ATTACHMENT 1-C

ADMINISTRATIVE EXPECTATIONS FOR ACCOUNT-BASED PLANS AND HSAs

It is expected that the selected TPA and Custodian will provide the following:

1. A point-of-contact person to provide service to each Member Employer, and qualified home office staff and field personnel to assist in the day-to-day management of the VEBA and Account-Based Plans.

2. Executive-level personnel to attend VEBA Committee meetings within Minnesota on a quarterly basis.

3. Qualified sales personnel able to attend and present at least 14 additional meetings throughout the year within the State of Minnesota, and to make in-person visits on an as-needed basis to Member Employers throughout the state for sales, education and problem-solving purposes.

4. A toll-free number for individual participants to provide assistance with general administration and account information

5. A website and mobile application that will permit individual participants to have access to account information on their VEBA and Account Based Plan accounts

6. Line item reports of all fees and expenses charged to MHC and Member Employers.

7. The following minimum services with respect to Account-Based Plans:

    a) Establish and maintain separate VEBA and Account Based Plan accounts for all participants
    b) Substantiate, process and pay claims that qualify as “medical expenses” as defined by Section 213(d) of the Internal Revenue Code
    c) Comply with all applicable HIPAA privacy and security rules, and serve as the HIPAA Privacy and Security Officer for the VEBA
    d) Provide an explanation of benefits (EOB) form to each covered employee detailing the resolution of all individual claims
    e) Manage claims and appeals by individual participants as required by applicable state law
    f) Coordinate claims processing with major medical health insurers (or third-party administrators for self-funded arrangements) to allow direct payment to providers and automatic payment of adjudicated claims, and ensure that negotiated provider discounts are available for expenses paid from the VEBA or Account Based Plans, as applicable
    g) Provide debit card service in accordance with Internal Revenue Service Revenue Ruling 2003 43, Internal Revenue Service Notices 2006 69 and 2007-2, and Prop. Treas. Reg. Sec. 1.125-6
    h) Provide records and reports that may be required from time to time by the VEBA Committee, corporate trustee, adopting employers and individual participants
    i) Coordinate the availability of investment alternatives for the VEBA arrangements through a financial institution or investment advisor, and assume fiduciary responsibility (or delegate such responsibility to a willing investment advisor) for selecting investment alternatives. Provide or coordinate access to web-based and telephonic information on account balances, claims, and investment performance
    j) Provide attorney-drafted model cafeteria plan documents that comply in all respects with Internal Revenue Code Section 125, COBRA, HIPAA, FMLA, USERRA, the ACA and Minnesota law, appropriately drafted to reflect the non-ERISA status of employer participants
    k) Assist Member Employers in completing the VEBA Adoption Agreement, and make available current official versions of the VEBA Plan and Trust, Summary Plan Descriptions, model collective bargaining agreements, model personnel policies, and other policies or procedures as directed by the VEBA Committee from time to time

l) Ensure that model cafeteria plans reflect administrative objectives regarding coordination of FSAs with HRAs, HSAs and, to the extent applicable, the cafeteria plan grace period and rollover rules
m) Serve as Registered Reporting Entity under the MSA Secondary Payer Rules for VEBA and HRA balances greater than $5,000
n) Provide reporting for PCORI purposes on retirees with VEBA accounts;
o) Provide an SBC for VEBA and HRAs or coordinate with group health plan administrators to include information on these arrangements in SBCs being prepared for Employer Members
p) Provide and administer an internal claims and appeals process fully compliant with the ACA and Minnesota law
q) Perform agreed-upon nondiscrimination tests for cafeteria plans
r) Provide timely reporting of Minimum Essential Coverage to Member Employers to enable them to meet reporting requirements under IRS Forms 1094 and 1095

8. The following minimum services with respect to HSAs:

a) Provide custodial services through a bank, an insurance company, or a non-bank financial institution authorized by the IRS to offer HSAs
b) assist in establishment or transfer of HSA accounts
c) Process enrollment data, contributions, earnings and losses, investment directions, and distributions
d) Permit accountholder-directed investments among mutual funds or similar investments representing a broad range of risk and return
e) Provide debit cards among other means of accessing the HSA
f) Coordinate optional “crossover” (automatic payment of OOP expense), or participant-directed payment to providers
g) Prepare and deliver required tax returns
h) Provide online investment portal and coordinate with MHC web portal
i) Ensure electronic communications to accountholders are consistent with the ESIGN Act

9. TPA or HSA Custodian shall provide a competitive revenue-share arrangement and include in its pricing an administrative fee payable to MHC pro-rata based on membership for all active employees enrolled in the HSAs.

Do you agree to all the above?

✔ *Yes or No (if no, please explain)*

Yes, MidAmerica agrees to all of the above.