

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

June 11, 2024

10:00 AM

- I. Call to Order
- II. Minutes, Regular Meeting – February 6, 2024
- III. Investment Manager Report
- 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 Tuesday, February 6, 2024
Via Zoom

Present Were:

Nicole Hunt and Warren Heyman – Union Trustees

Marie Killian, Lisa Norton and Marissa Quinn –
Management Trustees

Also Present Were:

Deborah R. Willig, Esq., Kelly Brogan, Esq. of Willig, Williams & Davidson – Legal Counsel; Frank Iannucci of Summit Actuarial Services – Fund Consultant; Dan Ohlemiller of Novak Francella – CPA; Alicia Cochran of Associated Administrators, LLC – Administrative Manager; Matt Walker¹ of The Philadelphia Trust Company; Polly Pardo, Meri Colledge, and Tom Rowe, BeneCard² – Pharmacy Benefit Manager

The meeting was called to order at 10:02 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. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of December 31, 2023 the total assets held in the account were \$1,004,917.69 with a gain of 4.88% for the quarter and a gain of 6.88% for the year to date. Assets in the account were allocated 67.70% to fixed income, 24.20% to equities, 8.10% to cash and equivalents.

Mr. Walker provided a market update and stated that his firm continues to monitor inflation, international tension, and changes in the debt ceiling.

Trustee Heyman requested Mr. Walker include an overview in the next report related to the pharmaceutical market and pricing.

¹ Present for the investment report only.

² Present for the BeneCard report only.

- II. **Prescription Benefit Manager Report.** Ms. Polly Pardo, Mr. Tom Rowe and Ms. Meri Colledge joined the meeting. Mr. Pardo stated that Mr. Kevin Roe was no longer with the company and introduced Ms. Colledge as the new Account Executive. The Trustees welcomed Ms. Colledge.

Ms. Pardo presented a report titled, "UNITEHERE Local 634 Quarterly Performance Summary." Ms. Pardo reviewed the details of the Fund's claims for the period January 1, 2023 through December 31, 2023, noting 9,195 total claims were processed for a total spend of \$2,325,944. Ms. Pardo noted that specialty drugs made up 25.27% of the Fund's total spend.

Mr. Rowe reviewed the therapeutic category utilization and noted the increase in spend was related to an increase in cancer and HIV medications. He also discussed the clinical program and stated that the overall initial cost avoidance for all clinical programs for the period January 1, 2022 to December 31, 2023 for all clinical programs totaled \$129,332. Mr. Rowe provided a Diabetic GLP-1a clinical update which included a summary of the required clinical review for diabetic FDA approved medications.

Ms. Pardo reviewed the BeneCard PBF Proposal for the period July 1, 2023 through June 30, 2026. Ms. Brogan stated that she had reviewed the Proposal and recommended approval by the Trustees.

The Trustees thanked Ms. Pardo, Ms. Colledge and Mr. Rowe for their report and they were excused from the meeting.

After discussion,

MOTION was made and seconded to approve the BeneCard agreement for the period July 1, 2023 through June 30, 2026.

UNANIMOUSLY APPROVED

- III. **Fund Consultants' Report.** Mr. Iannucci discussed the COBRA rates effective February 1, 2024 which were previously distributed prior to the meeting. He reported an 8.5% increase based on the increase in prescription costs.

MOTION was made and seconded to approve COBRA rates effective February 1, 2024 as presented.

UNANIMOUSLY APPROVED

Mr. Iannucci reviewed a fee increase request from the dental provider, Louis P. Mattucci & Associates. He stated that the last fee increase was in 2017. Mr. Iannucci noted that he requested utilization data from Associated in order to review the request. He stated that the fee increase request will be presented at the next meeting.

- IV. The Minutes of the meeting of the Board of Trustees held on November 8, 2023 were discussed.

MOTION was made and seconded to adopt the Minutes of the meeting of the Board of Trustees held on November 8, 2023.

UNANIMOUSLY ADOPTED

V. **Fund Auditor's Report.** Mr. Ohlemiller reported that the Form 990 was filed on January 15, 2024.

VI. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for fiscal year 2023-2024, as of November 30, 2023, with a comparative report for fiscal year 2022-2023. Receipts and disbursements for the period were reviewed, with the Fund experiencing a surplus of \$281,253.24 compared to a deficit of \$122,578.43 for the prior period.

A report was presented indicating the total Fund balance through November 30, 2023 was \$1,348,046.62.

A report was presented detailing the number of eligible employees as of November 24, 2023: 752 Cafeteria Workers and 1,022 Student Climate Staff for a total of 1,774 employees.

A COBRA report was presented for September 1, 2023 through November 30, 2023 showing a total of 60 COBRA notices sent, with one COBRA payee in the month of November 2023.

A dental claims report for Cafeteria Workers and Student Climate Staff for September 1, 2023 through November 30, 2023 was presented. Payments totaled \$26,776.60 on 546 claims for Cafeteria Workers and \$17,058.40 on 325 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2023 through November 30, 2023 was presented. Orthotic claims paid to date for Cafeteria Workers totaled \$110.00 and \$750.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2023 through November 30, 2023 was presented. Wig claims paid to date for Cafeteria Workers totaled \$0.00. Claims paid to date for Student Climate Staff totaled \$0.00.

VII. **Other Business.** Ms. Cochran presented a utilization report prepared by Guardian Nurses for the period October 1, 2023 through December 31, 2023. The report reflected utilization of 12.17 hours on behalf of three members for the quarter.

Ms. Cochran stated that the Fund received a check in the amount of \$2,623.67 related to the Johnson and Johnson class action settlement.

Ms. Cochran reported the Consolidated Appropriation Act's Gag Clause Attestation was successfully filed by Associated on behalf of the Fund.

VIII. **Fund Counsel's Report.** Ms. Willig stated there was nothing to report at this time.

- IX. The date of the next regular Board meeting was scheduled for June 11, 2024. The meeting will convene at 10:00 a.m. via Zoom.
- X. 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 2023 through February 2024**

		<u>Feb-24</u>	<u>Feb-23</u>
Ordinary Income/Expense			
Income			
61-113	Cobra Contributions	1,252.00	156.20
61-121	Cafeteria Workers	967,980.00	853,417.50
61-125	Student Climate Staff	646,540.64	59,063.20
61-300	Interest on Investments	16,806.22	10,173.93
61-302	Interest on Bank Accounts	90.17	42.74
61-303	Realized Gain/Loss	6,747.35	12,615.80
61-304	Unrealized Gain/Loss	27,293.88	(24,881.40)
61-320	Formulary Rebates	204,587.92	167,129.37
61-330	Diabetic Prescription Refund	-	25,960.15
61-350	Other Income	250,000.00	-
61-905	Class Action Settlements	2,623.67	-
Total Income		<u>2,123,921.85</u>	<u>1,103,677.49</u>
Gross Profit		2,123,921.85	1,103,677.49
Expense			
71-200	City Clinics Fee	-	25,000.00
71-202	Benecard Drug Claims	1,300,380.59	1,061,769.92
71-523	Benecard Admin Fee	25,020.32	23,455.84
71-203	Vision Premium	39,466.50	41,668.12
71-212	Orthotics Claims	1,830.00	1,385.00
71-214	Self-Funded Dental Claims	83,633.77	82,272.12
71-560	Dental Claims	6,353.00	5,938.50
71-748	Guardian Nurses	3,651.00	-
71-515	Local 634 Shared Costs	7,800.00	7,800.00
71-300	Administration Fees	61,382.00	59,594.00
71-501	Auditing and Accounting Fee	20,750.00	19,950.00
71-502	Legal Counsel Fee	13,851.96	16,920.66
71-505	Consultant Fee	6,000.00	6,000.00
71-508	Printing, Duplicating, Postage	1,734.11	4,457.38
71-509	Investment Manager Fee	2,435.64	2,429.65
71-514	Fidelity Bond Premium	475.00	475.00
71-519	Membership Dues & DVHCC	1,195.00	1,895.00
71-550	Bank Service Charge & Wire Fees	12.00	24.00
71-750	Health Fair Expense	-	2,569.82
Total Expense		<u>1,575,970.89</u>	<u>1,363,605.01</u>
Net Ordinary Income		<u>547,950.96</u>	<u>(259,927.52)</u>
Net Income		<u>547,950.96</u>	<u>(259,927.52)</u>

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

**Firsttrust Bank and Philadelphia Trust Balances
February 29, 2024**

Firsttrust

Savings - M/M (Old)	\$ 0.16
Cash Expense Firsttrust Bank	606,485.05
Prepaid Expenses	398.33
Prepaid Insurance	<u>131.81</u>
Total Firsttrust	<u>607,015.35</u>

Philadelphia Trust

Phila Trust - Discr PTC701	935,924.03
Phila Trust Company Allowance	<u>71,804.96</u>
Total Philadelphia Trust	<u>1,007,728.99</u>
Grand Total	<u><u>\$ 1,614,744.34</u></u>

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

Employer Contributions and Participant Counts Report - September 1, 2023 - February 29, 2024
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Pay Period Ending	Date Received	Class	Amount Received	Contribution Rate	Member Count
9/1/2023	9/6/2023	Food Service Workers	\$ 72,247.50	\$ 97.50	741
		Student Climate Staff	\$ 5,577.60	\$ 5.60	996
			<u>\$ 77,825.10</u>		
				Total Count:	1,737
9/15/2023	9/19/2023	Food Service Workers	\$ 72,052.50	\$ 97.50	739
		Student Climate Staff	\$ 5,454.40	\$ 5.60	974
			<u>\$ 77,506.90</u>		
				Total Count:	1,713
9/29/2023	10/3/2023	Food Service Workers	\$ 72,832.50	\$ 97.50	747
		Student Climate Staff	\$ 5,370.40	\$ 5.60	959
			<u>\$ 78,202.90</u>		
				Total Count:	1,706
10/13/2023	10/17/2023	Food Service Workers	\$ 71,565.00	\$ 97.50	734
		Student Climate Staff	\$ 56,544.00	\$ 59.52	950
			<u>\$ 128,109.00</u>		
				Total Count:	1,684
10/27/2023	10/31/2023	Food Service Workers	\$ 70,785.00	\$ 97.50	726
		Student Climate Staff	\$ 55,948.80	\$ 59.52	940
			<u>\$ 126,733.80</u>		
				Total Count:	1,666
11/10/2023	11/14/2023	Food Service Workers	\$ 69,030.00	\$ 97.50	708
		Student Climate Staff	\$ 55,353.60	\$ 59.52	930
			<u>\$ 124,383.60</u>		
				Total Count:	1,638
11/24/2023	11/29/2023	Food Service Workers	\$ 73,320.00	\$ 97.50	752
		Student Climate Staff	\$ 60,829.44	\$ 59.52	1,022
			<u>\$ 134,149.44</u>		
				Total Count:	1,774
12/8/2023	12/12/2023	Food Service Workers	\$ 75,075.00	\$ 97.50	770
		Student Climate Staff	\$ 62,734.08	\$ 59.52	1,054
			<u>\$ 137,809.08</u>		
				Total Count:	1,824

12/22/2023	12/27/2023	Food Service Workers	\$	76,440.00	\$	97.50	784
		Student Climate Staff	\$	65,412.48	\$	59.52	1,099
			\$	141,852.48			
						Total Count:	1,883
1/5/2024	1/9/2024	Food Service Workers	\$	78,195.00	\$	97.50	802
		Student Climate Staff	\$	67,198.08	\$	59.52	1,129
			\$	145,393.08			
						Total Count:	1,931
1/19/2024	1/23/2024	Food Service Workers	\$	78,682.50	\$	97.50	807
		Student Climate Staff	\$	68,031.36	\$	59.52	1,143
			\$	146,713.86			
						Total Count:	1,950
2/2/2024	2/6/2024	Food Service Workers	\$	78,682.50	\$	97.50	807
		Student Climate Staff	\$	68,864.64	\$	59.52	1,157
			\$	147,547.14			
						Total Count:	1,964
2/16/2024	2/21/2024	Food Service Workers	\$	79,072.50	\$	97.50	811
		Student Climate Staff	\$	69,221.76	\$	59.52	1,163
			\$	148,294.26			
						Total Count:	1,974

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

COBRA Report - September 1, 2023 - February 29, 2024

	COBRA Notices Sent	COBRA Elections	COBRA Participants
September 2023	11	0	1
October 2023	26	0	1
November 2023	23	0	1
December 2023	11	0	1
January 2024	10	1	2
February 2024	7	0	2
March 2024			
April 2024			
May 2024			
June 2024			
July 2024			
August 2024			
Totals	88		

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

Dental Claims Report - December 1, 2023 through February 29, 2024

Food Service Workers

In-Network (LPMA)

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	223	\$ 16,204.50	\$ 4,724.00
Endodontics	19	\$ 7,799.50	\$ 3,339.00
Extraction	2	\$ 325.00	\$ 68.00
Oral Surgery	20	\$ 13,621.00	\$ 1,749.00
Orthodontics	6	\$ 7,227.00	\$ 850.00
Other Services	63	\$ 8,223.00	\$ 1,698.00
Periodontics	40	\$ 14,142.00	\$ 2,832.00
Preventive	92	\$ 8,262.00	\$ 3,278.77
Prosthodontics, Fixed	11	\$ 12,630.00	\$ 859.00
Prosthodontics, Removable	9	\$ 9,805.00	\$ 4,054.00
Restorative	36	\$ 9,332.65	\$ 2,390.00
Restorative, Crowns	7	\$ 9,975.00	\$ 2,670.00
Totals	528	\$ 117,546.65	\$ 28,511.77

Out-of Network

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	5	\$ 847.75	\$ 50.00
Endodontics	0	\$ -	\$ -
Extraction	0	\$ -	\$ -
Oral Surgery	1	\$ 560.00	\$ -
Orthodontics	0	\$ -	\$ -
Other Services	0	\$ -	\$ -
Periodontics	0	\$ -	\$ -
Preventive	3	\$ 232.00	\$ 54.00
Prosthodontics, Fixed	0	\$ -	\$ -
Prosthodontics, Removable	1	\$ 126.00	\$ -
Restorative	1	\$ 158.00	\$ -
Restorative, Crowns	0	\$ -	\$ -
Totals	11	\$ 1,923.75	\$ 104.00

	In-Network	Out-of-Network	Overall Totals
Total Billed Amount	\$ 117,546.65	\$ 1,923.75	\$ 119,470.40
Total Paid Amount	\$ 28,511.77	\$ 104.00	\$ 28,615.77

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

Dental Claims Report - December 1, 2023 through February 29, 2024

Student Climate Staff

In-Network (LPMA)

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	147	\$ 10,782.64	\$ 3,074.00
Endodontics	13	\$ 5,125.00	\$ 1,822.00
Extraction	1	\$ 175.00	\$ -
Oral Surgery	14	\$ 5,287.00	\$ 610.00
Orthodontics	27	\$ 4,954.62	\$ 1,300.00
Other Services	35	\$ 3,469.00	\$ 1,390.00
Periodontics	10	\$ 4,349.00	\$ 1,140.00
Preventive	47	\$ 4,644.96	\$ 2,000.00
Prosthodontics, Fixed	3	\$ 3,000.00	\$ -
Prosthodontics, Removable	4	\$ 4,055.00	\$ 787.00
Restorative	28	\$ 5,656.00	\$ 1,436.00
Restorative, Crowns	8	\$ 8,940.00	\$ 2,931.00
Totals	337	\$ 60,438.22	\$ 16,490.00

Out-of-Network

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	5	\$ 180.00	\$ 68.00
Endodontics	0	\$ -	\$ -
Extraction	0	\$ -	\$ -
Oral Surgery	0	\$ -	\$ -
Orthodontics	4	\$ 533.00	\$ 150.00
Other Services	0	\$ -	\$ -
Periodontics	1	\$ 72.00	\$ 65.00
Preventive	2	\$ 120.00	\$ 54.00
Prosthodontics, Fixed	0	\$ -	\$ -
Prosthodontics, Removable	0	\$ -	\$ -
Restorative	1	\$ 475.00	\$ 150.00
Restorative, Crowns	1	\$ 1,261.00	\$ 580.00
Totals	14	\$ 2,641.00	\$ 1,067.00

	In-Network	Out-of-Network	Overall Totals
Total Billed Amount	\$ 60,438.22	\$ 2,641.00	\$ 63,079.22
Total Paid Amount	\$ 16,490.00	\$ 1,067.00	\$ 17,557.00

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

Orthotic Claims Report - September 1, 2023 - February 29, 2024
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Food Service Workers

Months		Amount		Total Paid
December 2023 - February 2024	\$	470.00	\$	470.00
September 2023 - November 2023	\$	110.00	\$	110.00
Totals	\$	580.00	\$	580.00

Student Climate Staff

Months		Amount		Total Paid
December 2023 - February 2024	\$	500.00	\$	500.00
September 2023 - November 2023	\$	750.00	\$	750.00
Totals	\$	1,250.00	\$	1,250.00

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

Wig Claims Report - September 1, 2023 - February 29, 2024

Food Service Workers

Months	Billed Amount	Paid to Member Amount
December 2023 - February 2024	\$ -	\$ -
September 2023 - November 2023	\$ -	\$ -
Totals	\$ -	\$ -

Student Climate Staff

Months	Billed Amount	Paid to Member Amount
December 2023 - February 2024	\$ -	\$ -
September 2023 - November 2023	\$ -	\$ -
Totals	\$ -	\$ -



Utilization Report for Cafeteria Workers Local 634

Date Range: 1/1/2024 through 3/31/2024

Name		Hours
[REDACTED]		
Date Referred: 1/8/2024	Reason for Referral: Behavioral Health	9.42
Case Status: Closed	Resolution: Connected member to a PCP/Specialist; Expedited treatment and care	
[REDACTED]		
Date Referred: 11/21/2023	Reason for Referral: Behavioral Health	1.08
Case Status: Closed	Resolution: Connected member to a PCP/Specialist; Expedited treatment and care	
Hours this report:		10.50
Number of patients:		2
Number of cases:		2

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SUMMARY OF MATERIAL MODIFICATIONS

The Board of Trustees of the School Cafeteria Employees UNITEHERE Local No. 634 Health & Welfare Fund ("Fund") are pleased to provide you with this notice of a change to the Eligibility provisions under the Fund. Please refer to the Summary Plan Description for a full description of the eligibility rules and your legal rights.

Effective October 1, 2023, the following changes will be made:

ARTICLE III ELIGIBILITY AND COVERAGE

WHEN ELIGIBILITY BEGINS

All Members will be covered by the Fund consistent with the rules set forth in the collective bargaining agreement between the Union and the School District of Philadelphia. Under these rules,

- ✧ Cafeteria Workers are eligible for benefits on the first day of the month following completion of ninety (90) calendar day from the first day worked.
- ✧ Student Climate Staff are eligible for benefits on the first day of the month following the completion of ninety (90) calendar days from the first day worked.

All other provisions of the Fund remain the same.

If you have any questions concerning this Summary of Material Modifications, you should contact the Fund Office at the following address and telephone number:

School Cafeteria Employees UNITEHERE Local No. 634
Health & Welfare Fund
c/o Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152-9451
833-228-9212

Sincerely,

Board of Trustees