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 1, 2022

The following Trustees were present:

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

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

Also present were:

B. Antoshak - Associated Administrators, LLC
M. Buckberg - Withum
L. Fiergola - UNFI
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
S. Sanchez - Slevin & Hart, P.C.
A. Sims - Associated Administrators, LLC
B. Slevin - Slevin & Hart, P.C.
J. Timm - The Segal Company
L. Walsh - Associated Administrators, LLC
R. Wildt – UFCW Local 27

I. CALL TO ORDER

A quorum being present, the Chairman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on September 12, 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 September 12, 2022, are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for January 1, 2022, to October 31, 2022. The report showed a beginning market value of $3,062,875, receipts of $12,929,322, disbursements of $12,794,530, and an earnings loss of $37,572, producing an ending market value of $3,160,095 as of October 31, 2022.

IV. AUDITOR'S REPORT

The Trustees welcomed Mr. Mark Buckberg and Matt Keadle from Withum Smith and Brown ("Withum") to the meeting.

Mr. Buckberg presented the Financial Statements for the period ending December 31, 2021. 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, 2021, were $4,799,903 and liabilities were $269,757, producing net assets available for benefits of $4,530,146. 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 that the Fund's Form 5500 was filed on time.

Trustee Seehafer noted that a correction to the financial statements is needed because the financial statements provide that UNFI is divesting Shoppers' assets but, as of June 2021, this is no longer correct. After discussion, On Motion made and seconded, the Trustees voted approval of the following resolution:

> **RESOLVED, to direct Withum to update and refile the financial statements; and**
>
> **FURTHER RESOLVED, to delegate to the Chair and Secretary the authority to approve the amended financial statements.**

V. CONSULTANT'S REPORT

A. The Segal Company

1. Reserve Determination Report

Mr. Timm reviewed the Reserve Determination Report. He noted that the Fund reserves as of October 2022 exceed three months and are below four months. Therefore, no additional adjustments were required for October 2022. Mr. Timm said he would check on whether the September payment reflects the new contribution amounts. Mr. Ianniello said he would send the report to the Independent Trustee, Steve Loeffler, for approval, based on the Employer Trustees' position that they have a conflict.

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

> **RESOLVED, by the Union Trustees to approve the consultant's report.**

Mr. Ianniello asked if the Trustees still wanted to receive a weekly report with the Fund's balance. The Trustees agreed that it would be sufficient, going forward, for the Fund office to provide them with a report once a month, around the fifteenth of the month.

2. Humana Update

Mr. Ianniello reported that the Humana implementation was in process. He explained that all current Kaiser Permanente Medicare HMO participants will be given the option to enroll with Humana, effective February 1, 2023. Once a current Kaiser Retiree changes to Humana, there would be no opportunity for that retiree to change back to Kaiser. Retirees in Kaiser Medicare HMO will be given an opportunity once a year during open enrollment to switch to Humana, for coverage effective in January. All participants retiring on an after February 1, 2023 will only have the option to enroll in Humana and will not be offered the Kaiser Permanente Medicare HMO plan. If such retirees do not enroll in Humana, they will not have Fund Retiree Health coverage.

Mr. Ianniello reported that Humana has offered to conduct seminars for Fund Retirees to explain the new coverage. The Trustees agreed to the seminar and directed Mr. Ianniello to coordinate specifics with Humana. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to delegate the authority to make any additional decisions about the Humana transition to Chair and Secretary.**

Mr. Ianniello asked if the Humana change applied to only Shoppers retirees or all retirees. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, that the Humana transition applies to all Retirees in the Retiree Health and Welfare Fund.**

3. <u>Safeway Retirees</u>

The Trustees discussed the continued participation of retirees formerly employed by Safeway. Trustee Marsh suggested that the Fund send a letter to Safeway describing the contributions necessary to continue the participation of such retirees.

Trustee Seehafer asked if Mr. Timm could provide a contribution rate that would apply to all Retirees for the transition to Humana. Mr. Timm affirmed that Segal could provide such a rate. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to provide Safeway with an estimate of its contributions owed for December 2022 and January 2023 at the rate of $361.38 and include a statement that this rate would change upon the transition to Humana on February 1, 2023.**

B. Confidio

1. Confidio Consulting Service Change

Mr. Ianniello reported that Confidio will no longer provide Prescription Drug consulting services as of the First Quarter of 2023. He stated that Ms. Eid would be moving to Segal, effective January 1, 2023. Trustee Seehafer asked for information on what Segal would charge to provide prescription drug consulting services to the Fund. After discussion, On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to delegate to Chair and Secretary the authority to make a decision on whether to hire Segal to perform prescription drug consulting services for the Fund, after reviewing Segal's proposal.**

2. Market Check

Mr. Ianniello stated that Confidio provided a report reflecting that the PBM market check for 2022 had been completed and Confidio is waiting for a draft amendment from Optum Rx, reflecting the terms of the market check proposal.

VI. ATTORNEY'S REPORT

A. Transparency in Coverage Final Rule and Consolidated Appropriations Act ("CAA")

Ms. Sanchez reported on the Transparency in Coverage Final Rule and the CAA, including the prescription drug reporting requirement..

B. Price Comparison Tool

Ms. Sanchez reported on the price comparison tool required under the CAA.

C. Independent Resolute Process ("IDR")

Ms. Sanchez reported on the final rule issued regarding the IDR process required by the CAA.

D. Humana Transition Agreement

Ms. Sanchez reported on the contract between the Fund and Humana.

E. Opioid Bankruptcy Class Action

Ms. Sanchez reported on the Mallinckrodt bankruptcy class action lawsuit. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to delegate to the Chair and Secretary the authority to decide whether the Fund will file a claim in the Mallinckrodt bankruptcy class action.**

F. Prescription Drug Class Actions

Ms. Sanchez reported on the Opana and Remicade prescription drug class actions.

G. Subrogation Program

Ms. Sanchez reported on the Fund's subrogation program. After discussion, On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to have Segal perform a joint RFP with the FELRA & UFCW VEBA Fund to solicit proposals from subrogation service providers.**

H. Conifer Data Breach

Ms. Sanchez on Conifer's notification to the Fund regarding Conifer's data breach.

I. IRS Levy

Ms. Sanchez reported on the IRS Notice of Intent to Levy received by the Fund.

J. SPD Restatements

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

K. Market Check Amendment

Ms. Sanchez reported on the Confidio market check amendment.

VII. ADMINISTRATIVE MANAGER'S REPORT – Third Quarter 2022

Mr. Ianniello presented the Administrative Manager's Report for the Third Quarter of 2022, which had been pre-circulated. The report showed total income of $3,891,963 and total expenses of $2,973,165, producing a gain of $918,798 for the quarter. Contributions were made on behalf of 1,026 Plan participants. There were no delinquencies during the Third Quarter 2021.

Mr. Ianniello reviewed the Work Snapshot for the Third Quarter 2022. He noted that there were 23 accident and sickness claims, 11 appeals, 2,901 participant service calls, 64 COBRA notices, 6,963 medical claims processed, and 2,299 communications sent to Plan participants during the Third Quarter of 2022.

A. <u>Telehealth</u>

Mr. Ianniello reminded the Trustees that the current coverage of telehealth visits under the Plan is set to expire on 12/31/2022. He asked if the Trustees wanted to extend this coverage. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to extend coverage of telehealth visits for claims that would have been covered if conducted in person until 12/31/2023.**

B. <u>Invoices</u>

The Trustees reviewed the invoices for the Active Plan and Retiree Plan dated September 12, 2022, which had been pre-circulated. Mr. Ianniello noted there was an addition to the list. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, that the invoices dated September 12, 2022, as updated, are approved for payment.**

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

A. <u>Appeals</u>

Appeal #1 A22/132-9717 (Three Day Prior Rule) – **DENIED**

Appeal #2 E22/141-3693 (Retiree Network of Coverage) – **DENIED**

B. <u>OptumRx Account Manager Change</u>

Mr. Ianniello reported that after receiving the letter from the Trustees voicing service concerns, Optum Rx appointed a new Account Manager for the Fund, Jean Vestrand. The Trustees asked Mr. Ianniello to invite Ms. Vestrand to the next meeting in March 2023.

C. Beacon Health Name Change

Mr. Ianniello reported that Beacon Health is changing its corporate name to Carelon, with a target effective date of 3/1/2023.

D. Fidelity Bond

Mr. Ianniello reported that the Fund's broker provided a quote in the amount of $6,162.00 for the Active Health & Welfare Plan, and a quote in the amount of $4,978.00 for the Retiree Health & Welfare Plan, for renewal of the fidelity bond for the three-year period from January 1, 2023 to January 1, 2026. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to renew the fidelity bond for the Active Health & Welfare Plan at the cost of $6,162.00; and**
>
> **FURTHER RESOLVED to renew the fidelity bond for the Retiree Health & Welfare Plan at the cost of $4,978.00.**

E. 2023 Medicare Rates

Mr. Ianniello presented the 2023 Medicare rates. The Hospital Inpatient Deductible rate is increasing from $1,556.00 to $1,600.00, the Daily Fees for days 61-90 is increasing from $389.00 to $400.00, and the Skilled Nursing Facility Co-Insurance is increasing from $194.50 to $200.00. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to approve the 2023 Medicare Rates as presented.**

F. Open Enrollment

Mr. Ianniello reported that the Open Enrollment packets were mailed on 11/18/2022.

G. 2023 Dependent Child/ren Rates for Plans Y20 PT and Y30 PT

Mr. Ianniello reported that Chair and Secretary had approved the 2023 rates for Dependent Child/ren Coverage for Plan Y20 PT and Plan Y30 PT participants between meetings.

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

RESOLVED that the 2023 Dependent Child/ren Rates for Plans Y20 and Y30 Part Time participants are ratified by the Board of Trustees.

H. <u>IFEBP Renewal</u>

Mr. Ianniello presented the IFEBP membership renewals. After discussion, On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED, to renew the Funds membership with IFEBP using the most economical method available.

IX. 2023 MEETING DATES & LOCATIONS

After discussion, The Trustees selected the following dates and meeting locations for 2023:

March 29, 2023 – 10:00 a.m. – Virtual

June 8, 2023 – Time – TBD, Location – TBD

September 20, 2023 – Time – TBD, Location – TBD

December 14, 2023 – Time – TBD, Location – TBD

X. ADJOURNMENT

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

Respectfully Submitted,

Bill Seehafer, Secretary