

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, April 20, 2021
Via Zoom

Present Were: Nicole Hunt, Antoinette Ford, and Warren Heyman
– Union Trustees

Wayne Grasela, Lisa Norton and Susan Hancock –
Management Trustees

Also Present Were: Deborah R. Willig, Esq. and Kelly Brogan, Esq. of
Willig, Williams & Davidson – Legal Counsel;
Kathleen Jackson and Dan Ohlemiller, CPA; Alicia
Cochran of Associated Administrators, LLC –
Administrative Manager; Matthew Walker¹, CFA of
The Philadelphia Trust Company; – Marcie Popek²,
Polly Pardo², Tom Rowe², Jennifer Fuhrmann-
Berger², BeneCard – 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. The minutes of the meeting of the Board of Trustees held on January 21, 2021 were discussed.

MOTION was made and seconded to adopt
the minutes of the meeting of the Board of
Trustees held on January 21, 2021.

UNANIMOUSLY ADOPTED

- II. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of March 31, 2021, the Fund had a profit of 2.00% YTD. Total assets

¹ Present for the investment report only.

² Present for the BeneCard report only.

held in the discretionary account were \$1,637,836.82. Total assets held in the non-discretionary account were \$9,437.34. Assets in the discretionary account were allocated 21.50% to fixed income, 25.60% to equities and 52.90% to cash and equivalents.

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

III. **Fund Auditor's Report.** Nothing to report.

IV. **Fund Consultant's Report.** Nothing to report.

V. **Prescription Benefit Manager Report.** Ms. Marcie Popek, Ms. Polly Pardo, Mr. Tom Rowe and Ms. Jennifer Fuhrmann-Berger presented a report titled, "UNITEHERE Local 634 Performance Highlights & Strategic Review." Ms. Popek reviewed the total claims processed and the total paid by the Fund for the period January 1, 2020 through December 31, 2020, 12,149 claims and \$1,714,277 spend. Ms. Popek noted that specialty drugs made up 53.00% of the Fund's total spend. She also reviewed a utilization summary of brand versus generic prescriptions filled, noting the Fund had an 87.74% generic fill rate. Ms. Popek also reviewed a breakdown of prescriptions filled at retail versus mail order. Ms. Popek also discussed the special plan that was set up for Cafeteria Workers related to diabetic supplies.

Ms. Pardo reviewed the Clinical Analysis information in the report. This included the clinical programs currently in place, the top 25 therapeutic categories of prescriptions, top 25 brand medications, top 25 generic medications, top 25 utilizing members and the specialty therapeutic categories.

Ms. Popek discussed with the Trustees in more detail BeneCard's clinical recommendations related to cost savings for the Plan. She discussed the Variable Copay Assistance Program in which coupons are offered through pharmaceutical manufacturers and other non-profit organizations. Ms. Popek explained how BeneCard works with members to assist them with the enrollment and application process as well as coordinate the copay assistance options available. Ms. Popek said there is an administrative fee of \$1.65 per member per month. Ms. Willig said it may be beneficial to have Ms. Hunt reach out to the affected members to encourage participation in the program. She said she would research the process for Ms. Hunt to work directly with members while not violating any HIPAA regulations.

MOTION was made and seconded to adopt, as soon as administratively possible, the recommendation of BeneCard to implement the Variable Copay Assistance Program.

UNANIMOUSLY ADOPTED

VI. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2020-2021, as of February 28, 2021, with a comparative report for FY 2019-2020. Receipts and disbursements for the period were reviewed, with the Fund experiencing a surplus of \$77,192.38 compared to a surplus of \$161,557.24 for the prior period.

A report was presented indicating the total Fund balance through February 28, 2021 was \$1,887,157.02.

A report was presented detailing the number of eligible employees as of February 12, 2021 - 839 Cafeteria Workers and 997 Student Climate Staff for a total of 1,836 employees.

A COBRA report was presented for September 1, 2020 through February 28, 2021 showing a total of 118 COBRA notices sent, with 3 COBRA payees in the month of February.

A dental claims report for Cafeteria Workers and Student Climate Staff for December 1, 2020 through February 28, 2021 was presented. Payments totaled \$29,147.16 on 703 claims for Cafeteria Workers and \$10,937.00 on 237 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2020 through February 28, 2021 was presented. Orthotic claims paid to date for Cafeteria Workers totaled \$5,970.00 and \$4,230.00 for Student Climate Staff.

A report of wig claims paid for the period December 1, 2020 through February 28, 2021 was presented. Wig claims paid to date for Cafeteria Workers totaled \$82.76. Claims paid to date for Student Climate Staff totaled \$0.00.

Ms. Cochran presented a report prepared by BeneCard for the period January 1, 2021 through January 31, 2021. The report reflected prescription utilization for which the Plan paid more than \$5,000 on any one prescription.

VII. **Fund Counsel's Report.** Ms. Willig discussed the Aggrenox Antitrust Litigation noting the Fund was a lead plaintiff. Ms. Cochran said that the Fund received a settlement check in the amount of \$10,000.

VIII. **Other Business.** Ms. Cochran reported the following: The Form 1099-NEC was mailed to Plan participants January 28, 2021.

Ms. Cochran stated the PCORI fee, imposed by the Affordable Care Act for self-insured group plans, must be filed by July 31, 2021. The fee is \$2.54 multiplied by the average number of lives covered under the Plan for the 2020 Plan year. The Trustees directed the Administrative Manager

to engage Novak Francella to file Form 720, which is the tax form to be filed along with the fee payment. She noted that the 2019 fee was calculated using the snapshot method.

MOTION was made and seconded approving calculation of the PCORI fee using the snapshot method and engaging Novak Francella to file the Form 720.

UNANIMOUSLY ADOPTED

Ms. Cochran informed the Trustees that Associated's website now offers a link to the Fund and members have access to documents such as the Summary Plan Description and enrollment forms, as well as provider links.

- IX. The date of the next regular Board meeting was scheduled for July 13, 2021. The meeting will convene at 10:00 a.m. and will be held by a ZOOM conference call.
- X. There being no further business before the Board of Trustees, the meeting was adjourned.

Union Trustee

School District Trustee