Bakers Union and FELRA
Health and Welfare Fund

911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone: (410) 683-6500
Toll Free: (866) 662-2537
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, MD 20785-2361
Telephone: (301) 459-3020
Toll Free: (866) 662-2537
www.associated-admin.com

DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE BAKERS UNION AND FELRA HEALTH AND WELFARE FUND MARCH 2, 2023 LANDOVER, MARYLAND

The following Trustees were present:

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

Also present were:
H. Agoney - Optum Rx
M. DeLancey - Blank Rome, LLP
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.

II. MINUTES

The Trustees reviewed the minutes of the regular Board meeting held on December 7, 2022, 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 7, 2022 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, 2023, 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 $1,495,060, net contributions and withdrawals that resulted in a gain of $1,761, investment income of $4,483, producing an ending market value of $1,566,480.

Mr. Little presented the portfolio holdings as of January 31, 2023. The Fund holds 17.1% in limited maturity bonds, with a market value of $267,860 and 82.9% in cash with a market value of $1,298,620.

Mr. Little reported that three United States Treasury Bills were purchased as directed by the Trustees at the last Board meeting that totaled $250,000. A $100,000 treasury bill that matures on March 16, 2023, a $100,000 treasury bill that matures on May 16, 2023, and a $50,000 treasury bill that matures on July 13, 2023. He discussed investing additional cash in treasuries. Mr. Little noted the Federal Reserve was expected to raise the target federal funds at their next meeting on March 22, 2023 and recommended the Trustees wait to invest in additional treasuries until after the Federal Reserve meets.

The Trustees tabled a decision on investing additional cash into treasuries until after the Federal Reserve meets on March 22, 2023 and requested that Mr. Little provide an allocation recommendation to the Trustees at the end of March 2023.

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

IV. OPTUM Rx

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

Ms. Agoney reviewed the OptumRx Plan Performance Report for the period January 2022 to December 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 2022 to December 2022. The Plan cost per member per month (pmpm) was $122.92 for the period January 2022 to December 2022 as compared to $108.33 for the period of January 2021 through December 2021. The OptumRx Taft Hartley book of business ("BOB") per member per month cost for the period January 2022 to December 2022 was $122.74. Specialty drugs accounted for 20.6% of the Plan's drug cost. The top twenty traditional and specialty drugs paid by the Plan from January 1, 2022 to December 31, 2022 were reviewed. She also reported the Utilization Management Program savings for January 2022 through December 2022 was $84,300, Vigilant Drug Program savings was $5,201 and Variable Co-payment Program was $8,532.

Ms. Agoney discussed the Optum Rx Price Edge Program that would allow members to receive an additional savings on co-payments for some generic drugs. She noted a claims analysis report from October 1, 2021 to September 30, 2022 reported an overall $5,000 savings for participants that utilized drugs in the Price Edge Program.

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

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

> **RESOLVED, to implement the OptumRx Price Edge Program as soon as administratively possible.**

V. CO-COUNSEL REPORT

A. End of COVID National Emergency

Mr. Kimble reported the Biden Administration announced its intent to end the national emergency and public health emergency declarations related to the COVID-19 pandemic on May 11, 2023.

The national emergency declarations required plans to provide certain coverages and toll various deadlines. Employee benefit plan deadlines for HIPAA special enrollment, COBRA continuation coverage and premium payments, claims filing and appeal and adverse benefit determination filings were tolled for the period of March 1, 2020 until the earlier of (a) one year from the date the plan or individual was first eligible for relief, or (b) the end of the Outbreak Period. The Outbreak Period expires 60 days after the end of the national emergency, which will be July 10, 2023.

Plan were required to cover COVID-19 testing services and other services resulting in the order for the test, FDA approved over-the-counter COVID-19 tests and COVID-19 vaccines without cost sharing for in-network and out-of-network providers during the national COVID-19 emergency.

The Plan will still be required to cover in-network COVID-19 vaccinations without cost sharing as part of the Affordable Care Act preventive services mandate for in-network immunizations.

Ms. Welch noted Optum Rx is still determining the options for covering over-the-counter COVID-19 test kits through the prescription benefit plan after the national emergency.

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

RESOLVED, to reinstate the applicable Plan deadlines that were in effect prior to the national COVID-19 emergency.

And,

RESOLVED, to cover under Major Medical COVID-19 testing services and other services relating to COVID-19 provided services are obtained at an in-network provider or facility. COVID-19 vaccinations will be covered on an in-network basis only without cost-sharing.

The Trustees tabled further discussion on the over-the-counter COVID-19 test kits until additional information was received from Optum Rx.

B. <u>Air Ambulance Reporting</u>

Mr. Kimble noted the No Surprises Act includes a provision requiring Plans to report information regarding air ambulance service claims to the Centers for Medicare and Medicaid Services. The anticipated deadiline for the first report was March 2023 however, reporting is not required until 90 days after the first full year following the issuance of final regulations. He said that because no regulations have been issued there was no required reporting in March 2023.

VI. ADMINISTRATIVE MANAGER REPORT

Ms. Welch presented the Administrative Manager Report for the fourth quarter of 2022. The report showed employer contribution income of $4,358,733, employee payroll deductions of $154,795, interest and dividend income of $14,051, and miscellaneous income of $165,014, producing a total income of $4,710,265. Expenses included $1,847,444 for medical benefits, $131,649 for CIGNA premiums, $176,362 for dental premiums, $35,285 for disability benefits, $920,672 for prescription drug benefits, $17,594 for life insurance benefits, $106,838 for stop loss insurance, $24,291 for optical benefits, and $295,840 in operating expenses, producing total expenses of $3,555,975 and resulting in a surplus of $1,154,290; Contributions were made on behalf of 438 active participants and that there were no delinquencies. The Fund reserve was $1,561,996.96 as of January 31, 2023, which was projected to provide benefits for 5.3 months.

Ms. Welch reviewed the high cost medical claims received from October 1, 2022 to February 28, 2023. She informed the Trustees that one member incurred claims that were paid in the amount of $559,041.88. Ms. Welch noted a claim had been filled with the stop loss insurance carrier for $159,041.85. The current stop loss policy specific deductible per covered person is $350,000 with a $50,000 aggregating specific deductible.

VII. <u>INVOICES</u>

Ms. Welch reviewed a list of invoices dated March 2, 2023. 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 2, 2023 as presented.**

VIII. <u>OTHER FUND BUSINESS</u>

A. <u>Mental Health Parity and Addiction Equity Act ("MHPAEA") Comparative Analyses of Non-Quantative Treatment Limitations ("NQTL") Proposals</u>

Ms. Welch reviewed the proposals for conducting the Mental Health Parity NQTL Analysis. Proposals were received from the following consultants: (1) NQTL Analysis Services, (2) MZQ Consulting Inc., (3) Bolton, and (4) Segal.

The Trustees directed Ms. Welch to obtain a reference from NQTL Analysis Services from another Taft Hartley Fund that engaged them to complete the MHPAEA Comparative Analysis.

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

> **RESOLVED, to engage NQTL Analysis Services to complete**

the Mental Health Parity and Addiction Equity Comparitive Analysis, contingent on receipt and confirmation of a positive reference from a Taft Hartley Fund that engaged NQTL Analysis Services to complete the comparative analysis.

B. <u>Life Insurance and Accidental Death & Dismemberment ("AD&D") Insurance Policy Renewal</u>

Ms. Welch noted the Trustees via email poll on December 22, 2022 unanimously approved Amalgamateds' Life and AD&D Insurance Policy proposal for the term of January 1, 2023 to December 31, 2023 with a premium of $4.50 pepm for Life Insurance and $0.50 pepm for AD&D Insurance.

C. <u>Stop Loss Policy Renewal</u>

Ms. Welch reported the Trustees via email poll on December 22, 2022 unanimously approved US Fire/Zurich Insurance Company proposal for Stop Loss Insurance. The Stop Loss policy is effective from January 1, 2023 to December 31, 2023 with a premium of $37.57 pepm.

D. <u>Disability Benefit Increase</u>

Ms. Welch informed the Trustees Madison Consulting was able to obtain one quote for a Short Term Disability Insurance Policy from Amalgamated Life. The proposed amount would be $15.00 pepm with an annual premium of $77,940. Madison Consulting received refusals to quote from the following carriers: Guardian, Reliance and Shelterpoint.

The trustees requested that Ms. Welch contact Ed Chicoski at Lakeshore Consulting to complete a Request for Proposals for a short term disability insurance policy carrier.

E. <u>Optum Rx Rebate</u>

Ms. Welch reported a rebate was received from Optum Rx for the first quarter of 2022 in the amount of $76,885.00.

IX. NEXT MEETING DATE AND LOCATION

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

Friday, June 29th, 2023 at 10:00 A.M.

Wednesday, September 13, 2023 at 10:00 A.M.

Wednesday, December 6, 2023 at 10:00 A.M.

X. 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, 2023
Exhibit B: Optum Rx Plan Performance Report January 2021 through December 2023