

MEMORANDUM

February 11, 2021

TO: Mayor John P. Kahl and Members of City Council

FROM: City Attorney's Office (Scott A. Brunton)

SUBJECT: Resolution Regarding Second Amendment to the City's Group Health Care Plan for COVID-19 Benefits (Effective March 1, 2021)

DISCUSSION:

In March 2020, the City adopted an amendment to the City's Group Health Care Plan (the "Plan") on an emergency basis that addressed Plan benefits and reinsurance coverage during the COVID-19 pandemic crisis. This "first amendment" to the City's Plan only remains in effect for a one-year period and will soon expire under its own terms. The first amendment also established coverage and benefits under the Plan for COVID-19 related matters in compliance with federal legislation that was passed to address the effects of the COVID-19 pandemic.

As the COVID-19 pandemic continues and the first amendment is set to expire, an additional amendment to the Plan is now required to ensure continued coverage and benefits under the Plan for COVID-19 related matters (the "Second Amendment"). The City's Insurance & Benefits Committee has voted to approve this Second Amendment. Thus, this Resolution approves the Second Amendment to the Plan with an effective date of March 1, 2021, to ensure this continued coverage and benefits under the Plan for COVID-19 related matters for up to an additional one-year period.

RECOMMENDATION:

The Insurance & Benefits Committee, as well as our office, recommends that the Council pass this Resolution.

c: Teresa Durm
Dennis R. Triggs

RESOLUTION NO. 2021-109

East Peoria, Illinois

_____ , 2021

RESOLUTION BY COMMISSIONER _____

**RESOLUTION APPROVING SECOND AMENDMENT TO THE CITY'S
GROUP HEALTH INSURANCE PLAN FOR COVID-19**

WHEREAS, the City of East Peoria maintains a self-insured group health care plan for the benefit of its employees (the "Plan"); and

WHEREAS, in March 2020, at the beginning of the COVID-19 pandemic crisis, the City approved and adopted a First Amendment to the Plan on an emergency basis that specifically addressed specific benefits for Plan participants potentially affected by COVID-19 and also addressed qualification for the reinsurance coverage under the Plan (the "First Amendment"); and

WHEREAS, the federal legislation adopted in 2020 to address the COVID-19 pandemic crisis also requires certain COVID-19 related benefits to be offered and covered by employer-maintained health plans; and

WHEREAS, under the terms of the First Amendment, the First Amendment expires on its anniversary date in March 2021; and

WHEREAS, with assistance from Consociate, the third-party administrator of the City Plan, the City's Insurance and Benefits Committee has prepared a Second Amendment to the Plan that extends the applicable COVID-19 related benefits provided by the Plan in compliance with federal law up to one additional year during the ongoing COVID-19 pandemic, with such Second Amendment to the Plan attached hereto as Exhibit A and incorporated by reference (the "Second Amendment"); and

WHEREAS, the City's Insurance and Benefits Committee, by a proper vote, has approved the Second Amendment; and

WHEREAS, the City's Insurance and Benefits Committee recommends that the City approved the Second Amendment with an effective date of March 1, 2021, as provided herein;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The City hereby approves and adopts the COVID-19 Second Amendment to the Plan, as provided in Exhibit A, which shall be effective and replace the First Amendment effective March 1, 2021.

Section 2. The Mayor is hereby authorized and directed to execute the Second Amendment to the Plan as provided in Exhibit A.

Section 3. The City's Human Resources Director is directed to make available a copy of the Second Amendment to all City employees and officials covered by the Plan, including any retirees, employees on disability, families of deceased employees, or former employees who are covered by the Plan.

APPROVED:

Mayor

ATTEST:

City Clerk

EXHIBIT A
COVID-19 SECOND PLAN AMENDMENT
(Effective March 1, 2021)

**Amendment # 2
To the Plan Document and Summary Plan Description for
City of East Peoria**

This Amendment to the City of East Peoria Group Health Plan ("Plan") is made effective on and after the date stated herein.

WHEREAS, applicable provision of the Plan grant the Employer the right to amend the Plan; and,

WHEREAS, the Employer desires to make such amendment;

NOW, THEREFORE, the Plan is hereby amended as follows, with such amendment to be effective on the date listed herein.

Effective March 1, 2021:

1. The following is added to **Medical Benefits** section, and fully and completely replaces Amendment Number 1, the contents of which are removed. All below provisions of this Amendment will terminate upon the expiration of the public health emergency relating to COVID-19 and declared pursuant to 42 U.S.C. § 247d, or upon the first anniversary of the effective date noted above, if later:

2019 Novel Coronavirus (COVID-19). Covered Expenses associated with testing for and treatment of COVID-19 include the following:

Diagnostic Tests. The following items are covered at 100%, deductible waived, as provided in the Families First Coronavirus Response Act (FFCRA) and Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and notwithstanding any otherwise-applicable Medical Necessity or Experimental and/or Investigational requirements, and do not require Pre-Certification. These items are paid at the negotiated rate, if one exists. If no negotiated rate exists, the Plan will pay the cash price publicly posted on the Provider's website, or such other amount as may be negotiated by the Provider and Plan.

- a. In vitro diagnostic products for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19 (including all costs relating to the administration of such in vitro diagnostic products) which satisfy **one** of the following conditions:
 - i. that are approved, cleared, or authorized by the FDA;
 - ii. for which the developer has requested or intends to request emergency use authorization under Section 564 of the Federal Food, Drug, and Cosmetic Act, unless and until such emergency use authorization request has been denied or the developer does not submit a request within a reasonable timeframe;
 - iii. that are developed in and authorized by a State that has notified the Secretary of Health and Human Services of its intention to review tests intended to diagnose COVID-19; or
 - iv. that are deemed appropriate by the Secretary of Health and Human Services.
- b. Items and services furnished during an office visit (including both in-person and telehealth), urgent care visit, or emergency room visit which results in an order for or administration of an in vitro diagnostic product described above. Such items and services must relate to the furnishing of such diagnostic product or evaluation of the individual for purposes of determining the need for such product.

Qualifying Coronavirus Preventive Services. The following items are covered at 100%, deductible waived, and do not require Pre-Certification.

- c. An item, service, or immunization that has in effect a rating of "A" or "B" in the current recommendations of the United States Preventive Services Task Force; and
- d. An immunization that has in effect a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention with respect to the individual involved.

Inpatient Hospital Quarantines. There may be times when Participants with the virus need to be quarantined in a Hospital private room to avoid infecting other individuals. These patients may not meet the need for acute inpatient care any longer but may remain in the Hospital for public health reasons. Such charges will not be denied solely because otherwise-applicable Medically Necessary requirements would not indicate a need for a private room.

Telehealth and Other Communication-Based Technology Services. Participants can communicate with their doctors or certain other practitioners without going to the doctor's office in person. This is recommended if a Participant believes he or she has COVID-19 symptoms.

Requests for Prescription Refills. When considering whether to cover a greater-than-30-day-supply of drugs, the Plan and its Prescription Drug Plan Administrator will, on a case-by-case, basis, consider each request and make decisions based on the circumstances of the patient.

Non-Emergency Ambulance Transportation. The Plan will cover limited, Medically Necessary, non-emergency ambulance transportation relating to COVID-19 Diagnosis or treatment.

2. In the **Introduction and Purpose; General Plan Information** section, the following introductory provision has been added:

Important Updates Regarding COVID-19 Relief – Tolling of Certain Plan Deadlines

In accordance with 85 FR 26351, "Extension of Certain Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID-19 Outbreak," notwithstanding any existing Plan language to the contrary, the Plan will disregard the period from March 1, 2020 until sixty (60) days after (1) the end of the National Emergency relating to COVID-19 and declared pursuant to 42 U.S.C. § 5121 *et seq.* or (2) such other date announced by the Departments of Treasury and/or Labor, for purposes of determining the following periods and dates:

- 1) The 30-day period (or 60-day period, if applicable) to request special enrollment under ERISA section 701(f) and Internal Revenue Code section 9801(f);
- 2) The 60-day election period for COBRA continuation coverage under ERISA section 605 and Internal Revenue Code section 4980B(f)(5);
- 3) The date for making COBRA premium payments pursuant to ERISA section 602(2)(C) and (3) and Internal Revenue Code section 4980B(f)(2)(B)(iii) and (C);
- 4) The date for individuals to notify the Plan of a qualifying event or determination of disability under ERISA section 606(a)(3) and Internal Revenue Code section 4980B(f)(6)(C);
- 5) The date within which individuals may file a benefit claim under the Plan's claims procedure pursuant to 29 CFR 2560.503-1;
- 6) The date within which Claimants may file an appeal of an Adverse Benefit Determination under the Plan's claims procedure pursuant to 29 CFR 2560.503-1(h);
- 7) The date within which Claimants may file a request for an external review after receipt of an Adverse Benefit Determination or Final Internal Adverse Benefit Determination pursuant to 29 CFR 2590.715-2719(d)(2)(i) and 26 CFR 54.9815-2719(d)(2)(i); and
- 8) The date within which a Claimant may file information to perfect a request for external review upon a finding that the request was not complete pursuant to 29 CFR 2590.715-2719(d)(2)(ii) and 26 CFR 54.9815-2719(d)(2)(ii).

This period may also be disregarded in determining the applicable date for the Plan's duty to provide a COBRA election notice under ERISA section 606(c) and Internal Revenue Code section 4980B(f)(6)(D)

All other provisions of this document remain as stated. The above is effective on the date stated herein.

Signed this _____ day of _____, 2021.

Authorized Representative of City of East Peoria Group Health Plan and Title