Carpenters Local No. 491
Health & Welfare Fund

Board of Trustees Meeting

September 16, 2020

CARPENTERS LOCAL NO. 491
HEALTH AND WELFARE FUND
AGENDA
SEPTEMBER 16, 2020

A. ROLL CALL

B. MINUTES OF THE JUNE 19, 2020 BOARD MEETING

C. ADMINISTRATIVE REPORTS

1. Statement of Changes In Fund Balance (Apr - Jun, 2020)
2. Statement of Fund Balance (June 30, 2020)
3. Contribution / Claim Schedules (Jan - Jun, 2020)
4. Claim Payment Schedule (Jan - Jun, 2020)
5. Highest Cost Medical Claims (Apr - Jun, 2020)
6. Bills to be Approved and Paid (September 16, 2020)
7. Cash Management Statement

D. UNFINISHED BUSINESS

1. Delinquent Employer Listing
2. J.K. Cabinet
3. Payroll Audits
4. Buildtask 1st Amendment to Settlement Agreement

E. NEW BUSINESS

1. Bolton Partners Projected vs. Actual
2. Bolton Investment Report
3. Member Eligibility Extention
4. Express Scripts Rebates
5. Express-Scripts Plan Summary Report – Chris Kelley, Pharm D Clinical Account Executive
6. PCORI Protective Claim for Refund
7. Purdue Pharma L.P. Bankruptcy Proof of Claim
8. SMM – Benefit Modifications Plan Amendment #14
9. ULLICO Stop Loss Dividend
10. Update Letter
11. Appeals
12. Questions
13. Date of Next Meeting - Dec., 2020

F. VACATION BENEFIT REPORT

CARPENTERS LOCAL NO. 491
HEALTH AND WELFARE PLAN
REGULAR MEETING OF THE BOARD OF TRUSTEES

June 19, 2020

MINUTES

A regular meeting of the Trustees of the Carpenters Local No. 491 Health and Welfare Plan was held at 11:00 a.m. on June 19, 2020, a via telephone conference call. Present on the call were the following Trustees:

UNION TRUSTEES	EMPLOYER TRUSTEES
Sandy Forstner	Ken Bisch was absent
Bill Sproule	Mike Goodwin
Robert Tarby	Todd Weitzman

Also present by phone were Albert Kroll, Esq., Counsel for the Union; David J. Jensen, and Dawn Welch, Administrative Manager; Mark Lynne, of Bolton Partners, Inc.; Ira Marc Miller, CPA; Alton Fryer, of Bolton Partners Investment Consulting Group, Inc.; Pete Tonia; and Steven I. Batoff, Attorney. Mr. Batoff stated that at the June meeting of each year, the chairman and secretary alternate between employer and union. Mr. Sproule was selected to be chairman and Mr. Weitzman was selected to be secretary.

The following matters were discussed with the indicated action taken:

1. The minutes of the meeting of March 20, 2020, and the joint meeting of May 1, 2020, were approved as read.
2. The Administrative Manager reviewed with the Trustees the Administrative Manager's report for the three months ending March 31, 2020. The Fund balance as of March 31,

2020, was $9,723,153.22. The Administrative Manager reviewed with the Trustees the Fund balance report at market value as of March 31, 2020.

The Administrative Manager then reviewed the claims payments for the March 2020 quarter and compared them to the June 2019, September 2019, and December 2019 quarters. The Administrative Manager reported that there were no life insurance claims for the quarter ending March 31, 2020. The Administrative Manager reviewed the highest claim payments for the quarter. Upon motion duly made by Mr. Tarby and seconded by Mr. Weitzman, the Administrative Manager's report was unanimously approved by the Trustees.

3. The Administrative Manager then reviewed with the Trustees the bills to be paid, as listed in an attachment to these minutes. The Trustees, upon motion duly made by Mr. Goodwin and seconded by Mr. Tarby, unanimously approved payment of the aforementioned checks.
4. The following Delinquent Contractor Listing was reviewed by the Trustees and the Administrative Manager:

J.K. Cabinet Co., Inc.	10/16-11/16

The Trustees then discussed the delinquent employer with Mr. Batoff and the Administrative Manager.

Mr. Batoff reported that J.K. Cabinet Co., Inc. is still delinquent in paying the amounts it agreed to pay to the Plan.

5. The Administrative Manager reviewed with the Trustees the cash management statement.
6. Mr. Lynne then reviewed with the Trustees the annual report for the Plan and benefit cost analysis.

7. Representatives from Independence Administrators then reviewed with the Trustees the precertification and appeals processes. The representatives then discussed using Magellan for both outpatient and inpatient mental health precertification. The Trustees took no action regarding Magellan. The Trustees, upon motion duly made by Mr. Goodwin and seconded by Mr. Tarby, unanimously agreed to the following recommendations of Independence Administrators:

- The Mental Health and Substance Abuse Benefits provision has been amended, effective October 1, 2020, so that coverage for outpatient treatment for mental health will be provided regardless of medical necessity.
- The Covered Medical Expenses provision relating to Outpatient Physical Therapy was amended effective October 1, 2020, so that an Employee receiving physical therapy treatments will receive a maximum of forty (40) visits, but after forty (40) visits, the Employee must receive pre-certification and submit clinical information related to any physical therapy visits over the initial forty (40) visits.
- The Covered Medical Expenses provision was further amended, requiring pre-authorization to provide coverage for durable medical equipment.

The Trustees also discussed with Independence Administrators the appeals process. Independence Administrators stated that the Plan can overturn any denial of benefits that is rendered by AHA.

8. Alton Fryer, of Bolton Partners Investment Consulting Group, Inc., then reviewed the quarterly review of the Fund as of March 31, 2020. Mr. Fryer then provided a review of the economy and capital markets. He then reviewed asset allocation; asset reconciliation; long term asset growth; portfolio targets; historical performance; calendar year

performance; and 3-year risk/reward summary, 5-year risk/reward summary, and 10-year risk/reward summary. He then reviewed calendar year-to-date returns for various investments and their respective benchmark.

He also reviewed the asset allocation as of June 18, 2020.

9. Mr. Batoff reported that he had prepared a first amendment to the settlement agreement with Buildtask. Mr. Batoff noted that he had not yet received an executed copy of the first amendment.

10. Dawn Welch then gave a verbal report to the Trustees as to demographics of claims. Ms. Welch also provided a written report as to demographics of claims.

11. The Administrative Manager reported that there was no update as to payroll audits.

12. Ms. Welch then reviewed the Express Scripts rebates.

13. Mr. Batoff stated that his firm was waiting for information from Independence Administrators in order to complete the updated summary plan description.

14. Dawn Welch then discussed with the Trustees the PCORI fee to be paid by the Plan. The PCORI fee has been extended for ten additional years.

15. Dawn Welch then informed the Trustees that new cards for members had been completed.

16. Mr. Batoff then reviewed at great length with the Trustees the thirteenth amendment to the Plan, which reflected the changes to the Plan agreed upon by the Trustees at their March 20, 2020, meeting. Mr. Batoff noted that the provisions of the thirteenth amendment to the Plan are incorporated into the updated summary plan description. Upon motion duly made by Mr. Goodwin and seconded by Mr. Tarby, the Trustees unanimously agreed to adopt the amendment.

17. Mr. Batoff reviewed with the Trustees a draft of an amended record retention policy. The Trustees, upon motion duly made by Mr. Tarby and seconded by Mr. Goodwin, unanimously approved the amended record retention policy.

18. The Administrative Manager reported an appeal by a participant whose daughter was scheduled to have her wisdom teeth extracted on April 6, 2020, but she became infected with COVID-19. Consequently, she was unable to have the dental procedure done on April 6, 2020. She could not reschedule her procedure until June 15, 2020. At that time, she was no longer an eligible dependent, as she was no longer under the age of 26. Mr. Batoff stated that the intent of the CARES Act was to provide individuals a period of time to take certain actions as a result of the COVID-19 pandemic. Mr. Batoff further noted that, while the CARES Act, apparently, does not address this particular issue, it is certainly understandable why the participant's daughter could not have her wisdom teeth extracted on April 6, 2020 and had to reschedule the procedure for June 15, 2020, when she was no longer under the age of 26. The Trustees, upon motion duly made by Mr. Goodwin and seconded by Mr. Tarby, unanimously agreed to grant the appeal due to the unusual circumstances of the COVID-19 pandemic. The Trustees requested that the Administrative Manager so inform the participant of the approval of the appeal.

19. The Administrative Manager discussed with the Trustees an ACH block for the Plan account at Bank of America. There will be a $31 monthly fee in order to block any ACH outside transaction. Upon motion duly made by Mr. Tarby and seconded by Ms. Forstner, the Trustees unanimously agreed to the ACH block.

20. Mr. Batoff and the Administrative Manager reviewed with the Trustees the US Department of Labor extension of timelines.

21. The Trustees then reviewed with the Administrative Manager the cash balance report for the vacation benefit for the three months ending March 31, 2020. The cash balance as of March 31, 2020, was $435,232.91.

There being no further business, the meeting was thereupon adjourned at 12:36 p.m. with the next regular meeting scheduled for September 16, 2020, at 9:00 a.m.

Respectfully submitted,

Steven I. Batoff
Secretary of the Meeting

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
STATEMENT OF CHANGES IN FUND BALANCE - CASH BASIS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

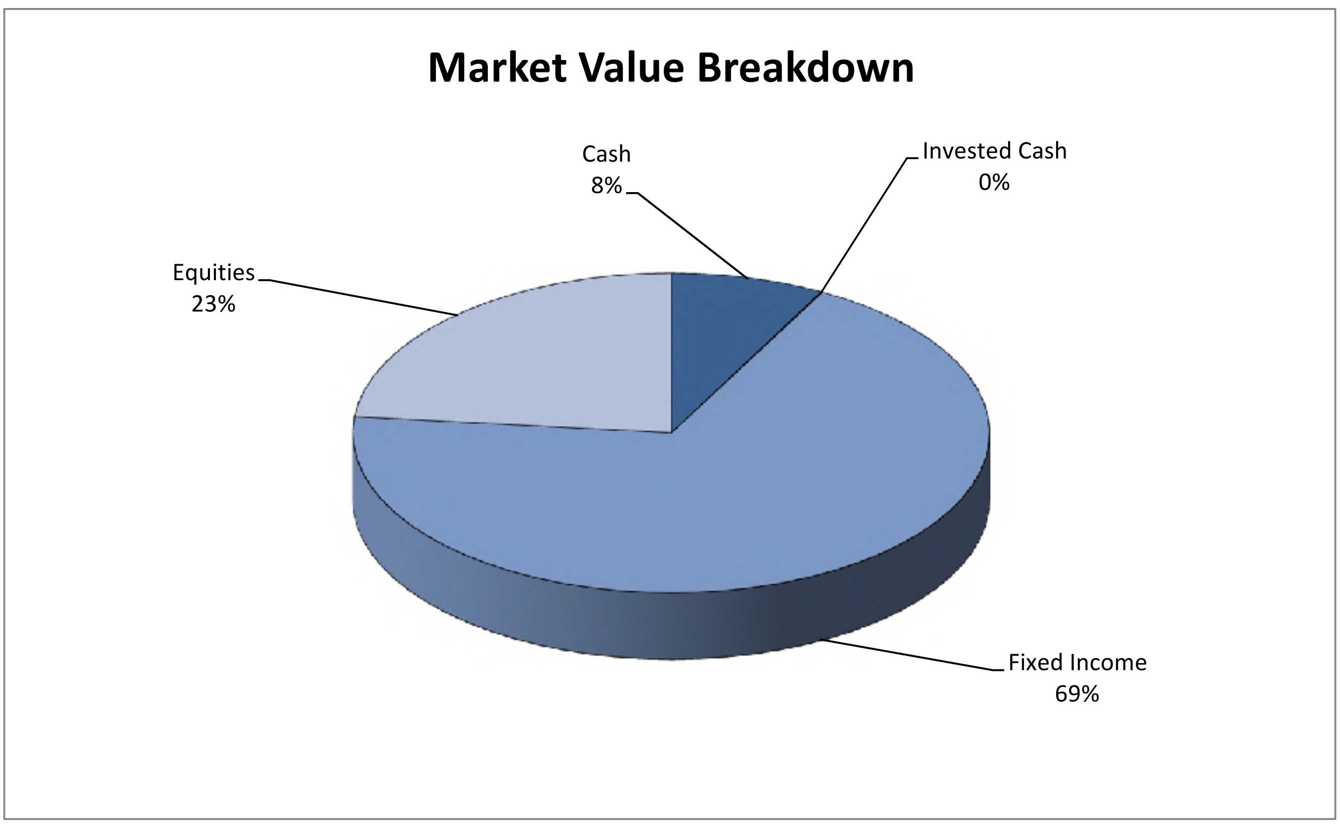
	Current Quarter	Year To Date
Additions		
Employer/Employee Contributions	$ 374,175.24	$ 1,239,344.91
Dividends	57,797.36	119,307.80
Interest	105.81	690.15
Rebates	-	-
Gain (Loss) on Sale of Investments	121,539.38	121,720.87
Securities Litigation Proceeds/Unclaimed Prop.	-	-
Total Additions	553,617.79	1,481,063.73
Deductions		
Medical Deductions	575,630.01	1,293,332.51
P.P.O. Fees	-	2,739.96
Dental Premium	4,174.98	7,998.06
Claims - IHA	560,976.60	752,979.93
PCORI Fee	-	-
ESI-FWA Fee	-	-
Actuarial Fees	5,000.00	10,000.00
Administration - AA LLC	31,250.00	65,178.00
Administration - IHA	45,318.10	89,463.40
HIPPA Compliance Fees	-	-
Computer Expenses	-	-
Conference Expenses	-	2,212.26
Reciprocals Paid	8,277.85	54,824.31
Audit Fees	-	-
Investment Manager Fees	510.00	1,040.00
Investment Performance Fees	750.00	1,375.00
Meeting Expense	-	112.33
Medical Consultant Fees	-	-
Dues	-	-
Employer Audits	-	7,265.69
Fidelity Bond	-	500.00
Cyber Liability Insurance	-	-
Fiduciary Liability Insurance	-	6,287.98
Independent Fiduciary Fee	152.50	533.75
Stop Loss Insurance	68,006.12	131,807.78
Stop Loss Reimbursement	-	-
Pharmacy Consulting	-	-
Office Expenses	-	60.00
Postage	745.83	1,646.83
Legal Fees	26,965.50	58,674.25
Printing	1,109.41	1,671.87
Hospital Reviews	21,049.53	38,512.19
Hospital Audits	-	-
Trustee Fees	-	-
Consulting Fees	-	-
Bank Service Charges	-	20,081.03
Transitional Reinsurance Fee	-	-
Settlement	-	-
Total Deductions	1,349,916.43	2,548,297.13
Net Increase (Decrease)	$ (796,298.64)	$ (1,067,233.40)
Fund Balance - December 31, 2019		9,994,087.98
Fund Balance - June 30, 2020		$ 8,926,854.58

UNAUDITED FINANCIAL REPORT

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
STATEMENT OF FUND BALANCE
AS OF JUNE 30, 2020

		Cost Basis		Market Basis
Bank of America				
Cash - Operating	$	826,345.59	$	826,345.59
Cash - Benefit		(66,369.77)		(66,369.77)
		759,975.82		759,975.82
Amalgamated Bank of Chicago				
Cash & Cash Equivalents		-		-
Money Market		6,259.62		6,259.62
Fixed Income		6,283,819.88		6,696,262.46
Equities		1,815,746.84		2,280,318.92
		8,105,826.34		8,982,841.00
Other Assets & Payables (Net)		52.42		52.42
Independent Health Deposit		61,000.00		61,000.00
	$	8,926,854.58	$	9,803,869.24

Market Value of Fund Balance as of December 31, 2019		10,837,077.19
Change in Market Value of Fund as of June 30, 2020	$	(1,033,207.95)
Decrease in Cash		(1,067,233.40)
Unrealized Gain on Investments		34,025.45
	$	(1,033,207.95)



CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
CONTRIBUTIONS / CLAIMS SCHEDULES
FOR THE SIX MONTHS ENDED JUNE 30, 2020

Employer Contributions

Hourly rates and their effective dates

Date	Shops	Exhibitors
03/01/05	2.30	3.00
03/01/06	2.30	3.25
07/17/06	2.40	3.25
03/01/07	2.40	3.55
07/17/07	2.50	3.55
01/17/08	2.60	3.55
03/01/08	2.60	3.80
07/17/08	2.70	3.80
01/17/09	2.80	3.80
03/01/09	2.80	4.15
03/01/10	2.80	4.45
03/01/11	2.80	4.60
07/17/11	3.00	4.60
03/01/12	3.00	5.00
03/01/13	3.00	5.25
03/01/14	3.15	5.60
03/01/14	3.40	5.60
03/01/15	3.40	5.85
07/20/15	3.50	5.85

Employer / Employee

Prior Years Analysis

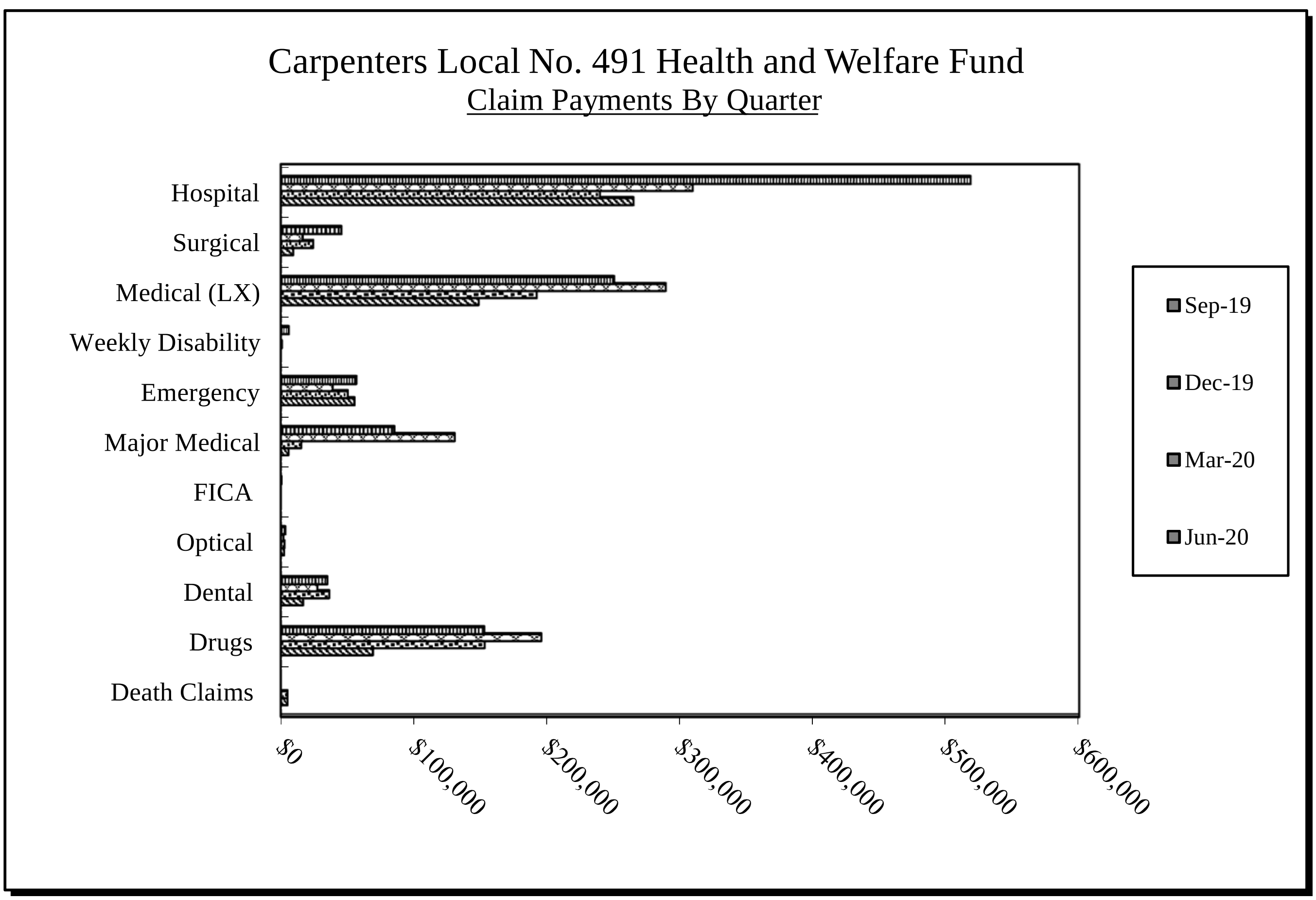
Year	Receipts	Claims	Difference
2010	$ 3,156,780.29	$ 2,625,943.50	$ 530,836.79
2011	3,879,294.58	3,234,111.38	645,183.20
2012	3,819,855.24	3,778,361.78	41,493.46
2013	4,049,717.46	3,202,012.09	847,705.37
2014	4,262,555.33	3,252,072.12	1,010,483.21
2015	4,501,646.07	2,728,405.47	1,773,240.60
2016	4,881,298.31	2,918,759.70	1,962,538.61
2017	5,049,927.78	2,915,661.88	2,134,265.90
2018	4,793,825.81	3,650,944.24	1,142,881.57
2019	4,818,837.41	4,379,457.69	439,379.72
2020	1,239,344.91	2,046,312.44	(806,967.53)

Current Year Analysis

Month	Receipts	Claims	Difference
January	$ 279,813.65	$ 346,048.41	$ (66,234.76)
February	$ 319,456.53	$ 271,332.52	48,124.01
March	$ 265,899.49	$ 292,324.90	(26,425.41)
April	$ 291,592.16	$ 485,913.31	(194,321.15)
May	$ 44,957.08	$ 326,748.03	(281,790.95)
June	$ 37,626.00	$ 323,945.27	(286,319.27)
July			-
August			-
September			-
October			-
November			-
December			-
	$ 1,239,344.91	$ 2,046,312.44	$ (806,967.53)
Average Per Month	$ 206,557.49	$ 341,052.07	$ (67,247.29)

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
CLAIM PAYMENT SCHEDULE
FOR THE SIX MONTHS ENDED JUNE 30, 2020

Claim Payments	Sep-19 Quarter	Dec-19 Quarter	Mar-20 Quarter	Jun-20 Quarter
Hospital	$ 517,321.61	$ 308,606.91	$ 239,076.31	$ 264,199.30
Surgical	45,355.09	16,433.29	24,137.14	9,238.23
Medical (LX)	249,653.00	288,292.75	191,618.62	148,223.40
Weekly Disability	5,914.32	0.02	771.44	-
Emergency	56,635.43	38,894.33	50,060.65	55,120.02
Major Medical	85,032.31	130,237.28	15,279.50	5,749.20
FICA	452.43	0.02	59.02	-
	960,364.19	782,464.60	521,002.68	482,530.15
Optical	3,380.62	1,929.88	2,723.16	2,377.68
Dental	34,885.09	27,411.13	36,247.08	16,763.86
Drugs	152,321.27	195,187.33	152,729.58	68,958.32
	190,586.98	224,528.34	191,699.82	88,099.86
Death Claims	-	-	5,000.00	5,000.00
	$ 1,150,951.17	$ 1,006,992.94	$ 717,702.50	$ 575,630.01
IHA Claims	-	-	192,003.33	560,976.60
	$ 1,150,951.17	$ 1,006,992.94	$ 909,705.83	$ 1,136,606.61



CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
HIGHEST COST MEDICAL CLAIMS
September 16, 2020

Highest Individual Claim Expense April 1, 2020 - June 30, 2020

Patient	Illness	Medical	Hospital	Total
Member	Alcohol Dependence	$ 7,114.74	$ 98,758.90	$ 105,873.64
Member	Abdominal Anueursym	16,062.18	88,851.96	104,914.14
Member	Depression	8,419.76	71,580.24	80,000.00
Member	Leukemia	236.00	52,824.08	53,060.08
Spouse	Hip Replacement	2,188.61	31,640.96	33,829.57
Spouse	Cesarean Delivery	189.11	27,238.83	27,427.94
		$ 34,210.40	$ 370,894.97	$ 405,105.37

Life Insurance Claims Paid April - June 2020

Date of Death	Life	AD&D	Total
6/16/2020	$5,000		$5,000

Monthly Paid Prescription Drug Cost

April	$ 90,559.92
May	64,503.45
June	58,805.86
	$ 213,869.23

Independence Claims Payment Schedule

Claims Paid April 1, 2020 to June 30, 2020

<u>Total dollar amount of claims paid for each of the following benefits:</u>

- **Hospital** *(this captures all paid claims during Q2 and categorizes them into IP, OP, PR. The rest of the categories below are rolled up into these costs.)*
  - Inpatient: $182,282
  - Outpatient: $153,280
  - Professional: $225,414
  - Total: $560,976
- **Surgical**
  - Outpatient: $96,050
  - Professional: $64,356
  - Total: $160,406
- **Lab and Xray**
  - Outpatient (Lab): $1,595
  - Outpatient (Radiology): $5,200
  - Professional (Lab): $14,671
  - Professional (Radiology): $11,128
  - Total (Lab): $16,266
  - Total (Radiology): $16,328
- **Medical Visits** *(# of visits IP, OP, PR. This corresponds with the $ amounts shown in the first bullet.)*
  - Inpatient: 29 claims
  - Outpatient: 96 claims
  - Professional: 934 claims
  - Total: 1,059 claims *(note: this is # of claims, not # of visits. There can often be a professional claim and an Inpatient claim from the same "visit")*
  - Office Visits:
    - PCP/OBGYN/Specialist: 392 claims ($38,579)
- **Emergency**
  - 20 ER visits ($44,122)
  - 28 Urgent Care visits ($4,586)

Individual High Claimant Report - Medical + Rx

Current Period: Paid - 04/2020 to 06/2020 | Compared to: Paid - 01/2020 to 03/2020

Key Metrics Medical

Threshold: $20,000

High Cost Claimants: 9

Total: $314,812

ID	Status	Relationship	Total Net Payment	Inpatient Net Payment	Outpatient Net Payment	Professional Net Payment	Total Medical Net Payment	Condition
1	Active	Subscriber	$59,179	$0	$0	$59,179	$59,179	Other Gastrointestinal Cancer
2	Active	Subscriber	$49,179	$48,750	$0	$429	$49,179	Alcohol-Related Disorders
3	Active	Subscriber	$41,521	$40,036	$521	$964	$41,521	Diseases Of The Heart
4	Active	Subscriber	$35,885	$884	$33,253	$1,748	$35,885	Diseases Of The Urinary System
5	Active	Dependent	$30,507	$28,651	$1,493	$363	$30,507	Mood Disorders
6	Termed	Subscriber	$29,733	$26,737	$1,638	$1,358	$29,733	Substance-Related Disorders
7	Active	Spouse	$25,812	$994	$23,140	$1,678	$25,812	Non-Traumatic Joint Disorders
8	Active	Subscriber	$22,943	$0	$21,069	$1,874	$22,943	Cancer Of Male Genital Organs
9	Active	Subscriber	$20,053	$19,793	$0	$260	$20,053	Pancreatic Disorders (Not Diabetes)

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
BILLS TO BE APPROVED AND PAID
OPERATING ACCOUNT
September 16, 2020

	Payee/Purpose	Period	Check #	Amount
1.	Schmitz & Sons, Inc.			
	Postage - QSR's		3488	180.50
2.	Associated Administrators, LLC			
	3rd Quarter Administration Fee	7/20 - 9/20	3489	31,250.00
3.	Associated Administrators, LLC			
	Printing & Postage - Tax Forms & Envelopes		3490	562.57
4.	Batoff Associates, P.A.			
	Legal Fees	6/20	3491	6,107.70
5.	CIGNA Dental Health, Inc.			
	Dental Premium	7/20	3492	1,367.82
6.	Level Care Health Consortium			
	Administration	4/20 - 6/20	3493	1,991.25
7.	Schmitz & Sons, Inc.			
	Printing - SMM		3494	92.18
8.	Union Labor Life Insurance Company			
	Stop Loss Insurance Premium	7/20	3495	23,104.12
9.	United States Treasury			
	PCORI Fees - 2020		3496	2,313.94
10.	Washington Area Carpenters' Fund			
	Reciprocal Hours	10/19	3497	11.70
11.	Washington Area Carpenters' Fund			
	Reciprocal Hours	3/19-4/19	3498	105.30
12.	Batoff Associates, P.A.			
	Legal Fees	7/20	3499	8,245.50
13.	Ira Marc Miller & Company, P.A.			
	Progress Billing - Audit	12/19	3500	6,000.00
14.	CIGNA Dental Health, Inc.			
	Dental Premium	8/20	3501	1,492.98
15.	Level Care Health Consortium			
	Administration Fee	7/20 - 9/20	3502	2,043.75
16.	Associated Administrators, LLC			
	Postage - Medical Letters		3503	246.50

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
BILLS TO BE APPROVED AND PAID
OPERATING ACCOUNT
September 16, 2020

	Payee/Purpose	Period	Check #	Amount
17.	Schmitz & Sons, Inc.			
	Printing - QSR's	1/20	3504	192.37
18.	Union Labor Life Insurance Company			
	Stop Loss Insurance Premium	8/20	3505	23,389.86
				$ 108,698.04

Carpenters Local 491 Benefit Funds
Cash Management

			Medical
Yearly Deductions		$	5,194,310
Loans per Year			
Total Yearly Deductions			
10% of Expenses		$	519,431
Current Cash Balance	As of 7/31/20	$	557,719
5% Floor		$	259,716
Replenish			Not now
15% Ceiling		$	779,147
Send to Amalgamated			**Not now**
Transfer Made:	Sep-14-20	$	-

CARPENTERS DELINQUENCY LIST
AS OF
SEPTEMBER 8, 2020

1) If Local has "X" in a block, please indicate "Worked" or "No Men"
2) Please fax updates to Ramona at 410-683-7794

	See Instructions Above			
EMP #	**Balt.**	**Wash.**	**COMPANY NAME**	**WORK MONTHS DELINQ.**
453			J.K. CABINET CO., INC.	10/16 - 11/16

LOCAL 491 AUDIT UPDATE

EMPLOYER NAME	INITIAL AUDIT DATE(S)	AUDITOR	TOTAL DUE	COMMENTS 1	COMMENTS 2	AUDIT YEAR
4TH ROUND (2019)						
BRUNSWICK WOODWORKING	IN OFFICE	J DOBBS		AUDIT IS COMPLETE; GOOD AUDIT; REPORT TO BE FORWARDED	FINAL REPORT FORWARDED ON 9/9/2020	1/1/2015-6/30/2019

EMPLOYER NAME	INITIAL AUDIT DATE(S)	AUDITOR	TOTAL DUE	COMMENTS 1	COMMENTS 2	AUDIT YEAR
5TH ROUND (2020)						
ARATA EXPOSITION SERVICES				SCHEDULING	AWAITING AUDIT RECORDS	2015-2019
BREDE EXPOSITIONS SERVICES	8/4/2020	N WALKER		INFORMATION RECEIVED 8/4/2020	IN HOUSE AUDIT IN PROGRESS	2015-2019
COASTAL INTERNATIONAL, INC.	6/9/2020	A PATINO	$21,812.22	INFORMATION RECEIVED 6/9/2020	A BILLING FOR NON-UNION DC HOURS HAS BEEN MADE; FINAL REPORT FORWARDED ON 9/9/2020, $21,812.22 BILLING	2015-2019
CZARNOWSKI DISPLAY SERVICE	6/3/2020			INFORMATION RECEIVED 6/3/2020	IN HOUSE AUDIT IN PROGRESS	2015-2019
FREEMAN EXPOSITIONS INC				SCHEDULING	AWAITING AUDIT RECORDS	2015-2019
GES EXPOSITION SERVICES				SCHEDULING	AWAITING AUDIT RECORDS	2018-2019
NTH DEGREE				SCHEDULING		
NEXXTSHOW EXPOSITION SERVICES, LLC				SCHEDULING		
RENAISSANCE MANAGEMENT, INC.				SCHEDULING		
SHEPARD CONVENTION SERV, INC.				SCHEDULING		

1 Express Way Saint Louis 63121-1824 MO

344153 G00000009793 800-332-5455

CHECK NO. 7406426

OUR REFERENCE #	YOUR INVOICE #	INVOICE DATE	DESCRIPTION	INVOICE AMOUNT	DISCOUNT TAKEN	NET CHECK AMOUNT
	062520	06.25.20	NED 1/1/20-12/31/20	28216.00	0.00	28216.00
				28216.00	0.00	28216.00

JUL 06 2020
AA LLC

EPSFNCKU02 (09/04)

WARNING: Original document has an artificial watermark on reverse side, microline printing on border, and a void pantograph. Please endorse check on back.

Express Scripts
St Louis MO 63121

PNC Bank, N.A. 070

56-389
412

CHECK NO. 7406426

DATE 06.29.20

AMOUNT $ *******28,216.00

PAY TWENTY EIGHT THOUSAND TWO HUNDRED SIXTEEN DOLLARS ONLY

TO THE ORDER OF
BENEFIT SYSTEMS MANAGEMEN
MARK LYNNE
911 RIDGEBROOK ROAD
SPARKS MD US 21152

AUTHORIZED SIGNATURE

⑈07406426⑈ ⑆041203895⑆ 4116472067⑈

1 Express Way   Saint Louis   63121-1824   MO   344153   G00000009793   800-332-5455

CHECK NO. 7405926

OUR REFERENCE #	YOUR INVOICE #	INVOICE DATE	DESCRIPTION	INVOICE AMOUNT	DISCOUNT TAKEN	NET CHECK AMOUNT
	G00000009793	06.24.20	01/01/2018-12/31/2018_NED	13937.43	0.00	13937.43
				13937.43	0.00	13937.43

JUL 06 2020
AA LLC

EPSFNCKU02 (09/04)

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Express Scripts
St Louis MO 63121

PNC Bank, N.A. 070   56-389 / 412

CHECK NO. 7405926

DATE 06.25.20   **AMOUNT** $ *******13,937.43

PAY THIRTEEN THOUSAND NINE HUNDRED THIRTY SEVEN DOLLARS AND 43 CENTS ONLY

TO THE ORDER OF
BENEFIT SYSTEMS MANAGEMEN
MARK LYNNE
911 RIDGEBROOK ROAD
SPARKS   MD   US   21152

Benjamin F. Chestnut
AUTHORIZED SIGNATURE

⑈07405926⑈ ⑆041203895⑆ 4116472067⑈

Express Scripts Inc.
1 Express Way
Saint Louis 63121-1824 MO

344153 G00000009793
800-332-5455

CHECK NO.
7409067

OUR REFERENCE #	YOUR INVOICE #	INVOICE DATE	DESCRIPTION	INVOICE AMOUNT	DISCOUNT TAKEN	NET CHECK AMOUNT
	G00000009793	07.14.20	10/01/2018-12/31/2018_IP	1274.00	0.00	1274.00
				1274.00	0.00	1274.00

RECEIVED
JUL 27 2020
AA, LLC

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St Louis MO 63121

PNC Bank, N.A. 070

56-389
412

CHECK NO.
7409067

DATE
07.16.20

AMOUNT
$ ********1,274.00

PAY ONE THOUSAND TWO HUNDRED SEVENTY FOUR DOLLARS ONLY

TO THE ORDER OF
BENEFIT SYSTEMS MANAGEMEN
MARK LYNNE
911 RIDGEBROOK ROAD
SPARKS MD US 21152

AUTHORIZED SIGNATURE

⑈07409067⑈ ⑆041203895⑆ 4116472067⑈

Express Scripts Inc.
1 Express Way Saint Louis 63121-1824 MO

118088 R00007004483
800-332-5455

CHECK NO. 7410598

OUR REFERENCE #	YOUR INVOICE #	INVOICE DATE	DESCRIPTION	INVOICE AMOUNT	DISCOUNT TAKEN	NET CHECK AMOUNT
	R00007004483	07.21.20	REBATE 04-01-2020-04-30-2020_	12762.34	0.00	12762.34
				12762.34	0.00	12762.34

RECEIVED
AUG 11 2020
AA, LLC

EPSFNCKU02 (09/04)

Express Scripts
St Louis MO 63121

PNC Bank, N.A. 070

56-389
412

CHECK NO. 7410598

DATE 07.27.20

AMOUNT $ *******12,762.34

PAY TWELVE THOUSAND SEVEN HUNDRED SIXTY TWO DOLLARS AND 34 CENTS ONLY

TO THE ORDER OF
CARPENTERS LOCAL 491 H&W FUND
ATTN: MARK LYNNE
911 RIDGEBROOK ROAD
SPARKS MD US 21152

Benjamin F Chestnut
AUTHORIZED SIGNATURE

⑈07410598⑈ ⑆041203895⑆ 4116472067⑈

Express Scripts Inc.
1 Express Way Saint Louis 63121-1824 MO

344153 G00000009793 800-332-5455

CHECK NO. 7414227

OUR REFERENCE #	YOUR INVOICE #	INVOICE DATE	DESCRIPTION	INVOICE AMOUNT	DISCOUNT TAKEN	NET CHECK AMOUNT
	G00000009793	08.14.20	01/01/2020-03/31/2020_IP	1057.00	0.00	1057.00
				1057.00	0.00	1057.00

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SEP 08 2020
AA, LLC

EPSFNCKU02 (09/04)

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Express Scripts
St Louis MO 63121

PNC Bank, N.A. 070

56-389
412

CHECK NO. 7414227

DATE 08.24.20

AMOUNT $ ********1,057.00

PAY ONE THOUSAND FIFTY SEVEN DOLLARS ONLY

TO THE ORDER OF
BENEFIT SYSTEMS MANAGEMEN
MARK LYNNE
911 RIDGEBROOK ROAD
SPARKS MD US 21152

AUTHORIZED SIGNATURE

Express Scripts Inc.
1 Express Way Saint Louis 63121-1824 MO

118088 R00007004483 800-332-5455

CHECK NO. 7415034

OUR REFERENCE #	YOUR INVOICE #	INVOICE DATE	DESCRIPTION	INVOICE AMOUNT	DISCOUNT TAKEN	NET CHECK AMOUNT
	R00007004483	08.26.20	REBATE 05-01-2020-05-31-2020_	15034.55	0.00	15034.55
				15034.55	0.00	15034.55

RECEIVED
SEP 0 8 2020
AA, LLC

EPSFNCKU02 (09/04)

WARNING: Original document has an artificial watermark on reverse side, microline printing on border, and a void pantograph. Please endorse check on back.

Express Scripts
St Louis MO 63121

PNC Bank, N.A. 070

56-389
412

CHECK NO. 7415034

DATE 08.27.20

AMOUNT $ *******15,034.55

PAY FIFTEEN THOUSAND THIRTY FOUR DOLLARS AND 55 CENTS ONLY

TO THE ORDER OF
CARPENTERS LOCAL 491 H&W FUND
ATTN: MARK LYNNE
911 RIDGEBROOK ROAD
SPARKS MD US 21152

Benjamin F Chestnut
AUTHORIZED SIGNATURE

⑈07415034⑈ ⑆041203895⑆ 1116187806⑈

ANNOUNCEMENT TO PARTICIPANTS

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE PLAN

SUMMARY OF MATERIAL MODIFICATIONS

The Trustees of the Carpenters Local No. 491 Health and Welfare Plan on behalf of the Carpenters Local No. 491 Health and Welfare Plan (the "Plan") are announcing that the Plan has been amended to make benefit changes that will be implemented October 1, 2020. The Plan has been amended as follows:

The Mental Health and Substance Abuse Benefits provision has been amended so that, effective October 1, 2020, coverage for outpatient treatment for mental health benefits will be provided regardless of medical necessity.

The Mental Health and Substance Abuse Benefits provision was further amended to that, effective October 1, 2020, coverage for outpatient treatment for substance abuse benefits will be provided regardless of medical necessity.

The Covered Medical Expenses provision relating to Outpatient Physical Therapy was amended so that, effective October 1, 2020, an Employee receiving physical therapy treatments will receive a maximum of forty (40) visits, but after forty (40) visits the Employee must receive pre-certification and submit clinical information related to any physical therapy visits over the initial forty (40) visits.

The Covered Medical Expenses provision was further amended requiring pre-authorization to provide coverage for durable medical equipment.

These where the only changes made to the Mental Health and Substance Abuse Benefits and the Covered Medical Expenses provisions.

This is a brief announcement to employees. The Plan Administrator will be updating the Summary Plan Description in the near future. In the case of a conflict, the terms of the Plan govern the terms of this announcement and the Summary Plan Description. If you have any questions on the announcement or the Plan, please contact the Plan Administrator.

Trustees of the
Carpenters Local No. 491 Health and Welfare Plan
July 2020

BATOFF ASSOCIATES, P.A.
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STEPHANIE E. BLAIR
SBLAIR@BATOFFASSOCIATES.COM

JAMES J. MCKITTRICK, JR.
JMCKITTRICK@BATOFFASSOCIATES.COM

September 4, 2020

VIA EMAIL ONLY to davidj@associated-admin.com
David Jensen
Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152

Re: Plan Trustees Entitled to Arbitration Award in Case Against Employer for Failing to Provide Books and Records for the Purpose of Conducting Audit – Carpenters Local No. 491 Annuity Plan; Carpenters Local No. 491 Health and Welfare Plan; Carpenters Local No. 491 Pension Plan; Carpenters Local No. 491 Training Fund

Dear Dave:

Multiemployer employee benefit plans—whether they are retirement plans or health and welfare plans—often seek to resolve disputes with employers through arbitration. A recent case decided by the United States District Court for the Southern District of New York provides a textbook illustration of how a court determines whether to confirm an arbitration award in a case brought by plan trustees against an employer for failing to comply with an audit request.

The case

The case, *Trustees of New York City District Council of Carpenters Pension Fund, Welfare Fund, Annuity Fund, and Apprenticeship, Journeyman Retraining, Educational and Industry Funds, et al. v. Concrete Brothers Construction, LLC*, originated as a request for an audit to determine whether an employer had remitted the proper amount of contributions to a group of multiemployer funds governed by the Employee Retirement Income Security Act of 1974. After arbitration proceedings and the District Court's subsequent confirmation of the award, the trustees of the plaintiff funds (the "Trustees") were ultimately awarded (1) the estimated principal deficiency of \$150,071.19, (2) interest of \$12,610.06; (3) liquidated damages of \$30,014.24; (4) court costs of \$400; (5) attorney's fees of \$1,500; and (6) arbitrator's fees of \$500.

In October 2017, Concrete Brothers Construction executed a Memorandum of Agreement with the multiemployer funds, agreeing to be bound by the terms of several different collective bargaining agreements (the "CBAs"). One of the CBAs required employers to furnish books and payroll records when requested by the Trustees for the purpose of conducting an audit to ensure compliance with the required benefit funds contributions. Also pursuant to the CBAs, which require parties to submit to arbitration proceedings in the event of a dispute, Concrete Brothers agreed to the funds' collection policy, which states:

> [i]n the event that an employer refuses to permit a payroll review and/or audit upon request . . . the Fund Office shall determine the estimated amount of the employer's delinquent contributions based on the assumption that the employer's weekly hours subject to contributions for each week of the requested audit period are the highest number of average hours reported per week for any period of four consecutive weeks during the audit period.

In order to determine whether Concrete Brothers had remitted the proper amount of contributions to the funds, the Trustees requested an audit for the period beginning October 26, 2017. Concrete Brothers failed to provide the Trustees with its books and records, so the Trustees initiated arbitration proceedings.

Holding

Despite being provided adequate notice for the hearing, Concrete Brothers failed to show up to the arbitration. The arbitrator found that Concrete Brothers violated the CBAs when it failed to permit the Trustees to inspect its books and records, then ordered Concrete Brothers to pay the funds a total of $195,095.49, consisting of the estimated principal deficiency, interest, liquidated damages, court costs, attorney's fees, and arbitrator's fees.

The U.S. District Court for the South District of New York confirmed the arbitrator's award. Citing the Supreme Court of the United States, the Court explained that district courts "are not authorized to reconsider the merits of an award," and "as long as the arbitrator's award 'draws its essence from the collective bargaining agreement,' and is not merely 'his own brand of industrial justice,' the award is legitimate." Since the arbitrator found, based on "substantial and credible evidence," that Concrete Brothers violated the CBAs by refusing to allow the Trustees to examine its books and records, the District Court essentially treated the case as open-and-shut.

Takeaways

The first takeaway from this case is that collective bargaining agreements may include language that penalizes employers for failing to provide their books and records for the purpose of conducting an audit related to contributions. An employer may refuse to furnish its books and records if it thinks it can get away with it, but including a penalty in the event of such a refusal can help motivate an employer to comply. Please note that the District Court's opinion does not indicate whether the arbitrator in this case could have awarded a greater sum if the collection policy had provided for a different method of estimating the amount of an employer's delinquent contributions.

The second takeaway is that district courts typically have to defer to an arbitrator's independent determination in disputes involving the terms of a collective bargaining agreement. An arbitration proceeding and subsequent court hearing to confirm the award is much more likely to be less costly than a lawsuit that is decided entirely in court. In this case, the arbitrator simply interpreted the plain language of the CBAs when determining the award, which the District Court—compelled by Supreme Court precedent—had to confirm. A dispute that began with a lawsuit and involved subsequent proceedings in the District Court may have led to a judge considering whether the stated penalty in the CBAs (an estimation based on the employer's highest number of average hours reported per week for any period of four consecutive weeks during the audit period) was "reasonable." When judges decide to consider whether something is "reasonable," attorneys' fees often go up.

Even though this decision comes from the U.S. District Court for the Southern District of New York, whose jurisdiction does not extend to Maryland or the Fourth Circuit, of which Maryland is a part, it is still important to make note of it because federal circuit and district courts use each other's decisions as persuasive guidance.

If you have any questions, or would like to discuss this further, please do not hesitate to contact me.

Sincerely,

James J. McKittrick, Jr.

Cc: Trustees

NAME: **SS#:**
REGARDING:

Carpenters' Local No. 491 Health and Welfare Plan

LOCAL: 491
STATUS: Full Time

ISSUE: Eligibility – Retroactive Enrollment of Newborn Child #E20/114-4696

FUND RULE:
"**Eligibility**

[…] You must notify the Board of Trustees within 30 days from the date you acquire a new dependent unless there is a reasonable reason why you did not notify with 30 days. The Board of Trustees has the sole and absolute discretion as to the determination of what a reasonable reason is. You may obtain the proper forms from the Administrator."
(Carpenters' Local No. 491 Health and Welfare Plan SPD, Page 7) (emphasis added)

SUMMARY: Appeal Received: July 28, 2020

The **participant** is appealing to be allowed retroactive enrollment of his newborn son (DOB: 12-23-2019). The participant states in summary that his son was born via emergency C-section and they faced several health issues following his birth. The participant further states that they did their best during that time to comply with all requirements to have their son fully covered by their Union insurance. Lastly, the participant states that they have incurred medical bills for office visits, shots, and well checkups for their son, prior to his enrollment date of June 1, 2020.

Fund records indicate a completed enrollment form for the participant's son (signed and dated April 21, 2020), and a copy of his birth certificate (issued January 8, 2020), were first received by the Fund office on May 4, 2020. In accordance with Fund rules, the participant's son was enrolled for coverage effective June 1, 2020; the first of the month following receipt of the completed enrollment form.

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

NAME: **SS#:**

Carpenters' Local No. 491 Health and Welfare Plan

LOCAL: 491
STATUS: **COBRA Effective 4-1-2020**

ISSUE: Accident & Sickness – Not Eligible #A20/109-6874

FUND RULE:
"**Eligibility**
Full Coverage:

250 Hours Worked During the Period	OR	450 Hours Worked During the Period	Eligible Period
October 1 – December 31		July 1 – December 31	April 1 – June 30

(Carpenters' Local No. 491 Health and Welfare Plan SPD, Page 5)

"**Weekly Accident and Sickness Benefits**
Limitations:
- No disability benefits are provided under the Plan if you are eligible by reason of self-payments, or you are only eligible for partial coverage."
(Carpenters' Local No. 491 Health and Welfare Plan SPD, Pages 15-16)

SUMMARY:

Disability:	Substance use disorder
Last Day Worked:	March 16, 2020
Date Disability Began:	April 3, 2020
Returned to Work:	May 4, 2020 (Estimated)
Appeal Received:	August 27, 2020

The **participant** is appealing to be allowed payment of Accident and Sickness benefits for the period commencing April 3, 2020 that was denied. The participant states that he is currently in inpatient rehabilitation for alcoholism, PTSD, anxiety, and OCD. The participant further states that he was treated for these conditions during the months of October 2019 through December 2019 and this should be a continuation of his previous Accident and Sickness claim. The participant states that the previous treatment is why he didn't earn eligibility for the present period. Lastly, the participant states that when he left inpatient treatment, he entered intensive outpatient treatment and he came to find out that facility did not file for a continuation of short term disability.

Fund records indicate the participant previously submitted an initial Accident and Sickness claim on November 15, 2019 for a disability of "Alcohol use disorder, obsessive compulsive disorder, and major depressive disorder" commencing on October 30, 2019. The participant was paid Accident and Sickness benefits for the period from November 6, 2019 through November 28, 2019. Note: No hours of work were reported on behalf of the participant for the October 2019 through December 2019 quarter, therefore, he lost eligibility for Fund coverage effective April 1, 2020. A COBRA notice was mailed to the participant on March 17, 2020. The participant elected COBRA coverage, effective April 1, 2020, and to date, has remitted COBRA payments for coverage through June 30, 2020.

The participant submitted another initial Accident and Sickness claim form on April 14, 2020 for a disability of "Substance use disorder" commencing on April 3, 2020. That claim form indicated he was admitted for treatment on April 3, 2020. After a review of his eligibility record, a letter was mailed to him on April 15, 2020 advising that payment of Accident and Sickness benefits for this period were denied because he was not eligible for Accident and Sickness benefits at the time this disability commenced (April 3, 2020). COBRA coverage does not include Accident and Sickness benefits.

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

CARPENTERS LOCAL NO. 491 VACATION BENEFIT
STATEMENT OF CHANGES IN FUND BALANCE - CASH BASIS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	April	May	June	Year To Date
Additions				
Employer Contributions	$ 62,902.10	$ 3,327.05	$ 4,515.23	$ 261,477.23
Interest Income	27.21	2.81	3.24	132.43
Total Additions	62,929.31	3,329.86	4,518.47	261,609.66
Deductions				
Audit Fees	-	-	-	-
Benefits Paid	447,946.56	-	-	447,946.56
Interest Paid	134.09	-	-	134.09
Legal Fees	-	-	-	-
Office Expenses	-	-	-	-
Postage	-	-	-	-
Printing	-	-	-	-
Bank Service Charges	-	-	-	-
Total Deductions	448,080.65	-	-	448,080.65
Net Increase (Decrease)	$ (385,151.34)	$ 3,329.86	$ 4,518.47	$ (186,470.99)
Fund Balance - December 31, 2019				244,400.89
Fund Balance - June 30, 2020				$ 57,929.90

Statement of Fund Balance - Cost Basis	
Cash - Bank of America - Vacation Payment	$ (20,697.54)
Cash - Madison Bank - Ultimate Checking	78,627.44
	$ 57,929.90