

VILLAGE OF BELLEVUE, ILLINOIS

ORDINANCE APPROVING EXECUTION OF
A LOCAL GOVERNMENT HEALTH PLAN
INTERGOVERNMENTAL COOPERATION AGREEMENT

WHEREAS, the post of Street Superintendent of the Village of Bellevue has been filled by Ralph Wilson for a number of years; and

WHEREAS, the Village has determined to provide medical insurance to Mr. Wilson pursuant to an Amendment to Employment Agreement dated June 24, 1996; and

WHEREAS, the Village can provide said coverage by entering into a Local Government Health Plan Intergovernmental Cooperation Agreement with the State of Illinois in the form attached hereto and made a part hereof (the "Agreement");

WHEREAS, the Village Board of Trustees has determined that the best interests of the Village and its residents will be served by entering into the Agreement;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND THE BOARD OF TRUSTEES OF THE VILLAGE OF BELLEVUE, PEORIA COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: It is hereby determined that it is advisable, necessary and in the public interest that the Village enter into the Agreement, a copy of which is attached hereto and made a part hereof.

Section 2: The President is hereby authorized and directed to sign and the Village Clerk is hereby authorized and directed to attest the Agreement.

Section 3: From and after the effective date of this Ordinance, the President and Clerk are hereby authorized and directed to do all things necessary and essential to carry out the terms of the Agreement.

PASSED AND APPROVED THIS 24th DAY OF JUNE, 1996.

Ayes: 5

Nays: 0

Absent: 1

VILLAGE OF BELLEVUE, Illinois

By: Larry N. Howard
Larry N. Howard, President

Attest: Carol S. Howard
Carol S. Howard, Clerk

State of Illinois
Department of Central Management Services

LOCAL GOVERNMENT HEALTH PLAN
Intergovernmental Cooperation Agreement

PARTIES:

This Agreement is entered into by and between:

State of Illinois
Department of Central
Management Services
715 Stratton Building
Springfield, Illinois 62706

AND

NAME: Village of Bellevue
Address: 320 S. Main St.
Bellevue, IL 61604
Telephone: (309) 697-4808
FEIN: _____

The Illinois Department of Central Management (Department) and
Village of Bellevue (Unit or Facility) agree to the following:

ARTICLE I. PROVISION OF INSURANCE

Pursuant to Public Acts 86-978, 87-627, 87-585, 87-291 and 87-860 and in accordance with the rules promulgated by the Department, the Unit or Facility shall provide health insurance coverage to its Members and Dependents through the Local Government Health Plan administered by the Department. The Unit or Facility agrees to submit timely payments as agreed in this Agreement.

This Agreement does not limit the duty of the Unit or Facility to bargain with representatives of any collective bargaining unit of its employees.

ARTICLE II: DEFINITIONS

The following definitions apply to all provisions of this Agreement.

- 1) "Act" means the State Employees Group Insurance Act of 1971, (5 ILCS 375/1 et. seq.), as now or hereafter amended.
- 2) "Administrative Service Organization" means any person, firm or corporation the Department has contracted with to administer the program.

- 3) "Annuitant" means any former Employee, as defined herein, who has retired from a Unit or Facility and is receiving an annuity from an Illinois Public Pension System or from a Qualified Pension Plan of such a Unit or Facility.
- 4) "Compensation" means salary or wages paid by a Unit or Facility to an Employee for personal services currently performed.
- 5) "Contributory", when referred to as contributory coverage, means optional coverages or benefits elected by the Member toward the cost of which such Member makes contribution, or which are funded in whole or in part through the acceptance of a reduction in earnings or the foregoing of an increase in earnings by a Member, as distinguished from noncontributory coverage or benefits which are paid entirely by the Unit or Facility without reduction to the member's salary.
- 6) "Department" means the Illinois Department of Central Management Services.
- 7) "Dependent", when the term is used in the context of the health plan, means those who meet eligibility criteria for coverage as a Dependent of a Member as determined by the Department and described in Department publications.
- 8) "Director" means the Director of the Illinois Department of Central Management Services.
- 9) "Employee" means and includes each person in the service of a Unit or Facility in the State of Illinois who receives Compensation for work currently performed.
- 10) "Facility" means and includes a Qualified Rehabilitation Facility or a Qualified Domestic Violence Shelter or Service.
- 11) "Fiscal Year" means the State's fiscal year from July 1 through June 30.
- 12) "Fund" means the Local Government Health Insurance Reserve Fund.
- 13) "Group Re-enrollment Period" means the annual election period designated by the Department, during which Units and Facilities may add or drop coverage for Annuitants, and Members may select coverage from available plans offered.
- 14) "Health Plan Representative" means an Employee of a Unit or Facility who serves in the capacity of a liaison through whom the Department shall conduct all business necessary to provide health benefits to that Unit or Facility.
- 15) "Member" means an Employee, Annuitant or Survivor.

- 16) "Plan" means the Local Government Health Plan.
- 17) "Pre-Existing Condition" means any disease, injury or condition, including maternity, for which the individual was diagnosed, received treatment/services, or took prescribed drugs during the three (3) months immediately preceding the effective date of coverage under the Program.
- 18) "Program" means a self-insured health benefits program offered by the State of Illinois to Units and Facilities. The coverage offered to Units and Facilities is identical to that offered to Employees of the State of Illinois under the Program.
- 19) "Qualified Rehabilitation Facility" or "Facility" means any not-for-profit organization that is accredited by the Commission on Accreditation of Rehabilitation Facilities or is certified by the Department of Mental Health and Developmental Disabilities to provide services to persons with disabilities and which receives funds from the State of Illinois for providing those services.
- 20) "Qualified Unit of Local Government" or "Unit" means any county, municipality, township, school district, special district or other unit designated as a unit of local government by law, or any not-for-profit association with a membership that primarily includes townships and township officials, that has duties that include provision of research service, dissemination of information, and other acts for the purpose of improving township government, and that is funded wholly or partly in accordance with Section 13-19 of the Township Law of 1874, and the Illinois Association of Park Districts.
- 21) "Qualified Domestic Violence Shelter or Service" means any Illinois domestic violence shelter or service and administrative offices funded by the Illinois Department of Public Aid that have been approved by the Director to participate in the Plan.
- 22) "Survivor" means a person who is a surviving Dependent of a person who satisfies the definition of Employee or Annuitant.

ARTICLE III: RESPONSIBILITIES OF THE DEPARTMENT

3.1 Rate Setting:

- a) The Department will set rates at least 60 days prior to the start of the Fiscal Year. The Department shall not change rates during a Fiscal Year. Rates for the period July 1, 1996 through June 30, 1997 are in Appendix A.
- b) In subsequent Fiscal Years, adjustments shall be made to the premium rates to reflect demographic data, health care cost inflation and actual prior year's claims experience of the Unit or Facility. An amount sufficient to pay for the additional administrative costs of providing coverage to Members and their Dependents, and a margin to cover fluctuations in the amount of claims will also be added to the premium. The amount of the margin will vary, depending upon the size of the Units and Facilities and other factors. In the case of local government employees enrolled under a health maintenance organization, the Director may determine annually for each participating unit the maximum monthly amount the unit or facility may contribute towards the coverage, based on an analysis of age, sex, and other factors.
- c) A Unit or Facility may experience a one-tier rate increase or decrease, if the projected costs based on Employee demographics and actual prior year's claims experience of Members and Dependents, warrant such an increase or decrease, for the following Fiscal Year.

3.2 Collection of Premiums.

The Department shall generate a billing statement for each Unit or Facility participating in the Program on or before the end of each month. This billing statement shall represent the total amount due by the Unit or Facility for the following month's coverage.

Membership changes received on or before the twentieth of each month shall be reflected in the billing statement. Prior month changes, not previously billed and paid, shall also appear on the billing and be reflected in the total amount due. In cases of administrative errors on the part of the Unit or Facility or when the member does not provide information to the Unit or Facility concerning the dropping of a Dependent at the time the Dependent no longer qualifies as a Dependent under the Plan, a retroactive premium refund shall be made. Retroactive premium refund adjustments shall not exceed three months.

3.3 Local Government Health Insurance Reserve Fund

- a) The Director shall establish the Local Government Health Insurance Reserve Fund. This Fund shall be a continuing Fund not subject to Fiscal Year limitations.
- b) Monthly premium payments by Units and Facilities for the Program shall be deposited in this Fund. Monthly premium payments by Units and Facilities shall be the sole source of funds for this Fund.
- c) All expenditures from this Fund shall be used for payments for Unit or Facility health care benefits and to reimburse the Department and its Administrative Service Organizations for all expenses incurred in the administration of benefits. No State funds may be used for these purposes.
- d) Any deficit in the Fund from one Fiscal Year shall be amortized over three years in three equal amounts.
- e) Any surplus in the Fund over ten percent of the aggregate premium that occurs in one Fiscal Year shall be used to reduce the aggregate premium for the next year.

3.4 Enrollments and Terminations:

- a) The Department shall enroll and terminate Members and their Dependents after notification from the Unit or Facility. The Department shall provide notification to the Unit or Facility that the enrollment or termination has been completed.
- b) The Department shall furnish the Unit or Facility with forms to submit enrollment and termination information to the Department.
- c) The Department shall offer an annual Group Re-enrollment Period to allow Units and Facilities to add or drop coverage for Annuitants as a group.

3.5 Advisory Board

The Director shall establish the Local Government Health Plan Advisory Board. This Advisory Board shall consist of seven advisors from Units and Facilities who shall be appointed by the Director.

- a) Initial Advisory Board members were appointed by the Director on September 1, 1990.
- b) Of the initial appointments, three advisors were appointed for one year, two advisors were appointed for two years, and two advisors were appointed for three years. If the Unit or Facility from which the Advisor was appointed withdraws from the Plan prior to the expiration of

the term, the appointment will terminate. All subsequent appointments shall be three year appointments or until the Unit or Facility withdraws from the Plan, whichever is earlier.

- c) The responsibilities of the Advisory Board shall consist of the following:
1. The Advisory Board shall annually review material to be distributed to the Units and Facilities.
 - 2) advise the Department concerning any modifications needed to improve the administration of the Plan,
 - 3) review rate setting methodologies,
 - 4) hear appeals and make recommendations to the Director for final determination of coverage.

3.6 Other Administrative Responsibilities

- a) The Department shall provide information to the Units and Facilities about the benefits and requirements of the program in member handbooks and other publications.
- b) The Department shall prepare an administrative procedures manual for Health Plan Representatives designated by the Units and Facilities.
- c) The Department shall provide training seminars for Health Plan Representatives.
- d) The Department shall notify the Health Plan Representative of the Administrative Service Organizations being used and the address and forms needed to submit claims to the Administrative Service Organization.
- e) The Department shall audit Unit and Facility records, such as payroll information, to verify enrollment and enforce eligibility rules under the Plan. The Unit or Facility may appeal audit findings. Appeals must be in writing and directed to the Manager, Bureau of Benefits, Department of Central Management Services. The appeal must include documentation supporting the reason for appeal of the findings. In all cases the material will be reviewed by the Director of the Department whose decision shall be final and binding on all parties.

ARTICLE IV: RESPONSIBILITIES OF THE UNITS

4.1 Enrollment

- a) Any Unit or Facility within the State of Illinois interested in the Program may apply to the Director to have its Employees provided group health coverage under this Act. Annuitants, Survivors and Dependents may also be offered coverage.

- b) To participate, Units and Facilities must agree to enroll all Employees, except as provided in 5) below, who may select coverage under either the self-insured indemnity health plan or a managed care plan that has contracted with the State, with the costs paid by the Unit or Facility, its Employees or some combination of the two as determined by the Unit or Facility.
 - 1) Employees must be employed at least half of the normal work period of the Unit or Facility as measured on a yearly basis, or meet the standard for participation in the Illinois Municipal Retirement Fund, except that elected government officials employed by the Units and Facilities have the option to participate in the Plan, regardless of the number of hours worked.
 - 2) Employees must receive Compensation through the regular payroll process from the Unit or Facility.
 - 3) Units and Facilities may permit Employees who work 50% to 90% of the Unit or Facility normal work period, to individually enroll under the plan.
 - 4) Employees who work 90% or more of the Unit or Facility normal work period must be enrolled in the Plan.
 - 5) A full-time employee of a participating Unit or Facility who is a dependent covered under this or another group plan, may elect to waive coverage as long as an official from the unit attests to this other coverage, and at least 85% of the Employees of the Unit or Facility are covered.

- c) Units and Facilities may also elect to cover their Annuitants.
 - 1) At the time of the initial enrollment or during the annual Group Re-enrollment Period, Units and Facilities may elect to cover current Annuitants as a group.

- 2) Units and Facilities which elect to cover their Annuitants shall allow active Employees at the time of their retirement the option to continue coverage in the Program. This option to continue shall be offered only once to each Annuitant.
 - 3) Annuitants terminating from the Program shall not be allowed to participate in the Program in the future.
- d) Units and Facilities may offer Dependent coverage as an option.
- e) Units and Facilities may enroll initially under the Program at the start of any month.
- 1) Units and Facilities must give the Department at least sixty days advance written notice before enrollment.
 - 2) A Unit or Facility may enroll for part of the State Fiscal Year. If a Unit or Facility has been enrolled in the Program for a partial state Fiscal Year, the Unit or Facility must begin the second year on July 1 to coincide with the state Fiscal Year which is also the new rate year.
- f) Units and Facilities will inform Members of the following responsibilities. Plan Members must:
- 1) be responsible for notifying the Health Plan Representative of coverage options chosen, and any changes which may affect eligibility or enrollment.
 - 2) be responsible for reviewing the Local Government Health Plan Member Benefits Handbook describing coverages, and eligibility, termination, and claims submission requirements.
- g) If the Unit or Facility exempts Member premiums from taxes, the Unit or Facility must comply with Internal Revenue Code requirements which prohibit changes in the Member deduction during the Fiscal Year unless the Member has a change in family status.
- h) Units or Facilities shall determine eligibility and termination, based on requirements as indicated in the Member Benefits Handbook.
- i) Units or Facilities shall be responsible for interpreting and complying with any state or federal continuation of benefits requirements that may apply.

4.2 Premium Collection

The Unit or Facility shall be responsible for the collection and transmission of Member and Dependent premiums.

- a) The total amount due as specified on the billing statement which includes the combined amount due from Members, Dependents and the Unit or Facility shall be paid in full by the last calendar day of the month the billing is received.
- b) The Department must receive the first month's premium by the first day of coverage. This premium is not-refundable if the Unit or Facility does not enroll.
- c) Payments not received by the last day of the coverage month shall be considered delinquent and shall result in the suspension of payment of claims for services provided after the date for which premiums have been paid in full. Payment shall be withheld until the Department receives the full monthly premium due. If no payment is received, claims for services incurred after the day for which payment of premium has been received in full will not be paid.
- d) Failure of the Unit or Facility to pay the full monthly premium by the last day of the coverage month shall be grounds for termination from the program.
- e) Once termination occurs, a Unit or Facility shall not be permitted to re-enroll in the program for a period of five Fiscal Years.

4.3 Designation and Responsibilities of the Health Plan Representative

- a) The Unit or Facility shall designate an Employee as the Health Plan Representative.
- b) The Health Plan Representative shall have the following functions:
 - 1) enroll Members and their Dependents, and
 - 2) provide enrollment and termination information to the Department on enrollment and change forms provided by the Department, and
 - 3) provide coverage, enrollment and termination information to Members in accordance with time schedules set by the Department as described in the Local Government Health Plan Member Handbook, and
 - 4) ensure that the Evidence of Insurability form is completed properly and submitted to the Administrative Service Organization when required for enrollment, and

- 5) disseminate to Members information regarding benefits available under the Program, changes and/or additions to the Program, and any materials provided by the Department to be distributed to Members.

4.4 Appeal Procedure

The Health Plan Representative or the Member shall be responsible for handling appeals concerning claims payments.

- a) All correspondence concerning appeals must indicate the Unit or Facility in which the Member is enrolled in the Program.
- b) If a Member believes that an error has been made in the benefit amount allowed or disallowed, the Health Plan Representative or Member should contact the claims processing office of the Administrative Service Organization.
- c) If the Member is not satisfied with the results of his/her claim determination by the Administrative Service Organization, the Health Plan Representative or Member may submit a written request to the Department for review by the Advisory Board.
- d) Based on its review, the Advisory Board will make a recommendation to the Director, whose decision shall be final and binding on all parties.

ARTICLE V: TERM AND TERMINATION

5.1 Effective Date and Term

This Agreement becomes effective on June 1, 1996 and expires June 30, 1997.

5.2 Termination

This Agreement may be terminated by either party, without cause, effective the last day of the month following sixty (60) days written notice. The Department may terminate the Unit or Facility immediately, upon written notice, for payment not received by the last day of the coverage month.

5.3 Term Requirements

Units and Facilities are required to execute an Agreement to participate in the Program for one State fiscal year. Units and Facilities may enroll at the beginning of any month during the State Fiscal Year, and this will be considered the first year of the Agreement. The second year of the Agreement will begin on the following July 1. Except as provided in this section, if a Unit or Facility is terminated under section 5.2 for failure to pay, or voluntarily terminates except as provided in this section, the Unit or Facility may not re-enroll in the program for five years. A Unit or Facility may terminate effective at the end of the first Fiscal Year without penalty if the second Fiscal Year premium rate is at least twenty percent greater than the first Fiscal Year rate.

5.4 Hospitalization Prior to Termination of Eligibility

If a Member or Dependent of the Unit or Facility is confined to a hospital at the time of enrollment, coverage for that Member or Dependent shall begin when the Member or Dependent is released from the hospital. The Unit or Facility or its previous insurance provider, if any, shall be responsible for all covered benefits which are incurred during the term of the hospitalization, including hospital or extended care facility charges and other related charges.

ARTICLE VI. GENERAL PROVISIONS

6.1 Circumstances Beyond Control

In the event that the Fund balance is inadequate to support the costs of the Program, the State shall not be liable or shall not have any liability or obligation on account of such delay or failure to pay for services rendered.

6.2 State Employees Group Insurance Act

This Agreement shall be governed by the terms of the State Employees Group Insurance Act of 1971, (5 ILCS 375/1 et seq.) as now or hereafter amended.

6.3 Effect of Collective Bargaining Agreements

Any collective bargaining agreement provision negotiated by the State during the term of this Agreement and deemed by the Director to necessitate a change in benefits and/or premiums will be incorporated into this Agreement as an amendment.

6.4 Legislation Enacted During a Contract

State or Federal laws enacted during the term of this Agreement and which are deemed by the Director as necessitating a change in benefits and/or premiums will be incorporated into this Agreement as an amendment.

6.5 Discrimination

In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U.S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the Department of Central Management Services does not unlawfully discriminate in employment, contracts, or any other activity.

The undersigned local government, its employees and subcontractors, agree not to commit unlawful discrimination and agree to comply with applicable provisions of the Illinois Human Rights Act; the Public Works Employment Discrimination Act, the U.S. Civil Rights Act and Section 504 of the Federal Rehabilitation Act, and rules applicable to each. The equal employment opportunity clause of the Department of Human Rights' rules is specifically incorporated herein.

The Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and the regulations thereunder (ADA) prohibit discrimination against persons with disabilities by the State, whether directly or through contractual arrangements, in the provision of any aid, benefit or service. As a condition of receiving this contract, the undersigned Unit or Facility certifies that services, programs and activities provided under this contract are and will continue to be in compliance with the ADA.

6.6 Liability and Insurance

Notwithstanding any provision to the contrary, the Department does not assume any liability for acts or omissions of Unit or Facility and such liability rests solely with Unit. Unit or Facility shall carry public liability, casualty and auto insurance in sufficient amounts to protect the Department from liability for acts of the Unit or Facility. Minimum acceptable coverage for bodily injury shall be \$250,000 per person and \$500,000 per occurrence and for property damage, \$100,000 per occurrence. In addition, Unit or Facility shall carry Workers' Compensation Insurance, if applicable, in the amount required by law.

6.7 Illinois Law

This contract shall be governed by Illinois Law. Any claim against the Department arising out of this contract must be filed exclusively with the Illinois Court of Claims.

The Unit or Facility shall at all times comply with and observe all Federal, State, and Local laws and regulations which are in effect during the period of this contract and which in any manner affect the work or its conduct.

6.8 Waiver

The failure of either Unit or Facility, the Department or a Member to enforce any provision of this Agreement shall not be deemed or construed to be a waiver of the enforceability of such provisions. Similarly, the failure to enforce any remedy arising from a default under the terms of this Agreement shall not be deemed or be construed to be a waiver of such default.

6.9 Entire Agreement

This Agreement represents the entire agreement and understanding of the parties hereto and all prior concurrent agreements, understandings, representations and warranties, whether written or oral, in regard to the subject matter hereof are and have been merged herein. This Agreement may be amended or altered in any of its provisions by all the parties hereto, and any such change shall become effective when reduced to writing and signed by such parties or at such other time as said amendment may provide.

6.10 Notices

Any notice required to be given shall be in writing, postage pre-paid and shall be sent by certified or registered mail, return-receipt requested, to Unit or Facility at the address set forth below. The notice shall be effective on the date indicated on the return-receipt.

To LGHP: State of Illinois
 Local Government Health Plan
 Department of Central Management Services
 600 Stratton Building
 Springfield, Illinois 62706

To Unit: Village of Bellevue
 320 S. Main St.
 Bellevue, IL 61604
 Attn: Village Clerk

The undersigned agree to perform according to the provisions of this Agreement and the laws and regulations governing the Agreement.

UNIT OR FACILITY

NAME OF UNIT OR FACILITY: Village of Bellevue

By: Larry Howard

Title: President

Date: JUNE 24-1996

Attest: ~~***~~ Carol S. Howard

Title: Village Clerk

Date: 6-24-96

STATE OF ILLINOIS DEPT. OF CENTRAL MANAGEMENT SERVICES

By: _____
Michael S. Schwartz
Director

Date: _____

s:\wp\LGHPcontract

APPENDIX A
 FY 97: July 1, 1996 thru June 30, 1997
 GROUP RATE TIER: B

Monthly Premiums will be paid according to the following schedule:

QUALITY CARE HEALTH PLAN

Retirees Not Eligible For Medicare and All Employees

\$152

Single Coverage
 Family Coverage

\$395
 \$501

NO dependents eligible for Medicare:
 Member & 1 Dependent
 Member & 2+ Dependents

\$372
 \$476

\$321
 \$490

ALL dependents for Medicare:
 Retiree & 1 Medicare Dependent
 Retiree & 2+ Medicare Dependents

\$306
 \$421

\$574
 \$501

At least 1 dependent eligible for Medicare:
 Retiree & 2+ Dependents

\$476

MANAGED CARE
 Retirees Not Eligible For Medicare and All Employees

\$191

Retirees Eligible For Medicare Parts A & B

\$115

Unit or facility agrees to provide payment to the Department of Central Management Services.
 First month's premium is due by the first day of coverage. Future month premiums are due by
 the 20th of each coverage month.

Signature _____
 Print Name Larry N. Howard, President
 Facility Village of Bellevue
 Address 320 S. Main Street
Bellevue, IL 61604
 City/State/Zip

LGHP UNIT #: