

RESOLUTION

WHEREAS, pursuant to N.J.S.A. 40A:10-36, et seq., the Township of West Orange ("Township") is authorized, by resolution, to join with other local units "to establish a joint insurance fund for the purpose of . . . providing contributory or non-contributory group health insurance or group term life insurance, or both, to employees or their dependents or both, through self insurance," also known as a "joint health insurance fund" ("HIF"); and

WHEREAS, the change to HIF is being proposed in an effort to avoid additional and unnecessary taxation under the new provisions of the Affordable Care Act, help reduce the cost of employee medical benefits to the Township without reducing coverage, and help reduce the cost of employee contributions toward their medical benefits; and

WHEREAS, prior to establishing a HIF, the Township must adopt a "self-insured" retention medical health care plan ("SIR Plan") for its employees; and

WHEREAS, in order to adopt a SIR Plan, the Township must cancel its current health benefit plan effective January 1, 2014 with Horizon Blue Cross and Blue Shield; and

WHEREAS, upon adopting a SIR Plan, the Township must, by law, obtain an excess coverage policy from an insurance carrier to cover any fees above \$200,000; and

WHEREAS, the Township's insurance broker, Fairview Insurance Agency Associates, Inc. ("Fairview"), has arranged for RMTS Nationwide to be the Township's excess coverage insurance carrier to be, at the cost of Specific Stop Loss: Single: \$37.91, Husband/Wife: \$75.51, Parent/Child(ren) \$66.83, Family, \$113.42, Aggregate \$3.64 PEPM (per employee per month) on a month-to-month basis for a term of no more than one (1) year; and

WHEREAS, upon adoption of a SIR Plan, the Township must obtain the services of a Third Party Administrator ("TPA") to oversee employees' medical claims; and

WHEREAS, Fairview has arranged for Insurance Design Administrators to serve as the Township's TPA in connection with the SIR Plan, at a cost of \$144 PEPM (per employee per month), on a month-to-month basis for a term of no more than one (1) year; and

WHEREAS, these insurance arrangements constitute exceptions to the traditional bidding requirements set forth in the Local Public Contracts Law, pursuant to N.J.S.A. 40A:11-5(1)(m) and the "extraordinary unspecifiable services" provisions; and

WHEREAS, contracts with the above-referenced entities are necessary in order to effectuate the SIR Plan and/or HIF;

NOW, BE IT HEREBY RESOLVED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF WEST ORANGE, that the Township shall and hereby does authorize cancellation of its current employee medical health care plan with Horizon Blue Cross and Blue Shield, effective January 1, 2014; and be it further

RESOLVED, that the Township shall adopt the SIR Plan, and the Mayor shall be and hereby is authorized to execute all documents necessary to create and implement the SIR Plan, including but not limited to agreements with the excess coverage carrier and the TPA, and the Municipal Clerk shall be and hereby is authorized to attest to the Mayor's signature; and be it further

RESOLVED that this Resolution and award shall be published and available in the Clerk's Office for reasonable inspection in accordance with applicable law.

Karen J. Carnevale
Township Clerk

Susan McCartney
Council President

Adopted: December 3, 2013