



SPECIAL DISTRICTS INSURANCE SERVICES EMPLOYEE BENEFITS PLAN

MEDICAL AND DENTAL COVERAGE PARTICIPATING EMPLOYER AGREEMENT

Subject to the following provisions, the SDIS Declaration of Trust, guidelines and agreements established by the Special Districts Insurance Services Trust (herein called "SDIS") and its Members and further subject to the provisions of the SDIS Employee Benefits Plan (the "Plan") unless otherwise modified herein, SDIS will provide medical and dental benefits to those active Members ("Member Groups") seeking coverage since the Original Effective Date, June, 2014. This agreement will be reviewed at each annual renewal of the Plan, and currently reflects provisions as of July 1, 2022.

A. PURPOSE

It is the intention of SDIS to continue to maintain the Special Districts Insurance Services Employee Benefits Plan (the "Plan") for the benefit of eligible employees of Member Groups, and in accordance with the provisions of the Oregon Insurance Code and other applicable laws pertaining to employee benefit plans. The purpose of the Plan is to continue to provide medical and dental insurance coverage (herein called "Benefit Program") for eligible employees and their respective dependents. The Plan is intended to govern the Benefit Program through the use of documents that articulate the specific benefits covering the individuals described in such documents, and the terms and conditions associated with those benefits.

B. COMPOSITION OF THE PLAN

The Plan document is a compilation of several separate documents, including insurance contracts, administrative service agreements and employee benefit booklets. The Plan documents are used in determining benefits to which employees and their dependents are entitled. An individual's entitlement to coverage under the Plan, and any Benefit Program of the Plan, and the amount of any benefits provided under the Benefit Program will be as set forth in the insurance contract, administrative services agreement and employee benefits handbook through which such benefits are administered.

The Plan provides jointly self-insured medical and dental coverage for eligible Member Groups approved by the Oregon Insurance Division. Member Groups are bound by the provisions of the SDIS Declaration of Trust and of the Plan.

C. MEMBER GROUP ELIGIBILITY

1. Member Groups must be Members in good standing of the SDIS Trust.
2. Each Member Group has a 12-month renewal period. The policy renewal date is the first day of the plan year.

3. A Member Group for a renewal period commencing in a calendar year must be either a:
 - a. Small Employer Group:
 - i. On average, 1-50 employees in the prior calendar year;
 - ii. In the prior calendar year, 51% or more of the employees are employed in Oregon; and
 - iii. At least one employee working at least 17.5 per week.

See ORS 743.730(29) for more details.

- b. Large Employer Group: On average, 51 or more employees in the prior calendar year end does not meet the small employer definition.
4. A Member Group's renewal and contract changes are effective as of each July 1 annually, regardless of a Member Group's accumulator period. A Member Group may change its plan selections the first of July.

D. RENEWAL AND CANCELATION

1. Guaranteed Renewal. The Plan is guaranteed renewable with respect to all eligible Member Groups unless:
 - a. The Member Group fails to pay the required premium;
 - b. The Member Group's employees or representatives engage in fraud or make an intentional misrepresentation of a material fact as prohibited by the terms of this Plan; or
 - c. SDIS elects not to continue offering the Plan.
2. Retroactive Rescissions. SDIS may not retroactively rescind the coverage of a Member Group unless the Member Group, or person seeking coverage on behalf of the Member Group, performs an act, practice or omission that constitutes fraud or makes an intentional misrepresentation of a material fact as prohibited by the terms of this Plan and SDIS gives the Member Group and the affected individual a 30-day prior written notice.
3. Grace Period. There is a 30-day grace period for payment of each monthly premium. If premium is not paid within the grace period, SDIS will cancel the Member Group at the end of the grace period or, if later, ten days after the Member Group is notified in writing by SDIS that premium is past due.
4. Required SDIS Membership. A Member Group may be terminated if the Member Group is no longer a Member of the SDIS Trust. Termination will be effective the first of the month following 30 days of written notification by SDIS. Such notice will clarify that the

Member Group is no longer eligible for coverage because they are no longer a Member of the SDIS Trust.

E. EMPLOYEE / DEPENDENT ELIGIBILITY

The following requirements will apply for eligibility and rehire provisions for all Member Groups unless otherwise noted in this Plan document:

1. Contribution requirements:
 - a. Employee/75% & Dependent/0%; or
 - b. Employee/50% & Dependent/50%.
2. Participation requirements:
 - a. Eligible Employees. Solely for purposes of applying the minimum participation standards of this Section E, an “eligible employee” means an employee who works on a regularly scheduled basis, with a normal work week of 17.5 or more hours. The Member Group may determine hours worked for eligibility between 17.5 and 40 hours per week. For purposes of the minimum participation rules, an “eligible employee” does not include employees who work on a temporary, seasonal or substitute basis, or who have been employed by the Member Group for fewer than 90 days.
 - b. Medical Participation

75% of eligible employees must enroll, and 75% of eligible dependents must enroll.
 - c. Dental Participation
 - i. All Member Groups: 75% of eligible employees must enroll.
 - ii. If an employee was not previously enrolled on the dental plan, the employee can also enroll during the open enrollment period. However, if the employee was previously enrolled and dropped dental coverage, the employee must wait 24 months from the date they dropped coverage to re-enroll.
 - d. Medical and Dental Employee Participation Requirements
 - i. Enrollment after a Leave of Absence: An eligible employee and previously enrolled dependents may enroll if the employee returns from the Member Group's approved leave of absence (including leave under Family Medical Leave Act) of not more than three months.

- ii. To be eligible for coverage, employees are required to meet any probationary period and hourly requirements when established by the Member Group within the Affordable Care Act regulations.
- iii. Dependent children, spouses and qualified same-sex gender registered domestic partners must meet SDIS's conditions for enrolling new family members as specified in the Plan document.
- iv. Non-registered domestic partners are not covered, unless a Member Group is endorsed to allow "any gender" domestic partners at initial enrollment or at the Member Group's rate revision date. In those cases, a signed Domestic Partner Affidavit is required to enroll domestic partners.
- v. The open enrollment period is prior to the first day of the plan year for eligible individuals who are not enrolled in the health plan. Coverage for otherwise eligible individuals enrolling during the open enrollment periods becomes effective the first day of the selected plan year. If a Member Group offers multiple health benefit plans, enrolled employees may also select another health benefit plan option at that time. Open enrollment begins May 1, and final elections are due to SDIS no later than June 1.

F. RETIREE ELIGIBILITY

The following requirements will apply for retiree eligibility for all Member Groups unless otherwise noted in the Plan document.

- 1. A retiree is a former officer or employee of a Member Group participating in the Plan who is retired for service or disability, and who received, is receiving, or is eligible to receive retirement benefits under the Oregon Public Employees Retirement System or any other retirement system or plan applicable to officers and employees of the special district or public body.
- 2. The retiree must have been covered as an active employee under a medical plan under the Plan at the time of retirement to qualify for continued coverage.
- 3. The retiree must enroll in retiree coverage within 60 days of their date of retirement. The retiree has the option of enrolling an eligible spouse/qualified domestic partner and/or dependent for coverage at retirement, provided they are covered through the Plan at the time of the employee's retirement.

Dependents not enrolled in retiree coverage at the time of retirement may not be added at a later date; however, a new spouse or qualified domestic partner, or new dependent children acquired after retirement will be eligible to enroll within 31 days of the event. Dependents become ineligible if the retiree leaves the Plan, unless the retiree's loss of eligibility is due to Medicare eligibility or death.

4. Eligibility ceases for a retiree, or the spouse, qualified domestic partner or dependent of the retiree, when the individual becomes Medicare eligible.
5. A retiree who returns to work for a Member Group and who become eligible for benefits as an active employee, may temporarily drop the retiree plan for the active plan, and later return to the current Member Group's retiree plan as long as coverage under the Plan is continuous.
6. If the retiree is enrolled in both medical and dental coverage as an active employee, the retiree may choose to continue only medical in retirement. If medical is offered by the Member Group, retirees cannot continue dental only. Dependents can only be covered on the dental plan if they are also covered on the medical plan.
7. Retirees continue at the rates specified by SDIS or as specified by law.
8. If the Member Group from which the employee retired leaves SDIS, the retiree is no longer eligible to continue retiree coverage through the Plan.
9. The Member Group determines the amount, if any, that it will contribute toward the cost of retiree coverage.

G. BENEFITS

1. Each Member Group must select from the Plans offered by SDIS. Refer to the summary plan descriptions, limitations, and exclusions.
2. Preauthorization requirements, benefit administration, and pharmacy formularies are based on SDIS standard policies and lists. Refer to the summary plan descriptions.
3. A Member Group may elect to have medical, dental only, or both.
4. A Member Group that has medical coverage may add any of the following options to their contracts at initial enrollment or on the first of July:
 - a. Dental, and Orthodontia if eligible;
 - b. Group life insurance; or
 - c. Group short term or long-term disability insurance.

Refer to rate pages for more information.

5. A Member Group that has dental coverage and at least 15 enrolled employees may add Orthodontic coverage to their Plan at initial enrollment or at renewal. The employee and dependent coverage on this option must match enrollment on the dental plan design.
6. For dual choice (not selecting the HDHP/HSA), the Member Group must have at least 5 enrolled employees with 2 or more employees on each plan.

- a. Dual coverage is not allowed with another carrier.
 - b. There can be up to two (2) plan spread within the same color.
 - c. A minimum of two (2) employees must enroll in each plan.
 - d. Exceptions to the above dual choice requirement may be made by SDIS on a case-by-case basis.
7. A Member Group offering a HDHP/HSA plan must also offer a non-HDHP/HSA plan.
- a. Dual coverage is not allowed with another carrier.
 - b. There is no minimum enrollment in each plan
8. 24-Hour Coverage (on-the-job medical coverage) extends medical plan benefits to self-employed dependents who are not required to have workers' compensation coverage.

H. RATING

- 1. Member Groups with 1-50 employees are rated according to SDIS's standard rating methodology for small employer groups.
- 2. Member Groups with 51 or more employees are rated according to SDIS's standard rating methodology for large employer groups.
- 3. Rates include commissions and administrative fees.
- 4. Each Member Group's rate revision period will correspond with the Member Group's annual renewal date, regardless of which month the Member Group becomes effective.

I. OTHER ADMINISTRATIVE DETAILS

- 1. SDIS will credit the deductible for each covered employee and dependent of a new Member Group if there has been no lapse in coverage with that Member Group and proof of such coverage is provided to SDIS. Out-of-pocket will not be credited.
- 2. SDIS will credit the deductible, out-of-pocket, and other accumulators for members that move between plan designs mid-year within the same Member Group.
- 3. Any Member Group is subject to Medicare Secondary Payer Law (MSP) for individuals eligible for Medicare due to age.
- 4. If any Member Group has 100 or more employees on at least 50% of its regular business days during the prior calendar year, the Member Group is subject to Medicare Secondary Payer Law (MSP) for individuals eligible for Medicare due to disability. In those cases, the SDIS Plan would be the primary payer for Medicare Disabled individuals.

5. In connection with any third party claims arising out of this Plan or the administration thereof by either party, each of the parties hereto agree to indemnify and hold harmless the other against any such claims, losses, damages, liability, and expense, including reasonable attorney's fees and court costs, that arise as a result of the gross negligence or intentional misconduct of the indemnifying party or its employees.

J. FORMS AND DOCUMENTS

1. Member Group Enrollment Application (Master Application) – SDIS will create and maintain a Member Group specific form. The form must be completed by all newly enrolling Member Groups, even if the Member Group was previously enrolled in the Plan.
2. Employee Enrollment Application – SDIS will create and maintain a Member Group specific form. The form must be completed by each enrolling employee. If eligible employee declines to enroll, she/he must complete a Waiver form instead.
3. For existing SDIS Member Groups moving to another SDIS Plan with no lapse in coverage, SDIS will accept a letter from the Member Group confirming no change in enrollment in lieu of enrollment applications.
4. Summary Plan Description – SDIS will provide benefit Summary Plan Descriptions at the Member Group level and distributed electronically to each Member Group. Electronic copies can also be accessed through the SDIS website.
5. Member ID Cards – SDIS's third party administrator will mail Member ID Cards directly to each individual age 16 years or older.
6. Billing and Premium – SDIS agrees to mail monthly bills to the Member Group and apply grace periods based on standard SDIS procedures.
7. Premium for newborns is calculated based on date of birth. For newborns born on the first day of the month, premium is charged for a full month. For newborns born on any other day then the first day of the month, premium is charged beginning the first day of the following month.

**SPECIAL DISTRICTS INSURANCE SERVICES
EMPLOYEE BENEFITS PLAN**

**HEALTH AND DENTAL COVERAGE
PARTICIPATING EMPLOYER AGREEMENT**

The undersigned represents and warrants that the undersigned has:

1. received a copy of, and have reviewed and agree to the terms of this Agreement, the SDIS Employee Benefits Plan document and all other related documents and agreements;
2. signed the Joinder of Trust Agreement to become a Member of the Special Districts Insurance Services Trust; and
3. understands that the SDIS Employee Benefits Plan is a jointly self-insured medical and dental plan authorized by the SDIS Trust Agreement and approved by the Oregon Insurance Division.

AUTHORIZED SIGNATURE

Authorized Member Group Representative

Date

District Name

Return to:

Special Districts Insurance Services
PO Box 12613
Salem OR 97309
Kristi Allm
Email: kallm@sdao.com
Fax: 503-371-4781
Phone: 800-285-5461