Warehouse Employees Union Local No. 730
Health and Welfare Trust Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (800) 730-2241
www.associated-admin.com

4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
Telephone: (800) 730-2241
www.associated-admin.com

DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 HEALTH AND WELFARE TRUST FUND MARCH 14, 2014 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
T. Richardson – Chairman	J. Paradis – Secretary
R. Brooks	L. Johnson
R. Essex	F. Stegman

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
A. Cochran – Associated Administrators, LLC
L. DuVall – Associated Administrators, LLC
M. Herwig – PNC Bank, NA
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

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

II. MINUTES

The Trustees read the minutes of the last regular meeting held on December 20, 2013.

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

RESOLVED that the minutes of the last regular meeting held on December 20, 2013 are approved as written.

III. FINANCIAL REPORT

The Trustees welcomed Mr. Michael Herwig of PNC Bank, NA and Mr. Rich Sichel of Investment Performance Services (IPS) to the meeting.

A. Custodian Bank – PNC Bank, NA

Mr. Herwig distributed the Summary of Activity report for the period January 1, 2013 through December 31, 2013. Such report indicated a beginning market value of $17,344,684. Contribution income totaled $5,819,644, disbursements totaled $8,533,057 and investment earnings totaled $589,436, producing an ending market value of $15,220,707.

B. Investment Performance Services

1. Investment Performance

Mr. Sichel distributed his report titled, "Investment Performance Analysis – December 31, 2013." Mr. Sichel reported that the total market value of assets as of December 31, 2013 was $15,220,707.

2. Asset Allocation

Mr. Sichel reported that as of December 31, 2013 the Fund held 48.1% in domestic fixed income, 7.0% in domestic equities, 13.5% in domestic fixed high yield, 21.5% in short duration high yield, 7.6% in real estate, and 2.2% in cash equivalents. She noted the SSGA S&P Index Fund held $1,072,028; Atlanta Capital held $7,325,203; American Realty Advisors held

$1,151,772; Penn Core held $2,053,573; Chartwell held $3,276,975; there was $341,157 in the cash account.

3. **Chartwell Investment Partners – Short Duration High Yield**

   Mr. Sichel said Chartwell had several senior portfolio managers retire in the fourth quarter 2013. He said IPS recommends monitoring the manager due to the changes in personnel.

4. **Commission Recapture – ConvergEx Group "ConvergEx"**

   Mr. Sichel reviewed a letter contained in his meeting report from the Fund's commission recapture provider, ConvergEx regarding the company's recent regulatory investigations. He said the investigation focused on certain global trading and transition orders as well as misconduct of certain former employees. Mr. Sichel said that the Fund was not affected as ConverEx only provides commission recapture services which are not related to the investigation and he does not recommend a replacement of the provider.

The Trustees thanked Mr. Herwig and Mr. Sichel for their reports and they were excused from the meeting.

IV. COUNSEL REPORT

Ms. Cochran reviewed the status of subrogation matters currently under collection as of March 14, 2014. She reported that there were three open cases, zero closed cases, and one new case opened since the last Board of Trustees meeting on December 20, 2013. She stated that there were no cases requiring Trustee action at this time.

Mr. Burton reported that there were no other legal matters pending before the Board of Trustees at this time.

V. ADMINISTRATIVE MANAGER REPORT

Ms. Cochran presented the Administrative Manager Report for the fourth quarter 2013. Such report showed Employer contributions of $1,279,650, interest and dividend income of $101,034, and miscellaneous income of $0, producing a total income of $1,380,684 for the quarter. Expenses included $2,085,441 of benefit expenses and $85,178 of operating expenses, producing a total expense of $2,170,619. This produced a total deficit of $789,935 for the quarter ended December 31, 2013. Ms. Cochran noted that contributions were made on behalf of 490 Plan participants. She noted there were no contribution delinquencies to report.

VI. INVOICES

Ms. Cochran presented a list of invoices dated March 14, 2014 for Trustee review. It was noted that there were no deletions or changes to the list.

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

RESOLVED that the list of invoices dated March 14, 2014 be approved for payment as presented.

VII. PARTICIPANT APPEALS

Appeal Number	***Issue***	***Board Decision***
M14/109-1235	***Medical – Emergency Room Services***	***Denied***
D/107-6556	***Dental – Periodontal Treatment***	***Denied (Interim Action)***

VIII. PROVIDER REPORT – DENTAL HEALTH CENTERS & ASSOCIATES, LLC

Ms. Cochran distributed the 2013 annual dental services report. The report indicated that the total yearly premium paid for dental coverage was $150,047.46. The dollar value of dentistry performed at the average "usual and customary" fees in 2013 was $241,598.00. Ms. Cochran said the report states that for each $1.00 in premiums paid, the members are receiving $1.61 of dental services based on "usual and customary" values.

IX. CIGNA PPO

Ms. Cochran directed the Trustees to the "Year-to-Date-Savings Results" report for the period January 1, 2013 through December 31, 2013 as contained in the meeting booklet. Mr. Webb distributed a report titled, "Year-to-Date Savings Results." She said the PPO network savings, meaning the billed amount less the network allowed amount, equaled $2,095,340. This represented an overall PPO savings of 42.1% for the period of January 1, 2013 through December 31, 2013. She noted that the savings were less than the discount guarantee of 43.2%, however were within the 3.3% corridor.

IX. OTHER FUND BUSINESS

A. Trustee Expense Policy

Ms. Cochran reiterated the motion approved at the December 20, 2013 meeting which approved an increase in the advance stipend amount from $1,500 to $2,500. She said the policy was updated and reviewed by Fund Counsel and will be presented for Trustee signatures.

B. Health Care Cost Containment Corporation (HCCCC) – Annual Renewal

Ms. Cochran reported interim action since the last meeting in which the Trustees considered the annual renewal of participation in the HCCCC for the 2014 calendar year. The 2014 annual fee of $700 was approved via electronic poll conducted in January 2014.

The Trustees had a discussion regarding the Fund's representatives at the HCCCC executive meetings. The Union Trustees appointed Trustee Essex to attend the meetings. The Employer Trustees said they will appoint a representative at a later date.

C. Annual Creditable Coverage Disclosure to CMS (2014)

Ms. Cochran reported the electronic filing of the Creditable Coverage Disclosure to CMS for 2014 was filed and accepted in a timely manner.

D. HIPAA Privacy Notices

Ms. Cochran reported that the U.S. Department of Health and Human Services provided a final rule which required group health plans to update their Notices of Privacy Practices. She said the updated notice was provided to participants in the January 2014 *For Your Benefit* newsletter.

E. Business Associate Agreements (BAA)

Ms. Cochran reported the new BAA were mailed to all Fund providers on November 16, 2013. The BAA received to date were presented for Trustee countersignature. She stated the Administrative Manager will continue to monitor the outstanding agreements.

F. Affordable Care Act (ACA) Compliance – Pediatric vision coverage

Ms. Cochran reported interim action since the last meeting in which the Trustees considered the recommendation made by Segal to review the self-funded vision

plan and the annual limits on coverage provided to individuals under age 19. She stated before making a change to the current benefit the Trustees requested two quotes from the current vision provider, Group Vision Services (GVS), if the Plan was to move to fully-insured coverage. Ms. Cochran distributed the two quotes 1) self-funded plan with current benefits with the exception of out-of-network benefits at a rate of $4.06 per member per month (pmpm) and 2) moving the self-funded Plan to the current fully-insured plan which would not be the same plan design, at a fee of $6.23 pmpm.

After a discussion regarding the two GVS proposals, the Trustees directed the Administrative Manager to request a utilization data report from GVS for the period January 1, 2013 through December 31, 2013 for dependents under the age of 19.

G. Medical PPO RFP

Ms. Cochran said at the December 2013 meeting, the Trustees gave Chairman and Secretary authority to approve a proposal from Segal for a Request For Proposal (RFP) for medical PPO services. Ms. Cochran reported that the RFP proposal was received and approved by Chairman and Secretary. She stated the fee for Segal's services is $30,000 and that a copy of the proposal and timeline is contained in the meeting booklet.

H. For Your Benefit Newsletter

Ms. Cochran noted the January 2014 *For Your Benefit* newsletter was mailed to participants.

XII. NEXT MEETING DATE AND LOCATION

After discussion the Trustees selected June 5, 2014 as their next regular meeting in Landover, Maryland.

XIII. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis
Secretary