

SISC III

HEALTH BENEFITS PROGRAM BOARD OF DIRECTORS MEETING WEDNESDAY, JUNE 15, 2011 1:00 P.M.

MINUTES

The regular meeting of the Board of Directors of SISC III Health Benefits Program was called to order at 1:05 p.m. on Wednesday, June 15, 2011, in the SISC Board Room on the 5th 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
Kip Hearron
Steve McClain
Ernie Unruh
Gary Pickavet
Richard Pierucci

ALTERNATES PRESENT:

Judy Marty

OTHERS PRESENT:

Cherie Payne
Laurie Swan
John Stenerson
Cindy Mattern
Megan Hanson
Carolyn Temple
Joanna Miller
Melanie Goldsmith
Mike Brouse
Kelly Cooper
Henry Barker
Jennifer Thomas
Rich Edwards
Gabriel Rodriguez
Kathy Nisbet
Judy Fussel
Steve Bargeon
Kirsten Hickman
Bonnie Bowles
Nick Kouklis
Lola Nickell
Lauri Phillips

CONSENT CALENDAR

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

Minutes. Minutes for the May 2011 Regular Board of Directors Meeting.

Report of Activity for the Month of May 2011 and Ratification of Payment as follows:

DELTA DENTAL CLAIMS	6,952,342.09	
DELTA DENTAL ASO	448,426.17	
	TOTAL DENTAL	7,400,768.26
VSP CLAIMS	846,363.56	
MES CLAIMS	126,393.63	
VSP ASO	81,338.88	
MES ASO	16,687.01	
	TOTAL VISION	1,070,783.08

**SISC III BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 17, 2009
PAGE 2**

ANTHEM BLUE CROSS HEALTH CLAIMS	45,779,395.27	
BLUE SHIELD HEALTH CLAIMS	10,686,072.24	
ANTHEM BC BEHAVIORAL HEALTH CLAIMS	10,844.73	
ANTHEM BC COMPANION CARE RETIREE CLAIMS	301,501.12	
MEDCO DISCOUNT CARD CLAIMS	698,480.02	
TOTAL HEALTH CLAIMS	57,476,293.38	
ANTHEM BLUE CROSS ASO	1,555,931.75	
BLUE SHIELD PPO ASO	273,901.04	
ANTHEM BC COMPANION CARE RETIREE ASO	47,287.86	
FOUNDATION CLMS PROCESSING ASO	553,709.52	
MEDCO DISCOUNT CARD ASO	8,500.29	
TOTAL HEALTH ASO	2,439,330.46	
	TOTAL HEALTH	59,915,623.84
MEDCO CLAIMS	12,735,981.81	
AMERICAN HEALTH CARE CLAIMS	2,411,366.79	
MEDCO ASO	229,573.85	
AMERICAN HEALTH CARE ASO	56,259.50	
	TOTAL RX	15,433,181.95
<u>INSURED PRODUCTS</u>		
ANTHEM BC HMO CLAIMS	2,587,280.16	
ANTHEM BC HMO ADMIN FEE	1,695,784.82	
ANTHEM BC EAP	130,360.95	
BLUE SHIELD HMO CLAIMS	2,270,551.35	
BLUE SHIELD HMO ADMIN FEE	1,406,559.62	
KAISER HMO	3,899,197.58	
UNITED HEALTHCARE DENTAL	657.01	
DELTA CARE/PMI DENTAL	3,158.96	
KAISER SENIOR ADVANTAGE RETIREE PLAN	64,344.00	
MUTUAL OF OMAHA LIFE	161,030.37	
ZURICH LIFE	12,943.60	
	TOTAL INSURED	12,231,868.42
SISC FLEX CLAIMS		210,633.57
WELLNESS		204,929.00
ALL OTHER		596,022.89
	TOTAL III PAYMENTS	97,063,811.01

PUBLIC COMMENT

ACTION ITEMS

Financial Report. Cindy Mattern reviewed with the Board the Financial Report for the period ending May 31, 2011. Cindy reported the current LAIF rate is .41% for May and indicated to the Board this is the lowest it has ever been. Cindy went on to review SISC investments and reminded the Board that our investment policy includes diversification to protect our holdings. After discussion, motion was made by Director Hawkins, seconded by Director Pierucci and carried, approving the Financial Report as presented.

Request Approval of 2010-2011 Meeting Times, Dates and Places. Director Bigler reviewed with the Board a memorandum containing the time, date and location of the 2011-2012 monthly Board Meetings. He noted that all meetings are on the third Wednesday of the month except the months of September, March and May. After discussion, motion was made by Director Hawkins, seconded by Director Shelton and carried, approving the 2011-2012 Meeting Dates as proposed.

INFORMATION AND DISCUSSION ITEMS

Monthly SISC PPO Claims History Through May 2011. John Stenerson reviewed with the Board the SISC PPO claims history through May 2011. John notified the Board that we had our year-over-year is 5.9%. John went on to review the comparison of budget to actual with the Board.

Show the Board the Information that was sent to the company that produces The Business Insurance Magazine. Director Bigler reviewed the submission to Business Insurance Magazine regarding the size of SISC as a public entity. Director Bigler discussed with the Board how the numbers were factored to determine participation.

Show the Board a Magazine Article From the LA TIMES on Lap Band Surgery. Director Bigler discussed an article from the LA TIMES, regarding the Lap-Band Maker and their targeting of teenagers.

Blue Shield of Ca. has pledged to limit it's profits to 2% per year. Director Bigler noted that Blue Shield of Ca. plans to cut premiums by 2.5% for individual policy holders. They have also pledged to return money to customers in future years when its net income exceeds 2% of its revenue.

Medical Expense Reimbursement Plan (MERP). A presentation was given by Michael Brouse, of PBVSD and Kevin O'Kane of J&K Associates on MERP.

Comments from the Board of Directors.

Director Bigler introduced and welcomed the SISC Office Manager, Laurie Swan.

Cindy Mattern announced that this will be Director Bigler's last meeting. Director Bigler will be retiring and Nick Kouklis will be the new CEO, effective July 1, 2011. Cindy thanked Director Bigler for his work and Director Bigler thanked the Board and said it had been a great run.

ADJOURNMENT

There being no further business to come before the Board, motion was made by Director Shelton, seconded by Director Hearn and carried adjourning the meeting at 2:30 p.m.

NEXT MEETING

The next meeting of the Board of Directors will be held **Wednesday, July 20, 2011**, at 1:00 p.m. in Room 1-B on the First Floor of the Kern County Superintendent of Schools Office, 1300 17th Street, Bakersfield, California.

Karen Cox, Secretary