

**SCHOOL CAFETERIA EMPLOYEES
UNITEHERE LOCAL NO. 634
HEALTH & WELFARE FUND**

BOARD OF TRUSTEES MEETING

July 11, 2019

School Cafeteria Employees UNITEHERE Local No. 634
Health & Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
(833) 228-9212

www.associated-admin.com

Agenda

July 11, 2019

9:30 AM

- I. Call to Order
- II. Minutes, Regular Meeting – April 18, 2019
- III. Investment Manager Report
- IV. Auditor Report
- V. Consultant Report
- VI. Administrative Manager Report
- VII. Counsel Report
- VIII. Invoices
- IX. Other Fund Business
- X. Next Meeting Date and Location
- XI. Adjournment

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Minutes of the Meeting of the Board of Trustees

Held on Thursday, April 18, 2019

In the Offices of Willig, Williams & Davidson

Philadelphia, Pennsylvania

Present Were:

Nicole Hunt and Warren Heyman – Union Trustees

Wayne Grasela, Susan Hancock, and Lisa Norton –
Management Trustees

Also Present Were:

Deborah R. Willig, Esq. and Kelly Brogan, Esq. of
Willig, Williams & Davidson – Legal Counsel;
Kathleen Jackson, CPA and Dan Ohlemiller of Novak
Francella, LLC; Alicia Cochran of Associated
Administrators, LLC – Administrative Manager;
Matthew Walker¹, CFA of The Philadelphia Trust
Company; Monica Gindhart, Jesse Vinson and
Heather Nelson² of BeneCard – Pharmacy Benefit
Manager

The meeting was called to order at 10:00 a.m. with Ms. Hunt presiding as Chairperson. Notice of this meeting was communicated prior to the date of the meeting. A quorum was present.

- I. The minutes of the meeting of the Board of Trustees held on January 17, 2019 as revised by Fund Counsel were discussed.

MOTION was made and seconded to adopt
the minutes of the meeting of the Board of
Trustees held on January 17, 2019 as
revised.

UNANIMOUSLY ADOPTED

¹ Present for the investment report only.

² Present for the BeneCard report only.

- II. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of March 31, 2019, the composite return for total Fund assets was 3.35 % YTD. Total assets held in the discretionary account were \$1,884,885.68. Total assets held in the non-discretionary account were \$9,182.33. Assets in the discretionary account were allocated 66.4% to fixed income, 24.4% to equities and 9.2% to cash and equivalents. Mr. Walker stated that the plan for the remainder of 2019 was to stay the course as the Fund is positioned well.
- III. **Prescription Benefit Manager Report.** Ms. Monica Gindhart, Mr. Jesse Vinson and Ms. Heather Nelson with BeneCard entered the meeting and presented a report titled, "UNITEHERE Local 634 Service Meeting Presentation." Ms. Gindhart reviewed the total claims processed and the total paid by the Fund for the period July 1, 2018 through March 31, 2019, 8,258 claims and \$912,305 spend. Ms. Gindhart noted that specialty drugs made up 28.38% of the Fund's total spend. She also reviewed a utilization summary noting the number of brand versus generic prescriptions filled, noting the Fund had a 87.76% generic fill rate. Ms. Gindhart also reviewed a breakdown of prescriptions filled at retail versus mail order. Ms. Gindhart noted that the Fund currently allows three retail fills of specialty drugs, and there would be potential cost savings to the Fund to limit the number of retail fills for specialty drugs.

Ms. Nelson reviewed the Clinical Analysis information in the report. This included the clinical programs currently in place, the top 25 therapeutic categories of prescriptions, top 25 brand medications, top 25 generic medications, top 25 utilizing members and the specialty therapeutic categories.

Ms. Gindhart discussed with the Trustees in more detail BeneCard's recommendation to reduce the number of retail fills for specialty drugs from 3 to 0. Ms. Gindhart said that because most specialty medications need to be ordered, the impact to participants would be minimal. Ms. Gindhart also discussed step therapy with the Trustees. She said that implementing a step therapy program could result in savings to the Fund. Ms. Gindhart said that the Fund could implement a full step therapy program or a program for specialty medications only. She said that members already receiving specialty medications would not be impacted by the implementation of the program.

The Trustees then discussed Food Service Workers who work four hours or less and are not eligible for a major medical benefit. The Trustees discussed allowing this group of participants to receive insulin through the Fund's prescription benefit. Ms. Susan Hancock said that the School District could identify this classification of participants on the eligibility file sent to Associated Administrators.

MOTION was made and seconded to adopt, effective July 1, 2019 (1) the recommendation of BeneCard to eliminate retail fills of specialty medications, (2) implementation of a step therapy program

for specialty medications, subject to Fund Counsel's review of the grandparenting of members currently receiving specialty medications and (3) implementation of an insulin benefit for Food Service Workers who work four or less hours and do not have a major medical benefit.

UNANIMOUSLY ADOPTED

- IV. **Fund Consultant's Report.** Ms. Cochran said that due to a scheduling conflict, Mr. Iannucci was unable to attend today's meeting. Mr. Iannucci had no report to present to the Trustees.
- V. **Fund Auditor's Report.** Nothing to report.
- VI. **Fund Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2018-2019, as of February 28, 2019, with a comparative report for FY 2017-2018. Receipts and disbursements for the period were reviewed, with the Fund experiencing a positive cash flow of \$181,934.93 compared to a negative cash flow of \$27,411.10 for the prior period.

A report was presented detailing the number of eligible employees as of February 15, 2019 - 836 Cafeteria Workers and 1,082 Student Climate Staff for a total of 1,918 employees.

A COBRA report was presented for January 1, 2019 through February 28, 2019 stating that there were a total of 22 COBRA notices sent, with 1 COBRA enrollee for each month.

A dental claims report for Cafeteria Workers and Student Climate Staff for January 1, 2019 through February 28, 2019 was presented. Total charges paid were \$10,571.80 on 234 claims for Cafeteria Workers and \$3,539.70 on 84 claims for Student Climate Staff.

A report of orthotic claims paid for the period December 1, 2009 through February 28, 2019 was presented. Orthotic claims paid to date totaled \$138,890.00.

A report of wig claims paid for the period July 24, 2012 through February 28, 2019 was presented. Wig claims paid to date totaled \$3,532.01.

Ms. Cochran requested the Trustees' approval to pay two orthotic claims for participants that received more than 1 orthotic in the Benefit Year. She said that each claim is for \$195.00. Ms. Cochran said that Dr. Diamond's office was basing eligibility on a Calendar Year, not Benefit Year. She also said that she advised Dr. Diamond's office of the eligibility rules and the Benefit Year.

MOTION was made and seconded to

approve the two orthotic claims on a non-precedential basis.

UNANIMOUSLY ADOPTED

Ms. Cochran said that the contract between Associated Administrators and the Fund was executed on February 21, 2019.

Ms. Cochran said that a second welcome letter advising of the transition to Associated Administrators and a benefit summary were mailed to participants on February 4, 2019.

- VII. **Bills:** Ms. Cochran said that there are no invoices to be presented at today's meeting.
- VIII. **Fund Counsel's Report.** Ms. Brogan stated that she was continuing to work on the BeneCard agreement.
- IX. **Other Business.** Ms. Cochran said that there is no other business to report.
- X. The date of the next regular Trustees meeting was scheduled for Thursday, July 11, 2019. The meeting will convene at 9:30 a.m. and will be held in the offices of Willig, Williams & Davidson, 1845 Walnut Street, 24th floor, in Philadelphia.
- XI. There being no further business before the Board of Trustees, the meeting was adjourned.

Union Trustee

School District Trustee

School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund
Profit & Loss Prev Year Comparison
September 2018 through May 2019

		<u>May-19</u>	<u>May-18</u>
Ordinary Income/Expense			
Income			
61-113	Cobra Contributions	1,835.50	5,358.70
61-121	Cafeteria Workers	1,533,658.74	1,454,559.04
61-125	Student Climate Staff	110,519.83	100,502.48
61-300	Interest on Investments	0.00	30,005.39
61-302	Interest on Bank Accounts	120.63	565.04
61-905	Class Action Settlements	345.92	302.55
Total Income		<u>1,646,480.62</u>	<u>1,591,293.20</u>
Gross Profit		1,646,480.62	1,591,293.20
Expense			
71-200	City Clinics Fee	55,000.00	40,000.00
71-201	Prescription Drug Claims	891,971.75	990,591.21
71-203	Vision Premium	88,977.46	106,000.46
71-212	Orthotics Claims	21,040.00	10,025.00
71-214	Self-Funded Dental Claims	182,109.03	191,704.00
71-216	Wig Benefit	196.42	248.95
71-300	Administration Fees	55,000.00	0.00
71-402	Death Benefits	0.00	4,000.00
71-500	Fund Manager's Fee	12,495.00	28,113.75
71-501	Auditing and Accounting Fee	17,300.00	20,517.48
71-502	Legal Counsel Fee	28,888.10	17,941.61
71-503	Conference and Meeting Expenses	6,776.77	0.00
71-505	Consultant Fee	9,000.00	9,000.00
71-507	Office Supplies	73.21	0.00
71-508	Printing, Duplicating, Postage	7,571.31	8,429.26
71-509	Investment Manager Fee	6,951.12	7,581.10
71-514	Fidelity Bond Premium	525.00	525.00
71-515	Local 634 Shared Costs	18,900.00	13,500.00
71-517	Fiduciary Liability Insurance Premium	4,226.00	0.00
71-519	Membership Dues & DVHCC	1,050.00	1,275.00
71-522	Envision Expense	0.00	32,455.50
71-550	Bank Service Charge & Wire Fees	160.34	75.07
71-560	Dental Claims	6,598.40	0.00
71-561	Dental Administration Fee	16,800.00	37,800.00
71-748	Guardian Nurses	5,250.00	0.00
71-750	Health Fair Expense	12,823.86	10,116.91
Total Expense		<u>1,449,683.77</u>	<u>1,529,900.30</u>
Net Ordinary Income		<u>196,796.85</u>	<u>61,392.90</u>
Net Income		<u>196,796.85</u>	<u>61,392.90</u>

PROPRIETARY INFORMATION: THIS REPORT BELONGS TO THE SCHOOL CAFETERIA EMPLOYEES UNITEHERE LOCAL NO. 634 HEALTH AND WELFARE FUND

UNAUDITED

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Employer Contributions and Participant Counts Report - January 1, 2019 - May 31, 2019

Pay Period Ending	Date Received	Class	Amount Received	Contribution Rate	Member Count
1/4/2019	1/7/2019	Food Service Workers	\$ 81,315.00	\$ 97.50	834
		Student Climate Staff	\$ 5,986.40	\$ 5.60	1069
			<u>\$ 87,301.40</u>		
1/18/2019	1/30/2019	Food Service Workers	\$ 81,315.00	\$ 97.50	834
		Student Climate Staff	\$ 6,008.80	\$ 5.60	1073
			<u>\$ 87,323.80</u>		
12/1/2018	2/7/2019 ¹	Food Service Workers	\$ 80,925.00	\$ 97.50	830
		Student Climate Staff	\$ 5,874.40	\$ 5.60	1049
			<u>\$ 86,799.40</u>		
2/1/2019	2/14/2019	Food Service Workers	\$ 81,997.50	\$ 97.50	841
		Student Climate Staff	\$ 6,053.60	\$ 5.60	1081
			<u>\$ 88,051.10</u>		
2/15/2019	2/26/2019	Food Service Workers	\$ 81,510.00	\$ 97.50	836
		Student Climate Staff	\$ 6,059.20	\$ 5.60	1082
			<u>\$ 87,569.20</u>		
3/1/2019	3/11/2019	Food Service Workers	\$ 82,387.50	\$ 97.50	845
		Student Climate Staff	\$ 6,003.20	\$ 5.60	1072
			<u>\$ 88,390.70</u>		
3/15/2019	3/25/2019	Food Service Workers	\$ 82,290.00	\$ 97.50	844
		Student Climate Staff	\$ 5,975.20	\$ 5.60	1067
			<u>\$ 88,265.20</u>		
3/29/2019	4/11/2019	Food Service Workers	\$ 81,510.00	\$ 97.50	836
		Student Climate Staff	\$ 5,930.40	\$ 5.60	1059
			<u>\$ 87,440.40</u>		
4/12/2019	4/26/2019	Food Service Workers	\$ 81,412.50	\$ 97.50	835
		Student Climate Staff	\$ 6,031.20	\$ 5.60	1077
			<u>\$ 87,443.70</u>		
4/26/2019	5/10/2019	Food Service Workers	\$ 82,095.00	\$ 97.50	842
		Student Climate Staff	\$ 6,417.60	\$ 5.60	1146
			<u>\$ 88,512.60</u>		
5/10/2019	5/20/2019	Food Service Workers	\$ 82,680.00	\$ 97.50	848
		Student Climate Staff	\$ 6,081.60	\$ 5.60	1086
			<u>\$ 88,761.60</u>		

¹ December 2018 contributions received in the month of February 2019

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

COBRA Report - January 1, 2019 - May 31, 2019

	COBRA Notices Sent	COBRA Elections	COBRA Participants
January	13	0	1
February	9	0	1
March	19	0	1
April	21	0	1
May	14	0	1
June			
July			
August			
September			
October			
November			
December			
Totals	76	0	5

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Dental Claims Report - March 1, 2019 - May 31, 2019

Food Service Workers

In-Network (LPMA)

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	410	\$ 28,628.30	\$ 10,734.80
Endodontics	61	\$ 13,420.00	\$ 5,120.00
Oral Surgery	45	\$ 23,429.00	\$ 2,119.00
Orthodontics	39	\$ 15,536.00	\$ 2,450.00
Other Services	144	\$ 16,141.60	\$ 3,583.69
Periodontics	53	\$ 9,398.00	\$ 3,200.00
Preventive	30	\$ 1,348.00	\$ 220.00
Prosthodontics, Fixed	3	\$ 3,600.00	\$ -
Prosthodontics, Removable	5	\$ 5,506.00	\$ 1,763.00
Restorative	111	\$ 21,595.00	\$ 6,334.00
Restorative, Crowns	12	\$ 13,968.00	\$ 4,080.00
Totals	913	\$ 152,569.90	\$ 39,604.49

Out-of Network

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	27	\$ 1,684.00	\$ 978.00
Endodontics	1	\$ 749.00	\$ 114.00
Oral Surgery	2	\$ 600.00	\$ 90.00
Orthodontics	0	\$ -	\$ -
Other Services	0	\$ -	\$ -
Periodontics	0	\$ -	\$ -
Preventive	2	\$ 78.00	\$ -
Prosthodontics, Fixed	0	\$ -	\$ -
Prosthodontics, Removable	0	\$ -	\$ -
Restorative	7	\$ 706.00	\$ 475.00
Restorative, Crowns	1	\$ 991.00	\$ 580.00
Totals	40	\$ 4,808.00	\$ 2,237.00

	In-Network	Out-of-Network	Overall Totals
Total Billed Amount	\$ 152,569.90	\$ 4,808.00	\$ 157,377.90
Total Paid Amount	\$ 39,604.49	\$ 2,237.00	\$ 41,841.49

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Dental Claims Report - March 1, 2019 - May 31, 2019

Student Climate Staff

In-Network (LPMA)

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	243	\$ 16,574.50	\$ 6,919.00
Endodontics	23	\$ 9,324.00	\$ 3,685.50
Oral Surgery	14	\$ 4,202.00	\$ 542.00
Orthodontics	30	\$ 20,670.80	\$ 2,320.00
Other Services	44	\$ 6,203.00	\$ 1,186.00
Periodontics	24	\$ 5,480.00	\$ 1,905.00
Preventive	6	\$ 229.00	\$ -
Prosthodontics, Fixed	5	\$ 2,961.00	\$ -
Prosthodontics, Removable	9	\$ 8,179.00	\$ 1,838.00
Restorative	40	\$ 7,925.00	\$ 2,450.00
Restorative, Crowns	2	\$ 1,935.00	\$ 1,160.00
Totals	440	\$ 83,683.30	\$ 22,005.50

Out-of-Network

Category	Usage	Billed Amount	Paid Amount
Comprehensive Orthodontics	0	\$ -	\$ -
Diagnostic	40	\$ 2,430.00	\$ 999.40
Endodontics	0	\$ -	\$ -
Oral Surgery	0	\$ -	\$ -
Orthodontics	0	\$ -	\$ -
Other Services	2	\$ 227.00	\$ 67.00
Periodontics	5	\$ 595.00	\$ 425.00
Preventive	0	\$ -	\$ -
Prosthodontics, Fixed	0	\$ -	\$ -
Prosthodontics, Removable	4	\$ 4,872.00	\$ 1,600.00
Restorative	7	\$ 1,407.00	\$ 465.00
Restorative, Crowns	1	\$ 923.00	\$ 580.00
Totals	59	\$ 10,454.00	\$ 4,136.40

	In-Network	Out-of-Network	Overall Totals
Total Billed Amount	\$ 83,683.30	\$ 10,454.00	\$ 94,137.30
Total Paid Amount	\$ 22,005.50	\$ 4,136.40	\$ 26,141.90

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Orthotic Claims Report - January 1, 2019 - May 31, 2019

Food Service Workers

Months	Amount	Total Paid
January - February 2019	\$ -	\$ -
March - May 2019	\$ 2,610.00	\$ 2,560.00
Totals	\$ 2,610.00	\$ 2,560.00

Student Climate Staff

Months	Amount	Total Paid
January - February 2019	\$ -	\$ -
March - May 2019	\$ 1,730.00	\$ 1,730.00
Totals	\$ 1,730.00	\$ 1,730.00

**School Cafeteria Employees UNITEHERE
Local No. 634 Health and Welfare Fund**

Wig Claims Report - January 1, 2019 - May 31, 2019
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Food Service Workers

Months	Billed Amount	Paid to Member Amount
January - February 2019	\$ -	\$ -
March - May 2019	\$ -	\$ -
Totals	\$ -	\$ -

Student Climate Staff

Months	Billed Amount	Paid to Member Amount
January - February 2019	\$ -	\$ -
March - May 2019	\$ 71.42	\$ 71.42
Totals	\$ 71.42	\$ 71.42

NAME:

SS#:

SCHOOL CAFETERIA EMPLOYEES UNITEHERE LOCAL No. 634 HEALTH & WELFARE FUND

CLASSIFICATION: Food Service Workers
DATE OF HIRE: December 28, 2015

STATUS: Terminated, October 31, 2018

ISSUE: Eligibility – Loss of Coverage

#E19/100-1397

FUND RULE:

"Article III - Eligibility and Coverage"

...If you terminate employment with the School District of Philadelphia for a reason other than layoff or if you no longer work in a position covered under the collective bargaining agreement between the Union and the School District of Philadelphia, your coverage will end on the last day of the month of your termination or change in position."
(School Cafeteria Employees UNITEHERE Local No. 634 Health & Welfare Fund SPD, Page 5)

SUMMARY:

Date(s) of Service:	January 15, 2019 and January 21, 2019
Claim(s) Received:	January 29, 2019 through February 4, 2019
Claim(s) Denied:	February 19, 2019 through February 21, 2019
Appeal Received:	April 18, 2019

The **provider**, Joni Marcus, DMD, is appealing the denial of claims for dental services rendered on January 15, 2019 and January 21, 2019.

Fund Office records indicate the provider called on January 14, 2019 regarding dental benefits for this participant. It was noted by the Fund Office that the participant's eligibility record at that time reflected active coverage through January 31, 2019. Fabian Byrn, LLC, the prior Administrative Manager, subsequently notified the Fund Office on January 15, 2019 that the participant's employment terminated in October 2018. Consequently, the participant's eligibility for coverage terminated on October 31, 2018. Joni Marcus, DMD submitted claims for services rendered on January 15, 2019 and January 21, 2019. The claims were denied because the participant's coverage terminated prior to these dates of service.

After the appeal was received, Fabian Byrn, LLC advised the Fund Office that a COBRA notice was mailed to the participant on November 19, 2018. The participant did not elect COBRA coverage.

ACTION:

Approved

☐

Denied

☐

Tabled

☐

COMMENTS: