

COUNCIL WORKSHOP ITEM

ITEM: Health Insurance agreements with Library and Park District
DATE: 1-14-04
PREPARED BY: Greg Zimmerman
PURPOSE: Agreement for joint administration of employee health insurance program

DISCUSSION:

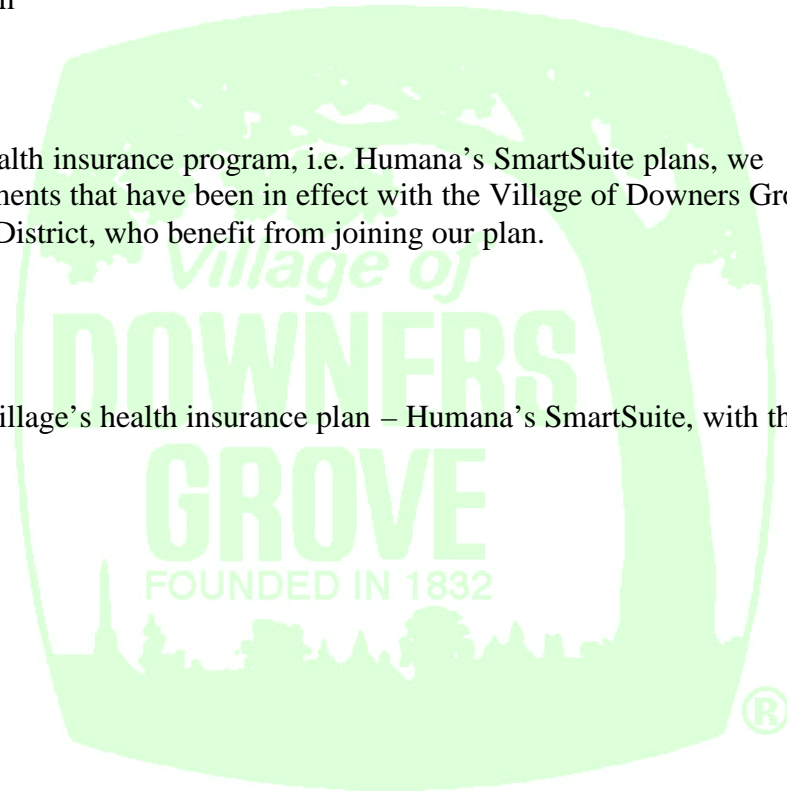
With the inception of a new health insurance program, i.e. Humana's SmartSuite plans, we initiated and revised the agreements that have been in effect with the Village of Downers Grove and both the Library and Park District, who benefit from joining our plan.

ATTACHMENT:

1. Agreements of joining the Village's health insurance plan – Humana's SmartSuite, with the Library and Park District.

RECOMMENDATION:

Approval of this resolution.



RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT FOR JOINT ADMINISTRATION OF EMPLOYEE HEALTH INSURANCE PROGRAM BETWEEN THE DOWNERS GROVE PUBLIC LIBRARY AND THE VILLAGE OF DOWNERS GROVE

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Intergovernmental Agreement (the “Agreement”), between the Village of Downers Grove (the “Village”) and the Downers Grove Public Library (the “Library”), for joint administration of the employee health insurance program, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____
Village Clerk

**AN INTERGOVERNMENTAL AGREEMENT FOR JOINT ADMINISTRATION OF
EMPLOYEE HEALTH INSURANCE PROGRAM BETWEEN THE DOWNERS GROVE
PUBLIC LIBRARY AND THE VILLAGE OF DOWNERS GROVE**

THIS AGREEMENT, made and entered into this 10th day of December, 2003, by and between the Village of Downers Grove (the "Village") and the Downers Grove Public Library (the "Library").

WITNESSETH:

WHEREAS, Article VII, Section 10 of the 1970 Constitution of the State of Illinois, and the Intergovernmental Cooperation Act 5 ILCS 220/1 et seq., provide that units of local government may contract with another to perform any activity authorized by law; and

WHEREAS, the Village has, in full force and effect, certain benefit plans for its employees and their dependents, including but not limited to medical, dental, vision and life insurance (collectively the "Plans"); and

WHEREAS, the Library wishes to enable their employees to participate in the Plans, subject to Village requirements; and

WHEREAS, the Village finds it appropriate and desirable to establish a mechanism whereby employees of the Library may participate in the Plans; and

WHEREAS, the Village and Library have previously entered into an agreement, dated August 30, 1993 titled "Agreement for Joint Administration of Employee Health Insurance Program Between the Downers Grove Public Library and the Village of Downers Grove" (the "Old Agreement"); and

WHEREAS the Village and the Library have agreed to modify said Old Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, and agreements herein set forth, and other good and valuable consideration, the parties hereto agree that the Old Agreement, dated August 30, 1993, titled "Agreement for Joint Administration of Employee Health Insurance Program Between the Downers Grove Public Library and the Village of Downers Grove" be and is hereby amended by deleting all paragraphs and substituting, in their place the following:

1. The Village agrees to perform the following duties and responsibilities:
 - a. To select, and from time to time, change the plan administrator, insurance benefits consultant, claims administrator, and such other persons as may be necessary to administer the Plans, and to enter into all necessary contracts to administer the Plans, which contracts shall include all necessary provisions to permit the employees of the Library to participate in the Plans.

b. To cause to be purchased certain insurance policies for aggregate stop loss, specific stop loss, dental, vision and life insurance; provided that aggregate and specific stop loss insurance will be purchased only from companies rated "A", as approved by the Illinois Department of Insurance.

c. To direct the collection and payment of funds to be used for the administration of the Plans and the provision of benefits thereunder.

d. To respond within ten (10) business days to any requests from the Library pursuant to Paragraph 2(g) herein.

e. To process monthly billing to the Library on or before the second Friday of each month, and to provide the Library with an up-to-date employee census with each such billing.

f. To notify the Library of any proposed changes in the Plans, or in the administrative fee and premiums required under Paragraphs 1(j) and 1 (k) hereof.

g. To maintain records as provided by the Library to assure that each new employee hired by the Library, who desires to participate in the group insurance program, has competed a pre-enrollment physical examination.

h. To cause the Employee Benefits Coordinator for the Village to meet at least annually with designated representatives of the Library, to review any proposed changes in the Plans, and to provide training assistance to enable such representatives to orient their new employees to the benefits and claims requirements for the Plans.

i. To cause representatives of the parties to this Agreement to meet at least semiannually and at any additional time(s) reasonably requested by the Library, to provide an opportunity for discussion of mutual concerns, including but not limited to costs of benefits, disputes over benefit administration, possible changes in the Plans, and any issues of concern with regard to the operation of this Agreement.

j. To determine from time to time, but not more than once a calendar year, an appropriate fee to be charged based upon the reasonable costs and expenses incurred by the Village in administering this program.

k. To determine from time to time an appropriate premium to be charged for each individual provided insurance coverage under this program.

2. The Library agrees to perform the following duties and responsibilities:

a. To provide the Village with completed enrollment forms for all employees who will be covered by the Plans at the time any new employee is hired.

b. To pay the Village of Downers Grove, within thirty (30) days of billing

pursuant to Paragraph 1(e) hereof, such administrative fees and premium charges as are assessed pursuant to Paragraphs 1(j) and 1 (k).

c. To assure that any new employee hired who desires to participate in the group insurance program, has completed a pre-enrollment physical examination.

d. To designate a representative to meet with the Village from time to time to be the primary contact with the Village's Department of Human Resources.

e. To provide an orientation for each new employee hired, outlining the benefits of the Plans, and the requirements for making any claims thereunder.

f. To advise employees of their right to continue medical coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 and the Illinois Insurance Code, and to provide the Village with the necessary forms documenting the employee's election to continue coverage, if applicable.

g. To make, on a monthly basis, any requests for necessary information concerning the Plans, or for forms necessary thereunder, including but not limited to plan booklets, prescription cards, medical, dental, vision and life insurance claim forms and COBRA forms.

h. To direct all questions concerning the Plans or the administration thereof first to the Claims Administrator, as designated by the Village, and thereafter only if necessary to the Employee Benefits Coordinator of the Village.

i. Subject to the terms of this Agreement, to reasonably cooperate with the Village, the Claims Administrator, the Insurance Benefits Consultant, and any attorneys or other agents of any of the foregoing, with respect to any matter related to the administration of the Plans, the provision benefits thereunder.

3. Upon its execution, this Agreement shall remain in full force and effect until April 30, 2004. Thereafter, this Agreement shall be automatically renewed for one year terms, on the same terms and conditions as provided herein, commencing on May 1 of each year and terminating on April 30 of the following year for a period of twenty-five (25) years or until April 30, 2029, unless terminated pursuant to the provisions of this Agreement. Either party may terminate this Agreement by giving written notice to the other parties via certified mail, not less than sixty (60) days prior to the end of any one year term as provided in this paragraph.

4. The Village shall have sole authority and discretion to appoint and contract with administrators, to set policy and benefit levels, and to otherwise provide for the terms and conditions of coverage. The Village shall give written notice to the Library not less than sixty (60) days prior to its selection or change of any administrator, execution or amendment of any contract, purchase of any policy or adjustment of any terms of the self insurance provided by the Village, including but not limited to the fee and premium charges. In the event the Library objects to the Village's proposed action, the parties shall attempt to agree on a mutually

acceptable alternative or other solution. In the event the Library objects to such proposed actions, and the parties are unable to agree upon an alternative, the Library may terminate this Agreement by giving notice of such action within forth-five (45) days following receipt of the Village's notice as described herein.

5. The Library agrees to indemnify and hold the Village harmless against any loss, damage, or expense, including reasonable attorney's fees, occasioned by claims, demands or lawsuit brought against the Village by any employee or officer of the Library to recover any benefits under the Plans. In the case of an appeal of an un-reimbursed claim, the Administrator of the Library will be consulted prior to and rendering of a decision by the Director of Human Resources.

6. The Village agrees to indemnify and hold the Library harmless against any loss, damage, or expense, including reasonable attorney's fees, occasioned by claims, demands or lawsuit brought against the Library by any employee or officer of the Village to recover any benefits under the Plans.

7. This Agreement is not intended to constitute the transaction of an insurance business within the State of Illinois. The intent of this Agreement is only to provide for insurance benefits at the lowest possible costs to the respective parties.

8. This Agreement shall bind the parties hereto and shall be modified only in writing.

9. Any notice required to be given hereunder shall be sent by United States Mail, postage prepaid, to the following:

To the Village:

Director of Human Resources
Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

To the Library:

Head Librarian
Downers Grove Public Library
1050 Curtiss Street
Downers Grove, IL 60515

10. All data furnished by the Library, or generated as a result of the claims made and services performed hereunder shall be treated as confidential as the Village is compliant with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); provided that the Village reserves the right to utilize statistical information or other data in the administration and evaluation of the Plans, so long as the confidentiality of Library employees is adequately protected, in accordance with Illinois law and HIPAA.

11. In the event any provision of this Agreement shall be declared, by a final judgment in a Court of competent jurisdiction, to be unlawful or unconstitutional or invalid as applied to any party hereto, the lawfulness, constitutionality or validity of the remainder of this Agreement shall not be deemed affected thereby.

IN WITNESS WHEREOF, the parties hereto have set their hand and seal the day and date herein above written.

VILLAGE OF DOWNERS GROVE

BY _____

Its Mayor

ATTEST _____

Its Village Clerk

DOWNERS GROVE PUBLIC LIBRARY

BY _____

Its _____

ATTEST _____

Its _____

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DOWNERS GROVE PUBLIC LIBRARY

BY Stephen Daniels

Its President, Board of Library Trustees

ATTEST Madeline DeCola

Its Secretary, Board of Library Trustees

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL
AGREEMENT FOR JOINT ADMINISTRATION OF EMPLOYEE HEALTH
INSURANCE PROGRAM BETWEEN THE DOWNERS GROVE PARK DISTRICT
AND THE VILLAGE OF DOWNERS GROVE**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois,
as follows:

1. That the form and substance of a certain Intergovernmental Agreement (the “Agreement”), between the Village of Downers Grove (the “Village”) and the Downers Grove Park District (the “Park District”), for joint administration of the employee health insurance program, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____
Village Clerk

**AN INTERGOVERNMENTAL AGREEMENT FOR JOINT ADMINISTRATION OF
EMPLOYEE HEALTH INSURANCE PROGRAM BETWEEN THE DOWNERS GROVE
PARK DISTRICT AND THE VILLAGE OF DOWNERS GROVE**

THIS AGREEMENT, made and entered into this 15th day of January, 2004, by and between the Village of Downers Grove (the "Village") and the Downers Grove Park District (the "Park District").

WITNESSETH:

WHEREAS, Article VII, Section 10 of the 1970 Constitution of the State of Illinois, and the Intergovernmental Cooperation Act 5 ILCS 220/1 et seq., provide that units of local government may contract with another to perform any activity authorized by law; and

WHEREAS, the Village has, in full force and effect, certain benefit plans for its employees and their dependants, including but not limited to medical, dental, vision and life insurance (collectively the "Plans"); and

WHEREAS, included in the Park District's employee census for the purposes of this Agreement, are employees of the South East Association for Special Parks and Recreation ("SEASPAR"), 4500 Belmont, Downers Grove, Illinois, an Illinois special recreation association, of which the Park District is the administrative district; and

WHEREAS, the Park District wishes to enable their employees to participate in the Plans, subject to Village requirements; and

WHEREAS, the Village finds it appropriate and desirable to establish a mechanism whereby employees of the Park District may participate in the Plans; and

WHEREAS, the Village and Park District have previously entered into an agreement, dated August 30, 1993 titled "Agreement for Joint Administration of Employee Health Insurance Program Between the Downers Grove Park District and the Village of Downers Grove" (the "Old Agreement"); and

WHEREAS the Village and the Park District have agreed to terminate said Old Agreement and enter into this Intergovernmental Agreement which reflects current practices and policies as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, and agreements herein set forth, and other good and valuable consideration, the parties hereto agree as follows:

1. The Old Agreement shall be terminated as of the date of the signing of this Agreement and this Agreement shall be the only Agreement between the parties with respect to the administration of health insurance.

2. The Village agrees to perform the following duties and responsibilities:
 - a. To select, and from time to time, but not more than once a calendar year, change the plan administrator, insurance benefits consultant, claims administrator, and such other persons as may be necessary to administer the Plans, and to enter into all necessary contracts to administer the Plans, which contracts shall include all necessary provisions to permit the employees of the Park District to participate in the Plans.
 - b. To cause to be purchased certain insurance policies for health, dental, vision and life insurance; provided that said insurance will be purchased only from companies rated "A" or better by A.M. Best Company and licensed to do business in Illinois by the Illinois Department of Insurance.
 - c. To direct the collection and payment of funds to be used for the administration of the Plans and the provision of benefits thereunder.
 - d. To respond within ten (10) business days to any requests from the Park District pursuant to Paragraph 2(g) herein.
 - e. To process monthly billing to the Park District on or before the second Friday of each month, and to provide the Park District with an up-to-date employee census with each such billing.
 - f. To notify the Park District of any proposed changes in the Plans, or in the administrative fee and premiums required under Paragraphs 1(j) and 1 (k) hereof.
 - g. To maintain records as provided by the Park District to assure that each new employee hired by the Park District, who desires to participate in the group insurance program, has completed a pre-enrollment physical examination.
 - h. To cause the Employee Benefits Coordinator for the Village to meet at least annually with designated representatives of the Park District, to review any proposed changes in the Plans, and to provide training assistance to enable such representatives to orient their new employees to the benefits and claims requirements for the Plans.
 - i. To cause representatives of the parties to this Agreement to meet at least semi-annually and at any additional time(s) reasonably requested by the Park District, to provide an opportunity for discussion of mutual concerns, including but not limited to costs of benefits, disputes over benefit administration, possible changes in the Plans, and any issues of concern with regard to the operation of this Agreement.
 - j. To determine from time to time an appropriate fee to be charged based upon the reasonable costs and expenses incurred by the Village in administering this program.
 - k. To determine from time to time an appropriate premium to be charged for each

individual provided insurance coverage under this program.

3. The Park District agrees to perform the following duties and responsibilities:

- a. To provide the Village with completed enrollment forms for all employees who will be covered by the Plans at the time any new employee is hired.
- b. To pay the Village of Downers Grove, within thirty (30) days of billing pursuant to Paragraph 1(e) hereof, such administrative fees and premium charges as are assessed pursuant to Paragraphs 1(j) and 1 (k).
- c. To assure that any new employee hired who desires to participate in the group insurance program, has completed a pre-enrollment physical examination.
- d. To designate a representative to meet with the Village from time to time to be the primary contact with the Village's Department of Human Resources.
- e. To provide an orientation for each new employee hired, outlining the benefits of the Plans, and the requirements for making any claims thereunder.
- f. To advise employees of their right to continue medical coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 and the Illinois Insurance Code, and to provide the Village with the necessary forms documenting the employee's election to continue coverage, if applicable.
- g. To make, on a monthly basis, any requests for necessary information concerning the Plans, or for forms necessary thereunder, including but not limited to plan booklets, prescription cards, medical, dental, vision and life insurance claim forms and COBRA forms.
- h. To direct all questions concerning the Plans or the administration thereof first to the Claims Administrator, as designated by the Village, and thereafter only if necessary to the Employee Benefits Coordinator of the Village.
- i. Subject to the terms of this Agreement, to reasonably cooperate with the Village, the Claims Administrator, the Insurance Benefits Consultant, and any attorneys or other agents of any of the foregoing, with respect to any matter related to the administration of the Plans and the provision of benefits thereunder.

4. Upon its execution, this Agreement shall remain in full force and effect until April 30, 2004. Thereafter, this Agreement shall be automatically renewed for one year terms, on the same terms and conditions as provided herein, commencing on May 1 of each year and terminating on April 30 of the following year, for a period of twenty-five (25) years or until April 30, 2029, unless terminated pursuant to the provisions of this Agreement. Either party may terminate this Agreement by giving written notice to the other parties via certified mail, not less than sixty (60) days prior to the end of any one year term as provided in this paragraph.

5. The Village shall have sole authority and discretion to appoint and contract with administrators, to set policy and benefit levels, and to otherwise provide for the terms and conditions of coverage. The Village shall give written notice to the Park District not less than sixty (60) days prior to its selection or change of any administrator, execution or amendment of any contract, purchase of any policy or adjustment of any terms of the self insurance provided by the Village, including but not limited to the fee and premium charges. In the event the Park District objects to the Village's proposed action, the parties shall attempt to agree on a mutually acceptable alternative or other solution. In the event the Park District objects to such proposed actions, and the parties are unable to agree upon an alternative, the Park District may terminate this Agreement by giving notice of such action within forty-five (45) days following receipt of the Village's notice as described herein.

6. The Park District agrees to indemnify and hold the Village harmless against any loss, damage, or expense, including reasonable attorney's fees, occasioned by claims, demands or lawsuit brought against the Village by any employee or officer of the Park District to recover any benefits under the Plans. In the case of an appeal of an un-reimbursed claim, the Administrator of the Park District will be consulted prior to and rendering of a decision by the Director of Human Resources.

7. The Village agrees to indemnify and hold the Park District harmless against any loss, damage, or expense, including reasonable attorney's fees, occasioned by claims, demands or lawsuit brought against the Park District by any employee or officer of the Village to recover any benefits under the Plans.

8. This Agreement is not intended to constitute the transaction of an insurance business within the State of Illinois. The intent of this Agreement is only to provide for insurance benefits at the lowest possible costs to the respective parties.

9. This Agreement shall bind the parties hereto and shall be modified only in writing.

10. Any notice required to be given hereunder shall be sent by United States Mail, postage prepaid, to the following:

To the Village:

Director of Human Resources
Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

To the Park District:

Administrator
Downers Grove Park District
2455 Warrenville Road
Downers Grove, IL 60515

11. All data furnished by the Park District, or generated as a result of the claims made and services performed hereunder shall be treated as confidential as the Village is compliant with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); provided that the Village reserves the right to utilize statistical information or other data in the administration and evaluation of the Plans, so long as the confidentiality of Park District employees is adequately protected, in accordance with Illinois law and HIPAA.

12. In the event any provision of this Agreement shall be declared, by a final judgment in a Court of competent jurisdiction, to be unlawful or unconstitutional or invalid as applied to any party hereto, the lawfulness, constitutionality or validity of the remainder of this Agreement shall not be deemed affected thereby.

IN WITNESS WHEREOF, the parties hereto have set their hand and seal the day and date herein above written.

VILLAGE OF DOWNERS GROVE

BY _____
Its Mayor

ATTEST _____
Its Village Clerk

APPROVED AS TO FORM:

SOUTH EAST ASSOCIATION FOR
SPECIAL PARKS AND RECREATION

BY Robert B. Paulsen

Its DIRECTOR

DOWNERS GROVE PARK DISTRICT

BY Janis S. Lester
Its President

ATTEST Mary W. Thomson
Its Secretary

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