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
JUNE 2, 2025
VIA ZOOM

The following Trustees were present:

UNION TRUSTEES
W. Davis – Secretary
R. Brooks
S. Clark

EMPLOYER TRUSTEES
J. Paradis – Chairman
F. Stegman

Also present were:
A. Cochran – Associated Administrators, LLC
C. Davis – Cigna
R. Grant – Associated Administrators, LLC
G. Hayes – Cigna
J. Kimble – Morgan, Lewis & Bockius, LLP
G. Kreidler – Cigna
B. Saindon – Mooney, Green, Saindon, Murphy & Welch, P.C.
R. Sichel – Investment Performance Services, LLC
J. Wuthrich – Cigna

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 March 7, 2025.

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 March 7, 2025 are approved as presented.**

III. FINANCIAL REPORT

A. Custodian Bank – PNK Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period January 1, 2025 through March 31, 2025 is contained in the meeting booklet.

B. 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 – March 31, 2025." He reviewed the financial markets generally. Mr. Sichel reported that the Fund's total market value of assets as of March 31, 2025 was $27,061,833, and the return for 2025 was 1.7%, compared to the 1.8% return for the index, gross of fees.

C. Quarterly Performance Report

Mr. Sichel reported that as of March 31, 2025 the Fund's assets were allocated as follows: 36.8% in Investment Grade Fixed Income, 43.8% in Short Duration High Yield, 6.6% in Real Estate – Core, 5.0% in Real Estate – Value Add, and 7.8% in cash equivalents. He noted Wedge Capital held $9,963,517, Chartwell Investment held $11,857,830, ARA Core Property Fund L.P. held $1,777,068, Boyd Watterson held $1,358,873, and there was $2,104,545 in the cash account.

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 the subrogation matters as of June 2, 2025. She reviewed the current cases and stated that there are no cases requiring Trustee action at this time.

B. Delinquency Collection and Payroll Audit Policies

Ms. Saindon reviewed the updates to the Delinquency Collection and Payroll Audit policy which was distributed prior to the meeting.

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

> **RESOLVED to approve the revised Delinquency Collection and Payroll Audit policy effective July 1, 2025.**

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

Mr. Kimble reported that the Departments of Labor, HHS, and Treasury paused enforcement of the 2024 MHPAEA final rule. He noted the Fund is still required to comply with MHPAEA, the 2013 Final Rule, and the Consolidated Appropriations Act's requirement that the Fund prepare a NQTL analysis.

V. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the first quarter 2025. The report showed contributions of $1,365,145, interest and dividend income of $229,531, COBRA payments of $4,881, self-payments of $0, and miscellaneous income of

$3,012, producing a total income of $1,602,569 for the quarter. Expenses included $800,222 of benefit expenses and $144,404 of operating expenses, producing a total expense of $944,626. This produced a surplus of $657,943 for the quarter ended March 31, 2025. Ms. Cochran noted that contributions were made on behalf of 316 Plan participants.

VI. INVOICES

Ms. Cochran presented a list of invoices dated June 2, 2025 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 June 2, 2025 are approved for payment as presented.**

VII. PARTICPANT APPEAL – #M25/103-8988

The participant appealed for payment related to outpatient laboratory services that were denied because the services were not provided at a Quest Diagnostics and/or Laboratory Corporation of America Holdings as the Plan requires. It was noted that effective January 1, 2022 the Plan was amended to specifically exclude lab services performed anywhere other than Quest or LabCorp. The participant stated that they confirmed the lab work was being sent to Quest Diagnostics but it was instead sent to a subsidiary of Quest Diagnostics, which caused the Fund to deny the claim.

The Trustees asked Associated and counsel to review the Cigna contract to determine if it addressed rates and discounts for subsidiary labs of Quest and LabCorp and if so, how such rates and discounts compare to the rates and discounts for Quest Diagnostics and LabCorp. The Trustees agreed that if the discount applied when using the subsidiary was identical to the discount when using Quest or LabCorp, that the claim could be reprocessed and paid.

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

> **RESOLVED that the appeal is approved and the claim to be reprocessed if the subsidiary provider provides the same discount as Quest.**

The Trustees directed Co-Counsel to work with Segal to review the relationship between Cigna and the affiliates of Quest Diagnostics and LabCorp.

VIII. PROVIDER REPORT – CIGNA

The Trustees welcomed Mr. Graham Hayes, Ms. Greta Kreidler, Ms. Caroline Davis and Ms. Jada Wuthrich from Cigna to the meeting. A copy of their report titled, "January 2024 – December 2024 Savings Results, Pharmacy Updates and Member Engagement" was included in the meeting booklet.

A. PPO Savings Report

Mr. Hayes reviewed the CIGNA PPO savings report for the period January 1, 2024 through December 31, 2024 and January 1, 2025 through March 31, 2025. The PPO network savings, meaning the billed amount less the network allowed amount, equaled $1,714,343 for the period January 1, 2025 through March 31, 2025. This represents an overall PPO savings of 67.5%. Mr. Hayes reviewed the out-of-network savings results for the period January 1, 2025 through March 31, 2025 noting a savings of 58.0%.

B. Pharmacy Report

Ms. Wuthrich reviewed the pharmacy utilization for the period January 1, 2024 through December 31, 2024. She reviewed the key indicator summary, top therapeutic classes by plan spend, and top drugs by plan spend and by volume. She discussed the Formulary Changes made effective July 1, 2020 that continue to reflect Cigna's low net drug cost approach and proven utilization management strategies.

C. Member Engagement

Ms. Davis reviewed the member engagement report which included emergency room and urgent care utilization for the 2023 and 2024 Plan years.

The Trustees thanked Mr. Hayes, Ms. Greta Kreidler, Ms. Caroline Davis and Ms. Jada Wuthrich and they were excused from the meeting. The Trustees then discussed contacting Segal to potentially conduct a closing audit of Cigna as the Fund no longer uses Cigna as its PBM.

IX. OTHER FUND BUSINESS

A. Cyber Liability Policy – INTERIM ACTION

Ms. Cochran reported that between meetings the Trustees voted to renew the Cyber Liability policy for the period May 20, 2025 through May 20, 2026 with Beazley, through the broker Segal Select. She advised that the annual premium was $6,490.00 with a $2,000,000 limit of liability, noting the policy also covers the Pension and Legal Funds.

B. 2024 Annual Audit

Ms. Cochran reported that Novak Francella performed fieldwork for the audit in the Administrative Manager's office the week of May 19, 2025. She said that the auditor expects to file the Form 990 and Form 5500 by the due date.

C. Class Action Settlements

Ms. Cochran reported that the Fund received a check in the amount of $31.83 related to the Valeant class action settlement and a check in the amount of $11.65 for the Zetia class action settlement.

D. Cigna Prescription Drug Formulary Rebate

Ms. Cochran reported that the Fund received the annual prescription formulary rebate from Cigna in the amount of $130,723.83.

E. Trustee Resignation

Ms. Cochran reported that Mr. Michael Goble resigned as an alternate Trustee effective December 28, 2024.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected September 12, 2025 as their next regular meeting date immediately following the companion Pension Fund meeting via Zoom.

XI. ADJOURNMENT

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

Respectfully submitted,

William Davis

Secretary