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 19, 2020

The following Trustees were present:

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

EMPLOYER TRUSTEES
B. Seehafer – Secretary
J. Born

Also present were:

W. Antoshak – Associated Administrators, LLC
M. Buckberg – Withum
H. Burton, Esq. – Morgan, Lewis & Bockius, LLC
L. DuVall – Associated Administrators, LLC
P. Hardcastle – Cheiron
C. Hoffmann – UFCW Local 400
J. Ianniello – Associated Administrators, LLC
J. Kimble – Morgan, Lewis, & Bockius, LLC
A. Leech – Withum
C. Murphy – Associated Administrators, LLC
R. Murray – Cheiron
S. Sanchez – Slevin & Hart, P.C.
B. Slevin – Slevin & Hart, P.C.
J. Timm – The Segal Company
B. Warren – Cheiron
M. Wilson – UFCW Local 27

I. CALL TO ORDER

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

A. Appointment of Trustees

Mr. Ianniello reported that the Fund Secretary, Trustee Donna Gogoll (formerly Gwin), had resigned and that he received correspondence from UNFI appointing Ms. Valerie Marsh as a successor Trustee effective June 15, 2020. Trustee Bill Seehafer volunteered to replace Ms. Gogoll as Fund Secretary. After discussion,

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

RESOLVED, to appoint Bill Seehafer as Secretary of the UFCW Unions and Participating Employers Health and Welfare Fund.

Mr. Ianniello reported that he had received correspondence from UFCW Local 27 removing Mr. George Murphy, Jr. as a Trustee and appointing Mr. Jason Chorpenning as a successor Trustee effective June 18, 2020.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on September 16, 2019, and the Appeals Committee meetings held on September 26, 2019, December 19, 2019, and April 7, 2020 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 September 16, 2019, and the Appeals Committee meetings on September 26, 2019, December 19, 2019 and April 7, 2020 are approved as presented.

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2019 to December 31, 2019. Such report indicated a beginning market value of $10,615,304, receipts of $21,868,463, disbursements of $21,477,245, and earnings of $288,805, producing an ending market value of $11,295,327 as of December 31, 2019. Mr. Ianniello also reviewed the PNC Summary of Activity report for the period January 1, 2020 to May 31, 2019. Such report indicated a beginning market value of $11,295,327, receipts of $4,567,296, disbursements of $8,653,928, and earnings of $118,673, producing an ending market value of $7,327,330 as of May 31, 2020.

B. Auditor's Report

The Trustees welcomed Mr. Mark Buckberg and Mr. Albert Leech of Withum to the meeting.

Mr. Buckberg presented a copy of the audited Financial Statements for the year ended 2018. Net Assets Available for Benefits on December 31, 2017 were $9,074,431. Total additions for the year ended December 31, 2018 were $26,499,483. Total deductions were $22,612,099. The increase of Net Assets Available for Benefits was $3,887,384, producing Net Assets Available for Benefits of $12,961,815 on December 31, 2018. Mr. Buckberg reviewed the Notes to Financial Statements and the Schedule of Employer Contributions. Mr. Buckberg stated that his firm rendered an unmodified opinion on the Fund's financial statements, which is the highest level of assurance.

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

> **RESOLVED to accept the Auditor's 2018 Audit report, as presented.**

IV. CONSULTANT'S REPORT

A. The Segal Company

The Trustees welcomed Mr. Josh Timm of The Segal Company to the meeting. Mr. Timm reviewed the June 2020 Reserve Determination Report. He reported that all previously approved credits to Shoppers have been applied. He also reported that the Fund reserves as of May 31, 2020 were 3.778 months. Mr. Timm noted that the reserve exceeded 4 months as of January 31, 2020 and March 31, 2020, resulting a proposed credit to Shoppers of $733,068, which could be taken in six monthly installments of $122,178. After discussion,

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

> **RESOLVED, to approve a contribution credit to Shoppers of $122,178 per month for contributions due June 2020 through November 2020 (totaling $733,068).**

V. ATTORNEYS' REPORT

A. Independent Fiduciary

Mr. Slevin reported on proposed procedures for appointment of an independent Trustee, if necessary.

B. COVID–19 and Out-of-Network Claims

Mr. Slevin reported on the benefit changes regarding COVID-19 that were approved by the Trustees, effective March 1, 2020. He reported that on the Summary of Material Modifications reflecting these changes.

Mr. Slevin reported on recent agency guidance relating to COVID-19 testing and treatment. 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 action on COVID-19-related matters, as necessary, between meetings.**

C. Extension of Deadlines

Mr. Slevin discussed DOL and IRS guidance regarding the extension of certain deadlines under ERISA applicable to participants, beneficiaries and the Fund. . After discussion,

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

> **RESOLVED, to include notice of the applicable participant deadline extensions with any COBRA election notice or adverse claim determination sent during the period to which the deadline extension applies.**

D. Data Breach

Ms. Sanchez reported on a data breach experienced by Confidio, and the steps by Confidio relating to the breach.

E. The Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities ("SUPPORT") Act

Ms. Sanchez reported on the reporting requirements relating to prescription drug coverage under the SUPPORT Act.

F. Group Vision Services

Ms. Sanchez reported on the Group Vision Services renewal.

G. Stop Hacks and Improve Electronic Data Security ("SHIELD") Act

Ms. Sanchez reported on the New York State SHIELD Act.

H. COBRA Notice Updates

Ms. Sanchez discussed updates to the DOL's model COBRA notices.

I. Prescription Drug Class Action Litigation

Ms. Sanchez reported on various prescription drug class action settlement notices received by the Fund.

J. OptumRx Market Check

Ms. Sanchez discussed amendments to the Fund's agreements with OptumRx and Confidio relating to Confidio's market check of OptumRx.

K. Summary Annual Report

Ms. Sanchez reported on the Fund's Summary Annual Report.

L. Fidelity Bond Renewal

Ms. Sanchez reported on the Fund's fidelity bond renewal.

M. Open Enrollment SMM

Ms. Sanchez reported on a Summary of Material Modification ("SMM") relating to the Plan's open enrollment rules.

N. Subrogation Report

Mr. Ianniello presented Slevin & Hart's subrogation report for the third and fourth quarters of 2019 and the first quarter of 2020. He noted that $76,725.63 was collected, zero was compromised, and $15,345.12 was payable to Slevin & Hart.

O. Delinquencies

Mr. Ianniello reported that there were no reported delinquencies.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Third Quarter 2019 Report

Mr. Ianniello presented the Administrative Manager's Report for the third quarter of 2019, which had been pre-circulated. The report showed total income of $5,442,562, and total expenses of $5,727,234, resulting in a deficit of $284,582. Contributions were made on behalf of 2,210 Plan participants.

B. Fourth Quarter of 2019 Report

Mr. Ianniello presented the Administrative Manager's Report for the fourth quarter of 2019, which had been pre-circulated. The report showed total income of $5,260,604, and total expenses of $4,627,694, resulting in a surplus of $632,910. Contributions were made on behalf of 2,147 Plan participants.

C. First Quarter of 2020 Report

Mr. Ianniello presented the Administrative Manager's Report for the first quarter of 2020, which had been pre-circulated. The report showed total income of $573,290, and total expenses of $4,670,810, resulting in a deficit of $4,670,810. Contributions were made on behalf of 1,871 Plan participants.

Mr. Ianniello noted that, as of the reporting period prior to the meeting, COVID-19 claims have been minimal.

VII. INVOICES

The Trustees reviewed the list of invoices for the Active and Retiree Plans dated June 19, 2020, 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 shown on the list for the Active and Retiree plans dated June 19, 2020 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. CareFirst Contract Renewal

Mr. Ianniello reported that CareFirst is working on the contract renewal.

B. Group Dental Services Renewal (GDS)

Mr. Ianniello reported that GDS offered to hold its rates at current levels through December 2020. He noted that he will ask GDS if the Fund will receive a credit due to dental office closures during the COVID-19 quarantine.

C. Cheiron Engagement Fee - 2020

Mr. Ianniello reviewed Cheiron's proposed 2020 engagement letter. Cheiron proposed a fee of $19,950/year ($1,662.50 monthly) for the full ASC-965 reporting requirements. After discussion,

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

> **RESOLVED, to accept Cheiron's proposal for 2020 with a fee of $19,950 annually for the full ASC 965 report.**

D. Medicare Deductible and Co-Insurance Rates - 2020

Mr. Ianniello presented for the Trustees' review the Centers for Medicare and Medicaid Services (CMS) published changes to the Medicare Part A and B premiums, deductibles, and co-insurance rates. He said that the Fund office provides annual updates to the Trustees as the premiums and co-insurance rates are utilized in processing the Fund's Medicare Supplemental benefits for retirees. After discussion,

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

> **RESOLVED, to adopt the CMS Medicare deductible and co-insurance rates for 2020, as presented.**

E. Plan Y20 to Y Changes

Mr. Ianniello reported that there were participants who should have moved from Plan Y20 to Plan Y in 2019 but did not. The Fund office moved the participants as appropriate and adjusted their claims accordingly.

F. Confidio Audit of Optum Rx

Mr. Ianniello reported that Confidio reported that it had not yet received all the information from OptumRx necessary to complete the audit of OptumRx.

G. Health Care Cost Containment Corporation (“HCCCC”) Renewal

Mr. Ianniello presented an invoice for 2020 membership in the HCCCC. Mr. Slevin reported generally on the work performed, and services provided, by the HCCCC. After discussion,

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

> **RESOLVED, to renew the Fund’s membership in the Health Care Cost Containment Corporation for 2020.**

IX. NEXT MEETING DATES AND LOCATIONS

After discussion, the Trustees selected the following meeting dates.

- September 24, 2020 at 9:30 a.m. - Virtual meeting.
- December 7, 2020 at 9:30 a.m. – Location TBD.

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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