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DRAFT

**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
BAKERS UNION AND FELRA HEALTH AND WELFARE FUND
SEPTEMBER 8, 2022**

The following Trustees were present:

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

Also present were:
H. Agoney - OptumRx
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 June 8, 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 June 8, 2022 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 July 31, 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 of $674,487, investment income of $3,176, producing an ending market value of $1,011,386.

Mr. Little presented the portfolio holdings as of July 31, 2022. The Fund holds 26.1% in limited maturity bonds, with a market value of $264,421 and 73.9% in cash with a market value of $746,965.

Mr. Little discussed the increase in assets over the first six months of 2022 due to increased receipts and a decrease in expenses. Mr. Little informed the Trustees that he did not recommend any other changes to the asset allocation at this time, however he would continue to monitor the portfolio closely.

The Trustee requested that Mr. Little provide recommendations on additional investment options if the assets increase above 4 months of reserve.

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

IV. OPTUMRx

The Trustees welcomed Ms. Holly Agoney of OptumRx to the meeting.

Ms. Agoney reviewed the OptumRx Plan Performance Report for the period January 2022 to June 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 June 2022. The Plan cost per member per month (pmpm) was $114.15 for the period January 2022 to June 2022 as compared to $114.84 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 June 2022 was $104.89. Specialty drugs accounted for 0.9% of the Plan's drug cost. The top twenty traditional and specialty drugs paid by the Plan from January 1, 2022 to June 30, 2022 were reviewed. She also reported the Utilization Management Program savings for July 2021 through June 2022 was $96,100. Ms. Agoney reviewed the Vigilant Program Outcomes for July 2021 through June 2022. Total Plan Paid Savings $38,530 and the Variable Co-pay Solutions Outcomes savings for January 2022 through June 2022 was $4,166.

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

V. CO-COUNSEL REPORT

A. Department of Labor ("DOL") Cybersecurity Best Practices

Mr. Kimble reported on the DOL's guidance related to cybersecurity best practices. Mr. Kimble recommended that the Trustees approve issuing a request for proposal ("RFP") to hire a third-party consultant to review the responses to the cybersecurity information request that were sent to all of the plan service providers to confirm the service provider is in compliance with the guidance issued by the U.S. Department of Labor's Employee Benefits Security Administration.

The Trustees instructed Co-Counsel to issue an RFP to the third-party consultants that they recommended to review the cybersecurity responses.

B. Cigna Contract

Mr. Kimble reported that the final review of the Cigna Service Agreement had been completed and the contract was executed.

VI. ADMINISTRATIVE MANAGER REPORT

Ms. Welch presented the Administrative Manager Report for the second quarter of 2022. The report showed employer contribution income of $1,104,275, employee payroll deductions of $38,295, employee contributions of $4,417, interest and dividend income of $980, and miscellaneous income of $20, producing a total income of $1,147,987. Expenses included $438,750 for medical benefits, $32,477 for CIGNA premiums, $44,070 for dental premiums, $13,943 for disability benefits, $217,443 for prescription drug benefits, $4,420 for life insurance benefits, $26,883 for stop loss insurance, $5,783 for optical benefits, and $76,959 in operating expenses, producing total expenses of $860,728 and resulting in a surplus of $287,259 Payments were made on behalf of 444 active participants and that there were no delinquencies. The Fund reserve was $1,143,907.55 as of August 30, 2022, which was projected to provide benefits for 3.6 months.

VII. INVOICES

Ms. Welch reviewed a list of invoices dated September 8, 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 September 8, 2022 as presented.**

VIII. PARTICIPANT APPEALS

A. Appeal M22/119-9186

Ms. Welch presented an appeal from a participant requesting payment of a surgical pathology claim that was denied because the provider does not participate with CIGNA. The participant states that she was unaware of the pathology provider's network status and that they did not inform her of this at the time of the procedure. Fund records indicate that the participant had an outpatient surgical procedure performed by Dr. Joseph R. Murphy of University of Maryland Community Medical Group (a participating provider) at Civista Medical Center (a participating facility) on January 13, 2021. Advanced Pathology Associates submitted a claim for pathology services rendered on January 13, 2021. The claim was denied because Advanced Pathology Associates does not participate with CIGNA.

After discussion and review of the terms of the Plan, upon a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the appeal to pay the surgical pathology claim up to the usual, customary and reasonable rate, in accordance with the parameters of the Plan.**

B. <u>Appeal M22/122-0366</u>

The participant is appealing for payment of a claim for a Cologuard test that was denied. The participant states in summary, "My physician prescribed this test so that I can be appropriately screened for colorectal cancer." Fund records indicate that Exact Sciences Laboratories submitted a claim for a Cologuard test (fecal DNA test to screen for colon cancer) with the diagnoses "Encounter for screening for malignant neoplasm of colon, and rectum." The claim was denied because the test was rendered on a routine/preventive care basis, and therefore, is not a covered benefit. Note: The Plan provides coverage for one (1) screening colonoscopy, every five (5) years, for covered individuals aged 50 to 75. The participant was age 71 on this date of service. The Cologuard test is not included on the Fund's ACA Preventive Services Benefit List.

After discussion and review of the terms of the Plan, upon a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the appeal to pay the Cologuard colorectal cancer screening test under the Plan. Cologuard**

screening tests will be covered under the Plan every three years, for participants and eligible dependents who are aged 45 to 85 years and have no signs or symptoms of colorectal disease and no personal diagnosis or family history of known genetic disorders that predispose them to a high lifetime risk of colorectal cancer as recommended by the United States Preventive Services Task Force.

C. Appeal M22/124-6336

The participant’s spouse is appealing for payment of two claims for telehealth services that were denied. The participant's spouse states that she called her primary care doctor for a sick visit, and did not have control over whether it was a telehealth service. The participant's spouse further states that a follow up visit with another provider was also telehealth, and she doesn't understand why these services weren't covered as they have been in the past. Fund records indicate that Delaware Primary Care (Dr. Abimbola Osunkoya) submitted a claim for telehealth services rendered on April 27, 2022 with a primary diagnosis of "Insomnia, unspecified." In addition, Christiana Institute of Advanced Surgery (Dr. Rahul Singh) submitted a claim for telehealth services rendered on May 11, 2022 with a primary diagnosis of "Other obesity due to excess calories." The claims were denied because the Plan specifically excludes coverage of telehealth services. The Board of Trustees amended the Plan to allow coverage of telehealth services for the temporary period from March 18, 2020 through June 30, 2021, only. These claims were incurred after June 30, 2021.

RESOLVED to deny the appeal for coverage of telehealth services.

IX. OTHER FUND BUSINESS

A. Cigna Renewal

Ms. Welch reported the Trustees, via email poll, on July 9, 2022 unanimously approved the Cigna renewal proposal effective for the coverage period of September 1, 2022 to August 31, 2025, at a 2.5% increase. The new administration fee effective September 1, 2022 is $32.86 pmpm. The administration fee for September 1, 2023 will be $33.68 pmpm and the administration fee for September 1, 2024 will be $34.52 pmpm.

B. Delta Dental Renewal

Ms. Welch reported the Trustees via email poll on August 24, 2022 unanimously approved the Delta Dental renewal proposal for the coverage period of September 1, 2022 to August 31, 2023. Delta Dental initially proposed a 2% increase in the premium. The Trustees questioned the rationale for the increase and Delta Dental proposed no increase to the current premium of $41.11 per member per month.

C. Affordable Care Act ("ACA") List of Preventive Service Benefits

Ms. Welch presented an updated list of Preventative Services for 2022 and a list of changes that will become effective January 1, 2023.

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

> **RESOLVED, to adopt the Preventive Service Benefits, subject to Co-Counsel review.**

D. Weekly Accident and Sickness Benefit Request for Proposal ("RFP")

Ms. Welch informed the Trustees that Madison Consulting submitted a RFP to eight carriers. They received responses from five carriers that declined to quote due to the parameters of the Plan and are waiting for responses from Colonial Life, Aflac and Amalgamated Life.

The Trustees requested that Ms. Welch contact Madison Consulting to obtain recommendations for modifying the parameters of the Plan if the remaining carriers decline to provide a quote.

E. Summary Annual Report ("SAR")

Ms. Welch presented a copy of the SAR prepared by the Fund Auditor and reviewed by Fund Counsel.

F. Machine Readable Files

Ms. Welch informed the Trustees that the machine readable files needed to comply with the Consolidated Appropriations Act ("CAA") were added to the Associated Administrators website by the July 1, 2022 required effective date.

G. Prescription Drug and Healthcare Spending Reporting

Ms. Welch discussed the prescription drug and health care spending reporting provisions of the Consolidated Appropriations Act that require plans to report information on plan medical costs and prescription drug spending to the Secretaries of Health and Human Services, Labor, and the Treasury on an annual basis by December 27, 2022 for the 2020 and 2021 Plan year. The report will be due annually thereafter on June 1. She noted that the Trustees via email poll on August 10, 2022 approved that OptumRx compile an aggregated file for the required items in D3 to D8 of the report and submit the files directly to the Health Insurance Oversight System portal on behalf of the Plan. The cost for compiling and submitting the file directly is $1,000.

H. Cost Comparison Tool

Ms. Welch informed the Trustees that Greenlight would not provide a multi-year proposal to provide the Cost Comparison Tool required per the Consolidated Appropriation Act beginning January 1, 2023. Greenlight noted that the price comparison tool must contain 500 items and services beginning January 1, 2023 and all covered items and services would need to be added by January 1, 2024. Greenlight guaranteed the proposed rate of $1,000 implementation fee (includes first month) and a monthly service fee of $500 per month through December 31, 2023, once they have a better idea of the development expenses required to include all services by 2024 they may be able to provide a multi-year guaranteed rate going forward.

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

> **RESOLVED, to approve the Greenlight proposal to provide the Cost Comparison Tool by January 1, 2023 at the proposed rate of $1,000 implementation fee that includes the first month and a monthly service fee of $500 per month.**

I. For Your Benefits ("FYB") Newsletter

Ms. Welch reported that the FYB newsletter was mailed to participants on June 24, 2022.

J. Patient Centered Outcomes Research Institute ("PCORI")

Ms. Welch reported that the PCORI fee was mailed on July 10, 2022 in the amount of $1,852.66.

K. Form 5500 and Form 990

Ms. Welch reported that the Fund's Auditor, Calibre, filed the Form 5500 and Form 990 on July 14, 2022.

XI. NEXT MEETING DATE AND LOCATION

The next meeting is scheduled to be held on December 7, 2022.

XII. **ADJOURNMENT**

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

Respectfully submitted,

Michael Goble, Secretary

Attachments:

Exhibit A: PNC Capital Advisors Investment Review for Period Ending June 30, 2022
Exhibit B: OptumRx Plan Performance Report January 2022 through June 2022