UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND

BOARD OF TRUSTEES MEETING

NOVEMBER 12, 2014

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

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

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

AGENDA

November 12, 2014

2:00 P.M.

I. CALL TO ORDER
   - A. APPOINTMENT OF NEW TRUSTEE

II. MINUTES (pg. 1 – 11)
   - A. REGULAR MEETING – AUGUST 14, 2014
   - B. APPEAL COMMITTEE MINUTES – SEPTEMBER 8, 2014

III. FINANCIAL REPORT
   - A. PNC BANK
   - B. AUDITOR'S REPORT

IV. CONSULTANT'S REPORT (pg. 12 – 17)
   - A. GDS/AETNA EVALUATION
   - B. PBM REVIEW
   - C. IRO APPROVAL
   - D. VOYA RENEWAL
   - E. OTHER

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

VI. ADMINISTRATIVE MANAGER'S REPORT – 2Q14 (pg. 18 – 46)

VII. INVOICES (pg. 47 – 54)
   - A. PPACA PROGRESS BILLING – 2Q14 & 3Q14

VIII. OTHER FUND BUSINESS (pg. 55 – 69)
   - A. MISCELLANEOUS CORRESPONDENCE
   - B. 2015 MEDICARE REIMBURSEMENT RATES
   - C. HPID AND TRANSITIONAL REINSURANCE FILING
   - D. 2015 KAISER MEDICARE HMO RATES
   - E. KROGER MOA – RICHMOND/TIDEWATER

IX. NEXT MEETING DATE AND LOCATION

X. ADJOURNMENT

MINUTES

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

4301 GARDEN CITY DRIVE, SUITE 201
LANDOVER, MARYLAND 20785-6102
TELEPHONE: (301) 459-3020
(800) 730-2241

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND AUGUST 14, 2014 HANOVER, MARYLAND

The following Trustees were present:

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

EMPLOYER TRUSTEES
S. Loeffler – Secretary
M. Christle
D. Gwin

Also present were:

A. Bajani - Catamaran
H. Burton – Morgan, Lewis & Bockius, LLP
J. Chorpenning – UFCW Local 27
L. DuVall – Associated Administrators, LLC
D. Fairhurst – Aetna
J. Geist - Aetna
D. Harper - Catamaran
M. Herwig – PNC Bank
J. Ianniello – Associated Administrators, LLC
M. Imming – Group Dental Service
C. Ingram – Aetna Dental
W. Jensen – Associated Administrators, LLC
R. Lloyd – Anthem ASO
H. Manley – UFCW Local 27
G. Murphy, Jr. – UFCW Local 27
T. Poffenbaugh – Value Options
B. Slevin – Slevin & Hart, P.C
J. Slivosky – UFCW Local 400
M. Walter – Voya Financial (formerly ING)
C. Wiszynski – UFCW Local 400

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the regular meetings held on December 13, 2013 and March 21, 2014, and the appeal committee meetings of April 24, 2014 and June 18, 2014, which were pre-circulated.

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

> **RESOLVED that the minutes of the regular meetings held on December 13, 2013 and March 21, 2014 and the appeals committee meetings of April 24, 2014 and June 18, 2014 were approved as presented.**

III. FINANCIAL REPORT

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

Mr. Herwig distributed the PNC Summary of Activity report for the period January 1, 2014 to June 30, 2014. Such report indicated a beginning market value of $13,143,537, receipts of $20,882,130, disbursements of $21,454,704, and earnings of $260,968, producing an ending market value of $12,831,931 as of June 30, 2014.

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

IV. CONSULTANT'S REPORT

The Trustees welcomed Mr. Mitch Bramstaedt and Mr. Joshua Timm of the Segal Company to the meeting. They reviewed the services offered under the retainer agreement with the Fund.

V. ATTORNEY'S REPORT

A. Statute of Limitations

Mr. Slevin discussed the Heimshoff Supreme Court Case. The Board agreed to make no change in the Plan Statute of Limitations.

B. Appeal Committee – Named Fiduciary

Mr. Slevin discussed the status of the appeals committee.

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

RESOLVED to designate the appeals committee as the named fiduciary for the purpose of deciding benefit appeals.

C. PPACA – Reinsurance Fees

Mr. Slevin reviewed his memorandum of June 2, 2014 regarding the PPACA reinsurance fee.

D. COBRA

Mr. Slevin discussed the Fund's COBRA notices and his firm's July 29, 2014 memorandum on the subject.

E. Business Associate Agreements

Mr. Slevin discussed revised BAA's for HIPAA Hi-Tech and presented same for execution by the Trustees. The documents were executed.

F. Amendment No. 3 to the Anthem Agreement

Mr. Slevin presented Amendment No. 3 to the Anthem agreement for execution. The document was signed by the Trustees.

G. Subrogation

Mr. Jensen presented the subrogation report for the first quarter of 2014. He noted that $97,074.15 was collected with $24,268.54 payable to Slevin & Hart.

H. Metlife Amendment

Mr. Slevin reported on the amendment to the MetLife Insurance Policy.

I. PNC Agreement

Mr. Slevin discussed the PNC Agreement.

J. Perkins Management Delinquency

Mr. Slevin discussed the Perkins Management delinquency.

K. Mental Health Parity

Mr. Slevin discussed his firm's April 9, 2014 memorandum on the final regulations.

L. Pending Agreements

Mr. Slevin reported on the status of the Anthem agreement covering the Richmond Tidewater area and the Care First agreements.

VI. ADMINISTRATIVE MANAGER'S REPORT

A First Quarter 2014 Report

Mr. Jensen presented the administrative manager's report for the first quarter 2014, which had been pre-circulated. Such report indicated total income of $11,469,944 for the quarter. Total expenses were $10,715,816, producing a surplus of $754,128 for the quarter. Mr. Jensen noted that contributions were made on behalf of 6,129 plan participants.

VII. INVOICES

The Trustees reviewed the list of invoices dated August 14, 2014, as well as the PPACA invoice for the first quarter 2014. Mr. Jensen noted that the PPACA invoice was substantially higher than previous invoices due to charges related to the required ICD-10 coding work for 2013. It was noted there were no additions, deletions or changes to the list.

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

> **RESOLVED that the invoices on the lists dated August 14, 2014, including the PPACA invoice submitted by Associated, were approved for payment.**

VIII. OTHER FUND BUSINESS

A. Life Insurance Carrier - Voya Financial (formerly ING)

The Trustees welcomed Mr. Mark Walter of Voya Financial to the meeting. He presented a report for the period March 1, 2009 through October 31, 2013. He noted that for Basic Life the claims paid totaled $964,899.98 and the premiums paid were $895,716.55 for the period. A D & D claims totaled $10,042.50 and premiums paid were $75,975.78 for the period. He noted that the average covered lives were 25,112.

1. Contract Renewal

Mr. Walter presented his firm's renewal request effective July 1, 2014. He presented three renewal options and rate guarantees for the Trustees review. The one year renewal was a rate of $0.21 per thousand for life insurance, and $0.018 for accidental death and dismemberment (A D & D).

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

B. Anthem Life

Mr. Jensen reviewed a life insurance quote from Anthem Life effective January 1, 2015. Anthem proposed a rate for Basic Life of $0.21 per $1,000 and an A D & D rate of $0.02 per $1,000 with a three year rate guarantee.

C. CIGNA

Mr. Jensen noted that he had received a quote from Cigna to provide life insurance and A D & D benefits to the Fund. He reported that Cigna proposed a rate of $.38 per $1,000 for Basic Life and $.03 per $1,000 for A D & D benefits.

Both of these alternative proposals were more expensive than the one year renewal offered by Voya.

Discussion

After discussion,

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

> **RESOLVED to authorize Chairman and Secretary to review the life insurance proposals and act on the proposals between meetings.**

D. Supervalu Credit Request

Mr. Jensen noted that SuperValu had requested a credit against future contributions of erroneous contributions remitted on behalf of a participant for the period October 2008 to April 2014 resulting in an overpayment of $37,259.42. After discussion,

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

RESOLVED to approve the credit request submitted by SuperValu.

The Trustees from Shoppers abstained from voting.

E. Patient Centered Outcomes Research Institute (PCORI) Fees

Mr. Jensen noted that the PCORI fees were remitted on July 31, 2014.

F. Fiduciary Insurance –Waiver of Recourse

Mr. Jensen said that the invoices for the waiver of recourse for the fiduciary insurance were sent to the Trustees on April 30, 2014.

G. Payroll Audit

Mr. Jensen reported that a payroll audit conducted at UFCW Local 400 for the period January 2010 through December 2012 had revealed no irreconcilable discrepancies.

H. Topol Class Action Settlement

Mr. Jensen reported that the Fund had received $475.34 as settlement in the Topol Class Action litigation.

I. Formulary Rebate

Mr. Jensen reported that the Fund had received a formulary rebate from the prescription drug provider, Catamaran, in the amount of $88,749.24.

IX. VENDOR PRESENTATIONS

A. Dental Provider (GDS)

The Trustees welcomed Ms. Molly Imming of Group Dental Service (GDS) to the meeting. She presented the annual utilization report for 2013. She noted that GDS had 10,806 total visits by participants, spouses and other eligible dependents and that 22,957 procedures had been processed with a UCR value of $3,622,472. GDS had been reimbursed a total of $2,430,050 in premiums and co-payments received from plan participants. The relative value of service was 1.40. She noted that the cost of care was 71%.

1. Contract Renewal

Ms. Imming discussed the Fund's contract with GDS which was scheduled to renew effective January 1, 2014. She noted that GDS proposed no premium increase for the period January 1, 2014 through June 30, 2014. She further said that the Health Insurer Fee (HIF), which went into effect January 1, 2014 in accordance with the Affordable Care Act, would be assumed by GDS for that period. She reported that based on their underwriter's calculations, the HIF fee would impact the premium by 2.6%. She requested a 5% increase in their premium for the period July 1, 2014 through December 31, 2015, inclusive of the 2.6% increase in premium due to the HIF tax and 2.4% increase in premium based upon the Fund's utilization and trend.

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

The Trustees discussed the relatively low cost of care percentage, in comparison with prior experience, and questioned the need for a premium increase. After discussion,

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

> **RESOLVED to appoint a subcommittee of Trustees Federici, Murphy and Gwin to review and resolve the issue between meetings.**

B. <u>Dental Provider (Aetna Dental)</u>

The Trustees welcomed Ms. Dawn Fairhurst, Mr. Joseph Geist and Mr. Carlton Ingram of Aetna Dental to the meeting.

Mr. Ingram presented his 2013 annual report. He noted that there were 12,807 subscribers and the total ASC fees were $51,612.21 for 2013. Mr. Ingram next reviewed dental utilization for the period May 1, 2013 through April 30, 2014. He noted that the average number of members were 1,642, a decrease of 4.3% over the prior year. The total dental paid was $326,495 a decline of 8.2% over the prior period. The network savings was $119,525 a 8.5% increase over the prior period. 51.5% of dental paid was in-network. The reasonable and customary savings was $7,140 a decline of 24.8% over the prior period.

Mr. Ingram presented a 2015 rate renewal with reduced administrative fees.

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

C. Anthem (ASO)

The Trustees welcomed Ms. Rhonda Lloyd of Anthem to the meeting.
She presented a report for the 12 month period July 2013 – June 2014. She noted that claims paid during this period amounted to $7.3 million or $373.78 on a per member per month basis, a 3.0% decrease over the prior year. Membership averaged 1,633, compared to 1,697 for the prior period, a decrease of 3.8%.

She further reported that medical claims paid for the period January 2014 – June 2014 totaled 3.9 million or $397.64 on a per member per month basis, a decrease of 6.5% from the prior period. Membership averaged 1,652, compared to 1,696 for the prior period, a decrease of 2.6%. High-cost claimants over $75K and accounted for 41.3% of costs, a decrease from 46.2% in the prior period.

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

D. Mental Health Provider (Value Options)

The Trustees welcomed Mr. Terry Poffenbaugh and Mr. Ed Knitter of Value Options to the meeting. Mr. Poffenbaugh presented the Managed Behavioral Health and Employee Assistance Program reports for 2013. Mr. Poffenbaugh noted that the average membership count was 8,885 in 2013. Total paid MHSA claims were $411,501 in 2013, a 22% decrease over 2012. There were 349 inpatient visits and 2,659 outpatient visits in 2013. The average length of inpatient stay was 5.7 days per admission.

Mr. Poffenbaugh presented the Employee Assistance Program Utilization for 2013, indicating that the annual utilization for 2013 was 0.62%, compared to 1.22% in 2012.

Mr. Poffenbaugh noted that the merger/purchase of ValueOptions by Beacon Health Strategies was pending a regulatory review. He will advise once such review is completed.

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

E. Prescription Drug Provider (Catamaran)

The Trustees welcomed Mr. Donald Harper and Ms. Anita Bajani of Catamaran to the meeting.

Mr. Harper presented the 2013 report. Mr. Harper reported that paid claims were $6,077,280 for 63,408 prescriptions for the year. There was an average of 4,887 members in 2013, compared to 5,259 in 2012. 82% of the claims paid were for Traditional drugs and 18.2% were for Specialty drugs. Generic drugs were dispensed 75.5% of the time.

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

X. NEXT MEETING DATE AND LOCATION

The Trustees noted that the next regular meeting was scheduled for November 12, 2014 beginning at 2:00 p.m. the Hotel at Arundel Preserve.

XI. ADJOURNMENT

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

Respectfully submitted,
Steve Loeffler - Secretary

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

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

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

APPEALS EMAILED AND RESOLVED BY THE APPEALS SUBCOMMITTEE OF THE BOARD OF TRUSTEES OF THE UCFW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND ON SEPTEMBER 8, 2014

The following Trustees made determinations on the appeals:

UNION TRUSTEES
C. Wiszynski

EMPLOYER TRUSTEE
D. Gwin

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

I. APPEALS

The following appeals were reviewed by the Trustees:

June/July 2014

Code	Issue	Decision
A14/120-4269	Benefit Maximum	Denied
A14/122-0874	Overpayment	Tabled
E14/207-2639	Retiree Fund Coverage	Denied
E14/218-2623	Retiree Fund Coverage	Denied
E14/201-6442	Coordination of Benefits	Denied
Rx14/211-3154	Oral Contraceptives	Approved
M14/187-1097	Late Filing	Denied
M14/195-4841	Late Filing	Denied
M14/214-1206	Late Filing	Denied
M14/177-9906	Late Filing	Denied
M14/213-6908	Late Filing	Denied
M14/219-9988	Late Filing	Denied

M14/191-0306a	Late Response, Late Appeal	Denied
M14/191-0306b	Late Response, Late Appeal	Denied
M14/203-9604	Late Response, Late Appeal	Denied
M14/205-1206	Experimental	Denied
M14/206-4676	Laboratory Services	Denied
M14/188-8759	Routine Services	Denied
M14/197-4451	Routine Services	Denied
M14/202-2020	Routine Services, Late Appeal	Denied
M14/196-6708	Medical Necessity, Late Appeal	Denied
M14/212-8368	Nonparticipating Provider, Late Appeal	Denied
M14/210-9478	Excess of UCR, Late Appeal	Denied
P14/134-9478	Overpayment	Tabled
E14/236-5021	Open Enrollment	Denied

Respectfully submitted,

Chris Brown, Appeals Supervisor

ufcw\H&W\min6&7\2014

CONSULTANT'S REPORT

Segal Consulting

101 North Wacker Drive Suite 500 Chicago, IL 60606-1724
T 312.984.8500 www.segalco.com

DIRECT DIAL NUMBER
(312) 984-8652

E-MAIL ADDRESS
mbramstaedt@segalco.com

November 6, 2014

VIA E-MAIL

Board of Trustees
UFCW Unions and Participating Employers
Health and Welfare Fund
Landover, MD

Re: **Proposed Renewal from Catamaran**

Dear Trustees:

Introduction

Segal was recently hired, and the Trustees requested Segal to review the vendor contracts. This letter pertains to the PBM contract for the *non Kroger plans,* administered by Catamaran. Segal began discussions with Catamaran to obtain better pricing for the Fund and its participants. Below is a summary of the current contract and the proposed options from Catamaran, to date, and we will continue to work to validate their pricing and proposal.

Catamaran's estimated first year savings with the new contract would be $809,000 to $999,000, depending on the option chosen.

Finally, an important change Catamaran proposes is to remove CVS from its pharmacy network. We seek the Trustees guidance to determine if it is desirable to exclude CVS. We are confident that appropriate terms can be negotiated if CVS is to be included in the provider network. However, it is possible that the overall pricing will be slightly less attractive.

Background

The UFCW Unions and Participating Employers Health and Welfare Fund (the Fund) currently contracts with Catamaran, formerly National Medical Health Card Systems, Inc. as its pharmacy benefit manager (PBM). The Fund's pricing arrangement with Catamaran is on a "transparent", or pass-through, basis. Generally, transparent/pass-through pricing terms are minimum guarantees, meaning that any pharmacy discount or manufacturer rebate negotiated and achieved by the PBM above the minimum guarantees, are passed through to the plan sponsor. The only revenue generated by a PBM should be an administrative fee, fees charged for clinical programs, and revenue derived from prescriptions dispensed by the PBM-owned pharmacies. However, in the current transparent arrangement, the Fund shares a portion of rebates with Catamaran (92% with minimum guarantees to the Fund and 8% retained by Catamaran).

Catamaran provided transparent and "traditional" pricing renewal proposals to the Fund. Generally, traditional pricing arrangements have fixed pricing terms, meaning that the PBM will retain any spread on the discount or rebates negotiated with network pharmacies and manufacturers in exchange for nominal or no administrative fees to the plan sponsor. Both proposals appear to consist of fixed rebate guarantees, without a percentage share amount to the Fund. The rebate percentage share is being confirmed with Catamaran.

The remainder of this letter summarizes Catamaran's proposed pricing terms, conditions, and compares them to the Fund's current arrangement as well as highlights items requiring clarification.

Pricing Term Comparison

The following table compares the Fund's current pricing terms and terms from Catamaran's proposals. The proposed pricing terms are guaranteed for three years.

30-Day Retail	Catamaran Current Pricing Transparent (2006)	Catamaran Renewal Proposal Transparent (2015)	Catamaran Renewal Proposal Traditional (2015)
Network	National Network	National Network excluding CVS	National Network excluding CVS
Brand Discount	AWP – 15.5% to 16.0% (Pre AWP Rollback) / **AWP – 12.09% - 12.61% (Post AWP Rollback)**	AWP –16.0%	AWP – 16.0%
Brand Dispensing Fee	$2.00	$1.30	$1.20
Generic Discount	AWP - 58.00%	Year 1: AWP - 76.0% Year 2: AWP – 76.5% Year 3: AWP – 77.0%	Year 1: AWP - 78.0% Year 2: AWP – 78.5% Year 3: AWP – 79.0%
Generic Dispensing Fee	$2.00	$1.30	$1.20
Administrative Fee (per Rx)	$0.80	$0.80	$0.00
Rebate Share	92%	N/A	N/A
2-Tier Plan Design Rebate Guarantee	$1.74 per Rx	$16.00 per Brand Rx	$16.00 per Brand Rx
90-Day Retail	**Catamaran Current Pricing Transparent (2006)**	**Catamaran Renewal Proposal Transparent (2015)**	**Catamaran Renewal Proposal Traditional (2015)**
Brand Discount	N/A	AWP – 18.0%	AWP – 18.5%
Brand Dispensing Fee		$0.00	$0.00
Generic Discount		Year 1: AWP - 77.0% Year 2: AWP – 77.5% Year 3: AWP – 78.0%	Year 1: AWP – 79.0% Year 2: AWP – 79.5% Year 3: AWP – 80.0%
Generic Dispensing Fee		$0.00	$0.00
Administrative Fee (per Rx)		$0.80	$0.00
Rebate Share		Fixed	Fixed
2-Tier Plan Design Rebate Guarantee		$16.00 per Brand Rx	$16.00 per Brand Rx
Mail Order (Optional)	**Catamaran Current Pricing Transparent (2006)**	**Catamaran Renewal Proposal Transparent (2015)**	**Catamaran Renewal Proposal Traditional (2015)**
Brand Discount	AWP – 21.0% (Pre AWP Rollback) / **AWP – 18.34% (Post AWP Rollback)**	AWP –22.5%	AWP – 22.5%
Brand Dispensing Fee	$0.00	$0.00	$0.00
Generic Discount	MAC	Year 1: AWP – 80.0% Year 2: AWP – 80.5% Year 3: AWP – 81.0%	Year 1: AWP – 80.0% Year 2: AWP – 80.5% Year 3: AWP – 81.0%
Generic Dispensing Fee	$1.75	$0.00	$0.00
Administrative Fee (per Rx)	$0.80	$0.80	$0.00
Rebate Share	92%	N/A	N/A
2-Tier Plan Design Rebate Guarantee	$1.74 per Rx	$43.00 per Brand Rx	$43.00 per Brand Rx

Specialty	Catamaran Current Pricing Transparent (2006)	Catamaran Renewal Proposal Transparent (2015)	Catamaran Renewal Proposal Traditional (2015)
Pricing List	N/A	Pricing List by Drug	Pricing List by Drug
Default Discount	AWP – 17.0% (Pre AWP Rollback) / **AWP – 13.66% (Post AWP Rollback)**	N/A	N/A
Dispensing Fee	$5.00	$2.00	$2.00
2-Tier Plan Design Rebate Guarantee	N/A	$16.00 per Brand Rx	$16.00 per Brand Rx

All values are on a Post-AWP rollback basis, unless otherwise noted.
N/A = not applicable or not listed.
MAC = maximum allowable cost.
Yellow highlighted item = the term's basis has been modified
Green highlighted item = improvement from the original renewal
Dark Green highlighted item = most competitive proposal term
Orange highlighted item = the term's basis has been modified and the value is improved

- As you are aware, the Average Wholesale Price (AWP) values in First Databank (FDB) and Medi-span files effective September 26, 2009, were reduced. The AWP unit prices of many brand name prescription drugs decreased in order to comply with the settlement of a lawsuit claiming that FDB and the McKesson Corporation had conspired to increase the mark-ups on more than 400 brand name drugs from 20% to 25% beginning in 2002. Following the rollback in 2009, PBM agreement terms were adjusted, designed to produce neutral drug costs after the settlement's reduction in AWP values. As the Fund's current agreement dates to 2006, the terms are outdated and on an inflated Pre-AWP rollback basis. Segal provided the estimated post-AWP rollback equivalents for comparison purposes, based on Segal benchmarks.

- The current rebate guarantees are transparent with the greater of 92% or the minimum per claim guarantee retained by the Fund. Both the transparent and traditional renewal offers do not list a percentage share of rebates and the rebate guarantees for each proposal are the same. Therefore, it appears that the proposed rebates are "fixed" and any rebate above the guarantees are retained by Catamaran. Segal is confirming if the rebates are fixed or if there is a percentage share for the proposals.

- The current agreement does not distinguish 30-day retail or 90-day retail channel pricing. Segal requested Catamaran confirm the applicable pricing terms and the current day supply thresholds for qualifying 90-day retail pricing. Catamaran responded that the Fund does not have a separate 90-day retail benefit. Segal noticed that the SBCs indicate that select maintenance medications may be filled up to a 100-day supply.

- The proposals indicate that CVS pharmacies are excluded from the retail (30-day and 90-day retail) channels. The 4Q2013 Catamaran Quarterly Review and Highlights report shows that CVS is second top ranked pharmacy chain by prescriptions during calendar year 2013 with 9,218 prescriptions for 873 utilizers at 285 CVS pharmacies. Segal confirmed CVS is currently not an excluded provider. This represents a significant change from the current network. All CVS claims would reject based on the renewal offers, resulting in member disruption based on the current utilization.

- Mail-order terms are the same for both proposals. The current agreement lists the mail order as an optional program. From the 4Q2013 Catamaran Quarterly Review and Highlights report, mail utilization is not observed; therefore, it is assumed the mail-order benefit is not currently applicable. Catamaran confirmed there is no mail benefit.

- Catamaran's proposals reference an Open Specialty pricing list; however, it was not provided. Segal requested the list to compare the pricing to the current specialty guarantee. Additionally, the proposals assume an open specialty program, whereby members may receive specialty medications at retail or the Catamaran specialty pharmacy, BriovaRx (formerly known as AscendRx). From the review of the first amendment to the master PBM agreement and the Fund's SBCs, it appears as though the Fund has an exclusive specialty arrangement. Catamaran communicated that the Fund has an open specialty program.

- The proposal lists a $0.30 per claim consultant commission. Segal requested more information from Catamaran regarding the listed commissions and confirmation if they are currently being paid and to whom. Segal did not request commissions for the PBM arrangement. Catamaran confirmed the commission reference is an error there are no commissions involved in this arrangement.

Catamaran Savings Estimates

Catamaran provided aggregate savings estimates based on the annualized experience period of January 1, 2014 through September 22, 2014. Catamaran's savings estimates are not a guarantee of savings.

The estimated first year savings value for the transparent proposal is $809,000. The estimated savings from the traditional proposal is $999,000 based on the current plan performance or achieved terms. The savings is net savings (plan savings) and inclusive of rebates and specialty drug claims. According to Catamaran, the percentage of plan savings is approximately 11.1% for the transparent proposal or 13.7% for the traditional proposal.

In addition, Catamaran shared that an update to the Fund's utilization management rules (i.e., prior authorizations, quantity limits, and step therapy programs) can yield approximately $194,000 in total additional savings. It is not clear if the savings from the step therapy programs ($32,000) accounts for rebate loss.

Segal requested that Catamaran provide detailed savings analyses, the experience period utilized, trend factors and the assumptions used for the projections. Segal will share the information once received from Catamaran.

Segal also requested data from Catamaran in order to validate the savings estimates, based on the guaranteed and achieved terms, and review the Fund's utilization. The data was received November 4th. The data is currently in review.

Pricing Conditions and Caveats

The proposals contain conditions and assumptions. Segal requested clarifications and confirmations for best-in-class terms and conditions from Catamaran. The following items were requested:

- Rebates are based on acceptance of the Catamaran formulary.

  As rebate guarantees are conditioned upon the acceptance of Catamaran formulary, Segal requested confirmation that the Catamaran formulary is open, without any PBM drug product exclusions for the term of the agreement.

  Catamaran confirmed that the Catamaran National Formulary is open without drug exclusions.

- Zero balance claims (ZBCs) are excluded in the discount guarantees prior to the application of the member copay and Usual and Customary (U&C) claims are included in the discount guarantees.

  Zero balance claims can inflate the discount guarantees. Segal requested that the reconciliation for all claims be based prior to the application of the member cost share amount. Modification of this assumption may affect the pricing guarantee values.

  Further clarification is required regarding this assumption.

- Guarantees are reconciled at the component level.

  Segal requested confirmation that pricing guarantees are component-based, and each, including rebates, will be reconciled separately, without offsetting of any applicable surpluses.

  Catamaran confirmed Segal's clarifying language.

Next Steps

Overall, the proposals' pricing terms are improvements and will generate savings over those of the current agreement. Upon receipt of Catamaran's responses, Segal can proceed with substantiation of the savings estimates and negotiation of the renewal terms.

Key decision points include:

- Catamaran as an organization has changed since the Fund entered into an agreement with one of its legacy PBMs, NMHCRx in 2006. The Fund should decide its desired philosophy regarding transparency and the proposed "transparent" and "traditional" pricing proposals.

- If desired, on behalf of the Fund, Segal can request a "hybrid traditional pricing" renewal consisting of: no administrative fee, traditional retail pricing, and 100% of rebates with minimum guarantees to be provided to the Fund. A change in pricing basis may result in modified pricing terms.

- As some of the Fund's plan designs include coinsurance, the change in pricing lists may result in changes to member cost-share amounts. In aggregate, the total amount should be reduced by the improvement in the discounts.

The pricing proposals are valid for a three-year contract term, subject to the terms and conditions of the proposal and in the proposed new agreement. The Fund's current agreement indicates that either party may terminate the agreement without cause by providing the other party with at least 60 days' prior written notice. If the Fund renews with Catamaran, a new PBM agreement will be required and should be reviewed for technical and industry changes. Additionally, Fund Counsel should review the proposed, new agreement.

We look forward to discussing this letter at the approaching meeting.

Sincerely,

Mitch Bramstaedt
Vice President

mwb/pfk:rm

cc: Mr. William Jensen
Barry S. Slevin, Esq.
Harry W. Burton, Esq.
Mr. Josh Timm
Mr. Christopher Heppner

5466783v1/13783.005

ADMINISTRATIVE MANAGER'S REPORT

UFCW UNIONS AND PARTICIPATING EMPLOYERS

HEALTH & WELFARE FUND

SECOND QUARTER 2014

ADMINISTRATIVE MANAGER'S REPORT

SECOND QUARTER 2014
PLAN JS

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KELCO	$920.73	10	$27,621	
TOTAL		**10**	**$27,621**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$10,346
HMO		0
LIFE & AD & D		32
DISABILITY		0
DENTAL		1,397
OPTICAL		146
DRUG		4,782
RETIREES		9,198
MEDICAL ADM.		389
MENTAL HEALTH MANAGER		81
PPO		337
UM/DM		410
SUB TOTAL		$27,118

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$344
ADMINISTRATION HIPAA		9
MISCELLANEOUS		205
SUB TOTAL		$558

TOTAL EXPENSES		$27,676

SURPLUS (DEFICIT)		($55)

AVERAGE INCOME		$921
AVERAGE EXPENSE		923
SURPLUS (DEFICIT)		($2)

SECOND QUARTER 2014
PLAN JSS-2

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
DELMARVA	$1,208.68	1	$3,627	
SAFEWAY VALLEY FT	1,208.68	3	10,878	
SAFEWAY VALLEY PT	1,208.68	2	7,251	
SHOPPERS FOOD 400 FT	1,208.68	490	1,775,552	
SHOPPERS FOOD 400 PT	1,208.68	196	711,912	
UFCW LOCAL 400 TEMP FT	1,208.68	4	14,505	
HMO COPAYS			7,405	
TOTAL		**696**	**$2,531,130**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$916,343
HMO		21,628
LIFE & AD & D		6,045
DISABILITY		107,113
DENTAL		97,018
OPTICAL		9,432
DRUG		680,756
RETIREES		640,189
MEDICAL ADM.		26,036
MENTAL HEALTH MANAGER		43,433
PPO		21,828
UM/DM		27,194
SUB TOTAL		$2,597,015

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$24,002
ADMINISTRATION HIPAA		581
MISCELLANEOUS		14,284
SUB TOTAL		$38,867

TOTAL EXPENSES		$2,635,882

SURPLUS (DEFICIT)		($104,752)

AVERAGE INCOME		$1,212
AVERAGE EXPENSE		1,262
SURPLUS (DEFICIT)		($50)

SECOND QUARTER 2014
PLAN K2 FULL TIME

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		0	$0	
UFCW 400 TEMP FT		0	0	
COBRA		5	6,185	
TOTAL		**5**	**$6,185**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$170,208
LIFE & AD & D		0
DISABILITY		19,421
DENTAL		615
OPTICAL		81
RETIREES		205,564
MEDICAL ADM.		201
MENTAL HEALTH MANAGER		32,275
EAP		12
PPO		538
UM/DM		154
SUB TOTAL		$429,069

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$430
ADMINISTRATION HIPAA		10
MISCELLANEOUS[2]		102
SUB TOTAL		$542

TOTAL EXPENSES		**$429,611**
SURPLUS (DEFICIT)		**($423,426)**
AVERAGE INCOME		$412
AVERAGE EXPENSE		28,641
SURPLUS (DEFICIT)		**($28,229)**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

[2]REIMBURSEMENT FOR MISCELLANEOUS EXPENSES NOT PAID IN 2ND QTR 2014, TO BE DETERMINED BY CONSULTANT

SECOND QUARTER 2014
PLAN K2 PART TIME INDIVIDUAL

INCOME

EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		0	$0	
COBRA		8	5,640	
TOTAL		**8**	**$5,640**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$6,768
LIFE & AD & D		0
DISABILITY		1,730
DENTAL		556
OPTICAL		112
RETIREES		335,393
MEDICAL ADM.		313
MENTAL HEALTH MANAGER		44,705
EAP		15
PPO		665
UM/DM		144
SUB TOTAL		$390,401

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$326
ADMINISTRATION HIPAA		8
MISCELLANEOUS[2]		164
SUB TOTAL		$498

TOTAL EXPENSES		**$390,899**
SURPLUS (DEFICIT)		**($385,259)**
AVERAGE INCOME		$235
AVERAGE EXPENSE		16,287
SURPLUS (DEFICIT)		**($16,052)**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

[2]REIMBURSEMENT FOR MISCELLANEOUS EXPENSES NOT PAID IN 2ND QTR 2014, TO BE DETERMINED BY CONSULTANT

SECOND QUARTER 2014
PLAN K2 PART TIME FAMILY

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		0	$0	
TOTAL		0	$0	$0

BENEFIT EXPENSES		COST
MEDICAL		$0
LIFE & AD & D		0
DISABILITY		0
DENTAL		0
OPTICAL		0
RETIREES		0
MEDICAL ADM.		0
MENTAL HEALTH MANAGER		0
EAP		0
PPO		4,078
UM/DM		0
SUB TOTAL		$4,078

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

TOTAL EXPENSES		$4,078

SURPLUS (DEFICIT)		($4,078)

AVERAGE INCOME		$0
AVERAGE EXPENSE		1,359
SURPLUS (DEFICIT)		($1,359)

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

SECOND QUARTER 2014
PLAN K20 FULL TIME

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		0	$0	
COBRA		9	4,867	
TOTAL		**9**	**$4,867**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$20,876
LIFE & AD & D		0
DISABILITY		0
DENTAL		502
OPTICAL		104
MEDICAL ADM.		351
MENTAL HEALTH MANAGER		182
PPO		763
UM/DM		83
SUB TOTAL		$22,861

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$339
ADMINISTRATION HIPAA		8
MISCELLANEOUS[2]		185
SUB TOTAL		$532

TOTAL EXPENSES		$23,393

SURPLUS (DEFICIT)		($18,526)

AVERAGE INCOME		$180
AVERAGE EXPENSE		866
SURPLUS (DEFICIT)		($686)

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

[2]REIMBURSEMENT FOR MISCELLANEOUS EXPENSES NOT PAID IN 2ND QTR 2014, TO BE DETERMINED BY CONSULTANT

SECOND QUARTER 2014
PLAN K20 PART TIME

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		0	$0	
COBRA		13	3,028	
TOTAL		**13**	**$3,028**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		($3,592)
LIFE & AD & D		0
DISABILITY		463
DENTAL		570
OPTICAL		144
MEDICAL ADM.		490
MENTAL HEALTH MANAGER		141
PPO		1,033
UM/DM		267
SUB TOTAL		($484)

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$457
ADMINISTRATION HIPAA		12
MISCELLANEOUS[2]		267
SUB TOTAL		$736

TOTAL EXPENSES		**$252**

SURPLUS (DEFICIT)		**$2,776**

AVERAGE INCOME		$78
AVERAGE EXPENSE		6
SURPLUS (DEFICIT)		**$72**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

[2]REIMBURSEMENT FOR MISCELLANEOUS EXPENSES NOT PAID IN 2ND QTR 2014, TO BE DETERMINED BY CONSULTANT

SECOND QUARTER 2014
PLAN RICHMOND TIDEWATER

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER R/T		1,071	$3,157,621	
COBRA		9	4,954	
TOTAL		**1,080**	**$3,162,575**	**$0**

BENEFIT EXPENSES		COST
AETNA DENTAL		$13,333
AETNA DENTAL CLAIMS		87,449
ASO PROVIDER		2,661,435
DRUG		298,439
METLIFE		20,001
GVS OPTICAL		11,906
SUB TOTAL		$3,092,563

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$37,426
MISCELLANEOUS		22,164
SUB TOTAL		$59,590

TOTAL EXPENSES		**$3,152,153**
SURPLUS (DEFICIT)		**$10,422**
AVERAGE INCOME		$976
AVERAGE EXPENSE		973
SURPLUS (DEFICIT)		**$3**

SECOND QUARTER 2014
PLAN RNK 1

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		995	$1,429,742	
COBRA		1	3,124	
TOTAL		**996**	**$1,432,866**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$1,541,094
LIFE & AD & D		13,587
DISABILITY		79,615
DENTAL		111,753
OPTICAL		13,410
DRUG		0
RETIREES		0
MEDICAL ADM.		37,456
MENTAL HEALTH MANAGER		7,515
EAP		2,008
PPO		74,774
UM/DM		30,840
SUB TOTAL		$1,912,052

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$35,103
ADMINISTRATION HIPAA		849
MISCELLANEOUS[2]		20,441
SUB TOTAL		$56,393

TOTAL EXPENSES		**$1,968,445**

SURPLUS (DEFICIT)		**($535,579)**

AVERAGE INCOME		$480
AVERAGE EXPENSE		659
SURPLUS (DEFICIT)		**($179)**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

[2]REIMBURSEMENT FOR MISCELLANEOUS EXPENSES NOT PAID IN 2ND QTR 2014, TO BE DETERMINED BY CONSULTANT

SECOND QUARTER 2014
PLAN RNK 2

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		632	$915,035	
TOTAL		**632**	**$915,035**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$715,742
LIFE & AD & D		2,265
DISABILITY		24,476
DENTAL		42,402
OPTICAL		8,138
DRUG		0
RETIREES		0
MEDICAL ADM.		23,812
MENTAL HEALTH MANAGER		4,786
PPO		46,644
UM/DM		19,615
SUB TOTAL		$887,880

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$22,345
ADMINISTRATION HIPAA		540
MISCELLANEOUS[2]		12,970
SUB TOTAL		$35,855

TOTAL EXPENSES		**$923,735**
SURPLUS (DEFICIT)		**($8,700)**
AVERAGE INCOME		$483
AVERAGE EXPENSE		487
SURPLUS (DEFICIT)		**($4)**

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

[2]REIMBURSEMENT FOR MISCELLANEOUS EXPENSES NOT PAID IN 2ND QTR 2014, TO BE DETERMINED BY CONSULTANT

SECOND QUARTER 2014
PLAN RNK 3

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
KROGER[1]		356	$514,707	
COBRA		1	563	
TOTAL		**357**	**$515,270**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$106,258
LIFE & AD & D		1,190
DISABILITY		3,540
DENTAL		20,654
OPTICAL		4,374
DRUG		0
RETIREES		0
MEDICAL ADM.		13,421
MENTAL HEALTH MANAGER		2,719
PPO		25,814
UM/DM		11,143
SUB TOTAL		$189,113

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$12,585
ADMINISTRATION HIPAA		305
MISCELLANEOUS[2]		7,327
SUB TOTAL		$20,217

TOTAL EXPENSES		$209,330

SURPLUS (DEFICIT)		$305,940

AVERAGE INCOME		$481
AVERAGE EXPENSE		195
SURPLUS (DEFICIT)		$286

[1]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

[2]REIMBURSEMENT FOR MISCELLANEOUS EXPENSES NOT PAID IN 2ND QTR 2014, TO BE DETERMINED BY CONSULTANT

SECOND QUARTER 2014
PLAN S

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
SAFEWAY VALLEY FT	$1.61	1	$818	
SAFEWAY VALLEY PT	1.61	1	592	
TOTAL		**2**	**$1,410**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$0
LIFE & AD & D		0
DISABILITY		0
DENTAL		0
OPTICAL		0
DRUG		0
RETIREES		1,840
MEDICAL ADM.		37
PPO		4
UM/DM		38
SUB TOTAL		$1,919

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$69
ADMINISTRATION HIPAA		3
MISCELLANEOUS		41
SUB TOTAL		$113

TOTAL EXPENSES		**$2,032**

SURPLUS (DEFICIT)		**($622)**

AVERAGE INCOME		$235
AVERAGE EXPENSE		339
SURPLUS (DEFICIT)		**($104)**

SECOND QUARTER 2014
PLAN Y FULL TIME

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$810.69	1	$2,433	
METRO/BASICS[1]	810.69	281	684,223	
RETAIL BRAND ALLIANCE	810.69	16	38,913	
SHOPPERS 400	810.69	177	429,666	
COBRA		3	5,505	
HMO COPAYS			6,080	
TOTAL		**478**	**$1,166,820**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$511,507
HMO		21,272
LIFE & AD & D		4,472
DISABILITY		75,787
DENTAL		60,508
OPTICAL		5,771
DRUG		409,653
MEDICAL ADM.		15,531
MENTAL HEALTH MANAGER		13,068
EAP		819
PPO		13,041
UM/DM		15,574
SUB TOTAL		$1,147,003

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$16,483
ADMINISTRATION HIPAA		398
MISCELLANEOUS		9,809
SUB TOTAL		$26,690

TOTAL EXPENSES		**$1,173,693**
SURPLUS (DEFICIT)		**($6,873)**
AVERAGE INCOME		$814
AVERAGE EXPENSE		818
SURPLUS (DEFICIT)		**($4)**

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

SECOND QUARTER 2014
PLAN Y PART TIME INDIVIDUAL

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$431.22	0	$0	
METRO/BASICS[1]	431.22	280	362,656	
RETAIL BRAND ALLIANCE	431.22	0	0	
SHOPPERS 400[1]	431.22	631	816,299	
COBRA		6	8,905	
HMO COPAYS			100	
TOTAL		**917**	**$1,187,960**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$474,583
HMO		22,124
LIFE & AD & D		3,474
DISABILITY		67,241
DENTAL		54,262
OPTICAL		8,734
DRUG		185,842
MEDICAL ADM.		23,879
MENTAL HEALTH MANAGER		5,932
EAP		1,252
PPO		20,073
UM/DM		23,398
SUB TOTAL		$890,794

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$31,623
ADMINISTRATION HIPAA		765
MISCELLANEOUS		18,819
SUB TOTAL		$51,207

TOTAL EXPENSES		**$942,001**
SURPLUS (DEFICIT)		**$245,959**
AVERAGE INCOME		**$432**
AVERAGE EXPENSE		**342**
SURPLUS (DEFICIT)		**$90**

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

SECOND QUARTER 2014
PLAN Y PART TIME FAMILY

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
ACE SUSHI	$983.97	0	$0	
METRO/BASICS[1]	983.97	91	267,639	
SHOPPERS 400[1]	983.97	164	485,097	
HMO COPAYS			1,470	
TOTAL		**255**	**$754,206**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$313,485
HMO		5,220
LIFE & AD & D		1,327
DISABILITY		10,793
DENTAL		42,088
OPTICAL		3,360
DRUG		287,783
MEDICAL ADM.		9,240
MENTAL HEALTH MANAGER		15,201
EAP		490
PPO		7,777
UM/DM		9,398
SUB TOTAL		$706,162

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$8,793
ADMINISTRATION HIPAA		213
MISCELLANEOUS		5,233
SUB TOTAL		$14,239

TOTAL EXPENSES		**$720,401**
SURPLUS (DEFICIT)		**$33,805**
AVERAGE INCOME		$986
AVERAGE EXPENSE		942
SURPLUS (DEFICIT)		**$44**

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

SECOND QUARTER 2014
PLAN Y20 FULL TIME

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS[1]	$452.32	8	$10,856	
SHOPPERS 400	452.32	8	11,309	
UFCW LOCAL 400 TEMP		1	1,356	
HMO COPAYS			321	
TOTAL		**17**	**$23,842**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$8,036
HMO		2,537
LIFE & AD & D		399
DISABILITY		0
DENTAL		2,744
OPTICAL		502
DRUG		4,465
MEDICAL ADM.		1,230
MENTAL HEALTH MANAGER		467
PPO		1,040
UM/DM		1,304
SUB TOTAL		$22,724

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$587
ADMINISTRATION HIPAA		15
MISCELLANEOUS		349
SUB TOTAL		$951

TOTAL EXPENSES		$23,675

SURPLUS (DEFICIT)		$167

AVERAGE INCOME		$467
AVERAGE EXPENSE		464
SURPLUS (DEFICIT)		$3

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

SECOND QUARTER 2014
PLAN Y20 PART TIME

INCOME EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
METRO/BASICS[1]	$144.22	264	$114,367	
SHOPPERS 400	144.22	424	183,304	
COBRA		2	454	
TOTAL		**690**	**$298,125**	**$0**

BENEFIT EXPENSES		COST
MEDICAL		$189,378
HMO		1,503
LIFE & AD & D		2,208
DISABILITY		4,633
DENTAL		21,468
OPTICAL		5,387
DRUG		64,467
MEDICAL ADM.		14,596
MENTAL HEALTH MANAGER		3,486
PPO		13,547
UM/DM		15,625
SUB TOTAL		$336,298

OPERATING EXPENSES		COST
ADMINISTRATION FEE		$23,794
ADMINISTRATION HIPAA		575
MISCELLANEOUS		14,161
SUB TOTAL		$38,530

TOTAL EXPENSES		$374,828

SURPLUS (DEFICIT)		($76,703)

AVERAGE INCOME		$144
AVERAGE EXPENSE		181
SURPLUS (DEFICIT)		($37)

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

SECOND QUARTER 2014
PLAN Z FULL TIME

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

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

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

TOTAL EXPENSES		$0

SURPLUS (DEFICIT)		$0

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

SECOND QUARTER 2014
PLAN Z PART TIME INDIVIDUAL

INCOME

EMPLOYER	RATE	PARTICIPANTS	CONTRIBUTIONS	OUTSTANDING
PERKINS MANAGEMENT SERVICES[1]	$559.09	0	$0	
TOTAL		**0**	**$0**	**$0**

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

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

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

[1]CLOSED SEPTEMBER 30, 2013

SECOND QUARTER 2014
PLAN Z PART TIME FAMILY

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

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

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

TOTAL EXPENSES		$0

SURPLUS (DEFICIT)		$0

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

SECOND QUARTER 2014
K2 RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$140.00	$172.00	$209.00	$241.00	$311.00	$343.00	
NO OF EMP.	195	88	67	16	22	1	389
TOTAL INCOME	82,351	47,128	38,941	12,050	21,180	686	$202,336

BENEFIT EXP							COMBINED
MEDICAL	$158,285	$71,431	$54,656	$13,258	$17,858	$812	$316,300
DENTAL	14,898	6,665	5,051	1,212	1,666	75	29,567
DRUG[1]	26,934	92,373	9,300	17,145	3,039	1,050	149,841
OPTICAL	2,643	1,194	912	221	298	15	5,283
MEDICAL ADM.	7,407	3,314	2,510	603	828	37	14,699
MENTAL HEALTH MANAGER	1,480	661	503	120	165	9	2,938
PPO	0	5,643	0	1,047	0	64	6,754
UM/DM	0	7,181	0	1,333	0	82	8,596
SUBTOTAL	$211,647	$188,462	$72,932	$34,939	$23,854	$2,144	$533,978

OPERATING EXP							
ADMINISTRATION	$3,326	$1,501	$1,149	$279	$375	$17	$6,647
ADMINISTRATION HIPAA	165	75	57	14	18	3	332
SUBTOTAL	$3,491	$1,576	$1,206	$293	$393	$20	$6,979

TOTAL EXPENSES	$215,138	$190,038	$74,138	$35,232	$24,247	$2,164	$540,957

SURPLUS (DEFICIT)	($132,787)	($142,910)	($35,197)	($23,182)	($3,067)	($1,478)	($338,621)

AVERAGE INCOME	$141	$179	$194	$251	$321	$229	$173
AVERAGE EXPENSE	368	720	369	734	367	721	464
SURPLUS (DEFICIT)	($227)	($541)	($175)	($483)	($46)	($492)	($291)

[1]INCLUDES MARCH 2014 DRUG PREMIUM

SECOND QUARTER 2014
RETIREES

INCOME	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	CO-PAY	COMBINED
RATE	$377.19	$366.10	$188.59	$173.06	PLAN T	NONE	
NO OF EMP.	0	3	15	1	14	419	452
TOTAL INCOME	$0	$4,027	$9,807	$692	$16,262	$0	$30,788

BENEFIT EXP							COMBINED
MEDICAL	$0	$703	$9,331	$0	$4,107	$307,982	$322,123
DENTAL	0	270	1,650	150	1,087	39,607	42,764
OPTICAL	0	55	246	23	188	5,731	6,243
DRUG	0	6,699	18,064	5,209	7,847	218,085	255,904
MEDICAL ADM.	0	151	715	0	264	9,365	10,495
MENTAL HEALTH MANAGER	0	24	136	0	54	1,866	2,080
EAP	0	0	0	0	18	0	18
PPO	0	0	0	0	33	2,755	2,788
UM/DM	0	0	0	0	38	602	640
SUBTOTAL	$0	$7,902	$30,142	$5,382	$13,636	$585,993	$643,055

OPERATING EXP							
ADMINISTRATION	$0	$68	$307	$28	$233	$7,148	$7,784
ADMINISTRATION HIPAA	0	3	17	3	12	352	387
SUBTOTAL	$0	$71	$324	$31	$245	$7,500	$8,171

TOTAL EXPENSES	$0	$7,973	$30,466	$5,413	$13,881	$593,493	$651,226

SURPLUS (DEFICIT)	$0	($3,946)	($20,659)	($4,721)	$2,381	($593,493)	($620,438)

AVERAGE INCOME	$0	$447	$218	$231	$387	$0	$23
AVERAGE EXPENSE	0	886	677	1,804	331	472	480
SURPLUS (DEFICIT)	$0	($439)	($459)	($1,573)	$56	($472)	($457)

SECOND QUARTER 2014

PRESCRIPTION REPORT

SCRIPTS PROCESSED	SCRIPT/ADM. COST	PHARMACY PAYMENT	TOTAL
23,795	$13,044	$1,880,609	$1,893,653

MISCELLANEOUS EXPENSES

CATEGORY		COST
ACCOUNTING		$904
ACCURINT		11
BONDING & INSURANCE		17,813
COMPUFACTS		395
CONFERENCE		(2,205)
INVESTMENT MANAGEMENT		5,503
LEGAL		84,378
MED/SURG/UCR UPDATE		5,323
MEETING EXPENSE		1,290
POSTAGE		5,576
PRINTING		6,723
TELEPHONE		810
TOTAL		$126,521

2014
QUARTERLY RECAP

	FIRST 2014	SECOND 2014	THIRD 2014	FOURTH 2014	TOTAL
CONTRIBUTIONS REC'D	$11,376,241	$12,036,580	$0	$0	$23,412,821
CONTRIBUTIONS OUTSTANDING	8,385	0	0	0	8,385
RETIREE INCOME	246,708	233,124	0	0	479,832
INT. & DIVIDENDS	51,775	67,651	0	0	119,426
MISCELLANEOUS INCOME	0	475	0	0	475
TOTAL INCOME	$11,683,109	$12,337,830	$0	$0	$24,020,939
EXPENSES					
MEDICAL	$5,973,138	$7,592,230	$0	$0	$13,565,368
LIFE & AD & D	57,754	54,999	0	0	112,753
DISABILITY	412,872	394,812	0	0	807,684
DENTAL	542,538	557,317	0	0	1,099,855
OPTICAL	75,230	71,600	0	0	146,830
DRUG	1,524,781	1,936,187	0	0	3,460,968
RETIREES	967,087	1,192,184	0	0	2,159,271
MEDICAL ADM.	165,841	166,980	0	0	332,821
MENTAL HEALTH MANAGER	127,524	173,991	0	0	301,515
EAP	4,563	4,596	0	0	9,159
PPO	353,614	356,484	0	0	710,098
UM/DM	143,427	155,187	0	0	298,614
SUBTOTAL	$10,348,369	$12,656,567	$0	$0	$23,004,936
OPERATING EXPENSE					
ADMINISTRATION	$213,545	$214,706	$0	$0	$428,251
ADMINISTRATION HIPAA	4,241	4,291	0	0	8,532
MISCELLANEOUS	149,661	126,521	0	0	276,182
SUBTOTAL	$367,447	$345,518	$0	$0	$712,965
TOTAL EXPENSES	$10,715,816	$13,002,085	$0	$0	$23,717,901
SURPLUS (DEFICIT)	$967,293	($664,255)	$0	$0	$303,038
TOTAL PARTICIPANTS	6,129	6,165	0	0	6,147
FUND BALANCE	$14,174,072	$13,067,374	$0	$0	

2013 QUARTERLY RECAP

	FIRST 2013	SECOND 2013	THIRD 2013	FOURTH 2013	TOTAL
CONTRIBUTIONS REC'D	$12,114,017	$12,268,031	$11,750,311	$9,082,666	$45,215,025
CONTRIBUTIONS OUTSTANDING	0	0	8,385	8,385	16,770
RETIREE INCOME	238,928	237,391	243,475	240,932	960,726
INT. & DIVIDENDS	124,316	104,141	109,640	125,463	463,560
MISCELLANEOUS INCOME	439	1	0	0	440
TOTAL INCOME	$12,477,700	$12,609,564	$12,111,811	$9,457,446	$46,656,521
EXPENSES					
MEDICAL	$8,028,227	$8,024,020	$7,603,614	$7,407,887	$31,063,748
LIFE & AD & D	59,556	57,030	58,037	60,631	235,254
DISABILITY	394,739	421,352	407,666	400,982	1,624,739
DENTAL	588,605	603,123	588,387	578,770	2,358,885
OPTICAL	77,597	77,090	75,692	74,920	305,299
DRUG[1]	1,350,010	1,550,774	1,484,448	1,455,681	5,840,913
RETIREES	842,410	922,008	1,198,252	1,182,055	4,144,725
MEDICAL ADM.	171,946	171,681	173,871	172,727	690,225
MENTAL HEALTH MANAGER	82,172	49,456	266,326	148,498	546,452
EAP	5,089	5,149	5,194	5,244	20,676
PPO	313,863	373,504	362,871	354,681	1,404,919
UM/DM	153,644	141,366	138,616	152,822	586,448
SUBTOTAL	$12,067,858	$12,396,553	$12,362,974	$11,994,898	$48,822,283
OPERATING EXPENSE					
ADMINISTRATION	$246,068	$246,562	$247,891	$246,512	$987,033
ADMINISTRATION HIPAA	5,028	5,037	5,096	5,078	20,239
MISCELLANEOUS	103,617	110,580	403,200	356,547	973,944
SUBTOTAL	$354,713	$362,179	$656,187	$608,137	$1,981,216
TOTAL EXPENSES	$12,422,571	$12,758,732	$13,019,161	$12,603,035	$50,803,499
SURPLUS (DEFICIT)	$55,129	($149,168)	($907,350)	($3,145,589)	($4,146,978)
TOTAL PARTICIPANTS	7,184	7,117	7,081	7,086	7,117
FUND BALANCE	$15,694,612	$15,436,866	$14,413,705	$13,143,537	

[1]VENDOR UNABLE TO PROVIDE INVOICES FOR PAYMENT UNTIL 2014 DUE TO COMPUTER PLATFORM CHANGE.

CONTRACT INFORMATION
MAINTENANCE OF BENEFITS
SECOND QUARTER 2014

CONTRACT EXP.	COMPANY	PLAN	RATES
04-30-17	ACE SUSHI	Y	$810.69
		Y	$431.22
		Y	$983.97
09-30-15	PERKINS MGMT	Z	$1,569.95
		Z	$559.09
		Z	$1,136.63
06-30-13[1]	DELMARVA UFCW	JSS-2	$1,208.68
02-19-13[1]	KELCO F.C.U.	JS	$920.73
04-2-16[2]	KROGER	RNK 1	
		RNK 2	
		RNK 3	
07-12-14[1]	METRO/BASICS	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22
03-31-13[1]	RETAIL BRAND ALLIANCE	Y	$810.69
		Y	$431.22
		Y	$983.97
10-29-17	SAFEWAY VALLEY	JSS-2	$1,208.68
		S	$1.61
07-12-14[1]	SHOPPERS FOOD	JSS-2	$1,208.68
07-12-14[1]	SHOPPERS FOOD 27	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22
07-12-14[1]	SHOPPERS FOOD 400	Y	$810.69
		Y	$431.22
		Y	$983.97
		Y20	$452.32
		Y20	$144.22
01-03-15	UNION COMMUNICATION SVCS	Y	$810.69
	UFCW LOCAL 400 TEMP	JSS2	$1,208.68
		K2	$647.75
		K20	$327.51
		Y	$810.69

[1]ON EXTENSION PER LOCAL 27 AND LOCAL 400

[2]PASS THROUGH ARRANGEMENT EFFECTIVE JANUARY 1, 2014

UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
DELINQUENCY REPORT
SECOND QUARTER 2014

SECOND QUARTER 2014
DELINQUENCY REPORT

PRIOR QUARTERS

EMPLOYER	PERIOD	ESTIMATED CONTRIBUTION DUE	INTEREST DUE	TOTAL DUE	REFERRED TO LEGAL
PERKINS MANAGEMENT SERVICES	MARCH 2013	$0.00	$16.04	$16.04	X
PERKINS MANAGEMENT SERVICES	APRIL 2013	$0.00	$3.62	$3.62	X
PERKINS MANAGEMENT SERVICES	JULY 2013	$2,795.45	$158.82	$2,954.27	X
PERKINS MANAGEMENT SERVICES	AUGUST 2013	$2,795.45	$146.36	$2,941.81	X
PERKINS MANAGEMENT SERVICES	SEPTEMBER 2013	$2,795.45	$134.30	$2,929.75	X
PERKINS MANAGEMENT SERVICES	OCTOBER 2013	$2,795.45	$121.83	$2,917.28	X
PERKINS MANAGEMENT SERVICES	NOVEMBER 2013	$2,795.45	$109.77	$2,905.22	X
PERKINS MANAGEMENT SERVICES	DECEMBER 2013	$2,795.45	$97.30	$2,892.75	X
PERKINS MANAGEMENT SERVICES	JANUARY 2014	$2,795.45	$84.84	$2,880.29	X
PERKINS MANAGEMENT SERVICES	FEBRUARY 2014	$2,795.45	$73.58	$2,869.03	X
PERKINS MANAGEMENT SERVICES	MARCH 2014	$2,795.45	$61.12	$2,856.57	X
TOTALS		$25,159.05	$1,007.58	$26,166.63	

CURRENT QUARTER

EMPLOYER	DELINQ. MO.	DATE PAID	1ST LETTER	2ND LETTER	LEGAL
PERKINS MANAGEMENT SERVICES	APRIL 2014		X	X	X
PERKINS MANAGEMENT SERVICES	MAY 2014		X	X	X
PERKINS MANAGEMENT SERVICES	JUNE 2014		X	X	X

LATE PAYERS

PERKINS MANAGEMENT SERVICES

PERKINS MANAGEMENT SERVICES CLOSED SEPTEMBER 30, 2013

INVOICES

UFCW UNIONS & PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND

INVOICES

NOVEMBER 12, 2014

1.	**ASSOCIATED ADMINISTRATORS, LLC**			
	08/14/14	Meeting Expenses – Regular Meeting – August 14, 2014	$	1,198.65
2.	**BOND BEEBE**			
	08/06/14	Second Progress billing for services rendered in connection with the audit of the financial statements for the year ended 12/31/13	$	15,000.00
3.	**CHEIRON**			
	08/20/14	Non-Retainer Services rendered through July 2014 – Produce Cash Flows for Retirees with Requested Data/by Specific Employers	$	5,172.75
4.	**INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS**			
	08/13/14	L. Harris - Registration Fee, Hotel Deposit for 60th Annual Employee Benefits Conference in Boston, Massachusetts – October 12 – 15, 2014	$	2,475.00
	09/16/14	2015 Renewal Fee	$	945.00
5.	**MORGAN, LEWIS & BOCKIUS**			
	06/30/14	Professional Services rendered through May 31, 2014	$	792.00
	08/31/14	Professional Services rendered through July 31, 2014	$	330.00
	09/25/14	Professional Services rendered through August 31, 2014	$	9,974.95

6. **SEGAL CONSULTING**

07/31/14	For consulting services rendered regarding the Richmond-Tidewater Budgeting	$	25,875.00
07/31/14	For consulting services rendered for retainer services provided for the period June 1, 2014 – June 30, 2014	$	5,333.33
07/31/14	For consulting services rendered regarding the Shoppers Budgeting	$	18,306.25
09/03/14	For consulting services rendered regarding the Shoppers Budgeting	$	24,031.25
09/03/14	For consulting services rendered regarding the Richmond-Tidewater Budgeting	$	3,175.00

7. **SEGALL BRYANT & HAMILL**

07/23/14	Investment Management Services – 2Q14	$	4,647.51

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

07/23/14	Professional Services rendered through June 30, 2014	$	20,514.88
08/21/14	Professional Services rendered through July 31, 2014	$	14,029.47
09/05/14	Subrogation Services rendered for the period April 1, 2014 – June 30, 2014	$	222.27
09/11/14	Professional services rendered through August 31, 2014	$	23,998.07

9. **TRUSTEE EXPENSE REIMBURSEMENTS**

10/03/14	M. Christle – Reimbursement of meeting expenses incurred at the August 14, 2014 Board of Trustees meeting	$	168.37
10/03/14	D. Gwin – Reimbursement of meeting expenses incurred at the August 14, 2014 Board of Trustees meeting	$	84.18
08/22/14	S. Loeffler – Reimbursement of meeting expenses incurred at the August 14, 2014 Board of Trustees meeting	$	436.24

10. UFCW LOCAL 27

09/12/14	**T. Hipkins – Reimbursement of meeting expenses incurred at the August 14, 2014 Board of Trustees meeting**	**$**	**202.27**

UFCW UNIONS & PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
RETIREE PLAN

INVOICES

NOVEMBER 12, 2014

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

07/17/14	**Professional Services rendered February 1, 2014 through June 30, 2014**	**$**	**3,292.69**

ASSOCIATED ADMINISTRATORS

November 12, 2014

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

From: Bill Jensen

Subj: PPACA/Compliance Invoice for Second Quarter 2014

Ladies and Gentlemen:

Attached is Associated's invoice for PPACA related work for the Second Quarter 2014. The total is $358.00. This amount includes $350.00 of PCORI relates costs. Our contract with the Fund specifies hourly rates to be charged for PPACA related work, at the same rates as is permitted for compliance related work. In addition to the executive summary of charges attached, we have full backup of materials related to our staff's hourly charges available for review if desired. We ask your review and approval of this invoice.

Please feel free to contact me with questions.

Total	*NF*
general	$8.00
PCORI Related Costs	$350.00
Totals	$358.00

ASSOCIATED ADMINISTRATORS

November 12, 2014

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

From: Bill Jensen

Subj: PPACA/Compliance Invoice for Third Quarter 2014

Ladies and Gentlemen:

Attached is Associated's invoice for PPACA related work for the Third Quarter 2014. The total is $75.00. Our contract with the Fund specifies hourly rates to be charged for PPACA related work, at the same rates as is permitted for compliance related work. In addition to the executive summary of charges attached, we have full backup of materials related to our staff's hourly charges available for review if desired. We ask your review and approval of this invoice.

Please feel free to contact me with questions.

Total	*NF*
general	$75.00
Totals	$75.00

OTHER FUND BUSINESS

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

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

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

November 12, 2014

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

Re: Medicare Deductible and Co-insurance Rates -2015

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 2015.

	2014	**2015**
Medicare Part B Deductible:	$ 147.00	$ 147.00
First-Day Part A Hospital Deductible:	$1,216.00	$1,260.00
Daily Part A Coinsurance for the 61st Through 90th Day of a Hospital Stay:	$ 304.00	$ 315.00
Daily Part A Coinsurance for Hospital Stays Longer than 90 Days	$ 608.00	$ 630.00
Daily Part A Coinsurance for the 21st Through 100th day in Skilled Nursing Facility	$ 152.00	$ 157.50

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

Sincerely,

William R. Jensen
President
ASSOCIATED ADMINISTRATORS, LLC

WRJ:lmg

2015 Medicare Cost Renewal
Kaiser Permanente Medicare Plus*

*an HMO with a Section 1876 Medicare Cost contract
and Part D Prescription Drug benefits

United Food and Commercial Workers (Non-Food)

Group Number: 11215-7

Effective Date: January 1, 2015 through December 31, 2015

Premium Rate	Medicare Plus Plan C with Medicare Part D
For each CMS accreted Medicare Beneficiary	$319.18 monthly
Hearing Aid Rider	N/A monthly
CAM Rider	N/A monthly
APP	N/A monthly
Total Premium Per Enrollee	$319.18 monthly

- Each subscriber must continue to pay Part B premium. Failure to maintain Part B will result in termination of Medicare HMO by the Centers for Medicare and Medicaid Services (CMS).
- This plan is open to persons with Medicare Part A and Part B, regardless of age. Medicare Plus is also available to persons with Medicare Part B only. Please consult your Account Manager for administration of the Medicare Plus Part B only rate.
- A member can select a Primary Care Physician (PCP) from a Kaiser Permanente Medical Center or affiliated participating Medicare Plus provider from the Medicare Plus Directory (the Kaiser Permanente Signature network).
- This product does **not** contain a "Lock – in provision". Care coordinated by the PCP or Kaiser Permanente of the Mid-Atlantic States (except for emergencies or urgently needed out-of-area care) will be covered under the "In Plan" benefit. Care not provided by or authorized by Kaiser Permanente may be filed by the provider directly to Medicare for reimbursement, subject to Medicare deductibles and coinsurance.
- Medicare contracts are renewed with CMS annually on the calendar year, and all mandated benefits may be adjusted on January 1st of each year as dictated by CMS or state mandate.

2015 Medicare Cost Renewal
Kaiser Permanente Medicare Plus*

*an HMO with a Section 1876 Medicare Cost contract
and Part D Prescription Drug benefits

United Food and Commercial Workers (Non-Food)-Shoppers

Group Number: 11215-9

Effective Date: January 1, 2015 through December 31, 2015

Premium Rate	Medicare Plus Plan A with Medicare Part D
For each CMS accreted Medicare Beneficiary	$222.55 monthly
Hearing Aid Rider	N/A monthly
CAM Rider	N/A monthly
APP	N/A monthly
Total Premium Per Enrollee	$222.55 monthly

- Each subscriber must continue to pay Part B premium. Failure to maintain Part B will result in termination of Medicare HMO by the Centers for Medicare and Medicaid Services (CMS).
- This plan is open to persons with Medicare Part A and Part B, regardless of age. Medicare Plus is also available to persons with Medicare Part B only. Please consult your Account Manager for administration of the Medicare Plus Part B only rate.
- A member can select a Primary Care Physician (PCP) from a Kaiser Permanente Medical Center or affiliated participating Medicare Plus provider from the Medicare Plus Directory (the Kaiser Permanente Signature network).
- This product does **not** contain a "Lock – in provision". Care coordinated by the PCP or Kaiser Permanente of the Mid-Atlantic States (except for emergencies or urgently needed out-of-area care) will be covered under the "In Plan" benefit. Care not provided by or authorized by Kaiser Permanente may be filed by the provider directly to Medicare for reimbursement, subject to Medicare deductibles and coinsurance.
- Medicare contracts are renewed with CMS annually on the calendar year, and all mandated benefits may be adjusted on January 1st of each year as dictated by CMS or state mandate.

Tentative Agreement
By And Between
UFCW Local 400 and
Mid-Atlantic Division of Kroger Limited Partnership I
Kroger Richmond/Hampton Roads

The following constitutes the Tentative Agreement which encompasses the following modifications to the labor agreement by and between the parties which expired by its term on August 2, 2014.

This Tentative Agreement is subject to ratification by the bargaining unit.

The previous agreement with the following changes:

ARTICLE 4.1. VOLUNTARY DUES CHECKOFF

1. Once each period, the Employer will notify the Union in ~~writing~~ **electronic format (preferably EXCEL)** of all employees hired or terminated, reinstated or transferred, into this bargaining unit within the previous period indicating the name, home address, store, social security number and job classification. Once each period, the Employer will provide the Union, **in electronic format,** a list of employees who have been terminated.

ARTICLE 6. DISPUTE PROCEDURE – NEW LANGUAGE

1. Should any differences, disputes, or complaints arise over the interpretation or application of the contents of this Agreement, there shall be an earnest effort on the part of both parties to settle such promptly through the following steps:

Step 1. **By conference at the grievant's store between the employee and the Shop Steward or Union Representative and the Store Manager.**

Step 2. **By conference at the grievant's store unless mutually agreed to meet elsewhere, between the Union Representative and the District Manager, or if mutually agreed between the parties, a District Operations Coordinator or District Human Resources Coordinator. The parties agree to make reasonable arrangements within five (5) working days of the completion of Step 1 for a Step 2 conference to be held. If Step 2 does not settle**

ARTICLE 19. HEALTH AND WELFARE

1. The Company agrees to continue the Health Care benefits until December 31, 2014. Effective January 1, 2015 changes to the various health care plan designs as reflected in the Summary Plan Description (SPD) dated 2014 will be modified in accordance with Appendix A of this Agreement. The parties agree to direct the UFCW Unions and Participating Employer's Health and Welfare Fund to publish, at the earliest opportunity, an updated version of the SPD to reflect such changes as illustrated in Appendix A.

2. The Company agrees to continue the current employee contributions until December 31, 2014. Effective January 1, 2015, the change to the employee contributions shall be modified in accordance with Appendix B of this Agreement.

3. The benefit plan will be a stand-alone plan within the United Food and Commercial Workers Unions and Participating Employers Health and Welfare Fund. The group will be accounted for and tracked separately for claims experience, trend, and its share of administrative costs and related expenses. It is understood that associates currently enrolled in the Anthem Premier Plan or the Anthem Plus Plan may remain in such Plans or elect any of the three plans in the future.

4. An employee is eligible for benefits the first of the month following sixty (60) days of continuous employment if the employee is a full-time employee paid at least thirty-five (35) hours per week. Said employee will be coded as an "F" for purposes of health care eligibility. For the purposes of determining benefit eligibility for full time associates, the hour matrix will be reviewed on a 12 month basis. Every associate will have a 12 month stability period following their initial eligibility date. After the first stability period, every associate will be measured in the enterprise wide measurement period: October 1 through September 30, measures and stabilizes for a January 1 through December 31 benefit year. For example, a full time (expected to be paid more than 30 hours) associate hired July 1, 2015 will be coded "F" and become eligible for benefits on the first of the month following 60 days of consecutive service. They will have 30 days to enroll and are guaranteed their benefit until June 31, 2016. If they fail to maintain 30 paid hours per week through their stability period they will lose coverage on June 30. If they maintained the required hours they will have an extended benefit period through the end of the year and will be re-measured in October of 2016 for 2017 benefits. Further, once a full time associate disqualifies from full time benefits, they will be able to enroll in part time benefits as long as they meet the minimum hour requirement for part-time benefits in the measurement period.

Part time employees hired on and after ratification are eligible for benefits the first of the month following one-year of continuous service if the employee is a part-time employee who is paid at least twenty-eight (28) hours per week. For the

purposes of determining benefit eligibility for part time associates, the hour matrix will be reviewed on a 12 month basis that corresponds with the enterprise wide measurement period of October 1 through September 30 every year. This measurement period will qualify them for the following benefit year beginning on January 1 and will guarantee benefits through December 31.

Plan Eligibility:

Effective January 1, 2015 the following plans will be in effect.

Plan 1

All Premier eligible participants hired on or before ratification date and paid an average of 35 hours or more in the preceding 12 months as defined below.

All part time eligible participants hired on or before 9/8/2010 and paid an average of 21 hours or more in the preceding 12 months.

No part time participants hired after 9/8/2010 will be eligible.

Participants may choose Plan 1, Plan 2, or Plan 3.

Plan 2

All full time eligible participants hired on or before ratification paid less than 35 hours a week in the preceding 12 months. Grandfather full time eligible participants already enrolled for 2015 benefit year.

All full time eligible participants hired after ratification expected to be paid 30 hours per week for the first 60 days and five years in Plan 3.

Grandfather part time eligible participants hired before ratification having paid 21 hours over the last 12 months.

No part time participants hired after 9/8/2010 will be eligible.

Participants may choose Plan 2 or Plan 3.

Plan 3

All part time eligible participants hired after ratification date and paid an average of 28 hours or more in the preceding 12 months as defined below. Effective with the auto enrollment requirement under PPACA, eligible participants who fail to actively enroll in coverage will be enrolled in the Standard plan at employee only coverage.

All full time eligible participants hired after ratification expected to be paid 30 hours per week for the first 60 days. FT participants become eligible for Plan 2 after 5 years participation in Plan 3.

For Coverage other than Medical and Pharmacy:

Full-time Participants as described below will become eligible for coverage upon eligibility for Medical and Pharmacy. All others (PPACA and Part-time Participants) will become eligible coverage after 24 months of service so long as they are eligible for Medical coverage.

Participant definitions:

Full Time participants:

Hired On or before ratification:

Defined as those associates who were paid at least 35 hours average for the 12 month measurement period.

Full Time participants are eligible for employee coverage and dependent children coverage. Associates must be paid 35 hours per week to cover a spouse. Such coverage will have a stability period of 12 months.

Hired after ratification:

Full Time is defined as those who were paid at least 35 hours average for the 12 month measurement.

Or those hired with the expectation of being paid more than 30 hours per week through their first 90 days of service.

Full Time participants are eligible for employee coverage and dependent children coverage. Associates must be paid 35 hours per week to cover a spouse. Such coverage will have a stability period of 12 months.

PPACA participants:

Defined as those associates who were paid 30 average hours, but less than 40 average hours for the 12 month measurement period.

New Hire PPACA associates are those associates hired with the expectation of averaging 30 or more paid hours through their first 90 days of service. New hire PPACA associates are eligible on the first of the month following 60 days of service.

PPACA participants are eligible for employee coverage plus dependent child coverage effective January 1, 2016. Such coverage will have a 12 month stability period.

Part Time participants:

Hired on or before 9/8/2010 date:

Defined as those associates who were paid 21 average hours, but less than 30 average hours for the 12 month measurement period.

Hired after 9/8/2010 and prior to Ratification date (2014):

Defined as those associates who were paid 25 average hours, but less than 30 average hours for the 12 month measurement period.

Part Time associates that have spouses enrolled as of ratification may elect to continue coverage at their current hours of eligibility for enrollment in January 1, 2015. To be eligible for spousal coverage beginning January 1, 2016 and continuing for the life of the Current Collective Bargaining Agreement the hour's requirement will be thirty five (35) hours during the Company's measurement period as described in Article 19.4.

Hired after ratification date:

Defined as those associates who were paid 28 average hours, but less than 30 average hours for the 12 month measurement period.

Part Time participants are eligible for employee only coverage. Such coverage will have a 12 month stability period.

Fuel Center Clerks, and high school students are excluded from Premier and Premium Plan healthcare coverage; however, effective January 1, 2015 where they have been paid an average of 30 hours or more for the 12 month measurement period will become eligible for Standard.

Spouse Coverage:

The parties agree to meet no later than June 30, 2015 for implementation January 1, 2016 or, if implementation on January 1, 2016 does not occur, June 30, 2016 to consider whether spousal benefits should not be provided through this Agreement, but rather through a Health Care Reform Exchange. A decision, including the allocation of any savings resulting from such change, must be reached no later than August 1st of the year prior to the year of implementation.

In order to be covered under this plan, spouses who have access to other coverage must be enrolled in said coverage.

Beginning January 1, 2015 trustees will be responsible for implementing a wellness program.

Measurement and Stability periods:

For those with one or more years of service:

Measurement period will be the 12 months preceding open enrollment each year with an administrative period to be determined by the trustees of the fund.

Hours will be based on paid hours during the measurement period and will determine eligibility for level of coverage.

Coverage will be stable for the 12 month period beginning each January for the calendar year so long as the participant remains actively employed without a status change.

Coverage will be continued for those active associates who are on a Protected Leave of Absence (qualified military, FMLA, medical), as defined by PPACA.

For those with less than one year of service and new hires:

Employer will be responsible for designating upon hire the participation level of new hires.

For those designated as Full Time or PPACA level participants, coverage will be offered the first (1st) of the month following sixty (60) days of employment. The stability period will be for the twelve months following initial eligibility. Every year after their first year, they will be measured October-September for a stability period matching the benefit year.

For those designated as Part Time participants, coverage will be offered the 1st of the month following 12 months following their date of hire. Level of coverage will be offered based on the average hours paid during the 12 month measurement period.

Coverage will be stable for the 12 month period following enrollment so long as the participant remains actively employed.

Coverage will be continued for those active associates who are on a Protected Leave of Absence (qualified military, FMLA, medical), as defined by PPACA.

Future enrollment options will be determined each year during the annual open enrollment period and based on the October-September measurement period as outlined above and in accordance with PPACA.

Promotions:

For those with one or more years of service:

For associates promoted to positions that would result in PPACA participation levels and who have been employed for more than one year, the employer will designate such associates as PPACA participants and coverage will be offered no less than the first day of the month following 60 days after the promotion.

For those with less than one year of service:

For associates promoted to positions that would result in PPACA participation levels and who have been employed for less than one year, the employer will designate such associates as PPACA participants and coverage will be offered no less than the first of the month following 60 days after the promotion date.

The plan will continue opt out provisions identical to those in effect on March 25, 2006 and an open enrollment will be conducted annually.

The Company will assume liability for the costs of the prescription drug benefit for active employees. The contract with the prescription benefit manager (PBM) will transfer from the UFCW Unions and Participating Employer's Health and Welfare Fund to The Kroger Co.

The prescription drug benefit for active associates will be delivered through the Kroger exclusive provider arrangement and will be administered by The Kroger Co.

The Pass-through method of funding benefits and administrative expenses through the Fund will begin with claims paid and expenses paid continuing through this contract period. Kroger agrees to pay to the Fund its portion of plan costs for its

covered participants for the term of this agreement and for any extended period of time beyond the term, if such extension is needed and agreed to by the Company and Union. If either party cancels the extension, Kroger agrees to pay to the Fund the plan costs incurred through the end of the month in which the extension agreement is cancelled. Kroger will only pay the plan costs incurred on or before the end of the month in which the extension agreement was cancelled. Or, the parties may agree to modify the plan of benefits in order to continue uninterrupted benefits until such time a new agreement is reached

At the expiration of this agreement, the parties may elect to utilize the Maintenance of Reserve funding methodology, then Kroger and the UFCW will bargain a contribution rate that will fund the plan of benefits that will be in place for the new agreement and the required reserves equal to IBNR of Kroger claims and administrative expenses. The Fund Consultant will identify the appropriate trend and a contribution rate needed to fund the plan of benefits and the required IBNR of Kroger's claims and administrative expenses and Kroger shall pay such rate adjusted by the Consultant.

In the event, during the term of this agreement, UFCW and Kroger negotiate an alternative method on the funding of reversion, the parties may adopt by mutual agreement.

In order to facilitate the proper functioning of the Fund, and to insure that expenses are being paid for all covered participants in accordance with the provisions of the bargaining agreement, the Employer hereby agrees to the necessary examination of those records, appropriate to the functioning of the Fund and as deemed necessary by a certified public accountant, or by any other qualified party to be mutually agreed to by the trustees.

In addition, the Employer may, upon reasonable notice and at its expense, audit the Fund's enrollment, eligibility data records and expenses for its covered participants on an annual basis.

A separate accounting of Kroger income and expenses, in the Fund shall be established and maintained by the Fund Administrator.

Benefits to the Trust Fund shall be discontinued as of the first of the month following:

1) Termination of employment

2) Layoff

3) Leave of absence (except associates who are on a protected Leave of Absence, i.e. qualified military, FMLA, Medical and ACA)

Associates must agree to weekly payroll deductions according to the following table if they elect coverage.

Contributions Changes Effective 1/1/15

WEEKLY CONTRIBUTION	Medical Plan 1	Medical Plan 2	Medical Plan 3
	Contributions begin 1/1/2015	Contributions begin 1/1/2015	Contributions begin 1/1/2015
Associate Only	$12.70	$7.70	$2.70
*Associate + Spouse (EE must be paid 35 hours)	$45.46	$40.46	$35.46
Associate + Child(ren)	$15.84	$10.84	$5.84
Family	$48.62	$43.62	$38.62

	Dental
(Full Time/Part Time Rates are the same)	Premier
Employee Only	$1.15
Employee + Spouse	$1.62
Employee + Child	$2.08
Family	$2.54

	Vision
(Full Time/Part Time Rates are the same)	
Employee Only	$1.15
Employee + Spouse	$2.54
Employee + Child	$2.08
Family	$3.46

For full time employees, the Company will provide short-term disability coverage to a maximum of 26 weeks for wholly and continuous disability. Benefit commences on the eighth (8th) day of disability (except with the first day for hospitalization) and provides benefits up to 66 2/3% of average weekly pay (utilizing the four (4) full workweeks prior to commencement of disability).

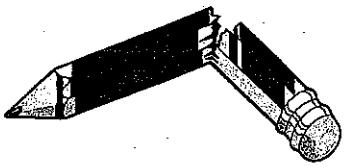
The Employer and the Union agree to meet and discuss, at the request of either party, the effects of National Health Care Reform legislation and attendant federal regulations on this Health and Welfare article and to make any modifications, and only such modifications that the Employer and the Union jointly agree are necessary.

It is understood and agreed between the parties that the language presented herein for Article 19 is subject to review by the Union, Employer, and Fund counsel after ratification and that the parties will meet to discuss and revise upon agreement, between both parties, any recommended changes by counsel to comply with the intent of the parties contained in the memorandum of agreement between Kroger and UFCW Local 400 and National Health Care reform - PPACA.

Fund Name	Richmond Tidewater			
Fund Division	MidAtlantic			
Benefit Plan Contract Dates	HW6			
Plan Name	Plan 1	Plan 2	Plan 3	Retiree
Plan Eligibility	FT Hired Before Ratification: Grandfather Current Status: 1. must maintain 85 average paid hours over 12 months FT Hired before 9/8/2010: Grandfather current enrolled. 12 months of continuous service paid 21 hours per week in most recent over 12 months. No Part Time associates hired after 9/8/2010.	FT Hired before Ratification: Grandfather currently enrolled. (Or FT premier with less than 85 and more than 75 hour average) FT Hired after Ratification: ACA qualified (60 day with 30 hour average requirement / ECH only) after 5 years in Plan 3 FT Hired Before 9/8/2010: Grandfather current, 12 months of continuous service paid 21 hours per week in most recent 12 months. No future part time associates hired after ratification.	FT Hired before ratification: First of month following 60 days working 85 hours per week, 6 months if req. is not met in first 90 days FT hired after Ratification: First of the month following 60 days of service with average of 30 hours per week. If 60 day 30 hours requirement is not met, must average 30 paid hours per week over 12 months PT Hired before 9/8/2010: 12 months of continuous service working 21 hours per week in most recent 12 months PT Hired after 9/8/2010: 12 months of continuous service working 25 hours per week in most recent 12 months PT Hired on or after (Ratification): 12 months of service working 28 hours	MUST HAVE COVERAGE AT TIME OF RETIREMENT. Age 55 with 20 years of service or Age 60 with 10 years of service
Open/Closed Plan	Closed	Open	Open	Move retirees to exchange
Actuarial Value				
Employer(ER)/Employee(EE) Cost Share Ratio				
WELLNESS AND BIOMETRIC SCREENING				
Health Risk Assessment Required	No	No	No	
Health Quotient Required				
Health Reimbursement Account				
Health Reimbursement Account Incentive				
P[illegible]sure Target				
[illegible]terol Target				
Body Mass Index Target				
Blood Glucose Target				
Reasonable Accommodation				
SPOUSES AND DEPENDENTS				
*Spouse Coverage Available (Ee paid 85 hours per week)*PT Gr	Yes	Yes	No	
Dependent Only Coverage Requirement (30 hours required)	Same as Medical	Same as Medical	Same as Medical	
Coordination of Benefits				
Working Spouse Fee				
Spouse Health Reimbursement Account				
Spouse Health Reimbursement Account Incentive				
WEEKLY CONTRIBUTION	Medical Plan 1	Medical Plan 2	Medical Plan 3	Medical
	Contributions begin 1/1/2015	Contributions begin 1/1/2015	Contributions begin 1/1/2015	
Associate Only	$12.70	$7.70	$2.70	
Associate + Spouse (EE must work 35 hours)	$45.46	$40.46	$35.46	
Associate + Child(ren)	$15.84	$10.84	$5.84	
Family	$48.62	$43.62	$38.62	
	Dental	Dental	Dental	Dental
(Full Time/Part Time Rates are the same)	Premier	Premier	Premier	
Employee Only	$1.15	$1.15	$1.15	
Employee + Spouse	$1.62	$1.62	$1.62	
Employee + Child	$2.08	$2.08	$2.08	
Family	$2.54	$2.54	$2.54	
	Vision	Vision	Vision	Vision
Employee Only	$1.15	$1.15	$1.15	
Employee + Spouse	$2.54	$2.54	$2.54	
Employee + Child	$2.08	$2.08	$2.08	
Family	$3.46	$3.46	$3.46	

MEDICAL PLAN ESSENTIALS								
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network		
Preventive Coverage	100%	50%	100%	50%	100%	50%		
Predominant Co-Insurance (EE)	80%	50%	75%	50%	70%	50%		
Annual Deductible (Family x2)	$500	$1,000	$750	$1,500	$1,000	$2,000		
Annual Out of Pocket Maximum	$3,500	$7,000	$5,000	$10,000	$5,400	$10,800		
Annual Maximum Benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited		
Lifetime Maximum Benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited		
Co-Insurance Pays UCR	Yes	Yes	Yes	Yes	Yes	Yes		
POINT OF SERVICE COPAYS								
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network		
Copays apply to Deductible								
Primary Care Office Visit Copay	$25/$30 1/1/16	deductible + coinsurance	$25/$30 1/1/16	deductible + coinsurance	$25/$30 1/1/16	deductible + coinsurance		
Specialist Office Visit Copay	$35/$40 1/1/16	deductible + coinsurance	$35/$40 1/1/16	deductible + coinsurance	$35/$40 1/1/16	deductible + coinsurance		
Other Retail Clinic Copay (LI Clinic)	$15	$15.00	$15	$15.00	$15	$15.00		
Urgent Care Copay	$75	deductible + coinsurance	$75	deductible + coinsurance	$75	deductible + coinsurance		
Emergency Room Copay	deductible then 80% emergency 50% nonemergency		deductible then 80% emergency 50% nonemergency		deductible then 80% emergency 50% nonemergency			
PRESCRIPTION PLAN								
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum		
KPP Carve-out/Direct Division Billing	Yes		Yes		Yes			
Day Supply Retail	30		30		30			
Retail Generic Copay (Maintenance $7)	10% or $10	$60	10% or $10	$60	10% or $10	$60		
Retail Brand Formulary (Copay Maint. $15)	15% or $15	$60	15% or $15	$60	15% or $15	$60		
Retail Brand Non Formulary	30% or $30	$60	30% or $30	$60	30% or $30	$60		
Retial Brand Formulary Specialty	15% or $15	$120	15% or $15	$120	15% or $15	$120		
Retail Brand Non Formulary Specialty	30% or $30	$120	30% or $30	$120	30% or $30	$120		
Days Supply Mail-Order	90		90		90			
Mail Order Copay	2x Retail	2x Retail	2x Retail	2x Retail	2x Retail	2x Retail		
Brand Formulary	2x Retail	2x Retail	2x Retail	2x Retail	2x Retail	2x Retail		
Brand Non Formulary	2x Retail	2x Retail	2x Retail	2x Retail	2x Retail	2x Retail		
Dental								
Voluntary	Yes		Yes		Yes			
Eligibility Requirement	Same as medical		Same as medical		Same as medical			
Spouse and Dependent Coverage Available	Yes				Yes			
	Premier In Network	Out of Network	In Network	Out of Network	In Network	Out of Network		
Preventive Coinsurance	100%		100%		100%			
Basic Coinsurance	80%		80%		80%			
Major Coinsurance	50%		50%		50%			
Annual Maximum Benefit	$2,000		$2,000		$2,000			
Annual Deductible	$75		$75		$75			
Orthodontia Coverage	FULL TIME ONLY		FULL TIME ONLY		FULL TIME ONLY			
Orthodontia Coinsurance	50%		50%		50%			
Orthodontia Lifetime Maximum Benefit	$1,500		$1,500		$1,500			
Vision								
Voluntary	Yes		Yes		Yes			
Eligibility Requirement	Same as medical		Same as medical		Same as medical			
Spouse and Dependent Coverage Available	Yes		Yes		Yes			
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network		
Exams	$10	$46 allowance	$10	$46 allowance	$10	$46 allowance		
Frames	$120 Allowance	$45 allowance	$120 Allowance	$45 allowance	$120 Allowance	$45 allowance		
Lenses	$0 copay	up to $125 allowance	$0 copay	up to $125 allowance	$0 copay	up to $125 allowance		
Contact Lenses	$0 necessary/ $120 allowance for elective	$210 necessary/$105 elective	$0 necessary/ $120 allowance for elective	$210 necessary/$105 elective	$0 necessary/ $120 allowance for elective	$210 necessary/$105 elective		
Income Replacement								
Voluntary	No		No		No			
Eligibility Requirement	Same as medical		Same as medical		Same as medical			
Spouse and Dependent Coverage Available	No		No		No			
Life and Accidental Death & Dismemberment	1.5 x Annual earnings, $50,000 max		1.5 x Annual earnings, $50,000 max		1.5 x Annual earnings, $50,000 max			
Disability	FT: 26 weeks, 67% of earnings		FT: 26 weeks, 67% of earnings		FT: 26 weeks, 67% of earnings			

*In order to be covered under this plan, spouses who have coverage available through their employer must be enrolled in such coverage *Current PT Grandfathered- current eligibility on hrs. 1 Year, 25 hours 1/1/16 **Effective 1/1/15 Trustees are responsible for implementing a wellness program



MEETING NOTES