UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND

BOARD OF TRUSTEES MEETING

DECEMBER 6, 2017

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

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AGENDA

DECEMBER 6, 2017

(Approximately 11:00 a.m.)

I. CALL TO ORDER

II. MINUTES (pg. 1 – 18)
- A. REGULAR MEETING – APRIL 19, 2017
- B. REGULAR MEETING – OCTOBER 10, 2017
- C. APPEALS COMMITTEE MEETING – OCTOBER 2, 2017

III. FINANCIAL REPORT (pg. 19)
- A. PNC REPORT

IV. CONSULTANTS' REPORTS (pg. 20 - 31)
- A. SEGAL COMPANY
  - 1. DENTAL BENEFIT RFP
  - 2. PREVENTIVE SERVICES LIST
  - 3. PLAN Y20 & Y30 PART TIME DEPENDENT COSTS
  - 4. MOB RESERVES
- B. HERITAGE RX – PBM PROPOSALS

V. ATTORNEY'S REPORT
- A. REGULAR
- B. SUBROGATION
- C. DELINQUENCY REPORT

VI. ADMINISTRATIVE MANAGER'S REPORT – (3Q2017) (pg. 32 – 56)

VII. INVOICES (pg. 57 – 60)

VIII. OTHER FUND BUSINESS (pg. 61 – 65)
- A. KROGER ROANOKE RETIREE RESERVE
- B. CAREFIRST PPO CONTRACT – RENEWAL
- C. DEPENDENT AUDIT – STATUS UPDATE
- D. KROGER PLANS ACTIVE AND RETIREE TERMINATION PROCESS
- E. PLAN Y PART TIME FAMILY ENROLLMENT FREQUENCY
- F. MISCELLANEOUS CORRESPONDENCE

IX. 2018 NEXT MEETING DATES AND LOCATIONS

X. ADJOURNMENT

MINUTES

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND APRIL 19, 2017 LINTHICUM, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
Y. Anwar
T. Hipkins
G. Murphy

EMPLOYER TRUSTEES
S. Loeffler – Secretary
J. Born (by teleconference)
D. Gwin

Also present were:

M. Bramstaedt – The Segal Company
H. Burton – Morgan, Lewis & Bockius, LLP
D. Clutts – Associated Administrators, LLC
J. Chorpenning – Local 27
M. Collins – Local 400
A. Hanson – Local 400
C. Hoffmann – Local 400
J. Ianniello – Associated Administrators, LLC
W. Jensen – Associated Administrators, LLC
S. Sanchez – Slevin & Hart, P.C.
W. Seehafer – SuperValu, Inc.
B. Slevin – Slevin & Hart, P.C
L. Walsh – Associated Administrators, LLC
M. Wilson – Local 400
T. Wyszomirski – The Segal Company

I. CALL TO ORDER

A quorum being present, Chairman Federici called the meeting to order.

A. Appointments to Health and Welfare Board of Trustees

Mr. Ianniello reported that Local 27 appointed Mr. Tom Hipkins to the Board of Trustees, replacing Michelle Eubank and that Local 400 appointed Yolanda Anwar to the Board of Trustees, replacing Lavoris "Mikki" Harris. The Trustees welcomed Mr. Hipkins and Ms. Anwar to the Board.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on December 15, 2016, and the appeals meetings held on January 9, 2017 and April 7, 2017, which were pre-circulated. Mr. Burton noted under section D of the regular minutes ("Maintenance of Benefit Rates (MOB) Rate Target and Reserves") that the SuperValu Trustees abstained from the vote and that should be reflected in the minutes.

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

> **RESOLVED that the minutes of the regular meeting held on December 15, 2016 be approved as amended to reflect SuperValu Trustees abstaining from the vote and the appeals meetings held on January 9, 2017 and April 7, 2017 are approved, as presented.**

III. FINANCIAL REPORT

PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2017 to March 31, 2017, which was pre-circulated. Such report indicated a beginning market value of $4,674,875, receipts of $11,085,128, disbursements of $9,913,902, and earnings of $17,945, producing an ending market value of $5,864,046 as of March 31, 2017.

IV. CONSULTANT'S REPORT

The Trustees welcomed Mr. Mitch Bramstaedt and Mr. Thomas Wyszomirski, of The Segal Company ("Segal") to the meeting.

A. Dental Request for Proposal ("RFP")

Mr. Bramstaedt reported that the Trustees have decided to continue the service of Group Dental Services as the Fund's dental provider.

B. MOB and Reserves

Mr. Bramstaedt distributed and reviewed the "Fund Experience Report" dated April 19, 2017 regarding proposed MOB Rates and the reserve level as of March 31, 2017. As of that date, the Fund had 2.64 months of reserves, $814,118 short of the amount necessary for the required three month reserve level. Mr. Bramstaedt also stated that, while the MOB rate increases recommended by Segal are slightly higher, in the aggregate, than the MOB rate increases calculated by Associated Administrators, Segal views both sets of recommended rates as reasonable based on a January 1, 2017 effective date.

Trustee Loeffler said that Shoppers would be willing to pay an additional $100,000 per month to the Fund, on a prospective basis, until the three month reserve level is attained. Trustee Federici stated that the Union Trustees' motions from the December 2016 Board meeting regarding the reserve level and the MOB rates remain on the table, and he inquired whether the Management Trustees' position with regard to either or both of these motions had changed. Trustee Gwin stated that the Management Trustees' position had not changed with respect to either motion and the other Management Trustees concurred. Therefore, these motions from the December 2016 Board meeting remained deadlocked.

V. ATTORNEY'S REPORT

A. Kroger Administrative Expense

Mr. Slevin reported on the signed Consent Resolution Agreement between the Fund and Kroger . Mr. Jensen reported that the Fund has received the agreed upon amount of $701,329.68.

B. Group Dental Services ("GDS") Amendment

Mr. Slevin reported on the December 2015 GDS fee renewal previously approved by the Trustees. Mr. Jensen stated that the Fund would be taking a credit against GDS's April 2017 invoice to account for this rate reduction, retroactive to January 2016.

C. Minimum Payment Requirements

Mr. Slevin reported on the minimum payment requirements under the ACA. After discussion,

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

RESOLVED to address any minimum payment-related issues through the Fund's appeal process.

D. Non-Discrimination Regulation

Mr. Slevin reported on the non-discrimination requirements under Section 1557 of the ACA, and related regulations.

E. Perkins Delinquent Contributions

Mr. Slevin reported on the Fund's delinquency collection lawsuit against Perkins.

F. Beacon Health Renewal

Mr. Slevin presented an amendment to the Beacon Health contract..

G. Data Sharing Agreement with the West Virginia Fund

Mr. Slevin reported on the Data Sharing Agreement between the Fund and the UFCW Local 400 and Employer Health Fund.

H. Associated Administrators Agreement Amendments

Mr. Slevin reported on amendments to the Associated Administrators Agreement. The Trustees executed the amendments.

I. 5500 Reporting

Mr. Slevin reported on the Form 5500 filing requirements.

J. OptumRx

Mr. Slevin reported on the proposed OptumRx contract amendments.

K. Summaries of Material Modification

Mr. Slevin reported on summaries of material modifications regarding appeals procedures and eligibility.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2016 Report

Mr. Ianniello presented the Administrative Manager's report for the fourth quarter 2016, which had been pre-circulated. Such report indicated total income of $12,455,073, and total expenses of $11,357,481, producing a surplus of $1,097,592. Contributions were made on behalf of 5,655 Plan participants.

VII. INVOICES

The Trustees reviewed the list of invoices dated April 19, 2017. It was noted there were no additions, deletions or changes to the list of invoices.

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

RESOLVED that the invoices shown on the list dated April 19, 2017 are approved for payment.

VIII. OTHER FUND BUSINESS

A. Retiree Invoice

Mr. Ianniello stated that the Fund has been invoicing Kroger for the Kroger Roanoke Retiree expenses. Kroger has paid all invoices to date.

B. Kroger Retiree Termination Process

Mr. Ianniello requested guidance from the Trustees regarding the processing of the Kroger retiree medical and drug claims after the termination of retiree eligibility. After discussion,

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

RESOLVED to delegate to the Chairman and Secretary the authority to determine the run-out period rules applicable to the termination of coverage for retirees formerly employed by Kroger.

C. CareFirst PPO Contract Renewal

Mr. Jensen reported on the CareFirst renewal proposal. The Trustees asked Mr. Bramstaedt to obtain CareFirst's best and final offer for the PPO contract renewal.

D. Dependent Audit

Mr. Ianniello advised that the dependent audit to be conducted by Secova was pending agreement by the Trustees on the eligibility reinstatement procedures for dependents. After discussion,

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

> **RESOLVED to delegate to Trustees Federici and Gwin the authority to approve the dependent eligibility reinstatement procedure applicable to the Secova audit.**

E. Retiree Drug Subsidy ("RDS") Representative

Mr. Jensen reported that, as a result of Ms. Harris' resignation as a Trustee, the Fund needed a new RDS representative. After discussion,

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

> **RESOLVED to appoint Trustee Yolanda Anwar as the Fund's RDS representative, replacing former Trustee Harris.**

F. Jointly Administered Arrangement ("JAA") Renewal with Anthem

Mr. Ianniello presented the proposed renewal of the JAA administration agreement between the Fund and Anthem BlueCross BlueShield for March 1, 2017 through February 28, 2019. After discussion,

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

> **RESOLVED to approve the JAA administration renewal with Anthem for March 1, 2017 through February 28, 2019 as presented.**

G. Patient Centered Outcomes Research Institute ("PCORI") Fee

Mr. Ianniello reported that the Fund would utilize the snapshot method in calculating the number of participants for the PCORI fees, the same method used in prior years, if the

Trustees did not object. The Trustees' consensus was to continue using the snapshot calculation method.

IX. NEXT MEETING DATES AND LOCATIONS

October 10, 2017 – 9:30 a.m. - Local 400 Landover, Maryland
December 6-7, 2017 - 9:30 a.m. – National Harbor, Maryland

X. ADJOURNMENT

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

Respectfully Submitted,

Steve Loeffler – Secretary

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(Rev: SS11/30/17)

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND OCTOBER 10, 2017 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
Y. Anwar
T. Hipkins
G. Murphy

EMPLOYER TRUSTEES
S. Loeffler – Secretary
J. Born
D. Gwin
S. Springer

Also present were:

M. Bramstaedt – The Segal Company
H. Burton – Morgan, Lewis & Bockius, LLP
D. Clutts – Associated Administrators, LLC
A. Hanson – Local 400
C. Heppner – The Segal Company
C. Hoffmann – Local 400
J. Ianniello – Associated Administrators, LLC
W. Jensen – Associated Administrators, LLC
S. Sanchez – Slevin & Hart, P.C.
W. Seehafer – SuperValu, Inc.
B. Slevin – Slevin & Hart, P.C
L. Walsh – Associated Administrators, LLC
M. Wilson – Local 400

I. CALL TO ORDER

A quorum being present, Chairman Federici called the meeting to order.

A. Appointments to Health and Welfare Board of Trustees

Mr. Jensen reported that Kroger appointed Mr. Steven Springer to the Board of Trustees, replacing Athar Bilgrami. The Trustees welcomed Mr. Springer to the Board.

II. FINANCIAL REPORT

A. PNC Bank

The PNC Summary of Activity report for the period January 1, 2017 to September 30, 2017 was pre-circulated. Such report indicated a beginning market value of $4,674,874, receipts of $31,546,244, disbursements of $30,044,291, and investment returns of $65,420, producing an ending market value of $6,282,247 as of September 30, 2017.

B. Auditor's Report

The Trustees welcomed Mr. Mark Buckberg and Mr. Albert Leech of Withum Smith & Brown to the meeting. Mr. Leech reported that Bond Beebe merged with Withum Smith & Brown effective August 31, 2017. However, the audit team and auditing services to the Fund will remain the same.

Mr. Buckberg presented a copy of the audited Financial Statements for the year ended 2016, reflecting an unmodified opinion. Net Assets Available for Benefits on December 31, 2015 were $7,890,309. Total additions for the year ended December 31, 2016 were $49,061,285. Total deductions were $48,777,891. The increase of Net Assets Available for Benefits was $283,394, producing Net Assets Available for Benefits of $8,173,703 on December 31, 2016. Mr. Buckberg reviewed the Notes to Financial Statements and the Schedule of Employer Contributions.

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

RESOLVED to accept the Auditor's 2016 Audit report as presented.

The Trustees thanked Mr. Buckberg and Mr. Leech for their report and they were excused from the meeting.

III. CONSULTANT'S REPORT

A. Heritage Rx

The Trustees welcomed Ms. Nancy Eid of Heritage Rx to the meeting via teleconference.

Ms. Eid compared Optum Rx's renewal proposal to Express Scripts' proposal for pharmacy benefit management services for the three year period August 1, 2017 to July 31, 2020. Three year projections for Optum Rx represented an 8.2% annual expense savings and Express Scripts' proposal represented a 10.6% annual expense savings. The bargaining parties recommended adoption of Express Scripts' proposal. After discussion,

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

> **RESOLVED to select Express Scripts as the new pharmacy benefit manager effective February 1, 2018, contingent on the execution of an acceptable agreement with Express Scripts.**

Ms. Eid presented a proposed scope of work from Heritage Rx relating to assistance in the implementation of the transition to Express Scripts as the new pharmacy benefit manager. After discussion,

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

> **RESOLVED to hire Heritage Rx to assist in the implementation of the transition to Express Scripts based on the terms of the proposed scope of work at a cost of $11,300.**

The Trustees thanked and excused Ms. Eid from the meeting.

B. The Segal Company

The Trustees welcomed Mr. Mitch Bramstaedt and Mr. Chris Heppner, of The Segal Company ("Segal") to the meeting.

1. Kroger Retiree Expenses

Mr. Heppner reported on the Fund's Kroger retiree expenses through August 31, 2017 and noted that Kroger is continuing to pay run-out expenses relating to retiree claims.

2. Reserves

Mr. Heppner distributed and reviewed a "Fund Experience Report" dated September 30, 2017, regarding the reserve level as of September 30, 2017. As of that date, the

Fund had 2.93 months of reserves. The Trustees asked Segal to monitor the monthly reserves based on the new Shoppers Memorandum of Agreement.

3. **Dental Request for Proposal ("RFP")**

Mr. Bramstaedt presented the Dental Health Maintenance Organization ("DHMO") bid analysis, reflecting proposals effective January 1, 2018. The analysis included DHMO bids from CareFirst, CIGNA, Dentegra, Dominion, United Health Care, and Group Dental Service.

After discussion, the Trustees asked Segal to obtain bids for self-funded dental PPO arrangements and distribute an analysis of those bids to the Trustees by November 1, 2017. The Trustees agreed to schedule a teleconference in mid-November to discuss the revised dental provider proposals.

IV. ATTORNEYS REPORT

A. Transition of Kroger-employed Participants to the West Virginia Fund

Mr. Slevin reported on the upcoming termination of eligibility for the Fund's Kroger-employed participants and their beneficiaries, and the transition of those participants and dependents to coverage under the UFCW Local 400 and Employers Health & Welfare Fund. The Trustees discussed the administration of run-out claims relating to the transition. After discussion,

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

> **RESOLVED to authorize a subcommittee of Trustees Federici, Hoffmann, Gwin, and Springer to make decisions related to the administration of the above-referenced transition.**

B. State Benchmark for Essential Benefits

Mr. Slevin reported on the State benchmark plan requirement. After discussion,

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

> **RESOLVED to choose Utah as the State benchmark for essential benefits.**

C. **Perkins Judgement**

Mr. Slevin reported that the Fund received $38,000 from Perkins as a result of counsel's judgement collection efforts.

D. **Fiduciary Requirements**

Mr. Slevin reported on the U.S. Department of Labor's final fiduciary rule.

E. **Halo Case**

Mr. Slevin reported on the 2nd Circuit case of *Halo v. Yale Health Plan.*

F. **Disability Claims Regulations**

Mr. Slevin reported on the U.S. Department of Labor's final disability claims regulations. After discussion,

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

> **RESOLVED to appoint a committee of Trustees Federici and Gwin to take any necessary actions to comply with the DOL's disability claim regulations.**

G. **Express Scripts ("ESI") Audit**

Mr. Slevin reported on the audit of ESI for the period ending 2006. Mr. Slevin presented an amendment to the auditor's engagement letter. It was executed.

H. **Anthem Amendment**

Mr. Slevin presented an amendment to the Fund's agreement with Anthem. It was executed.

I. **Beacon Health Options Contract Renewal**

Mr. Slevin presented an amendment to the Fund's agreement with Beacon related to subcontractor liability and services. It was executed.

J. **5500 Reporting**

Mr. Slevin reported on the Form 5500 and financial statements.

K. Provider Contract Amendments

Mr. Slevin reported on the pending amendments to the Fund's agreements with CareFirst, OptumRx and MetLife and the Trustees directed counsel to express to the providers the Trustees' displeasure with the providers' delay in finalizing the amendments.

L. Subrogation

Mr. Jensen reported $7,281.43 was recovered by Slevin & Hart for the subrogated claims for the first quarter 2017 and $9,424.90 for the second quarter 2017.

V. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2017 Report

Mr. Ianniello presented the Administrative Manager's report for the first quarter 2017, which had been pre-circulated. Such report indicated total income of $12,632,748, and total expenses of $11,970,589, producing a surplus of $602,159. Contributions were made on behalf of 5,621 Plan participants.

B. Second Quarter 2017 Report

Mr. Ianniello presented the Administrative Manager's report for the second quarter 2017, which had been pre-circulated. Such report indicated total income of $12,047,745, and total expenses of $12,534,370, producing a deficit of $486,625. Contributions were made on behalf of 5,582 Plan participants.

VI. INVOICES

The Trustees reviewed the list of invoices dated October 10, 2017. Mr. Jensen reported on additional invoices for litigation related expenses, not listed on the report.

On Motion made and seconded, with Trustee Born abstaining, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the invoices shown on the list dated October 10, 2017 and the additional litigation expenses are approved for payment.**

The Trustees discussed the possibility of submitting certain litigation-related expenses to the Fund's fiduciary insurance carrier for reimbursement. After discussion,

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

RESOLVED to authorize a committee of Trustees Federici and Gwin to decide whether to pursue a claim with the fiduciary liability carrier.

VII. OTHER FUND BUSINESS

A. Shoppers Memorandum of Agreement

Mr. Ianniello reviewed the Memorandum of Agreement ("MOA") dated August 25, 2017 between Shoppers Food and Pharmacy and UFCW Local 400 and UFCW Local 27, noting the 8% increase in Maintenance of Benefits rates in August 2017 and again in March 2018, the changes relating to the reserve requirement, Shoppers' obligation to make a one-time lump sum payment of $315,000 to the Fund and the direction to change of the Fund's pharmacy benefits manager to Express Scripts. After discussion,

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

RESOLVED to approve the MOA between Shoppers and UFCW Locals 400 and UFCW Local 27.

B. Dependent Spousal Audit

Mr. Ianniello outlined the spousal audit process to be conducted by Associated, as approved by the Trustees. He said that the first letter of the dependent spousal audit was mailed October 1, 2017 to 599 plan participants. Associated will utilize several mail and phone solicitations to obtain responses. He said that Associated would provide a status update at the next Board of Trustees meeting.

C. Kroger Retiree Termination Process

Mr. Ianniello advised that coverage for Kroger retirees terminated as of June 30, 2017. Retired participants have until December 31, 2017 to file a claim.

D. Kroger Transition to West Virginia Fund

Mr. Ianniello discussed the process of transitioning the Kroger Richmond Tidewater and Kroger Roanoke groups from the Fund to the UFCW Local 400 and Employers Health and Welfare Fund.

E. CareFirst PPO Contract Renewal

Mr. Ianniello reported that CareFirst's best and final offer for the PPO contract renewal is due by the end of 2017.

F. Pre-Tax Employer Deductions

Mr. Jensen reported that the Fund was asked by Shoppers to review the Plan's dependent enrollment and eligibility requirements in the context of the participating employers' obligations to comply with the Internal Revenue Code rules relating to pre-tax payroll deductions relating to health care. After discussion,

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

RESOLVED to appoint a subcommittee of Trustees Born and Hipkins to approve any changes to the Fund's eligibility and enrollment rules necessary to enable participating employees' payroll deductions relating to Fund coverage to be treated as pre-tax deductions.

G. Participant Appeals

Mr. Ianniello noted that the appeals committee had forwarded three appeals for consideration by the full Board of Trustees. The appeals were pre-circulated. After discussion,

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

RESOLVED to approve the three appeals, E17/173-7433, E17/165-1328, and M17/151-8045.

H. Kaiser Medicare Plan Proposed Renewal

Mr. Ianniello presented the 2018 Kaiser Permanente proposed Medicare Plan renewal premium rates. After discussion,

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

RESOLVED to approve the Kaiser Permanente Medicare Plan renewal premium rates as presented, effective January 1, 2018.

I. **Cheiron – Engagement Letter for 2016 and 2017**

Mr. Ianniello reviewed Cheiron's engagement letter for 2016 and 2017. The proposal requests a fee of $18,600 per year and $9,600 per year respectively. The service fulfills the ASC-965 reporting requirements. After discussion,

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

RESOLVED to approve Cheiron's proposal for 2016 services at a fee of $18,300 and 2017 services at a fee of $9,600.

J. **Beacon Renewal**

Mr. Ianniello presented Beacon's proposed renewal with no increase in fees for 2018. After discussion,

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

RESOLVED to approve Beacon's renewal with no increase in fees for 2018.

VIII. NEXT MEETING DATES AND LOCATIONS

December 6, 2017 - 9:30 a.m. – Landover, Maryland

IX. ADJOURNMENT

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

Respectfully Submitted,

Steve Loeffler – Secretary

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(Rev: 11/30/17ss)

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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 OCTOBER 2, 2017

The following Trustees made determinations on the appeals:

UNION TRUSTEE
Y. Anwar

EMPLOYER TRUSTEE
D. Gwin

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

I. **APPEALS**

The following appeals were reviewed by the Trustees:

Third Quarter 2017

Code	Issue	Decision
A17/111-3479	Late Initial Claim Form	Approved
A17/108-2861	Late Continuation Form	Denied
Rx17/188-4992	Brand Name (Prograf)	Approved
E17/186-2446	Retroactive Newborn Coverage	Denied
E17/191-7526	Request to Cancel Fund Coverage	Denied
E17/184-5245	Reinstatement of Retiree Kaiser HMO Coverage	Approved
M17/204-5601	Late Filing	Denied
M17/200-2744	Late Filing	Denied
M17/335-4676	Late Filing	Denied
M17/206-3512	Late Filing, Late Appeal	Denied
M17/181-6487	Experimental (Avastin)	Approved
M17/207-1600	Pre-Authorization, Excluded Services (Diabetes Education)	Denied
M17/212-9326	Pre-Authorization, Excluded Services (Diabetes Education)	Denied
M17/211-0447	Excluded Services, Late Appeal (Diabetes Education)	Denied
M17/178-5409	CRNA	Denied
M17/208-0981	Excess of UCR	Denied
M17/213-1115	Excess of UCR	Denied

M17/187-8755	Reimbursement of Claims Not Received	Denied
M17/223-8045	Subrogation, Late Response, Late Appeal	Denied

Respectfully submitted,

Chris Brown, Appeals Supervisor

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FINANCIAL REPORT

UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH & WELFARE FUND
SUMMARY OF ACTIVITY
JANUARY 01 TO OCTOBER 31, 2017

ITEM	CASH RESERVE	SBH	TOTAL AMOUNT
MARKET VALUE 01/01/2017	$ 2,876,712	$ 1,798,162	$ 4,674,874
RECEIPTS	$ 35,349,273	$ -	$ 35,349,273
DISBURSEMENTS	$ (33,811,671)	$ -	$ (33,811,671)
INTER ACCOUNT TRANSFERS	$ -	$ -	$ -
EARNINGS	$ 24,278	$ 44,576	$ 68,854
ENDING MARKET VALUE 10/31/17	$ 4,438,592	$ 1,842,738	$ 6,281,330

CONSULTANTS' REPORT

UFCW UNIONS AND PARTICIPATING EMPLOYERS ACTIVE HEALTH AND WELFARE PLAN

PREVENTIVE SERVICES BENEFITS

AS OF JANUARY 1, 2018 (except where otherwise noted)

The following applies to participants in Shoppers Plan Y, Plan Y20, and Plan JSS2 only.

PREVENTIVE SERVICES

Preventive Services Benefit Overview

This Plan provides coverage for certain preventive services as required by the Patient Protection and Affordable Care Act of 2010 (ACA). Coverage is provided on an in-network basis only, with no cost sharing (for example, no deductibles, coinsurance, or copayments), for the following services:

- Services described in the United States Preventive Services Task Force (USPSTF) A and B recommendations,
- Services described in guidelines issued by the Advisory Committee on Immunization Practices (ACIP) of the Centers for Disease Control (CDC), and
- Health Resources and Services Administration (HRSA) guidelines including the American Academy of Pediatrics *Bright Futures* guidelines and HRSA guidelines relating to services for women.

In-network preventive services that are identified by the Plan as part of the ACA guidelines will be covered with no cost sharing. This means that the service will be covered at 100% of the Plan's allowable charge, with no coinsurance, copayment, or deductible.

If preventive services are received from a non-network provider, they will not be eligible for coverage under this preventive services benefit.

In some cases, federal guidelines are unclear about which preventive benefits must be covered under the ACA. In that case, the Plan will determine whether a particular benefit is covered under this preventive services benefit.

Dependent children will be provided the full range of covered preventive services applicable to them (e.g., for their age group) without cost sharing and subject to reasonable medical management techniques.

The following services/supplies are covered under the Plan's preventive services benefit with no cost sharing.

Covered Preventive Services for Adults

- One-time screening for abdominal aortic aneurysm by ultrasonography in men ages 65 to 75 years who have ever smoked.

- Alcohol misuse screening and counseling: Screening and behavioral counseling interventions to reduce alcohol misuse by adults ages 18 and older, including pregnant women, in primary care settings.

- Blood pressure screening for all adults age 18 and older. Blood pressure screening is not payable as a separate claim, as it is included in the payment for a physician visit.

- Cholesterol screening (lipid disorders screening) for men aged 35 and older and women aged 45 and older; men aged 20 to 35 if they are at increased risk for coronary heart disease; and women aged 20 to 45 if they are at increased risk for coronary heart disease.

- Colorectal cancer screenings using stool-based methods (such as, fecal occult blood testing), sigmoidoscopy, and colonoscopy for adults age 50 to 75, including bowel preparatory medications as required. The Plan will not impose cost sharing with respect to a polyp removal during a colonoscopy performed as a screening procedure. In addition, the Plan will not impose cost sharing with respect to anesthesia services, a pre-procedure specialist consultation, or a pathology examination on a polyp biopsy, performed in connection with a preventive colonoscopy when the attending provider determines such services to be medically appropriate for the individual.

- Depression screening for adults.

- Type 2 diabetes screening for asymptomatic adults with sustained blood pressure (either treated or untreated) greater than 135/80 mm Hg.

- Behavioral counseling for adults who are overweight or obese and are at higher risk for cardiovascular disease.

- Exercise or physical therapy for community-dwelling adults age 65 or older who are at increased risk for falls.

- HIV screening for all adolescents and adults ages 15 to 65 and for younger and older individuals at increased risk.

- Obesity screening and intensive counseling and behavioral interventions to promote sustained weight loss for obese adults (BMI of 30 kg/m^2 or higher). Screening includes measurement of BMI by the clinician with the purpose of assessing and addressing body weight in the clinical setting.

- Sexually transmitted infection (STI) prevention counseling for adults at higher risk.

- Syphilis screening for all adults at increased risk of infection.

- Tobacco use screening for all adults and cessation interventions for tobacco users. Cessation interventions are limited to two tobacco cessation attempts per year. A cessation attempt includes coverage for: (i) four tobacco cessation counseling sessions of at least ten minutes each (including telephone counseling, group counseling and individual counseling) without prior authorization; and (ii) all FDA-approved tobacco cessation medications (including both prescription and over-the-counter medications) for a 90-day treatment regimen without prior authorization when prescribed by a health care provider, without prior authorization.

- Counseling for young adults to age 24 who have fair skin about minimizing their exposure to ultraviolet radiation to reduce risk for skin cancer.

- Screening for hepatitis C virus (HCV) infection in persons at high risk for infection and a one-time screening for HCV infection in adults born between 1945 and 1965.

- Annual screening for lung cancer with low-dose computed tomography in adults ages 55 to 80 years who have a 30 pack/year smoking history and currently smoke or have quit within the past 15 years.

- Screening for hepatitis B virus infection in persons at high risk for infection.

- Intensive behavioral counseling interventions to promote a healthy diet and physical activity for adults who are overweight or obese and have additional cardiovascular disease risk factors.

- Screening for latent tuberculosis infection in populations at increased risk.

Covered Preventive Services for Women, Including Pregnant Women

- Well-woman visit annually for adult women to obtain the covered preventive services that are age- and developmentally-appropriate, including preconception care and many services necessary for prenatal care. The Plan will cover additional well-woman visits if the physician determines that the patient requires additional visits to obtain all necessary covered preventive services, subject to reasonable medical management techniques. In addition, the Plan will cover without cost sharing these preventive services for dependent children where an attending provider determines that well-woman preventive services are age- and developmentally-appropriate for the dependent.

- Bacteriuria urinary tract or other infection screening for pregnant women. Screening for asymptomatic bacteriuria with urine culture for pregnant women is payable at 12 to 16 weeks' gestation or at the first prenatal visit, if later.

- Screening for women who have family members with breast, ovarian, tubal or peritoneal cancer with one of several screening tools designed to identify a family history that may be associated with an increased risk for potentially harmful mutations in breast cancer susceptibility genes (BRCA1 or BRCA2). For women with positive screening results, the Plan will cover, without cost sharing, genetic counseling and, if indicated after counseling, BRCA testing. Only women who have not been diagnosed with BRCA-related cancer are eligible for this benefit.

- Breast cancer screening mammography for women with or without clinical breast examination and with or without diagnosis, every 1 to 2 years for women aged 40 and older.

- Breast cancer preventive medication counseling for women at higher risk. The Plan will pay for counseling by physicians with women at high risk for breast cancer to discuss medications to reduce their risk.

- Lactation consultation and breast pumps:

- In conjunction with birth, the Plan pays for comprehensive lactation support and counseling (including breastfeeding classes) by a Breastfeeding/Lactation Educator during pregnancy and/or in the postpartum period. A Breastfeeding/Lactation Educator is defined as a provider who is currently certified as a lactation consultant by the International Board of Lactation Consultant Examiners (IBLCE). If not IBLCE certified, the provider must be a licensed, registered, or certified health care professional with referenced experience and training in lactation management. Breastfeeding/Lactation Educators help mothers initiate or maintain lactation and provide assessment, planning, intervention, and evaluation for optimal breastfeeding, working in conjunction with the mother's physician, midwife and/or baby's pediatrician.

- For the first 12 months following the birth of a child, coverage is provided for rental or purchase of one standard manual or one standard electric breast pump (purchase price up to $400) plus necessary breast pump supplies. The Plan does not cover hospital grade breast pumps (heavy-duty breast pumps designed for multiple users), or any other lactation supplies, such as ointments, wipes, cleaning and storage supplies, nursing bras, or lactation pillows.

- Cervical cancer screening for women who have a cervix. Provided to women ages 21 to 29 with cytology (Pap smear) once every three years; provided to women ages 30 to 65 with HPV testing and Pap smear once every five years or with Pap smear only (without HPV testing) once every three years.

- Chlamydia infection screening for all sexually active non-pregnant young women aged 24 and younger, and for older non-pregnant women who are at increased risk, as part of a well woman visit. For all pregnant women aged 24 and younger, and for older pregnant women at increased risk, Chlamydia infection screening is covered as part of the prenatal visit.

- FDA-approved contraceptives methods, sterilization procedures, and patient education and counseling for women of reproductive capacity. FDA-approved contraceptive methods, including barrier methods, hormonal methods, and implanted devices, as well as patient education and counseling, as prescribed by a health care provider. The Plan may cover a generic drug without cost sharing and charge cost sharing for an equivalent branded drug. The Plan will accommodate any individual for whom the generic would be medically inappropriate, as determined by the individual's health care provider. Services related to follow-up and management of side effects, counseling for continued adherence, and device removal are also covered without cost sharing.

  The Plan will cover at least one form of contraception in each of the following FDA-approved contraceptive methods with no cost sharing. This coverage includes the clinical services, including patient education and counseling, needed for provision of the contraceptive method:

  - Sterilization surgery for women
  - Surgical sterilization implant for women
  - Implantable rod
  - Intrauterine device (IUD) copper
  - IUD with progestin

- Shot/injection
- Oral contraceptives (combined pill)
- Oral contraceptives (progestin only)
- Oral contraceptives extended/continuous use
- Patch
- Vaginal contraceptive ring
- Diaphragm
- Sponge
- Cervical cap
- Female condom
- Spermicide
- Emergency contraception (Plan B®/Plan B One Step®/Next Choice One Dose®)
- Emergency contraception (Ella®)

The Plan will utilize reasonable medical management techniques to control costs of this benefit, such as imposing cost sharing, including full cost sharing, on some items and services within each contraceptive method listed above. However, if an individual's attending provider recommends a particular contraceptive service or FDA-approved item based on a determination of medical necessity with respect to that individual, the Plan will cover that contraceptive service or item without cost sharing.

- Gonorrhea screening for all sexually active women ages 24 and younger and in older women who are at increased risk for infection, as part of a well woman visit or prenatal visit.
- Counseling for sexually active adolescents and adults who are at increased risk for sexually transmitted infections, once per year as part of a well woman visit.
- Counseling and screening for HIV, once per year as part of a well woman visit, and for pregnant women, including those who present in labor who are untested and whose HIV status is not known.
- Hepatitis B screening for pregnant women at their first prenatal visit.
- Osteoporosis screening for women. Women age 65 and older and younger women whose risk of fracture is equal to or greater than that of a 65-year old white woman who has no additional risk factors will be eligible for routine screening for osteoporosis.

- Rh incompatibility screening for all pregnant women during their first visit for pregnancy related care, and follow-up testing for all unsensitized Rh (D) negative women at 24 to 28 weeks' gestation, unless the biological father is known to be Rh (D) negative.

- Screening for gestational diabetes in asymptomatic pregnant women after 24 weeks of gestation and at the first prenatal visit for pregnant women identified to be at risk for diabetes.

- Tobacco use screening and cessation interventions for all women, as part of a well woman visit, and expanded counseling for pregnant tobacco users. For those who use tobacco products, interventions are limited to two tobacco cessation attempts per year. A cessation attempt includes coverage for: (i) four tobacco cessation counseling sessions of at least ten minutes each (including telephone counseling, group counseling and individual counseling) without prior authorization; and (ii) all FDA-approved tobacco cessation medications (including both prescription and over-the-counter medications) for a 90-day treatment regimen without prior authorization when prescribed by a health care provider, without prior authorization.

- Syphilis screening for all pregnant women or other women at increased risk, as part of a well woman visit.

- Screening and counseling for interpersonal and domestic violence, as part of a well woman visit.

- Depression screening for pregnant and postpartum women.

Covered Preventive Services for Children

- Well baby and well child visits from birth through 21 years as recommended for pediatric preventive health care by "Bright Futures/American Academy of Pediatrics." Visits will include the following age-appropriate screenings and assessments:

  - Developmental screening for children under age 3, and surveillance throughout childhood

  - Behavioral assessments for children of all ages

  - Medical history

  - Blood pressure screening

  - Vision screening

  - Hearing screening

  - Height, weight and body mass index measurements for children

  - Autism screening for children at 18 and 24 months

  - Alcohol and drug use assessments for adolescents

- Critical congenital heart defect screening in newborns
- Hematocrit or hemoglobin screening for children
- Lead screening for children at risk of exposure
- Tuberculin testing for children at higher risk of tuberculosis
- Dyslipidemia screening for children at higher risk of lipid disorders
- Sexually transmitted infection (STI) screening for sexually active adolescents
- Cervical dysplasia screening at age 21
- Oral health risk assessment
- Depression screening for adolescents ages 11 and older

- Intensive behavioral counseling to prevent STIs for all sexually active adolescents.
- Newborn screening tests recommended by the Advisory Committee on Heritable Disorders in Newborns and Children (such as hypothyroidism screening for newborns and sickle cell screening for newborns).
- Counseling for children, adolescents, and young adults ages 10 to 24 years who have fair skin about minimizing their exposure to ultraviolet radiation to reduce the risk for skin cancer.
- Obesity screening for children aged 6 years and older, and counseling or referral to comprehensive, intensive behavioral interventions to promote improvement in weight status.
- Screening for hepatitis B virus infection in adolescents at high risk for infection.
- HIV screening for adolescents ages 15 and older and for younger adolescents at increased risk of infection.
- Interventions, including education or brief counseling, to prevent initiation of tobacco use in school-aged children and adolescents.
- Application of fluoride varnish to the primary teeth of all infants and children starting at the age of primary tooth eruption.
- Syphilis screening for adolescents who are at increased risk for infection.
- For adolescents, screening and counseling for interpersonal and domestic violence.

Immunizations

Routine adult immunizations are covered for you and your covered eligible dependents who meet the age and gender requirements and who meet the CDC medical criteria for recommendation.

- Immunization vaccines for adults—doses, recommended ages, and recommended populations must be satisfied:
  - Diphtheria/tetanus/pertussis
  - Measles/mumps/rubella (MMR)
  - Influenza
  - Human papillomavirus (HPV)
  - Pneumococcal (polysaccharide)
  - Zoster
  - Hepatitis A
  - Hepatitis B
  - Meningococcal
  - Varicella
- Immunization vaccines for children from birth to age 18—doses, recommended ages, and recommended populations must be satisfied:
  - Hepatitis B
  - Rotavirus
  - Diphtheria, Tetanus, Pertussis
  - Haemophilus influenzae type b
  - Pneumococcal
  - Inactivated Poliovirus
  - Influenza
  - Measles, Mumps, Rubella
  - Varicella

- Hepatitis A
- Meningococcal
- Human papillomavirus (HPV)

Preventive Medications

- Oral fluoride supplements for preschool children older than 6 months whose primary water source is deficient in fluoride.
- Folic acid supplements containing 0.4 to 0.8 mg for women planning or capable of pregnancy.
- Prophylactic ocular topical medication for all newborns for the prevention of gonorrhea.
- Vitamin D supplements for community-dwelling adults age 65 and over who are at increased risk for falls.
- For women at increased risk for breast cancer and at low risk for adverse medication effects, risk-reducing medications such as tamoxifene or raloxifene.
- Aspirin (low dose) as a preventive medication after 12 weeks of gestation in women who are at high risk of preeclampsia.
- Low-dose aspirin for the primary prevention of cardiovascular disease and colorectal cancer in adults ages 50 to 59 years who have a 10% or greater 10-year cardiovascular disease (CVD) risk, are not at increased risk for bleeding, have a life expectancy of at least 10 years, and are willing to take low-dose aspirin daily for at least 10 years.
- Low- to moderate-dose statin preventive medications for the prevention of cardiovascular disease events and mortality in adults ages 40 to 75 without a history of cardiovascular disease (i.e., symptomatic coronary artery disease or ischemic stroke) who have 1 or more cardiovascular disease risk factors (i.e., dyslipidemia, diabetes, hypertension, or smoking) and a calculated 10-year risk of a cardiovascular event of 10% or greater.

Over-the-counter preventive medications require a written prescription from your physician.

Office Visit Coverage

Preventive services are paid for based on the Plan's payment schedules for the individual services. However, there may be limited situations in which an office visit is payable under the preventive services benefit. The following conditions apply to payment for in- network office visits under the preventive services benefit. Non-network office visits are not covered under the preventive services benefit under any condition.

- If a preventive item or service is billed separately from an office visit, then the Plan will impose cost sharing with respect to the office visit.

- If the preventive item or service is not billed separately from the office visit, and the primary purpose of the office visit is the delivery of such preventive item or service, then the Plan will pay 100 percent for the office visit.

- If the preventive item or service is not billed separately from the office visit, and the primary purpose of the office visit is not the delivery of such preventive item or service, then the Plan will impose cost sharing with respect to the office visit.

For example, if a person has a cholesterol-screening test during an office visit, and the doctor bills for the office visit and separately for the lab work associated with the cholesterol-screening test, the Plan will require a copayment for the office visit but not for the lab work. If a person sees a doctor to discuss recurring abdominal pain and has a blood pressure screening during that visit, the Plan will charge a copayment for the office visit because the blood pressure check was not the primary purpose of the office visit.

Well child annual physical exams recommended in the Bright Futures Recommendations are treated as preventive services and paid at 100%. Well woman visits for women beginning in adolescence are also treated as preventive services and paid at 100%.

Preventive Services Coverage Limitations and Exclusions

- Preventive services are covered when performed for preventive screening reasons and billed under the appropriate preventive services codes. Services covered for diagnostic reasons are covered under the applicable benefit, not the preventive services benefit.

- Services covered under the preventive services benefit are not also payable under other portions of the Plan.

- The Plan will use reasonable medical management techniques to control costs of the preventive services benefit. Specifically, the Plan will only cover the most cost-effective test methodology that is medically appropriate for the patient for all preventive tests and services on this list. The Plan will also establish treatment, setting, frequency, and medical management standards for specific preventive services, which must be satisfied in order to obtain payment under the preventive services benefit.

- Immunizations are not covered, even if recommended by the CDC, if the recommendation is based on the fact that some other risk factor is present (e.g., on the basis of occupational, lifestyle, or other indications). Travel immunizations, e.g., typhoid, yellow fever, cholera, plague, and Japanese encephalitis virus) are not covered.

- Examinations, screenings, tests, items or services are not covered when they are investigational or experimental, as determined by the Plan.

- Examinations, screenings, tests, items, or services are not covered when they are provided for the following purposes:

  - When required for education, sports, camp, travel, insurance, marriage, adoption, or other non-medical purposes;

  - When related to judicial or administrative proceedings;

- When related to medical research or trials, except to the extent the Plan is required by law to cover the examination, screening, test, item, or service; or

- When required to maintain employment or a license of any kind.

- Services related to male reproductive capacity, such as vasectomies and condoms, are not covered.

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MEMORANDUM

Via E-Mail

To: Bill Jensen
Associated Administrators LLC

From: Mitch Bramstaedt
Christopher Heppner

Date: November 17, 2017

Re: **UFCW Unions and Participating Employers Health and Welfare Fund**
Plans Y20 and Y30 Costs Per Enrolled Dependent Child Effective January 1, 2018

The chart below illustrates projected monthly expenses for Plans Y20 and Y30 for an enrolled dependent child effective January 1, 2018. Costs include medical claims, prescription drug claims, and fees associated with the Affordable Care Act (ACA). Calculations are based on the most recent budget projections, which were provided in our letter dated December 30, 2014.

Plans Y20 and Y30 Costs Per Enrolled Dependent Child Effective January 1, 2018		
Plan	**Per Child Rate***	**3 or More Children Rate**
Plan Y20 – Part Time	$137.57	$412.71
Plan Y30 – Part Time	$135.12	$405.36

** Based on budget projections with data through June 30, 2014.*

If these costs are adopted as rates for an individual child, the Trustees may consider implementing a maximum rate of three times the cost of a single dependent child, which is common in the insurance industry.

Based on the most recent Administrative Manager's Report, there are currently no participants who have enrolled dependent children.

If you have any questions, please do not hesitate to ask.

The projections in this report are estimates of future costs and are based on information available to Segal Consulting at the time the projections were made. Segal Consulting has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from the new health care reform legislation or other recently passed state or federal regulations.

mwb/tsw:rm

cc: Josh Timm
John Priester

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ADMINISTRATIVE MANAGER'S REPORT

UFCW UNIONS AND PARTICIPATING EMPLOYERS

HEALTH & WELFARE FUND

THIRD QUARTER 2017

ADMINISTRATIVE MANAGER'S REPORT

THIRD QUARTER 2017
PLAN JS

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KELCO	$920.73	11	$29,463	
TOTAL		**11**	**$29,463**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$11,626
HMO		0
LIFE & AD & D		37
DISABILITY		0
DENTAL		1,373
OPTICAL		135
DRUG		19,327
RETIREES		10,489
MEDICAL ADM.		435
MENTAL HEALTH MANAGER		78
PPO		208
UM/DM		344
SUB TOTAL		$44,052

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$422
ADMINISTRATION HIPAA		10
MISCELLANEOUS		685
SUB TOTAL		$1,117

TOTAL EXPENSES		**$45,169**

SURPLUS (DEFICIT)		**($15,706)**

AVERAGE INCOME		$893
AVERAGE EXPENSE		1,369
SURPLUS (DEFICIT)		**($476)**

THIRD QUARTER 2017
PLAN JSS-2

INCOME				
EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
SAFEWAY VALLEY FT	$1,488.72	3	$13,398	
SAFEWAY VALLEY PT	1,488.72	0	0	
SHOPPERS FOOD 400 FT	1,715.34	434	2,179,181	
SHOPPERS FOOD 400 PT	1,715.34	167	836,705	
UFCW LOCAL 400 TEMP FT	1,488.72	0	0	
HMO COPAYS			4,621	
COBRA		1	1,722	
TOTAL		**605**	**$3,035,627**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$761,087
HMO		10,060
LIFE & AD & D		7,515
DISABILITY		89,767
DENTAL		78,285
OPTICAL		8,150
DRUG		421,107
RETIREES		577,828
MEDICAL ADM.		24,562
MENTAL HEALTH MANAGER		61,470
PPO		12,649
UM/DM		19,426
SUB TOTAL		$2,071,906

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$23,193
ADMINISTRATION HIPAA		568
MISCELLANEOUS		37,697
SUB TOTAL		$61,458

TOTAL EXPENSES		$2,133,364

SURPLUS (DEFICIT)		$902,263

AVERAGE INCOME		$1,673
AVERAGE EXPENSE		1,175
SURPLUS (DEFICIT)		**$498**

[1]NEW RATES EFFECTIVE 8/1/17

THIRD QUARTER 2017
PLAN RICHMOND TIDEWATER

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER R/T		967	$1,934,134	
COBRA		2	3,386	
TOTAL		**969**	**$1,937,520**	**$0**

BENEFIT EXPENSES		**COST**
AETNA DENTAL		$11,477
AETNA DENTAL CLAIMS		71,396
ASO PROVIDER		1,755,588
METLIFE		20,106
GVS OPTICAL		10,785
SUB TOTAL		$1,869,352

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$36,440
MISCELLANEOUS		60,378
SUB TOTAL		$96,818

TOTAL EXPENSES		**$1,966,170**
SURPLUS (DEFICIT)		**($28,650)**
AVERAGE INCOME		$667
AVERAGE EXPENSE		676
SURPLUS (DEFICIT)		**($9)**

THIRD QUARTER 2017
PLAN RNK 1

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		795	$1,706,495	
COBRA		4	6,644	
TOTAL		**799**	**$1,713,139**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$1,391,820
LIFE & AD & D		14,304
DISABILITY		91,506
DENTAL		87,311
OPTICAL		10,222
DRUG		0
MEDICAL ADM.		32,351
MENTAL HEALTH MANAGER		40,133
EAP		1,633
PPO		54,362
UM/DM		27,982
SUB TOTAL		$1,751,624

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$30,518
ADMINISTRATION HIPAA		748
MISCELLANEOUS		49,786
SUB TOTAL		$81,052

TOTAL EXPENSES		$1,832,676

SURPLUS (DEFICIT)		($119,537)

AVERAGE INCOME		$715
AVERAGE EXPENSE		765
SURPLUS (DEFICIT)		($50)

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

THIRD QUARTER 2017
PLAN RNK 2

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		469	$792,301	
COBRA		1	1,059	
TOTAL		**470**	**$793,360**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$657,467
LIFE & AD & D		2,459
DISABILITY		12,351
DENTAL		30,990
OPTICAL		6,059
DRUG		0
MEDICAL ADM.		19,079
MENTAL HEALTH MANAGER		7,122
PPO		32,061
UM/DM		16,504
SUB TOTAL		$784,092

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$17,839
ADMINISTRATION HIPAA		436
MISCELLANEOUS		29,286
SUB TOTAL		$47,561

TOTAL EXPENSES		**$831,653**
SURPLUS (DEFICIT)		**($38,293)**
AVERAGE INCOME		$563
AVERAGE EXPENSE		590
SURPLUS (DEFICIT)		**($27)**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

THIRD QUARTER 2017
PLAN RNK 3

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		542	$548,516	
COBRA		1	785	
TOTAL		**543**	**$549,301**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$417,939
LIFE & AD & D		2,421
DISABILITY		7,489
DENTAL		29,500
OPTICAL		6,162
DRUG		0
MEDICAL ADM.		22,065
MENTAL HEALTH MANAGER		5,164
PPO		37,076
UM/DM		18,896
SUB TOTAL		$546,712

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$20,639
ADMINISTRATION HIPAA		505
MISCELLANEOUS		33,835
SUB TOTAL		$54,979

TOTAL EXPENSES		$601,691

SURPLUS (DEFICIT)		($52,390)

AVERAGE INCOME		$337
AVERAGE EXPENSE		369
SURPLUS (DEFICIT)		($32)

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

THIRD QUARTER 2017
PLAN Y FULL TIME

INCOME EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$956.32	0	$0	
METRO/BASICS	956.32	256	716,390	
SHOPPERS 400	956.32	170	476,565	
COBRA		0	0	
HMO COPAYS			3,263	
TOTAL		**426**	**$1,196,218**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$679,974
HMO		10,452
LIFE & AD & D		6,150
DISABILITY		83,435
DENTAL		52,564
OPTICAL		3,875
DRUG		253,836
MEDICAL ADM.		16,976
MENTAL HEALTH MANAGER		4,872
EAP		843
PPO		8,682
UM/DM		13,313
SUB TOTAL		$1,134,972

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$16,331
ADMINISTRATION HIPAA		399
MISCELLANEOUS		26,544
SUB TOTAL		$43,274

TOTAL EXPENSES		**$1,178,246**

SURPLUS (DEFICIT)		**$17,972**

AVERAGE INCOME		$936
AVERAGE EXPENSE		922
SURPLUS (DEFICIT)		**$14**

[1]NEW RATES EFFECTIVE 8/1/17

THIRD QUARTER 2017
PLAN Y PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$482.36	0	$0	
METRO/BASICS	482.36	251	353,803	
SHOPPERS 400	482.36	503	709,392	
COBRA		2	2,235	
TOTAL		**756**	**$1,065,430**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$752,527
HMO		19,980
LIFE & AD & D		4,767
DISABILITY		59,159
DENTAL		51,125
OPTICAL		5,973
DRUG		318,286
MEDICAL ADM.		25,566
MENTAL HEALTH MANAGER		6,992
EAP		1,269
PPO		13,054
UM/DM		20,071
SUB TOTAL		$1,278,769

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$28,981
ADMINISTRATION HIPAA		709
MISCELLANEOUS		47,106
SUB TOTAL		$76,796

TOTAL EXPENSES		$1,355,565

SURPLUS (DEFICIT)		($290,135)

AVERAGE INCOME		$470
AVERAGE EXPENSE		598
SURPLUS (DEFICIT)		**($128)**

[1]NEW RATE EFFECTIVE 8/1/17

THIRD QUARTER 2017
PLAN Y PART TIME FAMILY

INCOME				
EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$1,367.59	74	$294,538	
SHOPPERS 400	1,367.59	157	628,332	
HMO COPAYS			333	
TOTAL		**231**	**$923,203**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$743,684
HMO		0
LIFE & AD & D		1,715
DISABILITY		12,008
DENTAL		38,106
OPTICAL		2,158
DRUG		244,146
MEDICAL ADM.		9,390
MENTAL HEALTH MANAGER		9,212
EAP		472
PPO		4,846
UM/DM		7,457
SUB TOTAL		$1,073,194

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$8,855
ADMINISTRATION HIPAA		217
MISCELLANEOUS		14,393
SUB TOTAL		$23,465

TOTAL EXPENSES		$1,096,659

SURPLUS (DEFICIT)		($173,456)

AVERAGE INCOME		$1,332
AVERAGE EXPENSE		1,582
SURPLUS (DEFICIT)		($250)

[1]NEW RATE EFFECTIVE 8/1/17

THIRD QUARTER 2017
PLAN Y20 FULL TIME

INCOME				
EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$546.38	15	$23,981	
SHOPPERS 400	546.38	11	17,626	
UFCW LOCAL 400 TEMP		0	0	
TOTAL		**26**	**$41,607**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$7,219
HMO		0
LIFE & AD & D		300
DISABILITY		0
DENTAL		1,410
OPTICAL		198
DRUG		1,357
MEDICAL ADM.		868
MENTAL HEALTH MANAGER		161
PPO		425
UM/DM		688
SUB TOTAL		$12,626

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$997
ADMINISTRATION HIPAA		24
MISCELLANEOUS		1,620
SUB TOTAL		$2,641

TOTAL EXPENSES		$15,267

SURPLUS (DEFICIT)		$26,340

AVERAGE INCOME		$533
AVERAGE EXPENSE		196
SURPLUS (DEFICIT)		**$337**

[1]NEW RATE EFFECTIVE 8/1/17

THIRD QUARTER 2017
PLAN Y20 PART TIME

INCOME				
EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$260.13	115	$87,451	
SHOPPERS 400	260.13	188	142,850	
SHOPPERS	383.43	8	9,352	
COBRA		1	450	
HMO COPAYS			647	
TOTAL		**312**	**$240,750**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$81,221
HMO		1,605
LIFE & AD & D		1,661
DISABILITY		1,953
DENTAL		11,990
OPTICAL		2,068
DRUG		80,910
MEDICAL ADM.		8,902
MENTAL HEALTH MANAGER		1,662
PPO		4,678
UM/DM		7,124
SUB TOTAL		$203,774

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$11,961
ADMINISTRATION HIPAA		293
MISCELLANEOUS		19,440
SUB TOTAL		$31,694

TOTAL EXPENSES		$235,468

SURPLUS (DEFICIT)		$5,282

AVERAGE INCOME		$257
AVERAGE EXPENSE		252
SURPLUS (DEFICIT)		**$5**

[1]NEW RATES EFFECTIVE 8/1/17

THIRD QUARTER 2017
PLAN Y30 FULL TIME

INCOME EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$505.39	4	$5,916	
SHOPPERS 400	505.39	4	5,953	
TOTAL		**8**	**$11,869**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$0
HMO		0
LIFE & AD & D		44
DISABILITY		0
DENTAL		159
OPTICAL		28
DRUG		37
MEDICAL ADM.		122
MENTAL HEALTH MANAGER		22
PPO		62
UM/DM		97
SUB TOTAL		$571

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$307
ADMINISTRATION HIPAA		8
MISCELLANEOUS		499
SUB TOTAL		$814

TOTAL EXPENSES		**$1,385**

SURPLUS (DEFICIT)		**$10,484**

AVERAGE INCOME		$495
AVERAGE EXPENSE		58
SURPLUS (DEFICIT)		**$437**

[1]NEW RATE EFFECTIVE 8/1/17

THIRD QUARTER 2017
PLAN Y30 PART TIME

INCOME				
EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$244.00	44	$31,323	
SHOPPERS 400	244.00	56	39,980	
SHOPPERS	383.43	3	3,200	
TOTAL		**103**	**$74,503**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$24,808
HMO		0
LIFE & AD & D		180
DISABILITY		1,551
DENTAL		1,061
OPTICAL		180
DRUG		2,288
MEDICAL ADM.		1,058
MENTAL HEALTH MANAGER		9,035
PPO		516
UM/DM		849
SUB TOTAL		$41,526

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$3,948
ADMINISTRATION HIPAA		97
MISCELLANEOUS		6,418
SUB TOTAL		$10,463

TOTAL EXPENSES		**$51,989**
SURPLUS (DEFICIT)		**$22,514**
AVERAGE INCOME		$241
AVERAGE EXPENSE		168
SURPLUS (DEFICIT)		**$73**

[1]NEW RATES EFFECTIVE 8/1/17

THIRD QUARTER 2017
PLAN Y40 PART TIME

INCOME				
EMPLOYER	RATE[1]	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$33.76	99	$9,767	
SHOPPERS 400	33.76	171	16,878	
TOTAL		**270**	**$26,645**	**$0**

BENEFIT EXPENSES		COST
LIFE & AD & D		$52
DISABILITY		0
DENTAL		423
OPTICAL		74
SUB TOTAL		$549

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$10,350
ADMINISTRATION HIPAA		253
MISCELLANEOUS		16,823
SUB TOTAL		$27,426

TOTAL EXPENSES		**$27,975**
SURPLUS (DEFICIT)		**($1,330)**
AVERAGE INCOME		$33
AVERAGE EXPENSE		35
SURPLUS (DEFICIT)		**($2)**

[1]NEW RATE EFFECTIVE 8/1/17

THIRD QUARTER 2017
K2 RETIREES

INCOME RATE	CO-PAY $140.00	CO-PAY $209.00	CO-PAY $311.00	PRE-MEDICARE RETIREEES	COMBINED
NO OF EMP.[1]	0	0	0	0	0
TOTAL INCOME	$2,130	$691	$311	$0	$3,132

BENEFIT EXPENSES					COMBINED
MEDICAL[2]	$73,494	$25,343	$6,136	$0	$104,973
COLONIAL LIFE	0	0	0	0	0
DENTAL	0	0	0	0	0
DRUG[2]	(3,100)	(1,069)	(259)	0	(4,428)
OPTICAL	0	0	0	0	0
MEDICAL ADM.	68	23	6	0	97
MENTAL HEALTH MANAGER	0	0	0	0	0
TOTAL EXPENSES	$70,462	$24,297	$5,883	$0	$100,642

OPERATING EXPENSES					
MISCELLANEOUS (PCORI FEES)	$0	$0	$0	$0	$0
SUBTOTAL	$0	$0	$0	$0	$0

TOTAL EXPENSES	$70,462	$24,297	$5,883	$0	$100,642

SURPLUS (DEFICIT)	($68,332)	($23,606)	($5,572)	$0	($97,510)

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

[1] Retiree count is zero due to plan termination as of 6/30/17.
[2] Medical and Drug expense allocated using 2017 2nd Qtr AMR retiree count percentages.

THIRD QUARTER 2017
RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	CO-PAY	NO-COPAY	COMBINED
RATE	$366.10	$188.59	$173.06	PLAN T	RETIREES	
NO OF EMP.	3	13	2	9	52	79
TOTAL INCOME	$2,929	$9,239	$1,038	$11,203	$0	$24,409

BENEFIT EXPENSES						COMBINED
MEDICAL	$1,784	$3,016	$0	$680	$20,291	$25,771
DENTAL	259	1,152	173	713	4,534	6,831
OPTICAL	41	180	27	87	708	1,043
DRUG	6,411	10,054	5,743	13,090	55,556	90,854
MEDICAL ADM.	122	570	0	244	1,615	2,551
MENTAL HEALTH MANAGER	20	101	0	45	358	524
EAP	0	0	0	16	0	16
PPO	0	0	0	0	27	27
UM/DM	0	0	0	11	0	11
TOTAL EXPENSES	$8,637	$15,073	$5,943	$14,886	$83,089	$127,628

SURPLUS (DEFICIT)	($5,708)	($5,834)	($4,905)	($3,683)	($83,089)	($103,219)

AVERAGE INCOME	$325	$237	$173	$415	$0	$103
AVERAGE EXPENSE	960	386	991	551	533	539
SURPLUS (DEFICIT)	($635)	($149)	($818)	($136)	($533)	($436)

THIRD QUARTER 2017
SHOPPERS RETIREES

INCOME RATE	CO-PAY $20.00	CO-PAY $40.00	CO-PAY $60.00	COMBINED
NO OF EMP.	216	79	2	297
TOTAL INCOME	$12,960	$9,480	$360	$22,800

BENEFIT EXPENSES				COMBINED
MEDICAL	$118,784	$10,200	$61,345	$190,329
DENTAL	28,121	0	0	28,121
OPTICAL	4,185	0	0	4,185
DRUG	82,294	34,763	973	118,030
MEDICAL ADM.	4,044	122	1,140	5,306
MENTAL HEALTH MANAGER	703	23	201	927
EAP	0	0	0	0
PPO	21	0	21	42
UM/DM	32	129	161	322
TOTAL EXPENSES	$238,184	$45,237	$63,841	$347,262

SURPLUS (DEFICIT)	($225,224)	($35,757)	($63,481)	($324,462)

AVERAGE INCOME	$20	$40	$60	$26
AVERAGE EXPENSE	368	191	10,640	390
SURPLUS (DEFICIT)	($348)	($151)	($10,580)	($364)

THIRD QUARTER 2017
SUPERVALU RETIREES

INCOME RATE	CO-PAY $20.00	CO-PAY $40.00	CO-PAY $60.00	COMBINED
NO OF EMP.	66	32	1	99
TOTAL INCOME	$3,960	$3,880	$180	$8,020

BENEFIT EXPENSES				COMBINED
MEDICAL	$48,955	$34,087	$0	$83,042
DENTAL	8,960	0	0	8,960
OPTICAL	1,335	0	0	1,335
DRUG	11,917	7,109	0	19,026
MEDICAL ADM.	611	244	0	855
MENTAL HEALTH MANAGER	111	45	0	156
PPO	21	0	0	21
UM/DM	0	0	32	32
TOTAL EXPENSES	$71,910	$41,485	$32	$113,427

SURPLUS (DEFICIT)	($67,950)	($37,605)	$148	($105,407)

AVERAGE INCOME	$20	$40	$60	$27
AVERAGE EXPENSE	363	432	11	382
SURPLUS (DEFICIT)	($343)	($392)	$49	($355)

THIRD QUARTER 2017

PRESCRIPTION REPORT

SCRIPTS PROCESSED	SCRIPT/ADM COST	PHARMACY PAYMENT	TOTAL
21,449	$391	$1,652,775	$1,653,166

MISCELLANEOUS EXPENSES

CATEGORY		COST
ACCOUNTING		$30,000
ACTUARY & CONSULTING		$23,733
ACCURINT		4
CONFERENCE EXP		1,225
DUES		1,025
EDUCATION FEES		474
INVESTMENT MANAGEMENT		1,434
LEGAL		265,450
MED/SURG/UCR UPDATE		7,312
MEETING EXPENSE		329
POSTAGE		4,760
PRINTING		8,336
TELEPHONE		426
TOTAL		**$344,508**

2017
QUARTERLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
CONTRIBUTIONS RECEIVED[1]	$12,419,716	$11,840,462	$11,638,635	$0	$35,898,813
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	194,354	163,588	58,361	0	416,303
INTEREST & DIVIDENDS	18,678	21,195	23,597	0	63,470
MISCELLANEOUS INCOME[2]	0	22,500	38,300	0	60,800
TOTAL INCOME	$12,632,748	$12,047,745	$11,758,893	$0	$36,439,386
EXPENSES					
MEDICAL	$7,708,546	$8,645,985	$7,210,545	$0	$23,565,076
LIFE & AD & D	61,753	61,815	61,711	0	185,279
DISABILITY	370,490	318,350	359,219	0	1,048,059
DENTAL	481,683	486,716	467,169	0	1,435,568
OPTICAL	57,337	56,726	56,068	0	170,131
DRUG	1,165,689	1,195,119	1,341,295	0	3,702,103
RETIREES	922,507	785,441	688,959	0	2,396,907
MEDICAL ADM.	161,020	159,964	161,374	0	482,358
MENTAL HEALTH MANAGER	79,944	63,027	145,923	0	288,894
EAP	4,342	4,281	4,217	0	12,840
PPO	297,642	292,200	285,132	0	874,974
UM/DM	113,337	106,851	132,751	0	352,939
SUBTOTAL	$11,424,290	$12,176,475	$10,914,363	$0	$34,515,128
OPERATING EXPENSE					
ADMINISTRATION	$209,256	$208,174	$210,781	$0	$628,211
ADMINISTRATION HIPAA	4,225	4,212	4,267	0	12,704
MISCELLANEOUS	332,818	145,509	344,508	0	822,835
SUBTOTAL	$546,299	$357,895	$559,556	$0	$1,463,750
TOTAL EXPENSES	$11,970,589	$12,534,370	$11,473,919	$0	$35,978,878
SURPLUS (DEFICIT)	$662,159	($486,625)	$284,974	$0	$460,508
TOTAL PARTICIPANTS	5,621	5,582	5,529	0	5,577
FUND BALANCE	$6,014,256	$5,479,614	$6,473,785	$0	

[1]First Quarter Contributions include Kroger's reimbursement for Misc. expenses 2014-2016.

[2]Second Quarter Misc. Income is Employer payment for PCORI Fees.

[2]Third Quarter Misc. Income is the Perkins Management Settlement.

2016
QUARTERLY RECAP

	FIRST 2016	SECOND 2016	THIRD 2016	FOURTH 2016	TOTAL
CONTRIBUTIONS RECEIVED	$11,011,273	$11,808,104	$11,408,484	$12,247,838	$46,475,699
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	200,878	192,504	194,561	188,616	776,559
INTEREST & DIVIDENDS	14,454	30,324	22,830	18,619	86,227
MISCELLANEOUS INCOME	0	40,000	0	0	40,000
TOTAL INCOME	$11,226,605	$12,070,932	$11,625,875	$12,455,073	$47,378,485
EXPENSES					
MEDICAL	$7,792,318	$8,961,710	$7,990,040	$7,333,086	$32,077,154
LIFE & AD & D	62,561	62,631	61,870	61,692	248,754
DISABILITY	338,470	360,494	440,771	376,749	1,516,484
DENTAL	517,543	515,596	498,683	486,775	2,018,597
OPTICAL	60,537	59,681	58,973	57,894	237,085
DRUG	1,065,653	1,326,103	959,718	1,096,493	4,447,967
RETIREES	815,776	966,682	884,443	881,693	3,548,594
MEDICAL ADM.	164,927	164,887	165,382	162,826	658,022
MENTAL HEALTH MANAGER	185,010	117,263	106,142	79,740	488,155
EAP	4,569	4,459	4,416	4,313	17,757
PPO	318,473	310,046	302,667	300,337	1,231,523
UM/DM	134,349	112,623	116,889	117,193	481,054
SUBTOTAL	$11,460,186	$12,962,175	$11,589,994	$10,958,791	$46,971,146
OPERATING EXPENSE					
ADMINISTRATION	$213,931	$212,233	$212,780	$211,032	$849,976
ADMINISTRATION HIPAA	4,308	4,282	4,319	4,291	17,200
MISCELLANEOUS	423,790	194,145	221,432	183,367	1,022,734
SUBTOTAL	$642,029	$410,660	$438,531	$398,690	$1,889,910
TOTAL EXPENSES	$12,102,215	$13,372,835	$12,028,525	$11,357,481	$48,861,056
SURPLUS (DEFICIT)	($875,610)	($1,301,903)	($402,650)	$1,097,592	($1,482,571)
TOTAL PARTICIPANTS	5,930	5,839	5,747	5,655	5,793
FUND BALANCE	$5,745,078	$4,325,110	$3,660,738	$4,977,651	

CONTRACT INFORMATION
MAINTENANCE OF BENEFITS
THIRD QUARTER 2017

CONTRACT EXP.	COMPANY	PLAN	RATES
04-30-17	ACE SUSHI	Y	$839.88
		Y	$347.41
		Y	$966.52
02-18-18	KELCO F.C.U.	JS	$920.73
08-04-18[1]	KROGER RICHMOND TIDEWATER	PLAN 1	N/A
		PLAN 2	N/A
		PLAN 3	N/A
04-02-16[2]	KROGER ROANOKE	RNK 1	N/A
		RNK 2	N/A
		RNK 3	N/A
07-08-17	METRO/ BASICS/ SHOPPERS 27	Y	$956.32
		Y	$482.36
		Y	$1,367.59
		Y20	$546.38
		Y20	$260.13
		Y30	$505.39
		Y30	$244.00
		Y40	$33.76
10-29-17	SAFEWAY VALLEY	JSS-2	$1,488.72
		S	$1.61
07-08-17	SHOPPERS FOOD 400	JSS-2	$1,715.34
		Y	$956.32
		Y	$482.36
		Y	$1,367.59
		Y20	$546.38
		Y20	$260.13
		Y30	$505.39
		Y30	$244.00
		Y40	$33.76
	UFCW LOCAL 400 TEMP	JSS2	$1,488.72
		Y	$839.88

[1]PASS THROUGH ARRANGEMENT EFFECTIVE SEPTEMBER 1, 2004
[2]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
DELINQUENCY REPORT
THIRD QUARTER 2017

THIRD QUARTER 2017
DELINQUENCY REPORT

PRIOR QUARTERS

NONE
Perkins Management settlement received 8/28/17

CURRENT QUARTER

NONE

INVOICES

UFCW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND

INVOICES

DECEMBER 6, 2017

1.	ASSOCIATED ADMINISTRATORS, LLC			
	10/10/17	Meeting Expenses – Regular Meeting	$	215.88
2.	CHEIRON			
	10/23/17	Retainer Services – September 2017	$	800.00
	11/17/17	Retainer Services – October 2017	$	800.00
3.	INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS			
	09/23/17	Membership Renewal Fee – 2018	$	1,025.00
4.	MORGAN, LEWIS & BOCKIUS			
	10/31/17	For Professional services rendered for the period ended August 31, 2017	$	2,016.50
	10/31/17	For Professional services rendered for the period ended September 30, 2017	$	9,097.50
	10/31/17	Response to Auditor's Inquiry	$	45.00
	10/31/17	Litigation Expenses – August 2017	$	39,475.70
	10/31/17	Litigation Expenses – September 2017	$	1,522.00
5.	SEGAL CONSULTING			
	09/29/17	For Professional consulting services rendered regarding the Dental bid	$	6,117.50
	10/31/17	For Professional services rendered regarding SBCs for Non-Food Plans	$	7,182.50

	11/07/17	Retainer Services rendered for the period November 1, 2017 through November 30, 2017	$	5,333.33
6.	SEGALL BRYANT AND HAMILL			
	10/20/17	Investment Management Fee – B2F9782 – for the period July 1, 2017 – September 30, 2017	$	915.06
7.	SLEVIN & HART, P.C.			
	09/29/17	For Professional services rendered through August 31, 2017	$	47,551.21
	10/20/17	For Professional services rendered through September 30, 2017	$	24,429.98
	10/26/17	Subrogation services rendered for the period July 1, 2017 through September 30, 2017	$	2,088.50
	11/20/17	For Professional Services rendered through October 31, 2017	$	33,647.44
8.	SUPERVALU			
	08/24/17	J. Born – Reimbursement of expenses incurred for attendance at the IFEBP ISCEBS Employee Benefits Symposium	$	$1,299.62
	11/13/17	J Born – Reimbursement of expenses incurred for attendance at the October 10, 2017 Board of Trustees Meeting	$	135.18
9.	TRUSTEE EXPENSE REIMBURSEMENTS			
	11/01/17	S. Loeffler – Reimbursement of expenses incurred at the October 10, 2017 meeting of the Board of Trustees	$	1,244.33
	10/25/17	D. Gwin – Reimbursement of expenses incurred at the October 10, 2017 meeting of the Board of Trustees	$	118.25
	10/25/17	S. Springer – Reimbursement of expenses incurred at the October 10, 2017 meeting of the Board of Trustees	$	696.19

10. **WITHUM**

09/30/17	Second progress billing for services rendered in connection with the audit of the financial statements for the year ended December 31, 2016	$	15,000.00
10/31/17	Final billing for services rendered in connection with the audit of the financial statements for the year ended December 31, 2016	$	2,150.00

UFCW UNIONS & PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
RETIREE PLAN

INVOICES

DECEMBER 6, 2017

1. WOODARD INSURANCE AGENCY, LLC

10/01/17	**Customer Service – Orphan Enrollment for July, August and September 2017**	**$**	**474.00**

OTHER FUND BUSINESS

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

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

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-2361
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

MAILED VIA CERTIFIED MAIL
December 1, 2017

FINAL NOTICE

Dear Participant:

FAILURE TO RESPOND TO THIS LETTER WILL RESULT IN THE TERMINATION OF YOUR DEPENDENT'S HEALTH COVERAGE UNDER THE FUND.

On October 1, 2017 and November 1, 2017, the Fund Office mailed you a letter regarding the Fund's dependent spouse audit process and requested that you complete the enclosed form. Please reply to this request or your spouse's benefits under the Plan will be terminated as of December 31, 2017.

The UFCW Unions and Participating Employers Health and Welfare Fund is conducting a dependent spouse verification audit.

Since you are a participant in the Fund and you currently have a spouse enrolled for dependent coverage, please fill out the enclosed form and return it to the Fund Office with the required documents by **December 29, 2017**.

Copies of a dependent spouse verification document, and the enclosed Dependent Verification Form, must be received by fax, mail or email. Should you have any questions, please contact the Fund Office at (800) 638-2972.

Mail: UFCW Unions and Participating Employers Health & Welfare Fund
Attn: Eligibility Dept.
911 Ridgebrook Rd
Sparks, MD 21152-9451
Fax: (410) 683-7792
Email: spousalaudit@associated-admin.com

Please note, failure to provide the requested form and documentation will result in the loss of dependent coverage for your spouse on December 31, 2017.

Thank you for your cooperation.

Fund Office

Enclosure

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

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

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-2361
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

VERIFICATION FORM

Dependent Spouse

- As stated in your Summary Plan Description,
  Your legally married spouse is eligible for benefits until the earliest of: (a) 3 years from the date of physical separation; (b) the date of divorce; or (c) the date of legal separation.

Participant Information

Last Name	First Name	MI
Address		
City	State	Zip Code
Telephone	Sex: M/F	Date of Birth
Marital Status: ☐ Married ☐ Single ☐ Widowed ☐ Divorced ☐ Separated		
Date of Marriage:		

Spouse Information

Last Name	First Name	MI
Address		
City	State	Zip Code
Telephone	Sex: M/F	Date of Birth

If the address of participant and spouse are not the same, what is the date the physical separation started? _____

I, _____, certify that my spouse and I are still married and that we are not legally separated.

Please return this form to the Fund Office **with one of the following**:

- A copy of the front page of your 2016 federal tax return (Form 1040) confirming this dependent as a spouse. If taxes are filed "Married Filing Separately," the front pages for both returns are required.
- A document dated within the last 60 days showing that the spouse lives at the participant's address. **This document must list your spouse's name, the date, and your (the participant's) mailing address.** Health care bills cannot be accepted as proof, since health care coverage is being verified. Here are some examples: a mortgage statement, a rental contract, a credit card statement, a phone bill, a cable bill, a gas and electric or other utility bill.

Please mail, fax or email this form with documentation as indicated below.

Mail: UFCW Unions and Participating Employers
Health & Welfare Fund
Attn: Eligibility Dept.
911 Ridgebrook Rd
Sparks, MD 21152-9451
Fax: (410) 683-7792
Email: spousalaudit@associated-admin.com

IMPORTANT NOTICE: IT IS FRAUDULENT TO KNOWINGLY PROVIDE FALSE INFORMATION, OR TO KNOWINGLY CONCEAL INFORMATION FROM THE FUND IN AN EFFORT TO MAINTAIN DEPENDENT COVERAGE.

I, _____, have read the above and I
(Print Name)
understand the information.

I further state that I personally completed this form and all information is complete and accurate.

Participant's Signature: _____

Spouse's Signature: _____

Date: _____

UFCW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND

Plans Y, Y20, Y30 and JSS2

SUMMARY OF MATERIAL MODIFICATIONS

The Board of Trustees of the UFCW Unions & Participating Employers Health and Welfare Fund ("Fund") has adopted the following changes and clarifications to the UFCW Unions & Participating Employers Health and Welfare Plan, effective October 20, 2017. Please keep this document with your Summary Plan Description ("SPD").

1. Plan Y now has a single annual Open Enrollment Period, from January 1-31 each year, when Participants may enroll in or drop coverage under the Plan and add or drop dependents, if they are eligible for dependent coverage. The July 1-31 Open Enrollment Period for Plan Y Participants is eliminated.

2. The subsection entitled "Enrolling New Dependents" under the Section entitled "Dependent Eligibility" in Plans Y, Y20, Y30, and JSS2 is deleted and replaced with the following:

Enrolling <u>New</u> Dependents
Once you have satisfied the waiting period for dependent coverage, if any, a newly eligible dependent can be included for benefit coverage by notifying the Fund Office and completing an enrollment form. You must apply for dependent coverage **<u>within 30 days</u>** of the date your family member becomes your dependent.

If you apply for dependent coverage within 30 days from your date of marriage, your eligible spouse may be included for benefit coverage on the first day of the calendar month following the date of marriage. When you apply within 30 days of the date of a child's birth, the biological child(ren) and/or newborn child(ren) adopted or placed for adoption with you may be added as of the date of birth. For adopted children or children placed with you for adoption other than newborns, when you apply within 30 days of the date of adoption or placement with you for adoption, the child(ren) may be added as of the date of adoption or placement for adoption. When you apply within 30 days of the date of your marriage, stepchildren may be added on the first of the month following your date of marriage.

If you do not enroll your dependent spouse or child within 30 days of the applicable date described above, you must wait until the next Open Enrollment period to add him or her, unless you qualify for a special enrollment event as described in this SPD.

<u>Part-Time Participants</u>: You may enroll eligible dependent children but you are required to pay the full cost of the dependent coverage via payroll deduction. If you enroll your child/ren, your employer will set up payroll deductions to begin with the first month you

are eligible for dependent coverage. Dependent coverage will not begin until the month in which your first payroll deductions are made.

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MEETING NOTES