

CITY OF FAIRVIEW PARK
ORDINANCE NO. 16-51
REQUESTED BY: MAYOR EILEEN ANN PATTON
SPONSORED BY: COUNCILWOMAN CLEARY

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT WITH SUMMIT COUNTY, OHIO IN ORDER TO IMPLEMENT HEALTHCARE INSURANCE COVERAGE FOR ELIGIBLE EMPLOYEES OF THE CITY OF FAIRVIEW PARK FOR YEARS 2017-2019 AND DECLARING AN EMERGENCY

WHEREAS, Summit County has determined that political subdivisions may participate in its Benefits Regionalization Program, thereby offering healthcare insurance coverage to their employees; and

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

WHEREAS, it is in the best interest of the City of Fairview Park to execute a Political Subdivision Participation Agreement with Summit County to provide healthcare insurance for eligible employees of the City of Fairview Park.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FAIRVIEW PARK, COUNTY OF CUYAHOGA AND STATE OF OHIO:

SECTION 1. The Mayor is hereby authorized to execute a Political Subdivision Participation Agreement with Summit County, Ohio in order to provide healthcare insurance coverage for eligible employees of the City of Fairview Park for the years of 2017-2019, effective January 1, 2017.

SECTION 2. The Political Subdivision Participation Agreement shall be as generally set out in Exhibit "A," which will be on file with the Director of Finance and made a part hereof, subject to approval by the Director of Law.

SECTION 3. This Council authorizes the Director of Finance to pay monthly invoices for the insurance coverage obtained through the Political Subdivision Participation Agreement, including any additional costs and fees, upon presentation of invoices therefore.

SECTION 4. It is found and determined that all formal actions of this council concerning and relating to the adoption of this ordinance were adopted in an open meeting of this council, and that all deliberations of this council and any of its committees that resulted in such formal action were in meeting open to the public in compliance with all legal requirements.

SECTION 5. That this ordinance is hereby declared to be an emergency measure, necessary for the immediate preservation of the public peace, health, safety and welfare, and for the further reason that it is necessary for the provision of health insurance for employees for the years 2017-2019, provided it receives the affirmative vote of a majority plus one of the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor, otherwise from and after the earliest period allowed by law.

PASSED:
APPROVED:

1st reading: 12.05.16
2nd reading:
3rd reading:

Michael P. Kilbane, President of Council

Eileen Ann Patton, Mayor

Liz L. Westbrooks, Clerk of Council

**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 City of Fairview Park (the "Political Subdivision"), with its principal place of business located at 20777 Lorain Road Fairview Park, Ohio 44126, by its MAYOR, duly authorized by _____, and the County of Summit, Ohio (the "County"), with its principal place of business at 175 S. Main Street, Akron, Ohio 44308, by its Executive, duly authorized by County Council Resolution Nos. 2009-472 and 2015-423.

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 Political Subdivisions in Ohio; and

WHEREAS, the County has further determined that a "Regionalization Program" shall be created in which Political Subdivisions in Ohio 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 rates, 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 by the terms and conditions of the County's Summary Plan Document, the County's contract with its Claims Administrator and the County's contract with its Stop Loss Insurance Provider;

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 1.1 shall have the meanings ascribed to them in Section 1.1, 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.

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. The Administrative Fee will be set by the County for any self-funded Political Subdivision based upon the services selected.

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

(c) "Claims Administrator" means the vendor selected by the County, which is fully-funded, to provide administrative services only related to the County-sponsored plans. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the contract between the County and its Claims Administrator, the terms and conditions of the contract between the County and its Claims Administrator shall prevail.

(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 1st), but will always renew at the County's effective date of coverage (January 1st).

(g) "Fully-funded equivalent rate" means the annual rate charged by the County to a fully-funded 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 and includes the Administrative Fee.

(h) "Fully-funded Political Subdivision" means a Political Subdivision that fully insures its employees for health care.

(i) "Political Subdivision" means any entity located in the State of 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 the Regionalization Program.

(j) “Regionalization Program” means the County’s program that permits employees of Political Subdivisions in the State of Ohio to participate in County-sponsored programs.

(k) “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-funded equivalent regionalization rate.

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

(m) “Stop Loss Insurance Provider” means the vendor selected by the County, which is fully funded, to provide reinsurance to limit the amount paid by the County for each person’s health care, the individual limit, and the County’s total expenses for the insurance of all employees in the group, the group limit. Participating Political Subdivisions will be covered by this insurance and its individual and group limits. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the contract between the County and its Stop Loss Insurance Provider, the terms and conditions of the contract between the County and its Stop Loss Insurance Provider shall prevail.

(n) “Summary Plan Document” means the County of Summit’s Employee Health Benefit Plan, which is effective January 1, 2016 through December 31, 2016 and any successor plan, which will be effective January 1, 2017 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 terms and conditions of the Summary Plan Document, the terms and conditions of the Summary Plan Document shall prevail.

(o) “Patient Protection and Affordable Care Act” (“PPACA”) or the “Affordable Care Act” (“ACA”), is a United States federal statute signed into law on March 23, 2010 whose primary goal is to increase coverage and affordability for individuals.

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. 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. The County authorizes the Political Subdivision to offer its employees the following County-sponsored plan(s): **EPO and H.S.A.**

3. Term and Termination.

3.1. Effective Date. The term of this Agreement shall commence on **January 1, 2017.**

3.2. Term. The term of this Agreement shall commence upon the Effective Date and terminate on **December 31, 2019.**

3.3 Change in vendors. The Political Subdivision acknowledges that the County will be required to solicit proposals from time to time 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.

3.4 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, 2019**, it shall pay the County the following penalties:

- Forfeiture of any accumulated reserves that the County may hold on the Political Subdivision's behalf, if applicable.
- 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.

3.5 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 3.4.

4. Services to be provided by County.
 - Initial Underwriting.
 - Renewal Development for the Political Subdivision's rates/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 Assistance.

5. Duties and responsibilities of the Political Subdivision.

The Political Subdivision shall have the following duties and responsibilities:

- Pay the first month's rates/fees set forth in Section 6 prior to the Effective Date.
- Pay all rates/fees set forth in Section 6 on a monthly basis within 10 days of receipt of an invoice from the County.
- Pay all rates/fees on an as-billed basis, subject to adjustments and reconciliation by the County on the subsequent month's invoice.
- Comply with the terms and conditions of the County's Summary Plan Document and any guidelines issued by the County as the Plan Administrator.
- 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 10.
- Limit the offer of benefits only to full-time employees that work at least 30 hours per week. Part-time employees and retirees are not eligible. Follow lower cost methodology for its contributions. Example: The County's lowest cost plan must be the lowest contribution plan to the Political Subdivision's employees.
- Comply with the terms and conditions of the County's contract with its Claims Administrator.
- Comply with the terms and conditions of the County's contract with its Stop Loss Insurance Provider.
- 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 go through Initial Underwriting by the County in order to: (a) determine whether a self-funded Political Subdivision or fully-funded Political Subdivision is eligible to enter the Regionalization Program; (b) in the case of a fully-funded Political Subdivision, develop a fully-funded equivalent rate based upon sound actuarial criteria that is guaranteed from the Effective Date through **December 31, 2017**; and (c) in the case of a fully-funded Political Subdivision, determine whether a Risk Surcharge, not to exceed 15% of the annual fully-funded equivalent rate shall be imposed.

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 into the Regionalization Program for any reason.

6.1.2 Annual adjustment of fully-funded equivalent rate. On an annual basis, the County shall set a fully-funded equivalent rate for the following calendar year for the County plan. Annual fully-funded equivalent rate adjustments for the Political Subdivision will be adjusted by the same percentage as the County rates for subsequent years for the term of the agreement. In an annual fully-funded rate adjustment, the County has sole discretion as to the underwriting guidelines used to determine the fully-funded rate for the following calendar year. The County will provide written notice by November 15 of each year to a fully-funded Political Subdivision of the fully-funded equivalent rate for the following calendar year.

6.1.3 Adjustment of Administrative Fee and Risk Surcharge. On an annual basis, the County shall set the Administrative Fee to be charged to self-funded Political Subdivisions. The County shall set the Risk Surcharge, if applicable, for a fully-funded Political Subdivision for any subsequent agreements. The County has the sole discretion to set the Administrative Fee, which 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-funded 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 or subsequent agreements.

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 Rate/fee structure.

6.2.1 Self-funded Political Subdivisions. The rates/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-funded Political Subdivisions. The rate structure for fully-funded Political Subdivisions shall be as follows:

- Fully-funded equivalent rate set by the County pursuant to Section 6.1.
- If applicable, a Risk Surcharge not to exceed 15% of the annual fully-funded equivalent regionalization rate.
- If the fully-funded Political Subdivision imposes a monthly surcharge on employees whose spouses have enrolled in the Political Subdivision's insurance plans where other insurance coverage is available through the spouses' 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.

6.3 *Rates/fees to be paid by the Political Subdivision for January 1, 2017 - December 31, 2017:

EPO

Single:	\$528.55
Family:	\$1,585.67

H.S.A.

Single:	\$409.81
Family:	\$1,229.45

**Summit County reserves the right to re-rate at the end of 2017 if there is a greater than 10% migration between the plans.*

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

6.4 Wellness Fund Political Subdivisions will be entitled to Wellness dollars to be used for employees covered by the plan for reimbursements based on the County's Wellness Guidelines. County of Summit Wellness Guidelines are included as Addendum I.

The following chart illustrates the Wellness budget based on employee count at time of contract:

Less than 20 full-time employee lives	\$500 per year
21-100 full-time employee lives	\$1,000 per year
101-250 full-time employee lives	\$2,500 per year
250+	\$4,000 per year

Wellness dollars must be used and submitted for reimburse to the County by October 1 each year. Any unused funds will not carry-over to future years.

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 upon entry to the plan. Only full-time employees of fully-funded Political Subdivisions that work at least 30 hours per week shall be eligible for benefits under the fully-funded equivalent rate through the Regionalization Program. Part-time employees and retirees of fully-funded 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. Patient Protection and Affordable Care Act ("PPACA"). Any fees or penalties associated with the PPACA assessed to a Political Subdivision that participates in the Regionalization Program will be the financial responsibility of the Political Subdivision.

9. Outside Brokers, Agents and Consultants. The County of Summit will not pay

commissions to outside brokers, agents or consultants 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:

- 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.

10. Reports and Records.

10.1 Maintenance of Records and Reports.

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

10.1.1. 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

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

10.2 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.

11. Equal Opportunity Employment/Non-Discrimination.

11.1 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.

11.2 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.

12. General Terms and Conditions.

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

12.2 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.

12.3 Assignment. Neither party may assign rights or delegate any obligations created by this Agreement without the prior written consent of the other party. 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.

12.4 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.

12.5 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.

12.6 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.

12.7 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.

12.8 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:

As to County: Deborah S. Matz
Director, Department of Law, Insurance
and Risk Management
Ohio Building, 8th Floor
175 S. Main Street
Akron, Ohio 44308

As to the Political Subdivision: Greg Cingle
Finance Director
20777 Lorain Road
Fairview Park, OH 44126

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.

12.9 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.

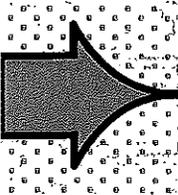
12.10 Entire Agreement. This Agreement, including the Summary Plan Document and any guidelines issued by County as Plan Administrator, states the complete, final, and exclusive agreement of the parties concerning the subject hereof and supersedes all prior oral or written agreements, representations, 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 Summary Plan Document shall prevail.

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

The parties hereunto have caused this POLITICAL SUBDIVISION PARTICIPATION AGREEMENT to be executed in triplicate on the last date of signature below.

CITY OF FAIRVIEW PARK
"POLITICAL SUBDIVISION"

COUNTY OF SUMMIT, OHIO
"COUNTY"


Eileen A. Patton
By: Eileen A. Patton
Title: Mayor

By: Ilene Shapiro
Title: Executive

Date: 12/5/16

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

William T. Matz
By: William T. Matz
Title: Director of Law

By: Deborah S. Matz
Director of Law,
Insurance and Risk Management

Date: 12.5.2016

Date: _____