

**EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST**  
**BOARD OF MANAGERS MEETING NOTES**  
**CARLYLE, ILLINOIS**  
**May 7, 2014**

**I. CALL TO ORDER:**

A meeting of the Board of Managers of the Egyptian Area Schools Employee Benefit Trust was held on Wednesday, May 7, 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 91 people in attendance, including 76 representatives from 60 districts and 15 advisors and guests.

The notes of the Board of Managers meeting of March 26, 2014 were approved as submitted.

**II. FINANCIAL REPORT:**

Tom Dahncke reported that cash flow for January was negative by \$378,794, February was negative by \$1,616,562, but March was positive by \$1,328,484 and April was positive by over \$800,000. This means the fund balance has improved by over \$2 million in the fiscal year through April. At the end of March the Trust had assets of \$17.8 million, liabilities of \$14.9 million, including \$11.5 million in reserve to cover incurred but not reported claims, for a positive fund balance of over \$2.8 million. By the end of April the fund balance is expected to be positive by over \$3.6 million. Tom explained that May has five weeks in which claims will be paid and June is the last month in the fiscal year and the stop loss contract year so Meritain will make sure that all pending large claims are paid. While both May and June are likely to have negative cash flow, Tom still expects the Trust to end the fiscal year with a positive fund balance.

Chad Stafko from Regions Bank stated that the Trust has \$13.45 million in the investment account, with 94% invested in government securities and 5% in cash. Interest rates declined over the last month so Regions is keeping maturities short to minimize the risk of loss of principal.

**III. BUSINESS ITEMS:**

**A. Report of TPA Services – Meritain Health.**

Karen Giles reported that the annual bookkeeper and administrators meetings have been scheduled for July 30 through August 1. Additional information about the meetings will be distributed in the next week.

Scott Giles reported that the renewal quote from Delta Dental for the voluntary dental plan had been negotiated from a proposed 10% rate increase to a 4.3% rate increase with no changes in benefits.

**B. Report of Prescription Drug Services – Scrip World/CVS Caremark.**

Valerie Fish stated that she and Don Bishop were available to answer any questions about the prescription drug card benefit.

C. Report of Coordinated Care Services – Coordinated Health Care.

Cyndee Bronars reported that a mailing was sent to members' homes describing the wellness incentive for 2015. The tasks to qualify for the incentive and the amount of the incentive will be the same as for 2014. If members have any questions about qualifying for the incentive they should contact the care coordinators at CHC.

D. Report of Dental Services – Delta Dental.

Deb Ulmer stated Delta Dental is very happy to be renewing the voluntary dental program for the Trust. Members with questions about the dental program should contact her.

E. Report of Flexible Benefits Administration – American Fidelity.

Caleb Wilson from American Fidelity distributed a hand-out summarizing the Employer Shared Responsibility provisions of the Affordable Care Act. He encouraged districts to contact American Fidelity for assistance with complying with ACA requirements.

F. Report of Benefits Committee.

Matt Klosterman reported on the recommendations of the Benefits Committee.

- **Premium Rates.** Matt stated that the recommendation is for a 2.5% across the board rate increase, as follows:

	Plan A		Plan B		Plan C		HDHP		Plan E Option 1	
	Current	9/1/14	Current	9/1/14	Current	9/1/14	Current	9/1/14	Current	9/1/14
<b>Employee Only</b>	\$710	\$728	\$642	\$658	\$554	\$568	\$472	\$484	\$554	\$568
<b>Employee + Spouse</b>	\$1,464	\$1,500	\$1,322	\$1,355	\$1,146	\$1,175	\$970	\$994	\$1,141	\$1,170
<b>Employee + Child/Children</b>	\$1,414	\$1,450	\$1,274	\$1,306	\$1,106	\$1,134	\$952	\$976	\$1,100	\$1,128
<b>Family</b>	\$1,576	\$1,615	\$1,420	\$1,456	\$1,234	\$1,265	\$1,046	\$1,072	\$1,227	\$1,257

- **HealthLink Network Expansion.** Matt asked Mark Haegele from HealthLink to explain the enhanced HealthLink network. Mark stated that HealthLink is part of Wellpoint, which is the largest consolidator of Blue Cross Blue Shield plans, including BCBS plans in Indiana, Kentucky, Wisconsin and Missouri. Through the relationship with Wellpoint, HealthLink has the ability now to expand the Tier 1 provider network and obtain higher discounts in Indiana, Kentucky and Wisconsin effective June 1, 2014, and in Missouri effective September 1, 2014. As of the June 1 and September 1 effective dates, all network providers in these four states will be Tier 1 providers. HealthLink's website has a customized provider finder for the Egyptian Trust so members will be able to look up all of the available providers from the

HealthLink website. Members will receive new ID cards before September 1. Mark stated that this change is expected to result in substantial savings for the Trust.

- **Add More Preventive Vaccines under the Prescription Drug Benefit.** Matt explained that additional vaccines will be available from any CVS network pharmacy that administers vaccines. These vaccines will be covered at 100% when they qualify as recommended preventive services under the Affordable Care Act guidelines. In addition, the Plan will cover these vaccines up to specified dollar amounts when the vaccines are provided by out-of-network providers. The member may have to submit a paper claim to Meritain for reimbursement if the provider is not a CVS or HealthLink network provider. The new vaccines that will be covered through the prescription drug benefit and the out-of-network allowed amounts for each are stated below:

**Pneumonia - \$85;**  
**Zoster (Zostavax) for Shingles - \$200;**  
**Tetanus, Diphtheria Toxoids - \$40;**  
**Hepatitis A and B - \$100;**  
**Combined Tetanus, Diphtheria and Pertussis (Tdap) - \$55**

- **Healthcare Bluebook Renewal.** The Committee recommends renewing the pricing transparency tool offered by Healthcare Bluebook for another year.
- **Wellness Benefit and Incentives.** As Cyndee mentioned in her report, the wellness incentive will continue with the same provisions for calendar year 2015 as for 2014.
- **ACA Cost Sharing Maximum.** Matt asked Ruth Hays to explain the new limits on member cost sharing required by the Affordable Care Act. Ruth explained that non-grandfathered health plans must limit the annual amounts members can be required to pay out of their own pockets for all covered **in-network** services. If an individual or family reaches the applicable cost sharing limit in a year, covered in-network expenses will be covered at 100%. The new rules apply to the Trust effective September 1, 2014.

The ACA cost-sharing limits for 2014 are \$6,350 for an individual and \$12,700 for a family (two or more family members). All of the Egyptian Trust plans have annual Out-of-Pocket limits that are much lower than the new ACA cost-sharing limits. Ruth stated that the current Out-of-Pocket limits will remain the same and will continue to apply in the same manner. However, some costs members pay do not count toward the Out-of-Pocket limits. For example, member co-payments and coinsurance for mental health and substance abuse services do not count toward the Out-of-Pocket limits in all Plans and deductibles and co-pays do not apply toward the Out-of-Pocket limits in Plans A, B, C and E. Beginning September 1, 2014, all in-network (Tier 1 and Tier 2) **medical benefit** deductibles, co-payments and coinsurance will count toward the ACA annual cost-sharing limits.

Effective January 1, 2015, member co-payments for prescription drugs will also count toward the ACA cost-sharing limits in addition to all in-network medical deductibles, co-payments and coinsurance. The ACA cost sharing limits for 2015 are \$6,600 for an individual and \$13,200 for a family. Ruth stated that most members will not be affected

by the new limits, but the limits will provide additional protection for families with very high costs for prescription drugs or for mental health and substance abuse services.

Matt stated that the Benefits Committee met many times during the year to come up with these recommendations. He noted that the Committee is able to recommend the low rate increase of only 2.5% primarily because of the network savings offered by HealthLink.

Brett Robinson (Cerro Gordo) made a motion, seconded by Brad Detering (Salem HS), to adopt all of the recommendations of the Benefits Committee. Motion carried.

Jeff Dosier asked members of the Benefits Committee to stand and be recognized. He encouraged other members to consider participating on the Committee next year.

Leo Hefner reminded members that he and Tom Dahncke are available to meet with districts and their insurance committees to assist in understanding the Trust's benefits and evaluating other proposals they may be considering. Leo also noted that the new fees and taxes imposed on self-funded plans by the ACA have been included in the renewal premium rates. Districts will not be charged additional amounts for those fees.

In response to a question, Matt confirmed that the cost for the voluntary vision plan will not change this year. The Trust has one year remaining of a two-year rate guarantee for that program.

#### G. Report of Nominating Committee.

Jeff Dosier and Matt Klosterman are completing the first year of two year terms as officers of the Trust so officers do not need to be elected this year. Under the Trust By-laws, the Executive Committee is comprised of \_\_\_ members of the Board of Managers elected by the Board. Any decision to change benefits or premium rates is reserved to the full Board of Managers. The Executive Committee has authority to make most other decisions for the Trust. All members of the Board (and other district representatives) have always been invited to meetings of the Executive Committee. In recent years the Executive Committee has not met or acted independently of the Board of Managers. However, the Committee is still in place under the Trust documents. Therefore, the Nominating Committee recommended the election of the following members to the Executive Committee to succeed the members whose terms expire June 30, 2014: David Lett (Pana #8), Mike Brink (Nashville #49), Mike Green (Mount Vernon #80), Mary Schell (Jersey #100), Brad Lee (Carmi-White County #5), Matt Seaton (Red Hill #10), Brenda Patrick (Mid States Special Ed), Joe Novsek (Carlyle #1), Jeff Fritchtnitch (Altamont #10).

Adam Bussard (Brownstown #201) made a motion, seconded by Rob Wright (Pope County #1), to elect these nominees to the Executive Committee. Motion carried.

Matt Klosterman recognized Jim Helton who is retiring this year and thanked Jim for his many years of service on the Board and Executive Committee of the Trust.

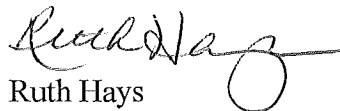
#### IV. **NEXT MEETINGS AND ADJOURNMENT:**

Meetings for the next school year were tentatively scheduled for the following dates:

- Wednesday, September 24, 2014
- Wednesday, December 3, 2014
- Wednesday, March 25, 2015
- Wednesday, May 6, 2015

There being no further business, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Ruth Hays", written in black ink.

Ruth Hays

**ATTENDANCE**  
**May 7, 2014**

**Advisors and Guests:**

Meritain – Karen Giles, Scott Giles  
ScripWorld – Don Bishop, Valerie Fish  
HealthLink – Mark Haegele, Bruce Banks  
Delta Dental – Deb Ulmer  
American Fidelity – Caleb Wilson  
Optum Insight – Jim Drennan  
Trust Consultants – Tom Dahncke, Leo Hefner  
Husch Blackwell – Ruth Hays  
Coordinated Health Care – Cyndee Bronars  
Regions Bank – Chad Stafko  
Bushue HR – Travis Bushue

**District Representatives:** 76 representatives from the following 60 districts signed in for the meeting.

Altamont #10 – Melanie Thornton, Jeff Fritchtnitch	Kansas #3 – Leigh Ann Heltsley, Chris Long
Atwood-Hammond #39 – Kenny Schwengel	Kaskaskia Special Ed #801 – Mary Kelso, Charlene Smith, Cassie Clark
Beecher City #20 – Scott Cameron	Martinsville #C-3 – Jill Rogers
Belleville #118 – Matt Klosterman, Leanne Meadows-Rahe	Mascoutah #19 – Terry Gibbons
Belleville #201 – Jeff Dosier, Rich Hodson	MidState Special Ed. – Brenda Patrick
Bond County #2 – Jeff Strieker	Monroe Randolph County ROE #45 – Tricia Bockhorn
Brownstown #201 – Adam Bussard	Mount Vernon City Schools #80 – Linda Crusser, Mike Green
Carlyle #1 – Joe Novsek	Murphysboro #186 – Jan Bush
Central City #133 – Julie Beasley	Nashville #49 – Lori McDonnough
Centralia City Schools #135 – Mike Middleton, Rita Carpenter, Tammy Garner	Nashville #99 – Wendy Davis, Stefanie Bauza
Cerro Gordo #100 – Brett Robinson, Janet Perry	Neoga #3 – Chuck Castle
Cobden #17 – Aaron Mattox	New Athens #60 – Shelley Fizer
Dieterich #30 – Janice Mellendorf	North Greene #3 – Marge Anderson, Les Stevens
East Richland #1 – Larry Bussard	Oakland #5 – Lance Landeck
Edwards County #1 – David Cowger	Odin #722 – Steve Westrick
EIASE – Tony Reeley	Panhandle #2 – Tammi Mixen
Fairfield #112 – Diana Zurliene	Paris #4 – Lorraine Bailey
Flora #35 – Karen Sailer	Pope County #1 – Rob Wright
Freeburg #77 – Diane Schaefer	ROE #12 – Crystal Smith
Harmony-Emge #175 – Elaine Hayden, Pam Frost	Salem Elementary #111 – Connie Graham, Gayla Wilkerson
Hoyleton #29 – Nancy Jansen	Salem HS #600 – Brad Detering
Iuka #7 – Barbi Cleary	Sandoval #501 – Lisa VonderHaar
JAMP Special Education – Lee Ann Krempasky	Selmaville #10 – Lisa Telford
Jersey #100 – Lori Franke-Hopkins, Mary Schell	Signal Hill #181 – Suzette Lambert
	South Central #401 – Ginny Keen

South Eastern Special Ed. – Jill Keller-Weems  
Teutopolis #50 – Myra Pruemer  
Trico #176 – Jackie Smith  
Tri-county Special Ed. – Donna Fager  
Tuscola #301 – Michael Smith  
Wabash #348 – Cindy Bishop  
Waterloo #5 –Karen Niederbrach  
Wesclin #3 – Paul Tockstein  
West Washington #10 – Melinda Albers,  
Rebecca Krueger  
Whiteside #115 – Peggy Burke  
Winchester #1 – David C. Roberts