

**EGYPTIAN AREA SCHOOLS
EMPLOYEE BENEFIT TRUST**

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Consultants

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DATE: June 1, 2015

TO: **All Executive Committee, Board of Managers Members, District Superintendents and Bookkeepers**

FROM: Jeff Dosier, Chair, Matt Klosterman, Vice-Chairman
Tom Dahncke & Leo Hefner, Consultants to the Trust

RE: **SPECIAL Board of Managers Meeting: Monday, June 15, 2015**

The Egyptian Trust will hold a SPECIAL Board of Managers Meeting on Monday, June 15, 2015, beginning at 10:00 am at Governor's Run Golf Course, Carlyle, IL.

Prior to the meeting, those with comments or questions are invited to contact Egyptian Trust Consultants Tom Dahncke at tdahncke@charter.net (618-791-5541) and/or Leo Hefner at lhefner@htc.net (618-973-8221).

EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST

SPECIAL BOARD OF MANAGERS MEETING

Monday, June 15, 2015

AGENDA

1. Business Item

A. Recommendation of The Benefits Committee

It is the recommendation of the Benefits Committee that the following premiums are established for Plan E Option 1 for the 2015-16 year and that individual selection is allowed for this plan. The further recommendation of the Benefits Committee is that Plan E Options E2, E3, and E4 remain in a temporary moratorium until a history of claims and loss ratio can be established for Plan E1.

	Plan E1		
	Current	2015-16*	2015-16**
Employee	\$568	\$596	\$640
EE + Spouse	\$1,170	\$1,229	\$1,320
EE + Children	\$1,128	\$1,184	\$1,272
Family	\$1,257	\$1,320	\$1,418

* This will be the rate for the two districts currently participating in Plan E1 for the period of 9/1/2015 – 8/31/2016.

** This will be the rate for any other district or employee who chooses Plan E1 for the period of 9/1/2015 – 8/31/2016.

Background

Plans E1, E2, E3 and E4 were established six years ago in order for the Trust to remain competitive to commercial insurance companies which were offering higher deductible, lower cost plans whereby the employer reimbursed all or a portion of the potential higher deductible cost to the employee and dependent. These Plan E options were all based off of Plan B in that the higher individual deductible amounts were all in \$500 increments over the Plan B deductible. The individual Out of Pocket Maximum amounts for all Plan E options were therefore higher in \$500 increments as well. These Plan E options were available only if an employer offered Plan E as its only plan and did not allow employees to choose among two or more plans (referred to as “individual selection”). Only recently did any Egyptian Trust member district change to Plan E, Option 1 and, as of now, only 2 districts participate in Plan E1.

As part of the Benefits Committee deliberations this year, the Committee undertook the study of allowing individual selection for Plans E1 – E4, along with the idea of possibly combining Plan E Option 1 with Plan C, since the two plans were very similar in benefits. With the intense study of network providers the committee undertook, the financial study of Plan E options took somewhat of a back seat. And, as the membership knows, at the May 6 meeting of the Board of Managers the Managers approved a 5% premium increase for current Plan E1 members for the 2015-16 plan year and a temporary moratorium on new districts offering Plan E until the Benefits Committee could study the premium issue further.

That study has now been completed and the recommendation cited above has been made. The two districts currently in Plan E1 will have the 5% premium increase for 2015-16 that was approved at the May meeting and will then pay the premium that is established for this plan for 2016-17. Other districts which decide to offer Plan E1 or individuals in those districts who select Plan E1 for coverage effective September 1, 2015 would pay the appropriate premium cited above, if this recommendation is approved.

If approved and as experience is generated for Plan E1, the option of again implementing Plans E2 through E4 could be considered by the membership.