Better Health Collective Membership Policy

Origination Date	June 16, 2026
Revision Effective Date	N/A
Regulatory Requirement(s)	Minn. R. 2785.0900
Cross-References	Membership Agreement and Bylaws (ed. July 1, 2022)

Definitions

Capitalized terms used and not defined herein have the meaning assigned to them in the Membership Agreement and Bylaws.

Policy

This Membership Policy has been established to organize and communicate actions of the Better Health Collective's Board of Trustees ("Board") that refine or clarify the Membership Agreement and Bylaws of the Better Health Collective (ed. July 1, 2022). To the extent of any conflict between this Membership Policy and the Membership Agreement and Bylaws, the Membership Agreement and Bylaws control.

A. Eligibility and Application

1. 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. A Prospective Member is a Minnesota Political Subdivision that has applied to enter the Pool but is not yet a Participating Member.

2. All Coverage offered by the Pool is available to all Participating Members and to all eligible Employees, Former Employees, and Dependents according to the same underwriting standards.

3. The Board is not required to accept Prospective Members that do not meet the Pool's underwriting standards.

4. No Prospective Member will be eligible for application for two years after voluntarily withdrawing or being expelled from the Better Health Collective.

5. Quoted rates are subject to change if released more than 4.5 months before the proposed effective date of the plan

B. Standards of Financial Integrity Prospective Members must have an average enrollment in their employer-sponsored plan(s) of at least 25 employees based on the most recent 12 months.

1. 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:

    a. At least 50% of all Employees must participate in the Plan(s), regardless of waivers.

b. The Participating Member must contribute a minimum of 50% of the lowest-cost premium for all Employees in each eligible class.

c. 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.

d. For Participating Members that do not contribute to the cost of Former Employee coverage, up to 20% of enrollment can include Former Employees.

2. Changes or revisions to the benefit package may result in an adjustment to the Plan rates and rating factors.

3. Increases or decreases in the number of participating Employees (not including Former Employees) by more than 10% may affect Plan rates and impact eligibility for participation.

4. The Better Health Collective reserves the right to nullify any rate increase cap:

   a. If a Participating Member's actual enrollment used for renewal calculations varies from prior year enrollment by more than 10%;

   b. If there is a change to Participating Member's average age of greater than 5%;

   c. Rates are contingent upon the Better Health Collective plans being the only group health plans offered;

   d. Any regulatory benefit or tax changes that would impact claims costs; or

   e. During acts of civil or military authority, civil disturbance, war, terrorism, pandemic/epidemic, fires, earthquakes, floods, tornadoes or other natural disasters or acts of God ("Force Majeure Event"). (The rate cap is void if Employer seeks new bids or quotes for its health plan.)

   f. A Participating Member conducts its own competitive solicitation process rather than benefit from the renewal process.

5. Membership Agreement and Bylaws section 4.7.2 Expulsion. (d) includes the Board's right to expel a Participating Member with current or projected loss ratios detrimental to the financial stability of the Better Health Collective that may result in the inability to secure stop loss coverage and (e) includes situations in which a stop-loss carrier applies a laser to a Covered Person and that Covered Person fails to appropriately self-insure or otherwise assume the additional risk associated with that laser.

C. Voluntary Withdrawal Timeline and Penalty

1. A Participating Member who withdraws from the Pool without giving five (5) months' notice in accordance with the Membership Agreement and Bylaws (August 1 for January 1

renewals and February 1 for July 1 renewals) will be subject to a financial penalty in the amount of the final full month's Premium.

2. 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 as waive the financial penalty, if the following conditions are met:

    a. Notification of RFP submitted at least 5 months prior to renewal.

    b. RFP from the Better Health Collective received no sooner than 4.5 months prior to renewal.

    c. Acknowledge Participating Member is aware that any renewal rate increase caps and other credits for renewing-without-RFP will be null and void.

    d. Any decision to terminate will be communicated to the Better Health Collective at least 1.5 months prior to renewal.

D. Plan Design Requirements

1. The maximum number of health plan options the Better Health Collective will administer per Participating Member is four plans. If one health plan is offered with two network options, that will be considered two unique plans.

2. If two or more plans are offered to employees and any plan has less than 10% of the total enrolled contracts at the time of renewal preparations, the Better Health Collective reserves the right to terminate the plan with low enrollment at renewal.

3. The Better Health Collective maintains and updates its portfolio of core plans each year, which includes adjusting benefits for each core plan in alignment with its correlating HSA index metric, which helps ensure each plan remains in compliance with HSA rules.

4. If a Participating Member chooses to offer a plan that is not from the Better Health Collective's core plan portfolio, the only changes allowed to that plan are for the purpose of maintaining compliance with state and federal laws and related HSA index rules, as well it will be based on the closest plan design match available at renewal from the Better Health Collective's plan administrator.