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DRAFT

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
BAKERS UNION AND FELRA HEALTH AND WELFARE FUND
MARCH 9, 2022
LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEE	EMPLOYER TRUSTEES
L. Jones	J. Williams
G. Oskoian – Chairman	Michael Goble - (via telephone[KJT1])

Also present were:
L. Tarro - Optum Rx
M. DeLancey - Blank Rome, LLP - (via telephone)
J. Kimble - Morgan, Lewis & Bockius, LLP
C. Little - PNC
K. Phillips - Associated Administrators, LLC
D. Welch - Associated Administrators, LLC

I. CALL TO ORDER

A quorum being present, the Chairman called the meeting to order at 10:06 am.

II. MINUTES

The Trustees reviewed the minutes of the regular Board meeting held on December 8, 2021, which were circulated in advance of the meeting.

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

RESOLVED, that the minutes of the regular Board meeting held on December 8, 2021 are approved as presented.

III. FINANCIAL REPORT – PNC BANK, NA – SUMMARY OF ACTIVITY

Mr. Little presented the Summary of Activity Report for the period ending February 28, 2022, a copy of which is attached to and made a part of these minutes as Exhibit A. The report showed a beginning market value of $338,997, net contributions and withdrawals that resulted in a loss of $1,463, investment income of $368, producing an ending market value of $580,193.

Mr. Little presented the portfolio holdings as of February 28, 2022. The Fund holds 46% in limited maturity bonds, with a market value of $267,073 and 54% in cash with a market value of $313,120. Mr. Little informed the Trustees that he did not recommend any changes to the asset allocation at this time, however he would continue to monitor the portfolio closely.

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

IV. OPTUM Rx

The Trustees welcomed Ms. Lissa Tarro of Optum Rx to the meeting.

Ms. Tarro reviewed the OptumRx 2021 Annual Review Plan Performance Report for March 9, 2022, a copy of which is attached to and made a part of these minutes as Exhibit B. She reviewed the Plan's drug utilization and costs for the period January 2021 to December 2021. The Plan cost per member per month (pmpm) was $108.33 for the period January 2021 to December 2021 as compared to $123.55 for the period January 2020 through October 2020. The OptumRx Taft Hartley book of business ("BOB") per member per month cost for the period January 2021 to December 2021 was $102.14. Specialty drugs accounted for less than 1% of the Plan's drug cost. The top twenty traditional and specialty drugs paid by the Plan from January 1, 2021 to December 31, 2021 were reviewed. She also reported the Clinical Outcome savings for January 2021 through December 2021 was $82,000. This includes Prior Authorization, Step Therapy, Quantity Limits and the Vigilant Drug Program. Ms. Tarro noted that the home delivery rate had increased from 1.0% to 2.9% since the Fund implemented the Mail Service Saver Program July 1, 2021.

The Trustees thanked Ms. Tarro for her presentation and excused her from the meeting

V. **CO-COUNSEL REPORT**

A. **Vendor Contracts**

Mr. Kimble reported on the status of Co-Counsel's review of the contracts with OptumRx and Cigna.

B. **Deadline Extensions**

Mr. Kimble informed the Trustees that deadlines tolled due to the COVID-19 National Emergency and were set to expire on March 1, 2022, but have been extended. The deadlines related to COBRA, claims, appeals, and HIPAA special enrollment elections will be extended until the earlier of one year or, if earlier, 60 days from the end of the National Emergency.

VI. **ADMINISTRATIVE MANAGER REPORT**

Ms. Welch presented the Administrative Manager Report for the fourth quarter of 2021. The report showed employer contribution income of $1,106,645, employee payroll deductions of $35,946, interest and dividend income of $483, and miscellaneous income of $26,900, producing a total income of $1,169,974. Expenses included $647,981 for medical benefits, $31,710 for CIGNA premiums, $42,837 for dental premiums, $7,143 for disability benefits, $196,092 for prescription drug benefits, $4,382 for life insurance benefits, $25,315 for stop loss insurance, $6,026 for optical benefits, and $72,496 in operating expenses, producing total expenses of $1,033,925 and resulting in a surplus of $135,992. Contributions were made on behalf of 452 active participants. There were no delinquencies. Ms. Welch noted that as of February 28, 2022, the Fund had $580,002.40 in reserves, representing 1.7 months.

Ms. Welch reviewed a High Cost Medical Claims Report for January 1, 2022 through February 28, 2022 and informed the Trustees that twelve participants had incurred claims above $50,000 that totaled $1,142,224.90. She noted four of the twelve participants are deceased.

The Trustees reviewed a Savings Report for the 2021 Plan year. The chart noted a savings of $168,596.36 as a result of plan benefit changes and a decrease in premiums for several plan providers.

VII. INVOICES

Ms. Welch reviewed a list of invoices dated March 9, 2022. She stated that there were no additions, deletions or changes to the list. The Trustees reviewed the list and determined that all invoices represent proper Fund expenses.

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

> **RESOLVED, to approve payment of the invoices dated March 9, 2022 as presented.**

VIII. PARTICIPANT APPEALS

A. Appeal M22/102-9299

The Trustees considered an appeal from a participant requesting payment of a claim for telehealth services.In considering appeal the Trustees reviewed the participant's letter of appeal dated February 7, 2022, a copy of the claim, and the terms of the SPD related to coverage for telehealth services.

Afer reviewing the foregoing the Trustees approved the appeal noting that the participant was suffering from "Acute recurrent maxillary sinusitis" and that the provider was not seeing any patients in person.

RESOLVED to approve the appeal to pay the telehealth visit claim up to the usual, customary and reasonable rate, in accordance with the parameters of the Plan.

B. Appeal M22/103-8606

The Trustees considered an appeal from Remote Neuromonitoring Physicians on behalf of the participant as his authorized representative for payment of a surgical claim that was denied because it was an out-of-network claim for neurophysiology monitoring during the participant's surgical procedure.

The Trustees tabled a decision on the participant's appeal pending additional information from the provider.

IX. OTHER FUND BUSINESS

A. Fiduciary Liability Policy

Ms. Welch reported that the Fiduciary Liability Policy was renewed for the period of January 1, 2022 through January 1, 2023. She confirmed all Trustees have paid their individual waiver of recourse premiums.

B. Cyber Liability Policy

Ms. Welch noted that the Trustees unanimously approved via email poll on December 22, 2021 obtaining a Cyber Liability Policy with Travelers, through the broker Segal for the period of January 1, 2021 to January 1, 2022. Segal provided quotes from Beazley and Travelers. They recommended Travelers based on the broad scope of coverage and competitive premiums. The one year policy premium is $4,303.

C. OptumRx Rebate

Ms. Welch reported that the Fund had received a rebate from OptumRx for the second quarter of 2021 in the amount of $26,900.

D. Summary of Material Modifications ("SMM")

Ms. Welch informed the Trustees thar the SMM which detailed modifications to the Plan in accordance with the No Surprises Act was mailed to Plan participants on January 5, 2022.

She reported the SMM regarding the over-the-counter COVID test kits was mailed to Plan participants on February 4, 2022.

D. Independent Dispute Resolution ("IDR")

Ms. Welch informed the Trustees that Cigna will be able to perform post payment negotiations and the arbitration management services with the support of MultiPlan to meet the IDR requirements under the No Surprises Act. She distributed the IDR Resolution Solution recently received from Cigna to the Trustees.

Fund Counsel recommended pending additional discussion until Co-Counsel and the Administrative Manager could review and discuss the information received via teleconference with Cigna.

E. Transparency in Coverage

Ms. Welch noted that under the Transparency in Coverage Rule issued in 2020 by the U.S. Departments of Health & Human Services, Labor and Treasury, enforced beginning July 1, 2022 the Plan will be required to publish machine readable files for in-network negotiated rates for all covered items and services between the Plan and in-network providers. She noted that Cigna will be producing and hosting client specific in-network machine readable files and they are expected to release additional information by the end of the week. Ms. Welch stated she would circulate the additional information to Co-Counsel and the Trustees once received.

She noted the Transparency in Coverage Rule also requires cost sharing information to be made available to participants through an internet based self-service tool and in paper form upon request. An initial list of 500 shoppable services will be required beginning on January 1, 2023. The remainder of all items and services will be required beginning January 1, 2024. Ms. Welch informed the Trustees that Cigna will have an internet based self-service tool available by January 1, 2023. The Trustees requested that Ms. Welch invite Cigna to the next meeting to provide a presentation regarding the self-service tool.

F. <u>Department of Labor ("DOL") Cybersecurity Best Practices</u>

Ms. Welch informed the Trustees that the questionnaire and request for information developed by Co-Counsel was sent to all providers for completion and execution.

G. <u>Weekly Accident & Sickness Benefit</u>

The Trustees discussed the weekly Accident & Sickness Benefit. After discussion,

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

> **RESOLVED to request a proposal from Segal for the cost to the Plan to increase the weekly Accident & Sickness Benefit to 50% of gross straight time pay for 18 weeks and 40% of gross straight time pay for 8 weeks.**

XI. NEXT MEETING DATE AND LOCATION

The quarterly Board meetings for the 2022 Plan year are scheduled to be held on June 8th, September 7th and December 7th.

XII. ADJOURNMENT

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

Respectfully submitted,

Gary Oskoian

<u>Attachments:</u>

Exhibit A: PNC Capital Advisors Investment Review for Period Ending February 28, 2022
Exhibit B: Optum Rx Plan Performance Report January 2021 through December 2021