	125,634.81	
VISTA (STOP LOSS)	47,120.00	
BLUE CROSS HEALTH CLAIMS	39,753,193.63	
BLUE SHIELD HEALTH CLAIMS	3,781,544.72	
BEHAVIORAL HEALTH CLAIMS	441,574.46	
ITS CLAIMS	1,291,323.26	
COMPANION CARE CLAIMS	238,006.82	
	<b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b>	<b>45,505,642.89</b>
BLUE CROSS NETWORK ASO	1,310,139.62	
FOUNDATION ADJUDICATION ASO	564,651.36	
BLUE SHIELD ASO	169,971.56	
BEHAVIORAL HEALTH ASO	160,269.56	
ITS ASO	91,972.93	
COMPANION CARE ASO	39,944.89	
	<b>TOTAL BLUE CROSS AND BLUE SHIELD ADMIN.</b>	<b>2,336,949.92</b>
	<b>TOTAL BLUE CROSS AND BLUE SHIELD</b>	<b>47,842,592.81</b>
MERCK CLAIMS	14,870,621.62	
ASO-COPAY	447,036.24	
CLAIMS - DISCOUNT CARD	84,085.79	
ASO - DISCOUNT CARD	3,252.56	
CLAIMS - MEDICARE PART D	556,877.10	
ASO - MEDICARE PART D	23,566.27	
AHC - CLAIMS	1,932,650.29	
AHC - ASO	82,447.90	
	<b>TOTAL RX CLAIMS</b>	<b>18,000,537.77</b>
	<b>TOTAL BC, BSC AND RX</b>	<b>65,843,130.58</b>

**PUBLIC COMMENT**

**ACTION ITEMS**

**Financial Report.** Cindy Mattern reviewed with the Board the Financial Report for the period ending October 31, 2008. Cindy pointed out that the LAIF rate for the month of October was 2.71%. Cindy also discussed the annualized returns of the SISC Investment Pool, Wachovia Securities and Merrill Lynch with the Board. Fred Bayles of Wachovia Securities and Rich Edwards of Merrill Lynch discussed "annualized return" and "yield to maturity" with the Board. Cindy also reviewed with the Board the quarterly investment report and the revolving fund expenditures. After discussion, motion was made by Director Cox, seconded by Director Hearron and carried approving the Financial Report as presented.

**Request Approval of the 2007-2008 GASB 45 Audit.** Megan Hanson reviewed this audit with the Board. Megan let the Board know that the current portfolio value is \$62,000,000.00. After discussion, motion was made by Director Cox, seconded by Director Scott and carried approving the 2007-2008 GASB 45 Audit.

**INFORMATION AND DISCUSSION ITEMS**

**Monthly SISC PPO Trend History Through October 2008.** John Stenerson reviewed the monthly SISC PPO Trend history through October 2008. John informed the Board that our numbers have been fairly consistent, between 5 and 6% and are currently at a 5% year over year trend.

**Show the Board an Article on How I.T. will Effect the Future Delivery of Health Care.** John discussed this article with the Board regarding the involvement/advances of technology within the health care industry.

**Show the Board a Press Release from the Department of Managed Health Care on Balance Billing.** John discussed this article with the Board and informed them that the article is only referring to HMO, however this has been an issue for quite awhile. John let the Board know that SISC does attempt to actively act on behalf of members to intervene when this issue arises.

**Show the Board an Article regarding an Interview with Lloyd Dean.** John reviewed this article with the Board regarding an interview with Lloyd Dean, Chief Executive Officer of Catholic Healthcare West. John explained the difference between Single Payor and Universal Healthcare to the Board and reviewed the Governor's plan on health care reform.

**Show the Board an Article on the Obama Health Care Plan.** John reviewed this article with the Board which discusses how President Elect Obama may find it difficult to overhaul the health care system with the current financial crisis.

**Update the Board on SISC's Wellness Program.** John reviewed the wellness program with the Board. John informed the Board Members that Condition Management has been going on for a year. Nurses are calling members with issues and providing telephonic coaching. Account Managers have been getting out to districts to discuss the program. Members will now be offered a \$25 gift card to participate in health screenings. Districts will need to request the screenings and commit to having members attend. A question was posed about where the information from the screenings would go, and how it would be used. Several Board Members discussed member concern about their personal health information being shared or used to increase rates in the future. John discussed the possibility of sending a letter to members explaining the program and how the numbers will be used.

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**Discuss the “Dispense As Written” Program that Became Effective October 1, 2008.** John reviewed the “Dispense As Written” program and reviewed with the Board the reasons it was proposed in March. Director Hearnon let John know his District has received complaints, both about the program itself as well as the difficulty members are having going through the appeals process. Director Hearnon further discussed his concerns with taking the decision out of the Doctor’s hands. Gary Rice with Greenfield expressed similar concerns, adding that the CTA is starting to weigh in and Schools Legal has been asked to look it over. Mr. Rice let John know he was uncomfortable with members being forced to make financial decisions while the appeal process is moving forward. He believes that the theory is good but that we should have a balance between cost containment and member satisfaction. John let the Board know that we had not heard any complaints about the appeals process, and that if there were issues we would deal with them immediately. We view ourselves and advocates for the districts and members. Mr. Rice and Director Hearnon both reiterated their concern over taking the decision away from the prescribing Doctor. John discussed the overwhelming evidence that Dr.’s are prescribing based on patient request or pharmaceutical sales rep. Several Board Members stated they believed the appeals process to be the problem and not the plan itself. Mr. Rice requested that SISC send a letter to members describing the appeals process along with a SISC number to call with any questions. John committed to sending out a letter in a week. It was decided to bring this issue back as a discussion item next month for review.

**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 Hearnon and carried adjourning the meeting at 2:40 p.m.

**NEXT MEETING**

The next meeting of the Board of Directors will be held **Wednesday, December 17, 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