

Better Health Collective Membership Policy

Purpose

This policy has been established to organize and communicate actions of the Better Health Collective's Board of Trustees that refine or clarify the Membership Agreement and Bylaws of the Better Health Collective ed. July 1, 2022.

Definitions

Pursuant to the Better Health Collective Membership Agreement and Bylaws, Participating Members (hereinafter referred to as "members") is defined as follows:

- 1.3.2 Participating Members. Participating Members are Sourcewell, statutory or home rule charter cities, counties, school districts, or instrumentalities thereof that wish to jointly self-insure for employee health benefits pursuant to Minnesota Statutes § 471.617, subdivision 2.
- 2.14 Participating Member. "Participating Member" or "Member" means any Minnesota Political Subdivision that satisfies the Pool's membership requirements and has been approved by the Board of Trustees for participation in the Pool. The Pool's membership is limited to qualified Political Subdivisions. For the avoidance of doubt, the Pool shall not operate as a public/private pool and shall not offer membership to any private entity.

Membership does not include prospective members for which ERISA applies.

Article IV. Membership

- 4.4 Eligibility and Application. Any Minnesota Political Subdivision may apply to enter the Pool by submitting a Request for Proposal (RFP) or application form and documentation establishing the prospective member's ability to meet the Pool's underwriting standards and any other nondiscriminatory membership criteria adopted by the Board of Trustees. All coverage offered by the Pool shall be available to all Participating Members and to all eligible Employees, former Employees, and dependents according to the same underwriting standards. However, the Board shall not be required to accept prospective members that do not meet the Pool's underwriting standards.

Board of Trustees meeting held August 2021

Action was taken to approve the eligibility requirement of new participating members needing an average enrollment of at least 25 participating employees based on the most recent 12 months.

Board of Trustees meeting held October 2019

Action was taken to not allow membership to adopt more than one health plan if the enrolled employees with the Better Health Collective is less than 25 contracts.

Voluntary Withdrawal Timeline and Penalty

4.7 Leaving the Pool.

4.7.1 Voluntary Withdrawal. A Participating Member may withdraw from the Pool without penalty by providing notice to the Board of Trustees at least five (5) months before the end of the Participating Member's Policy Year subject to the following:

- (a) Withdrawal is prohibited if the Participating Member has not participated in the Pool continuously for a minimum of one (1) complete Policy Year or if there are outstanding Premiums or assessments owed by the Member.
- (b) The Board shall notify the Commissioner under any circumstances in which the Member's withdrawal may cause the Pool to be in violation of the minimum annual Premium requirement as outlined in Section 8.2.2 herein or would otherwise compromise the Pool's financial integrity.
- (c) Withdrawal is generally irrevocable upon receipt of the notice by the Board of Trustees. However, the Board may reject the notice if the Member's withdrawal is contrary to applicable law or revoke it at the request of the Member.
- (d) The Pool shall pay eligible claims incurred by Covered Persons prior to the effective date of withdrawal ("Run Out Claims") provided such claims are presented to the Pool, or its designee, within 180 days after the effective date of the withdrawal. The withdrawing Member shall be responsible for any claims incurred after the effective date of the withdrawal and any Run Out Claims submitted to the Pool after the 180-day period ends.

Board of Trustees meeting held December 2022

Action was taken to approve a one-month premium penalty for voluntary termination without proper notice pursuant to the Better Health Collective's Membership Policy.

Process implications for membership

Any renewal rate increase caps in this proposal are null and void if a member decides to conduct their own RFP process rather than benefit from the Collective's renewal process. Failure to provide notice of intent to terminate at least 153 days prior to termination will result in a financial penalty equal to the final month's premium. Conducting a solicitation for health insurance benefits is considered intent to terminate, the Better Health Collective will underwrite as if the participating member is a prospective member, as well waive our termination penalty, if the following conditions are met:

1. Notification of RFP submitted at least 5 months prior to renewal.
2. RFP bid from Better Health Collective due no sooner than 4.5 months prior to renewal.
3. Acknowledge participating member is aware that any renewal credits for renewing-without-RFP will be null/void.
4. Any decision to terminate will be communicated to the Collective at least 1.5 months prior to renewal.

* Please note that 153 days means providing notice prior to August 1 for January 1 renewals and February 1 for July 1 renewals.

Underwriting Standards and Self-Funded Provisions

Definitions

Employee. "Employee" means all employees and retirees eligible for health plan coverage he/she has elected health plan coverage offered by the employer.

Participant. "Participant" means an employee who has elected health plan coverage offered by the employer.

Underwriting Standards and Self-Funded Provisions

Pursuant to Section 4.4 of the Better Health Collective Membership Agreement and Bylaws:

- 4.4 Eligibility and Application. Any Minnesota Political Subdivision may apply to enter the Pool by submitting a Request for Proposal (RFP) or application form and documentation establishing the prospective member's ability to meet the Pool's underwriting standards and any other nondiscriminatory membership criteria adopted by the Board of Trustees. All Coverage offered by the Pool shall be available to all Participating Members and to all eligible Employees, Former Employees, and Dependents according to the same underwriting standards. However, the Board shall not be required to accept prospective members that do not meet the Pool's underwriting standards.

The following list further describes the underwriting standards required for membership.

- Members shall refer to the benefit summary for a description of the benefit package corresponding to this offer. Because any changes or revisions may result in an adjustment to the rates and rating factors.
- Increases or decreases in the number of eligible employees by more than 10% may affect plan rates. Any rate change would be the renewal date immediately following the effective date of the increase or decrease in employees.
- The following are stop loss insurance requirements of the Better Health Collective. Failure to meet these requirements may affect plan rates and eligibility for participation:
 - Minimum participation standard is at least 50% of all eligible employees must participate in the employer sponsored plan(s) regardless of waivers.
 - The employer must contribute a minimum of 50% of the lowest-cost premium for all employees in each eligible class.
 - Employees who waive coverage may receive up to 50% of the pre-tax single premium for the lowest cost plan offered in cash or cash-equivalent in lieu of medical coverage. Employees who exercise this option must have other group medical coverage.
 - If you do not contribute to the cost of early retiree coverage, up to 20% of your enrollment can include early retirees.
 - The Better Health Collective is sole carrier, and everyone enrolled in the employer-sponsored plan is enrolled in the Better Health Collective plan(s).