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 29, 2023
(DRAFT)

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici – Chairman	B. Seehafer – Secretary
J. Chorpenning	L. Fiergola
T. Hipkins	P. Lin
M. Wilson	V. Marsh

Also present were:

B. Antoshak - Associated Administrators, LLC
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 - UFCW Local 400
C. Murphy - Associated Administrators, LLC
S. Sanchez - Slevin & Hart, P.C.
A. Sims - Associated Administrators, LLC
L. Walsh - Associated Administrators, LLC
R. Wildt – UFCW Local 27
T. Wyszomirski – The Segal Company

I. CALL TO ORDER

A quorum being present, Chairman Seehafer called the meeting to order.

A. Appointment of Trustee

Mr. Ianniello reported receiving correspondence from Shoppers appointing Ms. Elizabeth Fiergola as an Employer Trustee, replacing John Ferrer, effective December 1, 2022.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on December 1, 2022, 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 December 1, 2022, are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for January 1, 2022, to February 28, 2023. The report showed a beginning market value of $2,292,883, receipts of $3,406,933, disbursements of $1,511,676, and earnings of $21,021, producing an ending market value of $4,209,161 as of February 28, 2023.

IV. CONSULTANT'S REPORT

A. The Segal Company

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

1. Reserve Determination Report

Mr. Wyszomirski reviewed Segal's March 2023 Reserve Determination Report. He noted that the Fund reserves as of February 28, 2023 were 4.43 months. Mr. Wyszomirski reported that a reserve adjustment of $74,364 (payable in six monthly installments of $12,394 from April 2023 through September 2023) is needed.

2. **<u>Optum Rx Plan Performance Guarantee</u>**

Ms. Eid reported that Optum Rx had failed to meet its performance guarantee in several areas, resulting in a refund due the Fund in the amount of $39,842.

3. **<u>Statement of Work</u>**

Ms. Eid presented the proposed Statement of Work for Segal's Pharmacy Benefit Consulting Services. Services would be billed hourly, based on the following fee schedule: VP, Sr. Pharmacy Consultant (N. Eid) $500.00; PharmD Clinical Consultant $425.00; Analyst $225.00.

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

> **RESOLVED, to approve the Statement of Work for Segal's Pharmacy Benefit Consulting Services, as presented.**

4. **<u>Segal's PBM Analysis and Recommendations</u>**

Ms. Eid reported on the Fund's prescription drug experience, noting that trend increased by 18%, in large part due to specialty drug costs. She presented Segal's recommendation that the Fund adopt two new Utilization Management Programs: (1) quantity limits on erectile dysfunction drugs as a category rather than on specific erectile disfunction drugs and (2) a Prior Authorization requirement on GLP-1 Agonists (diabetes drugs) to prevent off-label use for weight loss. Ms. Eid further recommended that the Fund opt into OptumRx's "Vigilant Drug List" program. Ms. Eid stated that, if the Fund adopted all of these recommendations, the estimated total savings would be $547,000 per year. She noted that the quantity level limits could be implemented in 60 days, the prior authorization could be implemented in 90 days and the Vigilant Drug List program could be implemented in the second quarter of 2023.

Ms. Eid also reported that, at the conclusion of the COVID-19 National Emergency, the Fund will no longer be required to provide coverage for over the counter (OTC) COVID tests. She presented Segal's recommendation that, effective the later of May 1, 2023 or the expiration of the National Emergency, the Fund cover two OTC COVID-19 test kits per participant and dependent per 30-day period, and then review usage and cost for these tests again at the end of 2023.

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

> **RESOLVED, to approve all of Segal's recommendations, as presented.**

V. <u>ATTORNEY'S REPORT</u>

A. <u>Transparency in Coverage Final Rule, Consolidated Appropriations Act ("CAA")</u>

Ms. Sanchez reported on the prescription drug reporting requirement under the CAA.

B. <u>Price Comparison Tool</u>

Ms. Sanchez reported on the Greenlight Price Comparison Tool and the contract between the Fund and Greenlight.

C. <u>Covid-19 National Emergency</u>

Ms. Sanchez reported on the expected end of the COVID-19 National Emergency. The Trustees asked Segal to evaluate how other funds are handling COVID-related coverage post-National Emergency and report the results at the June meeting.

D. <u>Carefirst Data Breach</u>

Ms. Sanchez reported on CareFirst's data breach.

E. <u>Humana Contract</u>

Ms. Sanchez reported on the Humana contract.

F. <u>Cyber Liability Consultant Quotes</u>

Ms. Sanchez reported on the request for proposals ("RFP") to provide cyber liability consulting services to the Fund.

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

> **RESOLVED, to delegate to the Chairman and Secretary the authority to select a cyber consultant for the Fund after reviewing the cybersecurity consulting bids.**

G. Cybersecurity Insurance Coverage

Ms. Sanchez reported on Segal Select's review of cyber liability insurance coverage options.

H. Financial Statement

Ms. Sanchez reported on the amended 2022 Financial Statement and 5500.

I. SPD Restatements

Ms. Sanchez reported on the status of the Fund's SPD restatements. Mr. Kimble suggested that the Fund office send all Trustees a final draft of the JSS2 Summary Plan Description once all Trustee comments have been incorporated.

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

> **RESOLVED, to delegate to the Chairman and Secretary authority to approve the JSS2 SPD restatement.**

J. IRS Levy

Ms. Sanchez reported on the IRS Notice Levy.

K. Namenda Class Action Lawsuits

Ms. Sanchez reported on the Namenda prescription drug class action lawsuit.

L. Mallinckrodt Bankruptcy Class Action

Ms. Sanchez reported on the Mallinckrodt bankruptcy class action.

M. 408(b)(2) Service Provider Letters

Ms. Sanchez reported on the 408(b)(2) information requests to Fund service providers.

N. Preventive Service List

Ms. Sanchez reported on the 2023 Preventive Services List.

O. Telehealth SMM Extension

Ms. Sanchez reported on the Telehealth extension SMM.

P. Third Party Subrogation Services

Ms. Sanchez reported on the request for proposal for third party subrogation services.

VI. ADMINISTRATIVE MANAGER'S REPORT – Fourth Quarter 2022

Mr. Ianniello presented the Administrative Manager's Report for the Fourth Quarter of 2022, which had been pre-circulated. The report showed a total income of $3,742,413 and total expenses of $3,049,255, producing a gain of $693,158 for the quarter. Contributions were made on behalf of 1,006 Plan participants. There were no delinquencies during the Fourth Quarter of 2022.

Mr. Ianniello reviewed the Work Snapshot for the Fourth Quarter of 2022. He noted 31 accident and sickness claims, 13 appeals, 2,816 participant service calls, 30 COBRA notices, 7,474 medical claims processed, and 2,822 communications sent to Plan participants during the Fourth Quarter of 2022.

A. Safeway Retiree Coverage

Mr. Ianniello reported that the Fund has not yet received contributions from Safeway for its retirees. Mr. Federici and Mr. Seehafer said they have not received a response from Mr. Dosenbach regarding this issue but would continue to work on a resolution.

B. Invoices

The Trustees reviewed the invoices for the Active and Retiree Plans dated March 29, 2023, which had been pre-circulated.

Trustee Lin raised a question regarding the invoices related to the litigation between the Fund and Shoppers. The Trustees agreed to table consideration of those invoices.

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

> **RESOLVED, the invoices dated March 29, 2023, including the additions and excluding the Shoppers litigation-related invoices, are approved for payment.**

VII. <u>OTHER FUND BUSINESS</u>

A. <u>Appeals</u>

Appeal #1 E23/101-6303 (Reinstatement of Dependent Coverage) – **DENIED**, in accordance with the terms of the Plan.

Appeal #2 E23/104-8480 (Initial Enrollment) – **DENIED**, in accordance with the terms of the Plan.

Appeal #2 A23/105-3783 (Accident & Sickness) – **DENIED**, in accordance with the terms of the Plan.

B. <u>Trustee Resolutions</u>

Between meetings, the Trustees approved a resolution to delegate authority to Trustees Seehafer and Hipkins to make any necessary decisions relating to implementation of the new MOAs (Memoranda of Agreement) between the Unions and Shoppers.

C. <u>Beacon Health Name Change</u>

Mr. Ianniello reported that Beacon Health's name has changed to Carelon Health.

D. <u>Fiduciary Liability Renewal</u>

Mr. Ianniello reported on the proposed renewal of the Fund's fiduciary insurance at the same limits and on the same terms.

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

> **RESOLVED to renew the Fiduciary Liability Policy at a premium of $26,895 for the period of 3/30/2023 through 3/30/2024.**

E. Kaiser Permanente Request

Mr. Ianniello reported that Kaiser had requested data to "re-rate" the entire Fund rather than producing renewal rates based on the existing Kaiser enrollees. The Trustees tabled the request pending further discussion.

VIII. 2023 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled via Zoom on June 8, 2023.

IX. ADJOURNMENT

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

Respectfully Submitted,

Bill Seehafer, Secretary

21209143v1