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

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (800) 730-2241
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-6102
Telephone: (800) 730-2241
www.associated-admin.com

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 HEALTH AND WELFARE TRUST FUND SEPTEMBER 8, 2023 VIA ZOOM

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
W. Davis – Secretary	J. Paradis – Chairman
R. Brooks	F. Stegman
F. Myers	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. EXECUTIVE SESSION

The Trustees excused Associated from the meeting for an executive session. After the discussion, Ms. Cochran and Ms. Grant were welcomed back into the meeting.

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held June 9, 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 June 9, 2023 are approved as presented.**

IV. 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 – June 30, 2023." Mr. Sichel reviewed the financial markets generally. Mr. Sichel reported that the Fund's total market value of assets as of June 30, 2023 was $21,517,088, and its year-to-date return is 1.8%, compared to the 2.0% return for the index.

B. Quarterly Performance Report

Mr. Sichel reported that as of June 30, 2023 the Fund held 35.7% in Investment Grade Fixed Income, 41.3% in Short Duration High Yield, 6.9% in Real Estate – Core, 3.9% in Real Estate – Value Add, and 12.3% in cash equivalents. He noted Wedge Capital held 7,682,761, Chartwell Investment held $8,889,622, ARA Core Property Fund L.P. held $1,477,808, Boyd Watterson held $829,119, and there was $2,637,778 in the cash account.

C. Asset Allocation

Mr. Sichel noted that the cash allocation is within the targeted policy range. However, since the allocation is on the high end of the range and because there are no immediate needs for extra cash, he recommended the Trustees reallocate money from the cash account as follows: 1) $600,000 from the cash account to Wedge Capital Management (Investment Grade Fixed Income) and 2) $400,000 from the cash account to Chartwell Investment (Short Duration High Yield).

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

> **RESOLVED to follow IPS' recommendation to rebalance the assets by allocating funds as follows: 1) $600,000 from the cash account to Wedge Capital Management, 2) $400,000 from the cash account to Chartwell Investment.**

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

V. COUNSEL REPORT

A. Subrogation Report

Ms. Saindon reviewed the status of subrogation matters as of September 8, 2023. She stated that there are no cases requiring Trustee action at this time.

B. Consolidated Appropriations Act ("CAA")

1. Gag Clause

Mr. Kimble reported on the Consolidated Appropriation Act's Gag Clause Attestation requirement and advised that the regulation requires an annual attestation be submitted to CMS attesting that the the Plan's contracts with certain of its service providers to do not contain “gag clauses.” He said the regulation allows Plans to delegate the annual submission responsibility to another entity, such as a Third-Party Administrator. Ms. Cochran confirmed that an Associated employee will electronically sign and submit the attestation on behalf of the Fund. Mr. Kimble said that Fund Co-Counsel will work with Associated on the attestation and will review the relevant contracts to ensure they do not contain gag clauses. The Trustees agreed to delegate the GCPCA submission responsibility to Associated.

2. <u>Mental Health Parity and Addiction Equity Act (“MHPAEA”)</u>

Mr. Kimble reported on the draft MHPAEA NQTL Analysis.

VI. <u>ADMINISTRATIVE MANAGER’S REPORT</u>

Ms. Cochran presented the Administrative Manager’s Report for the second quarter 2023. The report showed contributions of $1,606,571, interest and dividend income of $207,294, COBRA payments of $3,667, self-payments of $2,550, and miscellaneous income of $0, producing a total income of $1,820,082 for the quarter. Expenses included $583,072 of benefit expenses and $104,220 of operating expenses, producing a total expense of $687,292. This produced a total surplus of $1,132,790 for the quarter ended June 30, 2023. Ms. Cochran noted that contributions were made on behalf of 353 Plan participants.

VII. <u>INVOICES</u>

Ms. Cochran presented a list of invoices dated September 8, 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 September 8, 2023 are approved for payment as presented.

VIII. <u>PARTCIPANT APPEAL – #M23-106-5181</u>

The participant appealed for payment of claims for 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 document 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. Ms. Cochran further explained that the Fund mailed a notice to participants advising of this amendment.

The Trustees noted that the denied claims were related to rapid tests performed in the doctor's office and the participant has no control over where the tests are processed.

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

RESOLVED to approve appeal #M22/127-4802 and amend the Plan to provide that certain rapid lab services provided in a doctor's office be covered.

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

RESOLVED to have Fund Counsel develop a list of exceptions for the mandatory Quest Diagnostics and/or Laboratory Corporation of America Holdings rule for the Trustees' consideration and potential inclusion in the Plan amendment.

IX. OTHER FUND BUSINESS

A. Administrative Services Contract Renewal

Ms. Cochran distributed and reviewed her letter dated September 8, 2023 which notes that the administrative services contract between the Fund and Associated Administrators, LLC will expire on December 31, 2023 and provides detailed information in support of the request for a three-year renewal, with 4% annual fee increases. Associated Administrators, LLC was excused from the meeting for an executive session. After the executive session, Associated was invited back into the meeting.

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

> **RESOLVED to approve an extension of the administrative services contract with Associated Administrators, LLC, for the period January 1, 2024 through December 31, 2026, with 4% annual fee increases.**

Ms. Cochran thanked the Board of Trustees for the contract renewal. Fund Counsel requested that Associated prepare a new contract. Ms. Cochran confirmed that a contract would be prepared and sent to Counsel for review.

B. Cigna PPO Savings Report

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

C. Fidelity Bond Renewal – INTERIM ACTION

Ms. Cochran noted interim action the Trustees took to renew the Fidelity Bond policy for the period July 11, 2023 through July 11, 2026 with the incumbent carrier, Zurich, through the broker Segal Select. She said that there was no increase in the annual premium. She reported that the Trustees approved the renewal via an electronic poll conducted in July 2023.

D. <u>Fiduciary Liability Policy – INTERIM ACTION</u>

Ms. Cochran reviewed the interim action the Trustees took to renew the Fiduciary Liability policy for the period July 26, 2023 through July 26, 2024 with the incumbent carrier, Markel American Insurance Company/Ullico ("Ullico"), through the broker Segal Select. She said that there was no increase in the annual premium.

E. <u>Patient Centered Outcomes Research Institute (PCORI)</u>

Ms. Cochran stated the PCORI fee, imposed by the Affordable Care Act for self-insured group plans, was mailed on July 19, 2023. The amount paid was $2,061.00.

F. <u>2022 Annual Audit</u>

Ms. Cochran reported that the Fund's auditor, Novak Francella, filed the Form 990 and Form 5500 on August 7, 2023.

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

Ms. Cochran reported receipt of the Fund's 2024 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee contains a $65 increase from the prior year.

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

> **RESOLVED to approve the Fund's 2024 renewal with the International Foundation of Employee Benefit Plans at the $1,425.00 annual fee.**

H. No Surprises Act and Transparency Rule

Ms. Cochran reported that the Price Comparison Tool implementation with Greenlight is close to being complete. The Trustees requested that Ms. Cochran provide a demonstration on how to operate the Price Comparison Tool, once available.

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

Ms. Cochran reported that Segal provided rates regarding an RFP for the Pharmacy Benefit Manager ("PBM") and medical provider. She said Segal provided the following options, 1) a medical RFP for $65,000 - $70,000, 2) a pharmacy RFP for $45,000 or, 3) a medical and pharmacy RFP with fees not to exceed $100,000.

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

> **RESOLVED to engage Segal to perform a medical and pharmacy RFP for a fee not to exceed $100,000.**

Trustee Brooks said he would contact Segal to try and negotiate a lower fee.

J. Cybersecurity Policy

Ms. Cochran reported that the requested data was provided to the Cybersecurity consultant, PFK O'Connor Davies ("PFK") on August 15, 2023.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 1, 2023 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