UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND

BOARD OF TRUSTEES MEETING

DECEMBER 4, 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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AGENDA

DECEMBER 4, 2018

(Approximately 11:00 a.m.)

I. CALL TO ORDER
   A. APPOINTMENT OF TRUSTEE

II. MINUTES (pg. 1 – 7)
   A. REGULAR MEETING – AUGUST 30, 2018
   B. APPEAL COMMITTEE MINUTES – SEPTEMBER 24, 2018

III. FINANCIAL REPORT (pg. 8)
   A. PNC REPORT
   B. AUDITOR'S REPORT

IV. CONSULTANT'S REPORT
   A. SEGAL COMPANY
      1. MOB RESERVES
      2. CALCULATION OF 2019 FULL COST FOR PLAN Y20/Y30 NON-SPOUSAL DEPENDENT COVERAGE

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

VI. ADMINISTRATIVE MANAGER'S REPORT - (3Q18) (pg. 9 – 29)

VII. INVOICES (pg. 30 – 32)

VIII. OTHER FUND BUSINESS (pg. 33 – 36)
   A. CAREFIRST PPO CONTRACT - RENEWAL STATUS
   B. 2019 MEDICARE DEDUCTIBLE AND CO-INSURANCE RATES
   C. FINAL KROGER RECONCILIATION
   D. CHEIRON'S 2019 RETAINER FEE
   E. PLAN Y PART TIME OPEN ENROLLMENT
   F. MISCELLANEOUS CORRESPONDENCE

IX. 2019 NEXT MEETING DATES AND LOCATION

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 AUGUST 30, 2018 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
T. Hipkins

EMPLOYER TRUSTEES
D. Gwin – Secretary
J. Born

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
D. Clutts – Associated Administrators, LLC
J. Chorpenning – Local 27
A. Hanson – Local 400
C. Heppner – The Segal Company
C. Hoffmann – Local 400 (via tele-conference)
J. Ianniello -- Associated Administrators, LLC
N. Jacobs – Local 400
W. Jensen – Associated Administrators, LLC.
S. Sanchez – Slevin & Hart, P.c.
W. Seehafer – SuperValu, Inc.
T. Sloan -- Confidio
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.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on April 11, 2018, and the appeals committee meeting held on April 17, 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 April 11, 2018, and the appeals committee minutes of April 17, 2018, are approved, as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2018 to July 31, 2018. Such report indicated a beginning market value of $6,432,670, receipts of $18,541,785, disbursements of $15,783,312, and earnings of $36,972, producing an ending market value of $9,228,115 as of July 31, 2018.

Mr. Ianniello reviewed a memo from PNC dated March 28, 2018 proposing a new fee structure for its Treasury Management accounts beginning September 1, 2018. The institutional accounts fee basis was unchanged. After discussion,

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

> **RESOLVED to accept PNC's fee proposal for the UFCW Unions and Participating Employers Health and Welfare Fund's Treasury Management accounts effective September 1, 2018.**

IV. CONSULTANT'S REPORT

A. The Segal Company

The Trustees welcomed Mr. Josh Timm and Mr. Christopher Heppner, of The Segal Company ("Segal") to the meeting.

1. Reserves

Mr. Heppner distributed and reviewed the Reserve Determination through July 31, 2018. He noted that the reserves were above the four-month ceiling as outlined in the Shoppers CBA. Mr. Heppner noted that the amount of reserves above the four-month ceiling resulted in an amortized adjustment of $96,953 for July's calculation, $1,654 for June's calculation, and $13,942 for May's calculation. The total adjustment is $112,549 per month, payable over six months. After discussion,

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

> **RESOLVED to approve a contribution credit to Shoppers of $112,549 per month for contributions due in September, October, November, and December 2018 (for hours worked August through November).**

2. <u>Maintenance of Benefit ("MOB") Rates</u>

Mr. Timm distributed and reviewed the "Calculation of Maintenance of Benefits (MOB) Rates" dated August 24, 2018, showing new rates calculated by Segal for the period August 1, 2018 through July 31, 2019. Such rates show a total composite reduction of 4.2%. After discussion,

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

> **RESOLVED to keep Health and Welfare MOB contribution rates unchanged.**

The Trustees asked Segal to present updated MOB rates at the December meeting, thanked the representatives of Segal for their report, and they were excused from the meeting.

B. <u>Confidio (previously Heritage Rx)</u>

The Trustees welcomed Mr. Thatcher Sloan, from Confidio to the meeting.

1. <u>Audit Proposal</u>

Mr. Sloan presented the Pharmacy Benefit Management Contract Retrospective Audit Proposal with Rebate Audit Addendum. Confidio proposed an audit of 24 months of paid claims data for financial, benefit plan, and program design elements. Confidio also proposed a rebate audit of one year of rebate payments due to the Fund. He noted that audits usually take three to six months to complete. Fees for the Audits are $45,000 for prescription claims and $15,000 for rebate, plus travel at cost. After discussion,

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

> **RESOLVED to approve Confidio's proposal for a Pharmacy Benefit Management Contract Retrospective Audit with Rebate Audit Addendum.**

2. <u>**Consulting Services**</u>

Mr. Sloan reviewed the Pharmacy Consulting Proposal. He outlined the proposed services noting that Confidio will track and manage OptumRx's performance and compliance with contractual obligations ensuring consistency with industry best practices. The fee for this service will not exceed $26,000 annually; fees for ad hoc services would be quoted upon request. After discussion,

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

> **RESOLVED to approve Confidio's proposal for ongoing Pharmacy Consulting.**

The Trustees thanked Mr. Sloan for his reports and he was excused from the meeting.

V. ATTORNEY'S REPORT

A Express Scripts ("ESI") Audit

Ms. Sanchez reported on the ESI Audit.

B. Creditor Defendant Litigation

Ms. Sanchez reported on a lawsuit relating to a former participating employer in which the Fund was named as a creditor defendant.

C. Subrogation

Mr. Ianniello stated that Slevin & Hart reported subrogation recoveries of $13,670.49 for the first two quarters 2018.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2018 Report

Mr. Ianniello presented the Administrative Manager's report for the first quarter 2018, which had been pre-circulated. Such report indicated total income of $8,509,464, and total expenses of $7,097,568, producing a surplus of $1,411,896. Mr. Ianniello noted that contributions were made on behalf of 3,474 Plan participants.

B. **Second Quarter 2018 Report**

Mr. Ianniello presented the Administrative Manager's report for the second quarter 2018, which had been pre-circulated. Such report indicated total income of $7,065,292, and total expenses of $6,629,248, producing a surplus of $436,044. Mr. Ianniello noted that contributions were made on behalf of 2,697 Plan participants. Mr. Ianniello reported that the first quarter participant total included one month of Kroger participants.

VII. Administrative Manager's Contract Renewal

Mr. Jensen stated that Associated Administrators' contract expired May 31, 2018. He presented a request for a three-year extension of the contract and reviewed 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, were excused from the meeting.

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

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

> **RESOLVED to approve a three-year contract renewal of the administrative services contract at a fee increase of 3% per year effective January 1, 2019, in addition to the proposed hourly rates for implementing new regulatory changes and new vendor implementations.**

VIII. INVOICES

The Trustees reviewed the list of invoices for the active and retiree plans dated August 30, 2018. It was noted that there were no additions, deletions or changes to the lists.

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 August 30, 2018 are approved for payment.

IX. OTHER FUND BUSINESS

A. Kaiser Permanente Medicare Plan Offering for 2019

The Trustees welcomed Ms. Francesca Conner from Kaiser Permanente to the meeting. Ms. Conner presented a memo proposing the transition of the Kaiser Medicare Plus program to the KPMedicare Advantage program. After discussion

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

RESOLVED to approve the transition of Plan participants in the Kaiser Permanente Medicare Plus program to the KPMedicare Advantage plan.

B. Unclaimed Property

Mr. Ianniello reported that Associated Administrators had filed claims with the State of Maryland on behalf of the Fund for Unclaimed Property, resulting in a recovery of $2,421.33.

C. Retiree Drug Subsidy ("RDS") Payment

Mr. Ianniello reported that a payment of $18,619.88 was received for RDS.

D. Education Budget

Mr. Ianniello said that the Fund had received a check for $22,500 from SuperValu for the 2018 educational budget.

X. NEXT MEETING DATES AND LOCATION

The Trustees noted that their next meeting date was scheduled for December 4, 2018 in the offices of UFCW Local 400 located in Landover, Maryland.

XI. 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 TO THE APPEALS SUBCOMMITTEE OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND ON SEPTEMBER 24, 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:

Third Quarter 2018

Code	Issue	Decision
E18/168-9812	Network of Coverage	Denied
E18/175-1530	Open Enrollment (HMO)	Approved Non-precedent
E18/167-9946	Dependent Spouse Audit Termination	Approved
M18/166-9294	Late Filing	Denied
M18/178-6117	Late Filing	Denied
M18/172-8958	Late Filing	Denied
M18/171-8367	Late Filing	Denied
M18/165-7271	Ambulance Services	Approved
M18/163-2384	Certified Registered Nurse Practitioner	Approved Non-precedent

Respectfully submitted,

Chris Brown, Appeals Supervisor

FINANCIAL REPORT

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

ITEM	CASH RESERVE	SBH	TOTAL AMOUNT
MARKET VALUE 01/01/2018	$ 4,592,492	$ 1,840,178	$ 6,432,670
RECEIPTS	$ 25,837,385	$ 46	$ 25,837,431
DISBURSEMENTS	$ (21,463,778)	$ -	$ (21,463,778)
INTER ACCOUNT TRANSFERS	$ -	$ -	$ -
EARNINGS	$ 90,318	$ (11,356)	$ 78,962
ENDING MARKET VALUE 10/31/18	$ 9,056,417	$ 1,828,868	$ 10,885,285

ADMINISTRATIVE MANAGER'S REPORT

UFCW UNIONS AND PARTICIPATING EMPLOYERS

HEALTH & WELFARE FUND

THIRD QUARTER 2018

ADMINISTRATIVE MANAGER'S REPORT

THIRD 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		$24,295
LIFE & AD & D		41
DENTAL		1,464
OPTICAL		149
DRUG[1]		12,151
RETIREES		8,228
MEDICAL ADM.		448
MENTAL HEALTH MANAGER		83
PPO		212
UM/DM		332
SUB TOTAL		$47,403

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$479
ADMINISTRATION HIPAA		12
MISCELLANEOUS		627
SUB TOTAL		$1,118

TOTAL EXPENSES		**$48,521**

SURPLUS (DEFICIT)		**($18,137)**

AVERAGE INCOME		$921
AVERAGE EXPENSE		1,470
SURPLUS (DEFICIT)		**($549)**

[1]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD 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	327	1,649,447	
SHOPPERS FOOD 400 PT	1,852.56	123	683,595	
UFCW LOCAL 400 TEMP FT	1,852.56	0	0	
COBRA		11	32,161	
HMO COPAYS			0	
TOTAL		**463**	**$2,374,134**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$1,145,585
HMO		(3,856)
LIFE & AD & D		6,472
DISABILITY		84,640
DENTAL		59,212
OPTICAL		6,125
DRUG[2]		(60,112)
RETIREES		346,323
MEDICAL ADM.		18,604
MENTAL HEALTH MANAGER		7,422
PPO		9,437
UM/DM		13,730
SUB TOTAL		$1,633,582

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$20,158
ADMINISTRATION HIPAA		494
MISCELLANEOUS		26,403
SUB TOTAL		$47,055

TOTAL EXPENSES		**$1,680,637**

SURPLUS (DEFICIT)		**$693,497**

AVERAGE INCOME		$1,709
AVERAGE EXPENSE		1,210
SURPLUS (DEFICIT)		**$499**

[1]Board of Trustees approved Health and Welfare contribution credit taken for August and September.

[2]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018
PLAN Y FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$839.88	0	$0	
METRO/BASICS[1]	1,032.82	233	662,906	
SHOPPERS 400	1,032.82	133	412,096	
COBRA		1	1,727	
HMO COPAYS			2,205	
TOTAL		**367**	**$1,078,934**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$409,833
HMO		4,007
LIFE & AD & D		5,776
DISABILITY		82,012
DENTAL		46,112
OPTICAL		3,373
DRUG[2]		(82,848)
MEDICAL ADM.		14,764
MENTAL HEALTH MANAGER		5,977
EAP		738
PPO		7,332
UM/DM		10,914
SUB TOTAL		$507,990

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$15,978
ADMINISTRATION HIPAA		391
MISCELLANEOUS		20,928
SUB TOTAL		$37,297

TOTAL EXPENSES		**$545,287**

SURPLUS (DEFICIT)		**$533,647**

AVERAGE INCOME		$980
AVERAGE EXPENSE		495
SURPLUS (DEFICIT)		**$485**

[1]Board of Trustees approved Health and Welfare contribution credit taken for August and September.

[2]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018
PLAN Y PART TIME INDIVIDUAL

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$347.41	0	$0	
METRO/BASICS	520.94	214	334,964	
SHOPPERS 400	520.94	400	625,649	
COBRA		5	7,245	
TOTAL		**619**	**$967,858**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$708,191
HMO		22,618
LIFE & AD & D		4,278
DISABILITY		24,085
DENTAL		41,416
OPTICAL		4,827
DRUG[1]		(83,801)
MEDICAL ADM.		20,436
MENTAL HEALTH MANAGER		3,851
EAP		1,020
PPO		10,124
UM/DM		15,078
SUB TOTAL		$772,123

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$26,950
ADMINISTRATION HIPAA		659
MISCELLANEOUS		35,299
SUB TOTAL		$62,908

TOTAL EXPENSES		**$835,031**

SURPLUS (DEFICIT)		**$132,827**

AVERAGE INCOME		$521
AVERAGE EXPENSE		450
SURPLUS (DEFICIT)		**$71**

[1]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018
PLAN Y PART TIME FAMILY

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$966.52	0	$0	
METRO/BASICS	1,476.99	63	279,150	
SHOPPERS 400	1,476.99	117	518,424	
HMO COPAYS			399	
TOTAL		**180**	**$797,973**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$348,489
HMO		4,841
LIFE & AD & D		1,407
DISABILITY		10,943
DENTAL		29,729
OPTICAL		1,683
DRUG[1]		(73,289)
MEDICAL ADM.		7,341
MENTAL HEALTH MANAGER		9,201
EAP		367
PPO		3,655
UM/DM		5,412
SUB TOTAL		$349,779

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$7,837
ADMINISTRATION HIPAA		193
MISCELLANEOUS		10,265
SUB TOTAL		$18,295

TOTAL EXPENSES		**$368,074**

SURPLUS (DEFICIT)		**$429,899**

AVERAGE INCOME		$1,478
AVERAGE EXPENSE		682
SURPLUS (DEFICIT)		**$796**

[1]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018
PLAN Y20 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$590.09	16	$28,323	
SHOPPERS 400	590.09	14	24,193	
TOTAL		**30**	**$52,516**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$389
LIFE & AD & D		354
DENTAL		1,438
OPTICAL		223
DRUG[1]		(3,285)
MEDICAL ADM.		977
MENTAL HEALTH MANAGER		181
PPO		463
UM/DM		724
SUB TOTAL		$1,464

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$1,306
ADMINISTRATION HIPAA		31
MISCELLANEOUS		1,711
SUB TOTAL		$3,048

TOTAL EXPENSES		**$4,512**

SURPLUS (DEFICIT)		**$48,004**

AVERAGE INCOME		$584
AVERAGE EXPENSE		50
SURPLUS (DEFICIT)		**$534**

[1]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018 PLAN Y20 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$280.94	86	$72,764	
SHOPPERS 400	280.94	136	114,624	
SHOPPERS 400[1]	408.75	3	3,678	
COBRA		0	0	
HMO COPAYS			483	
TOTAL		**225**	**$191,549**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$181,645
HMO		923
LIFE & AD & D		1,382
DISABILITY		4,858
DENTAL		9,889
OPTICAL		1,705
DRUG[2]		(30,565)
MEDICAL ADM.		7,464
MENTAL HEALTH MANAGER		1,375
PPO		3,578
UM/DM		5,522
SUB TOTAL		$187,776

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$9,796
ADMINISTRATION HIPAA		239
MISCELLANEOUS		12,831
SUB TOTAL		$22,866

TOTAL EXPENSES		**$210,642**

SURPLUS (DEFICIT)		**($19,093)**

AVERAGE INCOME		$284
AVERAGE EXPENSE		312
SURPLUS (DEFICIT)		**($28)**

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

[2]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018 PLAN Y30 FULL TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$545.82	8	$13,101	
SHOPPERS 400	545.82	9	14,737	
TOTAL		**17**	**$27,838**	**$0**

BENEFIT EXPENSES		**COST**
MEDICAL		$15,991
LIFE & AD & D		79
DISABILITY		2,535
DENTAL		300
OPTICAL		53
DRUG[1]		(2,317)
MEDICAL ADM.		231
MENTAL HEALTH MANAGER		45
PPO		110
UM/DM		181
SUB TOTAL		$17,208

OPERATING EXPENSES		**COST**
ADMINISTRATION FEE		$740
ADMINISTRATION HIPAA		18
MISCELLANEOUS		969
SUB TOTAL		$1,727

TOTAL EXPENSES		**$18,935**

SURPLUS (DEFICIT)		**$8,903**

AVERAGE INCOME		$546
AVERAGE EXPENSE		371
SURPLUS (DEFICIT)		**$175**

[1]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018
PLAN Y30 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$263.52	70	$55,339	
SHOPPERS 400	263.52	101	80,110	
SHOPPERS 400[1]	389.06	1	1,167	
TOTAL		**172**	**$136,616**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$45,796
LIFE & AD & D		251
DISABILITY		699
DENTAL		1,767
OPTICAL		300
DRUG[2]		(14,535)
MEDICAL ADM.		1,466
MENTAL HEALTH MANAGER		1,185
PPO		695
UM/DM		1,096
SUB TOTAL		$38,720

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$7,489
ADMINISTRATION HIPAA		184
MISCELLANEOUS		9,808
SUB TOTAL		$17,481

TOTAL EXPENSES		**$56,201**

SURPLUS (DEFICIT)		**$80,415**

AVERAGE INCOME		$265
AVERAGE EXPENSE		109
SURPLUS (DEFICIT)		**$156**

[1]Employee additional contribution is $125.54 for 1 or 2 dependents, or $376.62 for 3 or more dependents.
[2]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018
PLAN Y40 PART TIME

INCOME				
EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS	$36.46	116	$12,689	
SHOPPERS 400	36.46	225	24,610	
TOTAL		**341**	**$37,299**	**$0**

BENEFIT EXPENSES		COST
LIFE & AD & D		$111
DISABILITY		1,558
DENTAL		706
OPTICAL		124
SUB TOTAL		$2,499

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$14,846
ADMINISTRATION HIPAA		362
MISCELLANEOUS		19,445
SUB TOTAL		$34,653

TOTAL EXPENSES		**$37,152**

SURPLUS (DEFICIT)		**$147**

AVERAGE INCOME		$36
AVERAGE EXPENSE		36
SURPLUS (DEFICIT)		**$0**

THIRD 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	$3,295	$7,168	$519	$10,841	$0	$21,823

BENEFIT EXPENSES						COMBINED
MEDICAL	$5,544	$21,514	$0	$1,749	$22,472	$51,279
DENTAL	202	1,037	86	738	4,015	6,078
OPTICAL	32	162	14	90	636	934
DRUG[1]	(1,395)	(6,723)	1,673	2,011	1,538	(2,896)
MEDICAL ADM.	122	489	0	244	1,343	2,198
MENTAL HEALTH MANAGER	15	90	0	101	324	530
EAP	0	0	0	16	0	16
PPO	0	0	0	0	0	0
UM/DM	0	0	0	20	0	20
TOTAL EXPENSES	$4,520	$16,569	$1,773	$4,969	$30,328	$58,159

SURPLUS (DEFICIT)	($1,225)	($9,401)	($1,254)	$5,872	($30,328)	($36,336)

AVERAGE INCOME	$366	$239	$173	$361	$0	$98
AVERAGE EXPENSE	502	552	591	166	202	262
SURPLUS (DEFICIT)	($136)	($313)	($418)	$195	($202)	($164)

[1]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018
SHOPPERS RETIREES

INCOME RATE	CO-PAY $20.00	CO-PAY $40.00	CO-PAY $60.00	COMBINED
NO OF EMP.	217	83	2	302
TOTAL INCOME	$13,060	$9,920	$360	$23,340

BENEFIT EXPENSES				COMBINED
MEDICAL	$117,498	$14,981	$56,928	$189,407
DENTAL	28,635	0	0	28,635
OPTICAL	4,248	0	0	4,248
DRUG[1]	(2,333)	(1,421)	(305)	(4,059)
MEDICAL ADM.	4,288	393	1,181	5,862
MENTAL HEALTH MANAGER	728	65	203	996
EAP	0	0	0	0
PPO	26	0	19	45
UM/DM	41	90	141	272
TOTAL EXPENSES	$153,131	$14,108	$58,167	$225,406

SURPLUS (DEFICIT)	($140,071)	($4,188)	($57,807)	($202,066)

AVERAGE INCOME	$20	$40	$60	$26
AVERAGE EXPENSE	235	57	9,695	249
SURPLUS (DEFICIT)	($215)	($17)	($9,635)	($223)

[1]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018
SUPERVALU RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$20.00	$40.00	$60.00	
NO OF EMP.	65	33	0	98
TOTAL INCOME	$3,900	$3,920	$0	$7,820

BENEFIT EXPENSES				COMBINED
MEDICAL	$45,170	$31,395	$0	$76,565
DENTAL	8,476	0	0	8,476
OPTICAL	1,258	0	0	1,258
DRUG[1]	(12,456)	(3,824)	0	(16,280)
MEDICAL ADM.	529	244	0	773
MENTAL HEALTH MANAGER	98	45	0	143
PPO	19	0	0	19
UM/DM	0	30	0	30
TOTAL EXPENSES	$43,094	$27,890	$0	$70,984

SURPLUS (DEFICIT)	($39,194)	($23,970)	$0	($63,164)

AVERAGE INCOME	$20	$40	$0	$27
AVERAGE EXPENSE	221	282	0	241
SURPLUS (DEFICIT)	($201)	($242)	$0	($214)

[1]Reduced by recovery proceeds from ESI audit for period ending 2006.

THIRD QUARTER 2018

PRESCRIPTION REPORT

SCRIPTS PROCESSED	SCRIPT/ADM COST	PHARMACY PAYMENT	TOTAL
17,918	$3	$1,341,428	$1,341,431

MISCELLANEOUS EXPENSES

CATEGORY		COST
ACCOUNTING		$25,000
ACTUARY & CONSULTING		50,416
EDUCATION FEES		528
INVESTMENT MANAGEMENT		1,356
LEGAL		22,603
MEETING EXPENSE		539
PCORI & TR FEES		19,945
POSTAGE		5,855
PRINTING		11,541
TELEPHONE		503
TOTAL		**$138,286**

2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
CONTRIBUTIONS RECEIVED	$8,427,829	$6,953,511	$5,695,101	$0	$21,076,441
CONTRIBUTIONS OUTSTANDING	0	0	0	0	0
RETIREE INCOME	51,727	51,893	52,983	0	156,603
INTEREST & DIVIDENDS	29,862	37,388	47,698	0	114,948
MISCELLANEOUS INCOME[1]	46	22,500	0	0	22,546
TOTAL INCOME	$8,509,464	$7,065,292	$5,795,782	$0	$21,370,538
EXPENSES					
MEDICAL	$3,757,154	$3,850,969	$2,908,747	$0	$10,516,870
LIFE & AD & D	28,288	21,986	20,151	0	70,425
DISABILITY	289,044	241,226	211,330	0	741,600
DENTAL	279,896	228,201	192,033	0	700,130
OPTICAL	29,725	22,075	18,562	0	70,362
DRUG[2]	1,389,731	1,139,554	(338,602)	0	2,190,683
RETIREES	695,640	596,963	354,551	0	1,647,154
MEDICAL ADM.	110,229	83,456	71,731	0	265,416
MENTAL HEALTH MANAGER	66,104	145,419	29,320	0	240,843
EAP	3,073	2,507	2,125	0	7,705
PPO	43,997	47,705	35,606	0	127,308
UM/DM	104,413	74,140	52,989	0	231,542
SUBTOTAL	$6,797,294	$6,454,201	$3,558,543	$0	$16,810,038
OPERATING EXPENSE					
ADMINISTRATION	$127,385	$108,316	$105,579	$0	$341,280
ADMINISTRATION HIPAA	3,117	2,650	2,583	0	8,350
MISCELLANEOUS	169,772	64,081	138,286	0	372,139
SUBTOTAL	$300,274	$175,047	$246,448	$0	$721,769
TOTAL EXPENSES	$7,097,568	$6,629,248	$3,804,991	$0	$17,531,807
SURPLUS (DEFICIT)	$1,411,896	$436,044	$1,990,791	$0	$3,838,731
TOTAL PARTICIPANTS	3,474	2,697	2,425	0	2,865
FUND BALANCE	$7,976,097	$8,975,904	$9,498,351	$0	

[1]First Quarter - SBH Class Action - Citigroup.

[1]Second Quarter - Employer payment for PCORI Fees.

[2]Third Quarter - Reduced by recovery proceeds from ESI audit for period ending 2006.

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
THIRD 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	$590.09
		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	$590.09
		Y20	$280.94
		Y30	$545.82
		Y30	$263.52
		Y40	$36.46
	UFCW LOCAL 400 TEMP	JSS2	$1,852.56
		Y	$1,032.82
		Y	$520.94
		Y30	$263.52

[1]CONTRACT ON EXTENSION

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

THIRD QUARTER 2018
DELINQUENCY REPORT

PRIOR QUARTERS

NONE

CURRENT QUARTER

NONE

Work Snapshot 2018 Non-Food					
Function	***1st Quarter***	***2nd Quarter***	***3rd Quarter***	***4th Quarter***	***YTD***
Accident & Sickness Claims	65	45	33		**143**
Appeals	34	36	18		**88**
Participant Services Calls	3,439	3,364	3,063		**9,866**
COBRA Notices Mailed	64	164	176		**404**
Pension Apps Received	58	168	93		**319**
Pension Estimates Received	64	86	274		**424**
Medical Claims Processed	15,061	12,989	18,858		**46,908**
Communications Mailings Sent to Participants	7,464	20,387	11,908		**39,759**

***Changed the reporting criteria for medical claims starting with 3Q claims. Multiple claims are attached to one check; therefore, the 1st and 2nd quarter counts were per check issued. Each individual claim is counted as one claim processed for 3Q and going forward.**

SPECIAL PROJECTS:

(1) Converted Retiree Information Forms (RIFs) from SSN-identifiers to alternate IDs last year: just finished programming for barcode-based data entry of RIFs.

INVOICES

UFCW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND

INVOICES

DECEMBER 4, 2018

1. ASSOCIATED ADMINISTRATORS, LLC

08/30/18	Meeting Expenses – Regular Meeting	$	472.94

2. CHEIRON

08/20/18	Retainer Services – July 2018	$	1,600.00
09/20/18	Retainer and Non-Retainer Services– August 2018	$	2,262.50
10/22/18	Retainer Services – September 2018	$	1,600.00

3. INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS

09/24/18	2019 – Membership Renewal Fee	$	1,050.00

4. MORGAN, LEWIS & BOCKIUS

07/31/18	For Professional services rendered for the period ended June 30, 2018	$	1,639.00
08/29/18	For Professional Services rendered for the period ended July 31, 2018	$	177.00
09/27/18	For Professional Services rendered for the period ended August 31, 2018	$	6,674.00

5. SEGAL CONSULTING

09/05/18	For retainer services rendered for the period September 1, 2018 – September 30, 2018	$	5,333.33
10/08/18	For retainer services rendered for the period October 1, 2018 through October 31, 2018	$	5,333.33
10/30/18	For retainer services rendered for the period November 1, 2018 through November 30, 2018	$	5,333.33

10/31/18	For professional consulting services rendered regarding the Dental bid	$	4,027.50

6. SEGAL SELECT INSURANCE

11/15/18	Renewal of Fidelity Bond for the period January 1, 2019 – January 1, 2020	$	1,942.00

7. SEGALL BRYANT AND HAMILL

10/22/18	Investment Management Fee – for the period July 1, 2018 through September 30, 2018	$	909.50

8. SLEVIN & HART, P.C.

05/21/18	For subrogation services rendered through March 31, 2018	$	1,480.65
08/22/18	For Professional services rendered through July 31, 2018	$	6,257.50
09/21/18	For Professional services rendered through August 31, 2018	$	17,925.67
10/31/18	For Professional services rendered through September 30, 2018	$	8,500.50

9. SUPERVALU

11/12/18	J. Born – Reimbursement of expenses incurred for attendance at the August 30, 2018 Board of Trustees Meeting	$	363.71

10. TRUSTEE EXPENSE REIMBURSEMENTS

09/12/18	D. Gwin – Reimbursement of expenses incurred at the August 30, 2018 meeting of the Board of Trustees	$	65.89

11. WITHUM

10/01/18	Second Progress billing for December 31, 2017 audit services	$	15,000.00
11/04/18	Final billing for the December 31, 2017 audit services	$	7,020.00

UFCW UNIONS & PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
RETIREE PLAN

INVOICES

DECEMBER 4, 2018

1. **SEGAL SELECT INSURANCE**

11/15/18	**Renewal of Fidelity Bond Plus for the period January 1, 2019 – January 1, 2020**	**$**	**2,153.00**

2. **WOODARD INSURANCE AGENCY, LLC**

10/01/18	**Ongoing healthcare customer service and orphan enrollment for Third Quarter 2018**	**$**	**528.00**

OTHER FUND BUSINESS

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

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

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

December 4, 2018

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

Re: Medicare Deductible and Co-insurance Rates -2019

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 2019.

	2018	2019
Medicare Part B Deductible:	$ 183.00	$ 185.00
First-Day Part A Hospital Deductible:	$1,340.00	$1,364.00
Daily Part A Coinsurance for the 61st Through 90th Day of a Hospital Stay:	$ 335.00	$ 341.00
Daily Part A Coinsurance for Hospital Stays Longer than 90 Days	$ 670.00	$ 682.00
Daily Part A Coinsurance for the 21st Through 100th day in Skilled Nursing Facility	$ 167.50	$ 170.50

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

Sincerely,

Bill

William R. Jensen
President
ASSOCIATED ADMINISTRATORS, LLC

WRJ:lmg

Material Modifications

Open Enrollment Now Held Once a Year for Plans Y, Y20, Y30 and JSS2

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

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

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

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

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

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

Y20 and Y30 Part-Time Participants: You may enroll eligible dependent children but you are required to pay the full cost of the dependent coverage via payroll deduction. If you enroll your child/ren, your employer will set up payroll deductions to begin with the first month you are eligible for dependent coverage. Dependent coverage will not begin until the month in which your first payroll deductions are made.

Shoppers Open Enrollment for Health and Welfare Coverage Is Now through December 27

Now through December 27, 2017 is open enrollment to choose health and welfare coverage through the Fund effective January 1, 2018 and continuing (assuming you remain eligible) through December 31, 2018.

If you don't currently have health coverage through the Fund, this is your opportunity to enroll. If you do have coverage, this is your chance to add dependents (if eligible) or to drop coverage. If you are already enrolled and don't want to make any changes to your coverage, don't do anything.

Open Enrollment Letter
An open enrollment letter was sent along with payroll deduction and enrollment forms, from the Fund Office. If you are already enrolled and want to change coverage levels (from single coverage to husband/wife, for example) or to drop coverage completely, note the change on the payroll deduction form and complete the enrollment form and return both to the Fund Office. To drop coverage, contact the Fund Office **by December 27nd – very important!**

If you aren't making a change, there is no need to return the form(s). You will remain in your current coverage.

Continued on page 3

Beacon Health Options
Proposed Rates for the
UFCW Unions & Participating Employers Health & Welfare Fund
For Calendar Year 2019, with extension available through 2021

Product	Claims Funding	Proposed Rate for 2019 - 2021
UFCW MHSA	ASO	$2.51 PEPM
UFCW EAP – Plan Y	Fully Insured	$0.68 PEPM
UFCW EAP – Plan T	Fully Insured	$0.89 PEPM

Proposed on June 6, 2018

HEALTH CARE COST CONTAINMENT CORPORATION
of the
MID-ATLANTIC REGION

Administrative Office: Carday Associates, Inc., 7130 Columbia Gateway Drive, Suite A,
Columbia, MD 21046
Phone: (410) 872-9500 Fax: (410) 872-1275

Executive Director: Simone L. Rockstroh
Phone (443) 250-3590 Email: srockstroh19@gmail.com

MEMORANDUM

FROM: Simone L. Rockstroh,
Executive Director

DATE: October 7, 2018

TO: Member Funds

RE: **HCCCC's Annual Membership Fee and Access Fees for 2019**
CareFirst Blue Cross Blue Shield 2019 PPO Fees

Please be aware that there was not a quorum at the October 1, 2018 Board of Directors' Meeting; however, we anticipate that the 2019 HCCCC annual membership fee and access fees will remain the same as in 2018, as indicated below. The CareFirst Blue Cross/Blue Shield Fee (includes HCCCC Access Fee) for 2019 is indicated below.

-- HCCCC Annual Fees - \$0.75 per member (\$700 minimum/\$3,750 maximum)

-- CVS/Caremark Access Fee - \$0.04 per script

-- American Health Holding access fee - \$0.06 per member per month

-- CareFirst Blue Cross/Blue Shield Access Fee - \$0.11 per member per month

-- CareFirst Blue Cross/Blue Shield PPO Fee (includes HCCCC Access Fee)

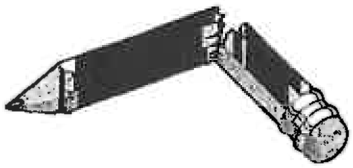
1/1/2019	\$ 4.89 pmpm	\$ 23.99 pmpm

An invoice will be sent to each Member Fund for the HCCCC Annual Fee in early January 2019, once adopted by the Board of Trustees at their January 14th Board meeting.

If you have any questions regarding this notice, please feel free to contact me at 443-250-3590.

Simone L. Rockstroh
Executive Director
Health Care Cost Containment Corp.
of the Mid-Atlantic Region, Inc.

/slr



MEETING NOTES