



August 26, 2022

Board of Trustees
Food Employers Labor Relations Association and
United Food and Commercial Workers VEBA Fund (FELRA)

c/o Ms. Anne-Marie Simms
Associated Administrators, LLC

To whom it may concern:

We hope this finds all of you well and safe. It has been nearly three years since Conifer and FELRA entered into an agreement for Utilization Management and Personal Health Management. Since that time, it has been an extraordinary period as the country continues to deal with the impact caused by the coronavirus pandemic. It has been our privilege to help your members as they deal with their healthcare concerns and navigate their health care questions. We have valued our partnership with FELRA and want to thank you for your continued support of the program that we deliver to your members each and every day.

Since inception of the Conifer/FELRA contract on January 1, 2020 through July 31, 2022, the Return on Investment has been 4.55:1. Overall, Conifer has provided savings of nearly \$9.6 million versus \$2.1 million in fees – Conifer fees were 0.85% of FELRA claims in 2020 and are 0.71% so far in 2022. During this time, inpatient hospital utilization has decreased nearly 10% while preventive care visits have increased over 10% for the overall population. Survey results show that member satisfaction has been 99% during this period. To date, Conifer Personal Health Nurses have engaged with nearly 1,800 unique FELRA members.

The initial contract between the Fund and Conifer was effective January 1, 2020 and included a three-year rate. We have prepared a proposal for the Fund for services effective January 1, 2023. Due to several factors, we are requesting an increase in the pricing for our program; those factors include:

- The overall economy has witnessed large inflation cost increases the past several years, while the Conifer rates have remained flat during the three-year contract.
- Since inception, enrollment in FELRA has fallen from 17,717 members to 15,259 as of August 1, 2022.

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- Towards the end of the first year of the contract (November 1, 2020), we were asked to expand the Utilization Management trigger list to include any outpatient surgery done in an ambulatory center or outpatient center of a hospital. This increase in triggers led to an increase in UM events:
 - 2020: 2,781 events across an average of 17,203 members (16.1% of the population)
 - 2021: 3,191 events across an average of 16,643 members (19.1%)
 - 2022: 1,974 events through August 24 across an average of 15,710 members (19.4%)

Based on these factors, we are requesting a rate adjustment as follows for a new three-year period beginning January 1, 2023:

Service	Current Rate*	Proposed Rate*	Proposed Rate*	Proposed Rate*
	1/1/2020 – 12/31/2022	1/1/2023 – 12/31/2023	1/1/2024 – 12/31/2024	1/1/2025 – 12/31/2025
Utilization Management	\$1.03	\$1.15	\$1.20	\$1.25
Personal Health Management	\$2.80	\$3.10	\$3.25	\$3.40

*rates are based on a Per Member Per Month basis. As of 8/1/2022, membership was 9,568 employees covering 15,259 members.

Upon approval of the Board to continue the Conifer services for the upcoming year, please send a confirmation to me.

It has been a pleasure to work with you during these times and we look forward to continuing to support your members on their path to better health. Should you have any questions, feel free to contact me at joseph.sears@coniferhealth.com or (410) 200-1476.

Sincerely,

Joseph Sears

Joseph Sears
RVP, Population Health