



Minutes for Meeting Book - Tuesday, August 20, 2024 Board of Trustees Meeting

Tuesday, August 20, 2024 | 4:00 PM - (GMT-06:00) Central Time (US & Canada)
Sourcewell Headquarters

Attendees:

Steven Barrows, Sara Nagel, Greg Zylka, Casey Schultz, Katrina Wood, Mike Carlson, Sharon Thiel, Nick Broyles, and Scott Veronen

Page

1. Call to Order by Chair Veronen

1.1 Determination of Quorum

2. Board of Trustee Representation

2.1 The Labor Management Committee approved the following appointments on August 7, 2024

- Sharon Thiel, appointed by the Sourcewell Board of Directors
- Greg Zylka, Mayor of Little Falls representing CCOGA
- Nick Broyles, a staff member at the City of Brainerd representing participating members

3. Acceptance of the Agenda

3.1 Addition/Corrections to the agenda


Recommendation: Approve the agenda as presented/corrected

Moved by: Steven Barrows

Seconded by: Greg Zylka

Carried

4. Action on the Minutes

4.1 Review and approval of the Better Health Collective Minutes 5 - 8
[bhc-bot-minutes-12-19-23.pdf](#) 

[Board of Trustee Minutes.5.21.24.pdf](#) 

Recommendation: Approve the minutes 5 - 8


Moved by: Sara Nagel



Seconded by: Sharon Thiel

Carried

5. Collective Update


6. Financial Reports- Mike Carlson

6.1 Review of the Better Health Collective Financials 9 - 12
[August 7 2024.pdf](#) 

6.2 Review of the Better Health Collective Audit and Timelines 13 - 22
[Better Health Collective Employee Health Benefits Pool 2024-06 Engagement Letter_ 265995.pdf](#) 
[Better Health Collective Employee Health Benefits Pool 2024-06 Governance Planning Letter_ 265995.pdf](#) 

7. January 1, 2025 Renewal

8. Benefit Changes

8.1 Review of the 2025 Large Group Renewal Bulletin 23 - 29
[2025 Group Renewal Bulletin.pdf](#) 

8.2 Benefit Plan Changes 30 - 36
[2025 BHC Benefit Change Exhibit.pdf](#) 

- The age limit for autism services has been removed. This is a July 2024 change for all MN plans as they renew. While the age limit follows MN's stature, it is being removed to ensure parity between mental health services and medical services.
- To better align with MN 62A.30, the word 'routine' is

being removed from the Women's Preventative Health Services benefit for enhanced coverage of diagnostic procedures following a mammogram.

Recommendation: Approval of the 2025 Benefit Change Exhibit 30 - 36

Moved by: Sharon Thiel
Seconded by: Sara Nagel



Carried

Recommendation: Approve the January 1, 2025 renewal strategy 30 - 36

Moved by: Greg Zylka
Seconded by: Nick Broyles

Carried

9. Value Added Programs

9.1 [sourcewell-participation-agreement.pdf](#)  37 - 41
[Better Health Collective Board of Trustees- SW Participation Agreement acceptance.docx](#) 

Recommendation: Approve participation in the Sourcewell Cooperative Purchasing Program 37 - 41

Moved by: Nick Broyles
Seconded by: Steven Barrows

Carried

10. Wellness Committee Update

10.1 Wellness Committee to become Better Health Collective Task Force

11. Adjournment

Recommendation: to adjust at 5:07 p.m.

Moved by: Greg Zylka

Seconded by: Steven Barrows

Carried

Minutes For Meeting Book – December 19, 2023

Board of Trustees Meeting

12/19/2023 | 04:00 PM – 05:00 PM Central Time (US & Canada)

Scott Veronen, Chair, called the meeting to order at 4:02 PM. Voting Members present: Scott Veronen, Greg Zylka, Sara Nagel, Steve Barrows, Chris Kircher, and Jon Radermacher. Non-voting members present: Robb Reid, Mike Carlson, Ryan Donovan.

Ms. Nagel moved, seconded by Mr. Barrows, to accept the Agenda. Motion carried

Mr. Zylka moved, seconded by Mr. Kircher, to approve the Minutes of Board of Trustees Regular Meeting held October 17, 2023. Motion carried.

Mr. Barrows moved, seconded by Ms. Nagel, to approve the Minutes of the Labor Management Committee meeting held December 13, 2023. Motion carried.

Mr. Donahue (Eide Bailly) presented the audit results.

Mr. M. Carlson reviewed the year-to-date Loss Ratio and the Reserve Analysis as of November, 2023.

Mr. Donovan presented an update on the staffing changes that occurred since the past meeting.

Mr. Donovan presented a new member update - Cannon Falls Independent School District.

Mr. Kircher moved, seconded by Mr. Radermacher to approve membership of Cannon Falls effective January 1, 2024. Motion carried.

Mr. Donovan provided a Marketing update for 2024.

Mr. Kircher moved, seconded by Mr. Radermacher to approve an amendment to the administrative services agreement between Sourcewell and the Better Health Collective. Motion carried.

Mr. Kircher moved, seconded by Mr. Radermacher to approve the CY2024 marketing strategic plan. Motion carried.

Mr. Donovan provided an update on the Wellness Committee activities which included the introduction of a proposed mentor program and reviewing mental health options.

Mr. Kircher moved, seconded by Mr. Radermacher to approve amendment of the wellness policy to add the mentorship grant program. Motion carried.

Mr. Donovan provided an update on upcoming calendar events. The next Board of Trustees meeting will be held on February 27, 2024.

Mr. Kircher moved, seconded by Mr. Zylka, to adjourn the meeting at 5:03 PM. Motion carried.

Minutes For Meeting Book – December 13, 2023

Labor Management Committee

12/13/2023 | 9:30 AM – 11:43 PM - Central Time (US & Canada)
Sourcewell - Microsoft Teams

Ryan Donovan called the meeting to order at 9:30 am. Voting members present were: Donyelle Mikacevich, Earl Athman, Devin Massopust, Brent Yaunick, Sara Nagel, Kris Schubert, Travis Hensch, Chris Kircher, and Daniel Ludvigson. Non-voting members present were: Chad Coauette, Ryan Donahue (Eide-Bailly), Grant Maciej (Eide-Bailly), Alaina Bundy, Mike Carlson, Ryan Donovan, Casey Schultz, Al Carlson, Alexandra Elder, and Lisa Ritchie.

Brent Yaunick moved, seconded by Travis Hensch, accept the agenda as presented.

Earl Athman moved, seconded by Brent Yaunick, to approve the Minutes of the Labor Management Committee Meeting held October 11, 2023.

Mr. M. Carlson reviewed the year-to-date Loss Ratio, Reserve Analysis and Budget vs Actual as of November 30, 2023.

Mr. Donahue along with Mr. Maciej reviewed the draft audit done by Eide-Bailly.

Mr. Donovan provided a Sourcewell team updated announcing the hire of Insurance Solutions Specialist Lisa Ritchie (replacing Ashley Powers), effective October 14, 2023, and the resignation of Leah Boedigheimer.

Mr. A. Carlson provided an updated on the January 1, 2024, renewals and proposals.

Mr. Yaunick moved, seconded by Mr. Massopust, to recommend acceptance of Cannon Falls ISD into the Better Health Collective effective January 1, 2024.

Mr. A. Carlson provided an update on Wakely Consulting Actuaries & Healthcare Specialists.

Mr. Donovan presented the updated Admin Service Agreement.

Mr. Athman moved, seconded by Ms. Schubert, to recommend approval of the updated Admin Service Agreement with Sourcewell.

Mr. Massopust moved, seconded by Mr. Hensch, to recommend approval of the 2024 Marketing Plan

Ms. Schultz provided a Wellness update which gave insight to a new mentor program along with reviewing additional mental health options.

Ms. Schultz reviewed the schedule for 2024 Labor Management Committee meetings.

Meeting adjourned at 11:43

Minutes For Meeting Book – Board of Trustees Meeting

05/21/2024 | 04:00 PM – 05:30 PM Central Time (US & Canada)

Scott Veronen, Chair, called the meeting to order at 4:03 PM. Voting Members present: Greg Zylka, Sara Nagel, Steve Barrows, Chris Kircher, and Scott Veronen Non-voting members present: Chad Coauette, Mike Carlson, Ryan Donovan, Casey Schultz, and Robb Reid (Virtually).

Mr. Barrows moved, seconded by Mr. Zylka, to accept the Agenda. Motion carried

Mr. Barrows moved, seconded by Mr. Zylka, to approve the Minutes of Board of Trustees Regular Meeting held October 17, 2023. Roll call vote. Motion carried.

Mr. Barrows moved, seconded by Ms. Nagel, to approve the Minutes of the Labor Management Committee meeting held May 15th, 2024 and the Minutes of the Board of Trustees Organizational Meeting and Regular Meeting held on February 27th, 2024. . Motion carried.

Mr. Donovan presented the Sourcewell update introducing the hiring of the Senior Risk Services Executive, Suzanne Lindsay.

Mr. Mike Carlson presented the financial reports as of May 1, 2024 including the pool loss ratio, reserve analysis and budget.

Mr. Mike Carlson presented the Budget Policy for the Better Health Collective.

Ms. Nagel moved to adopt the Budget Policy, seconded by Mr. Kircher. Motion carried.

Mr. Carlson and Mr. Donovan presented the Better Health Collective fiscal year 2024-2025 annual budget.

Mr. Zylka moved, seconded by Mr. Barrows to approve the Resolution for the fiscal year 2024-2025 annual budget. Motion carried.

Mr. Donovan presented an overview and changes to the Administrative and Financial Services Agreement between Sourcewell and the Better Health Collective.

Mr. Kircher moved, seconded by Ms. Nagel to approve the Administrative and Financial Services Agreement contingent on the fee not exceeded the line item in the approved fiscal year 2023-2024 budget. Motion carried.

Mr. Donovan presented the change exhibit to the Summary Plan Design for participating members renewing coverage on July 1, 2024.

Ms. Nagel moved, seconded by Mr. Barrows to approve the benefit change. Motion carried.

Ms. Schultz presented the recommendation from both the Request for Proposal subcommittee and Labor Management Committee on the results and evaluation of the Solicitation for Medical Claims Administrative Services, Individual and Aggregate Stop Loss Coverage, and Prescription Drug Claims Administration.

Mr. Kircher moved, seconded by Ms. Nagel to approve the Resolution for Medical Claims Administrative Services, Individual and Aggregate Stop Loss Coverage, and Prescription Drug Claims Administration awarding contracts to Blue Cross Blue Shield of Minnesota. Motion carried.

Mr. Kircher moved, seconded by Ms. Nagel, to adjourn the meeting at 5:15 PM. Roll call vote. Motion carried.

Better Health Collective
Statement of Net Position
June 30, 2024



Assets

Cash and investments	\$10,399,651
Receivables	1,820,945

Total Assets **\$12,220,596**

Liabilities

Incurred but not reported (IBNR)	\$2,762,254
Accounts payable	1,015,941
Accrued payroll	16

Total Liabilities **\$3,778,211**

Net Position

Total Net Position **\$8,442,385**

Total Liabilities and Net Position **\$12,220,596**

Better Health Collective
Statement of Revenues, Expenses, and
Changes in Net Position
FYTD as of June 30, 2024



Operating Revenues	
Member contributions earned	\$44,319,103
Less: reinsurance premiums ceded	(\$3,515,228)
Plus: reinsurance premiums collected from members	\$3,515,228
Total Operating Revenues	\$44,319,103
Operating Expenses	
Net claims and claims adjustment expenses incurred	
Claims and claims adjustment expenses incurred	\$44,302,019
Reinsurance Recoveries	(2,291,621)
Total claims and claims adjustment expenses incurred, net	42,010,398
General and administrative expenses	
Administrative fees	878,846
Broker fees	59,550
Professional fees	343,821
Membership fees	1,967
ACA fees	20,961
Miscellaneous expenses	421
Total general and administrative expenses	1,305,566
Total Operating Expenses	\$43,315,964
Operating Income (Loss)	\$1,003,139
Nonoperating Revenues (Expenses)	
Investment gain (loss) - Book	\$200,381
Investment gain (loss) - Market	\$6,021
Miscellaneous income	\$1,054,089
Total Nonoperating Revenues (Expenses)	\$1,260,491
Change in Net Position	\$2,263,630
Net Position (Deficit), Beginning of Year	\$6,178,756
Net Position (Deficit), End of Period	\$8,442,386

Statement of Activities Operating Insights:

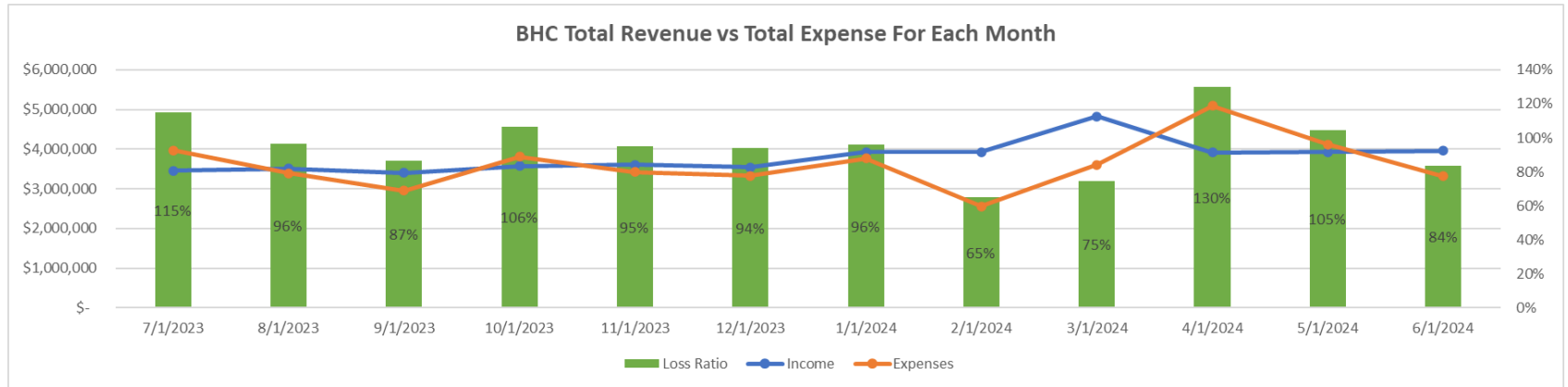
Change in Net Position (GAAP) as a percentage of total operating revenues **5.1%**

BHC Collective Loss Ratio and Reserve Reports

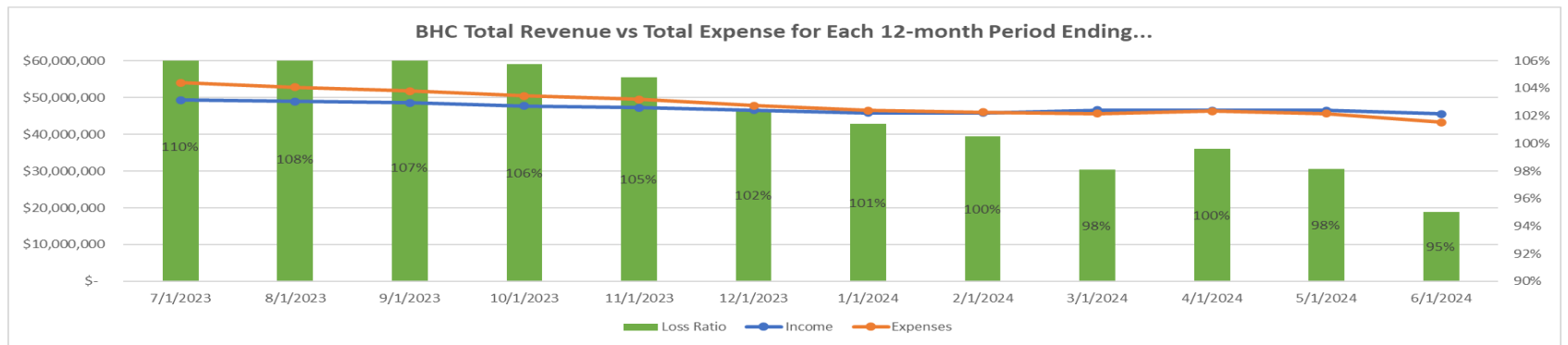
Income: Total Revenue
Expenses: Total Expenses

Start Month Jun-24

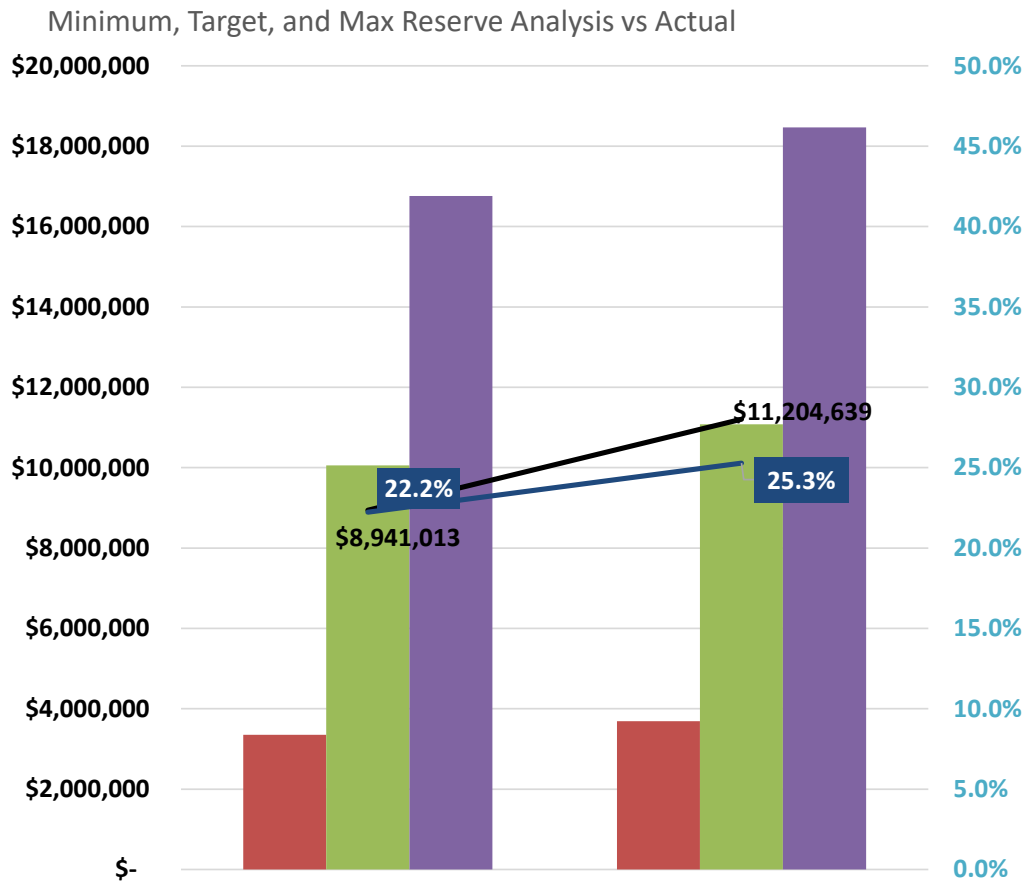
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Income	\$ 3,454,681	\$ 3,513,268	\$ 3,402,715	\$ 3,578,653	\$ 3,602,135	\$ 3,545,434	\$ 3,922,196	\$ 3,928,292	\$ 4,823,098	\$ 3,915,157	\$ 3,930,904	\$ 3,963,061
Expenses	\$ 3,968,729	\$ 3,389,217	\$ 2,949,031	\$ 3,807,869	\$ 3,419,476	\$ 3,326,870	\$ 3,763,538	\$ 2,557,641	\$ 3,604,772	\$ 5,094,503	\$ 4,116,073	\$ 3,318,244
Loss Ratio	115%	96%	87%	106%	95%	94%	96%	65%	75%	130%	105%	84%
# Members	6,523	6,553	6,637	6,612	6,615	6,592	6,812	6,837	6,967	6,947	6,953	7,023
PMPM Premium	\$ 529.62	\$ 536.13	\$ 512.69	\$ 541.24	\$ 544.54	\$ 537.84	\$ 575.78	\$ 574.56	\$ 692.28	\$ 563.58	\$ 565.35	\$ 564.30



	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Income	\$ 49,351,171	\$ 48,976,690	\$ 48,603,799	\$ 47,693,653	\$ 47,231,017	\$ 46,616,639	\$ 45,846,397	\$ 45,811,250	\$ 46,545,103	\$ 46,512,890	\$ 46,510,175	\$ 45,579,594
Expenses	\$ 54,066,120	\$ 52,771,887	\$ 51,815,867	\$ 50,428,917	\$ 49,503,395	\$ 47,776,918	\$ 46,493,294	\$ 46,039,067	\$ 45,671,028	\$ 46,340,313	\$ 45,657,442	\$ 43,315,964
Loss Ratio	110%	108%	107%	106%	105%	102%	101%	100%	98%	100%	98%	95%
PMPM Premium	\$ 629.54	\$ 623.85	\$ 617.63	\$ 605.45	\$ 599.24	\$ 592.02	\$ 580.03	\$ 577.56	\$ 583.57	\$ 580.15	\$ 577.10	\$ 562.22



**Better Health Collective
Reserve Analysis
As of June 30, 2024**



	June 30, 2023	June 30, 2024
Minimum Reserve (1 Month's Premiums)	\$3,351,920	\$3,693,259
Targeted Reserve (3 Months' Premiums)	\$10,055,760	\$11,079,776
Maximum Reserve (5 Months' Premiums)	\$16,759,600	\$18,466,293
IBNR and Reserves Totals	\$8,941,013	\$11,204,639
Reserves as Percentage of Projected Annual Premium (Target 25%)	22.2%	25.3%



July 12, 2024

Mike Carlson | mike.carlson@sourcewell-mn.gov
To the Board of Trustees
Better Health Collective Employee Health Benefits Pool
202 12th St NE
Staples, Minnesota 56479

The following represents our understanding of the services we will provide to Better Health Collective Employee Health Benefits Pool.

You have requested that we audit the business-type activities of Better Health Collective Employee Health Benefits Pool (the Pool), as of June 30, 2024, and for the year then ended, and the related notes, which collectively comprise Better Health Collective Employee Health Benefits Pool's basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Schedule of Loss Development

Management discussion and analysis is expected to be omitted and our report will note that.

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards* we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pool's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS in accordance with *Government Auditing Standards*. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Pool's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and

- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.
- d. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- e. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- f. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- g. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following:

- Prepare or assist with preparing financial statements in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will not assume management responsibilities on behalf of the Pool. The Pool's management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

The Pool's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

Reporting

We will issue a written report upon completion of our audit of the Pool's basic financial statements. Our report will be addressed to the governing body of the Pool. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Ryan Donahue is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, administrative charges and a technology fee. Invoices are payable upon presentation. We estimate that our fee for the audit will not exceed \$35,000.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with an itemized request list that identifies the information you will need to prepare and provide in preparation for our engagement, as well as the requested delivery date for those items. A lack of preparation, including not providing this information in an accurate and timely manner, unanticipated audit adjustments, and/or untimely assistance by your personnel may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain audit documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such audit documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider. You acknowledge that your information may be disclosed to such service providers, including those outside the United States.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly's confidential information includes our audit documentation for this engagement. Our audit documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the date of the auditor's report but before the date your financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

At the conclusion of our audit engagement, we will communicate to , and management the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Government Auditing Standards require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

Eide Bailly LLP is a member of HLB International, a worldwide organization of accounting firms and business advisors, ("HLB"). Each member firm of HLB, including Eide Bailly LLP is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of HLB.

Eide Bailly LLP formed The Eide Bailly Alliance Network, a network for small to mid-sized CPA firms across the nation. Each member firm of The Eide Bailly Alliance, including Eide Bailly LLP, is a separate and independent legal entity and is not owned or controlled by any other member of The Eide Bailly Alliance. Each member firm of The Eide Bailly Alliance is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of The Eide Bailly Alliance or any other member firm of The Eide Bailly Alliance and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of The Eide Bailly Alliance.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Minneapolis, Minnesota. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in your financial statements that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the audit. The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by Minnesota law. Any unresolved Dispute shall be submitted to a federal or state court located in Minneapolis, Minnesota.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,



Ryan Donahue, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Better Health Collective Employee Health Benefits Pool by:

Name: _____

Title: _____

Date: _____



July 12, 2024

To the Board of Trustees
Better Health Collective Employee Health Benefits Pool
Staples, Minnesota

This letter is provided in connection with our engagement to audit the financial statements of Better Health Collective Employee Health Benefits Pool as of and for the year ended June 30, 2024. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified.

Our Responsibilities

As stated in our engagement letter dated July 12, 2024, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and, in accordance with *Government Auditing Standards* for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the entity's annual report includes only the information identified in our report. We have no responsibility for determining whether the Schedule of Claims Development is properly stated. We require that we receive the final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and, in any case, prior to the entity's issuance of such information.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit, any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the entity’s significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks.” Although we are currently in the planning stage of our audit, we have preliminarily identified the following significant risks that require special audit consideration.

Management Override of Controls - Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization’s controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization’s financial performance or with the intent of concealing fraudulent transactions.

Revenue Recognition – We identified revenue recognition as a significant risk due to financial and operational incentives for the organization to overstate revenues which could impact the balance sheet audit as of June 30, 2024.

Loss Estimates (IBNR) – We identified IBNR as a significant risk due the balance being a significant estimate of material balance subject to management bias.

Compliance – We identified compliance as a significant risk due to the possibility of noncompliance with Minnesota Statutes 471.59 and 471.617, of which the Pool was organized under.

We expect to begin our audit in September 2024 and issue our report upon approval of the drafts.

This information is intended solely for the information and use of , and management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Fargo, North Dakota

2025 Large Group Renewal Bulletin

Blue Cross and Blue Shield of Minnesota
Fully insured Commercial and Major National Accounts



Enclosed is your 2025 Group Renewal Bulletin, which outlines benefit clarifications, process modifications and other plan changes that may affect your employees and their covered beneficiaries. You may receive a second bulletin later this year that outlines any pertinent legislative action and late breaking changes if they impact your health plan.

For any updates regarding the Consolidated Appropriations Act (CAA) please refer to the most recent CAA Employer Bulletin or reach out to your Blue Cross account manager.

This bulletin provides a summary of changes or informational items that will be implemented with your health plan renewal, on or after January 1, 2025.

Action required:

Please share this information with your plan members as part of your annual health plan renewal process, as applicable. Relevant changes will also be reflected in your 2025 Benefit Booklet. If you have questions about this bulletin or the information provided in it, please contact your agent or Blue Cross Account Manager.

Grandfathered plans

Grandfathered plans must complete and sign a Plan Election Form each plan year. Documents must be received within 10 business days of the start date of your next plan year, or your plan will be considered non-grandfathered and all applicable health care reform provisions and associated expenses will be applied to your plan.

An electronic copy of the form, labeled Plan Election Form, can be found on our portal at www.bluecrossmnonline.com under For Employer, Forms and Guides. Please complete the form, sign it, and email it to your Blue Cross account manager. Electronic signatures are accepted.

Changes

Out-of-pocket maximum requirements

The out-of-pocket (OOP) maximum for the plan can be no greater than the self-only or other than self-only cap established for that year. Cost-sharing accumulates to the OOP maximum based on:

- Covered Benefits (Essential Health Benefits (EHBs) and other designated benefits or all benefits)
- Network (in-network only or more generous network tiers); and
- Plan design

Note: The High Deductible Health Plan (HDHP) limits on out-of-pocket expenses and the maximum out-of-pocket (OOP) limits as defined under the Affordable Care Act (ACA) are NOT the same.

Minimum Value Plans

- Fully insured large groups are required to have a minimum value of at least 60%.

A comparison of the 2024 and the 2025 limits is shown below:

Contribution and Out-of-Pocket Limits for Health Savings Accounts and High Deductible Health Plans			
	For 2024	For 2025	Change
HDHP minimum deductibles*	Self-only: \$1,600* (single plan only) Family: \$3,200* (This is the lowest amount for embedded deductible on a family plan.)	Self-only: \$1,650* (single plan only) Family: \$3,300* (This is the lowest amount for embedded deductible on a family plan.)	Self-only: +\$50 Family: +\$100
HDHP maximum out-of-pocket amounts (deductibles, copayments, and other amounts, but not premiums)	Self-only: \$8,050 Family: \$16,100	Self-only: \$8,300 Family: \$16,600	Self-only: +\$250 Family: +\$500
Out-of-pocket limits for ACA-compliant plans (set by HHS)	Self-only: \$9,450** Family: \$18,900**	Self-only: \$9,200** Family: \$18,400**	Self-only: -\$250 Family: -\$500
Out-of-pocket limits for HSA-qualified HDHPs (set by IRS)	Self-only: \$8,050 Family: \$16,100	Self-only: \$8,300 Family: \$16,600	Self-only: +\$250 Family: +\$500
HSA Contribution Limit (Employer and Employee)	Self-only: \$4,150 Family: \$8,300	Self-only: \$4,300 Family: \$8,550	Self-only: +\$150 Family: +\$250
HSA Catch-up Contributions (Age 55 or Older) ***	\$1,000	\$1,000	No change***

* The minimum deductible allowed on Turn-Key plans is \$2,000 self-only \$4,000 family.

** This is the highest amount for embedded deductible.

*** Catch-up contributions can be made any time during the year in which the HSA participant turns 55.

*** Unlike other limits, the HSA catch-up contribution amount is not indexed, any increase would require statutory change.

Embedded vs. non-embedded OOP maximum:

There are specific requirements regarding family cost sharing accumulations. This impacts the ability for a plan to have an embedded or non-embedded OOP maximum.

- Plans with an embedded OOP maximum begin paying benefits that require cost sharing for the first family member that meets the per person OOP maximum.
- Plans with a non-embedded OOP maximum require the entire family OOP maximum to be met before cost sharing benefits are paid.
- All plans (whether HDHP or non-HDHP) must cap out-of-pocket spending at \$9,200 for any covered person. A family plan with an out-of-pocket maximum in excess of \$9,200 can satisfy this rule by embedding an individual out-of-pocket maximum in the plan that is no higher than \$9,200. This means that for the 2025 plan year, an HDHP subject to ACA out-of-pocket limit rules may have a \$8,300 (self only)/\$16,600 (family) out-of-pocket limit (and be HSA-compliant) so long as there is an embedded individual out-of-pocket limit in the family tier no greater than \$9,200 (so that it is also ACA-compliant).

Employer Implications:

- Large Employers will need to evaluate their OOP maximum and adjust their deductible and OOP maximums for 2025 as needed according to these new guidelines.
- Unless the family OOP amount is \$9,200 or less the plan must have an embedded individual out-of-pocket.
- Groups who have a separate OOP maximum for medical and pharmacy must not exceed the OOP maximum when the two separate OOP maximums are combined.

Guidance for designing an HSA-compliant health plan that has individual “embedded” deductibles:

HSA-compliant HDHP with an embedded deductible

It is permissible to have an individual member (embedded) deductible on family policies if the individual deductible is not less than the minimum family deductible amount established by HSA law (\$3,300 in 2025).

Rare Disease Benefit

State Mandate (effective 1/1/2024)

The rare disease mandate requires that eligible, out-of-network services related to the diagnosis, monitoring, and treatment of an eligible rare disease or condition will apply the same benefit level as services provided by in-network providers, including member cost-share, benefit limitations, or service limitations. An eligible rare disease or condition means any disease or condition that is labeled as a rare disease or condition on the Genetic and Rare Diseases Information Center list created by the National Institute of Health.

Providers can submit the Rare Disease Benefit Mandate – Out of Network/Non-Participating Provider Notification form to determine if the members rare disease/condition qualifies under the benefit. This form is available at <https://www.bluecrossmn.com/providers/forms-and-publications>. Note, this form **must** be completed/submitted by the provider – not the member.

Routine Mammogram

State Mandate (effective 1/1/2024)

If a health care provider determines an enrollee requires additional diagnostic services or testing after a routine mammogram, the additional diagnostic services or testing will be covered with no cost-sharing, including copay, deductible, or coinsurance.

There is a limited exception for a high deductible health plan connected to a health savings account that permits cost-sharing until after the member has met their plan deductible.

Pharmacy Changes

Chronic Disease Member Cost Share Mandate

Members diagnosed with certain chronic diseases will benefit from cost-sharing limits on their medical expenses. Prescription medications for these conditions will not exceed \$25 per prescription monthly. Additionally, eligible medical supplies (combined medical and pharmacy) for chronic disease management will have a monthly cap of \$50. This mandate includes chronic diseases such as diabetes, asthma, and allergies that require epinephrine auto-injectors. The standard benefit is applicable up to a maximum member cost share of either \$25 or \$50. For members with a Health Savings Account (HSA), the deductible must be met first if the drug or supply is not listed on the IRS preventive list (<https://www.irs.gov/pub/irs-drop/n-19-45.pdf>).

Insulin Cost-Share Change

State Mandate

Blue Cross is eliminating the \$0 insulin member cost-share and will apply a \$25 member cost-share per prescription per month. Insulin is included as part of the diabetes drugs capped at \$25 per month under the chronic disease cost-share mandate.

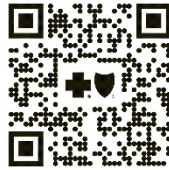
Health and Wellness Changes

Blue Care AdvisorSM – Brings it all together

Blue Care Advisor brings together each member's health, wellness and navigation needs into one easy-to-use solution. Members have an integrated 'digital front door' to access medical, dental and Rx benefits — including comparison, cost, and quality information — while also seamlessly connecting to programs such as Learn to Live, other Health & Wellbeing programs, wearables devices and other trackers.

Blue Care Advisor provides:

- One central, integrated location for all of the member's benefits and health and wellbeing
- A new, highly personalized member portal and member mobile app solution
- Get Active Program – incentive program for tracking steps/equivalents.



Scan to get started with Blue Care Advisor:

Omada Enhancements

Blue Cross continues our relationship with Omada Health. Our collaboration focuses on empowering employees with effective tools. Beginning January 1, 2025, this offering will include the existing diabetes prevention program in addition to diabetes management and a hypertension program. Omada Health's innovative approach integrates digital care programs designed to facilitate weight loss, reduce blood sugar levels, and manage blood pressure. These initiatives are instrumental in helping individuals prevent the onset of diabetes and maintain control over their health.

Ancillary Updates

When you combine one of our medical plans with one of our Ancillary products, you'll enjoy one seamless experience, including:

- Integrated bill when funding type is the same
- One support team, one implementation process, and one enrollment process
- Client and member portals integrated with medical

Dental

Blue Cross Dental plans make it easier and more affordable for your employees to stay healthy. Plans can be purchased as a standalone dental plan or with a Blue Cross medical plan for administrative ease.

2025 Product Changes

- The Jr. Dental benefit for children 12 and younger provides 100 percent coverage on eligible services with deductible or no annual maximum except for orthodontic care. With Jr. Dental, members get peace of mind knowing their kids' dental needs are fully covered. This benefit will be included in all standard plans upon renewal.
- Richer benefits on all standard plans upon renewal:

- 3 cleanings (prophylaxis) per calendar year instead of 2 per calendar year
- Fluoride coverage up to age 19 instead of up to age 14
- Two new Freedom Enhanced plans available with 100% coverage for both Preventive/Diagnostic (Class I) and Basic Restorative (Class II) services

Plans are designed with flexibility in mind

- Plans range from Preventive only to traditional Comprehensive plans
- Plans with implant coverage, orthodontic coverage, and Preventive Incentive are available
- Plans are offered on a turnkey basis or can be customized
- More than one dental plan can be offered to give employees more choice in coverage

Members have access to the national dental network, Advantage Plus AXS

Vision

Blue Cross offers a variety of vision plans with benefit levels that best meet your employees' needs and your budget. Plans can be purchased as a standalone vision plan or with a Blue Cross medical plan for administrative ease.

- Voluntary and Non-Voluntary shelf rates for groups 51-1,000 with a 36-month contract
- Minimal Underwriting requirements, minimum enrollment of only 10 contracts required
- Plans are designed with flexibility in mind
 - Plans options include eyewear only or eyewear as well as exam
 - Plans are offered on a turnkey basis or can be customized
- Members have access to a national vision network, including:
 - Optometrists or ophthalmologists in private practice
 - Top retailers including Visionworks, Costco, Walmart, Sam's Club, Target Optical and Pearle Vision
 - On-line retailers 1800contacts.com, glasses.com and Befitting.com

GeoBlue

GeoBlue offers medical insurance to protect employees from the unexpected while traveling internationally. The most comprehensive plans include coverage for hospital stays, surgeries, and medically necessary evacuations. Some plans include basic services like doctor visits, ambulance services, prescription medications and more.

- GeoBlue providers practice western style medicine and speak fluent English
- GeoBlue provides medical assistance and customer service available 24 hours a day, 365 days a year
- GeoBlue pays providers directly, no out-of-pocket payment required at point of care and no need to submit a claim
- GeoBlue plans include coverage for medically necessary COVID-19 testing and treatment

International health plans are available as an employer sponsored benefit or can be purchased individually by employees. These International health travel plans offer concierge experience for leisure or business travelers.

Other notifications

Creditable coverage disclosure for pharmacy benefits

There are two disclosures relating to creditable coverage: 1) Disclosure to Medicare-eligible members; and 2) Disclosure to Centers for Medicare & Medicaid Services (CMS).

Member notification of creditable coverage status is due each year on October 15, upon member request, upon plan design change or upon termination of coverage. Member notification for self-insured plans is the employer's responsibility.

Employers must also disclose creditable coverage status to CMS, which includes information relating to the prior disclosure to members. The CMS disclosure must be provided annually within 60 days after the beginning date of the plan year.

Detailed instructions and requirements regarding member notification and CMS disclosure can be found at cms.hhs.gov/creditablecoverage. This disclosure to CMS is also the employer's responsibility for self-insured plans.

Starting in 2025, the Inflation Reduction Act of 2022 will begin to cap a member's out-of-pocket drug spending for Part D coverage at \$2,000. This represents a significant shift in the richness of the Part D plan, which may affect creditable coverage determinations. Creditable coverage is evaluated by comparing an employer plan's drug coverage to the Part D coverage, and due to the increase in richness of the Part D benefits, this will now require a higher threshold for the employer's plan to become creditable. As a result, some plans currently deemed creditable for 2024 will become not creditable in 2025. Your Blue Cross account manager can provide information regarding the creditable or non-creditable status of your plan upon request.

If an employer does not offer prescription drug benefits to any Medicare-eligible individuals, the employer is not required to fulfill the member disclosure, nor the disclosure to CMS, in that plan year.

Massachusetts creditable coverage service option

Massachusetts (MA) law requires that residents aged 18 and older have health insurance that meets the Minimum Creditable Coverage (MCC) requirements as defined by Massachusetts law. To avoid monetary penalties, several employer and employee notifications and filing obligations accompany this requirement.

Fees: There is no fee for this service.

Employers are responsible to complete/update the *Health Care Reform Attestation Form* and return it to their Blue Cross account representative no later than December 1 to certify the health plan/group(s) meet the MCC requirements.

Blue Cross will identify employees with an MA address who had active health care coverage with MCC, as attested by the employer, at any time during the tax year. A MA 1099-HC form will be prepared and mailed to each eligible employee for income tax filing purposes no later than January 31.

Creditable Coverage Guides

As a reminder, Blue Cross will not advise on whether the client's benefits are considered creditable. Clients should seek guidance from their legal counsel.

Please note: By opting into this service, the employer agrees to hold Blue Cross harmless should there be any discrepancies between MA minimum benefit requirements and the employer's actual plan design.

Affordable Care Act (ACA) Updates

Assessments

ACA-required fees apply to your 2024-2025 plan:

The fee to fund the Patient Centered Outcomes Research Institute (PCORI) paid by group health plans and health insurance issuers is extended for 10 years (through 2029). The amount of the PCORI fee is equal to the average number of lives covered during the policy year or plan year multiplied by the applicable dollar amount for the policy and plan years ending on or after October 1, 2023, and before October 1, 2024, is equal to \$3.22 per covered life. These fees will be included in your renewal.

Employer shared responsibility

Large employers must offer affordable health coverage that provides a minimum level of coverage to full-time equivalent employees and their dependents, or they may be subject to a penalty. An employer may be subject to an employer shared responsibility penalty if at least one of its full-time equivalent employees receives a premium tax credit for purchasing individual coverage through the Health Insurance Marketplace. These rules are commonly known as “pay or play” or “Employer Shared Responsibility.”

The employer responsibility provision generally applies to employers with 50 or more full-time equivalent employees. Under the rule, employers with 50 or more full-time equivalent employees must provide coverage to at least 95 percent of their full-time equivalent workers to avoid a penalty for failing to offer health coverage.

Reporting by providers of minimum essential coverage

Under Internal Revenue Code § 6055, providers of minimum essential coverage are required to provide covered individuals with documentation about their health care coverage for use in completing their tax returns and will report similar information to the Internal Revenue Service.

Blue Cross will issue written documentation, Form 1095-B, to each member and the members’ covered dependents (as applicable). This form will contain information about his or her health insurance coverage during the prior calendar year.

Information reporting by applicable large employers

Section 6056 of the Internal Revenue Code was added by the Affordable Care Act and contains additional reporting requirements for applicable large employers that are subject to Employer Shared Responsibility. These employers must report information annually on health insurance coverage offered to full-time employees and furnish corresponding information to the IRS.

Employers are responsible for fulfilling the Information Reporting Requirements by Applicable Large Employers under IRC § 6056. Employers can follow their current process for requesting information from Blue Cross or obtain assistance with data collection to help you produce your own reporting. Employers are responsible for validating the accuracy of the information provided and may wish to consult their legal and tax advisors for assistance in completing the Internal Revenue Code Section 6056 reporting.

Acknowledgement

As an authorized representative, I have reviewed the 2025 Group Renewal Bulletin and acknowledge agreement with the terms and benefits described above and that subsequent contract(s) shall conform to this document unless otherwise agreed to in writing.

Name

Title

Signature

Date

Benefit Changes Explained

Effective upon renewal in 2025

All non-HSA plans

Item Changing	Current In-Network Benefits, Unless Stated as OON	New In-Network Benefits, Unless Stated as OON
	Maximum in-network out-of-pocket limit of \$9,450/single; \$18,900/family	Maximum in-network out-of-pocket limit of \$9,200/single; \$18,400/family

All Smart Plans

Item Changing	Current In-Network Benefits, Unless Stated as OON	New In-Network Benefits, Unless Stated as OON
Auto-indexing	All Smart plans align with 2024 HSA limits; see chart within.	All Smart plans align with 2025 HSA limits; see chart within.
Telehealth / E-visits	In network: The first three visits to Virtuwell in a Calendar Year are paid at 100%, not subject to the Deductible. Then all Virtuwell services will be covered at 100% of the Charges incurred, after you pay the Deductible.	Due to the sunseting of current federal law allowing otherwise, all telehealth and e-visits will be subject to deductible/coinsurance. We will watch for updates and update this provision when able. Doctor-on-Demand is our recommended option.
Top Value rewards program	Gift card rewards, as well travel reimbursement when warranted, available for certain elective surgeries performed at HP's Top Value providers.	Top Value program eliminated due to lack of utilization. Blue Distinction Centers will be available for bariatric and transplant surgeries on Aware network plans. Travel benefit of up to \$2500 lifetime is available on Blue Distinction.
Mental health Preventive Rx	No deductible for mental health Rx on HP's preventive Rx list.	Same benefit applies to mental health Rx on BC's preventive Rx list. Deductible applies for mental health Rx not included on Blue Cross preventive Rx list; however, these Rx are available generically and typically at a relatively low cost to members.
Specialty Drugs	Covered OON	Not covered OON

All Better Health Collective plans

Item Changing	Current In-Network Benefits, Unless Stated as OON	New In-Network Benefits, Unless Stated as OON
Creditable coverage determination for Medicare Part D and related notification	All Better Health Collective health plans in 2024 are deemed by HP to be creditable for Part D, and all members were directly notified in 2024.	<p>The Medicare Part D drug benefit has undergone benefit enhancements due to the Inflation Reduction Act of 2022 that, amongst other things, aimed to lower prescription drugs costs for people with Medicare.</p> <p>Starting on January 2025, significant improvements to the Part D drug benefit means that employer-sponsored coverage that was previously creditable may no longer be creditable as of 1/1/25.</p> <p>Particularly, many HSA-qualified high deductible health plans (HDHPs) will no longer be creditable, even if they cover preventive Rx without deductible.</p> <p>Each plan summary reflects whether coverage is creditable or not for 2025. Medicare eligible employees should take note of this when making their 2025 plan elections.</p>
Wellbeats	Members can access free digital workout programs from Wellbeats accessible only via HealthPartners' website.	Members can access free digital workout programs of their choice via any web search. As well a related Learn and Earn as planned by our wellness program manager for Q1 2025 to help guide members.
Rx formulary	Open formulary for some non-Smart plans.	Closed formulary for all Better Health Collective plans.
In-network vs out-of-network	In-network and OON deductibles and OOP max limits administered on a combined basis for some non-Smart plans.	In-network and OON deductibles and OOP max limits administered separately for all non-Smart plans. All Smart plans are administered on a combined basis.
Acupuncture	No service limits.	Limited to 20 visits per person per year.
Chiropractic	Out-of-network limited to 20 visits.	No limits when out-of-network.

Autism	For children aged 17 or younger, the Plan covers the diagnosis, evaluations and multidisciplinary assessment of autism spectrum disorders.	Autism treatment is covered both In-Network and Out-of-Network in accordance with Minnesota statute §256B.0949, for persons under age 21.
Treatment for compulsive gambling	Coverage not specified.	Covered under plan's mental health provisions.
Cleft lip and palate	Benefits are limited to Inpatient or Outpatient expenses arising from medical and dental treatment that was scheduled or initiated prior to the dependent turning age 19.	Age limit removed, as the ACA released new Essential Health Benefit guidelines that political subdivisions are required to follow.
Insulin pumps	Covered when received through a pharmacy.	Medtronic pumps are covered when received through a pharmacy. All other pumps are covered under the Durable Medical Equipment (DME) benefit.
Diabetes Prevention Program (outside of Omada)	n/a	Lifestyle change program focused on healthy eating and physical activity.
Peer Specialist	n/a	Certified Peer Specialist – Have prior experience receiving mental health/substance use care and are certified by Department of Human Services. They can assist members with: <ul style="list-style-type: none"> • Social connections that support recovery • Connection to tools, resources, appointments and care • Dispelling stigma around mental health and substance to use disorders • Assisting with developing with recovery goals
Community Health Worker	n/a	Coverage for community health worker programs. Through community outreach, social support, and patient advocacy, community health workers are key to bridging gaps in communication and improving health outcomes in communities with cultural and language barriers.

Chronic Disease Member Cost Share Mandate	n/a	Members diagnosed with certain chronic diseases will benefit from cost-sharing limits on their medical expenses. Prescription medications for these conditions will not exceed \$25 per prescription monthly. Additionally, eligible medical supplies (combined medical and pharmacy) for chronic disease management will have a monthly cap of \$50. HSA Plans = deductible must be met if prescription is not on the IRS preventative list. Chronic Conditions: Diabetes, Asthma, and Allergies that require an EpiPen
Insulin Cost-Share Change Mandate	n/a	BCBSMN will apply a \$25 member cost-share per prescription per month. HDHP - not subject to deductible, will pay coinsurance until the cap of \$25.
Home Health Care - limits	Palliative Care: maximum of 12 visits per calendar year. Maximums for all other services: In network: 120 visits per calendar year Out of network: 60 visits per calendar year	No visit limits on palliative care, whether in or out of network. For all other services, 120 visits as a combined limit for in and out of network services.
Hospice Care	Respite care is limited to five days per episode, and respite care and Continuous Care combined are limited to 30 days.	No limits on respite care.
Hospice Care	Out of network: covered	Out of Network: No coverage
Hospice Care	Not covered: Bereavement counseling	Prolonged grief/bereavement may be covered as an adjustment reaction under Federal Parity laws. The proposal in ICD-11 states that 'prolonged grief' can be diagnosed six months after the bereavement commenced. Criteria includes several factors, including intensity and duration, with the central issue being prolonged grief's considerable impact on daily functioning.

Medication Therapy Disease Management Program	No service limit In network: 100% covered - no member liability Out of network: No coverage	3 service annual maximum In network: Subject to deductible / coinsurance Out of network: No coverage
Preventive Services / Well Child Care	Out of network: Deductible / coinsurance	Out of Network: Covered 100%
Routine Prenatal Care	Out of network: Deductible / coinsurance	Out of Network: Covered 100%
Routine Postnatal Care	In network: Covered 100%	BCBSMN follows Well-Child Care for postnatal visits (standard follow ups / check-ups). Routine Postnatal Care - professional services are covered 100%, outpatient services are subject to deductible.

All HSA-qualified High Deductible Health Plans (HDHPs)

Item Changing	Current In-Network Benefits and Limits	New In-Network Benefits and Limits
Minimum non-embedded deductible	\$1,600 for self-only coverage ^{1,2} \$3,200 for family coverage <i>Multiply these values by 1.25 if the plan includes a 4th quarter deductible carryover provision.</i>	\$1,650 for self-only coverage ^{1,2} \$3,300 for family coverage <i>Multiply these values by 1.25 if the plan includes a 4th quarter deductible carryover provision.</i>
Minimum embedded deductible	\$3,200 for self-only coverage ^{3,4} \$3,200 for family coverage <i>Multiply these values by 1.25 if the plan includes a 4th quarter deductible carryover provision.</i>	\$3,300 for self-only coverage ^{3,4} \$3,300 for family coverage <i>Multiply these values by 1.25 if the plan includes a 4th quarter deductible carryover provision.</i>
Maximum contribution to Health Savings Account (HSA)	\$4,150 for self-only coverage ^{5,6} \$8,300 for family coverage	\$4,300 for self-only coverage ^{5,6} \$8,550 for family coverage
Maximum out-of-pocket limit	\$8,050 for self-only coverage ^{7,8} \$16,100 for family coverage	\$8,300 for self-only coverage ^{7,8} \$16,600 for family coverage

All Non-HSA-qualified Plans

Item Changing	Current In-Network Benefits and Limits	New In-Network Benefits and Limits
Maximum out-of-pocket limit	\$9,450 for self-only coverage \$18,900 for family coverage	\$9,200 for self-only coverage \$18,400 for family coverage

Source: Centers for Medicare and Medicaid Services (CMS); Department of Health and Human Services (HHS); Internal Revenue Service (IRS)
References 1-8 provided to help connect the indicated HSA index to its corresponding Better Health Collective Smart Plan listed on next page.

Smart Plan impact

Smart Plans are designed to have in-network benefits update annually with changes that align with each plan’s corresponding HSA index. This ensures all plans remain HSA-qualified, and all plans (except Smart Plan 8) maintain a stable actuarial value while also optimizing rate stability and value for members of the Better Health Collective. See below for in-network benefits effective at renewal as well as current benefits.

2025 Benefits	Smart Plan 1	Smart Plan 2	Smart Plan 3	Smart Plan 4	Smart Plan 5	Smart Plan 6	Smart Plan 7	Smart Plan 8
HSA Index Impacting Plan Design	Minimum Deductible per Single	Minimum Deductible per Single	Minimum Deductible per Family	Minimum Deductible per Family	Maximum Contribution per Single	Maximum Contribution per Single	Maximum Out-of-pocket per Single	Maximum Out-of-pocket per Single
Deductible per Single	\$1,650	\$1,650	\$3,300	\$3,300	\$4,300	\$4,300	\$6,300	\$8,300
Embedded Ded or Non-Emb	Non-Embed	Non-Embed	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
Ded per Family Total	\$3,300	\$3,300	\$6,600	\$6,600	\$8,600	\$8,600	\$12,600	\$16,600
% Paid by Plan After Ded	100%	80%	100%	80%	100%	80%	100%	100%
Out-of-Pkt Max per Single	\$1,650	\$3,650	\$3,300	\$5,300	\$4,300	\$6,300	\$6,300	\$8,300
OOP Max per Family	\$3,300	\$7,300	\$6,600	\$10,600	\$8,600	\$12,600	\$12,600	\$16,600
Medicare Part D Creditable?	Yes	No	No	No	No	No	No	No
Actuarial Value (CMS calc)	87.7%	82.2%	80.1%	75.7%	76.6%	72.5%	70.7%	66.0%

2024 Benefits	Smart Plan 1	Smart Plan 2	Smart Plan 3	Smart Plan 4	Smart Plan 5	Smart Plan 6	Smart Plan 7	Smart Plan 8
HSA Index Impacting Plan Design	Minimum Deductible per Single	Minimum Deductible per Single	Minimum Deductible per Family	Minimum Deductible per Family	Maximum Contribution per Single	Maximum Contribution per Single	Maximum Out-of-pocket per Single	Maximum Out-of-pocket per Single
Deductible per Single	\$1,600	\$1,600	\$3,200	\$3,200	\$4,150	\$4,150	\$6,150	\$8,050
Embedded Ded or Non-Emb	Non-Embed	Non-Embed	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
Ded per Family Total	\$3,200	\$3,200	\$6,400	\$6,400	\$8,300	\$8,300	\$12,300	\$16,100
% Paid by Plan After Ded	100%	80%	100%	80%	100%	80%	100%	100%
Out-of-Pkt Max per Single	\$1,600	\$3,600	\$3,200	\$5,200	\$4,150	\$6,150	\$6,150	\$8,050
OOP Max per Family	\$3,200	\$7,200	\$6,400	\$10,400	\$8,300	\$12,300	\$12,300	\$16,100
Medicare Part D Creditable?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Actuarial Value (CMS calc)	87.7%	81.9%	80.2%	75.5%	76.9%	72.6%	70.6%	66.5%

For more details, refer to benefit overviews or summaries provided separately, as well as the Smart Plan toolkit, at mn.sourcewell.org/health.

Sourcewell Cooperative Purchasing Program Participation Agreement

This Participation Agreement is between Sourcewell and Participating Entity to provide access to Sourcewell's Cooperative Purchasing Program. Sourcewell's Board of Directors has approved these terms and conditions through operation of this intergovernmental Participation Agreement. Participating Entity approves this Agreement upon registration with Sourcewell.

Section 1: Authority

1.1 Sourcewell is a service cooperative established by Minn. Stat. § 123A.21 as a local unit of government pursuant to the Minn. Const. art. XII, sec. 3.

1.2 Sourcewell is authorized to provide a Cooperative Purchasing Program by Minn. Stat. § 123A.21, subd. 7(23) to Participating Entities.

1.3 Sourcewell's cooperative purchasing master agreements are offered through Minn. Stat. § 471.59 and this Participation Agreement. The Sourcewell Board of Directors has approved these participation terms, and Sourcewell is authorized to enter this interlocal or joint powers agreement with an eligible Participating Entity through this Participation Agreement.

1.4 Participation in Sourcewell's Cooperative Purchasing Program is open to eligible Participating Entities. A Participating Entity is any eligible entity registering with Sourcewell, including: any government unit, including a state, city, county, town, village, school district, political subdivision of any state, federally recognized Indian tribe, any agency of the United States, any instrumentality of a governmental unit, any other entity as defined in Minn. Stat. § 471.59 Subd. 1(b).

1.5 Participating Entity and Sourcewell agree this Participation Agreement is for the purpose of allowing access to available Sourcewell Cooperative Purchasing Program master agreements with awarded Suppliers.

1.6 Participating Entity represents, through an authorized signatory, it is eligible for participation as defined in this Agreement.

Section 2: General Terms

2.1 Sourcewell will make its Cooperative Purchasing Program available to Participating Entity. Sourcewell master agreements are provided to Participating Entity "as is." Sourcewell makes no representation as to warranties of quality, merchantability, or fitness for a particular purpose for any purchase through a Supplier. Participation in the Program is voluntary and non-exclusive.

2.2 To purchase from Sourcewell master agreements, Participating Entity and Supplier will execute a Transaction Document(s) as mutually agreed. Participating Entity will be responsible for all aspects of its purchase, including ordering, inspecting, acceptance, payment, and any other

material terms as negotiated directly with Supplier.

2.3 The Parties to this Agreement will adhere to all applicable laws concerning the procurement in its respective jurisdiction.

2.4 Access to the Cooperative Purchasing Program is effective upon the date of Participating Entity’s completed registration. The Agreement will remain in effect until canceled by either party upon thirty (30) days written notice to the other party.

2.5 Each party agrees that it is responsible for its acts and the results thereof, to the extent authorized by law, and will not be responsible for the acts of the other Party.

2.6 There will be no financial remunerations by or obligations upon Participating Entity for participation in Sourcewell Cooperative Purchasing Program.

2.7 Sourcewell’s Cooperative Purchasing Program master agreements will be procured in compliance with Minnesota law and the Sourcewell Cooperative Purchasing Program.

2.8 The records and documents related to this this Agreement are subject to the Minnesota Data Practices Act, Minnesota Statutes Chapter 13.

Section 3: Approval

The Sourcewell Board of Director has approved this Policy effective January 1, 2024.

Sourcewell:

DocuSigned by:
By Greg Zylka
Authorized Signature – Signed

By Greg Zylka
Name – Printed
Title Sourcewell Board of Directors Chair
Date 1/22/2024 | 8:34 PM CST

DocuSigned by:
By Linda Arts
Authorized Signature – Signed

By Linda Arts
Name – Printed
Title Sourcewell Board of Directors Clerk
Date 1/23/2024 | 2:01 PM CST

Participating Entity:

By _____
Authorized Signature – Signed

By _____
Name – Printed
Title _____
Date _____

Organization Information

Indicate an address to which correspondence may be delivered.

Organization Name* _____

Address* _____

City* _____

State Code* _____ Zip Code* _____

Country* _____

Employer Identification Number _____

Website _____

Contact person* (First, Last) _____

Job Title* _____

Email completed agreement to:
service@sourcewell-mn.gov

You may also mail the completed agreement to:

Sourcewell
 202 12th Street NE
 P.O. Box 219
 Staples, MN 56479

Job Role

- Administrator
- Department Head
- Department Purchaser
- Human Resources
- Procurement Officer
- Teacher
- Other

Department

- Administration
- Dining/Food Service
- Facilities/Operations
- Fleet/Transportation
- Human Resources
- Information Technology
- Parks, Recreation & Athletics
- Public Safety/Security
- Public Works/Utilities
- Purchasing & Finance

Email* _____

Phone* _____

Organization Type:

Government

- County
- Federal
- Municipality
- Province/Territory
- Special District
- State
- Township
- Tribal

Education

- Local Education Agency (Public K-12 and Pre-K)
- Private Local Education Agency (Private K-12)
- Private Higher Education
- Public Higher Education

Nonprofit

Documentation demonstrating nonprofit status is required when submitting application.

- Church
- Medical Facility
- Other

Referred by

- Advertisement
- Colleague/Friend
- Conference/Trade Show _____
- Supplier
- Search Engine/Web Search
- Sourcewell Employee

**Denotes required information*

Better Health Collective Board of Trustees

Trustee _____ moved the adoption of the following Resolution:

RESOLUTION: Approving Participation in Sourcewell Cooperative Purchasing Program

Resolution No. 2024-03

WHEREAS, The Board of Trustees is responsible for operation of the Better Health Collective (BHC). The Board may delegate some or all of its responsibilities as authorized within its Bylaws; and

WHEREAS, BHC and Sourcewell have executed an Administrative Services Agreement (ASA) whereby the BHC has engaged Sourcewell to provide necessary administrative functions essential to operating the BCH, including selection and placement of necessary products and services; and

WHEREAS, Sourcewell offers a Cooperative Purchasing Program to provide participating entities with access to competitively awarded cooperative purchasing solutions following a competitive procurement process in accordance with Minnesota law. Program benefits and access to awarded master agreements are available to eligible participating entities completing a Participation Agreement.

NOW, THEREFORE BE IT RESOLVED:

1. The Board of Trustees approves the terms of the Sourcewell Participation Agreement.
2. Through delegation ASA, the Board of Trustees delegates authority to access Sourcewell's Cooperative Purchasing Program contracts determined to be beneficial to the operations of the Better Health Collective.

The motion for the adoption of the foregoing resolution was duly seconded by Trustee:

and the following voted in favor: (list names here)

and the following voted against: (list names here or "NONE")

Whereupon said resolution was declared duly passed and adopted.

ATTEST:

Chair of the Board of Trustees