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 14, 2023 (DRAFT)

The following Trustees were present:

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

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

Also present were:

A. Dietrich – Slevin & Hart, P.C
J. Herron - Associated Administrators, LLC
C. Hoffman - UFCW Local 400
J. Ianniello - Associated Administrators, LLC
N. Jacobs – UFCE Local
J. Kimble - Morgan, Lewis, & Bockius, LLC
B. McKiver - UFCW Local 400
C. Murphy - Associated Administrators, LLC
S. Sanchez - Slevin & Hart, P.C
J. Timm – The Segal Company
R. Wildt – UFCW Local 27

I. CALL TO ORDER

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 20, 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 September 20, 2023, are approved as presented.

III. FINANCIAL REPORT

PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for January 1, 2023, to November 30, 2023. The report showed a beginning market value of $2,292,883, receipts of $12,665,526, disbursements of $10,594,758, and earnings of $184,605, producing an ending market value of $4,548,256 as of November 30, 2023.

IV. CONSULTANT'S REPORT

1. Reserve Determination Report

The Trustees welcomed Josh Timm of Segal to the meeting. He presented the Reserve Determination Report through October 31, 2023. Mr. Timm reported assets of $4,950,653 as of October 31, 2023 which is between the three-month reserve floor and the six-month reserve ceiling. Therefore, no adjustment is required as a result of the October 31, 2023 reserve level.

2. Retiree Rates

Mr. Timm reported on Segal's calculation of the updated employer contribution rate for retirees effective January 1, 2024. He stated that Segal calculated the updated employer contribution rate for retirees to increase by 2.5%, from $329.15 to $337.51, effective January 1, 2024.

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

RESOLVED, to increase the employer contribution rate for retirees to $337.51, effective January 1, 2024.

3. Managed Pharmacy Report

Mr. Timm presented Segal's Managed Pharmacy Report. He noted the most significant increase in spending was specialty drugs at 35%. Trustee Seehafer asked what drugs are included under the “Inflammatory Condition,” which is the category that incurred the most significant expense. Mr. Timm said he would research this and provide more information to the Trustees.

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

V. ATTORNEY’S REPORT

A. Gag Clause Attestation

Ms. Sanchez reported on the gag clause attestation requirement under federal law. .

B. Machine Readable Files for Rx

Ms. Sanchez reported on recent federal agency guidance relating to the Transparency in Coverage Final Rule.

C. Cybersecurity Update

Ms. Sanchez reported on the provider responses to the Fund’s cybersecurity questionnaires.

D. Excess Cyber Liability Policy

Ms. Sanchez reported on the Excess Cyber Liability Insurance policy.

E. NexClaim

Ms. Sanchez reported on the transition of subrogation services to NexClaim.

F. Conifer Renewal

Ms. Sanchez reported on the Conifer renewal amendment.

G. Optum Rx Renewal

Ms. Sanchez reported on the Optum Rx contract renewal.

H. IRS Levy

Ms. Sanchez reported on the IRS the levy notice.

I. SPD's

Ms. Sanchez reported on the status of the Fund's Summary Plan Description restatements. The Trustees and Mr. Ianniello discussed the timeline for completion of the restatements.

J. Summary of Material Modifications

Ms. Sanchez reported on the Summary of Material Modifications regarding naloxone coverage.

VI. ADMINISTRATIVE MANAGER'S REPORT – Third Quarter 2023

Mr. Ianniello presented the Administrative Manager's Report for the Third Quarter of 2023, which had been pre-circulated. The report showed a total income of $2,821,664 and total expenses of $2,613,439, producing a surplus of $208,225 for the quarter. Contributions were made on behalf of 1,050 Plan participants. There were no delinquencies during the Third Quarter of 2023.

A. Invoices

Mr. Ianniello presented a list of invoices dated December 14, 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 December 14, 2023, are approved for payment.**

VII. OTHER FUND BUSINESS

A. Appeals

Appeal #1 M22/116-9067 – (Medical)

Mr. Ianniello presented an appeal for primary coverage for ESRD. After discussion,

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

> **RESOLVED, to deny the appeal based on the rules of the Plan.**

B. <u>Child Dependent Rates for 2024</u>

Mr. Ianniello reported on the 2024 Dependent Child/ren Coverage rates for Plan Y20 PT and Plan Y30 PT participants.

PLAN	Per Child Rate			Three or More Children Rate		
	Medical	RX	Total	Medical	RX	Total
Plan Y20 – Part Time	$171.23	$23.13	$194.36	$513.69	$69.39	$583.08
Plan Y30 – Part Time	$167.51	$23.13	$190.64	$502.53	$69.39	$571.92

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

RESOLVED, that the 2024 Dependent Children Rates for Plans Y20 and Y30 Part Time participants are approved as presented.

C. <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 Funds' membership with IFEBP.

D. <u>Telehealth Renewal</u>

Mr. Ianniello reported that the Telehealth benefit is scheduled to expire on December 31, 2023. Trustee Seehafer asked the Fund office to request that Segal provide its view on whether it would make sense to make this a permanent benefit under the Plan.

After discussion, upon Motion made and seconded, the Trustees agreed to the following:

RESOLVED to extend telehealth coverage (including for A&S eligibility) through December 31, 2024; and

FURTHER RESOLVED to delegate to the Chairman and Secretary the authority to decide whether to make the telehealth benefit permanent after reviewing Segal's recommendation.

I. 2024 MEETING DATES & LOCATIONS

After discussion, The Trustees selected the following dates and meeting locations for 2024:

March 4, 2024 – 10:00 a.m. – Virtual

June 3, 2023 – Time – TBD, Location – TBD

September 13, 2023 – Time – TBD, Location – TBD

December 5, 2023 – Time – TBD, Location – TBD

VIII. ADJOURNMENT

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

Respectfully Submitted,

Bill Seehafer, Secretary