

School Cafeteria Employees UNITEHERE Local No. 634

Health & Welfare Fund

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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