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

Re: Carelton Behavioral Health Renewal Effective January 1, 2025 - Updated

Dear Trustees:

We previously received Carelton Behavioral Health's renewal proposal for Mental Health/Substance Use Disorder (MH/SUD) and Member Assistance Program (MAP) administrative fees to be effective January 1, 2025 to be guaranteed for a 3-year period. However, Carelton has since rescinded that proposal and is only willing to offer a 1-year renewal as outlined below:

**Carelton Behavioral Health Renewal
Effective January 1, 2025 – December 31, 2025**

Effective January 1,	2024	2025	% Increase
MH/SUD PEPM	\$2.53	\$5.13	102.8%
MAP PEPM	\$0.71	\$0.88	23.9%
Total PEPM	\$3.24	\$6.01	85.5%

PEPM = Per Employee Per Month

Financial Strength

Segal believes that it is important for clients to consider the financial strength of insurance companies and managed care organizations which are candidates for initial selection or renewal as insurers, or service providers, to employee benefit plans. Therefore, we are providing the current claims paying ability rating that was available to us as of the date this document was prepared for the insurance company or managed care organization under consideration.

Neither A.M. Best or Standard & Poor's have published a rating for the Carelton Behavioral Health. You may therefore wish to pursue other means of determining the financial strength of this vendor.

Segal does not itself perform insurance company or 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 or managed care organization evaluations performed by any rating service.

We look forward to discussing this information with you. Please let us know if you have any questions.

Best regards,

A handwritten signature in black ink, appearing to read 'Josh Timm', with a stylized, flowing script.

Josh Timm
Senior Vice President

cc: Mr. Jeff Ianniello
Mr. Christopher Heppner
Ms. Lauren Fratzke
Ms. Elizabeth Pierce

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