

**Participation Agreement in the  
The Catholic Charities USA Employee Welfare Benefit Trust**

<b>Name of Participating Employer:</b>	<b>Address and Telephone Number:</b>

This Participation Agreement (“Agreement”) is between and among the Participating Employer identified above (“Participating Employer”) and The Catholic Charities USA Employee Welfare Benefit Trust (“Trust”), and is effective as of January 1, 2022. Collectively, the Trust and Participating Employer shall be referred to herein as the “Parties.”

**RECITALS**

**WHEREAS**, the Trust shall offer and provide to Participating Employer and its Eligible Employees health and other benefit plans that are self-funded through the Trust and are not funded by group or individual insurance policies (collectively, “Benefit Plans”);

**WHEREAS**, such Benefit Plans, and the terms and conditions therein, are further defined and described in certain Benefit Plan brochures and other documents within benefits agreements directly between the Trust or Participating Employer and a benefit provider;

**WHEREAS**, Participating Employer wishes to continue to accept for the benefit of its Eligible Employees some or all of the Benefit Plans offered through the Trust;

**WHEREAS**, the Trust wishes to contract with Participating Employer through this Agreement to provide or arrange for the provision of such Benefit Plans and to set forth the Parties’ respective roles and obligations;

**NOW THEREFORE**, in consideration of the promises and mutual covenants herein contained, and the mutual reliance of the Parties hereto, the Parties agree as follows:

1. **Definitions.** The terms set forth below shall have the following meanings:
  - a) “Benefit Plans” means the benefits plans offered exclusively through the Trust to a Participating Employer, including, but not limited to the following:
    - The Catholic Charities USA Employee Welfare Benefit Trust PPO Health Benefit Plans;
    - The Catholic Charities USA Employee Welfare Benefit Trust HSA PPO Health Benefit Plan;
    - The Catholic Charities USA Employee Welfare Benefit Trust Network Only Health Benefit Plan;
    - Premium Dental Plan; and
    - Vision Benefit Program.

- b) "Participating Employer" shall have the same meaning identified above.
- c) "Eligible Employee" means an individual who is: (1) a full-time employee of a Participating Employer, working a minimum of thirty hours per week; (2) an employee as specified in (1) above who is on an authorized leave of absence from Participating Employer; (3) a retiree of Participating Employer, provided the requirements of Section 5.h of this Agreement are met, or (4) a part-time employee of a Participating Employer, working less than thirty hours per week and eligible for dental and/or vision coverage under the eligibility requirements established by his or her Participating Employer for such for dental and/or vision coverage.
- d) "Authorized Benefits Representative" means the job title or titles that the Participating Employer has designated to identify the persons who are authorized to communicate with the Business Associates of the Benefit Plans on matters that include protected health information as defined by Health Insurance Portability and Accountability Act of 1996.

2. **Participation Requirements.** Each Participating Employer shall meet the following underwriting and participation requirements:

- a) For employee health or medical coverage, contribute at least 75% of the monthly premium for coverage for a single Eligible Employee of the least expensive health or medical plan offered by both the Trust and Participating Employer, unless an exception to such contribution requirement has been approved in writing by the Board of Trustees of the Trust;
- b) If dental coverage is offered to Eligible Employees, contribute at least 50% of the monthly premium for coverage for a single Eligible Employee, unless an exception to such contribution requirement has been approved in writing by the Executive Committee of the Board of Trustees of the Trust;
- c) Any contributions of a Participating Employer shall be held subject to the terms and conditions of the Trust; and
- d) A Participating Employer shall not offer any health/medical, dental or vision plans that are not one of the Benefit Plans offered by the Trust, without the express written consent of the Board of Trustees of the Trust.

3. **Enrollment for Coverage.** Upon receipt and approval of a complete enrollment application and other requested material (including evidence of insurability, if required), coverage for an Eligible Employee under any Benefit Plan should be made by a Participating Employer by entering such Eligible Employee's enrollment information in the system of record designated by the Trust, or an alternative benefit administration system pursuant to the requirements of Section 5.i of this Agreement. A Participating Employer shall enter such enrollment information before the Eligible Employee's start date, but in no event later than 31 days from the date of the Eligible Employee's eligibility, or if earlier as required by the applicable rules in Internal Revenue Code

Section 125 and the regulations thereunder (specifying the requirements for pre-tax benefits under a cafeteria plan.) It is strongly recommended the Participating Employer maintains records of attestation by employees who elect FSA without enrollment in a Trust health plan. The employee should attest that they or their spouse is enrolled in another ACA-compliant health plan to be enrolled in FSA only.

**4. Premium Due Date.** Premiums from each Participating Employer are due and payable within thirty-five days of the date printed on the invoice sent from the Trust to the Participating Employer. Time is of the essence with respect to premium payments. If a premium payment is not received within sixty days after the due date, coverage under the Benefit Plans is subject to termination by the Trust.

**5. Participating Employer Obligations.** Each Participating Employer agrees to do the following:

- a) Submit complete enrollment information for each Eligible Employee no later than the time specified in Section 3 of this Agreement and retain an internal record of such enrollment information;
- b) Inform Eligible Employees of their eligibility for coverage under the applicable Benefit Plans, including COBRA coverage;
- c) Provide Eligible Employees with a copy of all applicable Certificates of Coverage, Benefit Plan brochures and any other Benefit Plan related documents per ERISA and IRS regulations;
- d) Advise each Eligible Employee of such employee's cost of coverage(s) elected by the Eligible Employee, the method by which payment is to be made, and any benefit changes thereto;
- e) Advise Eligible Employees as to when coverage shall commence based upon the aforementioned provisions;
- f) Advise the Trust of any material changes in eligibility or contribution rates or requirements, including, but not limited to:
  - i. Immediately notify the Trust of a Participating Employer's intent to change eligibility requirements. Any such proposed changes shall be effective as soon as administratively possible after approval by the Trust; and
  - ii. Provide written confirmation of contribution rules and cost sharing rates to the Trust each year no later than the September 1<sup>st</sup> prior to the beginning of the calendar year in which such rules and rates shall be effective.
- g) Furnish to the Trust in a timely manner, upon request, all information, records and documents, including, but not limited to demographic/claims records and documents

necessary for the billing and plan administration, and underwriting of the Benefit Plans, and annual plan audit; and

- h) If a Participating Employer intends to offer coverage for its retirees under the Trust, provide a copy of its retiree policy and any additional information requested by the Trust to the Trust no later than the September 1<sup>st</sup> prior to the beginning of the calendar year in which employees shall be permitted to elect retiree coverage, or as otherwise may be required by the Trust, but with not less than thirty days' notice to the Trust from the Participating Employer.
- i) Supply data and information to the Trust and/or the delegate of the Trust using the system of record designated by the Trust (currently 4myBenefits powered by PlanSource), or upon advance agreement of the Trust and/or the delegate of the Trust, supply data using an alternative benefit administration system; and
- j) Identify one or more job title as the Authorized Benefits Representative, and update the title in the event such job title changes by providing the Notice prescribed by Section 9.

Job Title(s) of Authorized Benefits Representative(s): \_\_\_\_\_

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- k) Maintain a Cafeteria Plan Document/Section 125 Plan Document in accordance with IRS guidelines and regulations. This is required at the Employer level to deduct employee contributions through payroll deduction on a pre-tax basis.
- l) Maintain records of attestation by employees who elect to make FSA contributions without enrollment in a Trust health plan. Such employees shall attest that he/she and/or his/her spouse is enrolled in another ACA-compliant health plan to be enrolled in the FSA program only.

**6. Records & Information.** Records which contain an Eligible Employee's protected health information shall be maintained, used or disclosed by the Trust, and their respective representatives or agents, in accordance with the Privacy and Security Standards of the Health Insurance Portability and Accountability Act of 1996. The records may include, but are not limited to:

- a) the enrollment information on all Benefit Plan participants;
- b) the effective date of coverage, and any changes to such effective date for each Benefit Plan participant; and
- c) claims information and enrollment information.

## 7. Termination.

- a) The Trust shall have the right to terminate the participation of any Participating Employer in all or part of this Trust for non-payment of any premium due or for non-compliance with any of the requirements set forth in this Agreement.
- b) A Participating Employer shall have the right to completely terminate its participation in the Trust or terminate coverage of one or more Benefit Plan offered to its Eligible Employees under the Trust by providing the Trust written notification of such termination not less than ninety days prior to the next following renewal date. The effective date of a complete termination of participation or the termination of coverage under one or more Benefit Plan shall be the next following renewal date.
- c) As of the effective date of the termination of participation or the termination of coverage of any Benefit Plan of a Participating Employer, no additional premium payments shall be due to the Trust by the Participating Employer (except as shall be required under 7.d below) and no premium or other payments made by the Participating Employer shall be returned to the Participating Employer. Claims incurred prior to the effective date of termination shall be processed in accordance with the Benefit Plans' terms and provisions.
- d) If a Participating Employer is covered by provisions requiring continuation of group coverage under the State and Federal laws (e.g., Consolidated Omnibus Budget Reconciliation Act of 1985, "COBRA"), its Eligible Employees and their covered dependents shall continue as group members for the period of time required there under.
- e) Upon termination of the Trust, until the Trust funds are exhausted, the Trustees shall apply the remaining assets of the Trust fund in a uniform and nondiscriminatory manner. The Trustees shall use the Trust funds in accordance with the terms and provisions of the Trust to provide benefits to participants and to pay reasonable expenses of the Trust. Upon the termination of the Trust, in no event shall any Trust assets be allowed to revert to the benefit of the Trust.
- f) In the event of a participant's retroactive termination of benefits under the Trust, regardless of the effective date or when the termination is entered into the system in accordance with the procedures established by the Trust, the Trust shall issue a retroactive premium credit not to exceed thirty days. If benefits are paid or fees are incurred for services rendered to a terminated or ineligible participant after the date of termination but before notice of the termination is entered into the system in accordance with the procedures established by the Trust, the Participating Employer shall reimburse the Trust for all such benefits and fees.

8. **Changes In Coverage or Rates.** Rates and benefits are subject to change as of January 1 of each year. Whenever possible, the Trust shall provide sixty days notification to all Participating Employers prior to any change in the Trust coverage or rates. If sixty days notification is not reasonably possible, the Trust shall provide notice of such changes as soon as practicable.

9. **Notices.** Other than with respect to the above Section 8, any notice required under this Agreement shall be in writing and shall be deemed given or delivered if sent by certified or registered mail, return receipt requested, postage prepaid (which shall include delivery by commonly recognized overnight carrier) at the address set forth below:

The Catholic Charities USA Employee Welfare Benefit Trust:

Attention: Chair, Board of Trustees of the Catholic  
Charities USA Employee Welfare Benefit Trust  
2050 Ballenger Avenue, Suite 400  
Alexandria, VA. 22314

Participating Employer:

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10. **Assignability.** This Agreement and responsibilities thereunder may not be assigned, delegated, or transferred by Participating Employer without the express written consent of the Trust.

11. **Governing Law.** This Agreement shall be governed in all respects by the laws of Virginia.

12. **Severance of Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future law effective during the term hereof, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, and the remaining provisions shall remain in full force and effect, unaffected by such severance.

13. **Waiver.** The waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other provision. The failure to exercise any right hereunder shall not operate as a waiver of such right.

14. **ACA Reporting.** Each Participating Employer shall be responsible for complying with applicable reporting requirements of the Affordable Care Act. Information needed to comply with such reporting requirements shall be provided to each Participating Employer by CareFirst Administrators, or any subsequent entity that provides administrative services to the Trust.

15. **Underwriting Methodology.** Initial rates for each Participating Employer shall be developed on a Participating Employer's actual historic rate of claims unless the Participating Employer group is too small to have claims data available in which case underwriting assumptions shall be made in conjunction with the Trust's program. Renewal rates shall be developed on the experience based on the entire Benefit Plan. This is consistent with the Trust's intent to minimize costs among Participating Employers and streamline administration of the Benefit Plans, while taking advantage of the benefits of joint purchasing (reduced administrative and reinsurance costs, multi-year rate and performance guarantees). Participating Employer's rates may vary from year to year depending on the actual claims and demographic data available

at time of membership. The rate change adjustment to determine the benefit cost for Participating Employers shall be based on the following formula using Premium Allocation Methodology.

A Benefit Plan consultant selected by the Trust shall calculate loss ratios for the Benefit Plan based on a review of claims data and administrative services for the review period to establish the loss ratio. The loss ratio shall be calculated as follows:

$$\begin{array}{l} \text{Claims paid less claims exceeding stop-loss level} \\ + \text{Administrative costs} \\ = \text{Total plan cost} \\ \text{divided by total premium} \end{array} = \text{Loss Ratio}$$

Using the resulting loss ratio, a Participating Employer's rates shall be multiplied by the Benefit Plan's loss ratio to determine the Participating Employer's renewal rate change.

**16. Stop-Loss Insurance.** Stop-Loss insurance is in place to protect the Benefit Plan from large catastrophic claims (specific stop-loss) and numerous claims (aggregate stop-loss). This insurance protects the financial reserves of the Benefit Plan.

**17. Entire Agreement; Modifications.** This Agreement contains all the terms and conditions agreed upon by the parties hereto regarding the subject matter of this Agreement. Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter of this Agreement not expressly set forth in this Agreement are of no force or effect. All additions, modifications and waivers to this Agreement must be made in writing and signed by the Parties

**18. Counterparts.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement.

IN WITNESS THEREOF, the Parties have executed this Agreement by their duly authorized officers as of the Effective Date identified above.

**FOR PARTICIPATING EMPLOYER:**

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

**Name:** \_\_\_\_\_

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

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

**FOR THE CATHOLIC CHARITIES USA EMPLOYEE WELFARE BENEFIT TRUST:**

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

**Name:** Keith Styles\_\_\_\_\_

**Title:** Authorized Representative\_\_\_\_\_

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