

ECHIP Monthly Meeting
December 6th
Conference Room B
9:00-12:00

- Call to order
- Approval of last month's minutes
- Additions / Changes to agenda
- By-Law Discussion – Vote on Brian Cuddeback's suggested language
 - A copy of the suggested language is attached, along with a copy of the By-Laws as of May 24th, 2012
- Reconciliation of Stop Loss Premiums & ASO Fees
- 2013 Renewal Release Timing
- Cigna Clinical & Utilization Review

Suggested By-Law language specific to membership withdrawal:

Language - any member entity that withdraws from ECHIP may be assessed a departure fee of \$85 per employee. These fees will offset charges associated with claims processing and other transition expenses. The charge will be due and payable by the termination date. Incurred but not reported (IBNR) claims will remain the responsibility of the withdrawing member entity and will not be processed until Cigna has received payment in full.

As of May 24, 2012

EASTERN CONNECTICUT HEALTH INSURANCE PROGRAM

BY-LAWS

ARTICLE I – NAME, STATUTORY CREATION, PURPOSE & PRINCIPLE ADDRESS

Section 1 – Name – The name of the cooperative shall be the Eastern Connecticut Health Insurance Program (“ECHIP”) hereinafter in this document referred to as the “Cooperative”.

Section 2 – Address – The principal office of the Cooperative is 376 Hartford Turnpike, Hampton, Connecticut 06247. The Cooperative may have other such offices within the State of Connecticut as determined by the Board of Directors.

Section 3 – Statutory Creation – In accordance with Public Act 10-174 Connecticut General Statutes (Attachment A), Connecticut public school districts and municipalities are eligible to become members of the Cooperative. Membership shall at all times be consistent with State statutes.

Section 4 – Purpose – The purpose of the Cooperative is to jointly provide health insurance benefits to member Towns and/or Boards of Education.

ARTICLE II – MEMBERSHIP

Section 1 – Qualifications – In accordance with Public Act 10-174 of the C.G.S. (Attachment A), Connecticut public school districts and municipalities are eligible to become members of the Cooperative. Membership shall at all times be consistent with State statutes.

Section 2 – Initial Members – The initial members of the Cooperative are listed on Attachment B and their local legislative bodies have approved these by-laws and authorized the Chief Administrative Officer and Superintendent to sign this document acknowledging their approval of the Cooperative’s by-laws. The initial members may not withdraw their membership during the Cooperative’s first two fiscal years.

Section 3 – Additional Members – Subsequent to the establishment of the initial membership of the Cooperative, additional eligible Connecticut public school districts and municipalities may request to join the Cooperative by providing to the Board of Directors a certified copy of the resolution of its board of education, board of directors, or legislative body which states its approval for joining the Cooperative. The decision for accepting new members is subject to 2/3 approval of the existing Board of Directors. Additional members may not withdraw their membership for two fiscal years from the date they join the Cooperative.

Section 4 – Withdrawal from Membership –

4.1 – A current member may withdraw from the Cooperative only as of the last day of the Cooperative’s fiscal year, specifically June 30th, provided written notice has been given to the Board of Directors and all other current members by April 1st of the year prior to the year of withdrawal.

4.2 – A withdrawing member shall receive its prorated share of income or shall be required to reimburse the Cooperative for its prorated share of any losses after a full reconciliation of the Cooperative’s fiscal year has been completed. A withdrawing member shall also be responsible for any expenses incurred, including but not limited to paid claims and administrative costs, as a result of the member’s withdrawal. A member who does not adhere to the notice requirement shall forfeit its right for any prorated gains for which it might otherwise be eligible.

Section 5 – Removal of Members – Members may be removed from the Cooperative by a 2/3 vote of the Board of Directors if the member fails to remit premium contributions within sixty (60) days after written notice of delinquency. The removed member shall be responsible for any expenses incurred as a result of its removal as well as its prorated share of any losses of the Cooperative after full reconciliation of the Cooperative’s fiscal year.

Section 6 – Reinstatement of Members – Former members of the Cooperative shall be eligible for renewed membership two years after the expiration of their last date of participation. Written notice

of the former members' request to rejoin the Cooperative must be provided to the Board of Directors at least six months before the start of the Cooperative's fiscal year. Members who have been removed on two occasions are not eligible for reinstatement. Members who have withdrawn are eligible for reinstatement subject to 2/3 Board approval.

ARTICLE III – BOARD OF DIRECTORS

Section 1 – General Powers – The business and affairs of the Cooperative shall be managed by its Board of Directors, and the Board of Directors shall have, and may exercise all of the powers of the Cooperative.

Section 2 – Qualifications – All directors and alternate directors must be an active employee of their respective public school district or municipality. Directors whose employment has ended with their public school district or municipality will be removed from the Board of Directors effective with their last day of active employment. Consultants and brokers are not eligible to be directors.

Section 3 – Appointment of Directors – The initial directors shall be appointed by the initial members with each member appointing one person to the Board of Directors. A Town and local/regional Board of Education of the same Town are separate members. Appointment of directors shall be effective as of the annual meeting of the Board of Directors and shall serve until the next succeeding annual meeting. Once appointed, each member of the Board of Directors may appoint one alternate director who shall assume all of the director's responsibility in the event of the director's absence from a Board of Directors meeting. Consultants and brokers are not eligible to serve as an alternate director. Such appointments shall be provided in writing to the Chair of the Board of Directors.

Section 4 – Vacancies – Any vacancy occurring in the Board of Directors shall be filled by the member public school district or municipality which the former director represented within two months. 3 of 6

Section 5 – Executive Committee – The Board of Directors may elect from its members an Executive Committee of up to seven directors representing seven different members and there shall be no more than one representative from the same Town and Board of Education. At no time shall there be a total of more than four members representing either a Town or local/regional Board of Education. The Executive Committee shall manage the on-going program and operation of the Cooperative subject to any specific or general directions regarding such management imposed by a 2/3 vote of the Cooperative members present and voting at a duly called meeting of the Cooperative’s full membership. Members of the Executive Committee shall serve for a staggered term of one year, two years or three years with two members appointed for one year, two members for two years and three members for three years, and may be elected for succeeding terms. The Chairperson of the Executive Committee shall be the Chairperson of the Board of Directors.

Section 6 – Meetings – The Board of Directors shall meet for its annual meeting each June. There shall be at least one annual meeting each year to:

- 6.1 – fill member vacancies on the Executive Committee, provided however that initial members of the Executive Committee need not be elected at the annual meeting.
- 6.2 – to adopt the final budget for the Cooperative.
- 6.3 – to address any financial related matters of the Cooperative as may arise.
- 6.4 – to consider or enact such other business as shall be deemed advisable at such meeting. Any matters relating to the affairs of the Cooperative may be brought up for discussion and added to the agenda by a 2/3 vote of those present at the annual meeting *or* of any other meeting of the Cooperative.

Additional quarterly meetings will be held in September, December and March and other regular meetings as needed. A special meeting will be held each January to establish the rates for health insurance. The meetings will take place at the Cooperative’s principle office. Alternate meeting sites may be designated by the Executive Committee and communicated to the Board of Directors by the Chairperson. Special meetings may be called by the Chairperson, provided the notice of the special meeting is delivered to all board members at least five business days before the day on which the meeting is scheduled to occur. Every notice of a special meeting shall state the time and place of the meeting and state the purpose of the meeting. Meetings and voting may take place electronically or by telecommunications in the event of extraordinary circumstances and shall be determined by the Chair of the Board of Directors. In the conduct of its meetings, the Board of Directors shall be guided by Robert’s Rules of Order unless such provisions are inconsistent with these by-laws or any subsequent modifications to these by-laws.

Section 7 – Quorum – A majority of the total number of filled directors positions shall constitute a quorum for the transaction of business at all meetings; but if less than such majority is present at any meeting, a majority of members present may adjourn the meeting from time to time without further notice.

Section 8 – Voting – Each member is entitled to one vote upon each matter submitted for a vote at a Board of Directors meeting. The Chair vote is the one which breaks any ties.

Section 9 – Prohibition of Compensation – Directors may not be paid compensation for performance of their duties as directors. 4 of 6

Section 10 – Notice – Written or printed notice stating the place, day and hour of the meeting of the full membership of the Cooperative shall be delivered not less than ten (10) days, not more than thirty (30) days before the date of the meeting by mail, email or fax to the Town Clerk and Board of Education and to each identified Board member.

Section 11- Removal- Any Director may be removed at any time when in the judgment of the Board of Directors the best interest of the Cooperative shall be served. Such removal shall be effected by a 2/3 decision of the Directors at any meeting of the Board of Directors, provided that written notice of such meeting and purpose shall have been given to the Director(s) whose removal is to be considered. Such notice shall be met by sending it by first class mail to the Directors most recent address shown on the records of the Cooperative. The vacancy in the Board caused by any such removal may be filled by the Directors at such meeting or any subsequent meeting.

ARTICLE IV – OFFICERS

Section 1 – Structure – The Cooperative’s officers shall include a Chairperson, a Secretary and a Treasurer, plus other such officers as may be deemed necessary by the Board of Directors. The Chairperson may not hold more than one office. An officer must be a director of the Cooperative. Officers shall not be compensated for their service.

Section 2 – Election and Term of Office – The Cooperative’s officers specifically designated in Section 1 of Article IV shall be elected every two years by the Board of Directors at its annual meeting or as soon thereafter as is practical.

Section 3 – Removal – Any Officer may be removed at any time when in the judgment of the Board of Directors the best interest of the Cooperative shall be served. Such removal shall be effected by a 2/3 decision of the Directors at any meeting of the Board of Directors, provided that written notice of such meeting and purpose shall have been given to the Officer(s) whose removal is to be considered. Such notice shall be met by sending it by first class mail to the Officer’s most recent address shown on the records of the Cooperative.

Section 4 – Vacancies – Any position vacated by an officer may be filled by 2/3 decision of the Board of Directors for the unexpired portion of the term in the manner prescribed in these by-laws.

Section 5 – Chairperson – The Chairperson shall preside over all regular and special meetings of the Board of Directors, and shall call special meetings of the Board of Directors at his/her own discretion or upon petition as set forth in these by-laws.

Section 6 – Secretary – The Secretary shall perform all duties incident to the office of Secretary including, but not limited to, being the custodian of the Cooperative’s records, keeping minutes of the proceedings of the Board of Directors, as well as other such duties from time to time as may be assigned by the Executive Officer or Board of Directors.

Section 7 – Treasurer – The Treasurer shall have charge and custody of, and shall be responsible for, all funds and financial instruments of the Cooperative. The Treasurer shall also have charge of the books and records of account of the Cooperative, which shall be kept at the principle office or other location as directed by the Board of Directors. The Treasurer shall provide a 5 of 6

financial report of the Cooperative to the Board of Directors at each regularly scheduled board meeting. The Treasurer is responsible for the filing of all reports and returns relating to or based upon the books and records of the Cooperative kept under the direction of the Treasurer and other such duties from time to time as may be assigned by the Executive Officer or Board of Directors.

ARTICLE V – STAFF TO THE BOARD OF DIRECTORS

Section 1 – Executive Manager – Upon authorization of the members at an annual meeting the Executive Committee may hire or contract with an Executive Manager who, acting on behalf of the Board of Directors, shall be the principal executive of the Cooperative and shall have responsibility for carrying out the business affairs of the Cooperative. The Executive Manager’s compensation shall be determined by the Board of Directors.

Section 2 – Support Staff – The Cooperative may employ or contract with staff, including but not limited to, accountants and administrative assistants, who shall work under the direction of the Executive Manager. These positions and the corresponding compensation shall be approved by the Board of Directors.

ARTICLE VI – CONTRACTS, LOANS AND CHECKS

Section 1 – Contracts – The Board may authorize the Executive Manager to enter into contracts and agreements in the name of and on behalf of the Cooperative. Any contract amount involving amounts in excess of any threshold established by the Board of Directors shall require the signature of both the Executive Manager and Chairperson. Unless specifically authorized by the Board of Directors, no other officers, employees or agents shall have any authority to enter into any contracts or behalf of the Cooperative.

Section 2 – Loans – No loans shall be contracted on behalf of the Cooperative and no indebtedness shall be issued in its name unless authorized by a specific resolution of the Board of Directors.

Section 3 – Checks, Drafts or Other Similar Orders – All checks, drafts, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Cooperative, shall be signed by two officers of the Cooperative in such a manner determined by resolution of the Board of Directors.

ARTICLE VII – INDEMNIFICATION

To the extent permitted by the laws of the State of Connecticut, the Eastern Connecticut Regional Health Insurance Cooperative shall indemnify any Officer, Representative or Employee of the Cooperative who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding (other than an action by or in the name of the Cooperative) by reason of the fact that he or she is an Officer, Representative or Employee of the Cooperative, against expenses including attorney fees, judgments, fines and amounts paid in settlement activity and reasonably incurred by him or her in connection with any such claim, actions, suit or proceeding; provided that no indemnification shall be provided with respect to any civil matter in which he or she shall have been finally adjudicated not to have acted in good 6 of 6

faith in the reasonable belief that his or her action was in the best interests of the Cooperative or in any criminal matter not to have had reasonable cause to believe that his or her conduct was lawful. To the extent permitted by law, the Cooperative may purchase and maintain insurance against the liabilities of its Officers, Representatives, Employees and Agents.

ARTICLE VIII – GENERAL PROVISIONS

Section 1 – Fiscal Year – The Cooperative’s fiscal year shall be July 1st through June 30th.

Section 2 – Operating Policies – The operating policies developed for conducting the business affairs of the Cooperative must be approved by the Board of Directors. These operating policies shall include payment requirements by members, development of financial accounts and other pertinent provisions necessary for operating the Cooperative.

Section 3 – Amendments – These by-laws may be amended and new by-laws may be adopted by a 2/3 decision of the Board of Directors at any regular or special meeting of the Board of Directors provided that in each case the notice of the proposed amendment or new by-law be included in the notice of the meeting. Such amendments or new by-law shall be effective upon the signed agreement of all the signatories to these by-laws.

Section 4 – Termination Provision – The Cooperative and its related agreements shall terminate upon:

- 4.1 – cessation of business of the Cooperative;
- 4.2 – insolvency, receivership or dissolution of the Cooperative; or
- 4.3 – the unanimous agreement of all Members. In the event of such termination, each member shall remain fully obligated to pay its prorated share of all outstanding expenses, and each member shall be eligible to receive its prorated share of income, if any, after a full reconciliation of all accounts.