



PROPOSED

Board of Trustees By-Laws

As Adopted: **00/00/0000**

Items for discussion:

- a. Impeachment for forcible removal.
- b. Apply staggered terms for existing board members.
- c. Eligibility criteria for Trustees (i.e. length of organization participation).
- d. Eligibility criteria for Chair/Vice-Chair (i.e. Years of Board Experience).
- e. Nominations from Groups planning to leave.

A. Powers & Duties

To manage the OPEH&W Health Plan, the Board of Trustees and may:

1. Prepare specifications, request bids and enter contracts for the purpose of underwriting, administering or providing any part or all the OPEH&W Health Plan, policies or services on behalf of and with participating agencies.
2. Determine rates, risks, benefits and terms of any coverage, policies or services, and adjust rates and benefits based on claim experience.
3. Provide for underwriting or other agreements for participating organizations, policy or service; serve as the policyholder of any group policy or coverage; determine the methods of claim administration and payment; and provide for claim experience for the participating organizations collectively or separately.
4. Determine the contribution amount or appropriation required from participating organizations for participation and as necessary to follow policy and to provide established services.
5. Establish standards of eligibility for participating organization and employees in any coverage, policy or service; including procedures for enrollment and withdrawal from any coverage, policy or service; and establish effective dates of coverage.

6. Provide for administration and manner of payment of funds for all expenses concerning the coverage, policies or services which may be established; and establish procedures for safekeeping, handling, and investing such fund(s) and any monies received or paid.
7. Establish the duties and records of the Plan Administrator to enable the correct billing of premiums and fees, enrollment of participating organizations and their employees, and payment of claims.
8. Serve as an appeal body for complaints of participating organizations and their employees and establish procedures for grievances of participating organizations and employees.
9. Study the operation of the coverage, policies or services, gross and net costs, administrative costs, benefits, utilization of benefits and claims administration.
10. Incur expenses, acquire and hold property, and enter into agreements necessary to accomplish the purposes of the Inter Local Government Agreement.
11. Exercise risk management practices pursuant to preservation of capital, protection of data and to ensure business continuity. Accordingly, the Board of Trustees authorizes the Plan Administrator to procure a Directors E&O Policy providing coverage for the Trustees.
12. Retain General Counsel who is responsible to the Board for providing advice concerning compliance with state statutes including, but not limited to, the Open Meetings Act, Open Records Act, The Interlocal Cooperation Act, current State Auditor and Inspector reports, and the State Ethics Commission.
13. At all times while acting on behalf of the OPEH&W Health Plan, the conduct of the Board shall be subject to the OPEH&W Health Plan Code of Conduct, the OPEH&W Health Plan Conflict of Interest Policy, and the OPEH&W Service Provider Bill of Rights; copies of which are incorporated respectively as Appendix 1, Appendix 2 and Appendix 3.

B. Form

1. Size:
 - a. Fifteen (15) members of the Board of Trustees.
 - b. A minimum of X must be from participating counties.
 - c. A minimum of X must be from participating municipalities.
2. Quorum:
 - a. Eight (8) members will constitute a quorum.
 - b. All official action taken by the Board shall only be deemed valid with Eight (8) or more votes in favor, regardless of the number of Trustees present.
3. Term:
 - a. Trustees are elected for a term of X years.
4. Eligibility:
 - a. Trustees from a county must be an elected official from that county.
 - b. Trustees from a municipality must be a mayor or city manager from that municipality.
 - c. Trustees from a school district must be a superintendent from that school district.
 - d. Trustees from any other participating organization must be an official from that participating organization.
5. Compensation:

- a. Trustees serve without compensation but may be reimbursed for actual and necessary expenses incurred in the performance of their duties.

C. Officers

1. Positions:

- a. The board shall have 3 designated officer positions, filled by Trustees:
 - i. Chair
 - ii. Vice-Chair
 - iii. Secretary
- b. Term: Officers shall serve a term of X years.
- c. Term Limits: There are no term limits.
- d. Election: Shall be filled by a vote of the Board of Trustees by simple majority.
- e. Vacancies During Term: Shall be filled by a vote of the Board of Trustees by simple majority for the balance of the term which has been vacated.

D. Meetings

1. All Meetings:

- a. Attendance:
 - i. Each Trustee should attend at least one-half (1/2) of all scheduled regular and special meetings of the Board held in any three (3) month period, unless otherwise excused by the Board.
 - ii. The Chair of the Board will contact each member whose attendance falls below the criteria to ask them to carefully consider whether the interests of the OPEH&W Health Plan will be best served if they continue to hold the office of Trustee.

2. Regular Meetings:

- a. Shall conform to the requirements of the Open Meeting Act.
- b. Shall hold a minimum of four (4) regular board meetings per calendar year.

3. Annual Meetings:

- a. The annual meeting of the Board shall be in September.

E. Nominations, Elections & Vacancies

1. Prior to March 1 of each year, the Plan Administrator shall give notice by first class mail to the designated board representative contact of each participating organization, that vacancies on the Board of Trustees will occur on July 1.
 - a. The notice shall state:
 - i. The number of offices to be filled.
 - ii. That the participating organization may nominate one (1) candidate for each vacancy to be filled.
 - iii. That the nomination form must be signed by the Board of County Commissioners if the organization is a County, by the mayor and attested by

the clerk if the organization is a Municipality, or the leading individual of any other organizational type.

- iv. That completed nomination form shall be returned no later than March 16 by:
(1) sending a facsimile of the form to the OPEH&W Health Plan; (2) sending the form to a designated OPEH&W Health Plan recipient as an attachment to an e-mail; or (3) sending the OPEH&W Health Plan the form by certified mail.
- b. The nomination form furnished to the participating organization shall provide:
 - i. The name of the participating organization.
 - ii. The name and title of the nominee.
 - iii. A biographical sketch of not more than fifty (50) words.
 - iv. The signature of by the Board of County Commissioners if the organization is a County, by the mayor and attested by the clerk if the organization is a Municipality, or the leading individual of any other organizational type.
- c. At the April meeting of the Board, the Trustees shall consider the nominations and determine the eligibility of those nominees conform with the requirements of these By-Laws.
- d. The Plan Administration shall mail a ballot containing the names of the nominees determined to be eligible to all participating organizations prior to May 1. Such ballot shall state the number of votes that are to be cast and shall list the names of the nominees with their biographical sketch(es).
- e. The ballot, signed by the Board of County Commissioners if the organization is a County, by the mayor and attested by the clerk if the organization is a Municipality, or the leading individual of any other organizational type, shall be returned no later than May 31 to the OPEH&W Health Plan by: (1) sending a facsimile of the ballot to the OPEH&W Health Plan; (2) sending the ballot to a designated OPEH&W Health Plan recipient as an attachment to an e-mail; or (3) sending the OPEH&W Health Plan the ballot by certified mail.
- f. During the August meeting of the Board, the Trustees shall canvass the votes cast. The nominee receiving the largest number of votes shall be considered elected to the office of Trustee, and if more than one Trustee is to be elected, the nominee with the next largest number of votes being then next elected, and so on until all vacancies have been filled.
- g. Should two or more nominees receive an equal number of votes when only one or more but less than all nominees receiving an equal number of votes can be elected, the nominee to be elected shall be determined by a drawing of lots.
- h. The results of the elections will be mailed to all participating organizations.
- f. Vacancies on the Board shall be filled by a vote of the Board of Trustees by simple majority for the balance of the term which has been vacated.

2.

F. Training

1. New Trustees: The Plan Administrator will conduct a training program for any newly elected Trustee, to occur prior to the next regular board meeting following their election.
2. Existing Trustees: The Plan Administrator will conduct an annual training program for all existing Trustees, to occur during the August regular board meeting.
3. The training program will provide each Trustee with the latest version of the OPEH&W Health Plan's - Trustees Manual, and must, at a minimum, cover the following topics:
 - a. Organizational Governance
 - b. Structure
 - c. Financial Operations
 - d. Administrative Operations
 - e. Legal & Fiduciary Responsibilities
 - f. Actuarial Studies
 - g. Audits
 - h. Investment Policy
 - i. Underwriting Policy
4. Registration, tuition or other fees resulting from participation required training programs shall be paid for by the OPEH&W Health Plan, if the Board has approved such training program.
5. All other expenses directly related to participation in a required training program, including transportation, lodging, meals and other necessary expenditures, shall be paid by the OPEH&W Health Plan according to Expenses & Travel Costs section of these By-Laws.

G. Expenses & Travel Costs

1. The OPEH&W Health Plan Trustees will be reimbursed for travel to Board meetings and for other expenses incurred on behalf of the OPEH&W Health Plan according to these procedures.
2. The OPEH&W Health Plan shall be responsible for all such necessary expenditures.
3. The OPEH&W Health Plan shall request reimbursement from the Trustees or the organization they represent for any expenses not covered above.
4. Travel expenditures shall not exceed the normal cost of coach-class plane fare, and other expenses shall be those reasonable and customary for the area in which the activity is conducted.
5. Expenses which will not be reimbursed include:
 - a. Liquor or personal entertainment.
 - b. Tips more than 20%.
 - c. Personal postage, reading material, personal toiletry articles, laundry service or other personal services.
 - d. Expenses (other than group meals) related to a spouse, or other persons not authorized to receive reimbursement under this policy.

H. Reporting to the Board

1. It is the duty of Plan Administrator, consultants and service providers to keep the Board of Trustees informed of all activities that impact the Board in its role as management and fiduciaries of the OPEH&W Health Plan. Board members are entitled to access all records and reports maintained by or for the benefit of the OPEH&W Health Plan.
2. Many reports are formally presented to the Board as part of its meeting deliberations. Ad hoc reports may also be presented to the Board in writing at the Plan Administrators direction.
3. An operations summary report is prepared by the Plan Administrator for consideration at regular board meeting. This report will condense and compares a wide variety of financial and participant data plus statistical detail of many facets of internal operations and OPEH&W Health Plan activity. The operations summary is intended to be a comprehensive report covering all areas of the OPEH&W Health Plan's activities to assist the Board in evaluating the implementation and status of such activities.

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Appendix 1

The OPEH&W Health Plan - Code of Conduct

This Code of Conduct shall apply to the OPEH&W Health Plan Board of Trustees (Board) and its agents, whether directly employed or under contract, to ensure that business is conducted in a manner that promotes trust. Accordingly, the Board adopts as policy the understanding that the OPEH&W Health Plan is:

1. Dedicated to the highest ideals of honor, integrity and due diligence so that our Board, employees and agents merit respect and public confidence in all its dealings.
2. Dedicated to the concepts of democratic, effective and efficient governance by responsible, knowledgeable elected and appointed officials with an understanding that decisions and actions taken are always made in the best interests of our members and participants.
3. Committed to the principle that the Board is responsible for establishing goals and objectives and in making policy decisions on behalf of the members and participants.
4. Committed to the principle that agenda items will be accompanied by information and advice relevant to the OPEH&W Health Plan policies as a basis for making decisions, and that said policies will be implemented and uphold all policies and decisions adopted by the Board.
5. Dedicated to the continual improvement of the professional abilities and expertise of the Board in matters relating to pool governance and pool management or administration.
6. Dedicated to the principle that the Board share a responsibility to communicate the OPEH&W Health Plan's objectives/activities/outcomes to its members and participants and will work to always ensure its quality and image.
7. Dedicated to the principle that all matters of procurement, personnel administration and outside contracting are administered based on merit, ensuring that fairness and impartiality govern all governance and management decisions.
8. Dedicated to the principle that matters of pool governance and/or pool management/administration cannot be bought or sold. No Board member should ever solicit a personal gift of any value from any third-party performing work on behalf of or in any way associated (or potentially associated) with the OPEH&W Health Plan.
9. Dedicated to the principle that conflicts of interest, (defined as situations in which a person has a duty to more than one person or organization and cannot do justice to the actual or potentially adverse interests of both parties) should be avoided and where present shall be fully disclosed. This includes situations when a Board member's personal interests (including those of his/her family) are contrary to their loyalty to the OPEH&W Health Plan.

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Appendix 2

The OPEH&W Health Plan - Conflict of Interest Policy

Purpose

To insure OPEH&W Health Plan Trustees are (1) independent and impartial in their decisions regarding the choice of vendors, suppliers or service providers; (2) to prevent a Trustee from inappropriately obtaining anything of value or a private benefit; (3) to prevent the appearance of a Trustee inappropriately obtaining anything of value or a private benefit; and (4) to make financial disclosures that demonstrate fair and equitable treatment is given to all OPEH&W Health Plan decisions, the following policy guidelines shall be observed:

Guidelines

1. Under no circumstances shall a Trustee vote for or do official business with a vendor, supplier or service provider in which the Trustee has a financial interest either directly or indirectly through a spouse or any person related within the third degree by affinity or consanguinity (i.e. parents, grandparents, great-grandparents, uncles, aunts, brothers, sisters, children, grandchildren, great-grandchildren, nephews and nieces, either of employee or their spouse) to a Trustee.
2. No OPEH&W Health Plan Trustee may accept “anything of value or private benefit.” For this policy, “anything of value or a private benefit” means any gift or participation in any activity with a fair market value more than \$50.
3. All OPEH&W Health Plan Trustees shall prepare and submit a Conflict-of-Interest Policy Report providing the following information about all gifts of \$50 or less:
 - a. Name of provider
 - b. Description of activity/gift
 - c. Date activity/gift was provided
4. However, when anything of value is provided to Trustees as a whole, nothing need be reported, although the thing of value may have been provided or sent in the name of an individual Trustee; for example, (1) when a law firm sends a seasonal fruit basket to an OPEH&W Health Plan attorney, but the fruit is placed in a common area for general consumption; or (2) when a third party administrator provides lunch for all OPEH&W Health Plan Trustees; or (3) when a service provider sends basketball tickets to an individual, but the tickets are made available to all employees through a drawing.
5. Further, “anything of value or a private benefit” does not apply to:
 - a. Modest amounts of food and refreshments, such as soft drinks, coffee and donuts, offered other than as a part of a meal.
 - b. Food and beverage consumed when participating in a charitable, civic or community event.
 - c. Rewards or prizes awarded to attendees of an event open to the public.

- d. Any food, donation or prize provided at a meeting, conference or seminar by an exhibitor or sponsor, the cost of which is borne by the registration fee and made available to all registrants.

Filing the Conflict-of-Interest Policy Report

1. Statements must be filed by January 31 following the previous calendar year. Statements will be filed with the Plan Administration and the Plan Administrator will make copies available to the Trustees by the first regular Board meeting scheduled after January 31 of the following calendar year. A OPEH&W Health Plan Conflict of Interest Policy Report form is available and is to be used to report anything of value or a private benefit, as defined.

Frequently Asked Questions

1. **Q:** The OPEH&W Health Plan is in the process of awarding a contract and a Trustee is involved in the decision process. One of the bidders has offered to take the Trustee to a sporting event. Can the Trustee accept the invitation?
A: Yes, if the total value of the ticket, transportation, food, etc., does not exceed \$50, and it must be reported on the OPEH&W Health Plan Conflict of Interest Policy Report form.
2. **Q:** Is it permissible for a vendor to buy a Trustee lunch?
A: Yes, if the value of the lunch does not exceed \$50, and it must be reported on the OPEH&W Health Plan Conflict of Interest Policy Report form.
3. **Q:** Is it permissible for a Trustee to attend a training trip or a site visit at a vendor's expense?
A: Maybe. If the training or site visit is included in the contract with the vendor and the trip was anticipated at the time the contract was advertised and awarded, then the trip is appropriate. Otherwise, only if the cost of the training or site visit does not exceed \$50, and it must be reported on the OPEH&W Health Plan Conflict of Interest Policy Report form.
4. **Q:** If a Trustee attends a conference and wins a door prize that would be for personal benefit (i.e. television, stereo, cash prize, portable electronic, etc.), is it acceptable for the Trustee to accept and keep the door prize if the Trustee's name is drawn?
A: Yes.
5. **Q:** If a vendor offers a Trustee an event ticket (football game, concert, etc.), may the Trustee write a check to the vendor for the face value of the ticket so that the Trustee may attend the event?
A: Yes, if the Trustee pays face value for the ticket. If the face value of the ticket is \$50 or less the Trustee does not have to pay for the ticket, and it must be reported on the OPEH&W Health Plan Conflict of Interest Policy Report form.

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Appendix 3

The OPEH&W Health Plan - Service Provider Bill of Rights

- A. The Oklahoma Public Employees Health & Welfare Plan (OPEH&W Health Plan) has established standards that service providers should expect when serving the OPEH&W Health Plan and its members. The basic rights that a service provider should expect while providing services to the OPEH&W Health Plan include the following:
1. To be consistently treated with dignity, respect, and professionalism.
 2. Gifts, perks or other benefits to the OPEH&W Health Plan's Board of Trustees or staff members (or any person or organization associated with them) are not a condition for doing business with the OPEH&W Health Plan.
 3. To receive fair and equitable treatment in the procurement process. Every competitive bidding process should be open, well defined and transparent. The OPEH&W Health Plan recognizes that there is a direct cost to the service provider in preparing every service proposal.
 4. To have a written service agreement with the OPEH&W Health Plan, specifying all terms and conditions of the contractual relationship.
 5. To only provide services contained within the scope of the service agreement.
 6. To be paid in a timely manner for services rendered in accordance with the provisions of the service agreement.
- B. By establishing these standards, it is not the intention of the OPEH&W Health Plan to become an arbitrator for contract disputes between a service provider and the OPEH&W Health Plan members.