Contract Section Number (Lead) **FY** **HID** **MO** **ID**

THIS CONTRACT, between {Enter Department Name}

Health Department

(**Health Department**)

{Enter Department Address}

 {Enter Department City}, KY {Enter Department Zip}

and

 (**Contractor**)

is effective Start Date and ends No later than final day of FY.

**WITNESSETH THAT:**

WHEREAS, the Health Department, in the exercise of its lawful duties has determined that Flexible Benefits Plan Administrative services are essential to the operation of the Health Department in fulfilling its legal responsibilities;

WHEREAS, the Contractor, is available, willing, and qualified to perform these services;

NOW, THEREFORE, the Contractor agrees to perform the following described services which are hereinafter described in detail as follows:

1. Serve as the designated third-party administrator of a Flexible Benefits Program that meets the requirements of Section 125 of the Internal Revenue Code, hereinafter referred to as the "Plan". The Plan shall also be in accordance with the policies of the Administrative Reference.

Additionally, the Contractor shall:

1. Stay abreast of all information directly and indirectly related to administration of the Plan and keep the Health Department appropriately informed.

2. Meet with groups of employees of the Health Department to educate them to the Plan.

3. Meet with individual employees of the Health Department to discuss the benefits and operational procedures of the Plan, and enroll employees in the Plan.

4. Provide printed materials describing Dependent Care and Medical Reimbursement and participation procedures.

5. Provide a Section 125 Employee Handbook for each employee of the Health Department.

6. Provide the Health Department with detailed descriptions of all compliance requirements.

7. Complete all compliance tasks, including gathering information and completing and submitting all reports to governmental agencies requiring such reports.

8. Submit to the Health Department enrollment information that describes the benefit premiums and Reimbursable Spending benefits to be paid with pre-tax dollars.

9. Mail Reimbursable Spending checks to the employee of the Health Department within five (5) working days from the day funds are received from the Health Department provided a valid voucher is on file.

10. Use a voucher system to document and account for all expenditures for Reimbursement Spending benefits.

11. Be accountable for all funds received from the Health Department and disbursed to eligible employees. The Contractor will furnish proof of bond in order to cover the maximum fund balance at any time.

12. Provide the Health Department monthly reports on employee receipts and reimbursement and total of fund balance.

13. Provide each participating employee an annual report showing amount of cash benefits, amount expended for benefits and type of benefits.

14. Advance funds up to the annual elected contribution to an employee who is participating in the medical reimbursement portion of the program. In the event that the total fund balance of the Medical Reimbursement Accounts reaches a negative balance, the Health Department shall provide sufficient funds to restore the account to a zero balance. The amount of funds provided shall be deducted from subsequent payments to the Contractor.

15. Conduct an annual evaluation of the effectiveness of the Plan.

16. Upon request from the Health Department meet with the Board of Health, Administrative Personnel or other groups to report the status and effectiveness of the Plan.

17. Conduct non-discrimination (section 125 and 89) testing and report results to the appropriate Federal Agencies and the Health Department. The Contractor agrees to meet all testing and reporting requirements.

18. Assist the Health Department to develop an employee benefits program that meets non-discrimination testing in the event the Health Department is not in compliance.

19. Represent the Health Department at meetings with the IRS in the event an audit of the Plan is conducted.

20. Develop and process all reports required by the Federal and State agencies.

B. The Health Department agrees to support The Plan and the Contractor by the following means:

1. Appoint the Contractor as the designated Third-Party Administrator of the Plan.

2. Provide data necessary for successful administration of the Plan.

3. Make it possible for representatives of the Contractor to meet with employees during the work day.

4. Make deductions from employees’ salary for Flexible Spending benefits and forward those deductions to the Contractor bi-weekly.

5. Provide each employee a copy of the Employee Handbook.

6. Make payment to the Contractor monthly on a schedule agreed to by both parties.

7. Encourage employees by verbal presentation and in writing to participate in the Plan.

8. Restrict the use of the Plan for its own employees and agrees not to disclose details of the Plan to parties outside the Health Department's organization except its consultants.

9. Provide a facility for the Contractor representatives to meet during the enrollment period.

C. The Contractor shall be entitled to a fee for administering the Plan and the fees shall be as follows:

1. \_\_\_\_\_\_dollars ($00.00) per year per employee enrolled in the Plan or a pro-rata share for a partial year.

2. This fee shall be paid by the Health Department beginning with the first month employees have premium conversion or may submit bills for reimbursement.

3. An annual administration fee of $\_\_\_\_\_\_ per year shall be paid by the Health Department to the Contractor.

The Contractor agrees to abide by the rules and regulations regarding the confidentiality of personal medical records as mandated by the Health Insurance Portability and Accountability Act (42 USC 1320d) and set forth in federal regulations at 45 CFR Parts 160 and 164.

The Contractor agrees to comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and all implementing regulations and executive orders. No person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination in relation to activities carried out under this contract on the basis of race, color, age, religion, sex, disability or national origin. This includes the provision of language assistance services to individuals of limited English proficiency seeking and/or eligible for services under this contract.

**Section 601 of Title VI of the Civil Rights Act of 1964, (42 U.S.C. 2000d)**, provides that no person shall "on the ground of race, color or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

In 1974 the Supreme Court (Lau v. Nichols, 414 U.S. 563) interpreted regulations promulgated by the former Department of Health, Education and Welfare (HHH's predecessor), 45 CFR 80.3 (b) (2), to hold that Title VI prohibits conduct that has a disproportionate effect on **Limited English Proficient (LEP) persons** because such conduct constitutes national-origin discrimination. On August 11, 2000, **Executive Order 13166** was issued, "Improving Access to Services for Persons with Limited English Proficiency (LEP)."

All referred statutes, regulations, and policies are adopted and incorporated by reference as part of this contract. The parties to this contract acknowledge inclusion of those statutes, regulations, and policies and each party is responsible to review, be aware of, and comply with the referred statutes, regulations, and policies.

The Contractor is responsible to maintain its own liability insurance and/or professional liability insurance; workers’ compensation insurance; and wage/salary and benefits program for the Contractor’s employees that is compliant with all Federal and State laws. Proof of insurances is to be provided to the Health Department.

1. This Payment made under the terms of each section of this contract shall not exceed:

 **Contract Section #** **Amount** **Contract Section #** **Amount**

|  |  |  |  |
| --- | --- | --- | --- |
| {Section Number} | {Section Value} | {Section Number} | {Section Value} |

|  |  |  |  |
| --- | --- | --- | --- |
| {Section Number} | {Section Value} | {Section Number} | {Section Value} |

|  |  |  |  |
| --- | --- | --- | --- |
| {Section Number} | {Section Value} | {Section Number} | {Section Value} |

1. For the services described in this contract, the Health Department agrees to pay the Contractor in the following manner, {Enter payment time period.} payable upon receipt of appropriate billing.

3) The total payments made under the terms of this contract shall not exceed ${Enter Contract Value}.

4) The Parties to this contract agree to comply with Section 504 of the Rehabilitation Act of 1973, (P.L. 93-112) and the Kentucky Equal Employment Act of 1978 (H.B. 683) KRS 45.550 to 45.640, and Americans with Disabilities Act, (ADA), (P.L. 101-336).

5) The Contractor is an independent contractor. There is no intention by the parties to the contract to form or create an employer-employee relationship, and it is agreed that an employer-employee relationship does not exist. The Health Department is not responsible for withholding of any taxes or FICA, providing workers’ compensation insurance, liability insurance, or any other form of benefits for or to the Contractor.

6) The Contractor certifies that no officer, stockholder, partner or owner is a member of the governing board of health of the Health Department nor an employee of the Health Department and that no constitutional, statutory, common law, or regulation adopted by the Cabinet for Health and Family Services pertaining to conflict of interest will be violated by this contract.

7) Either Party shall have the right to terminate this contract at any time upon 30 days written notice to the other Party.

**HEALTH DEPARTMENT:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ {Enter Date Signed}

(SIGNATURE OF AUTHORIZED AGENT)

{Enter Health Department Name}

**CONTRACTOR**:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ {Enter Date Signed}

(SIGNATURE OF AUTHORIZED AGENT)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(PRINT OR TYPE NAME OF AUTHORIZED AGENT)