Warehouse Employees Union Local No. 730
Health and Welfare Trust Fund

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DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 HEALTH AND WELFARE TRUST FUND DECEMBER 1, 2023 VIA ZOOM

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
W. Davis – Secretary	J. Paradis – Chairman
R. Brooks	M. Kamara
F. Myers	F. Stegman
	M. Goble – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
R. Grant – Associated Administrators, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP
B. Saindon – Mooney, Green, Saindon, Murphy & Welch, P.C.
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held September 8, 2023.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the last regular meeting held on September 8, 2023 are approved as presented.**

III. FINANCIAL REPORT

A. Investment Performance Services, LLC ("IPS")

The Trustees welcomed Mr. Rich Sichel of IPS to the meeting.

Mr. Sichel distributed his report titled, "Master Consulting Services Report – September 30, 2023." Mr. Sichel reviewed the financial markets generally. Mr. Sichel reported that the Fund's total market value of assets as of September 30, 2023 was $21,593,815, and its year-to-date return is 1.7%, compared to the 1.9% return for the index.

B. Quarterly Performance Report

Mr. Sichel reported that as of September 30, 2023 the Fund held 38.0% in Investment Grade Fixed Income, 43.2% in Short Duration High Yield, 6.6% in Real Estate – Core, 3.7% in Real Estate – Value Add, and 8.4% in cash equivalents. He noted Wedge Capital held $8,212,610, Chartwell Investment held $9,335,985, ARA Core Property Fund L.P. held $1,430,280, Boyd Watterson held $803,342, and there was $1,811,598 in the cash account.

C. Asset Allocation

Mr. Sichel noted that the cash allocation is within the targeted policy range and there were no recommendations from IPS for the quarter.

The Trustees thanked Mr. Sichel for his report and he was excused from the meeting.

IV. COUNSEL REPORT

A. Subrogation Report

Ms. Saindon reviewed the status of subrogation matters as of December 1, 2023. She stated that there are no cases requiring Trustee action at this time. She reported on the Wilmot case, noting that her firm was working to identify any providers paid by both the Fund Office and workers compensation. Ms. Cochran noted that claims were paid by the Fund Office as the diagnostic codes were not related to treatment for an injury.

B. Adams Burch

Ms. Saindon reported that Adams Burch terminated its participation in the Fund effective June 30, 2023. Pursuant to its new collective bargaining agreement with Local 639, Adams Burch is now a participating employer in the Teamsters Local 639 Health Fund (the "639 Health Fund"). Due to timing issues between the two funds and to avoid any gaps in coverage for participants during the transition to the 639 Health Fund, the Fund agreed to continue providing health care to these participants during the months of July and August. She stated that Local 639 would reimburse the Fund for claims incurred and paid by the Fund during the month of July 2023. With respect to claims incurred during August 2023, Ms. Saindon recommended that the Fund pend those claims and forward them to the 639 Health Fund for processing and appropriate payment. Ms. Saindon said she would organize a call with the two Fund Offices to discuss the process.

C. Consolidated Appropriations Act ("CAA")

1. Mental Health Parity and Addiction Equity Act ("MHPAEA")

Mr. Kimble reported on the draft MHPAEA report that Segal is conducting. His office provided comments to Segal and he is awaiting a revised report.

2. Gag Clause

Mr. Kimble reported that that Associated will electronically sign and submit the attestation on behalf of the Fund. Ms. Cochran confirmed that Associated will submit the attestation. He said that Fund Co-Counsel reviewed the relevant contracts to ensure they do not contain gag clauses.

V. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2023. The report showed contributions of $1,495,603, interest and dividend income of $200,706, COBRA payments of $6,418, self-payments of $2,550, and miscellaneous income of $0, producing a total income of $1,705,277 for the quarter. Expenses included $790,048 of benefit expenses and $91,439 of operating expenses, producing a total expense of $881,487. This produced a surplus of $823,790 for the quarter ended September 30, 2023. Ms. Cochran noted that contributions were made on behalf of 310 Plan participants.

VI. INVOICES

Ms. Cochran presented a list of invoices dated December 1, 2023 for the Trustees' review. It was noted that there were no additions, deletions, or changes to the list.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED that the invoices on the list dated December 1, 2023 are approved for payment as presented.

VII. PROVIDER REPORT – NFP (Meltzer Group)

Ms. Cochran reported that the current stop loss policy will expire December 31, 2023. She said that NFP has received a quote from Symetra which included an 8% increase in premium. She stated that NFP is soliciting other quotes and will provide them to the Fund once received.

VIII. OTHER FUND BUSINESS

A. 2024 COBRA Rates

Ms. Cochran presented the 2024 COBRA rates. The Trustees reviewed the rates.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the 2024 COBRA rates as contained in the meeting booklet.

B. 2022 Summary Annual Report

Ms. Cochran reported that Associated mailed the 2022 Summary Annual Report to Plan participants on September 18, 2023.

C. Women's Health and Cancer Rights Act ("WHCRA")

Ms. Cochran reported that Associated mailed the WHCRA notice to participants on September 18, 2023.

D. Notice of Creditable Coverage

Ms. Cochran reported that Associated mailed the Notice of Creditable Coverage to Plan participants on September 18, 2023.

E. Employer Termination – Adams Burch

Ms. Cochran reported that Associated mailed the Adam's Burch eligibility termination letter to participants on October 3, 2023.

F. Laboratory Corporation of America Holdings and Quest Diagnostics Exceptions

Ms. Cochran reviewed a list of potential exceptions to the rule that all lab testing be conducted at a Quest Diagnostic and/or Laboratory Corporation of America Holdings facility. She emphasized that Associated created the list based on exceptions that similar Funds that Associated administers have approved. The Trustees asked Ms. Cochran to research how many claims the Fund has denied for services on the potential list.

G. Cigna PPO Savings Report

The Trustees reviewed a copy of the CIGNA PPO Savings Report for the period January 1, 2023 through September 30, 2023.

H. Cybersecurity Report

Ms. Cochran reported that Mr. Thomas DeMayo of PFK O'Connor Davies was unable to attend the meeting. Trustee Paradis reviewed and discussed the cybersecurity report provided prior to the meeting, "Vendor Due Diligence Assessment". He said the objective of the study was to review the cybersecurity programs of the Funds' vendors in accordance with the cybersecurity guidance issued by the Department of Labor ("DOL"). He said according to PFK, a detailed questionnaire will be developed to review new and current vendor controls.

Trustee Paradis noted that according to the report, 9 vendors were assessed with high maturity, meaning it meets all the security requirements specified by the DOL. The report listed one vendor with a pending review and one vendor with a low maturity level. The Trustees discussed the vendor with the low maturity level, Dental Health Center. Ms. Cochran noted that Dental Health Center has advised that it is working with an Information Technology consultant to upgrade its security measures. The Trustees discussed the ongoing approach for vendor compliance.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve PFK O'Connor Davies to perform assessments every three years for vendors with high maturity, every year for three consecutive years for a vendor that experiences a data breach, every year for vendors with a low maturity rating, and to perform an assessment for all new vendors.**

I. <u>Telehealth Office Visits</u>

Ms. Cochran reported that the Trustees previously approved covering telehealth visits during the COVID-19 pandemic with the same co-pays and coinsurance applicable to office visits and that such coverage was scheduled to expire December 31, 2023.

After a discussion, on MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to cover telehealth office visits as a permanent benefit with the same co-pays and coinsurance applicable to in person office visits.**

J. **Class Action Settlement**

Ms. Cochran reported that the Fund received a check in the amount of $1,107.62 related to the Mylan Epipen class action settlement.

K. **High Cost Prescription Claim**

Ms. Cochran reported that the Fund had received a claim for on the prescription drug Ilaris. She said that the medication costs approximately $75,000 per month. Ms. Cochran said according to Cigna, the frequency of usage is dependent on the patient and treatment plan. She noted that Cigna requires participants to obtain a pre-authorization for the medication.

L. **Cigna Medical and Pharmacy Request for Proposal ("RFP")**

Ms. Cochran reported that Segal confirmed it will perform a combined RFP for the Pharmacy Benefit Manager ("PBM") and PPO Network for a total fee of $85,000. She stated that Segal confirmed that if changes were to be made, the target date for implementation would be January 1, 2025.

The Trustees agreed to request a proposal from Segal to perform a RFP for dental coverage.

After a discussion, on MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve delegation to Chairman and Secretary to approve the cost of a Cigna dental coverage RFP from Segal.**

M. **Benefit Cost Study**

Trustee Davis noted the current Fund reserve and discussed improving benefits. The Trustees discussed engaging Segal to perform a benefit study. Ms. Cochran said she would request an estimate from Segal to perform a benefit study.

After a discussion, on MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to engage Segal to perform a benefit study as soon as administratively possible.**

N. Administrative Services Contract Renewal

Ms. Cochran reported on the status of Associated's updated contract. She reported that a draft will be sent to co-counsel for review once finalized.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 13, 2024 as their next regular meeting date immediately following the companion Pension Fund meeting via Zoom.

X. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

William Davis

Secretary