

**LINCOLNWAY AREA AFFILIATION OF PARTICIPATING  
SCHOOL DISTRICTS EMPLOYEE BENEFIT PLAN  
TRUSTEES MEETING MARCH 22, 2021**

**MEETING MINUTES**

The meeting was conducted via Zoom conference. Trustees participating were Donna Gray, Steve Stein, Joe Simpkins and Cathie Pezanoski and Tim Baldermann. Meeting came to order at 10:01. A motion was made by Cathie Pezanoski to approve the minutes from February 11, 2021, seconded by Tim Baldermann with all in favor.

**PARTICIPANTS:** From Assurance; Maryann Mileto, Bobby Dufkus, Ashton Wagner and Scott Remmenga. From BlueCross; Jessica McDermott. From Shorewood Agency; Marcus Taylor and Jan Smith.

Others attendees: Margo Empen and Mark Campbell, Dixon S.D.; Tim Arnold, Will County S.D.; Sabina Fitzgerald, Lincoln-Way Special Education District; Andy Siegfried, Chaney-Monge S.D.; Laura Kortz, Chicago Ridge S.D.; Russell Ragon, Manhattan S.D.

**APPROVAL OF COOPERATIVE TRANSITION**

Marc Taylor re-capped the work Assurance has done with The Shorewood Agency since 2020. Assurance has put together a billing program and web sites for each district and has been sharing duties with servicing the plan. An outline of the existing fees was reviewed, currently Shorewood receives \$28.38/pepm for HMO Participants. There are no fees for PPO enrollment. There are no fees from PBA for dental. Three districts have independent plan and the compensation from those is approximately \$12,000 annually. Shorewood negotiated a reduced rate with a four year rate guarantee with Dearborn Life and the fee is \$18,000 annually. Shorewood's consulting charge has been the same since 2006. When Dixon joined it was increased from \$4,150 to \$7,795 with Dixon paying this increase. PBA has administered the dental at a cost of \$5.50/pepm and separate COBRA fees with a total of approximately \$65,000 annually. Two other fees, 10% from Perspectives and liability coverage of \$1,600. Total amount is \$466,655 and will reduce to \$449,800 with the withdrawal of Beecher S.D.

The proposed structure with Assurance as agent is basically the same. Same fee for HMO medical. With Assurance administering the dental they will assume PBA's fees to take over the dental. In addition, eliminating the fees from VSP and adding that charge on to the BlueCross Dental. Net effect is \$450,000.

Bobby Dufkus noted that the total costs to assume Cobra will result in no additional consulting fees to the Affiliation. Marc Taylor will be paid from Assurance fees. He asked if there were any questions and Joe Simpkins asked if this includes moving the dental plan. Bobby confirmed that the dental is included.

Motion to name Assurance as agent of record as of July 1, 2021 made by Tim Balderman, seconded by Joe Simpkins, with all in favor.

#### **APPROVAL OF DENTAL, VISION, AND COBRA FOR 7/1/2021**

Proposals were received at the last meeting. The recommendation was to accept the fully insured proposal from BlueCross with a two year rate guarantee using 3-tiered rates. This would reduce contributions for dental from \$822,000 to \$750,000 under the 3-tier rate structure. This will result in savings to employers and employees. This allows BlueCross to take the risk for two years. There are a couple of other considerations in making this type of transition July first. The options are to have the deductible carryover or have a new deductible from 7/1-12/31. If a new deductible is applied for services from July through December participants will also receive a full maximum benefit for the year for major services and orthodontia, if applicable.

Groups not in the Affiliation could also be eligible. Marc Taylor noted that the BlueCross proposal does not include a dental HMO, which the non-affiliation plans have in place.

In moving the dental to BlueCross, the medical administration rate will be reduced by \$1.00 (\$20,000) and stop loss 1% (\$12,000) plus BlueCross is giving a \$50,000 transition credit to the Affiliation.

PBA will pay terminal claim liability for the dental plan with the approximate administrative cost of \$18,000.

Maryann Mileto suggested to start over with the dental benefits, apply another deductible and provide new maximums. With increased access under the BlueCross network versus Guardian there should be a positive claim impact.

The proposed changes to the vision program were reviewed. The benefits would be the same with the exception of the exam-only for PPO participants being provided by BlueCross rather than VSP. The rates for VSP for the voluntary exam plus materials would then be the same regardless of medical benefit selection, HMO, PPO or vision only.

Motion made by Tim Balderman to accept the fully insured 3-tier dental rates, accept the change to remove the exam only from VSP to BlueCross and to move COBRA administration to Assure effective July 1, 2021, seconded by Joe Simpkins seconded with all in favor.

Marc Taylor reminded the Trustees that Donna Gray and Cathie Pezanoski are retiring July 1<sup>st</sup> and it is their obligation under the trust to appoint replacements for the remainder of their terms. They will also need to elect a new chairman and treasurer at that time in order to change the bank information. The Treasurer and chairman are current signors. Assurance will not sign checks. Currently Marc is also signatory, however, with COVID coming to an end checks can be signed by the Affiliation Chairman or Treasurer.

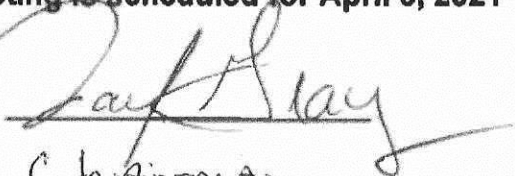
Marc Taylor noted that based on renewal that he has seen, the expectation is that the pooled group would not need a rate change. He has asked BlueCross to make some adjustments and we will go over it in the April meeting. Dixon and Will County set their own premium equivalents.

Marc Taylor noted that there may be some additional meetings necessary during the transition period to address any issues that come up.

A motion to adjourn was made by Cathie Pezanoski, seconded by Tim Baldermann with all in favor.  
Meeting adjourned at 10:27 a.m.

**Next Meeting is scheduled for April 8, 2021**

SIGNED:



TITLE:

Chairman

DATE:

April 14, 2021