

**EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST**  
**BOARD OF MANAGERS MEETING NOTES**  
**CARLYLE, ILLINOIS**  
**September 21, 2016**

**I. CALL TO ORDER:**

A meeting of the Board of Managers of the Egyptian Area Schools Employee Benefit Trust was held on Wednesday, September 21, 2016, at Governor's Run in Carlyle. Chairman Jeff Dosier called the meeting to order at approximately 10:00 a.m. and asked members to introduce themselves. Sign-in sheets indicated there were 66 people in attendance, including 52 representatives from 42 districts and 14 advisors and guests.

The notes of the Board of Managers meeting of May 11, 2016 were approved as submitted.

**II. FINANCIAL REPORT:**

Tom Dahncke reviewed the unaudited financial statements. He reported that on a cash flow basis May was positive by almost \$1 million, June was negative by about \$850,000 and July was negative by almost \$1.5 million. The Trust ended the fiscal year at June 30 with a deficit of about \$2 million, based on an estimated IBNR (incurred but not reported claims) of \$12.5 million. The Trust has plenty of cash and investment assets to pay claims, but the IBNR is not fully funded. Since premium increases take effect September 1, it is not unusual to have negative cash flow over the spring and summer months until the rate increases take effect September 1.

Ryan Altmansberger from Regions Trust reported that the Trust's investment assets are managed in a laddered portfolio of short term fixed income investments due to the low interest rate environment. He stated that Regions does not expect the Federal Reserve to increase rates before year end.

**III. BUSINESS ITEMS:**

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

Maria Llewellyn, the new Account Director from Meritain, reported that participation at the bookkeeper meetings in July was excellent. She explained that as a result of Aetna's acquisition of Coventry, the provider networks are being integrated. This will require issuing new ID cards for January 1, 2017.

Tom Dahncke noted that beginning September 1 LabCard/Quest Diagnostic independent lab facilities are again included under the 100% benefit for routine lab work, along with Coventry network independent labs. The 100% benefit does not apply to non-routine lab work. Non-routine lab work is paid after the deductible and subject to coinsurance. To qualify for the 100% benefit the physician must code the service as routine diagnostic lab. Tom explained that the 100% benefit is available from LabCard and independent labs because they offer very deep discounts. Hospitals generally are not willing to offer such deep discounts for lab services, but

Coventry is talking with some hospitals in areas without independent labs to see if it is possible to negotiate sufficient discounts to allow them to be included in the 100% routine lab benefit.

B. Report of Care Coordinators by Quantum Health.

Cyndee Bronars reported that members, other than new enrollees, will not receive new ID cards until January 1, 2017. The old ID cards will continue to work through 2016. Beginning October 3 members will be able to print ID cards off the website to take to their doctors.

Cyndee reported that 24% of members participated in the wellness program to qualify for the incentive in 2017. Cyndee also reported that 3D mammograms will be covered effective July 1, 2016. Claims for 3D mammograms have been rejected as experimental, but to comply with a recent change in Illinois law Meritain will re-process and pay any such claims incurred on or after July 1. Cyndee reminded members that monthly member statements are available on the website showing all claim activity.

Cyndee stated that Quantum is providing additional training to the Care Coordinators about the mark to market plans. The EOBs for mark to market plans are difficult to read and some Care Coordinators were not completely familiar with how the mark to market plans work. Meritain is working on redesigning the mark to market plan EOBs to make them easier for members to understand.

C. Report of Voluntary Dental and Vision Services – Ameritas.

Kenny Tobey reported that Ameritas is expanding the dental network in Illinois. He encouraged members to use network dentists. He also noted that the vision plan includes a lasik benefit, but the procedure must be coordinated by a VSP network provider. Members can call Ameritas if they have questions.

D. Report on Network Services – Coventry.

Martha Bromley encouraged members to nominate providers they would like to see included in the network. She noted that there have been some issues with how providers bill for urgent care. Urgent care facilities are covered after a \$40 copay at 90% with no deductible. If, however, the facility or physician bills separately for services provided during the urgent care facility visit, such services are covered at the normal plan coinsurance level after the deductible. More facilities appear to be charging separately for services provided during an urgent care facility visit.

E. Report of Legal Services – Husch Blackwell LLP.

Ruth Hays gave an update on the information she provided at the May meeting about the Affordable Care Act consequences of offering a cash option in lieu of health insurance. Ruth explained that regulations issued in July modify the IRS position on how offering cash in lieu of benefits must be treated in determining the affordability of employer insurance coverage under the ACA. Under prior guidance, IRS had stated that any opt-out payment must be added to the actual cost the employee would be required to pay for coverage (i.e., the employee share of the

premium cost) in determining whether the cost of coverage meets the ACA affordability test, beginning with the 2017 plan year. Under the new guidance, if the employer makes opt-out payments to employees who provide reasonable evidence that the employee and all individuals in the employee's tax family (those for whom the employee claims a personal tax exemption) have minimum essential coverage from another employer or from Medicare or Medicaid (but **not** exchange coverage), the opt-out payment will not have to be included as part of the employee's cost of coverage in applying the affordability test. Payments made under "unconditional" opt-out arrangements without these requirements will be included as part of the employee's cost in determining affordability beginning with the 2017 plan year. Trust districts that are large employers should keep this in mind if they offer cash options after August 31, 2017.

F. Report of Section 125, 403(b) and ACA Administration – American Fidelity.

Caleb Wilson reminded members that American Fidelity is available to assist districts with compliance with the ACA and the requirements for Section 125 plans and 403(b) plans.

G. Report on Mark to Market Plans – TCOH.

Jim Baxter reported that he and Gary Wright have made presentations to employees at a number of districts, explaining the strength of the Trust and how the collective power of teachers can be used to control costs and get better prices. They want all districts and employees to understand how mark to market credits work and how employees can impact these credits by changes in behavior and smart consumerism. Jim explained that TCOH is recommending some changes in the plan designs approved in March to make them more competitive and three new plan designs to match common insured plan designs to help attract new members. Jim also noted that access to the separate wellness reward TCOH will administer will open on October 1. Information about this reward will be distributed to districts that qualified to participate in this program.

H. Report of Benefits Committee.

Matt Klosterman invited members to contact Matt or Jeff Dosier if they would like to serve on the Benefits Committee. The Committee normally meets at the administrative offices of Belleville #118.

Matt explained that the Committee is recommending the changes in mark to market plan designs recommended by TCOH. This includes minor revisions to the new mark to market plan designs approved at the March meeting and three new plans to provide additional options. Benefit schedules for revised plans M1 – M5, new plans M6 – M8, and revised plans H1 – H5, were distributed with the Agenda. The H1 through H5 plan designs are designed as high deductible plans to be used with Health Savings Accounts. The revisions and new plans are intended to provide more flexibility and make the Trust more competitive in the market.

Brad Detering (Salem HS) made a motion, seconded by Louis Obernuefemann (Belle Valley #119), to approve the new plan designs. Motion carried.

Tom Dahncke reported that Quincy School District with 1100 employees and 850 employees enrolled in the health plan will join the Trust effective October 1. BAASC rejoined the Trust effective September 1. He expects one other new district will join effective January 1, 2017.

IV. NEXT MEETING AND ADJOURNMENT:

The next Board of Managers meetings are scheduled for the following dates:

- Wednesday, December 7, 2016
- Wednesday, March 22, 2017
- Wednesday, May 10, 2017

There being no further business, the meeting was adjourned.

Respectfully submitted,



Ruth Hays

**ATTENDANCE**  
**September 21, 2016**

**Advisors and Guests:**

Meritain – Maria Llewellyn, Scott Giles, Pam Dockins  
Quantum Health – Cyndee Bronars  
Coventry Healthcare – Martha Bromley  
Ameritas – Kenny Tobey  
American Fidelity – Caleb Wilson  
TCOH – Jim Baxter, Gary Wright  
Trust Consultants – Tom Dahncke, Leo Hefner  
Husch Blackwell LLP – Ruth Hays  
Regions Trust – Ryan Altmansberger  
Bushue Human Resources – T. J. Ervin

**District Representatives:**

A-C Central #262 – Tim Page	Pana #8 – Wendy Mundell
Altamont #10 – Susan Janz, Melanie Thornton	Palestine #3 – Chris Long
Bartelso #5 – R. Dane Gale	Richland County #1 – Larry Bussard
BASSC – Brian Arteberry	Salem #111 – Connie Graham, Gayla Wilkerson
Beecher City #20 – Scott Cameron	Salem HS #600 – Brad Detering
Belle Valley #119 – Louis Obernuefemann	Sandoval #501 – Lisa VonderHaar
Belleville #118 – Leanne Meadows-Rahe, Matt Klosterman	Shawnee #84 – Shelly Clover-Hill
Belleville #201 – Jeff Dosier, Brian Mentzer, Shawn Coughlin	South Eastern Special Ed. – Lori Davis, Jill Keller-Weems
Benton HS #103 – Aaron Mattox	Tri-County Special Ed – Renee Evans
Central City #133 – Julie Beasley	Tuscola #301 – Michael Smith
Centralia City Schools #135 – Mike Middleton	Valmeyer #3 – Eric Frankford
Charleston #1 – Judy Adair, Rachel Beaver	Waterloo #5 – Brian Charron
Clay City #10 – Beth Gariepy-Hance	West Washington #10 –Melinda Albers
Cobden #17 – Edwin Shoemate	
East Alton-Wood River #14 – John Pearson	
Flora #35 – Joel Hackney	
Freeburg HS #77 – Diane Schaefer	
Freeburg #70 – Mark Janssen	
Harmony-Emge #175 – Pam Leonard, Donna Taylor	
Kaskaskia Special Ed #801 – Jessie Winkeler, Charlene Smith	
Martinsville #C-3 – Jill Rogers	
Mascoutah #19 – Frank Williams	
Mid-State Special Ed – Michelle Rexroad	
Monroe-Randolph ROE #45 – Tricia Bockhorn	
Mount Vernon City Schools #80 – Aletta Lawrence	
Murphysboro #186 – Jan Bush, Laura Goetting	
North Greene #3 – Shane Feltes, Lawrence Coultas	