

AMENDED AND RESTATED  
AGREEMENT REGARDING HEALTH BENEFITS PROGRAM

OF THE

SUMMIT REGIONAL HEALTH CARE CONSORTIUM (SRHCC)

WHEREAS, certain boards of education located within the SRHCC Region (“Participating Members”) have entered into an agreement, pursuant to Ohio Revised Code (“O.R.C.”) Chapter 167, establishing a regional council of governments known as the Summit Regional Health Care Consortium (SRHCC) for the purpose of promoting cooperative agreements and activities among its Participating Members in purchasing supplies and services and dealing with problems of mutual concern; and

WHEREAS, the Participating Members identified below have determined to undertake a joint self-insurance program (“Health Benefits Program”) pursuant to applicable sections of the O.R.C., on a cooperative basis for the provision of certain medical, hospitalization, dental, prescription drug, vision, life, and disability income benefits for their employees and the eligible dependents of those employees (“Covered Persons”), and any other health care benefits which the Participating Members may determine, from time to time, to provide under the Health Benefits Program; and

WHEREAS, comprehensive guidelines for the funding, management and administration of the Health Benefits Program are to be provided in this Amended and Restated Agreement (“the Agreement”) among the Participating Members; and

WHEREAS, this Amended and Restated Agreement shall replace and supersede any and all prior individual or joint agreements or contracts entered into by any Participating Member with any organization, consortium, insurance carrier, underwriter or administrator, for the provision of health care benefits of the types specified herein for its employees;

NOW, THEREFORE, it is agreed by and among the Participating Members, on behalf of whom their representative have executed below in accordance with the authorizing resolutions adopted by the board of education or governing authority of the respective Participating Member that:

**Section 1. Definitions.**

As used in this Agreement, the following words shall have the following meanings:

“*Agreement*” means this Amended and Restated Agreement regarding the Health Benefits Program of the SRHCC and any counterparts hereto, and the Bylaws adopted pursuant to O.R.C. §167.04, as the same may be amended, modified or supplemented in accordance with their terms. This Agreement sets forth the comprehensive guidelines for the funding, management, administration, and operation of the SRHCC.

“*Board of Directors*” means the managerial board of the SRHCC, established pursuant to and having those powers and duties enumerated in this Agreement and the Bylaws and such other powers and duties that may from time to time be established.

“*SRHCC*” means the Regional Council of Governments, organized under O.R.C. Chapter 167, consisting of certain school districts, and such other political subdivisions located within the State of Ohio which may become Participating Members of the SRHCC pursuant to this Agreement.

“*Covered Persons*” means, when used with reference to a Participating Member, the employees of that Participating Member and the dependents of those employees who are eligible for benefits under the Plan of the Health Benefits Program and, when used with reference to the SRHCC shall mean all Covered Persons of all Participating Members.

“*Fiscal Agent*” means the governing body of the Participating Member selected pursuant to Section 3. of this Agreement or the successor thereto and any agents authorized by that Participating Member and by the Board of Directors to coordinate and administer the Health Benefits Program in accordance with this Agreement.

“*Fiscal Year*” shall mean the period from July 1 through June 30.

“*Health Benefits Program*” means the program authorized by this Agreement for the provision of medical, hospitalization, dental, prescription drug, vision, life, disability income or other benefits to Covered Persons of the Participating Members, as those benefits may be revised, from time to time, in accordance with this Agreement.

“*Operating Fund*” means the fund established by this Agreement and maintained by the Fiscal Agent as a separate fund pursuant to Section 3. hereof, into which it shall place any and all moneys received from the Participating Members for Program Costs. Interest earned on moneys in the Operating Fund shall be paid to that Fund.

“*Operational Year*” shall mean the period from July 1 through June 30.

“*Participating Member*” means any board of education or other political subdivision whose governing body has executed this Agreement in its name in accordance with a duly adopted authorizing resolution.

“*Plan Document*” means the document of a Participating Member describing eligibility for, and the benefits available to Covered Persons of that Participating Member under, the Health Benefits Program.

“*Political Subdivision*” means any political subdivision as defined in O.R.C. §9.833.

“*Program Costs*” shall mean all costs described in Section 8. of this Agreement and any other costs incurred in connection with the Health Benefits Program and approved by the Board of Directors.

“*Reserve Amount*” means that amount which each Participating Member must appropriate and encumber so as to have available moneys sufficient to pay the maximum amount of claims which could be filed by Covered Persons of that Participating Member in any one Fiscal Year under the Health Benefits Program which would not be covered by Stop-Loss Insurance Coverage.

“*Reserve Fund*” means the Reserve Fund which is established pursuant to Sections 3. and 9. of this Agreement for the purpose of pooling the Reserve Amounts of the Participating Members.

“*State*” means the State of Ohio.

“*Stop-Loss Insurance Coverage*” means the insurance coverage described in Section 5. of this Agreement.

“*Third-Party Administrator*” means an individual or organization obligated under an agreement entered into pursuant to Sections 5. and 6. of this Agreement to provide administrative services to the SRHCC in connection with the processing and payment of claims filed by Covered Persons under the Health Benefits Program.

## **Section 2. Management and Operation of the Health Benefits Program.**

(A) **Board of Directors.** The Board of Directors of the SRHCC established pursuant to this Agreement, shall have, in addition to its powers and duties under this Agreement and the Bylaws, the following powers and duties in connection with the management and operation of the Health Benefits Program:

- (1) It shall oversee and manage the operations of the SRHCC and the Health Benefits Program, and it shall be responsible for the overall long term financial stability of the SRHCC. In connection therewith, it may contract with any person, political subdivision, non-profit corporation organized under O.R.C. Chapter 1702, or regional council of governments created under O.R.C. Chapter 167 for the purposes of administration of the Health Benefits Program established by this Agreement.
- (2) It shall consider and recommend to Participating Members alternative coverage and benefits.
- (3) It shall consider and determine the amounts of claims to be covered by policies of Stop-Loss Insurance Coverage.

- (4) It shall authorize and direct the employment by the SRHCC of such consultants, or professionals, including a member of the American Academy of Actuaries, as it deems necessary to assist in the administration and management of the Health Benefits Program and/or the Operating Fund.
- (5) It shall determine the total estimated Program Costs for the Health Benefits Program for the next Fiscal Year and the total estimated Program Costs to be allocated to each Participating Member and the necessity for adjustment in each Participating Member's share of Program Costs pursuant to Section 7. of this Agreement.
- (6) It shall review the policies of and select carriers for insurance coverage, including Stop-Loss Insurance Coverage.
- (7) It shall review contracts with and select Third-Party Administrators.
- (8) It shall determine the management fee to be paid to the Fiscal Agent in connection with its services for the Health Benefits Program.
- (9) It may adopt a uniform plan design with respect to the coverage and types of benefits for Covered Persons to be adopted by the Participating Members targeted at maximum cost savings.
- (10) It shall adopt policies and procedures to ensure the confidentiality of any individually identifiable medical information, including but not limited to protected health information under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- (11) It shall consider and determine any matter relating to the operation of the Health Benefits Program, including but not limited to:
  - (a) Amendments to or modifications of this Agreement or the Bylaws;
  - (b) Program Costs;
  - (c) Each Participating Member's share of Program Costs;
  - (d) The admission of Participating Members to the Health Benefits Program; and
  - (e) The disqualification of Participating Members.
- (12) Neither the Board of Directors nor its individual members shall be liable for any action taken or omitted in good faith, or for any action taken or omitted by any individual, firm, corporation, or any other organization

selected with reasonable care. Liability insurance covering the Directors and Officers shall be purchased as an authorized expenditure of the SRHCC.

Whenever this Agreement provides for an approval or determination to be made by the Board of Directors, the approval or determination made by the Participating Members' representatives shall constitute the approval or determination of the Board in accordance with this Agreement. Unless otherwise specified in this Agreement or the Bylaws, actions to be taken by the Board of Directors under this Agreement shall require the affirmative vote of at least a majority of the Participating Members' representatives.

(B) Committees of the Board. The Chairperson of the Board of Directors may from time to time appoint ad hoc committees consisting of a majority of the Board. The Chairperson or the Board may change membership of the ad hoc committees at any time. An ad hoc committee shall make recommendations to the Board of Directors but may not bind the Board unless expressly authorized to do so.

### **Section 3. Fiscal Agent.**

(A) Designation. The Fiscal Agent shall be the board of education or governing authority of a Participating Member approved by the Board of Directors in accordance with this Agreement and the Bylaws. The Fiscal Agent shall coordinate and administer the Health Benefits Program in accordance with this Agreement.

(B) Custody and Disbursements from the Operating Fund. The Operating Fund shall be maintained by the Fiscal Agent, or its designee, separate and apart from all other funds of the Fiscal Agent. The Board of Directors may, from time to time authorize and direct the Fiscal Agent to establish separate accounts within the Operating Fund. The Operating Fund shall be subject to the laws of the State concerning the investment and management of public funds, particularly O.R.C. Chapter 135, and shall be the responsibility of the Fiscal Agent or its designee.

The Fiscal Agent shall deposit in the Operating Fund the monthly contributions received from the Participating Members and shall keep a record of each Participating Member's contribution to the Operating Fund. Interest earned on moneys in the Operating Fund shall be credited to the Operating Fund. Amounts in the Operating Fund may be used to pay Program Costs, and each Participating Member assumes the risk of all other Participating Members with respect to the provision of the health care benefits to be provided cooperatively under the Health Benefits Program to the extent of the amounts required by this Agreement and resolutions of the Board of Directors to be paid to the Operating Fund. Disbursements from the Operating Fund may be made by the Fiscal Agent without further authorization or direction from the Board of Directors and subject only to the authorization of certification requirements of the Ohio Revised Code, for the purposes of: (a) the transfer of funds to a Third-Party Administrator for payment of claims, provided that the agreement with the Third-Party Administrator complies with Section 6. of this Agreement, and (b) the payment of premiums for Stop-Loss Insurance Coverage, provided that such Stop-Loss Insurance Coverage has been approved by the Board of Directors

pursuant to Section 2. of this Agreement. Additional disbursements may be made from the Operating Fund by the Fiscal Agent at the discretion of the Board of Directors for any proper purpose of the Health Benefits Program, including but not limited to payment of fees of any Third-Party Administrator, the Fiscal Agent, consultants and lawyers and payment of other operating expenses.

(C) Custody of Reserve Fund. The Reserve Fund established in accordance with Section 9. of this Agreement shall be maintained by the Fiscal Agent separate and apart from all other funds of the Fiscal Agent. The Reserve Fund shall be subject to the laws of the State concerning the investment and management of public funds, particularly O.R.C. Chapter 135, and shall be the responsibility of the Fiscal Agent. The Fiscal Agent shall keep a separate record of each Participating Member's deposits in the Reserve Fund. Interest earned on moneys on deposit in the Reserve Fund shall be credited to that Fund.

(D) Fidelity Bond. The Treasurer of the Fiscal Agent shall obtain and keep in force a fidelity bond, in the amount determined by, and with the surety company approved by, the Board of Directors. In lieu of a separate fidelity bond, the Board of Directors may direct the Treasurer to continue and keep in force the Treasurer's existing fidelity bond. In either case, the Fiscal Agent and the SRHCC shall be beneficiaries of such fidelity bond and the amount thereof shall not be reduced without prior written consent of the Board of Directors.

(E) Maintenance of Records. The Fiscal Agent shall maintain records which separately identify by Participating Member all contributions from the respective Participating Member for Program Costs. The Fiscal Agent shall maintain or cause to be maintained records which account for all disbursements or transfers from the Operating Fund and Reserve Fund.

(F) Reports. The Fiscal Agent, or its designee, shall make reports to the Board of Directors concerning all contributions to and disbursements from the Operating Fund, and all contributions to and transfers from the Reserve Fund, and shall provide the Board of Directors with copies of any reports of any Third-Party Administrator filed with the Fiscal Agent. In addition, the Fiscal Agent, or its designee, shall provide all information required by any actuary retained by the Board of Directors pursuant to O.R.C. §9.833.

(G) Administrative Fee. In consideration for its services, the Fiscal Agent may receive a fee from the SRHCC in such amount as the Board of Directors shall approve.

#### **Section 4. Actuary and Actuary Report.**

The Board of Directors, or its designee, shall retain an actuary, who shall be a member of the American Academy of Actuaries, and who shall review the funds of the SRHCC to determine that they are reserved as necessary in the exercise of sound and prudent actuarial judgment, to cover the potential cost of the Health Benefits Program. To the extent required by applicable laws, the report of the actuary shall report amounts reserved and disbursements made and contain a certification that the amounts reserved, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles. The actuary report shall be submitted to the State Superintendent of Insurance. The report shall also

be provided to the State Auditor. The report shall include, but not be limited to, disbursements made for the administration of the SRHCC including claims paid, costs of the legal representation of the Participating Members or the SRHCC, and all fees paid to the Fiscal Agent, actuary, and other consultants or professionals retained by the SRHCC.

**Section 5. Provision of Health Care Benefits.**

(A) Insurance Coverage. The SRHCC shall administer the provision of medical, hospitalization, dental, prescription drug, vision, life, disability income or any other benefits which may be included, from time to time, in a Participating Member's Plan Document, to all Covered Persons of each Participating Member for all claims incurred during membership in the SRHCC. Such benefits may be provided in whole or in part through (1) insurance policies issued by insurance companies or hospital service associations licensed to do business in the State, or (2) insurance plans which obligate each Participating Member to pay claims costs for its Covered Persons up to a predetermined level and under which an insurance company or companies licensed to do business in the State assume the risk of any additional claims covered by the Plan Document. All insurance policies shall include a provision giving Covered Persons the option to convert to any individual policy in accordance with O.R.C. §3923.122.

Insurance limits, types of claims covered, eligibility for benefits and any deductibles shall be approved by the governing board of each Participating Member and shall be described in the Participating Member's Plan Document. In the event that all Participating Members adopt a uniform plan of benefits, that plan document shall be prepared by the Board of Directors or its designee and shall be provided to each Participating Member by the Board of Directors. The Plan Document may be amended from time to time, subject to the approval of the Board of Directors, to provide alternative or additional types of coverage. Insurance carriers shall be selected by the Board of Directors, which shall review all policies of insurance coverage.

Each Participating Member shall notify the Fiscal Agent, or its designee, and the Third-Party Administrator of the identity of all Covered Persons and supply any other relevant personnel data as may be deemed necessary by the Board of Directors for the administration of the Health Benefits Program.

(B) Stop-Loss Insurance. In the event that the SRHCC determines to adopt a plan for medical, hospitalization, dental, prescription drug, or other insurance benefits under which each Participating Member is obligated to pay claims of its Covered Persons up to a predetermined level, the SRHCC shall purchase Stop-Loss Insurance Coverage on behalf of the Participating Members from an insurance company or companies licensed to do business in the State. That Stop-Loss Insurance Coverage shall obligate the insurance company to pay all amounts in excess of a predetermined, specified dollar amount (the "Stop-Loss Attachment Level") with respect to aggregate claims and/or individual claims of all Covered Persons of all combined Participating Members in any one Fiscal Year.

(C) Third-Party Administrator. In the event that the SRHCC determines to adopt a plan for medical, hospitalization, dental, prescription drug, or other insurance benefits under which each Participating Member is obligated to pay claims up to a predetermined level, the

SRHCC shall enter into a contract with a Third-Party Administrator to evaluate and process the payment of claims. The Third-Party Administrator shall be any organization with experience in the administration of health plan claims determined by the Board of Directors to be qualified, financially sound, and capable of meeting all of the service requirements of the contract of administration and any additional requirements which may be established by the Board of Directors.

The Third-Party Administrator shall perform those duties specified in the contract which shall be entered into between the Third-Party Administrator and the SRHCC in accordance with the provisions of this Agreement.

(D) Confidentiality of Medical Information. The Board of Directors, Fiscal Agent, Third-Party Administrator, and any designees shall adopt policies and procedures to ensure and maintain the confidentiality of any individually identifiable medical information of Covered Persons, including but not limited to protected health information under HIPAA, the names of individuals who have filed claims for health care benefits, the amount of claims filed or paid on behalf of any Covered Person, and the medical records relating to any claims, all of which shall not be public records. Reports required to be made by the Fiscal Agent or Third-Party Administrator under this Agreement to Participating Members or their Representatives, the Board of Directors, or any other person or entity, shall identify claims paid by the line of coverage but shall not include any identification of the individual who filed a claim or to whom benefits were paid.

#### **Section 6. Contracts with Third-Party Administrators.**

The Board of Directors shall contract with a Third-Party Administrator and delegate to such Administrator contractual powers and duties as the Board deems desirable. Any contract entered into by the SRHCC with a Third-Party Administrator in connection with the Health Benefits Program shall contain agreements on the part of the Third-Party Administrator to the effect that:

(A) Prior to making a request to the Fiscal Agent, or its designee, for the disbursement of moneys from the Operating Fund to pay claims of Covered Persons, the Third-Party Administrator shall confirm the eligibility of the Covered Persons.

(B) The Third-Party Administrator shall maintain records which account separately for each claim filed by Covered Persons of each Participating Member.

(C) Each request of the Fiscal Agent from the Third-Party Administrator for the disbursement of moneys from the Operating Fund for the payment of claims is to be paid.

(D) The Third-Party Administrator shall file monthly reports with the Fiscal Agent on or before the fifteenth day of each month which summarize the claims paid for the preceding months, separately identifying each claim paid and the Participating Member on behalf of which the claim was paid.



(E) The Third-Party Administrator shall assume sole responsibility for the payment of claims for which the Fiscal Agent, or its designee, has disbursed moneys to the Third-Party Administrator.

(F) The Third-Party Administrator shall submit separate statements for administrative fees to the Fiscal Agent so the Fiscal Agent can separately account for amounts paid under the Health Benefits Program for claims and amounts paid for administrative services.

(G) The Third-Party Administrator shall obtain and keep in force a fidelity bond in an amount determined by the Board of Directors and with a surety company approved by the Board of Directors. The amount of that fidelity bond shall not be reduced without the prior consent of the Board of Directors.

**Section 7. Estimate of Costs; Payments by Participating Members.**

(A) On or before the May meeting of the Board of Directors in the Fiscal Year preceding the Fiscal Year for which the following estimates are made, the Fiscal Agent or designee, shall submit to the Board of Directors a written estimate of (a) Program Costs for the next Fiscal Year, (b) each Participating Member's share of those Program Costs, as described in Section 8. of this Agreement based on the plan of benefits offered by the Participating Member, and (c) the Reserve Amount required for each Participating Member, as described in Section 9. of this Agreement. Those estimated costs shall be presented in enough detail so that the Board of Directors can determine their sufficiency to maintain the actuarial soundness of the Operating Fund and the Reserve Amounts and to pay all related premiums and costs.

(B) The Board of Directors shall consider the estimates and accept or modify the same, in accordance with any collective bargaining agreement, or provisions thereof, negotiated by the Participating Member and the recognized bargaining representative of its employees. It shall then instruct the Fiscal Agent, or its designee, to deliver to the Participating Members, on or before the 15th day of May, an estimated budget of the Health Benefits Program for the next Fiscal Year, evidencing each Participating Member's share of that budget. If it is necessary to modify an estimate to comply with any negotiated collective bargaining agreements, that modified estimate shall be supplied by the Board of Directors to the Fiscal Agent, or its designee, and then subsequently to the Participating Member as soon as possible thereafter.

(C) Each Participating Member shall include its share of that budget in its annual appropriations resolution (pursuant to O.R.C. Chapter 5705). Each Participating Member shall remit its share of the Program Costs to the Fiscal Agent, or its designee, for deposit in the Operating Fund on or before the twenty-fifth (25<sup>th</sup>) day of each month.

(D) Payments tendered by third parties on behalf of a Participating Member for the Member's monthly share of the Program Costs may be accepted by the Fiscal Agent, or its designee; however, under no circumstances will refunds be made by the Fiscal Agent to the third party or the Participating Member. The acceptance by the Fiscal Agent of payments tendered by a third party does not confer upon the third party any rights, expectancies, or obligations under this Agreement or the Bylaws.

(E) If the aggregate contributions of all Participating Members made in accordance with that budget prove to be insufficient to pay the total Program Costs of the Health Benefits Program for that Fiscal Year, as determined by the Board of Directors, the Fiscal Agent, at the direction of the Board, shall promptly notify in writing each Participating Member of any additional Program Costs, that Participating Member's share of those additional costs and any additional Reserve Amounts required, whereupon each Participating Member shall appropriate (pursuant to O.R.C. Chapter 5705) the amount stated in that notice. Such additional Program Costs shall be apportioned among the Participating Members in the same proportion as the Program Costs for that Fiscal Year were apportioned among the Members pursuant to Section 8. of this Agreement. In lieu of the foregoing, if the Board of Directors determines that the Reserve Fund is more than sufficient to meet the actuarial requirements calculated in the manner provided in Section 4. of this Agreement, the Board may elect to use the excess reserves to cover the costs.

(F) Each Participating Member shall comply with all applicable laws (including O.R.C. §9.833) with respect to the reservation of funds necessary for any individual or joint self-insurance arrangement included in the Health Benefits Program. To the extent required by applicable laws, each Participating Member shall establish a special fund for the deposit of amounts required by this Agreement to be paid to the Health Benefits Program for any individual or joint self-insurance arrangements. To the extent permitted by law, the aggregate of the Participating Member's appropriation accounts for employee benefits shall be deemed to be a special fund for purposes of O.R.C. §9.833(C)(2).

(G) Under no circumstances shall the Fiscal Agent, or its designee, have the power to incur obligations for Program Costs in an amount which exceeds the total unspent amount appropriated for Program Costs and remitted to the Fiscal Agent by the Participating Members pursuant to this Agreement, except as may be permitted by law.

#### **Section 8. Apportionment of Costs.**

Each Participating Member's share of the Program Costs shall be the sum of the costs allocated to each Participating Member by the Board of Directors under paragraphs (A), (B), and (C) of this Section 8. The Board of Directors may utilize the services of an outside consultant to assist it in its preparation of the following estimates:

(A) The Board of Directors shall determine the amount of funds necessary to pay claims of Covered Persons of each Participating Member for the next Fiscal Year by evaluating (1) the claims experience for that Participating Member for any preceding Fiscal Years and the amounts which that Participating Member is obligated to pay for claims under the limits of Stop-Loss Insurance Coverage, (2) allowances which may be made for increased costs or utilization of

benefits, (3) changes, if any, in the number or ages of Covered Persons for that Participating Member, (4) changes, if any, in the types of claims covered by the Health Benefits Program, and (5) any other matters which the Board of Directors deems relevant to such determination. A schedule shall be prepared by the Board of Directors separately identifying the amount to be contributed to the Operating Fund by each Participating Member for claims estimated to be filed by Covered Persons of that Participating Member.

(B) The Board of Directors, or its designee, shall determine the estimated costs of all premiums for Stop-Loss Insurance Coverage for the next Fiscal Year and shall prepare a schedule apportioning the cost of those premiums among the Participating Members in any manner not otherwise prohibited by law.

(C) The Board of Directors, or its designee, shall estimate any fees to be paid to the Fiscal Agent, compensation of any staff hired by the SRHCC to administer the Health Benefits Program, fees to be paid to any Third-Party Administrator and consultants or others for the next Fiscal Year, and any other costs of operating the Health Benefits Program for the next Fiscal Year. The Board of Directors shall develop a schedule apportioning those fees and costs among the Participating Members in any manner not otherwise prohibited by law.

#### **Section 9. Establishment of Reserves.**

The Board of Directors, or its designee, shall annually estimate on or before the May meeting the amount of reserve funds which each Participating Member must appropriate and encumber for the succeeding Fiscal Year in order to have funds available to pay all claims which could be made under the Health Benefits Program by Covered Persons of each Participating Member which would not be paid by Stop-Loss Insurance Coverage (hereinafter referred to as “the Reserve Amount”). Each Participating Member shall include its Reserve Amount in its annual appropriations resolution (pursuant to O.R.C. Chapter 5705). Each Participating Member must deposit its Reserve Amount in the Reserve Fund. Amounts in the Reserve Fund shall be invested by the Fiscal Agent in accordance with O.R.C. Chapter 135.

#### **Section 10. Withdrawal of a Participating Member.**

(A) Any Participating Member, shall be entitled to withdraw from the SRHCC, provided that the Participating Member has submitted an irrevocable written notice of its intention to withdraw to the Board of Directors at least six (6) months prior to the Participating Member’s effective date of withdrawal. The withdrawing Participating Member shall become a non-voting member of the Board of Directors during this six (6) month period. Upon withdrawal by a Participating Member from the SRHCC, the Board of Directors, or its designee, shall determine if the amount of money on deposit in the Operating Fund and the Reserve Fund is sufficient to pay the obligations of the withdrawing Participating Member to the SRHCC as of the effective date of withdrawal, including, without limitation, claims, the withdrawing Participating Member’s share of administrative expenses, insurance or reinsurance premiums, fees of claims administrators, cost containment or utilization review contractors, actuaries, and others for the period of participation in the SRHCC. In the event that the amount of money on deposit in the Operating Fund and the Reserve Fund is not sufficient to pay the obligations of the

withdrawing Participating Member, or in the event the withdrawing Member has not met its current obligations to the SRHCC as of the effective date of withdrawal, the Board of Directors or its designee, shall determine the amount owed to the SRHCC by that withdrawing Member, and the Fiscal Agent shall deliver a written notice to the withdrawing Member setting forth the amount owed. That amount shall be paid to the Operating Fund and/or the Reserve Fund within fifteen (15) days of receipt of that notice.

(B) Failure by any Participating Member, to appropriate and remit when due any of its monthly share of the Program Costs and all other payments required by this Agreement shall cause the suspension of such Participating Member, during which period no claims shall be paid on behalf of such Participating Member and no liability for claims shall accrue to the SRHCC beyond the period for which Program Costs have been paid prior to the suspension of the Participating Member. In addition, any Participating Member who has under fifty percent (50%) participation of eligible employees shall withdraw or be terminated from the SRHCC unless approved by the Board of Directors. Upon withdrawal, under this Section, the withdrawing Member may not become a Participating Member again for a period of three (3) years and until it has fully complied with the procedures contained in Section 11. of this Agreement. This three (3) year period may be waived by the Board of Directors in its sole discretion.

(C) All claims of Covered Persons of the withdrawing Participating Member that have not been processed and paid by the SRHCC at or prior to that Member's effective date of withdrawal from the SRHCC shall not be the liability of the SRHCC. The withdrawing Participating Member specifically waives its rights against the Operating Fund, the Reserve Fund and the SRHCC for the payment of claims incurred, claims reported, and claims processed for payment after its effective date of withdrawal.

(D) Any Participating Member that withdraws from the SRHCC shall have no claim against the funds or assets held by or for the SRHCC. Upon the withdrawal of any Participating Member in accordance with this Section, whether by notice or nonpayment, such withdrawing Member shall forfeit its prorata share of any and all funds or other assets held by or for the SRHCC.

### **Section 11. Inclusion of Additional Participating Members.**

Any public school district or other political subdivision within the State of Ohio with at least one hundred (100) eligible participants may apply to the Board of Directors for inclusion in the SRHCC by submitting an application in writing. The one hundred (100) eligible participant requirement may be waived by the Board of Directors in its sole discretion. That application shall be accompanied by a duly adopted resolution of the applicant's governing body requesting inclusion in the SRHCC and authorizing execution of this Agreement by the applicant. The applicant shall submit to the Board of Directors its insurance claims experience and any other documentation or other records requested by the Board of Directors or Fiscal Agent. The Board of Directors shall determine, whether the applicant should be included in the Health Benefits Program. The applicant shall be included in the SRHCC and deemed a Participating Member upon acceptance by the Board of Directors, execution of this Agreement, and appropriation and

remittance to the Fiscal Agent of the initial monthly assessment of Program Costs as determined by the Board of Directors or its designee.

**Section 12. Amendments.**

This Agreement may be modified, amended or supplemented in any respect not prohibited by law upon approval of the modification, amendment or supplement by the representatives of the governing bodies of at least two-thirds of the Participating Members. The representative of the governing body shall be the treasurer or designee.

**Section 13. Term of the Agreement.**

It is the express intention of the Participating Members that this Agreement shall continue for an indefinite term, but may be terminated as provided in Section 14.

**Section 14. Termination.**

(A) In the event that two-thirds of the governing bodies of the Participating Members, by duly adopted resolutions, determine that this Agreement shall be terminated, the Board of Directors shall meet, within thirty (30) days following receipt of certified copies of those resolutions, to determine the date upon which this Agreement and the activities and operations of the SRHCC shall terminate and to make recommendations to the Participating Members with respect to matters which must be resolved upon termination of the SRHCC which are not addressed by this Agreement.

(B) Upon termination of the SRHCC any moneys on deposit in the Reserve Fund shall be transferred to the Participating Members in the amount each contributed to that Fund, plus that Participating Member's allocable share of any investment earnings on that amount.

(C) Upon termination of the SRHCC, the Operating Fund shall be maintained by the Fiscal Agent and claims accruing prior to the date of termination shall be paid on behalf of the Participating Members from the Operating Fund by the Fiscal Agent and any Third-Party Administrator for a period of ninety (90) days or until the Operating Fund is depleted, whichever shall occur first. Thereafter, the Fiscal Agent shall distribute to each Participating Member the difference between its contributions to the Operating Fund and the total of (1) all claims paid to the Covered Persons of that Participating Member, and (2) that Participating Member's share of all premiums paid for Stop-Loss Insurance Coverage, fees for services of the Third-Party Administrator and other Program Costs.

(D) Upon disbursement of any moneys in the Operating Fund to the Participating Members, all further claims of Covered Persons shall be the liability of their employing Participating Member, and the Participating Members shall be deemed to have waived all rights and claims against the SRHCC's Health Benefits Program, any Third-Party Administrator, and the Fiscal Agent for the payment of claims.

**Section 15. Effectiveness.**

This Agreement shall not be effective until executed by at least a majority of the Participating Members. Each Participating Member executing this Agreement shall deliver to the Fiscal Agent a certified copy of the resolution of its governing body authorizing execution of this Agreement.

**Section 16. Notices; Reports; Miscellaneous.**

Any notice to a Participating Member required to be in writing shall be deemed given if left at the office of the representative of such Participating Member or deposited in the United States mail, postage prepaid, by certified mail addressed to that representative.

IN WITNESS WHEREOF, the undersigned representative of the respective Participating Members, pursuant to the duly adopted authorizing resolutions of their governing bodies, have on behalf of their respective Participating Members signed this Agreement on the date indicated below their respective signatures.

\_\_\_\_\_  
By: President

\_\_\_\_\_  
Date

\_\_\_\_\_  
By: Superintendent of Schools

\_\_\_\_\_  
Date

\_\_\_\_\_  
By: Treasurer/CFO

\_\_\_\_\_  
Date

The undersigned, on behalf of the Board of Directors of the Summit Regional Health Care Consortium, hereby ratifies \_\_\_\_\_ as a Participating Member effective \_\_\_\_\_, 2013.

By: \_\_\_\_\_  
Chairperson of the Board of Directors

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