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 MARCH 19, 2025 (DRAFT)

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici – Chairman	B. Seehafer – Secretary
J. Chorpenning	P. Lin

Also present were:

A. Dietrich - Slevin & Hart, P.C.
N. Eid – The Segal Company
J. Herron - Associated Administrators, LLC
C. Hoffman - UFCW Local 400
J. Ianniello - Associated Administrators, LLC
J. Kimble - Morgan, Lewis, & Bockius, LLC
B. McKiver – Local 400
C. Murphy - Associated Administrators, LLC
M. Petrovic - Morgan, Lewis, & Bockius, 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.

A. Appointment of Trustee

Mr. Ianniello reported that the Fund office received correspondence from Shoppers appointing: (a) Mr. John Nesse as an Employer Trustee, replacing Valerie Marsh; and (b) Ms.

Leticia Howard as an alternate Employer Trustee, effective March 19, 2025.

It was noted that Tom Hipkins had provided his proxy to Jason Chorpenning.

II. MINUTES

The Trustees reviewed the previously circulated minutes of the last regular meeting held on December 5, 2024. Trustee Lin requested certain revisions to the draft minutes.

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 13, 2024, are approved as revised.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period from January 1, 2025, to February 28, 2025. The report showed a starting market value of $3,535,477, receipts of $1,801,338, disbursements of $1,697,709, and earnings of $47,673, resulting in an ending market value of $3,686,779 as of February 28, 2025.

IV. CONSULTANT'S REPORT

The Segal Company

The Trustees welcomed Mr. Josh Timm and Ms. Nancy Eid of the Segal Company to the meeting.

A. Reserve Determination Report

Mr. Timm reviewed the February 2025 Reserve Determination report. He stated that reserves were between 3.0 to 6.0 months and as a result, no contribution credit or payment was required.

B. Pharmacy Report

Ms. Eid reported on the 2024 Key Performance Indicators. She stated that the Fund experienced a 19% increase in PMPM costs, and a 15% decrease in the number of members utilizing the prescription benefit, compared to the previous year. The Trustees and Ms. Eid discussed the reasons for the significant increase in cost. Ms. Eid noted that GLP-1 medications are driving significant cost increases.

C. Anti-Obesity Medications ("AOMs") Coverage Rules

Ms. Eid discussed the Fund's existing coverage rules for anti-obesity drugs ("AOMs,") and stated that OptumRx has said it cannot administer the Fund's SPD provisions as written. She presented proposed changes to the AOM coverage rules, which she stated are within FDA guidelines. The proposed rules would condition AOM eligibility on having a BMI of greater than 30, or greater than 27 with one or more co-morbidities, such as cardiovascular disease, type 2 diabetes, coronary heart disease, and/or hypertension. The proposed rules also would provide that in no case would an AOM medication be approved for more than two years. Ms. Eid stated that because changes to the BMI numbers noted above would affect the Fund's rebates, Optum Rx may not be willing to implement any such changes. The Trustees discussed with Ms. Eid what other welfare plans are doing to combat the rising costs associated with GLP-1 AOMs. The Trustees asked Segal to provide additional information regarding AOM-related cost savings options for review at the next meeting.

D. Gene Therapy Risk Protection

Ms. Eid reported that, at the Trustees' direction, Segal researched Optum Rx's gene therapy risk protection program and has determined that it is not an option for the Fund because the Fund is too small and the program would require hiring a separate managed care organization.

The Trustees then discussed stop loss insurance coverage. Mr. Timm stated that Segal provided updated quotes from ULLICO between meetings, as requested by the Board. The Board discussed options relating to stop loss insurance and gene therapy coverage.

The Union Trustees and the Employer Trustees entered into separate caucuses with their respective counsel.

After caucusing, the Trustees asked co-counsel to provide a suggested approach for stop-loss coverage and gene therapy coverage for the Board's consideration. They also requested that Segal obtain updated quote for Stop Loss insurance using current data, for a potential effective date of June 1, 2025.

E. Diabetes Management

Ms. Eid reported that diabetes is the Fund's top disease state by PMPM cost for the third consecutive year. Ms. Eid described the potential benefits of implementing a diabetes management program, including helping participants effectively control their condition and maintain overall health, resulting in cost savings to the Fund. She presented four vendors that provide a diabetes management program: Dario Health, OptumRx, Teladoc, and Vida. Ms. Eid stated that Dario and OptumRx were the top options. She noted that Optum Rx, as the Fund's PBM, already has direct access to pharmacy claims and could use that data to model, assess adherence, and track co-morbidities. The Board asked that OptumRx and Dario Health be invited to attend the June 25, 2025, Board of Trustees meeting to present their programs.

V. ATTORNEY'S REPORT

A. Insulin Pricing Litigation

Ms. Sanchez provided an update on the insulin pricing litigation.

B. Mental Health Parity

Ms. Sanchez reported on the recent regulations issued under the Mental Health Parity and Addiction Equity Act.

C. Cybersecurity Update

Ms. Sanchez reported on the Fund providers' cybersecurity questionnaire responses and contract addenda.

D. SPD's Update

Ms. Sanchez reported on the status of the restated Summary Plan Descriptions

E. IRS Levee Update

Ms. Sanchez reported on the IRS Levy Notice.

F. Preventative Services

Ms. Sanchez reported on the 2025 Preventive Services list.

G. Associated Administrators Renewal

Ms. Sanchez reported on Associated Administrators LLC's contract amendment.

H. Carelon Renewal

Ms. Sanchez reported on the Carelon contract amendment.

I. Dentegra Renewal

Ms. Sanchez reported on the Dentegra renewal.

J. Fiduciary Liability Review

Ms. Sanchez reported on the Fund's fiduciary insurance renewal application.

VI. ADMINISTRATIVE MANAGER'S REPORT – Fourth Quarter 2024

Mr. Ianniello presented the Administrative Manager's Report for the Fourth Quarter of 2024, which had been pre-circulated. The report indicated a total income of $2,725,439 and total expenses of $2,695,039, resulting in a surplus of $30,400 for the quarter. Contributions were made on behalf of 1,072 Plan participants.

Mr. Ianniello reported on the Retiree Quarterly recap for the fourth quarter of 2024. The report indicated total income of $308,736 and total expenses of $439,709, resulting in a deficit of $136,996 for the quarter. Contributions were made on behalf of 321 plan participants. During the recap, Mr. Ianniello presented the medical breakdown for the quarter, noting that a non-Medicare spouse's claim was calculated under the Retiree recap instead of the Active Plan. Mr. Ianniello asked the Trustees if non-Medicare spouses' claims should be reflected under the Active Plan for the financial statements.

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

> **RESOLVED, non-Medicare spouses of Medicare retirees covered under the Active Plan should be reflected under the Active Plan for purposes of the financial statements.**

There were no delinquencies during the Fourth Quarter of 2024.

A. Invoices

The Trustees reviewed the pre-circulated invoices for the Active and Retiree Plans dated March 19, 2025.

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

> **RESOLVED, that the invoices on the list dated March 19, 2025, are approved for payment.**

VII. OTHER FUND BUSINESS

A. NexClaim Recoveries

Mr. Ianniello reported that NexClaim is currently working on fourteen open subrogation claims. They closed one case and paid the Fund a net amount of $33,963.93.

B. Fiduciary Liability Renewal

Mr. Ianniello reported on the proposed renewal quote for the Fund's Fiduciary Insurance, reflecting the same limits and terms as the expiring previous 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 limit and terms as the expiring policy, with a premium of $26,895 for the period of 3/30/2025 through 3/30/2026.**

C. Cyber Liability Renewal

Mr. Ianniello presented the proposed Cyber Liability Insurance renewal with Travelers/Tokyo Marine HCC for a $2 million limit of liability, with a premium of $6,755.00 split between the Pension, Health & Welfare, and Legal Funds.

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

> **RESOLVED, to renew the Fund's Cyber Liability Insurance Policy at a limit of liability of $2 million and a premium of $6,755.00 with Travelers/Tokyo Marine for the period of 6/8/2025 through 6/8/2026, with the premium and liability limits split between the Pension, Health & Welfare, and Legal Funds.**

D. Telehealth Extension

Mr. Ianniello reported that, at the previous meeting, the Board extended the Plan's Telehealth benefit through March 31, 2025. After discussion,

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

> **RESOLVED, to extend the Telehealth benefit indefinitely.**

E. Dentegra Renewal

Mr. Ianniello reported that the Dentegra renewal was approved between meetings. The renewal did not include the Plan J rate of $30.20, and Mr. Ianniello requested that the $30.20 be included in the Renewal.

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

> **RESOLVED, to approve the Dentegra renewal, including the Plan J rate of $30.20.**

F. Ranbaxy Settlement

The Fund office received a payment of $328.06 for the Ranbaxy Class Action.

G. MetLife Renewal

Mr. Ianniello reported on the status of the MetLife renewal. Because MetLife had included Kroger Roanoke and Tidewater employees into the renewal, Segal requested that MetLife remove those individuals and send a new quote for the renewal.

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

> **RESOLVED, to delegate the Chairman and Secretary the authority to approve the renewal between meetings.**

VIII. 2025 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled via Zoom on June 25, 2025.

IX. ADJOURNMENT

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

Respectfully Submitted,

Bill Seehafer, Secretary