

OFFICE OF THE TOWN ADMINISTRATOR



MEMORANDUM

DATE: November 5, 2018
TO: Town Council
FROM: Jeffrey D. Nutting, Town Administrator
Jamie Hellen, Deputy Town Administrator
RE: Adoption of a Joint Purchase Agreement (JPA)

Please find attached a JPA to allow the Metacomet Emergency Communication Center (MECC) and the Charles River Pollution Control District (CRPCD) to join Franklin's Health Insurance Plan.

We currently insure about 1,200 employees/retirees while the CRPCD has about 14 employees/retirees and the MECC will have about 20 employees. The two smaller groups do not have the purchasing power we have on both rates and plan design. This is a win/win.

There is no risk to the Town of Franklin and this will offer savings/better plan design to the other entities. Since we own about 66% of the CRPCD and 47% of the MECC any savings as a result of the JPA would help us in a very small way save some money. Each party can end its membership in the JPA on an annual basis.

I am happy to answer any questions that you may have.



TOWN OF FRANKLIN

RESOLUTION 18-64

AUTHORIZATION FOR THE TOWN OF FRANKLIN TO PARTICIPATE WITH OTHER GOVERNMENTAL UNITS IN THE JOINT NEGOTIATION AND PURCHASE OF HEALTH INSURANCE

WHEREAS, G.L. Chapter 32B Section 12 authorizes two or more governmental units to join together in the negotiation and purchasing of health insurance policies, and

WHEREAS, The Town of Franklin desires to join with Metacomet Emergency Communications Center (MECC) and Charles River Pollution Control District (CRPCD) and to enter into an agreement with them for said purpose.

NOW THEREFORE, BE IT RESOLVED that the Franklin Town Council, acting on behalf of the Town of Franklin, hereby authorizes the Town to join with MECC and CRPCD to negotiate and purchase health insurance policies, as provided in GL Chapter 32B Section 12, and to enter into an agreement for said purpose, in substantially the form attached hereto as "Exhibit 1" and, further, the Town Council authorizes the Town Administrator to negotiate and execute the final form of said agreement and to take any and all other action necessary to implement said authorization.

This resolution shall become effective in accordance with the provisions of the Town of Franklin Home Rule Charter.

DATED: _____, 2018

VOTED: _____

UNANIMOUS: _____

A TRUE RECORD ATTEST:

YES: ____ **NO:** ____

ABSTAIN: ____ **ABSENT:** ____

Teresa M. Burr
Town Clerk

Glenn Jones, Clerk
Franklin Town Council

**FRANKLIN HEALTH GROUP
AGREEMENT FOR JOINT NEGOTIATION AND PURCHASE OF CERTAIN
INSURANCE COVERAGES**

November 14, 2018

Article 1. Authority and Purpose

This Agreement is entered into by the Town of Franklin ("Franklin" or "the Town"), the Metacomet Emergency Communications Center ("MECC") and the Charles River Pollution Control District ("CRPCD"), collectively referred to as "participating governmental units" or "participants." The participants have entered into this agreement pursuant to Massachusetts General Laws, Chapter 32B, Section 12 for the purpose of jointly providing health coverage to their employees and retirees and their dependents and to such other individuals as are eligible for participation in their health plans under Chapter 32B, or under state or federal laws requiring continuation coverage. The legal entity established by this agreement shall be known as the Franklin Health Group ("FHG").

Article 2. Eligibility and Participating Governmental Units

A. Participants

The participants in this agreement are Franklin, MECC and CRPCD, each Massachusetts governmental units as the term is defined in M.G.L. c. 32B, section 2.

Article 3. Health Benefits/Effective Date

- A. The Town of Franklin will purchase health benefits for the eligible employees and retirees of the Town, the MECC and the CRPCD. The MECC and the CRPCD agree to offer to its eligible employees and retirees only those health plans purchased by the Town. The MECC will join the FHG effective January 1, 2019. The CRPCD will join the FHG effective July 1, 2019.

B. Plan Year

For purposes of this Agreement, the Plan Year shall be the period from July 1 to June 30.

C. Withdrawal of a Participating Governmental Unit

A Participating Governmental Unit may withdraw participation at its discretion, but a withdrawal may only be effective on June 30th of any Plan Year. An election by a governmental unit to terminate participation under this agreement must be communicated in writing to the Franklin Town Administrator on or before the December 31 that precedes the June 30 upon which the withdrawal is to be effective. A governmental unit that (1) terminates its participation without satisfying the above notification requirement or (2) terminates its participation on a date other than June 30 shall be responsible for paying any costs associated with its early withdrawal to the remaining participants. If Franklin is going to withdraw, it shall provide notice to the other participants.

A. Termination of a Participating Governmental Unit by the Group

Any Participating Governmental Unit which is 60 days in arrears for the payments due under this agreement may be terminated from participation in this Agreement. Such termination shall not limit the other participants from obtaining payment of all monies in arrears under Article 10. A governmental unit that is terminated shall, in addition to paying the arrears, be responsible for paying any costs associated with its termination to the remaining participants.

Article 4. Administration

Administrative authority shall be vested in a Board to be known hereinafter and referred to as "the Board." The Board shall be composed of one primary member and one alternate representative appointed by each participating government unit. The alternate representative shall assume all responsibilities of the primary member (excepting Chairperson Responsibilities) in the event of the primary member's absence. Franklin's Town Administrator shall be its primary member, unless he/she designates another person to so-act. The Town Administrator shall also designate an alternate representative. The "Appropriate Public Authority" (as defined in M.G.L. Chapter 32B Section 2) for the other participating governmental units shall appoint that unit's primary member and alternate representative.

The Board Member representative and alternate of each governmental unit shall serve until replaced in writing by the Appropriate Public Authority of the Participating Governmental Unit. It is understood and agreed that the Board may rely on the authority of each Board Member (or alternate) to represent the respective Participating Governmental Units and any vote of any individual Board Member or alternate shall be deemed to be binding upon the Participating Governmental Unit represented by such Board Member or alternate. It is understood that if both the Board Member and alternate representative attend a meeting, only the Board Member may vote. Only the designated Board Member or alternate may represent the Participating Governmental Unit at a Board meeting or may vote or participate at such meetings.

Article 5. Meetings, Voting and Quorum

A. Scheduling of Meetings

The Board shall schedule of meeting dates and times for the conduct of ordinary business and shall establish a reasonable procedure for notice to the members of the Board concerning special meetings.

B. Voting

For purposes of this Agreement, voting will be conducted in a weighted manner.

a.) **Weighted Vote** –Each Participating Governmental Unit shall have a percentage vote that reflects its proportionate share of the total premium and/or working rate contributions billed to and due from all Participating Governmental Units under this Agreement during the preceding Plan Year (July 1 through June 30).

b.) Quorum of the Board

The Board may take no action at a meeting unless a quorum is present. For purposes of this Agreement, a quorum of the Board shall require the attendance of the Town of Franklin and at least one of the other Participating Governmental Units.

Article 6. Chairperson

The Franklin Town Administrator or designee shall function as Chairperson of the Board and he/she shall appoint a Vice Chairperson (to act in the absence of the Chairperson) for the Board who shall serve for a term of twelve months, unless replaced prior to termination of such twelve-month period by the Franklin Town Administrator.

It shall be the duty of the Chairperson to call meetings of the Board, including designation of the date, place, and time of such meetings, and to perform other duties and functions as delegated by the Board.

The Board may appoint any other officers and committee chairpersons whom the Board deems appropriate, by weighted vote at a duly called meeting. The term of membership of such additional officers and committee chairpersons and the duration of such committees shall be determined at the discretion of the Board.

Article 7. Communication

It shall be the duty of each member of the Board (and alternate) to communicate all matters relating to the action of the Board to the member's respective Participating Governmental Unit, and its Appropriate Public Authority. The Chairperson, acting directly or through the Group's consultant/central administrative office, shall provide minutes of the Board meetings to all Board members.

Article 8. Acceptance of Premium Rates

The Group's purchase of health care on a premium basis shall be negotiated with the insurance carriers by the Franklin Town Administrator and will be payable by the Participating Governmental Units.

In conducting such negotiations, the Franklin Town Administrator will consult with the other designated Board members but shall not be bound by their recommendations and shall exercise full and complete authority to bind the Group's purchase of health insurance plan design and premium rates.

Article 9. Payment of Premium or Working Rate Charges

When benefits are procured on a premium basis, the Franklin Town Administrator may designate that the premium payments be billed by the carrier and paid directly by the governmental unit.

Article 10. Collective Bargaining and Eligibility Determinations

A. Collective Bargaining

Notwithstanding any other provisions of this agreement, a governmental unit maintains its autonomy and responsibility for collective bargaining. Each Participating Governmental Unit shall determine the level of contribution that it will make towards benefits provided to its employees/retirees through this agreement provided that said contribution is in conformance with M.G.L. Chapter 32B.

B. Eligibility Determination

Nothing contained in this Agreement in any way limit the authority of a Participating Governmental Unit to determine that a person is eligible for participation in the health coverage program, provided that the person is eligible under M.G.L. Chapter 32B. Unless the Group specifically contracts for centralized services regarding notification of eligibility, including notification to and from affected parties of eligibility rights under M.G.L. Chapter 32B, the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, and any other applicable federal and state statutes, these functions and tasks, as well as

employee direct billing, shall be the responsibility of and determined by the Participating Governmental Unit.

C. Addition of New Participants

Additional governmental units may be added as participants, commencing on a date mutually agreed upon. The addition of governmental units requires approval by the Franklin Town Administrator.

Article 11. Liability Following Termination of Participation

A. Participating Governmental Unit's Liability

A Participating Governmental Unit that withdraws from the Group in accordance with the procedures specified at Article 3C shall have no liability for contributions for any period following the effective date of termination of its participation under this agreement, except for (1) unpaid premium attributable to periods prior to the effective date of the governmental unit's termination, (2) subsequent expense for its covered members still on the plan after termination.

A Participating Governmental Unit that withdraws from the Group without satisfying the procedures for withdrawal specified at Article 3C shall be liable for (1) unpaid premium attributable to periods prior to the effective date of the governmental unit's termination, (2) subsequent expense for its covered members still on the plan after termination and (3) all expenses that the Group suffers as a result of the governmental unit's termination or untimely withdrawal.

B. Liability of the Group after Termination of a Participating Governmental Unit

The Group shall have no liability for benefits received by a subscriber or dependent of a terminated participant after the date of the participant's termination, except as may be provided in the Plan Document and/or Certificate of Insurance of the health plan in which the subscriber or dependent is enrolled. Each Participating Governmental Unit agrees that, in the event that its participation under this Agreement terminates and a subscriber or dependent of that participant takes legal action against the Group seeking payment for any benefits received by that subscriber or dependent after the participant's termination (other than post-termination benefits provided in the Plan Document and/or Certificate of Insurance of the health plan in which the subscriber or dependent is enrolled), the Participating Governmental Unit will indemnify the Group for all expenses that the Group may incur in the defense of such action including legal fees and costs, as well as the costs of any settlement or any judgments that may be rendered against the Group or its representatives.

Article 12. Indemnification

A. Personal Protection for Board Members and Alternates

Each Participating Governmental Unit agrees that as a precondition for entering into this Agreement for Joint Negotiation and Purchase of Health Coverage each representative and alternate designated by the Participating Governmental Unit to serve on the Board and any committee established by the Board shall be indemnified and held harmless from personal financial loss and expense, including reasonable legal fees and costs, if any, to the full extent permitted by all applicable statutes, including M.G.L. Chapter 258, sections 8, 9, and 13.

Indemnification shall be provided for liability arising from all activities directly related to the establishment of this agreement and all related activities, commencing on and after the effective date of this agreement through and including the date which such designated representative terminates his or her position as a delegate or alternate delegate to the Board and the Board's committees. This hold harmless protection shall include indemnification from any claim, demand, suit or judgment by reason of any act or omission, except an intentional violation of the civil rights of any person arising as a result of such person's service to the Board.

This hold harmless status shall include any and all activities relating to such Board participation, including but not limited to, serving on any related committee, holding an office as a member of the Board or Committee established by the Board, traveling to and from meetings relating to the designee's service, communications and all other acts related to the appointment as a representative or alternate representative of the Participating Governmental Unit.

B. For the Franklin Health Group

Each Participating Governmental Unit agrees to hold the Group harmless from any and all charges, including legal fees, judgments, administrative expenses, and benefit payment requirements that the Group may incur arising from or in connection with any negligent or willful acts or omissions (including the Participating Governmental Unit's failure to comply with any laws or regulations) of the Participating Governmental Unit, its agents or employees under this agreement. By way of example, each Participating Governmental Unit shall hold the Group harmless from any of the above-described charges related to the Participating Governmental Unit's enrollment of an ineligible person in its health plan or related to the Participating Governmental Unit's failure to comply with Medicare Secondary Payor, COBRA or HIPAA requirements.

Article 13. Certification of Funds

It is understood and agreed that each Participating Governmental Unit shall provide adequate funds to pay its proportionate share of the joint purchase group health insurance

premium and other related expenses approved by the Board in a timely manner. The appropriate public officials shall verify annually upon request to the Board the availability of such funds.

Article 14. Miscellaneous

A. Entire Understanding

This Agreement represents the entire understanding of the parties with respect to its subject matter and supersedes all prior Agreements, written or oral, concerning the subject matter hereof and may not be changed or modified except as provided in this Agreement. No inferences shall be drawn from any variance between this Agreement and any prior written Agreement.

B. Governing Law

This Agreement and all notices, instruments and documents executed pursuant hereto or in connection herewith shall be deemed to be governed by the laws of the Commonwealth of Massachusetts, as they may be amended from time to time. In the event that any such amendment to Massachusetts law renders any provision of this agreement illegal, a nullity or unenforceable, the parties shall immediately meet and negotiate any amendments to this agreement which may be required as a result.

C. Binding Effect

All the terms and provisions of this Agreement shall be binding on and inure to the benefit of, and be enforceable by the responsive parties hereto, their successors, and legal representatives.

D. Counterparts.

This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts, and each such counterpart shall be deemed to be an original, but also such counterparts shall together constitute one and the same Agreement.

E. Severability.

If any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then the affected provision shall be curtailed and limited only to the extent necessary to bring said provision within the legal requirements, and this Agreement as so modified shall continue in full force and effect.

Article 15. Signatories to Agreement

By our signatures, we, the undersigned appropriate public authority evidence our acceptance of the terms of this Agreement for Joint Negotiation and Purchase of Health Coverage on behalf of our governmental unit under the terms and conditions described in such agreement.

We agree to become a Participating Governmental Unit and to appoint a person to represent our governmental unit on the Board described in Article 4 herein and agree to appoint such representative within thirty days following execution of this agreement. We also agree to appoint an alternate representative to serve on the Board to ensure representation of our governmental unit in the event of incapacity, inability or unwillingness to attend meetings of the Board by our primary representative. It is understood and agreed that such primary representative and alternate representative shall have full authority to represent our governmental unit in accordance with the terms of this Agreement for Joint Negotiation and Purchase of Health Coverage except for the authority reserved to us as described in Article 10.

Jeffrey Nutting
Town of Franklin – Town Administrator

Date _____

Insert
Executive Director
Charles River Pollution Control District

Date _____

Insert
Executive Director
Metacomet Emergency Communications Center

Date _____