

EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST
BOARD OF MANAGERS MEETING NOTES
CARLYLE, ILLINOIS
March 26, 2014

I. CALL TO ORDER:

A meeting of the Board of Managers of the Egyptian Area Schools Employee Benefit Trust was held on Wednesday, March 26, 2014, at Governor's Run in Carlyle. Chairman Jeff Dosier called the meeting to order at approximately 10:00 a.m. Sign-in sheets showed there were 79 people in attendance, including 63 representatives from 55 districts and 16 advisors and guests.

The notes of the Board of Managers meeting of December 4, 2013 were approved as submitted.

II. FINANCIAL REPORT:

Tom Dahncke reported that cash flow for November was positive by \$1.659 million, but December was negative by \$1.875 million, January was negative by \$378,000 and February was negative by over \$1.5 million. With one more week of claims to pay, it appears March will be positive by \$1.0 to \$1.5 million. If that is correct, the Fund will end March with a positive fund balance of over \$2.5 million in excess of the reserve to cover incurred but not reported claims. The Trust is currently holding \$11.5 for the IBNR reserve. Tom noted that the Trust is not legally required to maintain a fully funded reserve.

III. BUSINESS ITEMS:

A. Report of TPA Services – Meritain Health.

Karen Giles reported that the Spring newsletter would be issued later in the week. It will include information about the wellness initiative, including the time frame and requirements to qualify for the incentive for calendar year 2015. Karen also reported that the annual bookkeeper and administrators meetings have been scheduled for July 30 through August 1. She encouraged all districts to send a representative to one of those meetings.

B. Report from Healthcare Blue Book.

Karen introduced Bill Kampine and Rick Leach from HealthCare Blue Book. Bill presented slides illustrating the wide variations in cost from different network providers for the same procedures, demonstrating as much as a 200% to 500% spread in costs. For example, a routine colonoscopy may range from \$800 to \$3,500 in network. A very significant part of the difference is the facility charge, with charges typically much higher in hospitals than in free-standing surgical centers or physician offices. Similarly, costs for a no-contrast MRI can range from \$500 to \$3,500. Again the facility charge accounts for a huge amount of the cost differential. Historically it has been very difficult for patients to find out in advance the cost of a given procedure. The HealthCare Blue Book on-line tool is intended to allow members to find in-network providers that offer a procedure at a fair price.

The program was launched for the Trust effective September 1, 2013. The Trust offers a cash reward for choosing low cost green providers for many procedures, but even with this incentive many members are still using higher cost yellow and red providers. The challenge is how to engage members to use the HealthCare Blue Book tool to find cost-effective providers. Karen reported that in February Meritain distributed an e-mail to all districts with a flyer to be distributed to members to educate them about using HealthCare Blue Book. The Spring newsletter will also include information about how to use HealthCare Blue Book. She encouraged members to make sure this information is distributed to members. In response to a question about how providers rank in terms of quality, Bill stated that HealthCare Blue Book has a very extensive data base and some quality criteria are included on the website. HealthCare Blue Book is working on adding relative cost information on ER and urgent care facilities.

C. Report of Voluntary Dental Services – Delta Dental.

Deb Ulmer invited members to contact her with any questions about the voluntary dental program.

D. Report of PPO Services – HealthLink.

Susan Lehne advised that HealthLink's website and e-housecalls have good information about activities and programs for improving health, including smoking cessation. The website also has a provider nomination form for members to ask HealthLink to contact providers about participating in the HealthLink network. Susan advised that Elmhurst Hospital in the Chicago area and Illinois Cancer Care in Peoria have recently become Tier 1 providers. Susan advised she is also the account representative for the voluntary vision program and invited members to contact her with any questions about that program.

E. Report of Flexible Benefits Administration – American Fidelity.

Whitney Dyson from American Fidelity noted that final regulations recently issued for the Affordable Care Act shared responsibility rules for employers include some additional transition relief for 2015. She reminded members that American Fidelity is available to assist districts with compliance with ACA requirements.

F. Report of Benefits Committee.

Matt Klosterman reported that the Benefits Committee would be meeting again immediately following the Board of Managers meeting. He encouraged members to stay and participate if interested. Members can also contact Matt, Jeff, Tom or Leo if there are particular items they would like the Committee to consider.

Tom Dahncke reviewed some of the key results of the on-line survey the Benefits Committee asked districts to complete to learn more about district eligibility requirements for health coverage and how districts and employees share the cost of coverage. Tom stated that the response to the survey was excellent, with 166 districts responding and only 3 districts failing to respond. Copies of the survey results can be obtained from Karen or Krista at Meritain.

Leo Hefner noted that the Illinois Schools Employee Benefits Consortium has been sending information to districts which includes some information which appears to be targeted to the Trust. Tom and Leo distributed an e-mail to Trust districts which responds to some of the claims in the ISEBC information and explains why the Trust is quite different from the plans offered by the ISEBC. In particular, the ISEBC is a fully insured program, so overhead costs will necessarily be higher. In addition, the claims experience is not pooled, but individual districts will be rated individually in the ISEBC. Leo stated that one Trust district with an excellent 77% loss ratio with the Trust requested a quote from the ISEBC, but the rates quoted were 14% to 36% higher than Trust premiums. Leo stated that he and Tom are available to meet with districts and insurance committees to talk about the differences between the ISEBC program and the plans offered by the Trust.

IV. NEXT MEETINGS AND ADJOURNMENT:

The final meeting for the school year is scheduled for the following date:

- Wednesday, May 7, 2014

There being no further business, the meeting was adjourned.

Respectfully submitted,



Ruth Hays

ATTENDANCE
March 26, 2014

Advisors and Guests:

Meritain – Karen Giles, Scott Giles
ScripWorld – Don Bishop, Valerie Fish
HealthLink – Susan Lehne
Delta Dental – Deb Ulmer
American Fidelity – Whitney Dyson
Optum Insight – Jim Drennan, Dan Pribe
Trust Consultants – Tom Dahncke, Leo Hefner
Husch Blackwell – Ruth Hays
Coordinated Health Care – Cyndee Bronars
Healthcare Blue Book – Bill Kampine, Rick Leach
Bushue HR – Travis Bushue

District Representatives: 63 representatives from the following 55 districts signed in for the meeting.

Altamont #10 – Melanie Thornton, Jeff
Fritchtnitch
Atwood-Hammond #39 – Kenny Schwengel
BAASC – Brian Arteberry
Bartelso #57 – R. Dane Gale
Beecher City #20 – Scott Cameron
Belleville #118 – Matt Klosterman
Belleville #201 – Jeff Dosier
Benton HS #103 – Mary Blondi
Bond County #2 – Jeff Strieker
Brownstown #201 – Adam Bussard
Capital Area Career Center – Leona Pacheco
Career Center of S. Illinois – Mark Stuart
Carmi-White County #5 – Brad Lee
Carlyle #1 – Joe Novsek
Central City #133 – Julie Beasley
Centralia City Schools #135 – Mike Middleton
Centralia High School – Chuck Lane
Cerro Gordo #100 – Brett Robinson
Dieterich #30 – Cary Jackson
East Alton-Wood River #14 – John Pearson
East Richland #1 – Larry Bussard
Edwards County #1 – David Cowger
Flora #35 – Karen Sailer
Grayville #1 – Marlene Williams
Harmony-Emge #175 – Elaine Hayden, Pam
Erickson

Irvington #11 – David Schulte
Jasper #1 – Dan Cox
Kansas #3 – Leigh Ann Heltsley
Marissa #40 – Jane Schaeffer
Martinsville #C-3 – Jill Rogers
Mascoutah #19 – Terry Gibbons
MidState Special Ed. – Brenda Patrick
Monroe Randolph County ROE #45 – Tricia Bockhorn,
Linda Schmidt
Murphysboro #186 – Jan Bush, Brett Sutphin
Nashville #99 – Wendy Davis
North Clay #25 – Ben Farleigh, Jami Lewis,
Monty Aldrich
North Greene #3 – Marge Anderson, Les Stevens
Odin #722 – Steve Westrick
Pana #8 – David Lett
Panhandle #2 – Tammi Mixen
Paris #4 – Lorraine Bailey
ROE #12 – Crystal Smith
Salem HS #600 – Brad Detering
Sandoval #501 – Lisa VonderHaar
Signal Hill #181 – Suzette Lambert
South Central #401 – Ginny Keen
South Eastern Special Ed. – Lori Davis, Jill Keller-Weems
St. Rose #14-15 – Patty Cornell
Teutopolis #50 – Bill Fritcher
Trico #176 – Jackie Smith

Tri-county Special Ed. – Alison Cross
Waterloo #5 – Laverne Pflueger
Wesclin #3 – Paul Tockstein
West Washington #10 – Melinda Albers
Wolf Branch #173 – Denise Hoepker