

Minnesota Healthcare Consortium
Mt. Iron, Minnesota

**Minnesota Healthcare Consortium (MHC)
Joint Powers Authority (JPA) Board of Directors
Location: Resource Training Solutions, Sartell
1:00 p.m., Wednesday, September 2, 2020
(218) 741-0750**

WebEx Public Locations & Connection Information:

- **Northeast Service Cooperative, 5525 Emerald Avenue, Mountain Iron, MN**
- **Resource Training & Solutions, 137 23rd Street South, Sartell, MN**
- **Call 218.748.7624 for connection information**

Members: Jim Fish, Lakes Country Service Cooperative; John Berklich, Jr., Northeast Service Cooperative; Jason Carlson, Northwest Service Cooperative; Paul Bravinder, Resource Training Solutions; Lynn Gorski, Southeast Service Cooperative; Jodi Sapp, South Central Service Cooperative; Darin Balken, Southwest West Central Service Cooperative

A G E N D A

1. Call to Order, Chair Carlson (*action*) – Jason Carlson
2. Roll Call (*action*) – Jason Carlson
3. Welcome and Introductions – Jason Carlson
4. Board Minutes, Review and Adoption (*action – attachment*) – Jason Carlson

Please find attached a draft of the unapproved minutes from the special board meeting held June 3, 2020. The minutes have been reviewed by Chair Jason Carlson and the Management Committee. We recommend their approval.

5. Presentation from Further (*special presentation 20'*) – Guests

As you may recall, our members have over \$200M and growing in FSA, HSA, and VEBA accounts with Further, our medical savings account administrator. We welcome the team from Further for an annual update on this critical component, alongside our health plans with Blue Cross.

6. PFM Asset Management, LLC (*special presentation 20'- attachments*) – Guests

Under our statewide funding arrangement, alongside MSDLAF and US Bank, PFM serves as our board-approved asset manager. We welcome the team from PFM for their annual investment report.

7. Changes in COBRA Regulations, Allowances for Continuation of Coverage (*action*) – Mark Kinney

New federal law allows greater flexibility for COBRA benefits. However, given the nature of our arrangement and protections already in place, the Management Committee recommends that MHC not allow the extension. Mark Kinney will explain our recommendation and answer your questions.

8. One-Year Moratorium on VEBA Transfers (*action*) – *Mark Kinney*

In order to minimize service disruption and allow MHC time to administer potential changes resulting from the RFP process, the Management Committee recommends a one-year moratorium on VEBA transfers. Mark Kinney will explain our recommendation and answer your questions.

9. MHC Business Relations: Sourcewell, a Sister Service Cooperative, Update (*information - discussion*) – *Paul Brinkman*

As you may know, we have been working with Sourcewell on several strategic initiatives including the Statewide Small Group Pool, our new defined contribution product known as Individual Coverage Health Reimbursement Arrangement (ICHRA), and the possibility of adding membership to the JPA. MHC and Sourcewell plan to move ahead together in some areas (ICHRA) and move on in others (JPA membership). The door remains open.

10. Individual Coverage Health Reimbursement Arrangement (ICHRA) (*action – handout*) – *Rob Blankenfeld and Paul Brinkman*

Rob Blankenfeld and Doug Deragisch, with team support and consulting support from CPC, have been leading the development of our new ICHRA product including the RFP process, contract development, and business planning. We have selected Gravie <https://www.gravie.com/> as our partner. Rob will bring us up to date on our progress in this exciting new venture along with any recommendations to help move the process forward.

11. Medical Savings Account (MSA) Administrator RFP Process (*action – handout*) – *Brooks Deibele and Mark Kinney*

An MHC task force of Bethany Drake, Jeanette Mellesmoen, Rob Blankenfeld, Dan Weir, Mark Kinney, Brooks Deibele, Steve Sallee, and Paul Brinkman have been working throughout the summer on an RFP process to select a medical spending account administrator under a new four-year arrangement. Further is the incumbent provider. Including the incumbent, this robust and competitive process garnered written proposals from six vendors, all of whom were interviewed at least once. Brooks Deibele and Mark Kinney will present an update and any available recommendations.

12. Statutory RFP Requirements (*information - discussion*) – *Paul Brinkman, Mark Kinney, Brooks Deibele, and Bethany Drake*

Since “RFP” is the traditional way we frame our statutory obligations, we wanted to remind the board that MHC remains committed to meet its statutory obligation to seek proposals every four years. This coming year, 2021, is the final year of our master agreement with the incumbent carrier Blue Cross Blue Shield of Minnesota and the next year in the mandatory RFP cycle. However, this time around, we will be recommending an extensive, robust testing of the market, one that not only meets our statutory obligations but one that puts us in a better position to retain, sustain and grow our business and our services to our members. This will include evaluating carve in and carve out opportunities for stop loss coverage and pharmacy benefits management services.

13. Engagement with Holmes Murphy Update (*information – attachment - discussion*) – Paul Brinkman, Cliff Carmody, Mark Kinney, and Bethany Drake

- “MHC Assessment & Recommendations,” July 29, 2020
- “Benefits Consulting Scope of Services” - Proposal from Holmes Murphy
- Integrating Roles and Responsibilities

Since the board first approved an initial engagement earlier this year, Holmes Murphy has complemented and broadened the work of our consultants and team leads resulting in productive planning and measurable progress. The strategies outlined in the “MHC Assessment & Recommendations” require that we fill our gaps and add resources. Along with the teams in place, the Management Committee recommends that MHC develop an agreement with Holmes Murphy for final review and action in October as outlined in the assessment report and engagement proposal

14. Admin Budget (*action – attachments*) – Paul Brinkman

- MHC Administrative Budget – Revenue and Expense Projections (FY21) Revised
- Budget Revision (Regional Assessment)

If the board adopts the key recommendations earlier in this agenda, the Management Committee has already prepared a necessary revised FY21 budget, including additional SC assessments, for board review and action.

15. Management Services Reports (*action – attachments*) – Jeanette Mellesmoen

- MHC Finance – Recommendation for Improvement (MSA Peer Review)
- Treasurer’s Report
- Disbursement Report
- ISD Summary of 2020-2021 Premium
- Reserve Report – MHC Proposed Rate Stabilization Reserve Requirements – Balance Update
- MHC Investments Reports
 - Cash Investment Summary 7/31/20
 - Account Statement – CCOGA IBNR Account 601821
 - Account Statement – ISD IBNR Account 601846
- MHC Stop Loss Activity and Reserve Report
 - ISD Stop Loss YTD (Immature)
 - CCOGA Stop Loss

We will present a series of fiscal reports and recommendations for board review and action.

16. Statewide MHC Team Lead Reports (*action – attachments*) – Bethany Drake

- Project Management
- Underwriting
- Sales & Marketing
- Business Development
- Wellness

- Finance
- Statewide Small Group Pool

Bethany Drake, Project Management, will present an updated summary of team priorities and Activities, including an update on our progress in rolling out the statewide small group pool, and answer any questions you may have.

17. Policy: New RSR Guidelines (*action – attachment*) – *Jeanette Mellesmoen*

The Finance Team is recommending changes to this guideline. The proposed changes are marked in red and an explanation of the changes will be provided by Jeanette Mellesmoen.

18. Legal/Compliance Update (*information - discussion*) – *Mark Kinney*

Along with several key discussion items led by Mark Kinney earlier in the agenda, we wanted to keep this standing item in place.

19. Other – *Jason Carlson*

20. Schedule of Board Meetings – *Jason Carlson*

Whether virtual or on-site at Resource, our board meeting schedule for FY21 is as follows:

- 1:00 p.m., Wednesday, October 21, 2020 (Virtual)
- 1:00 or 2:00 p.m., Wednesday, December 9, 2020
- 1:00 or 2:00 p.m., Wednesday, February 3, 2021
- 1:00 or 2:00 p.m., Wednesday, May 5, 2021

May we move all the meetings up to 1:00 p.m.? One o'clock works best for the team. Please keep in mind that special meetings may be convened by the Chair or by a majority of the board per JPA Agreement Section 3.4. Depending upon activity over the course of the program year, the Management Committee may also recommend changes to this meeting schedule.