

# **Montgomery County Health Insurance Trust**

## **Proposed Dissolution Plan**

### **Effect of Dissolution**

The Trust is dissolved for purposes of incurring health benefit obligations effective December 31, 2012 and shall remain in existence for the winding up of its legal and financial affairs including the distribution to each member its cash deposit and pro rata share of any fund balance remaining upon the conclusion of the wind up of the Trusts' affairs;

The Trust shall continue to operate until the effective date of the dissolution specified in the Dissolution Plan.

### **Purpose of the Dissolution Plan**

The purpose of the Dissolution Plan shall be to provide public notice of the terms and information regarding the termination of the Montgomery County Health Insurance Trust Plan (hereinafter the "Trust") and establish a procedure to wind up the Trust's affairs in an orderly manner and is designed to result in the timely payment of all health benefits incurred during the period July 1, 2007 through December 31, 2012, to set a time within which claims must be filed, to pay incurred and acknowledged operating liabilities and expenses incurred during the period July 1, 2007 through when an audit of the financial statements is completed, to establish a cash reserve for payment of contingent and disputed liabilities, claims and expense, cash deposit, and to distribute to each member, its pro rata share of any fund balance remaining upon the conclusion of the wind up of the Trusts' affairs.

### **Terms and Information regarding the Dissolution Plan**

1. "Plan Member" or "Member" shall mean the County of Montgomery and the City of Amsterdam.
2. "Dissolution" shall mean the termination of the existence of the Montgomery County Health Insurance Trust Plan.
3. "Dissolution Plan" shall mean a written document that contains the terms and information regarding the dissolution of the Montgomery County Health Insurance Trust Plan and that has been finalized and approved by the Trustees of the Montgomery County Health Insurance Trust Plan.
4. "Proposed Dissolution Plan" shall mean a written document that contains terms and information regarding the dissolution of the Montgomery County Health Insurance Trust Plan, and that has been proposed, but not yet finalized and approved by the Trustees of the Montgomery County Health Insurance Trust Plan.
5. "Trust" shall mean the Montgomery County Health Insurance Trust Plan.

6. "Reserve" shall mean asset reserve.

### **Procedure for Dissolution**

The Proposed Dissolution Plan shall be reviewed and approved for content and as to form by the Montgomery County Legislature, the City of Amsterdam and the Trustees of the Montgomery County Health Insurance Trust Plan.

1. Proposed Dissolution Plan shall be published as follows:
  - A. Public Notice of Proposed Dissolution Plan;
    - a. No less than five days after adoption of the proposed dissolution plan, a copy of the proposed dissolution plan, along with a descriptive summary thereof, must be displayed and readily accessible to the public for inspection in a public place.
    - b. A newspaper notification of a description of the proposed dissolution plan and a reference to the public place/places where it may be examined must be circulated for four successive weeks in a newspaper.
    - c. A copy of the proposed dissolution plan, along with a descriptive summary thereof and a reference to the public place or places within Montgomery County where a copy thereof may be examined, to be displayed on a website maintained by the Plan Members.
    - d. A copy of the proposed plan shall be sent to any municipal entities whose employees are or were covered under an employer sponsored health insurance plan by virtue of his or her employment
  - B. Public Hearing on Proposed Dissolution Plan
    - a. A public hearing shall be held no less than thirty-five days and no more than ninety days after commencement of dissolution proceedings. Any interested person shall be given a reasonable opportunity to be heard on any aspect of the proposed dissolution.
    - b. The public hearing or hearings shall be held on notice of at least ten days, but not more than twenty days, published in a newspaper or newspapers having general circulation within Montgomery County and displayed on a website maintained by the Plan Members. The notice of the hearing or hearings shall provide a descriptive summary of the proposed dissolution plan and a reference to the public place or places within Montgomery County where a copy of such plan may be examined.

- c. After completion of the final hearing, the governing body of the Trust may amend the proposed dissolution plan, provided it remains in compliance with the legal requirements, and is publicized, and/or approve a final version of the dissolution plan, or decline to proceed further with dissolution proceedings. Any approval by the governing body of the Trust of a final version of the dissolution plan must occur within one hundred eighty days of the final hearing.
- d. No later than five business days after amending the proposed dissolution plan, the governing body of the Trust shall cause a copy of the amended version of the plan, along with a descriptive summary thereof, to be displayed and accessible to the public for inspection in a public place or places within Montgomery County, and cause the amended version of the proposed dissolution plan, along with a descriptive summary thereof and a reference to the public place or places within the entity where a copy thereof may be examined, to be displayed on a website maintained by the Plan Members.

## 2. Adoption of final Dissolution Plan

- a. After public notice and public hearing, and upon the acceptance of public comment, the proposed dissolution plan may be modified or amended.
- b. Public notice of the Trust's intention to adopt a final Dissolution Plan shall be given pursuant to the procedure set out in the section 1(A).
- c. After notice, a final Dissolution Plan shall be adopted and ratified by the Montgomery County Legislature, the City of Amsterdam and the Trustees of the Montgomery County Health Insurance Trust Plan.

## 3. Publication of Notice of final Dissolution Plan

- a. No less than five days after adoption of the Dissolution Plan, a copy of the Dissolution Plan, along with a descriptive summary thereof, must be displayed and readily accessible to the public for inspection in a public place.
- b. A newspaper notification of a description of the Dissolution Plan and a reference to the public place/places where it may be examined must be circulated for four successive weeks in a newspaper.
- c. A copy of the Dissolution Plan, along with a descriptive summary thereof and a reference to the public place or places within the entity where a copy thereof may be examined, to be displayed on a website maintained by the Plan Members.

- d. A copy of the Dissolution Plan shall be sent to any municipal entities whose employees were or are covered under an employer sponsored health insurance plan by virtue of his or her employment

4. Public Notice of Time Bar to Claims.

Notice of the following shall be given pursuant to the procedure set out in the section 1(A) of this document;

- i. Failure to timely file claim shall be an absolute bar to future claims;
- ii. The Trust's ability to either sue or be sued shall not be affected by dissolution;
- iii. No part of funds of the Trust shall be subject to the claims of general creditors until all plan benefits and obligations have been satisfied;
- iv. Debts and liabilities of the Trust shall be assumed jointly by the City and County at the end of winding up the Trusts affairs;
- v. In the absence of fraud, gross negligence or willful misfeasance, no officer or employee of a local government entity shall be held personally liable upon any claim arising from the dissolution the Plan or any circumstances connected with such dissolution.

5. Schedule of Assets and Liabilities

- a. Plan shall prepare schedules of assets and liabilities by member and other participants and in the aggregate that considers:
  - vi. Health and prescription drug coverage claims and operating expense vendors;
  - vii. All claims incurred for the period July 1, 2007 through the effective date of termination.
  - viii. Plan does not have any other assets not enumerated in the attached schedules.

6. Reserves

- a. Plan shall:
  - ix. pay acknowledged liabilities, indebtedness, and expenses; and
  - x. Pay all necessary levy taxes and assessments
  - xi. establish a reserve for payment of contingent and disputed liabilities, claims and expenses
  - xii. Debts, other than health benefits not paid by the reserve from each participant are assumed jointly by County and City.

## 7. Claims Procedures

- a. For all claims incurred during the period July 1, 2007 through December 31, 2012 the procedures are:
  - i. Claimant must submit in writing all documentation supporting the claim to:

Chief Financial Officer  
Montgomery County Health Insurance Trust  
County Annex Building  
P.O. Box 1500  
20 Park Street  
Fonda, New York 12068-1500
  - ii. The propriety of the claim will be reviewed by the CFO. Claimants will be notified in writing if additional documentation is needed.
  - iii. Approved claims by the CFO will be processed for payment in the order they are approved.
  - iv. Claimants will be notified in writing by the CFO if the claim is denied.
  - v. Claimants may appeal their denied claim before the whole Trust Board by making a request to the Trust Secretary for time on the agenda of the next Trust Board meeting.
  - vi. Payment will be made by check.
- b. For claims other than health benefits incurred subsequent to December 31, 2012 and through the end of winding down of its fiscal affairs the claim procedures are the same as listed in 4.a. above.
- c. All claims for health benefits incurred subsequent to December 31, 2012 and through the end of winding down of its fiscal affairs the claim should be submitted to the appropriate responsible party, i.e. County, City or other Trust participant.

## 8. Distribution of Surplus Reserve Funds

- a. CFO shall compute the total amount of assessments paid by members during the last three fiscal years and the ratio which each members payments bears to the total.
- b. Upon the exchange of mutual releases by the members, the Plan shall pay to each Member that Members pro rata share of the Plan's "surplus assets"
- c. If after three years there is any balance left in the reserve fund established for claims, the Plan shall pay to each member it pro rata share of the reserve fund balance.

9. Distribution of Surplus Cash Deposit

- a. CFO shall, based on the completion of the final audit, distribute the remaining cash deposit to each member and other participants subject to an exchange of mutual releases by the members and the other trust participants.
- b. After three years, upon the exchange of mutual releases by the members, the Plan shall pay to each Member that Members share of the Plan's remaining reserve.

10. Final Audit

The Trust shall complete an audit of the Trust's financial statements in accordance with Government Auditing Standards for the year ended December 31, 2012 and for the period January 1, 2013 through the end of the winding down of its fiscal affairs.