



# LORAIN COUNTY

Board of Commissioners  
Ted Kalo   Lori Kokoski   Matt Lundy

received  
7-16-15

- County Administrator  
James R. Cordes  
440-329-5760
- Clerk of Board of Commissioners  
Theresa Upton  
440-329-5103
- Animal Control Officer  
Timothy Pihlblad  
440-326-5997
- Budget Director  
Lisa Hobart  
440-329-5201
- Charles Berry Bridge  
Superintendent  
Al Zocchi  
440-244-2137
- Children & Family Council  
Director  
Melissa Stefano  
440-284-4467
- Community Development  
Director  
Don Romancak  
440-328-2323
- F-9-1-1 Director  
Tracy Slagle  
440-329-5444
- Emergency Management &  
Homeland Security Director  
Thomas Kelley  
440-329-5117
- Facilities Management Director  
Karen Davis  
440-329-5102
- Golden Acres Administrator  
Jeri Dull  
440-988-7210
- Human Resources Department  
440-329-5150
- IT Director  
Ernie Smith  
440-329-5786
- Lorain County Crime/Drug Lab  
Director  
Emmanuel de Leon  
440-329-5636
- Lorain County Transit  
440-329-5525
- Office of Sustainability  
Coordinator  
Michael Challenger  
440-328-2361
- Purchasing  
440-329-5240
- Records Center Supervisor  
Denise Lindak  
440-326-4866
- Solid Waste Director  
Keith Bailey  
440-329-5442
- Workforce Development Director  
Mike Longo  
440-284-1834

July 14, 2015

TO: Plan Participants in the Lorain County Health Plan

FROM: Julie Steele, Benefits Coordinator

RE: Agreement

Please find enclosed the New Agreement Regarding the Officer and Employee Joint Self-Insured Health Care Benefits Program of the County of Lorain and Contracting Political Subdivisions.

The contract will be for the Plan Years of 2016, 2017, and 2018.

Please sign your contract and return to me no later than September 28, 2015.

Thank you for your cooperation.

AGREEMENT REGARDING THE OFFICER AND EMPLOYEE  
JOINT SELF-INSURANCE HEALTH CARE BENEFITS PROGRAM

OF THE

COUNTY OF LORAIN, OHIO

AND

CONTRACTING POLITICAL SUBDIVISIONS

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AGREEMENT REGARDING THE OFFICER AND EMPLOYEE  
JOINT SELF-INSURANCE HEALTH CARE BENEFITS PROGRAM

OF THE

COUNTY OF LORAIN, OHIO

AND

CONTRACTING POLITICAL SUBDIVISIONS

This Agreement Regarding the Officer and Employee Joint Self-Insurance Health Care Benefits Program (the "Agreement") is hereby entered into by and between the County of Lorain (the "County") and \_\_\_\_\_ (the "Participating Member"), effective as of \_\_\_\_\_, 20\_\_ (the "Effective Date").

WHEREAS, Section 9.833 of the Ohio Revised Code (the "O.R.C.") permits any political subdivision that provides health care benefits for its officers or employees to establish and maintain an individual self-insurance program with public moneys to provide authorized health care benefits, including but not limit to, health care, prescription drugs, dental care, and vision care; and

WHEREAS, Section 9.833 of the O.R.C. further permits any political subdivision that provides health care benefits for its officers or employees to join in any combination with other political subdivisions to procure or contract for policies, contracts, or plans of insurance to provide health care benefits pursuant to a written agreement; and

WHEREAS, effective \_\_\_\_\_, the County originally established, pursuant to Section 9.833 of the O.R.C., an individual self-insurance program to provide health care benefits to the County's officers and employees and their eligible dependents; and

WHEREAS, after the establishment of the individual self-insurance program other political subdivisions within the County requested that the County enlarge its individual self-insurance program to become a joint self-insurance program; and

WHEREAS, effective \_\_\_\_\_, the County subsequently enlarged its self-insurance program by joining with other political subdivisions to form a joint self-insurance program (the "Joint Program"), which has been documented in each case by an agreement entered into between the County and the participating political subdivision; and

WHEREAS, the County deemed it necessary and desirable to amend and restate the form of participation agreement used to document the Joint Program of the various political subdivisions, effective as of January 1, 2015, for the purpose of including certain changes required by O.R.C. 9.833, as well as to reflect certain administrative provisions that apply to the operation of the Joint Program and the participating political subdivisions, which such changes are reflected in the agreement entered into below between the County and the Participating Member).

NOW THEREFORE, the County and the Participating Member hereby agree as follows:

**ARTICLE I  
DEFINITIONS**

- 1.1     “Board” means the Board of County Commissioners of the County.
- 1.2     “Fiscal Year” means the calendar year. The Fiscal Year may be changed by an amendment to this Agreement.
- 1.3     “Health Care Benefits” means those medical, hospitalization and other health care benefits that (i) the County has agreed to provide for its officers and employees and their eligible dependents pursuant to collective bargaining agreements or otherwise, and (ii) the Board has determined to make available under this Joint Program. Health Care Benefits also means the medical, hospitalization and other health care benefits that the Members have agreed to provide their officers and employees and their eligible dependents to the extent those benefits meet the requirements of the preceding sentence, or the County otherwise agrees to include them in the Joint Program.
- 1.3     “Joint Program” means the joint self-insurance program to provide health care benefits to the County’s and other Members’ officers and employees and their eligible dependents as documented in the Participation Agreements.
- 1.4     “Member” means the County, the Participating Member, and any other municipal corporation, township, county, school district or other body corporate and politic responsible for governmental activities which has entered into a Participation Agreement and who has not withdrawn from or been terminated from participation in the Joint Program.
- 1.5     “Participation Agreement” means this Agreement and all other agreements entered into between the county and a political subdivision for the purpose of documenting such political subdivision’s participation in the Joint Program.
- 1.6     “Program Costs” means the costs of maintaining, operating and administering the Program Fund, including but not limited to the cost of providing the Health Care Benefits.
- 1.7     “Program Fund” means a fund maintained by the Treasurer of the County separate and apart from all other funds of the County and any funds of the Members for the purpose of collecting contributions from Members and disbursing amounts for payment of claims for Health Care Benefits offered through the Joint Program as well as other Program Costs. The Program Fund (including all accounts and sub-accounts therein) shall be subject to the laws of the State concerning the investment and management of public funds, particularly Chapter 135, Ohio Revised Code.
- 1.8     “State” means the State of Ohio.
- 1.9     “Surplus Funds” means the amount by which the funds available to operate the Program Fund for any Fiscal Year or Years exceed all of the costs, liabilities (including claim liabilities, claim reserves and reserves for terminal liability) and expenses of operating the Program Fund.

**ARTICLE II**  
**ESTABLISHMENT OF COOPERATIVE ARRANGEMENTS**  
**FOR HEALTH CARE BENEFITS**

2.1 Establishment of Joint Program and Program Fund.

(a) The County has established, and together with other Members has maintained, a joint self-insurance program to provide health care benefits as described in O.R.C. 9.833 for the purpose of providing health care benefits to officers and employees of the County and other Members. The existence of such Joint Program is recognized and affirmed by the County and the Participating Member.

(b) The County has established the Program Fund which shall consist of Member contributions in amounts it deems sufficient to annually fund the administrative expenses of the Program Fund, to purchase excess insurance, stop-loss insurance or reinsurance for the Program Fund, to pay claims and claim expenses and to establish and maintain sufficient reserves.

2.2 Cooperative Arrangements for Provision for Health Care Benefits.

(a) On behalf of the Members, the County may undertake arrangements for the cooperative provision of any of the Health Care Benefits for eligible officers and employees of the Members and the eligible dependents of those officers and employees, subject to the terms of this Agreement. Those benefits may be provided through coverage issued by an insurance company, hospital service association, or medical care corporation duly licensed by the State of Ohio. In addition, coverage may be provided through a joint self-insurance program, jointly administered individual self-insurance programs or other alternative insurance funding arrangements under the terms and conditions provided in this Agreement.

(b) The County may, on behalf of the Members, enter into (i) contracts with insurance companies and reinsurance companies duly licensed or otherwise authorized to conduct business in the State, (ii) contracts with third-party claims administrators for the administration of claims, including the receipt, investigation and processing of claims payments, (iii) contracts with risk managers, health care cost containment specialists and consultants, (iv) contracts and arrangements for preventing and reducing health care costs, including without limitation, contracts with hospitals, physicians and other providers of health care, and (v) any other arrangements authorized by the County and applicable laws.

(c) Each Member has provided to the County (i) a copy of a resolution, duly adopted by the Member's legislative body, authorizing the County to arrange for the provision of the Health Care Benefits on its behalf and authorizing payments to the County for amounts needed to pay the costs of the Health Care Benefits, (ii) such information as the County may request concerning the eligible officials and employees of the Member and their dependents entitled to the Health Care Benefits and the Health Care Benefits the Member is obligated to provide to those officials and employees.

(d) The County shall select each consultant, insurance company or reinsurance company and each third-party claims administrator for the Joint Program. The County shall

execute all contracts determined by the County to be necessary for the proper operation of the Joint Program.

(e) A contract may be awarded, without the necessity of competitive bidding, to any person, political subdivision, nonprofit corporation organized under Chapter 1702 of the O.R.C., or regional council of governments created under Chapter 167 of the O.R.C. for purposes of administration of an individual or joint self-insurance program. However, no such contract shall be entered into without full, prior, public disclosure of all terms and conditions. The proposed contract and statement shall be disclosed and presented at a meeting of the County not less than one week prior to the meeting at which the County authorizes the contract.

(f) The County shall prepare, or shall cause the preparation of, a schedule of contributions for the Joint Program, setting forth the monthly payments to be made by each Member to the Program Fund for each Member's share of the Program Costs. Each Member's share of Program Costs shall reflect the number of eligible officials and employees and dependents of each Member to receive Health Care Benefits and any other information necessary to equitably determine each Member's share of the Program Costs.

(g) Each Participating Member shall notify the County of the identity of all eligible officials and employees and their dependents and as changes occur therein shall promptly notify the County of the changes, and shall supply any other relevant data as may be deemed necessary by the County for the operation of the Joint Program. Copies of that information shall be provided by each Participating Member directly to any insurance or reinsurance company or third-party claims administrator for the Joint Program, if directed by the County. If a Participating Member seeks to enroll additional persons under the Joint Program, the Participating Member must notify in writing the County and, if directed by the County, the appropriate third-party claims administrator or insurance or reinsurance company, concerning those additional enrollees, remit any additional money to the Program Fund which may be required to pay any increase in that Participating Member's share of the funding and insurance premiums for coverage for additional enrollees, as determined by the terms of the contract with the third-party claims administrator and insurance carrier, and comply with all procedures under the contracts with the third-party claims administrator and insurance carriers relating to the enrollment of additional persons.

(h) Any dispute concerning the eligibility of persons to participate in a health care program offered by a Member to its officers and employees and their eligible dependents shall be determined by the respective Member that makes such health care coverage available through participation in the Joint Program. Any dispute concerning the coverage of services or amounts payable for services with respect to any claim made by persons participating in a health care program offered by a Member through the Joint Program shall be determined in accordance with the policies or procedures adopted by the County. If no such policies or procedures have been so adopted, such disputes shall be determined by the claims administrator, following consultation with the County or its designee.

(i) The health care benefit plans of the County and other Members, including this Joint Program, are "governmental plans" as defined in the federal Employment Retirement Income Security Act, as amended ("ERISA") and are therefore not subject to ERISA requirements, and by entering into this Agreement each Member in the Joint Program

acknowledges and agrees that the Joint Program is not subject to, and is not maintained, operated, administered, or treated in any other way as subject to ERISA.

(j) A joint self-insurance program for political subdivisions in the State, does not constitute an insurance company, its operation does not constitute doing an insurance business and is not subject to the insurance laws of the State, and by entering into this Agreement each Member in the Joint Program established for the provision of Health Care Benefits acknowledges and agrees that the Joint Program will not be operated as an insurance company or in accordance with the insurance laws of the State.

**ARTICLE III  
MANAGEMENT AND OPERATION OF  
HEALTH CARE BENEFITS PROGRAM**

Section 3.1 Powers and Duties of the Board. The Board shall have the following powers and duties in connection with the management and operation of the Joint Program:

- (1) It shall oversee the operation of the Joint Program.
- (2) It shall determine the types of benefits that may be cooperatively purchased, administered or otherwise made available to the Members through the Joint Program and the funding arrangements by which those benefits can be provided through the Joint Program.
- (3) It shall select any insurance carriers, claims administrators and/or reinsurance companies necessary for the cooperative provision of benefits under the Joint Program, and it shall execute all contracts entered into for the Joint Program.
- (4) It shall authorize and direct the employment of or contracting with such persons or organizations as it deems necessary for the administration and management of the Joint Program, including insurance consultants, actuaries, risk managers, health care cost containment specialists, lawyers and accountants.
- (5) It shall determine the total estimated Program Costs for the Joint Program for each Fiscal Year and the percentage of the total estimated Program Costs to be allocated to each Member. It shall determine the necessity for adjustments in each Member's share of Program Costs pursuant to Article VI of this Agreement.
- (6) It shall adopt and maintain policies and procedures to ensure the confidentiality of any individually identifiable medical information, in accordance with applicable law. Such policies and procedures include the [County of Lorain HIPPA Policies and Procedures as adopted \_\_\_\_\_], as amended from time to time.
- (7) It shall approve new Members.



- (8) It shall determine any matter relating to the operation of the Joint Program, including but not limited to: amendments to or modifications of this Agreement; Program Costs, each Member's share of Program Costs, selection of and changes in the Health Care Benefits offerings under the Joint Program, selection or termination of any vendor or service provider with respect to the Joint Program, the admission of new political subdivisions as Members in the Joint Program, and the disqualification of Members from the Joint Program.
- (9) It shall determine whether the Program Fund has any Surplus Funds and, if so, how such Surplus Funds shall be utilized for the operation of the Program Fund.
- (10) It shall establish a reserve for the purposes of protecting the Program Fund from future losses and maintaining fiscal solvency.
- (11) It shall employ any persons to assist in the operation of the Joint Program the costs of which shall be included as Program Costs.
- (12) To the extent that the Joint Program provides Health Care Benefits under a joint self-insurance arrangement, it shall cause to be timely filed with the Superintendent of Insurance of the State the reports required by Revised Code Section 9.833 or other applicable laws of the State.

3.2 Duties of Health Benefits Administrator. The Board may designate an employee, of the County to serve as the Health Benefits Administrator for the Joint Program. The Health Benefits Administrator shall have the responsibilities determined by the Board. In addition, the Health Benefits Administrator shall maintain records for the Joint Program that: (i) identify the officials and employees of the Members and their eligible dependents entitled to receive Health Care Benefits under the Joint Program, (ii) the contributions made to the Joint Program by each Member for payment of Program Costs, and (iii) all disbursements or transfers made from the Program Fund.

#### **ARTICLE IV PROGRAM FUND**

Section 4.1 Maintenance of Program Fund. The Program Fund shall be maintained by the Treasurer of the County separate and apart from all other funds of the County and any funds of the Members. The Board may, from time to time, authorize and direct the Treasurer to establish separate accounts and/or sub-accounts within the Program Fund, including separate accounts within the Program Fund for the payment of costs of providing different types of Health Care Benefits. Moneys in separate accounts within the Program Fund may be aggregated or commingled for purposes of investment or reinvestment. The Program Fund (including all accounts and sub-accounts therein) shall be subject to the laws of the State concerning the investment and management of public funds, particularly Chapter 135 of the O.R.C.

Section 4.2 Contributions. The monthly contributions received from the Members for payment of Program Costs shall be deposited in the Program Fund, and a record shall be kept of each Member's contributions to the Program Fund. Interest earned on moneys in the Program Fund may be credited to the Program Fund. Amounts in the Program Fund may be used to pay Program Costs of the Joint Program, and each Member assumes the risks of all other Members with respect to the provision of the Health Care Benefits to be provided under this Joint Program to the extent of the amounts required by this Agreement to be paid to the Program Fund. Disbursements may be made from the Program Fund for any proper purpose of the Joint Program, including, but not limited to, payment of claims, payment of premiums to insurance and reinsurance companies, payment of ordinary and necessary fees of claims administrators, payment of fees of actuaries, consultants and lawyers and payment of administrative and other appointing expenses. Disbursements shall be made in accordance with the authorization or certification requirements of the O.R.C. and the procedures established by the Board.

Section 4.3 Reserve. The Board shall establish a reserve for the purposes of protecting the Program Fund from future losses and maintaining fiscal solvency which shall be set aside for contingencies and potential unforeseen liabilities. If additional contributions are necessary to achieve the reserve target, the Board will determine a reserve surcharge for Members that will be assessed as part of the Members' contributions to the Program Fund.

## **ARTICLE V REPORTS**

Section 5.1 Financial and Actuarial Reports. The Board shall obtain a contract for the services of a member of the American Academy of Actuaries for the preparation of a written report of a member of the American Academy of Actuaries certifying whether the amounts reserved conform to the requirements of Section 9.833(C) of the O.R.C., are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles. The report described in this Section 5.1 shall be prepared within ninety (90) days after the last day of the County's Fiscal Year for which the reports are prepared, and maintained in the office of the County. The report described above shall include, but not be limited to, the aggregate of disbursements made for the administration of the Joint Program, including claims paid, costs of the legal representation of Members and their employees, as well as fees paid to consultants.

Section 5.2 Reports Available for Review. The County shall make available to the Members for their review upon their request, reports provided to the County by any insurance or reinsurance company, claims administrator, insurance consultant or other person or organization with whom the County has contracted for services concerning contributions to and disbursements from the Joint Program.

Section 5.3 Reports Provided to Auditor of State. The County shall provide the reports described in Section 5.1 to the auditor of state under Chapter 117 of the O.R.C., which such report shall be in lieu of the records required by Division (a) of Section 149.431 of the O.R.C.

Section 5.4 Other Reports. The County may authorize the retention of the services of consultants to prepare other reports concerning the Joint Program and the cost thereof shall be included as a Program Cost.

**ARTICLE VI**  
**ESTIMATES OF PROGRAM COSTS AND PAYMENTS BY MEMBERS**

Section 6.1 Estimates of Program Costs. On or before October 31 of the Fiscal Year preceding the Fiscal Year for which the following estimates are made, the Board shall submit to the Members a written estimate of (a) Program Costs for the next Fiscal Year, and (b) each Member's share of those Program Costs, as described in this Article VI. These estimates shall be presented in enough detail so that the Members can determine their sufficiency to maintain the soundness of the Program Fund to pay all costs of the Joint Program. The Board may utilize the services of a consultant to assist it in its preparation of the estimates of the following segments of Program Costs:

- (a) Self-Insurance Retention. The Board shall estimate the amount of funds necessary to pay claims for the Health Care Benefits provided under the Joint Program not covered by insurance for the next Fiscal Year, based on the Health Care Benefits to be provided under the Joint Program, the estimated number of persons entitled to those benefits, past claims experience, levels of insurance or reinsurance coverages and other factors relevant to the actuarial soundness of the Joint Program. Such funds shall be reserved for any Health Care Benefits provided by a joint self-insurance arrangement as are necessary, in the exercise of sound and prudent actuarial judgment to cover potential costs of Health Care Benefits for the officials and employees of the Members and their eligible dependents. The loss experiences of the Members shall be pooled for purposes of determining the costs of providing Health Care Benefits under the Joint Program, and each Member assumes the risks of the other Members for purposes of loss experience.
- (b) Insurance. The Board shall determine the amount of funds necessary to pay insurance premiums for the next Fiscal Year based on premium proposals received from insurance or reinsurance companies provided, however, that if no such proposals are available at the time Program Costs are estimated, such determination shall be based on the following: (a) the claims experience under the Joint Program for preceding Fiscal Years, (b) allowances which may be made for increased costs or utilization of Health Care Benefits, (c) changes, if any, in the number or ages of persons eligible for Health Care Benefits, (d) changes, if any, in the types of claims covered by the Joint Program, and (e) any other matters which the County deems relevant to such determination.
- (c) Administrative Costs. The Board shall estimate the fees to be paid to any third-party administrator for claims administration services, compensation for any employees or consultants hired or retained by the Board to assist it in the operation of the Joint Program, and any other costs of operating the Joint Program for the next Fiscal Year. The Board shall develop a schedule apportioning those fees and costs among the Members.
- (d) Reserve Costs. As described in Section 4.3, the Board shall calculate the reserve target and shall determine each Member's share of such reserve target as part of the Members' contributions to the Program Fund.

Section 6.2 Surplus Funds. In the event that Surplus Funds exist for any Fiscal Year, that excess may be credited against amounts otherwise payable for Program Costs in subsequent Fiscal Years in any manner determined by the County, including treatment as additional reserves. Members shall have no right to a return of any Surplus Funds in the Program Fund for any Fiscal Year.

Section 6.3 Apportionment of Program Costs. Each Member's share of the Program Costs for any Fiscal Year shall be the sum of the costs or credits allocated to each Member by the Board. Each Member's share of Program Costs may change from time to time as determined by the County, but may not be adjusted more frequently than annually. Each Member is responsible for paying its share of Program Costs for any Fiscal Year in the form of four (4) quarterly payments. Further, each Member is responsible for paying its share of reserves necessary to operate the Program Fund as determined by the Board. Notwithstanding anything herein to the contrary, under no circumstances shall any Member be reimbursed for, or be eligible for any refund, attributable to payment of reserves under this Agreement or any terms of the Program Fund, regardless of the length of participation, withdrawal from, or other circumstances surrounding any such Member's participation in the Program Fund.

## ARTICLE VII WITHDRAWAL AND TERMINATION BY A MEMBER

Section 7.1 Notice of Withdrawal and Termination. Any Member that has completed the initial three (3) year Term of the Agreement described in Article X may withdraw from the Joint Program by giving prior written notice thereof to the Board no later than August 1 of any Fiscal Year. Any decision to withdraw from the Joint Program must be made by duly adopted resolution to the legislative body of the Member. Any Member that has completed the initial three (3) year Term of the Agreement or any subsequent Term as described in Article X and does not elect to extend the Term in accordance with Article X will automatically terminate participation in the Joint Program upon expiration of the subject Term. In the event of a withdrawal, the Member's withdrawal shall be effective as of December 31 of the Fiscal Year in which the notice of withdrawal is properly given, provided, however that the Member shall remain liable thereafter for any assessment the Board may make as provided below. In the event of a termination of participation in the Joint Program by expiration of any Term of this Agreement, the Member shall remain liable thereafter for any assessment the Board may make as provided below. Upon withdrawal or termination, the Member may not again become a participant in the Joint Program until it has fully complied with the procedures contained in Article VIII hereof. Upon withdrawal or termination, the Member shall be wholly and solely responsible for providing health care benefits to its officers, employees, and eligible dependents thereof that had previously been provided by the Joint Program.

Section 7.2 Waiver of Rights and Payment of Per Capital IBNR. Upon withdrawal or termination by a Member from the Joint Program for any reason, the Member specifically waives its rights against the Joint Program and the Program Fund with respect to claims incurred after the effective date of such withdrawal or termination by its participating eligible officers and employees and eligible dependents thereof. Claims incurred but not paid prior to the Member's withdrawal or termination by its eligible officers and employees and their eligible dependents will be administered and paid under the terms of the Joint Program only if (i) the Member pays into the Program Fund an amount not less an amount equal to the "Per Capita IBNR", and (ii) the Member pays all outstanding obligations owed to the Joint Program by the Member as of the

date of withdrawal or termination, as applicable. Those amounts shall be paid to the Program Fund by the Member within fifteen days of receipt of a notice from the County as to the amounts to be paid unless the County sets forth in its notice a different period of time for such payments to be made. If the Member fails to make such payments, the Joint Program shall not have any obligation to pay any claims for Health Care Benefits on behalf of the Member or its eligible officers, employees or eligible dependents thereof, regardless of when those claims were incurred, and the County may pursue any remedies available to recover from the Member amounts it owes the Joint Program. For purposes of this Section 7.2, "Per Capita IBNR" means the total incurred but not reported claims for the Fiscal Year immediately preceding the Fiscal Year in which the withdrawal or termination is effective, divided by the total number of participants covered under the Joint Program for such Fiscal Year, multiplied by the number of participants in the Member group at the time of such withdrawal or termination.

Section 7.3 Payment of Claims Following Notice of Withdrawal or Termination. With respect to a withdrawing or terminating Member in compliance with its obligations under this Agreement and the Joint Program, the Joint Program shall administer and pay eligible claims for Health Care Benefits incurred by officials and employees of such Member and their eligible dependents prior to the effective date of withdrawal or termination. All claims incurred by eligible officials and employees and dependents of the Member subsequent to the effective date of such Member's withdrawal or termination will not be administered or paid by the Joint Program.

## **ARTICLE VIII INCLUSION OF ADDITIONAL MEMBERS**

Any political subdivision within the County may apply to Board for participation in the Joint Program by submitting an application in writing to the Board. That application shall be accompanied by a duly adopted resolution of the applicant's legislative body requesting inclusion in the Joint Program and authorizing execution of this Agreement by the applicant. The applicant shall submit to the County its insurance claims experience and any other documentation or records requested by the County, or any claims administrator or consultant retained by the County. Thereafter the Board shall determine whether the applicant will be included in the Joint Program. If the Board determines to include the applicant, the applicant shall be included in the Joint Program and deemed a Member hereunder if (a) its participation is approved by each insurance company or reinsurance company which is entitled by contract to approve any such addition to the Joint Program, (b) the applicant executes this Agreement and (c) the applicant appropriates and remits to the Joint Program an initial monetary assessment for Program Costs in an amount determined by the County, which amount may include all or a portion of the assigned reserve amount, as well an initial contribution toward the Member's allocation of Program Costs. The applicant shall thereafter be a participating Member, with all attendant responsibilities and rights, as set forth in this Agreement, and shall be assessed its portion of Program Costs by the same method and using the same formula as any other Member.

## **ARTICLE IX AMENDMENT**

This Agreement may be modified, amended or supplemented only by written instrument and upon approval of the modification, amendment or supplement by the County.

**ARTICLE X  
TERM OF AGREEMENT**

The term of this Agreement shall begin on the Effective Date and end on the last day of the three (3) year period beginning on the Effective Date (the "Term"), unless the Board determines to terminate the Joint Program pursuant to Article XI prior to the end of the Term. The Term of this Agreement may be extended for subsequent terms, provided that both the County and the Participating Member agree in writing to such extension. In the event that a Member has completed the initial Term, and provides the required notice of withdrawal pursuant to Article VII, such Member may withdraw in accordance with the terms of such Article VII.

**ARTICLE XI  
TERMINATION OF JOINT PROGRAM**

In the event that the Board, by duly adopted resolution, determines that the Joint Program shall be terminated, the Board shall determine the date upon which this Agreement and the activities and operation of the Joint Program shall terminate. Upon termination of the Joint Program, the Program Fund shall be maintained by the County until the earlier of such time as all obligations under the Joint Program have been satisfied, or the Program Fund is depleted. Upon termination of the Joint Program, all claims of the Member's officials and employees and their dependents not covered under contracts with insurance carriers, and not satisfied by payment by the Program Fund, shall be the liability of the applicable Member, and the Members shall be deemed to have waived all rights and claims against the Joint Program for payment of claims.

**ARTICLE XII  
EFFECTIVE DATE**

This Agreement shall be effective as of the Effective Date set forth above, provided that on or before that date, this Agreement has been approved by the County and by the legislative body of at least one additional Member participating in this Joint Program. Each Member executing this Agreement shall deliver to the County a certified copy of the resolution of its legislative body approving this Agreement and an executed counterpart of this Agreement.

**ARTICLE XIII  
SIGNATORY RESPONSIBILITY**

Each Member and its officials and employees agree to cooperate with the County, the claims administrator, insurance or reinsurance company and all other contractors and consultants associated with the Joint Program. Each Member agrees to comply with the policies and procedures established for the Joint Program and to sign and deliver all necessary and proper documents for the administration of the Joint Program.

**ARTICLE XIV  
DISPUTES AND NON-LITIGATION**

Each Member and its officials and employees agree to resolve all disputes through final and binding arbitration governed by the rules of the American Arbitration Association. The Members agree to waive the right to litigate all disputes.

**ARTICLE XV  
NOTICES**

Any notice to a Member required to be in writing shall be deemed given if left at the office of the Clerk or other officer keeping the records of such Member or deposited in the United States Mail, by first-class mail, postage prepaid, addressed to that Clerk or other officer at the principal office of the Member.

**ARTICLE XVI  
COUNTERPARTS**

This Agreement, and any amendment thereto may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all counterparts taken together shall constitute one and the same Agreement.

**ARTICLE XVII  
GOVERNING LAW**

This Agreement shall be construed under and governed by the laws of the State of Ohio.

IN WITNESS WHEREOF, the undersigned representative of the Participating Member has signed this Agreement on behalf of such Participating Member, pursuant to the duly adopted authorizing resolution of its legislative body, on the date indicated below his signature.

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_



CERTIFICATE

The undersigned, fiscal officer of the \_\_\_\_\_, Ohio (the Political Subdivision), under the aforesaid Agreement Regarding Officer and Employee Health Care Benefits Program of the County of Lorain, Ohio and Contracting Political Subdivisions certifies that the moneys required to meet the obligations of the Political Subdivision during the year \_\_\_\_\_ under that Agreement have been lawfully appropriated by the legislative body of the Political Subdivision for those purposes and are in the treasury of the Political Subdivision for those purposes of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Section 5705.41 and 5705.44, Ohio Revised Code.

Dated: \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_

Dated: \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_

Dated: \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_

Dated: \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_



# LORAIN COUNTY BOARD OF COMMISSIONERS

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**SIGNATURE/DATE**

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**SIGNATURE/DATE**

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**SIGNATURE/DATE**



# LORAIN COUNTY

## Board of Commissioners

Ted Kalo   Lori Kokoski   Matt Lundy

County Administrator  
James R. Cordes  
440-329-5760

Clerk of Board of Commissioners  
Theresa Upton  
440-329-5103

Animal Control Officer  
Timothy Pihlblad  
440-326-5997

Budget Director  
Lisa Hobart  
440-329-5201

Charles Berry Bridge  
Superintendent  
Al Zocchi  
440-244-2137

Children & Family Council  
Director  
Melissa Stefano  
440-284-4467

Community Development  
Director  
Don Romancak  
440-328-2323

T-9-1-1 Director  
Tracy Slagle  
440-329-5444

Emergency Management &  
Homeland Security Director  
Thomas Kelley  
440-329-5117

Facilities Management Director  
Karen Davis  
440-329-5102

Golden Acres Administrator  
Jeri Dull  
440-988-7210

Human Resources Department  
440-329-5150

IT Director  
Ernie Smith  
440-329-5786

Lorain County Crime/Drug Lab  
Director  
Ernmanuel de Leon  
440-329-5636

Lorain County Transit  
440-329-5525

Office of Sustainability  
Coordinator  
Michael Challenger  
440-328-2361

Purchasing  
440-329-5240

Records Center Supervisor  
Denise Lindak  
440-326-4866

Solid Waste Director  
Keith Bailey  
440-329-5442

Workforce Development Director  
Mike Longo  
440-284-1834



July 14, 2015

TO: Plan Participants in the Lorain County Health Plan

FROM: Julie Steele, Benefits Coordinator

RE: Agreement

Please find enclosed the New Agreement Regarding the Officer and Employee Joint Self-Insured Health Care Benefits Program of the County of Lorain and Contracting Political Subdivisions.

The contract will be for the Plan Years of 2016, 2017, and 2018.

Please sign your contract and return to me no later than September 28, 2015.

Thank you for your cooperation.

AGREEMENT REGARDING THE OFFICER AND EMPLOYEE  
JOINT SELF-INSURANCE HEALTH CARE BENEFITS PROGRAM  
  
OF THE  
  
COUNTY OF LORAIN, OHIO  
  
AND  
  
CONTRACTING POLITICAL SUBDIVISIONS

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AGREEMENT REGARDING THE OFFICER AND EMPLOYEE  
JOINT SELF-INSURANCE HEALTH CARE BENEFITS PROGRAM

OF THE

COUNTY OF LORAIN, OHIO

AND

CONTRACTING POLITICAL SUBDIVISIONS

This Agreement Regarding the Officer and Employee Joint Self-Insurance Health Care Benefits Program (the "Agreement") is hereby entered into by and between the County of Lorain (the "County") and \_\_\_\_\_ (the "Participating Member"), effective as of \_\_\_\_\_, 20\_\_ (the "Effective Date").

WHEREAS, Section 9.833 of the Ohio Revised Code (the "O.R.C.") permits any political subdivision that provides health care benefits for its officers or employees to establish and maintain an individual self-insurance program with public moneys to provide authorized health care benefits, including but not limit to, health care, prescription drugs, dental care, and vision care; and

WHEREAS, Section 9.833 of the O.R.C. further permits any political subdivision that provides health care benefits for its officers or employees to join in any combination with other political subdivisions to procure or contract for policies, contracts, or plans of insurance to provide health care benefits pursuant to a written agreement; and

WHEREAS, effective \_\_\_\_\_, the County originally established, pursuant to Section 9.833 of the O.R.C., an individual self-insurance program to provide health care benefits to the County's officers and employees and their eligible dependents; and

WHEREAS, after the establishment of the individual self-insurance program other political subdivisions within the County requested that the County enlarge its individual self-insurance program to become a joint self-insurance program; and

WHEREAS, effective \_\_\_\_\_, the County subsequently enlarged its self-insurance program by joining with other political subdivisions to form a joint self-insurance program (the "Joint Program"), which has been documented in each case by an agreement entered into between the County and the participating political subdivision; and

WHEREAS, the County deemed it necessary and desirable to amend and restate the form of participation agreement used to document the Joint Program of the various political subdivisions, effective as of January 1, 2015, for the purpose of including certain changes required by O.R.C. 9.833, as well as to reflect certain administrative provisions that apply to the operation of the Joint Program and the participating political subdivisions, which such changes are reflected in the agreement entered into below between the County and the Participating Member).

NOW THEREFORE, the County and the Participating Member hereby agree as follows:

**ARTICLE I  
DEFINITIONS**

1.1 “Board” means the Board of County Commissioners of the County.

1.2 “Fiscal Year” means the calendar year. The Fiscal Year may be changed by an amendment to this Agreement.

1.3 “Health Care Benefits” means those medical, hospitalization and other health care benefits that (i) the County has agreed to provide for its officers and employees and their eligible dependents pursuant to collective bargaining agreements or otherwise, and (ii) the Board has determined to make available under this Joint Program. Health Care Benefits also means the medical, hospitalization and other health care benefits that the Members have agreed to provide their officers and employees and their eligible dependents to the extent those benefits meet the requirements of the preceding sentence, or the County otherwise agrees to include them in the Joint Program.

1.3 “Joint Program” means the joint self-insurance program to provide health care benefits to the County’s and other Members’ officers and employees and their eligible dependents as documented in the Participation Agreements.

1.4 “Member” means the County, the Participating Member, and any other municipal corporation, township, county, school district or other body corporate and politic responsible for governmental activities which has entered into a Participation Agreement and who has not withdrawn from or been terminated from participation in the Joint Program.

1.5 “Participation Agreement” means this Agreement and all other agreements entered into between the county and a political subdivision for the purpose of documenting such political subdivision’s participation in the Joint Program.

1.6 “Program Costs” means the costs of maintaining, operating and administering the Program Fund, including but not limited to the cost of providing the Health Care Benefits.

1.7 “Program Fund” means a fund maintained by the Treasurer of the County separate and apart from all other funds of the County and any funds of the Members for the purpose of collecting contributions from Members and disbursing amounts for payment of claims for Health Care Benefits offered through the Joint Program as well as other Program Costs. The Program Fund (including all accounts and sub-accounts therein) shall be subject to the laws of the State concerning the investment and management of public funds, particularly Chapter 135, Ohio Revised Code.

1.8 “State” means the State of Ohio.

1.9 “Surplus Funds” means the amount by which the funds available to operate the Program Fund for any Fiscal Year or Years exceed all of the costs, liabilities (including claim liabilities, claim reserves and reserves for terminal liability) and expenses of operating the Program Fund.



**ARTICLE II**  
**ESTABLISHMENT OF COOPERATIVE ARRANGEMENTS**  
**FOR HEALTH CARE BENEFITS**

2.1 Establishment of Joint Program and Program Fund.

(a) The County has established, and together with other Members has maintained, a joint self-insurance program to provide health care benefits as described in O.R.C. 9.833 for the purpose of providing health care benefits to officers and employees of the County and other Members. The existence of such Joint Program is recognized and affirmed by the County and the Participating Member.

(b) The County has established the Program Fund which shall consist of Member contributions in amounts it deems sufficient to annually fund the administrative expenses of the Program Fund, to purchase excess insurance, stop-loss insurance or reinsurance for the Program Fund, to pay claims and claim expenses and to establish and maintain sufficient reserves.

2.2 Cooperative Arrangements for Provision for Health Care Benefits.

(a) On behalf of the Members, the County may undertake arrangements for the cooperative provision of any of the Health Care Benefits for eligible officers and employees of the Members and the eligible dependents of those officers and employees, subject to the terms of this Agreement. Those benefits may be provided through coverage issued by an insurance company, hospital service association, or medical care corporation duly licensed by the State of Ohio. In addition, coverage may be provided through a joint self-insurance program, jointly administered individual self-insurance programs or other alternative insurance funding arrangements under the terms and conditions provided in this Agreement.

(b) The County may, on behalf of the Members, enter into (i) contracts with insurance companies and reinsurance companies duly licensed or otherwise authorized to conduct business in the State, (ii) contracts with third-party claims administrators for the administration of claims, including the receipt, investigation and processing of claims payments, (iii) contracts with risk managers, health care cost containment specialists and consultants, (iv) contracts and arrangements for preventing and reducing health care costs, including without limitation, contracts with hospitals, physicians and other providers of health care, and (v) any other arrangements authorized by the County and applicable laws.

(c) Each Member has provided to the County (i) a copy of a resolution, duly adopted by the Member's legislative body, authorizing the County to arrange for the provision of the Health Care Benefits on its behalf and authorizing payments to the County for amounts needed to pay the costs of the Health Care Benefits, (ii) such information as the County may request concerning the eligible officials and employees of the Member and their dependents entitled to the Health Care Benefits and the Health Care Benefits the Member is obligated to provide to those officials and employees.

(d) The County shall select each consultant, insurance company or reinsurance company and each third-party claims administrator for the Joint Program. The County shall

execute all contracts determined by the County to be necessary for the proper operation of the Joint Program.

(e) A contract may be awarded, without the necessity of competitive bidding, to any person, political subdivision, nonprofit corporation organized under Chapter 1702 of the O.R.C., or regional council of governments created under Chapter 167 of the O.R.C. for purposes of administration of an individual or joint self-insurance program. However, no such contract shall be entered into without full, prior, public disclosure of all terms and conditions. The proposed contract and statement shall be disclosed and presented at a meeting of the County not less than one week prior to the meeting at which the County authorizes the contract.

(f) The County shall prepare, or shall cause the preparation of, a schedule of contributions for the Joint Program, setting forth the monthly payments to be made by each Member to the Program Fund for each Member's share of the Program Costs. Each Member's share of Program Costs shall reflect the number of eligible officials and employees and dependents of each Member to receive Health Care Benefits and any other information necessary to equitably determine each Member's share of the Program Costs.

(g) Each Participating Member shall notify the County of the identity of all eligible officials and employees and their dependents and as changes occur therein shall promptly notify the County of the changes, and shall supply any other relevant data as may be deemed necessary by the County for the operation of the Joint Program. Copies of that information shall be provided by each Participating Member directly to any insurance or reinsurance company or third-party claims administrator for the Joint Program, if directed by the County. If a Participating Member seeks to enroll additional persons under the Joint Program, the Participating Member must notify in writing the County and, if directed by the County, the appropriate third-party claims administrator or insurance or reinsurance company, concerning those additional enrollees, remit any additional money to the Program Fund which may be required to pay any increase in that Participating Member's share of the funding and insurance premiums for coverage for additional enrollees, as determined by the terms of the contract with the third-party claims administrator and insurance carrier, and comply with all procedures under the contracts with the third-party claims administrator and insurance carriers relating to the enrollment of additional persons.

(h) Any dispute concerning the eligibility of persons to participate in a health care program offered by a Member to its officers and employees and their eligible dependents shall be determined by the respective Member that makes such health care coverage available through participation in the Joint Program. Any dispute concerning the coverage of services or amounts payable for services with respect to any claim made by persons participating in a health care program offered by a Member through the Joint Program shall be determined in accordance with the policies or procedures adopted by the County. If no such policies or procedures have been so adopted, such disputes shall be determined by the claims administrator, following consultation with the County or its designee.

(i) The health care benefit plans of the County and other Members, including this Joint Program, are "governmental plans" as defined in the federal Employment Retirement Income Security Act, as amended ("ERISA") and are therefore not subject to ERISA requirements, and by entering into this Agreement each Member in the Joint Program

acknowledges and agrees that the Joint Program is not subject to, and is not maintained, operated, administered, or treated in any other way as subject to ERISA.

(j) A joint self-insurance program for political subdivisions in the State, does not constitute an insurance company, its operation does not constitute doing an insurance business and is not subject to the insurance laws of the State, and by entering into this Agreement each Member in the Joint Program established for the provision of Health Care Benefits acknowledges and agrees that the Joint Program will not be operated as an insurance company or in accordance with the insurance laws of the State.

### **ARTICLE III MANAGEMENT AND OPERATION OF HEALTH CARE BENEFITS PROGRAM**

Section 3.1 Powers and Duties of the Board. The Board shall have the following powers and duties in connection with the management and operation of the Joint Program:

- (1) It shall oversee the operation of the Joint Program.
- (2) It shall determine the types of benefits that may be cooperatively purchased, administered or otherwise made available to the Members through the Joint Program and the funding arrangements by which those benefits can be provided through the Joint Program.
- (3) It shall select any insurance carriers, claims administrators and/or reinsurance companies necessary for the cooperative provision of benefits under the Joint Program, and it shall execute all contracts entered into for the Joint Program.
- (4) It shall authorize and direct the employment of or contracting with such persons or organizations as it deems necessary for the administration and management of the Joint Program, including insurance consultants, actuaries, risk managers, health care cost containment specialists, lawyers and accountants.
- (5) It shall determine the total estimated Program Costs for the Joint Program for each Fiscal Year and the percentage of the total estimated Program Costs to be allocated to each Member. It shall determine the necessity for adjustments in each Member's share of Program Costs pursuant to Article VI of this Agreement.
- (6) It shall adopt and maintain policies and procedures to ensure the confidentiality of any individually identifiable medical information, in accordance with applicable law. Such policies and procedures include the [County of Lorain HIPPA Policies and Procedures as adopted \_\_\_\_\_], as amended from time to time.
- (7) It shall approve new Members.

- (8) It shall determine any matter relating to the operation of the Joint Program, including but not limited to: amendments to or modifications of this Agreement; Program Costs, each Member's share of Program Costs, selection of and changes in the Health Care Benefits offerings under the Joint Program, selection or termination of any vendor or service provider with respect to the Joint Program, the admission of new political subdivisions as Members in the Joint Program, and the disqualification of Members from the Joint Program.
- (9) It shall determine whether the Program Fund has any Surplus Funds and, if so, how such Surplus Funds shall be utilized for the operation of the Program Fund.
- (10) It shall establish a reserve for the purposes of protecting the Program Fund from future losses and maintaining fiscal solvency.
- (11) It shall employ any persons to assist in the operation of the Joint Program the costs of which shall be included as Program Costs.
- (12) To the extent that the Joint Program provides Health Care Benefits under a joint self-insurance arrangement, it shall cause to be timely filed with the Superintendent of Insurance of the State the reports required by Revised Code Section 9.833 or other applicable laws of the State.

3.2 Duties of Health Benefits Administrator. The Board may designate an employee, of the County to serve as the Health Benefits Administrator for the Joint Program. The Health Benefits Administrator shall have the responsibilities determined by the Board. In addition, the Health Benefits Administrator shall maintain records for the Joint Program that: (i) identify the officials and employees of the Members and their eligible dependents entitled to receive Health Care Benefits under the Joint Program, (ii) the contributions made to the Joint Program by each Member for payment of Program Costs, and (iii) all disbursements or transfers made from the Program Fund.

#### **ARTICLE IV PROGRAM FUND**

Section 4.1 Maintenance of Program Fund. The Program Fund shall be maintained by the Treasurer of the County separate and apart from all other funds of the County and any funds of the Members. The Board may, from time to time, authorize and direct the Treasurer to establish separate accounts and/or sub-accounts within the Program Fund, including separate accounts within the Program Fund for the payment of costs of providing different types of Health Care Benefits. Moneys in separate accounts within the Program Fund may be aggregated or commingled for purposes of investment or reinvestment. The Program Fund (including all accounts and sub-accounts therein) shall be subject to the laws of the State concerning the investment and management of public funds, particularly Chapter 135 of the O.R.C.

Section 4.2 Contributions. The monthly contributions received from the Members for payment of Program Costs shall be deposited in the Program Fund, and a record shall be kept of each Member's contributions to the Program Fund. Interest earned on moneys in the Program Fund may be credited to the Program Fund. Amounts in the Program Fund may be used to pay Program Costs of the Joint Program, and each Member assumes the risks of all other Members with respect to the provision of the Health Care Benefits to be provided under this Joint Program to the extent of the amounts required by this Agreement to be paid to the Program Fund. Disbursements may be made from the Program Fund for any proper purpose of the Joint Program, including, but not limited to, payment of claims, payment of premiums to insurance and reinsurance companies, payment of ordinary and necessary fees of claims administrators, payment of fees of actuaries, consultants and lawyers and payment of administrative and other appointing expenses. Disbursements shall be made in accordance with the authorization or certification requirements of the O.R.C. and the procedures established by the Board.

Section 4.3 Reserve. The Board shall establish a reserve for the purposes of protecting the Program Fund from future losses and maintaining fiscal solvency which shall be set aside for contingencies and potential unforeseen liabilities. If additional contributions are necessary to achieve the reserve target, the Board will determine a reserve surcharge for Members that will be assessed as part of the Members' contributions to the Program Fund.

## ARTICLE V REPORTS

Section 5.1 Financial and Actuarial Reports. The Board shall obtain a contract for the services of a member of the American Academy of Actuaries for the preparation of a written report of a member of the American Academy of Actuaries certifying whether the amounts reserved conform to the requirements of Section 9.833(C) of the O.R.C., are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles. The report described in this Section 5.1 shall be prepared within ninety (90) days after the last day of the County's Fiscal Year for which the reports are prepared, and maintained in the office of the County. The report described above shall include, but not be limited to, the aggregate of disbursements made for the administration of the Joint Program, including claims paid, costs of the legal representation of Members and their employees, as well as fees paid to consultants.

Section 5.2 Reports Available for Review. The County shall make available to the Members for their review upon their request, reports provided to the County by any insurance or reinsurance company, claims administrator, insurance consultant or other person or organization with whom the County has contracted for services concerning contributions to and disbursements from the Joint Program.

Section 5.3 Reports Provided to Auditor of State. The County shall provide the reports described in Section 5.1 to the auditor of state under Chapter 117 of the O.R.C., which such report shall be in lieu of the records required by Division (a) of Section 149.431 of the O.R.C.

Section 5.4 Other Reports. The County may authorize the retention of the services of consultants to prepare other reports concerning the Joint Program and the cost thereof shall be included as a Program Cost.

**ARTICLE VI**  
**ESTIMATES OF PROGRAM COSTS AND PAYMENTS BY MEMBERS**

Section 6.1 Estimates of Program Costs. On or before October 31 of the Fiscal Year preceding the Fiscal Year for which the following estimates are made, the Board shall submit to the Members a written estimate of (a) Program Costs for the next Fiscal Year, and (b) each Member's share of those Program Costs, as described in this Article VI. These estimates shall be presented in enough detail so that the Members can determine their sufficiency to maintain the soundness of the Program Fund to pay all costs of the Joint Program. The Board may utilize the services of a consultant to assist it in its preparation of the estimates of the following segments of Program Costs:

- (a) Self-Insurance Retention. The Board shall estimate the amount of funds necessary to pay claims for the Health Care Benefits provided under the Joint Program not covered by insurance for the next Fiscal Year, based on the Health Care Benefits to be provided under the Joint Program, the estimated number of persons entitled to those benefits, past claims experience, levels of insurance or reinsurance coverages and other factors relevant to the actuarial soundness of the Joint Program. Such funds shall be reserved for any Health Care Benefits provided by a joint self-insurance arrangement as are necessary, in the exercise of sound and prudent actuarial judgment to cover potential costs of Health Care Benefits for the officials and employees of the Members and their eligible dependents. The loss experiences of the Members shall be pooled for purposes of determining the costs of providing Health Care Benefits under the Joint Program, and each Member assumes the risks of the other Members for purposes of loss experience.
- (b) Insurance. The Board shall determine the amount of funds necessary to pay insurance premiums for the next Fiscal Year based on premium proposals received from insurance or reinsurance companies provided, however, that if no such proposals are available at the time Program Costs are estimated, such determination shall be based on the following: (a) the claims experience under the Joint Program for preceding Fiscal Years, (b) allowances which may be made for increased costs or utilization of Health Care Benefits, (c) changes, if any, in the number or ages of persons eligible for Health Care Benefits, (d) changes, if any, in the types of claims covered by the Joint Program, and (e) any other matters which the County deems relevant to such determination.
- (c) Administrative Costs. The Board shall estimate the fees to be paid to any third-party administrator for claims administration services, compensation for any employees or consultants hired or retained by the Board to assist it in the operation of the Joint Program, and any other costs of operating the Joint Program for the next Fiscal Year. The Board shall develop a schedule apportioning those fees and costs among the Members.
- (d) Reserve Costs. As described in Section 4.3, the Board shall calculate the reserve target and shall determine each Member's share of such reserve target as part of the Members' contributions to the Program Fund.

Section 6.2 Surplus Funds. In the event that Surplus Funds exist for any Fiscal Year, that excess may be credited against amounts otherwise payable for Program Costs in subsequent Fiscal Years in any manner determined by the County, including treatment as additional reserves. Members shall have no right to a return of any Surplus Funds in the Program Fund for any Fiscal Year.

Section 6.3 Apportionment of Program Costs. Each Member's share of the Program Costs for any Fiscal Year shall be the sum of the costs or credits allocated to each Member by the Board. Each Member's share of Program Costs may change from time to time as determined by the County, but may not be adjusted more frequently than annually. Each Member is responsible for paying its share of Program Costs for any Fiscal Year in the form of four (4) quarterly payments. Further, each Member is responsible for paying its share of reserves necessary to operate the Program Fund as determined by the Board. Notwithstanding anything herein to the contrary, under no circumstances shall any Member be reimbursed for, or be eligible for any refund, attributable to payment of reserves under this Agreement or any terms of the Program Fund, regardless of the length of participation, withdrawal from, or other circumstances surrounding any such Member's participation in the Program Fund.

## **ARTICLE VII WITHDRAWAL AND TERMINATION BY A MEMBER**

Section 7.1 Notice of Withdrawal and Termination. Any Member that has completed the initial three (3) year Term of the Agreement described in Article X may withdraw from the Joint Program by giving prior written notice thereof to the Board no later than August 1 of any Fiscal Year. Any decision to withdraw from the Joint Program must be made by duly adopted resolution to the legislative body of the Member. Any Member that has completed the initial three (3) year Term of the Agreement or any subsequent Term as described in Article X and does not elect to extend the Term in accordance with Article X will automatically terminate participation in the Joint Program upon expiration of the subject Term. In the event of a withdrawal, the Member's withdrawal shall be effective as of December 31 of the Fiscal Year in which the notice of withdrawal is properly given, provided, however that the Member shall remain liable thereafter for any assessment the Board may make as provided below. In the event of a termination of participation in the Joint Program by expiration of any Term of this Agreement, the Member shall remain liable thereafter for any assessment the Board may make as provided below. Upon withdrawal or termination, the Member may not again become a participant in the Joint Program until it has fully complied with the procedures contained in Article VIII hereof. Upon withdrawal or termination, the Member shall be wholly and solely responsible for providing health care benefits to its officers, employees, and eligible dependents thereof that had previously been provided by the Joint Program.

Section 7.2 Waiver of Rights and Payment of Per Capital IBNR. Upon withdrawal or termination by a Member from the Joint Program for any reason, the Member specifically waives its rights against the Joint Program and the Program Fund with respect to claims incurred after the effective date of such withdrawal or termination by its participating eligible officers and employees and eligible dependents thereof. Claims incurred but not paid prior to the Member's withdrawal or termination by its eligible officers and employees and their eligible dependents will be administered and paid under the terms of the Joint Program only if (i) the Member pays into the Program Fund an amount not less an amount equal to the "Per Capita IBNR", and (ii) the Member pays all outstanding obligations owed to the Joint Program by the Member as of the

date of withdrawal or termination, as applicable. Those amounts shall be paid to the Program Fund by the Member within fifteen days of receipt of a notice from the County as to the amounts to be paid unless the County sets forth in its notice a different period of time for such payments to be made. If the Member fails to make such payments, the Joint Program shall not have any obligation to pay any claims for Health Care Benefits on behalf of the Member or its eligible officers, employees or eligible dependents thereof, regardless of when those claims were incurred, and the County may pursue any remedies available to recover from the Member amounts it owes the Joint Program. For purposes of this Section 7.2, "Per Capita IBNR" means the total incurred but not reported claims for the Fiscal Year immediately preceding the Fiscal Year in which the withdrawal or termination is effective, divided by the total number of participants covered under the Joint Program for such Fiscal Year, multiplied by the number of participants in the Member group at the time of such withdrawal or termination.

Section 7.3 Payment of Claims Following Notice of Withdrawal or Termination. With respect to a withdrawing or terminating Member in compliance with its obligations under this Agreement and the Joint Program, the Joint Program shall administer and pay eligible claims for Health Care Benefits incurred by officials and employees of such Member and their eligible dependents prior to the effective date of withdrawal or termination. All claims incurred by eligible officials and employees and dependents of the Member subsequent to the effective date of such Member's withdrawal or termination will not be administered or paid by the Joint Program.

## **ARTICLE VIII INCLUSION OF ADDITIONAL MEMBERS**

Any political subdivision within the County may apply to Board for participation in the Joint Program by submitting an application in writing to the Board. That application shall be accompanied by a duly adopted resolution of the applicant's legislative body requesting inclusion in the Joint Program and authorizing execution of this Agreement by the applicant. The applicant shall submit to the County its insurance claims experience and any other documentation or records requested by the County, or any claims administrator or consultant retained by the County. Thereafter the Board shall determine whether the applicant will be included in the Joint Program. If the Board determines to include the applicant, the applicant shall be included in the Joint Program and deemed a Member hereunder if (a) its participation is approved by each insurance company or reinsurance company which is entitled by contract to approve any such addition to the Joint Program, (b) the applicant executes this Agreement and (c) the applicant appropriates and remits to the Joint Program an initial monetary assessment for Program Costs in an amount determined by the County, which amount may include all or a portion of the assigned reserve amount, as well an initial contribution toward the Member's allocation of Program Costs. The applicant shall thereafter be a participating Member, with all attendant responsibilities and rights, as set forth in this Agreement, and shall be assessed its portion of Program Costs by the same method and using the same formula as any other Member.

## **ARTICLE IX AMENDMENT**

This Agreement may be modified, amended or supplemented only by written instrument and upon approval of the modification, amendment or supplement by the County.



**ARTICLE X  
TERM OF AGREEMENT**

The term of this Agreement shall begin on the Effective Date and end on the last day of the three (3) year period beginning on the Effective Date (the "Term"), unless the Board determines to terminate the Joint Program pursuant to Article XI prior to the end of the Term. The Term of this Agreement may be extended for subsequent terms, provided that both the County and the Participating Member agree in writing to such extension. In the event that a Member has completed the initial Term, and provides the required notice of withdrawal pursuant to Article VII, such Member may withdraw in accordance with the terms of such Article VII.

**ARTICLE XI  
TERMINATION OF JOINT PROGRAM**

In the event that the Board, by duly adopted resolution, determines that the Joint Program shall be terminated, the Board shall determine the date upon which this Agreement and the activities and operation of the Joint Program shall terminate. Upon termination of the Joint Program, the Program Fund shall be maintained by the County until the earlier of such time as all obligations under the Joint Program have been satisfied, or the Program Fund is depleted. Upon termination of the Joint Program, all claims of the Member's officials and employees and their dependents not covered under contracts with insurance carriers, and not satisfied by payment by the Program Fund, shall be the liability of the applicable Member, and the Members shall be deemed to have waived all rights and claims against the Joint Program for payment of claims.

**ARTICLE XII  
EFFECTIVE DATE**

This Agreement shall be effective as of the Effective Date set forth above, provided that on or before that date, this Agreement has been approved by the County and by the legislative body of at least one additional Member participating in this Joint Program. Each Member executing this Agreement shall deliver to the County a certified copy of the resolution of its legislative body approving this Agreement and an executed counterpart of this Agreement.

**ARTICLE XIII  
SIGNATORY RESPONSIBILITY**

Each Member and its officials and employees agree to cooperate with the County, the claims administrator, insurance or reinsurance company and all other contractors and consultants associated with the Joint Program. Each Member agrees to comply with the policies and procedures established for the Joint Program and to sign and deliver all necessary and proper documents for the administration of the Joint Program.

**ARTICLE XIV  
DISPUTES AND NON-LITIGATION**

Each Member and its officials and employees agree to resolve all disputes through final and binding arbitration governed by the rules of the American Arbitration Association. The Members agree to waive the right to litigate all disputes.

**ARTICLE XV  
NOTICES**

Any notice to a Member required to be in writing shall be deemed given if left at the office of the Clerk or other officer keeping the records of such Member or deposited in the United States Mail, by first-class mail, postage prepaid, addressed to that Clerk or other officer at the principal office of the Member.

**ARTICLE XVI  
COUNTERPARTS**

This Agreement, and any amendment thereto may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all counterparts taken together shall constitute one and the same Agreement.

**ARTICLE XVII  
GOVERNING LAW**

This Agreement shall be construed under and governed by the laws of the State of Ohio.

IN WITNESS WHEREOF, the undersigned representative of the Participating Member has signed this Agreement on behalf of such Participating Member, pursuant to the duly adopted authorizing resolution of its legislative body, on the date indicated below his signature.

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

CERTIFICATE

The undersigned, fiscal officer of the \_\_\_\_\_, Ohio (the Political Subdivision), under the aforesaid Agreement Regarding Officer and Employee Health Care Benefits Program of the County of Lorain, Ohio and Contracting Political Subdivisions certifies that the moneys required to meet the obligations of the Political Subdivision during the year \_\_\_\_\_ under that Agreement have been lawfully appropriated by the legislative body of the Political Subdivision for those purposes and are in the treasury of the Political Subdivision for those purposes of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Section 5705.41 and 5705.44, Ohio Revised Code.

Dated: \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_

Dated: \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_

Dated: \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_

Dated: \_\_\_\_\_  
\_\_\_\_\_ of the \_\_\_\_\_



# LORAIN COUNTY BOARD OF COMMISSIONERS

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**SIGNATURE/DATE**

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**SIGNATURE/DATE**

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**SIGNATURE/DATE**