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 JUNE 29, 2023 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEE	**EMPLOYER TRUSTEES**
L. Jones	M. Goble
G. Oskoian - Chairman	J. Williams

Also present were:
H. Agoney - OptumRx (via videoconference)
C. Atwood - OptumRx (via videoconference)
M. DeLancey - Blank Rome, LLP
J. Kimble - Morgan, Lewis & Bockius, LLP
C. Little - PNC Bank, NA
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 March 2, 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 March 2, 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 May 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 $3,172, investment income of $20,456, producing an ending market value of $1,145,645.

Mr. Little presented the portfolio holdings as of May 31, 2023. The Fund holds 23.7% in limited maturity bonds, with a market value of $271,399 and 76.3% in cash with a market value of $874,245. The Fund has a United States Treasury Bill in the amount of $50,000 that matures on July 13, 2023. Mr. Little noted money market interest rates are currently in line with the three and six month United States Treasury Bills rates and recommended the $50,000 be invested in the money market account upon maturity.

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 OptumRx via video conference to the meeting.

Ms. Agoney reviewed the OptumRx Plan Performance Report for the period January 2023 to March 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 March 2023. The Plan cost per member per month (pmpm) was $157.32 for the period January 2023 to March 2023 as compared to $113.49 for the period of January 2022 through March 2022. The OptumRx Taft Hartley book of business ("BOB") per member per month cost for the period January 2023 to March 2023 was $119.55. Specialty drugs accounted for 42.3% of the Plan's drug cost. The top twenty traditional and specialty drugs paid by the Plan from January 1, 2023 to March 31, 2023 were reviewed. She also reported the Utilization Management Program savings for January 2023 through March 2023 was $93,100, Vigilant Drug Program savings was $5,726 and Variable Co-payment Program was $8,664.

The top traditional disease state is Diabetes, the top specialty disease state is Inflammatory Conditions. The top 5 disease states accounted for 77% of total plan paid.

Ms. Williams questioned if the Plan would receive any savings due to insulin manufacturers recently lowering the cost of insulin and capping the out of pocket expense to $35 per fill. Ms. Agoney stated she would discuss this with the Optum Rx Clinical Director and provide the Trustees a response.

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

V. CO-COUNSEL REPORT

A. Consolidated Appropriations Act ("CAA") Gag Clause Prohibition Attestation

Mr. Kimble informed the Trustees the CAA prohibits plans from entering into contracts that contain gag clauses that would prevent the disclosure of cost or quality of care information or data, and certain other information to active or eligible participants, beneficiaries, and enrollees of the plan or coverage, plan sponsors, or referring providers, or restrict the plan or issuer from sharing such information with a business associate, consistent with applicable privacy regulations.

Mr. Kimble noted Plans will be required to submit an annual attestation of compliance with the applicable gag clause provisions to the Department of Labor, Treasury and Health and Human Services. The first attestation will cover the period beginning

December 27, 2020 and ending on the date of the attestation. Subsequent annual attestations will be due by December 31 of each year.

Co-Counsel will be reviewing the Plan vendor contracts to assure no gag clauses are in place and working with the Administrative Services Manager to prepare the attestation.

B. Mental Health Parity and Addition Equity Act ("MHPAEA") Comparative Analyses of Non-Quantative Treatment Limitatins ("NQTL")

Mr. Kimble reported that Co-Counsel had reviewed the NQTL Analysis Services ("NQTL") Service Agreement and suggested several edits to the agreement. NQTL responded that the standard pricing quote received was based upon the assumption that no changes would be required to the service agreement. If the service agreement changes the Plan should expect the price to change as well. They stated changing legal agreements on a client by client basis becomes very expensive and the cost of negotiating the agreement can often quickly exceed the value of the contract.

After discussion, the Trustees directed the administrative services manager to contact NQTL to determine if they would be willing to change the provision of law in the contract from South Carolina to Maryland and if so the additional cost for the change.

VI. ADMINISTRATIVE MANAGER REPORT

Ms. Welch presented the Administrative Manager Report for the first quarter of 2023. The report showed employer contribution income of $1,051,939, employee payroll deductions of $33,361, interest and dividend income of $8,753, and miscellaneous income of $44,950, producing a total income of $1,143,953. Expenses included $912,446 for medical benefits, $31,793 for CIGNA premiums, $40,001 for dental premiums, $6,114 for disability benefits, $247,395 for prescription drug benefits, $4,877 for life insurance benefits, $25,773 for stop loss insurance, $5,180 for optical benefits, and $58,951 in operating expenses, producing total expenses of $1,332,530 and resulting in a deficit of $188,577. Contributions were made on behalf of 419 active participants and that there were no delinquencies.

Ms. Welch noted that as of May 31, 2023, the Fund had $1,142,267.77 in reserves, representing 3.3 months of reserves, compared to 3.4 months as of March 31, 2023.

Ms. Welch reported the second and third quarter Optum Rx rebates were received in the amount of $44,950. She also informed the Trustees a $159,089.76 reimbursement was received on May 17, 2023 from the stop loss carrier, Gerber.

VII. INVOICES

Ms. Welch reviewed a list of invoices dated June 29, 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 June 29, 2023 as presented.**

VIII. APPEALS

A. #E23/108-3764

Ms. Welch reviewed an appeal from a participant requesting immediate enrollment in Fund coverage. In considering the appeal the Trustees reviewed the participants letter dated May 23, 2023, enrollment forms, and terms of the Summary Plan Description ("SPD") related to eligibility for benefits.

After reviewing the foregoing.

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

> **RESOLVED, to deny the appeal to provide immediate enrollment in Fund coverage.**

B. #E23/110-0612

Ms. Welch reviewed an appeal from a participant to allow reimbursement in the amount of $2,993.22, for health coverage premiums the member paid for another policy, for the period from October 2022 through March 2023 because she was unaware she was eligible for Plan coverage. In considering the appeal the Trustees reviewed the participants letter dated May 24, 2023, the enrollment form, and terms of the Summary Plan Description ("SPD") related to eligibility for benefits.

After discussion the Board of Trustees tabled further discusion for additional information.

IX. OTHER FUND BUSINESS

A. CAA – RxDC Reporting

Ms. Welch informed the Trustees the RxDC Reporting was filed timely on June 20, 2023.

B. Patient Centered Outcomes Research Institute ("PCORI") Fee

Ms. Welch reported that the PCORI fees for self-insured plans must be filed by July 31, 2023. For the 2022 Plan year, the PCORI Fee increased from $2.79 to $3.00 per covered life. Ms. Welch noted the Board selected the snapshot method for the prior fillings to determine the average number of lives covered under the Plan. Utilizing this method, the count for the 2022 plan year would be 619. If approved, the count will be provided to the Fund's Auditor along with a Fund check in the amount of $1,857 to file along with the Form 720 prior to the July 31, 2023 deadline.

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

> **RESOLVED to approve payment of the PCORI premium of $1,857 for the Plan year ended December 31, 2022 based on the snapshot method of calculation.**

C. Delta Dental Renewal

Ms. Welch reviewed the Contract Renewal Proposal and the 2022 Utilization Renewal Calculation Report provided by Delta Dental. Delta Dental proposed a 5% increase in the current rate of $41.11 per member per month ("pmpm") to $43.17 pmpm for the contract term of September 1, 2023 to August 31, 2024.

The Trustees directed Ms. Welch to contact Delta Dental and determine if they would revise there proposal to provide a two year contract term from September 1, 2023 to August 31, 2024 with a 2.5% increase in premium each year.

D. Fidelity Bond Renewal

Ms. Welch reported the Trustees unanimously approved renewing the Fidelity Bond with the incumbent carrier Chubb via email poll on May 26, 2023 for the policy period of June 1, 2023 to June 1, 2026. Chubb proposed a 2% ($55) increase in the premium from $2,730 to $2,785.

E. Summary of Material Modifications ("SMM")

Ms. Welch noted the Notice of End of Temporary COVID-19 Related Extension of Certain Plan Deadlines SMM and the Notice of End of Temporary Coverage of Out-Of-Network COVID-19 Diagnostic Tests and Vaccines SMM was mailed to Plan participants on May 26, 2023.

F. Group Life and Accidental Death &Dismemberment ("AD&D") and Short Term Disability Insurance Options Report

Ms Welch reviewed a Group Life, AD&D and Short Term Disability Insurance Options Report prepared by Lakeshore Benefit Group Insurance Brokerage, LLC, ("Lakeshore") as requested by the Trustees. LakeShore awarded eighteen carriers the opportunity to provide Group Life, AD&D and Short Term Disability insurance proposals and received competitively priced proposals from Boston Mutual, Guardian, Dearborn Life and The Hartford.

LakeShore obtained proposals from Short Term Disability insurance carriers to enhance the Short Term Disability benefit to 50% of gross salary with a maximum paid of $400 weekly for the first 18 weeks and 40% of gross salary for the remaining 8 weeks for a total of 26 weeks as requested by the Trustees. Boston Mutual proposed a more comprehensive benefit of 50% of gross salary with a maximum paid of $400 weekly for the entire 26 week benefit period.

Following a discussion, the Trustees directed the Administrative Services Manager to contact Boston Mutual to determine if they would provide a two year rate guarantee and to circulate an email poll to the Trustees for consideration upon receipt of the response.

X. 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:

Wednesday, September 13, 2023 at 10:00 A.M.
Wednesday, December 6, 2023 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 March 31, 2023
Exhibit B: Optum Rx Plan Performance Report January 2023 through March 2023