**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 MARCH 14, 2022 VIA TELECONFERENCE

The following Trustees were present:

**UNION TRUSTEES**
R. Brooks - Chairman
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

## 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 December 17, 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 December 17, 2021 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 – December 31, 2021.” Mr. Sichel reported that the total market value of assets as of December 31, 2021 was $16,168,209.

### B. Asset Allocation

Mr. Sichel reported that as of December 31, 2021, the Fund held 39.0% in Investment Grade Fixed Income, 43.9% in Short Duration High Yield, 3.9% in Real Estate – Core, 0.9% in Real Estate – Value Add, and 12.2% in cash equivalents. He noted Wedge Capital held $6,308,296, Chartwell Investment held $7,103,878, ARA Core Property Fund L.P. held $635,151, Boyd Watterson held $152,625, and there was $1,968,258 in the cash account.

### C. Rebalancing Recommendation

Mr. Sichel directed the Trustees to the asset allocation chart, which listed five scenarios for the Trustees’ consideration.

Mr. Sichel reviewed the scenarios and recommended Portfolio E, which would reduce

Fixed Income Intermediate from 40.0% to 35.0% and SD High Yield asset allocation from 45.0% to 40.0% and increase Real Estate Core from 5.0% to 10.0% and Real Estate Value Add from 5.0% to 10.0%.

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

> **RESOLVED to accept the recommendation of IPS to adopt Portfolio E, reducing the Fixed Income Intermediate from 40.0% to 35.0% and SD High Yield asset allocation from 45.0% to 40.0% and increase Real Estate Core from 5.0% to 10.0% and Real Estate Value Add from 5.0% to 10.0%.**

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 31, 2021. He stated that there are no cases requiring Trustee action at this time.

### B. Extension of Certain Deadlines

Mr. Kimble reported that the national emergency declaration due to COVID-19 has been extended. He said that the national emergency declaration requires the extension of certain deadlines, including the election of COBRA, filing of appeals and HIPAA special enrollment elections.

### C. Summary Plan Description ("SPD")

Mr. Kimble reported that the revised draft version of the SPD is under review with Fund Counsel. He discussed adding "Anti-Assignment Language" to the SPD, which would prohibit participants from assigning their rights under the Plan to a third party. Mr. Kimble also recommended adding a statute of limitations for the filing of lawsuits for benefit denials under ERISA Section 502(a) to one year from the date the Trustees deny an appeal.

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

> **RESOLVED to approve adding language prohibiting participants from assigning their rights under the Plan to third parties and adding a one-year statute of limitations for the filing of lawsuits under ERISA Section 502(a) to the SPD.**

## V. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the fourth quarter 2021. The report showed contributions of $1,723,135, interest and dividend income of $120,446, self-payments of $5,661, and miscellaneous income of $3,667, producing a total income of $1,857,349 for the quarter. Expenses included $816,661 of benefit expenses and $79,720 of operating expenses, producing a total expense of $896,381. This produced a total surplus of $960,968 for the quarter ended December 31, 2021. Ms. Cochran noted that contributions were made on behalf of 329 Plan participants.

## VI. INVOICES

Ms. Cochran presented a list of invoices dated March 14, 2022 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 March 14, 2022 are**

**approved for payment as presented.**

## VII. PROVIDER REPORT – SEGAL

The Trustees welcomed Ms. Kathy Bakich to the meeting. Ms. Bakich discussed a Memorandum dated March 10, 2022 regarding the No Surprises Act and Transparency Rule, which was previously distributed to the Trustees. Ms. Bakich reviewed the status of each compliance item with the Trustees.

Ms. Bakich reviewed the processes for negotiating No Surprises Act (NSA) claims with out of network providers. She advised that Multiplan will negotiate claims with providers during the open negotiation period and that the Multiplan has requested authority to negotiate payment from the Qaulifying Payment Amount ("QPA") (or lower) up to 125% of the PA. Segal recommended the Trustees authorize Multieplan to negotiate NSA claims within this range.

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

**RESOLVED to approve the recommendation of Segal to authorize Multiplan to negotiate NSA claims up to 125% of the QPA, and to approve delegation to the Chairman and Secretary to approve any claim payment amount above 125% if needed.**

Ms. Bakich said that Cigna advised that the charges for out-of-network claims will continue to be 19% of savings under the current out-of-network program. Segal and Fund Counsel recommend that the Trustees direct Cigna to include the financial terms for No Surprises Act claims into the contract.

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

> **RESOLVED to approve the recommendation of Segal and Fund Counsel for the financial terms of the No Surprises Act claims to be included in the contract between Cigna and the Fund.**

Ms. Bakich said that Segal is still in the process of completing the report for compliance with the Mental Health Parity and Addiction Equity Act. She said the report will be available at the next meeting.

## VIII. OTHER FUND BUSINESS

### A. Dental Health Centers and Associates, LLC (DHC)

The Trustees reviewed the Dental Health Centers and Associates 2021 report. The report indicated the total yearly premium paid for dental coverage was $127,257.40. The dollar value of dentistry performed at the average "usual and customary" fees in 2021 was $156,975.00. Ms. Cochran said the report indicates that for each $1.00 in premiums paid, the members are receiving $1.23 of dental services based on "usual and customary" values.

### B. CIGNA PPO Savings Report

The Trustees reviewed a copy of the CIGNA PPO Savings Report for the period January 1, 2021 through December 31, 2021.

### C. Over-the-Counter ("OTC") COVID 19 Home Test Letters

Ms. Cochran reported the OTC COVID 19 Home Test Kit letter was mailed to participants February 11, 2022 and the revised OTC COVID 19 Home Test Kit letter was mailed to participants February 22, 2022.

**D. <u>2022 Summary of Benefits & Coverage ("SBC")</u>**

Ms. Cochran reported the 2022 SBC Notice for the period January 1, 2022 to December 31, 2022 was mailed to active participants on January 10, 2022.

**E. <u>Summary Material of Modification ("SMM")</u>**

Ms. Cochran reported that on January 10, 2022 Associated mailed an SMM regarding the No Surprises Act as approved by the Trustees.

**F. <u>2022 Auditor Engagement Letter</u>**

Ms. Cochran reported receipt of the 2022 Auditor Engagement Letter for the 2021 Plan year, which reflects a 3% increase resulting in an annual fee of $15,200.

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

> **RESOLVED to approve the 2022 Auditor Engagement letter for Plan year 2021 at an annual fee of $15,200.**

**G. <u>Annual Creditable Coverage Disclosure to the Centers for Medicare & Medicaid Services ("CMS") (2022)</u>**

Ms. Cochran reported that the Creditable Coverage Disclosure to CMS for 2022 was electronically filed on time and CMS accepted the filing.

**H. <u>Stop Loss Policy - Ullico</u>**

Ms. Cochran reported that the Fund received a dividend in the amount of $4,860 for the January 1, 2021 to December 31, 2021 policy year. The rebate is 5% of the Plan's specific gross stop loss premium.

**I. Form 1099NEC**

Ms. Cochran reported that Associated mailed the Form 1099NEC to participants on January 21, 2022.

**J. Form 1099MISC**

Ms. Cochran reported that Associated mailed the Form 1099MISC to participants on January 28, 2022.

**K. Summary Plan Description ("SPD")**

Ms. Cochran stated that the revised SPD was distributed to the Trustees for review. Trustee Brooks requested that the revised SPD be printed and mailed by Doyle Printing.

## IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected June 6, 2022 as their next regular meeting date immediately following the companion Pension Fund meeting via teleconference.

## X. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis
Secretary