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 17, 2021 VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES
J. Lacy
F. Myers
T. Richardson – Alternate

EMPLOYER TRUSTEES
J. Paradis – Secretary
H. Sebhat
F. Stegman
M. Goble – Alternate

Also present were:

K. Bakich – The Segal Company
A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
R. Grant – Associated Administrators, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP
R. Sichel – Investment Performance Services, LLC
M. Vallario – NFP

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 1, 2021.

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 1, 2021 are approved as presented.**

III. FINANCIAL REPORT

A. Investment Performance Services, LLC (“IPS”)

1. Investment Performance

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

Mr. Sichel distributed his report titled, “Master Consulting Services Report – September 30, 2021”. Mr. Sichel reported that the total market value of assets as of September 30, 2021 was $15,194,966.

2. Asset Allocation

Mr. Sichel reported that as of September 30, 2021, the Fund held 42.6% in Investment Grade Fixed Income, 47.1% in Short Duration High Yield, 3.9% in Real Estate, and 6.4% in cash equivalents. He noted Wedge Capital held $6,475,596, Chartwell Investment held $7,159,908, ARA Core Property Fund L.P. held $585,312, and there was $974,149 in the cash account.

3. Chartwell Investment Partners (“Chartwell”) – Ownership Change

Mr. Sichel said Chartwell planned an ownership change that will result in a change in control event. He said Chartwell sent a letter requesting the client’s acknowledgement and consent to the ownership change. Mr. Sichel said IPS recommends clients consent to the ownership change, subject to Counsel’s review. Ms. Cochran said that Fund Counsel reviewed the letter and found it to be acceptable for Trustee signature.

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

> **RESOLVED to approve IPS' recommendation to execute the letter and consent to the ownership change of Chartwell.**

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

IV. COUNSEL REPORT

A. Subrogation Report

Mr. DeLancey reviewed the status of subrogation matters as of December 17, 2021. He said one case was closed since the last Board of Trustees meeting on September 1, 2021. Mr. DeLancey stated that there was one lien for which the Fund received full reimbursement.

B. Purdue Pharmacy, L.P. ("Purdue Pharma") Bankruptcy Distribution

Mr. Kimble presented a memo regarding the Purdue Pharma bankruptcy class action lawsuit and provided an update as to events that have transpired subsequent to the date the memo was drafted.

C. No Surprises Act Complaint Policy

Mr. Kimble presented draft Complaint Policy, which implements procedures to respond to complaints as required by the No Surprises Act.

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

RESOLVED to approve the No Surprises Act Complaint Policy as prepared by Fund Counsel.

D. Summary of Material Modifications ("SMM")

Mr. Kimble presented an SMM regarding changes to the Plan in order to comply with the No Surprises Act, included in the Consolidated Appropriations Act, 2021.

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

RESOLVED to approve the SMM as prepared by Fund Counsel.

V. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2021. The report showed contributions of $1,642,143, interest and dividend income of $101,016, self-payments of $13,949, and miscellaneous income of $161, producing a total income of $1,757,269 for the quarter. Expenses included $744,945 of benefit expenses and $102,161 of operating expenses, producing a total expense of $847,106. This produced a total surplus of $910,163 for the quarter ended September 30, 2021. Ms. Cochran noted that contributions were made on behalf of 327 Plan participants.

VI. INVOICES

Ms. Cochran presented a list of invoices dated December 17, 2021 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 17, 2021 are approved for payment as presented.**

VII. PARTICIPANT APPEAL – M21/123-7984

The participant appealed for payment of claims for emergency room services that were denied as the services were not considered "emergency" treatment as defined by the Plan. The participant stated he had not received Plan information in order to make a decision about his care.

It was noted that hospital expenses incurred at a hospital emergency room are not payable for a non-emergency illness. Fund records indicate that the participant was mailed an enrollment form, however he did not return the form and therefore was not mailed a Summary Plan Description.

Based on the fact that the participant had not received a Summary Plan Description, the Trustees approved the appeal. As a result, the Trustees did not address whether the services at issue were considered "emergency" services. Ms. Cochran said that going forward, a Summary Plan Description will be mailed with the enrollment form to participants.

VIII. PROVIDER REPORT – NFP (Meltzer Group)

The Trustees welcomed Mr. Matt Vallario of NFP to the meeting. He distributed his report titled "The Warehouse Employees Union Local 730 – 2022 Stop Loss Renewal."

A. **Stop Loss Renewal**

Mr. Vallario noted that the current stop loss policy will expire December 31, 2021. He stated that Ullico, the incumbent carrier, proposed an 8% increase, while the current stop loss trend renewal is running at a 15-18% increase in premium. He noted two other carriers provided quotes, Accurisk and Symetra. He said the following carriers declined to provide quotes: Berkshire, HM Life, Sun Life, Swiss Re, TMHCC and Voya.

Mr. Vallario recommended the Trustees renew the policy with Ullico, with a $500,000 specific level of coverage, a $50,000 aggregating deductible, and an annual premium of $152,966.

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

> **RESOLVED to approve the recommendation of NFP and accept the proposed stop loss renewal with Ullico for the period January 1, 2022 through December 31, 2022.**

B. **Life Insurance Renewal**

Mr. Vallario directed the Trustees to the life insurance and AD&D information in his presentation. He noted that the current life insurance and AD&D policy will expire December 31, 2021. Mr. Vallario said that the following carriers were reviewed, The Standard, Lincoln, the Hartford, New York Life and MetLife, along with the incumbent carrier, Voya. The carriers were asked to provide proposals for an increased life insurance benefit from the current $45,000 benefit to $50,000, $55,000 and $60,000. He said NFP received notice of decline to quote from Lincoln Financial and the Standard. NFP received proposals from the Hartford, MetLife and New York Life. MetLife provides the most financial savings coming in 9% below the premium of the current carrier. In addition, with an increased life insurance benefit to $50,000, MetLife's premium was approximately the same amount the Plan paid its current carrier for the lower $45,000 benefit amount.

Mr. Vallario recommended the Trustees terminate coverage with Voya and engage MetLife for the period January 1, 2022 through December 31, 2023 at an annual premium of $39,570.

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

RESOLVED to terminate Voya effective December 31, 2021 and to approve the life insurance and AD&D proposal with MetLife effective January 1, 2022 through December 31, 2023 with an increased life insurance benefit of $50,000 at an annual premium of $39,570.

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

IX. PROVIDER REPORT – SEGAL

The Trustees welcomed Ms. Kathy Bakich to the meeting. Her presentation titled, "Compliance Plan – No Surprises Act ("NSA") and Final Transparency Rule" was previously distributed to the Trustees. Ms. Bakich reviewed the status of each compliance item with the Trustees.

A. Notice of Surprise Billing

Ms. Bakich reported that Ms. Cochran confirmed that the Notice of Surprise Billing is complete and ready to be posted to the Fund's website.

B. ID Cards

Ms. Bakich reported that new ID cards, which include deductibles, out-of-pocket maximums and additional information are required to be mailed to participants. She recommended that the Trustees request Cigna to mail the new ID cards, as soon as possible, to all eligible participants.

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

> **RESOLVED to request Cigna to mail new ID cards, compliant with the No Surprises Act, to eligible participants, as soon as administratively possible.**

C. Out-of-Network Payments and Independent Dispute Resolution ("IDR")

Ms. Bakich noted that Cigna has indicated that additional information regarding out-of-network payments and IDR will be available next week.

D. Qualified Payment Amount ("QPA")

Ms. Bakich said Cigna will, as part of its repricing services, provide the Plan with a QPA for each identified potential No Surprises Act claim. The QPA will be based on the median in-network rate for all Cigna networks, based on a minimum of three contracts within a geographic region. She discussed the process for out-of-network claims and recommended the QPA to be applied to out-of-network claims.

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

> **RESOLVED to approve the recommendation of Segal to apply the QPA to out-of-network claims.**

Trustee Paradis requested that Ms. Bakich review the current out-of-network saving program with Cigna to see if it is worthwhile to continue.

E. <u>Mental Health Parity and Addiction Equity Act</u>

Ms. Bakich said Cigna and the Administrative Manager provided the requested information and that Segal is in the process of preparing a report for the Trustees to review. She said the report will be available in the first quarter of 2022.

Trustee Paradis suggested delegating authority to the Chairman and Secretary considering decisions will need to be made prior to the next meeting.

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

> **RESOLVED to approve delegation of authority to the Chairman and Secretary for compliance decisions needed regarding the "No Surprises Act ("NSA") and Final Transparency Rule".**

X. <u>PROVIDER REPORT – GROUP VISION SERVICE</u>

Ms. Cochran stated the Group Vision Service report for periods January 1, 2020 through September 30, 2020 and January 1, 2021 through September 30, 2021 was previously distributed to the Trustees for review.

XI. <u>OTHER FUND BUSINESS</u>

A. <u>CIGNA PPO Savings Report</u>

Ms. Cochran reported the CIGNA PPO Savings report for the period January 2021 through September 2021 was previously provided to the Trustees.

B. Memorandum of Agreement ("MOA") – Giant Recycling

Ms. Cochran reported the receipt of a newly negotiated Memorandum of Agreement between the Union and Giant Recycling for the period June 26, 2022 through June 20, 2026.

After discussion and review of the MOA by Fund Co-Counsel, the Trustees voted with Trustee Paradis abstaining, approval of the following resolution:

> **RESOLVED to accept the MOA between Giant Recycling and the Union for the period June 26, 2022 through June 20, 2026.**

C. Memorandum of Agreement ("MOA") – Giant Warehouse

Ms. Cochran reported the receipt of a newly negotiated Memorandum of Agreement between the Union and Giant Warehouse for the period May 17, 2015 through May 15, 2027.

After discussion and review of the MOA by Fund Co-Counsel, the Trustees voted with Trustee Paradis abstaining, approval of the following resolution:

> **RESOLVED to accept the MOA between Giant Warehouse and the Union for the period May 17, 2015 through May 15, 2027.**

D. Memorandum of Agreement ("MOA") – Washington Food and Supply

Ms. Cochran reported the receipt of a newly negotiated Memorandum of Agreement between the Union and Washington Food and Supply for the period November 1, 2021 through October 31, 2024.

After discussion and review of the MOA by Fund Co-Counsel, the Trustees voted unanimous approval of the following resolution:

RESOLVED to accept the MOA between Washington Food and Supply and the Union for the period November 1, 2021 through October 31, 2024.

E. <u>2022 COBRA Rates</u>

Ms. Cochran reported that Fund Counsel reviewed the 2022 COBRA rates. She said a copy of the updated rates is contained in the meeting booklet for Trustee review.

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

RESOLVED to approve the 2022 COBRA rates as contained in the meeting booklet.

F. <u>Health Care Cost Containment Corporation ("HCCCC") – Annual Renewal</u>

Ms. Cochran reported receipt of the annual renewal for the Fund's participation in the HCCCC for the 2022 calendar year. She noted there is no fee for the 2022 calendar year.

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

RESOLVED to approve the 2022 renewal for the Fund's participation in the HCCCC for the 2022 calendar year without a fee.

G. **<u>International Foundation of Employee Benefit Plans – Annual Membership</u>**

Ms. Cochran reported receipt of the Fund's 2022 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee is $1,310 with an increase of $45 from the prior year.

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

> **RESOLVED to approve the Fund's 2022 renewal with the International Foundation of Employee Benefit Plans with the $1,310 annual fee.**

H. **<u>Laboratory Corporation of America Holdings and Quest Diagnostics Letter</u>**

Ms. Cochran reported that the LabCorp and Quest letter informing participants of changes to the network for outpatient laboratory services was mailed November 15, 2021.

I. **<u>Notice of Creditable Coverage</u>**

Ms. Cochran reported the Notice of Creditable Coverage was mailed to Plan participants on October 4, 2021.

J. **<u>2020 Summary Annual Report</u>**

Ms. Cochran reported the 2020 Summary Annual Report was mailed to Plan participants on September 16, 2021.

K. **<u>Class Action Settlement</u>**

Ms. Cochran said the Fund received a class action settlement check in the amount of $1,666.96 for Lipoderm utilization by Fund participants.

L. Telehealth Office Visits

Ms. Cochran stated that the Trustees approved telehealth visits during the pandemic with the same co-pays and coinsurance applied as an office visit.

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

RESOLVED to extend coverage of telehealth office visits through December 31, 2022.

XII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 14, 2022 as their next regular meeting date immediately following the companion Pension Fund meeting via teleconference.

XIII. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis

Secretary