Bakers Union and FELRA
Health and Welfare Fund
Board of Trustees Meeting
June 12, 2024

Bakers Union and FELRA
Health and Welfare Fund

911 Ridgebrook Road
Sparks, MD 21152-9451
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BOARD OF TRUSTEES MEETING
JUNE 12, 2024

AGENDA

I. Call to Order

II. Minutes - Regular Meeting held March 11, 2024

III. Optum Rx - Holly Agoney, Optum Rx.

IV. Co-Counsel Report

V. Administrative Managers Report – First Quarter 2024

VI. Invoices

VII. Appeal

VIII. Financial Report - Chris Little, PNC

IX. Other Fund Business

- MZQ Consulting – Comparative Analysis Update
- Optum Rx – Impact by Average Manufacturer Price Medicaid Rebate Cap (AMP-Cap) Removal

X. 2024 Meeting Dates

- Thursday September 12, 2024
- Thursday December 12, 2024

MINUTES

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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 11, 2024 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEE	EMPLOYER TRUSTEES
L. Jones	M. Goble
G. Oskoian - Chairman	J. Williams (via tele-conference)

Also present were:
C. Little - PNC Bank, NA
H. Agoney – Optum Rx
M. DeLancey - Blank Rome, LLP
J. Kimble - Morgan, Lewis & Bockius, LLP
A. Sims – Associated Administrators, LLC
K. Phillips - Associated Administrators, LLC
A. Steen - Associated Administrators, LLC

I. CALL TO ORDER

A quorum being present, the Chairman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the regular Board meeting held on December 6, 2023, 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 6, 2023 are approved as presented.

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

The Trustees welcomed Mr. Little, of PNC Bank, NA to the meeting.

Mr. Little presented the Summary of Activity Report for the period ending January 31, 2024, 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 $1,592,866 net contributions and withdrawals that resulted in a loss of $4,505, investment income of $2,873, producing an ending market value of $1,588,361.

Mr. Little presented the portfolio holdings as of January 31, 2024. The Fund holds 33.4% in limited maturity bonds, with a market value of $530,397 and 66.6% in cash with a market value of $1,057,965. Mr. Little noted the year-to-date return was 0.45%. Mr. Little reported the current market value of the portfolio was $1,588,362. Mr. Little stated that the Trustees will need to decide whether to purchase another CD or invest the proceeds in a Money Market account. Mr. Little will discuss these options at the June 12, 2024 meeting.

The Trustees thanked Mr. Little for his presentation, and he was excused from the remainder of the meeting.

The Trustees requested an analysis of the net amount of fees that the Fund has paid to PNC for the past few years. Associated Administrators will obtain this information and provide between meetings.

IV. OPTUM Rx

The Trustees welcomed Ms. Holly Agoney of Optum Rx to the meeting.

Ms. Agoney reviewed the report prepared by Optum Rx titled Plan Performance Report for the period January 2023 to December 2023, 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 2023 to December 2023. The Plan cost per member per month (pmpm) was $176.21 for the period January 2023 to December 2023 as compared to $122.92 for the period of January 2022 through December 2022. The OptumRx Taft Hartley book of business ("BOB") per member per month cost for the period January 2023 to December 2023 was $128.49. Specialty drugs accounted for 90.9 of the Plan's drug cost and was the primary cause for the Plan's higher cost pmpm when compared to Optum's Taft Hartley BOB pmpm cost. The top twenty traditional and specialty drugs paid by the Plan from January 1, 2023 to December 31, 2023 were reviewed. She also reported the Utilization Management Program savings for January 2023 through December 2023 was $111,400, Vigilant Drug Program savings was $20,251 and Variable Co-payment Program was $9,747.

The top traditional disease state is Diabetes, the top specialty disease state is Inflammatory Conditions. The top 5 disease states accounted for 73% of total plan paid. Mr. DeLancey asked what the impact would be if oncology medications were fully removed from the plan and if this would help to reduce the overall cost to the Fund. Trustees and Counsel also requested for the criteria regarding administration of Mounjaro. Ms. Agoney said she will research provide the information.

Ms. Agoney reported on two programs that could have potential cost savings: Optum Rx Specialty Standards and Poly Pharmacy Clinical. Ms. Agoney stated that with the Specialty Standards program, the Fund could potentially save up to $8,600 per year. The Trustees questioned whether the savings were based on a participant count that included just members or members and dependents. Ms. Agoney stated she will research and provide an updated report. Ms. Agoney will also confirm if the Retail 90 program is currently in place for this Plan and if not, provide information on what is required to implement this program.

The Trustees thanked Ms. Agoney for her presentation and she was excused from the remainder of the meeting.

V. CO-COUNSEL REPORT

A. Memorandum of Agreement (MOA)

Mr. Kimble advised that the Memoranda of Agreement between Giant Food and BCTGM AFL-CIO Local 68 & 118 dated January 11, 2024 have been circulated and reviewed.

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

RESOLVED, to approve the Memoranda as presented.

VI. ADMINISTRATIVE MANAGER REPORT

Ms. Sims presented the Administrative Manager Report for the fourth quarter of 2023. The report showed employer contribution income of $1,061,905, employee payroll deduction income of $37,133, interest and dividend income of $11,710, and miscellaneous income of $0, producing a total income of $1,061,905. Expenses included $523,752 for medical benefits, $30,541 for CIGNA premiums, $41,933 for dental premiums, $5.971 for disability benefits, $320,845 for prescription drug benefits, $16,488 for life insurance benefits, $33,024 for stop loss insurance, $5,382 for optical benefits, and $62,601 in operating expenses, producing total expenses of $1,040,483 and resulting in a surplus of $21,422 for the quarter. Contributions were made on behalf of 438 active participants and that there were no delinquencies.

Ms. Sims noted that as of December 31, 2023, the Fund had $1,586,606.42 in assets, representing 4.7 months of reserves.

VII. INVOICES

Ms. Sims reviewed a list of invoices dated March 11, 2024. 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 11, 2024 as presented.**

VIII. PARTICIPANT APPEAL

Ms. Sims reviewed a request from a provider, Versa Cardio, on behalf of a participant, for service dated August 28, 2023. Versa Cardio is appealing for payment of a claim that was denied because the provider used a cardiac monitoring telemetry provider that does not participate with the Cigna network. Per the summary provided by Versa Cardio, an in-network provider ordered the testing and the equipment was hooked up in the doctor's office. They further state that the cardiac monitoring telemetry provider uses proprietary technology to provide "live" 30-day patient monitoring and their technology can observe and capture cardiac events that other technology may miss. Versa Cardio is asking that the claim be reprocessed as an in-network service without applying the deductible.

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

> **RESOLVED, to approve payment to the provider at the in-network rate through Cigna.**

IX. OTHER FUND BUSINESS

A. Mental Health Parity and Addition Equity Act ("MHPAEA") Comparative Analyses of Non-Quantitative Treatment Limitations ("NQTL")

Ms. Sims reported that MZQ Consulting is finalizing their report. MZQ Consulting stated that it is awaiting information from Cigna, after which MZQ will finalize the report and provide it to the Trustees.

B. Optum Rx April 1, 2024 Renewal

Ms. Sims reported that the Trustees had approved the Optum Rx renewal, effective April 1, 2024, via an email poll between meetings. The renewal amendment was reviewed by Co-Counsel and will be sent to Chairman and Secretary for signatures.

C. Quorum of the Board of Trustees

The Trustees discussed the Trust Document's definition of a quorum for the conduct of business at a Trustees' meeting and whether a Trustee's granting of a proxy counted towards a quorum. Co-counsel advised that they would review the Trust Agreement and, if necessary, would prepare an amendment to the Trust Agreement providing for proxies to be counted towards a quorum.

D. Summary of Plan Description (SPD)

Ms. Sims provided an update on the status of the draft SPD.

E. Fiduciary Liability Renewal

Ms. Sims reported that the Trustees approved the Fiduciary Liability policy renewal, effective January 1, 2024, with a $2 million limit of liability with an annual premium of $4,364 via an email poll between meetings.

F. Cybersecurity Liability Insurance

Ms. Sims reported that the Trustees approved the cybersecurity liability insurance policy renewal proposal, effective December 29, 2023 with an annual premium of $5,366 via an email poll between meetings.

G. CMS Disclosure Notice

Ms. Sims reported that Associated timely mailed the CMS Disclosure Notice on February 28, 2024.

H. Ranbaxy Litigation Settlement

Ms. Sims reported that the Fund received a check in the amount of $666.96 from the Ranbaxy prescription drug class action settlement.

I. Gag Clause Attestation

Ms. Sims reported that Associated timely filed the Gag Clause Attestation on December 15, 2023.

J. Stop Loss Renewal

Ms. Sims reported that the Trustees approved the Stop Loss policy renewal with a $350,000 specific deductible via an email poll between meetings.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees noted that the next regular Board meetings are scheduled to be held in the conference room of Associated Administrators, LLC in Landover, Maryland on the following dates:

Wednesday, June 12, 2024 at 10:00 A.M.

Thursday, September 12, 2024 at 10:00 A.M.

Thursday, December 12, 2024 at 10:00 A.M.

XI. ADJOURNMENT

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

Respectfully submitted,

Michael Goble

Attachments:

Exhibit A: PNC Capital Advisors Investment Review for Period Ending January 31, 2024
Exhibit B: Optum Rx Plan Performance Report January 2023 through December 2023

ADMINISTRATIVE MANAGER'S REPORT

BAKERS UNION AND FELRA

HEALTH AND WELFARE FUND

FIRST QUARTER 2024

ADMINISTRATIVE MANAGER'S REPORT

FIRST QUARTER 2024
PLAN 1
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS

	FT/PT	RATE	PARTICIPANTS	CONTRIBUTIONS
GIANT	FT	$ 1,225.62	78	$ 288,020
SAFEWAY	FT	$ 1,225.62	129	$ 475,540
TOTAL			**207**	**$ 763,560**

EMPLOYEE PAYROLL

GIANT	$ 42.54	94	$ 14,142
SAFEWAY	$ 42.54	190	$ 21,682
TOTAL		**284**	**$ 35,824**

FIRST QUARTER 2024
PLAN 1
EXPENSES

BENEFIT EXPENSES

BENEFIT	RATE	EXPENSE	COMMENT
MEDICAL		$ 306,068	
CIGNA	$ 32.23	$ 22,869	
DELTA DENTAL	$ 41.11	$ 26,683	
OPTUM RX		$ 241,321	1,127 SCRIPTS
LIFE/AD&D/DISABILITY	.185/.025/.391	$ 11,595	
OPTICAL PROVIDER	$ 5.36	$ 3,613	
STOP LOSS	$ 27.83	$ 24,298	
SUB TOTAL		$ 636,447	

OPERATING EXPENSES

ADMINISTRATION	$ 32.23	$ 20,112	
MISCELLANEOUS		$ 25,329	
SUB TOTAL		$ 45,441	

TOTAL EXPENSES	**$ 681,888**

MISCELLANEOUS EXPENSES

ACCOUNTING	$ -
BONDING AND FIDUCIARY INSURANCE	$ 7,811
CONSULTANTS	$ -
CYBER SECURITY INSURANCE	$ -
IFEBP MEMBERSHIP DUES	$ -
INVESTMENT FEES	$ -
LEGAL	$ 17,245
MEETINGS	$ -
ACA REGULATIONS	$ -
PCORI FEE	$ -
PNC ACCOUNT FEE	$ 273
POSTAGE	$ -
PRINTING	$ -
RECORD SEARCH	$ -
SOFTWARE SUPPORT	$ -
TELEPHONE	$ -
TRANSITIONAL REINSURANCE	$ -

TOTAL MISCELLANEOUS EXPENSES	**$ 25,329**

FIRST QUARTER 2024
PLAN 1
QUARTERLY RECAP

INCOME	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	TOTAL
EMPLOYER CONTRIBUTIONS	$ 763,560	$ -	$ -	$ -	$ 763,560
EMPLOYEE PAYROLL	$ 35,824	$ -	$ -	$ -	$ 35,824
COBRA	$ 883	$ -	$ -	$ -	$ 883
TOTAL INCOME	**$ 800,267**	**$ -**	**$ -**	**$ -**	**$ 800,267**

	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	TOTAL
MEDICAL	$ 306,068	$ -	$ -	$ -	$ 306,068
CIGNA	$ 22,869	$ -	$ -	$ -	$ 22,869
DENTAL-DENEX	$ 26,683	$ -	$ -	$ -	$ 26,683
DRUG	$ 241,321	$ -	$ -	$ -	$ 241,321
LIFE/AD&D/DISABILITY	$ 11,595	$ -	$ -	$ -	$ 11,595
OPTICAL	$ 3,613	$ -	$ -	$ -	$ 3,613
STOP LOSS	$ 24,298	$ -	$ -	$ -	$ 24,298
OPERATING EXPENSE	$ 45,441	$ -	$ -	$ -	$ 45,441
TOTAL EXPENSE	$ 681,888	$ -	$ -	$ -	$ 681,888
SURPLUS (DEFICIT)	**$ 118,379**	**$ -**	**$ -**	**$ -**	**$ 118,379**

	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	AVERAGE
TOTAL PARTICIPANTS	207				207

Miscellaneous expense assigned to Plan 1, 2, 3 and 4 is based on participant counts-
approved by The Board of Trustees on September 13, 2006.

FIRST QUARTER 2024
PLAN 3
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS

	FT/PT	RATE	PARTICIPANTS	CONTRIBUTIONS
GIANT	FT	$ 593.00	57	$ 101,996
GIANT	PT	$ 161.42	12	$ 5,972
SAFEWAY	FT	$ 593.00	61	$ 109,112
SAFEWAY	PT	$ 161.42	76	$ 36,642
TOTAL			**206**	**$ 253,722**

FIRST QUARTER 2024
PLAN 3
EXPENSES

BENEFIT EXPENSES

BENEFIT	RATE	EXPENSE	COMMENT
MEDICAL		$ 55,759	
CIGNA	$ 32.23	$ 9,693	
DELTA DENTAL	$ 41.11	$ 12,470	
OPTUM RX		$ 39,772	328 SCRIPTS
LIFE/AD&D/DISABILITY	.185/.025/.391	$ 4,455	
OPTICAL PROVIDER	$ 5.36	$ 1,495	
STOP LOSS	$ 27.83	$ 11,288	
SUB TOTAL		$ 134,932	

OPERATING EXPENSES

ADMINISTRATION	$ 32.23	$ 20,208	
MISCELLANEOUS		$ 10,737	
SUB TOTAL		$ 30,945	

TOTAL EXPENSES	**$ 165,877**

MISCELLANEOUS EXPENSES

ACCOUNTING	$ -
CONSULTANTS	$ -
CYBER SECURITY INSURANCE	$ -
IFEBP MEMBERSHIP DUES	$ -
LEGAL	$ 7,310
PCORI	$ -
PNC ACCOUNT FEE	$ 116
PRINTING	$ -
TELEPHONE	$ -
TOTAL MISCELLANEOUS EXPENSES	**$ 10,737**

FIRST QUARTER 2024
PLAN 3
QUARTERLY RECAP

INCOME	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	TOTAL
EMPLOYER CONTRIBUTIONS	$ 253,722	$ -	$ -		$ 253,722
TOTAL INCOME	$ 253,722	$ -	$ -	$ -	$ 253,722

EXPENSES	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	TOTAL
MEDICAL	$ 55,759	$ -	$ -	$ -	$ 55,759
CIGNA	$ 9,693	$ -	$ -	$ -	$ 9,693
DENTAL-DENEX	$ 12,470	$ -	$ -	$ -	$ 12,470
DRUG	$ 39,772	$ -	$ -	$ -	$ 39,772
LIFE/AD&D/DISABILITY	$ 4,455	$ -	$ -	$ -	$ 4,455
OPTICAL	$ 1,495	$ -	$ -	$ -	$ 1,495
STOP LOSS	$ 11,288	$ -	$ -	$ -	$ 11,288
OPERATING EXPENSE	$ 30,945	$ -	$ -	$ -	$ 30,945
TOTAL EXPENSE	$ 165,877	$ -	$ -	$ -	$ 165,877
SURPLUS (DEFICIT)	**$ 87,845**	**$ -**	**$ -**	**$ -**	**$ 87,845**

	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	AVERAGE
TOTAL PARTICIPANTS	206				206

Miscellaneous expense assigned to Plan 1, 2, 3 and 4 is based on participant counts-approved by The Board of Trustees on September 13, 2006.

FIRST QUARTER 2024
PLAN 4
CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS

	FT/PT	RATE		PARTICIPANTS	CONTRIBUTIONS	
GIANT	PT	$	25.72	10	$	771
SAFEWAY	PT	$	25.72	6	$	462
TOTAL				**16**	**$**	**1,233**

FIRST QUARTER 2024
PLAN 4
EXPENSES

BENEFIT EXPENSES

BENEFIT	RATE	EXPENSE	COMMENT
MEDICAL		$ -	
CIGNA	$ 32.23	$ -	
DELTA DENTAL	$ 41.11	$ 2,965	
LIFE/AD&D	185/.025/.391	$ 442	
OPTICAL PROVIDER	$ 5.36	$ 327	
SUB TOTAL		$ 3,734	

OPERATING EXPENSES

ADMINISTRATION	$ 32.23	$ 1,547	
MISCELLANEOUS		$ -	
SUB TOTAL		$ 1,547	

TOTAL EXPENSES	**$ 5,281**

[1] Eligibility is based on a per eligible count instead of member count

FIRST QUARTER 2024
PLAN 4
QUARTERLY RECAP

INCOME	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	TOTAL
EMPLOYER CONTRIBUTIONS	$ 1,233	$ -	$ -	$ -	$ 1,233
TOTAL INCOME	$ 1,233	$ -	$ -	$ -	$ 1,233

EXPENSES	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	TOTAL
MEDICAL	$ -	$ -	$ -	$ -	$ -
CIGNA	$ -	$ -	$ -	$ -	$ -
DENTAL-DENEX	$ 2,965	$ -	$ -	$ -	$ 2,965
DRUG	$ -	$ -	$ -	$ -	$ -
LIFE/AD&D/DISABILITY	$ 442	$ -	$ -	$ -	$ 442
OPTICAL	$ 327	$ -	$ -	$ -	$ 327
STOP LOSS	$ -	$ -	$ -	$ -	$ -
OPERATING EXPENSE	$ 1,547	$ -	$ -	$ -	$ 1,547
TOTAL EXPENSE	$ 5,281	$ -	$ -	$ -	$ 5,281
SURPLUS (DEFICIT)	**$ (4,048)**	**$ -**	**$ -**	**$ -**	**$ (4,048)**

	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	AVERAGE
TOTAL PARTICIPANTS	16				16

Miscellaneous expense assigned to Plan 1, 2, 3 and 4 is based on participant counts-
approved by The Board of Trustees on September 13, 2006.

FIRST QUARTER 2024
COMBINED
QUARTERLY RECAP

INCOME	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	TOTAL
EMPLOYER CONTRIBUTIONS	$ 1,018,515	$ -	$ -	$ -	$ 1,018,515
EMPLOYEE PAYROLL	$ 35,824	$ -	$ -	$ -	$ 35,824
COBRA	$ 883	$ -	$ -	$ -	$ 883
INTEREST & DIVIDENDS	$ 17,806	$ -	$ -	$ -	$ 17,806
MISCELLANEOUS INCOME	$ 54,847	$ -	$ -	$ -	$ 54,847
TOTAL INCOME	$ 1,127,875	$ -	$ -	$ -	$ 1,127,875

EXPENSES	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	TOTAL
MEDICAL	$ 361,827	$ -	$ -	$ -	$ 361,827
CIGNA	$ 32,562	$ -	$ -	$ -	$ 32,562
DENTAL-DENEX	$ 42,118	$ -	$ -	$ -	$ 42,118
DRUG	$ 281,093	$ -	$ -	$ -	$ 281,093
LIFE/AD&D/DISABILITY	$ 16,492	$ -	$ -	$ -	$ 16,492
OPTICAL	$ 5,435	$ -	$ -	$ -	$ 5,435
STOP LOSS	$ 35,586	$ -	$ -	$ -	$ 35,586
OPERATING EXPENSE	$ 77,933	$ -	$ -	$ -	$ 77,933
TOTAL EXPENSE	$ 853,046	$ -	$ -	$ -	$ 853,046
SURPLUS (DEFICIT)	**$ 274,829**	**$ -**	**$ -**	**$ -**	**$ 274,829**

	FIRST 2024	SECOND 2024	THIRD 2024	FOURTH 2024	AVERAGE
TOTAL PARTICIPANTS	429	0	0	0	429
FUND RESERVE	$ 1,698,846	$ -	$ -	$ -	

Optum Rx Pharmacy Rebate received 1/4/24 for 2Q 2023 $54,180.00
Litigation Settlement received 1/31/24 for Ranbaxy Anti Trust Settlement $666.96

Miscellaneous expense assigned to Plan 1, 2, 3 and 4 is based on participant counts-
approved by The Board of Trustees on September 13, 2006.

2023
COMBINED
QUARTERLY RECAP

INCOME	FIRST 2023	SECOND 2023	THIRD 2023	FOURTH 2023	TOTAL
EMPLOYER CONTRIBUTIONS	$ 1,051,939	$ 1,020,244	$ 1,001,959	$ 1,009,349	$ 4,083,491
EMPLOYEE PAYROLL	$ 33,361	$ 37,835	$ 40,091	$ 37,133	$ 148,420
COBRA	$ 4,950	$ 3,713	$ 2,475	$ 3,713	$ 14,851
INTEREST & DIVIDENDS	$ 8,753	$ 3,491	$ 29,185	$ 11,710	$ 53,139
MISCELLANEOUS INCOME	$ 44,950	$ -	$ 51,140	$ -	$ 96,090
TOTAL INCOME	$ 1,143,953	$ 1,065,283	$ 1,124,850	$ 1,061,905	$ 4,395,991

EXPENSES	FIRST 2023	SECOND 2023	THIRD 2023	FOURTH 2023	TOTAL
MEDICAL	$ 912,446	$ 421,362	$ 459,920	$ 523,752	$ 2,317,480
CIGNA	$ 31,793	$ 30,671	$ 30,144	$ 30,541	$ 123,149
DENTAL-DENEX	$ 40,001	$ 40,699	$ 39,675	$ 41,933	$ 162,308
DISABILITY	$ 6,114	$ 10,943	$ 17,057	$ 5,971	$ 40,085
DRUG	$ 247,395	$ 262,086	$ 314,435	$ 320,845	$ 1,144,761
LIFE[1]	$ 4,877	$ 4,800	$ 4,775	$ 16,488	$ 30,940
OPTICAL	$ 5,180	$ 5,382	$ 5,285	$ 5,328	$ 21,175
STOP LOSS	$ 25,773	$ 34,301	$ 34,302	$ 33,024	$ 127,400
OPERATING EXPENSE	$ 58,951	$ 70,704	$ 79,192	$ 62,601	$ 271,448
TOTAL EXPENSE	$ 1,332,530	$ 880,948	$ 984,785	$ 1,040,483	$ 4,238,746
SURPLUS (DEFICIT)	**$ (188,577)**	**$ 184,335**	**$ 140,065**	**$ 21,422**	**$ 157,245**

	FIRST 2023	SECOND 2023	THIRD 2023	FOURTH 2023	AVERAGE
TOTAL PARTICIPANTS	419	411	412	438	420
FUND RESERVE	$ 1,161,224	$ 1,308,815	$ 1,406,519	$ 1,586,606	

Miscellaneous expense assigned to Plan 1, 2, 3 and 4 is based on participant counts-
approved by The Board of Trustees on September 13, 2006.

FIRST QUARTER 2024
PLANS 1, 2, 3 & 4
DELINQUENCIES

NONE

BAKERS UNION & FELRA	
HEALTH AND WELFARE	
GAIN/LOSS STATEMENT	
May-24	
Beginning Bank Balance	**$1,798,835.28**
Contributions	348,453.14
Investments	5,071.78
Rx Rebates / COBRA Premium	887.82
Investments Gain	2,557.07
TOTAL INCOME	**$356,969.81**
EXPENSES:	
Medical Claims	235,899.24
Cigna	0.00
Dental	14,431.60
Vision	0.00
Drug	76,319.75
Stop Loss	11,790.71
Operating Expenses	15,697.66
Legal Expenses	1,079.00
Life / AD&D / Disability Insurance	5,633.90
Investments Loss	0.00
Fiduciary Insurance Policy	0.00
Audit / Actuary	2,100.00
TOTAL EXPENSES	**$362,951.86**
GAIN/LOSS	**-$5,982.05**
Ending Bank Balance	**$1,792,853.23**
Current Months of Reserve	**4.7**
Previous Quarters Reserve	**4.7**

Fund Reserve

Months of Available Fund Reserve		
Expenses		
January 1 - December 31, 2023		$ 4,508,005.35
January 1 - May 31, 2024		$ 1,696,063.22
Total		$ 6,204,068.57
Per Month		$ 364,945.21
Fund Reserve		
31-May-24		**$1,698,846.50**
Months of Reserve		**4.7**

Contribution Rates				
	Plan 1	**Plan 2**	**Plan 3**	**Plan 4**
2009	$2.66	$1.08		
2010	$5.19	$2.17		
2011/12	$5.01	$2.59		
2013	Full Time $844.00	$485.00		
2014	Full Time $853.00	$485.00		
2015	Full Time $830.00	$267.00	$262.00	$18.40
2016	Full Time $830.00	$267.00	$262.00	$18.40

INVOICES

Bakers Union and FELRA Health and Welfare Fund

INVOICES

June 12, 2024

Associated Administrators, LLC

02/02/2024	Administrative Fee for January 2024	$13,858.00
03/27/2024	Administrative Fee for February 2024	$13,987.82
03/27/2024	Meeting expenses	$185.28
04/30/2024	Administrative Fee for March 2024	$13,366.80
06/03/2024	Administrative Fee for April 2024	$13,955.59

Blank Rome, LLP

03/11/2024	Professional Services Rendered through March 31, 2024	$3,894.00
05/10/2024	Professional Services Rendered through April 30, 2024	$198.00

Morgan Lewis and Brokius LLP

03/12/2024	Professional Services Rendered through February 29, 2024	$164.00
03/12/2024	Professional Services Rendered through February 29, 2024	$2,739.00
04/09/2024	Professional Services Rendered through March 31, 2024	$217.50
04/09/2024	Professional Services Rendered through March 31, 2024	$5,893.00
05/06/2024	Professional Services Rendered through April 30, 2024	$1,079.00

Calibre

03/22/2024	Progress billing for professional services rendered in connection with our audit for the year ended December 31, 2023.	$6,650.00
04/25/2024	Progress billing for professional services rendered in connection with our audit for the year ended December 31, 2023.	$2,100.00
05/20/2024	Progress billing for professional services rendered in connection with our audit for the year ended December 31, 2023.	$2,500.00

APPEALS

NAME: **SS#:**

Bakers Union and FELRA Health and Welfare Fund

EMPLOYER:	Safeway	**LOCAL:**	118
DATE OF HIRE:	December 7, 2003	**STATUS:**	Full Time
PLAN:	1		

ISSUE: Hospital/Medical – Nonparticipating Provider, Late Appeal #M24/102-3693

FUND RULE:
"**Hospital and Medical Benefits**

Important! You must use a participating [Cigna] provider in order to be covered. Services performed by non-[Cigna] providers will not be paid under the Fund, with limited exceptions."
(Bakers Union and FELRA Health and Welfare Fund SPD, July 2016, Page 94)

"**Review of a Denied Claim**

[…] If your claim is denied, you (or your authorized representative) may, within 180 days from receipt of the denial, request a review by writing to the Board of Trustees. […]"
(Bakers Union and FELRA Health and Welfare Fund SPD, July 2016, Page 153)

SUMMARY:		
	Date(s) of Service:	October 4, 2017, November 5, 2021, November 19, 2021, July 14, 2022, and July 22, 2022
	Claim(s) Received:	October 23, 2017 through August 4, 2022
	Claim(s) Denied:	November 1, 2017 through August 5, 2022
	Appeal Received:	March 25, 2024

The **participant** is appealing for payment of claims that were denied because the provider does not participate with Cigna. The participant states that he was not aware of the provider's out-of-network status.

Fund records indicate Express Healthcare, LLC (located in College Park, Maryland) submitted claims for office visits on October 4, 2017, November 5, 2021, November 19, 2021, July 14, 2022, and July 22, 2022. The claims were denied because Express Healthcare, LLC does not participate with Cigna.

After the appeal was received, the Fund office contacted Cigna. Cigna confirmed that Express Healthcare, LLC is not an in-network provider.

ACTION: **Approved** ☐ **Denied** ☐ **Tabled** ☐
COMMENTS:

RECEIVED
MAR 25 2024
AA, LLC

3/19/2024

To whom it may concern:

I am writing this letter about the bills that were sent from express healthcare LLC that were not paid. I am appealing these bills to be paid because I was not aware of the healthcare LLC was not on the network.

Sincerely,

SS#.

OTHER FUND BUSINESS

Additional Products Impacted by Average Manufacturer Price Medicaid Rebate Cap (AMP-Cap) Removal

Good afternoon everyone,

As you know, in 2023 several pharmaceutical manufacturers began announcing significant pricing changes to their products in response to recent regulatory and industry pressures stemming from the implementation of the American Rescue Plan Act of 2021, along with changes made to eliminate the Medicaid Rebate Cap starting January 1, 2024. As a result of the unanticipated industry wide changes, Optum Rx determined that rebate guarantees needed to be adjusted.

Optum Rx has been closely monitoring drug pricing changes and there have been additional manufacturers who have announced pricing changes to the following products:

- Symbicort
- Victoza
- Advair HFA
- Xyosted
- Copaxone
- Pradaxa
- Finacea
- Servant Dis
- Invokana

After close evaluation and consideration, Optum Rx has determined from the list of impacted products above, the drug price changes on the ***following products*** require a rebate credit adjustment effective 1/1/2024.

- Symbicort
- Victoza
- Advair HFA

The updated rebate adjustment will be made in an equitable manner in consideration of this continued impact of an industry wide event.

Financial Modeling

We are attaching supporting financial documentation for these impacted drugs in 2024 for your review. Any and all future financial impact analysis modeling shared is meant to be directional and is subject to change.

Next Steps
Optum Rx will continue to provide updates on any other manufacturer changes and will communicate rebate and other changes that may impact your financial guarantees as information becomes available in this evolving environment.

Please ensure that the information in this email and financial modeling is shared with any additional stakeholders within Segal who I may have missed.

Sincerely,

Holly Agoney

EXT COMM, FID 1008	Ingredient Cost Current	Ingredient Cost Future	Ingredient Cost Difference	Rebate Current	Rebate Future	Rebate Difference	Net Cost Current	Net Cost Future	Net Cost Difference
ADVAIR HFA	$11,230	$9,052	($2,178)	$0	$0	$0	$11,230	$9,052	($2,178)
SYMBICORT	$3,202	$1,921	($1,281)	$0	$0	$0	$3,202	$1,921	($1,281)
VICTOZA	$3,173	$2,224	($949)	$0	$0	$0	$3,173	$2,224	($949)
Total	**$17,605**	**$13,197**	**($4,408)**	**$0**	**$0**	**$0**	**$17,605**	**$13,197**	**($4,408)**

Disclaimer:
The data listed above is annualized based on 2024 Q1 claim data.

Please note that any summaries provided to you are only estimates, and should not be viewed as any representation by Optum that any provided projections are confirmed and final.

Clients should use utmost caution in relying on these projections, including with respect to any current or future bid submissions to CMS. Additionally, Client is not obligated to follow any formulary recommendations and Client remains solely responsible for all benefit design decisions.

MEETING NOTES