

**EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST
BOARD OF MANAGERS MEETING NOTES
CARLYLE, ILLINOIS
DECEMBER 7, 2011**

I. CALL TO ORDER:

A meeting of the Board of Managers of the Egyptian Area Schools Employee Benefit Trust was held on Wednesday, December 7, 2011, at Governor's Run in Carlyle. Chairman Jeff Dosier called the meeting to order at approximately 10:00 a.m. Jeff asked attendees to introduce themselves. Roll call showed 65 people in attendance, including 54 representatives from 46 districts, 10 advisors and 1 guest.

The notes of the joint Board of Managers and Executive Committee meeting of September 28, 2011 were approved as submitted.

II. FINANCIAL REPORT:

Tom Dahncke reviewed the Trust's financial statements as of October 31, 2011. He noted on the Statement of Changes that the Trust had positive cash flows of \$1.7 million for September and \$1.4 million for October. November will be a strong positive month because few claims were paid in November due to Meritain's migration to the new claims system. Tom stated that monthly financial statements are distributed electronically to each district's superintendent, bookkeeper and representative on the Board of Managers.

III. BUSINESS ITEMS:

A. Report of TPA Services – Meritain Health.

Karen Giles reported that new ID cards which include information about Consult A Doctor had been mailed. Cards were also issued for dependent children age 18 and over. Karen explained that due to migration to the new claims system employees will need to re-register at www.myMERITAIN.com to access their claims information. At the Employer portal to the website districts will be able to print ID cards. After an employee re-registers the employee will also be able to print an ID card. Karen stated that the Winter Newsletter will be issued Friday and will include information about enhancements made to the website.

Karen stated that Meritain had resumed processing claims after the migration. As of the meeting date Meritain had about 14 days of inventory so is getting close to being caught up with claims.

B. Report of Prescription Drug Services – Express Scripts.

Jessica Renfeldt reported that there had been no resolution of the dispute between Express Scripts and Walgreen so it appears that Walgreen may not be in the Express Scripts network beginning January 1, 2012. Members who have been using Walgreen pharmacies will receive a letter from Express Scripts about switching to other pharmacies in the network.

Jessica noted that Lipitor recently went off patent so generic equivalent drugs should be available very shortly.

A member expressed concern about the safety of sending drugs by mail and the risks when drugs sit outside in mailboxes in very hot or very cold weather. Jessica asked the member to follow up with her about the specific drugs in questions.

C. Report of PPO Services – HealthLink.

Susan Lehne stated that members should shortly receive pamphlets with general guidelines on when and when not to use Emergency Rooms and alternatives to ER care, including urgent care centers and using Consult A Doctor. Districts will also receive posters with this information.

Susan stated that Tenet, the owner of Saint Louis University and DesPeres Hospitals, has issued a notice of termination to HealthLink effective January 1, 2012. HealthLink and Tenet are in negotiations and Susan believes a new contract with Tenet will be in place before January 1, but it is possible that the Tenet hospitals will become out of network hospitals on that date. If that should occur, patients then confined to a Tenet hospital would be permitted to continue care for a period of up to 90 days.

Susan reminded members that she is also the representative for the Unicare voluntary vision program. Members should feel free to contact her with questions.

D. Report of Actuary – Optum Insight

Jim Drennan said he was encouraged by the good claims experience in the current year to date. He stated that the changes insurance companies will be required to make in 2014 to comply with federal health care reform are putting great pressure on insurance companies to add new groups before 2014. He is seeing very aggressive pricing from insurance companies and some are offering two year rate guarantees. He believes the Trust's rates will continue to be very favorable over the long term, but in the next couple of years insurance companies may offer very competitive rates in an effort to grow market share.

E. Report of Flexible Benefits Administration – American Fidelity.

David Hefner introduced himself as the fringe benefit consultant for American Fidelity. He stated there are still over 40 districts in the Trust that do not use American Fidelity to administer their Section 125 plans and 403(b) plans. He explained that IRS regulations put the obligation on employers to assure their plans comply with federal tax laws. A third party administrator can assist employers in meeting their compliance obligations. David stated that the only direct fee for American Fidelity to administer a 403(b) plan is \$1.00 per employee per month, paid from each employee's account. To qualify for this fee the district must also use American Fidelity for administration of its Section 125 plan. American Fidelity does not charge a separate fee for Section 125 plan administration but is compensated from the sale of supplemental insurance

products to participants. He explained that American Fidelity sales representatives are all salaried employees. They do not receive commissions so there are no high pressure sales.

David explained that a Section 125 plan can save money both for the employer and for employees. There is no cost to the employer, but the employer can save money in FICA taxes. He noted that the amount employees can contribute to health care flexible spending accounts will be limited to \$2,500 for the 2013 calendar year. Section 125 plan documents will need to be amended for this change.

David also stated that it is very important for districts to comply with the universal availability requirement for 403(b) plans. He noted that IRS has issued questionnaires to many school districts requesting information about compliance with this requirement. Districts can contact American Fidelity for assistance if they receive this questionnaire.

F. Report of Benefits Committee.

Matt Klosterman reported that the Benefits Committee would be meeting immediately following the Board of Managers meeting and invited members to stay and participate. He also encouraged members to contact Matt or Tom or Leo with any topics they want the Committee to consider.

G. Report of Consultants.

Tom Dahncke asked whether members have any interest in holding meetings of the Board of Managers in locations other than Carlyle. At one time Board meetings were moved around and held at different schools. There was concern that many schools will not have adequate parking for Board meetings.

Leo Hefner noted the recent passing of Bob Dosier, father of Jeff Dosier. Bob was a former superintendent of Belleville #201 and served several terms as Chairman of the Trust. When he retired from Belleville he worked several years for HealthLink, so was involved for many years in the growth and success of the Trust. Leo expressed the Board's sympathy to Jeff and his family.

IV. NEXT MEETINGS AND ADJOURNMENT:

Tom reminded members that the January meeting of the Board of Managers was cancelled. The remaining meetings for the year are scheduled for the following dates:

- Wednesday, March 21, 2012
- Wednesday, May 9, 2012

There being no further business, the meeting was adjourned.

Respectfully submitted,

Ruth Hays

ATTENDANCE
December 7, 2011

Advisors and Guests:

Meritain – Karen Giles, Scott Giles
ScripWorld – Jessica Renfeldt
HealthLink – Susan Lehne
American Fidelity – Elizabeth Rogers, David Hefner
Optum Insight – Jim Drennan
Trust Consultants – Tom Dahncke, Leo Hefner
Husch Blackwell – Ruth Hays
Bushue Human Resources – Travis Bushue

District Representatives: 54 representatives from the following 46 districts attended the meeting.

Altamont #10 – Susan Janz, Melanie Thornton	Paris #4 – Lorraine Bailey
Arthur #305 – Travis Wilson	Prairie du Rocher #132 – Steve Laur
Atwood-Hammond #39 – Kenny Schwengel	ROE #12 – Crystal Smith
Belleville #118 – Matt Klosterman	Salem HS #600 – Scott Burmeister, Brad Deterling
Belleville #201 – Jeff Dosier	Sandoval #501 – Lisa VonderHaar
Belleville Area Special Services – Gary Allison	Sangamon Valley #9 – Mike Markus
Benton #103 – Mary Blondi	Selmaville #10 – Lisa Telford
Bond County #2 – Jeff Stricker	South Eastern Special Ed. – Lori Davis, Jill Keller-Weems
Central City #133 – Julie Beasley	Trico #176 – Cathy Roe
Centralia City Schools #135 – Mike Middleton	Tri-county Special Ed. – Renee Evans
Centralia #200 – Chuck Lane	Tuscola #301 – Michael Smith
Cerro Gordo #100 – Brett Robinson	Wabash #348 – Cindy Bishop
Cobden #17 – Sandy Lanzi	Waterloo #5 – Laverne Pflueger
East Richland #1 – Larry Bussard	West Frankfort #168 – Michelle Puckett
Elverado #196 – Patrick Keeney	West Washington #10 – Melinda Albers
Flora #35 – Karen Sailer	Wolf Branch #113 – Denise Hoepker, Lynne Clapp
Harmony-Emge #175 – Elaine Hayden	
Jacksonville #117 – Becky Dimmick	
Kansas #3 – Chris Long, Leigh Ann Heltsley	
Marissa #40 – Denise Rushing, Jane Schaeffer	
Martinsville #C-3 – Jill Rogers	
Mascoutah #19 – Terry Gibbons	
MidState Special Ed. – Jeanne Vancil	
Mount Vernon #80 – Mike Green, Linda Cruser	
Murphysboro #186 – Jan Bush, Debbie Glodo	
Nashville #99 – Wendy Davis	
New Athens #60 – Diane Schaefer	
Oblong #4 – Jeff Patchett	
Palestine #3 – John Hasten	
Panhandle #2 – Tammi Mixen	