



BETTER
HEALTH
COLLECTIVE

Minutes for Meeting Book - Tuesday, December 17, 2024 Board of Trustees Meeting

Tuesday, December 17, 2024 | 4:00 PM - (GMT-06:00) Central Time (US & Canada)
Sourcewell Headquarters

Attendees:

Sharon Thiel, Nick Broyles, Chris Kircher, Scott Veronen, Greg Zylka, Sara Nagel, Mike Carlson, Ryan Donovan, Casey Schultz, Lisa Ritchie, Chad Coauette, Katrina Wood, and Becca Nathe

Page

1. Call to Order by Chair Veronen

- 1.1 Determination of Quorum
- 1.2 Additions to or Corrections to the Agenda
- 1.3 Acceptance of the Agenda
Recommendation: Approve the agenda as presented.

Moved by: Sharon Thiel


Seconded by: Greg Zylka

Carried

2. In-Service Eide Bailly

[BHC BOT Presentation.pptx](#) 

3. Action on the Minutes

3.1 Review and Approval of the Minutes of Regular Board Meeting 27 - 29
[Board of Trustees - Oct 22 2024 - Minutes - Html](#) 

Recommendation: Approve the minutes as presented 27 - 29

Moved by: Sara Nagel

Seconded by: Greg Zylka

Carried

3.2 Review and Approval of the Minutes of Labor Management Committee 30 - 31

[11.27.2024 - MINUTES-LMC.docx](#) 


Recommendation: Approve the minutes as presented. 30 - 31

Moved by: Sara Nagel

Seconded by: Sharon Thiel

Carried

4. Financial Reports- Mike Carlson, Chief Financial Officer

4.1 Financial Report of Cash, Revenues, and Expenses 32 - 35
[December 17 2024 Financials.pdf](#) 

5. Better Health Collective Update

5.1 1.1.2025 Renewal Update 36
[Renewals and Rate Cap Update.docx](#) 

Recommendation: Approve the Rate Cap Change as presented 36

Moved by: Sharon Thiel

Seconded by: Greg Zylka

Carried

5.2 Resolution to Approve Prospective Member Participation 37 - 40

[Resolution 2024 4 - Approval and Admission of New Members.docx](#) 

[Participating Members Appendix A.docx](#) 

Recommendation: Approve the Resolution and Participating Member Appendix A 37 - 40

Moved by: Chris Kircher

Seconded by: Nick Broyles

Carried

5.3 Notice to withdraw from membership

Recommendation: Approve the withdraw of membership as referenced in the resolution and Participating Member Appendix A

Moved by: Greg Zylka

Seconded by: Nick Broyles

Carried

6. **Adjournment**

Motion to adjourn at _5:17p.m.

Moved by: Greg Zylka

Seconded by: Sara Nagel



COLLECTIVE





Board of Trustees



TABLE OF CONTENTS

1. Service Team – Contact Information
2. Audit Results – Required communications
3. Anticipated Election Impacts in Healthcare
4. Open discussion
5. Executive Session Option

SERVICE TEAM

Name	Position	Background
<p>Ryan Donahue 701.476.8826</p> 	<p>Ryan is serving as the lead partner on the engagement. He will be responsible for oversight of the quality of services delivered and will be the main contact on any items identified for further discussion.</p>	<p>Ryan has served the insurance industry at Eide Bailly, LLP for over fifteen years focusing on health insurance, information system security and governmental risk pools. Ryan was the Chief Financial Officer for a Health Insurance Company from the spring of 2011 to the fall of 2015, when he rejoined the firm.</p>
<p>Steve Mahan 214.906.9000</p> 	<p>Steve Mahan will continue to support our insurance practice. Steven will support our actuarial review of significant estimates, assumptions and methodologies. Steve is located in Plano, TX.</p>	<p>Steve spent 20 years as a principal with KPMG and was the head of the Life and Health Actuarial Practice for his last ten years as principal and has been with Eide Bailly for seven years.</p>
<p>Grant Maciej 701.239.8534</p> 	<p>Grant served as the audit manager.</p>	<p>Grant has over five years of insurance and pool experience.</p>
<p>Grace Drewicke 701.476.8415</p> 	<p>Grace served as the in charge of the audit.</p>	<p>Grace has over three years of insurance and pool experience.</p>

AUDIT RESULTS

- Audits performed under Government Auditing Standards
- Management responsibility and auditor responsibility
- Governance responsibility
- Unmodified or clean opinion

Required supplemental information

- Exclusion of MD&A
- Limited procedures on loss development schedule, will

AUDIT RESULTS

- Supplemental Information
 - UFARS
- Significant Accounting Policies
 - No initial selection and no changes in significant accounting policies for all funds. Multiple GASBs issued were evaluated and not applicable.
- Significant Accounting Estimates
 - Liability for reported and unreported loss and loss adjustment
 - Pharmacy rebates receivable

AUDIT RESULTS

- Note 3 – Loss reserve rollforward

The Pool establishes liabilities for both reported and unreported covered events, which includes estimates of both future payments of claims and related claims adjustment expenses. The Pool agreed to assume liabilities for claims incurred but unpaid prior to July 1, 2022, for certain participating members. The following is a summary of the changes in those aggregate liabilities for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net Unpaid Losses and Loss Adjustment Expense Reserves, beginning of year, assumed and incurred	<u>\$ 3,857,825</u>	<u>\$ 2,935,165</u>
Net Incurred Losses and Loss Adjustment Expenses		
Current year provision	41,531,137	40,424,979
Increase in prior years' provisions assumed and incurred	<u>561,528</u>	<u>1,243,592</u>
Net provision	<u>42,092,665</u>	<u>41,668,571</u>
Net Losses and Loss Adjustment Expense Payments Attributable to		
Current year	38,763,542	37,246,989
Prior years	<u>3,283,306</u>	<u>3,498,922</u>
Net payments	<u>42,046,848</u>	<u>40,745,911</u>
Unpaid Losses and Loss Adjustment Expense Reserves, End of Year	<u>\$ 3,903,642</u>	<u>\$ 3,857,825</u>

As a result of changes in estimates of insured events incurred in prior years and assumed on July 1, 2022, the provision for losses and loss adjustment expense reserves assumed on July 1, 2022, and incurred since inception, had unfavorable development of \$561,528 and \$1,243,592 during the years ended June 30, 2024 and 2023, respectively. The change in incurred losses was primarily attributable to new information regarding claim development that became known during subsequent periods.

AUDIT RESULTS

- Corrected misstatements – None
- Uncorrected misstatements – reversal of prior year hypothetical investment return in most favorable return situation based on actual results of the final settlement.
 - Other Income \$286,638
 - Beginning Net Position \$286,638
- Subsequent event inquired through date of report
- No difficulties or disagreements with management

AUDIT RESULTS

- Material non-compliance – None noted
- Material Weaknesses – None noted
- Significant deficiencies (SD) – None noted
- Nonattest services
- No consultations, scope limitations or other matters noted



DISCLAIMER

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.



CPAs & BUSINESS ADVISORS

ANTICIPATED ELECTION IMPACTS IN HEALTHCARE

The re-election of President Donald J. Trump on November 5, 2024, along with Republican control of Congress and a conservative Supreme Court majority, signals potential shifts in the U.S. healthcare landscape. While the election emphasized the economy, immigration, and safety, healthcare policy changes are anticipated based on the administration's previous actions in office, campaign statements, as well as current and projected cabinet selections.

This presentation highlights key reimbursement and policy changes affecting healthcare providers and outlines proactive strategies organizations can adopt to stay ahead.

01

Election outcomes

02

Republican controlled Congress impacts

03

Conclusion

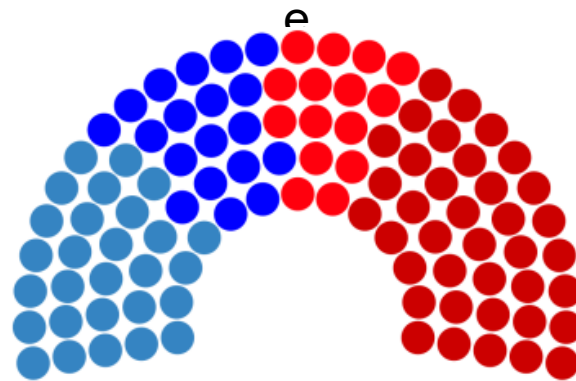
ELECTION OUTCOMES - 2024

Although Republicans have control of the Senate and House, they will need to work across the aisle to pass legislation, dependent on topic and vote count.

President

Republican
Donald J. Trump
45th President and
47th President Elect

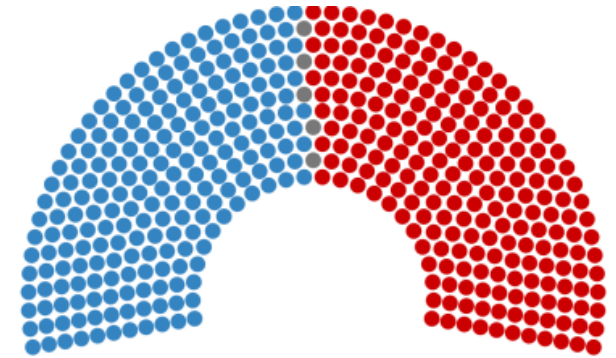
Senate



Democrats:
47
Republicans:
53

● Democrat* ● Won by Democrat in 2024 ● Won by Republican in 2024 ● Republican*
*Not up for reelection

House of Representatives

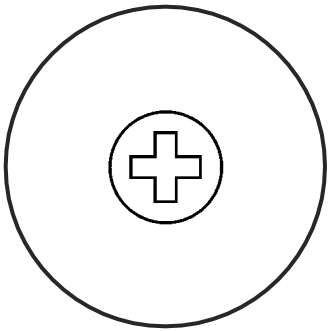


Democrats: 212
Republicans:
218
Uncalled = 5

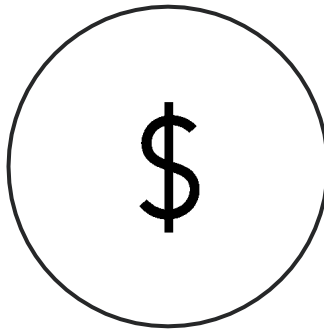
● Won by Democrat in 2024 ● Uncalled ● Won by Republican in 2024

REPUBLICAN CONGRESSIONAL CONTROL IMPACTS

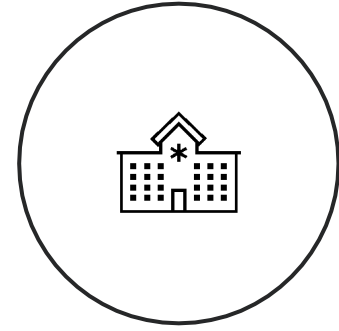
In 2024, Republican congressional control will impact healthcare providers across multiple business segments. Although it is not anticipated that the ACA will be fully repealed, there are three major healthcare areas that could see changes.



Health Insurance
Coverage



Price
Transparency



Access to
Healthcare
Services

REPUBLICAN CONTROL OF CONGRESS – HEALTHCARE COVERAGE

With Republican control of Congress, along with the Executive and Judicial branches, significant changes to ACA healthcare coverage policies may be possible.

1

Medicare

- Medicare Advantage plans become the default selection for new enrollees¹.
- Reduction in payments to MA plans⁷.

2

Medicaid

- Implementation of work or volunteer requirements as conditions of eligibility².
- Reduction of Federal match rate for Medicaid expansion populations⁵.
- Utilize block-grant programs where states receive per capital funding⁷.
- Uncertainty on DSH payment funding cuts and supplemental payments for low volume hospitals, set to take place in 2025⁷.

3

Commercial

- Expiration of premium subsidies for ACA plans³.
- Reduce funding for Navigators (health insurance enrollment support), for ACA enrollees⁴.
- Reduce ACA plan regulation and reintroduce “risk pools”⁶.
- Reintroduce alternative health plan models, including limited duration insurance and association plans⁷.

Possible
Changes

1. <https://www.npr.org/sections/shots-health-news/2024/11/07/nx-s1-5183092/trump-election-2024-medicare-advantage>

2. <https://www.kff.org/compare-2024-candidates-health-care-policy/>

3. <https://www.nbcnews.com/health/health-news/millions-risk-losing-health-insurance-trumps-victory-rcna179146>

4. <https://www.advisory.com/daily-briefing/2024/11/06/trump-healthcare>

5. <https://www.kff.org/medicaid/issue-brief/what-the-outcome-of-the-election-could-mean-for-medicaid/#:~:text=For%20the%202025%20budget%20year,premiums%20in%20separate%20CHIP%20programs>

6. <https://www.pwc.com/us/en/industries/health-industries/library/election-2024-trump-health-agenda.html>

7. https://www.hfma.org/payment-reimbursement-and-managed-care/an-eventful-period-for-healthcare-policy-looms-as-trump-and-gop-members-of-congress-prepare-to-govern/?utm_medium=email&utm_source=rasa_io&utm_campaign=newsletter

REPUBLICAN CONTROL OF CONGRESS – HEALTHCARE COVERAGE

The details below contain examples of proactive strategies hospital facilities can take to prepare for these changes.

Possible Changes	1	2	3
	Medicare	Medicaid	Commercial
Proactive Strategies	<ul style="list-style-type: none"> • MA plans become the default selection for new enrollees¹. • Reduce MA plan payments⁷. 	<ul style="list-style-type: none"> • Implementation of work/volunteer requirements². • Reduction of federal match for expansion⁵. • Block-grant funding mechanism⁷. 	<ul style="list-style-type: none"> • Expiration of premium subsidies for ACA plans³. • Reduce funding for Navigators for enrollees⁴.
	<ul style="list-style-type: none"> • Review and strengthen prior authorization processes. • Develop robust denials management and analytic capabilities. • Invest in AI supported revenue cycle/coding & documentation support. • Develop risk-based contract skills, including care management. 	<ul style="list-style-type: none"> • PSH payment cuts: Enhance financial counseling policies and increase resources. • Collaborate with community partners that provide lower cost of care and support wrap around services, such as FQHCs or other local non-profits. 	<ul style="list-style-type: none"> • Reintroduce “risk pools”⁶ and alternative plan models. Enhance financial counseling policies and increase resources. • Explore payment options for patients, including flexible payment plans, user friendly payment portals, and encourage partial payment at time of service. • Invest in care management and population health to reduce acute care needs and improve overall health.

1. <https://www.npr.org/sections/health-news/2024/11/07/nx-s1-5183092/trump-election-2024-medicare-advantage>
 2. <https://www.kff.org/compare-2024-candidates-health-care-policy/>
 3. <https://www.nbcnews.com/health/health-news/millions-risk-losing-health-insurance-trumps-victory-rcna179146>

4. <https://www.advisory.com/daily-briefing/2024/11/06/trump-healthcare>
 5. <https://www.kff.org/medicaid/issue-brief/what-the-outcome-of-the-election-could-mean-for-medicaid/#:~:text=For%20the%202025%20budget%20year,premiums%20in%20separate%20CHIP%20programs.>
 6. <https://www.pwc.com/us/en/industries/health-industries/library/election-2024-trump-health-agenda.html>
 7. https://www.hfma.org/payment-reimbursement-and-managed-care/an-eventful-period-for-healthcare-policy-looms-as-trump-and-gop-members-of-congress-prepare-to-govern/?utm_medium=email&utm_source=rasa_io&utm_campaign=newsletter

REPUBLICAN CONTROL OF CONGRESS – PRICE TRANSPARENCY

Stronger Price Transparency rules and increased penalties are anticipated under the President Elect, Donald J. Trump and supported by Republican control of Congress.

Possible Changes

- 1 Increases in penalties for non-compliant facilities¹.
- 2 Expansion into non-hospital provider settings, including long term care facilities and PBMs¹.
- 3 Stricter regulation for the “No Surprises” billing act, focused on out-of-network charges that are beyond a patient’s control².

Proactive Strategies

- Create or enhance user-friendly online platforms/price estimators based on insurance coverage.
- Invest in cost accounting tools, to understand service line profitability and cost structures.
- Develop front-line staff training and education to effectively communicate pricing details.
- Proactively market your price transparency efforts, to create a competitive advantage.

1. <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2825024>
2. <https://www.kff.org/compare-2024-candidates-health-care-policy/>

REPUBLICAN CONTROL OF CONGRESS – ACCESS TO SERVICES

Republican control of all three branches, may lead to changes in access to certain healthcare services.

Service Type	Possible Change	Proactive Strategies
340B Drug Program	<ul style="list-style-type: none"> Reduction in the reimbursement amounts for physician administered Part-B drugs¹. Enhanced oversight and transparency into program⁴. 	<ul style="list-style-type: none"> Engage in advocacy with state governments and hospital associations, if the facility participates in the 340B program.
Abortion	<ul style="list-style-type: none"> None – will continue to leave abortion policy to individual states². 	<ul style="list-style-type: none"> Engage in advocacy with state governments and hospital associations, aligned with the facility's stance.
Chronic Disease Management	<ul style="list-style-type: none"> Increased programmatic funding for eliminating chronic diseases³. Implement food and dietary policies, investing in prevention and providing individuals with healthy produce. Reform SNAP food assistance program and restrict eligible purchase. 	<ul style="list-style-type: none"> Review dietary/food/nutrition services at facilities and pinpoint areas of opportunity to strengthen and grow. Invest in preventative medicine and Primary Care programs. Identify partnership organizations for outreach, community education, and healthy food options for patients.
Family Planning	<ul style="list-style-type: none"> Reinstatement of "Food is Medicine" policy and reauthorize (Family Planning Program) from offering abortion services². Continue regulations that allow an employer with a religious or moral objection to ACA's contraceptive coverage requirement. Require insurance companies or government plans to cover IVF costs. 	<ul style="list-style-type: none"> Engage in advocacy with state governments and hospital associations, aligned with the facility's stance. Identify locations that receive any Title X funding and abortions and review strategic options for service offerings.

¹ <https://www.ajmc.com/view/the-trump-sequel-what-to-expect-on-pbms-340b-drug-pricing-and-rfk-jr>

² <https://www.kff.org/compare-2024-candidates-health-care-policy/>

³ <https://www.npr.org/2024/11/14/nx-s1-5183156/what-types-of-measures-would-robert-f-kennedy-jr-take-to-fight-chronic-disease>

⁴ https://www.hfma.org/payment-reimbursement-and-managed-care/an-eventful-period-for-healthcare-policy-looms-as-trump-and-gop-members-of-congress-prepare-to-vern/?utm_medium=email&utm_source=rasa_io&utm_campaign=newsletter

REPUBLICAN CONTROL OF CONGRESS – ACCESS TO SERVICES

Service Type	Possible Change	Proactive Strategies
LGBTQ Services	<ul style="list-style-type: none"> Prohibit gender-affirming care for young people¹. Prohibit the use of federal funds for these services for people of any age. 	<ul style="list-style-type: none"> Engage in advocacy with state governments and hospital associations, aligned with the facility's stance.
Long Term Care	<ul style="list-style-type: none"> Invest in “at-home” care options for Seniors¹. Provide tax credits for unpaid family care givers. Reduce oversight regulations and mandatory staffing ratios in SNFs³. 	<ul style="list-style-type: none"> Explore hospital-at-home programs as model for strategic expansion, if your organization has swing bed programs or SNF facility.
Mergers & Acquisitions	<ul style="list-style-type: none"> Support competitive behavior, including mergers and acquisitions, with new FTC chair appointment^{1,2}. 	<ul style="list-style-type: none"> Conduct financial analysis to understand position as a potential buyer or acquisition target. Evaluate current market share and identify any strengths or weakness in service lines.
Site Neutrality	<ul style="list-style-type: none"> Implementation of site neutrality payments³. 	<ul style="list-style-type: none"> Engage in advocacy with state governments and hospital associations, aligned with the facility's stance. Wait and see approach before making any changes to <u>current policies and operating procedures.</u>
Telehealth	<ul style="list-style-type: none"> Expand coverage for telehealth services¹. 	<ul style="list-style-type: none"> Explore new telehealth service offerings, inclusive of hospital at home, RMP, chronic disease monitoring, behavioral health, virtual specialist consults, and virtual ICUs.

¹ <https://www.kff.org/compare-2024-candidates-health-care-policy/>
² <https://www.crowell.com/a/web/IEKp8np1QKR8aK64QB.JsvE/trumps-pro-business-agenda-could-be-a-boon-for-ma.pdf>
³ https://www.hfma.org/payment-reimbursement-and-managed-care/an-eventful-period-for-healthcare-policy-looms-as-trump-and-gop-members-of-congress-prepare-to-vern/?utm_medium=email&utm_source=rasa_io&utm_campaign=newsletter

REPUBLICAN CONTROL OF CONGRESS – ACCESS TO SERVICES

Service Type

Vaccinations

Possible Change

- Pathway for increased scrutiny on select vaccines, based on federal agency appointments^{3,4}.
- Shift toward cutting federal funding for schools with vaccine requirements, with uncertainty whether this approach will extend to other industries⁵.

Proactive Strategies

- Engage in advocacy with state governments and hospital associations, aligned with the facility's stance.
- Wait and see approach before making any changes to current policies and operating procedures.

¹ <https://www.kff.org/compare-2024-candidates-health-care-policy/>
² <https://www.crowell.com/a/web/IEKp8np1QKR8aK64QB.JsvE/trumps-pro-business-agenda-could-be-a-boon-for-ma.pdf>
³ <https://www.beckershospitalreview.com/public-health/pediatricians-fear-more-outbreaks-amid-anti-vaccine-movement.html>

<https://www.wsj.com/politics/policy/rfk-jr-trump-cabinet-hhs-secretary-84ba0802>
<https://www.pbs.org/newshour/show/trump-vows-to-defund-schools-requiring-vaccines-for-students-if-hes-reelected>

LIKELIHOOD OF ACTION BY AREA

Most of these changes will be subject to Congressional review, where stances and positions can change frequently. Based on our research, the tables below outline the likelihood of these proposed changes being passed. Please note that these are not formal opinions or official statements, but rather projections based on current trends and analysis.

Health Insurance Coverage

Coverage Type	Possible Change	Likelihood of Action
Medicare	MA become default	Low
Medicaid	Work/Volunteer Requirements	Medium
	Reduction in Expansion federal match	High
Commercial	Expiration of ACA premium subsidies	High
	Reduction in Navigator funding	High
	Reintroduction of Risk Pools	High

Price Transparency

Possible Change	Likelihood of Action
Increased penalties	High
Expansion into other care settings	Medium
Increase in "No Surprises" regulations	High

Based on policy statements and professional opinions

Access to Services

Service Type	Possible Change	Likelihood of Action
340B Program	Reduce reimbursement for physician administered drugs	High
Abortion	Keep state decision control	High
Chronic Disease Management	Increased funding for chronic disease prevention	Medium
	Implement food and dietary policies	Medium
	Reform SNAP food assistance program	Low
Family Planning	Reinstate ban on Title X funds	Medium
	Continue ACA religious or moral objections	High
	Require insurance companies to cover IVF	High
LGBTQ Services	Prohibit gender-affirming care for youth	High
	Prohibit federal funds for all gender-affirming care	High
Long Term Care	Invest in "at-home" care	High
	Create tax credits for unpaid care givers	High
	Relax regulations at SNFs	High
M&A	Support the growth of M&A	High
Telehealth	Expand coverage for services	High
Vaccinations	Increased scrutiny on selected vaccines	Low
	Eliminate funding for schools with vaccine mandates	Low

CONCLUSION

- 1 Potential changes across insurance coverage, price transparency, and access to care are anticipated based on the 2024 election outcomes
- 2 These potential changes do not have automatic pathways for passing in the Senate and House, requiring bi-partisan support to pass legislation.
- 3 Healthcare organizations can prepare for these changes by monitoring policy trends, engaging in advocacy, exploring revenue growth opportunities, and building adaptable systems.



QUESTIONS?

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.





CPAs & BUSINESS ADVISORS

Find us online:



eidebailly.com



Minutes for Meeting Book - Tuesday, October 22, 2024 Board of Trustees Meeting

Tuesday, October 22, 2024 | 4:00 PM - (GMT-06:00) Central Time (US & Canada)
Sourcewell Headquarters

Attendees:

Steven Barrows, Sara Nagel, Greg Zylka, Casey Schultz, Katrina Wood, Lisa Ritchie, Mike Carlson, Chad Coauette, Chris Kircher, Sharon Thiel, Nick Broyles, and Scott Veronen

1. Call to Order by Chair Veronen

Roll Call of Members:

Scott Veronen

Sara Nagel

Greg Zylka

Steve Barrows

Chris Kircher

Nick Broyles

Sharon Thiel

1.1 Determination of Quorum

1.2 Additions to or Corrections to the Agenda

1.3 Acceptance of the Agenda

Recommendation: Approve the agenda as presented

Moved by: Sara Nagel

Seconded by: Greg Zylka

Aye

Steven Barrows, Sara Nagel, Greg Zylka, Chris

Kircher, Sharon Thiel, Nick Broyles, and Scott Veronen

Carried 7-0

2. Action on the Minutes

- 2.1 Review and Approval of the Minutes of Regular Board of Trustee Meeting held August 20, 2024.

[Board of Trustees - Aug 20 2024 - Minutes - Html](#) 

- 2.2 Review of the Minutes of the Labor Management Meeting held August 7, 2024

[8-7-24-MINUTES-LMC.pdf](#) 

Moved by: Greg Zylka

Seconded by: Nick Broyles

Aye

Steven Barrows, Sara Nagel, Greg Zylka, Chris Kircher, Sharon Thiel, Nick Broyles, and Scott Veronen

Carried 7-0

3. Financial Reports- Mike Carlson, Chief Financial Officer

- 3.1 [BHC Financials as of September 30, 2024.pdf](#) 

4. Marketing Update

- 4.1 Better Health Collective Logo

- 4.2 Marketing Strategy

- 4.3 Better Health Collective Website- Old to New

5. 1.1.2025 Renewal Update

- 5.1 Summary of Renewals

- 5.2 Lessons learned from renewals

6. 1.1.2025 Proposal Update

6.1 Summary of Proposals

6.2 Lessons learned from proposals

7. Wellness Update

8. AGRiP Update

8.1 Review of recently attended AGRiP meeting

8.2 Recommendation to nominate a representative to AGRiP
Recommendation: To nominate Casey Schultz as the BHC representative to AGRiP

Moved by: Sara Nagel

Seconded by: Sharon Thiel

Aye Steven Barrows, Sara Nagel, Greg Zylka, Chris Kircher, Sharon Thiel, Nick Broyles, and Scott Veronen

Carried 7-0

9. Adjournment

Motion to adjourn at 4:50 p.m.

Moved by: Sara Nagel

Seconded by: Chris Kircher

Aye Steven Barrows, Sara Nagel, Greg Zylka, Chris Kircher, Sharon Thiel, Nick Broyles, and Scott Veronen

Carried 7-0



Meeting Book – November 27, 2024 Labor Management Committee
Meeting Minutes

1. Call to Order by Earl Athman

Roll Call of Members:

- Donyelle Mikacevich - Absent
- Earl Athman
- Devin Massopust
- Kris Schubert
- Brent Yaunick - Absent
- Jordan Anderson
- Sara Nagel
- Chris Kircher
- Travis Hensch
- Daniel Ludvigson – Sherri Evenson filling in for Daniel

2. Review of the Minutes of the Labor Management Meeting

1. Review of the Minutes of the Labor Management Committee Meeting held October 16, 2024
 - a. Recommendation to accept the meeting minutes as presented

Moved by: Kris Schubert Seconded by: Travis Hensch

3. Auditors Report

- a. Presented by Ryan Donahue - Eide-Bailly

4. Financial Report

- a. Presented by Mike Carlson - Sourcewell

5. Better Health Collective Update

- a. Presented by Casey Schultz - Sourcewell

1. 1.1.2025 Renewal Update
 - a. Terminating Members
 - i. City of Savage
 - ii. Princeton ISD

Motion to recommend the termination of the City of Savage and Princeton ISD

Moved by: Kris Schubert Seconded by: Devin Massopust



- b. Rate Cap Change
 - i. Added language to the Rate Sheet: (net of any broker commissions)

Motion to recommend the language change on the Rate Sheet

Moved by: Devin Massopust Seconded by: Kris Schubert

2. 1.1.2025 Proposal Update

- a. New Members
 - i. City of Columbia Heights
 - ii. Dodge County
 - iii. St. James ISD
 - iv. Renville County
 - v. Yellow Medicine County
 - vi. Eden Valley Watkins ISD
 - vii. Pequot Lakes ISD
 - viii. Annandale ISD

Motion to recommend the language change on the Rate Sheet

Moved by: Devin Massopust Seconded by: Earl Athman

6. Wellness Update

- a. 2025 Wellness Task Force – 9 members
- b. 2025 Coupe Task Force – 5 members

7. Schedule of Future Meetings

- February 12, 2025

8. Adjournment

Adjourned at 11:08 p.m.

Better Health Collective
Statement of Net Position
November 30, 2024



Assets

Cash and investments	\$11,155,293
Receivables	1,269,359
Prepaid items	9,021

Total Assets **\$12,433,673**

Liabilities

Incurred but not reported (IBNR)	\$2,479,483
Accounts payable	1,151,725

Total Liabilities **\$3,631,208**

Net Position

Total Net Position **\$8,802,465**

Total Liabilities and Net Position **\$12,433,673**

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



Operating Revenues	
Member contributions earned	\$18,567,906
Less: reinsurance premiums ceded	(\$1,611,489)
Plus: reinsurance premiums collected from members	\$1,611,489
Total Operating Revenues	\$18,567,906
Operating Expenses	
Net claims and claims adjustment expenses incurred	
Claims and claims adjustment expenses incurred	\$19,187,830
Reinsurance Recoveries	(1,370,889)
Total claims and claims adjustment expenses incurred, net	17,816,941
General and administrative expenses	
Administrative fees	49,827
Professional fees	447,711
Miscellaneous expenses	847
Total general and administrative expenses	498,385
Total Operating Expenses	\$18,315,326
Operating Income (Loss)	\$252,580
Nonoperating Revenues (Expenses)	
Investment gain (loss) - Book	\$164,380
Investment gain (loss) - Market	\$45,372
Total Nonoperating Revenues (Expenses)	\$209,752
Change in Net Position	\$462,332
Net Position (Deficit), Beginning of Year	\$8,340,133
Net Position (Deficit), End of Period	\$8,802,465

Statement of Activities Operating Insights:

Change in Net Position (GAAP) as a percentage of total operating revenues **2.5%**

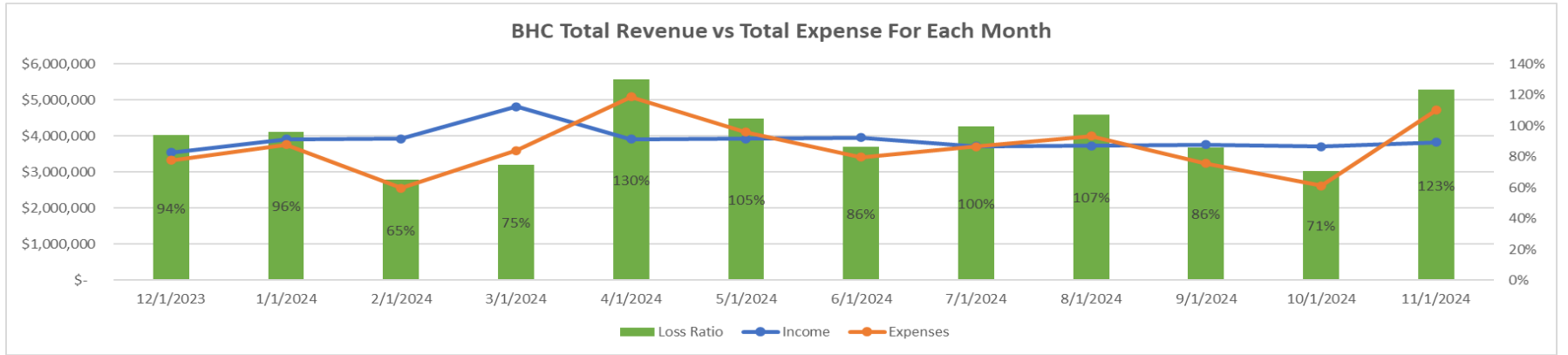
BHC Collective Loss Ratio and Reserve Reports

Income: Total Revenue
Expenses: Total Expenses

Start Month Nov-24

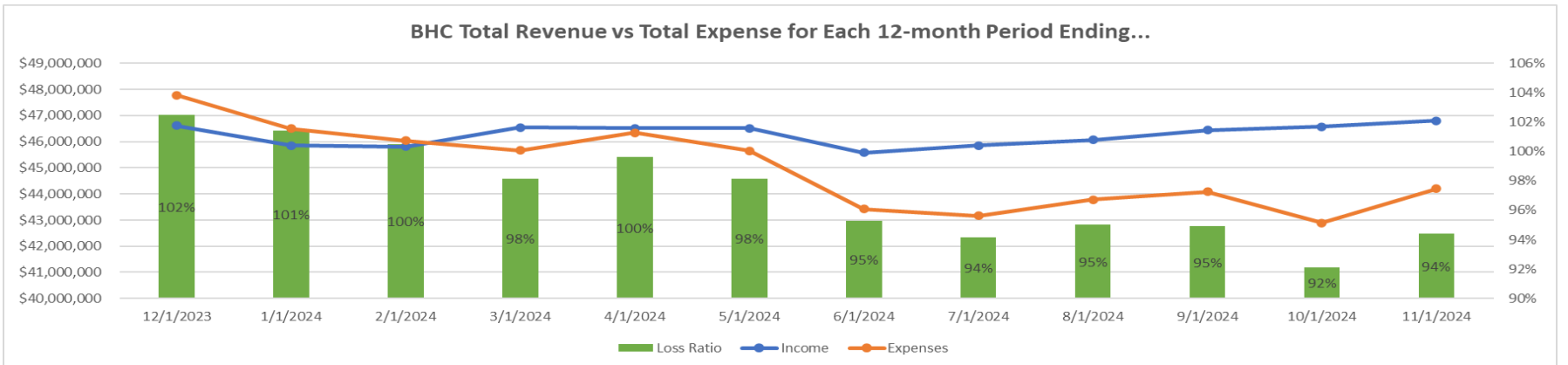
	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Income	\$ 3,545,434	\$ 3,922,196	\$ 3,928,292	\$ 4,823,098	\$ 3,915,157	\$ 3,930,904	\$ 3,963,077	\$ 3,725,189	\$ 3,738,573	\$ 3,768,690	\$ 3,712,344	\$ 3,832,861
Expenses	\$ 3,326,870	\$ 3,763,538	\$ 2,557,641	\$ 3,604,772	\$ 5,094,503	\$ 4,116,073	\$ 3,420,512	\$ 3,709,546	\$ 4,009,916	\$ 3,248,738	\$ 2,620,512	\$ 4,726,615
Loss Ratio	94%	96%	65%	75%	130%	105%	86%	100%	107%	86%	71%	123%

# Members	6,592	6,812	6,837	6,967	6,947	6,953	7,023	6,202	6,504	6,541	6,591	6,645
PMPM Premium	\$ 537.84	\$ 575.78	\$ 574.56	\$ 692.28	\$ 563.58	\$ 565.35	\$ 564.30	\$ 600.64	\$ 574.81	\$ 576.16	\$ 563.24	\$ 576.80



	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Income	\$ 46,616,639	\$ 45,846,397	\$ 45,811,250	\$ 46,545,103	\$ 46,512,890	\$ 46,510,175	\$ 45,579,609	\$ 45,850,118	\$ 46,075,423	\$ 46,441,398	\$ 46,575,090	\$ 46,805,816
Expenses	\$ 47,776,918	\$ 46,493,294	\$ 46,039,067	\$ 45,671,028	\$ 46,340,313	\$ 45,657,442	\$ 43,418,232	\$ 43,159,049	\$ 43,779,748	\$ 44,079,455	\$ 42,892,098	\$ 44,199,236
Loss Ratio	102%	101%	100%	98%	100%	98%	95%	94%	95%	95%	92%	94%

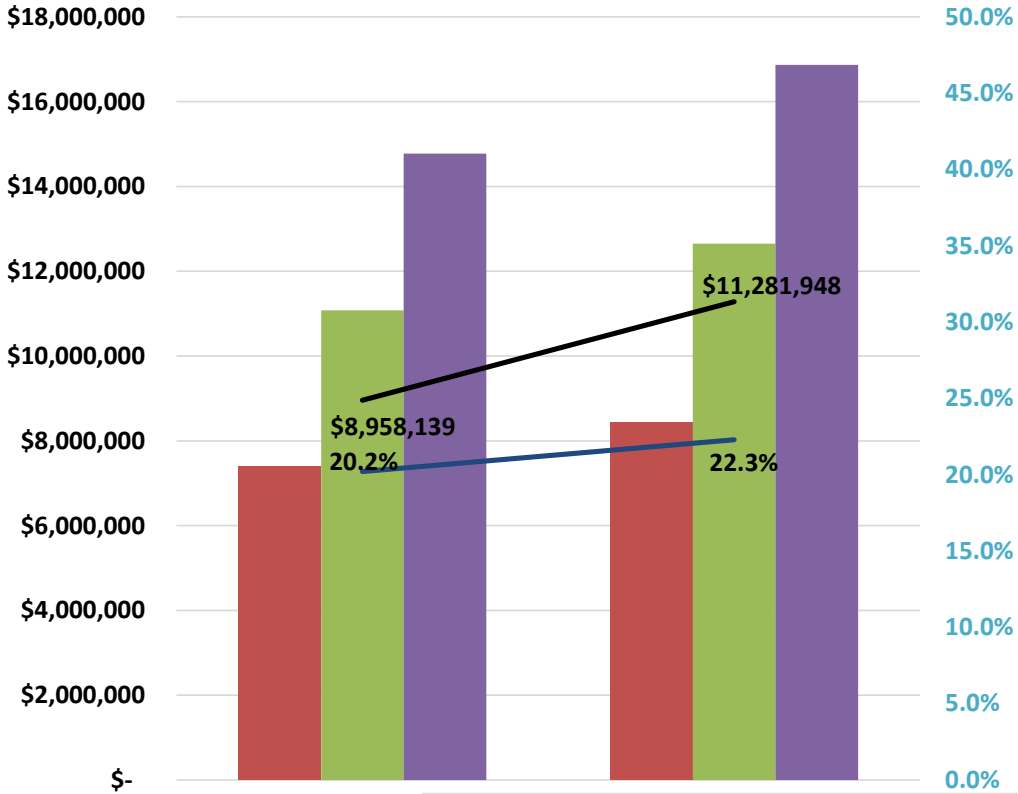
PMPM Premium	\$ 592.02	\$ 580.03	\$ 577.56	\$ 583.57	\$ 580.15	\$ 577.10	\$ 562.22	\$ 567.80	\$ 570.94	\$ 576.16	\$ 577.97	\$ 580.62
---------------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------



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



Reserves Analysis (25% target)



	November 30, 2023	November 30, 2024
Low Reserve Range (2 Month's Premiums)	\$7,386,517	\$8,434,300
Targeted Reserve (3 Months' Premiums)	\$11,079,776	\$12,651,450
High Reserve Range (4 Months' Premiums)	\$14,773,034	\$16,868,600
IBNR and Reserves Totals	\$8,958,139	\$11,281,948
Reserves as Percentage of Projected Annual Premium (Target 25%)	20.2%	22.3%

Renewals and Rate Caps

After accepting the proposed plans and rates for the proposed effective date, any changes to plans or rates will be in a renewal package and delivered at least 115 days prior to the renewal date listed. Any such rate changes will be calculated using our "Better Together" renewal process, which starts with the typical actuarial review, and then is enhanced by including credits and adjustments from the Collective based on each group's unique renewal report card score, years in the Collective, minimums and maximums used by the Collective to enhance rate stability for all, and adjustments to utilize higher weighting on our community vs group-specific rate when such is beneficial to the group. After considering all these factors, the final renewal rate will be limited to any renewal rate increase cap percentage included in this proposal, which will be calculated using a census of selected plans run approximately seven months in advance of renewal, and comparing the total proposed vs current rates for those plans (net of any broker commissions), or their comparable replacement plans if any, using that census. Rate changes can vary by tier or plan, but when totaled with all plans (net of any broker commissions) will not exceed any rate increase cap percentage that may be in effect. Groups desiring the same percentage change across all tiers and plans are welcome to request such and we will make every effort to accommodate, or explain why we can't if such is ever the case



**BETTER HEALTH COLLECTIVE
STATE OF MINNESOTA**

Member _____ moved the adoption of the following Resolution:

**RESOLUTION TO APPROVE PROSPECTIVE MEMBER PARTICIPATION INTO THE
INSURANCE POOL**

12/17/2024

Resolution No. 2024_4

WHEREAS, The Better Health Collective (BHC) is a joint self-insurance pool providing employee health benefits to statutory and home rule charter cities, counties, school districts;

WHEREAS, the Prospective Member(s) listed in Appendix A (Prospective Member) have each applied for, and meet the requirements of, membership according to BHC policy;

WHEREAS, each Prospective Member has obtained a resolution from its governing body authorizing execution of the BHC Membership Agreement and a commitment to:

(a) Fully comply with the membership agreement; Minnesota Rules, Parts 2785.0010 to 2784.1600, including joint and several liability; and other applicable Minnesota statutes and rules; and

(b) Participate in the Pool for a minimum of one (1) Policy Year. This initial commitment shall automatically renew for subsequent one-year terms unless the Participating Member provides notice of voluntary withdrawal pursuant to [BHC bylaws] Section 4.7. to become a member of the Pool.

WHEREAS, Appendix A may also include the names of current Members that wish to withdraw from BHC membership.

NOW THEREFORE BE IT RESOLVED that the Board of Trustees hereby approves the application for membership in BHC and authorizes the execution of a membership agreement for those Prospective Member(s) listed on Appendix A.

Be it also resolved that any current Member listed on Appendix A as wishing to be removed from the BHC is hereby removed from membership.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____ 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 to the Board of Trustees



BETTER HEALTH COLLECTIVE

Participating Members Appendix A

Group Name
Austin Public Utilities
Baxter, City of
Becker, City of
Brainerd, City of
Cannon Falls ISD
Dassel Cokato ISD
Des Moines Valley Health & Human Services
Elk River, City of
Farmington, City of
Forest Lake, City of
Freshwater Education School District
Granite Falls, City of
League of MN Cities
Little Falls, City of
Long Prairie-Grey Eagle Public School
Melrose ISD
Mid-State Education District
Mounds View, City of
New Brighton, City of
New Prague, City of
Pierz ISD
Sourcewell
Staples-Motley ISD
Swanville Public Schools
Todd County
Verndale ISD
West St. Paul, City of
New Groups for 1-1-2025
St. James ISD
Annandale ISD
Eden Valley Watkins ISD
Columbia Heights, City of
Dodge County
Renville County

Yellow Medicine County
Wadena Deer Creek ISD
Pequot Lakes ISD
Withdrawn Groups for 1-1-2025
Princeton ISD
Savage, City of