

COLORADO HIGHER EDUCATION INSURANCE BENEFITS ALLIANCE

Chairperson's Annual Report

Part I - Summary

Again this year, I want to reiterate my personal "thank you" to the Trustees for the privilege of working with each of you on behalf of the CHEIBA Trust. I continue to be amazed at your diligence, insightfulness, and prudence. Through this difficult year, you have worked hard, both as Trustees and as campus representatives, to solve problems and address issues to the benefit of the plan participants.

While a number of tasks and projects were completed this year, the overriding issue was the mess created by Anthem's conversion from its claims paying system to the WellPoint WGS system. In retrospect, it is easy to see where things went awry. But also in retrospect, once the problems began to manifest, it is clear that the Trustees took very seriously the service impacts and worked very hard to address them. That it took a full seven months to get services back to a reasonably "normal" level was in no way a reflection of the attention and efforts of the Trustees.

The issues created by the conversion shook to the roots the relationship with Anthem. Resulting from this were significant revisions to the partnership between the Trust and Anthem. Implemented for the first time were performance guarantees with financial penalties and a targeted claims audit of Anthem's performance during the conversion period.

In addition to the substantial efforts devoted to monitoring and managing through the Anthem conversion issues, a couple of projects of significance were undertaken in 2006-07. For the first time, the Trust completed an audit of its financial position for the years ending June 30, 2004, 2005, and 2006. The financial statements of the Trust were found to represent fairly in all material respects the financial position of the Trust and to be in conformity with generally accepted accounting principles. The audit report dated March 20, 2007, was presented at the July 2007 Annual Meeting of the Trust. Also, during 2006-07, we issued an RFP for the administration of the Flexible Spending Account. The contract was awarded to Denver Reserve (later PayFlex).

The plan renewals for 2007 rates presented some special challenges. Following the standard rating practice, the Trust was faced with a 17.4% rate increase. With Gallagher Benefits Services assistance, an approach to rating projections combining two years of weighted experience was offered reducing the rate increase to 15.7%. Both of these increases were not financially viable alternatives and substantial effort was devoted to considering benefits levels in conjunction with required premiums. While difficult decisions were made to make plan design adjustments, the Trustees demonstrated a strong balance between achieving fiscal stability for the plan and protecting benefits levels for participants.

Offsetting the need to increase premiums charged to participants, a third consecutive year of premium holidays was declared for the 2007 plan year, including both health and dental coverage.

I hope the following summary of activities is helpful. I know that opportunities and challenges are present going forward; I know that the Trustees will meet each well.

Mike Dougherty
Chair
CHEIBA Trust



Part II – Meeting Locations and Dates

Beaver Run Resort, Breckenridge, CO
July 19-21, 2006

Fort Lewis College, Durango, CO
September 21-22, 2006

University of Northern Colorado, Greeley, CO
November 16-17, 2006

Auraria Higher Education Center, Denver, CO
January 18-19, 2007

Gallagher Benefit Services, Greenwood Village, CO
March 15-16, 2007

Western State College, Gunnison, CO
May 17-18, 2007

Part III – Officers

◆ 2006-07

Chair - Mike Dougherty
Vice-Chair - Tamy Calahan (resigned November 2006)
Vice-Chair – Tracy Rogers (elected November 2006)
Secretary - Kim Gailey
Treasurer - Marshall Parks

Part IV – Projects and Accomplishments

◆ July 19-21, 2006 – Breckenridge

Educational Meeting

[Discussion of Long Term Disability claims process including coordination with PERA](#)

Presenters: Standard Insurance Company -- Merikay Anderson, Dawn Mitchell, Jenifer Nelles, Erinn Kelly.

[Discussion and presentation for Anthem's Wellness Program "Intune"](#)

Presenter: Travis Haws, Anthem Blue Cross and Blue Shield

[Discussion and presentation regarding PeraCare Benefit Options, including dental and vision, and Medicare supplemental coverage](#)

Presenter – Julie Saad, PeraCare

Regular Meeting

Pre-renewal and Account Management Update. Elements of note included a discussion of the reserve adjustment; it was 2% last year and is coming down to 1.2% this year. The pooling charge was moved to line 16 of the Rate Renewal, which is important as this figure is not trended as it was previously. This saves CHEIBA about \$75,000 this year.

The 2004 and 2005 financials are completed and the financials for 2006 are being assembled.

The concept of benefits statements was discussed; samples were distributed.

Transmitting data through unsecured e-mail was discussed to ensure that private health information was adequately protected.

Heidi Dineen, Assistant Attorney General, conducted a Fiduciary Training Refresher course. She also gave an update on the status of the outstanding contracts with Mutual of Omaha, American Administrative Group, Gallagher Benefit Services' PAL program and Standard.

Trustees performed a preliminary review of the current plan design of all plans to suggest possible plan changes they want Anthem to price.

Trustees reviewed and discussed the final survey results from the employee satisfaction survey.

The Income and Expense report and the draft of the annual budget were reviewed.

The Trustees decided to place the P.A.L. program into the contract for services from Gallagher Benefits Services and to fund the program through broker fees. This simplified the administration of the Trust and removed P.A.L. as a separately contracted service.



The Trustees reviewed the schedule for open enrollment meetings at the different locations and decided the time frame for completion of the Benefit Booklet.

The Trustees set the meetings for the upcoming year.

Kathleen King reported that the WellPoint Group System (WGS) conversion was slated for September; Anthem did not anticipate that there would be significant disruption of service and that it should go smoothly.

Status of the Request for Proposal for the Flexible Spending Administration was presented and reviewed.

Mutual of Omaha presented the renewal proposal for the Voluntary AD&D.

The Trustees agreed to offer the same wellness services as they provided last year.

◆ **September 21-22, 2006 – Durango Mountain Resort- Fort Lewis College**

This meeting focused on the final annual renewal. A review of Anthem's renewal was led by Kathleen King, including prescription utilization for the Custom Plus plan. The Trustees discussed the data regarding the plan design options they had requested in July.

The required rate adjustment is a 17.4% increase based on the standard one year renewal rating period. Because of substantial deviation from the previous few year's renewals, Anthem also performed a two-year renewal rating, with the current year weighted twice as heavily as the prior year and offered a blended rate adjustment of 15.7% increase. This is a departure of 1.7% from previous standard renewal practice.

The Trustees reviewed the effect on premium if the group adopted 3 rate tiers (single, two party, family) instead of the current 2 tiers (single and family).

Anthem provided an explanation of the disease management program improvements -- three new disease management programs this year; hypertension, asthma and chronic obstructive pulmonary disease.

September 1, 2006, conference call, the CHEIBA Trustees awarded the bid for Flexible Spending Administration to Denver Reserve.

There was extensive discussion regarding the Benefits Study for Adjuncts (SB-06-144).

Bill Raines reviewed the *CSU Medical Plans: Benchmarking Study for 2007* with the Trustees, noting that the CHEIBA group has very competitive rates with richer benefits than most.



The Trustees reviewed the benefits plan options provided by Anthem. This exhibit illustrated benefit plan options with blended rates with weighted changes. Based on significant consideration and discussion, the Trustees approved the following benefit design changes:

- ◆ add a 4th tier to the prescription co-pays;
- ◆ set co-pays at \$15-\$30-\$45 and the lesser of 30% or \$100 for tier 4;
- ◆ POS emergency room co-pay at \$100;
- ◆ POS ambulance co-pay at \$100;
- ◆ POS in-patient co-pay at \$400;
- ◆ PPO deductible for in-network at \$350 for an individual and \$700 for a family;
- ◆ PPO out-of-network deductibles at \$840 for an individual and \$1680 for a family;
- ◆ POS urgent care co-pay at \$50; and
- ◆ adopt the plan design changes presented by Anthem for fully insured standard products as described in tab F of the renewal meeting binder dated September 21, 22, 2006, except as modified for maternity benefits under the PPO.

Network problems in Gunnison were reviewed and discussed.

The required rate adjustment is 4.6% increase. The Trustees reviewed benefit plan options for dental and the trend. The decision was made to not increase the dental rates for 2007.

Bill discussed the CHEIBA Reserves report for September 2006. The CHEIBA group reviewed the approximate value of taking a premium holiday in 2007 which they estimated at \$1.75 million for the value of a one-month health plan premium holiday and \$175,000 for a one month dental plan premium holiday in 2007. After consideration of the reserves, the plan design changes and the premium increases, the Trustees voted to implement a one month premium holiday to be taken between January and June of 2007 as determined by each member college.

GBS Services were reviewed. A discussion on planning for transition for Bill's future retirement began.

◆ **November 16-17, 2006 – University of Northern Colorado**

Anthem Dental representatives attended the meeting to discuss the ongoing dental services issues.

Joe Hoffman of Anthem provided the Wellpoint Group System conversion update and the problems associated with the conversion. There was extensive discussion regarding conversion issues. A follow up meeting with Anthem was scheduled for early December.

Heidi drafted a contract to amend the GBS consulting services to include scope of services, the PAL services and "illegal aliens" language.

The Trustees discussed the new ORP options under PERA which will be effective January 1, 2008.

Kathleen King explained the Anthem prescription drug changes for 2007. Anthem changed the dosage from 34 days to 30 days across-the-board effective January 1, 2007. However,



the CHEIBA Booklet indicates 34 days as the dosage. Anthem will leave the dosage to 34 days because of this discrepancy.

After reviewing the duties of the Vice-Chairperson, which are included in the Operating Agreement, the Trustees elected Tracy Rogers as the Vice-Chairperson.

Marshall did a documented quote for auditors and received two proposals: Kay Financials for \$36,697 and Anderson and Whitney for \$23,000. He verified both companies are competent and experienced to do these audits. However, Anderson and Whitney has more experience in trust and government auditing. Anderson and Whitney was retained to perform the financial audit.

The Trustees reviewed exhibits on the operating expenses for the fiscal year, July 2005 through June 2006. They determined the balance in the checking account would not cover the expenses for the 2006-2007 fiscal year. Anthem approved quarterly transfers from the reserves held by Anthem on behalf of the CHEIBA Trust to the CHEIBA Trust Operating Account.

Karen distributed to the Trustees information on the company, Acxion Insight Investigate, who provides background checks.

◆ **January 18-19, 2007 – Auraria Higher Education Center / Metropolitan State College**

A letter was sent to John Martie, Anthem President, expressing the concerns with Anthem's response to claims issues. The Trustees identified what they wanted to accomplish from the discussion on the Anthem issues.

The Anthem Dental representatives distributed and reviewed an updated Corrective Action Plan for the dental plan.

Heidi Landgrave with Denver Reserve attended the meeting and explained the debit card process and the Employer Services Portal.

There was extensive discussion regarding the various service issues with Anthem on the medical plan. The Trustees reviewed the updated Corrective Action Plan. Mike surveyed the Trustees to see what their sense is on these issues on whether the volume of these issues has gone up or down.

The Trustees entered into executive session in order to discuss with legal counsel pending or imminent court action involving the Committee as a party, specifically addressing a threat of litigation by Mesa State College and its employees against the Committee.

Ken reported that the CSU system office is considering separating from the CSU medical plan and that they might want to come into the CHEIBA Trust plan. This is approximately a 20 to 60 person group.

The Trustees discussed the underwriting requirements for the Optional Life plan when employees apply outside the initial eligibility period. They talked about adding stronger language to the Benefit Booklet regarding evidence of insurability.



John Kane, Colorado School of Mines, and Vicki Klingman, UNC, attended the meeting to explain State purchasing procedures and designations. Marshall provided the Trustees a draft of an exhibit called “Quick Guide to CHEIBA Purchasing Procedures”.

Phil Robinson with Acxiom presented information on the products his company offers regarding background checks. The Trustees were also provided information about background investigative services obtained through HireRight, Inc., a company listed on the E and I bidder list and used by University of Northern Colorado, Health Sciences Center, and Colorado School of Mines.

◆ **March 15-16, 2007 – Gallagher Benefit Services, Inc.**

Because of the ongoing problems and issues arising from the poorly executed system conversion at Anthem / Wellpoint, serious discussion about the ongoing relationship with Anthem occurred. The Trustees decided to seek amendments to the contract with Anthem to include performance standards with financial penalties in place if these standards are not met. Additional steps the Trustee felt obligated to take included sending a letter to the Division of Insurance and to hiring an independent firm to audit Anthem for claims and financial accuracy. In addition, the Trustees need to identify those members who have been turned over to creditors to see if they could assist them in receiving some financial relief.

Bill discussed the timing of the audit and the audit process. The Trustees instructed Bill to move forward with the claims audit process right away. The Trustees requested Anthem to pay for the audit process, but that the auditor would be independently selected by the Trust with Gallagher’s advice. Anthem agreed.

Bill presented an exhibit he produced titled “CHEIBA Trust Considerations for Leaving Anthem BCBS and Bidding Plans”. This exhibit listed the cost for the CHEIBA Trust leaving Anthem BCBS and identified the potential commercial carriers that might be able to provide similar services. The exhibit also explained the disruption issues that might occur and the financial reporting differences that need to be identified if a new carrier is selected.

John Martie, Anthem President and General Manager, attended the meeting and presented the following options, at no cost to CHEIBA or the member participants effective January 1, 2008:

- ◆ Anthem will commit to contributing \$50 per contract holder to an FSA account (Anthem is still investigating the legal implications).
- ◆ Anthem will commit to a rate cap on the 2008 dental renewal.
- ◆ Anthem will commit \$25,000 (full cost based on a 2006 invoice) toward a CHEIBA health fair, flu shots or another health related program.

Bruce McGregor of Anthem Dental distributed an updated Corrective Action Plan and talked about the status of the dental service issues.

Bill reviewed the rate stabilization reserve reports which were included in the packets.



The Trustees reviewed the Voluntary Life employee application and a list of automatic declines for life insurance. This decline list would be just for the HR departments as an internal resource.

The Trustees began planning the topics for the July education meeting.

Anthem notified the Trustees that reports will not be available prior to the 20th of the month.

◆ **May 17-18, 2007 – Western State College**

An issue regarding late payments to beneficiaries for the LTD claims arose. Gallagher Benefit Services worked with Standard on a solution to this problem. After analysis, the problem arose from the confluence of a number of events and decisions. A method was devised so that claims would be paid timely without the need for the Treasurer to make manual transfers each month. Standard could pay claims directly out of the Premium Deposit Account which has about \$862,000 in it. This will ensure LTD beneficiaries receive their disability payments on time. Standard will continue to provide monthly and quarterly reports to enable the CHEIBA Trust to track payments out of this account.

To help the Trustees gain a more complete understanding of the pharmacy benefits and changes within Anthem, Jim Thorne, Senior Account Manager with WellPoint NextRx, attended the meeting. He described the language change for drug tiers and the communication process to members receiving specialty drugs. Jim explained the name of the prescription drug program with Anthem is WellPoint NextRx. Jim distributed and reviewed a report titled "Pharmacy Benefit Review" to the Trustees. This report provides information on pharmacy trend and CHEIBA's utilization as compared to Anthem's commercial business.

Kathleen King provided extensive follow up information regarding Anthem customer service issues including the manual spreadsheet, the status of Anthem calls to members, and a Division of Insurance update. A few issues are still present, but the volume of problems is decreasing and approaching more normal levels. Anthem Dental representatives also attended the meeting. Mary Moss discussed the network provider issues such as cleaning up the provider network directory and her meetings with dentists in Gunnison to recruit additional dentists in the Anthem network.

Review and discussion occurred over the service agreement between GBS on behalf of CHEIBA Trust and BMI Audit Services. BMI will audit medical claims paid by the administrator from September 1, 2006, through April 30, 2007.

Also considered was the draft of Contract Amendment #2 addressing the performance guarantees between the CHEIBA Trust and Anthem. Not directly associated with the performance guarantees, but related was the letter written to Dayle Axman of the Colorado Division of Insurance from the CHEIBA Trustees regarding the issues CHEIBA has faced with Anthem. Dixon Waxter, Assistant Attorney General with the Office of the Attorney General, via telephone conference call, discussed the letter he received from Dayle Axman of the Colorado Division of Insurance which was read to the Trustees.

Mike Ramseier, Anthem Vice President of Health Care Management, distributed an overview on the Colorado network issues.

A preliminary Draft for Review and Discussion exhibit and the financial statements for the years ending June 30, 2006, 2005 and 2004, were considered. One of the elements upon which discussion focused was the GASB 43 and 45 principles and how these might affect the Trust and the schools. The auditors believe the retiree rates are not actuarially equivalent for their plan design and should be booked. However, since the benefits are college benefits and not CHEIBA benefits, each college's controller needs to determine to see how this liability is booked on each college's financials.

The Trustees discussed the finalization of the Mutual of Omaha contract. The Trustees also discussed that once this contract has been signed; they need to proceed with the dissolution of CHEIBA, leaving only one entity, the CHEIBA Trust.

After review of the RFP and procurement processes by the Trust's A.G. representative, the Trustees decided that from a fiscal rule perspective, it would be beneficial to keep the State Controller involved in the approval/signature process of contracts for the CHEIBA Trust.

At Fort Lewis's request, the Trustees will investigate and consider the offering of benefits for domestic partners. If the Trust decides to move forward with this issue, it will involve a long term, step-by-step process which cannot be in place until at least January 1, 2009.

The wellness proposal from Free-Well Health Care Services was reviewed and discussed. The content of the fall 2007 wellness fairs and services was decided and dates were considered.

Part V – Financial (Rates, Renewal and Reserves)

CHEIBA RESERVES Required & Claims Fluctuation Reserve (CFR) (Estimated)

September 2006

LTD - Standard

Required Reserve as of 12/31/06 ¹	\$169,083
CFR as of 9/18/06	\$821,607

TOTAL STANDARD RESERVES **\$990,690**

AG Edwards - 7/31/06 \$1,130,796

Gallagher Benefit Services - 7/31/06 \$24,011

TOTAL **\$2,145,497**

Medical - Anthem

Required Reserve as of 12/31/06 ²	\$3,594,165
Projected CFR as of 12/31/06	<u>\$2,104,012</u>

TOTAL ANTHEM MEDICAL RESERVES **\$5,698,177**

Dental - Anthem

Required Reserve as of 12/31/06 ²	\$393,452
Projected CFR as of 12/31/06	<u>\$429,901</u>

TOTAL ANTHEM DENTAL RESERVES **\$823,353**

Life - Anthem

Required Reserve as of 12/31/06 ²	\$238,100
Projected CFR as of 12/31/06 (includes projected dividend 2006 of \$536,576) ³	\$2,211,398

TOTAL ANTHEM LIFE RESERVES **\$2,449,498**

Total Reserves

Total Encumbered (Required Reserves)	\$4,394,800
Total Unencumbered (CFR)	\$6,721,725
10% of Premium Reserve	(\$2,285,068)



Projected LTD self-funded reserve as of 7/31/06

(\$287,129)

Total Projected Unallocated CFR

\$4,149,528

Note: As an ongoing business plan for loss ratio fluctuations over and above required reserves, we keep 10% of premium (2006 projected premium-all coverages = \$22,850,000) = \$2,285,000.

- 1) Required reserves needed to be dividend eligible (amount required is flat \$200,000). Currently at \$169,083 due to deficit last financial accounting. Required reserve is 100% owned by CHEIBA but at termination reserves are used to pay for any deficits.
- 2) Required reserves needed to be dividend eligible (amount required is 20% of premium). Required reserves for Medical, Dental and Life is owned 50% by Anthem.
- 3) \$357,717 dividend through 8 months annualized.



**COLORADO HIGHER EDUCATION
INSURANCE BENEFITS ALLIANCE
January 1, 2007 RENEWAL RATES
REVISED – October 26, 2006**

	Current		January 1, 2007		Change
<u>Basic Life/AD&D - Anthem Life</u>	<u>Life</u>	<u>AD&D</u>	<u>Life</u>	<u>AD&D</u>	
Active EE	\$.25	\$.03	\$.25	\$.03	None
Retired EE (prior to 1/97)	\$1.25	\$.03	\$1.25	\$.03	None
Retired EE (1/1/97)	\$2.33	\$.03	\$2.33	\$.03	None
Dependent	Dependent life is included in the Life/AD&D premium; \$.43/unit is eliminated		Dependent life is included in the Life/AD&D premium; \$.43/unit is eliminated		None
<u>Voluntary Group Life – Anthem Life</u>					
EE	Age Rated		Age Rated		None
Dependent	\$1.50		\$1.50		None
<u>Voluntary AD&D - Mutual of Omaha</u>					
EE	Based on amount of coverage chosen		Based on amount of coverage chosen		Decreased
Family					
<u>Medical - Anthem BCBS</u>					
Single	\$307.00		\$334.00		8.8%
Family	\$799.00		\$870.00		8.9%
<u>Dental – Anthem BCBS</u>					
Single	\$36.00		\$36.00		None
Family	\$89.00		\$89.00		None



**COLORADO HIGHER EDUCATION
INSURANCE BENEFITS ALLIANCE
January 1, 2007 RENEWAL RATES
REVISED – October 16, 2006**

	Current	January 1, 2007	Change
<u>Long Term Disability - Standard</u>			
ASO			
Admin Fee	\$.53/ee	\$.53/ee	None
New Claim Fee	\$275	\$275	None
End of Month Fee	\$16	\$16	None
Total Funding	\$.17	\$.17	None
Standard (premium)	\$.15	\$.15	None
Trust (claims & fixed costs)	\$.02	\$.02	None
<u>Vision - Vision Service Plan</u>			
Employee	\$9.78	\$9.78	None
Employee +1	\$18.33	\$18.33	None
Employee +2 or more	\$26.63	\$26.63	None
<u>Flexible Benefit Plan Administration Fees</u>			
One Spending Account	\$5.00 per month	\$3.25 per month	-35%
Two Spending Accounts	for one or both	for one or both	

Retiree Rates as of January 1, 2007

	Current Retiree Rates	January 1, 2007	Change	Amount Submitted to Anthem
Single	\$390.95	\$425.74	+8.9%	\$419.06
Family	\$1,018.56	\$1,109.21	+8.9%	\$1,091.81



Part VI – Motions Made, Voted On and Results (dated)

◆ *July 19-21, 2006*

Annual Budget

A motion was made to adopt a 5% increase to the budget amount in 2005-2006 for the 2006-2007 budget. The motion passed unanimously.

Election of CHEIBA Officers

A motion was made to re-elect the current officers for the upcoming year. The motion passed unanimously.

COBRA Reinstatement Request

A motion was made effective June 1, 2006, to modify the COBRA payment rules to allow a COBRA participant who timely presents a check for payment of COBRA coverage that is later returned for insufficient funds to make the payment good within 30 days of notice from the COBRA administrator. This privilege can be extended only in the event all prior COBRA payments have been made timely and no other insufficient fund checks have been presented. The motion passed with seven in favor and one opposed.

Review of GBS Services

A motion was made to table the review of GBS services until the September meeting. The motion passed.

◆ *September 1, 2006, Conference Call*

Motion to accept the proposal for Flexible Spending Account administration from Denver Reserve was made and approved.

◆ *September 21-22, 2006*

Mutual of Omaha Voluntary AD&D Proposal – a motion was passed to accept the Mutual of Omaha Voluntary AD&D rates as proposed.

Plan Renewals

A motion was made and passed regarding 2007 plan rates. Based upon the considerations and discussion today move that the following benefit design changes be made in order to achieve an acceptable level of rate increase and to keep a competitive plan design; add a 4th tier to the prescription copays with copays at \$15-\$30-\$45 and the lesser of 30% or \$100; the POS



emergency room copay at \$100; the POS ambulance copay at \$100; the POS in-patient copay at \$400; PPO deductible for in-network at \$350 for an individual and \$700 for a family and out-of-network at \$840 for an individual and \$1680 for a family; POS urgent care copay at \$50 and adopt the plan design changes presented by Anthem for fully insured standard products as described in tab F of the renewal meeting binder dated September 21, 22, 2006, except as modified for maternity benefits under the PPO. The motion seconded by Joanne Ballard.

Motion amended by Marshall Parks to add: The Trust anticipates the value of these benefit design changes to be 6.8% off of the anticipated 15.7% renewal increase. Amended motion was seconded by Joanne Ballard.

Vote:

Karen Aldrich - Yes

Tracy Rogers - Yes

Cynthia Hier - Yes

Joanne Ballard - Yes

Mike Dougherty - Yes

Tamy Calahan - Yes

Kim Gailey - Yes

Marshall Parks - Yes

Motion was made and passed: Move that the new single rate be \$334 per month, family rate be \$870 per month and retiree rates be 25% higher than these two rates per historical differential.

Motion was made and passed: Maintain the rates for dental and make no plan design changes.

Motion was made and passed: Take a one-month premium holiday in the 2007 plan year for health and dental premiums to be taken as determined by each college in the period from January through July.

November 16-17, 2006

Election of Vice-Chairperson

Tracy Rogers nominated as the Vice-Chairperson. The motion passed electing Tracy Rogers as the Vice-Chairperson of the CHEIBA Trust.

Treasurer's Report

A motion was made and seconded to select Anderson and Whitney as the auditor for the Trust as recommended by the subcommittee. The motion passed unanimously.

Reserves – Communication to Anthem

A motion was made and passed: If the Trust is to continue to transfer the money from Anthem to the Operating Account once a year, 60 days from the final accounting, then the Trust recommends transferring \$125,000. If allowed to transfer quarterly, the Trustees recommend transferring \$31,250. If allowed to do a transfer twice a year, the Trustees recommend



transferring \$62,500. This is within the duties of the Treasurer. The motion was seconded and passed unanimously.

January 18-19, 2007

Motion was made and passed to enter Executive Session: Move that the Committee enter into an executive session at this time in order to discuss with legal counsel pending or imminent court action involving the Committee as a party pursuant to C.R.S. §24-6-402(3)(a)(II); specifically addressing a threat of litigation by Mesa State College and its employees against the Committee.

March 15-16, 2007

Anthem Update

A motion was made and passed: Have an independent firm perform an audit on the medical and dental claims on the financial and claims accuracy.

May 17-18, 2007

LTD Banking Arrangement

A motion was made and passed to transfer \$200,000 from the Premium Deposit Account into the Claims Fluctuation Reserve account and begin paying the self-funded LTD claims from the PDA account.

Wellness Proposals

A motion was made and passed to accept Free-Well proposal offer as long as the total cost did not exceed \$25,000 to the Trust.