

**EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST
BOARD OF MANAGERS/EXECUTIVE COMMITTEE MEETING NOTES
CARLYLE, ILLINOIS
JANUARY 19, 2011**

I. CALL TO ORDER:

A joint meeting of the Executive Committee and Board of Managers was held on Wednesday, January 19, 2011, at Governor's Run in Carlyle. Chairman Matt Klosterman called the meeting to order at approximately 10:00 a.m. Matt asked attendees to introduce themselves. Roll call showed 65 people in attendance, including 52 representatives from 48 districts (listed on the last page), 12 advisors and 1 guest.

The notes of the joint Board of Managers/Executive Committee meeting of November 8, 2010 were approved as submitted.

II. FINANCIAL REPORT:

Tom Dahncke reported that December was negative by over \$700,000 on a cash flow basis. The November 30 balance sheet shows the Trust had total assets of about \$6.6 million, liabilities of about \$11.5 million, including \$10.5 million for incurred but not reported claims and \$1 million in deferred contribution revenue, for a negative fund balance at the end of November of about \$5 million. The increases in calendar year deductibles and member coinsurance that took effect January 1 should begin to moderate claims costs.

Chad Stafko from Regions Bank reported that at the end of December the Trust had approximately \$5.4 million in investment assets, all in US government and government backed securities. In anticipation that interest rates will rise, Regions has kept the durations short, with most investments maturing in the next 2 to 3 years. The return on the investments compares very favorably with the applicable benchmarks.

III. BUSINESS ITEMS:

A. Report of TPA Services – Meritain Health.

Karen Giles reported that the Trust was accepted for participation in the federal Early Retiree Reinsurance Program established by the 2010 Health Care Reform law. Under this program employer health plans can request reimbursement for certain claims paid for retired members between the ages of 55 and 65 and their dependents. After a retiree (or dependent) incurs \$15,000 in paid claims for a year, the federal government will reimburse the plan for 80% of the individual's claims between \$15,000 and \$90,000. The Trust expects to receive the first \$50,000 in reimbursements from this program shortly. The law requires plans to notify all plan members before or at the time the first reimbursement is received. Meritain will be sending that notice shortly directly to members' homes.

Karen reminded members that Meritain has developed a new privatized portion of the Trust's website for exclusive use of school bookkeepers, superintendents and members of the Board of

Managers. Meritain is also looking at the possibility of hosting webinars on specific topics to provide additional education to bookkeepers. The Trust now has 180 employer districts.

B. Report of Prescription Drug Services – Express Scripts.

Jessica Renfeldt reported that this would be Rob Herberholt's last meeting. She thanked him for his 10 years of service to the Trust as the account representative from Express Scripts. Jessica will assume primary responsibility as the Trust's prescription drug benefit representative, assisted by Steve Bunner from Express Scripts. Matt Klosterman also thanked Rob on behalf of the Trust for his service.

Jessica reported that Express Scripts' mail order program allows members to pay the member copay for a 90-day script in three monthly installments. She also reported that for over-the-counter (OTC) drugs to be covered by the drug card at \$0 copay the script must be written specifically for the OTC drug. She noted that the Winter Newsletter has information members can take to their doctors to make sure the script is written correctly to get the OTC benefit.

Jessica reported on the addition of the MDN retail network for maintenance drugs. A few members have had claims denied, generally because they tried to fill scripts for 90 days for drugs not on the maintenance drug list. Drugs not classified by Express Scripts as maintenance drugs cannot be filled for more than 30 days at retail pharmacies.

C. Report of PPO Services – HealthLink.

Susan Lehne encouraged members to review the chart HealthLink provides with recommended guidelines for preventive services for adults and children. She noted that the fact a service is listed in the guidelines does not necessarily mean the service is covered by the plan. Susan distributed the HealthLink Utilization Summary and Savings Summary reports for the first quarter of the current plan year (September 1 through November 30, 2010) and for the 12-month plan year ended August 31, 2010. These reports show that only 5% of services are provided outside the network. HealthLink runs reports on out-of-network providers and contacts these providers to see if they can be brought into the network. Susan also noted the reports show a substantial increase in large dollar cases (individuals with claims over \$50,000) compared to prior years.

Susan also reminded members to contact her if they have issues with the vision network.

D. Report of Voluntary Dental Program – Delta Dental.

Deb Ulmer introduced herself as the account representative from Delta Dental, the new insurer for the Trust's voluntary dental program. She stated that the enrollment process has gone well. She reminded members to make sure and enroll employees timely when they are eligible. Delta Dental will not allow retroactive enrollment for more than 60 days. Members can visit the Delta Dental website at www.deltadental.com to register and print ID cards online. They can also call the customer service line at 1-800-323-1743 to order an ID card.

E. Report of Actuary – Ingenix.

Jim Drennan pointed out that the HealthLink Savings Summary shows that the total HealthLink allowed dollar amount for year ended August 31, 2010 is up about 14.2% over the prior year. Since September, it appears that the claim trend has fallen back to about a 7% rate, which is good.

F. Report of Flexible Benefits Administration – American Fidelity.

Matt Klosterman reported that effective February 1 Kim Pugliese will resume responsibility as the American Fidelity account representative for the Trust.

G. Report of Benefits Committee.

Matt reported that the Benefits Committee has not met since the last meeting, but would be meeting shortly. Members should contact him if they have specific issues they want the Committee to consider.

H. Report of Consultants.

Tom Dahncke reported that the Trust had added 12 new districts over the last year. Edwards County will join February 1 and another district has submitted information for underwriting.

Tom reported that some districts are not making their contributions by the 5th of the month as required. Each district should receive an e-mail bill by the 25th of the prior month, which should give the district time to review the bill and make payment by the 5th. Tom and Leo have been calling the superintendents of districts that chronically pay late. Some districts have asked about the possibility of making payments electronically. Meritain is working on developing an electronic payment system and plans to test this with some groups later in the spring. Tom noted that many districts pay what they think they owe instead of the amount billed by Meritain, but fail to explain the adjustments to Meritain so the bills never get corrected. Karen explained that under the electronic process Meritain is developing there will be a tab on the invoice worksheet for districts to reconcile the discrepancies between the amounts billed and paid. The new process will be explained in a webinar for bookkeepers.

IV. NEXT MEETINGS AND ADJOURNMENT:

The following meetings have been scheduled for the balance of the fiscal year:

- Wednesday, March 16, 2011
- Wednesday, May 4, 2011

There being no further business, the meeting was adjourned.

Respectfully submitted,

Ruth Hays

ATTENDANCE
January 19, 2011

Executive Committee: The following members of the Executive Committee attended the meeting: Travis Wilson (Arthur #305), Matt Klosterman (Belleville #118), Jeff Dosier (Belleville #201), Joe Novsek (Carlyle #1), John Pearson (East Alton-Wood River #14), Becky Dimmick (Jacksonville #117), Tammy Steckel (Jersey #100), Chris Long (Kansas #3), Kevin Settle (Mount Vernon #80), Brent O’Daniell (Nashville #49), Michael Smith (Oakland #5), Matt Seaton (Red Hill #10), Lisa Telford (Selmaville #10), Bill Fritcher (Teutopolis #50), David Daum (Wesclin #3), Carol Elliott (Wood River-Hartford #15).

Board of Managers: 52 representatives (including Executive Committee members listed above) from the following 48 districts attended the meeting.

Altamont #10	Salem Elementary #111
Anna #37	Sandoval #501
Arthur #305	Sangamon Valley #9
Belleville #118	Selmaville #10
Belleville #201	Sesser-Valier #196
Belleville Area Special Services	Shiloh #85
Benton #103	South Eastern Special Ed.
Bond County #2	Teutopolis #50
Cairo #1	Trico #176
Carlyle #1	Tri County Special Ed
Central #104	Waterloo #5
Dupo #196	Wesclin #3
East Alton-Wood River #14	West Washington #10
East Richland #1	Whiteside #115
Flora # 35	Wood River-Hartford #15
Harmony-Emge #175	
Jacksonville #117	
Jasper County #1	
Jersey #100	
Jonesboro #43	
Kansas #3	
Marissa #40	
Mascoutah #19	
MidState Special Ed.	
Mount Vernon #80	
Nashville #49	
North Greene #3	
Oakland #5	
Palestine #3	
Panhandle #2	
Paris #4	
Red Bud #132	
Red Hill #10	