

**SISC III**  
**HEALTH BENEFITS PROGRAM**  
**BOARD OF DIRECTORS MEETING**  
**WEDNESDAY, NOVEMBER 18, 2009**  
**1:00 P.M.**

**MINUTES**

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:02 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:**

Russell Bigler  
John Caudle  
Eva Chavez  
Karen Cox  
Brian Hawkins  
Kip Hearron  
Steve McClain  
Russell Miller  
Dan Munis  
Gary Pickavet  
Dennis Scott  
Ernie Unruh

**ALTERNATES PRESENT:**

Judy Marty  
Tom Valos

**OTHERS PRESENT:**

Cherie Payne  
Cindy Mattern  
Bonnie Bowles  
Jennifer Bennett  
Megan Hanson  
Fred Bayles – Wells Fargo Advisors  
Rich Edwards – Merrill Lynch  
Lauri Phillips  
Greg Pruitt – Superintendent of Vista Del Mar  
Lola Nickell  
Katy Wolfe - Kaiser  
Carolyn Temple – Kern Foundation  
Dan Bly – Delta Dental  
Judy Fussell – Buckman Mitchell  
Steve Bargeon – Tulare/Kings Foundation  
Kelly Cooper – Burnham Benefits  
Cindy Harden - Kaiser

**CONSENT CALENDAR**

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

**Minutes.** Minutes for the October 2009 Regular Board of Directors Meeting.

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**Report of Activity for the Month of October 2009 and Ratification of Payment as follows:**

DELTA DENTAL CLAIMS	6,072,117.83	
DELTA DENTAL ASO	398,330.99	
<b>TOTAL DENTAL</b>		<b>\$6,470,448.82</b>
VISION SERVICE CLAIMS	661,538.13	
MES CLAIMS	56,998.80	
VSP ASO	85,970.44	
MES ASO	7,898.58	
<b>TOTAL VISION</b>		<b>\$812,405.95</b>
ANTHEM BLUE CROSS HEALTH CLAIMS	45,461,691.95	
BLUE SHIELD HEALTH CLAIMS	6,123,162.80	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	340,491.54	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	234,019.92	
MEDCO DISCOUNT CARD CLAIMS	68,777.83	
<b>TOTAL HEALTH CLAIMS</b>	<b>52,228,144.04</b>	
ANTHEM BLUE CROSS ASO	1,350,932.25	
BLUE SHIELD ASO	152,682.05	
ANTHEM BC BEHAVIORAL HEALTH ASO	160,409.34	
ANTHEM BC COMPANION CARE RETIREE ASO	45,135.80	
FOUNDATION CLMS PROCESSING ASO	549,497.52	
MEDCO DISCOUNT CARD ASO	13,367.35	
<b>TOTAL HEALTH ASO</b>	<b>2,272,024.31</b>	
<b>TOTAL HEALTH</b>		<b>54,500,168.35</b>
MEDCO CLAIMS	17,123,079.59	
AMERICAN HEALTH CARE CLAIMS	1,963,591.57	
MEDCO ASO	501,641.30	
AMERICAN HEALTH CARE ASO	55,846.00	
<b>TOTAL RX</b>		<b>19,644,158.46</b>
<b>INSURED PRODUCTS</b>		
ANTHEM BC HMO CLAIMS	378,911.88	
ANTHEM BC HMO ADMIN FEE	107,717.23	
BLUE SHIELD HMO CLAIMS	226,683.68	
BLUE SHIELD HMO ADMIN FEE	249,175.91	
AETNA HMO	1,293,184.34	
HEALTH NET HMO	842,435.34	
KAISER HMO	2,726,134.14	
PACIFICARE BEHAVIORAL HEALTH	511,112.40	
CIGNA BEHAVIORAL HEALTH	16,369.00	
UNITED HEALTH CARE DENTAL	937.24	
DELTACARE/PMI DENTAL	3,881.57	
KASIER SENIOR ADVANTAGE RETIREE PLAN	51,067.00	
HEALTH NET SENIORITY PLUS RETIREE PLAN	52,131.00	
AETNA INSURED PPO	53,882.68	
BLUE SHIELD INSURED PPO	0.00	
HEALTH NET INSURED PPO	830.74	
MUTUAL OF OMAHA LIFE	141,825.16	
ZURICH LIFE	12,430.60	
<b>TOTAL BLUE CROSS AND BLUE SHIELD CLAIMS</b>		<b>\$6,668,709.91</b>

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SISC FLEX CLAIMS	153,114.08	
STOP LOSS - VISTA UNDERWRITING PARTNERS	-732.84	
WELLNESS	200,000.00	
ALL OTHER	407,849.56	
<b>TOTAL SISC III PAYMENTS</b>		<b>\$88,856,122.29</b>

**PUBLIC COMMENT**

**ACTION ITEMS**

**Financial Report.** Cindy Mattern reviewed with the Board the Financial Report for the period ending October 31, 2009. Cindy pointed out that the LAIF rate for the month of October was 0.65%. Cindy also discussed the annualized returns of the SISC Investment Pool, and Merrill Lynch with the Board. Director Bigler provided a description for the Board regarding "basis points", and how 100 basis points is 1%. Cindy also reviewed with the Board the quarterly investment report and the revolving fund expenditures. After discussion, motion was made by Director Hawkins, seconded by Director Caudle and carried approving the Financial Report as presented.

**Request Approval of the 2008-2009 GASB 45 Audit.** Cindy Mattern reviewed this audit with the Board. Since the Audit had been e-mailed out to the Board with the Agenda, Cindy opened up for floor for questions. After discussion, motion was made by Director Miller, seconded by Director Cox and carried approving the 2008-2009 GASB 45 Audit.

**INFORMATION AND DISCUSSION ITEMS**

**Monthly SISC PPO Trend History Through October 2009.** Director Bigler reviewed the monthly SISC PPO Trend history through October 2009. Director Bigler let the Board know the 9.0% trend is a slight move upwards and we will continue to monitor it. However, it is still not the 12 to 13% range the major companies are showing as trend.

**Show the Board Articles on the Passage of the Health Care Bill in the House of Representatives.** Director Bigler discussed several articles with the Board on the recent passage of the Health Care Bill by the House of Representatives. Director Bigler discussed how things are changing almost daily and we will continue to monitor and update the Board.

**Update the Board on SISC's Wellness Program.** Jennifer Bennett addressed the Board about the on-site health screenings and let them know they will start up again in January. Jennifer let the Board know that SISC was excited about the great turn out last year, and we are hoping to increase the numbers for this year. Jennifer let the Board know about our partnership with the Communications Collaborative on Quality Care, and how we plan to send out a communication piece each week for the length of the 13 week campaign.

**Annual Review of the GASB 45 Investment Policy.** Cindy Mattern reviewed the GASB 45 Investment Policy with the Board. Cindy informed the Board the program continues to be a big success with two new Board Resolutions coming in just this week.

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**GASB 45 Investment Information Presentation.** Fred Bayles with Wells Fargo Advisors provided the Board information around the investment strategies utilized for the GASB 45 program. After the presentation Mr. Bayles fielded questions from the Board regarding investment strategies.

**Complaint Regarding 2009-2010 Notice of Change of Basic Life Rates.** Director Bigler provided an overview of this situation to the Board and then introduced Superintendent Greg Pruitt with Vista Del Mar so he could address the Board. Vista Del Mar has \$100,000 worth of Basic Life Insurance Coverage, most Districts have \$50,000. SISC sent a letter to all Districts in June, notifying them of a Basic Life Insurance decrease, but did not specify \$50,000. Vista Del Mar assumed the price listed on the letter was for \$100,000 and discussed the matter with employees, notifying them their out of pocket cost was decreasing. When the Rates at a Glance went out to the districts, the Superintendent was out with a medical condition and no one realized the price was different. Mr. Pruitt was asking the Board to consider allowing the price reduction for Vista Del Mar for the remainder of this year, because of the promise made to employees. His concern was the public perception in his district around not living up to commitments. Mr. Pruitt believes that SISC should honor the 8.5 cent price because the memo sent out did not mention it was referring to \$50,000 amounts. There were many questions and discussions had by Board Members, and everyone was made aware by Director Bigler that this topic would be an action item up for vote on next months agenda.

**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 Caudle, seconded by Director Miller and carried adjourning the meeting at 2:22 p.m.

**NEXT MEETING**

The next meeting of the Board of Directors will be held **Wednesday, December 16, 2009**, 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