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 DECEMBER 17, 2025 (DRAFT)

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici – Chairman	B. Seehafer – Secretary
J. Chorpenning	G. Dufault
M. Wilson	J. Nesse

Also present were:

A. Dietrich – Slevin & Hart, P.C. ***present for part of meeting**
A. Dixon – Virta Point Solution
L. Fratzke - Segal
J. Herron - Associated Administrators, LLC
C. Hoffman - UFCW Local 400
J. Ianniello - Associated Administrators, LLC
J. Kimble - Morgan, Lewis, & Bockius, LLC
N. Mathews - Segal
B. McKiver – Local 400
C. Murphy - Associated Administrators, LLC
S. Sanchez - Slevin & Hart, P.C.
A. Sims - Associated Administrators, LLC
J. Timm - The Segal Company
J. Vestrand – Optum RX

I. CALL TO ORDER

Mr. Ianniello noted that Mr. Hipkins was unable to attend the meeting and had given his proxy to Trustee Chorpenning.

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 September 25, 2025, which had been 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 September 25, 2025 are tabled for further review.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for January 1, 2025, through November 30, 2025. The report showed a beginning market value of $3,535,477, receipts of $10,987,795, disbursements of $10,840,866, and earnings of $193,871, resulting in an ending market value of $3,876,278 as of November 30, 2025.

IV. CONSULTANT'S REPORT

A. Virta Point Solution Update

The Trustees welcomed Ms. Verstrand from OptumRx and Ms. Dixon from Virta to the meeting. Ms. Dixon presented Virta's program options, offered in partnership with OptumRx. She explained that Virta can provide three programs: T2 Diabetes Reversal, Prediabetes Reversal, and Sustainable Weight Loss with Responsible Prescribing. Ms. Dixon explained that the Fund would be charged based on the number of participants that choose to enroll in each applicable program. She stated that once enrolled, participants will receive a membership kit, including a Bluetooth-enabled device for use in implenting the applicable program. After discussion regarding the program options,

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

> **RESOLVED, to implement all three Virta programs, effective as soon as administratively feasible with a target date of April 1, 2026.**

B. The Segal Company

The Trustees welcomed Mr. Josh Timm and Ms. Lauren Fratzke of the Segal Company to the meeting.

1. Reserve Determination Report

Mr. Timm reviewed the Reserve Determination Report through September 30, 2025. He noted that Fund reserves are between 3 and 6 months, so no adjustment to contributions is necessary at this time.

2. Stop-Loss Analysis

Mr. Timm presented Stop-Loss proposals from Berkshire Hathaway Specialty Insurance, QBE, Tokio Marine HCC Life ('TMHCC"), and Union Labor Life Insurance ("Ullico"). Mr. Timm said that all proposals included both 12/12 and 12/18 coverage options, as well as various deductible options. The Trustees reviewed all options and, after discussion,

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

> **RESOLVED, to purchase Stop-Loss Coverage through Tokio Marine, effective January 1, 2026, with a $500,000.00 annual Stop-Loss deductible on a 12/18 contract basis.**

Mr. Timm also stated that Segal is awaiting information from Optum Rx regarding Optum's Gene Therapy Stop-Loss insurance rider. He noted that each state must approve Optum's Gene Therapy Stop-Loss product, and Maryland has not yet done so. Once approved, Optum will provide a Gene Therapy rider coverage proposal to the Trustees. The Trustees noted that approval of this proposal already has been delegated to the Chair and Secretary and should be sent to them as soon as it is received.

3. CareFirst Renewal

Mr. Timm noted that the CareFirst contract will be up for renewal at the end of 2026.

4. Carelon Renewal

Mr. Timm discussed the proposed renewal from Carelon. He reported that per the Trustees' direction, Segal solicited bids from other vendors but, due to the Fund's size and the unique nature of the benefits provided through Carelon, no other vendor was willing to offer comparable coverage.

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

> **RESOLVED, to renew with Carelon for one year at a 3.8% increase and revisit exploring alternative coverage options in 2026.**

V. ATTORNEY'S REPORT

A. CRNA Coverage Rule

Ms. Sanchez reported that the Chairman and Secretary had approved a pending appeal for anesthesiologist coverage and Certified Registered Nurse Anesthetist (CRNA) services between meetings.

The Chairman and Secretary proposed an amendment to the Plan to provide that the Fund will cover up to the full allowed amount for having an anesthesiologist present for the entire relevant procedure, but that total amount could be split between an anesthesiologist and a CRNA in the event that the anesthesiologist is present for only part of the procedure and the CRNA is present for the full procedure..

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

> **RESOLVED, to approve the amendment to the Plan as proposed by the Chair and Secretary.**

B. Gag Clause

Ms. Sanchez reported on the Fund's annual gag clause attestation.

C. Insulin Pricing Litigation Update

Ms. Sanchez reported on the Insulin Pricing Litigation.

D. SPD Update

Ms. Sanchez reported on the status of restatements for several SPDs.

E. HIPAA Final Rule Regarding Substance Use Disorder Claims

Ms. Sanchez reported on the HIPAA final rule regarding substance use disorder claims and the required change to the Fund's Notice of Privacy Practices.

F. Cybersecurity Update

Ms. Sanchez reported on the Fund's vendors that have responded to the Fund's cybersecurity questionnaire and noted that Segal will follow up with those vendors that did not receive an advanced rating and those that have not yet responded. Ms. Sanchez also reported on the cybersecurity addenda for Fund providers.

G. OptumRx Amendment

Ms. Sanchez reported on the proposed amendment to the Fund's agreement with OptumRx.

H. Form 5500

Ms. Sanchez reported on the Fund's Form 5500.

I. Fidelity Bond

Ms. Sanchez reported on the Fund's Fidelity Bond renewal.

J. SAR

Ms. Sanchez reported on the Fund's Summary Annual Report.

VI. ADMINISTRATIVE MANAGER'S REPORT – Third Quarter 2025

Mr. Ianniello presented the Administrative Manager's Report for the Third Quarter of 2025, which had been pre-circulated. The report showed total income of $2,886,853 and total expenses of $3,169,675, resulting in a $282,822 deficit for the quarter. Contributions were made on behalf of 1,080 Plan participants. Mr. Ianniello also reported on the Retiree Quarterly recap for the third quarter of 2025. The report showed total income of $325,859 and total expenses of $304,843, resulting in a surplus of $21,016 for the quarter. Contributions were made on behalf of 313 Plan participants. There were no delinquencies during the Third Quarter of 2025.

A. Invoices

The Trustees reviewed the invoices for the Active and Retiree Plans dated December 17, 2025, which had been pre-circulated.

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

> **RESOLVED, that the invoices on the list dated December 17, 2025, are approved for payment.**

VII. OTHER FUND BUSINESS

A. NexClaim Recoveries

Mr. Ianniello reported that NexClaim is currently working on fifteen open subrogation claims. There was discussion concerning the current system of subrogation recovery versus the prior system and the Trustees agreed to put it on the agenda for further discussion at the next meeting.

B. Dentegra Renewal

Mr. Ianniello reported that the Dentegra Renewal was completed between meetings.

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

> **RESOLVED, to ratify the Board's approval between meetings of the Dentegra Renewal.**

C. Cost Sharing

The Trustees discussed cost sharing between the Health & Welfare Fund, the UFCW Unions and Participating Employers Pension Fund and the UFCW Unions and Contributing Employers Legal Fund regarding shared expenses (e.g. insurance policies; payroll audits; IFEBP membership). Mr. Ianniello stated that currently, the Funds split such shared expenses as follows: 40% to the Pension Fund, 40% to the Health and Welfare Fund, and 20% to the Legal Fund. After discussion regarding the needs of each Fund, On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to update the cost sharing arrangement between the Pension Fund, the Health and Welfare Fund and the Legal Fund as follows: 45% payable by the Pension Fund, 45% payable by the Health & Welfare Fund, and 10% payable by the Legal Fund.**

D. <u>IFEBP Renewal</u>

Mr. Ianniello presented the IFEBP membership renewal.

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

> **RESOLVED to renew the Fund's membership with IFEBP at a total cost of $1,900.00, to be shared between the Pension, Health & Welfare, and Legal Funds, as agreed upon by the Funds.**

E. <u>Fidelity Bond Retiree H&W Plan</u>

Mr. Ianniello presented the Fidelity Bond renewal for the Retiree Health & Welfare Plan.

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

> **RESOLVED, to renew the Fidelity Bond with Chubb for the Retiree Health & Welfare Plan for $1,575.00 for the period from January 1, 2026, through December 31, 2026.**

F. <u>Fidelity Bond Active H&W Plan</u>

Mr. Ianniello presented the Fidelity Bond renewal for the Active Health & Welfare Plan.

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

> **RESOLVED, to renew the Fidelity Bond for the Active H&W Plan with Chubb for $6,194.00 for the period from January 1, 2026, through December 31, 2026.**

G. Withum Payroll Audit

Mr. Ianniello reviewed Withum's payroll audit proposal. In the proposal, Withum suggests an audit of Shoppers/Metro in 2026, covering the 2025 Plan year, and audits of the remaining employers in 2027, covering the 2026 Plan year. The Trustees asked that Withum submit a new proposal with fees reflecting an extended audit period beyond one year.

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

> **RESOLVED, to delegate to the Chairman and the Secretary the authority to approve Withum's payroll audit proposal upon receipt of the updated proposal.**

H. Appeal M25/103-1479

The Trustees considered appeal M25/103-1479 and reviewed the related file And noted that this appeal has been delegated to Chair and Secretary. The Trustees did not make a decision on the appeal but directed Fund co-counsel to contact the provider at issue.

VIII. 2026 MEETING DATES & LOCATIONS

After discussion, the Trustees selected the following dates and meeting locations for 2026:

March 26, 2026 – 10:00 a.m. – Virtual
June 23, 2026 – 10:00 a.m. – Virtual
September 3, 2026 – 10:00 a.m. TBD
December 17, 2026 – 10:00 a.m. – TBD

IX. ADJOURNMENT

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

Respectfully Submitted,

Bill Seehafer, Secretary