

**AGREEMENT TO PARTICIPATE IN THE  
VERMONT EDUCATION HEALTH INITIATIVE  
(VEHI)  
MEDICAL BENEFITS PROGRAM**

WHEREAS, the Vermont Education Health Initiative, Inc., a duly chartered nonprofit corporation with principal offices in the Town of Berlin, County of Washington and State of Vermont (hereinafter “VEHI”) has established a Medical Benefits Program to provide medical benefits coverage for any school districts, education-related organizations and other municipal bodies (hereinafter the “Member”) who desire to participate in the program and are eligible to participate in accordance with Chapter 121 of Title 24 of the Vermont Statutes Annotated; and

WHEREAS, said Medical Benefits Program shall include various Blue Cross Blue Shield of Vermont (BCBSVT) medical care plans; and

WHEREAS, VEHI and the Member are desirous of setting forth the obligations and responsibilities of each party hereto:

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, agree as follows:

- I. VEHI agrees that so long as the member is participating hereunder, it will:
  - a. Provide cost quotes to the Member for the types of medical benefits which the Member seeks to acquire for the Member's employees and dependents;
  - b. Provide for obtaining said medical benefits as specifically agreed upon by the parties hereto;
  - c. Deposit any and all funds received from the Member's contributions with a banking institution designated by the VEHI Board of Directors for payment of claims and administrative costs, and for investment as directed by said Board of Directors. All funds

received, upon deposit, shall become and remain the sole and exclusive property of VEHI.

d. Provide for obtaining stop loss insurance with specific and aggregate limitations as determined by the Board of Directors of VEHI and as the Board in its sole discretion shall determine, subject to availability and cost considerations;

e. Provide for claims handling through VEHI itself or VEHI's designee through an Agreement for Administrative Services or like contract as determined to be necessary by the Board of Directors of VEHI;

f. Pay all operational costs incurred by VEHI from contributions received and attributable to the Medical Benefits Program;

g. Supply periodic reports to each Member containing claim payment information in a format and upon such frequency as determined by VEHI;

h. Furnish or cause to be furnished appropriate reporting forms to the member;

i. Invoice Members for immediate payment of the Member's contribution payable in thirty (30) day advance installments;

j. Provide for an annual audit of the Medical Benefits Program through a Certified Public Accounting firm;

k. Make available for the inspection by the members the books and records of VEHI;

l. Reserve the right to require additional or supplemental contributions, in the form of a member assessment, from each participating Member for any fund year in which the initial contributions are inadequate to pay benefits, costs of operation or other expenses of the program. Such additional or supplemental contribution may be assessed

Member Name: \_\_\_\_\_

for a particular fund year upon any Member who participated in the Medical Benefits Program during such fund year in which there are inadequate contributions, regardless of whether Member is participating in the Medical Benefits Program at the time of such member assessment.

m. Appoint and designate an Administrator for the VEHI Medical Benefits Program, and grant such Administrator power of attorney to accept service of process on behalf of VEHI, and to act for and bind VEHI and its members in all transactions relating to or arising out of the operation of the Medical Benefits Program; subject to the right of the Board of Directors of VEHI to substitute the Administrator, to revoke the power of attorney and to revoke or amend the duties and obligations of such Administrator;

n. At the request of Member, provide, without unreasonable delay, to any person designated by Member, proof of any benefits and coverages provided by VEHI, including any insurance or reinsurance, deductible levels and the maximum liability which the Association will retain.

II. The member agrees that it will:

a. Enroll in the VEHI Medical Benefits Program for an initial twelve month period and obligate itself to make all required contributions upon receipt of invoice statements from VEHI during said twelve month period based upon the type of coverage(s) provided, and the number of employees and dependents included;

b. Continue to participate in the program for successive one-year renewal terms thereafter and make all required contributions, upon receipt of invoice statements from VEHI, except that Member may terminate this Agreement and discontinue participation during such renewal term, provided that Member provides notice of

termination and withdrawal to VEHI, in writing, at least ninety (90) days prior to the termination date;

c. Undertake and implement any and all procedures, required form reporting and reasonable requests made by VEHI;

d. Appoint a Plan Coordinator for contact by or with VEHI's Administrator or VEHI designees to fulfill the purposes of this Agreement and to agree to be bound by the acts or decisions of said Administrator or designee;

e. By signing this Agreement, the Member does appoint VEHI and its agents or designees as its attorney in fact and empowers VEHI thereby to act in the member's stead and behalf to do all acts and engage in all matters necessary to the processing and payment of claims;

f. Attend all necessary training sessions.

III. Member acknowledges and represents that Member is an incorporated public school district, a town or union school district, a supervisory union, an education-related organization or is otherwise qualified and eligible to participate as a member of an intermunicipal insurance association pursuant to Chapter 121 of Title 24 of the Vermont Statutes Annotated.

IV. For so long as Member is actively participating in the VEHI Medical Benefits Program and has in force an Agreement to Participate in the VEHI Medical Benefits Program, Member shall be entitled to vote for and elect the Board of Directors of VEHI at an annual or special meeting called for such purpose.

V. VEHI and Member acknowledge and agree that the Summary of Benefits and Coverages [SBC] of the each Member Plan is available on the BCBSVT Employer Resource

Member Name: \_\_\_\_\_

Center [ERC] and that the SBC, which shall be known as **Exhibit A**, sets forth all available medical benefits plans and coverages under the VEHI Medical Benefits Program, including descriptions of coverage; the date the coverage period begins; the amount of deductible per claim or in the aggregate; and the maximum amount of coverage available. Furthermore, the coverages shall be in effect from the date the coverage period begins until the following June 30<sup>th</sup>. SBCs for the subsequent plan years shall be available to members at least 30 days prior to the new plan year.

VI. VEHI and Member acknowledge and agree that **Exhibit B**, attached hereto and incorporated herein, sets forth the July 1, 20\_\_ - June 30, 20\_\_ rates for each VEHI plan, including the plans selected by the Member.

The VEHI Health Program is rated on the experience of the entire membership. Such rates will be based upon actual prior claims experience, actuarially projected claims expense for the upcoming plan year and the need for the program to maintain adequate fund balance to meet all its obligations. All rates are subject to review and approval of the Department of Financial Regulation (DFR).

Member will be provided rates for each coverage year within 30 days of final approval by the DFR. VEHI will file rates with DFR in a timely fashion to facilitate final rates being available by mid-January of each year for the period to commence the following July 1<sup>st</sup>.

The amount of monthly Member contribution will be calculated by BCBSVT based upon the actual enrollment in each member plan.

Additional assessments may be made in the event of the inability of the program to meet its financial obligations in any fund year. Such assessments will require the approval of the Department of Financial Regulation.

VII. The Vermont School Boards Insurance Trust and the Vermont- National Education Association shall be Service Agents of the Program. VEHI and Member acknowledge and agree that **Exhibit C**, attached hereto and incorporated herein, sets forth the services provided by each of the Agents.

VIII. VEHI and Member acknowledge and agree that **Exhibit D**, attached hereto and incorporated herein, sets forth a description of excess and/or stop loss coverage provided by VEHI, and the limits of such coverage.

IX. The effective date initiating the obligations and rights of the parties to this Agreement shall commence upon the date stated herein and upon receipt by VEHI of Members' Contribution, payable in advance in accordance with the terms of the insuring agreements. Failure by Member to pay Contributions as required shall automatically terminate this Agreement and void Member's rights upon written notice to Member, such written notice to be provided to Member at least fifteen (15) days in advance of such termination. Member may also be terminated for failure to comply with the terms and conditions of this Agreement or for other sufficient cause that is substantially detrimental to the program. Termination under such circumstances shall only occur upon two-thirds majority vote of the VEHI Board of Directors. The effective date of such termination shall be the end of the fiscal year (June 30), provided that Member has receive written notice of such termination at least ninety (90) days in advance of the effective date of termination. In the event of such termination, VEHI shall continue to be liable for any and all claims that would otherwise be covered and incurred by Member while Member was in full compliance with this Agreement.

X. This Agreement and its exhibits contain the entire understanding of the parties with respect to the respective rights and obligations of the parties set forth herein. This

