

COUNTY OF TAZEWELL, ILLINOIS

COUNTY BOARD PROCEEDINGS

NOVEMBER 12, 2009



DAVID ZIMMERMAN, COUNTY BOARD CHAIRMAN

CHRISTIE A. WEBB, COUNTY CLERK

PROCEEDINGS OF THE TAZEWELL COUNTY BOARD OF TAZEWELL COUNTY, ILLINOIS WERE
HELD IN THE JUSTICE CENTER COMMUNITY ROOM IN THE CITY OF PEKIN ON
MONDAY, NOVEMBER 12, 2009.

BOARD MEMBERS WERE CALLED TO ORDER AT 6:00 P.M. BY CHAIRMAN DAVID
ZIMMERMAN PRESIDING WITH THE FOLLOWING MEMBERS PRESENT: ACKERMAN, ANTONINI,
BERARDI, CRAWFORD, DONAHUE, D. GRIMM, HAHN, HARRIS, HILLEGONDS, HOBSON,
MEISINGER, NEUHAUSER, SINN, SUNDELL, VANDERHEYDT AND VONBOECKMAN.

ABSENT: CARIUS, B. GRIMM, IMIG, PALMER AND STANFORD.

INVOCATION WAS GIVEN BY BOARD CHAIRMAN ZIMMERMAN, FOLLOWED BY MEMBER
ZIMMERMAN LEADING THE PLEDGE OF ALLEGIANCE.

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NOVEMBER 12, 2009

HUMAN RESOURCES

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**** RECESS TO NOVEMBER 18, 2009 ****

COMMITTEE REPORT

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to approve a two-year contract with HCH Administration Inc. for Third Party Administrator Services; and

WHEREAS, the Third Party Administrator will provide services for the County's health, dental and vision benefits plan; and

WHEREAS, the contract stipulates the following pricing structure and terms:

- \$19.50 per employee monthly TPA fee which will include medical, dental, and vision benefit administration, utilization management services, prescription benefit management via Catalyst Rx, COBRA administration, HIPAA administration, fiduciary liability assumption, and network access for the Health Alliance Network
- No setup fees
- A term beginning December 1, 2009 and ending November 30, 2011 unless extended
- No price increase in year two

THEREFORE BE IT RESOLVED that the County Board approve the recommendation.

BE IT FURTHER RESOLVED that the County Clerk notifies the County Board Office, John Velde, HCH Administration Inc., 209 West R.B. Garrett Ave., Peoria, IL 61605, Payroll and the Auditor of this action.

PASSED THIS 12TH DAY OF NOVEMBER, 2009.

ATTEST:

Christie Al Webb
County Clerk

[Signature]
County Board Chairman

Administration Agreement

THIS AGREEMENT made as of this 1st day of December 2009 ("Effective Date"), by and between HCH Administration, Inc., an Illinois corporation ("Contract Administrator"), and Tazewell County ("Employer").

WHEREAS, the Employer, having established one or more group health plans ("Plan") for the benefit of its employees, desires to have the administration and claims paying functions required under the Plan performed by an independent organization or entity experienced in such matters; and

WHEREAS, the Contract Administrator is experienced in handling such matters and functions and is willing to perform them on behalf of the Employer for the Plan, and Contract Administrator has in effect and shall continue to maintain at its cost and expense, errors and omissions insurance insuring its activities under or with respect to this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

ARTICLE 1 Operative Language

1.1 The words and phrases set off by quotation marks in Article 2 have the meanings herein indicated. Any word or phrase which appears in the Agreement in parenthesis, set off by quotation marks, and capitalized has the meaning denoted by its context. Whenever the words and phrases defined in Article 2 or elsewhere in this Agreement are intended to have their defined meanings, the first letter of such word or the first letters of all substantive words in such phrases shall be capitalized.

1.2 Any words or phrases used, but not otherwise defined, in Article 9 shall have the same meaning as those terms in the Privacy Rule.

1.3 When the context permits, a word or phrase used in the singular means the plural and when used in any gender, its meaning also includes both genders.

1.4 Captions of Articles are inserted as a matter of convenience only and do not define, limit or extend the scope or intent of this Agreement or any provision hereof.

ARTICLE 2 Definitions

2.1 "Agreement" means this document, consisting of twenty (20) consecutively numbered pages.

2.2 "Breach" means the unauthorized acquisition, access, use or disclosure of unsecure Protected Health Information (PHI) in a manner not permitted under the Privacy Rule which compromises the security or privacy of the PHI. For purposes of this definition, compromises the security or privacy of PHI means poses a significant risk of financial, reputational or other harm to the individual.

2.3 "Eligibility Requirements" means the requirements imposed by the Plan, as

preconditions to participation therein.

2.4 “Excluded Expenses” means:

- (a) postage for any general participant or provider mailing,
- (b) legal fees (including preparation of and amendments to plan documents and booklets and related services), accounting, auditing, bank account balancing and bank trust fees,
- (c) fees charged by medical consultant relative to unusual or extraordinary claims, (prior authorization from the “Employer”)
- (d) printing costs for preparation and revision of (i) booklets and restatement or subsequent issuance and/or reissuance of booklets, (ii) plan documents, (iii) computer claims checks, and (iv) other plan information,
- (e) I.D. cards,
- (f) actuarial fees,
- (g) custom reports, (available at a rate of \$150.00 per hour, with prior authorization from “Employer”)
- (h) time and expenses for employee meetings held outside of Central Illinois,
- (i) fees and expenses incurred by the Contract Administrator, upon termination of this Agreement, to transfer files and records to the Employer.
- (j) any expenses incurred as a result of unusual or extraordinary circumstances such as mergers, facility closings, lay offs, strikes, etc.;
- (k) personalized forms, including but not limited to Annual Verification Claim Forms, Enrollment / Change Statements, etc.;

2.5 “Execution Date” means the date on which the last party to sign, signs this Agreement.

2.6 “Expenses” means all expenses incurred by the Contract Administrator while performing under this Agreement, except Excluded Expenses.

2.7 “Individual” shall have the same meaning as the term “individual” in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

2.8 “Master Document” means the instrument, as amended from time to time, which details the provisions of the Plan and regulations relevant to its operations.

2.9 "Participants" means employees of the Employer who have fulfilled the Eligibility Requirements, or those former employees or beneficiaries who have elected to continue coverage under the Plan under COBRA.

2.10 "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.

2.11 "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by Contract Administrator from or on behalf of the Plan.

2.12 "Reporting Requirements" means the informational filing requirements imposed by all State and Federal agencies, whether by statute or by regulation, upon the Plan.

2.13 "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR 164.501.

2.14 "Secretary" means the Secretary of the Department of Health and Human Services or his designee.

2.15 "Unsecure Protected Health Information" means PHI that is not rendered unusable, unreadable or indecipherable to unauthorized individuals through the use of technology and methodology specified by the Secretary in guidance issued under section 13402(h)(2) of Pub L. 111-5

ARTICLE 3

General Obligations of Contract Administrator

The Contract Administrator agrees to provide to the Employer the services described in the attached Exhibits. The duties of the Contract Administrator with respect to the Plan are limited to those set forth in this Agreement or as agreed to specifically in writing between the parties.

Upon the termination of this Agreement, the Contract Administrator will return to the Employer all records received by the Contract Administrator from others, and those other records compiled and utilized by the Contract Administrator in performing its duties under this Agreement, including, but not by way of limitation, financial records, employee records, all records relating to claims filed, processed, and paid, provided, however, if the records are maintained in a machine comprehensible form, such as on computer tape, then the tapes themselves will be returned to the Employer. Files related to the relationship between the parties or other documents not specifically prepared on behalf of the Plan shall remain the property of the Contract Administrator.

ARTICLE 4

Liability for Expenses

In providing services as set forth above in Article 3, the Contract Administrator shall bear all Expenses except Excluded Expenses. Excluded Expenses shall be paid to the provider or reimbursed to the Contract Administrator as incurred.

ARTICLE 5 Outsourcing

Contract Administrator reserves the right, but does not assume the obligation, to outsource any discrete portion of its obligations under this Agreement.

ARTICLE 6 Compliance with Plan Documents

During the terms of this Agreement, the Contract Administrator shall perform the services provided for in a manner consistent with the purpose and intent of the Plan documents; provided, however, the Contract Administrator is not responsible for the continuing validity and qualification of the Plan.

ARTICLE 7 General Obligations of Employer

7.1 In return for the provision by the Contract Administrator of the services set forth herein, the Employer shall pay the Contract Administrator each month an amount described in the attached Schedule A, (Standard Fees and Expenses) payable monthly at the beginning of each calendar month.

7.2 The Employer shall also pay the Contract Administrator each month amounts incurred by the Contract Administrator during the month for Excluded Expenses.

7.3 The compensation specified herein is payable by the Employer to the Contract Administrator in exchange for the services provided pursuant to Article 3 under ordinary circumstances and in the regular course of business of the Employer. Services provided by the Contract Administrator which are required due to work stoppages or massive hiring, layoff or termination of employment of employees of the Employer ("Extraordinary Expenses") fall outside the scope of the services to be provided by the Contract Administrator pursuant to Article 3. The Contract Administrator shall notify the Employer, in writing, when it anticipates providing services which constitute Extraordinary Expenses. The Contract Administrator and the Employer shall then negotiate reasonable compensation prior to and in exchange for the Contract Administrator providing such services.

7.4 Payment of all amounts owed to Contract Administrator in accordance with this Article 7 is due within thirty (30) days of the date of the invoice. Upon notification of past due status, amounts not paid within such time period shall accrue interest at a rate of 1% per month times the unpaid balance.

7.5 The Employer shall be responsible for maintaining the validity and qualified

status of the Plan and shall, when requested, provide the Contract Administrator with necessary guidance relative to the meaning and intent as to the provisions of the Plan, including, but not limited to, providing the Contract Administrator with interpretations and opinions, and eligibility determination whether by the Employer or by legal counsel selected by the Employer, as the Contract Administrator deems necessary to correctly perform the services assumed hereunder. The Employer shall be responsible for notifying Contract Administrator of any changes in a Participant's status.

7.6 The Employer retains the ultimate responsibility for the operation of the Plan. The Contract Administrator shall perform its duties described herein subject to the direction of the Employer. Ultimate decision making and responsibility for these determinations rests in the Employer. The Contract Administrator shall not be a fiduciary of the Plan with respect to the performance of such administrative services unless it accepts, in writing, fiduciary responsibility as determined in accordance with the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). It is expressly agreed and understood that it is the responsibility of the Employer, and not the Contract Administrator, to satisfy the various reporting and compliance requirements contemplated by applicable law or the attached Exhibit(s).

7.7 The Employer, or other persons or entities designated in the Plan, shall be responsible for funding the Plan. The Contract Administrator shall not be liable or responsible to fund the Plan in any respect including, but not limited to, the payment of Plan claims or expenses, nor shall the Contract Administrator be considered an insurer or underwriter of the Plan. The Employer shall not state or imply that the Contract Administrator has any funding obligation with respect to the Plan. If the Employer or other designated entity fails to fund one or more adjudicated claims for 60 days or longer, or the Contract Administrator has other reason(s) to be concerned about the funding status of the Plan, the Contract Administrator shall have the right, but not the obligation, to take appropriate action to correct the failure to fund the Plan, regardless of the Contract Administrator's lack of fiduciary status with respect to the Plan. Such action may include (i) notifying Participants and their dependents of the failure to fund the Plan, or (ii) notifying the U.S. Department of Labor or other applicable governmental oversight agency of the failure to fund the Plan. The Contract Administrator may exercise its right to take appropriate action either before or after termination of this Agreement.

ARTICLE 8

Contract Administrator Duty of Confidentiality and Use of Data

Except as set forth herein, Contract Administrator shall treat as confidential all client or participant specific information, records, and data provided to or accumulated by the Contract Administrator in providing the services outlined in this Agreement in accordance with applicable law. Contract Administrator will not divulge this confidential information without the prior authorization of the Participant; provided, however, nothing in this Section shall be deemed to prevent the Contract Administrator from utilizing such confidential information to provide and furnish the services called for in this Agreement; from divulging such information as required by law to representatives of the Internal Revenue Service, the U.S. Department of Labor, or as otherwise required by law; or to use or distribute the data for its own proprietary purposes in any manner without identifying the Employer or any Participant.

ARTICLE 9
Compliance with Privacy Rule

9.1 *Obligations and Activities of Contract Administrator.*

(a) Contract Administrator agrees to not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law.

(b) Contract Administrator agrees to comply with the Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Regulations (including the Breach Notification regulations) and other applicable federal and state laws respecting the privacy and the security of health information.

(c) Contract Administrator agrees to report to Plan representatives any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware, including any security incident involving electronic Protected Health Information. To determine if an impermissible Use or Disclose of unsecured PHI constitutes a breach where notification is required, Contract Administrator will perform a risk assessment to determine if there is a significant risk of financial, reputational or other harm to the individual as a result of the impermissible use or disclosure. Upon the determination of a breach of unsecured PHI Contract Administrator will notify Plan representatives the following: individual name; a brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known; a description of the types of unsecured protected health information that were involved in the breach (i.e. name, SSN, member number, diagnosis code, etc.); a brief description of the outcome of the investigation and the mitigation to protect against any further breaches.

(d) Contract Administrator agrees to mitigate, to the extent practicable, any harmful effect that is known to Contract Administrator of a use or disclosure of Protected Health Information by Contract Administrator in violation of the requirements of this Agreement.

(e) Contract Administrator agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Contract Administrator on behalf of the Plan agrees to the same restrictions and conditions that apply through this Agreement and the Privacy Rule to Contract Administrator with respect to such information.

(f) Contract Administrator agrees to provide access, at the request of Plan representatives, to Protected Health Information in a Designated Record Set, to the Plan or, as directed by the Plan, to an Individual in order to meet the requirements under 45 CFR 164.524.

(g) Contract Administrator agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Plan directs or agrees to pursuant to 45 CFR 164.526 at the request of the Plan or an Individual.

(h) Contract Administrator agrees to make internal practices, books and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Contract

Administrator on behalf of, the Plan available to the Plan, or to the Secretary determining the Plan's compliance with the Privacy Rule.

(i) Contract Administrator agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for the Plan to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

(j) Contract Administrator agrees to provide the Plan or an Individual information collected in accordance with Section (i) above to permit the Plan to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

9.2 *Permitted Uses and Disclosures by Contract Administrator*

(a) Except as otherwise limited in this Agreement, Contract Administrator may use or disclose Protected Health Information on behalf of, or to provide services to, the Plan as set forth in the Agreement and the Plan's governing documents, if such use or disclosure of Protected Health Information would not violate the Privacy Rule if done by the Plan or the minimum necessary policies and procedures of the Plan.

(b) Except as otherwise limited in this Agreement, Contract Administrator may disclose Protected Health Information for the proper management and administration of the Contract Administrator, provided that disclosures are Required By Law, or Contract Administrator obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Contract Administrator of any instances of which it is aware in which the confidentiality of the information has been breached.

(c) Except as otherwise limited in this Agreement, Contract Administrator may use Protected Health Information to provide Data Aggregation services to the Plan as permitted by 42 CFR 164.504(e)(2)(i)(B).

(d) Contract Administrator may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with §164.502(j)(1).

9.3 *Obligations of Plan and Employer*

(a) The Plan or Employer shall notify Contract Administrator of any limitation(s) in its notice of privacy practices of the Plan in accordance with 45 CFR 164.520, to the extent that such limitation may affect Contract Administrator's use or disclosure of Protected Health Information.

(b) The Plan or Employer shall notify Contract Administrator of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Contract Administrator's use or disclosure of Protected Health Information.

(c) The Plan or Employer shall notify Contract Administrator of any restriction to the use or disclosure of Protected Health Information that the Plan has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Contract Administrator's use or disclosure of Protected Health Information.

(d) The Plan or Employer shall not request Contract Administrator to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by the Plan unless specifically allowed by this Agreement.

ARTICLE 10 Indemnification

10.1 Contract Administrator shall indemnify and hold harmless Employer from any and all claims and losses which Employer may suffer or incur as a result of any action of the Contract Administrator or any failure of the Contract Administrator to take action pursuant to the terms of this Agreement, but only if such claims or losses are due to Contract Administrator's willful malfeasance, bad faith, or reckless disregard of its obligations and duties under the terms of this Agreement. Contract Administrator shall not be liable for claims related payment or processing errors. Except for the foregoing obligations, Contract Administrator shall have no other liability to the Employer.

10.2 Employer shall indemnify and hold harmless Contract Administrator from any and all claims and losses, which Contract Administrator may suffer or incur as a result of any action of the Employer or any failure of the Employer to take action pursuant to the terms of this Agreement. Employer shall also indemnify and hold harmless Contract Administrator from any and all claims and losses which Contract Administrator may suffer or incur (including but not limited to attorney's fees) related to the funding or administration of the Plan by the Employer.

ARTICLE 11 Term and Termination

11.1 *Termination*

This Agreement shall have an initial two year term extending from December 1, 2009 to November 30, 2011 and is automatically renewed thereafter for additional one-year terms unless terminated by either party as provided herein. This Agreement may be terminated without cause at any time by Contract Administrator if Employer fails to properly fund the Plan, or by either party upon material breach by the other of the terms contained herein. In addition, this Agreement may be terminated by either party hereto by giving sixty (60) days written notice before the expiration of the initial term or each successive one-year term. (provided, however, that Employer shall remain liable for payment of all fees and expenses incurred through the effective date of termination, plus all applicable termination fees).

11.2 *Special Provisions for Protected Health Information.*

(a) *Term.* With respect to Protected Health Information, the provisions of this Agreement related to the Privacy Rule shall terminate when all the Protected Health Information provided by the Plan to Contract Administrator, or created or received by Contract Administrator on behalf of the Plan, is destroyed or returned to the Plan, or, if it is infeasible to return or

destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions of this Section.

(b) *Effect of Termination.*

(1) Except as provided in paragraph (2) below, upon termination of this Agreement, for any reason, Contract Administrator shall return or destroy all Protected Health Information received from the Plan, or created or received by Contract Administrator on behalf of the Plan. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contract Administrator. Contract Administrator shall retain no copies of the Protected Health Information.

(2) In the Event that Contract Administrator determines that returning or destroying the Protected Health Information is infeasible, Contract Administrator shall provide to the Plan notification of the conditions that make return or destruction infeasible. Upon determination that return or destruction of Protected Health Information is infeasible, Contract Administrator shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contract Administrator maintains such Protected Health Information.

(c) *Survival.*

(1) The respective rights and obligations of Contract Administrator under this Section 11.2 shall survive the termination of this Agreement.

ARTICLE 12
Transition Upon Termination

- 12.1 Employer may elect, in writing, to utilize Contract Administrator's services to handle the "run in" of claims which are incurred prior to the effective date of the Administration Agreement.
- 12.2 The processing fee for the "run in" of claims shall be in the amount of one month claims administrative fee or \$10 per claim (including denials of claims), whichever is less.
- 12.3 So long as Employer has fulfilled its contractual obligations hereunder, Employer may, at the time of notification of termination of the Agreement, elect, in writing, to utilize Contract Administrator's services to handle the "run out" of claims which are incurred prior to the date of termination.
- 12.4 The processing fee for the "run out" of claims shall be in the amount of 10% of the gross amount of paid claims, including denials, with a \$500 per month minimum charge for such "run out" processing and administration regardless of the number or amount of claims. "Run out" services only include the services described in Exhibit A, Article 1, subsections (f), (k) and (p), and do not include the providing of certificates of creditable coverage or any other services.

- 12.5 Contract Administrator will forward all claims/mail for 30 days after the termination date to the new administrator. If run-out is elected by the Employer, Contract Administrator will forward all claims/mail for 30 days from the last day of the proposed run-out.
- 12.6 For any services requested by Employer subsequent to the termination date that are not delineated in this Article, Employer shall pay Contract Administrator for all time and expenses reasonably incurred by Contract Administrator.
- 12.7 Should Employer not elect to retain the services of Contract Administrator for purposes of "Run Out," Employer understands that all processing and administration will cease as of the effective date of termination. All calls from Employer's members will be directed to the new Contract Administrator.
- 12.8 Contract Administrator's fees in facilitating transition shall be calculated as follows:
- (a) Fee to run additional reports at the rate of \$150.00 per hour;
 - (b) Fee to compile and box files at the rate of \$50 per hour plus applicable storage, release, and destruction fees – one (1) week advance notice required;
 - (c) Costs incurred to ship files at actual cost;
 - (d) If elected by Employer, permanent file storage fee of \$.50 per box per month paid in advance for a one (1) year period with a minimum of \$500 to be billed annually upon termination.

ARTICLE 13 General Provisions

13.1 Each party to this Agreement shall execute, acknowledge and deliver such additional documents, writings or assurances as the other may periodically require so as to give full force and effect to the terms and provisions of this Agreement.

13.2 The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

13.3 Interpretation of the terms and provisions of this Agreement shall be governed by the laws of the State of Illinois where it has been executed.

13.4 All written notices provided for in and by this Agreement shall be made (a) either by personal delivery of the notice to the parties thereunto entitled, or (b) by the mailing of the notice in the United States mails, postage prepaid, certified, return receipt requested to the parties thereunto entitled by address hereinafter set forth or at such other address as the party entitled to notice shall designate in writing to the other parties hereto:

Contract Administrator

HCH Administration, Inc.
301 S. Vine St.
Urbana, IL 61801-3347

Attn: Chief Executive Officer

Employer:

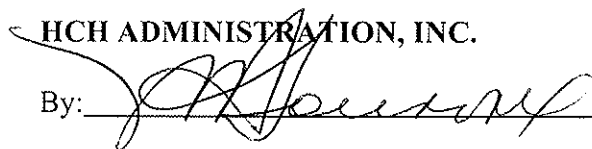
Tazewell County
11 S. 4th St., Ste. 432
McKenzie Building
Pekin, IL 61554

Attn: County Administrator

The written notice shall be deemed given in (a) on the date of the personal delivery to the parties entitled thereto and in (b) on the date of its mailing.

13.5 The Agreement may be amended from time to time pursuant to the written agreement of the parties hereto. The parties agree to take such action as is necessary to amend this Agreement to allow the Plan to comply with the minimum requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

13.6 Any ambiguity in this Agreement shall be resolved to permit the Plan to comply with the Privacy Rule.

HCH ADMINISTRATION, INC.	TAZEWELL COUNTY
By: <u></u>	By: <u>David A. Jones</u>
Title: _____	Title: <u>County Administrator</u>
Dated: <u>3/17/10</u>	Dated: <u>March 15, 2010</u>

503-131

EXHIBIT A

CLAIMS ADMINISTRATION

ARTICLE 1

Services Provided by Contract Administrator

The Contract Administrator agrees to provide the following services to the Employer:

- (a) Provide I.D. cards.
- (b) Provide a Master Plan Document (at Employer expense).
- (c) Furnish monthly to the Employer a Statement of Paid Claims, together with an annual summary.
- (d) Furnish telephone service, office supplies and postage necessary to the administration of the Plan.
- (e) Provide actuarial services as required (at Employer expense).
- (f) Provide standard claim forms, worksheets and other related forms.
- (g) Periodically review and analyze claim reports and present its findings with any recommendations to the Employer.
- (h) File claims with the reinsurance carrier if specific or aggregate limits are exceeded.
- (i) Perform a market analysis for the placement of the life, accidental death and dismemberment, and excess insurance for the Plan, when necessary.
- (j) Provide assistance in preparing benefit booklets and amendments to the Plan.
- (k) Prepare and send Form 1099's and provide information to Employer to assist Employer in preparation of Form 5500's.
- (l) Prepare trust document, if requested (at Employer expense), and assist in establishing trust account at bank of Employer's choice.
- (m) Provide assistance, if requested, to complete and file all forms with the Internal Revenue Service necessary to obtain recognition of the trust as an organization exempt from tax pursuant to Section 501(c)(9) of the Internal Revenue Code (at Employer expense).
- (n) Maintain the eligibility records of the Plan.

- (o) Prepare and distribute to Participants and their covered dependents the certifications required under the Health Insurance Portability and Accountability Act for time periods during which this Agreement is in effect.
- (p) Adjudicate and pay claims for benefits under the group health plan to Participants (or their designated beneficiaries) as directed by the Employer and consistent with the terms and provisions of the Plan. Fully documented claims will be adjudicated within a reasonable time after the Contract Administrator receives the completed documentation.
- (q) Negotiate prompt pay and other discounts with medical providers and report results to Employer.
- (r) Arrange for the performance of subrogation recovery services in accordance with Contract Administrator's standard practices.
- (s) On- line for Employer and employees.
- (t) Contract Administrator will review or facilitate a review by an external review organization on behalf of the Plan any disputed claim or appeal regarding preauthorization, medical necessity and benefit exclusions of the Plan. Contract Administrator will refer to the Plan Administrator for determination any claim or appeal involving questions of eligibility or entitlement of the Covered Person for coverage under the Plan. Any exceptions to the Summary Plan Description/Plan Document requested by the Plan Administrator will be made in writing to Contract Administrator.

EXHIBIT B

HOSPITAL UTILIZATION REVIEW

ARTICLE 1

Services Provided by Contract Administrator

The Contract Administrator agrees to provide the following services to the Employer:

- 1.1 Hospital Pre-certification with Continued Stay Review
 - (a) Review elective hospital admissions, which are filed for review. The review shall evaluate the appropriateness of the hospital admissions and length of hospital stay(s).
 - (b) Approve in a timely manner and notify the Participant, hospital, or admitting physician of such approval where appropriate.
 - (c) Review each emergency admission filed for review. The review shall evaluate the appropriateness of the hospital admission and the length of the hospital stay.
 - (d) If a discrepancy outside the norm of predetermined admission standards is noted, a consulting physician to whom the Contract Administrator has referred the case for review will contact the attending physician and resolve the discrepancy in a medically appropriate manner.
 - (e) Monitor the Participant's in-hospital stay during that stay by telephone contact with the hospital discharge coordinator and, where necessary, the attending physician, to ascertain whether discharge occurs within the time limits established for the procedure and approved prior to admission.
 - (f) Coordinate and apply noncompliance review procedures.
 - (g) Assist discharge planning and, where appropriate, negotiate the price of durable medical equipment and home health care.
 - (h) Review extended hospital stays to determine whether Large Case Management is appropriate.
 - (i) Furnish to Employer a Utilization Review Report summarizing the results of inpatient hospitalizations and length of stay.
- 1.2 Second Surgical Opinion

The Contract Administrator may require second surgical opinions prior to approval of benefits for specified surgical procedures on behalf of the Employer as deemed necessary in accordance with the Plan.

1.3 Large Case Management (“LCM”)

Large case management shall be undertaken upon approval of the Employer and such management may include any of the following services where appropriate:

- (a) Review extended, high cost, hospital stays to determine whether alternative sites for medical care are appropriate.
- (b) Determine availability of alternate-care delivery sites in the geographic area, with first consideration being the patient’s residence.
- (c) Review clinical records and prepare detailed analysis of required treatment for patient’s continued care.
- (d) Review detailed analysis with Contract Administrator’s consulting physician.
 - (1) Cases requiring continued hospital care will be reevaluated at periodic intervals designated by the consulting physician.
 - (2) Cases diverted to alternate-care facilities will be reevaluated at periodic intervals designated by the consulting physician.
- (e) Analyze cases considered for alternate-site care and prepare an evaluation report to be reviewed by the Contract Administrator’s consulting physician.
- (f) Arbitrate any disputes or discrepancies with respect to administration of the LCM program.
- (g) Maintain weekly contact by visit or by telephone to monitor the progress of the patient’s care.
- (h) Coordinate various aspects of patient care to promote cost effectiveness of patient care and prevent duplication of services.

1.4 Hospital Bill Audit

Hospital bill audits shall be undertaken upon approval of the Employer and such audit services shall include the following:

- (a) Initial screening of bill to determine if audit is recommended based on potential for recovered savings.
- (b) If an audit is recommended, a desk or hospital audit will be undertaken to review the patient’s medical records to compare documented services to hospital bill. Discrepancies will be reported to the hospital and to the Employer for clarification, correction or arbitration.

Employer must approve services contemplated in Sections 1.3 and 1.4 in advance.

EXHIBIT C

CONTINUATION OF BENEFITS ADMINISTRATION (COBRA)

ARTICLE 1

Services Provided by Contract Administrator

The Contract Administrator agrees to provide the following services to the Employer:

- (a) Within fourteen (14) days following the documented "received" date by the Contract Administrator of notice that a Qualifying Event has occurred, the Contract Administrator shall notify any Qualifying Beneficiaries with respect to such Qualifying Event of their rights under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).
- (b) The Contract Administrator shall recommend to Employer the amount of Applicable Premium with respect to a Qualifying Beneficiary who has elected Continuation Coverage, but Employer shall remain responsible for the calculation of the Applicable Premium. The Contract Administrator shall not use a new Applicable Premium rate until it has been approved in writing by the Employer.
- (c) For any Qualified Beneficiary who elects Continuation Coverage, Contract Administrator (1) shall bill and collect from such Qualifying Beneficiary an amount not exceeding 102% of the Applicable Premium calculated with respect to that Qualifying Beneficiary (or, where applicable, 150% of the Applicable Premium with respect to a Qualifying Beneficiary who is determined, under Title II or XVI of the Social Security Act, to have been disabled within sixty (60) days of the Qualifying Event), and (2) shall remit to Employer all amounts collected within a reasonable time after collection.
- (d) Contract Administrator shall provide monthly reports of Qualifying Beneficiaries who have paid, or failed to pay, the required Applicable Premiums.
- (e) Contract Administrator shall provide forms and secure a signed statement every six (6) months from each Qualifying Beneficiary receiving continuation coverage to verify continued eligibility for such benefits.

Schedule A
Standard Fees and Expenses

The following Fees and Expenses apply to services rendered under this Agreement:

A. Claims/Administrative Services

The Employer shall pay the Contract Administrator for such services under Exhibit A, Article 1, Services Provided by Contract Administrator, on a per employee per month basis for Medical/Dental/Vision claim processing at the following rate(s):

Medical Only:

December 1, 2009 – November 30, 2010 \$12.00
December 1, 2010 – November 30, 2011 \$12.00

Dental/Vision (if member participates in major medical plan)
December 1, 2009 – November 30, 2010 \$2.00
December 1, 2010 – November 30, 2011 \$2.00

Medical Reimbursement Plan Only:

December 1, 2009 – November 30, 2010 \$0.00
December 1, 2010 – November 30, 2011 \$0.00

B. Network Access

The Employer and its enrollees shall have access to the participating providers of the Health Alliance Medical Plans PPO network. Health Alliance has entered into agreements with appropriately qualified health care providers. A directory of Health Alliance PPO network providers is available to the Employer and its enrollees at www.hchadministration.com.

The fees for access to the Health Alliance Medical Plans PPO network shall be payable by the Employer to the Contract Administrator on a per employee per month basis, at the following rate:

December 1, 2009 – November 30, 2010 Included in ASO fee
December 1, 2010 – November 30, 2011 Included in ASO fee

C. Utilization Review/Utilization Management

The fee for utilization review services as listed under Exhibit B, Article 1, Services Provided by Contract Administrator, which includes hospital precertification and continued stay review, on a per employee per month basis shall be payable by the Employer to the Contract Administrator, at the following rate:

December 1, 2009 – November 30, 2010 \$2.50
December 1, 2010 – November 30, 2011 \$2.50

Case Management Services

Employer must approve Individual Case Management services.

Case Management Services described in Exhibit B, Article 1.3 Large Case Management (LCM) and Article 1.4 Hospital Bill Audit, will be billed on a per employee per month basis and shall be payable by the Employer to the Contract Administrator.

Nursing Staff fees:

December 1, 2009 – November 30, 2010	\$150 per hour
December 1, 2010 – November 30, 2011	\$150 per hour

Physician Review fees:

December 1, 2009 – November 30, 2010	\$225 per hour
December 1, 2009 – November 30, 2010	\$225 per hour

Medical Director Review fees:

December 1, 2009 – November 30, 2010	\$225 per hour
December 1, 2009 – November 30, 2010	\$225 per hour

Any Case Management related fees assessed by a hospital with respect to the plan will be paid by the Employer. If an outside service is necessary, the actual cost of that service will be billed, plus any Contract Administrator's nursing staff/physician time necessary to interface.

D. Fiduciary Services

The fee for fiduciary services as listed under Exhibit A (t) shall be payable by the Employer on a per employee per month basis to the Contract Administrator, at the following rate:

Preauthorization, Coverage Decisions and Appeals

December 1, 2009 – November 30, 2010	\$0.55
December 1, 2010 – November 30, 2011	\$0.55

Independent External Review Organization Cost Per Case

E. COBRA

The Employer shall pay the Contract Administrator such services as listed under Exhibit C, Article 1 COBRA Administrative services, on a per employee per month basis at the following rate:

December 1, 2009 – November 30, 2010	\$1.00
December 1, 2010 – November 30, 2011	\$1.00

F. HIPPA Certification

The Employer shall pay the Contract Administrator for such HIPAA certification services as listed under Exhibit A, (o), on a per employee per month basis at the following rate:

December 1, 2009 – November 30, 2010	\$0.50
December 1, 2010 – November 30, 2011	\$0.50

G. Health Expense Loss Prevention:

The Employer shall pay the Contract Administrator 25% of the prompt pay and other discounts obtained from medical providers This does not include savings as a result of the primary PPO.

The Employer shall pay the Contract Administrator 25% of the amounts collected from subrogation recovery services as listed in Exhibit A (r).

H. Stop Loss

For the period December 1, 2009 – November 30, 2010, HCH Administration will provide specific premium funding for the difference between those included in the American National Insurance Company policy (\$40.18 (single)/\$84.88 (family)) and those communicated by HCH Administration and agreed upon by Tazewell county of \$37.74 (single)/\$78.36 (family). Additionally, Tazewell county shall remit aggregate premium payment of \$3.22 (single and family), of which HCH Administration shall remit \$1.77 (single and family) to American National Insurance Company, with the difference used to fund the previously referenced Specific Excess Loss differential.

HCH Administration will also provide aggregate funding for eligible claims between the aggregate factors included within the American National Insurance Company policy of (\$395.14 (single)/\$910.61 (family)) and those communicated by HCH Administration and agreed upon by Tazewell County of \$365.39 (single)/\$851.27 (family). American National Insurance Company shall take responsibility for eligible claims exceeding the aggregate factors of \$395.14 (single)/\$910.61 (family).

If a subcontractor raises their rates during the contract, then HCH shall pass on to client the increase as of the requested change.

HCH ADMINISTRATION, INC

By: [Signature]

Printed Name: _____

Title: _____

Date: 3/17/10

TAZEWELL COUNTY

By: David A. Jones

Printed Name David A. Jones

Title: County Administrator

Date: March 15, 2010

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to approve several proposed amendments to the Tazewell County Health Care Plan; and

WHEREAS, the Committee recommends making the following changes to the Health Plan document (Plan Design) effective December 1, 2009 unless otherwise noted:

- add a \$25 Office Visit Copayment
- add a \$150 Emergency Room Deductible
- add a \$2,600 family Out-of-Pocket Maximum (starts January 1, 2010)
- add a \$5,000 Lifetime Maximum benefit for fertility services (deductibles and coinsurance, and reasonable and customary charges will still apply)
- under the Dental Benefits Program, add a \$1,000 Lifetime maximum family benefit for orthodontia

THEREFORE BE IT RESOLVED by the County Board that the proposed amendments to the Tazewell County Health Care Plan be approved.

BE IT FURTHER RESOLVED that the County Clerk notifies the County Board Office, John Velde, HCH Administration Inc., 209 West R.B. Garrett Ave., Peoria, IL 61605, and Payroll of this action.

PASSED THIS 12TH DAY OF NOVEMBER, 2009.

ATTEST:

Christie A. Wells
County Clerk

[Signature]
County Board Chairman

Mr. Chairman and Members of the Tazewell County Board:

Your Human Resources Committee has considered the following RESOLUTION and recommends that it be adopted by the Board:

RESOLUTION

WHEREAS, the County's Human Resources Committee recommends to the County Board to approve the premium costs for Tazewell County Employee Health, Life and Dental for FY2010 for all full time non-union employees, and all full-time employees covered by the terms of the AFSCME, P.B.L.C. and F.O.P. Collective Bargaining Agreements, in accordance with the below schedule and will be effective in December 2009:

<u>COVERAGE</u>	<u>COUNTY</u>	<u>EMPLOYEE</u>	<u>TOTAL</u>
Employee Health	510.00	117.00	\$627.00
Medical Reimbursement	360.00	32.00	\$392.00
Family Med. Reimburse.	200.00	32.00	\$232.00
Maxi Care	401.00	42.00	\$443.00
Maxi Care Dependent	216.00	230.00	\$446.00
Dependent --No Spouse	251.00	185.00	\$436.00
Dependant Health	303.00	243.00	\$546.00
Medicare	0.00	205.00	\$205.00
Dependent Medicare	0.00	205.00	\$205.00
9K Life	3.95	0.00	\$ 3.95
10K Life	4.39	0.00	\$ 4.39
15K Life or above	5.00	0.00	\$ 5.00
Dental	20.00	0.00	\$ 20.00
Dependent Dental	7.00	40.00	\$ 47.00
Employee Optical	12.50	0.00	\$ 12.50

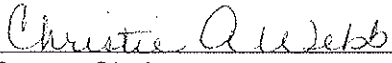
WHEREAS, employees purchasing the employee health benefit (full single coverage) who are non-tobacco users will receive a \$5 reduction in their monthly premiums as soon as administratively possible.

THEREFORE BE IT RESOLVED by the County Board that the Tazewell County Employee Health, Life and Dental premiums for FY2010 be approved.


BE IT FURTHER RESOLVED that the County Clerk notifies the County Board Office, and the Payroll Administrator of this action.

PASSED THIS 12TH DAY OF NOVEMBER, 2009.

ATTEST:



County Clerk



County Board Chairman

BOARD RECESSED AT 8:05 P.M. NEXT MEETING WILL BE HELD ON NOVEMBER 18, 2009.

I, CHRISTIE A. WEBB, CLERK OF TAZEWELL COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND COMPLETE COPY OF THE BOARD MINUTES AT A MEETING HELD IN THE JUSTICE CENTER COMMUNITY ROOM IN THE CITY OF PEKIN, ILLINOIS ON NOVEMBER 12, 2009 AT 6:00 P.M. THE ORIGINALS OF WHICH ARE IN MY CUSTODY IN MY OFFICE AND THAT I AM THE LEGAL CUSTODIAN OF THE SAME.

IN TESTIMONY WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY HAND AND AFFIXED THE SEAL OF THE SAID COUNTY AT MY OFFICE IN PEKIN, ILLINOIS
THIS 12TH DAY OF NOVEMBER, 2009.