

Board Agenda Item – Language

Consider/Approve participation in the Texas Schools Health Benefits Program for alternate group health medical coverage.

Resolution Joining TSHBP

DATE _____

On this date, we, the Board of Trustees of the _____ Independent School District, hereby approve joining the Texas Schools Health Benefits Program, to obtain alternative medical benefits for employees of _____ Independent School District. A motion was made and the that trustees approved _____ Independent School District joining the TSHBP. Motion carried.

Signed: _____
Board President

Signed: _____
Board Secretary

Texas Schools Health Benefits Program Interlocal Agreement

Pursuant to the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this Texas Schools Health Benefits Program Interlocal Agreement (the "Agreement") is entered into by and between the Texas Schools Health Benefits Program ("Program") and the undersigned Local Government ("you" or "your"). The program is an administrative agency of Local Governments, as defined in Chapter 791 of the Texas Government Code, ("Members") that cooperate in discharging administrative and governmental functions primarily related to employee benefits.

WITNESSETH:

WHEREAS, the participating local governments are authorized by the Act to enter into cooperative agreements among themselves for the purpose of acting cooperatively through an administrative agent to fulfill and accomplish governmental functions and services, including without limitation, self-funding of employee benefit coverages; and

WHEREAS, each of the participating local governments is authorized by the Texas Political Subdivision Employees Uniform Group Benefits Act, Chapter 172 of the Texas Local Government Code (hereinafter the "Act"), Texas Revised Civil Statutes Annotated Article 715c (Vernon 1993), and Section 22.005 of the Texas Education Code, to provide a self-funded health plan to Member's employees and their dependents ("Benefits Plan"); and

WHEREAS, the Members desire to establish, by and through their cooperative agreement, the Texas Schools Health Benefits Program, to be governed by a Board of Directors (Board);

NOW, THEREFORE, the terms and conditions, and the rights and duties, agreed upon by and between the Members are as follows:

1. **Purpose.** The Members agree that it is a public purpose for public employers to provide benefits to their employees in order to attract and retain a competent workforce.
2. **Term.** The duration of the Interlocal Agreement shall continue in existence and renew annually as long as two or more Participants remain in the Program.
3. **Termination.** This Agreement may be terminated by either party on any successive renewal date by giving written notice no later than one hundred twenty (120) days before the renewal date or as provided by the Program Bylaws.
4. **Program Governance.**
 - (a) **Program Bylaws.** You agree to adopt and abide by the Bylaws of the Program (the "Bylaws"), and any and all reasonable policies and procedures established by the Program, as may be amended during the term of this Agreement. By agreeing to adopt and abide by the Bylaws, You agree to become a Member of the Program. The Bylaws are incorporated into this Agreement by reference and are available from the Program upon request. The Program and Bylaws are subject to the Texas Interlocal Cooperation

Act, Section 271.101, *et seq.*, of the Texas Local Government Code, and any other statute or law that may be applicable to this Agreement. The Bylaws shall be construed in harmony with this Agreement and, in the event of any inconsistency, the provisions of this Agreement shall control.

- (b) **Administration.** The Program may enter into contracts with other persons or entities, including nonprofit entities, for the administration, sponsorship or endorsement of services and programs offered by and through the Program.

5. **Program Responsibilities.** This Agreement enables You to participate in any or all of the programs and services the Program makes available to its Members from time to time.

- (a) The Program, through its designated administrator and other service providers, will make employee benefits available to the Members of the Program. Benefits are intended for employees of Members, including employees' dependents. Administrative services related to such benefits may also be offered. The Program will use the collective bargaining power of its Members to obtain these benefits and services from qualified agents, brokers, consultants, carriers, third-party administrators, and other service providers.
- (b) The Program will secure, catastrophic or excess loss coverage to cover the Program from loss exposure. The Member is bound by the terms and conditions of the coverage agreement. The Member shall be responsible for notifying the employees of any changes in coverage.
- (c) The Program shall provide periodic management reports and information to the Member.
- (d) The Program shall provide for an annual audit of its financial statements by a certified public accounting firm.
- (e) The Program shall furnish Members with a Master Plan Document, detailing the services offered to the Members of the Program.

6. **Member Responsibilities.**

- (a) You shall provide all necessary information to the Program or Servicing Contractor as may be needed or required for the administration of the Program.
- (b) You authorize the Program to review any of your transactional records with the Program or its service providers.
- (c) You acknowledge and agree that this Agreement does not by itself extend employee benefits or services to You. This Agreement only provides You access to the Program's designated service providers for the various benefits and services made available through the Program.
- (d) You shall appoint a representative with the authority to serve as the coordinator for the programs and services in which You participate. The representative shall have the

authority to represent and bind on Your behalf, and the Program is not required to contact any other individual. You reserve the right to change Your representative as desired by giving written notice to the Program.

(e) You acknowledge that any servicing contractor whom you choose to contract with under this Agreement shall provide all of the services as provided in the service contract entered into by and between the servicing contractor and the Program on behalf of the Member.

7. **Authorization to Participate.** You represent that your governing body has duly authorized your entity's participation in the Program and that you will comply with state and local laws and policies pertaining to the procurement of employee benefits and related services through your membership in the Program.

8. **Fiscal Responsibility.**

(a) Contributions Fees. The Member shall pay contributions to the Program based on rates approved by the Program. All contributions are payable monthly by the tenth (10th) of the month for that month.

(b) Services Purchased. A payment obligation will arise under the terms of a separate contractual agreement or transaction for products or services under this Agreement.

(c) You hereby acknowledge and represent that all payments, fees, and disbursement required for products or services obtained through this Agreement shall be made from Your available current revenues.

9. **Representation.** The Program may initiate, defend against, or participate in any judicial, administrative, or other legal proceeding, including arbitration, mediation, or other forms of alternative dispute resolution, concerning the Program as an entity. Nothing in this Agreement creates a legal duty of the Program to provide a defense or prosecute a claim; rather, the Program may exercise this right in its sole discretion and to the extent permitted or authorized by law. Furthermore, nothing herein shall limit Your right to preclude You from pursuing, either independently or in conjunction with the Program, a claim against any service provider or employee benefits or related services.

10. **Disclaimer.** To the fullest extent authorized by law, it is agreed that the Program (i) is not a guarantor of a third-party service provider's performance, claims, determinations, or solvency; (ii) bears no risk for the employee benefits obtained through this Agreement; and (iii) is not liable for any actions or failures on the part of any insurance carrier, agent, broker, or other insurance providers.

11. **Liability.** The parties agree as follows:

(a) Neither party waives any immunity from liability afforded under the law.

(b) In regard to any lawsuit or formal adjudication arising out of or relating to this Agreement, neither party shall be liable to the other under any circumstances for

special, incidental, consequential, or exemplary damages.

(c) In the event of a lawsuit or formal adjudication, the prevailing party will be entitled to recover reasonable attorney's fees that are equitable and just.

12. **Notice.** Unless otherwise provided in this Agreement, any notice required or provided under this Agreement by either party to the other will be in writing and sent by: (i) first-class mail, postage prepaid; (ii) overnight courier service; or (iii) email, fax, or other electronic delivery.

(a) Notice to the Program shall be addressed as follows:

By Mail: Texas Schools Health Benefits Program

Attn: Chairman of the Board

2175 N Glenville Dr.

Richardson, TX 75082

(b) Notice to You shall be addressed to the address on file with Program.

13. **Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas unless otherwise mandated by law. This provision does not govern or control the governing law or venue requirements applicable to your contractual arrangement with any provider of products or services obtained through the Program.

14. **Entire Agreement.** This Interlocal Agreement represents the complete understanding of the Program and the Participant. The terms of this Agreement shall control and take precedence over all prior agreements. However, the terms of a prior agreement between You and the Program will govern Your participation in any existing contract for employee benefits.

15. **Amendment.** This Agreement may not be amended or altered without the written consent of both parties.

16. **Severability.** If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other terms, provisions, and conditions of this Agreement shall nevertheless remain in full force and effect.

17. **Counterparts.** The parties may execute this Agreement in counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The delivery of an executed counterpart signature page by facsimile or PDF is as effective as delivering this Agreement in the presence of the other party to this Agreement. This Agreement is effective as of the date of the last signature to this Agreement.

This space left intentionally blank.

Signature page to follow.

IN WITNESS WHEREOF, the undersigned shall become Members to the Interlocal Agreement.

By: _____

Its Duly Authorized: _____

Date: _____

Texas Schools Health Benefits Program

By: _____

Chairman

Texas Schools Health Benefits Program

Date: _____

2 Year Rate Guarantee

9/1/2020 – 9/1/2022

Interlocal Addendum



1. TSHBP and _____ ISD (Member) agree that Member will be a TSHBP Member for the 2020-2021 through the 2021-2022 Participation Period. The TSHBP agrees to provide the Member with the same rates by tier and plan for the 2020-21 and the 2021-2022 participation period. The Member agrees that District's contribution remains comparable for the participation periods.
2. This Interlocal Addendum along with the most recently signed Interlocal Agreement shall represent the entire agreement and may not be amended or altered without the written consent of both parties.
3. If Member terminates this Addendum before 8/31/2022, a short-term cancellation penalty of five percent (5%) of Annualized Contributions for the 2020-2021 Participation Period will be due from Member and payable to TSHBP within 30 days after notice of termination is received.
4. Member Opt-Out Clause: If future reinsurance terms cause an unanticipated change in TSHBP's funding model that results in Member rates increasing overall by more than 5%, then the Member will have the option to reject the renewal and be released from this Addendum with zero penalty cost.

The undersigned agrees to this Addendum.

Authorized Signature

ISD

TSHBP Board Member - Signature

Printed Name

Printed Name

Date

Date

Non-Appropriations Clause: This Addendum is subject to the appropriation of funds by Member in its budget adopted for any fiscal year for the specific purpose of making payments pursuant to this Addendum for that fiscal year. The obligation of Member pursuant to this Addendum in any fiscal year for which this Addendum is in effect shall constitute a current expense of Member for that fiscal year only, and shall not constitute an indebtedness of Member of any monies other than those lawfully appropriated in any fiscal year. In the event of non-appropriation of funds in any fiscal year to make payments pursuant to this Addendum, this Addendum may be terminated.

**Region 10
Financial Benefit Services Member Districts**

HIGH DEDUCTIBLE HEALTH PLAN (HDHP)

EMPLOYEE ONLY - \$350.00

EMPLOYEE + CHILDREN - \$665.00

EMPLOYEE + SPOUSE - \$988.00

EMPLOYEE + FAMILY - \$1,299.00

COPAY PLAN (CPP)

EMPLOYEE ONLY - \$389.00

EMPLOYEE + CHILDREN - \$754.00

EMPLOYEE + SPOUSE - \$1,099.00

EMPLOYEE + FAMILY - \$1,485.00

The TSHBP is a regional rated, fully-funded, guaranteed cost program for Texas school districts. The purpose of the plan is to support the school children of Texas. We do this by providing health benefit solutions to our dedicated teachers, administrators, and support staff so they can concentrate on what they do best – teaching and supporting our kids. We desire to increase member health and well-being and provide tools necessary to identify and manage the health of every member.

The TSHBP utilizes an AM Best “A” Excellent rated carrier with a financial size of XIV (\$1.5 billion to \$2.0 billion) for financial protection against unexpected claim losses. The carrier serves clients throughout North America from its headquarters in New York City. The financial protection eliminates all financial risk to the Program and its member districts.

