

ANNUAL REPORT

For the fiscal year ended June 30, 2020

East End Health Plan, Inc.

(Name of Welfare Fund)

201 Sunrise Highway, Patchogue, NY 11772

(Address of Fund)

to the

SUPERINTENDENT OF INSURANCE

of the

STATE OF NEW YORK

ANNUAL STATEMENT

For the fiscal year ended June 30, 2020

East End Health Plan, Inc.

(Name of Welfare Fund)

201 Sunrise Highway, Patchogue, NY 11772

(Address of Fund)

to the

SUPERINTENDENT OF INSURANCE

of the

STATE OF NEW YORK

Trustees of the Fund, and N/A

affirm, under the penalties of perjury that the contents of the Annual Statement which follow, consisting of 14 pages, and of the Supplement to the Annual Statement consisting of 6 pages, are true and hereby subscribe thereto.

Employer trustees:

Paulette Ofrias - Chairperson; Richard Malone; Jeffrey E.

Ryvicker; Ryan Ruf; Donald King; Halsey Stevens

Employee trustees:

Ray Stenberg - Vice Chairperson; Cindy Goldsmith-Agosta;

Patti DiGregorio - Secretary; Lauren Porter; Susan Wright;

Nicholas Kochis

Others (Indicate titles):

Nicholas Kochis

Employer trustees signature:

Employer trustees signature:

Employee trustees signature:

Employee trustees signature:

Paulette Ofrias

Paulette Ofrias

Richard Malone

Richard Malone

Cindy Goldsmith-Agosta

Patricia DiGregorio

Patricia DiGregorio

STATEMENT OF CHANGES IN FUND BALANCE (RESERVE FOR FUTURE BENEFITS)

ADDITIONS TO FUND BALANCEItem

| | | |
|---|---------------|---------------|
| 1. Contributions: (Exclude amounts entered in Item 2) | | |
| (a) Employer (Schedule 1) | \$ 31,463,454 | |
| (b) Employee | 2,030,623 | |
| (c) Other (Specify) Flex plan contributions | 353,018 | |
| (d) Total Contributions | | \$ 33,847,095 |
| 2. Dividends and Experience Rating Refunds from Insurance Companies | | |
| 3. Investment Income: | | |
| (a) Interest | | |
| (b) Dividends | | |
| (c) Rents | | |
| (d) Other (specify) _____ | | |
| (e) Total Income from Investments | | |
| 4. Profit on disposal of investments | | |
| 5. Increase by adjustment in asset values of investments | | |
| 6. Other Additions: (Itemize) | | |
| (a) Miscellaneous Income - Interest Income _____ | 84,422 | |
| (b) Formulary Rebate & Stop Loss _____ | 980,235 | |
| (c) Total Other Additions | | 1,064,657 |
| 7. Total Additions | | \$ 34,911,752 |

DEDUCTIONS FROM FUND BALANCE

| | | |
|---|-----------|---------------|
| 8. Insurance and Annuity Premiums to Insurance Carriers and to Service Organizations (Including Prepaid Medical Plans) | | \$ 3,811,631 |
| 9. Benefits Provided Directly by the Trust or Separately Maintained Fund | | 26,645,819 |
| 10. Payments to an Organization Maintained by the Plan for the Purpose of Providing Benefits to Participants (Attach latest operating statement of the Organization showing, detail or administrative expenses, supplies, fees, | | |
| 11. Payments of Contract Fees Paid to Independent Organizations or Individuals Providing Plan Benefits (Clinics, Hospitals, Doctors, etc.) | | |
| 12. Administrative Expenses: | | |
| (a) Salaries (Schedule 2) | | |
| (b) Allowances, Expenses, etc. (Schedule 2) | | |
| (c) Taxes - Excise Tax | 5,979 | |
| (d) Fees and Commissions (Schedule 3) | 1,273,481 | |
| (e) Rent | | |
| (f) Insurance Premiums | 22,466 | |
| (g) Fidelity Bond Premiums | | |
| (h) Other Administrative Expenses | | |
| Other (specify) Office, Postage, and Supplies _____ | 785 | |
| (i) Total Administrative Expenses | | 1,302,711 |
| 13. Loss on disposal of investments | | |
| 14. Decrease by adjustment in asset values of investments | | |
| 15. Other Deductions: (Itemize) | | |
| (a) _____ | | |
| (b) _____ | | |
| (c) Total Other Deductions | | |
| 16. Total Deductions | | \$ 31,760,161 |

RECONCILEMENT OF FUND BALANCE

| | | |
|--|--------------|---------------|
| 17. Fund Balance (Reserve for Future Benefits at Beginning of Year) | | \$ 8,663,551 |
| 18. Total Additions During Year (Item 7) | 34,911,752 | |
| 19. Total Deductions During Year (Item 16) | (31,760,161) | |
| 20. Total Net Increase (Decrease) | | 3,151,591 |
| 21. Fund Balance (Reserve for Future Benefits) at End of Year (Item 14, Statement of Assets and Liabilities) | | \$ 11,815,142 |

STATEMENT OF ASSETS AND LIABILITIES

| <u>Item</u> | <u>ASSETS</u> | <u>End of Reporting Year</u> |
|---|--------------------|----------------------------------|
| 1. Cash | | \$ 15,003,176 |
| 2. Receivables: | | |
| (a) Contributions | | |
| (1) Employer | | |
| (2) Other (Specify) - Stop loss & other receivables | | 412,659 |
| (b) Dividends or Experience Rating Refunds | | |
| (c) Other (Specify) Formulary rebates _____ | | 606,746 |
| 3. Investments (Other than Real Estate): | | |
| (a) Bank Deposits At Interest and Deposits or Shares in Savings and Loan Associations | | |
| (b) Stocks: | | |
| (1) Preferred | | |
| (2) Common | | |
| (c) Bonds and Debentures: | | |
| (1) Government Obligations | | |
| (a) Federal | | |
| (b) State and Municipal | | |
| (2) Foreign Government Obligations | | |
| (3) Non-Government Obligations | | |
| (d) Common Trusts: | | |
| (1) (Identify) _____ | | |
| (2) (Identify) _____ | | |
| (e) Subsidiary Organizations | | |
| (Identify and Indicate Percentage of Ownership by this plan in the subsidiary) | | |
| (1) _____ % _____ | | |
| (2) _____ % _____ | | |
| 4. Real Estate Loans and Mortgages | | |
| 5. Loans and Notes Receivable: (Other than Real Estate) | | |
| (a) Secured | | |
| (b) Unsecured | | |
| 6. Real Estate: | | |
| (a) Operated | | |
| (b) Other Real Estate | | |
| 7. Other Assets: | | |
| (a) Accrued Income | | |
| (b) Prepays | | 353,871 |
| (c) Other (Specify) | | |
| 8. Total Assets | | \$ 16,376,452 |
| | <u>LIABILITIES</u> | |
| 9. Insurance and Annuity Premiums Payable | | \$ |
| 10. Unpaid Claims (Not Covered by Insurance) | | 2,431,046 |
| 11. Accounts Payable | | |
| 12. Accrued Expenses | | 1,419,181 |
| 13. Other Liabilities (Specify) - Advance premium contributions | | 711,083 |
| 14. Reserve for Future Benefits (Fund Balance) | | 11,815,142 |
| 15. Total Liabilities and Reserves | | \$ 16,376,452 |

ADDITIONAL INFORMATION IS AVAILABLE

REPORT ON EXAMINATION: This fund is subject to periodic examination by the New York State Insurance Department. All employee-members of the fund, all contributing employers and the participating unions may inspect the Reports on Examination at the New York State Insurance Department upon presentation of proper credentials. If you wish to see the Report, please contact:

New York State Insurance Department
Life Insurance Companies Bureau
160 West Broadway, New York, NY 10013
Telephone 212-602-0309

OTHER INFORMATION: Also available for inspection-to the public generally-are the annual statements and registration documents filed by the Fund. These may be inspected during working hours at the above address, or at the office of the Fund.

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STATE OF New York
COUNTY OF Suffolk

SS.

Trustees of the Fund and _____

affirm, under the penalties of perjury that the contents of this Annual Report are true and hereby subscribe thereto.

Employer trustee:

Paulette Ofrias - Chairperson; Richard Malone; Jeffrey E.

Ryvicker; Ryan Ruf; Donald King, Halsey Stevens

Employer trustee:

Ray Stenberg - Vice Chairperson; Cindy Goldsmith-Agosta

Patti DiGregorio - Secretary; Lauren Porter;

Susan Wright; Nicholas Kochis

Schedule 1- Contributions from Employers

| <u>Name & Location of Employer</u> | <u>Contributions Received</u> |
|---|-------------------------------|
| East Quogue UFSD 6 Central Avenue East Quogue, NY 11942 | \$1,559,458 |
| Eastern Suffolk BOCES 201 Sunrise Highway Patchogue, NY 11772 | \$4,107,722 |
| Greenport UFSD 720 Front Street Greenport, NY 11944 | \$3,555,666 |
| New Suffolk Common SD P.O. Box 111 New Suffolk, NY 11956 | \$ 57,792 |
| Oysterponds UFSD 23405 Main Road Orient, NY 11957 | \$ 690,375 |
| Quogue UFSD P.O. Box 957 Quogue, NY 11959 | \$ 1,071,979 |
| Remsenburg-Speonk UFSD P.O. Box 900 Remsenburg, NY 11960 | \$ 1,128,538 |
| Southampton UFSD 70 Leland Lane Southampton, NY 11968 | \$6,170,875 |
| Southold UFSD 420 Oaklawn Avenue Southold, NY 11971 | \$5,063,423 |

Tuckahoe Common SD
468 Magee Street
Southampton, NY 11968

\$1,585,531

Westhampton Beach UFSD
29 Lilac Road
Westhampton Beach, NY 11978

\$6,457,647

Southold Park
PO Box 959
Southold, NY 11971

\$ 14,448

\$31,463,454

Schedule 3- Fees & Commissions

| <u>To Whom Paid</u> | <u>Purpose for Which Paid</u> | <u>Amount of Fees</u> |
|--|--|-----------------------|
| ProAct 6333 Route 298, Suite 210 East Syracuse, NY 13057 | Prescription Drug Plan Administration | \$ 34,838 |
| Empire Blue Cross Blue Shield 1 Liberty Plaza New York, NY 10006 | Healthcare Claims Administration/Other fees | \$ 951,459 |
| Davis Vision 159 Express Street Plainview, NY 11803 | Vision Claims Administration | \$ 13,002 |
| Cullen & Danowski, LLP 1650 Route 112 Port Jefferson Station, NY 11776 | Audit/Compilations | \$ 19,555** |
| Hamburger, Maxson, Yaffe & McNally 225 Broadhollow Rd, Suite 301E Melville, NY 11747 | Legal Services | \$ 45 ** |
| Thomas M. Volz 191 Terry Road Smithtown, NY 11787 | Legal Services | \$ 20,000** |
| JJ Stanis & Company 377 Oak Street, Suite 406 Garden City, NY 11530 | Direct Pay Fees/ COBRA Administration Fees | \$ 29,833 |

Schedule 3- Fees & Commissions (continued)

| <u>To Whom Paid</u> | <u>Purpose for Which Paid</u> | <u>Amount of Fees</u> |
|---|--|-----------------------|
| The Segal Company P.O. Box 4058 New York, NY 10261 | Consulting Services (offset charged to participants for GASB 74) | \$ 91,225 ** |
| Locey & Cahill, LLC 120 Walton Street, Suite 500 Syracuse, NY 13202 | Actuary | \$ 39,124 ** |
| Frank Perry 184 Academy Street Bayport, NY 11705 | Operations Administrator/ Consulting Fees | <u>\$ 74,400 **</u> |
| | | <u>\$1,273,481</u> |

** = \$244,349 - Classified as Professional Services in Audited Financial Statements