

CLARKSVILLE MONTGOMERY COUNTY EMPLOYEES
INSURANCE TRUST MEETING
April 7, 2014

The meeting of the Clarksville Montgomery County Employees Insurance Trust was held Monday April 7, 2014 in the Lecture Hall at Central Office. Members in attendance were Jeanine Chester, Cydney Miller, Danny Grant, Rebecca Jackman, Patricia Bailey, Paula Louder, Tommy Butler, Blake Frerking, Tim Swaw, Shelly Lazowski, Jeff Taylor, Pat Martin and Jim Young. Also in attendance were Chris Fessenden and Kim Phelps of Fessenden Consulting Group, Deanna Moore from County HR, Kristin Butler from the OJI Department, and Jeanel Kohnen from the CMCSS Benefits Office.

The meeting was called to order at 4:15 p.m. by Jeanine Chester. A quorum was established.

Jeanine Chester introduced the newest CMCEIT Member, Jeff Taylor who represents the County replacing Erinne Hester.

Minutes from the February 10, 2014 meeting were reviewed. Tim Swaw made the motion to accept the minutes. Paula Louder seconded motion. Motion carried.

Tommy Butler and Kristin Butler presented a PowerPoint presentation regarding updates with the Onsite facilities and the continued implementation of the Wellness Program, please see attachment. Tommy Butler also provided a handout reporting the in-house savings to date of \$949,847.00.

Chris Fessenden gave a Health Care Reform (HCR) update. The plan will have to eliminate the pre-existing condition clause beginning September 1, 2014. To date, CMCSS is in compliance with HCR. According to an advisor to President Obama the employer mandate may go away. The Fessenden's will continue to follow the employer mandate, requirement issue and any other HCR revisions.

Chris Fessenden provided a hand out regarding Tax Code Section 105(h) a nondiscrimination rule that applies to health coverage. This prohibits some healthcare plans from discriminating in favor of highly compensated individuals (HCIs) and against non-highly compensated individuals (NHCIs) with respect to benefits or eligibility. The issue with Tax Code Section 105 is the IRS has never issued regulations providing guidance on application of this Code section. This leaves plan sponsors to their own devices in determining whether they comply or not. The premise is that at least 70% of employees must benefit from the plan. It is FCG's opinion that the CMCEIT plan is not discriminatory in favor of HCIs or against NHCIs. Chris Fessenden stated that FCG can expand beyond the 70% test however Jeanine Chester stated there is no need to go further if the employer mandate may be lifted.

Jeanine Chester provided a handout with the Medical Premium History listed back to 1995. There will be no premium increase for the 2014/15 school year, which is the third year in a row with no premium increase. Jeanel Kohnen provided the letters she will be emailing to all employees by the end of this week communicating the great news regarding the no premium increase.

There were two topics that were not listed on the agenda that were reviewed. First, employees that are not BCBS subscribers can utilize the Onsite Clinics however they pay a fee of \$20. Tommy Butler stated that the actual cost to see an employee is \$55 per individual. Therefore, the clinic is losing \$35 per individual that is seen that isn't a BCBS subscriber. This fee was set in 2007 and has not been changed. Jeanine Chester asked Tommy Butler to conduct research regarding the costs of going to a doctor's care and will present the findings at the next CMCEIT meeting, at that time the Trust will vote as to whether there should be a fee increase.

Second, Jeanine Chester asked the Trust if they would allow the substitute teachers the opportunity to utilize the Onsite facilities. Since, the substitute program has been brought in house there will be approximately 400 to 500 substitutes hired this summer. There was a lot of discussion regarding this including only allowing substitutes that worked so many hours or so many days the opportunity to utilize the clinic. Cydney Miller proposed a one year pilot for the substitute teachers to utilize the Onsite Clinics with the fees and eligibility to be determined. Motion to accept was made by Danny Grant. Tommy Butler seconded the motion. Motion carried.

Danny Grant reviewed the Financial Statement for January and February. Assets are in balance with liabilities. This is a very strong and positive statement. Motion to accept was made by Tommy Butler. Rebecca Jackman seconded the motion. Motion carried.

Chris Fessenden presented the experience report for February 2014. The medical plan is in very good shape. The loss ratio is acceptable. The loss ratio for Dental is good. Jeanine Chester proposed FCG complete an RFP during the summer and have it ready for review in fall.

Cydney Miller reviewed large claims and the monthly claims payment history. February had a significant decrease in medical and prescription costs. There was only 1 large claim to review.

Discussion was held regarding the next meeting time. Meeting was scheduled for Monday, July 28, 2014, at 4:15 p.m. at Central Office in the Lecture Hall.

Meeting was adjourned at 5:40 pm.