**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 JUNE 23, 2026 (DRAFT)

The following Trustees were present:

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

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

Also present were:

B. Antoshak – Associated Administrators, LLC
L. Fratzke - Segal
J. Herron - Associated Administrators, LLC
C. Hoffman - UFCW Local 400
J. Ianniello - Associated Administrators, LLC
J. Kimble - Morgan, Lewis, & Bockius, LLC
N. Mathews - Segal
B. McKiver – Local 400
S. Sanchez - Slevin & Hart, P.C.
R. Wildt – Local 400

I. CALL TO ORDER

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

A. Trustee Change

Mr. Ianniello reported receiving correspondence from Mr. Martin Lucki, noting his resignation as an Employer Trustee, effective June 1, 2026.

II. MINUTES

Mr. Ianniello presented the previously circulated minutes of the regular meeting on March 26, 2026.

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

> **RESOLVED, that the minutes of the regular meeting held on March 26, 2026, 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 May 31, 2026. The report showed a starting market value of $4,337,854, receipts of $4,088,978, disbursements of $4,560,254, and earnings of $30,043, resulting in an ending market value of $3,896,621 as of May 31, 2026.

IV. CONSULTANT REPORT

The Segal Company

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

A. Reserve Determination Report

Ms. Fratzke reviewed the May 2026 Reserve Determination report and stated that because reserves were between 3.0 and 6.0 months, no credit or additional payment is required at this time. She noted that enrollments have declined 29.4% over the past year.

B. Carelon Behavior Renewal

Ms. Fratzke reported that Segal had received updated services options from Carelon for the Fund's next renewal, which they are reviewing and will discuss with the Board at a future meeting.

C. MetLife Renewal

Ms. Fratzke presented the MetLife renewal proposal and reported that, over the past few years, the amount of claims paid by MetLife on behalf of Fund participants has increased. She stated that MetLife is requesting a 10.1% increase in the current life insurance premium rates and proposes no change to the current AD&D rates. The renewal contract would be in effect through August 31, 2027. Ms. Fratzke stated that Segal views the renewal proposal to be reasonable.

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

> **RESOLVED, to approve the MetLife renewal as presented.**

D. Maintenance of Benefits ("MOB") Rates

Ms. Fratzke reported that Segal is currently working on the MOB rates for July 1, 2026. She stated that once the rates are finalized, Segal will send them to the Fund Office for the Trustees' review.

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

> **RESOLVED, to delegate to Chair and Secretary the authority to approve the July 1, 2026, MOB rates.**

E. Conifer Health Solutions

Ms. Fratzke reported that Conifer proposed two renewal options for the Trustees' consideration: a one-year renewal with a fee increase of 3.2%; or a three-year renewal with three annual 2.5% fee increases.

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

> **RESOLVED, to accept the three-year renewal with 2.5% annual increases.**

F. Pharmacy Report

Mr. Mathews reported that the Fund's PMPM pharmacy costs increased by more than 19.6% from the previous period, primarily due to changes in the drug mix, use of GLP-1s and increased utilization of specialty drugs. He also reported that specialty drugs accounted for 43.3% of total drug spend. Endocrine/Metabolic disorders were the top prescription cost driver at 21.5%, and Diabetes accounted for 18.6% of total prescriptions paid.

G. Humana and Kaiser Renewal

Ms. Fratzke reported that Segal is negotiating with Humana and Kaiser on the renewal options for retiree health coverage and expects to present them to the Trustees shortly.

Mr. Seehafer stated that he would like Segal to provide its reports to the Trustees sufficiently in advance of the Trustees' meeting so that the Trustees have time to review ahead of time.

V. SEGAL SELECT

A. Cyber Liability Renewal

Mr. Hesse presented the Cyber Liability renewal proposal to the Trustees and outlined the three options: Travelers/Tokio Marine with a $3 or 4 million limit of liability, and a Travelers option with a $3 million limit of liability.

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

> **RESOLVED, to bind the Fund's Cyber Liability Insurance Policy with Travelers at a limit of $3 million for the period from 6/8/2026 through 6/8/2027 and at a premium of $8,549, with the premium and liability limits allocated among the Pension, Health & Welfare, and Legal Funds.**

VI. ATTORNEY'S REPORT

A. Gene Therapy Update

Ms. Sanchez reported on Trustee discussions regarding Gene Therapy coverage and the purchase of specific Gene Therapy Stop-Loss coverage.

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

> **RESOLVED, to delegate to the Chairman and the Secretary the authority to approve the gene therapy utilization management criteria upon receipt of the criteria from OptumRX.**

B. Stop-Loss Coverage

Ms. Sanchez reported on the Stop-Loss coverage policy application with Tokio Marine.

C. Insulin Pricing Litigation Update

Ms. Sanchez reported on the ongoing insulin pricing litigation.

D. Financial Engagement Letter

Ms. Sanchez reported on Withum's annual Audit Engagement letter.

E. Payroll Audit Engagement Letter

Ms. Sanchez reported on Withum's Payroll Audit Engagement letter.

F. Cybersecurity Update

Ms. Sanchez reported on the status of the cybersecurity documents, including Segal's report on responses to the Fund provider questionnaire.

G. Artificial Intelligence Best Practices

Ms. Sanchez reported on Artificial Intelligence (A.I) best practices.

H. Class Action Lawsuits

Ms. Sanchez reported on the Tracleer and QVAR prescription drug class-action lawsuits, noting that information on how to file claims on the Fund's behalf has been sent to the Fund Office.

I. SMM Update

Ms. Sanchez reported on the SMMs regarding CRNA coverage, Continuation of Coverage, and the Virta Point Solution.

J. Fiduciary Liability Insurance Policy

Ms. Sanchez reported on counsel's review of the Fund's Fiduciary Liability insurance Policy renewal.

K. 408(b)(2) Compliance

Ms. Sanchez reported on the reporting requirements regarding provider compensation.

L. SPD Update

Ms. Sanchez reported on the status of the SPD restatements.

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

> **RESOLVED, to delegate to the Chair and Secretary the authority to approve the Retiree SPD restatement.**

VII. ADMINISTRATIVE MANAGER'S REPORT – First Quarter 2026

Mr. Ianniello presented the Administrative Manager's Report for the First Quarter of 2026, which had been pre-circulated. The report showed total income of $2,280,292 and total expenses of $2,683,948, resulting in a $403,656 deficit for the quarter. Contributions were made on behalf of 759 Plan participants.

Mr. Ianniello presented the Retiree Quarterly recap for the first quarter of 2026. The report showed total income of $351,643 and total expenses of $332,490, resulting in a $19,153 surplus for the quarter. Contributions were made on behalf of 319 Plan participants.

There were no delinquencies in the first quarter of 2026.

A. Invoices

Mr. Ianniello presented a list of pre-circulated invoices dated June 23, 2026, and noted no additions, deletions, or changes to it.

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

> **RESOLVED, the invoices dated June 23, 2026, are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Appeals

1. M26/112-4445

The Trustees considered appeal M26/112-4445 and reviewed the related file.

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

> **RESOLVED, that appeal M26/112-4445 is denied pursuant to the terms of the Plan.**

2. M26/116-3606

The Trustees considered appeal M26/116-3606 and reviewed the related file.

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

RESOLVED, that appeal M26/116-3606 is denied pursuant to the terms of the Plan.

B. PCORI Fee

Mr. Ianniello presented the PCORI invoice for the upcoming year. The amount is $3,924.48 ($3.84 per participant X 1,022 participants).

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

RESOLVED to pay the PCORI fee of $3,924.48.

C. Ezetimibe Class Action Payment

Mr. Ianniello reported that the Fund Office received a $20.63 check for the Ezetimibe Class Action Lawsuit.

D. Suboxone Class Action Payment

Mr. Ianniello reported that the Fund Office received a $566.59 check related to the Suboxone Class Action Lawsuit.

E. NexClaim Reporting

Mr. Ianniello reported that 16 open subrogation cases are pending with NexClaim.

IX. 2026 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled for September 3, 2026, via Zoom.

X. ADJOURNMENT

With no further business before the Board, the meeting adjourned.

Respectfully Submitted,

Bill Seehafer, Secretary