United Food and Commercial Workers Unions
and Participating Employers
Health and Welfare Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND VIA VIDEO CONFERENCE SEPTEMBER 12, 2022

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
J. Chorpenning
T. Hipkins
M. Wilson

EMPLOYER TRUSTEES
B. Seehafer – Secretary
J. Ferrer
P. Lin
V. Marsh

Also present were:

B. Antoshak - Associated Administrators, LLC
M. Boyles - Cheiron
A. Bucci - Cheiron
K. Crossin - The McKeogh Company
M. Dorward - AETNA
N. Eid – Confidio
K. Haskell - Humana
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
J. Kimble - Morgan, Lewis, & Bockius, LLC
B. McKiver - UFCW Local 400
C. Murphy - Associated Administrators, LLC
M. Powell - Humana
S. Sanchez - Slevin & Hart, P.C.
A. Sims - Associated Administrators, LLC
J. Smith - Humana
J. Timm - The Segal Company
L. Walsh - Associated Administrators, LLC
N. Watkins - Humana

I. CALL TO ORDER

A quorum being present, the Chairman called the meeting to order. It was noted that Local 400 had removed Yolanda Anwar as a Union Trustee and appointed Mike Wilson as a Union Trustee.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on June 9, 2022, and the Special Meetings held on June 13, 2022, June 21, 2022, and June 22, 2022, which were previously circulated. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, that the minutes of the regular meeting held on June 9, 2022, and the special meetings held on June 13, 2022, June 21, 2022, and June 22, 2022, are approved as presented. The Employer Trustees abstained from voting on the June 13, 2022 and June 22, 2022 special meeting minutes. Mr. Ianniello noted that he had received a written vote of approval from the Independent Employer Trustee of the June 13, 2022 and June 22, 2022 special meeting minutes.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2022, to August 31, 2022. The report showed a beginning market value of $3,062,875, receipts of $9,936,500, disbursements of $10,523,640, and an earnings loss of $47,142, producing an ending market value of $2,428,593 as of August 31, 2022.

IV. CONSULTANT'S REPORT

A. The Mckeogh Company

The Trustees welcomed Ms. Karen Crossin of the McKeogh company to the meeting. Ms. Crossin provided an overview of the best and final proposals received by the two Medicare Advantage Plan finalists seleted by the Trustees, Humana and Aetna.

1. Medicare Advantage Plan RFP – Aetna and Humana Presentations

i. AETNA Presentation

The Trustees welcomed Michael Dorward from Aetna to the meeting.

Mr. Dorward said Aetna is proposing a Medicare Advantage Plan that would cover all of the Fund's Medicare eligible retirees that do not receive retiree coverage throughKaiser Permanente. The Trustees thanked Mr. Dorward for his presentation, and he was excused from the meeting.

ii. Humana Presentation

The Trustees welcomed Kristi Haskell and Mark Powell from Humana to the meeting.

Mr. Powell stated that Humana's proposal provides options for coverage of both the Kaiser and non-Kaiser retirees currently covered under the Fund. He said the prescription plans offered through Humana are richer than those currently in place under the Fund's Plan for retirees. The Trustees thanked Ms. Haskell and Mr. Powell for their presentation, and they were excused from the meeting.

After the presentations, Ms. Crossin summarized the request for proposal results. The Trustees discussed the proposals and asked Mr. Timm to provide reports summarizing Humana's and Aetna's best and final proposals. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to have the Chair and Secretary review the proposals with Segal and make a recommendation to the full Board for a decision by email poll.**

B. Cheiron

1. Actuarial Valuation Report

The Trustees welcomed Anthony Bucci and Michelle Boyles from Cheiron to the meeting.

Mr. Bucci reviewed the FASB SC 965 Report as of December 31, 2021, and the Summary of Results. Mr. Bucci noted that there was a decrease in the active population and in the retiree population from 2020 to 2021. He reported that as of December 31, 2021, there were a total of 952 actives, retirees, and dependents compared to 1,039 as of December

31, 2020, representing an 8.4% decrease. Postretirement Benefit Obligations were $86.3 million as of December 31, 2021, compared to $86 million as of December 31, 2020, a 0.3% increase. The discount rate remained at 2.50%, and the trend percentage remained at 3.50%.

The Trustees thanked Mr. Bucci and Ms. Boyles for their report, and they were excused from the meeting.

C. The Segal Company

1. Reserve Determination Report

Mr. Timm reviewed Segal's August 2022 Reserve Determination Report. He noted that the Fund reserves as of August 31, 2022, were 2.931 months. Because reserves are below the 3-month Fund reserve requirement, Mr. Timm reported a reserve adjustment of an additional $413,646 (payable in six monthly installments of $68,941 from October 2022 through March 2023), was necessary to return the reserves to 3 months. Mr. Ianniello stated that he would circulate an email poll to the Union Trustees and the independent Employer Trustee regarding the approval of this report.

D. Confidio

1. Market Check

Ms. Eid reported that the Fund has the right under its contract with OptumRx to conduct a market check to compare current pricing to the market. Ms. Eid reported that Confidio would charge $12,500 to perform the market check. After discussion,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolutions:

> **RESOLVED, to authorize Confidio to conduct a market check; and Further RESOLVED, to delegate to Chair and Secretary the authority to make any decisions based on the results of the market check.**

V. ATTORNEY'S REPORT

A. Transparency in Coverage Final Rule and Consolidated Appropriations Act

Ms. Sanchez reported on the Transparency in Coverage Final Rule and the Consolidated Appropriations Act.

B. Cybersecurity Practices

Ms. Sanchez reported on the DOL's guidance related to cybersecurity best practices. The Trustees agreed that the Fund should request cyber liability insurance quotes from the Fund's broker. After discussion,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED, to issue an RFP for cybersecurity consulting services.

C. Data Breach with Conifer

Ms. Sanchez reported on Conifer's recent data breach.

D. IRS Levy

Ms. Sanchez reported on the notice of intent to levy sent to the Fund by the IRS.

E. Mallinckrodt Bankruptcy Class Action

Ms. Sanchez reported on the Mallinckrodt bankruptcy class action.

F. Ranbaxy Class Action

Ms. Sanchez reported on the Ranbaxy class action litigation.

G. Optum Audit Settlement

Ms. Sanchez reported on the Optum audit settlement agreement.

H. Trust Amendment

Ms. Sanchez reported on an amendment to the Trust.

I. Associated Administrators' Renewal Amendment

Ms. Sanchez reported on the renewal amendment to the Associated Administrators contract.

J. SPD Restatements

Ms. Sanchez reported on the Fund's Summary Plan Description restatements.

K. Shoppers' Delinquency

Ms. Sanchez reported on the Fund's delinquency lawsuit against Shoppers Food and Pharmacy.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2022 Report

Mr. Ianniello presented the Administrative Manager's Report for the Second Quarter 2022, which had been pre-circulated. The report showed a total income of $3,052,605 and total expenses of $3,504,141, producing a deficit of $451,536 for the quarter. Contributions were made on behalf of 1,034 Plan participants.

B. INVOICES

The Trustees reviewed the list of invoices for the Active Plan and Retiree Plan dated September 12, 2022, which had been pre-circulated. He noted there were no additions, deletions, or changes to the list.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, that the non-litigation invoices on the list dated September 12, 2022, are approved for payment.**

Mr. Ianniello stated that he would circulate the litigation-related invoices to the Union Trustees and the independent Employer Trustee for review.

VII. OTHER FUND BUSINESS

A. RDS – Subsidiary

Mr. Ianniello reported that the Fund has received a $23,134.60 payment for the Retiree Drug Subsidy for the 2022 Plan year.

B. Kaiser Rates for 2023

Mr. Ianniello presented the 2023 Kaiser Permanente Medicare rates as follows:

PLAN	2022 RATE	2023 RATE	CHANGE
A (with Part D)	$246.36	$246.36	0.0%
C (with part D)	$319.62	$309.72	-3.1%

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED, to approve the 2023 Kaiser Permanente Medicare rates.

C. COBRA Rates

Mr. Ianniello presented COBRA rates effective November 1, 2022, as follows:

PLANS	COBRA INDIVIDUAL	COBRA FAMILY	COBRA INDIVIDUAL DISABILITY	COBRA FAMILY DISABILITY
JSS2	$1,282.55	$2,332.23	$1,886.10	$3,429.75
Y FT	$1,159.66	$1,471.35	$1,705.38	$2,163.75
Y PT IND	$588.18	N/A	$864.97	N/A
Y PT FAM	N/A	$3,273.44	N/A	$4,813.88
Y 20 FT	$239.96	$383.94	$359.94	$575.91
Y 20 FT GROUP A	$214.22	$345.54	$321.33	$518.31
Y 20 PT	$746.62	$970.61	$1,097.98	$1,455.91
Y 20 PT GROUP A	$709.29	$922.08	$1,063.94	$1,383.12
Y 30 FT	$643.89	$837.06	$946.85	$1,255.59
Y 30 FT GROUP A	$611.70	$795.21	$917.55	$1,192.82
Y 30 PT	$299.55	N/A	$440.52	N/A
Y 30 PT GROUP A	$284.57	N/A	$426.86	N/A
Y 40	$66.77	N/A	$98.19	N/A

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED, to approve the COBRA rates effective November 1, 2022.

D. Appeals

1. Appeal #1 A22/125-1465 (Accident & Sickness) - **DENIED**
2. Appeal #2 M22/120-2980 (Excluded Services) - **DENIED**
3. Appeal #3 M22/112-5775 (Coordination of Benefits with Medicare-ESRD) - **DENIED**

E. Safeway Retirees

The Trustees discussed the coverage of retirees under the Plan who were employed by Safeway immediately prior to retirement.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to have Fund Counsel send a letter to Safeway to communicate the need for Safeway to contribute to the Fund of behalf of the aforementioned retirees and the right of the Board to terminate coverage for such retirees if contributions are not made.**

F. Loestrin Class Action

Mr. Ianniello reported that the Fund had received $4,358.53 in settlement of a class action filed for Loestrin.

VIII. NEXT MEETING AND LOCATION

The next regular Board meeting is scheduled for December 1, 2022, via Zoom.

IX. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

Respectfully Submitted,

Bill Seehafer, Secretary

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