



Service Contract: Vermont-NEA 2018-2019

Section I: Introduction

VEHI is a non-profit organization serving Vermont school districts chiefly by offering employee benefit plans that are responsive to the needs of employers, employees and their dependents. VEHI also contracts with the Vermont State Teachers' Retirement System to provide health insurance benefits to pre-Medicare eligible and Medicare-eligible retirees and their dependents. VEHI's mission encompasses three broad domains:

1. Making available a range of employee benefit plans, in collaboration with major insurance carriers, that are cost effective, affordable and high-quality;
2. Designing and investing in school-based and post-employment wellness programs that give individuals and families the confidence, support and resources they need to lead healthy, productive lives;
3. Educating school districts, local unions and the Vermont State Teachers' Retirement System about the health insurance market, health care reform initiatives and regulatory compliance obligations under federal and state law.

Section II: Scope of Services to be Provided by Vermont-NEA

VEHI wishes to engage the Vermont-NEA as a Service Agent to work collaboratively with VSBIT to meet the VEHI Mission by providing VEHI services to all school employees, active and retired, irrespective of union membership.

During the term of this agreement, July 1, 2018 through June 30, 2019, VT-NEA will:

1. Assign a Trust Administrator to collaborate with VSBIT Trust Administrator to facilitate the overall administration of VEHI programs and services.
2. Support, in conjunction with VSBIT Trust Administrator, the VEHI Board accomplishing its work.
3. In collaboration with VSBIT Trust Administrator, develop, disseminate and present materials, trainings and information sessions on VEHI programs and services to school employees and retired subscribers.
4. Serve as primary contact for VSTRS as a member of the health program.
5. Collaborate with VSBIT Trust Administrator on health plan designs to meet the goals of the VEHI Board.
6. Educate school and retired employees on VEHI health plan options, current and prospective, to promote awareness and informed plan selection.
7. Provide comprehensive training on support tools developed to assist school employees in making informed health plan choices that balance individual/family utilization needs with financial risk tolerance.
8. In order to enable the VEHI Board to adequately monitor the successful implementation of the outlined services, Vermont-NEA shall provide the VEHI Board upon request, reports of VEHI presentations conducted by the Vermont-NEA, including the location of the presentation, member(s) served, number of attendees, whether partnered with VSBIT, and copies of all materials prepared in connection with presenting information regarding VEHI programs and offerings to school employees, whether members of the VT-NEA or not.
9. Other services as assigned by the VEHI Board or the VEHI President during the course of this Agreement.

Section III: Fees and Payment.

As payment for the services provided by Vermont-NEA, VEHI will reimburse the Vermont-NEA in the amount of \$191,000 to be paid in four equal installments on or about July 25, October 25, January 25 and April 25. Additional payments shall be made for authorized expenditures relating to unanticipated expenses incurred by the Vermont-NEA in delivering services to VEHI.

Section IV: Review/Renewal/Termination Procedures

- a. On or before **April 15** during the term of this Service Contract, or during any renewal term, the VEHI Board and Vermont-NEA shall meet to review and evaluate Vermont-NEA's performance of its obligations and to discuss any desired modifications or amendments to the Service Contract for any renewal term. The VT-NEA shall provide, at least five (5) days ahead of such meeting, a written summary outlining its accomplishment of the scope of services of this Service Contract, together with all documents and written evidence supporting the summary.
- b. After review of the summary and consideration of the needs of VEHI in the upcoming year, no later than by the end of the **May** VEHI Board meeting, the VEHI Board shall propose any desired amendments or modifications to the scope of services to be included in the renewed Service Contract.

Not more than **fifteen (15) days** following receipt of VEHI's proposal for amendments or modifications, Vermont-NEA shall provide VEHI with formal written notice of Vermont-NEA's intent to renew this Service Contract for a subsequent term of one (1) year, including in such written notice the proposed itemized cost to provide services during the renewal term. In the event that Vermont-NEA fails to timely provide written notice of Vermont-NEA's intent to renew, this Service Contract, or any renewal thereof, shall terminate at the expiration of the initial or renewal term.

- c. Either party may terminate this Service Contract, without cause, at the expiration of the initial term or the expiration of any renewal term, by prior written notice to the other party, such notice to be provided by certified mail, return receipt requested, no later than three (3) months prior to the date of termination. Except as provided in subsection e. hereof, neither party shall be entitled to terminate this Service Contract at any time other than the expiration of the initial term or the expiration of any renewal term.
- d. In the event of material changes in the regulatory environment related to the services to be provided, the parties shall, in good faith, renegotiate the terms of this Service Contract in light of such material changes. In the absence of agreement on such amendments or modifications, this Contract shall terminate at the expiration of the initial or any renewal term.
- e. In the event that either party is in breach of the obligations imposed by this Service Contract, the non-breaching party shall be entitled to terminate this Service Contract at any time during the initial term or during any renewal term

by prior written notice of intent to terminate for cause, such written notice setting forth the specific grounds of alleged breach or breaches, no later than three (3) months prior to the date of termination, and in accordance with the following procedures:

1. In the event that Vermont-NEA seeks to terminate for cause for VEHI's breach of payment obligations, VEHI shall be entitled, during the three-month period between receipt of written notice and the termination date, to cure such breach through payment in full of all sums due. In the event of such full payment, this Service Contract shall not terminate.

2. In the event that VEHI seeks to terminate for cause for Vermont-NEA's alleged breach of its service obligations, VEHI shall specify which of the service areas set forth in Section II to allegedly be in breach, in addition to the specific allegations which support the alleged breach(es). During the three-month period between notice of breach and termination, Vermont-NEA shall be entitled to cure such breach(es), in which case no part of this Service Contract shall be terminated. In the event that VEHI determines that such breach(es) are not sufficiently cured, this Service Contract will be terminated solely with respect to the specific component(s) of service that is the subject of the written notice of termination. The Service Contract shall not be terminated with respect to the parties' rights and obligations under the remaining components of this Service Contract, unless the Contract is otherwise terminated pursuant to other provisions of this Section.

Section V: Indemnification

VEHI shall indemnify, defend and hold harmless VT-NEA and VT-NEA's officers, agents and employees of and from any claims, lawsuits, causes of action, liability, losses or damages of any kind, brought by any third party against VT-NEA and/or VT-NEA's officers, agents and employees, arising out of the negligent, careless, willful or other wrongful acts of VEHI or VEHI's officers, agents and employees.

VT-NEA shall indemnify, defend and hold harmless VEHI and VEHI's officers, agents and employees of and from any claims, lawsuits, causes of action, liability, losses or damages of any kind, brought by any third party against VEHI and/or VEHI's officers, agents and employees, arising out of the negligent, careless, willful or other wrongful acts of VT-NEA or VT-NEA's officers, agents and employees.

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VT-NEA shall indemnify, defend and hold harmless VEHI and VEHI's officers, agents and employees of and from any claims, lawsuits, causes of action, liability, losses or damages of any kind, brought by any third party against VEHI and/or VEHI's officers, agents and employees, arising out of the negligent, careless, willful or other wrongful acts of VT-NEA or VT-NEA's officers, agents and employees.

Section VI: Modification

This Service Contract may be modified in writing, if signed by the Authorized Representative of each party during the term of this agreement by mutual consent of the VEHI Board of Directors and the Vermont-NEA.

Section VII: Code of Conduct

At the commencement of the initial term of this Service Contract, and at the commencement of any renewal term, Vermont-NEA shall review, sign and be bound by VEHI's Code of Conduct for Service Providers, the provisions of which shall be incorporated into this Service Contract and become binding obligations on Vermont-NEA during the initial term, and any renewal term of this Service Contract, as if fully set forth herein.

For VEHI:



Authorized Representative of VEHI

Date: 6/11/18

For Vermont-NEA:

Authorized Representative of VT-NEA

Date: _____

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For VEHI:

For Vermont-NEA:

Authorized Representative of VEHI

Martha W. Allen

Authorized Representative of VT-NEA

Date: _____

Date: June 29, 2018



VEHI Code of Conduct for Service Providers

VEHI contracts with Service Agents to carry out the work of the organization. Each Service Provider is expected to do the following:

1. Uphold VEHI's Mission and Decision Guidelines.
2. Uphold VEHI's fiduciary responsibilities.
3. Comply with VEHI's Communication Protocols.
4. Represent the organizational and program interests of VEHI when engaging with members, school employees and their dependents, union representatives, elected officials and other public policy makers, BCBSVT, NEDD, the media and state agencies, including the Vermont Department of Financial Regulation.
5. Keep the Board informed in a timely manner of information or actions that have the potential to impact or compromise the mission or integrity of VEHI, including proposed legislation, potential or pending legal actions, media coverage, internal and external trends in the insurance market, or material changes to operations.

Accepted for Service Provider:

Martha W. Allen

Signature

Vermont-NEA / President
Organization/Title

June 29, 2018
Date