FELRA AND UFCW PENSION FUND

FELRA AND UFCW HEALTH AND WELFARE FUND

POLICY COMMITTEE MEETINGS

JULY 18, 2014

FELRA & UFCW PENSION FUND
FELRA & UFCW HEALTH & WELFARE FUND

POLICY COMMITTEE MEETING

AGENDA

JULY 18, 2014

10:00 A.M.

I. CALL TO ORDER

II. FINANCIAL REPORT – PENSION AND HEALTH FUNDS
- A. INVESTMENT PERFORMANCE SERVICES

III. CONSULTANTS' REPORTS
- A. HERITAGE
- B. SEGAL

IV. ATTORNEY'S REPORT

V. OTHER FUND BUSINESS (pg. 1 – 45)
- A. EMDEON PROPOSAL – SHARED SAVINGS
- B. DRAFT SMM ELIGIBILITY RULES PLANS XX, XXX & XL
  - 1. EMPLOYER CONTRIBUTION LANGUAGE
- C. JANUARY 2015 ENROLLMENT/SALARY DEDUCTION PROCESS
  - 1. FORMS FOR REVIEW
- D. DEPENDENT AUDIT PROPOSALS
  - 1. HMS
  - 2. SECOVA
- E. GDS RATE REQUEST
- F. SUBROGATION PROCESS SUMMARY
- G. MAP AND FELRA CONTRIBUTION RATE INCREASES
- H. LEGAL PROVIDERS' PROPOSAL FOR NEW HIRE BENEFIT PLAN
- I. HOLD HARMLESS PROTECTION FOR OUT OF NETWORK CLAIMS

VI. NEXT MEETING DATE AND LOCATION

VII. ADJOURNMENT

AA LLC Associated Administrators, LLC

July 18, 2014

Trustees and Counsel:

- Associated Administrators, LLC uses a postage aggregator and check/EOB mailing organization called Emdeon, which is a Basys vendor.
- Basys owns the benefits software leased by Associated.
- Emdeon is Associated's vendor.
- Associated, under its contract with the FELRA and UFCW Health and Welfare Fund, pays the regular daily postage for medical claims checks and EOBs.
- Emdeon is offering Associated a Virtual Card Services Program whereby providers pay 1.7% of every medical claim transaction to Emdeon in return for electronic payment.
- The ability to pay a provider of service electronically is mandated by ACA.
- Associated pays about $61M a year to medical providers of service on behalf of FELRA and Associated incurs costs of about $157,813 per year to mail FELRA checks and EOBs through Emdeon.
- Emdeon indicates Associated's fees to Emdeon of about $157,813 per year (FELRA's portion) could be "zero'd out" plus ADDITIONAL revenue generated if Associated were to use this Virtual Card Services program.
- Emdeon indicates some TPAs have zero'd out their fees and accepted the additional revenue, others have zero'd out their fees and not accepted additional revenue, and others have indicated a conflict and have chosen not to participate in the program.
- Associated cannot accept the program unilaterally, as the fees we incur are as a result of our contract to provide administrative services to the Fund. However, Associated believes the potential revenue generation for the Fund and/or savings to Associated warrant review by the Trustees.
- Associated estimates that based on Emdeon's calculation, $150,000 would be revenue generated (FELRA's portion), in addition to "zeroing out" Associated's mailing costs of $157,813 (FELRA's portion).
- Associated intends to ask all six Health & Welfare Funds for which it acts as medical claims processor and uses Emdeon for claim checks and EOB aggregation and mailing if they wish to participate in this program.
- Emdeon requests Associated sign a Letter of Intent quickly in order to get into the queue for set-up.

Would the Fund:

(1) Share the revenue 50-50% with Associated, since the revenue is generated based on Fund administration but the costs as per contract are paid by Associated.
(2) Have no interest in this program?
(3) Wish to allocate "revenue" in some other fashion?

Thank you for your review of this program offered by Associated's vendor Emdeon.

Sincerely,

Laura L. Walsh, CEO
Associated Administrators, LLC

911 Ridgebrook Road, Sparks, MD 21152-9451 (410) 683-6500
4301 Garden City Drive, Suite 201, Landover, MD 20785-2210 (301) 459-3020

FOOD EMPLOYERS LABOR RELATIONS ASSOCIATION AND UNITED FOOD AND COMMERCIAL WORKERS HEALTH AND WELFARE FUND

SUMMARY OF MATERIAL MODIFICATIONS

The Board of Trustees of the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund has adopted the following changes to the Food Employers Labor Relations Association and United Food and Commercial Workers Active Health and Welfare Plan ("Plan") for participants employed by Giant Food or Safeway. Please keep this document with your Summary Plan Description ("SPD").

1. For bargaining unit employees who were hired before January 1, 2014 and who were not yet eligible to participate under Plan XX on January 1, 2014, the paragraphs on page 17 of your Plan XX SPD entitled "Initial Eligibility – Full Timers" and "Initial Eligibility – Part Timers" are deleted and replaced with the following:

A. Full-Time Employees – Plan XX

If you were hired as a "full-time" employee (as defined under the collective bargaining agreement applicable to your employment), you will be eligible for benefits under the Plan as follows, subject to the Fund's receipt of contributions made on your behalf by your participating employer, and subject to you completing and filing with the Fund office the necessary enrollment forms, including any payroll deduction forms:

Type of Benefit	Enrollment Date
Hospital, Medical, Prescription Drug	1st of the month following 1,200 hours of service plus 60 days
Life, Accidental Death & Dismemberment	1st of the month following 12 months of continuous employment
Accident & Sickness, Dental, Vision	1st of the month following 15 months of continuous employment

For example, if you were hired as a full-time employee on April 15, 2013 and were entitled to be paid for 1,200 hours of work as of November 30, 2013, you would become eligible for: (a) hospital, medical and prescription drug benefits on February 1, 2014; (b) life and accidental death & dismemberment benefits on May 1, 2014; and (c) accident & sickness, dental and vision benefits on August 1, 2014.

B. Part-Time Employees – Plan XX

If you were hired to work an undetermined number of hours per week and you were entitled to be paid for an average of at least 28 hours per week during your first 12 months of employment (your "initial measurement period"), you will be eligible for Hospital, Medical, Prescription

Drug, Life and Accidental Death & Dismemberment benefits on the first day of the month after you have worked for 13 months, subject to the Fund's receipt of contributions made on your behalf by your participating employer, and subject to you completing and filing with the Fund office the necessary enrollment forms, including any payroll deduction forms. For example, if you start work on May 15, 2013 and you were entitled to payment for an average of 30 hours a week through May 14, 2014, you will be covered under Plan XX as of July 1, 2014.

If you were hired to work an undetermined number of hours per week, and you were entitled to be paid for an average of less than 28 hours per week, you will not be eligible for benefits under Plan XX after 13 months of Covered Employment. However, if you are entitled to be paid for an average of at least 5 hours per week during the next 5 months of Covered Employment (your second "measurement period"), you will be eligible for Hospital, Medical, Prescription Drug, Life and Accidental Death & Dismemberment benefits on the first day of the month after your 18th month of Covered Employment, subject to the Fund's receipt of contributions made on your behalf by your participating employer, and subject to you completing and filing with the Fund office the necessary enrollment forms, including any payroll deduction forms. For example, if you start work on May 15, 2013 and you were entitled to payment for an average of 10 hours per week through May 14, 2014, you will not be eligible for Plan XX as of July 1, 2014. However, if you continue to be entitled to payment for 10 hours per week from May 15, 2014 through October 14, 2014, you will be covered under the Plan XX as of December 1, 2014.

As long as you continue to work in Covered Employment, you will continue to be eligible for these benefits under Plan XX at least until the end of the calendar year after the year in which your coverage begins. For example, if you first become covered on June 1, 2014, you will continue to be covered under Plan XX at least until December 31, 2015, provided you continue to work in Covered Employment.

After your first period of coverage ends, your continuing eligibility for benefits under Plan XX in each calendar year will depend on whether you continue to be entitled to payment for work in Covered Employment for an average of at least 5 hours per week from August 1st to July 31st of the prior year. For example, if your first coverage period ends on December 31, 2015, your eligibility for coverage for 2016 will depend on whether you were entitled to payment for an average of at least 5 hours per week during the period of August 1, 2014 – July 31, 2015. If you were entitled to payment for an average of 5 hours per week during this period, your eligibility for benefits under Plan XX will continue until at least December 31, 2016.

You will become eligible to receive accident & sickness benefits, dental benefits and vision benefits under Plan XX on the first day of the month after you have worked for 30 months. For example, if you begin work on May 15, 2013 and you continue to be entitled to payment for work in Covered Employment for an average of at least 5 hours a week for 30 months, you will be eligible for accident & sickness, dental and vision benefits on December 1, 2015.

2. Bargaining unit employees who are hired on or after January 1, 2014 will become eligible to participate in Plan XXX or Plan XL, based on the following eligibility rules:

A. Full-Time Employees – Plan XXX

If you were hired as a "full-time" employee (as defined under the collective bargaining agreement applicable to your employment), you will be eligible for benefits under Plan XXX as follows, subject to the Fund's receipt of contributions made on your behalf by your participating employer, and subject to you completing and filing with the Fund office the necessary enrollment forms, including any payroll deduction forms:

Type of Benefit	Enrollment Date
Hospital, Medical, Prescription Drug	1st of the month following 1,200 hours of service plus 60 days
Life, Accidental Death & Dismemberment	1st of the month following 12 months of continuous employment
Accident & Sickness, Dental, Vision	1st of the month following 15 months of continuous employment

For example, if you were hired as a full-time employee on April 15, 2014 and were entitled to payment for 1,200 hours of work as of November 31, 2015, you would become eligible for: (a) hospital, medical and prescription drug benefits on February 1, 2015; (b) life and accidental death & dismemberment benefits on May 1, 2015; and (c) accident & sickness, dental and vision benefits on August 1, 2015.

B. Part-Time Employees – Plan XXX or Plan XL

If you were hired to work an undetermined number of hours per week, and you were entitled to payment for an average of at least 28 hours per week during your first 12 months of employment, you will be eligible for Hospital, Medical, Prescription Drug, Life and Accidental Death & Dismemberment benefits under Plan XXX on the first day of the month after you have worked for 13 months, subject to the Fund's receipt of contributions made on your behalf by your participating employer, and subject to you completing and filing with the Fund office the necessary enrollment forms, including any payroll deduction forms. For example, if you start work on May 15, 2014 and you are entitled to payment for an average of 30 hours a week through May 14, 2015, you will be covered under the Plan XXX as of July 1, 2015.

If you were hired to work an undetermined number of hours per week and you were entitled to payment for on average less than 28 hours per week for the first 12 months of employment, you will be eligible for Life and Accidental Death & Dismemberment benefits under Plan XL on the first day of the month after you have worked for 18 months subject to the Fund's receipt of contributions made on your behalf by your participating employer, and subject to you completing and filing with the Fund office the necessary enrollment forms, including any payroll deduction forms. For example, if you start work on May 15, 2014 and you are entitled to payment for an average of 10 hours a week through May 14, 2015, you will be covered under the Plan XL as of December 1, 2015.

As long as you continue to work in Covered Employment, you will continue to be eligible for the above-described benefits under Plan XXX or Plan XL at least until the end of the calendar year after the year in which your coverage begins. For example, if you first become covered on December 1, 2015, you will continue to be covered at least until December 31, 2016, provided you continue to work in Covered Employment.

After your first period of coverage ends, your eligibility for benefits under Plan XXX or Plan XL each calendar year will depend on whether you were entitled to payment for an average of at least 28 hours per week in Covered Employment from August 1st to July 31st of the prior year. For example, if your first coverage period ends on December 31, 2016, your eligibility for coverage in 2017 will depend on whether you were entitled to payment for an average of at least 28 hours per week during the period of August 1, 2015 – July 31, 2016. If you were entitled to payment for an average of 28 hours per week during this period, you will be eligible for benefits under Plan XXX until at least December 31, 2017. If you were entitled to payment for, on average, less than 28 hours per week during this period, you will be eligible for benefits under Plan XL until at least December 31, 2017.

If you are covered under Plan XXX, you will become eligible to receive accident & sickness benefits, dental benefits and vision benefits on the first day of the month after you have worked in Covered Employment for 30 months. For example, if you begin work on May 15, 2014 and you continue to be eligible for payment for Covered Employment for an average of at least 28 hours a week for 30 months, you will be eligible for accident & sickness, dental and vision benefits on December 1, 2016.

If you are covered under Plan XL, you will become eligible to receive accident & sickness benefits, dental benefits and vision benefits on the first day of the month after you have worked for 30 months. For example, if you begin work on May 15, 2014 and you continue to be entitled to payment for work in Covered Employment for 30 months at less than 28 hours a week, on average, you will be eligible for accident & sickness, dental and vision benefits on December 1, 2016.

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17.10 Health & Welfare Benefits – Plan XX

A. For Full-time employees hired after March 30, 2004, the Employer shall make contributions to the Fund Plan XX, in accordance with Section 17.2 above. The contribution will commence with the first full payroll month following the completion of twelve (12) months of continuous employment with the Employer.

B. Full-time employees shall be eligible for Group A benefits after completion of twelve (12) months of continuous employment, and shall be eligible to receive Group B benefits after completion of fifteen (15) months of continuous employment. Full-time employees shall be eligible to receive the Plan X level of benefits after completion of six (6) years of continuous employment.

C. For Part-time employees hired after March 30, 2004, the Employer shall make contributions to the Fund Plan XX, in accordance with Section 17.2 above. The contribution will commence with the first full payroll month following the completion of fifteen (15) months of continuous employment with the Employer.

D. Part-time employees shall be eligible for Group A benefits after completion of eighteen (18) months of continuous employment and shall be eligible to receive Group B benefits after completion of thirty (30) months continuous employment. Part time employees are not eligible for dependent coverage. Coverage for part-time employees shall be secondary if the employee is covered under another plan. Part-time employees shall be eligible to receive the Plan X level of benefits after completion of six (6) years of continuous employment.

E. Employees hired after March 30, 2008 shall be obligated to pay the following co-premium unless a higher co-premium applies under the terms of the applicable plan effective with the month in which coverage by the FELRA and UFCW Health and Welfare Fund starts. Although such employees are obligated to pay such co-premiums, it shall be the employer's responsibility to collect the co-premiums from the employee. The employer shall pay to the Fund the full monthly contribution due on behalf of each eligible employee, regardless of whether the employee actually elects a coverage.

$ 5.00 – Individual
$10.00 – Individual + 1
$15.00 – Family

Employees choosing not to pay the premium co-pay of $5.00/$10.00/$15.00 per week for health & welfare will not be entitled to benefits.

DRAFT Enrollment process for Salary Deductions effective 1/1/15

MOA Language:

Weekly associate contributions will be implemented as follows, effective January 1, 2015:

a. *Plan I, Plan X FT, and Plan X PT single – $5 single/$10 participant plus one/$15 family.*
b. *Plan X PT Dependent and Plan XX – no change to current language.*
c. *Plan XXX – $10 single/$15 participant plus child(ren)/$20 participant plus spouse/$25 family.*
d. *Implement spousal surcharge of $20/week in addition to the above if the spouse has access to coverage through their employer. A process will be implemented to verify eligibility.*

Steps:
Propose three stage mailing to all Plan Participants in (a) above, i.e., Plan I, Plan X FT, and Plan X PT single, noting new requirement as of January 1, 2015, and including salary deduction authorization form, similar to the form used by Plan X PT and Plan XX (FT and PT).

- First mailing would occur in mid August 2014, followed up by a mailing in September, and a final mailing in late October/early November, with the 2nd and 3rd mailings only to those who have not responded.
- Outbound calls as needed to non responders after 3rd mailing.
- Salary deduction files to be sent to participating employers in early December, so that deductions can be properly made as of January 1, 2015.
- Communication via For Your Benefit Newsletter, and materials available on our website.
- Other communications options may include reminders in the union newsletters, or reminder posters in the employee lunchroom area, depending on policies.
- Although not noted in the MOA, we assume this will be an annual open enrollment process for the Fund.

FELRA & UFCW Active Health Plan
A Plan of the Food Employers Labor Relations Association
and United Food and Commercial Workers
Health and Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

August 2014 [ALL FULL TIMERS]

Dear FELRA Full Time Participant:

As a result of Collective Bargaining, starting January 1, 2015, there will be a cost to you to have health coverage through the Fund.

The cost for coverage is **$5 per week** for single coverage, **$10 per week** for the participant plus one dependent, and **$15 per week** for family coverage (participant plus two or more dependents), payable via payroll deduction.

There will be an additional $20 per week surcharge for spouses who have coverage available under their employers' health plan.

Important Information about Dependent Coverage
The Fund will utilize the "non-duplication" Coordination of Benefits ("COB") rule. This means that any secondary payment will be determined by calculating primary payment, subtracting it from what the Fund's payment would have been, and paying the remaining amount, if any.

Example: *If an enrolled spouse's plan's payment for a certain charge would be 70% and the payment under the Fund would be 80%, the Fund would pay 10% as a secondary benefit for that spouse. However, if the spouse's plan paid 80% and the Fund's plan would also pay 80%, no additional payment would be made by the Fund as the secondary payer.*

Prior to enrolling a dependent for secondary coverage under this Fund, it may be worthwhile to review the benefits that would be paid under the primary plan.

General information about your Plan may be found on the Fund Office website. Go to www.associated-admin.com. Click on "Your Benefits," then "FELRA & UFCW Health and Welfare Fund" to see information about your Plan (Plan I, Plan X, or Plan XX).

I Want the Coverage. How Do I Enroll?
Complete the enclosed payroll deduction form, enrollment application, and if enrolling a spouse, the spousal surcharge authorization form.

Return completed documents to the Fund office at the address or fax number shown below:

Mail to:	Fund Office 4301 Garden City Drive, Ste. 201 Landover, MD 20785-6102 Attn: FELRA Open Enrollment
Fax:	**(301) 459-1042**
Email:	enroll@associated-admin.com; **IF you email your forms please use only the last 4 digits of your Social Security Number to ensure privacy.**

VERY IMPORTANT! You must SIGN and return all applicable forms ASAP in order for coverage to be effective January 1, 2015. IF YOU DO NOT RE-ENROLL, ELIGIBILITY FOR ALL HEALTH AND WELFARE COVERAGE WILL TERMINATE ON December 31, 2014.

Sincerely,

Fund Office
Enclosure

FT Re-Enroll Aug 2014 cgm

FELRA & UFCW Active Health Plan
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August 2014 [Plan I Part Time]

Dear FELRA Plan I Part Time Participant:

As a result of Collective Bargaining, starting January 1, 2015, there will be a cost to you to have health coverage through the Fund. The cost for coverage is **$5 per week** for single coverage, **$10 per week** for the participant plus one dependent, and **$15 per week** for family coverage (participant plus two or more dependents), payable via payroll deduction.

Dependent Coverage: Dependents of Part Time participants who are entitled to or who have been offered other group health coverage (even if they did not take it) are not eligible to be covered for those benefits under the Fund.

General information about your Plan may be found on the Fund Office website. Go to www.associated-admin.com. Click on "Your Benefits," then "FELRA & UFCW Health and Welfare Fund" to see information about your Plan (Plan I, Plan X, or Plan XX).

I Want the Coverage. How Do I Enroll?
Complete the enclosed payroll deduction form and the enrollment application. Return completed documents to the Fund office at the address or fax number shown below:

Mail to:	Fund Office 4301 Garden City Drive, Ste. 201 Landover, MD 20785-6102 Attn: FELRA Open Enrollment
Fax:	**(301) 459-1042**
Email:	**enroll@associated-admin.com; IF you email your forms please use only the last 4 digits of your Social Security Number to ensure privacy.**

VERY IMPORTANT! You must SIGN and return all applicable forms ASAP in order for coverage to be effective January 1, 2015. IF YOU DO NOT RE-ENROLL, ELIGIBILITY FOR ALL HEALTH AND WELFARE COVERAGE WILL TERMINATE ON December 31, 2014.

Sincerely,
Fund Office

Enclosure

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August 2014 [Plan X Part Time Individual]

Dear Plan X Part Time Participant:

As a result of Collective Bargaining, starting January 1, 2015, there will be a cost to you to have health coverage through the Fund. The cost for coverage is **$5 per week** for single coverage. The Fund office will contact your employer to authorize payroll deductions effective January 1, 2015.

Part Timers have the opportunity to enroll for dependent coverage two times each year – in January and July for coverage effective March 1st and September 1st, respectively. The cost for dependent coverage is 20% of the cost of the overall plan and could change at each enrollment. This will be noted in the ***For Your Benefit*** newsletter twice a year as well.

General information about your Plan may be found on the Fund Office website. Go to www.associated-admin.com. Click on "Your Benefits," then "FELRA & UFCW Health and Welfare Fund" to see information about your Plan (Plan I, Plan X , or Plan XX).

I Want the Coverage. How Do I Enroll?
Complete the enclosed payroll deduction form and enrollment application and return them to the Fund office at the address or fax number shown below:

Mail to:	Fund Office 4301 Garden City Drive, Ste. 201 Landover, MD 20785-6102 Attn: FELRA Open Enrollment
Fax:	**(301) 459-1042**
Email:	**enroll@associated-admin.com; IF you email your forms please use only the last 4 digits of your Social Security Number to ensure privacy.**

VERY IMPORTANT! You must SIGN and return all applicable forms ASAP in order for coverage to be effective January 1, 2015. IF YOU DO NOT RE-ENROLL, ELIGIBILITY FOR ALL HEALTH AND WELFARE COVERAGE WILL TERMINATE ON December 31, 2014.

Sincerely,
Fund Office

Enclosure

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August 2014 [FOR PLAN XX NE and Plan XX Hired before 3/31/08]

Dear FELRA Plan XX Participant:

As a result of Collective Bargaining, starting January 1, 2015, there will be a cost to you to have health coverage through the Fund. The cost for coverage under your same Plan is **$5 per week** for single coverage.

Important! Coverage for Part Time employees shall be secondary if the employee is covered under another group Plan.

General information about your Plan may be found on the Fund Office website. Go to www.associated-admin.com. Click on "Your Benefits," then "FELRA & UFCW Health and Welfare Fund" to see information about your Plan (Plan I, Plan X , or Plan XX).

I Want the Coverage. How Do I Enroll?
Complete the enclosed payroll deduction form and enrollment application. Return them to the Fund office at the address or fax number shown below:

Mail to:	Fund Office 4301 Garden City Drive, Ste. 201 Landover, MD 20785-6102 Attn: FELRA Open Enrollment
Fax:	**(301) 459-1042**
Email:	**enroll@associated-admin.com; IF you email your forms please use only the last 4 digits of your Social Security Number to ensure privacy.**

VERY IMPORTANT! You must SIGN and return both forms ASAP in order for coverage to be effective January 1, 2015. IF YOU DO NOT RE-ENROLL, ELIGIBILITY FOR ALL HEALTH AND WELFARE COVERAGE WILL TERMINATE ON December 31, 2014.

Sincerely,
Fund Office

Enclosure

FELRA and UFCW HEALTH and WELFARE FUND
HEALTH COVERAGE SPOUSAL SURCHARGE AUTHORIZATION

Effective January 1, 2015, a $20 weekly spousal surcharge will be deducted from your paycheck under the following conditions:

(1) If you have elected coverage for your spouse, *and* your spouse is eligible for coverage through his/her employer, but elects not to enroll or,

(2) If your spouse is enrolled in his/her employer's coverage, *and* your spouse also elects Fund coverage on a secondary basis (non-duplication coordination of benefit rules apply-see reverse side for example of the non-duplication rules).

Please choose one of the following:

____My spouse is enrolled in the FELRA and UFCW Health and Welfare Fund, and my spouse does not have health coverage available through his/her employer; or my spouse does not work; or is self-employed without benefits. (The spousal surcharge is not applicable).

____My spouse is enrolled in the FELRA and UFCW Health and Welfare Fund and my spouse is also enrolled in health coverage through his/her employer. I understand the $20 weekly salary deduction surcharge will be applied and I authorize a deduction from my paycheck on a pre-tax basis. Secondary coverage under this Fund will be on a non-duplication basis.

____My spouse is enrolled in the FELRA and UFCW Health and Welfare Fund and my spouse has health coverage available through his/her employer, but has elected not to enroll in that health plan. I understand the $20 weekly salary deduction surcharge will be applied and I authorize a deduction from my paycheck on a pre-tax basis.

Spouse's Name _____

Spouse's Employer Name _____

Group # _____ **Member #** _____

Group Medical Plan name _____

Please Note: If your spouse loses or obtains health coverage through his/her employer, or if there is any family status change, the Fund office must be notified in writing within 30 days of such change. If you do not, coverage changes will take effect the first of the month following receipt of notification.

My signature below indicates that the facts set forth on this form are true and complete to the best of my knowledge.

Employee Name (Please Print) _____ **SS#** _____

Employee Signature _____ **Date** _____

See Reverse

Group Dental Service of MD, Inc.
111 Rockville Pike, Suite 700
Rockville, MD 20850

June 2014

Board of Trustees
The Food Employers Labor Relations Association
& United Food and Commercial Workers Health and Welfare Fund
Attn: Mark Federici
Associated Administrators, Inc.
4301 Garden City Drive
Landover, MD 20785

Re: Contract Renewal 2014 - 2015

Dear Trustees,

Group Dental Service, Inc. ("GDS") would like to extend its thanks for the trust you have placed in us to provide dental services for **The Food Employers Labor Relations Association & United Food and Commercial Workers Health and Welfare Fund.** We have strived to fulfill your expectations by providing the highest quality dental care in a manner that ensures cost-effective delivery.

We have reviewed the Fund's utilization and costs for the year of 2013. Based upon our analysis, we are pleased to offer the Fund a **RATE HOLD** through 12/31/2014. Additionally, GDS has waived the Health Insurance Providers Fee for the 2014 plan year, also known as HIF (Health Insurer Fee), which took affect 1/1/2014 in accordance with the Affordable Care Act. This is applied to most forms of health insurance, including dental, and is used to fund premium subsidies and tax credits that were made available in 2014. We have calculated the impact of this fee to be 2.6% of premium.

Because we value your business, we have worked with our Underwriters, and based on our longstanding relationship, GDS proposes the following with regards to the 2014 – 2015 renewal:

- While the fund was scheduled to renew as 1/1/14, GDS has waived the HIF Tax, and any premium increases for the period of 1/1/2014 through 12/31/2014.
- Effective 1/1/2015 – 12/31/2015, GDS will propose a 2.6% premium increase due to the HIF Tax.

As you can see, the increase proposal is solely due to the tax, and will not be requested until the 2015 plan year. We understand the significance of this increase, and look forward to speaking to you. Thank you for your continued trust and confidence. Should you have any questions, please feel free to contact me.

Sincerely,

Dwight D. Hyman
Union, Labor Account Manager
Group Dental Service of Maryland

CC: Bill Jensen, President, Associated Administrators

FELRA Health and Welfare Fund Subrogation Process Review

Per the request at the last regular Board of Trustees meeting, this is a summary of the Fund's subrogation related collection results for the last two years, and an overview of the process as directed by the Fund.

For the two years ended 1Q14, the subrogation recoveries have totaled $885,885.99

The Subrogation Rules of the fund are outlined in the SPD, outlined in the Exhibit A to this summary.

The detailed Standard Operating Procedure used by our Medical Claims department for subrogation processing and referrals is attached as Exhibit B. The subrogation process also involves information that is discovered via the Accident and Sickness claims filing process, and both departments coordinate when a potential accident or third party claim is revealed.

When such claim is potentially revealed, an accident inquiry form is sent to the participant for completion. This is attached as Exhibit C . This form documents if a third party may be responsible for the claim, and results in a subrogation agreement being sent to the participant, if applicable.

In order to process payment of the claim, the subrogation agreement is completed by the participant, and the participant's attorney. Please see Exhibit D for a copy of the cover letter and agreement, and another letter asking for additional detail. Once properly completed and executed, the Fund office may advance payment of potential third party claims.

If the participant settles the case without involving the Fund and counsel, the Fund considers the prior payment as being a debt, and begins collection activity under the direction of Fund counsel. It may lead to the suspension of benefits, and offset of any claims submitted by the participant or dependent.

This summary does not summarize the process performed by Fund counsel, just those procedures adopted by the Trustees as outlined per the SPD.

Exhibit A to Subrogation Procedure Summary-SPD language for FELRA and UFCW Health Fund

SUBROGATION

Were you or your eligible dependent injured in a car accident or other accident for which someone else is liable? If so, that person (or his/her insurance) may be responsible for paying your (or your eligible dependent's) Medical and Accident & Sickness expenses, and these expenses would not be covered under the *Fund*.

Waiting for a third party to pay for these injuries may be difficult. Recovery from a third party can take a long time (you may have to go to court), and your creditors will not wait patiently. Because of this, as a service to you, the *Fund* will pay you (or your eligible dependent) benefits based on the understanding that **you are required to reimburse the *Fund* in full** from **any** recovery you or your eligible dependent may receive, no matter how it is characterized. The *Fund* advances benefits to you and your dependents only as a service to you. You must reimburse the *Fund* if you obtain any recovery from another person or entity.

You and/or your dependent are required to notify the *Fund* within ten days of any accident or injury for which someone else may be liable. Further, the *Fund* must be notified within ten days of the initiation of any lawsuit arising out of the accident and of the conclusion of any settlement, judgment or payment relating to the accident in any lawsuit initiated to protect the *Fund's* claims.

If you or your dependent receive **any** benefit payments from the *Fund* for any *injury* or *sickness*, and you or your dependent recover any amount from any third party or parties in connection with such *injury* or *sickness*, you or your dependent must reimburse the *Fund* from that recovery the total amount of all benefit payments the *Fund* made or will make on your or your dependent's behalf in connection with such *injury* or *sickness*.

Also, if you or your dependent receive any benefit payments from the *Fund* for any *injury* or *sickness*, the *Fund* is subrogated to all rights of recovery available to you or your dependent arising out of any claim, demand, cause of action or right of recovery which has accrued, may accrue or which is asserted in connection with such *injury* or sickness, to the extent of any and all related benefit payments made or to be made by the *Fund* on your or your dependent's behalf. This means that the *Fund* has an independent right to bring an action in connection with such *injury* or *sickness* in your or your

dependent's name and also has a right to intervene in any such action brought by you or your dependent, including any action against an insurance carrier under any uninsured or underinsured motor vehicle policy.

The *Fund's* rights of reimbursement and subrogation apply regardless of the terms of the claim, demand, right of recovery, cause of action, judgment, award, settlement, compromise, insurance or order, regardless of whether the third party is found responsible or liable for the *injury* or *sickness*, and regardless of whether you and/or your dependent actually obtain the full amount of such judgment, award, settlement, compromise, insurance or order. The *Fund's* right of reimbursement and subrogation provide the *Fund* with first priority to any and all recovery in connection with the *injury* and *sickness,* whether such recovery is full or partial and no matter how such recovery is characterized, why or by whom it is paid, or the type of expense for which it is specified. Such recovery includes amounts payable under your or your dependent's own uninsured motorist insurance, under-insured motorist insurance, or any medical pay or no-fault benefits payable. The "make-whole" doctrine does not apply to the *Fund's* right of reimbursement and subrogation. The *Fund's* rights of reimbursement and subrogation are for the full amount of all related benefits payments; this amount is not offset by legal costs, attorney's fees or other expenses incurred by you or your dependent in obtaining recovery. The *Fund* shall have a constructive trust, lien and/or an equitable lien by agreement in favor of the *Fund* on any amount received by you, your dependent or a representative of you or your dependent (including an attorney) that is due to the *Fund* under this Section, and any such amount shall be deemed to be held in trust by you or your dependent for the benefit of the *Fund* until paid to the *Fund*. You and your dependent hereby consent and agree that a constructive trust, lien, and/or equitable lien by agreement in favor of the *Fund* exists with regard to any payment, amount and/or recovery from a third party; and in accordance with that constructive trust, lien, and/or equitable lien by agreement, you and your dependent agree to cooperate with the *Fund* in reimbursing it for *Fund* costs and expenses.

Consistent with the *Fund's* rights set forth in this section, if you or your dependent submit claims for or receive any benefit payments from the *Fund* for an injury or sickness that may give rise to any claim against any third party, you and/or your dependent will be required to execute a "Subrogation, Assignment of Rights, and Reimbursement Agreement" affirming the *Fund's* rights of reimbursement and subrogation with respect to such benefit payments and claims. This Agreement must also be executed by your or your dependent's attorney, if applicable. Alternatively, if you or your dependent or a representative of you or your dependent (including your attorney) fail or refuse to execute the required "Subrogation, Assignment of Rights, and Reimbursement Agreement" and the *Fund* nevertheless pays benefits to or on behalf of you or your dependent, you or your dependent's acceptance of such benefits shall constitute your or your dependent's agreement to the *Fund's* right to subrogation or reimbursement from any recovery by you or your dependent from a third party that is based on the circumstance from which the expense or benefit paid by the *Fund* arose, and your or your

dependent's agreement to a constructive trust, lien, and/or equitable lien by agreement in favor of the *Fund* on any payment amount or recovery that you or your dependent recovers from a third party.

Because benefit payments are not payable unless you sign a Subrogation Agreement, your or your dependent's claim will not be considered filed and will not be paid if the period for filing claims passes before your Subrogation Agreement is received.

Further, the Plan excludes coverage for any charges for any medical or other treatment, service or supply to the extent that the cost of the professional care or hospitalization may be recovered by, or on behalf of, you or your dependent in any action at law, any judgment compromise or settlement of any claims against any party, or any other payment you, your dependent or your attorney may receive as a result of the accident or *injury*, no matter how these amounts are characterized or who pays these amounts, as provided in this Section.

Under this provision, you and/or your dependent are obligated to take all necessary action and cooperate fully with the *Fund* in its exercise of its rights of reimbursement and subrogation, including notifying the *Fund* of the status of any claim or legal action asserted against any party or insurance carrier and of your or your dependent's receipt of any recovery. You or your dependent also must do nothing to impair or prejudice the *Fund*'s rights. For example, if you or your dependent chooses not to pursue the liability of a third party, you or your dependent may not waive any rights covering any conditions under which any recovery could be received. If you are asked to do so, you must contact the *Fund office* immediately. Where you or your eligible dependent chooses not to pursue the liability of a third party, the acceptance of benefits from the *Fund* authorizes the *Fund* to litigate or settle your claims against the third party. If the *Fund* takes legal action to recover what it has paid, the acceptance of benefits obligates you and your dependent (and your attorney if you have one) to cooperate with the *Fund* in seeking its recovery, and in providing relevant information with respect to the accident.

You or your dependent must also notify the *Fund* before accepting any payment prior to the initiation of a lawsuit or in settlement of a lawsuit. If you do not, and you accept payment that is less than the full amount of the benefits that the *Fund* has advanced you, you will still be required to repay the *Fund*, in full, for any benefits it has paid. The *Fund* may withhold benefits if you or your dependent waives any of the *Fund's* rights to recovery or fail to cooperate with the *Fund* in any respect regarding the *Fund's* subrogation rights.

If you or your dependent refuse to reimburse the *Fund* from any recovery or refuse to cooperate with the *Fund* regarding its subrogation or reimbursement rights, the *Fund* has the right to recover the full amount of all benefits paid by methods which include, but are not necessarily limited to, offsetting the amounts paid against your future benefit payments under the Plan. "Non-cooperation" includes the failure of any party to execute a Subrogation, Assignment of Rights, and Reimbursement Agreement and the failure of any party to respond to the *Fund's* inquiries concerning the status of any claim or any other inquiry relating to the *Fund's* rights of reimbursement and subrogation.

If the *Fund* is required to pursue legal action against you or your dependent to obtain repayment of the benefits advanced by the *Fund*, you or your dependent shall pay all costs and expenses, including attorneys' fees and costs, incurred by the *Fund* in connection with the collection of any amounts owed the *Fund* or the enforcement of any of the *Fund's* rights to reimbursement. In the event of legal action, you or your dependent shall also be required to pay interest at the rate determined by the *Trustees* from time to time from the date you become obligated to repay the *Fund* through the date that the *Fund* is paid the full amount owed.

This reimbursement and subrogation program is a service to you and your dependents. It provides for the early payment of benefits and also saves the *Fund* money (which saves you money too) by making sure that the responsible party pays for your injuries.

Name of Procedure: Subrogation Procedures

Applicable Funds: FELRA & UFCW Health and Welfare Fund

Action or Procedure:

Subrogation Procedures

Fund counsel, Slevin & Hart, P.C., located at 1625 Massachusetts Ave., N.W., Suite 450 in Washington DC assists the Fund office with subrogation matters for the FELRA Fund.

If a participant or dependent has an attorney to represent them, Fund personnel should not provide the attorney with any information directly. Likewise, the participant's attorney will be advised to contact Slevin & Hart directly for matters related to their client's case.

Slevin & Hart will not contact a participant or dependent directly if they have counsel to represent them; only Fund personnel can do so.

- If it is determined that a third party may be responsible for a sickness or injury based on claim diagnosis or an accident inquiry from the Participant, a Subrogation, Assignment of Rights and Reimbursement Agreement ("Agreement") is mailed to the participant and a note is made in their file. If it is a motor vehicle accident, an inquiry regarding automobile insurance should also be sent as well.
- When a properly executed Agreement is received, the Agreement is reviewed to check for the following items:
    - The entire five (5) page document must be returned.
    - The Agreement must be signed by the Participant, even if they were not involved.
    - Any dependent over the age of 18 must sign the Agreement if they were involved in the subrogated incident. A parent or legal guardian may sign for any dependent under the age of 18.
    - If an Attorney in Fact signs on the behalf of the Participant or dependent, we check to make sure we have proper documentation on file regarding Power of Attorney. If not, this must be supplied before the Agreement is accepted.
    - The form must be completed in ink. Pencil is not accepted to ensure there are no unwarranted changes.
    - Faxed copies are not accepted – originals only.
    - If a participant or dependent is represented by an attorney, the attorney must sign the Agreement. If for any reason, a participant or dependent is represented by more than one attorney, a separate Agreement will need to be completed for each attorney.
    - If a participant or dependent does not have an attorney, they need to indicate this on the appropriate page of the Agreement.

Name of Procedure: Subrogation Procedures

- If the participant or dependent did not provide a description of the incident on the accident inquiry, they must summarize it on the appropriate page of the Agreement. We must know the date of accident ("DOA") in order to calculate the lien(s).
- Alterations to the Agreement are generally not accepted, but the Agreement will be sent to Fund counsel to make a determination.

- Any Agreements that are received that are not properly executed for one or more of the reasons listed above will be sent back to the participant for proper completion. If the participant/dependent has an attorney, the form may be sent to Fund counsel so they can advise the participant's attorney of what is needed.
- Agreements should be stamped as "copy", "faxed", or "original" for scanning purposes.
- The Accident & Sickness Department and the Medical Claims Department can share the same form. Since dependents are not entitled to A&S benefits, the Medical Claims Department will always need to request the Agreement if a dependent is involved. If more than one family member is injured in the same accident, one Agreement can be sent with multiple inserts for each dependent's signature.
- Properly executed Agreements for any true subrogated cases are sent to Slevin & Hart. The A&S Department sends the original Agreement to Fund counsel and has a scanned copy on file. The Medical Claims Department sends an electronic copy of the Agreement via secure email. The original is scanned and placed in the file drawer for as long as the case is open.
  - If an Agreement is returned, and the accident is not subrogated, it will not be sent to Fund counsel. The Agreement will be kept on file and the Fund Office will send a Non-pursuing letter to the participant within 90 days. The participant will need to verify that they have not received a recovery for their case and they have no intentions of pursuing a third party. When the signed Non-pursuit letter is returned, the case will be closed.
  - If the participant does not respond after 3 requests, medical and A&S claims will be pended and the participant will be notified that a response to the Non-pursuit letter is required before claims can be considered for payment. Pended claims will be denied if the information is not returned within the appropriate time frame, per plan guidelines.
- Fund counsel will follow up with a letter of confirmation to the participant and their attorney or a participant and third party insurance company. Slevin & Hart will send periodic status letters to the attorney/insurance company (the Fund is generally not copied on these letters). Claims will only be considered if a properly executed Agreement is on file along with any other information needed such as PIP. Automobile insurance payments are not duplicated, but instead payments are coordinated up to the limits of the plan. A participant/dependent can choose not to use their PIP benefits. All Plan guidelines are followed when paying subrogated claims.

Name of Procedure: Subrogation Procedures

- Before payment begins, a disputed illness is created using the DOA of the subrogated claim. The disputed illness will remain open until Fund counsel advises that full and final payment is received or until they advise that the case is closed with no recovery. Any related medical claims will be linked to the open dispute. A participant or dependent could have multiple disputes open at one time. A&S does not link their claims to the dispute window. Their lien is tracked differently.
- A running total of the paid claims are kept for each open subrogated case. Fund counsel will send email requests to the A&S and Medical Claims Departments for lien updates. A spreadsheet or payment history report is forwarded to Slevin & Hart along with the Explanation of Benefits copies that are requested through the Basys system. Fund counsel may request additional information for each specific case that Fund personnel can provide.
- Once a case has settled, Slevin & Hart will typically ask for the lien and verify that it is final. Attorneys and third party insurance companies will submit a check to Slevin & Hart for the full lien. The check will be made payable to the FELRA & UFCW Health & Welfare Fund. All checks should come with a letter from the paralegal at Slevin & Hart handling the case. The letter will indicate if a lien reduction was granted. If a check is received from someone other than Fund counsel, Slevin & Hart should be notified before the check is deposited.
- In some cases, a lien reduction is accepted in lieu of a signed release which absolves the Fund from making any additional payments that were not included in the lien regardless of when such expenses incurred. This is noted in the file and it is placed on audit to ensure that no payment is made for related bills in the future.
- When the check and letter are received from S&H, the open dispute is closed and the recovery amount is noted. The Subrogation Specialist should keep a log of all settlement checks that are received for each quarter.
- If the full amount is received, all related claims that were paid will be reversed to reconcile the accumulator files and the Fund account.
- If partial recovery is received, the Subrogation Specialist will determine which claims to reverse according the amount received. Since the figures will not match, Historical Claim entry is required. Example: Lien is $500, but $300 is received as full and final payment. Only 2 bills make up the lien; one paid $350 and the other paid $150. The $350 bill will be reversed and a Historical Claim entry will be completed to reconcile the file and account for the $50.
- There are several instances where the participant and/or their attorney refuse to abide by the Agreement that they signed. At this point, Fund counsel will send a "10 Day Warning Letter of Offset to the Subrogation Specialist. This is placed on FELRA letterhead and sent directly to the participant in every case. S&H and A&S are sent copies of the letter. If the participant does not contact Fund counsel or the Fund office within the 10 days, S&H will send an official letter of offset. The file is noted and placed on audit. Again, S&H and A&S receive a copy of the letter. Eligibility should be notified to suspend OD&D benefits on the 1st of the following month. Medical and A&S benefits are suspended immediately. The

Name of Procedure: Subrogation Procedures

Subrogation Specialist will track the offset amounts. Maintenance of Benefits rates are used to offset optical, dental, and prescription benefits. The participant will be unable to use these benefits while offset. A&S will notify the Subrogation Specialist of any A&S claims that can be applied to the outstanding balance. Medical claims are entered historically, and the participant is responsible for the charges, minus any applicable discounts. The participant and provider are notified by letter that no payment will be made due to the balance the patient owes the Fund.

- Fund counsel will try other tactics to obtain the balance owed if the participant is no longer active with the Fund since only active participants can have their benefits offset.
- Even if a participant does not advise the Fund of an accident/sickness that a third party is responsible for, and they never signed an Agreement, Fund counsel will still pursue the recovery as the Fund is entitled to such a recovery based on the terms/provisions listed in the Summary Plan Description. Most often, this happens with malpractice cases, as a lawsuit is not filed until later and the Fund may not be aware of any malpractice based on the claims received.
- Each quarter, Slevin & Hart will send a bill for all cases closed in that quarter (Two separate reports for each Fund – one for closed cases with no recovery and one for closed cases with recovery). At that time, the Medical Claims and A&S Departments review the bill and corresponding files to make sure that we reconcile with Fund counsel concerning the checks received, amount of recovery, etc. This is why a list of all checks received for the quarter is kept by the Subrogation Specialist. Each department will advise S&H of any changes before the final bill is submitted.
    - Disputed illnesses should already be closed for all files that received full and final payment. When reviewing the bill, the Subrogation Specialist will need to go into each file on the "closed cases with no recovery" list to note the file and close the dispute. S&H must receive written notice from the participant that no recovery was received, and there are no intentions to pursue one. If an attorney is involved, proof of no recovery must come from them.
    - S&H may choose to close some cases without a letter of non pursuit based on lien amounts, but it is at their discursion. The Fund office should not close any case on their own.

****If a member is covered as a dependent under a separate FELRA policy, we must receive two (2) completed Agreements to consider payment under each policy.

*****When a participant is deceased due to a subrogated matter, a representative of the estate must complete an Estate Subrogation Agreement, as Power of Attorney is

Name of Procedure: Subrogation Procedures
void at that point. A copy of the Agreement must be obtained from the Subrogation Specialist or Fund counsel. *****If the Fund is notified OR discovers that a participant has an attorney, but indicated "n/a" on the Agreement, all payments will cease until the attorney completes their portion of the Agreement. *****When calculating a lien, it is important to research each file and claims history in case a participant's attorney disputes the total lien amount. The Fund needs to be able to defend, or show why claims were included. A medical review can be requested, if needed.

EXHIBIT C

Food Employers Labor Relations Association
And United Food And Commercial Workers
Health And Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

DATE

PARTICIPANT'S NAME
ADDRESS
CITY, STATE AND ZIP CODE

Re:

Employee: MEMBER NAME
Patient:
Acct. #:
Provider:
Group:
Dates of Service:
Diagnosis:

Member SSN:
Relation:
Claim #:

Examiner:
Total Billed: $

****
FIRST NOTICE
****

As your claims processor we are entrusted with the responsibility of making sure any party which is liable for your injury makes payment or acknowledges its liability before the Fund makes any payment. We appreciate your cooperation in supplying us with the following information.

Please return the following information to: Fund Office, Attn. Medical Claims, 911 Ridgebrook Road, Sparks, MD 21152-9451.

Is your claim the result of any type of accidental injury (the Fund defines an accidental injury as a slip, fall, sprain, strain, or anything which is not an illness-not just a motor vehicle accident)?

_____Yes _____No. If yes, you must complete and return the following information:

1. Date, time, location where injury occurred _____.
2. Describe how the injury occurred:

_____.

3. Name and address of any other party involved _____.

4. Other party's insurance company, policy number, and claim number:

_____.

5. Your insurance company, policy number, and claim number:

_____.

6. If you have an attorney to represent you what is his/her name, address, and telephone number?

_____.

7. Describe current status of any litigation or settlement negotiations with a third party (including insurance companies) concerning your injury.

_____.

8. Have you received a judgment, order, or settlement? _____.

If yes, state the amount you received: _____.

Authorization: I agree to reimburse the Fund from any compensation received from a third party for losses or expenses arising out of the injury above for any benefits paid for by the Fund on my behalf and further agree to fully cooperate with the Fund in the recovery of benefits paid on my behalf including providing to the Fund any information it requests regarding the injury or claims relating to it.

_____ _____

Signature Date

Please be sure to return this information as soon as possible. If you have used a PPO Provider, the claims must be paid within 30 days to get the discount.

Please note: A copy of this correspondence is being sent to the provider of service to explain the delay in processing your claim.

Sincerely,

Fund Office
Medical Claims Department

EXHIBIT D

Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

Re: Subrogated Claim
Patient:
Date of accident:
I.D. Number:

Mr./Ms. ,

We have received your claim for medical benefits for services related to the accident listed above. According to the information provided, a third party may be liable for your injuries. Since it may take a long time for the responsible party or insurance company to pay for the injuries, as a service to you, the Fund will advance you (and/or your dependent) benefit payments for expenses related to the accident or injury based on the Fund's rights of reimbursement and subrogation, described in the Fund's Summary Plan Description.

Please complete and sign the enclosed Subrogation, Assignment of Rights and Reimbursement Agreement, have it signed by your attorney or insurance company (if applicable), and return all information to the Sparks, Maryland office to the attention of the Medical Claims Department. Please be aware of the filing period of your Plan which is also stated in the Summary Plan Description. You may contact our office at the numbers listed if there are any questions concerning this matter.

Sincerely,

Fund Office
Medical Claims Department

Enclosure

EXHIBIT D

Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
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4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
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(800) 638-2972
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SUBROGATION, ASSIGNMENT OF RIGHTS AND REIMBURSEMENT AGREEMENT ("Agreement")

In consideration of the benefits paid by the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund ("Fund") in connection with or arising out of the below-described accident or occurrence ("Accident"), I, the undersigned agree as follows:

1. I hereby subrogate, assign and transfer to the Fund all claims, rights, causes of action, or other interests (collectively, "claims") that I may have or may accrue against any party or parties (including my own insurer) arising out of the Accident to the extent of the benefits paid by the Fund on my behalf.

2. I agree to immediately reimburse the Fund, before all others, for the *full* amount of all benefits paid on my behalf by the Fund if I recover *any* amount in connection with the Accident from any party or parties (including my own insurer), whether such recovery is full or partial and no matter how such recovery is characterized, why or by whom it is paid, or the type of expense for which it is specified. I agree that the amount repaid to the Fund shall not be reduced to pay any attorneys' fees or costs incurred in connection with securing recovery related to the Accident but shall be the full amount of all benefits paid in connection with the Accident. I agree that, if less than the full amount paid by the Fund is received from any third party, the Fund shall be paid the amount received. The Fund shall have a constructive trust, lien and/or equitable lien by agreement in favor of the Fund on any amount received by me or my representative (including an attorney) that is due to the Fund and any such amount shall be deemed to be held in trust by me for the benefit of the Fund until paid to the Fund. I hereby consent and agree that a constructive trust, lien and/or equitable lien by agreement in favor of the Fund exists with regard to any payment, amount and/or recovery from a third party; and in accordance with that constructive trust, lien and/or equitable lien by agreement, I agree to cooperate with the Fund in reimbursing it for the Fund's expenses, fees, and costs.

3. I warrant that there has been no judgment, settlement or compromise relating to such claims as of the date of this Agreement. I agree that the Fund retains a right to intervene in the resolution of my claims. I agree to notify the Fund within ten days of any settlement or judgment relating to such claims. I agree to obtain the Fund's written consent prior to settling

or compromising any such claims for less than the full amount of the benefits paid by the Fund. I understand that if I accept a settlement that is less than the full amount of the benefits paid on my behalf by the Fund without the Fund's prior approval, the Fund will be entitled to reimbursement of the full amount of benefits paid, even if the reimbursement amount is more than the settlement. Where I choose not to pursue the liability of a third party, I authorize and empower the Fund to litigate, compromise, or settle my claims against a third party, to the extent of the benefits paid by the Fund.

4. I agree to take all necessary action and cooperate fully with the Fund in the recovery of the full amount of the benefits paid by the Fund and in the Fund's exercise of its rights of reimbursement and subrogation. I agree to provide the Fund with any and all relevant information and records it request that relate to the Accident or to any claims arising out of the Accident, including notifying the Fund of the status of any claim or legal action asserted against any party or insurance carrier and of my receipt of any recovery. I agree to do nothing to impair or prejudice the Fund's rights in this matter.

5. I understand that this Agreement is in accordance with the Fund's Plan of benefits ("Plan") and federal law as embodied in the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

6. I understand that all claims for benefits under the Plan related to the Accident are incomplete and will not be paid until this Agreement is fully executed and returned to the Fund Office. I understand that if I do not return this Agreement, fully executed, to the Fund by the time specified in the Plan for filing benefit claims, my claims will be denied.

7. I understand that if I refuse to cooperate with the Fund regarding its subrogation or reimbursement rights in this matter, the Fund has the right to recover the full amount of all benefits paid by methods which include, but are not necessarily limited to, offsetting such amounts against my future benefit payments under the Plan and those of my dependents, as applicable, including claims that are not related to the Accident.

8. In the event the Fund is required to pursue legal action against me to enforce its rights under this Agreement, I agree that I will pay all costs and expenses, including attorneys' fees, incurred by the Fund in connection with the collection of any amounts due hereunder or the enforcement of any rights provided for in this Agreement, regardless of whether a suit is filed. I also agree to pay interest at the rate charged on delinquent contributions owed to the Fund from the date I, or my representative, received a recovery to the date that the Fund is paid the full amount owed under this Agreement.

9. This Agreement is signed by or on behalf of all persons eligible for benefits under the Fund's Plan that were injured in the Accident or have submitted or may submit claims in connection with the Accident.

10. This Agreement supersedes any prior agreements relating to this accident or occurrence.

Participant: _____

Signature Date

_____

Printed Name

Social Security No.: _____-_____-_____

Address: _____

Telephone No.: (_____) _____

★ **This Agreement MUST be signed by the Participant, even if the Participant was not involved in the Accident.**

Dependent: _____

Signature Date

_____

Printed Name

Social Security No.: _____-_____-_____

Address: _____

Telephone No.: _____

★ Attach additional pages as necessary to provide the signature and identification information of all Dependents that were injured in the Accident or have submitted or may submit claims in connection with the Accident. **If a Dependent is under age 18, this Agreement must be signed on the Dependent's behalf by the Dependent's parent or legal guardian.**

Description of occurrence or accident (including date, location, and other parties involved):

_____

_____

_____

_____

The undersigned attorney and insurance company (as noted on page 5) agrees to:

1. Comply with the terms of the above Agreement.

2. Withhold and pay from any recovery received by the above-named Participant and/or Dependent in connection with the Accident the full amount due and owing to the Fund without reduction for attorneys' fees and costs, no matter whether such recovery is full or partial and no matter how such recovery is characterized, why or by whom it is paid, or the type of expense for which it is specified and including the proceeds of PIP, med-pay or other insurance payments.

3. Advise the Fund of the complete status of the above claim within ten (10) days of request.

4. Require any attorney to whom the undersigned refers this case, within or outside the firm, to honor this Agreement as a condition for referral.

5. Furnish home and work address information about the claimant to the Fund within ten (10) days of request.

6. Advise the Fund of the settlement or resolution of the above claim within ten (10) days of the settlement or resolution.

If you have not retained an attorney to represent you, please check the box below.

☐ By checking this box, I warrant that at this time I have not retained an attorney to represent me in connection with the Accident. I agree to notify the Fund within ten (10) days if I do retain an attorney. I understand that if I retain an attorney, my attorney also must sign this Agreement.

Attorney:	**Insurance Company:**
Signature of Attorney	Signature of Representative
Printed Name	Printed Name
Date	Date
Law Firm Name	Insurance Company Name
Street Address	Street Address
City, State, Zip Code	City, State, Zip Code
Telephone Number	Telephone Number
Facsimile Number	Facsimile Number
Email Address	Email Address

RETURN FULLY EXECUTED FORM TO:

FELRA & UFCW Health and Welfare Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
Attn: Medical Claims Department

FW Subro
4/2014 arh

EXHIBIT D

Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

Date

Participant Name
Address
City, State, Zip

Re: Subrogated Claim
Patient:
Date of accident:
I.D. Number:

Mr./Ms. ,

We have received the requested Subrogation, Assignment of Rights and Reimbursement Agreement ("Agreement") regarding the accident listed above. However, the form as it was returned is considered incomplete for the following reason:

- ☐ You must return all five (5) pages of the Agreement; by signing the form, you agree to all terms and provisions listed.
- ☐ You must return the original document with original signatures. A copy is not valid.
- ☐ The participant of the Fund must sign page 3 of the Agreement.
- ☐ Any dependent that is 18 years of age or older that was involved in the accident, must sign page 3 of the Agreement.
- ☐ The Fund Office never received a description of the accident; therefore, you must summarize the incident on page 3 of the Agreement.
- ☐ You must indicate if you are represented by an attorney. Please complete page 4 or 5 of the Agreement.
- ☐ The Agreement must be completed in blue or black ink. To avoid any unwarranted alterations, pencil is unaccepted.

Please make necessary adjustments to the enclosed Agreement, or if a blank Agreement is enclosed, please complete and return. All claims that appear related to the accident or injury are considered incomplete and will not be paid until the fully executed Agreement is received. Please return all information to the Sparks, Maryland office to the attention of the Medical Claims Department. You may contact our office at one of the numbers listed if there are any questions concerning this matter.

Sincerely,

Fund Office
Medical Claims Department

AKMAN & ASSOCIATES, P.C.

LAW OFFICES

Bryan J. Akman (1956-2011)

Matthew J. Akman - MD
Jared M. Akman - MD

Robert S. Shreve - MD & PA
L. Dawn Haber - PA
F. Lee Elrick - MD
Rosalind Maron Ross - PA
Michael J. Menner - PA
Molly M. Bodendorfer - MD
Susan J. Land - MD
Melissa A. Bergman - PA

Of Counsel:
Kenneth P. Montgomery - MD & D.C.

Creighton, Circa 1832
1402 Front Avenue
Lutherville, Maryland 21093
(410) 337-9400
Toll Free: (800) 638-7700
Fax: (410) 321-0848

345 Southpointe Blvd.
Suite 100
Canonsburg, Pennsylvania 15317
(724) 514-1001
Toll Free: (800) 982-4078
Fax: (724) 514-1016

212 West Main Street
Suite 208
Salisbury, Maryland 21801
(410) 749-6118
Fax: (410) 749-6390

July 10, 2014

REPLY TO LUTHERVILLE

Board of Trustees of the UFCW Unions and Contributing Employers Legal Benefits Fund:

Attached is the detailed Schedule of Benefits included in the Legal Plan provided for the members of UFCW Local 27 and Local 400. As a result of the adjusted contribution rate for new hires, the schedule of benefits under the legal plan has been revised and updated.

In determining how to alter the benefit schedule following the rate change, it was of the utmost importance that the members of UFCW Local 27 and Local 400 continued to receive not only top notch Legal services, but also the most important coverage.

The updated Legal Plan includes, but is certainly not limited to, the following benefits:

- Unlimited phone consultations at the onset of any legal matter.
- Representation in Consumer matters, including the filing of Chapter 7 and 13 bankruptcies, medical insurance claims, garnishment actions, and collecting/defending a debt action.
- Representation in Criminal matters, including participant and dependent misdemeanor criminal charges as well as juvenile participant and dependent criminal charges.
- Representation in Traffic matters, including driving under the influence and driving while intoxicated, motor vehicle suspensions, and any other incarcerable traffic offense.
- Representation in Family Law matters, including contested and uncontested divorce, adoption, child support, custody, visitation, preparation of separation agreements, guardianship, name change, and paternity actions.
- Representation in all Personal Injury matters at a reduced contingent fee.
- Representation in Real Estate matters, including landlord/tenant consultations, landlord/tenant negotiations, contract formation, and the review of real estate documents.
- Representation in Probate matters and the Administration of Estates.
- Preparation of Wills and other legal documents, including Powers of Attorney, Advance Medical Directives, and assisting in contested Will litigation.

Many of the benefits listed above are ones that the UFCW members use very frequently. They are also benefits that the members have expressed are vital in order to properly protect themselves and their families under the laws in the surrounding areas.

BRANCH OFFICES:
WASHINGTON, D.C. • MARYLAND Bel Air Annapolis Frederick • PENNSYLVANIA Greensburg Johnstown • MASSACHUSETTS Boston Springfield
info@akmanpc.com
akmanpc.com

AKMAN & ASSOCIATES, P.C.

LAW OFFICES

In order to adjust for the new contribution rate, "free" covered hours in Family Law cases have been reduced from 7 hours to 5 hours. In addition, a cap of 10 "free" covered hours has been placed on all Criminal and Traffic matters. It is important to note that the overwhelming majority of Criminal and Traffic matters are completed in less than 10 hours. Should the covered hour caps be reached, the members will pay an hourly rate of $80 per hour, up from $50 per hour, a rate that has never been increased previously. This rate, which most of the time will not be necessary, is extremely low, as the average attorney rate today is over $250 per hour. These fee arrangements have allowed us to continue to limit upfront fee charges, which have always been avoided at all costs.

The legal benefit structure was altered to reflect the contribution rate change with the only goal being to continue to provide the members of UFCW Local 27 and 400 with the excellence and satisfaction in the legal field that has been provided over the last 30 years of service. The structure summarized above and detailed on the following pages allows Akman & Associates, P.C. and Robert A. Ades and Associates, P.C. to continue to provide the most vital legal benefits that the UFCW members rely on in their daily lives.

If you have any questions please do not hesitate to contact me. It continues to be my pleasure to work with the members of the UFCW, as well as the Board of Trustees of the UFCW Unions and Contributing Employers Legal Benefits Fund.

Sincerely,

Matthew J. Akman, ESQ
President
Akman & Associates, P.C.
1402 Front Ave.
Lutherville, MD 21093
Office: 410-337-9400
Cellular: 410-375-9093
makman@akmanpc.com

UFCW UNIONS AND CONTRIBUTING EMPLOYERS LEGAL BENEFITS PLAN

SCHEDULE OF BENEFITS

The following benefits are available to all participants and to dependents when eligible.

General

1. 24 Hour Telephone Numbers Available in the event of an emergency so you can contact a provider.
2. Legal Consultations, All Areas An unlimited number.
3. Legal Document Review Unlimited consultations for the purpose of reviewing and revising legal documents not incident to litigation
4. Notary Service Unlimited use of a notary public designated by a provider.
5. Preparation of Simple Legal Documents Preparation of an unlimited number of simple legal documents not incident to litigation, including power of attorney, bills of sale, affida¬vits, other simple documents.

NOTE: ALL RECORDATION FEES AND COURT COSTS ARE YOUR RESPONSIBILITY.

Consumer

1. Bankruptcy - Representation for purposes of filing a personal bankruptcy petition regardless of assets as a Chapter 7 Bankruptcy filing.
2. Wage Earners' Plans - Representation should you have to file a Wage Earners' Plan pursuant to the Bankruptcy Code as a Chapter 13 Bankruptcy.
    a. Bankruptcy's filed jointly by Husband and Wife, in which a spouse is a dependent, will be charged a fee of $250.
3. Excessive Interest and Late Charges - Representation.
4. Medical Insurance Claims not involving the employer, union, or FELRA & UFCW Health and Welfare Fund.
5. Garnishment Actions - Representation in a garnishment proceeding.
6. Personal Property Repossessions - Representation.
7. Enforcement of Warranties - Representation.
8. Consumer Rights/Problems with Credit Ratings - Representation.
9. Collecting/Defending an Action on a Debt - Representation in an action for or against you.

Court appearances are limited to matters in which the controversy exceeds $1200

Criminal

1. Juvenile Participant or Dependent - Representation for any charge lodged in juvenile court against you or your eligible dependent.
2. Adult Participant or Dependent Accused of Misdemeanor - Representation in connection with any misdemeanor charge brought against you or your eligible dependent.
3. Adult Participant or Dependent Accused of a Felony – Representation by Akman and Associates, P.C. at a flat fee quoted in advance, or by Robert A. Ades and Associates, P.C. at a fixed rate of $1,500.

*** In cases of Criminal Law matters, members are eligible for 10 hours of legal representation. The majority of these matters will be completed in less than 10 hours. In the instances in which the matter is in excess of the 10 hour maximum covered under the Schedule of Benefits, you are eligible for representation by Akman and Associates, P.C., or by Robert A. Ades and Associates, P.C. at an hourly rate of $80.*

Family Law

1. Uncontested Divorce or Annulment - Representation.
2. Contested Divorce or Annulment (maximum 5 hours attorney's time) - Representation.
3. Uncontested Adoption - Representation.
4. Contested adoption (maximum 5 hours attorney's time) - Representation.
5. Plaintiff/Defendant in a Support Action - Representation in the prosecution or defense of an action to collect, increase, or decrease support and maintenance for you or your minor children.
6. Plaintiff/Defendant in a Custody/Visitation Action (maximum 5 hours attorney's time) - Representation when you are the plaintiff or defendant in an action for custody of your minor children and/or visitation rights.
7. Guardianship - Representation for you if you are the petitioner in a guardianship proceeding.
8. Ante Nuptial/Post Nuptial/Property Settlement Agreements - Representation relating to the negotiations, preparations, execution, or any other matters related to an ante nuptial, post nuptial, or property settlement agreement, including preparation of a Qualified Domestic Relations Order ("QDRO").
9. Name Change - Representation when you seek to have your name legally changed by a court of competent jurisdiction.
10. Paternity - Representation in action to establish paternity of a minor child.
11. Birth Certificate - Services and representation when necessary to establish a birth certificate or to obtain any information on, move for any changes to, or establish the existence of, a birth certificate.
12. Child Neglect - Representation.

*** In cases of Family Law matters in excess of the 5 hour maximum covered under the Schedule of Benefits, you are eligible for representation by Akman and Associates, P.C. or by Robert A. Ades and Associates, P.C. at an hourly rate of $80.*

*** All Family Law benefits listed above are limited in coverage to UFCW members and exclude dependents. This is largely to avoid any conflicts of interest. In situations where there is no conflict, or a member chooses to waive any claim to a conflict, dependents will be able to utilize the services of Akman and Associates, P.C. or Robert A. Ades and Associates, P.C. at a reduced hourly rate.*

Real Estate/Landlord-Tenant (For Primary Residence Only)

1. Landlord Tenant, Consultation - Consulting services concerning any landlord/tenant dispute incident to the rental of your personal dwelling. Consultation includes a review of the lease/agreement.
2. Landlord Tenant, Negotiations - Representation with respect to the negotiations with a landlord or his agent regarding any landlord/tenant dispute with respect to your personal residence, including lease negotiations or rent increases.
3. Landlord Tenant, Rental Accommodations (D.C. only) - Representation when you are sued for possession of a rental unit dwelling and/or the violation of any lease provisions. Representation regarding an increase in rent before the local rental accommodations commission or anyone with jurisdiction over rental increases.
4. Real Estate Settlements, Seller - Representation incident to the sale of residential real property by you.
5. Post Settlement Breach of Warranty - Representation regarding any claim you may have against the seller of real property for a breach of warranty after you purchase your residence.
6. Violation of Property Owner's Covenants - Representation when you are charged with violating any by laws, covenants, or agreements incident to the ownership of your residence.
7. Zoning Violations - Representation in any zoning violation charges brought against you with respect to your residence by a local, federal, or state jurisdiction.
8. Negotiation of a Contract for Purchase or Sale of Residence (including condominium).

Wills

1. Preparation of Simple Wills.
2. Preparation of Codicil to Wills.
3. Preparation of Power of Attorney
4. Preparation of Advance Medical Directive
5. Consultation Regarding Estate Planning.
6. Contested Will Litigation - Representation in a contested will action, but only in the court of original jurisdiction for such matters (i.e., no appeals to higher courts).
7. Complex Will - Complex wills include a will with trust, provision for a charitable bequest, creation of life estates, insurance trusts, or other complex provisions.

Probate And Administration Of Estates

1. Conservatorship - Representation when you file an application to establish a conservatorship for a relative.
2. Assistance in the Administration of Estate (less than statutory amount) - Assistance and representation with respect to your appointment as personal representative of an estate for which no formal probate proceedings are required.
3. Probate of an Estate - Representation with respect to the probating of an estate when you are named the personal representative of the estate or when, because of your relationship to the deceased, you are eligible to act as the personal representative of the estate of the deceased who dies without a will. The provider will be entitled to a fee from the estate not to exceed 75% of the prevailing attorney's fee charged for similar matters in the jurisdiction where the estate is probated.

Motor Vehicle Violations

1. Driving While Intoxicated, Court Appearance - Representation is limited to court proceedings and includes administrative hearings incident to the charges.
2. Operating a Motor Vehicle after Suspension or Revocation of Driving Privileges - Representation.
3. Leaving the Scene after a Collision - Representation.
4. Fleeing and Eluding a Police Officer - Representation.

*** In cases of Motor Vehicle Violation matters, members are eligible for 10 hours of legal representation. The majority of these matters will be completed in less than 10 hours. In the instances in which the matter is in excess of the 10 hour maximum covered under the Schedule of Benefits, you are eligible for representation by Akman and Associates, P.C., or by Robert A. Ades and Associates, P.C. at an hourly rate of $80.*

Personal Injury And Property Damage

1. Preparation and Assistance in the Filing of Insurance Claims with Your Automobile Company.
2. Contingency Fee Cases, Plaintiff (Participant and Dependent) - Representation in legal matters for which counsel is normally compensated on the basis of a contingency fee. The provider will charge a maximum of 28% of any recovery obtained by you through settlement prior to filing suit in a matter. If a suit is filed, the provider will charge a maximum of 33⅓% of any recovery obtained through settlement or the result of a trial. If there is no recovery on your claim, the provider will charge no legal fees.
3. Defense of Liability Actions - Representation if there is no third party insurance coverage.
4. Defense of Personal Injury and Property Damage Cases - Representation in defense of any action involving personal injury or property damage in excess of $1200 in damages. No representation will be provided in actions for which you have third party insurance coverage.

WHAT IS NOT COVERED

Legal representation will not be provided for the following matters:

1. Those pertaining to your trade or business.
2. Those pertaining to the management, conservation, or preservation of property held by you for the production of income.
3. Those pertaining to the production or collection of income by you.
4. Real estate matters other than those related to your personal residence.
5. Participation in class action or as amicus curiae except if the provider determines that services under the Fund are most appropriately provided that way. Such a decision by the provider must be approved by the Board of Trustees.
6. Any matter that is frivolous or brought for the purpose of harassment.
7. Patents and copyrights.
8. Preparation of federal or state tax returns, representation at tax audits, tax litigation, or appeal of tax assessment on real property.
9. Disputes involving a Participating Employer or participating local union or their officers and agents, including labor disputes, workers' compensation, unemployment compensation, or discrimination charges and suits.
10. Disputes involving any other employee benefit plan in which a Participating Employer or participating local union participates, or a provider of service to such a plan.
11. Disputes with respect to this Fund, including questions as to whether legal services are available under the Fund.
12. Matters where legal services are available to you free of charge, such as legal counsel by an insurance company, litigation involving a government agency, or legal representation by an employer or third party. This does not exclude representation when you are eligible for free legal representation because of your financial circumstances.
13. Disputes between participants of this Fund except as noted in the section "Provider's Inability To Provide Representation."
14. Any legal proceeding or cause of action prior to the eligibility date of your participation in the Fund.
15. All matters on the Appellate level.
16. Covered services outside the geographic area of the Fund as defined by the Board of Trustees.
17. Personal bankruptcy proceedings not under Chapters Seven and Thirteen of the Bankruptcy Code.
18. Dependent benefits for Safeway employees covered by the Zone B Addendum to the Richmond Division Collective bargaining agreement with UFCW Local 400.
19. Dependent benefits for employees of Giant 400 Charlottesville covered under a reduced contribution rate are not covered.
20. Employees of Giant 400 Charlottesville are not eligible for benefits relating to criminal misdemeanors.

21. Employees of Giant 400 Charlottesville are not eligible for benefits relating to incarcerable traffic cases.

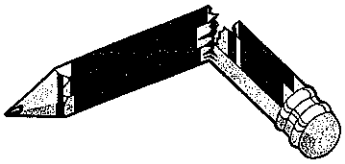
***In the event that you have a legal matter not included in the Schedule of Benefits and not excluded in this section, Local 27 and Local 400 participants and dependents are eligible for discounted legal services from Akman and Associates, P.C. or Robert A. Ades and Associates, P.C. Please contact Akman & Associates, P.C. or Robert A. Ades and Associates, P.C. in order to discuss your matter and any potential fees.*

Required Payments

The Plan does not cover the payment of any fines, penalties, deposition costs, recordation fees, expert witness fees, court costs, taxes, judgments, or money awards of any kind.

Provider's Inability To Provide Representation

There may be some infrequent situations in which a provider is unable to provide legal representation to a participant who would otherwise be entitled to representation under the Plan. This may occur as a result of a conflict of interest or other instance that would adversely affect the participant's representation. On this occasion, provider will present the participant with a list of qualified attorneys who can assist them in this matter, as well as guidance in the early stages of the matter and in retaining outside counsel.



MEETING NOTES