

Meeting Date
12/20/16



AGENDA	
Section	Consent
Item No.	<i>II.C.5</i>

**AGENDA REPORT**  
**BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS**

SUBJECT:	Indian River Lagoon Council request to participate in the Brevard County Group Health Plan
DEPT/OFFICE:	Office of Human Resources / Employee Benefits

**Requested Action:**  
 That the Board provide direction as to whether or not the Board of County Commissioners wishes to enter into an Interlocal agreement with the Indian River Lagoon Council (IRLC) authorizing the IRLC to join the County's Group Health Insurance and benefits program.

**Summary Explanation & Background:**

Pursuant to Section 112.08 of Florida Statutes, counties, municipalities, constitutional officers and special districts of the State of Florida have authority to self-insure any plan for health, accident and hospitalization coverage or enter into a risk management consortium to provide such coverage, subject to approval by the Florida Office of Insurance Regulation. In addition, such units of local government have authority to enter into Interlocal agreements and exercise jointly with any other public agency of the state any power, privilege or authority which they share in common and which each might exercise separately as provided in Section 163.01, Florida Statutes.

Under Interlocal Agreements executed in 2008, The Board of County Commissioners along with the Brevard County Sheriff, Brevard County Supervisor of Elections, Brevard County Property Appraiser, Brevard County Tax Collector, Brevard County Clerk of Courts, TICO Airport Authority, Sebastian Inlet Tax District and the Melbourne-Tillman Water Control District, have been participating in just such a self-insurance program for health, accident and hospitalization coverage for the mutual benefit of each other.

A request to join the Board's Group Self-Insurance program has been received from the Indian River Lagoon Council, an independent special district of Florida with 3 full time employees which began operations on 10/1/2015. After reviewing the Board's self-insurance program and the Interlocal Agreement they would be required to execute, the IRLC Board voted on 11/18/16 to request permission to join the Brevard County Group Self-Insurance program. An employer premium of \$987.60 per employee would be paid by the IRLC.

Brevard County Office of Human Resources / Employee Benefits, in its capacity as the Group Health Plan Administrator, is seeking Board direction as to whether or not the Board of County Commissioners wishes to enter into an Interlocal Agreement with the Indian River Lagoon Council (IRLC) authorizing the IRLC to join the County's Group Health Insurance and benefits program. It is requested that if the Board favorably considers the IRLC's request to participate in the Brevard County Group Self-Insurance program that the Board Chair execute the attached Interlocal Agreement. This agreement is identical to the several agreements in place since 2008 with all the public sector employer groups currently participating in the Brevard County Group Self-Insurance and benefits programs.

**Fiscal Impact:** Additional Employer Premiums of \$2,935.81/month (\$35,229.72 /yr) are projected from the new membership.

**Exhibits Attached:** IRLC Request Memorandum; Group Health Plan Agreement

Contract /Agreement (If attached):		Reviewed by County Attorney	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager		Assistant County Manager	Frank Abbate		Department Director / Extension			
Stockton Whitten		Frank Abbate	Gervard Visco, Human Resources Director x/5-5446					



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001  
Fax: (321) 264-6972  
Tammy.Rowe@brevardclerk.us

December 21, 2016

**M E M O R A N D U M**

**TO:** Gerard Visco, Human Resources Director

**RE:** Item II.C.5., Indian River Lagoon Council's (IRLC) Request to Participate in the Brevard County Group Health Plan

The Board of County Commissioners, in regular session on December 20, 2016, executed Group Health Plan Agreement with Indian River Lagoon Council to participate in the Brevard County Group Health Plan. Enclosed is the executed Agreement.

**Upon execution by IRLC, please forward a fully-executed Agreement to this office for inclusion in the official minutes.**

Your continued cooperation is greatly appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

Encl. (1)

cc: Contracts Administration  
Finance  
Budget



## Indian River Lagoon National Estuary Program

IRL Council  
1235 Main Street, Sebastian, FL 32958  
(772)742-2858  
IRLCouncil.com

### MEMORANDUM

TO: Brevard Board of County Commissioners  
FROM: Duane De Freese, Executive Director of the IRL Council  
DATE: December 1, 2016  
SUBJECT: Brevard Group Health Plan

#### INTRODUCTION

The IRL Council (Council), established in February 2015, is an independent special district of Florida, and host of the Indian River Lagoon National Estuary Program. The Council includes representatives of five counties bordering the lagoon (Volusia, Brevard, the Indian River County Lagoon Coalition, St. Lucie and Martin counties), the St. Johns River and South Florida Water Management Districts, and the Florida Department of Environmental Protection. The Council employs three full time staff, and currently provides health, dental, and vision insurance through the Florida League of Cities.

In November 2016, Council staff met with the Brevard Human Resources Director to determine the Council's eligibility to become a member of the Brevard Health Plan Agreement, and explore potential savings in employee benefits. It was determined that the Council is an eligible participant, and that significant annual operating savings would be realized by participating in the plan.

The information obtained during the meeting was presented to the IRL Council Board of Directors (Board) for consideration at their regularly scheduled meeting on November 18<sup>th</sup>. The Board voted unanimously to petition the Brevard Board of County Commissioners for acceptance into the Brevard Group Health Plan Agreement.

#### REQUEST TO PARTICIPATE IN GROUP HEALTH PLAN AGREEMENT

Please accept this memorandum as our formal request to join the Brevard Group Health Plan Agreement.

# Group Health Plan Agreement

This Agreement is entered into as of September 30, 2008, between Brevard County, Florida, a charter county and a political subdivision of the State of Florida (the "County"), and the undersigned parties for the limited purposes set forth below.

## PREMISES:

1. Pursuant to Section 112.08 of Florida Statutes, counties, municipalities, constitutional officers and special districts of the State of Florida have authority to self-insure any plan for health, accident and hospitalization coverage or enter into a risk management consortium to provide such coverage, subject to approval by the Florida Office of Insurance Regulation.
2. In addition, such units of local government have authority to enter into Interlocal agreements and exercise jointly with any other public agency of the state any power, privilege or authority which they share in common and which each might exercise separately as provided in Section 163.01, Florida Statutes.
3. The parties executing this group health plan agreement (the "Agreement") have been participating in and desire to continue participation in a self-insurance program for health, accident and hospitalization coverage for the mutual benefit of each and to provide for the payment by the parties hereto of contribution amounts necessary to achieve and preserve adequate levels of funding and reserve balances to enable payment of the benefits and administrative costs incurred under such program.

**THEREFORE, in consideration of the foregoing and of the mutual promises, terms and conditions set forth in this Agreement, the parties agree as follows:**

Section 1. Purpose: By this Agreement, the parties intend to participate in a self-funded program for health plan coverage for employees of the Participant, as well as certain eligible dependents, retirees and COBRA beneficiaries, all as set forth in the Plan Document, as such term is defined herein. The parties intend to bind themselves to the terms and conditions of this Agreement in accordance with and to the fullest extent allowed by Florida law. The parties intend to establish this program for immediate participation by each of them.

Section 2. Scope: This Agreement shall govern the payment, reporting and administrative obligations of the respective parties to this Agreement relating to a self-funded

program of health plan coverage. This Agreement also provides for an Employee Benefits Insurance Advisory Committee (EBIAC) that will participate in benefit vendor selections, review benefit plan designs / premiums and make recommendations to the Board of County Commissioners (Board). The Board, however, shall retain exclusive authority for determining coverage levels, premium structures, and administrative arrangements and may approve changes to coverage levels, administrative arrangements and all other issues related to the group health plan.

Section 3.    Definitions: The following definitions shall apply to this Agreement:

- A.    **“Administrative Services Only Contract Provider”** (“ASO Contract Provider”) means any insurance company or third party administrator for a health plan, selected by the Board, which shall function as the administrative entity for this Agreement and Program, and whose related expense will be provided accordingly as approved by the Board.
- B.    **“Board”** means the Board of County Commissioners of Brevard County.
- C.    **“Change In Status Event”** means an event defined under Treasury Regulation 1.125-4, Section C (A copy of said regulation is attached hereto as Attachment ‘A’.) that entitles a plan member to change or modify the election of benefits under the Plan Document outside of open enrollment during the plan year.
- D.    **“Claims Reserve”** means the amount of funds set aside in a reserve account as required annually by the Florida Department of Financial Services for approval of the Program as further set forth in Section 8 hereof and for funds reserved to help stabilize future premiums and/or meet funding requirements of Other Post Employment Benefits (OPEB) / GASB 45 liability.

- E. **“County Finance”** means the Brevard County Finance Office providing financial and accounting services.
- F. **“Dependent”** shall have the meaning ascribed to such term in the Plan Document.
- G. **“Employee”** has the meaning ascribed to such term in the Plan Document.
- H. **“Employee Benefits Consultant”** means any company, broker or consulting service, selected by the Board, which shall provide health insurance industry expertise to the Group Health Program, and whose related expense will be provided accordingly as approved by the Board.
- I. **“Employee Benefits Insurance Advisory Committee”** or **“EBIAC”** means the committee provided for in Section 11 hereof.
- J. **“Group Health Insurance Fund”** means the Board fund used to account for the total amount of premium contributions by all Participants in the Program, reinsurance proceeds received, pharmacy rebates received, all reserves, any other funds received pertaining to the Program including investment earnings on all such monies and constitutes the source of money for all expenses of the Program, including, without limitation, the payment of claims and losses, and of legal, reinsurance, and administrative expenses as approved by the Board annually.
- K. **“Human Resources”** means the Brevard County Board of County Commissioners Office of Human Resources.
- L. **“Monthly Statement for Group Insurance”** means the statement which each Participant shall provide to the Plan Administrator on a monthly basis that provides the Participant’s total monthly premium for group health benefits by listing the employer premium contribution (based on the Board approved

employer contribution rate multiplied by the number of full-time / permanent employees identified on the Participant's final payroll report for the calendar month) and a listing of employee premium contributions by each available benefit, the number of the Participant's employees/dependents enrolled in each available benefit (based on the Participant's final payroll report for the calendar month) multiplied by the per employee/dependent cost of that benefit which subtotals are then added together. (See Section 7.A.iii.)

- M. **"Participant"** or **"Participating Entity"** means any entity having membership in the Program as set forth in Section 5 hereof.
- N. **"Plan Administrator"** shall mean the Brevard County Board of County Commissioners Office of Human Resources.
- O. **"Plan Document"** means the Summary Plan Document setting forth the terms and conditions of health plan coverage and eligibility.
- P. **"Plan Year"** means the initial calendar year term of this Agreement and any subsequent calendar year Term, as described in Section 4 hereof. The words "Term" and "Plan Year" may be used interchangeably herein.
- Q. **"Program"** or **"Plan"** means the insurance and self insurance health plan operations conducted pursuant to this Agreement.
- R. **"Retiree"** has the meaning ascribed to such term in the Plan Document.
- S. **"Termination"** means separation from employment with a Participant as a result of voluntary or involuntary lay off, termination of employment with or without cause, medical dismissal, or retirement.

Section 4. Term: The initial Term of this Agreement begins 12:01 a.m., January 1, 2009 and ends 12:00 midnight, December 31, 2009. Each Plan Year shall begin at 12:01 a.m.

each January 1st and end at 12:00 midnight, each December 31<sup>st</sup> that this Agreement shall remain in effect. This Agreement shall be automatically renewed for subsequent one year periods unless terminated as provided for in Section 13 hereof.

Section 5. Program Membership: The Board shall be a Participant and direct that its Office of Human Resources serve as the Plan Administrator for the Program.

- A. Participants. In addition to the Board, Participants in this Program are the Brevard County Sheriffs Office, the Brevard County Supervisor of Elections, the Brevard County Property Appraiser, the Brevard County Tax Collector, the Brevard County Clerk of the Courts, Brevard County Court Administration, the Canaveral Port Authority, the TICO Airport Authority, the Sebastian Inlet Tax District, Melbourne-Tillman Water Control District, and the Brevard County Economic Development Commission. The Board may, at its option, add additional Participants. Changes in membership for subsequent Terms will not invalidate this Agreement for Participants remaining or joining the Program. Participants remaining in the Program for subsequent Terms shall not be required to enter into a new Agreement as a result of such change in membership.
- B. Required Contributions. Each Participant is required to remit timely payment of its contributions to the Medical Benefits Fund in accordance with Section 7 herein.
- C. Required Information. Each Participant is required to submit to Human Resources and County Finance, by electronic transmission, the following information in Microsoft Excel format or such other format acceptable to Human Resources and County Finance for each pay period for such Participant no later than the third business day subsequent to the pay date for such Participant:

1. Names of all employees and dependents enrolled in the health plan for such pay period, together with social security numbers, addresses, dates of birth, gender, marital status, coverage options and tiers elected, coverage start dates for each such employee and dependent, the hire date for each such employee and the relationship of each dependent to the employee;
2. Names of all enrolled employees terminated from employment during such pay period, together with dates of termination;
3. Names of all employees and dependents added to the health plan during such pay period, together with the additional information listed in clause 1 hereof above;
4. Additional information requested by Human Resources or County Finance necessary to reconcile eligibility and premium information together with any such other information requested by Human Resources or County Finance.

D. Participating Entity Responsibilities. Each Participant shall notify the Plan Administrator of any of the Participant's employees who are terminated or separated from employment within the calendar month in which the separation occurs in order for the Plan Administrator to carry out its COBRA obligations under Section 12. H. herein.

1. Each Participant will enter required demographic data for all full-time, permanent employees into the self-service benefits enrollment system within 5 days of that employee's date of hire. Termination dates for employees shall also be entered by the Participant in accordance with Section 5 D. 1. herein.

2. Participant must confirm that all new employees have entered benefits elections via the employee self-service enrollment system within 30 days of hire.
3. Participant must review all pending transactions in the self-service benefit enrollment system resulting from Change In Status Events (CISE) initiated by their employees and ensure that required documentation to support the CISE is provided to the Office of Human Resources within 30 days of the CISE. Required documentation includes, but is not limited to, birth certificates, marriage licenses, court orders, medical history forms and Evidence of Insurability forms.
4. Each Participant will reconcile its billing for insurance benefit premiums against its payroll deductions and/or employee self-service system reports to ensure the billing is correct and reflects reductions for terminated employees and their dependents and increases for newly hired employees and their dependents.

Section 6. Budget: The proposed Program budget for each Plan Year of the Program shall be prepared by Human Resources, reviewed by the EBIAC, and approved by the Board. Notice of the proposed premium and schedule of benefits for the following Plan Year shall be sent to each Participant as outlined in Section 7 hereof.

Section 7. Funding: Subject to Board review and approval, Human Resources shall develop a schedule of premium charges for each plan Participant for all plan options. Human Resources, in consultation with the Board's benefits consultant and the EBIAC, will annually propose schedule premium charges based on claims experiences, program structure, coverage levels, administrative expenses, reserve requirements and other relevant factors. Subsequent to

approval by the Board, Notice of Proposed Premium and Schedule of Benefits shall be transmitted to each Participant.

A. Contributions.

- i. Each Participant agrees to timely pay its share of premiums in each year of its participation in the Program in accordance with the terms of this Agreement.
- ii. In consideration of timely premium contributions, Participants are entitled to health plan coverage based on the approved Program. Participants are not entitled to any surplus or reserve in the Group Health Insurance Fund until and unless plan reserves are deemed adequate by an independent actuary to meet all financial obligations of the program including but not limited to (1) reserves required annually be the Florida Department of Financial Services for approval and continuation of the Program, and (2) all Post Employment Benefits (OPEB) / GASB 45 financial liabilities associated with the program.
- iii. In order to properly account for such premium payments, each Participant shall deliver to Human Resources the “Monthly Statement for Group Insurance” report (See Attachment ‘B’, a form to utilize for this purpose) no later than 3 business days following the processing of Participant’s final payroll report for the calendar month.
- iv. Each Participant shall remit its share of premiums to County Finance no later than 10 business days following the processing of Participant’s final payroll report for the calendar month.

v. Payment shall be considered delinquent if not received by County Finance within 10 business days following the processing of Participant's final payroll report for the calendar month. If nonpayment continues for 30 days after the close of the prior month's payroll, Participants shall be notified that they are subject to removal from the Plan for nonpayment. Participants shall be given 30 additional days after such notice of delinquency to cure nonpayment. If the Participant fails to cure such nonpayment within such 30-day period, the Participant may be removed from the Program pursuant to Section 14 hereof.

B. All premium contributions shall be paid to County Finance. All disbursements from the Group Health Insurance Fund shall be approved by Human Resources and made by County Finance.

Section 8. Claims Reserve: The Board shall be responsible for maintaining the reserves required by state laws and regulations. The Office of Human Resources shall recommend the reserve amount to the Board based upon applicable laws and regulations and sound actuarial and accounting principles.

Section 9. Reinsurance: The Board may purchase stop loss reinsurance to protect against catastrophic claims of individuals enrolled in the Program.

Section 10. Accounting: Accounting of the operations of the Program shall be performed in accordance with generally accepted governmental accounting principles and Florida law.

A. Human Resources and/or ASO contractors shall prepare eligibility and premium reconciliations.

- B. Board Internal Auditors shall perform or cause to be performed a claims audit of the ASO Contract Provider as directed by the Board's Internal Audit Committee.
- C. The Board's Employee Benefits Consultant shall prepare, or cause to be prepared, the annual report required by Section 112.08 of Florida Statutes within three (3) months of the end of each Plan Year, with the required actuarial statement prepared by an independent actuarial firm. Upon completion, copies of such annual report will be provided to Human Resources.

Section 11. Employee Benefits Insurance Advisory Committee (EBIAC): The EBIAC will participate in benefit vendor selections, review benefit plan designs / premiums and make recommendations to the Board. All final decision making authority with respect to the Program shall remain with the Board. The EBIAC shall meet at least annually at the direction of Human Resources.

- A. Membership. The EBIAC shall be comprised of voting members, consisting of one representative from the Office of Human Resources who will serve as Chairperson of the Committee, one representative appointed by each of the Board of County Commissioners District Offices, one representative from each Participating Member of the Program, and a representative from each of the following offices / entities:

- Brevard County Managers Office
- Brevard County Budget Office
- Employee Advisory Committee
- IAFF Representative
- Retiree Appointee

Participating EBIAC Members may appoint alternates at their discretion.

- B. Notices of all meetings of the Committee shall be posted at least three (3) business days prior to any such meeting.

Section 12. Duties of the Plan Administrator. Human Resources in its capacity as Plan Administrator shall receive advice and support from the Board's employee benefits consultant. The Plan Administrator will:

- A. Perform an annual assessment of the health plan and report to the EBIAC and the Board.
- B. Recommend to the Board premium structure and charges to the participating members;
- C. Recommend stop loss reinsurance for catastrophic coverage;
- D. Administer health plan and wellness programs contracts;
- E. Provide for HIPAA administration;
- F. Recommend Participant removal from the Program;
- G. Review claims data to identify trends;
- H. Administer COBRA participants under the Plan Document. Once the Participant notifies the Plan Administrator of an employee termination, the Plan Administrator shall provide the former employee with a COBRA Notice and Election form, along with plan information, premium information and terms of eligibility for participating in the Plan. If an election is made by the former employee within the 60-day time period allowed by law, all premiums will be forwarded directly to the Plan Administrator by the former employee electing coverage.
- I. Make other recommendations to the Board for the operation of the Program.

Section 13. ASO Contract Provider: The daily operations of the Program will be conducted by ASO Contract Provider(s) in accordance with the terms of the administrative

services contract approved by the Board. ASO Contract Providers will process claims covered by this Agreement and provide other administrative services which may include claims adjudication and payment, customer service, plan administration, provider network, disease management, claims fiduciary responsibility, reporting and stop loss coverage.

Section 14. Termination, Non-Renewal and Removal: This Agreement may be terminated by the Board, or the participation of any Participant other than the Board, may be terminated as follows:

- A. Termination by the Board. The Board will provide written notice of any such termination by July 1<sup>st</sup> of the then existing Plan Year. The effective date of such termination shall be 12:00 midnight December 31<sup>st</sup> of the then existing Plan Year.
- B. Non-Renewal by Participants Other than the Board. Any Participant desiring to withdraw from this program shall notify the Board of its intent not to renew its participation in this Agreement by providing Human Resources written notice on or before September 30<sup>th</sup> of the preceding Plan Year which shall be effective 12:01 a.m. on January 1st of the next ensuing Plan Year. Claims incurred beyond this date by the officer(s)/employees of such former Participant shall not be paid from the Group Health Insurance Fund. Such non-renewing Participants shall remain liable for any contributions due on or prior to the effective date of removal and retain responsibility for current and future retirees from its employment that are or would have been eligible for benefits through this program. Subsequent to removal, the former Participant will receive no services of the Program and retain responsibility for current and future retirees from its employment that are or would have been eligible for benefits through this program. Continued

participation in employee-paid, fully insured, benefit programs may be available upon the mutual agreement of the former Participating Entity and the Board.

- C. Removal. Any Participant may be removed from the Program upon the recommendation of Human Resources and approval by the Board. Human Resources shall provide the Participant written notice of its intent to recommend the removal of the Participant to the Board in writing at least seven days in advance of the request being considered by the Board. Reasons for removal include, without limitation, failure to timely remit any Board approved employer, employee, dependent, or retiree premium contributions to the Group Health Insurance Fund, failure to timely submit required reports, or engagement in activities which adversely affect the operation of the Program such as failure to fulfill Participant obligations to the Plan or Plan Members. Removed Participants shall remain liable for any contributions due on or prior to the effective date of removal. Subsequent to removal, the Removed Participant will receive no services of the Program and retain responsibility for current and future retirees from its employment that are or would have been eligible for benefits through this program. Continued participation in employee paid, fully insured, benefit programs may be available upon the mutual agreement of the removed Participant and the Board.

Section 15. Payment on Claims: All claims coming within the coverage of this Agreement shall be paid from the Group Health Insurance Fund. Claims approved by the ASO Contract Providers shall be paid in accordance with the Plan Document.

Section 16. Non-Waiver: Nothing herein shall be construed as waiving any liability limits or other protections or immunities provided by common law or Florida law to any Participant or to any officers or employees of any Participant.

Section 17. Modification: Amendments of this Agreement shall be in writing executed by all Participants.

Section 18. Severability: Should any paragraph or provision of this Agreement be declared invalid or unconstitutional by any court of competent jurisdiction, such invalid or unconstitutional portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this Agreement, provided the remaining portions carry out the purpose and intent of this Agreement,

Section 19. Compliance with Statutes: It shall be each Participant's responsibility to be aware of and comply with all federal, state and local laws that apply to this Agreement and to the participation in the benefit plans provided through the participation in this Agreement.

Section 20. Venue, Non Jury Trial: Venue for any legal action by any party to this Agreement to interpret, construe or enforce this Agreement shall be in a court of competent jurisdiction in and for Brevard County, Florida and any trial shall be non jury.

Section 21. Attorneys Fees: In the event of any legal action to enforce the terms of this Agreement, each party shall bear its own attorneys fees and costs.

Section 22. Construction of Agreement: The parties hereby acknowledge that they fully reviewed this Agreement and had the opportunity to consult with legal counsel of their choice, and that this Agreement shall not be construed against any party as if they were the drafter of this Agreement.



TICO Airport Authority      355 Golden Knights Blvd  
Titusville, Florida  
Attn: Airport Operations Director

Sebastian Inlet Tax District    114 6<sup>th</sup> Ave  
Indialantic, Florida

Melbourne-Tillman            5990 Minton Rd, NW  
Water Control District        Palm Bay, Florida

Indian River Lagoon          1235 Main Street  
Council                          Sabastian, FL 32958

Section 24. Counterparts. This Agreement may be simultaneously executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

ATTEST:

BY:

  
SCOTT ELLIS, CLERK

BREVARD COUNTY BOARD OF  
COUNTY COMMISSIONERS

BY:

  
Curt Smith, Chairman

Approved by the Board of County  
Commissioners December 20, 2016

INDIAN RIVER LAGOON COUNCIL

BY:

Chairman, IRLC

BY:

Date: