

School Cafeteria Employees UNITEHERE Local No. 634
Health & Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
(833) 228-9212

www.associated-admin.com

Agenda

January 19, 2023
10:00 AM

- I. Call to Order
- II. Investment Manager Report
- III. Minutes, Regular Meeting – October 17, 2022
- IV. Auditor Report
- V. Consultant Report
- VI. Administrative Manager Report
- VII. Counsel Report
- VIII. Other Fund Business
- IX. Next Meeting Date and Location
- X. Adjournment

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Minutes of the Meeting of the Board of Trustees

Held on Monday, October 17, 2022

Via Zoom

Present Were:

Nicole Hunt and Warren Heyman – Union Trustees

Lisa Norton, Susan Hancock, and Marissa Quinn –
Management Trustees

Also Present Were:

Deborah R. Willig, Esq. and Kelly Brogan, Esq. of
Willig, Williams & Davidson – Legal Counsel; Frank
Iannucci of Summit Actuarial Services – Fund
Consultant; Kathleen Jackson of Novak Francella –
CPA; Alicia Cochran of Associated Administrators,
LLC – Administrative Manager; Matt Walker¹ of The
Philadelphia Trust Company

The meeting was called to order at 10:04 a.m. with Ms. Hunt presiding as Chairperson. Notice of this meeting was communicated prior to the date of the meeting. A quorum was present.

- I. The Minutes of the meeting of the Board of Trustees held on July 25, 2022 were discussed.

MOTION was made and seconded to adopt the
Minutes of the meeting of the Board of
Trustees held on July 25, 2022.

UNANIMOUSLY ADOPTED

¹ Present for the investment report only.

- II. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of September 30, 2022 the total assets held in the discretionary account were \$1,008,134.54 with a loss of 2.90% for the quarter and a loss of 7.43% for the year to date. Assets in the discretionary account were allocated 72.10% to fixed income, 20.80% to equities, 7.00% to cash and equivalents and 0.00% to other assets. Total assets held in the non-discretionary account were \$9,489.01.

Mr. Walker reviewed new holdings within the portfolio and said his firm continues to monitor inflation, international tension, and the recovery of the economy related to the pandemic.

- III. **Fund Auditor's Report.** Ms. Jackson said the annual audit fieldwork is scheduled for the week of October 31, 2022.
- IV. **Fund Consultants' Report.** Mr. Iannucci discussed the Fund's reserves and said they represent approximately 6 months of benefit cost. He expects the reserve to drop below 6 months by June 2023. He noted that Mr. Walker and Ms. Cochran continue to monitor the Fund's total assets on a monthly basis.
- V. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for fiscal year 2021-2022, as of August 31, 2022 with a comparative report for fiscal year 2020-2021. Receipts and disbursements for the period were reviewed, with the Fund experiencing a deficit of \$348,144.10 compared to a deficit of \$194,097.93 for the prior period.

A report was presented indicating the total Fund balance through August 31, 2022 was \$1,296,117.95.

A report was presented detailing the number of eligible employees as of June 3, 2022 - 727 Cafeteria Workers and 1,026 Student Climate Staff for a total of 1,753 employees.

A COBRA report was presented for September 1, 2021 through August 31, 2022 showing a total of 213 COBRA notices sent, with 1 COBRA payee in the month of August.

A dental claims report for Cafeteria Workers and Student Climate Staff for June 1, 2022 through August 31, 2022 was presented. Payments totaled \$36,257.13 on 674 claims for Cafeteria Workers and \$25,324.30 on 429 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2021 through August 31, 2022 was presented. Orthotic claims paid to date for Cafeteria Workers totaled \$3,945.00 and \$1,750.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2021 through August 31, 2022 was presented. Wig claims paid to date for Cafeteria Workers totaled \$0.00. Claims paid to date for Student Climate Staff totaled \$0.00.

- VI. **Fund Counsel's Report.** Following up on the discussion at the last meeting regarding the City Health Clinics, Ms. Brogan reported the City Health Clinics utilization report listed 26 members for the period May 1, 2021 through April 30, 2022. If the Trustees elect to terminate the agreement with the City Health Clinics, the Fund must provide 60 days notice as set forth in the agreement. Ms. Willig stated that terminating the agreement may cause the Fund to lose its grandfathered status. This would require the Fund to provide preventive medications without a co-pay. After a discussion, the Trustees requested Ms. Cochran to contact BeneCard to determine the cost to the Fund if preventive medications were covered with no co-pay. Mr. Iannucci said it was unlikely the cost of preventive medications would exceed the annual cost (\$60,000) for City Health Clinics.

MOTION was made and seconded to terminate City Health Clinics effective December 31, 2022.

UNANIMOUSLY ADOPTED

Ms. Brogan reviewed the Prescription Drug Reporting & HealthCare Spending requirements under the Consolidated Appropriations Act 2021. She reported that BeneCard confirmed they would submit the prescription drug information to Health & Human Services. She said BeneCard would provide additional information regarding the reporting and fees once available.

- VII. **Other Business.** Ms. Cochran reported the following: The Notice of Creditable Coverage and the 2022 Summary of Benefits Coverage Notice were mailed to participants on September 16, 2022.

Ms. Cochran reported receipt of the Fund's 2023 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee contains a \$45 increase from the prior year.

MOTION was made and seconded to approve the Fund's 2023 renewal with the International Foundation of Employee Benefits Plans at the \$1,145.00 annual fee.

UNANIMOUSLY ADOPTED

Ms. Cochran reported the Fiduciary Liability policy was renewed September 6, 2022. There was a \$63 increase in the premium of \$4,220 from the previous year. Payments for the waiver of recourse were emailed to the Trustees on August 28, 2022. Ms. Cochran stated the payments for the waiver of recourse were received in full.

Ms. Cochran said the Summary Plan Description was electronically distributed to the participants

on September 13, 2022. She confirmed paper copies were mailed to the School District and Union and that additional copies are available upon request.

Ms. Cochran reported that in accordance with the Fund's past practice, the Fund requested \$300,000.00 from investments held at The Philadelphia Trust Company to cover expenses. The transfer was requested on August 16, 2022.

- VIII. The date of the next regular Board meeting was scheduled for January 19, 2023. The meeting will convene at 10:00 a.m. and the location will be determined at a later date.
- IX. There being no further business before the Board of Trustees, the meeting was adjourned.

Union Trustee

School District Trustee

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund
Profit & Loss Prev Year Comparison
September 2022 through November 2022**

		<u>Nov-22</u>	<u>Nov-21</u>
Ordinary Income/Expense			
Income			
61-113	Cobra Contributions	156.20	1,423.05
61-121	Cafeteria Workers	416,422.50	490,912.50
61-125	Student Climate Staff	27,938.40	33,560.80
61-300	Interest on Investments	4,808.63	2,296.81
61-302	Interest on Bank Accounts	23.12	37.71
61-303	Realized Gain/Loss	2,846.65	15,800.42
61-304	Unrealized Gain/Loss	(586.74)	(30,274.83)
61-320	Formulary Rebates	90,366.74	121,808.14
61-330	Diabetic Prescription Refund	25,960.15	-
61-350	Other Income	-	49.23
Total Income		567,935.65	635,613.83
Gross Profit		567,935.65	635,613.83
Expense			
71-200	City Clinics Fee	15,000.00	15,000.00
71-202	Benecard Drug Claims	536,660.39	460,564.57
71-523	Benecard Admin Fee	11,567.54	10,277.44
71-203	Vision Premium	21,456.20	30,283.33
71-214	Self-Funded Dental Claims	46,762.12	55,269.48
71-560	Dental Claims	3,899.50	7,224.00
71-515	Local 634 Shared Costs	3,000.00	3,900.00
71-300	Administration Fees	29,502.00	28,644.24
71-501	Auditing and Accounting Fee	5,000.00	-
71-502	Legal Counsel Fee	6,321.81	7,198.56
71-505	Consultant Fee	3,000.00	3,000.00
71-508	Printing, Duplicating, Postage	1,662.28	2,124.19
71-509	Investment Manager Fee	1,263.42	1,708.59
71-517	Fiduciary Liability Insurance Premium	-	4,157.00
71-519	Membership Dues & DVHCC	1,895.00	1,100.00
71-550	Bank Service Charge & Wire Fees	54.00	42.00
71-750	Health Fair Expense	2,569.82	-
Total Expense		689,614.08	630,493.40
Net Ordinary Income		(121,678.43)	5,120.43
Net Income		(121,678.43)	5,120.43

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

**Firsttrust Bank and Philadelphia Trust Balances
November 30, 2022**

Firsttrust

Savings - M/M (Old)	\$ 0.16
Cash Expense Firsttrust Bank	97,763.94
Prepaid Expenses	<u>381.67</u>
Total Firsttrust	<u>98,145.77</u>

Philadelphia Trust

Phila Trust - Discr PTC701	991,824.30
Phila Trust - Non-Dis PTCN90	9,510.08
Phila Trust Company Allowance	<u>46,045.70</u>
Total Philadelphia Trust	<u>1,047,380.08</u>
Grand Total	<u><u>\$ 1,145,525.85</u></u>

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Employer Contributions and Participant Counts Report - September 1, 2022 - August 31, 2023
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Pay Period Ending	Date Received	Class	Amount Received	Contribution Rate	Member Count
9/2/2022	9/13/2022	Food Service Workers	\$ 70,297.50	\$ 97.50	721
		Student Climate Staff	\$ 4,793.60	\$ 5.60	856
			<u>\$ 75,091.10</u>		
				Total Count:	1,577
9/16/2022	9/28/2022	Food Service Workers	\$ 70,297.50	\$ 97.50	721
		Student Climate Staff	\$ 4,793.60	\$ 5.60	856
			<u>\$ 75,091.10</u>		
				Total Count:	1,577
9/30/2022	10/12/2022	Food Service Workers	\$ 69,420.00	\$ 97.50	712
		Student Climate Staff	\$ 4,653.60	\$ 5.60	831
			<u>\$ 74,073.60</u>		
				Total Count:	1,543
10/14/2022	10/24/2022	Food Service Workers	\$ 68,932.50	\$ 97.50	707
		Student Climate Staff	\$ 4,620.00	\$ 5.60	825
			<u>\$ 73,552.50</u>		
				Total Count:	1,532
10/28/2022	11/14/2022	Food Service Workers	\$ 68,542.50	\$ 97.50	703
		Student Climate Staff	\$ 4,513.60	\$ 5.60	806
			<u>\$ 73,056.10</u>		
				Total Count:	1,509
11/11/2022	11/22/2022	Food Service Workers	\$ 68,932.50	\$ 97.50	707
		Student Climate Staff	\$ 4,564.00	\$ 5.60	815
			<u>\$ 73,496.50</u>		
				Total Count:	1,522

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

COBRA Report - September 2022 - August 2023

	COBRA Notices Sent	COBRA Elections	COBRA Participants
September 2022	10	0	1
October 2022	11	0	1
November 2022	12	0	1
December 2022			
January 2023			
February 2023			
March 2023			
April 2023			
May 2023			
June 2023			
July 2023			
August 2023			
Totals	33		

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Dental Claims Report - September 1, 2022 through November 30, 2022

Food Service Workers

In-Network (LPMA)

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	246	\$ 17,016.55	\$ 5,513.00
Endodontics	27	\$ 7,040.00	\$ 2,448.00
Extraction	31	\$ 4,816.00	\$ 1,395.00
Oral Surgery	37	\$ 13,506.00	\$ 1,345.00
Orthodontics	29	\$ 10,478.61	\$ 1,846.00
Other Services	127	\$ 10,882.00	\$ 2,997.00
Periodontics	30	\$ 9,312.00	\$ 2,195.00
Preventive	72	\$ 6,910.35	\$ 3,147.00
Prosthodontics, Fixed	0	\$ -	\$ -
Prosthodontics, Removable	3	\$ 5,384.00	\$ 2,150.00
Restorative	53	\$ 12,762.50	\$ 4,018.00
Restorative, Crowns	10	\$ 11,241.00	\$ 4,716.00
Totals	665	\$ 109,349.01	\$ 31,770.00

Out-of Network

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	17	\$ 990.30	\$ 302.00
Endodontics	0	\$ -	\$ -
Extraction	0	\$ -	\$ -
Oral Surgery	3	\$ 820.00	\$ 135.00
Orthodontics	1	\$ 3,700.00	\$ 500.00
Other Services	4	\$ 660.00	\$ 407.50
Periodontics	4	\$ 454.50	\$ 305.00
Preventive	5	\$ 317.00	\$ 216.00
Prosthodontics, Fixed	0	\$ -	\$ -
Prosthodontics, Removable	0	\$ -	\$ -
Restorative	8	\$ 1,330.00	\$ 500.00
Restorative, Crowns	1	\$ 700.00	\$ 580.00
Totals	43	\$ 8,971.80	\$ 2,945.50

	In-Network	Out-of-Network	Overall Totals
Total Billed Amount	\$ 109,349.01	\$ 8,971.80	\$ 118,320.81
Total Paid Amount	\$ 31,770.00	\$ 2,945.50	\$ 34,715.50

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Dental Claims Report - September 1, 2022 through November 30, 2022

Student Climate Staff

In-Network (LPMA)

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	101	\$ 6,227.00	\$ 2,462.00
Endodontics	5	\$ 3,051.00	\$ 1,713.00
Extraction	0	\$ -	\$ -
Oral Surgery	6	\$ 2,034.60	\$ 304.60
Orthodontics	6	\$ 11,245.80	\$ 1,200.00
Other Services	30	\$ 2,862.00	\$ 1,168.00
Periodontics	11	\$ 3,200.80	\$ 1,066.80
Preventive	28	\$ 2,695.00	\$ 1,327.00
Prosthodontics, Fixed	3	\$ 4,668.00	\$ 1,293.52
Prosthodontics, Removable	4	\$ 1,100.00	\$ 855.00
Restorative	29	\$ 6,830.20	\$ 1,859.20
Restorative, Crowns	2	\$ 2,300.00	\$ 1,160.00
Totals	225	\$ 46,214.40	\$ 14,409.12

Out-of-Network

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	12	\$ 710.00	\$ 275.00
Endodontics	0	\$ -	\$ -
Extraction	0	\$ -	\$ -
Oral Surgery	0	\$ -	\$ -
Orthodontics	0	\$ -	\$ -
Other Services	0	\$ -	\$ -
Periodontics	4	\$ 348.00	\$ 333.00
Preventive	4	\$ 410.00	\$ 216.00
Prosthodontics, Fixed	0	\$ -	\$ -
Prosthodontics, Removable	0	\$ -	\$ -
Restorative	2	\$ 320.00	\$ 130.00
Restorative, Crowns	0	\$ -	\$ -
Totals	22	\$ 1,788.00	\$ 954.00

	In-Network	Out-of-Network	Overall Totals
Total Billed Amount	\$ 46,214.40	\$ 1,788.00	\$ 48,002.40
Total Paid Amount	\$ 14,409.12	\$ 954.00	\$ 15,363.12

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Orthotic Claims Report - September 1, 2022- November 30, 2022

Food Service Workers

Months	Amount				Total Paid
September 2022 - November 2022	\$	-	\$		-
Totals	\$	-	\$		-

Student Climate Staff

Months	Amount				Total Paid
September 2022 - November 2022	\$	-	\$		-
Totals	\$	-	\$		-

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Wig Claims Report - September 1, 2022 - November 30, 2022

Food Service Workers

Months	Billed Amount	Paid to Member Amount
September 2022 - November 2022	\$ -	\$ -
Totals	\$ -	\$ -

Student Climate Staff

Months	Billed Amount	Paid to Member Amount
September 2022 - November 2022	\$ -	\$ -
Totals	\$ -	\$ -

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SUMMARY OF MATERIAL MODIFICATIONS

January 2023

The Board of Trustees of the School Cafeteria Employees UNITEHERE Local No. 634 Health & Welfare Fund (“Fund”) are providing you with this notice of a change in the health benefits under the Fund. Please refer to the Summary Plan Description (“SPD”) for a full description of the eligibility rules and your legal rights.

PHILADELPHIA CITY HEALTH CENTERS

Effective January 1, 2023, the Fund will no longer provide basic primary and specialty health care benefits through the Philadelphia City Health Centers. You may continue to use City Health Clinic Pharmacies; however, the co-payment schedule described on page 15 of the SPD will apply.

Sincerely,

Board of Trustees