UFCW Local 1500 Welfare Fund

ASSOCIATED ADMINISTRATORS, LLC
REPORT

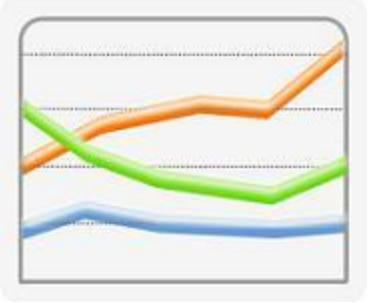
SEPTEMBER 9, 2014

Bill Jensen / President
Emily Novak / Account Executive

Agenda

- AMR/Highlights 2Qtr 2014
- JAA Status Update
  - Snapshot
- Claims Report
- Appeals
- Other Fund Business
- Conclusion

AMR/Highlights: 2Q14 Summary



Full Time Plan

- Deficit continues during 2Q14
  - Total Medical expense in 2Q14 was $9.2 million
    - $11.3 / $9.9 / $9.6 / $9.6 million in previous four quarters
  - Total Rx cost in 2Q14 was $2.2 million
    - $2.3 / $2.1/ $2.4 / $2.4 million in previous four quarters
  - Overall expense for 2Q14 was $12.5 million
    (1Q14 - $13.1 million / 4Q13 - $13 million)
  - 2Q14 deficit was $903,155
- PPPM Cost 2Q14 - $1,075

AMR/Highlights: 2Q14 Summary

Part Time Plan

- Surplus continues
  - 2Q14 Surplus - $1.5 million
- Overall expense for 2Q14 was $1.2 million (4Q13 - $1.3 million / 1Q14 - $1.4 million)
- PPPM Cost 2Q14 - $31

AMR/Highlights: 2Q14 Summary

Special Part Time Plan

- Surplus of $89,882 for 2Q14

- Total expense for 2Q14 was $1.5 million (4Q13 - $1.4 million / 1Q14 - $1.5 million)

- PPPM Cost 2Q14 - $337

AMR/Highlights: 2Q14 Summary

Combined Plans

- Surplus in Part Time and Special Part Time Drove an Overall Surplus for All Combined Plans
  - 2Q14 surplus - $1,467,511
- PPPM Cost 2Q14 - $276
- Recap of 1Q14:
  - FT – 2Q14 $903,155 deficit
  - PT – 2Q14 $1.5 million surplus
  - SPT – 2Q14 $89,882 surplus
  - All Plans – 2Q14 $1,467,511 surplus*

*All Plans' surplus includes investment and other income

AMR/Highlights: 2Q14 Summary

Reserve Projection

- As of June 30, 2014 – 2.9 months
  - Future projections
  - 3 months out (9/30/14): 2.8 months
  - 6 months out (12/31/14): 2.7 months
  - 12 months out (6/30/15): 2.4 months

- *Reserve is based on unassigned reserve only.*
- *Future projections were based on the prior plan designs, which changed as of March 1, 2014, so projections will be subject to change on subsequent reports.*

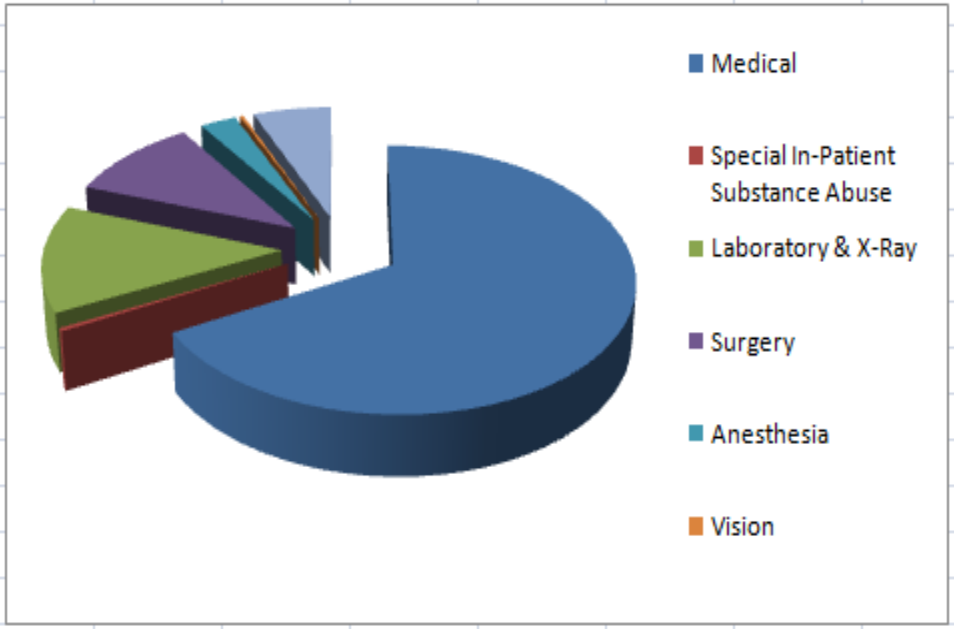
JAA Status Update

- Snapshot

Month	Claims Processed	Billed Amount	Paid Amount
January	9,606.00	10,865,711.00	3,010,128.00
February	8,393.00	9,721,002.00	2,947,214.00
March	8,623.00	8,621,078.00	2,555,026.00
April	10,316.00	10,402,131.98	2,879,503.57
May	8,922.00	9,099,728.53	2,452,726.63
June	8,773.00	8,924,344.09	2,505,425.69
Totals	**54,633**	**57,633,995.60**	**16,350,023.89**

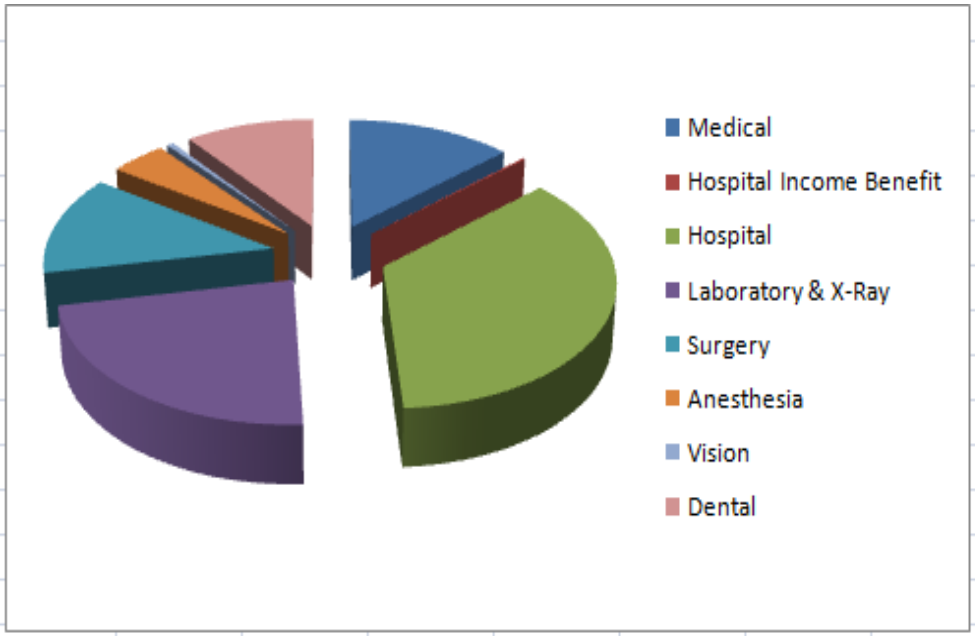
Claims Report - 2Q14

FULL-TIME PLAN		
Medical	6,198,704.53	66.96%
Special In-Patient Substance Abuse	37,153.52	0.40%
Laboratory & X-Ray	1,223,594.42	13.22%
Surgery	953,870.38	10.30%
Anesthesia	258,852.71	2.80%
Vision	25,810.00	0.28%
Dental	558,856.78	6.04%
Total	**9,256,842.34**	100.00%



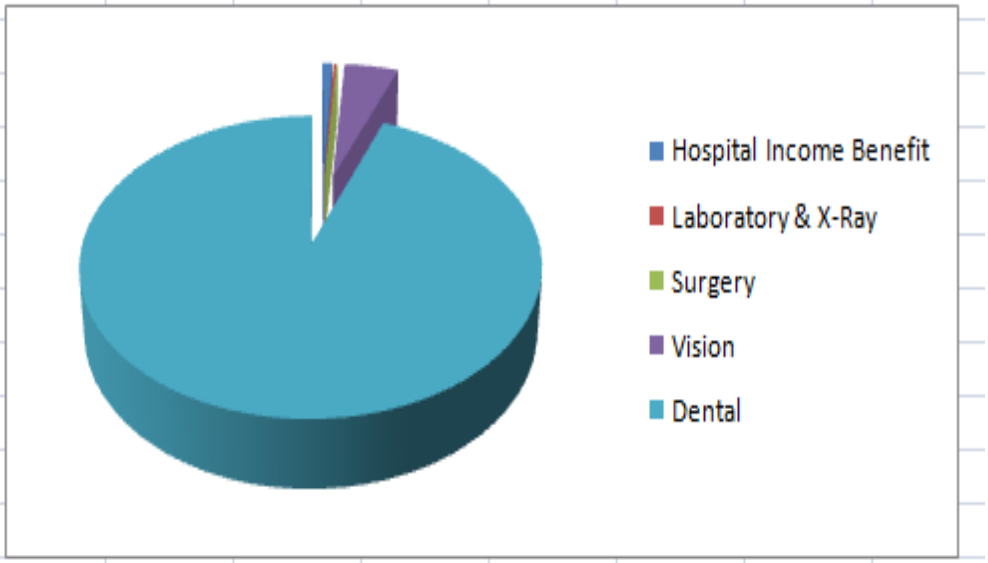
Claims Report – 2Q14, cont'd

SPECIAL PART-TIME PLAN		
Medical	144,791.61	13.12%
Hospital Income Benefit	2,250.00	0.20%
Hospital	395,495.83	35.82%
Laboratory & X-Ray	250,748.40	22.71%
Surgery	142,067.84	12.87%
Anesthesia	49,321.72	4.47%
Vision	6,030.00	0.55%
Dental	113,280.55	10.26%
Total	**1,103,985.95**	100.00%



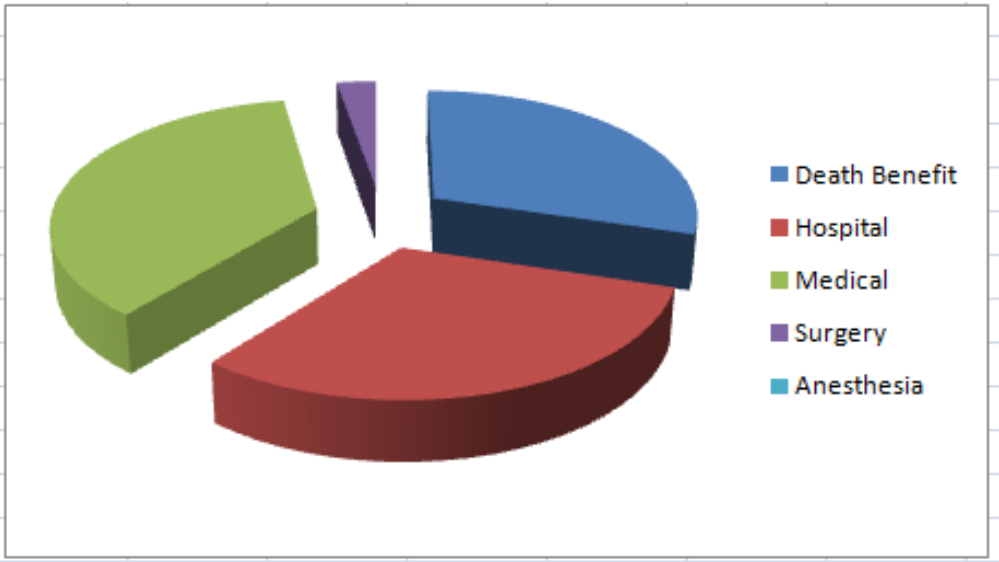
Claims – Report 2Q14, cont'd

PART-TIME PLAN		
Hospital Income Benefit	3,000.00	0.82%
Laboratory & X-Ray	804.10	0.22%
Surgery	320.00	0.09%
Vision	16,942.00	4.64%
Dental	344,056.45	94.23%
Total	**365,122.55**	100.00%



Claims Report 2Q14, cont'd

RETIREE PLAN		
Death Benefit	14,000.00	29.66%
Hospital	14,713.00	31.17%
Medical	17,202.20	36.44%
Surgery	1,287.98	2.73%
Anesthesia	-	0.00%
Total	**47,203.18**	100.00%



Total for 2nd quarter: $10,773,154.02

Appeals

- Appeals Subcommittee
  - Bruce Both
  - Richard Grobman
  - Anthony Speelman
  - Mike Grosso
- Tabled Appeal

Other Fund Business

- Out-of-network claim discounting (HRGi) is now in place.
- Full Time Coordination of Benefits mailings for spouses have been completed.
- IROs 2 finalized, 1 pending.
- Transitional Reinsurance counts due November 1, 2014.
- Certificates of creditable coverage no longer required after December 31, 2014.

Conclusion

- Thank You
- Questions?