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 MARCH 26, 2026 (DRAFT)

The following Trustees were present:

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

EMPLOYER TRUSTEES
B. Seehafer – Secretary
G. Dufault
J. Nesse

Also present were:

A. Dietrich - Slevin & Hart, P.C.
L. Fratzke – The Segal Company
J. Herron - Associated Administrators, LLC
C. Hoffman - UFCW Local 400
J. Ianniello - Associated Administrators, LLC
J. Kimble - Morgan, Lewis, & Bockius, LLC
N. Mathews -The Segal Company
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

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 December 17, 2025, which had been previously circulated and,

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

> **RESOLVED, that the minutes of the regular meeting held on December 17, 2025, are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period from January 1, 2026, to February 27, 2026. The report showed a starting market value of $4,337,854, receipts of $676,141, disbursements of $2,309,409, and earnings of $36,908, resulting in an ending market value of $2,741,494 as of that date. Mr. Ianniello reported that this PNC report did not reflect employer contributions because they had not yet been posted to the account as of the date the report was produced.

IV. CONSULTANTS REPORT

The Segal Company

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

A. Reserve Determination Report

Mr. Timm reviewed the February 2026 Reserve Determination report. He stated that reserves were within the 3.0 to 6.0 month range and as a result, no contribution credit or payment was required.

B. Virta Update

Mr. Timm reported that the agreement between the Fund and OptumRx regarding the Virta program has been completed and the proposed Virta go-live date is set for June 1, 2026.

C. Conifer Renewal Proposal

Mr. Timm reported on Conifer's renewal proposal, noting that the current contract term ends on July 31, 2026. He stated that Conifer is proposing a three-year renewal at an increase of 3% per year. Segal plans to negotiate with Conifer regarding the proposed increase and will present the results of that negotiation at the next meeting.

D. Pharmacy Report

Mr. Mathews reported that the Fund's PMPM pharmacy costs increased by more than 3.7% from the previous period, primarily due to changes in member prescriptions. He also reported that the Fund's overall trend was 3.7%, with Specialty drugs at -16% and non-specialty drugs at 19%. Diabetes was the top prescription cost driver, and Endocrine/Metabolic disorders accounted for 15% of total prescriptions paid.

E. Gene Therapy Risk Protection

Mr. Timm reported that Optum is still awaiting the State of Maryland's approval of its 2026 gene therapy insurance rider. He relayed Optum's suggestion that the Fund could bind the 2025 gene therapy insurance rider until the State of Maryland approves the 2026 rider, at which time the Fund could switch to the 2026 rider. Mr. Timm noted that there are two gene therapies that will be covered under the 2026 rider but are not covered under the 2025 rider. After discussion, .

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

> **RESOLVED, to bind the 2025 Optum Gene Therapy Stop Loss Policy; and**
>
> **FURTHER RESOLVED, to clarify that gene therapy is covered under the Fund only to the same extent that it is covered under the Fund's gene therapy stop loss insurance policy.**

V. ATTORNEY'S REPORT

A. Statutory and Regulatory Changes

Ms. Sanchez reported on the proposed PBM regulations and the 2026 Consolidated Appropriations Act.

B. HIPAA Privacy Notice

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

C. SPD Update

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

D. Cybersecurity Update

Ms. Sanchez reported on the Fund's vendors that have responded to the Fund's cybersecurity questionnaire and on the cybersecurity addenda for Fund providers.

E. Tokio Marine Documents

Ms. Sanchez reported on the Business Associate Agreement and application form for Tokio Marine.

F. Virta Documents

Ms. Sanchez reported on the Optum agreement regarding Virta services.

G. Appeal M25/103-1479

Ms. Sanchez reported on Counsel's outreach to the provider relating to this appeal.

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

> **RESOLVED, to deny the appeal at this time, subject to reconsideration if the provider continues to attempt to balance bill the participant.**

H. IRS Levy

Ms. Sanchez reported on the IRS Levy Notice.

I. Payroll Audit Engagement Letter

Ms. Sanchez reported on Withum's payroll audit engagement letter.

J. ACA Preventive List

Ms. Sanchez reported on the ACA preventive services list updates.

K. Fidelity Bond Policy

Ms. Sanchez reported on Counsel's review of the Fidelity Bond policy renewal.

L. Correction on Slevin & Hart Invoice

Ms. Sanchez reported on the correction of an error on Slevin & Hart's recent invoice.

VI. ADMINISTRATIVE MANAGER'S REPORT – Fourth Quarter 2025

Mr. Ianniello presented the Administrative Manager's Report for the Fourth Quarter of 2025, which had been pre-circulated. The report showed total income of $2,703,529 and total expenses of $2,741,032, resulting in a deficit of $37,503 for the quarter. Contributions were made on behalf of 975 Plan participants. Mr. Ianniello also reported on the Retiree Quarterly recap for the Fourth Quarter of 2025. The recap showed total income of $328,755 and total expenses of $307,164, resulting in a surplus of $21,591 for the quarter. Contributions were made on behalf of 315 Plan participants. There were no delinquencies during the Fourth Quarter of 2025.

A. Invoices

The Trustees reviewed the pre-circulated invoices for the Active and Retiree Plans dated March 26, 2026.

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

> **RESOLVED, that the invoices listed as dated March 26, 2026, are approved for payment.**

VII. OTHER FUND BUSINESS

A. NexClaim Recoveries

Mr. Ianniello reported that NexClaim is working on seventeen open subrogation claims.

B. Fiduciary Liability Renewal

Mr. Ianniello reported on the proposed renewal quote for the Fund's Fiduciary Insurance, which reflects the same limits and terms as the expiring policy.

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

> **RESOLVED to renew the Fiduciary Liability Policy at the same policy limits and terms as the expiring policy, with a premium of $26,915 for the period from 3/30/2026 through 3/30/2027.**

C. EpiPen Settlement

The Fund office received a payment of $44.94 for the EpiPen Class Action.

D. Kaiser Open Enrollment rates

Mr. Ianniello reported on the Kaiser 2026 monthly co-payment rates for participants.

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

> **RESOLVED to approve the 2026 Kaiser monthly co-payment rates.**

E. Benefits Continuation after Store Closure

Mr. Ianniello reported that between meetings, the Trustees unanimously approved a change to the Plan's rule regarding continuation of benefits following a store closing to reflect that employer contributions made to maintain coverage for a period of time post-closure shall apply to maintain medical, RX, dental, and vision coverage through the end of the month for which the employer last pays contributions.

F. Appeal M26/107-9067

The Trustees considered appeal M26/107-9067 and reviewed the related file.

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

> **RESOLVED, that appeal M26/107-9067 is denied, based on the terms of the Plan.**

G. Cheiron Engagement Letter

The Trustees reviewed the Cheiron engagement letter for the ASC 965.

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

> **RESOLVED, to approve Cheiron's engagement letter as presented.**

H. Information Sharing

Mr. Seehafer stated that he was asked to share a request with the Board that the Employer Trustees be permitted to share with UNFI any reports from Fund providers, after those reports have been reviewed by the Board. Mr. Federici said that he would be comfortable with the Employer Trustees sharing Segal's reserve report with UNFI, if the other Trustees are agreeable. There were no objections.

VIII. <u>2026 MEETING DATES & LOCATIONS</u>

The next regular Board meeting is scheduled for June 23, 2026, via Zoom.

IX. <u>ADJOURNMENT</u>

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

Respectfully Submitted,

Bill Seehafer, Secretary