

**EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST  
BOARD OF MANAGERS MEETING NOTES  
CARLYLE, ILLINOIS  
MAY 8, 2013**

**I. CALL TO ORDER:**

A meeting of the Board of Managers of the Egyptian Area Schools Employee Benefit Trust was held on Wednesday, May 8, 2013, 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 102 people in attendance, including 88 representatives from 74 districts, 13 advisors and 1 guest.

The notes of the joint Board of Managers and Executive Committee meeting of March 20, 2013 were approved as submitted.

**II. FINANCIAL REPORT:**

Tom Dahncke reviewed the Trust's financial statements as of March 31, 2013, copies of which were distributed to the Superintendent, bookkeeper and Board of Managers representative from each district. At the end of March the fund balance was negative by only \$419,503. April was positive by over \$1 million, ending with a positive fund balance. Over the fiscal year through April the Trust has gained over \$8 million. Tom explained that May and June are typically negative months as Meritain tries to get all large claims paid within the stop loss contract period, but overall the Trust has had an extremely positive year.

Chad Stafko from Regions Bank reported that at the end of April the Trust had about \$7.5 million invested in government or government agency securities with an average yield of 1.37% and average maturity of about 5 years. Regions anticipates that interest rates will continue to stay low for the near term. Chad stated that the investments had a total return of 1.2% over the last 12 months compared with the benchmark return of 0.66%.

**III. BUSINESS ITEMS:**

A. Report of TPA Services – Meritain Health.

Karen Giles said she brought supplies of Consult A Doctor magnets and magnets with Coordinated Health Care's phone number for members to pick up and distribute to employees. Districts may order additional supplies from Karen.

Karen reminded members that the annual bookkeeper meetings are scheduled for July 31 through August 2. She encouraged all districts to send a representative to the meetings.

Karen reminded members of the benefits of using LabCard. She noted that the Marion County Health Department facilities in Centralia and Salem have now contracted to be LabCard collection sites. In response to a question, Karen said a list of HealthLink urgent care facilities would be included in the next newsletter.

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

Don Bishop from Scrip World stated he had nothing to report, but would be available to answer questions and assist with any problems relating to the prescription drug benefit.

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

Sarah Simmons stated that CHC has been very pleased with the level of member engagement. CHC expects to have increased call volume as the wellness initiative is implemented.

D. Report of PPO Services – HealthLink.

Mark Haegele reported that over the past several months HealthLink has seen a lot of interest in employers moving to self-funded plans, including small employers. HealthLink has added over 90 new employer accounts and has been selected as a vendor for the Land of Lincoln Health Co-op, a new nonprofit organization which will offer health insurance in Illinois through the state exchange. This means that many more individuals carry a HealthLink card and gives HealthLink greater leverage in negotiating provider contracts.

Mark stated that HealthLink is in contract renegotiations with the BJC hospital system. BJC accounts for the Trust's highest inpatient utilization and second highest outpatient utilization. The focus is not just on greater discounts, but also on other methods of driving down costs, such as paying higher rates for services performed in a physician's office than in hospitals or other facilities, and paying the same rates for both Caesarean and vaginal deliveries.

E. Report of Flexible Benefits Administration – American Fidelity.

Elizabeth Rogers described the services American Fidelity can provide to assist districts in complying with Health Care Reform requirements for employers. American Fidelity offers discounted prices for meetings with four or more districts. Elizabeth reminded districts that the employer pay or play requirements will apply to Trust districts effective September 1, 2014, if a district meets certain transition rule requirements. Otherwise, the requirements become effective January 1, 2014.

F. Report of Benefits Committee.

Matt Klosterman asked Jim Drennan to describe the financial progress the Trust made over the last year. Jim explained that this time last year the Trust adopted an 8.5% rate increase which he expected would allow the Trust to recover the deficit and get back to break even over two years. Instead, the Trust has already made up the deficit. Jim noted that commercial insurers are attempting to bring in new groups with very aggressive pricing, so the Benefits Committee wanted to keep the increase for the new year as low as possible. Dan Pribe, an actuary from Optum's St. Louis office, said Optum is seeing many insurers moving to very restrictive provider networks in an effort to keep rates as low as possible and boost market share. Dan suggested districts that are

considering other insurance options should look carefully at network adequacy before making a decision.

Matt outlined the following specific recommendations of the Benefits Committee:

**Premium Rates:** The Committee is recommending a rate increase of 3.4% effective September 1, 2013. With the 3.4% increase, the new rates will be as follows:

	Plan A (Platinum)		Plan B (Gold)		Plan C (Silver)		High Deductible Health Plan (Bronze)	
	Current	2013-14	Current	2013-14	Current	2013-14	Current	2013-14
Employee	\$686	<b>\$710</b>	\$620	<b>\$642</b>	\$535	<b>\$554</b>	\$456	<b>\$472</b>
EE + Spouse	\$1,416	<b>\$1,464</b>	\$1,278	<b>\$1,322</b>	\$1,109	<b>\$1,146</b>	\$938	<b>\$970</b>
EE + Children	\$1,368	<b>\$1,414</b>	\$1,232	<b>\$1,274</b>	\$1,069	<b>\$1,106</b>	\$920	<b>\$952</b>
Family	\$1,524	<b>\$1,576</b>	\$1,374	<b>\$1,420</b>	\$1,194	<b>\$1,234</b>	\$1,012	<b>\$1,046</b>

**Change in Plan Names.** To avoid confusion with the Platinum, Gold, Silver and Bronze insurance plans as defined in the Affordable Care Act, the Committee recommends changing the names of the plans to Plan A, Plan B, Plan C and High Deductible Health Plan (HDHP).

**\$40 Benefit for Flu Vaccine Out of Network.** The flu vaccine is covered at 100% as a preventive care benefit from HealthLink network providers. The Committee recommends adding a \$40 benefit, with no deductible, for members to obtain the flu vaccine from non-network providers, including county health departments. If a non-network provider is not set up to bill insurance, members may submit claims to Meritain for reimbursement up to the \$40 benefit.

**Consult A Doctor™.** The Committee recommends renewing the Consult A Doctor program at a renewal rate of \$2.55 per member per month. Matt reported that this benefit has been very popular and has resulted in reduced utilization of Emergency Room services, offsetting the cost of the program. The Committee also recommends offering this as a voluntary benefit so that district employees and retirees who are not enrolled in one of the Trust’s medical plans can take advantage of this benefit by paying the monthly premium. Members and dependents enrolled in one of the medical plans are automatically enrolled for this benefit with no additional premium.

**Healthcare Blue Book Pricing Tool.** The Committee recommends contracting with Healthcare Blue Book. Karen Giles explained the benefits offered by Healthcare Blue Book, an on-line tool which allows members to compare the costs charged by different Network providers for certain diagnostic and imaging procedures, elective surgeries and some other procedures. Members can access the tool directly through the Trust’s website and CHC care coordinators can assist members in using the tool. The member enters the specific service the member needs and zip code and Healthcare Blue Book will display a list of Network providers offering the service sorted by average cost, with the lowest cost providers listed first in the “green” zone, followed by higher cost providers in the “yellow” and “red” zones. The program offers members cash incentives

ranging from \$25 to \$100 to choose green zone providers for certain types of diagnostic and imaging services. Karen stated this program has the potential to save the Trust \$2 to \$3 million annually.

**Exchange Open Enrollment as Qualifying Change Event.** Under the Affordable Care Act, effective January 1, 2014 and each January 1 thereafter individuals will have an opportunity to purchase individual insurance on the new state insurance exchanges or marketplaces. There will be an open enrollment period at the end of each calendar year for coverage effective January 1. The Committee recommends that the Trust treat the exchange open enrollment period as a qualifying change event that will allow members to make changes in Trust coverage that are consistent with a change in coverage on the exchange, such as adding or dropping coverage.

**Delta Dental Renewal.** The Committee recommends renewing the contract with Delta Dental which has agreed to retain the current rates and benefits for another year. Quotes were obtained from four additional carriers, but all proposed higher rates.

James Helton (Waterloo) made a motion, seconded by Suzette Lambert (Signal Hill), to adopt all of the recommendations of the Benefits Committee, including the 3.4% premium rate increase, changing the plan names, adding a \$40 out of network flu vaccine benefit, renewing the contract with Consult A Doctor, adding Healthcare Blue Book, adding exchange open enrollment as a qualifying change event, and renewing the voluntary dental benefit with Delta Dental. Motion carried.

Matt recognized the members of the Benefits Committee and the consultants and advisors and thanked them for the considerable time and effort they put into developing recommendations for the Board of Managers.

G. Report of Nominating Committee.

Matt reported that the Nominating Committee recommends that the following members be elected for three-year terms on the Executive Committee: Ken Schwengel (Atwood-Hammond #39), Lisa Vonder Haar (Sandoval #501), Jeff Dosier (Belleville #201), Jim Helton (Waterloo #5), Travis Wilson (Arthur #305), Gayla Wilkerson (Salem #111), Rich Well (Vandalia #203), Jennifer Filyaw (Wesclin #3), John Pearson (East Alton-Wood River #15), Chris Long (Kansas #3).

Brad Detering (Salem High School) made a motion, seconded by Andy Lehman (Freeburg #77), to elect all the nominees. Motion carried.

H. Report of Consultants.

Tom Dahncke invited interested members to volunteer to participate on the Benefits Committee, noting that it is essential to have broad representation from school districts on the committee. Tom also stated that commercial carriers are very aggressively soliciting new business before the ACA exchanges open, in some cases offering quotes that are well below a district's actual claims costs. Tom encouraged districts to examine such offers very carefully. They may result in savings

for one year, but may lead to large increases in subsequent years. Tom reminded districts that he and Leo are available to visit with individual districts to assist them in understanding the options available through the Trust and in evaluating other insurance proposals.

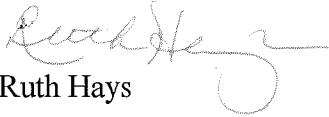
**IV. NEXT MEETINGS AND ADJOURNMENT:**

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

- Wednesday, September 25, 2013
- Wednesday, December 4, 2013
- Wednesday, March 26, 2014
- Wednesday, May 7, 2014

There being no further business, the meeting was adjourned.

Respectfully submitted,



Ruth Hays

**ATTENDANCE**  
**May 8, 2013**

**Advisors and Guests:**

Meritain – Karen Giles, Scott Giles  
ScripWorld – Don Bishop  
HealthLink – Mark Haegele  
American Fidelity – Elizabeth Rogers  
Optum Insight – Jim Drennan, Dan Pribe  
Trust Consultants – Tom Dahncke, Leo Hefner  
Husch Blackwell – Ruth Hays  
Regions Bank – Chad Stafko  
Coordinated Health Care – Sarah Simmons, Cyndee Bronars  
Bushue Human Resources – Travis Bushue

**District Representatives:** 88 representatives from the following 74 districts signed in for the meeting.

Altamont #10 – Jeff Fritchtnitch, Melanie Thornton	Harmony-Emge #175 – Elaine Hayden
Atwood-Hammond #39 – Kenny Schwengel	High Mount #116 – Mark Halwachs
Bartelso #57 – R. Dane Gale	Iuka #7 – Barbi Cleary
Beecher City #20 – Scott Cameron	Jacksonville #117 – Lori Niemeier
Belle Valley #119 – Joan McKay	JAMP Special Ed – Lee Ann Krempasky
Belleville #118 – Matt Klosterman, Leanne Meadows-Rahe	Jasper County # 1 – Dan Cox
Belleville #201 – Jeff Dosier, Brian Mentzer	Kansas #3 – Leigh Ann Heltsley
Bond County #2 – Jeff Stricker	Marissa #40 – Denise Rushing, Jane Schaeffer
Brownstown #201 – Adam Bussard	Martinsville #C-3 – Jill Rogers
Carlyle #1 – Joe Novsek	Mascoutah #19 – Terry Gibbons
Carmi-White County #5 – Brad Lee	MidState Special Ed. – Alison Boutcher, Brenda Patrick
Central #104 – Jane Hamm	Monroe Randolph County ROE #45 – Linda Schmidt, Tricia Bockhorn
Central City #133 – Julie Beasley	Mount Vernon #80 – Mike Green, Linda Crusier
Centralia City Schools #135 – Mike Middleton	Murphysboro #186 – Jan Bush, Debby Glodo
Centralia HS #200 – Jeff Skillette	Nashville #49 – Lori McDonnough
Cerro Gordo #100 – Janet Perry	Nashville #99 – Wendy Davis
Dieterich #30 – Cary Jackson	New Athens #60 – Diane Schaefer
East Alton-Wood River #14 – John Pearson	North Greene #3 – Marge Anderson, Les Stevens
East Richland #1 – Larry Bussard, Patty Leist	North Wayne #200 – Joyce Carson
Eastern Illinois Area Special Ed. – Tony Reeley	Oblong #4 – Jeff Patchett
Edwards County #1 – David Cowger	Odin #722 – Jane Laffoon
Fairfield #112 – Diana Zurliene	Pana #8 – David Lett
Flora #35 – Karen Sailer	Panhandle #2 – Aaron Hopper, Tammi Mixen
Freeburg #70 – Mark Janssen	Paris #4 – Lorraine Bailey
Freeburg #77 – Andrew Lehman	Red Hill #10 – Matt Seaton
Hamilton County #10 – Jeff Fetcho	ROE #12 – Crystal Smith

Salem Elem. #111 – Gayla Wilkerson  
Salem HS #600 – Brad Detering  
Sandoval #501 – Lisa VonderHaar  
Selmaville #10 – Lisa Telford  
Sesser-Valier #196 – Jason Henry  
Shawnee #84 – Karen Toler, Lisa Murphy  
Shiloh #85 – Jennifer Filyaw  
Signal Hill #181 – Suzette Lambert  
South Central #401 – Ginny Keen  
South Eastern Special Ed. – Lori Davis  
Stewardson-Strasburg #5A – Michelle  
    Vonderheide  
Trico #176 – Cathy Roe  
Tri-county Special Ed. – Alison Kinsey  
Tuscola #301 – Michael Smith  
Vandalia #203 – Rich Well  
Wabash #348 – Cindy Bishop  
Waterloo #5 – James Helton  
West Frankfort #168 – Michelle Puckett  
West Washington #10 – Melinda Albers,  
    Rebecca Krueger  
Whiteside #115 – Peggy Burke  
Winchester #1 –David Roberts, Angie Slagle  
Wolf Branch #173 – Denise Hoepker