

**EXHIBIT A**

**COUNTY OF SUMMIT, OHIO  
REGIONALIZATION PROGRAM**

**POLITICAL SUBDIVISION PARTICIPATION AGREEMENT**

**THIS POLITICAL SUBDIVISION PARTICIPATION AGREEMENT** is made as of the last date of signature below between the Political Subdivision (the "Political Subdivision"), with its principal place of business located at (Address of Political Subdivision), by its \_\_\_\_\_, duly authorized by (Authorizing ordinance), and the County of Summit, Ohio (the "County"), with its principal place of business at 175 S. Main Street, Akron, by its Executive, duly authorized by County Council Resolution No. 2009-\_\_\_\_\_.

**WITNESSETH:**

WHEREAS, the County sponsors several health insurance and prescription drug programs, including an Employee Assistance Program ("EAP"), which it has determined should be made available to employees of Summit County political subdivisions; and

WHEREAS, the County has further determined that a "Regionalization Program" shall be created in which Summit County political subdivisions may participate in order to further this purpose; and

WHEREAS, the County has further determined that a political subdivision's participation in the Regionalization Program shall be operated on a cost-neutral basis to the County and that accordingly, the participating political subdivision shall pay the fees and costs as set forth in this Political Subdivision Participation Agreement; and

WHEREAS, in order to participate in the Regionalization Program, a political subdivision must execute this Political Subdivision Participation Agreement and be bound by its terms and conditions and the terms and conditions of the County's Summary Plan Document;

NOW THEREFORE, in consideration of the mutual covenants, promises, conditions and terms to be kept and performed, the Political Subdivision and the County hereby agree as follows:

1. Definitions.

1.1 In addition to words and terms defined elsewhere in this Agreement, the words and terms set forth in Section 1.2 shall have the meanings ascribed to them in Section 1.2, unless the context or use clearly indicates a different meaning or intent. Such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms therein defined.

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As used in this Agreement:

(a) "Administrative Fee" means the fee charged by the County to a political subdivision for administration of the Regionalization Program that will be a minimum of 3% and a maximum of 6% of the fully-insured equivalent rate. The Administrative Fee will be set by the County for self-funded political subdivisions based upon the services selected.

(b) "Agreement" means this Political Subdivision Participation Agreement.

(c) "Political Subdivision" means the Political Subdivision.

(d) "County" means the County of Summit, Ohio.

(e) "County-sponsored plans" means the health insurance and prescription drug programs sponsored by the County and offered to County employees.

(f) "Effective Date" means the entry date of the Political Subdivision into the Regionalization Program, on which date the employees of the Political Subdivision shall be entitled to participate in the County-sponsored plans. This date may or may not coincide with the County's effective date of coverage (January 1<sup>st</sup>), but will always renew at the County's effective date of coverage (January 1<sup>st</sup>). Effective dates for Political Subdivisions will only have normal or short cycles (12 months or less).

(g) "Fully-insured equivalent rate" means the annual rate charged by the County to a fully-insured political subdivision for the County-sponsored programs that is equivalent to the rate that would be paid by the political subdivision as if it were self-funded.

(h) "Fully-insured equivalent regionalization rate" means the fully-insured equivalent rate plus the Administrative Fee.

(i) "Fully-insured political subdivision" means a political subdivision with less than 250 employees that fully insures its employees for health care.

(j) "Political subdivision" means any entity located in the County of Summit, Ohio that is authorized by the Ohio Revised Code to offer health insurance programs to its employees and to execute an inter-governmental agreement. The County retains sole determination as to whether a Political Subdivision will qualify for entry into Regionalization Program.

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(k) “Regionalization Program” means the County’s program to permit employees of Summit County political subdivisions to participate in County-sponsored programs.

(l) “Risk Surcharge” means a fee charged by the County to a political subdivision based upon its risk profile up to a maximum of 15% of the “fully-insured equivalent regionalization rate.

(m) “Self-funded political subdivision” means a political subdivision that is self-funded with regard to employee health insurance, regardless of the number of employees.

(n) “Summary Plan Document” means the County of Summit’s Employee Health Benefit Plan, which is effective January 1, 2008 through December 31, 2010 and any successor plan, which will be effective January 1, 2011 and thereafter for as long as the plan is in place. The terms and conditions of the Summary Plan Document govern the County-sponsored plans. In the event of a conflict between the terms and conditions of this Agreement and the Summary Plan Document, the terms and conditions of the Summary Plan Document shall prevail. *[This term will not be included where the political subdivision is self-funded because the County’s administrative role will be limited.. In that instance, the political subdivision’s insurance benefits will be determined according to its own plan document and administered by the County.]*

### 2. Plan.

2.1 Plan Offerings. The Political Subdivision acknowledges that whereas the County offers several plan design options within the Regionalization Program, the Political Subdivision may or may not be eligible for one or all of these offerings. The Political Subdivision further acknowledges that the County retains sole discretion and determination as to which plan offerings the Political Subdivision may provide to its employees. *[not included where it is a self-funded political subdivision.]* The County retains sole discretion as to the offerings within the plan and reserves the right to change the plan offerings at its discretion with written notice of the change(s) to the Political Subdivision. A self-funded political subdivision may determine which County-sponsored plans and benefits it will purchase and offer to its employees.

2.2 Plan Selection. *[Insert for self-funded political subdivision]:* The Political Subdivision shall purchase the following County-sponsored plan(s): *[Insert Plan(s) Description(s) applicable to the political subdivision.]*

*[Insert for fully-insured political subdivisions]:* The County authorizes the Political Subdivision to offer its employees the following County-sponsored plan(s): *[Insert Plan(s) Description(s) applicable to political subdivision.]*

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### 3. Term and Termination.

3.1. Term. The term of this Agreement shall commence upon the Effective Date and terminate on December 31, 2013.

3.2 Change in vendors. The Political Subdivision acknowledges that the County will be required to solicit proposals in 2010 for vendors for the County-sponsored programs. The Political Subdivision further acknowledges that if the County changes vendors, the Political Subdivision will be required to finish out the term of the contract with the new vendor.

3.3 Early termination/penalties. The Political Subdivision may terminate this Agreement upon 6 months written notice to the County. If the Political Subdivision elects to terminate this Agreement prior to December 31, 2013, it shall pay the County the following penalties:

- Forfeiture of any accumulated reserves that the County may hold on the Political Subdivision's behalf.
- Payment of Incurred But Not Reported ("IBNR") claims, regardless of the date that the claims were incurred.
- Payment of any administrative charges related to processing the IBNR claims.
- Forfeiture of any stop-loss reimbursements, if applicable.
- Any other damages or costs incurred by the County due to the early termination by the Political Subdivision.

3.4 Termination by County. The County may terminate this Agreement and participation by the Political Subdivision in the Regionalization Program immediately upon written notice to the Political Subdivision for breach of any of the duties stated in Section 5. In the event of termination of this Agreement by the County, the Political Subdivision shall assume any additional liability for claims made by its employees during its participation in the Regionalization Program and in addition, shall be required to pay the County the same penalties as in the event of an early termination pursuant to Section 3.3.

### 4. Services to be provided by County.

***[For Self-funded political subdivisions]:*** The County shall provide the following services as selected by the Political Subdivision:

- Initial Underwriting—previously paid fee refunded.
- Renewal Development to develop the Political Subdivision's funding rate for each calendar year.
- Provide access to the County's self-funded administrative structure.
- Provide any necessary assistance to the Political Subdivision to enable it to purchase insurance coverage through the County's vendors.
  - Reporting.

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- Provide a 24/7 online enrollment tool.

### *[For Fully-insured political subdivisions]*

- Initial Underwriting—previously paid fee refunded.
- Renewal Development to develop the Political Subdivision’s fees for each calendar year.
- Group Installation including:
  - Annual benefits communication and employee meetings.
  - Service and support for claims.
- Reporting under the following parameters:
  - Less than 50 Employees: 1 report per year.
  - 50-100 Employees: 2 reports per year.
  - 100+ Employees: 4 reports per year.
  - Additional Reporting will be provided at a rate of \$150.00 per hour.
- Provide a 24/7 online enrollment tool.
- Employee Assistance Program (“EAP”).
- Wellness Programming.

### 5. Duties and responsibilities of the Political Subdivision.

The Political Subdivision shall have the following duties and responsibilities:

- Pay the first month’s fees set forth in Section 6 prior to the Effective Date.
- Pay all fees set forth in Section 6 on a monthly basis within 10 days of receipt of an invoice from the County.
- Pay all fees on an as-billed basis, subject to adjustments and reconciliation by the County on the subsequent month’s invoice.
- Carry at least 90 days of reserves as certified by the County’s designated actuary. *[Not included for a fully-insured political subdivision.]*
- Comply with the Summary Plan Document and any guidelines issued by the County as the Plan Administrator. *[Not included for a self-funded political subdivision.]*
- Use the County’s 24/7 internet-based enrollment tool.
- Comply with any Federal guidelines applicable to the County-sponsored plans.
- Comply with any eligibility audits undertaken by the County of the Political Subdivision or of its employees.
- Provide any records or reports upon demand as provided in Section 9.
- Maintenance and funding of claims made in all accounts. *[Not included for a fully-insured political subdivision.]*
- Limit the offer of benefits only to full-time employees that work at least 36 hours per week. Part-time employees and retirees are not eligible.
- Contribute a minimum of 50% of the total premium for single and family coverage.
- Follow lower cost methodology for its contributions. Example: The County’s

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lowest cost plan must be the lowest contribution plan to the Political Subdivision’s employees.

- Any other duties and responsibilities necessary to maintain the Political Subdivision as a member of the Regionalization Program and to comply with the County-sponsored plans.

6. Fees.

6.1 Determination of fees.

6.1.1 Initial Underwriting. Prior to entry into the Regionalization Program, a political subdivision is required to pay a fee for Initial Underwriting by the County in order to: (a) determine whether a self-funded political subdivision or fully-insured political subdivision is eligible to enter the Regionalization Program; (b) in the case of a fully-insured political subdivision, develop a fully-insured equivalent rate based upon sound actuarial criteria that is guaranteed from the Effective Date through December 31, 2010; and (c) in the case of a fully-insured political subdivision, determine whether a Risk Surcharge, not to exceed 15% of the annual fully-insured equivalent rate shall be imposed.

The Initial Underwriting Fees shall be as follows:

<u>Number of Covered Employees</u>	<u>Fee</u>
• Less than 25	\$500.00
• 26-100 employees	\$1,000.00
• 100 or more employees	\$1,500.00

In the Initial Underwriting, the County has sole discretion as to the underwriting guidelines used to determine the eligibility of a political subdivision. The County has the right to deny entry in to the Regionalization Program for any reason. If a political subdivision is approved for entry in to the Regionalization Program, the County will refund the Initial Underwriting Fee in the form of a credit again the first month payment of fees.

6.1.2 Annual adjustment of fully-insured equivalent rate. On an annual basis, the County shall set a fully-insured equivalent rate for the following calendar year. Annual fully-insured equivalent rate adjustments will be made for 2011, 2012 and 2013. In an annual fully-insured rate adjustment, the County has sole discretion as to the underwriting guidelines used to determine the fully-insured rate for the following calendar year. The County will provide written notice by November 15 of each year to a fully-insured political subdivision of the fully-insured equivalent rate for the following calendar year.

6.1.3 Annual adjustment of Administrative Fee and Risk Surcharge. On an annual basis, the County shall set the Administrative Fee to be charged to both self-funded political subdivisions and fully-insured political subdivisions. On an

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annual basis, the County shall set the Risk Surcharge, if applicable, for a fully-insured political subdivision for the following calendar year. Annual adjustments for the Administrative Fee and the Risk Surcharge will be made for 2011, 2012 and 2013. The County has the sole discretion to set the Administrative Fee, at a minimum of 3% and a maximum of 6% of the fully-insured equivalent rate and in the case of a self-funded political subdivision, will be a rate set by the County based upon the services selected. The County also has the sole discretion to set the Risk Surcharge, not to exceed 15% of the annual fully-insured equivalent regionalization rate. The County will provide written notice to political subdivisions of the Administrative Fee and Risk Surcharge, if applicable, at the time of entry into the Regionalization Program.

6.1.4. Creation of a Stop-Loss Risk Pool. The County reserves the right to set-up and to manage its own risk pool for stop-loss for self-funded political subdivisions. In such event, a self-funded political subdivision in the Regionalization Program may join the stop-loss risk pool or purchase its own stop-loss coverage. The County shall have the right to charge a member of the risk pool a pooling charge where the member has a lower stop loss threshold than the County carries.

### 6.2 Fee structure.

6.2.1 Self-funded political subdivisions. The fees structure for self-funded political subdivisions shall be as follows:

- Administrative Fee to be set by the County based upon the services selected
- Pooling Charge if the County creates a Stop-Loss Risk Pool.

6.2.2 Fully-insured political subdivisions. The fee structure for fully-insured political subdivisions shall be as follows:

- Fully-insured equivalent rate set by the County pursuant to Section 6.1.
- Administrative Fee to be set annually by the County, at a minimum of 3% and a maximum of 6% of the fully-insured equivalent rate.
- If applicable, a Risk Surcharge not to exceed 15% of the annual fully-insured equivalent regionalization rate.
- If the fully-insured political subdivision imposes a monthly charge on employees whose spouses have enrolled in the political subdivision's insurance plans where other insurance coverage is

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available through the spouses's employer, then, upon entry into the Regionalization Program, the political subdivision shall continue to collect the charge for each such employee and pay it to the County. If the charge is less than \$50.00 per month, the political subdivision shall continue collect the charge and pay it to the County, but shall also be responsible for paying the difference to the County.

### 6.3 Fees to be paid by the Political Subdivision for 2010.

The Political Subdivision shall pay the following monthly fees for 2010:

*[Insert specific fee amounts applicable to the political subdivision]:*

The first month's fees shall be paid prior to the Effective Date. Fees shall be paid within on a monthly basis within 10 days of the receipt of an invoice from the County.

## 7. Eligibility.

7.1 General eligibility. The eligibility of employees of the Political Subdivision to participate in County-sponsored plans shall be governed solely by the Summary Plan Document of the County. All employees of the Political Subdivision must submit dependent verification annually either via the 24/7 internet-based enrollment tool or by paper. Only full-time employees of fully-insured political subdivisions that work at least 36 hours per week shall be eligible for benefits under the fully-insured equivalent rate through the Regionalization Program. Part-time employees and retirees of fully-insured political subdivisions are not eligible.

7.2. Periodic eligibility audit. The County shall have the right to conduct an audit at periodic intervals of the employees of the Political Subdivision participating in County-sponsored plans to determine their eligibility. The County may demand any information from employees of the Political Subdivision that is necessary to determine their eligibility or the eligibility of their spouses or dependents. The County reserves the right to terminate coverage of employees of the Political Subdivision or their spouses or dependents that are determined to be ineligible and to pursue appropriate civil and/or criminal remedies. The Political Subdivision agrees to cooperate with the County in any such audit and to compel its employees to provide requested information. The County further reserves the right to terminate the coverage of any employee of the Political Subdivision or the employee's spouse or dependent where the employee has refused to provide requested information.

8. Outside Brokers, Agents and Consultants. The County of Summit may not pay commissions to outside brokers, agents or consultants concerning related to membership in the Regionalization Program or the County-sponsored plans. If the Political Subdivision wishes to utilize any outside representation, it shall do so at its own cost and the representative shall be limited to the following roles:



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- Enrollment Support.
- Education Meetings.
- Plan Analysis.

No brokers, agents or consultants shall be given the ability to resolve claim issues, which shall solely be the role of the County and its representatives.

### 9. Reports and Records.

#### 9.1 Maintenance of Records and Reports.

The Political Subdivision must maintain and provide to County upon demand the following records and reports:

9.1.1. Accounting and fiscal records adequate to enable County or the State of Ohio or any duly-appointed agency to audit and administer this Agreement, the Regionalization Program and the County-sponsored plans; and

9.1.2 Other records and reports as required by the County to enable the County to comply with local, state and federal statutes and regulations.

9.2 Retention of Records. The Political Subdivision must maintain all records related to this Agreement for three years after the termination of this Agreement. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the Political Subdivision must retain the records until completion of the action and all issues that arise from it or until the end of the three-year period, whichever is later.

### 10. Equal Opportunity Employment/Non-Discrimination.

10.1 Equal Opportunity Employer. The Political Subdivision expressly represents that it is an Equal Employment Opportunity employer as defined in and is in compliance with all Equal Employment Opportunity statutes, rules, regulations, and executive orders and amendments.

10.2 Non-Discrimination. The "Political Subdivision," its employees, agents, representatives, and any other party working on its behalf shall not discriminate in any manner in its performance under this Agreement by reason of race, handicap, color, religion, sex, age or national origin, veteran status, sexual orientation or gender identity or disability, and shall comply with all federal, State of Ohio and County non-discrimination and intimidation laws, as amended, and any applicable related rules, regulations and executive orders, as amended.

### 11. General Terms and Conditions.

11.1 Governing Law. This Agreement is to be governed by and construed in accordance with the laws of the State of Ohio. Any suit brought to enforce any provision

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of this Agreement or arising from this Agreement must be brought in the Summit County Court of Common Pleas.

11.2 Forum. The parties agree that the forum for any claim action arbitration, mediation, or litigation arising from this Agreement will be Summit County, Ohio. The parties agree that jurisdiction and venue for any matter involving any parties to this Agreement is proper in the Akron Municipal Court and/or the County of Summit Court of Common Pleas.

11.3 Assignment. Neither party may assign rights or delegate any obligations created by this Agreement without the prior written consent of the other party, which consent must not be unreasonably withheld. Any assignment in violation of this Agreement is void. This Agreement must be binding upon the heirs, successors, legal representatives and permitted assigns of the parties.

11.4 Force Majeure. Neither party must be considered in default in the performance of any obligation hereunder, except the obligation to make payment, to the extent that the performance of such obligation is prevented or delayed by fire, flood, explosion, strike, war, insurrection, embargo, government requirement, civil or military authority, act of God, or any other event, occurrence or condition which is not caused, in whole or in part, by that party, and which is beyond the reasonable control of that party. The parties must take all reasonable action to minimize the effects of any such event, occurrence or condition.

11.5 Severability. If any provision of this Agreement is found invalid or unenforceable by an arbitration panel or a court of competent jurisdiction, the remainder of this Agreement must continue in full force and effect.

11.6 Reservation of Rights. A delay or failure in enforcing any right or remedy afforded hereunder or by law must not prejudice or operate to waive that right or remedy or any other right or remedy, including any remedy for a future breach of this Agreement, whether of a like or different character.

11.7 Review by Legal Counsel. Each party has had the opportunity to review this Agreement with the assistance of legal counsel. Accordingly, the rule of construction that any ambiguity in this Agreement is to be construed against the drafting party is not applicable.

11.8 Notices. Every notice and demand required under the terms of this Agreement must be in writing and must be sent by certified mail, return receipt requested, or by other means of delivery requiring a signed receipt, to the other party's address set forth below:

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As to County:

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As to the Political Subdivision:

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All notices are effective upon receipt. A party may change its address by giving written notice to the other party in accordance with this Article.

11.9 Amendment and Waiver. This Agreement may not be amended, supplemented, or waived except by a writing signed by the parties. The waiver of any particular right or claim must not constitute a waiver of any other right or claim. This Agreement may be extended to achieve additional goals of the County with the written consent of both parties.

11.10 Entire Agreement. This Agreement, including the Summary Plan Document *[not included where it is a self-funded political subdivision.]* and any guidelines issued by County as Plan Administrator, *[not included where it is a self-funded political subdivision.]* states the complete, final, and exclusive agreement of the parties concerning the subject hereof and supersede all prior oral or written agreements, representations, promises, negotiations, and other communications between the parties. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Summary Plan Document, the terms and conditions of the Plan Document will prevail. *[not included where it is a self-funded political subdivision.]*

(End of text. Execution on the following page.)

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The parties hereunto have caused this POLITICAL SUBDIVISION PARTICIPATION AGREEMENT to be executed in triplicate on the day and year first above written.

**POLITICAL SUBDIVISION  
“POLITICAL SUBDIVISION”**

**COUNTY OF SUMMIT, OHIO  
“COUNTY”**

\_\_\_\_\_  
By:  
Title:  
  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: Russell M. Pry  
Executive, County of Summit  
  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
By:  
Title:  
  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: Richard L. Dobbins  
Director of Law  
  
Date: \_\_\_\_\_