

## **EMPLOYER PARTICIPATION AGREEMENT FOR MESSA GROUP WELFARE BENEFIT PROGRAMS**

The undersigned employer ("Employer") enters into this Agreement in order to purchase group welfare benefits for its employees from Michigan Education Special Services Association ("MESSA"). MESSA administers such group welfare benefits programs for policies underwritten by certain underwriters.

In consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the parties agree as follows:

A. MESSA AS ADMINISTRATOR – MESSA is authorized to perform administrative services on behalf of the underwriters, including, but not limited to the following:

1. Approval of an employer's request to purchase group welfare benefits;
2. Billing and collection of premiums for the cost of MESSA Programs from participating employers;
3. Maintenance of eligibility records and other records pertinent to MESSA Programs.

B. EMPLOYER AS POLICYHOLDER – The Employer shall be policyholder of the MESSA group welfare benefit programs that it provides to its employees. MESSA and the Employer understand that as policyholder:

1. Employer may request, in writing, that MESSA implement coverage changes from among any and all MESSA group welfare benefit programs and that MESSA as carrier and a licensed Third Party Administrator (TPA) of the benefit programs will effectuate the requested changes consistent with its current procedures for enrollment and benefit implementation;
2. Employer is aware that MESSA and its underwriters will adjudicate all claims and eligibility disputes and appeals as the health carrier and TPA for the Employer, consistent with the requirements of the Patient's Right To Independent Review Act and the Patient Protection and Affordable Care Act; and
3. Employer shall receive annual and, upon request, at more frequent and reasonable intervals, claims data used in premium rate development for the MESSA group welfare benefit programs that it provides to its employees. Groups of less than 100 members will receive claims data for the MESSA statewide pool of all groups of less than 100 members. Claims data will not include protected health information as defined in the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations. The claims data will include all information

required to be provided to a policyholder as set forth in the Public Employees Health Benefit Act and the Revised School Code, where applicable.

C. ACCESS TO EMPLOYER RECORDS – The Employer grants to MESSA, for MESSA and on behalf of its underwriters, the right to inspect, with reasonable advance written notice, such payroll lists and the Employer’s employee records having a bearing on the premium rates, individual employee benefit levels and compliance with participation levels of the Employer participating in MESSA Programs covered by this Participation Agreement. Any disclosure shall not include protected health information, unless disclosure is in compliance with applicable rules and regulations of the Health Insurance Portability and Accountability Act.

D. NOTICE OF COVERAGE CHANGES – For the duration of this Agreement, the Employer will inform MESSA, in writing, of:

1. The MESSA Programs in which it seeks to participate;
2. The employee groups (“Employee Classes Covered”) to which such MESSA Programs are to apply;
3. Any and all changes in MESSA Programs in which it seeks to participate, the Employee Classes Covered, or both.

Such written notices shall be incorporated as though fully contained in this Agreement.

MESSA has adopted and provides in connection with any request for enrollment and benefit implementation, procedures for enrollment and benefit implementation. The Employer understands that adherence to such procedures is required to effectuate coverage changes described in this Paragraph D.

E. UNDERWRITING AND ADMINISTRATIVE REQUIREMENTS – The Employer understands and agrees that the MESSA Programs are subject to the following underwriting and administrative requirements:

1. MESSA Programs are subject to minimum participation levels established by the applicable plan underwriter. Participation levels are determined based on the Employee Class Covered and are expressed as the percentage derived when the number of plan participants is divided by the total number of employees within an applicable Employee Class Covered. Participation levels (percentage) must be maintained at all times for coverage to be effective. If MESSA determines that coverage cannot be continued due to inadequate participation, it may terminate this Agreement under the procedures set forth in Paragraph H of this Agreement.

2. The Employer is obligated to pay to MESSA premium amounts pursuant to invoices issued by MESSA. Invoices are issued monthly and are based on annual plan rates provided to the Employer and employee enrollment. If the Employer informs MESSA of a perceived error or omission in an invoice, MESSA will promptly investigate and if appropriate will make the necessary adjustments on the next invoice following the completion of the investigation.
3. Before coverage commences, the Employer will submit the required enrollment form, provided by MESSA, for each eligible employee enrolling in MESSA Programs.
4. MESSA will administer the coverage requested in accordance with the employee data furnished by the Employer and on file at the MESSA office. Coverage providing employee salary related benefits will be administered on the basis of the most recent salary data on file at the MESSA office. Changes in employee data having a bearing on any coverage will be furnished to MESSA by the Employer within 30 days following the date that the change becomes known to the Employer.
5. In the event the Employer requests a change to any MESSA Program or if there is a re-designation of the Employee Classes Covered, premium rates may be changed, upon written notice to the Employer, as of any premium due date.

F. LATE FEES – If Employer fails to make a premium payment within thirty (30) days following the day it is due, Employer agrees to pay a late fee equal to one-half of one percent (1/2 %) per month on the unpaid amount of the premium, starting on the initial premium due date and continuing until the premium is paid in full. Any payment received will be applied first to payment of the late fee, and then to the payment of the premium amount for the oldest invoice amount due.

G. TERMINATION OF GROUP COVERAGE BY EMPLOYER – The Employer reserves the right to terminate any or all MESSA Programs for any or all Employee Classes Covered. Employer agrees that it shall pay any premiums due and owing, subject to any claimed set-offs or adjustments, before this Agreement is terminated. Employer agrees further that any termination of MESSA Programs will be effective:

1. By the end of the current month where the Employer provides written notice on or before the 15<sup>th</sup> of the current month. For example, and without altering the terms of this Agreement: If the appropriate form is received by MESSA on June 10<sup>th</sup> requesting the cancellation of all benefits for an entire group, the effective date of the cancellation would be June 30<sup>th</sup>; or
2. By the end of the next month where the Employer provides written notice after the 15<sup>th</sup> of the current month. For example, and without altering the

terms of this Agreement: If the appropriate form is received by MESSA on June 21<sup>st</sup>, requesting the cancellation of all benefits for an entire group, the effective date of the cancellation would be July 31<sup>st</sup>.

H. TERMINATION OF AGREEMENT – MESSA reserves the right to terminate this Agreement on any date following thirty (30) days written notice to the Employer. The Employer may terminate this Agreement on any date following thirty (30) days written notice to MESSA subject to any and all other provisions of this Agreement.

I. EFFECTIVE DATE OF COVERAGE – The MESSA Program requested will commence as of the requested effective date and then only if this Agreement has been signed by the Employer and MESSA, and when MESSA has received all information necessary for enrollment of the Employee Classes Covered as more fully described in MESSA policies and procedures for enrollment and benefit implementation provided to the Employer in connection with any request for enrollment and benefit implementation.

J. PRIOR AGREEMENTS – This Agreement supersedes and replaces any previous agreement between the parties with respect to MESSA Programs for any and all of the Employee Classes Covered.

K. AGREEMENT EFFECTIVE DATE – This Agreement shall be effective as of the later of the date of execution by the Employer or MESSA and shall remain in effect until terminated as provided in this Agreement.

Employer:

MICHIGAN EDUCATION SPECIAL SERVICES ASSOCIATION

MESSA Account Number:

By: \_\_\_\_\_  
Title: General Counsel

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_