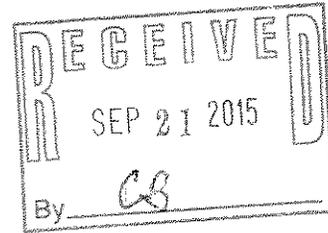


# HealthTrust

September 17, 2015

Mr. Jeffrey Gryval  
Chairman, Board of Selectmen  
Town of Allentown  
16 School Street  
Allentown, NH 03275



Dear Mr. Tardiff:

Enclosed you will find HealthTrust's updated Application and Membership Agreement ("Membership Agreement"), which will replace your group's current Application and Participation Agreement. Periodically, this agreement is revised and updated to incorporate needed changes and to improve the membership process. Enclosed is an outline of the updates and changes in the new version.

For January groups, the new Membership Agreement will be effective as of the start of the upcoming January Plan Year. The governing body of each Member must adopt the Certificate of Authorizing Resolution (Exhibit A of the Membership Agreement) prior to execution of the Membership Agreement. Adoption of the resolution and execution of the new Membership Agreement is required for membership and/or continued membership in HealthTrust and participation in its coverage lines.

Please return the signed Membership Agreement, together with the Certificate of Authorizing Resolution, as soon as possible, but no later than January 1, 2016. Until HealthTrust receives these materials, the existing Participation Agreement will remain in effect.

The new Membership Agreement no longer has addenda incorporated within the agreement for COBRA administrative services, retiree billing administrative services, or combination of Members for rating purposes. Under the new version, these items will be standalone agreements between the Member and HealthTrust. By having these services provided through separate, standalone agreements, it will make it administratively easier for any Member to add or drop these services without needing to amend the Membership Agreement.

If your group receives any of these services, also enclosed is the separate, standalone agreement for such services that will need to be executed and returned with the Membership Agreement. If your group is part of a combination of Members for rating purposes, please note that there is an additional resolution included in the Combination Agreement that your governing board must also adopt.

As background, an agreement to participate in HealthTrust, like the Membership Agreement, is required by RSA 5-B. In addition to the terms of the Membership Agreement, a Member's rights are governed by RSA 5-B and HealthTrust's Bylaws, as amended and in effect from time to time. Enclosed is a copy of the current HealthTrust Bylaws which sets out these issues in more detail.

Once we have received your signed documents, we will sign them and return a fully executed copy for your records. As always, feel free to contact your Benefits Advisor for more information or assistance with this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Frydman".

David Frydman  
Interim Executive Director



## Overview of HealthTrust's New Membership Agreement

While the entire agreement has been redrafted generally to make it clearer, what follows highlights changes/updates included in the new Membership Agreement:

- a. Updates all Members' agreements to reference HealthTrust, Inc. Many of the existing Participation Agreements still reference LGC or its LLC subsidiaries.
- b. Changes the agreement from a Participation Agreement to a Membership Agreement. The use of the term "participation" instead of "membership" is a vestige from the old organizational structure where groups were "members" of LGC but "participants" in the pools.
- c. Highlights Member's right to select/change coverages and/or services and describes how that is achieved by having an authorized representative execute the required coverage documents. (This is not new – it just highlights the issue more specifically.)
- d. Eliminates reference to the specific requirement that 75% of eligible employees must be enrolled in the group health plan(s) offered through HealthTrust, and replaces it with requiring compliance with any minimum participation requirements. This allows HealthTrust to adjust the minimum participation requirements in any coverage as needed, without amending the Membership Agreement.
- e. Highlights Member's right to vote at Annual Meeting and specifies current bylaw provision that the Member's governing body can appoint whomever they want to vote, but if they do not act, the group's top administrative official is authorized to vote.
- f. Highlights that Member's right to surplus is controlled by the Bylaws – Member acknowledges and agrees that rights to distribution of surplus are governed by the HealthTrust Bylaws, as amended from time to time. (This is not new – it just highlights the issue more specifically.)
- g. Provides that a Member's return of surplus may first be applied to cover any amounts that are unpaid and owed by the Member prior to HealthTrust's returning the balance to the Member. This new provision is intended to clarify this right.
- h. Includes Member's certification of safeguarding personal health information as needed for HIPAA purposes. Currently, this certification is in a separate certification – but it is better to be part of the Membership Agreement and has been included.
- i. Acknowledges Member's duty to comply with the Affordable Care Act (e.g. IRS filings).
- j. Continues to acknowledge Member's responsibility for COBRA and retiree coverage with references to additional services available from HealthTrust to assist Member with these obligations pursuant to separate agreements, instead of through incorporated addenda. Makes process of adding and dropping these services administratively easier for the Members and more efficient for HealthTrust.
- k. Establishes separate agreement for combination of Members for medical rating purposes, if applicable, instead of via incorporated addenda. This is administratively more efficient.
- l. Reference to HIPAA Portability Certificates eliminated as they are no longer used or required under HIPAA.
- m. Acknowledges that Member is bound by the provisions of the Membership Agreement, the HealthTrust Bylaws, Rules, any applicable Coverage Documents and policies, and any other agreements incident thereto, all as amended and in effect from time to time. This is not new. The new version makes this more explicit.

**If this overview and the new Membership Agreement conflict, the new Membership Agreement controls.**