UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND

BOARD OF TRUSTEES MEETING

AUGUST 30, 2018

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

911 Ridgebrook Road
Sparks, Maryland 21152-9451
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(800) 638-2972
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AGENDA

AUGUST 30, 2018

(Approximately 11:00 a.m.)

I. CALL TO ORDER

II. MINUTES (pg. 1 – 11)
   A. REGULAR MEETING – APRIL 11, 2018
   B. APPEAL COMMITTEE MINUTES – APRIL 17, 2018
   C. APPEAL COMMITTEE MINUTES – JUNE 25, 2018

III. FINANCIAL REPORT (pg. 12 - 14)
   A. PNC REPORT

IV. CONSULTANTS' REPORTS
   A. CONFIDIO (FORMERLY HERITAGE RX)
      1. PROPOSAL FOR AUDIT OF OPTUM RX
   B. SEGAL COMPANY
      1. DENTAL RFP
      2. MOB RESERVES

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

VI. ADMINISTRATIVE MANAGER'S REPORT - (1Q18 & 2Q18) (pg. 15 – 64)
   A. ADMINISTRATIVE MANAGER'S CONTRACT RENEWAL - STATUS

VII. INVOICES (pg. 65- 68)

VIII. OTHER FUND BUSINESS
   A. CAREFIRST PPO CONTRACT - RENEWAL STATUS
   B. MEDICARE HMO (KAISER)
   C. MISCELLANEOUS CORRESPONDENCE

IX. NEXT MEETING DATE AND LOCATION (NOVEMBER 14, 2018, LOCATION TO BE DETERMINED)

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 11, 2018 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici – Chairman	D. Gwin – Secretary
T. Hipkins	J. Born

Also present were:

M. Bramstaedt – The Segal Company
H. Burton – Morgan, Lewis & Bockius, LLP
D. Clutts – Associated Administrators, LLC
J. Chorpenning – Local 27
A. Hanson – Local 400
C. Heppner – The Segal Company
N. Jacobs – Local 400
W. Jensen – Associated Administrators, LLC.
S. Sanchez – Slevin & Hart, P.C.
W. Seehafer – SuperValu, Inc.
B. Slevin – Slevin & Hart, P.C
J. Timm – The Segal Company
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. Proxy

Mr. Jensen reported that he had received correspondence from Trustee Murphy giving his proxy to Trustee Hipkins to act in all matters coming before the Trustees.

B. Trustee Resignation

Mr. Jensen reported that he had received correspondence dated February 21, 2018 from The Kroger Company advising of Steven Springer's resignation as a Trustee.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on December 6, 2017, the appeals committee meeting held on December 8, 2017, and the appeals committee meeting held on January 31, 2018, which were previously circulated.

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 6, 2017, the appeals committee minutes of December 8, 2017, and the appeals committee minutes of January 31, 2018, are approved, as presented.**

III. FINANCIAL REPORT

A. PNC Bank

The Trustees welcomed Ms. Mary Jones of PNC Institutional Asset Management to the meeting. She presented the Summary of Activity report for the period January 1, 2018 to March 31, 2018. Such report indicated a beginning market value of $6,432,670, receipts of $8,289,103, disbursements of $7,031,424, and earnings of ($1,560), producing an ending market value of $7,688,789 as of March 31, 2018.

Mr. Jensen said that PNC is changing its fee structure for its commercial banking clients. PNC will present its fee proposal at the August 15, 2018 Board meeting. Ms. Jones confirmed that the PNC Trust division was not altering its fees at this time.

The Trustees thanked Ms. Jones for her report and she was excused from the meeting.

IV. CONSULTANT'S REPORT

A. The Segal Company

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

1. Dental Request for Proposal ("RFP")

The Trustees discussed the Dental RFP study presented by Segal at the last meeting and delegated the matter to a committee of Trustees Gwin, Federici and Chorpenning to follow up with Segal.

2. Reserves

Mr. Heppner distributed and reviewed Segal's report on the Fund reserve level as of March 31, 2018. He noted that no action was required as the reserve level was 3.55 months as of March 31, 2018, which is within the target range of two to four months as outlined in the Collective Bargaining Agreement.

3. Retirees Formerly Employed by Kroger

Mr. Bramstaedt provided an update on the Kroger Roanoke group retiree experience through December 31, 2017. He reported that effective June 30, 2017, the retiree benefits were terminated and all expenses and income for the period July 1, 2017 through December 31, 2017 represented run-out. He stated that Kroger appears to have overpaid the Fund for run-out claims by $148,880. The Trustees agreed that the Fund's auditor should review this matter to determine whether there has been an overpayment and, if so, the amount Kroger overpaid.

The Trustees thanked the representatives of Segal for their report and they were excused from the meeting.

B. Heritage Rx

Mr. Jensen presented the Proposed Scope of Services for pharmacy consulting services from Heritage Rx. He outlined the services, noting that the fee for the work Heritage Rx already performed to facilitate negotiation and execution of the OptumRx PBM contract Amendment governing the Fund's renewal term effective January 1, 2018 – December 31, 2020 was $6,000.00. If the Fund chose to retain Heritage to track and manage OptumRx's performance, ensuring the PBM's compliance with contractual obligations and consistency with industry best practices, the fee would be $26,000. Fees for ad hoc services would be quoted upon request.

The Trustees discussed the proposal. They asked Mr. Jensen to obtain pricing from Heritage for claims audit services for further review by the Trustees.

V. ATTORNEY'S REPORT

A. Transfer to West Virginia Fund

Mr. Slevin reported on the transfer of Kroger-employed participants, and their dependents, from the Fund to the UFCW Local 400 Health and Welfare Fund effective January 1, 2018 for the Richmond/Tidewater Group and effective February 1, 2018 for the Roanoke Group.

B. Enrollment Rules

Mr. Slevin reported on a SMM regarding the rules adopted by the Trustees relating to the annual open enrollment process. 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 approve any other changes to the Fund's enrollment rules as are necessary.**

C. Department of Labor ("DOL") Disability Regulations Amendment

Mr. Slevin reported on the new DOL Regulations Regarding Claims and Appeals Procedures for Disability Benefits and presented a summary of material modifications regarding the same. After discussion,

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

> **RESOLVED to ratify the Chairman's and Secretary's prior approval of the Plan changes, as reflected in the SMM, to comply with the new DOL disability regulations effective April 1, 2018.**

D. Benchmark Anti-Trust Litigation

Mr. Slevin reported on several benchmark-related class actions, noting that PNC stated it would file any applicable claims on the Fund's behalf.

E. Express Scripts ("ESI") Audit Status

Mr. Slevin reported on the ESI audit for the period ending in 2006.

F. OptumRx Amendment

Mr. Slevin presented the Optum Rx renewal amendment for signature by the Trustees. The amendment was executed.

G. Subrogation

Mr. Jensen stated that Slevin & Hart reported subrogation recoveries of $20,703.00 for the fourth quarter 2017.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2017

Mr. Jensen presented the Administrative Manager's report for the fourth quarter 2017, which had been pre-circulated. Such report indicated total income of $12,576,099 and total expenses of $11,787,523, producing a surplus of $788,576. Mr. Jensen noted that contributions were made on behalf of 5,469 Plan participants.

B. Administrative Manager's Contract Renewal

Mr. Jensen stated that Associated Administrators' contract will expire May 31, 2018. He presented a request for a three-year extension of the contract and reviewed a justification for a fee increase, including new legislation that has significantly affected benefits processing, implementation of the new eligibility rule changes and regulatory changes, and ongoing information technology investment for mandated security and compliance.

The representatives from Associated Administrators, LLC were excused from the meeting.

The Trustees discussed the contract renewal and tabled same pending further discussion.

The Trustees invited the representatives from Associated to rejoin the meeting and they were advised of the Trustees' decision.

VII. INVOICES

The Trustees reviewed the list of invoices for the Active and Retiree Plans dated April 11,

2018. It was noted that there were no additions, deletions or changes to the lists of invoices.

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

> **RESOLVED that the invoices shown on the lists of the Active and Retiree Plans dated April 11, 2018 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. CareFirst PPO Contract – Renewal

Mr. Jensen said that CareFirst continues to work on contract language with a related UFCW Health Fund and Counsel. Once that language is complete, CareFirst will present the revised language to this Fund for review and approval.

B. Dependent Audit – Final Report

Mr. Jensen said that the dependent audit conducted by the Fund office was complete. Approximately 6% of the spousal dependents had been removed due to lack of response to the audit. A few of the dependent spouses had appealed to reinstate coverage. The estimated annual reduction in cost based on an audit firm's benchmark was $137,000.

C. Kroger Active Plans Transition – Status Update

Mr. Jensen said the active Richmond Tidewater participants were transferred January 1, 2018, and the Roanoke plan participants were transferred February 1, 2018, after a delay requested by the administrator of the other Fund. Mr. Jensen said there are reserves owed to Kroger, as noted in the Segal report.

D. 2018 COBRA Rates

Mr. Jensen presented the 2018 COBRA rates effective May 1, 2018 for the Active Plan.

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

RESOLVED to approve the COBRA rates effective May 1, 2018 as presented.

E. Patient Centered Outcomes Research Institute ("PCORI") Method

Mr. Jensen said that the Fund Office would utilize the snapshot method of calculation of the PCORI fees unless otherwise directed by the Trustees.

F. Fiduciary Liability Insurance – Individual Waiver of Recourse

Mr. Jensen reported that the fiduciary liability insurance through Chubb had been renewed for the period April 29, 2018 through April 29, 2019. The Individual Waiver of Recourse invoices were sent to the Trustees on March 14, 2018.

IX. NEXT MEETING DATES AND LOCATION

The Trustees noted that their next meeting date is scheduled for August 15, 2018 in the offices of UFCW Local 400 located in Landover, Maryland, at 9:00 a.m.

X. ADJOURNMENT

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

Respectfully Submitted,

Donna Gwin – Secretary

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APPEALS EMAILED AND RESOLVED
BY THE APPEALS SUBCOMMITTEE OF THE
BOARD OF TRUSTEES OF THE
UFCW UNIONS & PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
ON APRIL 17, 2018

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:

First Quarter 2018

Code	Issue	Decision
A18/101-2736	Not Eligible	**Denied**
A18/103-4272	Not Receiving Treatment to Improve	**Denied**
E18/101-1112	Open Enrollment	**Denied**
E18/121-9501	Dependent Spouse Audit Termination	**Denied**
E18/120-5870	Dependent Spouse Audit Termination	**Approved**
E18/110-7906	Dependent Spouse Audit Termination	**Tabled**
E18/111-6311	Dependent Spouse Audit Termination	**Denied**
E18/119-4694	Dependent Spouse Audit Termination	**Approved**
E18/117-5619	Dependent Spouse Audit Termination	**Denied**
M18/103-6126	Late Filing	**Denied**
M17/240-2845	Late Filing, Late Appeal	**Denied**
M18/118-7378	Late Filing, Late Appeal	**Denied**
M17/236-4053a	Nonparticipating Provider, Late Appeal	**Denied**
M18/124-2210	Routine Services	**Denied**
M17/247-7105	CRNA	**Denied**
M17/248-8558	CRNA	**Denied**

M18/108-5524	CRNA, Late Appeal	**Denied**
M17/253-4804	Ambulance Services	**Approved**

Respectfully submitted,

Chris Brown, Appeals Supervisor

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APPEALS EMAILED TO THE APPEALS SUBCOMMITTEE OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND ON JUNE 25, 2018 AND RESOLVED VIA EMAIL

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:

Previously Tabled in First Quarter 2018 Book

Code	Issue	Decision
E18/110-7906	Dependent Spouse Audit Termination	Denied

Second Quarter 2018

Code	Issue	Decision
A18/106-5581	Benefit Exhaustion	Approved Non-precedent
A18/109-7133	No Date of Treatment	Denied
E18/141-5846	Dependent Spouse Audit Termination	Approved
E18/153-4141	Dependent Spouse Audit Termination	Approved
E18/160-6074	Dependent Spouse Audit Termination	Approved
M18/152-4987	Late Filing	Denied
M18/142-6809	Late Filing	Denied
M18/122-4533	Late Filing	Denied
M18/131-2427	Late Filing	Denied
M18/135-2010	Late Filing, Late Appeal	Denied
M18/129-5429	Laboratory Services	Denied
M18/114-2420	Excess of UCR	Denied
M18/125-6887	Ambulance Services	Approved
M18/143-6887	Ambulance Services	Approved
M18/146-8451	Ambulance Services	Approved

M18/140-6369	Ambulance Services	Approved
M18/138-5008	Ambulance Services	Denied

Respectfully submitted,

Chris Brown, Appeals Supervisor

FINANCIAL REPORT

UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH & WELFARE FUND
SUMMARY OF ACTIVITY
JANUARY 01 TO JULY 31, 2018

ITEM	CASH RESERVE	SBH	TOTAL AMOUNT
MARKET VALUE 01/01/2018	$ 4,592,492	$ 1,840,178	$ 6,432,670
RECEIPTS	$ 18,541,739	$ 46	$ 18,541,785
DISBURSEMENTS	$ (15,783,312)	$ -	$ (15,783,312)
INTER ACCOUNT TRANSFERS	$ -	$ -	$ -
EARNINGS	$ 52,384	$ (15,412)	$ 36,972
ENDING MARKET VALUE 07/31/18	$ 7,403,303	$ 1,824,812	$ 9,228,115

PNC BANK

March 28, 2018

UFCW Unions and Participating Employers Health & Welfare Fund
Board of Trustees
c/o Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152

Re: Changes to Your Treasury Management Fee Schedule for 2018

Dear Board of Trustees:

PNC Bank is committed to providing your organization and your third party administrator with the Treasury Management solutions you need to achieve your organization's financial goals – at a competitive price. In support of our continued investment in new technology and innovative cash management tools, we are increasing our fees for select services. The impact of these price changes will depend on the mix of services used and related transaction volumes.

To provide specific 2018 pricing information for your organization, PNC has prepared a comparison of average pricing for 2017 and the 2018 pricing calculated on the mix of services used and related transaction volumes for the month of February 2018. These are attached for your review.

Price changes were scheduled to take effect in January 2018, and we have deferred the implementation of Treasury Management fee increases until the month after your next scheduled 2018 board meeting. We also worked with your third party administrator to delete certain services that were either not being utilized or were considered unnecessary. Finally, we have implemented a credit on your account analysis to give value for the balances you keep in your accounts, which serves to offset transaction fees.

We reviewed the pricing increases and applied a competitive discount, and in addition, we have increased the earnings credit rate applied to you balances to give further credit for the balances that your organization keeps in the accounts with PNC Bank. We understand that there are no price increases in 2018 for PNC Institutional Investment services.

We would be happy to address questions that you may have regarding these changes. We thank you for choosing PNC as your Treasury Management provider and we appreciate your business.

Very truly yours,

Stephen D. Palmer
Senior Vice President

	Account Name	2017 Avg Fee	Feb-2018 Fee	Estimated Impact
	UFCW Unions and Participating Employers Health & Welfare Fund	**$69.47**	**$240.11**	**$170.64**
5501296033	UFCW & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND	$21.94	$116.21	$94.27
5501304902	UFCW UNIONS & PARTICIPATING EMPLOYE HEALTH & WELFARE MEDICAL CLAIMS	$37.54	$84.89	$47.35
5501406511	UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND	$10.00	$39.01	$29.01

ADMINISTRATIVE MANAGER'S REPORT

UFCW UNIONS AND PARTICIPATING EMPLOYERS

HEALTH & WELFARE FUND

FIRST QUARTER 2018

ADMINISTRATIVE MANAGER'S REPORT

FIRST QUARTER 2018
PLAN JS

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

BENEFIT EXPENSES		**COST**
MEDICAL		$10,226
HMO		0
LIFE & AD & D		41
DISABILITY		0
DENTAL		1,434
OPTICAL		144
DRUG		25,219
RETIREES		12,839
MEDICAL ADM.		448
MENTAL HEALTH MANAGER		9,894
PPO		229
UM/DM		442
SUB TOTAL		$60,916

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$399
ADMINISTRATION HIPAA		10
MISCELLANEOUS		538
SUB TOTAL		$947

TOTAL EXPENSES		**$61,863**

SURPLUS (DEFICIT)		**($31,479)**

AVERAGE INCOME		$921
AVERAGE EXPENSE		1,875
SURPLUS (DEFICIT)		**($954)**

FIRST QUARTER 2018
PLAN JSS-2

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
SAFEWAY VALLEY FT	$1,488.72	2	$8,931	
SAFEWAY VALLEY PT	1,488.72	0	0	
SHOPPERS FOOD 400 FT[1]	1,852.56	422	2,287,297	
SHOPPERS FOOD 400 PT[1]	1,852.56	161	874,272	
UFCW LOCAL 400 TEMP FT	1,488.72	0	0	
HMO COPAYS			4,621	
COBRA		0	0	
TOTAL		**585**	**$3,175,121**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$1,081,649
HMO		10,059
LIFE & AD & D		7,347
DISABILITY		92,223
DENTAL		76,083
OPTICAL		7,938
DRUG		558,812
RETIREES		682,801
MEDICAL ADM.		23,965
MENTAL HEALTH MANAGER		18,300
PPO		12,239
UM/DM		23,533
SUB TOTAL		$2,594,949

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$21,198
ADMINISTRATION HIPAA		519
MISCELLANEOUS		28,588
SUB TOTAL		$50,305

TOTAL EXPENSES		**$2,645,254**

SURPLUS (DEFICIT)		**$529,867**

AVERAGE INCOME		$1,809
AVERAGE EXPENSE		1,507
SURPLUS (DEFICIT)		**$302**

[1]New rate effective February 2018

FIRST QUARTER 2018
PLAN RICHMOND TIDEWATER[1]

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER R/T		0	$0	
COBRA		0	0	
TOTAL		**0**	**$0**	**$0**

BENEFIT EXPENSES		**COST**
AETNA DENTAL		$0
AETNA DENTAL CLAIMS		0
ASO PROVIDER		0
METLIFE		0
GVS OPTICAL		0
SUB TOTAL		$0

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

TOTAL EXPENSES		**$0**
SURPLUS (DEFICIT)		**$0**

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

[1] Plan termination 12/31/17. Page will exist until final settlement with Kroger to accommodate any adjustments.

FIRST QUARTER 2018
PLAN RNK 1[1]

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER		253	$688,330	
COBRA		1	2,050	
TOTAL		**254**	**$690,380**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$335,882
LIFE & AD & D		4,524
DISABILITY		21,408
DENTAL		27,778
OPTICAL		3,249
DRUG		0
MEDICAL ADM.		10,313
MENTAL HEALTH MANAGER		3,476
EAP		517
PPO		54
UM/DM		8,450
SUB TOTAL		$415,651

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$10,022
ADMINISTRATION HIPAA		245
MISCELLANEOUS		12,413
SUB TOTAL		$22,680

TOTAL EXPENSES		**$438,331**

SURPLUS (DEFICIT)		**$252,049**

AVERAGE INCOME		$906
AVERAGE EXPENSE		575
SURPLUS (DEFICIT)		**$331**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014
[1]PLAN TERMINATED MARCH 2018

FIRST QUARTER 2018
PLAN RNK 2[1]

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER		149	$337,141	
COBRA		0	353	
TOTAL		**149**	**$337,494**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$174,038
LIFE & AD & D		784
DISABILITY		2,047
DENTAL		9,901
OPTICAL		1,909
DRUG		0
MEDICAL ADM.		6,066
MENTAL HEALTH MANAGER		1,781
PPO		32
UM/DM		4,972
SUB TOTAL		$201,530

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$5,714
ADMINISTRATION HIPAA		140
MISCELLANEOUS		7,281
SUB TOTAL		$13,135

TOTAL EXPENSES		**$214,665**

SURPLUS (DEFICIT)		**$122,829**

AVERAGE INCOME		$755
AVERAGE EXPENSE		480
SURPLUS (DEFICIT)		**$275**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014
[1]PLAN TERMINATED MARCH 2018

FIRST QUARTER 2018
PLAN RNK 3[1]

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER		192	$379,284	
COBRA		0	262	
TOTAL		**192**	**$379,546**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$180,724
LIFE & AD & D		854
DISABILITY		3,184
DENTAL		10,272
OPTICAL		2,147
DRUG		0
MEDICAL ADM.		7,830
MENTAL HEALTH MANAGER		10,809
PPO		41
UM/DM		6,377
SUB TOTAL		$222,238

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$7,323
ADMINISTRATION HIPAA		179
MISCELLANEOUS		9,383
SUB TOTAL		$16,885

TOTAL EXPENSES		**$239,123**

SURPLUS (DEFICIT)		**$140,423**

AVERAGE INCOME		$659
AVERAGE EXPENSE		415
SURPLUS (DEFICIT)		**$244**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014
[1]PLAN TERMINATED MARCH 2018

FIRST QUARTER 2018
PLAN Y FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$839.88	0	$0	
METRO/BASICS[1]	1,032.82	252	760,348	
SHOPPERS 400[1]	1,032.82	177	533,854	
COBRA		0	0	
HMO COPAYS			1,632	
TOTAL		**429**	**$1,295,834**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$731,640
HMO		1,161
LIFE & AD & D		6,214
DISABILITY		99,547
DENTAL		53,082
OPTICAL		3,909
DRUG		279,453
MEDICAL ADM.		17,112
MENTAL HEALTH MANAGER		4,680
EAP		854
PPO		8,737
UM/DM		16,813
SUB TOTAL		$1,223,202

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$15,545
ADMINISTRATION HIPAA		380
MISCELLANEOUS		20,965
SUB TOTAL		$36,890

TOTAL EXPENSES		**$1,260,092**

SURPLUS (DEFICIT)		**$35,742**

AVERAGE INCOME		$1,007
AVERAGE EXPENSE		979
SURPLUS (DEFICIT)		**$28**

[1]New rate effective February 2018

FIRST QUARTER 2018
PLAN Y PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$347.41	0	$0	
METRO/BASICS[1]	520.94	246	373,438	
SHOPPERS 400[1]	520.94	492	749,444	
COBRA		1	1,341	
TOTAL		**739**	**$1,124,223**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$559,699
HMO		22,479
LIFE & AD & D		4,740
DISABILITY		47,660
DENTAL		50,939
OPTICAL		5,937
DRUG		311,344
MEDICAL ADM.		25,050
MENTAL HEALTH MANAGER		8,288
EAP		1,255
PPO		12,778
UM/DM		24,697
SUB TOTAL		$1,074,866

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$26,779
ADMINISTRATION HIPAA		655
MISCELLANEOUS		36,114
SUB TOTAL		$63,548

TOTAL EXPENSES		**$1,138,414**

SURPLUS (DEFICIT)		**($14,191)**

AVERAGE INCOME		$507
AVERAGE EXPENSE		513
SURPLUS (DEFICIT)		**($6)**

[1]New rate effective February 2018

FIRST QUARTER 2018
PLAN Y PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$966.52	0	$0	
METRO/BASICS[1]	1,476.99	70	300,923	
SHOPPERS 400[1]	1,476.99	147	636,530	
HMO COPAYS			998	
TOTAL		**217**	**$938,451**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$514,819
HMO		4,209
LIFE & AD & D		1,624
DISABILITY		18,121
DENTAL		36,080
OPTICAL		2,043
DRUG		187,842
MEDICAL ADM.		8,888
MENTAL HEALTH MANAGER		5,746
EAP		447
PPO		4,581
UM/DM		8,781
SUB TOTAL		$793,181

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$7,863
ADMINISTRATION HIPAA		192
MISCELLANEOUS		10,605
SUB TOTAL		$18,660

TOTAL EXPENSES		**$811,841**

SURPLUS (DEFICIT)		**$126,610**

AVERAGE INCOME		$1,442
AVERAGE EXPENSE		1,247
SURPLUS (DEFICIT)		**$195**

[1]New rate effective February 2018

FIRST QUARTER 2018
PLAN Y20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS[1]	$590.09	15	$26,488	
SHOPPERS 400[1]	590.09	14	23,625	
UFCW LOCAL 400 TEMP		0	0	
TOTAL		**29**	**$50,113**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$1,388
HMO		0
LIFE & AD & D		330
DISABILITY		0
DENTAL		1,366
OPTICAL		214
DRUG		791
MEDICAL ADM.		963
MENTAL HEALTH MANAGER		176
PPO		464
UM/DM		937
SUB TOTAL		$6,629

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$1,051
ADMINISTRATION HIPAA		27
MISCELLANEOUS		1,417
SUB TOTAL		$2,495

TOTAL EXPENSES		**$9,124**

SURPLUS (DEFICIT)		**$40,989**

AVERAGE INCOME		$576
AVERAGE EXPENSE		105
SURPLUS (DEFICIT)		**$471**

[1]New rate effective February 2018

FIRST QUARTER 2018
PLAN Y20 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS[1]	$280.94	95	$78,330	
SHOPPERS 400[1]	280.94	162	132,842	
SHOPPERS 400[1,2]	408.75	3	3,616	
COBRA		1	450	
HMO COPAYS			577	
TOTAL		**261**	**$215,815**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$126,647
HMO		534
LIFE & AD & D		1,488
DISABILITY		4,187
DENTAL		10,577
OPTICAL		1,826
DRUG		23,671
MEDICAL ADM.		8,020
MENTAL HEALTH MANAGER		1,485
PPO		4,157
UM/DM		7,925
SUB TOTAL		$190,517

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$9,458
ADMINISTRATION HIPAA		231
MISCELLANEOUS		12,755
SUB TOTAL		$22,444

TOTAL EXPENSES		**$212,961**

SURPLUS (DEFICIT)		**$2,854**

AVERAGE INCOME		$276
AVERAGE EXPENSE		272
SURPLUS (DEFICIT)		**$4**

[1]New rate effective February 2018

[2]Employee additional contribution is $127.81 for 1 or 2 dependents, or $383.43 for 3 or more dependents.

FIRST QUARTER 2018
PLAN Y30 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS[1]	$545.82	5	$7,985	
SHOPPERS 400[1]	545.82	10	15,970	
TOTAL		**15**	**$23,955**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$233
LIFE & AD & D		64
DISABILITY		0
DENTAL		229
OPTICAL		40
DRUG[2]		(57)
MEDICAL ADM.		204
MENTAL HEALTH MANAGER		38
PPO		90
UM/DM		201
SUB TOTAL		$1,042

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$544
ADMINISTRATION HIPAA		13
MISCELLANEOUS		733
SUB TOTAL		$1,290

TOTAL EXPENSES		**$2,332**

SURPLUS (DEFICIT)		**$21,623**

AVERAGE INCOME		$532
AVERAGE EXPENSE		52
SURPLUS (DEFICIT)		**$480**

[1]New rate effective February 2018
[2]Credits received in January exceeded remaining 1st quarter expenses

FIRST QUARTER 2018
PLAN Y30 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS[1]	$263.52	63	$48,273	
SHOPPERS 400[1]	263.52	91	69,862	
SHOPPERS 400[1,2]	389.06	1	1,148	
TOTAL		**155**	**$119,283**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$1,767
LIFE & AD & D		192
DISABILITY		667
DENTAL		1,485
OPTICAL		251
DRUG		2,656
MEDICAL ADM.		1,370
MENTAL HEALTH MANAGER		1,431
PPO		595
UM/DM		1,285
SUB TOTAL		$11,699

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$5,617
ADMINISTRATION HIPAA		137
MISCELLANEOUS		7,575
SUB TOTAL		$13,329

TOTAL EXPENSES		**$25,028**

SURPLUS (DEFICIT)		**$94,255**

AVERAGE INCOME		$257
AVERAGE EXPENSE		54
SURPLUS (DEFICIT)		**$203**

[1]New rate effective February 2018

[2]Employee additional contribution is $125.54 for 1 or 2 dependents, or $376.62 for 3 or more dependents.

FIRST QUARTER 2018
PLAN Y40 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS[1]	$36.46	85	$9,123	
SHOPPERS 400[1]	36.46	353	38,107	
TOTAL		**438**	**$47,230**	**$0**

BENEFIT EXPENSES		**COST**
LIFE & AD & D		$86
DENTAL		670
OPTICAL		118
SUB TOTAL		$874

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$15,872
ADMINISTRATION HIPAA		389
MISCELLANEOUS		21,405
SUB TOTAL		$37,666

TOTAL EXPENSES		**$38,540**

SURPLUS (DEFICIT)		**$8,690**

AVERAGE INCOME		$36
AVERAGE EXPENSE		29
SURPLUS (DEFICIT)		**$7**

[1]New rate effective February 2018

FIRST QUARTER 2018
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	10	1	10	52	76
TOTAL INCOME	$3,295	$6,412	$519	$10,841	$0	$21,067

BENEFIT EXPENSES						COMBINED
MEDICAL	$66	$1,506	$0	$951	$25,039	$27,562
DENTAL	202	1,095	86	764	4,447	6,594
OPTICAL	32	171	14	93	704	1,014
DRUG	10,350	7,729	5,262	15,407	135,295	174,043
MEDICAL ADM.	122	502	0	244	1,533	2,401
MENTAL HEALTH MANAGER	19	95	0	45	354	513
EAP	0	0	0	16	0	16
PPO	0	0	0	0	0	0
UM/DM	0	0	0	40	0	40
TOTAL EXPENSES	$10,791	$11,098	$5,362	$17,560	$167,372	$212,183

SURPLUS (DEFICIT)	($7,496)	($4,686)	($4,843)	($6,719)	($167,372)	($191,116)

AVERAGE INCOME	$366	$214	$173	$361	$0	$92
AVERAGE EXPENSE	1,199	370	1,787	585	1,073	931
SURPLUS (DEFICIT)	($833)	($156)	($1,614)	($224)	($1,073)	($839)

FIRST QUARTER 2018
SHOPPERS RETIREES

INCOME RATE	CO-PAY $20.00	CO-PAY $40.00	CO-PAY $60.00	COMBINED
NO OF EMP.	216	78	2	296
TOTAL INCOME	$12,920	$9,400	$360	$22,680

BENEFIT EXPENSES				COMBINED
MEDICAL	$130,886	$8,342	$65,196	$204,424
DENTAL	28,181	0	0	28,181
OPTICAL	4,181	0	0	4,181
DRUG	73,297	39,535	405	113,237
MEDICAL ADM.	4,112	203	1,140	5,455
MENTAL HEALTH MANAGER	717	39	206	962
EAP	0	0	0	0
PPO	21	0	21	42
UM/DM	40	159	162	361
TOTAL EXPENSES	$241,435	$48,278	$67,130	$356,843

SURPLUS (DEFICIT)	($228,515)	($38,878)	($66,770)	($334,163)

AVERAGE INCOME	$20	$40	$60	$26
AVERAGE EXPENSE	373	206	11,188	402
SURPLUS (DEFICIT)	($353)	($166)	($11,128)	($376)

FIRST QUARTER 2018
SUPERVALU RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$20.00	$40.00	$60.00	
NO OF EMP.	69	32	0	101
TOTAL INCOME	$4,140	$3,840	$0	$7,980

BENEFIT EXPENSES				COMBINED
MEDICAL	$60,798	$35,696	$8	$96,502
DENTAL	8,960	0	0	8,960
OPTICAL	1,339	0	0	1,339
DRUG	11,299	7,473	0	18,772
MEDICAL ADM.	584	244	0	828
MENTAL HEALTH MANAGER	108	45	0	153
PPO	21	0	0	21
UM/DM	0	0	40	40
TOTAL EXPENSES	$83,109	$43,458	$48	$126,615

SURPLUS (DEFICIT)	($78,969)	($39,618)	($48)	($118,635)

AVERAGE INCOME	$20	$40	$0	$26
AVERAGE EXPENSE	401	453	0	418
SURPLUS (DEFICIT)	($381)	($413)	$0	($392)

FIRST QUARTER 2018

PRESCRIPTION REPORT

SCRIPTS PROCESSED	SCRIPT/ADM. COST	PHARMACY PAYMENT	TOTAL
26,978	$35	$1,695,748	$1,695,783

MISCELLANEOUS EXPENSES

CATEGORY		COST
ACCOUNTING		$15,000
ACTUARY & CONSULTING		20,011
ACCURINT		1
EDUCATION FEES		474
INSURANCE & BONDING		27,155
INVESTMENT MANAGEMENT		1,279
LEGAL		93,186
MEETING EXPENSE		637
POSTAGE		5,885
PRINTING		5,845
TELEPHONE		299
TOTAL		**$169,772**

2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
CONTRIBUTIONS RECEIVED	$8,427,829	$0	$0	$0	$8,427,829
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	51,727	0	0	0	51,727
INTEREST & DIVIDENDS	29,862	0	0	0	29,862
MISCELLANEOUS INCOME[1]	46	0	0	0	46
TOTAL INCOME	$8,509,464	$0	$0	$0	$8,509,464
EXPENSES					
MEDICAL	$3,757,154	$0	$0	$0	$3,757,154
LIFE & AD & D	28,288	0	0	0	28,288
DISABILITY	289,044	0	0	0	289,044
DENTAL	279,896	0	0	0	279,896
OPTICAL	29,725	0	0	0	29,725
DRUG	1,389,731	0	0	0	1,389,731
RETIREES	695,640	0	0	0	695,640
MEDICAL ADM.	110,229	0	0	0	110,229
MENTAL HEALTH MANAGER	66,104	0	0	0	66,104
EAP	3,073	0	0	0	3,073
PPO	43,997	0	0	0	43,997
UM/DM	104,413	0	0	0	104,413
SUBTOTAL	$6,797,294	$0	$0	$0	$6,797,294
OPERATING EXPENSE					
ADMINISTRATION	$127,385	$0	$0	$0	$127,385
ADMINISTRATION HIPAA	3,117	0	0	0	3,117
MISCELLANEOUS	169,772	0	0	0	169,772
SUBTOTAL	$300,274	$0	$0	$0	$300,274
TOTAL EXPENSES	$7,097,568	$0	$0	$0	$7,097,568
SURPLUS (DEFICIT)	$1,411,896	$0	$0	$0	$1,411,896
TOTAL PARTICIPANTS	3,474	0	0	0	3,474
FUND BALANCE	$7,976,097	$0	$0	$0	

[1]First Quarter Misc. Income is SBH Class Action - Citigroup

2017
QUARTERLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
CONTRIBUTIONS RECEIVED[1]	$12,419,716	$11,840,462	$11,638,635	$12,502,848	$48,401,661
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	194,354	163,588	58,361	50,090	466,393
INTEREST & DIVIDENDS	18,678	21,195	23,597	23,161	86,631
MISCELLANEOUS INCOME[2]	0	22,500	38,300	0	60,800
TOTAL INCOME	$12,632,748	$12,047,745	$11,758,893	$12,576,099	$49,015,485
EXPENSES					
MEDICAL	$7,708,546	$8,645,985	$7,210,545	$7,876,473	$31,441,549
LIFE & AD & D	61,753	61,815	61,711	61,486	246,765
DISABILITY	370,490	318,350	359,219	329,886	1,377,945
DENTAL	481,683	486,716	467,169	457,055	1,892,623
OPTICAL	57,337	56,726	56,068	55,332	225,463
DRUG	1,165,689	1,195,119	1,341,295	1,122,862	4,824,965
RETIREES	922,507	785,441	688,959	484,308	2,881,215
MEDICAL ADM.	161,020	159,964	161,374	159,176	641,534
MENTAL HEALTH MANAGER	79,944	63,027	145,923	103,244	392,138
EAP	4,342	4,281	4,217	4,148	16,988
PPO	297,642	292,200	285,132	283,412	1,158,386
UM/DM	113,337	106,851	132,751	132,238	485,177
SUBTOTAL	$11,424,290	$12,176,475	$10,914,363	$11,069,620	$45,584,748
OPERATING EXPENSE					
ADMINISTRATION	$209,256	$208,174	$210,781	$209,306	$837,517
ADMINISTRATION HIPAA	4,225	4,212	4,267	4,245	16,949
MISCELLANEOUS	332,818	145,509	344,508	504,352	1,327,187
SUBTOTAL	$546,299	$357,895	$559,556	$717,903	$2,181,653
TOTAL EXPENSES	$11,970,589	$12,534,370	$11,473,919	$11,787,523	$47,766,401
SURPLUS (DEFICIT)	$662,159	($486,625)	$284,974	$788,576	$1,249,084
TOTAL PARTICIPANTS	5,621	5,582	5,529	5,469	5,550
FUND BALANCE	$6,014,256	$5,479,614	$6,473,785	$6,633,559	

[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.

CONTRACT INFORMATION
MAINTENANCE OF BENEFITS
FIRST QUARTER 2018

CONTRACT EXP.	COMPANY	PLAN	RATES
04-30-20	ACE SUSHI	Y	$839.88
		Y	$347.41
		Y	$966.52
02-18-23	KELCO F.C.U.	JS	$920.73
07-11-20	METRO/ BASICS/ SHOPPERS 27	Y	$1,032.82
		Y	$520.94
		Y	$1,476.99
		Y20	$590.07
		Y20	$280.94
		Y30	$545.82
		Y30	$263.52
		Y40	$36.46
10-29-17[1]	SAFEWAY VALLEY	JSS-2	$1,488.72
		S	$1.61
07-11-20	SHOPPERS FOOD 400	JSS-2	$1,852.56
		Y	$1,032.82
		Y	$520.94
		Y	$1,476.99
		Y20	$590.07
		Y20	$280.94
		Y30	$545.82
		Y30	$263.52
		Y40	$36.46
	UFCW LOCAL 400 TEMP	JSS2	$1,488.72
		Y	$839.88

[1]CONTRACT ON EXTENSION

UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
DELINQUENCY REPORT
FIRST QUARTER 2018

PRIOR QUARTERS

NONE

CURRENT QUARTER

NONE

UFCW UNIONS AND PARTICIPATING EMPLOYERS

HEALTH & WELFARE FUND

SECOND QUARTER 2018

ADMINISTRATIVE MANAGER'S REPORT

SECOND QUARTER 2018
PLAN JS

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

BENEFIT EXPENSES		COST
MEDICAL		$6,420
HMO		0
LIFE & AD & D		41
DISABILITY		0
DENTAL		1,434
OPTICAL		149
DRUG		25,810
RETIREES		11,381
MEDICAL ADM.		448
MENTAL HEALTH MANAGER		169
PPO		251
UM/DM		395
SUB TOTAL		$46,498

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$442
ADMINISTRATION HIPAA		11
MISCELLANEOUS		261
SUB TOTAL		$714

TOTAL EXPENSES		**$47,212**

SURPLUS (DEFICIT)		**($16,828)**

AVERAGE INCOME		$921
AVERAGE EXPENSE		1,431
SURPLUS (DEFICIT)		**($510)**

SECOND QUARTER 2018
PLAN JSS-2

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
SAFEWAY VALLEY FT	$1,488.72	2	$8,931	
SAFEWAY VALLEY PT	1,488.72	0	0	
SHOPPERS FOOD 400 FT	1,852.56	407	2,263,828	
SHOPPERS FOOD 400 PT	1,852.56	156	866,998	
UFCW LOCAL 400 TEMP FT	1,488.72	0	0	
HMO COPAYS			3,081	
COBRA		1	1,933	
TOTAL		**566**	**$3,144,771**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$1,146,314
HMO		10,563
LIFE & AD & D		7,259
DISABILITY		86,143
DENTAL		74,750
OPTICAL		7,802
DRUG		402,771
RETIREES		585,582
MEDICAL ADM.		23,150
MENTAL HEALTH MANAGER		16,062
PPO		13,282
UM/DM		20,610
SUB TOTAL		$2,394,288

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$22,731
ADMINISTRATION HIPAA		556
MISCELLANEOUS		13,448
SUB TOTAL		$36,735

TOTAL EXPENSES		**$2,431,023**

SURPLUS (DEFICIT)		**$713,748**

AVERAGE INCOME		$1,852
AVERAGE EXPENSE		1,432
SURPLUS (DEFICIT)		**$420**

SECOND QUARTER 2018
PLAN Y FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$839.88	0	$0	
METRO/BASICS	1,032.82	242	750,861	
SHOPPERS 400	1,032.82	171	530,869	
COBRA		0	613	
HMO COPAYS			1,823	
TOTAL		**413**	**$1,284,166**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$930,199
HMO		3,658
LIFE & AD & D		6,204
DISABILITY		96,172
DENTAL		52,725
OPTICAL		3,887
DRUG		294,299
MEDICAL ADM.		16,691
MENTAL HEALTH MANAGER		113,397
EAP		849
PPO		9,523
UM/DM		14,934
SUB TOTAL		$1,542,538

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$16,587
ADMINISTRATION HIPAA		406
MISCELLANEOUS		9,813
SUB TOTAL		$26,806

TOTAL EXPENSES		**$1,569,344**

SURPLUS (DEFICIT)		**($285,178)**

AVERAGE INCOME		$1,036
AVERAGE EXPENSE		1,267
SURPLUS (DEFICIT)		**($231)**

SECOND QUARTER 2018
PLAN Y PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$347.41	0	$0	
METRO/BASICS	520.94	232	363,096	
SHOPPERS 400	520.94	479	748,070	
COBRA		2	2,786	
TOTAL		**713**	**$1,113,952**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$594,758
HMO		23,602
LIFE & AD & D		4,652
DISABILITY		47,982
DENTAL		49,396
OPTICAL		5,763
DRUG		227,281
MEDICAL ADM.		24,019
MENTAL HEALTH MANAGER		6,127
EAP		1,218
PPO		13,830
UM/DM		21,352
SUB TOTAL		$1,019,980

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$28,635
ADMINISTRATION HIPAA		701
MISCELLANEOUS		16,941
SUB TOTAL		$46,277

TOTAL EXPENSES		**$1,066,257**

SURPLUS (DEFICIT)		**$47,695**

AVERAGE INCOME		$521
AVERAGE EXPENSE		498
SURPLUS (DEFICIT)		**$23**

SECOND QUARTER 2018
PLAN Y PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$966.52	0	$0	
METRO/BASICS	1,476.99	69	305,736	
SHOPPERS 400	1,476.99	142	629,199	
HMO COPAYS			798	
TOTAL		**211**	**$935,733**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$944,122
HMO		4,420
LIFE & AD & D		1,621
DISABILITY		7,638
DENTAL		35,533
OPTICAL		2,015
DRUG		173,072
MEDICAL ADM.		8,739
MENTAL HEALTH MANAGER		7,228
EAP		440
PPO		4,973
UM/DM		7,724
SUB TOTAL		$1,197,525

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$8,474
ADMINISTRATION HIPAA		207
MISCELLANEOUS		5,013
SUB TOTAL		$13,694

TOTAL EXPENSES		**$1,211,219**

SURPLUS (DEFICIT)		**($275,486)**

AVERAGE INCOME		$1,478
AVERAGE EXPENSE		1,913
SURPLUS (DEFICIT)		**($435)**

SECOND QUARTER 2018
PLAN Y20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$590.09	16	$27,733	
SHOPPERS 400	590.09	14	24,783	
UFCW LOCAL 400 TEMP		0	0	
TOTAL		**30**	**$52,516**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$1,093
HMO		0
LIFE & AD & D		354
DISABILITY		121
DENTAL		1,438
OPTICAL		223
DRUG		681
MEDICAL ADM.		978
MENTAL HEALTH MANAGER		180
PPO		546
UM/DM		862
SUB TOTAL		$6,476

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$1,205
ADMINISTRATION HIPAA		29
MISCELLANEOUS		713
SUB TOTAL		$1,947

TOTAL EXPENSES		**$8,423**

SURPLUS (DEFICIT)		**$44,093**

AVERAGE INCOME		$584
AVERAGE EXPENSE		94
SURPLUS (DEFICIT)		**$490**

SECOND QUARTER 2018
PLAN Y20 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$280.94	93	$78,101	
SHOPPERS 400	280.94	149	125,299	
SHOPPERS 400[1]	408.75	3	3,616	
COBRA		1	270	
HMO COPAYS			546	
TOTAL		**246**	**$207,832**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$174,613
HMO		842
LIFE & AD & D		1,444
DISABILITY		2,912
DENTAL		10,258
OPTICAL		1,773
DRUG		13,360
MEDICAL ADM.		7,776
MENTAL HEALTH MANAGER		1,433
PPO		4,412
UM/DM		6,850
SUB TOTAL		$225,673

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$9,880
ADMINISTRATION HIPAA		242
MISCELLANEOUS		5,845
SUB TOTAL		$15,967

TOTAL EXPENSES		**$241,640**

SURPLUS (DEFICIT)		**($33,808)**

AVERAGE INCOME		$282
AVERAGE EXPENSE		327
SURPLUS (DEFICIT)		**($45)**

[1]Employee additional contribution is $127.81 for 1 or 2 dependents, or $383.43 for 3 or more dependents.

SECOND QUARTER 2018
PLAN Y30 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$545.82	7	$10,923	
SHOPPERS 400	545.82	11	18,012	
TOTAL		**18**	**$28,935**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$1,336
LIFE & AD & D		74
DISABILITY		0
DENTAL		265
OPTICAL		47
DRUG		183
MEDICAL ADM.		216
MENTAL HEALTH MANAGER		39
PPO		114
UM/DM		180
SUB TOTAL		$2,454

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$723
ADMINISTRATION HIPAA		18
MISCELLANEOUS		428
SUB TOTAL		$1,169

TOTAL EXPENSES		**$3,623**

SURPLUS (DEFICIT)		**$25,312**

AVERAGE INCOME		$536
AVERAGE EXPENSE		67
SURPLUS (DEFICIT)		**$469**

SECOND QUARTER 2018
PLAN Y30 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$263.52	58	$46,116	
SHOPPERS 400	263.52	89	70,623	
SHOPPERS 400[1]	389.06	1	1,148	
TOTAL		**148**	**$117,887**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$9,029
LIFE & AD & D		239
DISABILITY		258
DENTAL		1,608
OPTICAL		276
DRUG		2,097
MEDICAL ADM.		1,439
MENTAL HEALTH MANAGER		784
PPO		774
UM/DM		1,233
SUB TOTAL		$17,737

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$5,944
ADMINISTRATION HIPAA		145
MISCELLANEOUS		3,517
SUB TOTAL		$9,606

TOTAL EXPENSES		**$27,343**

SURPLUS (DEFICIT)		**$90,544**

AVERAGE INCOME		$266
AVERAGE EXPENSE		62
SURPLUS (DEFICIT)		**$204**

[1]Employee additional contribution is $125.54 for 1 or 2 dependents, or $376.62 for 3 or more dependents.

SECOND QUARTER 2018
PLAN Y40 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$36.46	111	$12,178	
SHOPPERS 400	36.46	230	25,157	
TOTAL		**341**	**$37,335**	**$0**

BENEFIT EXPENSES		**COST**
LIFE & AD & D		$98
DENTAL		794
OPTICAL		140
SUB TOTAL		$1,032

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$13,695
ADMINISTRATION HIPAA		335
MISCELLANEOUS		8,102
SUB TOTAL		$22,132

TOTAL EXPENSES		**$23,164**

SURPLUS (DEFICIT)		**$14,171**

AVERAGE INCOME		$36
AVERAGE EXPENSE		23
SURPLUS (DEFICIT)		**$13**

SECOND QUARTER 2018
RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	CO-PAY	NO-COPAY	COMBINED
RATE	$366.10	$188.59	$173.06	$361.38	RETIREES	
NO OF EMP.	3	10	1	10	50	74
TOTAL INCOME	$3,661	$6,792	$519	$10,841	$0	$21,813

BENEFIT EXPENSES						COMBINED
MEDICAL	$222	$4,529	$0	$1,091	$31,004	$36,846
DENTAL	230	1,037	86	764	4,246	6,363
OPTICAL	36	162	14	93	672	977
DRUG	7,523	4,509	3,969	8,486	78,169	102,656
MEDICAL ADM.	109	489	0	244	1,466	2,308
MENTAL HEALTH MANAGER	20	90	0	45	341	496
EAP	0	0	0	16	0	16
PPO	0	0	0	0	0	0
UM/DM	0	0	0	36	0	36
TOTAL EXPENSES	$8,140	$10,816	$4,069	$10,775	$115,898	$149,698

SURPLUS (DEFICIT)	($4,479)	($4,024)	($3,550)	$66	($115,898)	($127,885)

AVERAGE INCOME	$407	$226	$173	$361	$0	$98
AVERAGE EXPENSE	904	361	1,356	359	773	674
SURPLUS (DEFICIT)	($497)	($135)	($1,183)	$2	($773)	($576)

SECOND QUARTER 2018
SHOPPERS RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$20.00	$40.00	$60.00	
NO OF EMP.	213	77	2	292
TOTAL INCOME	$12,780	$9,280	$360	$22,420

BENEFIT EXPENSES				COMBINED
MEDICAL	$131,710	$18,996	$58,264	$208,970
DENTAL	28,060	0	0	28,060
OPTICAL	4,167	0	0	4,167
DRUG	56,847	31,567	768	89,182
MEDICAL ADM.	4,084	258	1,140	5,482
MENTAL HEALTH MANAGER	713	43	203	959
EAP	0	0	0	0
PPO	23	0	23	46
UM/DM	36	120	144	300
TOTAL EXPENSES	$225,640	$50,984	$60,542	$337,166

SURPLUS (DEFICIT)	($212,860)	($41,704)	($60,182)	($314,746)

AVERAGE INCOME	$20	$40	$60	$26
AVERAGE EXPENSE	353	221	10,090	385
SURPLUS (DEFICIT)	($333)	($181)	($10,030)	($359)

SECOND QUARTER 2018
SUPERVALU RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$20.00	$40.00	$60.00	
NO OF EMP.	67	30	0	97
TOTAL INCOME	$4,020	$3,640	$0	$7,660

BENEFIT EXPENSES				COMBINED
MEDICAL	$47,481	$40,500	$0	$87,981
DENTAL	8,627	0	0	8,627
OPTICAL	1,285	0	0	1,285
DRUG	7,118	4,072	0	11,190
MEDICAL ADM.	570	244	0	814
MENTAL HEALTH MANAGER	103	41	0	144
PPO	23	0	0	23
UM/DM	0	0	36	36
TOTAL EXPENSES	$65,207	$44,857	$36	$110,100

SURPLUS (DEFICIT)	($61,187)	($41,217)	($36)	($102,440)

AVERAGE INCOME	$20	$40	$0	$26
AVERAGE EXPENSE	324	498	0	378
SURPLUS (DEFICIT)	($304)	($458)	$0	($352)

SECOND QUARTER 2018

PRESCRIPTION REPORT

SCRIPTS PROCESSED	SCRIPT/ADM. COST	PHARMACY PAYMENT	TOTAL
22,146	$31	$1,538,135	$1,538,166

MISCELLANEOUS EXPENSES

CATEGORY		COST
ACTUARY & CONSULTING		$15,467
ACCURINT		1
CONFERENCE EXP		1,965
EDUCATION FEES		528
INVESTMENT MANAGEMENT		1,317
LEGAL		30,433
MED/SURG/UCR UPDATE		3,623
MEETING EXPENSE		541
POSTAGE		2,093
PRINTING		7,859
TELEPHONE		254
TOTAL		**$64,081**

2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
CONTRIBUTIONS RECEIVED	$8,427,829	$6,953,511	$0	$0	$15,381,340
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	51,727	51,893	0	0	103,620
INTEREST & DIVIDENDS	29,862	37,388	0	0	67,250
MISCELLANEOUS INCOME[1]	46	22,500	0	0	22,546
TOTAL INCOME	$8,509,464	$7,065,292	$0	$0	$15,574,756
EXPENSES					
MEDICAL	$3,757,154	$3,850,969	$0	$0	$7,608,123
LIFE & AD & D	28,288	21,986	0	0	50,274
DISABILITY	289,044	241,226	0	0	530,270
DENTAL	279,896	228,201	0	0	508,097
OPTICAL	29,725	22,075	0	0	51,800
DRUG	1,389,731	1,139,554	0	0	2,529,285
RETIREES	695,640	596,963	0	0	1,292,603
MEDICAL ADM.	110,229	83,456	0	0	193,685
MENTAL HEALTH MANAGER	66,104	145,419	0	0	211,523
EAP	3,073	2,507	0	0	5,580
PPO	43,997	47,705	0	0	91,702
UM/DM	104,413	74,140	0	0	178,553
SUBTOTAL	$6,797,294	$6,454,201	$0	$0	$13,251,495
OPERATING EXPENSE					
ADMINISTRATION	$127,385	$108,316	$0	$0	$235,701
ADMINISTRATION HIPAA	3,117	2,650	0	0	5,767
MISCELLANEOUS	169,772	64,081	0	0	233,853
SUBTOTAL	$300,274	$175,047	$0	$0	$475,321
TOTAL EXPENSES	$7,097,568	$6,629,248	$0	$0	$13,726,816
SURPLUS (DEFICIT)	$1,411,896	$436,044	$0	$0	$1,847,940
TOTAL PARTICIPANTS	3,474	2,697	0	0	3,086
FUND BALANCE	$7,976,097	$8,975,904	$0	$0	

[1]First Quarter - SBH Class Action - Citigroup
[1]Second Quarter - Employer payment for PCORI Fees.

2017
QUARTERLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
CONTRIBUTIONS RECEIVED[1]	$12,419,716	$11,840,462	$11,638,635	$12,502,848	$48,401,661
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	194,354	163,588	58,361	50,090	466,393
INTEREST & DIVIDENDS	18,678	21,195	23,597	23,161	86,631
MISCELLANEOUS INCOME[2]	0	22,500	38,300	0	60,800
TOTAL INCOME	$12,632,748	$12,047,745	$11,758,893	$12,576,099	$49,015,485
EXPENSES					
MEDICAL	$7,708,546	$8,645,985	$7,210,545	$7,876,473	$31,441,549
LIFE & AD & D	61,753	61,815	61,711	61,486	246,765
DISABILITY	370,490	318,350	359,219	329,886	1,377,945
DENTAL	481,683	486,716	467,169	457,055	1,892,623
OPTICAL	57,337	56,726	56,068	55,332	225,463
DRUG	1,165,689	1,195,119	1,341,295	1,122,862	4,824,965
RETIREES	922,507	785,441	688,959	484,308	2,881,215
MEDICAL ADM.	161,020	159,964	161,374	159,176	641,534
MENTAL HEALTH MANAGER	79,944	63,027	145,923	103,244	392,138
EAP	4,342	4,281	4,217	4,148	16,988
PPO	297,642	292,200	285,132	283,412	1,158,386
UM/DM	113,337	106,851	132,751	132,238	485,177
SUBTOTAL	$11,424,290	$12,176,475	$10,914,363	$11,069,620	$45,584,748
OPERATING EXPENSE					
ADMINISTRATION	$209,256	$208,174	$210,781	$209,306	$837,517
ADMINISTRATION HIPAA	4,225	4,212	4,267	4,245	16,949
MISCELLANEOUS	332,818	145,509	344,508	504,352	1,327,187
SUBTOTAL	$546,299	$357,895	$559,556	$717,903	$2,181,653
TOTAL EXPENSES	$11,970,589	$12,534,370	$11,473,919	$11,787,523	$47,766,401
SURPLUS (DEFICIT)	$662,159	($486,625)	$284,974	$788,576	$1,249,084
TOTAL PARTICIPANTS	5,621	5,582	5,529	5,469	5,550
FUND BALANCE	$6,014,256	$5,479,614	$6,473,785	$6,633,559	

[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.

CONTRACT INFORMATION
MAINTENANCE OF BENEFITS
SECOND QUARTER 2018

CONTRACT EXP.	COMPANY	PLAN	RATES
04-30-20	ACE SUSHI	Y	$839.88
		Y	$347.41
		Y	$966.52
02-18-23	KELCO F.C.U.	JS	$920.73
07-11-20	METRO/ BASICS/ SHOPPERS 27	Y	$1,032.82
		Y	$520.94
		Y	$1,476.99
		Y20	$590.07
		Y20	$280.94
		Y30	$545.82
		Y30	$263.52
		Y40	$36.46
10-29-17[1]	SAFEWAY VALLEY	JSS-2	$1,488.72
		S	$1.61
07-11-20	SHOPPERS FOOD 400	JSS-2	$1,852.56
		Y	$1,032.82
		Y	$520.94
		Y	$1,476.99
		Y20	$590.07
		Y20	$280.94
		Y30	$545.82
		Y30	$263.52
		Y40	$36.46
	UFCW LOCAL 400 TEMP	JSS2	$1,488.72
		Y	$839.88

[1]CONTRACT ON EXTENSION

UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
DELINQUENCY REPORT
SECOND QUARTER 2018

PRIOR QUARTERS

NONE

CURRENT QUARTER

NONE

Work Snapshot 2018

NON-FOOD		
Function	**# 1 Quarter**	**# 2 Quarter**
Accident & Sickness Claims	65	45
Appeals	34	36
Participant Services Calls	3,439	3,364
COBRA Notices Mailed	64	164
Pension Apps Received	58	168
Pension Estimates Received	64	86
Medical Claims Processed	15,061	12,989
Communications Mailings Sent to Participants	7,464	20,387

SPECIAL PROJECTS:

Associated reviewed an Unclaimed Property publication from the State of Maryland and performed the painstaking process of filing claims with the State on behalf of our client Funds for checks to medical claims providers which have been turned over to the State's Unclaimed Property Division. The checks are made out to Associated Administrators, LLC. We are in the process of depositing $2,421.33 in recoveries into the UFCW Unions and Participating Employers Health and Welfare Fund.

ASSOCIATED
ADMINISTRATORS

April 11, 2018

Board of Trustees of the:
UFCW Unions and Participating Employers Pension Fund
UFCW Unions and Participating Employers Health and Welfare Fund
UFCW Unions and Contributing Employers Legal Benefits Fund

Re: Administrative Services Contract Renewal

Trustees and Counsel:

The contracts between Associated and the UFCW Unions and Participating Employers Pension Fund and the UFCW Unions and Participating Employers Health and Welfare Fund expire May 31, 2018, and the UFCW Unions and Contributing Employers Legal Benefits Fund expires December 31, 2018. We hope the Trustees will consider favorably our request for a new three-year agreement.

Several pieces of legislation, especially PPACA, Michelle's Law, Mental Health Parity, and HIPAA Hi-Tech, have affected benefit processing. In order to abide by the new regulations, it has been necessary for Associated to add resources to its workforce, training, and systems. This trend is likely to continue as PPACA regulations continue to change, and benefits processing continues to be impacted. Components of Health Care Reform--such as the expansion of dependent eligibility to age 26, elimination of annual maximums, establishment of specific coverage for preventive care, and calculation and payment of research and reinsurance fees--require careful execution in order to ensure compliance for the Fund. During this same time period, Associated has implemented benefit plan changes stemming from IRS regulation Section 125 related to the tax deductibility of contributions.

In addition, open enrollments utilize ongoing measurement and stability periods, although the data from the participating employers at times requires clarification. As well, recently negotiated contracts require ongoing recalculation and implementation of contribution rates based on Fund reserve levels. Associated plays a key role in the pre-Medicare retiree stipends which require ongoing communication materials and coordination with the Fund's broker. We are supporting the Shoppers voluntary separation processes, which caused a spike in the information requests for pension, severance, and retiree health benefits. We are presently working with Fund counsel to implement the new disability regulations for the Pension Fund and the Health and Welfare Fund.

Operating Expenses

Associated makes every effort to control its operating costs, but some are increasing.

- **Employee Benefits**
  Associated's bargaining unit employees are in the FELRA and UFCW Health and Welfare Fund so we have experienced the same rate increases as the other participating employers. Our unit employees are covered in the UFCW Unions and Participating Employers Pension Fund. Those contribution rates will increase every year for the next three years in accord with the Rehabilitation Plan. The current recommendation pending would generate approximately 10% annual contribution increases for Associated's unit staff.

  Our non-union (management and other exempt) medical benefits through CIGNA increased by 8.5% in September 2017, due in part to PPACA and despite increased co-payments assessed to our staff. Future increases are anticipated.

- **Postage**
  Associated pays all regular postage on behalf of the Funds, excluding mass mailings. The United States Postal Service implemented a rate hike in 2017 of 4.25% for first class mail, and on January 21, 2018 an increase of 2.1% in the cost of first class mail.

New Work and Ongoing Increased Work

- **Eligibility Rule Changes**
  The recently bargained Memorandum of Agreement includes multi-tiered eligibility rules which impact the timing and complexity of benefit implementation. Eligibility is no longer driven solely by employer contributions. This change has resulted in additional programming of the eligibility rules in our system. The participating employers do not have the same new-hire rules or contribution rates, causing further complexity.

- **Benefit Changes**
  Associated has managed benefit changes for the Health & Welfare Plan and implemented the new composite contribution rates. We have worked with Counsel and the consultant to produce SBC's and SMM's for all health plans. New SPDs have been drafted and distributed.

- **Multiple Consulting Firms**
  Associated will continue to work with the Health and Welfare Fund's three consulting firms in 2018: Cheiron (SOP/retiree liability projections), Segal (general consulting) and Heritage Rx (PBM negotiations), supplying all three vendors with data, and coordinating among them as needed.

- **Regulatory Changes**
  Over the last several years, regulations continue to affect benefits administration. Associated has increased its workforce, training, and systems to abide by these regulations.

- **Pension Protection Act of 2006 (PPA)/ Multiemployer Pension Reform Act of 2014 (MPRA)**
  The PPA and MPRA contain requirements for reporting which must be provided for participants, beneficiaries, unions, and participating employers. The Acts also require coordination with the Fund actuary, auditor and Counsel for the actuarial certification and distributions of the Annual Funding Notice, Notice of Critical Status and Multiemployer Plan Summary Report. Associated has consistently produced and mailed these notices and filed with the appropriate reporting entities, including the Department of Labor, EBSA, PBGC, the unions and the participating employers.

- **PPACA Information Reporting on Health Coverage**
  Associated annually produces and mails 1095-B forms to the Health & Welfare Plan participants detailing the months they (and their enrolled dependents) were offered health insurance coverage by the Plan. Associated produces Form 1094-C reporting to the IRS summary information for each Plan participant and transmits the 1095-C forms to the IRS.

- **Patient Centered Outcomes Research Institute ("PCORI") Fee**
  Associated produces the data and processes the premiums for the PCORI fees mandated by ACA, paid via IRS Form 720.

- **Transitional Reinsurance Fee ("TRF")**
  Associated produced the data and processed the TRF payments through Plan Year ending December 31, 2016.

- **Class Actions**
  Associated continues to work to ensure the Fund participates to its fullest extent and receives settlement checks whenever possible.

- **HIPAA and HITECH Act**
  This Act requires breach reporting regarding protected health information. Associated conducts ongoing in–house training of all our employees on the requirements of the Act and has established procedures for breach notification and reporting on behalf of the Fund.

- **Compliance Monitoring**
  Associated continues to provide a compliance monitoring program to help each of our client funds track regulatory reporting requirements, vendor contracts, and required documentation.

- **Information Technology Developments**
  Associated's highest cost increases and deliberate reinvestment have been in Information Technology. We paid over $767,000 in 2017. System enhancements allow us to better serve our clients and participants, and to maintain proper computer security.

- **Medicare Reporting**
  Monthly reporting to CMS on other coverage available to Medicare-eligible participants is required. Associated also diligently pursues all Retiree Drug Subsidies available to the Health & Welfare Fund, coordinating data submission with the PBM.

- **Other Compliance**
  New procedures were added to address Mental Health Parity and have already been added to address Michelle's Law. Since the Fund continued student coverage for dependents not covered by age 26 rules, Michele's Law did not simplify dependent coverage as it did in other funds. Annual production of SBCs are required for each plan of benefits and must be included in every enrollment package. Associated's communications department sends compliance notices such as Women's Health Care Rights Act, Notice of Creditable Coverage, SMMs, and SARs in the quarterly For Your Benefit newsletter, and also sent a total piece count of 48,283 other mass mailings to participants in 2017.

- **Fraud Protection**
  Associated implemented fraud protection processes with PNC bank requiring daily file transmittal and monitoring. Associated does not charge for its role in this process, but does the majority of work.

- **Government Agency Interaction**

  Unlike some of the professionals working for the Funds, Associated does not charge an hourly rate for the increasing interaction with the Department of Labor, Internal Revenue Service, and the Pension Benefit Guaranty Corporation. Given the Pension Fund's Critical Status, we anticipate increased recordkeeping, reporting and correspondence with various governmental agencies and participants will be required, involving additional work by our accounting, IT, communications and pension benefit departments.

  <u>**Department of Labor ("DOL")**</u>

  The DOL continues to send correspondence to Deferred Vested participants, encouraging participants to respond to the DOL. In turn, the DOL requires responses from the Fund office. Most of these participants have already received a prior estimate, but are not close to retirement age.

  In addition, we continue to support the UFCW Unions and Participating Employers Pension Fund regarding DOL investigations and the location efforts by the Fund office for deferred vested participants.

Associated has assigned three Account Executives and an Account Manager with over 50 years of health and pension fund administration experience to work on the Non Food Funds. Supporting the account team is a staff of over 99 employees, including accounting, communications, eligibility, medical claims, accident and sickness, participant services, pension and IT. They are dedicated to providing superior service. Our experienced staff and our IT investments allow us to efficiently manage the Funds through many complicated plan design changes. We strive for accuracy in processing. A recent audit of medical claims on another UFCW Fund revealed a remarkably low error ratio of 0.004%.

Here is a quick snapshot of processing in 2017: 90,854 medical claims, 454 accident and sickness claims, 158 appeals, 258 pension applications, 11 pre-retirement pension applications, 332 pension estimates, 44,968 incoming calls, and 77,113 pieces of incoming mail. We anticipate that the Funds will continue to experience large service demands.

We are proposing new rates effective June 1, 2018 for the Health and Welfare Fund and the Pension Fund, and January 1, 2019 for the Legal Benefits Fund, for ongoing work. We propose a three-year contract term with 3% annual rate increases. Please see Exhibit A for a full outline of the proposed rates for the Health and Welfare Fund and the Pension Fund through March 31, 2021 and Exhibit B for the Legal Benefits Fund through December 31, 2021. Please note, Associated's *overall* gross income will not increase by those rates. Our rates are based on the number of eligible Plan participants. Our income will be reduced by the impact of store closures and the voluntary separation process that is ongoing. Despite the reduction in income, our service level to the Funds will not be reduced, as we are facing increased service demands, especially in the areas of pension, retiree health, and COBRA processing.

Associated Administrators, LLC truly appreciates the opportunity to continue to serve the Funds and welcomes all questions concerning our proposal.

Sincerely,

Bill

William R. Jensen
President
Associated Administrators, LLC

NFFEELTR04-11-2018

UFCW AND PARTICIPATING EMPLOYERS PENSION FUND

UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND

EXHIBIT A

	Current Fee PPPM	**06/01/18 -05/31/19 PPPM**	**06/01/19 -05/31/20 PPPM**	**06/01/20 –05/31/21 PPPM**
H&W Fund				
Plan Administration	$12.67	$13.05	$13.44	$13.84
*Claims Administration	$13.57	$13.98	$14.40	$14.83
HIPAA	$ 0.31	$ 0.32	$ 0.33	$ 0.34
Pension Fund				
Active and Pensioner	$ 5.04	$ 5.19	$ 5.35	$ 5.51
Deferred Vested	$ 3.24	$ 3.34	$ 3.44	$ 3.54
RAP	$ 2.50	$ 2.58	$ 2.66	$ 2.74

June 1, 2018 through May 31, 2021 Hourly Rates for New Regulatory Changes and Implementation of New Vendors:

$100/Hour - IT/Management
$ 60/Hour - Supervisor
$ 30/Hour - Regular Employees

*Associated does not charge a claims fee for Kaiser active or retiree participants, as Kaiser processes its own claims.

INVOICES

UFCW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND

INVOICES

AUGUST 30, 2018

1. **ASSOCIATED ADMINISTRATORS, LLC**

04/11/18	Meeting Expenses – Regular Meeting	$	214.20

2. **CHEIRON**

04/20/18	Retainer Services – March 2018	$	1,600.00
05/17/18	Retainer Services – April 2018	$	1,600.00
06/25/18	Retainer and Non-Retainer Services – May 2018	$	3,632.50
07/23/18	Retainer Services – June 2018	$	1,600.00

3. **CONFIDIO (formerly HERITAGE RX)**

03/01/18	Services rendered – January 2018	$	1,800.00
04/25/18	Services rendered – March 2018	$	4,200.00

4. **MORGAN, LEWIS & BOCKIUS**

05/10/18	For Professional services rendered for the period ended February 28, 2018	$	730.00
05/10/18	For Professional Services rendered for the period ended March 31, 2018	$	1,241.00
05/31/18	For Professional Services rendered for the period ended April 30, 2018	$	7,110.00
07/25/18	For Professional Services rendered for the period ended May 31, 2018	$	177.00
07/25/18	Schedule C Response	$	260.50

5. **SEGAL CONSULTING**

11/21/17	For Professional consulting services rendered regarding the Dental RFP	$	21,583.75
04/03/18	For Professional consulting services rendered under the retainer agreement for the period April 1, 2018 – April 30, 2018	$	5,333.33
05/04/18	For Professional consulting services rendered under the retainer agreement for the period May 1, 2018 – May 31, 2018	$	5,333.37
06/05/18	For Professional consulting services rendered under the retainer agreement for the period June 1, 2018 – June 30, 2018	$	5,333.33
07/05/18	For Professional consulting services rendered under the retainer agreement for the period July 1, 2018 – July 31, 2018	$	5,333.33
08/06/18	For Professional consulting services rendered under the retainer agreement for the period August 1, 2018 – August 31, 2018	$	5,333.33

6. **SEGALL BRYANT AND HAMILL**

04/25/18	Investment Management Fee – for the period January 1, 2018 – March 31, 2018	$	904.70
07/20/18	Investment Management Fee – for the period April 1, 2018 – June 30, 2018	$	905.76

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

03/27/18	For Professional services rendered through February 28, 2018	$	7,809.59
04/30/18	For Professional services rendered through March 31, 2018	$	13,663.00
05/16/18	For Professional services rendered through April 30, 2018	$	5,508.90
06/19/18	For Professional services rendered through May 31, 2018	$	4,008.00

07/20/18	For Professional services rendered through June 30,2018	$	1,720.90

8. SUPERVALU

05/21/18	J. Born – Reimbursement of expenses incurred for attendance at the April 11, 2018 Board of Trustees Meeting	$	267.37

9. TRUSTEE EXPENSE REIMBURSEMENTS

04/12/18	D. Gwin – Reimbursement of expenses incurred at the April 11, 2018 meeting of the Board of Trustees	$	59.54

10. UFCW LOCAL 27

04/05/18	T. Hipkins – Reimbursement of registration fee and hotel deposit for attendance at the IFEBP 64th Annual Conference – 10/18 in New Orleans, Louisiana	$	1,965.00

11. WITHUM

08/05/16	First Progress billing for December 31, 2017 audit services	$	25,000.00

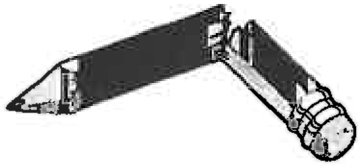
UFCW UNIONS & PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
RETIREE PLAN

INVOICES

AUGUST 30, 2018

1. **WOODARD INSURANCE AGENCY, LLC**

05/21/18	**Ongoing healthcare customer service and orphan enrollment for First Quarter 2018**	**$**	**528.00**
08/01/18	**Ongoing healthcare customer service and orphan enrollment for the Second Quarter 2018**	**$**	**528.00**



MEETING NOTES