DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE PRESSMEN WELFARE FUND VIA VIDEO CONFERENCE JUNE 11, 2021

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
Paul Atwill - Co-Chairman	H. Beth Swanson - Chairman
Janice Bort	Jay Goldscher
Dennis Larkin	

Also present were:

Ellen Boardman, Esq. - O'Donoghue & O'Donoghue, LLP
Ed Chicoski - Lakeshore Benefit Group Insurance Brokerage, LLC
Jacqueline Depolo - Aetna
Kathy Phillips - Associated Administrators, LLC
Dawn Welch - Associated Administrators, LLC

I. CALL TO ORDER

A quorum being present, Chairman Swanson called the meeting to order at 12:30 p.m. Due to the continuing pandemic, the Trustees met via video conference.

II. APPROVAL OF THE MINUTES

The Trustees reviewed the minutes of the regular meeting held February 19, 2021, which were circulated in advance of the meeting.

On MOTION made, seconded, and unanimously adopted, the Trustees

RESOLVED to approve the minutes of the regular Board meeting held on February 19, 2021 as written.

III. ADMINISTRATIVE MANAGERS' REPORT

A. Financial Statement

Ms. Welch reviewed the Administrative Managers' Report for April 2021. The period ending April 30, 2021, indicated a total income of $558,312 and total expenses in the amount of $576,246, resulting in a loss of $17,934. The Fund's net assets were $1,739,804.84.

B. Delinquency Report

There were no delinquent employers to report.

C. Invoices

Ms. Welch presented a list of invoices paid from April 1, 2021, through April 30, 2021. She noted that there were no additions, deletions or changes to the list. The Trustees reviewed the list and determined that all invoices represent proper Fund expenses.

On MOTION made, seconded, and adopted, the Trustees

> **RESOLVED to approve the invoices paid from April 1, 2021, through April 30, 2021.**

D. Collective Bargaining Agreement ("CBA") Report

The Trustees reviewed the CBA Report that reflected the contribution rate required to be paid for the last two years by each contributing employer pursuant to the applicable CBA. This report was updated to include the most recent CBA provisions for Linemark Printing and Mt. Vernon Printing. Ms. Bort noted that the negotiations with Arts & Negative had been completed and she would forward the signed CBA to the Administrative Manager once it is received.

E. Investments

The Trustees reviewed the Fund's investments as of June 7, 2021. The Fund's assets include Certificates of Deposit totaling $475,000.00 and cash in the Operating Account totaling $295,112.52. The assets also include the Fidelity Spartan 500 Index Fund, with a balance of $801,160.06. The Trustees reviewed the investment return report for the Fidelity Spartan 500 Index Fund – Investor Class.

Ms. Welch noted that the Fund's asset allocation is 47.94% in the Fidelity Spartan 500 Index Fund, 28.42% in Certificates of Deposit, 5.98% in Money Market and 17.66% in cash.

On MOTION made and seconded, and unanimously approved, the Trustees

> **RESOLVED to approve the April 1, 2021, Financial Report as presented.**

IV. GROUP LIFE, AD&D, AND SHORT-TERM DISABILITY POLICY RENEWAL

The Trustees welcomed Mr. Ed Chicoski of Lakeshore Benefit Group to the meeting. Mr. Chicoski presented the group life, accidental death and dismemberment ("AD&D") and short-term disability policy renewal options for the effective date of July 1, 2021. Lake Shore Benefit Group Insurance Brokerage, LLC received quotes from eighteen carriers. The incumbent carrier, Mutual of Omaha initially requested a 5.7% premium increase however, Mr. Chicoski successfully negotiated a 2.8% premium increase. He noted that the life insurance and AD&D, $0.27 and $0.02 per thousand dollars in coverage, respectively, remained unchanged. However, the premium for short term disability increased to $0.62 per ten dollars in coverage. Competitive quotes were also received from United Healthcare and Prudential. He recommends remaining with the incumbent carrier Mutual of Omaha.

The Trustees discussed the proposed rate guarantee. Mutual of Omaha proposed a 2 year rate guarantee and United Healthcare and Prudential proposed a three year guarantee. The

Trustees requested that Mr. Chicoski contact Mutual of Omaha to determine if they would extend the rate guarantee to 3 years.

On MOTION made and seconded, and unanimously approved, the Trustees

> **RESOLVED to approve the contract renewal with Mutual of Omaha to provide life insurance at a rate of $0.27 per thousand in coverage, AD&D insurance at $0.02 per thousand dollars in coverage, and a short term disability policy at $0.62 per $10 in coverage effective June 1, 2021.**

The Trustees thanked Mr. Chicoski for his presentation and excused him from the meeting.

IV. FUND COUNSEL REPORT

A. Cyber Security Guidance

Ms. Boardman reported that the Department of Labor had recently issued new Cybersecurity Guidance for Plan Sponsors, Plan Fiduciaries and Record Keepers. The guidance emphasizes the importance that Plan Sponsors and Fiduciaries must place on combatting cybercrime and provides important tips on how to remain vigilant against emerging cyber threats. The guidance came in three forms: (1) Tips for Hiring a Service Provider, (2) Cybersecurity Program Best Practices, and (3) Online Security tips for participants and beneficiaries. Ms. Boardman said she would forward the guidance to the Trustees for their review.

B. Mental Health Parity and Addiction Equity Act

Ms. Boardman noted that the Consolidated Appropriations Act, 2021("CAA") imposed new requirements on Plans to ensure compliance with the Mental Health Parity and Addiction Equity Act (MHPAEA). Section 203 of the CAA requires Plan to perform and document comparative analyses of the design and application of non-quantitative treatment limitations, which are limits on benefits that are not tied to specific monetary or visit limits such as preauthorization of certain services, step therapy or fail-first requirements. The comparative analysis must be made available upon request, to the secretaries of the Department of Health and Human Services, the Department of Labor, and the Department of the Treasury. This requirement became effective February 10, 2021, however guidance was not provided on how the comparative analysis should be conducted, or what information it must contain. Final guidance is not required to be issued until June 2022. Since the Plan has a fully insured product with Kaiser Permanente they would be responsible for preparing the comparative analysis. The Administrative Services Manager has reached out to Kaiser and asked what specific steps they are taking in preparation for compliance with section 203 and what information would be available now, if the agencies requested the Plan to submit a comparative analysis of the non-quantitative treatment limitations prior to additional guidance being provided.

Ms. Welch informed the Trustees that Kaiser responded to the request and acknowledged its obligation to comply with the MHPAEA for fully insured plans. Kaiser noted they regularly review and monitor non-quantitative limits in connection with MHPAEA, and are currently taking appropriate steps to review and develop the expanded non-quantitative analyses and documentation for each health benefit plan it issues. The information available at this time was not provided, however, the Fund office was informed that the request was going to be resent to the national email box that handles all requests related to the comparative analysis and a response should be received within five business days.

V. <u>OTHER FUND BUSINESS</u>

Ms. Welch presented the following:

A. <u>Aetna Dental Benefit Proposal</u>

A letter was received on May 19, 2021 from Group Dental Service of Maryland, Inc. (“GDS”) noting that GDS had decided to stop offering dental coverage and that the current policy would be terminating on December 31, 2021. GDS was purchased by Aetna several years ago and Aetna has submitted a proposal for the Aetna Freedom-of-Choice Dental Plan for the Trustees consideration. This Plan would allow participants to choose between the Aetna Dental DHMO and the Aetna Dental Preferred Provider Organization (PPO) Insurance Plan throughout the Plan year.

The Trustees welcomed Ms. Jacqueline Depolo from Aetna to the meeting. She informed the Trustees that the Aetna Dental DHMO Plan is an in network only co-payment Plan that has a $5 copayment for office visits, pays 100% for preventative and diagnostic procedures, 90% for basic restorative procedures and 60% for major restorative procedures. Orthodontia is available for dependent children only and has a $2,300 copayment. The DHMO Plan has no deductibles and no maximums.

The Aetna Dental PPO provides in network and out of network coverage. The Plan has a $50 individual and $150 family deductible and a $1,000 maximum. Preventative and diagnostic procedure are paid at 100%, Basic Restorative procedures are paid at 70% and Major Restorative at paid at 40%. Orthodontia is available for dependent children and has a 50% coinsurance and a $1,000 maximum.

The members would have access to a broader provider network. The current Plan has 838 participating providers, and the Aetna DHMO Plan has 126,000 and the Aetna PPO has $405,000 participating providers. She noted that 96% of the billed dental services received by the Plan were performed by dentists that are in the Aetna PPO network.

Ms. Depolo noted that there would be an 11.8% increase in the annual premium of $33,200 to $37,142.

Trustee Bort asked if dental identification cards would be issued if these Plans were implemented. Ms. Depolo noted that dental cards are not usually sent to the members but a card could be printed from the Aetna website, however, she would check to see if that was an option.

The Trustees discussed the Indemnity Dental Plan and asked Ms. Welch to provide a utilization report to Aetna of all the Indemnity Dental Plan providers that have billed for services in the last several years to determine if they participate in the Aetna dental networks.

The Trustees thanked Ms. Depolo for her presentation and excused her from the meeting.

B. Employee Premium Subsidy

The Trustees discussed the full employee premium subsidy that is scheduled to expire on June 30, 2021. Due to the continued hardship imposed by the pandemic and given that the Fund is financially stable and able to address this need the Trustees determined that continuation of the full employee premium for a limited period of time was financially feasible and prudent. Accordingly,

On MOTION made, seconded, and unanimously approved, the Trustees

> **RESOLVED to waive the employee premium for the months of June, July, August, and September 2021.**

C. Cyber Liability Policy

Competitive bids were obtained by Segal Select from the incumbent carrier, Travelers Insurance ("Travelers") and from Beazley Insurance Group. Travelers proposed a $965 (39.7%) increase in the current premium of $2,432 to $3,397. Segal Select recommended that the Trustees renew the policy with Travelers since they maintained the capacity, retention levels, admitted status and scope of coverage, despite the increase. They noted that the increase was due to the cyber incidents that have occurred across the market.

On Motion made and seconded, the Trustees voted to ratify the following resolution:

> **RESOLVED, to approve renewing the Cyber Liability Policy with Travelers for the policy period of July 17, 2021, through July 17, 2022 with an annual premium of $3,397.**

VI. NEXT MEETING DATE AND LOCATION

The next regular meeting of the Board of Trustees was scheduled for Friday, September 24, 2021 at 12:30 p.m., with the location to be determined.

VII. ADJOURNMENT

There being no further business to come before the Board of Trustees, the meeting was adjourned at 1:50 p.m.

Respectfully submitted,

______________________________	______________________________
H. Beth Swanson, Chairman	Paul Atwill, Co-Chairman