Segal

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June 15, 2026

Board of Trustees
UFCW Unions and Participating Employers
Health and Welfare Fund
Sparks, Maryland 21152-9451

Re: Conifer Health Solutions Renewal - Effective August 1, 2026

Dear Trustees:

The Fund is currently in the third and final year of a three-year agreement with Conifer Health Solutions (Conifer) for utilization management (UM), personal health management (PHM), and data warehouse. Conifer initially proposed two options for your consideration: (1) a one-year agreement increasing fees 3.2% above the current, and (2) a three-year agreement increasing fees 3.0% each year. Following discussions, Conifer was willing to mitigate the increases in the three-year agreement to 2.5% each year. The chart below outlines the current and proposed multi-year agreements:

Conifer Renewal Proposal

	Current Rates	Negotiated Rates		
Effective August 1,	**2025**	**2026**	**2027**	**2028**
UM / PHM - Per Hour	$139.50	$142.99	$146.56	$150.22
% Change	-	2.5%	2.5%	2.5%
Data Warehouse Fee - PEPM	$1.26	$1.29	$1.32	$1.35
% Change	-	2.4%	2.3%	2.3%
Annual Fees*	**$154,400**	**$158,200**	**$162,200**	**$166,200**
% Change	**-**	**2.5%**	**2.5%**	**2.5%**
Difference from Prior Year	-	$3,800	$4,000	$4,000
Difference from Current		$3,800	$7,800	$11,800

*Assuming 607 employees and 1,041 annual hours billed.
PEPM – Per Employee Per Month

It is important to note that the renewal includes the conditions that if the Fund auto-renews the contract in 2026, the rates are to be adjusted by the greater of the Employment Cost Index or 3% each year. New multi-year options can be discussed prior to the end of the three-year options chosen. Should the Fund accept the three-year deal, a renewal should be requested so that the renewal can be negotiated in lieu of accepting the auto-renewal provision.

Financial Strength

Segal believes that it is important for clients to consider the financial strength of insurance companies, which are candidates for initial selection or renewal as insurers to employee benefit plans. Several rating services (e.g., Standard & Poor's, Fitch and Moody's) provide claims paying ability evaluations of insurance companies.

However, neither A.M. Best nor Standard & Poor's have published a rating for Conifer Health Solutions. You may therefore wish to pursue other means of determining the financial strength of this vendor.

Segal does not itself perform insurance company and managed care organization credit quality evaluations and does not offer any warranty as to the scope or reliability (e.g., with respect to an organization's ability to meet future obligations) of the insurance company and managed care organization evaluations performed by any rating service.

Conclusion

The renewal appears to be fair and reasonable compared to the market and other similarly situated Funds.

The amendments for the renewal are attached for your review and signature. **Conifer requires these amendments to be signed and returned no later than July 15th.**

Should you have any questions, please do not hesitate to reach out to me.

Regards,

Joshua D. Timm
Senior Vice President and Benefits Consultant

cc: Jeff Ianiello
Chris Heppner
Lauren Fratzke
Elizabeth Pierce

Attachments (6556201, 6556202)