United Food and Commercial Workers Unions and Participating Employers Health and Welfare Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND DECEMBER 11, 2012 NATIONAL HARBOR, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. Federici - Chairman
M. Eubank
M. Harris
T. Hipkin

EMPLOYER TRUSTEES
G. Anderson
D. Gwin
A. Samad-Salameh

Also present were:

C. Allebach – Group Vision Services
H. Burton – Morgan, Lewis & Bockius, LLP
J. Chorpenning – UFCW Local 27
M. Christle – Kroger
E. Foxman – Group Dental Services
R. Foxman – Group Vision Services
M. Herwig – PNC Bank
D. Hyman – Group Dental Services
W. Jensen – Associated Administrators, LLC
E. Knitter – Value Options
H. Manley – UFCW Local 27
T. Poffenbaugh – Value Options
J. Sears – Associated Administrators, LLC
B. Slevin – Slevin & Hart, P.C.
D. Whitney – SuperValu

I. CALL TO ORDER

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

II. APPOINTMENT OF TRUSTEE

Mr. Jensen said that Mark Federici has been appointed as a Union Trustee, replacing Thomas McNutt, effective November 28, 2012.

Trustee Federici was nominated as Fund Chairman, replacing Thomas McNutt. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to appoint Mark Federici as Chairman of the UFCW Unions and Participating Employers Health and Welfare Fund.**

III. MINUTES

The Trustees reviewed the minutes of the regular meeting of April 24, 2012 and the appeals committee meeting of August 30, 2012 meeting, which were pre-circulated.

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

> **RESOLVED that the minutes of the regular meeting of April 24, 2012 and the appeals committee meeting of August 30, 2012 were approved as presented.**

IV. FINANCIAL REPORT

The Trustees welcomed Mr. Michael Herwig of PNC Bank to the meeting.

Mr. Herwig distributed the PNC Summary of Activity report for the period January 1, 2012 to September 30, 2012. Such report indicated a beginning market value of $17,943,337, receipts of $28,951,926, disbursements of $31,784,359, and earnings of $712,097, producing an ending market value of $15,823,001 as of September 30, 2012. Mr. Jensen noted that Shoppers had taken a $2.9 million drawdown during this period.

The Trustees thanked Mr. Herwig for his report and he was excused from the meeting.

V. AUDITOR REPORT

Mr. Jensen said the Fund auditor, Mr. Brian Garstecki of Bond Beebe, was unable to attend the meeting and will present the annual audit at the next meeting. He said that Mr. Garstecki had no concerns about the audit and it was precirculated to the Trustees in advance of this meeting. The IRS Forms 5500 and 990 for the plan year ending December 31, 2011 had been filed on a timely basis.

VI. ATTORNEY'S REPORT

A. Mental Health Parity

Mr. Slevin discussed the Mental Health Parity Act.

B. Summary of Benefit Coverage

Mr. Slevin reviewed the Summary of Benefit Coverage requirements.

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

> **RESOLVED to delegate the approval of the Summary of Benefit Coverage statements to the Chairman and Secretary.**

C. Annual Limits Waiver

Mr. Slevin discussed the PPACA annual limits waiver and notice.

D. Afram Litigation

Mr. Slevin discussed a suit brought against the Fund by a medical provider.

E. Anthem Administrative Agreement

Mr. Slevin advised regarding the Anthem administrative agreement and the PHI issue relating to Anthem.

F. Summary of Material Modification – Life Insurance Payouts

Mr. Slevin discussed a Summary of Material Modification regarding death benefit payouts.

G. Attorney Client Privilege

Mr. Slevin discussed attorney/client privilege.

H. Form 990

Mr. Slevin discussed the Form 990.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. First, Second and Third Quarter 2012 Reports

Mr. Jensen presented the administrative manager's report for the first, second and third quarters 2012, which had been pre-circulated to the Trustees. He reviewed the third quarter report in detail. Such report indicated total income of $12,354,694. Total expenses were $12,760,865, producing a deficit of $406,171 for the quarter. Mr. Jensen noted that contributions and were made on behalf of 7,328 plan participants.

VIII. INVOICES

Mr. Jensen presented a list of invoices dated December 11, 2012. He noted there were no additions, deletions or changes to the list and that all invoices represented proper Fund expenses.

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

> **RESOLVED that the list of invoices dated December 11, 2012 was approved for payment.**

IX. OTHER FUND BUSINESS

A. Poll Results – Retiree Program

Mr. Jensen reported a poll of the Trustees approved formalizing the separate retiree health plan under the Fund, separately tracking and reporting the assets, income and expenses from the active and retiree plan. As part of this email poll, the Trustees approved the Shoppers CBA language, changing the prescription drug copayments for Shoppers retirees to 8% for generic drugs and 13% for brand drugs. In addition, Shoppers retirees were moved into Kaiser's Plan A.

B. Poll Results - Endodontics Coverage

Mr. Jensen said a poll of the Trustees approved the addition of coverage for endodontics fro Shoppers participants in plans JSS-2 and Y-2, effective September 1, 2012.

C. Prescription Drug Program - Step Therapy

Mr. Jensen discussed adding step therapy to the prescription drug program, based on the language in the Shoppers Food Warehouse memorandum of understanding.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

> **RESOLVED to approve the addition of step therapy to the prescription drug program.**

The Trustees also discussed the exclusion of Proton Pump Inhibitors, which are currently covered under the UFCW Local 400 collective bargaining agreement, but are not covered under the UFCW Local 27 collective bargaining agreement. The Trustees decided to discuss this topic at the next meeting.

D. Prescription Drug Program – Narcotic Flags

The Trustees discussed narcotic flags under the prescription drug program.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

> **RESOLVED to delegate decisions on prescription drug narcotic flags to a subcommittee of Mark Federici and Alia Samad-Salameh.**

E. Pharmacy Benefit Manager ("PBM") – Renewal

Mr. Jensen discussed the renewal contract offered by Catamaran, the Fund's PBM. He noted that Catamaran is the new name for Informed Rx. Mercer provided a report on the proposals submitted by Catamaran and Express Scripts which was reviewed by the Trustees. Such report recommended renewal of the contract with Catamaran based on the more favorable financial proposal.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to approve the renewal of the Catamaran prescription drug program.

F. Prescription Drug Program – Mandatory Mail Order

Mr. Jensen discussed a change to the prescription drug program for retiree plans, requiring mail order service for out-of-area retired participants. Such restriction had been approved by the bargaining parties during the recent Shoppers negotiations.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to approve the requirement of mail order prescription drug service for out-of-area retired participants.

G. Prescription Drug Program – Gardasil

Mr. Jensen said Gardasil was approved in the Shoppers negotiations as a covered expense. The current law allows Gardasil to be obtained and administered by a pharmacy in Virginia, but Maryland and Washington, D.C. laws do not allow the pharmacy to administer the drug. He discussed various ways to cover the expense. The Trustees asked Mr. Jensen to write a summary of the options and delegated the decision to a subcommittee of Trustees Federici and Samad-Salameh.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to delegate decisions on covering Gardasil to a subcommittee of Mark Federici and Alia Samad-Salameh.

H. Maintenance of Benefits ("MOB") – Non-Kroger Plans

Mr. Jensen noted that the last MOB projection was performed in October 2011, effective May 2011, based on a report produced by BHA Consultants. He said he would send a MOB projection calculation to the Trustees for review. The Trustees agreed to act on this issue by an email poll of the Trustees.

I. Perkins Management – Payroll Audit Findings

Mr. Jensen said he received a letter from Perkins Management requesting the waiver of a portion of a payroll audit finding recently performed for the period January 2008 – December 2010. The letter stated that Perkins Management erroneously paid contributions to another fund, and requested a waiver of $6,709.08.

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

> **RESOLVED to deny the request by Perkins Management to waive a portion of a payroll audit finding of contributions due.**

J. SuperValu – Credit Request

Mr. Jensen said he received a letter from SuperValu requesting a credit of $9,284.58 due to an overpayment of a participant's premiums. He advised that it was consistent with the Fund policy on mistaken contributions.

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

> **RESOLVED to approve the SuperValu request for a credit of $9,284.58.**

Trustees Samad-Salameh and Gwin abstained from the vote.

K. MetLife – Life Insurance Rates

Mr. Jensen said that the Life and AD&D rates for Kroger Richmond/Tidewater renewed without change for the plan year September 1, 2012 through August 31, 2013. The rates remained $.127 and $.03 per $1,000.

L. Carefirst Agreement

Mr. Jensen presented a letter from Carefirst requesting a rate adjustment retroactive to November 1, 2011. The Trustees tabled this discussion and requested that Carefirst representatives be invited to the next meeting to discuss the request.

M. Kaiser – Medicare Rates

Mr. Jensen presented a letter from Kaiser Permanente illustrating the Medicare Plus rates for 2013. He said that the rate for Plan C with Medicare Part D, which is currently

$305.18 per month, is not changing. The rate for Plan A with Medicare Part D, which is currently $208.55, is not changing. The part-time and spouse rate for the High Option with Medicare Part D, will increase from $99.00 per month to $103.00 per month, a 4% increase.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to approve Kaiser Medicare rates for 2013.

N. <u>Kroger Bargaining Data</u>

Mr. Jensen said he received a request from Kroger for bargaining related data. UFCW Local 400 requested that they be allowed to review this data as well. The Board agreed to provide the data, subject to a confidentiality agreement.

O. <u>Fund Consultant</u>

Trustee Samad-Salameh suggested hiring a consultant to assist the Fund with plan design review. Trustee Federici requested that she provide details for the scope of the project prior to any decision being made on this topic. She agreed to provide a draft Request for Proposal for consulting services.

X. VENDOR PRESENTATIONS

A. <u>Group Dental Services ("GDS") – Dental Provider</u>

The Trustees welcomed Mr. Ethan Foxman and Mr. Dwight Hyman of GDS to the meeting. They reviewed a report dated June 2012 outlining the Fund's claims experience for 2011.

The report showed total visits for 2011 were 11,433 with 25,404 procedures performed. The value of these procedures totaled $3,197,382, versus total income of $2,543,354, for a relative value of 1.26. The cost of care was $1,601,154 versus premiums paid of $2,405,084 for an experience level of 66.6%.

Mr. Foxman presented a rate chart that illustrated no rate increase for 2012. Premiums for the Shoppers participants in the JSS-2 and Y-2 programs had an increase of 9.75%

effective September 1, 2012, due to the inclusion of Endodontics. The proposal showed a rate increase of 4.5% for all plans effective January 1, 2013.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to approve Group Dental Services rates for 2012 and 2013 as presented.

The Trustees thanked Mr. Foxman and Mr. Hyman for their report and they were excused from the meeting.

B. Group Vision Services ("GVS") – Vision Provider

The Trustees welcomed Dr. Ralph Foxman and Mr. Craig Allebach of GVS to the meeting.

Mr. Allebach reviewed a report detailing the Fund's claims experience for the period January 1, 2011 through December 31, 2011. The report showed 2,300 exams and $89,056 in claims during 2011. There were 2,124 materials with a claim total of $221,264 distributed in 2011.

Mr. Foxman said a new hearing and LASIK benefits became available on September 1, 2012. GVS will coordinate with the Administrative Manager to prepare and send a mailer to all participants detailing these new benefits.

The Trustees thanked Dr. Foxman and Mr. Allebach for their report and they were excused from the meeting.

C. Value Options – Mental Health Provider

The Trustees welcomed Mr. Terry Poffenbaugh and Mr. Edward Knitter of ValueOptions to the meeting.

Mr. Knitter explained that there were some layoffs at Value Options, and that Mr. Poffenbaugh would be the new Fund's contact at Value Options, replacing Dave

Zaporski. He said the layoff did not affect the clinicians within the company, only management. He said the layoffs would not impact the company's service to the Fund.

Mr. Poffenbaugh reviewed a report detailing the Fund's claims experience during 2011. He said the Fund paid an average of $7.29 per employee per month for claims during 2011, a 32% increase over the $5.53 average of 2010. His report showed claims of $516,534 paid during 2011. He said the increase in claims is partly due to the availability of the benefit to older dependents as required under PPACA.

The Trustees thanked Mr. Knitter and Mr. Poffenbaugh for their report and they were excused from the meeting.

XI. MISCELLANEOUS CORRESPONDENCE

A. Proposal – US Imaging

Mr. Jensen reviewed a proposal from US Imaging, a network of imaging centers. The Trustees asked Mr. Jensen to request a network impact report from US Imaging. If the report shows viable accessibility of providers, they asked that US Imaging be invited to the next meeting to discuss their product.

B. Proposal – TC-3

Mr. Jensen reviewed a proposal from TC-3, a health care fraud investigation company. The Trustees asked Mr. Jensen to invite them to the next meeting to discuss their services.

C. Proposal – Navitus

Mr. Jensen reviewed a proposal from Navitus, a prescription drug manager. The Trustees had no interest in this proposal at this time.

D. Tertiary Claim Discounter

Mr. Jensen said that TRPN, a tertiary discounter used by Carefirst for out-of-network claim discounting, terminated their relationship with the Fund effective December 1, 2012. Carefirst recommended another vendor, HRGI, to replace them. Mr. Jensen said that it may be worthwhile to consider other vendors, and he would reach out to them for proposals.

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

> **RESOLVED to authorize a subcommittee of Trustees Federici and Samad-Salameh to review these vendors and make a selection.**

XII. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the following date for the next meeting:

April 9 – 9:00 a.m.

XIII. ADJOURNMENT

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

Respectfully submitted,

Mark Federici - Chairman

NF js12-11-12 (Orig. 12/18/12)(Rev: 06/24/13bs)

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APPEALS EMAILED AND RESOLVED BY THE APPEALS SUBCOMMITTEE OF THE BOARD OF TRUSTEES OF THE UCFW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND ON DECEMBER 13, 2012

The following Trustees made determinations on the appeals:

UNION TRUSTEES
M. Federici

EMPLOYER TRUSTEE
D. Gwin

Also present was:
E. Novak - Associated Administrators, LLC.

I. APPEALS

The following appeals were reviewed by the Trustees:

August 2012

A12/115-8049	Overpayment, Recurrence	Denied
E12/300-5642	Open Enrollment	Denied
M12/305-4724	Late Filing	Denied
M12/263-7752	Late Filing	Denied
M12/280-5762	Late Filing	Denied
M12/628-3252	Late Filing, Late Appeal	Denied
M12/293-8334	Late Filing, Late Appeal	Denied
M12/289-5140	Late Response, Work Related	Denied
M12/273-6864	Late Response Medical Necessity, Late Appeal	Denied
M12/303-0786	Routine Services	Approved
M12/294-8602	Routine Services	Denied

M12/299-5538	Excess of UCR, Late Appeal	Denied
M12/310-4257	Non-Participating Provider, Late Appeal	Denied
M12/309-6816	Non-Participating Provider, Late Appeal	Denied
M12/308-0017	Non-Participating Provider, Late Appeal	Denied
M1/304-5995	Non-Participating Provider, Late Appeal	Denied
M12/307-8503	Non-Participating Provider, Late Appeal	Denied
M12/297-7695	CRNA	Denied
M12/114-7745	CRNA	Denied
M12/272-6686	Routine - HPV Vaccine	Denied
M12/261-5806	CRNA	Denied
M12/279-7731	CRNA	Denied
M12/245-7695	CRNA	Denied

September/October 2012

A12/124-0989	Not Actively Working	Denied
A12/127-2721	Not Actively Working	Denied
E12/315-8353	Retiree Coverage	Denied
Rx12/325-0970	Brand Name Rx, Oral Contraceptives	Approved
M12/314-7976	Late Filing, Late Appeal	Denied
M12/337-6983	Late Filing	Denied
M12/312-8606	Late Filing	Denied
M12/329-7216	Late Response	Denied
M12/318-5168	Late Response, Routine	Approved
M12/328-7860	Late Response, Routine, Late Appeal	Denied
M12/345-7395	Late Response, Late Appeal	Denied
M12/357-2414	Late Response, Late Appeal	Denied
M12/339-3563	Non-Participating Provider, Late Appeal	Denied
M12/331-7827	Non-Participating Provider, Late Appeal	Denied
M12/334-0298	Excess of UCR	Denied
M12/322-1024	Medical Necessity, Late Appeal	Denied
M12/346-3219	Routine Services	Approved
M12/324-5835	Routine Laboratory Services	Denied
M12/344-2310	Coordination of Benefits	Denied

November/December 2012

M12/365-4712	Late Filing	Denied
M12/363-9268	Late Filing	Denied
M12/360-5634	Late Filing	Denied
M12/359-0287	Late Filing	Denied
M12/367-4237	Late Filing, Late Appeal	Denied
M12/323-2639	Late Filing, Routine Services	Denied
M12/361-1413	Routine Services	Denied
M12/379-5111	Medical Necessity	Denied
M12/366-7110	Laboratory Services	Denied
M12/369-4876	Laboratory Services	Denied
M12/374-4876	CRNA	Tabled
M12/377-0636	Nurse Practitioner	Approved
E12/376-0003	Reinstatement of Coverage or Reimbursement	Approved

Respectfully submitted,

Emily Novak

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MINUTES OF THE MEETING OF THE APPEALS SUBCOMMITTEE OF THE UCFW UNIONS & PARTICIPATING EMPLOYERS HELD ON MARCH 18, 2013 IN LANDOVER, MARYLAND

The following committee members were present:

UNION TRUSTEES
M. Federici

EMPLOYER TRUSTEE
D. Gwin

Also present was:
E. Novak - Associated Administrators, LLC
C. Brown – Associated Administrators, LLC

I. APPEALS

The following appeals were reviewed by the Trustees:

January 2013

CODE	ISSUE	DECISION
A12/140-8311	Overpayment	Denied
E13/106-8255	Open Enrollment	Approved
E13/114-9632	Open Enrollment	Denied
M12/387-7110	Late Filing	Denied
M13/107-2414	Late Filing, Air Ambulance	Denied
M12/382-8243	Late Response (EOB), No Response Accident Details	Denied
M12/395-6555	Late Response, Late Appeal	Denied
M12/391-7503	Late Response, Late Appeal	Denied
M13/101-4257	Non-Participating Provider, Late Appeal	Denied
M12/389-4252	CRNP	Approved
M13/125-4835	Routine Services	Denied
M13/116-4040	Routine Services	Approved

M13/115-3713	Ambulance Service	Approved
M12/383-4430	Air Ambulance	Approved
M13/109-0808	Diabetic Benefit	Approved
M13/110-0521	Negative Pricing	Approved
M13/128-4050	Coordination of Benefits	Approved

February 2013

CODE	ISSUE	DECISION
M13/134-9951	Late Filing	Denied
M13/121-2462	Late Filing	Denied
M13/117-7849	Late Filing	Denied
M13/118-6831	Late Filing	Denied
M13/135-6936	Late Filing	Denied
M13/133-6292	Late Filing	Denied
M13/112-2147	Late Filing	Denied
M13/150-4804	Late Filing	Denied
M13/131-1162	Late Filing	Denied
M13/1256-7891	Late Filing	Denied
M13/138-0344	Late Filing	Denied
M13/130-6329	Excess of UCR	Denied
M13/169-6903	Routine Services	Approved
M13/160-6380	Routine Services	Approved
M13/154-5896	Routine Services	Approved
M13/139-3953	Medical Necessity	Denied
M13/178-7611	Negative Pricing	Approved
M13/190-2310	Coordination of Benefits	Approved

Respectfully submitted,

Emily Novak, Appeals Supervisor

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UFCW UNIONS AND PARTICIPATING EMPLOYERS

HEALTH & WELFARE FUND

FOURTH QUARTER 2012

ADMINISTRATIVE MANAGER'S REPORT

FOURTH QUARTER 2012
PLAN JS

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KELCO	$920.73	11	$30,384	
COBRA		1	643	
TOTAL		12	$31,027	$0

BENEFIT EXPENSES		COST
MEDICAL		$13,547
HMO		0
LIFE & AD & D		32
DISABILITY		1,753
DENTAL		1,337
OPTICAL		162
DRUG		4,572
RETIREES		12,296
MEDICAL ADM.		384
MENTAL HEALTH MANAGER		81
PPO		231
UM/DM		339
SUB TOTAL		$34,734

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$409
ADMINISTRATION HIPAA		9
MISCELLANEOUS		271
SUB TOTAL		$689

TOTAL EXPENSES		$35,423

SURPLUS (DEFICIT)		($4,396)

AVERAGE INCOME		$862
AVERAGE EXPENSE		984
SURPLUS (DEFICIT)		($122)

FOURTH QUARTER 2012
PLAN JSS-2

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
DELMARVA	$1,208.68	2	$7,251	
FARMER'S MARKET	1,211.47	0	0	
MAGRUDERS FT	1,211.47	30	107,821	
MAGRUDERS PT	1,211.47	13	47,247	
SAFEWAY VALLEY FT	1,208.68	3	10,878	
SAFEWAY VALLEY PT	1,208.68	4	14,505	
SHOPPERS FOOD 400 FT	1,208.68	517	1,875,872	
SHOPPERS FOOD 400 PT	1,208.68	212	769,930	
UFCW 400 TEMP FT	1,208.68	1	3,626	
COBRA		1	1,111	
HMO COPAYS			8,514	
TOTAL		783	$2,846,755	$0

BENEFIT EXPENSES		COST
MEDICAL		$1,569,819
HMO		21,997
LIFE & AD & D		6,600
DISABILITY		104,749
DENTAL[1]		106,996
OPTICAL		10,798
DRUG		488,774
RETIREES		802,335
MEDICAL ADM.		28,008
MENTAL HEALTH MANAGER		71,112
PPO		16,287
UM/DM		24,026
SUB TOTAL		$3,271,500

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$26,690
ADMINISTRATION HIPAA		643
MISCELLANEOUS		17,700
SUB TOTAL		$45,033

TOTAL EXPENSES		$3,316,533

SURPLUS (DEFICIT)		($469,778)

AVERAGE INCOME		$1,212
AVERAGE EXPENSE		1,412
SURPLUS (DEFICIT)		($200)

[1]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN K2 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]	$633.06	1,183	$2,246,730	
UFCW 400 TEMP FT	633.06	2	3,796	
COBRA		12	14,050	
TOTAL		1,197	$2,264,576	$0

BENEFIT EXPENSES		COST
MEDICAL		$1,896,042
LIFE & AD & D		16,989
DISABILITY		138,561
DENTAL[2]		138,149
OPTICAL		16,047
RETIREES		327,495
MEDICAL ADM.		42,527
MENTAL HEALTH MANAGER		50,523
EAP		2,377
PPO		53,303
UM/DM		36,409
SUB TOTAL		$2,718,422

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$40,802
ADMINISTRATION HIPAA		984
MISCELLANEOUS		27,059
SUB TOTAL		$68,845

TOTAL EXPENSES		$2,787,267

SURPLUS (DEFICIT)		($522,689)

AVERAGE INCOME		$631
AVERAGE EXPENSE		776
SURPLUS (DEFICIT)		($145)

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES
[2]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN K2 PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]	$257.47	184	$142,381	
TOTAL		184	$142,381	$0

BENEFIT EXPENSES		COST
MEDICAL		$43,536
LIFE & AD & D		720
DISABILITY		1,105
DENTAL[2]		9,469
OPTICAL		1,682
RETIREES		49,505
MEDICAL ADM.		4,612
MENTAL HEALTH MANAGER		1,050
EAP		255
PPO		7,615
UM/DM		3,860
SUB TOTAL		$123,409

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$6,272
ADMINISTRATION HIPAA		151
MISCELLANEOUS		4,159
SUB TOTAL		$10,582

TOTAL EXPENSES		$133,991

SURPLUS (DEFICIT)		$8,390

AVERAGE INCOME		$258
AVERAGE EXPENSE		243
SURPLUS (DEFICIT)		$15

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES
[2]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN K2 PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]	$1,009.19	3	$9,084	
TOTAL		3	$9,084	$0

BENEFIT EXPENSES		COST
MEDICAL		$9,418
LIFE & AD & D		18
DISABILITY		0
DENTAL[2]		460
OPTICAL		40
RETIREES		3,808
MEDICAL ADM.		108
MENTAL HEALTH MANAGER		141
EAP		6
PPO		180
UM/DM		93
SUB TOTAL		$14,272

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$102
ADMINISTRATION HIPAA		3
MISCELLANEOUS		68
SUB TOTAL		$173

TOTAL EXPENSES		$14,445

SURPLUS (DEFICIT)		($5,361)

AVERAGE INCOME		$1,009
AVERAGE EXPENSE		1,605
SURPLUS (DEFICIT)		($596)

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES
[2]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN K20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]	$319.40	758	$725,996	
UFCW 400 TEMP FT	319.40	1	319	
COBRA		5	2,735	
TOTAL		764	$729,050	$0

BENEFIT EXPENSES		COST
MEDICAL		$508,092
LIFE & AD & D		2,563
DISABILITY		13,532
DENTAL[2]		39,213
OPTICAL		7,911
MEDICAL ADM.		20,813
MENTAL HEALTH MANAGER		9,812
PPO		34,466
UM/DM		17,942
SUB TOTAL		$654,344

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$26,042
ADMINISTRATION HIPAA		628
MISCELLANEOUS		17,270
SUB TOTAL		$43,940

TOTAL EXPENSES		$698,284

SURPLUS (DEFICIT)		$30,766

AVERAGE INCOME		$318
AVERAGE EXPENSE		305
SURPLUS (DEFICIT)		$13

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

[2]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN K20 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]	$109.57	861	$283,128	
COBRA		2	482	
TOTAL		863	$283,610	$0

BENEFIT EXPENSES		COST
MEDICAL		$73,435
LIFE & AD & D		875
DISABILITY		3,323
DENTAL[2]		12,183
OPTICAL		3,426
MEDICAL ADM.		11,133
MENTAL HEALTH MANAGER		8,655
PPO		36,916
UM/DM		9,450
SUB TOTAL		$159,396

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$29,416
ADMINISTRATION HIPAA		709
MISCELLANEOUS		19,508
SUB TOTAL		$49,633

TOTAL EXPENSES		$209,029

SURPLUS (DEFICIT)		$74,581

AVERAGE INCOME		$110
AVERAGE EXPENSE		81
SURPLUS (DEFICIT)		$29

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

[2]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN RICHMOND TIDEWATER

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER R/T		1,110	$2,738,545	
COBRA		10	10,206	
TOTAL		1,120	$2,748,751	$0

BENEFIT EXPENSES		COST
AETNA DENTAL		$13,089
AETNA DENTAL CLAIMS		88,377
ASO PROVIDER		2,224,876
DRUG		313,643
METLIFE		20,463
GVS OPTICAL		12,232
SUB TOTAL		$2,672,680

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$37,227
MISCELLANEOUS		25,319
SUB TOTAL		$62,546

TOTAL EXPENSES		$2,735,226
SURPLUS (DEFICIT)		$13,525

AVERAGE INCOME		$818
AVERAGE EXPENSE		814
SURPLUS (DEFICIT)		$4

FOURTH QUARTER 2012
PLAN S

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
SAFEWAY VALLEY FT	$1.61	1	$829	
SAFEWAY VALLEY PT	1.61	2	535	
TOTAL		3	$1,364	$0

BENEFIT EXPENSES		COST
MEDICAL		$0
LIFE & AD & D		0
DISABILITY		0
DENTAL		0
OPTICAL		0
DRUG		0
RETIREES		3,074
MEDICAL ADM.		36
PPO		3
UM/DM		31
SUB TOTAL		$3,144

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$102
ADMINISTRATION HIPAA		3
MISCELLANEOUS		68
SUB TOTAL		$173

TOTAL EXPENSES		$3,317

SURPLUS (DEFICIT)		($1,953)

AVERAGE INCOME		$152
AVERAGE EXPENSE		369
SURPLUS (DEFICIT)		($217)

FOURTH QUARTER 2012
PLAN Y FULL TIME

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$813.48	0	$0	
FARMER'S MARKET	813.48	0	0	
MAGRUDERS	813.48	5	12,201	
METRO/BASICS	810.69	289	702,868	
RETAIL BRAND ALLIANCE	810.69	17	41,346	
SHOPPERS 400	810.69	165	402,093	
UNION COMMUNICATION	810.69	3	7,296	
UFCW 400 TEMP FT	810.69	0	0	
COBRA		3	5,505	
HMO COPAYS			3,981	
TOTAL		482	$1,175,290	$0

BENEFIT EXPENSES		COST
MEDICAL		$593,063
HMO		33,012
LIFE & AD & D		4,367
DISABILITY		110,195
DENTAL[1]		60,149
OPTICAL		5,788
DRUG		239,690
MEDICAL ADM.		14,412
MENTAL HEALTH MANAGER		7,348
EAP		797
PPO		8,288
UM/DM		12,228
SUB TOTAL		$1,089,327

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$16,430
ADMINISTRATION HIPAA		397
MISCELLANEOUS		10,895
SUB TOTAL		$27,722

TOTAL EXPENSES		$1,117,049

SURPLUS (DEFICIT)		$58,241

AVERAGE INCOME		$813
AVERAGE EXPENSE		773
SURPLUS (DEFICIT)		$40

[1]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN Y PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$511.79	0	$0	
FARMER'S MARKET	511.79	0	0	
MAGRUDERS	511.79	10	14,842	
METRO/BASICS	431.22	222	286,762	
RETAIL BRAND ALLIANCE	431.22	0	0	
SHOPPERS 400[1]	431.22	584	755,497	
COBRA		6	8,906	
TOTAL		822	$1,066,007	$0

BENEFIT EXPENSES		COST
MEDICAL		$316,278
HMO		16,600
LIFE & AD & D		3,097
DISABILITY		39,681
DENTAL[2]		48,971
OPTICAL		8,017
DRUG		168,492
MEDICAL ADM.		20,213
MENTAL HEALTH MANAGER		8,600
EAP		1,127
PPO		11,847
UM/DM		17,262
SUB TOTAL		$660,085

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$28,019
ADMINISTRATION HIPAA		676
MISCELLANEOUS		18,581
SUB TOTAL		$47,276

TOTAL EXPENSES		$697,361

SURPLUS (DEFICIT)		$368,646

AVERAGE INCOME		$432
AVERAGE EXPENSE		283
SURPLUS (DEFICIT)		$149

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES
[2]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN Y PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$1,154.79	0	$0	
MAGRUDERS	1,154.79	0	0	
METRO/BASICS	983.97	91	269,607	
SHOPPERS 400[1]	983.97	159	469,353	
TOTAL		250	$738,960	$0

BENEFIT EXPENSES		COST
MEDICAL		$379,099
HMO		3,477
LIFE & AD & D		1,341
DISABILITY		12,760
DENTAL[2]		42,373
OPTICAL		3,429
DRUG		192,513
MEDICAL ADM.		8,851
MENTAL HEALTH MANAGER		6,226
EAP		496
PPO		5,176
UM/DM		7,658
SUB TOTAL		$662,398

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$8,522
ADMINISTRATION HIPAA		205
MISCELLANEOUS		5,651
SUB TOTAL		$14,378

TOTAL EXPENSES		$676,776

SURPLUS (DEFICIT)		$62,184

AVERAGE INCOME		$985
AVERAGE EXPENSE		902
SURPLUS (DEFICIT)		$83

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES
[2]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN Y20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$452.32	23	$31,662	
SHOPPERS 400	452.32	22	29,401	
COBRA		2	3,657	
TOTAL		47	$64,720	$0

BENEFIT EXPENSES		COST
MEDICAL		$19,909
HMO		11,372
LIFE & AD & D		718
DISABILITY		4,415
DENTAL[1]		4,736
OPTICAL		924
DRUG		11,170
MEDICAL ADM.		2,018
MENTAL HEALTH MANAGER		1,067
PPO		1,163
UM/DM		1,698
SUB TOTAL		$59,190

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$1,602
ADMINISTRATION HIPAA		39
MISCELLANEOUS		1,062
SUB TOTAL		$2,703

TOTAL EXPENSES		$61,893

SURPLUS (DEFICIT)		$2,827

AVERAGE INCOME		$459
AVERAGE EXPENSE		439
SURPLUS (DEFICIT)		$20

[1]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN Y20 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
FARMER'S MARKET	$207.79	2	$1,456	
MAGRUDERS	207.79	19	11,636	
METRO/BASICS[1]	144.22	327	141,480	
SHOPPERS 400	144.22	399	172,775	
COBRA		8	2,130	
TOTAL		755	$329,476	$0

BENEFIT EXPENSES		COST
MEDICAL		$281,869
HMO		885
LIFE & AD & D		2,846
DISABILITY		11,080
DENTAL[2]		25,079
OPTICAL		7,213
DRUG		69,119
MEDICAL ADM.		19,576
MENTAL HEALTH MANAGER		4,575
PPO		11,392
UM/DM		16,676
SUB TOTAL		$450,310

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$25,735
ADMINISTRATION HIPAA		620
MISCELLANEOUS		17,068
SUB TOTAL		$43,423

TOTAL EXPENSES		$493,733

SURPLUS (DEFICIT)		($164,257)

AVERAGE INCOME		$145
AVERAGE EXPENSE		218
SURPLUS (DEFICIT)		($73)

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES
[2]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN Z FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
	$1,569.95	0	$0	
TOTAL		0	$0	$0

BENEFIT EXPENSES		COST
MEDICAL		$0
HMO		0
LIFE & AD & D		0
DISABILITY		0
DENTAL		0
OPTICAL		0
DRUG		0
MEDICAL ADM.		0
MENTAL HEALTH MANAGER		0
EAP		0
PPO		0
UM/DM		0
SUB TOTAL		$0

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$0
ADMINISTRATION HIPAA		0
MISCELLANEOUS		0
SUB TOTAL		$0

TOTAL EXPENSES		$0

SURPLUS (DEFICIT)		$0

AVERAGE INCOME		$0
AVERAGE EXPENSE		$0
SURPLUS (DEFICIT)		$0

FOURTH QUARTER 2012
PLAN Z PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
PERKINS MANAGEMENT SERVICES	$559.09	5	$8,385	
TOTAL		5	$8,385	$0

BENEFIT EXPENSES		COST
MEDICAL		$100
HMO		0
LIFE & AD & D		2
DISABILITY		0
DENTAL[1]		137
OPTICAL		45
DRUG		460
MEDICAL ADM.		120
MENTAL HEALTH MANAGER		13
EAP		4
PPO		36
UM/DM		93
SUB TOTAL		$1,010

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$171
ADMINISTRATION HIPAA		3
MISCELLANEOUS		113
SUB TOTAL		$287

TOTAL EXPENSES		$1,297

SURPLUS (DEFICIT)		$7,088

AVERAGE INCOME		$559
AVERAGE EXPENSE		86
SURPLUS (DEFICIT)		$473

[1]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
PLAN Z PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
	$1,136.63	0	$0	
TOTAL		0	$0	$0

BENEFIT EXPENSES		COST
MEDICAL		$0
HMO		0
LIFE & AD & D		0
DISABILITY		0
DENTAL		0
OPTICAL		0
DRUG		0
MEDICAL ADM.		0
MENTAL HEALTH MANAGER		0
EAP		0
PPO		0
UM/DM		0
SUB TOTAL		$0

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$0
ADMINISTRATION HIPAA		0
MISCELLANEOUS		0
SUB TOTAL		$0

TOTAL EXPENSES		$0

SURPLUS (DEFICIT)		$0

AVERAGE INCOME		$0
AVERAGE EXPENSE		0
SURPLUS (DEFICIT)		$0

FOURTH QUARTER 2012
K2 RETIREES

INCOME RATE	CO-PAY $140.00	CO-PAY $172.00	CO-PAY $209.00	CO-PAY $241.00	CO-PAY $311.00	CO-PAY $349.00	COMBINED
NO OF EMP.	180	86	67	16	25	3	377
TOTAL INCOME	$77,505	$43,000	$43,514	$11,568	$22,081	$4,642	$202,310

BENEFIT EXP							COMBINED
MEDICAL	$144,706	$68,997	$54,231	$12,887	$20,404	$2,416	$303,641
DENTAL[1]	13,578	6,333	5,019	1,193	1,864	223	28,210
OPTICAL	2,456	1,172	920	217	347	39	5,151
MEDICAL ADM.	6,570	3,063	2,427	576	900	108	13,644
MENTAL HEALTH MANAGER	5,970	2,786	2,199	524	820	99	12,398
PPO	0	6,625	0	1,237	0	232	8,094
UM/DM	0	2,629	0	491	0	92	3,212
SUBTOTAL	$173,280	$91,605	$64,796	$17,125	$24,335	$3,209	$374,350

OPERATING EXP							
ADMINISTRATION	$2,933	$1,397	$1,099	$261	$414	$48	$6,152
ADMINISTRATION HIPAA	145	69	56	12	21	3	306
SUBTOTAL	$3,078	$1,466	$1,155	$273	$435	$51	$6,458

TOTAL EXPENSES	$176,358	$93,071	$65,951	$17,398	$24,770	$3,260	$380,808

SURPLUS (DEFICIT)	($98,853)	($50,071)	($22,437)	($5,830)	($2,689)	$1,382	($178,498)

AVERAGE INCOME	$144	$167	$216	$241	$294	$516	$179
AVERAGE EXPENSE	327	361	328	362	330	362	337
SURPLUS (DEFICIT)	($183)	($194)	($112)	($121)	($36)	$154	($158)

[1]INCLUDES RETRO RATE ADJUSTMENTS

FOURTH QUARTER 2012
RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$377.19	$366.10	$198.59	$173.06	PLAN T[1]	NONE	
NO OF EMP.	0	6	18	2	17	453	496
TOTAL INCOME	$0	$6,224	$11,128	$1,038	$18,069	$0	$36,459

BENEFIT EXP							COMBINED
MEDICAL	$0	$2,328	$3,929	$0	$7,771	$419,940	$433,968
DENTAL	0	516	1,751	171	1,329	41,088	44,855
OPTICAL	0	83	281	27	235	6,252	6,878
DRUG	0	8,459	20,762	7,657	10,258	260,122	307,258
MEDICAL ADM.	0	216	720	0	300	9,729	10,965
MENTAL HEALTH MANAGER	0	45	153	0	63	2,026	2,287
EAP	0	0	0	0	22	0	22
PPO	0	0	0	0	34	2,249	2,283
UM/DM	0	0	0	0	31	617	648
SUBTOTAL	$0	$11,647	$27,596	$7,855	$20,043	$742,023	$809,164

OPERATING EXP							
ADMINISTRATION	$0	$99	$332	$33	$276	$7,398	$8,138
ADMINISTRATION HIPAA	0	6	16	3	12	367	404
SUBTOTAL	$0	$105	$348	$36	$288	$7,765	$8,542

TOTAL EXPENSES	$0	$11,752	$27,944	$7,891	$20,331	$749,788	$817,706

SURPLUS (DEFICIT)	$0	($5,528)	($16,816)	($6,853)	($2,262)	($749,788)	($781,247)

AVERAGE INCOME	$0	$346	$206	$173	$354	$0	$25
AVERAGE EXPENSE	0	653	517	1,315	399	552	550
SURPLUS (DEFICIT)	$0	($307)	($311)	($1,142)	($45)	($552)	($526)

[1]INCLUDES RETRO RATE ADJUSTMENTS FOR DENTAL

FOURTH QUARTER 2012

PRESCRIPTION REPORT

SCRIPTS PROCESSED	SCRIPT/ADM. COST	PHARMACY PAYMENT	TOTAL
17,224	$13,878	$1,458,170	$1,472,048

MISCELLANEOUS EXPENSES

CATEGORY		COST
ACCOUNTING		$12,160
ACT & CONSULTING		66,768
ACCURINT		9
BONDING & INSURANCE		2,334
COMPUFACTS		1,990
CONFERENCE EXPENSE		629
DUES		880
INVESTMENT MANAGEMENT		9,244
LEGAL		55,012
POSTAGE		6,866
PRINTING		7,894
TELEPHONE		1,006
TOTAL		$164,792

FOURTH QUARTER 2012
QUARTERLY RECAP

	FIRST 2012	SECOND 2012	THIRD 2012	FOURTH 2012	TOTAL
CONTRIBUTIONS REC'D	$11,367,392	$12,197,686	$11,967,102	$12,439,438	$47,971,618
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	241,859	240,594	238,769	238,769	959,991
INT. & DIVIDENDS	148,709	135,898	148,578	136,695	569,880
MISCELLANEOUS INCOME	0	0	245	0	245
TOTAL INCOME	$11,757,960	$12,573,578	$12,354,694	$12,814,902	$49,501,134
EXPENSES					
MEDICAL	$6,751,446	$7,844,181	$7,743,141	$7,910,770	$30,249,538
LIFE & AD & D	62,700	59,662	58,374	60,631	241,367
DISABILITY	380,921	404,813	388,999	441,156	1,615,889
DENTAL	594,215	594,928	580,699	590,718	2,360,560
OPTICAL	81,361	79,600	79,535	77,711	318,207
DRUG	1,394,890	1,478,418	1,328,240	1,478,433	5,679,981
RETIREES	1,035,277	1,198,322	1,428,253	1,198,513	4,860,365
MEDICAL ADM.	172,679	171,939	174,386	172,811	691,815
MENTAL HEALTH MANAGER	199,756	180,493	121,150	168,102	669,501
EAP	5,015	5,030	5,085	5,063	20,193
PPO	328,631	335,614	319,878	312,549	1,296,672
UM/DM	166,532	158,021	160,838	147,764	633,155
SUBTOTAL	$11,173,423	$12,511,021	$12,378,578	$12,564,221	$48,627,243
OPERATING EXPENSE					
ADMINISTRATION	$241,069	$240,602	$246,992	$247,541	$976,204
ADMINISTRATION HIPAA	4,872	4,885	5,039	5,070	19,866
MISCELLANEOUS	91,069	109,729	130,256	164,792	495,846
SUBTOTAL	$337,010	$355,216	$382,287	$417,403	$1,491,916
TOTAL EXPENSES	$11,510,433	$12,866,237	$12,760,865	$12,981,624	$50,119,159
SURPLUS (DEFICIT)	$247,527	($292,659)	($406,171)	($166,722)	($618,025)
TOTAL PARTICIPANTS	7,337	7,342	7,328	7,290	7,324
FUND BALANCE	$16,181,792	$16,086,496	$15,823,001	$15,076,231	

2011
QUARTERLY RECAP

	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	TOTAL
CONTRIBUTIONS REC'D	$11,536,968	$14,723,685	$12,129,876	$9,671,438	$48,061,967
CONTRIBUTIONS OUTSTANDING					0
RETIREE INCOME	249,880	246,187	243,113	243,759	982,939
INT. & DIVIDENDS	169,539	153,592	140,637	163,187	626,955
MISCELLANEOUS INCOME	9,002	26,525	101,156	61,606	198,289
TOTAL INCOME	$11,965,389	$15,149,989	$12,614,782	$10,139,990	$49,870,150
EXPENSES					
MEDICAL	$7,662,440	$9,006,043	$8,989,402	$7,479,088	$33,136,973
LIFE & AD & D	77,654	66,139	66,719	66,296	276,808
DISABILITY	479,650	550,994	529,044	371,325	1,931,013
DENTAL	637,488	658,384	627,448	603,734	2,527,054
OPTICAL	87,473	86,879	85,570	84,827	344,749
DRUG	1,561,950	1,660,212	1,581,595	1,474,664	6,278,421
RETIREES	842,813	1,230,895	1,181,712	949,459	4,204,879
MEDICAL ADM.	184,063	184,488	190,089	179,675	738,315
MENTAL HEALTH MANAGER	200,882	137,381	215,574	128,747	682,584
EAP	5,468	5,441	5,409	5,233	21,551
PPO	294,388	302,983	302,770	331,166	1,231,307
UM/DM	190,603	175,216	175,898	172,069	713,786
SUBTOTAL	$12,224,872	$14,065,055	$13,951,230	$11,846,283	$52,087,440
OPERATING EXPENSE					
ADMINISTRATION	($133,691)	$259,178	$261,080	$259,887	$646,454
ADMINISTRATION HIPAA	(4,062)	5,419	5,437	5,407	12,201
MISCELLANEOUS	144,952	146,013	237,350	225,660	753,975
SUBTOTAL	$7,199	$410,610	$503,867	$490,954	$1,412,630
TOTAL EXPENSES	$12,232,071	$14,475,665	$14,455,097	$12,337,237	$53,500,070
SURPLUS (DEFICIT)	($266,682)	$674,324	($1,840,315)	($2,197,247)	($3,629,920)
TOTAL PARTICIPANTS	8,206	8,399	7,300	7,277	7,796
FUND BALANCE	$18,132,140	$19,905,034	$18,414,291	$18,097,343	

CONTRACT INFORMATION
MAINTENANCE OF BENEFITS
FOURTH QUARTER 2012

CONTRACT EXP.	COMPANY	PLAN	RATES
04-30-12[1]	ACE SUSHI	Y	$813.48
		Y	$511.79
		Y	$1,154.79
09-30-12	PERKINS MGMT	Z	$1,589.95
		Z	$559.09
		Z	$1,136.63
06-30-13	DELMARVA UFCW	JSS-2	$1,208.68
05-29-13[2]	FARMER'S MARKET	JSS-2	$1,211.47
		Y	$813.48
		Y	$511.79
		Y	$1,154.79
		Y20	$491.79
		Y20	$207.79
02-19-13	KELCO F.C.U.	JS	$920.73
03-30-13	KROGER	K2	$633.06
		K2	$257.47
		K2	$1,009.19
		K20	$319.40
		K20	$109.57
03-31-13[2]	MAGRUDERS	JSS-2	$1,211.47
		Y	$813.48
		Y	$511.79
		Y	$1,154.79
		Y20	$491.79
		Y20	$207.79
07-12-14	METRO/BASICS	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22
03-31-13	RETAIL BRAND ALLIANCE	Y	$810.69
		Y	$431.22
		Y	$983.97
03-31-12	SAFEWAY VALLEY	JSS-2	$1,208.68
		S	$1.61
07-12-14	SHOPPERS FOOD	JSS-2	$1,208.68
07-12-14	SHOPPERS FOOD 27	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22

[1]ON EXTENSION PER LOCAL 400

[2]TERMINATED 01-17-13

07-12-14	SHOPPERS FOOD 400	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22
01-05-15	UNION COMMUNICATION SVCS	Y	$810.69
	UFCW LOCAL 400 TEMP	JSS2	$1,208.68
		K2	$633.08
		K20	$319.40
		Y	$810.69

UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
DELINQUENCY REPORT
FOURTH QUARTER 2012

FOURTH QUARTER 2012
DELINQUENCY REPORT

PRIOR QUARTERS

EMPLOYER	PERIOD	ESTIMATED CONTRIBUTION DUE	INTEREST DUE	TOTAL DUE	REFERRED TO LEGAL
MAGRUDERS	MAY 2012	0.00	$ 88.55	$ 88.55	X
TOTALS		0.00	$ 88.55	$ 88.55	

CURRENT QUARTER

EMPLOYER	DELINQ. MO.	DATE PAID	1ST LETTER	2ND LETTER	LEGAL
PERKINS MANAGEMENT SERVICES	OCTOBER 2012	December 12, 2012	X		

LATE PAYERS
PERKINS MANAGEMENT SERVICES

UFCW UNIONS AND PARTICIPATING EMPLOYERS

HEALTH & WELFARE FUND

FIRST QUARTER 2013

ADMINISTRATIVE MANAGER'S REPORT

FIRST QUARTER 2013
PLAN JS

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KELCO	$920.73	11	$30,384	
TOTAL		**11**	**$30,384**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$3,810
HMO		0
LIFE & AD & D		31
DISABILITY		629
DENTAL		1,334
OPTICAL		138
DRUG		4,968
RETIREES		9,293
MEDICAL ADM.		396
MENTAL HEALTH MANAGER		81
PPO		215
UM/DM		356
SUB TOTAL		$21,251

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$379
ADMINISTRATION HIPAA		9
MISCELLANEOUS		159
SUB TOTAL		$547

TOTAL EXPENSES		**$21,798**

SURPLUS (DEFICIT)		**$8,586**

AVERAGE INCOME		$921
AVERAGE EXPENSE		661
SURPLUS (DEFICIT)		**$260**

FIRST QUARTER 2013
PLAN JSS-2

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
DELMARVA	$1,208.68	2	$7,251	
FARMER'S MARKET[1]	1,211.47	0	0	
MAGRUDERS FT[1]	1,211.47	10	35,133	
MAGRUDERS PT[1]	1,211.47	4	15,749	
SAFEWAY VALLEY FT	1,208.68	3	10,878	
SAFEWAY VALLEY PT	1,208.68	4	15,713	
SHOPPERS FOOD 400 FT	1,208.68	510	1,848,072	
SHOPPERS FOOD 400 PT	1,208.68	207	751,799	
HMO COPAYS			8,494	
TOTAL		**740**	**$2,693,089**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$1,337,100
HMO		26,262
LIFE & AD & D		6,542
DISABILITY		98,926
DENTAL		103,231
OPTICAL		10,467
DRUG		459,064
RETIREES		625,136
MEDICAL ADM.		26,506
MENTAL HEALTH MANAGER		13,097
PPO		15,368
UM/DM		23,697
SUB TOTAL		$2,745,396

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$25,493
ADMINISTRATION HIPAA		615
MISCELLANEOUS		10,674
SUB TOTAL		$36,782

TOTAL EXPENSES		**$2,782,178**

SURPLUS (DEFICIT)		**($89,089)**

AVERAGE INCOME		$1,213
AVERAGE EXPENSE		1,253
SURPLUS (DEFICIT)		**($40)**

[1]TERMINATED 1/17/13

FIRST QUARTER 2013
PLAN K2 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1,2]	$647.75	1,205	$2,340,998	
UFCW 400 TEMP FT	647.75	2	3,240	
COBRA		11	12,074	
TOTAL		**1,218**	**$2,356,312**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$1,965,800
LIFE & AD & D		17,112
DISABILITY		110,600
DENTAL		140,819
OPTICAL		16,169
RETIREES		176,685
MEDICAL ADM.		42,780
MENTAL HEALTH MANAGER		14,117
EAP		2,391
PPO		54,681
UM/DM		38,515
SUB TOTAL		$2,579,669

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$41,963
ADMINISTRATION HIPAA		1,013
MISCELLANEOUS		17,569
SUB TOTAL		$60,545

TOTAL EXPENSES		**$2,640,214**

SURPLUS (DEFICIT)		**($283,902)**

AVERAGE INCOME		$645
AVERAGE EXPENSE		723
SURPLUS (DEFICIT)		**($78)**

[1]RATE CHANGE EFFECTIVE 1/1/13
[2]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FIRST QUARTER 2013
PLAN K2 PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1,2]	$263.03	194	$152,815	
TOTAL		**194**	**$152,815**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$86,111
LIFE & AD & D		795
DISABILITY		0
DENTAL		10,630
OPTICAL		1,866
RETIREES		26,708
MEDICAL ADM.		5,068
MENTAL HEALTH MANAGER		1,329
EAP		282
PPO		8,710
UM/DM		4,552
SUB TOTAL		$146,051

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$6,684
ADMINISTRATION HIPAA		161
MISCELLANEOUS		2,798
SUB TOTAL		$9,643

TOTAL EXPENSES		**$155,694**

SURPLUS (DEFICIT)		**($2,879)**

AVERAGE INCOME		$263
AVERAGE EXPENSE		268
SURPLUS (DEFICIT)		**($5)**

[1]RATE CHANGE EFFECTIVE 1/1/13
[2]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FIRST QUARTER 2013
PLAN K2 PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1,2]	$2,416.49	3	$21,747	
TOTAL		**3**	**$21,747**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$2,537
LIFE & AD & D		18
DISABILITY		0
DENTAL		468
OPTICAL		40
RETIREES		2,054
MEDICAL ADM.		108
MENTAL HEALTH MANAGER		12,430
EAP		6
PPO		179
UM/DM		97
SUB TOTAL		$17,937

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$103
ADMINISTRATION HIPAA		3
MISCELLANEOUS		43
SUB TOTAL		$149

TOTAL EXPENSES		**$18,086**

SURPLUS (DEFICIT)		**$3,661**

AVERAGE INCOME		$2,416
AVERAGE EXPENSE		2,010
SURPLUS (DEFICIT)		**$406**

[1]RATE CHANGE EFFECTIVE 1/1/13

[2]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FIRST QUARTER 2013
PLAN K20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1,2]	$327.51	725	$712,350	
COBRA		7	3,314	
TOTAL		**732**	**$715,664**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$664,541
LIFE & AD & D		2,448
DISABILITY		17,774
DENTAL		43,992
OPTICAL		7,638
MEDICAL ADM.		20,513
MENTAL HEALTH MANAGER		8,259
PPO		32,863
UM/DM		18,274
SUB TOTAL		$816,302

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$25,217
ADMINISTRATION HIPAA		608
MISCELLANEOUS		10,558
SUB TOTAL		$36,383

TOTAL EXPENSES		**$852,685**

SURPLUS (DEFICIT)		**($137,021)**

AVERAGE INCOME		$326
AVERAGE EXPENSE		388
SURPLUS (DEFICIT)		**($62)**

[1]RATE CHANGE EFFECTIVE 1/1/13

[2]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FIRST QUARTER 2013
PLAN K20 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1,2]	$98.98	863	$256,337	
COBRA		2	482	
TOTAL		865	$256,819	$0

BENEFIT EXPENSES		COST
MEDICAL		$219,006
LIFE & AD & D		953
DISABILITY		3,328
DENTAL		14,502
OPTICAL		3,560
MEDICAL ADM.		12,129
MENTAL HEALTH MANAGER		3,270
PPO		38,832
UM/DM		10,977
SUB TOTAL		$306,557

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$29,800
ADMINISTRATION HIPAA		719
MISCELLANEOUS		12,476
SUB TOTAL		$42,995

TOTAL EXPENSES		$349,552

SURPLUS (DEFICIT)		($92,733)

AVERAGE INCOME		$99
AVERAGE EXPENSE		135
SURPLUS (DEFICIT)		($36)

[1]RATE CHANGE EFFECTIVE 1/1/13

[2]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FIRST QUARTER 2013
PLAN RICHMOND TIDEWATER

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER R/T		1,117	$2,555,093	
COBRA		13	11,300	
TOTAL		**1,130**	**$2,566,393**	**$0**

BENEFIT EXPENSES		COST
AETNA DENTAL		$12,739
AETNA DENTAL CLAIMS		78,246
ASO PROVIDER		2,095,707
DRUG		270,231
METLIFE		19,321
GVS OPTICAL		12,537
SUB TOTAL		$2,488,781

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$37,502
MISCELLANEOUS		16,298
SUB TOTAL		$53,800

TOTAL EXPENSES		**$2,542,581**

SURPLUS (DEFICIT)		**$23,812**

AVERAGE INCOME		$757
AVERAGE EXPENSE		750
SURPLUS (DEFICIT)		**$7**

FIRST QUARTER 2013
PLAN S

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
SAFEWAY VALLEY FT	$1.61	1	$795	
SAFEWAY VALLEY PT	1.61	2	638	
TOTAL		3	$1,433	$0

BENEFIT EXPENSES		COST
MEDICAL		$0
LIFE & AD & D		0
DISABILITY		0
DENTAL		0
OPTICAL		0
DRUG		0
RETIREES		2,534
MEDICAL ADM.		36
PPO		2
UM/DM		32
SUB TOTAL		$2,604

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$103
ADMINISTRATION HIPAA		3
MISCELLANEOUS		43
SUB TOTAL		$149

TOTAL EXPENSES		$2,753

SURPLUS (DEFICIT)		($1,320)

AVERAGE INCOME		$159
AVERAGE EXPENSE		306
SURPLUS (DEFICIT)		($147)

FIRST QUARTER 2013
PLAN Y FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$813.48	0	$0	
FARMER'S MARKET[1]	813.48	0	0	
MAGRUDERS[1]	813.48	2	4,067	
METRO/BASICS	810.69	287	698,004	
RETAIL BRAND ALLIANCE	810.69	17	41,346	
SHOPPERS 400	810.69	166	402,913	
UNION COMMUNICATION	810.69	3	7,296	
COBRA		1	2,310	
HMO COPAYS			3,982	
TOTAL		476	$1,159,918	$0

BENEFIT EXPENSES		COST
MEDICAL		$751,473
HMO		33,011
LIFE & AD & D		4,381
DISABILITY		96,463
DENTAL		59,903
OPTICAL		5,841
DRUG		223,390
MEDICAL ADM.		14,484
MENTAL HEALTH MANAGER		7,446
EAP		799
PPO		8,263
UM/DM		12,753
SUB TOTAL		$1,218,207

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$16,398
ADMINISTRATION HIPAA		395
MISCELLANEOUS		6,865
SUB TOTAL		$23,658

TOTAL EXPENSES		$1,241,865

SURPLUS (DEFICIT)		($81,947)

AVERAGE INCOME		$812
AVERAGE EXPENSE		870
SURPLUS (DEFICIT)		($58)

[1]TERMINATED 1/17/13

FIRST QUARTER 2013
PLAN Y PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$511.79	0	$0	
FARMER'S MARKET[1]	511.79	0	0	
MAGRUDERS[1]	511.79	3	4,094	
METRO/BASICS	431.22	229	296,248	
RETAIL BRAND ALLIANCE	431.22	0	0	
SHOPPERS 400[2]	431.22	598	774,039	
COBRA		4	5,937	
TOTAL		834	$1,080,318	$0

BENEFIT EXPENSES		COST
MEDICAL		$314,800
HMO		18,835
LIFE & AD & D		3,099
DISABILITY		42,505
DENTAL		48,141
OPTICAL		8,000
DRUG		169,077
MEDICAL ADM.		20,297
MENTAL HEALTH MANAGER		5,610
EAP		1,117
PPO		11,697
UM/DM		17,789
SUB TOTAL		$660,967

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$28,733
ADMINISTRATION HIPAA		692
MISCELLANEOUS		12,029
SUB TOTAL		$41,454

TOTAL EXPENSES		$702,421

SURPLUS (DEFICIT)		$377,897

AVERAGE INCOME		$432
AVERAGE EXPENSE		281
SURPLUS (DEFICIT)		$151

[1]TERMINATED 1/17/13
[2]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FIRST QUARTER 2013
PLAN Y PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$1,154.79	0	$0	
MAGRUDERS[1]	1,154.79	0	0	
METRO/BASICS	983.97	89	261,735	
SHOPPERS 400[2]	983.97	153	451,642	
TOTAL		242	$713,377	$0

BENEFIT EXPENSES		COST
MEDICAL		$349,335
HMO		17,381
LIFE & AD & D		1,298
DISABILITY		12,808
DENTAL		41,062
OPTICAL		3,325
DRUG		164,878
MEDICAL ADM.		8,623
MENTAL HEALTH MANAGER		11,547
EAP		482
PPO		4,960
UM/DM		7,716
SUB TOTAL		$623,415

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$8,337
ADMINISTRATION HIPAA		201
MISCELLANEOUS		3,490
SUB TOTAL		$12,028

TOTAL EXPENSES		$635,443

SURPLUS (DEFICIT)		$77,934

AVERAGE INCOME		$983
AVERAGE EXPENSE		875
SURPLUS (DEFICIT)		$108

[1]TERMINATED 1/17/13
[2]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FIRST QUARTER 2013
PLAN Y20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$452.32	19	$25,329	
SHOPPERS 400	452.32	21	28,949	
COBRA		4	5,492	
TOTAL		44	$59,770	$0

BENEFIT EXPENSES		COST
MEDICAL		$37,504
HMO		9,950
LIFE & AD & D		693
DISABILITY		5,112
DENTAL		5,222
OPTICAL		890
DRUG		9,086
MEDICAL ADM.		1,826
MENTAL HEALTH MANAGER		565
PPO		1,104
UM/DM		1,679
SUB TOTAL		$73,631

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$1,516
ADMINISTRATION HIPAA		36
MISCELLANEOUS		635
SUB TOTAL		$2,187

TOTAL EXPENSES		$75,818

SURPLUS (DEFICIT)		($16,048)

AVERAGE INCOME		$453
AVERAGE EXPENSE		574
SURPLUS (DEFICIT)		($121)

FIRST QUARTER 2013
PLAN Y20 PART TIME

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
FARMER'S MARKET[1]	$207.79	1	$416	
MAGRUDERS[1]	207.79	6	3,532	
METRO/BASICS[2]	144.22	304	131,672	
SHOPPERS 400	144.22	371	160,518	
COBRA		5	1,455	
TOTAL		**687**	**$297,593**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$218,699
HMO		885
LIFE & AD & D		2,859
DISABILITY		6,593
DENTAL		27,919
OPTICAL		7,059
DRUG		49,086
MEDICAL ADM.		19,000
MENTAL HEALTH MANAGER		4,384
PPO		11,086
UM/DM		17,046
SUB TOTAL		$364,616

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$23,668
ADMINISTRATION HIPAA		570
MISCELLANEOUS		9,908
SUB TOTAL		$34,146

TOTAL EXPENSES		**$398,762**

SURPLUS (DEFICIT)		**($101,169)**

AVERAGE INCOME		$144
AVERAGE EXPENSE		193
SURPLUS (DEFICIT)		**($49)**

[1]TERMINATED 1/17/13

[2]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FIRST QUARTER 2013
PLAN Z FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
	$1,569.95	0	$0	
TOTAL		0	$0	$0

BENEFIT EXPENSES		COST
MEDICAL		$0
HMO		0
LIFE & AD & D		0
DISABILITY		0
DENTAL		0
OPTICAL		0
DRUG		0
MEDICAL ADM.		0
MENTAL HEALTH MANAGER		0
EAP		0
PPO		0
UM/DM		0
SUB TOTAL		$0

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$0
ADMINISTRATION HIPAA		0
MISCELLANEOUS		0
SUB TOTAL		$0

TOTAL EXPENSES		$0

SURPLUS (DEFICIT)		$0

AVERAGE INCOME		$0
AVERAGE EXPENSE		$0
SURPLUS (DEFICIT)		$0

FIRST QUARTER 2013
PLAN Z PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
PERKINS MANAGEMENT SERVICES	$559.09	5	$8,385	
TOTAL		5	$8,385	$0

BENEFIT EXPENSES		COST
MEDICAL		$1,276
HMO		0
LIFE & AD & D		6
DISABILITY		0
DENTAL		399
OPTICAL		70
DRUG		230
MEDICAL ADM.		180
MENTAL HEALTH MANAGER		37
EAP		12
PPO		103
UM/DM		161
SUB TOTAL		$2,474

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$172
ADMINISTRATION HIPAA		3
MISCELLANEOUS		72
SUB TOTAL		$247

TOTAL EXPENSES		$2,721

SURPLUS (DEFICIT)		$5,664

AVERAGE INCOME		$559
AVERAGE EXPENSE		181
SURPLUS (DEFICIT)		$378

FIRST QUARTER 2013
PLAN Z PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
	$1,136.63	0	$0	
TOTAL		0	$0	$0

BENEFIT EXPENSES		COST
MEDICAL		$0
HMO		0
LIFE & AD & D		0
DISABILITY		0
DENTAL		0
OPTICAL		0
DRUG		0
MEDICAL ADM.		0
MENTAL HEALTH MANAGER		0
EAP		0
PPO		0
UM/DM		0
SUB TOTAL		$0

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$0
ADMINISTRATION HIPAA		0
MISCELLANEOUS		0
SUB TOTAL		$0

TOTAL EXPENSES		$0

SURPLUS (DEFICIT)		$0

AVERAGE INCOME		$0
AVERAGE EXPENSE		0
SURPLUS (DEFICIT)		$0

FIRST QUARTER 2013
K2 RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$140.00	$172.00	$209.00	$241.00	$311.00	$343.00	
NO OF EMP.	186	82	69	16	25	3	381
TOTAL INCOME	$78,857	$42,744	$43,370	$10,847	$22,467	$3,087	$201,372

BENEFIT EXP							COMBINED
MEDICAL	$66,970	$29,538	$24,635	$5,620	$8,849	$1,076	$136,688
DENTAL	14,166	6,237	5,226	1,162	1,818	228	28,837
OPTICAL	2,560	1,129	942	215	338	40	5,224
MEDICAL ADM.	6,738	2,967	2,487	552	864	108	13,716
MENTAL HEALTH MANAGER	1,483	652	547	122	191	25	3,020
PPO	0	6,663	0	1,268	0	243	8,174
UM/DM	0	2,658	0	506	0	97	3,261
SUBTOTAL	$91,917	$49,844	$33,837	$9,445	$12,060	$1,817	$198,920

OPERATING EXP							
ADMINISTRATION	$3,047	$1,345	$1,120	$256	$402	$48	$6,218
ADMINISTRATION HIPAA	151	67	56	12	20	3	309
SUBTOTAL	$3,198	$1,412	$1,176	$268	$422	$51	$6,527

TOTAL EXPENSES	$95,115	$51,256	$35,013	$9,713	$12,482	$1,868	$205,447

SURPLUS (DEFICIT)	($16,258)	($8,512)	$8,357	$1,134	$9,985	$1,219	($4,075)

AVERAGE INCOME	$141	$174	$210	$226	$300	$343	$176
AVERAGE EXPENSE	170	208	169	202	166	208	180
SURPLUS (DEFICIT)	($29)	($34)	$41	$24	$134	$135	($4)

FIRST QUARTER 2013
RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$377.19	$366.10	$188.59	$173.06	PLAN T	NONE	
NO OF EMP.	0	6	18	2	17	443	486
TOTAL INCOME	$0	$7,322	$11,127	$1,038	$18,069	$0	$37,556

BENEFIT EXP							COMBINED
MEDICAL	$0	$5,076	$5,521	$0	$2,413	$323,914	$336,924
DENTAL	0	540	1,800	180	1,272	40,642	44,434
OPTICAL	0	83	273	27	230	6,129	6,742
DRUG	0	6,253	11,546	3,808	7,455	195,983	225,045
MEDICAL ADM.	0	216	720	0	288	9,261	10,485
MENTAL HEALTH MANAGER	0	45	148	0	60	1,921	2,174
EAP	0	0	0	0	21	0	21
PPO	0	0	0	0	22	2,123	2,145
UM/DM	0	0	0	0	32	614	646
SUBTOTAL	$0	$12,213	$20,008	$4,015	$11,793	$580,587	$628,616

OPERATING EXP							
ADMINISTRATION	$0	$99	$321	$33	$271	$7,229	$7,953
ADMINISTRATION HIPAA	0	6	15	3	14	357	395
SUBTOTAL	$0	$105	$336	$36	$285	$7,586	$8,348

TOTAL EXPENSES	$0	$12,318	$20,344	$4,051	$12,078	$588,173	$636,964

SURPLUS (DEFICIT)	$0	($4,996)	($9,217)	($3,013)	$5,991	($588,173)	($599,408)

AVERAGE INCOME	$0	$407	$206	$173	$354	$0	$26
AVERAGE EXPENSE	0	684	377	675	237	443	437
SURPLUS (DEFICIT)	$0	($277)	($171)	($502)	$117	($443)	($411)

FIRST QUARTER 2013

PRESCRIPTION REPORT

SCRIPTS PROCESSED	SCRIPT/ADM. COST	PHARMACY PAYMENT	TOTAL
16,253	$13,073	$1,291,751	$1,304,824

MISCELLANEOUS EXPENSES

CATEGORY		COST
ACT & CONSULTING		$25,500
ACCURINT		9
COMPUFACTS		2,745
CONFERENCE EXPENSE		2,307
HEALTHCARE REFORM FEES		1,205
INVESTMENT MANAGEMENT		7,265
LEGAL		37,055
MEETING EXPENSE		3,506
POSTAGE		16,687
PRINTING		6,597
TELEPHONE		741
TOTAL		$103,617

FIRST QUARTER 2013
QUARTERLY RECAP

	FIRST 2013	SECOND 2013	THIRD 2013	FOURTH 2013	TOTAL
CONTRIBUTIONS REC'D	$12,114,017				$12,114,017
CONTRIBUTIONS OUTSTANDING	0				0
RETIREE INCOME	238,928				238,928
INT. & DIVIDENDS	124,316				124,316
MISCELLANEOUS INCOME	439				439
TOTAL INCOME	$12,477,700	$0	$0	$0	$12,477,700
EXPENSES					
MEDICAL	$8,028,227				$8,028,227
LIFE & AD & D	59,556				59,556
DISABILITY	394,739				394,739
DENTAL	588,605				588,605
OPTICAL	77,597				77,597
DRUG	1,350,010				1,350,010
RETIREES	842,410				842,410
MEDICAL ADM.	171,946				171,946
MENTAL HEALTH MANAGER	82,172				82,172
EAP	5,089				5,089
PPO	313,863				313,863
UM/DM	153,644				153,644
SUBTOTAL	$12,067,858	$0	$0	$0	$12,067,858
OPERATING EXPENSE					
ADMINISTRATION	$246,068				$246,068
ADMINISTRATION HIPAA	5,028				5,028
MISCELLANEOUS	103,617				103,617
SUBTOTAL	$354,713	$0	$0	$0	$354,713
TOTAL EXPENSES	$12,422,571	$0	$0	$0	$12,422,571
SURPLUS (DEFICIT)	$55,129	$0	$0	$0	$55,129
TOTAL PARTICIPANTS	7,184				7,184
FUND BALANCE	$15,694,612				

2012
QUARTERLY RECAP

	FIRST 2012	SECOND 2012	THIRD 2012	FOURTH 2012	TOTAL
CONTRIBUTIONS REC'D	$11,367,392	$12,197,086	$11,967,102	$12,439,438	$47,971,018
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	241,859	240,594	238,769	238,769	959,991
INT. & DIVIDENDS	148,709	135,898	148,578	136,695	569,880
MISCELLANEOUS INCOME	0	0	245	0	245
TOTAL INCOME	$11,757,960	$12,573,578	$12,354,694	$12,814,902	$49,501,134
EXPENSES					
MEDICAL	$6,751,446	$7,844,181	$7,743,141	$7,910,770	$30,249,538
LIFE & AD & D	62,700	59,662	58,374	60,631	241,367
DISABILITY	380,921	404,813	388,999	441,156	1,615,889
DENTAL	594,215	594,928	580,699	590,718	2,360,560
OPTICAL	81,361	79,600	79,535	77,711	318,207
DRUG	1,394,890	1,478,418	1,328,240	1,478,433	5,679,981
RETIREES	1,035,277	1,198,322	1,428,253	1,198,513	4,860,365
MEDICAL ADM.	172,679	171,939	174,386	172,811	691,815
MENTAL HEALTH MANAGER	199,756	180,493	121,150	168,102	669,501
EAP	5,015	5,030	5,085	5,063	20,193
PPO	328,631	335,614	319,878	312,549	1,296,672
UM/DM	166,532	158,021	150,838	147,764	623,155
SUBTOTAL	$11,173,423	$12,511,021	$12,378,578	$12,564,221	$48,627,243
OPERATING EXPENSE					
ADMINISTRATION	$241,069	$240,602	$246,992	$247,541	$976,204
ADMINISTRATION HIPAA	4,872	4,885	5,039	5,070	19,866
MISCELLANEOUS	91,069	109,729	130,256	164,792	495,846
SUBTOTAL	$337,010	$355,216	$382,287	$417,403	$1,491,916
TOTAL EXPENSES	$11,510,433	$12,866,237	$12,760,865	$12,981,624	$50,119,159
SURPLUS (DEFICIT)	$247,527	($292,659)	($406,171)	($166,722)	($618,025)
TOTAL PARTICIPANTS	7,337	7,342	7,328	7,290	7,324
FUND BALANCE	$16,181,792	$16,086,496	$15,823,001	$15,076,231	

CONTRACT INFORMATION
MAINTENANCE OF BENEFITS
FIRST QUARTER 2013

CONTRACT EXP.	COMPANY	PLAN	RATES
04-30-12[1]	ACE SUSHI	Y	$813.48
		Y	$511.79
		Y	$1,154.79
09-30-12[1]	PERKINS MGMT	Z	$1,569.95
		Z	$559.09
		Z	$1,136.63
06-30-13	DELMARVA UFCW	JSS-2	$1,208.68
05-29-13[2]	FARMER'S MARKET	JSS-2	$1,211.47
		Y	$813.48
		Y	$511.79
		Y	$1,154.79
		Y20	$491.79
		Y20	$207.79
02-19-13	KELCO F.C.U.	JS	$920.73
03-31-13[1]	KROGER	K2	$847.75
		K2	$263.03
		K2	$2,416.49
		K20	$327.51
		K20	$98.98
03-31-13[2]	MAGRUDERS	JSS-2	$1,211.47
		Y	$813.48
		Y	$511.79
		Y	$1,154.79
		Y20	$491.79
		Y20	$207.79
07-12-14	METRO/BASICS	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22
03-31-13[1]	RETAIL BRAND ALLIANCE	Y	$810.69
		Y	$431.22
		Y	$983.97
03-31-12	SAFEWAY VALLEY	JSS-2	$1,208.68
		S	$1.01
07-12-14	SHOPPERS FOOD	JSS-2	$1,208.68
07-12-14	SHOPPERS FOOD 27	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22

[1]ON EXTENSION PER LOCAL 27 AND LOCAL 400
[2]TERMINATED 1/17/13

07-12-14	SHOPPERS FOOD 400	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22
01-03-15	UNION COMMUNICATION SVCS	Y	$810.69
	UFCW LOCAL 400 TEMP	JSS2	$1,208.68
		K2	$647.75
		K20	$327.51
		Y	$810.69

UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
DELINQUENCY REPORT
FIRST QUARTER 2013

FIRST QUARTER 2013
DELINQUENCY REPORT

PRIOR QUARTERS

EMPLOYER	PERIOD	ESTIMATED CONTRIBUTION DUE	INTEREST DUE	TOTAL DUE	REFERRED TO LEGAL
PERKINS MANAGEMENT SERVICES	OCTOBER 2012	0.00	$ 0.44	$ 0.44	X
MAGRUDERS	MAY 2012	0.00	$ 88.55	$ 88.55	X

TOTALS		0.00	$ 88.99	$ 88.99

CURRENT QUARTER

EMPLOYER	DELINQ. MO.	DATE PAID	1ST LETTER	2ND LETTER	LEGAL
PERKINS MANAGEMENT SERVICES	MARCH 2013	June 10, 2013	X	X	X

LATE PAYERS
PERKINS MANAGEMENT SERVICES

UFCW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND

INVOICES

JULY 2, 2013

1. **A & R ASSOCIATES, LTD.**

05/20/13	Renewal of Fiduciary Insurance through Chubb for the period April 29, 2013 – April 29, 2014	$	14,813.00
05/20/13	Renewal of Fidiciary Insurance – Excess – Through Hartford for the period April 29, 2013 – April 29, 2014	$	11,088.00

2. **ALBERTSONS**

01/09/13	A. Samad-Salameh – Reimbursement of airfare, hotel, food and parking expenses for attendance at the December 11, 2012 Board of Trustees meeting.	$	231.92

3. **ASSOCIATED ADMINISTRATORS, LLC**

12/28/12	Meeting Expenses – Regular Meeting – December 11, 2012	$	2,106.48
03/18/13	Appeals Committee Meeting	$	13.62

4. **HCCCC**

01/16/13	2013 Membership Renewal	$	3,500.00

5. **MILLIMAN**

05/31/13	For services rendered during April 2013	$	166,905.88

6. **MORGAN, LEWIS & BOCKIUS**

01/09/13	For Professional services rendered through September 30, 2012	$	3,534.00
01/17/13	For Professional services rendered through October 31, 2012	$	1,240.00

02/26/13	For professional services rendered through December 31, 2012	$	3,844.00
04/30/13	For professional services rendered through March 31, 2013	$	6,078.00

7. SEGAL COMPANY

12/31/12	Consulting Services in connection with the Summary of Benefits and Coverage as required by PPACA for the period ended November 30, 2012	$	13,000.00
12/31/12	Consulting Services in connection with the MHPAEA Report for the period November 30, 2012	$	12,500.00

8. SEGALL BRYANT & HAMILL

01/18/13	Investment Management Fee – 4Q12	$	6,916.02
04/19/13	Investment Management Fee – 1Q13	$	6,789.68

9. SLEVIN & HART, P.C.

11/21/12	Professional Services rendered through October 31, 2012	$	8,693.68
12/20/12	Professional Services rendered through November 30, 2012	$	6,663.50
01/31/13	Professional Services rendered through December 31, 2012	$	10,899.50
01/31/12	Subrogation Services rendered through December 31, 2012	$	488.88
02/27/13	Professional Services rendered through January 31, 2013	$	7,520.38
03/11/13	Subrogation Services rendered for the period October 1, 2012 through December 31, 2012	$	2,865.47
03/25/13	Professional Services rendered through February 28, 2013	$	18,046.57
04/17/13	Professional Services rendered through March 31 2013	$	25,102.92
05/13/13	Subrogation services rendered for the period January 1, 2013 through March 31, 2013	$	139.33

05/22/13	**Professional Services rendered through April 30, 2013**	**$**	**32,210.78**

10. TRUSTEE EXPENSE REIMBURSEMENTS

01/18/13	**G. Anderson – Reimbursement of meeting expenses incurred at the December 11, 2012 Board of Trustees meeting**	**$**	**344.80**
01/09/13	**D. Gwin – Reimbursement of expenses incurred for attendance at the IFEBP 58th Annual Conference in San Diego, CA in 11/12**	**$**	**917.27**
01/09/13	**A. Samad-Salameh – Reimbursement of expenses incurred for attendance at the December 11, 2012 Board of Trustees meeting**	**$**	**7.20**

11. UFCW LOCAL 27

01/25/13	**M. Eubank – Reimbursement of meeting expenses incurred for attendance at the December 11, 2012 Board of Trustees meeting**	**$**	**336.50**
01/25/13	**T. Hipkins – Reimbursement of meeting expenses incurred for attendance at the December 11, 2012 Board of Trustees meeting**	**$**	**336.50**
01/18/13	**T. Hipkins – Reimbursement of expenses incurred for attendance at the 58th IFEBP Conference held in San Diego, CA – 11/12**	**$**	**1,389.51**

UFCW UNIONS & PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
RETIREE PLAN

INVOICES

JULY 2, 2013

1. **SLEVIN & HART, P.C.**

04/17/13	Professional Services rendered through March 31, 2013	$	2,421.50
05/16/13	Professional Services rendered through April 30, 2013	$	1,096.50

July 2, 2013

To: Board of Trustees
UFCW Unions and Participating Employers Health and Welfare Fund

From: Bill Jensen

Subj: PPACA/Compliance Invoice for Fourth Quarter 2012

Ladies and Gentlemen:

Attached is Associated's invoice for PPACA related work for the Fourth Quarter 2012. The total is $2,703.00. Our contract with the Fund specifies hourly rates to be charged for PPACA related work, at the same rates as is permitted for compliance related work. In addition to the executive summary of charges attached, we have full backup of materials related to our staff's hourly charges available for review if desired. We ask your review and approval of this invoice.

Please feel free to contact me with questions.

Total	*NF*
general	$343.00
specific	$2,360.00
Totals	$2,703.00

AA LLC Associated Administrators, LLC

July 2, 2013

To: Board of Trustees
UFCW Unions and Participating Employers Health and Welfare Fund

From: Bill Jensen

Subj: PPACA/Compliance Invoice for First Quarter 2013

Ladies and Gentlemen:

Attached is Associated's invoice for PPACA related work for the First Quarter 2013. The total is $1,648.00. Our contract with the Fund specifies hourly rates to be charged for PPACA related work, at the same rates as is permitted for compliance related work. In addition to the executive summary of charges attached, we have full backup of materials related to our staff's hourly charges available for review if desired. We ask your review and approval of this invoice.

Please feel free to contact me with questions.

911 Ridgebrook Road, Sparks, MD 21152-9451 (410) 683-6500
4301 Garden City Drive, Suite 201, Landover, MD 20785-6102 (301) 459-3020

Total	*NF*
general	$1,648.00
Totals	$1,648.00

15800 Bluemound Road
Suite 100
Brookfield, WI 53005
USA
Tel +1 262 784 2250
Fax +1 262 923 3680

milliman.com

Scott A. Weltz, FSA, MAAA
Principal and Consulting Actuary

scott.weltz@milliman.com

April 12, 2013

Trustees of UFCW Unions and Participating
Employers Health and Welfare Fund
4301 Garden City Dr. Suite 201
Landover, MD 20785-6102

Re: Shoppers / Metro Reserves Drawdown – DRAFT (for discussion purposes only)

Dear Trustees:

Per your request, we have prepared a projection for the UFCW Unions and Participating Employers Health and Welfare Fund (Fund) to assess the potential for a reserve drawdown for the Shoppers / Metro groups. We analyzed the potential for a drawdown using two methods previously employed by the Fund:

1. **Fund Method**: This method essentially allocates the reserves at a given point in time based on the active membership in the Fund. For example, Shoppers / Metro had 41.3% of the active members in the Fund at 12/31/2012 so 41.3% of the reserves would be allocated to Shoppers / Metro. This allocation is then compared to a target of three months of expenses. If any excess reserve over three months exists, it is distributed to Shoppers / Metro.

2. **BHA Method:** In early 2012, BHA Consulting was asked to determine the drawdown with an alternate method. This method essentially allocates the reserves at 1/1/2012 ($16.3 million) using members attributed to each group (similar to the Fund Method, this resulted in an allocation of 40.8% at 12/31/2011). Then each group's reserves change throughout the year based on the net income attributed to each group. For example, the net income attributed to Shoppers / Metro during 2012 is added to the starting 2012 Shoppers / Metro reserve to estimate the reserves at 12/31/2012 attributed to Shoppers / Metro. This reserve is then compared to the three month expense target and any excess reserve is potentially distributed to Shoppers/Metro.

Table 1 shows the results of each method which are detailed in Exhibit I.

Table 1
Shoppers/Metro Reserve Drawdown Method Comparison 12/31/2012

	Financial Item	Fund Method	BHA Method
(A)	Total Fund Surplus	$15,200,320	$15,200,320
(B)	Surplus Allocated to Shoppers / Metro	$6,277,849	$6,643,537
(C)	3 Months of Expenses	$5,810,917	$5,810,917
(B) - (C) =	***Drawdown Estimate***	***$466,932***	***$832,620***

We are aware that a preliminary estimate prepared by the Fund administrator resulted in a $400,000 estimate. Differences from our methods that could be driving this difference include the following:

1. We estimated three months of expenses to be $5.8 million while the administrator estimated $5.9 million. Such differences are possible depending on the point in time used to estimate expenses.

2. Slightly different member counts by group causing slight differences in the allocation of surplus at a given point in time.

CONSIDERATIONS FOR THE DRAWDOWN

There are several other considerations that the Trustees should consider as they contemplate a reserve drawdown.

MOB Provisions in Shoppers / Metro Collective Bargaining Agreement

Since the Shoppers / Metro contract includes Maintenance of Benefits (MOB) provisions, it is important to ensure contributions offset expenses on a going concern basis. While both calculation methods produce a drawdown based on surplus available at 12/31/2012, we believe the Trustees should consider the projection through year-end 2013 as we are not aware of any change in Shoppers / Metro contributions for 2013.

Without a change in contributions, the Shoppers / Metro surplus is projected to drop below the three month surplus target by 12/31/2013 without a drawdown. An adjustment to contributions should be considered for Shoppers / Metro to ensure the reserve target is maintained through the end of the year. If a drawdown is approved, that will likely mean the contribution increase will be higher than if a drawdown is foregone.

Allocation of Surplus to Richmond Tidewater

Both BHA and Fund methods essentially allocate the entire surplus based on active member counts. However, Richmond Tidewater represents a pass-through arrangement where an entity other than the Fund is taking the insurance risk. As such, allocating surplus to this group may not be appropriate. Much of this depends on whether Richmond Tidewater contributed to surplus in the past. If Richmond Tidewater does not receive a surplus allocation, then more surplus should be allocated to the other groups in the Fund.

Three Months of Claims Target

The Fund's target of having surplus equal to three months of claims provides little margin. We are estimating overall reserves to be approximately 2.7 months of claims. However, some groups see reserves as low as 2.1 months while others are over three months. Groups with over three months of claims are at risk of being underfunded even with a three month claims target. The Trustees should consider this when establishing targets in the future.

SENSITIVITY OF RESULTS

As discussed under Statements of Reliance and Limitations, there are many assumptions underlying these projections, and it is likely that actual experience will differ from our assumptions. In particular, we note that these projections are sensitive to small fluctuations in expenses. Therefore, our results should be considered as point estimates in a range of possible outcomes. If you would like other assumptions tested, please let us know.

MAJOR ASSUMPTIONS AND METHODOLOGIES UNDERLYING THE CURRENT PROJECTION

> All employer contributions are based on the employer contribution rates provided by the Fund. No changes to the current employer contribution rates were assumed over the projection period.

> Retiree contributions and other contributions are based on 2012 contributions provided by the Fund. The per capita retiree and other contributions were assumed to remain constant over the projection period.

> Investment return is assumed to be 3.1% annually, based on 2011 investment income (interest income minus investment expenses).

> We calibrated the model to ensure 2012 net income ties to overall actual Fund results provided by the Fund administrator.

> To calculate the July 1, 2011 through June 30, 2012 incurred medical claims, we have used a "claim development" or "lag" method, a method generally accepted and commonly used in actuarial practice. This method is based on the analysis of historical paid claim data, recorded by month of incurral and subsequent date paid. This recording of claim data is commonly referred to as "claim triangles." Historical claim run-out patterns are developed from the data and are used to project the ultimate incurred claims for each month, that is, the total claims for that incurral month, once all claims have been paid. Projected medical claims are based on the most recent available two to three years of incurred estimates, with an annual trend of 9%.

> The IBNP reserve is assumed to be about 22% of medical claims in aggregate across all plans, based on our estimate of the 2011 IBNP reserve.

> Prescription drug, mental health, and substance abuse per member costs are based on 2011 paid amounts. Annual trend of 9% is assumed.

> Dental, optical, and accident and sickness per member costs are based on 2011 paid amounts. Annual trend of 5% is assumed.

> Life insurance and accidental death and dismemberment per member costs are based on 2011 paid amounts. No annual trend is assumed.

> Administrative per member expenses are based on the 2011 administrative expenses and are assumed to increase 5% annually.

> The mental health parity law will remove coverage limits and copayments on mental health and substance abuse. We have assumed an effective date of January 1, 2013 for this change. We have calculated increases in mental health and substance abuse claims due to the removal of the coverage limits. The percentage cost increase for this plan change was modeled using Milliman's *Health Cost Guidelines*™ (*HCGs*)[1].

> These projections also reflect the ACA provisions for the Patient-Centered Outcome Research per life per year fee of $1 in 2013.

> Monthly membership information through December 2012 was provided by the Fund and was used in our projections. The projected monthly membership beginning January 1, 2013 is equal to the average membership for 2012. No other changes in the underlying population were assumed over the projection period.

STATEMENTS OF RELIANCE AND LIMITATIONS

In preparing this analysis, we have relied on information provided to us by the Fund and Associated Administrators. The results of our analysis are dependent on the underlying data and information being complete and accurate. Any variations could materially affect our results.

We performed a limited review of the data for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

The projections reported herein have been made on a basis consistent with our understanding of the Fund's costs and contribution structure. The purpose of these projections is to provide the Trust with information on projected plan experience. Results for other purposes or measurement periods may differ significantly from the results reported herein. Accordingly, additional calculations may be needed for other purposes.

In addition, the results presented in this letter include no impact from upcoming provisions of the Affordable Care Act (ACA), except for the provisions discussed in this letter. The other provisions in the ACA are also expected to have an impact on results. The impact of ACA provisions that have already been enacted have been taken into account in the self-funded claims.

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[1] The *HCGs* are a cooperative effort of Milliman health actuaries and represent a combination of their experience, research and judgment. An extensive amount of data is used in developing the *HCGs* and that data is updated annually. The cost models consider utilization and average charge levels for roughly 60 benefit categories, and can provide relativities in per capita plan costs between programs of different design, demographics, or geography.

The estimates in this projection depend upon many assumptions as to future experience. However, projections of medical expenses could vary significantly as medical trends have fluctuated historically and are likely to fluctuate in the future. This could have a significant impact on the surplus. Since the results of the projection are dependent on the assumptions used, actual results will differ from the figures indicated in this projection to the extent that actual experience differs from that assumed.

This letter has been prepared for the internal use of and is only to be relied upon by the Trustees and staff of the UFCW Unions and Participating Employers Health and Welfare Fund and its professional advisors. No portion of this letter may be disclosed to any other party without Milliman's prior written consent except as provided in the written retainer agreement between Milliman and the Trust. In the event such consent is given, the letter must be provided in its entirety. Milliman does not intend to benefit any third party recipient of the work product, even if we consent to the release of the work product to such third party. UFCW Unions and Participating Employers Health and Welfare Fund Consulting Services Agreement with Milliman signed February 25, 2013 will apply to this project.

I am a Consulting Actuary for Milliman, a member of the American Academy of Actuaries and meet the Qualification Standards of the Academy to render the actuarial opinion contained herein. To the best of our knowledge and belief, this letter is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

We would be pleased to discuss this letter with you at your convenience.

Sincerely,

-DRAFT-

Scott Weltz, F.S.A., M.A.A.A.
Principal and Consulting Actuary

SAW/vrr

Attachment

Milliman

EXHIBIT

Exhibit I
UFCW Unions and Participating Employers Health and Welfare Fund
Shoppers/Metro Employers
Projections 1/1/2012 through 12/31/2013

	1/1/2012 thru 6/30/2012	7/1/2012 thru 12/31/2012	1/1/2013 thru 12/31/2013
Total			
Total Employees for Contribution Payment - Avg/Mo	3,410	3,489	3,449
PPPM Plan Cost	556.45	555.22	601.10
PPPM Income	537.93	573.21	579.09
PPPM Gain / (Loss)	(18.52)	17.99	(22.01)
Impact of the Removal of the Annual Max	0	0	0
Impact of Mental Health Parity	0	0	257,469
PCORI Fee	0	0	6,097
Transitional Reinsurance Fee	0	0	0
Total Plan Cost	11,384,815	11,621,834	24,880,566
Total Income	11,005,973	11,998,446	23,969,601
Total Gain / (Loss)	(378,843)	376,612	(910,965)
Surplus Determination - BHA Method			
A. Beginning Surplus / (Deficit)*	6,645,768 ***	6,266,925	6,643,537
B.Total Gain / (Loss)	(378,843)	376,612	(910,965)
C. Ending Surplus / (Deficit) A + B*	6,266,925	6,643,537	5,732,572
Months of Expenses*	3.30	3.43	2.76
D. Margin / (Shortfall) C - E*	574,518	**832,620**	(487,569)
Months of Expenses*	0.30	0.43	(0.24)
E. Target Surplus (3 Months of Expenses)	5,692,408	5,810,917	6,220,142
Surplus Determination - Fund Method			
A. Beginning Surplus / (Deficit)*			6,277,849
B.Total Gain / (Loss)			(910,965)
C. Ending Surplus / (Deficit) A + B*		6,277,849 ***	5,366,884
Months of Expenses*		3.24	2.59
D. Margin / (Shortfall) C - E*		**466,932**	(853,257)
Months of Expenses*		0.24	(0.41)
E. Target Surplus (3 Months of Expenses)		5,810,917	6,220,142

**excluding the change in the incurred but not paid reserve*

**** surplus reallocated based on active enrollment, no retirees, no COBRA*

This exhibit is an attachment to the letter of April 12, 2013. Except as otherwise indicated, all assumptions, methodologies, and statements of reliance and limitations from that letter apply to this exhibit as well.

JUNE '13

2012 CALENDAR YEAR
COST BY PLAN

PLAN	AVERAGE # OF PARTICIPANTS	2012 MOB CONTRIBUTION	ACTUAL COST
JS	12	$920.73	$842.91
JSS-2	796	$1,208.68	$1,270.15
Y-FT	492	$810.69	$778.03
Y-PT-IND.	770	$431.22	$349.50
Y-PT-FAM.	250	$983.97	$885.42
Y20-FT	58	$452.32	$616.07
Y20-PT	777	$144.22	$202.25
Z - PT -IND.	5	$559.05	$306.85

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EXHIBIT A

JUNE '13

TREND FACTORS

BENEFIT	2013
Medical	9%
Life & A D & D	0%
A&S	5%
Optical	0%
Dental	5%
Drug	9%
Retirees	7%
Administration	5%
Medical Administration	5%
Miscellaneous	5%
Utilization Review	3%
PPO	0%
Mental Health	0%

DRAFT

EXHIBIT B

2013 PROJECTIONS

MOB			
PLAN	2013 PROJECTION	2012 CONTRIBUTION	PROJECTED RATE BASED SOLELY ON 2012 EXPERIENCE
JS	$906.43	$920.73	$842.91
JSS-2	$1,358.25	$1,208.68	$1,270.15
Y- FT	$801.07	$810.69	$778.03
Y-PT - I	$349.50	$431.22	$329.35
Y-PT - F	$952.26	$983.97	$885.42
Y20 - FT	$589.29	$452.32	$616.07
Y20 - PT	$216.69	$144.22	$202.25
Z - PT - I	$330.61	$559.05	$306.85

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JUNE '13

2013 MOB PROJECTIONS

PLAN	2013 MOB CONTRIBUTION RATES	2012 MOB	% CHANGE
JS	$906.43	$920.73	-1.5%
JSS2	$1,358.25	$1,208.68	12.3%
Y - FT	$801.07	$810.69	-1.1%
Y - PT - I	$349.50	$431.22	-19.0%
Y - PT - F	$952.26	$983.97	-3.3%
Y20 - FT	$589.29	$452.32	30.2%
Y20 - PT	$216.69	$144.22	50.2%
Z - PT - I	$330.61	$559.05	-40.9%

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EXHIBIT D