

**UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND**

BOARD OF TRUSTEES MEETING

DECEMBER 12, 2013

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

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A G E N D A

December 12, 2013

- I. **CALL TO ORDER**
 - A. **RESIGNATION/APPOINTMENT OF TRUSTEE**
- II. **MINUTES (pg. 1 – 12)**
 - A. **REGULAR MEETING – SEPTEMBER 19, 2013**
 - B. **APPEAL COMMITTEE MEETING – SEPTEMBER 17, 2013**
- III. **FINANCIAL REPORT**
 - A. **PNC BANK**
- IV. **ATTORNEY'S REPORT**
 - A. **REGULAR**
 - B. **SUBROGATION**
 - C. **DELINQUENCY REPORT**
- V. **ADMINISTRATIVE MANAGER'S REPORT – 3Q13 (pg. 13 – 38)**
- VI. **INVOICES (pg. 39 – 42)**
 - A. **PPACA PROGRESS BILLING – 3Q13**
- VII. **OTHER FUND BUSINESS (pg. 43- 48)**
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 - 1. **2014 MEDICARE DEDUCTIBLE/CO-INSURANCE RATES**
 - 2. **2014 KAISER HMO MEDICARE RATES**
 - B. **ANTHEM - PATIENT CENTERED PRIMARY CARE FEE**
 - C. **AETNA DENTAL PPO RENEWAL**
 - D. **CAREFIRST CONTRACT RENEWAL**
 - E. **SUPERVALU CREDIT REQUEST**
 - F. **STATUS OF CONSULTANT RFP**
 - G. **MOB PROJECTIONS PENDING**
 - H. **KROGER CBA IMPLEMENTATION**
 - I. **ACA COMPLIANCE**
- VIII. **NEXT MEETING DATE AND LOCATION**
- IX. **ADJOURNMENT**

MINUTES

**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
SEPTEMBER 19, 2013
HANOVER, MARYLAND**

The following Trustees were present:

UNION TRUSTEES

M. Federici - Chairman
L. Harris
T. Hipkins

EMPLOYER TRUSTEES

S. Loeffler - Secretary
G. Anderson
D. Gwin
M. Mortensen

Also present were:

C. Allebach - Group Vision Services
J. Berry - Conifer Health Solutions
H. Burton - Morgan, Lewis & Bockius, LLP
J. Chorprenning - UFCW Local 27
M. Christle - Kroger
R. Foxman - Group Vision Services
M. Herwig - PNC Bank
W. Jensen - Associated Administrators, LLC
H. Manley - UFCW Local 27
E. Minter - Value Options
A. Pedroti - Catamaran Rx
T. Poffenbaugh - Value Options
J. Sears - Associated Administrators, LLC
B. Slevin - Slevin & Hart, P.C
J. Slivosky - UFCW Local 400
R. Wagner - Catamaran Rx
D. Whitney - SuperValu

I. CALL TO ORDER

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

II. APPOINTMENT OF NEW TRUSTEE

Mr. Sears noted that Mike Mortensen of SuperValu was named an Employer Trustee effective September 6, 2013, replacing Alia Samad-Salameh.

III. MINUTES

The Trustees reviewed the minutes of the regular meeting of July 2, 2013 and the appeals committee meeting of June 11, 2013, 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 July 2, 2013 and the appeals committee meeting of June 11, 2013 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, 2013 to August 31, 2013. Such report indicated a beginning market value of \$15,593,818, receipts of \$27,057,537, disbursements of \$27,591,894, and earnings of \$32,325, producing an ending market value of \$15,091,586 as of August 31, 2013. Mr. Sears noted that this represented 3.56 months of reserves.

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

V. ATTORNEY'S REPORT

A. Affordable Care Act ("ACA") - Summary of Benefit Coverages

Mr. Slevin discussed the Summary of Benefit Coverages ("SBCs").

B. ACA – Employee Waiting Periods

Mr. Slevin discussed the rules pertaining to employee waiting periods under ACA. Mr. Burton discussed Plan Y-20.

C. ACA – Annual Limits

Mr. Slevin discussed the elimination of annual limits effective January 1, 2014.

D. ACA – Pre-Existing Conditions

Mr. Slevin discussed the elimination of pre-existing condition limitations effective January 1, 2014.

E. ACA – Dependent Eligibility

Mr. Slevin discussed the age 26 dependent eligibility rules under ACA.

F. ACA – Out-of-Pocket Maximums

Mr. Slevin discussed the rules for out-of-pocket maximums under ACA.

G. ACA – Notice of Exchanges

Mr. Slevin discussed the employer Notice of Exchanges.

H. ACA – Reinsurance Fee

Mr. Slevin discussed the reinsurance fee.

I. ACA – New COBRA Form

Mr. Slevin discussed the COBRA notifications.

J. Fund Consultant

Mr. Slevin recommended that the Fund hire a Consultant to work on near-term ACA topics. The Trustees agreed that the Chairman and Secretary have authority to hire the Segal Company for this purpose, since they already have familiarity with the Plans, if an acceptable agreement can be reached.

In addition, the Trustees discussed engaging a full-time Consultant for ongoing service to the Fund. They chose to solicit proposals from Segal, Horizon, and BHA Consulting and asked for a summary of their costs and services and to invite them to the next meeting to make presentations.

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

RESOLVED to solicit proposals from Segal, Horizon, and BHA Consulting to provide ongoing consulting services to the Fund.

The Trustees noted that, at the last meeting, a Fund subcommittee of Mark Federici, Steve Loeffler, George Murphy, and Alia Samad-Salameh was designated to review and make any ACA-related compliance decisions. Due to Ms. Samad-Salameh's resignation as a Trustee, Donna Gwin was named to the subcommittee. The subcommittee will make the necessary decisions.

K. PNC Custody Agreement

Mr. Slevin discussed the PNC custody agreement.

L. Cost Sharing

Mr. Slevin advised regarding the cost-sharing agreement with other funds.

M. HIPAA Business Associate Agreements ("BAAs")

Mr. Slevin discussed HIPAA BAAs.

N. Privacy Policy

Mr. Slevin discussed the privacy policy.

O. Afram Litigation

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

P. Milliman Invoices

Mr. Slevin discussed the invoices received from Milliman for services provided.

Q. Defense of Marriage Act ("DOMA")

Mr. Slevin discussed the DOMA.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2013 Reports

Mr. Sears presented the administrative manager's report for the second quarter 2013, which had been pre-circulated to the Trustees. Such report indicated total income of

\$12,609,564 for the quarter. Total expenses were \$12,758,732, producing a deficit of \$149,168 for the quarter. Mr. Sears noted that contributions and were made on behalf of 7,117 plan participants.

For the year through August 31, 2013, the report indicates total income was \$25,087,264. Total expenses were \$25,181,303, producing a deficit of \$94,039 for the year. Contributions were made on an average of 7,151 plan participants.

VII. INVOICES

Mr. Sears presented a list of invoices dated September 19, 2013. 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 September 19, 2013 was approved for payment.

VIII. OTHER FUND BUSINESS

A. Value Options – 2014 Rates

Mr. Sears said the rate proposal for 2014 from Value Options called for no increase from the current year.

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

RESOLVED to accept Value Options' proposal for 2014 with no rate increase.

B. Maintenance of Benefits ("MOB")

Mr. Jensen discussed the MOB projections. The Trustees decided to table the MOB conversation until the December meeting at which time a new Fund Consultant could be engaged in this discussion.

C. Kroger Richmond/Tidewater Life Insurance Renewal

Mr. Sears noted that the life insurance renewal through MetLife for the Kroger Richmond/Tidewater plan had been renewed at a rate of \$.158 & \$.030 per \$1,000 in coverage for the period September 1, 2013 through August 31, 2015. He said the Chairman and Secretary of the Fund had approved the proposal.

D. PCORI Fee

Mr. Sears said the PCORI fee of \$12,174 was paid on July 31, 2013.

E. Kroger/UFCW 400 Bargaining

Mr. Jensen said a Memorandum of Agreement ("MOA") was reached between Kroger and UFCW 400 for the Roanoke plans. The Trustees reviewed a memo from Steven Springer of Kroger regarding the MOA.

Mr. Jensen said the MOA called for significant changes to the eligibility and benefit plans for these participants effective January 1, 2014. As part of the MOA, one prescription drug plan design will be used for all three benefit plans offered to the Roanoke participants. The Roanoke Plans would be funded via a pass-through arrangement similar to the arrangement currently used for the Richmond/Tidewater division, beginning on January 1, 2014.

Mr. Jensen said a provision of the MOA calls for non-network provider fees to be considered in-network if a participant is utilizing an in-network facility. He noted that over 99% of claims were within the Anthem PPO network in 2012.

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

RESOLVED to treat non-network claims as in-network whenever an in-network facility is utilized, effective September 1, 2013, for Kroger Roanoke plans.

In addition, retiree benefits would be carved out of the current retiree plan and a separate plan would be set up for these benefits. A subcommittee of Steve Loeffler and Mark Federici, along with outside advisers, was designated to design the retiree benefits. Prescription drugs will be provided by a separate Prescription Benefit Manager

("PBM"), and the Chairman and Secretary of the Fund will be authorized to make decisions regarding the PBM contract. The Trustees discussed acceptance of the Kroger Roanoke plan design changes and authorization of Chairman and Secretary to make decisions for the retiree plan related to reserves and plan design.

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

RESOLVED to approve the MOA between Kroger and UFCW 400 for the Roanoke division and to authorize the subcommittee of Mark Federici and Steve Loeffler to make reserve and plan design decisions for the retiree plan.

Trustees from Kroger and UFCW 400 abstained from the vote.

G. Subrogation

Mr. Sears \$7,533.84 was recovered by Slevin & Hart for subrogated claims for the second quarter 2013.

IX. VENDOR PRESENTATIONS

A. Value Options – Mental Health Provider

The Trustees welcomed Mr. Terry Poffenbaugh and Mr. Ed Minter of Value Options to the meeting.

Mr. Poffenbaugh reviewed a detailed claims and enrollment report for the period January 1, 2012 through December 31, 2012. The report indicated paid claims of \$529,021 for the year and an average of 9,205 monthly participants. It reported a network savings of \$411,515 during this period. He said that 338 members, or 3.7% of total members, had claims for behavioral health services in 2012. During 2012, 459 acute care benefit days were authorized and 2,375 outpatient visits were paid.

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

B. Group Vision Services – Vision Provider

The Trustees welcomed Mr. Herb Craig Allebach and Mr. Ralph Foxman of Group Vision Services ("GVS") to the meeting.

Mr. Allebach reviewed a detailed claims and enrollment report for the period January 1, 2012 through December 31, 2012. The report indicated paid claims of \$62,382 for exams and \$164,203 for materials for the calendar year, and an average of 6,724 monthly subscribers. He said the plans have been on a 48 month rate and would renew on July 1, 2014.

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

C. Catamaran – Prescription Drug Manager

The Trustees welcomed Mr. Rob Wagner and Ms. Anita Pedroti of Catamaran to the meeting.

Mr. Wagner reviewed a detailed claims and enrollment report for the period January 1, 2012 through December 31, 2012. The report indicated paid claims of \$5,963,653 for 68,045 prescriptions for the year. There was an average of 5,259 monthly members. 85% of the claims paid were for Traditional drugs and 15% were for Specialty drugs. Generic drugs were dispensed 73% of the time.

The Trustees thanked Mr. Wagner and Ms. Pedroti for their report and they were excused from the meeting.

D. Conifer Health Solutions ("Conifer") – Utilization Review Provider

The Trustees welcomed Mr. Justin Berry of Conifer to the meeting.

Mr. Berry reviewed a report outlining the Fund's claims experience for 2012. The report showed total claims paid for 2012 were \$24,400,208 with an average monthly enrollment of 5,589 participants. He noted that inpatient hospital claims had dropped 22% from the previous year. The plan had 534 large cases, defined as over \$10,000, for the year and they represented \$17,255,592 in claims.

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

X. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the following dates for the next meeting:

December 12 – Hanover, Maryland

XI. ADJOURNMENT

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

Respectfully submitted,
Steve Loeffler - Secretary

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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 SEPTEMBER 17, 2013**

The following Trustees made determinations on the appeals:

UNION TRUSTEES

C. Wiszynski

EMPLOYER TRUSTEE

D. Gwin

Also present was:

E. Novak - Associated Administrators, LLC.

I. APPEALS

The following appeals were reviewed by the Trustees:

July 2013

Code	Issue	Decision
M13/275-4926	Preauthorization, Medical Necessity	Denied
A13/122-1467	No Office Visit	Denied
M13/239-0115	Late Filing	Denied
M13/274-0621	Late Filing	Denied
M13/270-8049	Late Filing	Denied
M13/253-7984	Late Filing	Denied
M13/245-9964	Late Filing	Denied

M13/247-6983	Late Filing, Late Appeal	Denied
M13/265-5128	Late Filing, Late Appeal	Denied
M13/228-1852	Late Filing, Late Appeal	Denied
M13/243-4325	Late Response, Late Appeal	Denied
M13/236-9885	Late Response, Late Appeal	Denied
M13/262-2971	Routine Services	Denied
M13/260-0362	Routine Services	Approved
M13/277-1832	Routine Services	Denied
M13/283-6797	Routine Services	Approved
M13/285-1982	Routine Services, Late Appeal	Denied
M13/252-4699a	Routine Services, Late Appeal	Denied
M13/252-4699b	Routine Services, Late Appeal	Denied
M13/242-6117	Experimental	Denied
M13/266-7627	Anesthesia Services	Tabled
M13/244-5944	CRNP	Approved
M13/273-1568	Ambulance Services	Approved
M13/281-5810	Excess of UCR	Denied
M13/259-4513a	Late Filing	Denied
M13/259-4513b	Nurse Practitioner	Tabled

August/September 2013

Code	Issue	Decision
M13/304-8252	Hold Harmless, Late Filing	Denied/Denied
M13/286-2996	Late Filing	Denied
M13/291-4826	Late Filing	Denied
M13/296-5212	Late Response, Late Appeal	Denied
M13/292-8274	Excluded Services, Late Appeal	Denied
M13/305-7876	Medical Necessity	Denied
M13/271-9785	Nurse Practitioner	Approved
M13/301-1928	Experimental	Approved

M13/261-4954	Contraceptives for Dependent, Medical Necessity	Denied
M13/302-1348	Developmental Testing	Denied
M13/298-0996	Late Filing	Denied
M13/300-7581	Untimely Filing, Late Appeal	Denied
M13/317-6403	Routine Services	Approved
M13/318-5956	Routine Immunizations	Denied

Respectfully submitted,
Emily Novak

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ADMINISTRATIVE MANAGER'S REPORT

**UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH & WELFARE FUND
THIRD QUARTER 2013**

ADMINISTRATIVE MANAGER'S REPORT

THIRD 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	\$86,071
HMO	0
LIFE & AD & D	33
DISABILITY	1,174
DENTAL	1,428
OPTICAL	152
DRUG	6,456
RETIRES	12,586
MEDICAL ADM.	411
MENTAL HEALTH MANAGER	670
PPO ¹	343
UM/DM	326
SUB TOTAL	\$109,650

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$386
ADMINISTRATION HIPAA	9
MISCELLANEOUS	627
SUB TOTAL	\$1,022

TOTAL EXPENSES	\$110,672
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SURPLUS (DEFICIT)	(\$80,288)
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AVERAGE INCOME	\$921
AVERAGE EXPENSE	3,354
SURPLUS (DEFICIT)	(\$2,433)

¹INCLUDES NOVEMBER 2011 THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN JSS-2

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
DELMARVA	\$1,208.68	2	\$7,251	
SAFEWAY VALLEY FT	1,208.68	3	10,878	
SAFEWAY VALLEY PT	1,208.68	3	10,878	
SHOPPERS FOOD 400 FT	1,208.68	498	1,805,767	
SHOPPERS FOOD 400 PT	1,208.68	201	730,042	
HMO COPAYS			8,066	
TOTAL		707	\$2,572,882	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$1,082,080
HMO	17,927
LIFE & AD & D	6,185
DISABILITY	169,035
DENTAL	99,846
OPTICAL	9,882
DRUG	493,336
RETIREEES	808,932
MEDICAL ADM.	26,490
MENTAL HEALTH MANAGER	25,433
PPO ¹	22,128
UM/DM	21,138
SUB TOTAL	\$2,782,412

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$24,826
ADMINISTRATION HIPAA	600
MISCELLANEOUS	40,257
SUB TOTAL	\$65,683

TOTAL EXPENSES	\$2,848,095
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SURPLUS (DEFICIT)	(\$275,213)
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AVERAGE INCOME	\$1,213
AVERAGE EXPENSE	1,343
SURPLUS (DEFICIT)	(\$130)

¹INCLUDES NOVEMBER 2011 THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN K2 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER ¹	\$647.75	1,216	\$2,363,641	
UFCW 400 TEMP FT	647.75	0	0	
COBRA		7	7,953	
TOTAL		1,223	\$2,371,594	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$2,013,213
LIFE & AD & D	17,167
DISABILITY	98,662
DENTAL	141,190
OPTICAL	16,243
RETIREEES	317,307
MEDICAL ADM.	44,625
MENTAL HEALTH MANAGER	113,428
EAP	2,399
PPO ²	66,725
UM/DM	35,444
SUB TOTAL	\$2,866,403

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$42,945
ADMINISTRATION HIPAA	1,037
MISCELLANEOUS	69,640
SUB TOTAL	\$113,622

TOTAL EXPENSES	\$2,980,025
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SURPLUS (DEFICIT)	(\$608,431)
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AVERAGE INCOME	\$646
AVERAGE EXPENSE	812
SURPLUS (DEFICIT)	(\$166)

¹INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

²INCLUDES MARCH THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN K2 PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER ¹	\$263.03	212	\$167,287	
TOTAL		212	\$167,287	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$163,159
LIFE & AD & D	866
DISABILITY	1,148
DENTAL	11,312
OPTICAL	2,012
RETIREEES	52,262
MEDICAL ADM.	5,531
MENTAL HEALTH MANAGER	1,558
EAP	300
PPO ²	11,567
UM/DM	4,400
SUB TOTAL	\$254,115

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$7,444
ADMINISTRATION HIPAA	180
MISCELLANEOUS	12,071
SUB TOTAL	\$19,695

TOTAL EXPENSES	\$273,810
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SURPLUS (DEFICIT)	(\$106,523)
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AVERAGE INCOME	\$263
AVERAGE EXPENSE	431
SURPLUS (DEFICIT)	(\$168)

¹INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

²INCLUDES MARCH THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN K2 PART TIME FAMILY

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

BENEFIT EXPENSES	COST
MEDICAL	\$5,025
LIFE & AD & D	18
DISABILITY	0
DENTAL	468
OPTICAL	41
RETIREEES	3,733
MEDICAL ADM.	111
MENTAL HEALTH MANAGER	5,356
EAP	6
PPO ²	183
UM/DM	88
SUB TOTAL	\$15,029

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$105
ADMINISTRATION HIPAA	3
MISCELLANEOUS	171
SUB TOTAL	\$279

TOTAL EXPENSES	\$15,308
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SURPLUS (DEFICIT)	\$6,439
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AVERAGE INCOME	\$2,416
AVERAGE EXPENSE	1,701
SURPLUS (DEFICIT)	\$715

¹INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

²INCLUDES MARCH THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN K20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER ¹	\$327.51	682	\$669,758	
COBRA		9	5,096	
TOTAL		691	\$674,854	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$732,231
LIFE & AD & D	2,367
DISABILITY	14,517
DENTAL	42,134
OPTICAL	7,447
MEDICAL ADM.	20,422
MENTAL HEALTH MANAGER	52,384
PPO ²	37,699
UM/DM	16,341
SUB TOTAL	\$925,542

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$24,264
ADMINISTRATION HIPAA	586
MISCELLANEOUS	39,346
SUB TOTAL	\$64,196

TOTAL EXPENSES	\$989,738
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SURPLUS (DEFICIT)	(\$314,884)
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AVERAGE INCOME	\$326
AVERAGE EXPENSE	477
SURPLUS (DEFICIT)	(\$151)

¹INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

²INCLUDES MARCH THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN K20 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER ¹	\$98.98	894	\$265,365	
COBRA		2	505	
TOTAL		896	\$265,870	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$98,675
LIFE & AD & D	911
DISABILITY	2,172
DENTAL	12,517
OPTICAL	3,122
MEDICAL ADM.	11,448
MENTAL HEALTH MANAGER	5,924
PPO ²	48,884
UM/DM	9,244
SUB TOTAL	\$192,897

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$31,462
ADMINISTRATION HIPAA	761
MISCELLANEOUS	51,019
SUB TOTAL	\$83,242

TOTAL EXPENSES	\$276,139
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SURPLUS (DEFICIT)	(\$10,269)
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AVERAGE INCOME	\$99
AVERAGE EXPENSE	103
SURPLUS (DEFICIT)	(\$4)

¹INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

²INCLUDES MARCH THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN RICHMOND TIDEWATER

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER R/T		1,063	\$2,294,316	
COBRA		11	5,997	
TOTAL		1,074	\$2,300,313	\$0

BENEFIT EXPENSES	COST
AETNA DENTAL	\$13,259
AETNA DENTAL CLAIMS	85,366
ASO PROVIDER	1,849,482
DRUG	251,233
METLIFE	18,338
GVS OPTICAL	12,260
SUB TOTAL	\$2,229,938

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$36,961
MISCELLANEOUS	61,154
SUB TOTAL	\$98,115

TOTAL EXPENSES	\$2,328,053
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SURPLUS (DEFICIT)	(\$27,740)
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AVERAGE INCOME	\$714
AVERAGE EXPENSE	723
SURPLUS (DEFICIT)	(\$9)

THIRD QUARTER 2013
PLANS

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
SAFEWAY VALLEY FT	\$1.61	1	\$421	
SAFEWAY VALLEY PT	1.61	2	843	
TOTAL		3	\$1,264	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$0
LIFE & AD & D	0
DISABILITY	0
DENTAL	0
OPTICAL	0
DRUG	0
RETIREEES	3,432
MEDICAL ADM.	36
PPO	1
UM/DM	29
SUB TOTAL	\$3,498

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$105
ADMINISTRATION HIPAA	3
MISCELLANEOUS	171
SUB TOTAL	\$279

TOTAL EXPENSES	\$3,777
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SURPLUS (DEFICIT)	(\$2,513)
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AVERAGE INCOME	\$140
AVERAGE EXPENSE	420
SURPLUS (DEFICIT)	(\$280)

THIRD QUARTER 2013
PLAN Y FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	\$810.69	1	\$2,433	
METRO/BASICS	810.69	287	697,194	
RETAIL BRAND ALLIANCE	810.69	20	48,642	
SHOPPERS 400	810.69	168	407,777	
UNION COMMUNICATION	810.69	3	7,296	
COBRA		1	475	
HMO COPAYS			8,605	
TOTAL		480	\$1,172,422	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$512,073
HMO	36,930
LIFE & AD & D	4,485
DISABILITY	66,466
DENTAL	60,116
OPTICAL	5,848
DRUG	262,640
MEDICAL ADM.	15,314
MENTAL HEALTH MANAGER	9,760
EAP	819
PPO ¹	12,721
UM/DM	12,082
SUB TOTAL	\$999,254

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$16,855
ADMINISTRATION HIPAA	407
MISCELLANEOUS	27,332
SUB TOTAL	\$44,594

TOTAL EXPENSES	\$1,043,848
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SURPLUS (DEFICIT)	\$128,574
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AVERAGE INCOME	\$814
AVERAGE EXPENSE	725
SURPLUS (DEFICIT)	\$89

¹INCLUDES NOVEMBER 2011 THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN Y PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	\$431.22	0	\$0	
METRO/BASICS	431.22	252	326,433	
RETAIL BRAND ALLIANCE	431.22	0	0	
SHOPPERS 400 ¹	431.22	626	810,262	
COBRA		1	1,979	
TOTAL		879	\$1,138,674	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$452,492
HMO	26,434
LIFE & AD & D	3,293
DISABILITY	23,742
DENTAL	51,546
OPTICAL	8,544
DRUG	195,107
MEDICAL ADM.	22,063
MENTAL HEALTH MANAGER	21,983
EAP	1,183
PPO ²	18,468
UM/DM	17,380
SUB TOTAL	\$842,235

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$30,865
ADMINISTRATION HIPAA	746
MISCELLANEOUS	50,051
SUB TOTAL	\$81,662

TOTAL EXPENSES	\$923,897
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SURPLUS (DEFICIT)	\$214,777
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AVERAGE INCOME	\$432
AVERAGE EXPENSE	350
SURPLUS (DEFICIT)	\$82

¹INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

²INCLUDES NOVEMBER 2011 THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN Y PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	\$983.97	0	\$0	
METRO/BASICS	983.97	87	257,800	
SHOPPERS 400 ¹	983.97	158	465,417	
HMO COPAYS			1,470	
TOTAL		245	\$724,687	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$359,585
HMO ²	(5,806)
LIFE & AD & D	1,272
DISABILITY	17,533
DENTAL	41,061
OPTICAL	3,265
DRUG	213,561
MEDICAL ADM.	8,887
MENTAL HEALTH MANAGER	15,368
EAP	476
PPO ³	7,421
UM/DM	7,078
SUB TOTAL	\$669,901

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$8,603
ADMINISTRATION HIPAA	208
MISCELLANEOUS	13,951
SUB TOTAL	\$22,762

TOTAL EXPENSES	\$692,663
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SURPLUS (DEFICIT)	\$32,024
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AVERAGE INCOME	\$986
AVERAGE EXPENSE	942
SURPLUS (DEFICIT)	\$44

¹INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

²INCLUDES ADJUSTMENTS FOR PRIOR MONTHS

³INCLUDES NOVEMBER 2011 THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN Y20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	\$452.32	12	\$16,736	
SHOPPERS 400	452.32	14	19,450	
COBRA		2	2,483	
HMO COPAYS			325	
TOTAL		28	\$38,994	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$19,850
HMO	13,374
LIFE & AD & D	550
DISABILITY	0
DENTAL	3,813
OPTICAL	719
DRUG	6,737
MEDICAL ADM.	1,492
MENTAL HEALTH MANAGER	420
PPO ¹	1,272
UM/DM	1,226
SUB TOTAL	\$49,453

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$983
ADMINISTRATION HIPAA	24
MISCELLANEOUS	1,594
SUB TOTAL	\$2,601

TOTAL EXPENSES	\$52,054
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SURPLUS (DEFICIT)	(\$13,060)
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AVERAGE INCOME	\$464
AVERAGE EXPENSE	620
SURPLUS (DEFICIT)	(\$156)

¹INCLUDES NOVEMBER 2011 THROUGH JUNE 2013 RATE ADJUSTMENTS

THIRD QUARTER 2013
PLAN Y20 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS ¹	\$144.22	282	\$122,010	
SHOPPERS 400	144.22	338	146,238	
COBRA		4	1,091	
TOTAL		624	\$269,339	\$0

BENEFIT EXPENSES	COST
MEDICAL	\$258,086
HMO	1,307
LIFE & AD & D	2,546
DISABILITY	9,467
DENTAL	23,931
OPTICAL	6,086
DRUG	53,782
MEDICAL ADM.	16,855
MENTAL HEALTH MANAGER	14,003
PPO ²	14,434
UM/DM	13,692
SUB TOTAL	\$414,189

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$21,911
ADMINISTRATION HIPAA	529
MISCELLANEOUS	35,531
SUB TOTAL	\$57,971

TOTAL EXPENSES	\$472,160
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SURPLUS (DEFICIT)	(\$202,821)
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AVERAGE INCOME	\$144
AVERAGE EXPENSE	252
SURPLUS (DEFICIT)	(\$108)

¹INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

²INCLUDES NOVEMBER 2011 THROUGH JUNE 2013 RATE ADJUSTMENTS

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

THIRD QUARTER 2013
PLAN Z PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
PERKINS MANAGEMENT SERVICES ¹	\$559.09	5	\$0	\$8,385
TOTAL		5	\$0	\$8,385

BENEFIT EXPENSES	COST
MEDICAL	\$2,095
HMO	0
LIFE & AD & D	6
DISABILITY	3,751
DENTAL	399
OPTICAL	71
DRUG	1,596
MEDICAL ADM.	186
MENTAL HEALTH MANAGER	39
EAP	12
PPO ²	156
UM/DM	148
SUB TOTAL	\$8,459

OPERATING EXPENSES	COST
ADMINISTRATION FEE	\$176
ADMINISTRATION HIPAA	3
MISCELLANEOUS	285
SUB TOTAL	\$464

TOTAL EXPENSES	\$8,923
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SURPLUS (DEFICIT)	(\$538)
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AVERAGE INCOME	\$559
AVERAGE EXPENSE	595
SURPLUS (DEFICIT)	(\$36)

¹ESTIMATED CONTRIBUTIONS FOR JULY THROUGH SEPTEMBER 2013

²INCLUDES NOVEMBER 2011 THROUGH JUNE 2013 RATE ADJUSTMENTS

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

**THIRD QUARTER 2013
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 \$343.00	COMBINED
NO OF EMP.	190	84	69	17	22	3	385
TOTAL INCOME	\$83,858	\$44,376	\$43,096	\$13,178	\$20,837	\$2,744	\$208,089

BENEFIT EXP							COMBINED
MEDICAL	\$149,231	\$66,238	\$53,932	\$13,090	\$17,542	\$2,356	\$302,389
DENTAL	14,543	6,463	5,176	1,314	1,668	228	29,392
OPTICAL	2,606	1,156	942	229	307	40	5,280
MEDICAL ADM.	7,159	3,182	2,548	647	822	111	14,469
MENTAL HEALTH MANAGER	1,831	813	650	165	210	29	3,698
PPO	0	6,581	0	1,301	0	234	8,116
UM/DM	0	2,541	0	502	0	90	3,133
SUBTOTAL	\$175,370	\$86,974	\$63,248	\$17,248	\$20,549	\$3,088	\$366,477

OPERATING EXP							
ADMINISTRATION	\$3,209	\$1,424	\$1,160	\$282	\$377	\$51	\$6,503
ADMINISTRATION HIPAA	160	71	58	13	18	3	323
SUBTOTAL	\$3,369	\$1,495	\$1,218	\$295	\$395	\$54	\$6,826

TOTAL EXPENSES	\$178,739	\$88,469	\$64,466	\$17,543	\$20,944	\$3,142	\$373,303
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SURPLUS (DEFICIT)	(\$94,881)	(\$44,093)	(\$21,370)	(\$4,365)	(\$107)	(\$398)	(\$165,214)
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AVERAGE INCOME	\$147	\$176	\$208	\$258	\$316	\$305	\$180
AVERAGE EXPENSE	314	351	311	344	317	349	323
SURPLUS (DEFICIT)	(\$167)	(\$175)	(\$103)	(\$86)	(\$1)	(\$44)	(\$143)

**THIRD QUARTER 2013
RETIRES**

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	5	19	2	15	419	460
TOTAL INCOME	\$0	\$5,858	\$11,505	\$1,038	\$16,985	\$0	\$35,386

BENEFIT EXP							COMBINED
MEDICAL	\$0	\$1,400	\$7,572	\$0	\$1,016	\$427,491	\$437,479
DENTAL	0	480	1,740	180	1,194	39,730	43,324
OPTICAL	0	84	267	27	209	5,801	6,388
DRUG	0	9,003	18,919	5,469	12,635	266,976	313,002
MEDICAL ADM.	0	225	721	0	297	9,521	10,764
MENTAL HEALTH MANAGER	0	43	144	0	60	1,920	2,167
EAP	0	0	0	0	21	0	21
PPO	0	0	0	0	31	3,064	3,095
UM/DM	0	0	0	0	29	495	524
SUBTOTAL	\$0	\$11,235	\$29,363	\$5,676	\$15,492	\$754,998	\$816,764

OPERATING EXP							
ADMINISTRATION	\$0	\$102	\$327	\$33	\$252	\$7,083	\$7,797
ADMINISTRATION HIPAA	0	6	16	3	12	352	389
SUBTOTAL	\$0	\$108	\$343	\$36	\$264	\$7,435	\$8,186

TOTAL EXPENSES	\$0	\$11,343	\$29,706	\$5,712	\$15,756	\$762,433	\$824,950
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SURPLUS (DEFICIT)	\$0	(\$5,485)	(\$18,201)	(\$4,674)	\$1,229	(\$762,433)	(\$789,564)
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AVERAGE INCOME	\$0	\$391	\$202	\$173	\$377	\$0	\$26
AVERAGE EXPENSE	0	756	521	952	350	607	598
SURPLUS (DEFICIT)	\$0	(\$365)	(\$319)	(\$779)	\$27	(\$607)	(\$572)

THIRD QUARTER 2013

PRESCRIPTION REPORT

SCRIPTS PROCESSED	SCRIPT/ADM. COST	PHARMACY PAYMENT	TOTAL
15,602	\$12,535	\$1,533,683	\$1,546,218

MISCELLANEOUS EXPENSES

CATEGORY	COST
ACCOUNTING	\$40,000
ACCURINT	32
ACT & CONSULTING	192,405
COMPUFACTS	1,410
HEALTHCARE REFORM FEES	1,963
INVESTMENT MANAGEMENT	8,280
LEGAL	128,558
MED/SURG/UCR UPDATE	2,416
MEETING EXPENSE	2,922
PCORI FEES	12,174
POSTAGE	7,009
PRINTING	5,501
TELEPHONE	530
TOTAL	\$403,200

**THIRD QUARTER 2013
QUARTERLY RECAP**

	FIRST 2013	SECOND 2013	THIRD 2013	FOURTH 2013	TOTAL
CONTRIBUTIONS REC'D	\$12,114,017	\$12,268,031	\$11,750,311		\$36,132,359
CONTRIBUTIONS OUTSTANDING	0	0	8,385		8,385
RETIREE INCOME	238,928	237,391	243,475		719,794
INT. & DIVIDENDS	124,316	104,141	109,640		338,097
MISCELLANEOUS INCOME	439	1	0		440

TOTAL INCOME	\$12,477,700	\$12,609,564	\$12,111,811	\$0	\$37,199,075
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EXPENSES					
MEDICAL	\$8,028,227	\$8,024,020	\$7,603,614		\$23,655,861
LIFE & AD & D	59,556	57,030	58,037		174,623
DISABILITY	394,739	421,352	407,666		1,223,757
DENTAL	588,605	603,123	588,387		1,780,115
OPTICAL	77,597	77,090	75,692		230,379
DRUG	1,350,010	1,550,774	1,484,448		4,385,232
RETIREES	842,410	922,008	1,198,252		2,962,670
MEDICAL ADM.	171,946	171,681	173,871		517,498
MENTAL HEALTH MANAGER ¹	82,172	49,456	266,326		397,954
EAP	5,089	5,149	5,194		15,432
PPO	313,863	373,504	362,871		1,050,238
UM/DM	153,644	141,366	138,616		433,626
SUBTOTAL	\$12,067,858	\$12,396,553	\$12,362,974	\$0	\$36,827,385

OPERATING EXPENSE					
ADMINISTRATION	\$246,068	\$246,562	\$247,891		\$740,521
ADMINISTRATION HIPAA	5,028	5,037	5,096		15,161
MISCELLANEOUS	103,617	110,580	403,200		617,397
SUBTOTAL	\$354,713	\$362,179	\$656,187	\$0	\$1,373,079

TOTAL EXPENSES	\$12,422,571	\$12,758,732	\$13,019,161	\$0	\$38,200,464
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SURPLUS (DEFICIT)	\$55,129	(\$149,168)	(\$907,350)	\$0	(\$1,001,389)
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TOTAL PARTICIPANTS	7,184	7,117	7,081		7,127
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FUND BALANCE	\$15,694,612	\$15,436,866	\$14,413,705		
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¹INCLUDES FIRST AND SECOND QUARTER 2013 CLAIMS HELD PENDING MENTAL HEALTH PARITY IMPLEMENTATION

2012
QUARTERLY RECAP

	FIRST 2012	SECOND 2012	THIRD 2012	FOURTH 2012
CONTRIBUTIONS REC'D	\$11,367,392	\$12,197,086	\$11,967,102	\$12,439,438
CONTRIBUTIONS OUTSTANDING	0	0	0	0
RETIREE INCOME	241,859	240,594	238,769	238,769
INT. & DIVIDENDS	148,709	135,898	148,578	136,695
MISCELLANEOUS INCOME	0	0	245	0

TOTAL INCOME	\$11,757,960	\$12,573,578	\$12,354,694	\$12,814,902
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EXPENSES				
MEDICAL	\$6,751,446	\$7,844,181	\$7,743,141	\$7,910,770
LIFE & AD & D	62,700	59,662	58,374	60,631
DISABILITY	380,921	404,813	388,999	441,156
DENTAL	594,215	594,928	580,699	590,718
OPTICAL	81,361	79,600	79,535	77,711
DRUG	1,394,890	1,478,418	1,328,240	1,478,433
RETIREES	1,035,277	1,198,322	1,428,253	1,198,513
MEDICAL ADM.	172,679	171,939	174,386	172,811
MENTAL HEALTH MANAGER	199,756	180,493	121,150	168,102
EAP	5,015	5,030	5,085	5,063
PPO	328,631	335,614	319,878	312,549
UM/DM	166,532	158,021	150,838	147,764
SUBTOTAL	\$11,173,423	\$12,511,021	\$12,378,578	\$12,564,221

OPERATING EXPENSE				
ADMINISTRATION	\$241,069	\$240,602	\$246,992	\$247,541
ADMINISTRATION HIPAA	4,872	4,885	5,039	5,070
MISCELLANEOUS	91,069	109,729	130,256	164,792
SUBTOTAL	\$337,010	\$355,216	\$382,287	\$417,403

TOTAL EXPENSES	\$11,510,433	\$12,866,237	\$12,760,865	\$12,981,624
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SURPLUS (DEFICIT)	\$247,527	(\$292,659)	(\$406,171)	(\$166,722)
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TOTAL PARTICIPANTS	7,337	7,342	7,328	7,290
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FUND BALANCE	\$16,181,792	\$16,086,496	\$15,823,001	\$15,076,231
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CONTRACT INFORMATION
MAINTENANCE OF BENEFITS
THIRD QUARTER 2013

CONTRACT EXP.	COMPANY	PLAN	RATES
04-30-12 ¹	ACE SUSHI	Y	\$810.69
		Y	\$431.22
		Y	\$983.97
09-30-12 ¹	PERKINS MGMT	Z	\$1,569.95
		Z	\$559.09
		Z	\$1,136.63
06-30-13 ¹	DELMARVA UFCW	JSS-2	\$1,208.68
02-19-13 ¹	KELCO F.C.U.	JS	\$920.73
03-31-13 ¹	KROGER	K2	\$647.75
		K2	\$263.03
		K2	\$2,416.49
		K20	\$327.51
		K20	\$98.98
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
10-31-13	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
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

¹ON EXTENSION PER LOCAL 27 AND LOCAL 400

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

THIRD 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
PERKINS MANAGEMENT SERVICES	MARCH 2013	0.00	\$ 16.04	\$ 16.04	X
PERKINS MANAGEMENT SERVICES	APRIL 2013	0.00	\$ 3.62	\$ 3.62	X
TOTALS		0.00	\$ 20.10	\$ 20.10	

CURRENT QUARTER

EMPLOYER	DELINQ. MO.	DATE PAID	1ST LETTER	2ND LETTER	LEGAL
PERKINS MANAGEMENT SERVICES	JULY 2013		X	X	X
PERKINS MANAGEMENT SERVICES	AUGUST 2013		X	X	X
PERKINS MANAGEMENT SERVICES	SEPTEMBER 2013		X		

LATE PAYERS

PERKINS MANAGEMENT SERVICES

INVOICES

UFCW UNIONS & PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND

INVOICES

DECEMBER 12, 2013

1. ASSOCIATED ADMINISTRATORS, LLC

09/19/13	Meeting Expenses – Regular Meeting – September 19, 2013	\$	2,525.00
09/30/13	Reimbursement for Check Stock	\$	830.31
10/02/13	Reimbursement of meeting expenses – Deposit for December 12, 2013 Board of Trustees Meeting	\$	375.00
10/28/13	Meeting Expenses – Special Meeting – October 28, 2013	\$	777.24
10/28/13	Reimbursement of Meeting Expenses incurred by S. Loeffler for the October 28, 2013 Special Meeting	\$	277.24

2. BOND BEEBE

10/31/13	A final billing for professional services rendered in connection with the audit of the financial statements for the year ended December 31, 2012	\$	7,135.00
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3. CHEIRON

11/19/13	Retainer Services provided through October, 2013	\$	9,000.00
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4. INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS

09/18/13	Membership Renewal – 2014	\$	915.00
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5. MORGAN, LEWIS & BOCKIUS

09/16/13	Professional Services rendered through August 31, 2013	\$	19,722.25
10/16/13	Professional Services rendered through September 30, 2013	\$	34,314.69

6. **SEGALL BRYANT & HAMILL**

10/22/13	Investment Management Fee – 3Q13	\$	6,442.55
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7. **SLEVIN & HART, P.C.**

09/30/13	Professional Services rendered through August 31, 2013	\$	40,137.70
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10/25/13	Professional Services rendered through September 30, 2013	\$	29,645.69
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11/19/13	Subrogation Services provided through September 30, 2013	\$	453.21
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8. **TRUSTEE EXPENSE REIMBURSEMENTS**

10/03/13	G. Anderson – Reimbursement of meeting expenses incurred at the September 19, 2013 Board of Trustees meeting	\$	365.11
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09/30/13	S. Loeffler – Reimbursement of meeting expenses incurred at the September 18 – 19, 2013 Board of Trustees meeting	\$	408.90
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10/09/13	D. Gwin – Reimbursement of meeting expenses incurred at the September 19, 2013 Board of Trustees meeting	\$	84.19
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11/04/13	S. Loeffler – Reimbursement of meeting expenses incurred at the October 28, 2013 special meeting	\$	1,185.20
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AA *LLC Associated Administrators, LLC*

December 12, 2013

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

From: Bill Jensen

Subj: PPACA/Compliance Invoice for Third Quarter 2013

Ladies and Gentlemen:

Attached is Associated's invoice for PPACA related work for the Third Quarter 2013. The total is \$2,920.00. 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

<i>Total</i>	<i>NF</i>
specific	\$2,920.00
Totals	\$2,920.00

**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

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

December 12, 2013

Board of Trustees of the
UFCW Unions and Participating Employers Health and Welfare Fund

Re: Medicare Deductible and Co-insurance Rates -2014

Ladies and Gentlemen:

The Centers for Medicare and Medicaid Services (CMS) published the changes to the Medicare Part A and B premiums, deductibles and co-insurance for 2014.

	<u>2013</u>	<u>2014</u>
Medicare Part B Deductible:	\$ 147.00	\$ 147.00
First-Day Part A Hospital Deductible:	\$1,184.00	\$1,216.00
Daily Part A Coinsurance for the 61 st Through 90 th Day of a Hospital Stay:	\$ 296.00	\$ 304.00
Daily Part A Coinsurance for Hospital Stays Longer than 90 Days	\$ 592.00	\$ 608.00
Daily Part A Coinsurance for the 21 st Through 100 th day in Skilled Nursing Facility	\$ 148.00	\$ 152.00

Please advise if we may process in accordance with the above listed rates.

Sincerely,



William R. Jensen
President
ASSOCIATED ADMINISTRATORS, LLC

WRJ:lmg

2014 KP MAS Medicare Cost (Medicare Plus) Group Rates

Group Name: United Food and Commercial Workers (UFCW) - Non Food Shoppers

Underwriting Signature: Alex Haybok

Group Number: 11215 - 9

Comments: _____

Effective Date: 1/1/2014

Date: _____

Illustrative Only

Year 2014
Jurisdiction MD
Plan A (with Part D Rx)
Commissions NA
Is this a National Group? No

Benefit Description:

		Group Half Months Late	0
Office visit	\$15		
Inpatient Copay	\$100		
RX* MO/KP/ANP	10/15/25-withD		
Dental	standard		
Vision	standard		
DME	\$0		
ER	\$60		

Additional Rider Benefits:

Hearing Aid	none
Sexual Dysfunction Drugs	none
Chiropractic & Acupuncture	none

Total pmpm (Medicare A, B, & D)	\$217.55		(includes applicable state mandates)
	\$0.00	0	Half months APP Load
Total pmpm (Medicare A, B, & D) & APP Load	\$217.55		
Total pmpm (Medicare B & D Only)	\$680.05		(includes applicable state mandates)
	\$0.00	0	Half months APP Load
Total pmpm (Medicare B & D Only) & APP Load	\$680.05		

Rates are illustrative only. Rates are subject to CMS and DOI approval. Rates are subject to revision.

*60 day supply



Cynthia Polisuk
Account Executive
28588 Northwestern Highway, Suite 250
Southfield, MI 48034
Phone: 248-208-8650
PolisukC@aetna.com

November 8, 2013

Trustees of UFCW Unions & Participating Employers Health & Welfare Fund
William Jensen
4301 Garden City Drive
Landover, MD 20785

Dear Mr. Jensen:

Thank you for allowing us to serve your health insurance and health benefit needs over the past year. We are hopeful that this package will provide you with the information you need in order to develop your company's future benefits program. As we approach the January anniversary of your program with our company, we are pleased to present you with our renewal for the 2014 policy period.

At Aetna*, we believe it is fundamental that you understand the full financial picture of your benefit plan. Therefore, the enclosed package provides the following important information about the cost of your current program, potential changes you may want to consider and the value that Aetna brings to you and your company.

- **Future Program Costs** - This section illustrates the cost projections to operate your current benefit program for the period 01/01/2014 through 12/31/2014. This section contains the following: experience exhibits and illustrative administrative service fees.
 - For the 01/01/2014 through 12/31/2014 contract period, the fee will increase 3% for self-insured PPO dental and 3% for fully-insured DMO dental.
- **Program Services and Financial Assumptions**
 - Program Services Included** - This section includes additional services that have been included in our pricing or require an additional fee.
 - Financial Assumptions** - Our renewal offer is contingent upon the parameters outlined here. It is important to note that deviations from these assumptions may result in additional charges and/or adjustments on our Life, Medical and Dental quotations for conventional premiums, Service Fees, and Stop Loss rate(s) and factor(s). Please review this section thoroughly.
- **The Aetna Difference** - This section outlines the latest Aetna facts that we would like you to know about our company. We hope that by reading this information you will better understand the many ways we are striving to provide quality healthcare programs and services to companies like yours.

In the absence of any changes impacting the conditions of this renewal as outlined in the Financial Assumption section, the rates, fees, and factors presented here will remain in effect through December 31, 2014.

If you would like to make any plan changes, please contact me by December 1, 2013. If you have any questions, please contact me at 248-208-8650.

We are committed to working with you to provide quality products and services that reinforce your decision to do business with Aetna and help manage your current and future health care costs.

Sincerely,

Cynthia Polisuk
Account Executive

Jermaine Kane
Underwriting Consultant

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies. The Aetna companies that offer, underwrite or administer benefit coverage include: Aetna Health Inc., Aetna Health of California Inc., Aetna Dental Inc., Aetna Dental of California Inc., Aetna Health Insurance Company, Health Insurance Company of New York, Aetna Life Insurance Company (Aetna). In Maryland, by Aetna Health Inc., 151 Farmington Avenue, Hartford, CT 06156.

Each insurer has sole financial responsibility for its own products.

Health benefits and health insurance plans contain limitations and exclusions.

Policy form numbers include GR-9/GR-9N, GR-23, GR-29/GR-29N, GR-700-W, and/or GR-88435 and/or GR-96476.



TO: Members of the Board of Trustees of the UFCW Unions and Participating Employers' Health and Welfare Fund

FROM: Joe Pedone, CareFirst BlueCross BlueShield 
Steve Krasnoff, CareFirst BlueCross BlueShield 

RE: CareFirst Rate Increase Request- 2013

DATE: December 4, 2013

Following CareFirst BlueCross BlueShield's memo dated September 13, 2011 and subsequent presentations to the UFCW Unions and Participating Employers' Health and Welfare Fund ("Non-Food Fund") Board of Trustees on September 15, 2011 and July 2, 2013, we respectfully ask that the Non-Food Fund Board proceed with a motion to approve the 2013 - 2014 Network Lease and FlexLink rates that were disclosed in the aforementioned correspondence. The rates published in the memo were as follows:

	Network Lease	Increase Over Previous Year's Network Lease Rate	FlexLink	Increase Over Previous Year's FlexLink Rate
11/1/2013 - 10/31/2014	\$4.00 pcpm	+3%	\$20.20 pcpm	+3%

*Note: The acronym "pcpm" stands for "per contract per month".

Based on the Non-Food Fund's average monthly eligible count of 2,622 in the 2012 - 2013 contract year (2,106 eligibles in CareFirst's Network Lease solution and 516 in the FlexLink solution), CareFirst is requesting an additional \$6,685.92 to run the current program. This breaks down to an increase of \$252.72 per month (\$3,032.64 annually) in Network Lease fees and an increase of \$304.44 per month (\$3,653.28 annually) in FlexLink fees.

Once again, we thank you for your business, and wish to express our sincerest appreciation to serve the Non-Food Fund's members for the past two years. We look forward to continuing our partnership with the Fund for a long time to come.



Human Resources Shared Services
2501-1 West Grandview Road
Phoenix, Arizona 85023-3105

Date: November 21, 2013

After a recent internal audit it was found that an overpayment was made on behalf of (XXX-XX-1730), for the period of June 2012 to June 2013.

This overpayment occurred due to the associate being moved to a Part-Time status effective 11/27/2011. We continued making Full Time Welfare Contributions on the associate's behalf in error, resulting in the overpayment of \$4,553.64.

At this time we are requesting a credit on for this overpayment.

Below you will find a worksheet showing how this credit was calculated.

Month	Contribution paid	Contribution S/B Paid	Credit due	Note
12/31/2011	\$ 810.69	\$ 810.69	\$ -	VSP Payment
1/28/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
2/25/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
3/31/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
4/28/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
5/26/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
6/30/2012	\$ 810.69	\$ 431.22	\$ 379.47	
7/28/2012	\$ 810.69	\$ 431.22	\$ 379.47	
8/25/2012	\$ 810.69	\$ 431.22	\$ 379.47	
9/29/2012	\$ 810.69	\$ 431.22	\$ 379.47	
10/27/2012	\$ 810.69	\$ 431.22	\$ 379.47	
11/24/2012	\$ 810.69	\$ 431.22	\$ 379.47	
12/29/2012	\$ 810.69	\$ 431.22	\$ 379.47	
1/26/2013	\$ 810.69	\$ 431.22	\$ 379.47	
2/23/2013	\$ 810.69	\$ 431.22	\$ 379.47	
3/30/2013	\$ 810.69	\$ 431.22	\$ 379.47	
4/27/2013	\$ -	\$ -	\$ -	
5/25/2013	\$ 810.69	\$ 431.22	\$ 379.47	
6/29/2013	\$ 810.69	\$ 431.22	\$ 379.47	
			\$ 4,553.64	

Sincerely,

Dominique Orem

SUPERVALU | Phoenix, AZ

2501 West Grandview Road, Suite 1, Phoenix, AZ 85023

Office: 602.547.5536 | Fax: 602.547.5671



Human Resources Shared Services
2501-1 West Grandview Road
Phoenix, Arizona 85023-3105

Date: November 21, 2013

After a recent internal audit it was found that an overpayment was made on behalf of (XXX-XX-6797), for the period of June 2012 to October 2013.

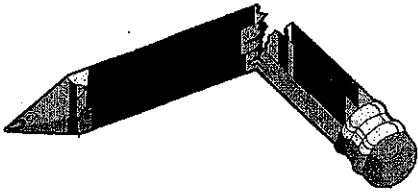
This overpayment occurred due to the associate being moved to a Part-Time status effective 10/09/2011. We continued making Full Time Welfare Contributions on the associate's behalf in error, resulting in the overpayment of \$6,450.99.

At this time we are requesting a credit on for this overpayment.

Below you will find a worksheet showing how this credit was calculated.

Month	Contribution paid	Contribution S/B Paid	Credit due	Note
12/31/2011	\$ 810.69	\$ 810.69	\$ -	VSP Payment
1/28/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
2/25/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
3/31/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
4/28/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
5/26/2012	\$ 810.69	\$ 810.69	\$ -	VSP Payment
6/30/2012	\$ 810.69	\$ 431.22	\$ 379.47	
7/28/2012	\$ 810.69	\$ 431.22	\$ 379.47	
8/25/2012	\$ 810.69	\$ 431.22	\$ 379.47	
9/29/2012	\$ 810.69	\$ 431.22	\$ 379.47	
10/27/2012	\$ 810.69	\$ 431.22	\$ 379.47	
11/24/2012	\$ 810.69	\$ 431.22	\$ 379.47	
12/29/2012	\$ 810.69	\$ 431.22	\$ 379.47	
1/26/2013	\$ 810.69	\$ 431.22	\$ 379.47	
2/23/2013	\$ 810.69	\$ 431.22	\$ 379.47	
3/30/2013	\$ 810.69	\$ 431.22	\$ 379.47	
4/27/2013	\$ 810.69	\$ 431.22	\$ 379.47	
5/25/2013	\$ 810.69	\$ 431.22	\$ 379.47	
6/29/2013	\$ 810.69	\$ 431.22	\$ 379.47	
7/27/2013	\$ 810.69	\$ 431.22	\$ 379.47	
8/31/2013	\$ 810.69	\$ 431.22	\$ 379.47	
9/28/2013	\$ 810.69	\$ 431.22	\$ 379.47	
10/26/2013	\$ 810.69	\$ 431.22	\$ 379.47	
			\$ 6,450.99	

Sincerely,
Dominique Orem
SUPERVALU | Phoenix, AZ
2501 West Grandview Road, Suite 1, Phoenix, AZ 85023



MEETING NOTES

[illegible]