



**SCOTT & WHITE  
HEALTH PLAN**

**APPLICATION FOR A GROUP HEALTH CARE AGREEMENT**

Application is hereby made to Scott and White Health Plan ("Health Plan"), a health maintenance organization, by City of Taylor ("Group") whose principal office address is P O Box 810, 400 Porter Street Taylor, TX 76574.

In consideration of and for the benefits provided under the terms of the Agreement, Group hereby agrees to be bound by the terms and conditions of the Agreement, this Application, and the attached Group's eligibility requirements. The Agreement, this Application, the Employer Data Form, the Group Eligibility Requirements Attachment, and all of the attachments, riders, exhibits, appendices, endorsements to the foregoing constitute the entire contract between Group and Health Plan. Further, Group hereby accepts the Schedule of Rates (Premiums) set forth below for the initial contract Year of this Agreement.

Agreed and accepted by Group this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

Group: City of Taylor By: \_\_\_\_\_  
(Legal Name)  
Title: \_\_\_\_\_

**SCHEDULE OF COVERAGES Schedule of Charges:**

	Subscriber	Subscriber Plus Spouse	Subscriber Plus Children	Subscriber Plus Family
<b>Total Health Coverage:</b>	<u>214.45</u>	<u>516.07</u>	<u>377.29</u>	<u>641.68</u>
<b>Basic Health Coverage:</b>	<u>166.12</u>	<u>417.22</u>	<u>290.06</u>	<u>499.90</u>
<b>Riders:</b>				
Accept    Reject				
( )    ( X )    Speech and Hearing	_____	_____	_____	_____
( )    ( X )    InVitro Fertilization	_____	_____	_____	_____
( X )    ( )    Serious Mental Illness	<u>1.96</u>	<u>4.93</u>	<u>3.40</u>	<u>5.87</u>
( X )    ( )    Prescription	<u>43.97</u>	<u>87.89</u>	<u>79.64</u>	<u>128.69</u>
( )    ( X )    Dental	_____	_____	_____	_____
( X )    ( )    Diabetic	<u>2.40</u>	<u>6.03</u>	<u>4.19</u>	<u>7.22</u>
( )    ( X )    Eye Wear	_____	_____	_____	_____

**Open Enrollment Period:** A 31 day period of time, including and beginning on the first day of a calendar month, occurring at least once a year, established by Group and the HMO during which You and Your eligible dependents may be enrolled as Members. The Open Enrollment Period shall be from 09/01/2002 through 09/30/2002.

**Waiting Period:** A period of time during which new employees who have enrolled under this contract are not covered. The waiting period shall be Effective First of Month following date of hire.

**Effective Date:** The Effective Date of this Agreement shall be at 12:01 a.m. on 10/01/02.

**Eligible Employee Contribution and Participation Requirement:** The Employer will contribute an amount equal to not less than 50 percent of employee's single premium. At least 70 percent of the Eligible Employees must enroll.

In consideration of and for the timely payment of all Required Payments, Health Plan hereby agrees to provide the benefits described in the Agreement, subject to the terms and conditions of the entire contract between Group and Health Plan.

Agreed and accepted by Scott and White Health Plan this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

Henry D. Eckert, Executive Director

2401 South 31st Street    Temple, Texas 76508    •    Telephone 254-298-3000    •    FAX 254-298-3044

# GROUP ELIGIBILITY REQUIREMENTS ATTACHMENT

Application For a Group Health Care Agreement

Employer Group: **City of Taylor**

City/State/Zip Code: **Taylor, TX 76574**

## PARTICIPATION/CONTRIBUTION REQUIREMENTS:

- Contribution of at least 50% of each eligible employee's single premium, or if multiple plan's, contribution must be equal among all plans.
- If SWHP is the only health plan offered, 70% of eligible employees must participate.
- If more than one health plan is offered, 25% of the 70% eligible employees must participate in SWHP.

## ELIGIBILITY:

- Employer agrees that Scott & White Health Plan (SWHP) will be available only to full-time employees that work at least thirty (30) hours per week.
- Employer agrees to maintain Workers Compensation or to be financially responsible for any work-related illness or injury on all employees covered by SWHP. Health Plan does not cover work-related illnesses or injuries and employer will be responsible for the payment of any such charges.
- Effective Dates:
  - Current Employees: October 1, 2002
  - New Hires: Effective First of Month following date of hire.
  - Late Enrollees: Effective first (1<sup>st</sup>) of the month following ninety (90) days. The ninety-day period will begin on the date the Health Plan Office receives the signed enrollment form.
- Termination of Coverage: End of month worked
- Leave of Absence: Not Covered
- Adding a Dependent (Notification):

Employer agrees that notification of such must be made to the Scott & White Health Plan within thirty-one (31) days of the dependent satisfying eligibility requirements for coverage to be effective. Coverage will be effective the first (1<sup>st</sup>) of the month following the date the Health Plan receives the enrollment application. Coverage on a newborn will be effective the date of birth, and notification must be made to the Health Plan within sixty (60) days of the date of birth in order for coverage to continue beyond 31 days.
- Dependents:

Covered to age 25 if unmarried and has established residence with the subscriber.
- Retirees:
  - Retirees Not Covered.
  - Employer agrees to notify Scott & White Health Plan of the retirement of any employee who desires to continue Scott & White Health Plan coverage. Employer agrees that special rates will be in effect for the retiree and any covered dependents. Retirees under age 65 will have active rates.

LITERATURE: 10% of our employees would benefit from literature other than English:      \_\_\_ Yes      \_\_\_ No

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

By: \_\_\_\_\_  
(Group Administrator)

## Facts About CompLink

### What is CompLink?

CompLink is a COBRA and HIPPA compliance administrator designed to alleviate paperwork, indemnify your organization from liability, and ensure rapid transfer of COBRA premiums to your health plan. CompLink provides professional services to perform these administrative and compliance tasks, while reducing the cost of COBRA and HIPPA administration to your organization. Services include:

- Comprehensive COBRA Administration
- COBRA Compliance
- State Continuation

CompLink is an Internet-based communications system. You are not required to work through the Internet, however Human Resources professionals have found this to be the most convenient way to maintain their employee data.

### Am I required to use CompLink?

The Scott & White Health Plan will no longer provide COBRA and Texas Continuation of Coverage services. CompLink will be offered to all of our employer groups unless they are already working with or have in-house COBRA compliance administrator. **Our decision to use CompLink will not affect your premium rates.**

### How do I work with CompLink?

CompLink is a highly automated service. Quite simply, you provide CompLink with a database of employees and keep them informed of new hires, plan enrollees, terminations, etc. From there, CompLink will manage all your COBRA compliance issues.

### Who will help me manage the transition?

Representatives from CompLink and your SWHP Group Service Representative are available to make the transition smooth for you and your organization. Once you have signed and returned the Service Agreement, a representative from CompLink will contact you to show you how to maintain your employer list. CompLink will even provide you with an Administrative Manual to help answer questions and to guide you through the process.

### How do I get started?

Start by reading the CompLink brochure enclosed. Next, read and sign the CompLink Service Agreement. The Service Agreement outlines what CompLink agrees to do for your organization. This document must be signed and returned with your Health Plan renewal paperwork.

For more details about CompLink, please read the enclosed brochure. Your SWHP Group Service Representative or [CompLink contact and phone #] will be happy to discuss CompLink's services, and how they will benefit your organization.

This Agreement is entered into by and between Complink, LP ("Company") and City of Taylor ("Client") and Client's successors and assigns. The parties to this Agreement shall sometimes be referred to herein collectively as "the Parties".

WHEREAS, it is understood that Client has established one or more health benefit programs ("Plan(s)") for eligible employees and their dependents, and

WHEREAS, it is understood the federal government has imposed certain statutory requirements upon employers and administrators of employer sponsored group health plans regarding notification of past coverage periods pursuant to the Health Insurance Portability and Accountability Act, as amended ("HIPAA") and continuation of health benefits for covered persons pursuant to the Consolidated Omnibus Budget Reconciliation Act, as amended ("COBRA"), and

WHEREAS, Company provides assistance, as set forth in this Agreement, to employers in satisfying the aforementioned statutory requirements, and

WHEREAS, Client and Company wish to enter into an agreement whereby Client shall obtain assistance in meeting its statutory requirements under HIPAA and/or COBRA through Company in accordance with the terms herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the parties agree as follows:

#### **ARTICLE I. DEFINITIONS**

Definitions of terms as used in this Agreement are included in Exhibit A – Definitions, and incorporated herein.

#### **ARTICLE II. EFFECTIVE DATE**

The effective date of this Agreement shall be October 01, 2002, the "Effective Date"

#### **ARTICLE III. SERVICES TO BE PERFORMED BY COMPANY**

As of the Effective Date of this Agreement, Company shall provide the following COBRA administrative services as listed below:

1. Prepare a customized COBRA procedure manual to begin the on-site documentation necessary for compliance with COBRA regulations.
2. Prepare standard form notice for Client distribution to all Paid Participants as of the Effective Date of this Agreement, identifying Company as Client's COBRA Administrator.
3. Within 14 days of receipt of list of covered employees and dependents living at any address other than covered employee's address, distribute initial notification of rights to continuation coverage to addresses on such list.
4. Within 14 days of receipt of notification from Client of a COBRA Qualifying Event, Company will prepare and mail, with Certificate of Mailing, a COBRA Eligibility Notification Letter to the address of each Eligible Participant. The COBRA Eligibility Notification Letter will include additional COBRA information necessary for the Eligible Participants to make an informed decision. Timely receipt of election is understood by the Parties to this Agreement to mean any election that is received in the offices of the Company or postmarked for delivery or posted for express delivery service on or prior to the expiration of the Election Period.
5. Prepare and distribute premium billing to the address of each Elected Participant for all past and current amounts owed to activate the continuation of coverage. Such billing will include a coupon that must accompany payment to Company that incorporates an attestation from such Participant that he or she, and their covered dependents, remain eligible for continuation coverage. Timely receipt of initial premium is understood by the Parties to this Agreement to mean received in the offices of the Company on or before 45 days after timely receipt of the Electing Participant's election. Timely receipt of premiums thereafter is any time within 30 days of the due date unless advised of additional time allowed under Client's Plan(s).
6. Remit to the Client, within 10 business days of the first day of each month, a check for the Net Amount Due Client. Net Amount Due Client is the aggregate of all Paid Participant premiums timely received by Company in the preceding month, (excluding the 2% administrative fee allowed by law).
7. Provide Client a Remittance Detail Report listing the Paid Participant premium timely received for the preceding month, (by Paid Participant), the aforementioned 2% administrative fee, and the itemization of the administrative fees due from Client.
8. Provide Client, within 10 business days from the last day of each month, a detailed report of Company's COBRA administrative service activities during the preceding month. Information reported will include, but is not limited to, Eligible Participant Notices sent, election expiration dates, all premium received, expiration and termination activity, listing of all Electing Participants, Paid Participants and Eligible Participants and the last day of each Eligible Participant's corresponding Election Period.
9. Upon receipt of notification from Client of continuation coverage premium rate changes, Company will notify all Eligible, Elected and Paid Participants of such changes in premium due as well as distribute updated premium billing coupons and eligibility attestations.
10. Company will notify Client and the Electing and/or Paid Participant of the termination of their COBRA coverage should any such Participant be found ineligible to continue coverage pursuant to provisions of COBRA.
11. Inform Client within 2 business days of any returned check activity pertaining to any Paid Participant.

12. Provide Paid Participant 60 (sixty) days notice prior to expiration of continuation coverage, the date that the maximum period of COBRA continuation will expire, and when applicable, advise the Paid Participant of the right to an individual conversion contract.
13. Maintain a telephonic voice response system 24 hours a day, seven days a week. Customer Service Representatives will be available for response to Client personnel and Eligible, Electing and Paid Participants between 8:00a.m. and 5:00p.m. CT each business day.
14. Whatever additional notification and election services as may, from time to time, be required by changes in federal regulatory requirements.

#### **ARTICLE IV. COBRA DUTIES OF THE CLIENT**

- A. Client shall provide Company, in manner as from time to time prescribed by Company, notice of the following:
  1. The occurrence of a Qualifying Event, within 30 days of the occurrence of such event (regardless of the date of loss of coverage under the provisions of the Plan). Client is solely responsible for identification of Qualifying Events.
  2. A Qualified Beneficiary being determined (under Title II or XVI of the Social Security Act), to have been disabled at the time of the Qualifying Event, or within 60 days thereafter, as described in III.A.4. above, or that the applicable Qualified Beneficiary is no longer disabled, within 7 days of Client's knowledge of such determination.
  3. Termination of the Plan(s) as soon as practicable in advance of termination of the Plan(s). Client agrees that in no event shall notification hereunder be made less than 14 days prior to termination of the Plan(s).
  4. Submission by an Eligible Participant of any premium, communication or attempted election or declination of continued group coverage directly to any employee or agent of the Client. The Client will forward all information regarding such action to Company within 5 business days of receipt.
  5. Provide Company any pertinent change in coverage issues, such as premium rate changes or changes in carrier information, not less than 30 days prior to such change becoming effective.
- B. In no event shall any of the foregoing notices described in IV.A. be provided to Company later than 14 days after Client has knowledge of such occurrence.
- C. Effective and timely performance by Company of its duties and responsibilities pursuant to this Agreement requires that the Client provide Company with accurate and timely information. Client agrees to hold Company harmless when Client fails to provide information necessary to Company's performance of services in compliance with statutory requirements and this Agreement.
- D. In the event of termination of this Agreement, the Client shall notify all Participants, Eligible Participants and Paid Participants of such termination and the procedure to be followed to retain or obtain continuation coverage.
- E. Timely pay to Company those amounts due for services performed.

#### **ARTICLE V. HIPAA SERVICES PERFORMED BY COMPANY**

- A. If the Client elects HIPAA services, Company will:
  1. Prepare, for Client's distribution, a customized communication indicating the necessity for each employee to provide Client accurate address information for every employee and dependent, emphasizing those dependents residing in a different household from the employee.
  2. Prepare a customized HIPAA procedure manual to begin the on-site documentation necessary to comply with the HIPAA regulations.
  3. Within 14 days of receipt of list of covered employees and dependents living at any address other than covered employee's address, distribute initial notification of rights to certificates of coverage to addresses on such list.
  4. Within 14 days of receipt of notification from Client of a loss of coverage for an Eligible Participant, prepare and mail, with Certificate of Mailing, a Certificate of Coverage. Notices will be directed to each Eligible Participant address made known to Company. Additional copies will be provided up to 24 months from the loss of coverage.
  5. Maintain, and provide to Client, documentation of Certificate of Coverage request and issuance activities necessary for compliance with HIPAA regulations.
  6. Maintain a telephonic voice response system 24 hours a day, seven days a week. Account Representatives will staff telephones from 8:00a.m. to 5:00p.m. CT each business day.
- B. If Client elects these services, Client shall:
  1. Notify Company of all newly hired employees.
  2. Notify Company of any loss of coverage for any Plan Participant.

#### **ARTICLE VI. COMPENSATION**

- A. Company will be entitled to charge Client's Paid Participants the maximum allowable administrative charge under legislation then in effect (currently 2% of premium) as described in III. A. 7. above.

#### **ARTICLE VII. TERMINATION**

- A. Either party may terminate this Services Agreement. Notice of termination must be made in writing. Termination will be effective on the last day of the month following the month in which such notice is sent by party giving notice, except in the following instances, whereby termination will be effective immediately:
  1. When the compensation owed Company remains unpaid 30 days beyond due date.
  2. The last date the Client no longer has a group health insurance program in place.
  3. The date on which a proceeding is filed by or against the Client under bankruptcy statutes of the United States, or the Client is placed under receivership or trusteeship under any state or federal statute.

- B. In the event of termination of this Agreement, Company shall have no further duty, obligation or responsibility under this Agreement after the termination date.
- C. Under no circumstances will CompLink be obligated to notify any Participant of the termination of this Agreement.

**ARTICLE VIII. INDEMNIFICATION**

Company agrees to indemnify Client from taxes, fines, and penalties arising from Company's performance or non-performance of subscribed services to be performed by Company on or after the Effective Date of Agreement.

**ARTICLE IX. GENERAL PROVISIONS**

- A. **AMENDMENTS:** This Agreement may be modified in writing by amendment to this Agreement at anytime with the mutual consent of the Parties.
- B. **ENTIRE CONTRACT:** This Agreement is the entire contract between the Parties.
- C. **TEXAS LAW GOVERNS:** This Agreement is negotiated and executed in the State of Texas and shall be governed by and construed in accordance with the laws of the State of Texas. All services performed by Company are deemed as performed in Dallas County, Texas.
- D. **AGENT:** In performing its duties and responsibilities pursuant to this Agreement, CompLink is acting only as an agent of the Client and is not a plan administrator or fiduciary. In performing its duties under this Agreement, CompLink acts at the direction of the Client.
- E. **NOTIFICATION:** All written communications, demands and notices between The Parties hereto must be posted by first class mail, postage paid. If to the:
 

Company CompLink. LP 500 N. Akard, Suite 2250 Dallas, TX 75201 Attn: Director of Operations	Client: <u>  City of Taylor  </u> <u>  P O Box 810, 400 Porter Street  </u> <u>  Taylor TX 76574  </u> Attn: Starla Hall EIN _____
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- F. **SEVERABILITY:** In the event that any provision of this agreement is determined to be invalid, illegal, or unenforceable, such provision is severable from all other provisions of this Agreement, and such other provision shall remain valid and in effect.

IN WITNESS WHEREOF, Company and the Client have caused this Agreement to be executed by their authorized representatives this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

CompLink. LP

By: \_\_\_\_\_  
 (Signature – CompLink)

\_\_\_\_\_  
 (Title)

  City of Taylor   (client)

By: \_\_\_\_\_  
 (Signature – Client)

\_\_\_\_\_  
 (Title)

## EXHIBIT A - Definitions

Calendar Year means the one year commencing on January 1 and ending on the following December 31.

Certificate of Coverage means the Certificate issued upon loss of coverage confirming the period in which the participants were covered under the Client's health plan.

COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1985 and its amendments.

Dependent means any person who is BOTH eligible for coverage and covered as a dependent spouse or child under the Client's health plan on the day before a Qualifying Event.

Employees are ALL employees eligible to participate in the Employee's health plan.

Eligible Participant means a plan participant who has experienced a qualifying event.

Elected Participant means an Eligible Participant that has elected to continue health insurance coverage through their COBRA eligibility.

Election Period means the period of at least sixty (60) days beginning on the latter of the date on which coverage under the health plan was terminated by reason of a qualifying event or the post-mark date on which the Notification of COBRA Eligibility was mailed, and ending on the sixtieth (60) day thereafter.

Employee means any person who is both eligible for coverage and covered as an employee under the Client's health benefit plan on the day before the Qualifying Event.

HIPAA means Health Insurance Portability and Accountability Act of 1996 and its amendments.

Paid Participant means an Elected Participant for which continuation health plan coverage premium has been timely received and who remains eligible for such continuation coverage.

Plan Participant means an Employee or a Dependent both eligible and covered under the Client's health plan. Participant wording in this agreement is both singular and plural.

Qualified Beneficiary means a participant eligible for continuation of health insurance benefits due to the loss of such coverage due to certain events defined in the COBRA legislation.

Qualifying Event means the occurrence of any of the following specific events that result in a loss of coverage by a participant under Client's Plan(s): a.) Death of a covered employee or covered retiree; b.) Termination of employment of a covered employee (for reasons other than gross misconduct) or reduction in employee's hours; c.) Divorce and/or legal separation from the covered employee; d.) Covered employee/retiree becoming entitled to Medicare; e.) Dependent children who cease to be eligible as "dependents" under provision(s) of the Plan(s); e.) Client filing for bankruptcy whereby loss or substantial elimination of benefits under Plans(s) within one year before or after the commencement of bankruptcy proceeding; and f.) Any other event resulting in a covered employee and/or dependent becoming qualified to continue coverage under the provisions of COBRA.