

March 16, 2023

Ms. Rena Wong  
President, UFCW Local 663

Sent via email to [rwong@ufcw663.org](mailto:rwong@ufcw663.org)

Dear Rena,

**Re: Response to Union's Request for Additional Information in follow up to the Company's Initial Response to H&W Information Request dated 03/08/2023**

**As it relates to the Union requesting the Request for Proposal (RFP) to UMR/UHG, the Contract with UMR/UHG, and all internal communication regarding the relationship with UMR/UHG.**

**Response:** The Company objects to this request as overly broad and unduly burdensome due to the requested time period. Furthermore, The Company objects to this request to the extent it seeks information regarding individuals outside of the bargaining unit. This information is not presumptively relevant or necessary to the Union's representational duties. If the Union still wishes to receive the requested information, please explain why this information is relevant.

**Union Question 5 – We dispute that this question is not applicable. We are asking for the monthly employer premium cost in 2023. This question is fundamental to bargaining and the Union's understanding of Lunds and Byerlys H&W proposal. Our question is: what does Lunds and Byerlys proposal cost?**

**Response:** The Company objects to this request to the extent it seeks information regarding individuals outside of the bargaining unit. This information is not presumptively relevant or necessary to the Union's representational duties. Subject to and without waiving these objections, the Company will provide the current COBRA rates for Employee Only coverage for both plans which accounts for the full premium costs plus an additional 2.00% of administrative plan costs. The Company believes this is the best indicator of value given the MRMC medical plan has a blended premium rate that is subsidized by FT employees that only need Employee Only coverage yet are required to pay for blended coverage. The below COBRA rates would indicate that the Company medical plan produces a greater benefit than the MRMC medical plan.

L&B COBRA Rate for Employee Only Coverage of the PPO \$700 Deductible Plan: \$651.98/month

MRMC COBRA Rate for Employee Only Coverage of the PPO \$750 Deductible Plan: \$643.76/month

If the Union still wishes to receive the requested information, please explain why this information is relevant.

**Union Question 6 – We dispute that this question is not applicable. We have asked a highly relevant cost related question: what is the administrative cost of Lunds and Byerlys H&W proposal? Specifically, what is the monthly per member cost and the annual cost of ASO arrangement with United Healthcare?**

**Response:** The Company objects to this request to the extent it seeks information regarding individuals outside of the bargaining unit. This information is not presumptively relevant or necessary to the Union's representational duties. Subject to and without waiving these objections, the Company maintains that costs it bears on behalf of its employees to provide them with a high quality, market competitive benefit is irrelevant to the proposal. The most significant piece of information the Union should concern itself with is the level of financial exposure your members have through said plan, which would come in the form of employee premiums and plan coverage. If the Union still wishes to receive the requested information, please explain why this information is relevant.

**Union Question 7 – Lunds and Byerlys failed to answer the question. The Union requested the claims experience history of the current non-union group covered by the proposed plan, and the projected cost for this same group for the next three years. The Union also requested the headcount of current Lunds and Byerlys non-union employees and dependents. Lunds and Byerlys contends that their H&W proposal provides a superior plan versus the current MRMC H&W Fund. This and other information requests made by the Union are necessary for the Union to assess Lunds and Byerlys proposal.**

**Response:** The Company objects to this request because it seeks information regarding individuals outside of the bargaining unit. This information is not presumptively relevant or necessary to the Union's representational duties. Subject to and without waiving these objections, the Company provided additional information in response to Question #5, which can also serve to answer your question pertaining the value of benefits being offered. If the Union still wishes to receive the requested information, please explain why this information is relevant.

**Union Question 8 – Lunds and Byerlys states in response to the Union's question that coverage is the same and "would not be a subject of bargaining". This statement is troubling because H&W coverage is a mandatory subject of bargaining under the NLRA.**

**Response:** What has been proposed is an already established plan the Company provides to its employees not covered under a collective bargaining unit. The Company seeks to reserve the right to make changes or adjustments to this particular benefit when [it] make[s] the same changes to other groups of employees in order to maintain uniform benefits for its employees and maximize the effectiveness of said benefits. Although Lunds & Byerlys does not routinely make changes to its benefits plans, it must do so sometimes. For example, with respect to its High Deductible Healthcare Plan (HDHP) option, it must make benefit plan changes to comply with IRS regulations which set the minimum coverage such a plan must offer in order to qualify as a HDHP with a Health Savings Account (HSA) offering.

**Question 10 – The Union asserts that this question is applicable because trend rates will help the Union determine whether Lunds and Byerlys H&W proposal is realistic and whether the proposed benefits are affordable and sustainable. This is important because Lunds and Byerlys has stated in response to Question 8 that benefit coverage is not subject to bargaining, suggesting that the Employer could arbitrarily reduce benefits.**

**Response:** The Company for many years has offered and sustained these benefit plans at a level that provides better benefits than what the Union has offered to its members. These specific benefit plans cover our Support Office, Wines & Spirits, Production, Retail Management outside any collective bargaining unit (General Managers, Store Managers, Operations Managers, FoodE Experts), and non-Meat & Seafood employees at our St. Cloud store. So, we do, in fact, have substantial history and experience to know and have confidence that our plan is affordable and sustainable.

However, let's say hypothetically the Company entered into this agreement with the intention of offering a less than competitive, or inferior, H&W benefit in the future than our other non-union competitors or union competitors that participate in the MRMC H&W plan. The result of such action would only serve to open our Company up to being less attractive to new prospective team members and risk losing our highly valued, existing team members to our union and non-union competitors alike. There is no rational basis or business justification for having such an intention or taking such an action.

**Question 11 – Lunds and Byerlys requested further clarification. More directly, is Lunds and Byerlys proposing any reduction in benefits or increase in employee premiums during the term of the CBA?**

**Response:** The Company's proposal would involve the bargaining unit participating in the Company's existing healthcare plan and it is not proposing an increase in employee premiums during the term of this CBA. Furthermore, the Company's plan has provided better benefits than the MRMC Health & Welfare Plan for several years. Our Company is committed to providing our employees with market competitive healthcare benefits (or better) because we view it is a critical, foundational need of our employees.

**Question 12 – Lunds and Byerlys answer is that the carrier would review all appeals. As a result, Union members would lose the due process that they currently have where Union and employer trustees adjudicate appeals.**

**Response:** Not necessarily. While the carrier will have the primary duty of reviewing appeals, there is still a process that exists for the plan sponsor to review the decision of the carrier and override the carrier's determination, if warranted. This appeals process has been incredibly rare.

**Question 13 & 14 – An observation on Lunds and Byerlys H&W proposal. They are using United Healthcare, the current network for MRMC. This situation is troubling in terms of MRMC's relationship with United Healthcare, with potential conflicts of interest.**

**Response:** There is nothing for the Company to comment on as this is solely the opinion of the Union.

**Question 20 – The Union requested information that was used to evaluate utilization. What information did Lunds and Byerlys provide UHC and its benefit consultant, USI Insurance Services, to determine an ASO quote from the insurance carrier?**

**Response:** The Company objects to this request because to the extent it seeks information regarding individuals outside of the bargaining unit. This information is not presumptively relevant or necessary to the Union's representational duties. Subject to and without waiving these objections, the Company maintains that costs it bears on behalf of its employees to provide them with a high quality, market competitive benefit is irrelevant to the proposal. The most significant piece of information the Union should concern itself with is the level of financial exposure your members have through said plan, which would come in the form of employee premiums and plan coverage. If the Union still wishes to receive the requested information, please explain why this information is relevant.

Regards,



Casey Enevoldsen  
Vice President, Employee Experience

Enclosure: Detailed Plan Summary of MRMC H&W Plan vs. L&B H&W Plan

cc: Scott Larson, Metro Director and Vice President of UFCW Local 663  
Lunds & Byerlys-Management Bargaining Committee  
Lunds & Byerlys-Union Bargaining Committee  
Lane Harstad, Senior Mediator at Federal Mediation and Conciliation Services