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 3, 2022

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
Y. Anwar
J. Chorpenning
T. Hipkins

EMPLOYER TRUSTEES
B. Seehafer – Secretary
J. Ferrer
P. Lin
V. Marsh

Also present were:

B. Antoshak - Associated Administrators, LLC
A. Hanson - UFCW Local 400
J. Herron - Associated Administrators, LLC
C. Hoffmann - 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
B. Slevin - Slevin & Hart, P.C.
J. Timm - The Segal Company
L. Walsh - Associated Administrators, LLC
R. Wildt - UFCW Local 400

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on December 7, 2021, and the Appeals Committee meetings held on January 4, 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 7, 2021, and the Appeals Committee meeting held on January 4, 2022, are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2021, to December 31, 2021. The report showed a beginning market value of $7,054,285, receipts of $11,190,725, disbursements of $15,156,493, and an earnings loss of $24,641, producing an ending market value of $3,062,875 as of December 31, 2021.

IV. CONSULTANT'S REPORT

A. The Segal Company

The Trustees welcomed Mr. Josh Timm of the Segal Company to the meeting.

1. Reserves

Mr. Timm reviewed the December 2021 Reserve Determination Report. He noted that the Fund reserves as of December 31, 2021, were 2.763 months. As a result of reserves falling below the 3-month Fund reserve requirement, Mr. Timm reported that a reserve adjustment of an additional $77,889 per month for six months (March through August 2022), for a total payment of $467,334, was necessary to return the reserve to 3 months. The Trustees discussed the necessity of a motion to approve the contribution adjustment in light of the bargaining agreement language requiring implementation of such an adjustment. After discussion, On Motion made and seconded, the Trustees voted, with the Employer Trustees abstaining:

> **RESOLVED, to approve Segal's December 2021 Reserve Report; and**
>
> **FURTHER RESOLVED, to assess an additional contribution payment from Shoppers Food and Pharmacy equal to $77,889 per month for contribution payments due from March 2022 through August 2022, totaling $467,334.**

2. <u>CareFirst Renewal</u>

Mr. Timm presented CareFirst's revised five-year renewal proposal for the Network Lease and FlexLink fees for the period from January 1, 2022 through December 31, 2026. Mr. Timm explained that, in response to the Fund's request that BCBS lower its proposed rate increases, BCBS updated its proposal to reflect annual credits to the Fund, rather than reduced rate increases. The Trustees requested that Segal attempt to negotiate lower renewal fee rates, rather than annual credits.

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

> **RESOLVED, to delegate to Chairman and Secretary the authority to make a decision on CareFirst's renewal proposal.**

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

A. <u>No Surprises Act</u>

Ms. Sanchez reported on the interim final rule on health care cost reporting under the No Surprises Act.

B. <u>Complaint Procedure</u>

Ms. Sanchez reported on proposed changes to the No Surprises Complaint Procedure. After discussion, the Trustees agreed to implement the proposed changes.

C. <u>Independent Dispute Resolution ("IDR")</u>

Ms. Sanchez reported on the independent dispute resolution requirements under the No Surprises Act.

D. Continuity of Care

Ms. Sanchez reported on the Continuity of Care requirements under the No Surprises Act.

E. Covid-19 Tests

Ms. Sanchez reported on the agency guidance regarding coverage of over-the-counter ("OTC") Covid-19 tests. She noted that the Trustees had approved utilizing Optum Rx's OTC test-kit network solution.

F. Department of Labor ("DOL") Cybersecurity Best Practices

Ms. Sanchez reported on the DOL guidance related to cybersecurity best practices.

G. Assignment of Benefits

Ms. Sanchez reported on applicable law related to the assignment of rights under health plans. The Trustees discussed the issue.

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

> **RESOLVED, to amend the Fund's Plan to prohibit participants and dependents from assigning any rights they may have under the Plan to a third party.**

H. Extension of Telehealth

Ms. Sanchez on coverage of telehealth visits. After discussion,

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

> **RESOLVED, to extend coverage of telehealth visits for services otherwise covered under the Plan through 12/31/2022.**

I. Shoppers' Contribution Delinquency.

Ms. Sanchez reported on Shoppers' contribution delinquency.

J. Retiree Benefits Request for Proposal ("RFP")

Ms. Sanchez reported on the Request for Proposal for a retiree Medicare supplemental benefit provider and on the contract with the McKeogh Group relating to the same.

K. EAP Visit Limit

Ms. Sanchez reported on the EAP visit limit under the Plan.

L. IRS Levy

Ms. Sanchez reported on the notice of intent to levy sent to the Fund by the IRS.

M. Blue Cross Blue Shield Class Action

Mr. Slevin reported on the BlueCross BlueShield class action litigation.

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

> **RESOLVED, to delegate to the Chairman and Secretary the authority to make any necessary decisions relating to the Fund's participation in the BlueCross BlueShield class action.**

N. SPD Restatements

Ms. Sanchez reported on the restatements of the JSS2 SPD and the Retiree SPD.

O. Preventive Services List

Ms. Sanchez reported on updates to the Fund's preventive services list.

P. Subrogation Report

Mr. Ianniello reported that the total collected by Slevin & Hart was $37,307.88, the amount compromised was $0.00 and the amount payable to Slevin and Hart was $9,326.97.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2021 Report

Mr. Ianniello presented the Administrative Manager's Report for the Fourth Quarter 2021, which had been pre-circulated. The report showed a total income of $2,828,265, and total expenses of $3,756,706, producing a deficit of $928,441 for the quarter. Contributions were made on behalf of 1,190 Plan participants.

Mr. Ianniello reviewed the Work Snapshot for the Fourth Quarter of 2021. He noted that there were 28 accident and sickness claims, 12 appeals, 2,699 participant service calls, 89 COBRA notices, 8,129 medical claims processed, and 2,986 communications sent to Plan participants during the Fourth Quarter of 2021.

B. INVOICES

The Trustees reviewed the list of invoices for the Active Plan and Retiree Plan dated March 3, 2022, which had been pre-circulated. Mr. Ianniello noted there were no additions, deletions, or changes to the lists.

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

> **RESOLVED, that the invoices for the Active Plan and Retiree Plan dated March 3, 2022 are approved for payment,**

VII. OTHER FUND BUSINESS

A. Medicare Co-Pay rates and deductible

Mr. Ianniello reported that Chairman and Secretary approved the 2022 Medicare co-pay rates and deductible amounts between meetings.

B. McKeogh Company

Mr. Ianniello stated that the Fund office has not yet received an executed Business Associate Agreement from the McKeogh Group.

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

> **RESOLVED, upon receiving the executed Business Associate Agreement, the Fund Office may send the necessary data to McKeogh to enable it to start the RFP process for a retiree Medicare supplemental benefit program vendor.**

C. PCORI Fees

Mr. Ianniello reported that PCORI fees increase from $2.66 to $2.79 in 2022.

D. Covid-19 Over the Counter ("OTC") Summary of Material Modifications ("SMM")

Mr. Ianniello reported that the Covid-19 OTC Test SMM was distributed to participants on February 28, 2022.

E. Educational Subsidy Invoice

Mr. Ianniello reported that the Educational Subsidy invoice was mailed to Shoppers Food on February 8, 2022.

F. Administrative Services Contract Renewal

Mr. Ianniello stated that Associated Administrators, LLC's contract renewal proposal was presented at the previous meeting and the Trustees requested a meeting with the CEO of Harbor Benefit Holdings prior to making a decision regarding the . That meeting was held on January 11, 2022. After discussion,

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

> **RESOLVED, to approve Associated Administrators' three-year renewal proposal, as presented.**

G. NEXT MEETING DATE AND LOCATION

The next Board meeting is scheduled for June 9, 2022, via Zoom.

H. ADJOURNMENT

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

Respectfully Submitted,

Bill Seehafer, Secretary

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