Carpenters Local No. 491
Health & Welfare Fund

Board of Trustees Meeting

November 16, 2018

CARPENTERS LOCAL NO. 491
HEALTH AND WELFARE FUND
AGENDA
NOVEMBER 16, 2018

A. ROLL CALL

B. MINUTES OF THE SEPTEMBER 24, 2018 BOARD MEETING

C. ADMINISTRATIVE REPORTS

1. Statement of Changes In Fund Balance (Jul - Sep, 2018)
2. Statement of Fund Balance (September 30, 2018)
3. Contribution / Claim Schedules (Jan - Sep, 2018)
4. Claim Payment Schedule (Jan - Sep, 2018)
5. Highest Cost Medical Claims (Jul - Sep, 2018)
6. Bills to be Approved and Paid (November 16, 2018)
7. Cash Management Statement

D. UNFINISHED BUSINESS

1. Delinquent Employer Listing
2. J.K. Cabinet
3. Payroll Audits

E. NEW BUSINESS

1. Bolton Partners Projected vs. Actual
2. Bolton Investment Report
3. Stop Loss Policy Renewal
4. Express Scripts - Kelly Depcik, Plan Performance - Jan 1, 2018 - Sept 30, 2018
5. Level Care Health Consortium
6. Delinquent Contribution Discretionary Interest Rate Amendment
7. Build Task Litigation
8. Claim Demographics
9. Cigna Shared Dental Administration
10. Maryland Unclaimed Property
11. Summary Annual Report - 2017
12. Beyond Exhibits Logistics Bond Release
13. Appeals
14. Questions
15. Date of Next Meeting - March, 2019

F. VACATION BENEFIT REPORT

CARPENTERS LOCAL NO. 491
HEALTH AND WELFARE PLAN
REGULAR MEETING OF THE BOARD OF TRUSTEES

September 24, 2018

MINUTES

A regular meeting of the Trustees of the Carpenters Local No. 491 Health and Welfare Plan was held at 11:30 a.m. on September 24, 2018, at the office of the Administrative Manager, Associated Administrators, LLC, 911 Ridgebrook Road, Sparks, Maryland 21152. Present were the following Trustees:

UNION TRUSTEES	EMPLOYER TRUSTEES
Michael Capelli was absent	Ken Bisch
Robert Tarby	Andrew Telles was absent
Waterkotte	Todd Weitzman

Also present were Albert Kroll, Esq., Counsel for the Union; David J. Jensen, and Dawn Welch, Administrative Manager; Mark Lynne, of Bolton Partners, Inc.; Ira Marc Miller, CPA; Alton Fryer, of Bolton Partners Investment Consulting Group, Inc.; Pete Tonia; and Steven I. Batoff, Attorney.

New Trustee Robert Tarby was welcomed.

The following matters were discussed with the indicated action taken:

1. The minutes of the meeting of June 19, 2018, were approved as read.
2. The Administrative Manager reviewed with the Trustees the Administrative Manager's report for the six months ending June 30, 2018. The Fund balance as of June 30, 2018, was $9,003,070.39. The Administrative Manager reviewed with the Trustees the Fund balance report at market value as of June 30, 2018.

The Administrative Manager then reviewed the claims payments for the June 2018 quarter and compared them to the September 2017, December 2017, and March 2018 quarters. The Administrative Manager reported that there were two life insurance claims for the quarter ending June 30, 2018. The Administrative Manager reviewed the highest claim payments for the quarter. Upon motion duly made by Mr. Bisch and seconded by Mr. Weitzman, the Administrative Manager's report was unanimously approved by the Trustees.

3. The Administrative Manager then reviewed with the Trustees the bills to be paid, as listed in an attachment to these minutes. The Trustees unanimously approved payment of the aforementioned checks.

4. The following Delinquent Contractor Listing was reviewed by the Trustees and the Administrative Manager:

J.K. Cabinet	8/16 – 11/16

The Trustees then discussed the delinquent employers with Mr. Batoff and the Administrative Manager.

Mr. Batoff reported that J.K. Cabinet Co., Inc. is paying $1,000 per month.

5. The Administrative Manager reviewed with the Trustees the cash management statement.

6. Mr. Lynne, of Bolton Partners, then reviewed the projected versus actual budget for the six months ended June 30, 2018. Mr. Tarby noted that the number of apprentices will be increasing substantially and he requested that Mr. Lynne review the hours of those who are not working but are taking classes, in order to determine whether the Trustees should consider granting credits to the apprentices under the Plan for hours that they are in class.

7. The Administrative Manager discussed with the Trustees PCORI fees.

8. Alton Fryer, of Bolton Partners Investment Consulting Group, Inc., then reviewed the quarterly review of the Fund as of June 30, 2018. Mr. Fryer then provided a review of the economy and capital markets. He then reviewed asset allocation; asset reconciliation; long term asset growth; portfolio targets; historical performance; calendar year performance; and 3-year risk/reward summary, 5-year risk/reward summary, and 10-year risk/reward summary. Mr. Fryer also reviewed an asset allocation. He then reviewed calendar year-to-date returns for various investments and their respective benchmark. He also reviewed the asset allocation as of September 19, 2018.

Mr. Fryer then discussed with the Trustees the matter of Bolton Partners Investment Consulting Group having authority to hold some portions in cash by moving the target for cash to 1% and reducing fixed income allocation by 1%. The Trustees upon motion duly made by Mr. Bisch and seconded by Mr. Tarby unanimously agreed to give Bolton Partners Investment Consulting Group such authorization. The Trustees inquired as to allocating some of the assets to real estate.

9. Mr. Miller then reviewed with the Trustees the audit for the year ending December 31, 2017. He stated that his firm had issued an unqualified ("clean") opinion. He reviewed the statements of net assets available for benefits, the statements of changes in net assets available for benefits. He also reviewed the statements of benefit obligations, the statements of changes in benefit obligations, and the notes to the financial statements. He also reviewed the schedules of benefits paid and operating expenses, and a schedule of assets held for investment purposes at end of year.

10. Dawn Welch then gave a verbal report to the Trustees as to demographics of claims. Ms. Welch also provided a written report as to demographics of claims.

11. The Administrative Manager, Pete Tonia, Mr. Batoff, the Trustees, and Ira Miller, of Ira Marc Miller & Co., P.A., then discussed with the Trustees payroll audits. Mr. Tonia distributed a payroll audit report showing the status for first round, second round, third round, and fourth round. The Trustees then discussed the following:

- Build Task –The Administrative Manager reported that it sent a bill to Build Task on August 24, 2018, and has not received a response. The Trustees requested that Mr. Batoff file a law suit against Build Task.
- Czarnowski – Dave Jensen reported that he sent an updated bill based on the final report provided by David Letushko.
- Willwork – David Jensen reported that a final bill was forwarded to Willwork on March 27, 2018, and Willwork is attempting to work out the discrepancies with the Administrative Manager.

Ira Miller, CPA, then reviewed with the Trustees the payroll audit that his firm was responsible for auditing. Mr. Miller reviewed the audit of Advantage Conference & Expo, LLC for the period January 1, 2015, through December 31, 2017. He also reviewed the payroll audit for Brunswick Woodworking Company, Inc. for the period January 1, 2016, through December 31, 2017. He also reviewed the payroll audit for 21st Century for the period January 1, 2015, through December 31, 2017. He also reviewed the payroll audit for Advantage for the period January 1, 2015, through December 31, 2017.

12. Dawn Welch provided an update as to the highest claims and monies received from the stop loss carrier.

13. Mr. Batoff reviewed with the Trustees and the Administrative Manager the opinion of the Wagner Law Group regarding Level Care issue.

14. Mr. Batoff informed the Trustees of three important federal court cases. In one case, an owner of a contributing employer was held individually liable for delinquent contributions by the employer. In another case, the court ruled that state slayer statutes are not preempted by ERISA. In the third case, Mr. Batoff noted that the court looked to the terms of a collective bargaining agreement to determine whether an employer was delinquent in making its contributions to a plan.

15. A. The Administrative Manager reviewed the appeal of a provider on behalf of a participant for coverage of Fabrazyme injections. American Health Holding advised the Administrative Manager that Fabrazyme injections are not medically necessary. The Trustees upon motion by Mr. Bisch and seconded by Mr. Tarby unanimously denied the appeal because the injections are not medically necessary. The Trustees directed the Administrative Manager to so inform the participant in accordance with ERISA and the Plan's appeals procedures.

B. The Administrative Manager reviewed the appeal of a provider on behalf of a participant for coverage of Monovisc injections to both knees. American Health Holding advised the Administrative Manager that bilateral Monovisc injections are not medically necessary. The Trustees upon motion by Mr. Bisch and seconded by Mr. Weitzman unanimously denied the appeal because the injections are not medically necessary. The Trustees directed the Administrative Manager to so inform the participant in accordance with ERISA and the Plan's appeals procedures.

C. The Administrative Manager reviewed the appeal of a provider on behalf of a participant's daughter for a claim for emergency room services. The participant's daughter went to the emergency room with a cough, runny nose, sore throat, and congestion. She had no fever, no nausea, was not vomiting, and did not have diarrhea. The Plan only covers claims for emergency room services that are the result of an accident or emergency illness. The Trustees upon motion by Mr. Bisch and seconded by Mr. Weitzman unanimously denied the appeal because the services are not covered under the terms of the Plan as there was no accident or emergency illness. The Trustees directed the Administrative Manager to so inform the participant in accordance with ERISA and the Plan's appeals procedures.

16. Mr. Batoff reminded the Administrative Manager the importance of having physical examinations of participants when so required under the Plan.

17. Mr. Kroll and Mr. Tonia then provided the Trustees with an update as to the status of the Consortium. The Trustees upon motion duly made by Mr. Tarby and seconded by Mr. Weitzman unanimously agreed to participate in the Consortium. The Trustees requested that Mr. Tonia work with Mr. Lynne and Mr. Jensen to move forward with the Fund's participation in the Consortium.

18. The Trustees then discussed with Mr. Kroll and Mr. Batoff Spectrum Show Services, a delinquent employer that is requesting a waiver of liquidated damages and interest as a result of late contributions to the Plan. The Trustees, upon motion duly made by Mr. Weitzman and seconded by Mr. Tarby, unanimously agreed to waive the liquidated damages and, subject to Mr. Batoff's research, reduce the interest rate charged from 18%

annually to 9% annually. The Trustees stated that this one-time reduction in interest rate is due to the company being a good contractor.

19. The Trustees then reviewed with the Administrative Manager the cash balance report for the vacation benefit for the six months ending June 30, 2018. The cash balance as of June 30, 2018, was $739,807.44. Mr. Lynne requested that Mr. Miller separate out the vacation contributions when preparing his annual financial statements.

The Trustees discussed the possibility of changing the month of the payout of vacation benefits before December 1 of each year.

There being no further business, the meeting was thereupon adjourned at 12:12 p.m. with next regular meeting scheduled for November 16, 2018, at 9:00 a.m.

Respectfully submitted,

Steven I. Batoff
Secretary of the Meeting

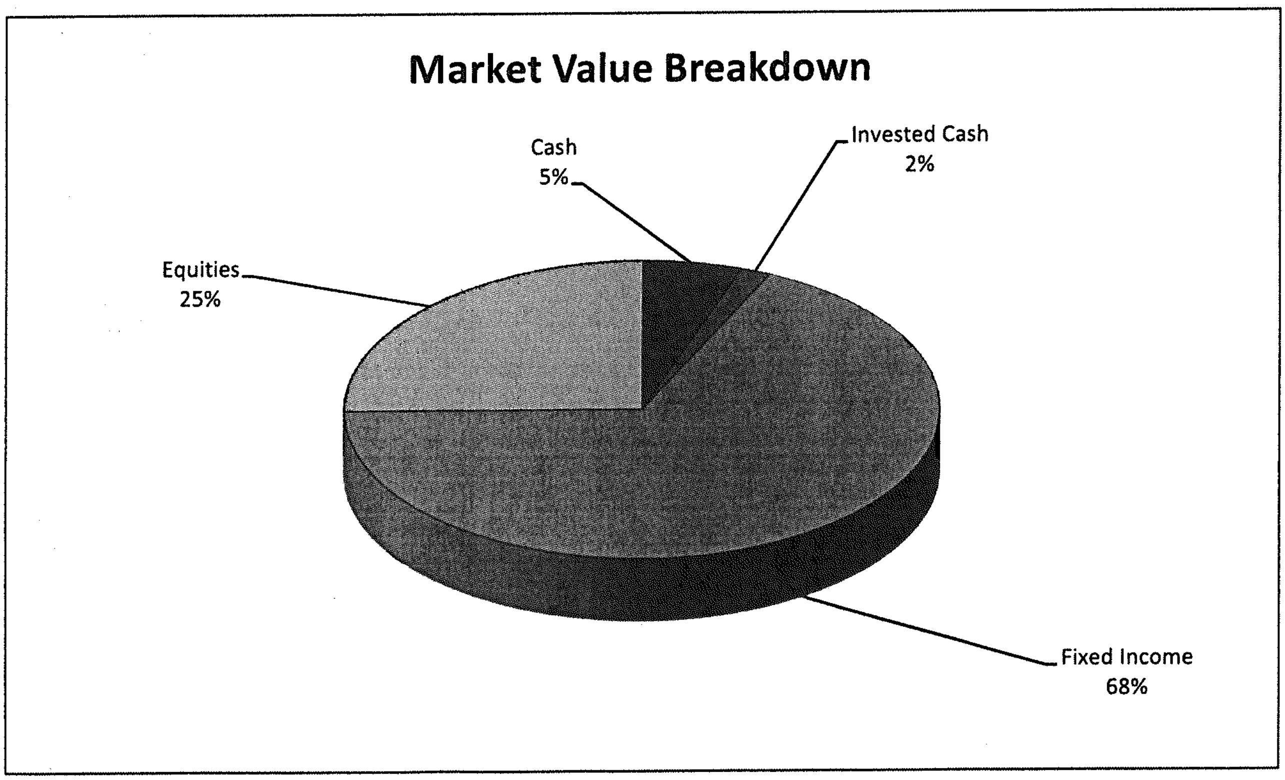
CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
STATEMENT OF CHANGES IN FUND BALANCE - CASH BASIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Current Quarter	Year To Date
Additions		
Employer/Employee Contributions	$ 1,077,239.28	$ 3,353,901.14
Dividends	57,355.76	189,560.45
Interest	598.15	657.68
Rebates	-	-
Gain (Loss) on Sale of Investments	-	-
Securities Litigation Proceeds	-	-
Total Additions	1,135,193.19	3,544,119.27
Deductions		
Medical Deductions	621,011.36	2,872,524.23
P.P.O. Fees	8,286.30	24,635.26
PCORI Fee	2,246.60	2,246.60
ESI-FWA Fee	-	-
Actuarial Fees	5,000.00	22,475.00
Administration	32,939.00	97,550.00
HIPPA Compliance Fees	-	-
Computer Expenses	-	-
Conference Expenses	-	-
Reciprocals Paid	57,761.37	129,332.81
Audit Fees	16,000.00	16,000.00
Investment Manager Fees	500.00	1,580.00
Investment Performance Fees	2,000.00	6,000.00
Meeting Expense	112.67	342.24
Medical Consultant Fees	-	-
Dues	-	-
Employer Audits	(1,019.01)	3,366.80
Fidelity Bond	-	500.00
Cyber Liability Insurance	-	-
Fiduciary Liability Insurance	-	7,633.91
Independent Fiduciary Fee	1,480.00	1,480.00
Stop Loss Insurance	53,145.03	169,348.59
Stop Loss Reimbursement	(173,179.66)	(173,179.66)
Office Expenses	-	-
Postage	2.89	1,794.41
Legal Fees	27,208.60	43,697.40
Printing	483.68	2,481.06
Hospital Reviews	9,603.69	24,359.25
Hospital Audits	781.50	781.50
Trustee Fees	-	-
Consulting Fees	-	3,000.00
Bank Service Charges	-	16,208.91
Transitional Reinsurance Fee	-	-
Settlement	-	-
Total Deductions	664,364.02	3,274,158.31
Net Increase (Decrease)	$ 470,829.17	$ 269,960.96
Fund Balance - December 31, 2017		9,203,938.60
Fund Balance - September 30, 2018		$ 9,473,899.56

UNAUDITED FINANCIAL REPORT

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
STATEMENT OF FUND BALANCE
AS OF SEPTEMBER 30, 2018

	Cost Basis	Market Basis
Bank of America		
Cash - Operating	$ 645,941.19	$ 645,941.19
Cash - Benefit	(114,923.89)	(114,923.89)
	531,017.30	531,017.30
Amalgamated Bank of Chicago		
Cash & Cash Equivalents	-	-
Money Market	160,922.00	160,922.00
Fixed Income	6,927,352.52	6,678,839.54
Equities	1,854,699.54	2,469,810.07
	8,942,974.06	9,309,571.61
Other Assets & Payables (Net)	(91.80)	(91.80)
	$ 9,473,899.56	$ 9,840,497.11
Market Value of Fund Balance as of December 31, 2017		9,677,661.05
Change in Market Value of Fund as of June 30, 2018		$ 162,836.06
Increase in Cash		269,960.96
Unrealized Loss on Investments		(107,124.90)
		$ 162,836.06



UNAUDITED FINANCIAL REPORT

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
CONTRIBUTIONS / CLAIMS SCHEDULES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Employer Contributions

Hourly rates and their effective dates

Date	Shops	Exhibitors
03/01/05	2.30	3.00
03/01/06	2.30	3.25
07/17/06	2.40	3.25
03/01/07	2.40	3.55
07/17/07	2.50	3.55
01/17/08	2.60	3.55
03/01/08	2.60	3.80
07/17/08	2.70	3.80
01/17/09	2.80	3.80
03/01/09	2.80	4.15
03/01/10	2.80	4.45
03/01/11	2.80	4.60
07/17/11	3.00	4.60
03/01/12	3.00	5.00
03/01/13	3.00	5.25
03/01/14	3.15	5.60
03/01/14	3.40	5.60
03/01/15	3.40	5.85
07/20/15	3.50	5.85

Employer / Employee

Prior Years Analysis

Year	Receipts	Claims	Difference
2008	$ 3,697,362.56	$ 3,113,647.73	$ 583,714.83
2009	3,193,912.73	2,800,311.76	393,600.97
2010	3,156,780.29	2,625,943.50	530,836.79
2011	3,879,294.58	3,234,111.38	645,183.20
2012	3,819,855.24	3,778,361.78	41,493.46
2013	4,049,717.46	3,202,012.09	847,705.37
2014	4,262,555.33	3,252,072.12	1,010,483.21
2015	4,501,646.07	2,728,405.47	1,773,240.60
2016	4,881,298.31	2,918,759.70	1,962,538.61
2017	5,049,927.78	2,915,661.88	2,134,265.90
2018	3,353,901.14	2,872,524.23	481,376.91

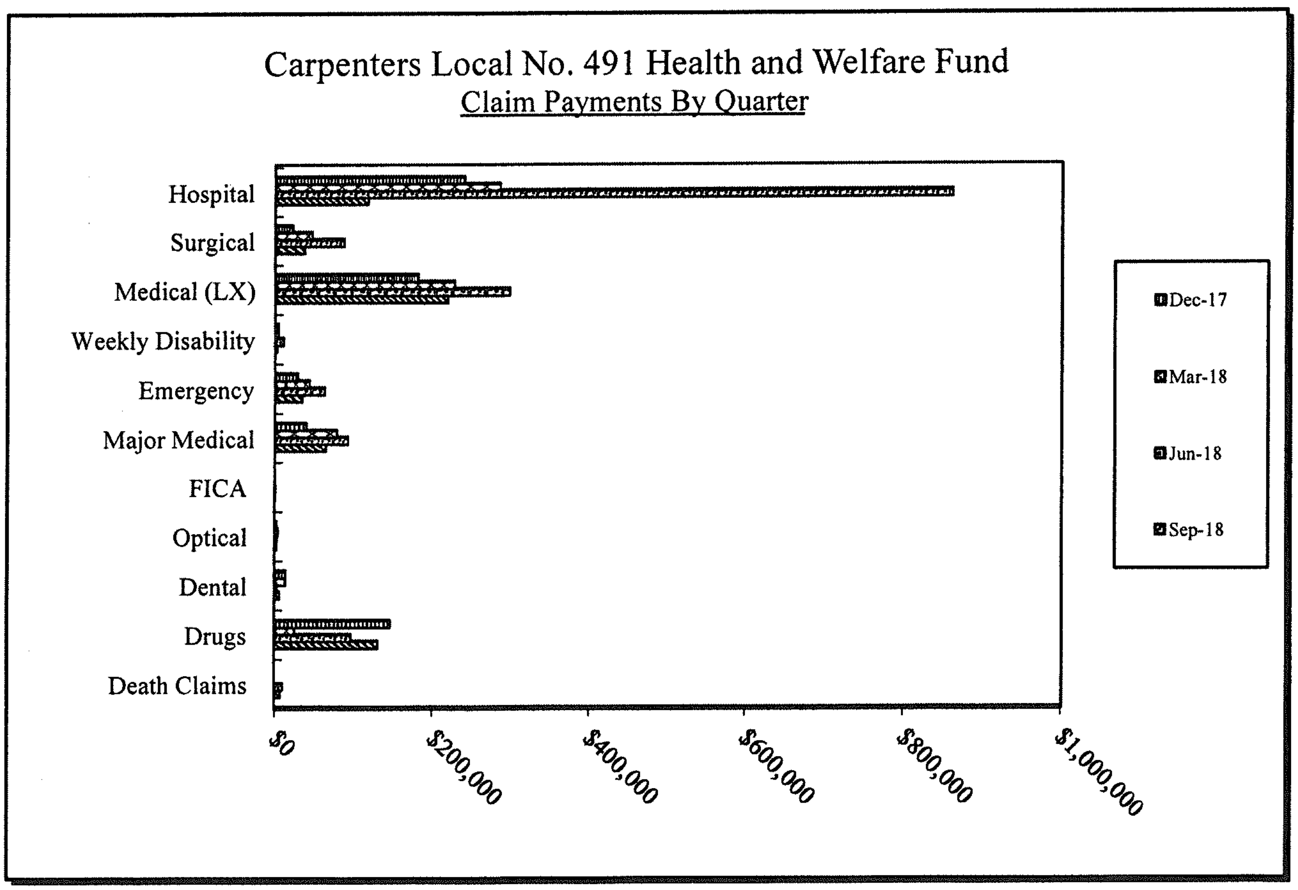
Current Year Analysis

Month	Receipts	Claims	Difference
January	$ 177,406.21	$ 79,612.87	$ 97,793.34
February	203,903.01	229,673.27	(25,770.26)
March	375,811.45	417,683.79	(41,872.34)
April	548,936.77	276,999.46	271,937.31
May	486,790.39	532,233.51	(45,443.12)
June	483,814.03	715,309.97	(231,495.94)
July	442,085.53	196,596.68	245,488.85
August	352,871.02	249,327.38	103,543.64
September	282,282.73	175,087.30	107,195.43
October			-
November			-
December			-
	$ 3,353,901.14	$ 2,872,524.23	$ 481,376.91
Average Per Month	$ 372,655.68	$ 319,169.36	$ 40,114.74

UNAUDITED FINANCIAL REPORT

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
CLAIM PAYMENT SCHEDULE
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Claim Payments	Dec-17 Quarter	Mar-18 Quarter	Jun-18 Quarter	Sep-18 Quarter
Hospital	$ 239,418.71	$ 284,144.83	$ 859,867.28	$ 116,865.20
Surgical	22,608.18	46,423.01	87,502.98	37,471.36
Medical (LX)	180,203.18	226,703.52	296,514.81	218,260.87
Weekly Disability	4,328.58	4,114.34	10,800.08	2,057.16
Emergency	29,234.56	43,724.37	63,111.45	34,569.26
Major Medical	39,691.14	78,269.87	92,564.37	64,154.71
FICA	331.13	314.73	826.22	157.37
	515,815.48	683,694.67	1,411,187.19	473,535.93
Optical	2,988.75	4,337.35	3,235.58	2,661.60
Dental	14,570.20	13,862.82	3,468.85	6,699.80
Drugs	146,152.20	25,075.09	96,651.32	130,614.03
	163,711.15	43,275.26	103,355.75	139,975.43
Death Claims	-	-	10,000.00	7,500.00
	$ 679,526.63	$ 726,969.93	$ 1,524,542.94	$ 621,011.36



CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE PLAN
HIGHEST COST MEDICAL CLAIMS
November 16, 2018

Highest Individual Claim Expense July 1, 2018 to September 30, 2018

Patient	Illness	Medical	Hospital	Total
Member	Chronic Obstructive Pulmonary Disease	$ 13,491.50	$ 31,793.41	$ 45,284.91
Spouse	Colon Cancer	5,950.00	20,000.00	25,950.00
Member	Myocardial Infarction	16,027.18	0.00	16,027.18
Member	Cervical Disc Displacement	576.08	14,680.06	15,256.14
Spouse	Lung Cancer	0.00	10,800.20	10,800.20
Spouse	Vaginal Delivery	537.75	9,305.19	9,842.94
Member	Retinal Detachment	196.36	8,628.73	8,825.09
Member	Prostate Cancer	605.44	8,177.97	8,783.41
Member	Esophageal Cancer	6,159.49	2,083.91	8,243.40
Member	Venous Insuffiency	1,170.29	6,562.56	7,732.85
Member	Osteonecrosis	627.45	7,065.89	7,693.34
Daughter	Pharyngitis	6,121.58	0.00	6,121.58
Spouse	Diabetes	5,893.73	0.00	5,893.73
Member	Hepatomegaly	3,322.46	2,391.60	5,714.06
Member	Torn ACL	2,316.80	3,024.50	5,341.30
Spouse	Kidney Stones	1,361.92	3,700.29	5,062.21
	Total	**$ 64,358.03**	**$ 128,214.31**	**$ 192,572.34**

Life Insurance Claims Paid July - September 2018

Date of Death	Life	AD&D	Total
3/28/2018	$5,000.00		$5,000.00
7/25/2018	$2,500.00		$2,500.00
		Total	$5,000.00

Monthly Paid Prescription Drug Cost

July	$ 54,554.45
August	63,514.62
September	43,088.20
	$ 161,157.27

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
BILLS TO BE APPROVED AND PAID
OPERATING ACCOUNT
November 16, 2018

Payee/Purpose	Period	Check #	Amount
1. Associated Administrators, LLC 4th Quarter Administration Fee	10/18 - 12/18	3181	32,939.00
2. Associated Administrators, LLC Meeting Expense	9/18	3182	112.68
3. Batoff Associates, P.A. Legal Fees	9/18	3183	5,328.60
4. CIGNA Dental Health, Inc. Dental Premium	10/18	3184	1,424.85
5. Doyle Printing & Offset Company Printing - SPD Booklet		3185	2,989.20
6. Ira Marc Miller & Company, P.A. Payroll Audits - 21st - Advantage & Brunswick		3186	1,937.50
7. Ira Marc Miller & Company, P.A. Final Billing - Audit - Year End - 12/17		3187	2,000.00
8. Union Labor Life Insurance Company Stop Loss Premium	10/18	3188	20,603.22
9. NCAS Monthly Fee	10/18	3189	2,993.76
10. Asmed Health Hospital Reviews - Batch #195		3190	1,378.49
11. American Health Holding, Inc. Case Management Reviews	8/18	3191	1,441.50
12. O'Donoghue & O'Donoghue, LLP Legal Fees	8/18	3192	265.00
13. Associated Administrators, LLC Postage QSR's-UPS - $462.71 - Printing -- W2 - $4.98		3193	467.69
14. Carpenters Philadelphia Welfare Fund Reciprocal Hours	5/18 - 8/18	3194	2,445.30
15. Washington Area Carpenters' Fund Reciprocal Hours	8/18	3195	6,318.07
16. Washington Area Carpenters' Fund Reciprocal Hours	5/18 - 18	3196	6,598.85

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
BILLS TO BE APPROVED AND PAID
OPERATING ACCOUNT
November 16, 2018

Payee/Purpose	Period	Check #	Amount
17. American Health Holding, Inc. Hospital Reviews	10/18	3197	757.68
18. American Health Holding, Inc. Case Management Reviews		3198	1,677.50
19. American Health Holding, Inc. Medical Reviews	9/18	3199	816.00
20. Asmed Health , LLC Claim Reviews - Batch #196		3200	11,433.90
21. Associated Administrators, LLC Postage - New Hire Packets - 6/18 & 10/18		3201	536.97
22. Batoff Associates, P.A. Legal Fees	10/18	3202	2,379.40
23. Chason, Rosner, Leary & Marshall, LLC Legal Fees - Build Task	9/18	3203	38.75
24. CIGNA Dental Health, Inc. Dental Premium	11/18	3204	1,528.10
25. Custom Plastic Card Company Printing - Medical & Dental Cards		3205	1,126.00
26. International Foundation Annual Dues - 2019		3206	622.50
27. NCAS Monthly Fee	11/18	3207	2,993.76
28. Union Labor Life Insurance Company Stop Loss Insurance Premium	11/18	3208	20,603.22
29. Chason, Rosner, Leary & Marshall, LLC Legal Fees - Build Task	10/18	3209	1,205.15
30. New Jersey Carpenters Health Fund Reciprocal Hours - D. McFarland		3210	2,486.28
31. Carpenters Philadelphia Welfare Fund Reciproeal Hours - A. Mapp		3211	318.83
32. Carpenters Philadelphia Welfare Fund Reciprocal Hours - J. Kondas		3212	473.85
33. Void			

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
BILLS TO BE APPROVED AND PAID
OPERATING ACCOUNT
November 16, 2018

Payee/Purpose	Period	Check #	Amount
		3213	-
34. Washington Area Carpenters' Fund Reciprocal Hours	9/18	3214	16,314.81
35. Washington Area Carpenters' Fund Reciprocal Hours - C. Hathaway		3215	1,688.38
36. Carpenters Philadelphia Welfare Fund Reciprocal Hours		3216	260.33
			$ 156,505.12

Carpenters Local 491 Benefit Funds
Cash Management

			Medical
Yearly Deductions		$	4,159,831
Loans per Year			
Total Yearly Deductions			
10% of Expenses		$	415,983
Current Cash Balance	As of 9/30/18	$	531,017
5% Floor		$	207,992
Replenish			Not now
15% Ceiling		$	623,975
Send to Amalgamated			**Not now**
Transfer Made:	Nov-14-18	$	-

CARPENTERS DELINQUENCY LIST
AS OF
NOVEMBER 16, 2018

1) If Local has "X" in a block, please indicate "Worked" or "No Men"
2) Please fax updates to Ramona at 410-683-7794

	See Instructions Above			
EMP #	**Balt.**	**Wash.**	**COMPANY NAME**	**WORK MONTHS DELINQ.**
453			J.K. CABINET CO., INC.	8/16 - 11/16
1665			BUILD TASK	7/18 - 9/18

11/13/18

Administrator's Office Only

Email received by AALLC from Balt. On ____________________

Email received by AALLC from Wash. on ____________________

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND
PARTICIPANT CLAIM DEMOGRAPHICS
November 16, 2018

Month	Total Claims Processed	% Denied	Total Denials	Denial Reasons
September	796	3.27%	26	
			7	Emergency Room - Non Emergency
			6	Additional Info Requested Not Returned - Accident or Injury
			5	Participant Ineligible for Coverage
			4	Duplicate Claim - Previously Processed
			2	Not Covered Benefit - Dependent Pregnancy
			2	Exceeded Annual Dental Maximum - $1,000
October	949	6.11%	58	
			19	Additional Info Requested No Response - Accident Details, Birth Certificates
			12	Participant Ineligible for Coverage
			11	Emergency Room - Non Emergency
			7	Additional Info Requested No Response - Subrogation Form Not Returned
			7	Duplicate Claim - Previously Processed
			2	Exceeded Annual Dental Maximum - $1,000

Error Rate: <2%
Processing Backlog: 0 Days

Mary E. Balducci
Sr. Client Manager
Taft-Hartley & Federal Business Segment

Cigna

111 S. Calvert St. - Suite 1600
Baltimore, Maryland 21202
Telephone: 410-864-1374
Facsimile: 800-657-3073
mary.balducci@cigna.com

September 28, 2018

Dawn R. Welch
Account Executive
Associated Administrators, LLC
911 Ridgebrook Road
Sparks, MD 21152

RE: Carpenters Local 491 Health & Welfare Fund –
Dental Shared Administration Renewal - January 1, 2019

Dear Dawn,

In accordance with the upcoming 2019 plan year renewal, this letter will provide the Carpenters Local 491 Health & Welfare Fund notice of the Cigna's Dental Shared Administration renewal fees effective January 1, 2019, the anniversary of our contract.

We are very pleased to have Carpenters Local 491 as a client of Cigna. Please know that we are appreciative of and thankful for our partnership with the Fund and Associated Administrators. The Fund members have access to the extensive Cigna national panel of Dental PPO Plus providers through the Dental Shared Administration program - just another way that Cigna is working to meet the unique needs of Funds across the country.

As a result of our rate guarantee of **$2.95 from 1/1/18- 12/31/19**, we are presenting you and the Trustees with a **no rate change** for the upcoming renewal year (January 1, 2019 through December 31, 2019). Therefore, the current rate of **$2.95 pepm** will remain in effect for the 2019 renewal.

Once the Trustees have been presented with this renewal, please advise me of their decision so I can update the agreement for the 2019 plan year. Also, please let me know if you have any further questions on this renewal or if you would like to discuss in more detail.

Sincerely,

Mary E. Balducci, Senior Client Manager
Taft-Hartley & Federal Business Segment

cc: Mark Lynne, Bolton Partners

Carpenters Local No. 491 Health and Welfare Fund
911 Ridgebrook Road
Sparks, Maryland 21152-9451
Toll Free Telephone (888) 494-4443
www.associated-admin.com

2017 Summary Annual Report For

CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND

This is a summary of the annual report for the CARPENTERS LOCAL NO. 491 HEALTH AND WELFARE FUND, (Employer Identification No. 52-1252611, Plan No. 501) for the period January 1, 2017, to December 31, 2017. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

The value of plan assets, after subtraction of the liabilities of the plan, was $10,103,900 as of December 31, 2017, compared to $8,292,859 as of January 1, 2017. During the plan year the plan experienced an increase in its net assets of $1,811,041. This change includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the plan year, the plan had total income of $6,520,740. This income included employer contributions of $4,645,725, employee contributions of $1,201,119, interest income of $1,143, dividends of $237,944 and earnings on investments of $432,410.

Plan expenses were $4,709,699. These expenses included $572,054 in administrative expenses and $4,137,645 in benefits paid to participants and beneficiaries.

YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Assets held for investment;

To obtain a copy of the full annual report, or any part thereof, write or call the office of:

Associated Administrators, LLC (Administrative Manager)
911 Ridgebrook Road
Sparks, MD 21152-9541
52-1252611 (EIN – Medical Fund)
1-888-494-4443

The charge to cover copying costs will be $0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan:

Associated Administrators, LLC (Administrative Manager)
911 Ridgebrook Road
Sparks, MD 21152-9451

and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: U.S. Department of Labor, Employee Benefits Security Administration, Public Disclosure Room, 200 Constitution Avenue, NW, Suite N-1513, Washington, D.C. 20210

The BOARD OF TRUSTEES

NAME: **SS#:**

Carpenters' Local No. 491 Health and Welfare Plan

LOCAL: 491
STATUS: Full Time

ISSUE: Medical – Prior Authorization, Medical Necessity #M18/133-6085

FUND RULE:
"GENERAL LIMITATIONS AND EXCLUSIONS
The following charges are not covered under this Plan; therefore, the amount of benefits payable under the Plan is determined after these charges are deducted from covered expenses:

- Charges for services or supplies which are not medically necessary for treatment of an injury or illness or are not provided, recommended or prescribed by a legally-qualified surgeon or doctor."
(Carpenters' Local No. 491 Health and Welfare Plan SPD, Page 35)

SUMMARY: Appeal Received: October 3, 2018

The **participant** is appealing for coverage of Remicade infusions. The participant states that he was diagnosed with sarcoidosis (the growth of tiny collections of inflammatory cells) in his lungs in January 2001 and his pulmonary doctor put him on Prednisone to keep inflammation down. The participant further states that he has been on Prednisone for 18 years and is trying to get off it.

After the appeal was received, a letter was mailed to the participant on October 5, 2018 requesting complete medical records related to the request for Remicade. Medical records and a letter of medical necessity were received from Dr. Edward S. Chen on October 22, 2018. Dr. Chen stated in part that the participant has failed treatment with hydroxychloroquine (2004), methotrexate (2016), azathioprine (2017), and mycophenolate (2017). Dr. Chen further stated that Remicade (generic infliximab) was proven useful for treating pulmonary sarcoidosis in a research trial published in 2006.

The medical records and letter of medical necessity were sent to American Health Holding (AHH) for review on October 22, 2018. AHH advised the Fund office on November 9, 2018 that Remicade is **not medically necessary**, stating, "Unable to approve. Request is experimental and investigational for the diagnosis of sarcoidosis because its benefit has not been established in the peer reviewed medical literature. Request doesn't meet criteria of medical necessity."

ACTION: **Approved** ☐ **Denied** ☐ **Tabled** ☐
COMMENTS:

NAME: **SS#:**

Carpenters' Local No. 491 Health and Welfare Plan

LOCAL: 491
STATUS: **COBRA, effective July 1, 2018**

ISSUE: Prescription Benefit – Prior Authorization, Medical Necessity #Rx18/134-8553

FUND RULE:
"**Prescription Drug Benefit**

...As an additional cost savings measure, the Board of Trustees has adopted a Prior Authorization Program under which the Plan will monitor certain prescription drugs to ensure that covered drugs are used for medical problems rather than for other purposes (i.e. cosmetic, etc.). Through the use of the Prior Authorization Program, you will be notified by the pharmacist if a specific prescription requires prior authorization. If prior authorization is required, you can (i) ask your doctor to contact the PBM to explain the use of the prescription, (ii) ask your doctor whether another covered medication could be used for this purpose, or (iii) simply pay the full price for the prescription at the pharmacy."
(Carpenters' Local No. 491 Health and Welfare Plan SPD, Page 29)

SUMMARY: Appeal Received: October 3, 2018

The **provider,** Dr. Susan M. Berger, is appealing on behalf of the participant for coverage of Otezla, which is a drug that requires prior authorization under the Prescription Drug Benefit. It was noted that Express Scripts denied a prior authorization for Otezla on August 29, 2018, stating, "**Coverage is provided in situations where the patient has tried or previously used at least one conventional synthetic DMARD (for example, methotrexate, leflunomide, sulfasalazine) for at least 3 months, unless intolerant. Coverage cannot be authorized at this time.**"

After the appeal was received, it was sent to American Health Holding (AHH) for review. AHH advised the Fund office on October 5, 2018 that Otezla is **not medically necessary**, stating that there was no documentation of: inadequate response to methotrexate, or if methotrexate is contraindicated or not tolerated, to another non-biologic disease-modifying anti-rheumatic drug (DMARD) (cyclosporine, leflunomide, sulfasalazine, or azathioprine); or severe disease at presentation, defined as severe disability at disease onset with erosive disease involving multiple joints; or member having active axial psoriatic arthritis and an inadequate response to 2 or more NSAIDs. For both axial and non-axial psoriatic arthritis, member has a documented negative TB test (which can include a tuberculosis skin test (PPD), an interferon-release assay (IGRA), or a chest x-ray) within 6 months of initiating therapy for members who are naive to biologics.

At that time, the Fund office faxed a letter to Dr. Berger requesting additional clinical documentation for review. Medical records received from Dr. Berger on October 10, 2018 were forwarded to AHH for further review. AHH advised the Fund office on October 17, 2018 that they upheld their original recommendation that Otezla is **not medically necessary**, stating, "The patient has mild arthritis with no documentation of any trial of disease-modifying anti-rheumatic drug (DMARD). He has been on 2 different NSAIDs (etodolac and meloxicam) as well as prednisone. In addition, he stopped Otezla due to a rash, and the last physician did not indicate that he would restart it. Non-certify, does not meet criteria for medical necessity. He should perhaps have a trial of methotrexate or a different DMARD."

ACTION: **Approved** ☐ **Denied** ☐ **Tabled** ☐
COMMENTS:

CARPENTERS LOCAL NO. 491 VACATION BENEFIT
STATEMENT OF CHANGES IN FUND BALANCE - CASH BASIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	July	August	September	Year To Date
Additions				
Employer Contributions	$ 103,591.89	$ 78,904.73	$ 65,795.72	$ 780,285.39
Interest Income	87.08	100.72	111.08	537.92
Total Additions	103,678.97	79,005.45	65,906.80	780,823.31
Deductions				
Audit Fees	-	-	-	-
Benefits Paid	-	-	80.36	-
Interest Paid	-	-	-	-
Legal Fees	-	-	-	-
Office Expenses	-	-	-	-
Postage	-	-	-	-
Printing	-	-	-	-
Bank Service Charges	-	-	-	-
Total Deductions	-	-	80.36	-
Net Increase (Decrease)	$ 103,678.97	$ 79,005.45	$ 65,826.44	$ 780,823.31
Fund Balance - December 31, 2017				207,494.99
Fund Balance - September 30, 2018				$ 988,318.30

Statement of Fund Balance - Cost Basis	
Cash - Bank of America - Vacation Payment	$ (20,697.54)
Cash - Madison Bank - Ultimate Checking	1,009,015.84
	$ 988,318.30

UNAUDITED FINANCIAL STATEMENT