

REGIONAL SCHOOL DISTRICT # 8 HEALTH AND MEDICAL INSURANCE CONSORTIUM

RECEIVED

REGULAR MEETING (VIRTUAL)

THURSDAY, SEPTEMBER 15, 2022, 9:30 a.m.

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HEBRON TOWN CLERK

REGIONAL SCHOOL DISTRICT # 8 HEALTH AND MEDICAL INSURANCE
CONSORTIUM REGULAR MEETING

Thursday, September 15, 2022 9:30 AM (EDT)

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AGENDA

1. Call to Order and Attendance to Ascertain a Quorum
2. Approval of Minutes
 - a. June 16, 2022 – Regular Meeting
3. Anthem Wellness Programs
4. Claims Review/Update
5. Spring Group: Monthly Reports/Invoicing
6. Treasurer's Report
7. Consortium Agreement and By-Laws (including Reserve Policy)
8. Any COVID Related Issues
9. Wellness Sub-Committee
10. Contract Negotiations Updates from Entities
11. Any Other Business
12. Next Meeting: October 20, 2022 – Regular Meeting
13. Adjournment

REGIONAL SCHOOL DISTRICT # 8 HEALTH AND MEDICAL INSURANCE CONSORTIUM
VIRTUAL REGULAR MEETING
June 16, 2022

Members Present: A. Tierney, D. Lanza, T. Baird, K. O'Leary, H. Hageman, E. Gallupe, S. Holmes, L. Davids, S. Leslie

Guests: C. Petruccione B & B, A. Baldwin and T. Weber Spring Group, J. Centofanti PKF O'Connor Davies

Call to Order and Attendance to Ascertain a Quorum

A. Tierney called the meeting to order at 9:31 a.m.

Approval of Minutes

T. Baird moved, second by S. Leslie, to approve the April 21, 2022, meeting minutes as presented. The motion passed unanimously.

Audit Report:

E. Gallupe introduced J. Centofanti who conducted the audit for the group. J. Centofanti reviewed the audit which covered the financial statements and provided a clean opinion. Healthy position at year end of \$3 million, with positive operations over the year, revenues, claims and admin expenses were up. Liability did decrease. Financially in a strong position and no compliance issues.

Claims Review/Update

C. Petruccione presented the claims summary reports, April and May claims were up but not unexpected, loss ratio of 73 % for the year with continued good experience. Four people over the stop loss level.

Spring Group Monthly Reports/Invoicing/Spring Agreement Increase and Renewal

C. Petruccione reported that Teri Weber and Ann Baldwin from Spring Group in attendance. Do not yet have May reports, did distribute the prior months information by email.

C. Petruccione explained Spring Group's history and responsibilities as TPA for the plan. On month to month basis they generate the invoices based on Anthem reports. They also track bank activity, claims and Anthem fees. The fees have remained flat over five years, they are looking for an increase to reflect the work they do for the Consortium.

Anne Baldwin stated up to year end, Anthem shuts down website for 30-60 days, invoices will current enrollment which will be trued up in August or September. Anne Baldwin original request was a 12 percent, settled at 11 percent, providing same services for the next three years at \$50,500 annually billed monthly to the consortium.

E. Gallupe moved, second by T. Baird to approve Spring Group's three-year contract at \$50,500 annually. The motion passed unanimously.

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HEBRON TOWN CLERK

Treasurer's Report and Audit Update

E. Gallupe reported doing well financially and presented Cash Flow Report dated May, 2022 with a total balance of \$5,064,003.16. Was approached by another consortium who is doing well to see if may be consideration for combining groups, may be reaching out to A. Tierney.

First Read of Consortium Agreement and By-Law Review (Including Reserve Policy)

Draft had been sent out to all members. T. Baird reported the group has talked a lot about the by-laws, ready to review them over the next few months and adopt them. This month first read, second read in September with adoption by the Consortium then bring to respective Boards for approval.

COVID Related Issues None

Approve 2022-2023 Meeting Schedule

T. Baird moved, second by E. Gallupe, to approve the 2022-2023 meeting schedule as presented: September 15, 2022, October 20, 2022, November 17, 2022, December 15, 2022, January 19, 2023, February 16, 2023, March 16, 2023, April 20, 2023, May 18, 2023, June 15, 2023.

The motion passed unanimously.

A. Tierney thanked S. Leslie for his dedication to the schools and Consortium over the years.

Wellness Sub-Committee None

Contract Negotiations Updates from Entities

Hebron BOE tentative agreement with teachers, non-certified continue to work with. RHAM administrators enter negotiations in July, all others set for two to three years. Marlborough BOE all four units negotiated last fall all set for two years. Andover schools are all good, Andover Town still awaiting negotiations to start for non-certs. Hebron is good for now.

Next Meeting: September 15, 2022 – Regular Meeting

Adjournment:

T. Baird moved, second by E. Gallupe, to adjourn the meeting at 10:01 a.m. The motion passed unanimously.

Respectfully submitted,

Donna Lanza

Donna Lanza

From: Chuck Petruccione <Chuck.Petruccione@bbrown.com>
Sent: Tuesday, July 05, 2022 2:47 PM
To: bruneauv@andoverelementaryct.org; Donna Lanza; Andy Tierney
Subject: Anthem Wellness Funds - Usage and Protocols
Attachments: CT.Anthem.Wellness Dollar Guidelines.2021.pdf

Valerie, Donna & Andy,

I wanted to reach out and pass along the attached info from Anthem. For the 2022-23 plan year, Anthem has included \$10,000 in wellness funds in your renewal package. Anthem has become a little more strict recently in how they allow groups to use those funds, so I wanted you to have the attached guidelines. The most important items to note on this:

- Anthem no longer allows groups to just purchase gift cards as giveaways for wellness events. They give some suggestions of the types of items you can use the money on in the "Inventive and Giveaways" section of the attached, but you should always get permission in advance from Anthem before making a purchase.
- Toward the bottom of Pg. 1 here, Anthem is saying there should be a meeting held with their wellness coordinators prior to the end of September, to strategize on the best use of the funds. Technically they could deny the use of the funds without such a meeting. My guess is they wouldn't actually do that, but having a strategy session is probably a good idea anyway, so we should probably see if we can have them attend the September meeting of the consortium.
- It says in here that clients are required to submit finalized itemized receipts no later than 30 days before the end of the contract year – so they want everything in by June 1. Now, if we had strategized with Anthem in advance and had a specific need for them in the month of June I'm sure that would be fine, but no need to push the envelope if we don't have to.

OK, let me know your thoughts here – talk to you soon.

When Brown & Brown has processed an add, termination or change of status on your behalf, please remember to check your carrier invoices to ensure that all requested adds, terminations & changes were processed correctly.

Chuck Petruccione

VBS

He/Him/His

Municipal Benefits Department Manager

chuck.petruccione@bbrown.com

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55 Capital Boulevard, Suite 102

Rocky Hill, Connecticut 06067

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Worksite Wellness Programs

Anthem Blue Cross and Blue Shield (Anthem) is committed to the success of your efforts to improve the health of employees and their families by supporting worksite wellness programs. Your Wellness Program Consultant is available to assist large employers throughout the contract year with worksite wellness development and growth specific to their population at no extra cost using Anthem programs and services.

Below, please find a list of wellness programs and incentive ideas Anthem's clients can choose from that are eligible for financial support from Anthem through a worksite wellness budget.* These wellness programs include:

- Onsite educational programs: weight management, stress, improved sleep, cancer prevention, tobacco cessation, diabetes, heart health, healthy eating
- Company-wide challenges, i.e. weight loss, fitness
- Lunch and learns
- Fitness club membership subsidies
- Onsite exercise programs
- Healthy food/cooking demonstrations
- Health fairs offering medical screenings, nutritional education, etc.
- Onsite chair massage
- Biometric health screenings
- Mammography Van visits
- Flu shots and other immunizations
- Onsite fitness and yoga classes
- Anthem Health & Wellness Programs (such as Employee Assistance Program or Gym Reimbursement)
- LiveHealth Online: on-site kiosk, mailings, incentives for registration

Incentive and Giveaways*

Incentives used to encourage participation in wellness programs must be approved by your Anthem Account Management Team.

- Personal exercise items: dumbbells, resistance bands, etc.
- Exercise clothing and shoes, upon pre-approval only
- Fitness wearables
- Reusable water bottles
- Reusable lunch totes
- Personal health tracking journals
- Branded items: pedometers, exercise lights, specific wellness-branded apparel, etc.

**Due to regulatory limitations, any Rewards/Incentives in the form of a gift card are not eligible for reimbursement by Anthem and will not be approved.*

Anthem clients must adhere to the following guidelines in order to obtain financial support from Anthem for wellness programs and incentives:

- The client must hold a group meeting with the Wellness Program Consultant within the first three months of the client benefit contract year to ensure the greatest possible impact to improve employee health. During this meeting, we would like to understand wellness program goals and how we can support these goals.
- Financial support provided by Anthem must be used within the specified contract year and will not be carried over into the following contract year.



- As an exception, all requests for financial support to implement wellness proposals outside of Anthem program and services must be approved in advance by the Anthem Account Management Team. Only valid receipts, clearly showing the date of purchase and item description will be accepted as proof of payment.
- Receipts must be dated within the specified contract year.
- Clients are required to submit final itemized receipts (not credit card or bank statements), no later than thirty (30) calendar days prior to the end date of the groups respective contract year. Any receipts submitted less than thirty (30) calendar days prior to the end date of a group's contract year, or after the end date of the contract year, will not be considered for wellness reimbursement.
- If a client decides not to renew for the subsequent contract year, all unused wellness dollars shall be forfeited up to 60 days prior to the termination date.

Billing Process

The group can request reimbursement from Anthem after paying the vendor for wellness services. The group should proceed with paying the invoice and then billing Anthem for the amount to reimburse. The Account Manager/Account Service Rep should confirm the Group has a current W9 on file. The Group would need to create an invoice billing Anthem for reimbursement with supporting documentation for the request.

1. Group pays the vendor for wellness service(s)
2. Group sends a copy of paid invoice(s) to the Account Service Rep
 - a. Invoice Requirements: Invoice should be on company letterhead, date of invoice, brief description of service, date of service, must say: Billed To: **Anthem Blue Cross Blue Shield, 108 Leigus Road, Wallingford CT, 06492**
"Remit Payment To: Name, address, city, state, zip code" of the group
3. For first time requests for reimbursement, group needs to completed and sign a W9 (tax ID) form.
4. The Account Representative works with Anthem's Billing Team for reimbursement
5. Payment is typically received upon four weeks from submission of invoice

Please confirm your budget with your Anthem account representative.

Anthem reserves the right to approve/disapprove all disbursements of wellness dollars. Employer wellness programs may be subject to the requirements of various state and federal laws including the HIPAA Nondiscrimination Rules, the Americans with Disabilities Act (ADA), and the requirements of the Internal Revenue Code.

Employers are responsible for assuring the compliance of their wellness programs with all applicable laws and regulations, and should consult with their general counsel, as needed, for legal advice and assistance. In providing wellness financial support, Anthem does not endorse any employer's wellness program(s) or express any opinions as to its legal or compliance status. Anthem reserves the right to terminate at any time any financial support or involvement in any wellness or incentive initiative in its sole and exclusive discretion.

Region 8 Consortium
Cash Flow Report - July 31, 2022

<i>BANK ACCOUNTS</i>	<i>6/30/22 BANK ACCOUNT BALANCE</i>	<i>DEPOSITS</i>	<i>WITHDRAWALS</i>	<i>TRANSFERS</i>	<i>INTEREST INCOME</i>	<i>7/31/22 BANK ACCOUNT BALANCE</i>
Webster Bank Operating Account	1,414,306.98	661,109.57	(684,095.14)	(300,000.00)	0.00	1,091,321.41
Webster Bank Disbursement Account	0.00	684,095.14	(684,095.14)	0.00	0.00	0.00
Webster Bank Investment Account	3,507,995.59	0.00	0.00	300,000.00	2,444.62	3,810,440.21
TOTAL:	4,922,302.57					4,901,761.62

Region 8 Consortium
Cash Flow Report - June 30, 2022

<i>BANK ACCOUNTS</i>	<i>5/31/22 BANK ACCOUNT BALANCE</i>	<i>DEPOSITS</i>	<i>WITHDRAWALS</i>	<i>TRANSFERS</i>	<i>INTEREST INCOME</i>	<i>6/30/22 BANK ACCOUNT BALANCE</i>
Webster Bank Operating Account	1,127,501.54	470,509.47	(683,704.03)	500,000.00	0.00	1,414,306.98
Webster Bank Disbursement Account	0.00	613,704.03	(613,704.03)	0.00	0.00	0.00
Webster Bank Investment Account	3,936,501.62	70,000.00	0.00	(500,000.00)	1,493.97	3,507,995.59
TOTAL:	5,064,003.16	1,154,213.50	(1,297,408.06)	0.00	1,493.97	4,922,302.57

Transfer from Investment to Operating was to ensure Operating did not go under \$1,000,000 to avoid fees. Balance on that day was approx. \$1,003,000.

Regional School District 8 Health and Medical Insurance Consortium
Agreement and By--Laws

This agreement is made as of March 9, 2017; revised November 9, 2017; and revised __, 2022; by and among the Members, as hereinafter defined and identified.

Whereas, Connecticut Public Act 10-174 provides that a municipality or local or regional board of education may join together with any combination of other municipalities and local or regional boards of education by written agreement as a single entity for the purpose of providing medical or health care benefits for their employees and eligible retirees ("Enrollees"); and

Whereas, the legislative body or board of education of each Member, as defined below, has duly authorized the establishment of the Regional School District 8 Health and Medical Insurance Consortium (hereinafter the "Consortium") pursuant to Connecticut Public Act 10-174 to facilitate the purchasing of health and medical insurance coverage for the parties; and

Therefore, the parties hereto, in consideration of the mutual covenants hereinafter set forth, and intending to be legally bound, covenant and agree as follows hereafter.

Article 1.

Purpose

- 1.1 The purpose of the Consortium is to allow Members to pool their various enrollee counts in order to achieve cost savings and risk sharing in the purchasing of health, dental and welfare products insurance coverage. Any claims paid for a Member will be funded from the Consortium Fund and the risk of claims shall be shared by the Consortium collectively, not by member. The Consortium shall review the collective claims experience of the Members and any other issues of common interest, including without limitation, wellness initiatives, the merits of full or partial self-insurance, retention of an insurance broker and predicting, calculating and negotiating the health, dental and welfare insurance expenses of the respective Members for the next fiscal year.
- 1.2 The undersigned municipalities and boards of education agree to exercise their powers pursuant to Connecticut Public Act 10-174, as amended, to act in a cooperative manner to procure medical or health care insurance ("Plan(s)") for their respective enrollees in a manner designed to stabilize and contain the cost of such insurance.
- 1.3 Eligibility requirements shall be determined by each Member's collective bargaining agreement or their personnel policies and procedures.
- 1.4 In the event the Consortium determines that it shall engage an insurance broker to assist the Members in acquiring health insurance for their respective members, the contract for and performance of that insurance broker shall be evaluated at least annually.
- 1.5 Notwithstanding anything herein to the contrary, each Member shall be responsible for contracting for and paying for the health insurance premiums for their respective employees. Eligible retirees will be responsible for payment of health insurance premiums pursuant to the applicable retirement policies from whichever Member the retiree retired.

Article 2.

Name, Address, Fiscal and Plan Year

- 2.1 The name of the Consortium shall be Regional School District 8 Health and Medical Insurance Consortium.
- 2.2 The principal office of the Consortium is the Hebron Town Offices, 15 Gilead Street, Hebron, CT 06248. The Consortium may have other such offices within the State of Connecticut as determined by the Board of Directors ("Board") as defined in Article 7.
- 2.3 The Fiscal Year of the Consortium shall commence on July 1 and end on June 30.
- 2.4 The Plan(s) shall commence on July 1 and end on June 30 (the "Plan Year").

Article 3.

Membership

- 3.1. Any entity that is permitted by law to cooperate in the provision of health benefits to its employees, including, but not limited to, Connecticut Public Act 10-174, as amended, may become a "Member." Membership shall at all times be subject to the terms and conditions set forth in this Agreement, any amendments hereto and applicable municipal, state and federal law.
- 3.2. The original Members shall be the Town of Andover, the Town of Hebron, the Town of Marlborough (collectively, the "Towns"), the Andover Board of Education, the Hebron Board of Education, the Marlborough Board of Education (collectively, the "Boards"), Connecticut Regional School District Number 8 ("RHAM") and Andover, Hebron and Marlborough Youth and Family Services (aka AHM).
- 3.3. Participation in the Plan(s) by some, but not all collective bargaining units or employee groups of a Member is not encouraged and shall not be permitted without the prior consent of the Board. After receiving Board approval, any Member which negotiates an alternative health insurance plan offering other than a plan offering of the Consortium with a collective bargaining unit or employee group may be subject to a risk charge as determined by the Board.
- 3.4. The Board, by a majority vote of the Board membership, may elect to permit a municipality or board of education to become a Member subject to satisfactory proof, as determined by the Board, of such municipality or board of education's financial responsibility. Such municipality or board of education must agree to continue as a Member for a minimum of three (3) years upon entry.
- 3.5. Initial membership of additional members shall become effective on the first day of the Fiscal Year following the adoption by the Board of the resolution to accept the municipality or board of education as a Member.

- 3.6. A municipality or board of education that was previously a Member, but is no Longer a Member and which is otherwise eligible for membership in the Consortium, may apply for re-entry after a minimum of three (3) years has passed since it was last a Member. Such re-entry shall be subject to the approval of two-thirds (2/3) of the entire Board. This re-entry waiting period may be waived by the approval of two-thirds (2/3) of the entire Board. In order to re-enter the Consortium, a municipality or board of education employer must have satisfied in full all of its outstanding financial obligations to the Consortium. A re-entering municipality or board of education must agree to continue as a Member for a minimum of three (3) years upon re-entry.

Article 4.

Withdrawal from Membership

- 4.1. After the initial three-year requirement, a Member may withdraw from the Consortium effective as of the last day of the Fiscal Year of the Consortium and after having given all other Members and the Consortium written notice not later than the last day of the previous fiscal year. Failure to provide timely written notice of withdrawal shall automatically extend the Member's membership and obligations under the Agreement for another Fiscal Year unless the Board shall waive the requirement by a two-thirds (2/3) vote of the Board.
- 4.2. Any withdrawing Member shall be responsible for its pro rata share of any Plan(s) deficit that exists on the date of the withdrawal, subject to the provisions of subsection 4.3 of this Article. The Consortium surplus or deficit shall be the actual expenses and the estimated liability of the Consortium as determined by the Board. These expenses and liabilities will be determined no later than one (1) year after the end of the Plan Year in which the Member last participated. A Member's pro rata share shall be based on the Member's relative premium or premium equivalency contribution to the Consortium as a percentage of the aggregate total net premium or premium equivalency contributions to the Consortium during the period of membership.
- 4.3. The surplus or deficit shall include recognition and offset of any claims, expenses, assets and penalties incurred at the time of withdrawal, but not yet paid. This percentage amount may then be applied to the surplus or deficit which existed on the date of the Member's withdrawal from the Consortium. There shall be no distribution of surplus funds. Any pro rata deficit amount shall be billed to the Member by the Consortium not later than one year after the effective date of the withdrawal and shall be due and payable within thirty (30) days after the date of such bill.

Article 5.

Dissolution; Renewal; Expulsion

- 5.1 The Board, at any time, by a two-thirds (2/3) vote of the entire Board, may determine that the Consortium shall be dissolved and terminated. If such determination is made, the Consortium shall be dissolved ninety (90) days after written notice to the Members effective at the end of the Plan Year.
- 5.2 Upon determination to dissolve the Consortium, the Board shall provide notice of its determination to the legislative bodies of the Members. The Board shall develop and submit to the legislative bodies for approval a plan for winding-up the Consortium's affairs in an orderly manner designed to result in timely payment of all benefits.
- 5.3 Upon termination of this Agreement, or the Consortium, each Member shall be responsible for its pro rata share of any deficit or shall be entitled to any pro rata share of surplus that exists, after the affairs of the Consortium are closed. No part of any funds of the Consortium shall be subject to the claims of general creditors of any member until all Consortium benefits and other Consortium obligations have been satisfied. The Consortium's surplus or deficit shall be based on actual expenses. These actual expenses will be determined no later than one year after the end of the Plan Year in which this Agreement or the Consortium terminates.
- 5.4 Any surplus or deficit shall include recognition of any claims and expenses incurred at the time of termination, but not yet paid. Such pro rata share shall be based on each Member's relative premium or premium equivalency contribution to the Consortium as a percentage of the aggregate net total premium contributions to the Plan during the period of membership participation. This percentage amount would then be applied to the surplus or deficit which exists at the time of termination.
- 5.5 The continuation of the Consortium under the terms and conditions of the Agreement, or any amendments or restatements thereto, shall be subject to Board review on the fifth (5th) anniversary of the effective date and on each fifth (5th) anniversary date thereafter (each a "Review Date").
- 5.6 At the annual meeting a year prior to the Review Date, the Board shall include as an agenda item a reminder of the Members' coming obligation to review the terms and conditions of the Agreement.
- 5.7 The Members acknowledge that it may be necessary in certain extraordinary circumstances to expel a Member from the Consortium. In the event the Board determines that a Member has acted inconsistently with the provisions of the Agreement in a way that threatens the financial well-being or legal validity of the Consortium; or a Member has acted fraudulently or has otherwise acted in bad faith with regards to the Consortium, or toward any other Member concerning matters relating to the Consortium, the Board may vote to conditionally terminate said Member's membership in the Consortium. Upon such a finding by the affirmative vote of two thirds (2/3) of the Board (exclusive of the Member under consideration), the offending Member shall be given sixty (60) days to correct or cure the alleged wrongdoing to the satisfaction of the Board. Upon the expiration of said sixty (60) day period, and an absent a satisfactory cure, the Board may expel the Member by an affirmative vote of two thirds (2/3) of the Board (exclusive of the Member under consideration). This section shall not be subject to the weighted voting provision provided in Article 11. Any liabilities associated with the Member's departure from

the Consortium under this provision shall be determined by the procedures set forth in Article 4 of this Agreement.

Article 6.

Member Liability

- 6.1 The Members shall share in the costs of, and assume the liabilities for health benefits provided under the Plan(s) to covered officers, employees, and their dependents. Each Member shall pay on demand such Member's share of any assessment or additional contribution ordered by the Board. The pro rata share shall be based on the Member's relative premium or premium equivalency contribution to the Plan(s) as a percentage of the aggregate net total premium or premium equivalency contribution to the Plan(s), as is appropriate based on the nature of the assessment or contribution.
- 6.2 New Members (each a "New Member") who enter the Consortium may, at the discretion of the Board, be assessed a fee for additional financial costs above and beyond the premium or equivalent premium contributions to the Plan(s). Any such additional financial obligations and any related terms and conditions associated with membership in the Consortium shall be determined by the Board, and shall be disclosed to the New Member prior to its admission. Upon admission to the Consortium, each "New Member" shall be included in the term "Member" for purposes of this Agreement.
- 6.3. Each Member shall be liable, on a pro rata basis, for any additional assessment required in the event the Consortium funding falls below those levels as follows:
 - 6.3.1 In the event the Consortium does not have admitted assets at least equal to the aggregate of its liabilities ~~and reserves and minimum surplus~~ required to meet its obligations ~~within the current Plan Year~~, the Board ~~may shall~~, within thirty (30) days, order an assessment (an "Assessment Order") for the amount that will provide sufficient funds to remove such impairment and collect from each Member a pro-rata share of such assessed amount ~~in alignment with Article 12~~.
 - 6.3.2 Each Member that participated in the Consortium at any time during the two (2) year period prior to the issuing of an Assessment Order by the Board shall, if notified of such Assessment Order, pay its pro rata share of such assessment within ninety (90) days after the issuance of such Assessment Order. This provision shall survive termination of the Agreement of withdrawal or expulsion of a Member.
 - 6.3.2 For purposes of this Article, a Member's pro-rata share of any assessment shall be determined by applying the ratio of the total assessment to the aggregate total net premium or premium equivalents contributed during the period covered by the assessment on all Members subject to the assessment to the premium or premium equivalent contributed during such period attributable to such Member.

Article 7.

Board of Directors

- 7.1 Each Member shall be represented at Consortium meetings by one (1) authorized officer, employee or elected official of that Member (the “Director”). The Board of Directors shall consist of the authorized officers (Directors).
- 7.2 Any Director who leaves employment or elected office of a Member of the Consortium will be considered as having resigned his or her position as a Director on the effective date of his or her leaving employment or elected office.
- 7.3 Each Director shall serve at the will of the appointing Member and may be removed from office at any time by the appointing Member, and written notice of such action shall be delivered to the Chairman and the Secretary of the Board. A Director may serve more than one term.
- 7.4 No vacancy or vacancies in the Consortium shall impair the power of the remaining Directors, acting in the manner provided by this agreement, to administer the affairs of the Consortium notwithstanding the existence of such vacancy or vacancies. Members shall appoint a replacement Director within ninety (90) days of the vacancy date.
- 7.5 Indemnification: The Members and the Directors shall not be liable for the acts or omissions of any Consultant, Third-Party Administrator, attorney, certified public accountant, investment manager, or other consultant, agent, or assistant employed in pursuance of this Agreement, if such Consultant, Third- Party Administrator, attorney, certified public accountant, investment manager, or other consultant, agent, or assistant was selected pursuant to this Agreement and such person's performance was periodically reviewed by the Member or Director who found such performance to be satisfactory.
- To the extent permitted by the laws of the State of Connecticut, Regional School District # 8 Health and Medical Insurance Consortium shall indemnify any Executive Officer, Member, Director, or Employee of the Consortium who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding (other than an action by or in the name of the Consortium) by reason of the fact that he or she is an Executive Officer, Member, Director or Employee of the Consortium against expenses including attorney fees, judgments, fines and amounts paid in settlement activity and reasonably incurred by him or her in connection with any such claim, actions suit or proceeding; provided that no indemnification shall be provided with respect to any civil matter in which he or she shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his or her action was in the best interest of the Consortium or in any criminal matter not to have had reasonable cause to believe that his or her conduct was lawful.
- 7.6 No Director, or any member of the Director’s immediate family, shall be an owner, officer, director, partner or employee of any contractor or agency retained by the Consortium.

Article 8.

Officers

- 8.1. Structure: The Consortium shall include a Chairperson, a Vice Chairperson, a Secretary and a Treasurer; plus other such officers as may be deemed necessary by the Board. Executive Officers shall not be compensated for their service.

- 8.2. Election and Term of Office: The Consortium's officers specifically designated in Section 1 of this Article shall be elected every two years by the Board at its annual meeting or as soon thereafter as is practical. These Executive Officers shall comprise the Executive Committee of the Consortium.
- 8.3 Removal: Any Executive Officer may be removed at any time when in the judgment of the Board the best interest of the Consortium shall be served. Such removal shall be effected by a two-thirds (2/3) decision of the Directors at any meeting of the Board, provided that written notice of such meeting and purpose shall have been given to the Executive Officer(s) whose removal is to be considered. Such notice shall be met by sending it by first class mail to the Executive Officer's most recent address shown on the records of the Consortium.
- 8.4 Vacancies: Any position vacated by an officer may be filled by a majority decision of the Board for the unexpired portion of the term in the manner prescribed in these by-laws.
- 8.5 Chairperson: The Chairperson shall preside over all regular and special meetings of the Board, and shall call special meetings of the Board at his own discretion or upon petition as set forth in these by-laws.
- 8.6 Vice Chairperson: The Vice Chairperson will fulfill the duties of the Chairperson in the absence of the Chairperson.
- 8.7 Secretary: The Secretary shall perform all duties incident to the office of Secretary including, but not limited to, being the custodian of the Consortium's records, keeping minutes of the proceedings of the Board as well as other such duties from time to time as may be assigned by the Executive Committee of the Board.
- 8.8 Treasurer: The Treasurer shall have charge and custody of, and shall be responsible for, all funds and financial instruments of the Consortium. The Treasurer shall also have charge of the books and records of account of the Consortium, which shall be kept at the principal office or other location as directed by the Board. The Treasurer shall provide a financial report of the Consortium to the Board at each regularly scheduled board meeting. The Treasurer is responsible for the filing of all reports and returns relating to or based upon the books and records of the Consortium kept under the direction of the Treasurer and other such duties from time to time as may be assigned by the Executive Committee or Board.
- 8.9 The Executive Committee may, with majority approval of the Board, appoint and disband such Board committees as necessary to carry out the business of the Consortium.

Article 9.

Contracts and Use of Outside Experts/Staff: Authority

- 9.1 Contracts: The Board may enter into contracts and agreements in the name of and on behalf of the Consortium. Unless specifically authorized by the Board, no officers or agents shall have any authority to enter into any contracts on behalf of the Consortium.
- 9.2 Plan Administrators: Upon authorization of the Board, the Executive Committee may engage the services of a consultant, third party administrator, or other consultant, agent, assistant, or manager and other experts not otherwise employed by any of the Members

or the Consortium who, acting on behalf of the Board, shall have responsibility for carrying out the business affairs of the Consortium. Compensation shall be approved by the Board.

- 9.3 Use of Outside Experts: Upon authorization of the Members at an annual meeting, the Executive Committee may engage the services of attorneys, actuaries, accountants, investment managers and other experts not otherwise employed by any of the Members or the Consortium, to assist in the administrative, financial, legal, or other matters affecting the Consortium. Compensation shall be approved by the Board.
- 9.4 Loans: No loans shall be contracted on behalf of the Consortium and no indebtedness shall be issued in its name unless authorized by a specific resolution of the Board of Directors.
- 9.5 Checks, Drafts or other Similar Orders: All checks, drafts, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Consortium, shall be signed by Secretary or Treasurer and an appointed member of the Board.

Article 10.

Meetings and Quorum

- 10.1 The Consortium shall ~~meet~~ hold regular meetings consisting of monthly meetings, from September to June; held on the second Thursday of each month, ~~or at such other times as they deem it necessary to transact their business, at a place to be determined by the Members~~ and one annual meeting held in December. Any matters relating to the affairs of the Consortium may be brought up for discussion and added to the agenda by a two-thirds (2/3) vote of those present at such regular meeting of the Consortium. Special meetings may be called by the Chairperson, provided the notice of the special meeting is delivered to all Board members at least five business days before the day on which the meeting is scheduled to occur. Every notice of a special meeting shall state the time and place of the meeting and the purpose of the meeting. The Executive Officers of the Consortium may, and upon the written request of any two (2) Members shall, call a special meeting of the Consortium at any time giving at least five (5) days written notice of the time and place and purpose thereof to the remaining Members. The Executive Officers of the Consortium may, and upon the written request of any two (2) Members shall, call an emergency meeting of the Consortium at any time giving at least one (1) day written notice of the time and place thereof to the remaining Members.
- 10.2 Notwithstanding the provisions of Paragraph 10.1, to the extent required by law, meetings will be held consistent with the requirements of Connecticut's Freedom of Information Act. Discussions of medical or health information, as defined in Connecticut General Statutes 1-210(b)(2), as amended; as subject to HIPAA Privacy Protections; or as otherwise protected as confidential under law; will be held in executive session.
- 10.3 Agendas for meetings of the Consortium shall be distributed and posted at least twenty-four (24) hours in advance or as otherwise required by law. Agendas and minutes shall be filed with the Town Clerk in Andover, Hebron and Marlborough.
- 10.4 There shall be at least one annual meeting in December of each year to:

10.4.1 ~~Elect officers.~~

10.4.2 Receive and undertake a

~~adopt the preliminary final review of a proposed~~ budget for the next Fiscal and Plan Year for the Consortium ~~prepared in accordance with article 12.~~

10.4.23 ~~A~~address any financial related matters of the Consortium which may arise.

~~10.4.3 Consider or enact such other business as shall be deemed advisable at such meeting. Any matters relating to the affairs of the Consortium may be brought up for discussion and added to the agenda by a two-thirds (2/3) vote of those present at the annual meeting or of any other meeting of the Consortium.~~

10.5 ~~In addition to the monthly meetings in September through June, a special meeting will be held each December to establish the rates for health insurance for the next Plan Year. The meetings~~ Meetings will take place at the Hebron Town Offices. Alternate meeting sites may be designated by the Consortium. ~~Special meetings may be called by the Chairperson, provided the notice of the special meeting is delivered to all board members at least five business days before the day on which the meeting is scheduled to occur. Every notice of a special meeting shall state the time and place of the meeting and state the purpose of the meeting.~~ Meetings and voting may take place electronically or by telecommunications in the event of extraordinary circumstances and shall be determined by the Chairperson. In the conduct of its meetings, the Consortium shall be guided by Robert's Rules of Order unless such provisions are inconsistent with these by-laws or any subsequent modifications to these by-laws.

10.6 Quorum: The majority of the entire Consortium shall constitute a quorum, and no action except a vote to adjourn or fix the time and place of the next meeting shall be adopted by less than a majority of the entire Consortium Members.

Article 11

Voting

11.1 Any action taken by the Board shall be by affirmative vote of a majority of the entire Consortium Members unless this Agreement specifies a minimum affirmative percentage requirement.

11.2 Each Member has one (1) vote unless a Member has a pro rata share of premium or premium equivalency contribution of greater than one-third (1/3) percentage of the aggregate total net premium or premium equivalency contribution to the Consortium, for health insurance plans during the preceding Plan Year, as determined by the Board based on annual reports designated by the Board, in which instance that Member will be granted two voting shares. The pro rata share will be determined on the first month of the Fiscal Year.

Article 12

Budgeting and Reserves

12.1 The Members agree there is benefit in maintaining viable self-funded health benefit programs for their respective employees and qualified retirees. Historically, self-funded health benefit programs have resulted in lower operating expenses, more control over operating funds related to benefits, better stability in budget and fiscal results, and greater flexibility in addressing plan costs over multiple cycles or plan

years.

Further, the Members recognize that a key objective of the self-funded health benefit program is to meet the obligations of plan participants while also minimizing the costs of the plans to the taxpayers.

To maintain viable self-funded programs, the Members also recognize that there must be adequate and consistent budgeting of plan expenses and maintenance of appropriate plan-level reserves.

It is the intention of the parties to maintain maximum flexibility regarding making changes to their underlying health plan designs, which would include but not be limited to the ability to make changes to their health benefit plans, to their benefit plan administrators, to their risk retention levels, to their health benefit consultants used by the plans and to make changes to their health benefit plan vendors. Accordingly, nothing in this article shall be construed, interpreted or applied to prevent any party from making any changes to their underlying health plans. If one party wishes to make a change that will affect the other parties, the change will be discussed by the Consortium Board of Directors.

- 12.2 The purpose of this article is to provide guidance for determining and establishing the appropriate level of reserves that should be maintained in the employee health self-insurance accounts, and for defining the processes: (a) to maintain their adequacy, (b) to address plan expenses in the event of a reserve inadequacy or surplus position; and (c) to address operational questions related to the reserves.

- 12.3 It is the intention of the Members to adequately fund the liabilities of their respective health insurance plans and provide sufficient financial resources to fund unexpected paid claim levels above those budgeted for a given fiscal/plan year cycle. Accordingly, the Members will fund; 1.) Incurred But Not Reported (“IBNR”) reserves, 2.) Aggregate Stop Loss Corridor (ASLC) and 3.) Claim Fluctuation Margin (CFM) at adequate levels as described below. The Consortium Board of Directors with advice from the consultants will agree on specific methodologies when determining exactly how the three components described above will be calculated.

The IBNR reserve shall be established no later than ~~March 31~~ ~~the regular meeting in March~~ of the preceding fiscal year, at levels deemed appropriate by The Consortium Board of Directors, after consultation with the insurance consultants and insurance carriers/vendors.

The ASLC is determined by calculating the difference between the projected claims provided by carrier/consultant and the Aggregate Stop Loss, which for the July 1, 2021 – June 30, 2022 policy period is 115%. ~~The ASLC rate will remain at 115% unless amended by the Members at a later date.~~

In consideration that a plan year following a year with unfavorable claims experience, in which all or most of the reserve account balance was expended, would result in a substantial health care budget increase, the Members recognize that a CFM Reserve component is desirable. Although there will be no formal maximum set for the CFM, this account target must have at least fifteen percent (15 %) of projected paid claims.

Funds cannot be considered for withdrawal from the reserve account balance for self-insurance purposes until the Total Reserve Target (TRT = sum of IBNR, ASLC and CFM) is fully funded.

An illustration of the calculation of the TRT funding level is provided below:

Assumptions:

- a. Projected Paid claims of \$8,000,000
- b. Agreed upon IBNR: \$450,000
- c. Aggregate Stop loss at 115%
- d. CFM at 15% of projected paid claims

IBNR:	\$450,000
ASLC	\$1,200,000 (8,000,000 * 15%)
CFM	\$1,200,000 (8,000,000 * 15 %)

Total Reserve Target (TRT) \$2,850,000

If the account balance falls below the TRT, then the reserve account should be replenished to the TRT amount over a period not to exceed two fiscal years. (Must budget for a minimum of 50 % of the shortfall in the coming year.)

It is agreed that reserve accounts cannot be utilized for any purpose other than employee health related expenses. When the Total Reserve Target is fully funded the members MAY reduce their future fiscal years individual requests by:

1. Offsetting future rate actions and/or
2. Offering a premium holiday and/or
3. Support of other employee health related expenses. ~~in an amount not to exceed one quarter of one percent (.25%) of projected claims.~~

The impact to any of the above will be a reduction of the reserve account balance to no less than a minimum of the funding goals discussed above.

- 12.4 During the annual budget preparation the Members goal will be to include in their respective budget requests sufficient budget amounts to cover expected claims for the upcoming year, plus additional funds to fully fund the Total Reserve Target (TRT) pursuant to this article. ~~Prior to March 31, the Board of Directors will adopt final premium rates for the following fiscal year. The detailed calculation to arrive at the established rates and the total reserve target for the upcoming Plan Year will be presented during a meeting of the Board of Directors and included in minutes of the meeting.~~

In addition, the budget amounts to fund the cost for the upcoming Health Insurance policy period should include other costs outlined below:

1. Commissions
2. Consulting Fees
3. Individual and Aggregate Stop Loss Coverage Premiums
4. Other fees or costs associated with the administration of the plans

Therefore, the Members agree that they will meet the TRT and include other fees and costs associated with health benefits before considering any action to utilize excess reserve account balance funds in the next fiscal year.

In addition, each entity should adequately budget any other insurance related expenses that occur outside of the Consortium funding.

Article 13.

Reporting and Records

- 13.1 The Board is authorized to designate any annual or ad hoc reporting as determined necessary by a majority vote of the Board.
- 13.2 The Board shall have custody of all records and documents, including financial records, associated with the operation of the Consortium. Each Member may request records and documents relative to their participation in the Consortium by providing a written request to the Executive Committee. The Consortium shall respond to each request no later than thirty (30) days after receipt thereof, and shall include all information which can be provided under applicable law.

Article 14.

Confidentiality

- 14.1 Nothing contained in this Agreement shall be construed to waive any right that a covered person possesses under the Plan(s) with respect to the confidentiality of individually identifiable information or personal health information and medical records and that such rights will only be waived upon the written consent of such covered person except as required or permitted by law.

Article 15.

Amendment of this Agreement.

- 15.1 This Agreement may be amended, in whole or in part, by an instrument in writing duly executed on behalf of a two-thirds (2/3) vote of the Board, with the approval of the legislative or governing boards.

Article 16.

Termination

- 16.1 This Agreement may be terminated by an instrument in writing duly executed on behalf of a two-thirds (2/3) vote of the Board.

Article 17.

Miscellaneous

- 17.1 This Agreement and the Consortium is created in accordance with the laws of the State of Connecticut.
- 17.2 Each Member specifically agrees that it is its intent that this Agreement, under all

circumstances and in every respect, shall comply with all applicable statutes, governmental regulations and judicial decisions. However, in the event any provision of this Agreement be held to be unlawful, or unlawful as to any person or instance, such fact shall not adversely affect the other provisions herein contained or the application of such provisions to any other person or instance.

- 17.3 Whenever any words are used in this Agreement in the masculine gender, they shall be construed to include the feminine or neuter gender in all situations where they would so apply; whenever any words are used in the singular, they shall be construed to include the plural in all situations where they would so apply; and whenever any words are used in the plural, they shall also be construed to include the singular.
- 17.4 Whenever the word "person" is used in this Agreement, it should be construed to include a natural person or organization, as would be applicable, including, but not limited to, a firm, labor organization, partnership, association, corporation, legal representative, or trustee.
- 17.5 The Article and Section titles are included solely for convenience and shall, in no event, be construed to affect or modify any part of the provisions of this agreement or be construed as part thereof.
- 17.6 Each copy of this Agreement shall be considered an original when duly executed by one of the parties hereto.

THE TOWN OF ANDOVER

By:
Its Duly Authorized _____
Date _____

THE TOWN OF HEBRON

By:
Its Duly Authorized _____
Date _____

THE TOWN OF MARLBOROUGH

By:
Its Duly Authorized _____

Date _____

THE ANDOVER BOARD OF EDUCATION

By:
Its Duly Authorized _____

Date _____

THE HEBRON BOARD OF EDUCATION

By:
Its Duly Authorized _____

Date _____

THE MARLBOROUGH BOARD OF EDUCATION

By:
Its Duly Authorized _____

Date _____

CONNECTICUT REGIONAL SCHOOL

DISTRICT NUMBER 8

By:
Its Duly Authorized _____

Date _____

**ANDOVER, HEBRON AND MARLBOROUGH
YOUTH SERVICES**

By:
Its Duly Authorized _____

Date _____