

1. 8:45 A.M. Benton County Special Board Meeting Agenda And Packet August 29, 2022

Documents:

[COUNTY BOARD PACKET SPECIAL MEETING AUGUST 29, 2022.PDF](#)



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BENTON COUNTY BOARD OF COMMISSIONERS

Monday, August 29, 2022, 8:45 AM

Benton County Board Room

SPECIAL MEETING AGENDA

8:45 - Commissioner Steve Heinen, County Board Chair

- Call to Order
- Pledge of Allegiance
- Roll Call

8:47 - Discussion and possible action on WEX Health Inc. to be Benton County's Claims Administrator for HSA, VEBA, and FSA Accounts even though the Master Services Agreement Between WEX and MHC Effective September 1, 2022 has Not Been Fully Executed

8:55 – Adjourn

Virtual Meeting Information:

**Benton County Board of Commissioners/Benton County Economic Development Authority/
Benton County Ditch Authority**

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/834170141>

You can also dial in using your phone.

United States: [+1 \(571\) 317-3122](tel:+15713173122)

Access Code: 834-170-141

County Board:
Scott Johnson, District 1
Ed Popp, District 2
Steve Heinen, District 3
Jared J. Gapinski, District 4
Beth Schlangen, District 5

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**BENTON COUNTY BOARD OF COMMISSIONERS
AGENDA ITEM REQUEST**

Meeting Date:	08/29/2022	Regular Agenda:	X
Requesting Department:	Administrators Office	Consent Agenda:	

Title of Requested Item As It Will Appear on Board Agenda:

WEX Health Inc. to be Benton County's claims administrator for HSA, VEBA, and FSA accounts effective 9/1/2022: Approval to sign the MHC-WEX Agreement and Employee Participation and adoption agreement - VEBA Direct Service without the Master service agreement fully executed.

Background Information:

Consider approving to sign Exhibit A & B agreements with WEX prior to execution of the Master Service Agreement (MSA) between MHC and WEX.

These need to be in signed prior to our 9/1/2022 effective date with our new administrator WEX.

It is requested of the Benton County Board of Commissioners to authorize and sign:

Exhibit A - MHC-WEX Agreement

Exhibit B - Employee Participation and adoption agreement - VEBA Direct Service

Requested of the Benton County Board of Commissioners to approve and delegate the authority to sign to the County Administrator on behalf of the County: Exhibit A - MHC-WEX Agreement and Exhibit B - Employee Participation and adoption agreement - VEBA Direct Service prior to the MSA execution.

Fiscal Impact:

Estimated Cost (\$):	\$Dollar Amount Here
Source of Funds:	Short Description Here
New or Additional Revenue (\$):	\$Dollar Amount Here
Cost Budgeted in Current Year? (Yes/No)	Yes or No

Approved by:	Signature	Date
Department Head		
County Attorney (for contracts)		

Amt of Time Requested	Specific Time on Agenda	Laptop Needed?	Overhead Needed?
5 min	8:45 am		

MHC-WEX Agreement Summary

Parties: The agreement was negotiated and entered into by the Minnesota Healthcare Consortium (MHC), on behalf of Minnesota cities, counties, school districts, and other governmental entities,¹ with WEX Health, Inc. (WEX), a third party administrator of medical and dependent care savings accounts. Public employers that adopt the agreement are bound to the same terms and conditions.

Services: WEX has been retained to administer the Minnesota Service Cooperative VEBA Plan and Trust, Health Savings Accounts (HSAs), Health Reimbursement Arrangements (HRAs) and health and dependent care flexible spending accounts (Health FSAs and DCAPs).

Background and Process: MHC is a Minnesota joint powers entity comprised of seven Minnesota Service Cooperatives ("SCs").² Through MHC, the SCs aggregate the buying power of their employer members throughout the state to drive down costs and attain the highest service levels for the administration of group health plans and medical savings accounts. A change in administrators was required because the prior administrator, *Further*, was acquired by HealthEquity, Inc. HealthEquity does not administer VEBAs, and *Further* notified MHC that it would cease administering the VEBA effective October 1, 2022.

MHC conducted a request for proposal process lead by Brooks Deibele of Holmes Murphy, a national brokerage and consulting firm. It received bids from third party administrators across the country. Finalists were asked to submit "best and final offers." WEX was selected after extensive analysis and negotiation, taking into account numerous factors, but pricing was key. Transition support and benefits consulting services are provided by Marlo Peterson, formerly with *Further*. Legal negotiations for the agreement were conducted by Mark Kinney of Kinney & Larson, LLP, an employee benefits lawyer with over 20 years of experience. A full copy of the agreement with WEX is available upon request.

¹ Certain nonprofits may also adopt this arrangement for the administration of HSAs, HRAs, and FSAs. Participation in the VEBA is strictly limited to governmental entities.

² Northeast Service Cooperative (NESC), Lakes Country Service Cooperative (LCSC), Northwest Service Cooperative (NWSC), Southwest/West Central Service Cooperative (SWWC Service Cooperative), Southeast Service Cooperative (SESC), South Central Service Cooperative (SCSC), and Resource Training & Solutions (RTS).

Term and Termination

Term: The term of the Agreement is for four years, commencing on July 1, 2022. It correlates to each employer's plan year. For example, the agreement will terminate on June 30, 2026, for an employer with a July 1 plan year. It will terminate on December 31, 2026, for an employer with a January 1 plan year. Because Further will cease administering the Minnesota Service Cooperative VEBA Plan and Trust on October 1, 2022, employers will transition to the WEX platform on or before that date.

Early Termination: Any party may terminate the Agreement without liability with one hundred and eighty (180) days' prior written notice.

Termination for Breach. The agreement may be terminated for breach of contract, including failure of an employer to pay fees when due, or failure of WEX to perform its obligations.

Administrative Fees

Administrative fees are lower for employers that participate in health insurance pools offered through the SCs. Fees are assessed on a *per-enrolled employee per month* basis.

Rates for employers in SC Pools: Rates for employers not enrolled in SC pools:

FSA Only	\$2.75	FSA Only	\$3.75
DCAP Only	\$2.75	DCAP Only	\$3.75
HRA Only	\$2.75	HRA Only	\$3.75
VEBA HRA Only	\$2.75	VEBA HRA Only	\$3.75
HSA Only	\$2.75	HSA Only	\$2.75
Stacked Accounts*	\$2.75	Stacked Accounts*	\$3.75

* Employers that offer more than one account type are charged a single (stacked account) fee.

Investments

VEBA funds will be held in trust by Hand Benefits & Trust Company. Cash will be held in the Lincoln Stable Value Fund, bearing the participant interest of 1.3% at the current guaranteed rate. Participants may direct their investments in an array of mutual funds. HSA funds will be held in a custodial account through WEX, an IRS-approved nonbank custodian. Interest will be based on market rates. Participants that maintain a minimum cash balance of \$2,000 may invest the balance of their account in mutual funds.

Employer Contributions

Employers deposit funds in the custodial account to be used to pay benefits and expenses under the plan. All funds deposited in the custodial account are considered general assets of the employer. Any contributions made by employees to the plan through salary reduction or otherwise are used to reimburse the employer for the funds advanced by the employer to pay benefits under the plan.

Ongoing Support from MHC

MHC and its SC members monitor the performance of their vendors, market conditions, and regulatory changes. MHC conduct request for proposals every four years which satisfy statutory bidding requirements for employer members. MHC and its SC members, employees, and consultants provide education and support to its members across the state relating to the adoption, administration of these arrangements. It has entered into a fee revenue sharing arrangement with WEX to help offset related legal, accounting, and other professional and administrative expenses.

Ongoing Support from WEX

MHC will receive holistic account oversight through the assignment of dedicated account executives. In addition to the account executives, WEX will provide a dedicated support team comprised of benefits experts, who operate in conjunction with the account executives to ensure administrative expertise and responsiveness. This team holds a combined 30 years of experience in supporting WEX's strategic clients. The team is certified in their fields and provide a service experience for MHC that includes fast response time to inquiries, thorough, knowledgeable and creative solutions along with an overarching assurance that experience on day-to-day plan administration results in low effort from the client. In addition to the dedicated MHC team, groups will have access to WEX's Employer Services line that is answered between 7 am to 7 pm CST, M - F.

EMPLOYER PARTICIPATION AND ADOPTION AGREEMENT

Employer Name _____ ("Employer")

Effective Date _____

This document is a participation agreement ("Participation Agreement") for the Minnesota Service Cooperative VEBA Plan ("VEBA Plan"), which is funded through a trust intended to qualify for exemption from tax as a voluntary employees' beneficiary association under Section 501(c)(9) of the Internal Revenue Code (the "Trust").

If the Employer currently participates in the VEBA Plan, this document serves to ratify and confirm its continued participation in the VEBA Plan as administered by WEX Health, Inc. ("WEX"). WEX replaces Further, which will resign as third party administrator of the VEBA Plan on October 1, 2022. WEX was selected through a public bidding process conducted by the Minnesota Healthcare Consortium ("MHC"), a joint powers entity comprised of the seven Minnesota Services Cooperatives that originally established the VEBA Plan and Trust in 2002.

If the Employer is new to the VEBA Plan, this document serves as a Participation Agreement for the VEBA Plan and Trust. Employer acknowledges and agrees that its participation creates a separate and distinct plan for purposes of compliance with the rules applicable to health reimbursement arrangements (HRAs). Employer is the Plan Sponsor of its VEBA HRA.

This document also serves as an adoption agreement ("Adoption Agreement") for the Master Service Agreement (including all applicable schedules) by and between the Minnesota Health Care Consortium and WEX Health, Inc. ("the MSA"). A summary of the MSA, including business terms such as pricing, term, and funding provisions, is attached, and a full copy of the MSA is available upon request.

By signing this agreement, you are adopting and agreeing to the MSA on the Effective Date stated above with respect to the following benefits, to the extent offered by Employer:

- VEBA Plan and Trust
- Health Savings Accounts (HSAs)
- Flexible Spending Accounts (FSAs)
- Health Reimbursement Arrangements (unfunded HRAs not related to VEBA).

Applicable Fees: _____ Pool ___ Non-Pool

I HAVE READ AND UNDERSTAND THE INFORMATION IN THIS PARTICIPATION AND ADOPTION AGREEMENT AND I AM AUTHORIZED TO SIGN ON BEHALF OF EMPLOYER.

Signature _____ Date _____

Printed Name _____ Title _____

NOTE: Employers that fail to object to or sign and return this Adoption Agreement within 30 days of receipt will be deemed to have adopted and agreed to the MSA and/or the VEBA Plan and Trust, as applicable, on the Effective Date stated above.