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

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-2361
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
VIA VIDEO CONFERENCE
SEPTEMBER 20, 2023
(DRAFT)

The following Trustees were present:

UNION TRUSTEES

M. Federici – Chairman
J. Chorpenning
M. Wilson

EMPLOYER TRUSTEES

B. Seehafer – Secretary
P. Lin
V. Marsh

Also present were:

B. Antoshak - Associated Administrators, LLC
M. Buckberg – Withum
A. Dietrich – Slevin & Hart, P.C
N. Eid – The Segal Company
S. Goodman - Slevin & Hart, P.C
J. Herron - Associated Administrators, LLC
C. Hoffman - UFCW Local 400
J. Ianniello - Associated Administrators, LLC
M. Keadle - Withum
J. Kimble - Morgan, Lewis, & Bockius, LLC
B. McKiver - UFCW Local 400
C. Murphy - Associated Administrators, LLC
A. Sims - Associated Administrators, LLC
L. Walsh - Associated Administrators, LLC
R. Wildt – UFCW Local 27
T. Wyszomirski - The Segal Company

I. CALL TO ORDER

Mr. Ianniello reported that Trustee Tom Hipkins had given his proxy to Trustee Jason Chorpenning for this meeting. A quorum being present, Chairman Federici called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on June 8, 2023, 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 8, 2023, are approved as revised.**

III. FINANCIAL REPORT

PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for January 1, 2023, to August 31, 2023. The report showed a beginning market value of $2,292,883, receipts of $9,717,439, disbursements of $7,154,772, and earnings of $119,882, producing an ending market value of $4,975,432 as of August 31, 2023.

The Trustees discussed moving money from the operating account to the Fund's Segall, Bryant & Hamill investment account.

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

> **RESOLVED, to move $1 million from the operating account to the Fund's Segall, Bryant & Hamill investment account.**

IV. AUDITOR'S REPORT

The Trustees welcomed Mr. Mark Buckberg from Withum to the meeting.

A. Financial Statement Year End 2022

Mr. Buckberg presented the audited Financial Statements for December 31, 2022. He stated that his firm rendered an unmodified opinion on the financial statements and that they conform to generally accepted accounting principles.

Mr. Buckberg reported that assets as of December 31, 2022, were $4,704,636, and liabilities were $321,850, producing net assets available for benefits of $4,382,786. Mr. Buckberg reviewed the Notes to Financial Statements, Schedule of Assets Held for Investment Purposes, Employer Contributions Schedule, and Administrative Expenses Schedule. Mr. Buckberg noted there were a few minor changes to the report made as a result of timing.

B. Form 5500

Mr. Buckberg reported that the Fund's Form 5500 and Form 990 will be filed by their respective deadlines.

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

> **RESOLVED, to delegate to Chairman and Secretary the authority to execute the Form 5500 and Form 990.**

The Trustees thanked Mr. Buckberg and excused him from the meeting.

V. CONSULTANT'S REPORT

1. Reserve Determination Report

Mr. Wyszomirski presented the Reserve Determination Report through August 31, 2023. He reported assets of $4,752,770 as of August 31, which is in excess of the six-month reserve cap, thus triggering a credit to Shoppers. A credit of $201,888 will be provided to Shoppers spread equally over six months from October 2023 through March 2024.

2. Humana Renewal

Mr. Wyszomirski presented the Humana MA-PD Renewal effective January 1, 2024. Humana proposed a 4.1% increase for 2024 to $186 per month per member while maintaining the not-to-exceed rate of $191.76 in 2025.

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

> **RESOLVED, to accept the 2024 Humana renewal rate of $186.00 per individual per month, effective January 1, 2024.**

3. <u>Managed Pharmacy Report</u>

Ms. Eid reviewed several areas of potential savings on prescription drugs through the Optum Rx Quantity Limit, Prior Authorization, and Diabetes Management Programs. She explained the details of these programs and their potential to save the Fund money. Trustee Lin asked about the impact of these programs on the participants, and Ms. Eid explained that these changes could be implemented only with respect to new users of the relevant prescriptions.

Ms. Eid explained the Diabetes Management program and said it would entail Optum Rx contacting participants to encourage proper monitoring of blood sugar levels, staying current on taking medication, etc. She further noted that diabetic drugs account for 51% of total drug spend by the Fund.

Ms. Eid said that she had contacted Optum Rx to request an impact statement on these programs and the final report would be available in 7-10 days.

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

> **RESOLVED, to adopt the Quantity Limit and Prior Authorization programs presented by OptumRx, effective 1/1/2024.**

After further discussion, upon Motion made and seconded, the Trustees unanimously voted:

> **RESOLVED, to delegate to Chair and Secretary the authority to decide whether to adopt the Diabetic Management Program after receiving additional information from OptumRx.**

4. Optum RX Renewal

Ms. Eid reported on OptumRx's renewal proposal and discussed the benefit of renewing with OptumRx. She noted that OptumRx is offering rebate and discount guarantees on limited distribution drugs of 18% over three years. Ms. Eid stated Segal's recommendation that the Board approve the proposed OptumRx renewal.

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

RESOLVED, to accept the OptumRx renewal proposal as presented.

There was further discussion among the Trustees about the OptumRx renewal and receiving a fee credit versus rebates. The Trustees directed Ms. Eid to follow-up with OptumRx for more information on receiving a fee credit vs. rebates.

The Trustees thanked Mr. Wyszomirski and Ms. Eid and excused them from the meeting.

VI. ATTORNEY'S REPORT

A. Gag Clause Attestation

Ms. Goodman reported on the Gag Clause Attestation requirement under the CAA. The Trustees discussed the required attestation form.

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

RESOLVED, to authorize Associated Administrators, LLC to file the gag clause Attestation on behalf of the Fund by the December 31, 2023 deadline.

B. Cybersecurity

Ms. Goodman reported on the provider cybersecurity questionnaires and addendums. She also reported on the cybersecurity consulting contract with Segal.

C. Class Action Lawsuits

Ms. Goodman reported on the Zetia and Suboxone prescription drug class action lawsuits.

D. NexClaim

Ms. Goodman reported on the ongoing transition to NexClaim for Subrogation services.

E. IRS Levy

Ms. Goodman reported on the IRS tax levy matter.

F. SPDs

Ms. Goodman reported on the status of various Fund SPDs. The Trustees discussed the Plan JSS2 SPD, noting a "final" draft had been sent to them for final review.

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

RESOLVED, to adopt the JSS2 SPD as presented.

G. SMMs

Ms. Goodman reported on SMMs relating to COVID-19 benefits and prescription drug benefits.

VII. ADMINISTRATIVE MANAGER'S REPORT – Second Quarter 2023

Mr. Ianniello presented the Administrative Manager's Report for the Second Quarter of 2023, which had been pre-circulated. The report showed total income of $2,831,114 and total expenses of $2,730,832, producing a surplus of $100,282 for the quarter. Contributions were made on behalf of 998 Plan participants. There were no delinquencies during the Second Quarter of 2023.

Mr. Ianniello reviewed the Work Snapshot for the Second Quarter of 2023. He noted 27 accident and sickness claims, four appeals, 2,787 participant service calls, 35 COBRA notices, 6,425 medical claims processed, and 17,387 communications sent to Plan participants during the Second Quarter of 2023.

A. Invoices

Mr. Ianniello presented a list of invoices dated September 20, 2023, which were pre-circulated. He noted 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 invoices on the list dated September 20, 2023, are approved for payment**.

VIII. OTHER FUND BUSINESS

A. Appeals

The Trustees considered Appeal #1 A23/110 – 9282 and reviewed the related file.

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

> **RESOLVED, that Appeal #1 is denied, based on the terms of the Plan.**

The Trustees considered Appeal #2 M23/112 – 4012 –and reviewed the related file.

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

> **RESOLVED, that Appeal #2 is denied, based on the terms of the Plan.**

B. Conifer Renewal

Mr. Ianniello reported that the Conifer Health Solutions renewal was approved by email vote between Trustee meetings effective August 1, 2023 through July 31, 2026.

C. Kaiser Medicare Renewal

Mr. Ianniello presented Kaiser Permanente's first offer for 2024 Medicare Advantage rates and stated that Segal is continuing to negotiate with Kaiser regarding the proposed rates.

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

> **RESOLVED, to delegate to Chair and Secretary authority to approve the 2024 KP Medicare Advantage rates.**

D. <u>Dentegra Renewal</u>

Mr. Ianniello presented the Dentegra renewal proposal for the policy period from January 1, 2024, through December 31, 2024.

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

> **RESOLVED, to accept the Dentegra renewal at a zero percent increase for the policy period January 1, 2024, through December 31, 2024.**

E. <u>GVS Renewal (Group Vision Service)</u>

Mr. Ianniello presented the GVS renewal proposal for the policy period January 1, 2024, through December 31, 2024.

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

> **RESOLVED, to accept the GVS renewal at a zero percent increase for the policy period January 1, 2024, through December 31, 2024.**

F. <u>New Contribution Rates</u>

Mr. Ianniello reported that new contribution rates had gone into effect, in accordance with the Collective Bargaining Agreement, for hours worked in July 2023, payable in August.

G. SMM on Covid-19 Changes

Mr. Ianniello reported that the COVID-19 SMM had been mailed to participants, noting the revised coverage for over-the-counter COVID tests.

IX. 2023 MEETING DATES & LOCATIONS

The next Board meeting is scheduled via Zoom on December 14, 2023.

X. ADJOURNMENT

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

Respectfully Submitted,

Bill Seehafer, Secretary