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 JUNE 14, 2021

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici – Chairman	B. Seehafer – Secretary
Y. Anwar	J. Born
J. Chorpenning	J. Ferrer
T. Hipkins	V. Marsh

Also present were:

L. DuVall – Associated Administrators, LLC
N. Eid - Confidio
A. Hanson – UFCW Local 400
C. Hoffmann – UFCW Local 400
J. Ianniello – Associated Administrators, LLC
N. Jacobs – UFCW Local 400
J. Kimble – Morgan, Lewis, & Bockius, LLC
C. Murphy – Associated Administrators, LLC
S. Sanchez – Slevin & Hart, P.C.
B. Slevin – Slevin & Hart, P.C.
J. Timm – The Segal Company
L. Walsh – Associated Administrators, LLC
R. Wildt – UFCW Local 400
M. Wilson – UFCW Local

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on March 18, 2021 and the Appeals Committee meeting held on April 2, 2021, 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 March 18, 2021 and the Appeals Committee meeting held on April 2, 2021 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 May 31, 2021. The report showed a beginning market value of $7,054,285, receipts of $4,309,155, disbursements of $5,721,307, and an investment loss of $16,755, producing an ending market value of $5,625,378 as of May 31, 2021.

IV. CONSULTANT'S REPORT

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

A. The Segal Company

1. Reserves

Mr. Timm reviewed the June 2021 Reserve Determination Report. He noted that the Fund reserves as of May 31, 2021 were 3.886 months. He also noted that a reserve adjustment of $69,217 per month, for a total of $415,302, is pending approval by the Trustees due to the March 2021 reserve amount exceeding 4 months. Mr. Timm reviewed the Amortization History and Schedule relating to reserve adjustments.

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

> **RESOLVED, to approve a credit to UNFI in the amount of $69,217 per month for contribution payments due from June 2021 through November 2021, for a total credit of $415,302.**

2. Group Dental Service

Mr. Timm reported that the Fund received correspondence from Group Dental Service

(“GDS”) indicating that GDS would cease providing dental services effective January 1, 2022. GDS submitted a proposal to provide dental services from its parent company, Aetna, for the Trustees’ consideration.

The Trustees discussed their options, including requesting a proposal from Dentegra, and conducting a full Request for Proposal (“RFP”) review process. Mr. Timm reported that Segal recommends requesting a proposal from Dentegra for consideration as compared to the proposal from Aetna as Segal had just performed a review of dental providers for another client is the same geographic area. Mr. Timm noted that Segal would charge approximately $30,000 to $40,000 to conduct a full RFP process. He further noted that the on-boarding and implementation of a new dental provider could take up to six months. Ms. Walsh said that Associated Administrators (“Associated”) would not charge an implementation fee if the Fund engaged Dentegra as its new dental provider, since Associated had just completed an implementation with Dentegra on behalf of another client and has all the programming in place. After discussion,

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

> **RESOLVED to hire Segal to conduct a full RFP review for dental services.**

B. Confidio

The Trustees welcomed Ms. Nancy Eid of Confidio to the meeting. Ms. Eid provided an update on the audit of OptumRx, and stated that Confidio has completed the audit of rebates and contract terms. She said that Optum Rx is reviewing one remaining issue relating to Confidio’s findings before finalizing its portion of the audit, which is expected by the end of July. . Ms. Eid noted that the focus of the audit included review of Plan design, programs, pricing accuracy and validation of guarantees. She reported that,the audit revealed that the Fund is owed a credit of approximately $98,482.00. Ms. Eid outlined the steps necessary to finalize the audit.

The Trustees thanked Ms. Eid for her report and she was excused from the meeting.

V. ATTORNEYS’ REPORT

A. BlueCross BlueShield Class Action

Mr. Slevin reported on a class action involving the Blue Cross Blue Shield Association. After discussion,

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

> **RESOLVED to authorize counsel to investigate alternative courses of action regarding the Blue Cross Blue Shield class action; and**
>
> **FURTHER RESOLVED to delegate authority to Chairman and Secretary to make a decision regarding participation in the class action and/or any alternative course of action.**

B. Delinquency Policy

Ms. Sanchez reported on a proposed amendment to the Fund's delinquency policy. After discussion,

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 a determination on whether to approve the proposed delinquency policy amendment.**

C. Consolidated Appropriations Act ("CAA") and Transparency Final Rule

Ms. Sanchez reported on the CAA and the Transparency in Coverage final rule.

D. Purdue Pharma

Ms. Sanchez reported on the Purdue Pharma bankruptcy litigation. After discussion,

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

> **RESOLVED to delegate to Chairman and Secretary the authority to take any necessary action between meetings regarding the bankruptcy litigation settlement.**

E. CareFirst Agreement

Ms. Sanchez reported on the proposed agreements between CareFirst and the Fund.

F. COBRA Subsidy

Ms. Sanchez reported on the temporary COBRA subsidy under the American Rescue Plan Act.

G. SPD Restatements

Ms. Sanchez reported on the restatements of the Fund's summary plan descriptions.

H. Cheiron Amendment

Ms. Sanchez reported on an amendment to the Fund's agreement with Cheiron.

I. Fiduciary Insurance Renewal

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

J. COVID Vaccine SMM

Ms. Sanchez reported on an SMM regarding COVID-19 vaccine coverage.

K. Subrogation Report

Mr. Ianniello reported that for the period January 1, 2021 through March 31, 2021, there were no amounts collected or compromised for subrogation cases.

L. Consolidated Appropriations Act (CAA)

Ms. Sanchez reported on the CAA.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2021 Report

Mr. Ianniello presented the Administrative Manager's Report for the First Quarter 2021, which had been pre-circulated. The report showed total income of $2,250,340, and total expenses of $3,142,854, producing a deficit of $892,514 for the quarter. Contributions were made on behalf of 1,260 Plan participants.

Mr. Ianniello noted that there were no delinquencies during the First Quarter 2021.

He reported that Kelco Federal Credit Union had not remitted its May contribution to the Fund and the Fund office has been advised that Kelco had merged with Chessie Federal Credit Union and thus will cease participating in the Fund.

Mr. Ianniello reviewed the Work Snapshot for the First Quarter 2021. He noted that there were 45 accident and sickness claims, 17 appeals, 3,625 participant service calls, 21

COBRA notices, 8,263 medical claims processed, and 1,646 communications sent to plan participants during the First Quarter 2021.

VII. INVOICES

The Trustees reviewed the list of invoices for the Active and Retiree Plans dated June 14, 2021, 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 and Retiree plans dated June 14, 2021 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. COVID-19 Related Claims

Mr. Ianniello provided a summary of COVID-19 medical claims experience for the period January 2021 through April 30, 2021. He indicated that the Fund paid for 421 COVID-19 tests totaling $52,773.51, and 103 COVID-19 related claims totaling $74,299.01, through April of 2021. There were no claims paid in excess of $50,000. Mr. Ianniello reported that the Fund also paid 253 tele-health claims totaling $11,466.66, and paid for the administration of 53 COVID vaccines at a cost of $2,301.10.

B. Heath Care Cost Containment Corporation ("HCCCC") Renewal

Mr. Ianniello reported that the Fund office received a renewal invoice of approximately $1,000 for the Fund's HCCCC membership for 2021. After discussion,

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

> **RESOLVED to renew the Fund's membership with Heath Care Cost Containment Corporation for 2021.**

C. Retiree Drug Subsidy ("RDS")

Mr. Ianniello reported that the Fund had received payment in the amount of $18,418.10 for the Retiree Drug Subsidy for the period 1/1/2021 – 6/2/2021.

IX. NEXT MEETING DATES AND LOCATIONS

After discussion, the Trustees noted that their next meeting was scheduled for September 22, 2022 and tentatively is scheduled to be held in-person in the offices of UFCW Local 400.

X. ADJOURNMENT

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

Respectfully Submitted,

Bill Seehafer, Secretary

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