



Reta

A Catholic Healthcare Trust

POLICY MANUAL

(Under revision, updating for approval October 2018)

Revised & Approved:
September 28, 2006
January 15, 2010
January 21, 2011
January 20, 2012
April 21, 2012
January 24, 2014
April 20, 2015
October 1, 2016



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SECTION 1 - THE RETA TRUST -

The concept of a Catholic employer trust, involving an element of self-funding, originated during the 1960s. Providing good health care for priests and religious became increasingly difficult with the regulation of the health care industry and the emergence of Medicare as a prominent player in the healthcare market. At an organizational meeting in November 1976, representatives from several dioceses and religious orders formed an organization that shortly thereafter became the Reta Trust. Today, the Reta Trust continues to operate as an ERISA self-funded benefit trust.

From its establishment, the purpose of the Reta Trust has been to provide:

*An affordable, quality health care program;
which respects the social and moral teaching of the Roman Catholic
Church; and supports Catholic health care institutions.*

To fulfill this mission, the Reta Trust has undergone a number of changes over the years. In response to the ever-changing health care environment, some of the changes have been:

- **ADDITION OF PREFERRED PROVIDER ORGANIZATIONS** - The Reta Trust negotiated its first preferred provider organization (PPO) contract in 1984 with St. Mary's Hospital in San Francisco. Since then, this program has evolved to the Trust's present nationwide PPO and EPO arrangements with Anthem/Blue Cross, Aetna, and United HealthCare.
- **ADDITION OF A PRESCRIPTION BENEFIT MANAGER** - The Trust added its first Prescription Benefit Manager in 1994, resulting in a significant cost savings to the Trust and an extensive retail network program for the Trust's members. The Trust has expanded this program to include mail and online ordering programs administered by OptumRx.
- **ADDITION OF AN HMO PLAN OFFERING** - The Trust began offering an HMO plan in 1995. PacifiCare was chosen as the first HMO partner. PacifiCare offered affordable rates for quality coverage that adhered to the *Ethical and Religious Directives for Catholic Health Care*. Reta has since terminated its PacifiCare HMO offerings and offers Kaiser as a compliant self-funded EPO.

TRANSITION TO THE 21ST CENTURY:

In the late 1990's, the Trust again found itself in transition. The medical plan needs of the Trustors were particularly affected by:

- Aging population;
- Cost associated with advancements of technology and innovative medical solutions; and
- Escalating prescription drug costs.

The Trust embarked on another study of the best way to meet Trustor needs. The Trust needed plan designs that would meet participants' needs without creating adverse selection pressures among the plans that were offered. The Trust also needed to assist Trustors with communications to participants about medical benefits. After much study, the Trust was restructured with new requirements for Trustors and new plan designs. The new structure included:

- Requirements for full Trustor participation in the Reta Trust plans;
- Plans focusing on the unique needs of the Trust's membership;
- Simplified plan designs;
- Higher vendor performance standards; and
- Revised funding mechanisms.

GOVERNANCE:

The Trust seeks the participation of its Trustors in the ongoing success of the Reta Trust. Trustors participate in the Trust through their representatives on the Board and its Committees as well as continued dialogue on the mission of the Trust.

The Reta Trust is governed by a Board of Trustees, elected by the Trustor groups. At this time there are 11 Trustees. Trustees serve three-year terms. The Board has six (6) standing committees: 1) Executive Committee; 2) Audit; 3) Finance & Investment; 4) Governance & Appeals; 5) Managed Growth; and 6) Trustor Health Benefits Planning. With the exception of limited authority for Appeals, all standing Committees are advisory to the Board. The Board and Committees work with leading industry consultants: including the plan administrator, claims administrator, legal counsel, managed care coordinators, actuaries, auditor, investment managers, wellness managers, and accounting/business office professionals.

The Reta Trust is a 501(c)(9) non-profit and tax-exempt ERISA trust. Trustors must be listed in the Official Catholic Directory. Currently, the Trust plans provide health care coverage for approximately 30,000 members, representing the employees, priests and religious of 50 Trustors located in 15 States. The Trust has an annual budget of nearly \$220 million dollars.

SECTION 2 - RETA TRUST BOARD OF TRUSTEES -

As of July 2018, the Board of Trustees is as follows:

TRUSTEE	TRUSTEE CONTACT INFORMATION	TERM HISTORY
Mr. Tom Schadle, CFO Chairman of the Board	Diocese of Tulsa 125 W. Jefferson Place Broken Arrow, OK 94011 <ul style="list-style-type: none"> ▪ Tel: 918) 294-1904 ▪ Email: tom.schadle@dioceseoftulsa.org 	<ul style="list-style-type: none"> ▪ Appointed: January 2014 ▪ Elected: July 2016 ▪ Re-election: July 2019 ▪ Current term: 3 years ▪ Term: 3rd yr. of 1st term
Mr. Paul Bongiovanni, CFO	Diocese of Oakland 2121 Harrison Street Oakland, CA 94612 <ul style="list-style-type: none"> ▪ Tel: (510) 267-8321 ▪ Fax: (510) 446-7401 ▪ Email: pbongiovanni@oakdiocese.org 	<ul style="list-style-type: none"> ▪ Appointed: October 2014 ▪ Elected: 2016 ▪ Re-election: 2019 ▪ Current term: 3 years ▪ Term: 3rd yr. of 1st term
Ms. Laura Clark, CFO	Diocese of San Bernardino 1201 East Highland Avenue San Bernardino, CA 92404 <ul style="list-style-type: none"> ▪ Tel: (909) 475-5150 ▪ Fax: (909) 475-5156 ▪ Email: lclark@sbdiocese.org 	<ul style="list-style-type: none"> ▪ Appointed: 2014 ▪ Elected: 2014 ▪ Re-election: 2020 ▪ Current term: 3 years ▪ Term: 2nd yr. of 1st term
Rev. Steve Sallot, Vicar General Moderator of the Curia	Diocese of Orange 13280 Chapman Ave. Garden Grove, CA 92840 <ul style="list-style-type: none"> ▪ Tel: (714) 282-3110 ▪ Fax: (714) 282-4202 ▪ Email: fr.sallot@rcbo.org 	<ul style="list-style-type: none"> ▪ Appointed: January 2014 ▪ Elected: 2016 ▪ Re-Election: 2019 ▪ Current term: 3 years ▪ Term: 3rd yr. of 1st term
Mr. David Twomey, CFO	Diocese of Portland, ME 510 Ocean Avenue Portland, ME 904103-4936 <ul style="list-style-type: none"> ▪ Tel: (207) 773-6471, x7283 ▪ Email: david.twomey@portlanddiocese.org 	<ul style="list-style-type: none"> ▪ Appointed: July 2014 ▪ Elected: 2016 ▪ Re-Election: 2019 ▪ Current term: 3 years ▪ Term: 3rd yr. of 1st term
Dcn. Aruna Silva, CFO	Diocese of Las Vegas 336 Cathedral Way Las Vegas, NV 89109 <ul style="list-style-type: none"> ▪ Tel: (702) 735-7865 ▪ Fax: (702) 735-2996 ▪ Email: silva@dolv.org 	<ul style="list-style-type: none"> ▪ Appointed: December 2015 ▪ Election: 2018 ▪ Current term: 3 years ▪ Term: 1st yr. of 1st term

TRUSTEE	TRUSTEE CONTACT INFORMATION	TERM HISTORY
<p>Ms. Joanne Willhite, CAO</p>	<p>Archdiocese of Portland in Oregon 2838 East Burnside Street Portland, OR 97214-1895</p> <ul style="list-style-type: none"> ▪ Tel: (503) 233-8379 ▪ Fax: (503) 234-2545 ▪ Email: jwillhite@archdpdx.org 	<ul style="list-style-type: none"> ▪ Appointed: December 2015 ▪ Election: 2018 ▪ Current term: 3 years ▪ Term: 1st yr. of 1st term
<p>Mr. Joe Passarello</p>	<p>Archdiocese of San Francisco One Peter York Way</p> <ul style="list-style-type: none"> ▪ Tel: (415) 614-5511 ▪ Email: passarelloj@sfarchdiocese.org 	<ul style="list-style-type: none"> ▪ Appointed: March 2018 ▪ Election: July 2020 ▪ Current term: 2 years ▪ Term: 1st yr. of 2 yr appt
<p>Tom McNamara</p>	<p>Diocese of Sacramento 2110 Broadway Sacramento, CA 95818</p> <ul style="list-style-type: none"> ▪ Tel: (916) 733-0281 ▪ Email: tmcnamara@scd.org 	<ul style="list-style-type: none"> ▪ Appointed: June 2018 ▪ Election: July 2020 ▪ Current term: 2 years Term: 1st yr. of 2 yr appt

SECTION 3 - RETA TRUST COMMITTEES -

The Chairperson of the Board of Trustees appoints members to all Trust Committees. Committees are comprised of Trustees and representatives of Trustors. The Chairperson can also form an Ad Hoc Committee of the Board and appoint its members. The Chairperson is an ex-officio member of all committees. There are six (6) standing committees.

3.1 EXECUTIVE COMMITTEE	
<p>Mr. Tom Schadle, CFO, Chairman of the Board Diocese of Tulsa 125 W. Jefferson Place Broken Arrow, OK CA 74011</p>	<ul style="list-style-type: none"> ▪ Tel: (918) 294-1904 ▪ Fax: (918) 254-0375 ▪ Email: tom.schadle@dioceseoftulsa.org
<p>Mr. David Twomey, Chair of Trustor Health Benefits Committee Diocese of Portland, ME 510 Ocean Avenue Portland, ME 04103-4936</p>	<ul style="list-style-type: none"> ▪ Tel: (207) 773-7823 ▪ Fax: (207) 773-0182 ▪ Email: david.twomey@portlanddiocese.org
<p>Rev. Steve Sallot, Chair of Governance & Appeals Committee Diocese of Orange 13280 Chapman Ave. Garden Grove, CA 92840</p>	<ul style="list-style-type: none"> ▪ Tel: (714) 282-3110 ▪ Email: fr.sallott@rcbo.org
<p>Dcn. Aruna Silva, Chair of Finance & Investment Committee Diocese of Las Vegas 336 Cathedral Way Las Vegas, NV 89109</p>	<ul style="list-style-type: none"> ▪ Tel: (702) 735-7865 ▪ Fax: (702) 735-2996 ▪ Email: silva@dolv.org
<p>Mr. Paul Bongiovanni, Chair of Audit Committee Committee Diocese of Oakland 2121 Harrison Street Oakland, Ca 94612</p>	<ul style="list-style-type: none"> ▪ Tel: (510) 267-8321 ▪ Email: pbongiovanni@oakdiocese.org
<p>Ms. Joanne Willhite, Chair of Managed Growth Committee Archdiocese of Portland in Oregon 2838 East Burnside Street Portland, OR 97214-1895</p>	<ul style="list-style-type: none"> ▪ Tel: (503) 233-8350 ▪ Email: jwillhite@archdpdx.org

* The Executive Committee is comprised of the Chair of the Board and Chair of each Board Committee.

3.2 AUDIT COMMITTEE

<p>Mr. Paul Bongiovanni, Chair Diocese of Oakland 2121 Harrison Street Oakland, Ca 94612</p>	<ul style="list-style-type: none"> ▪ Tel: (510) 267-8321 ▪ Email: pbongiovanni@oakdiocese.org ▪ Appointed: 2012 ▪ Re-appointed: 2015 ▪ Current term: 3 years ▪ Re-appointment: 2018 ▪ Term: 1st yr. of 3rd term
<p>Mr. Tom Schadle, CFO Diocese of Tulsa 125 W. Jefferson Place Broken Arrow, OK CA 74011</p>	<ul style="list-style-type: none"> ▪ Tel: (918) 294-1904 ▪ Email: tom.schadle@dioceseoftulsa.org ▪ Appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 1st term
<p>Mr. Jeff Nieters Diocese of Cheyenne 2121 Capitol Avenue Cheyenne, WY 82003</p>	<ul style="list-style-type: none"> ▪ Tel: (310) 368-1530 x111 ▪ Email: jnieters@dioceseofcheyenne.org ▪ Appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 1st term
<p>Ms. Laura Clark Diocese of San Bernardino 1201 East Highland Avenue San Bernardino, CA 92404</p>	<ul style="list-style-type: none"> ▪ Tel: (909) 475-5150 ▪ Fax: (909) 475-5156 ▪ Email: lclark@sbdiocese.org ▪ Appointed: 2012 ▪ Re-Appointed: 2015 ▪ Current term: 3 years ▪ Re-appointment: 2018 ▪ Term: 1st yr. of 3rd term
<p>Ms. Laura Downey Diocese of Portland, ME 510 Ocean Avenue Portland, ME 04103-4936</p>	<ul style="list-style-type: none"> ▪ Tel: (207) 773-7825 ▪ Email: laurie.downey@portlanddiocese.org ▪ Appointed: 2016 ▪ Current term: 3 years ▪ Re-appointment: 2019 ▪ Term: 3rd yr. of 1st term
<p>Ms. Sandy Richards Archdiocese of Portland in Oregon 2838 East Burnside Street Portland, OR 97214-1895</p>	<ul style="list-style-type: none"> ▪ Tel: (503) 233-8358 ▪ Email: srichards@archdpdx.org ▪ Appointed: 2016 ▪ Current term: 3 years ▪ Re-appointment: 2019 ▪ Term: 1st yr. of 1st term
<p>Mr. Tom McNamara Diocese of Sacramento 2110 Broadway Sacramento, CA 95818</p>	<ul style="list-style-type: none"> ▪ Tel: (916) 733-0281 ▪ Email: tmcnamara@scd.org ▪ Appointed: 2018 ▪ Current term: 3 years ▪ Re-appointment: 2021 ▪ Term: 1st yr. of 1st term

3.3 FINANCE & INVESTMENT COMMITTEE

<p>Dcn. Aruna Silva Roman Catholic Bishop of Las Vegas 336 Cathedral Way Las Vegas, NV 89109</p>	<ul style="list-style-type: none"> ▪ Tel: (702) 735-7865 ▪ Fax: (702) 735-2996 ▪ Email: silva@dolv.org ▪ Appointed: 2014 ▪ Re-appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 2nd term
<p>Ms. Joanne Willhite Archdiocese of Portland in Oregon 2838 East Burnside Street Portland, OR 97214-1895</p>	<ul style="list-style-type: none"> ▪ Tel: (503) 233-8379 ▪ Email: jwillhite@archdpdx.org ▪ Appointed: 2016 ▪ Current term: 3 years ▪ Re-appointment: 2019 ▪ Term: 2nd yr. of 1st term
<p>Mr. Brian Mooney Diocese of San Jose 1150 North First Street, Ste 100</p>	<ul style="list-style-type: none"> ▪ Tel: (408) 983-0168 ▪ Email: bmooney@dsj.org ▪ Appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 1st term
<p>Ms. Laura Huber Diocese of Bismarck 520 Washington St Bismarck, ND 58501</p>	<ul style="list-style-type: none"> ▪ Tel: (701) 204-7196 ▪ Email: lhuber@bismarckdiocese.com ▪ Appointed: 2018 ▪ Current term: 3 years ▪ Re-appointment: 2021 ▪ Term: 1st yr. of 1st term
<p>Mr. Joe Passarello Archdiocese of San Francisco One Peter Yorke Way San Francisco, CA 94109</p>	<ul style="list-style-type: none"> ▪ Tel: (415) 614-5511 ▪ Fax: (415) 614-5522 ▪ Email: passarelloj@sfarchdiocese.org ▪ Appointed: 2014 ▪ Re-appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 2nd term
<p>Mr. Mike Gibbons Diocese of Belleville 222 South Third Street Belleville, IL 62220</p>	<ul style="list-style-type: none"> ▪ Tel: (618) 722-5015 ▪ Email: mgibbons@diobelle.org ▪ Appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 1st term

3.4 GOVERNANCE & APPEALS COMMITTEE

<p>Rev. Steven Sallot, Chair Diocese of Orange 13280 Chapman Avenue Garden Grove, CA 92840</p>	<ul style="list-style-type: none"> ▪ Tel: (714) 282-3112 ▪ Email: fr.sallot@rcbo.org ▪ Appointed: 2014 ▪ Re-appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 2nd term
<p>Ms. Laura Clark Diocese of San Bernardino 1201 East Highland Avenue San Bernardino, CA 92404</p>	<ul style="list-style-type: none"> ▪ Tel: (909) 475-5150 ▪ Email: lclark@sbdiocese.org ▪ Appointed: 2012 ▪ Re-appointed: 2015 ▪ Current Term: 3 years ▪ Re-Appointment: 2018 ▪ Term: 1st yr. of 3rd term
<p>Mr. Paul Bongiovanni, CFO Diocese of Oakland 2121 Harrison Street Oakland, Ca 94612</p>	<ul style="list-style-type: none"> ▪ Tel: (510) 267-8321 ▪ Email: pbongiovanni@oakdiocese.org ▪ Appointed: 2018 ▪ Current term: 3 years ▪ Re-appointment: 2021 ▪ Term: 1st yr. of 1st term
<p>Mr. Tom Schadle, CFO Diocese of Tulsa 125 W. Jefferson Place Broken Arrow, OK CA 74011</p>	<ul style="list-style-type: none"> ▪ Tel: (918) 294-1904 ▪ Email: tom.schadle@dioceseoftulsa.org ▪ Appointed: 2018 ▪ Current term: 3 years ▪ Re-appointment: 2021 ▪ Term: 1st yr. of 1st term

3.5 MANAGED GROWTH COMMITTEE

<p>Ms. Joanne Willhite, Chair Archdiocese of Portland in Oregon 2838 East Burnside Street Portland, OR 97214-1895</p>	<ul style="list-style-type: none"> ▪ Tel: (503) 233-8379 ▪ Email: jwillhite@archdpdx.org ▪ Appointed: 2018 ▪ Current term: 3 years ▪ Re-appointment: 2021 ▪ Term: 1st yr. of 1st term
<p>Mr. David Twomey Diocese of Portland, ME 510 Ocean Avenue Portland, ME 04103-4936</p>	<ul style="list-style-type: none"> ▪ Tel: (207) 773-7823 ▪ Email: david.twomey@portlanddiocese.org ▪ Appointed: 2014 ▪ Re-appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 2nd term
<p>Dcn. Aruna Silva Diocese of Las Vegas 336 Cathedral Way Las Vegas, NV 89109</p>	<ul style="list-style-type: none"> ▪ Tel: (702) 735-7865 ▪ Email: silva@dolv.org ▪ Appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 1st term
<p>Mr. Tom Schadle Diocese of Tulsa 125 Jefferson Place Broken Arrow, OK 74011</p>	<ul style="list-style-type: none"> ▪ Tel: (918) 294-1904 ▪ Fax: (918) 254-0375 ▪ Email: tom.schadle@dioceseoftulsa.org ▪ Appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 1st term
<p>Mr. Tom McNamara Diocese of Sacramento 2110 Broadway Sacramento, CA 95818</p>	<ul style="list-style-type: none"> ▪ Tel: (916) 733-0281 ▪ Email: tmcnamara@scd.org ▪ Appointed: 2018 ▪ Current term: 3 years ▪ Re-appointment: 2021 ▪ Term: 1st yr. of 1st term

3.6 TRUSTOR HEALTH BENEFITS PLANNING COMMITTEE

<p>Mr. David Twomey, Chair Diocese of Portland, ME 510 Ocean Avenue Portland, ME 04103-4936</p>	<ul style="list-style-type: none"> ▪ Tel: (207) 773-7823 ▪ Email: david.twomey@portlanddiocese.org ▪ Appointed: 2014 ▪ Re-appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 1st yr. of 2nd term
<p>Ms. Linda Greco Diocese of San Jose 1150 North First Street, Ste 100 San Jose, CA 95112</p>	<ul style="list-style-type: none"> ▪ Tel: (408) 983-0152 ▪ Email: lgreco@dsj.org ▪ Appointed: 2016 ▪ Current term: 3 years ▪ Re-appointment: 2019 ▪ Term: 2nd yr. of 1st term
<p>Mr. Keith Spindle 990 Eddy Street San Francisco, CA 94109</p>	<ul style="list-style-type: none"> ▪ Tel: (415) 972-7265 ▪ Email: kspindle@catholiccharitiessf.org ▪ Appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 1st term
<p>Ms. Alicia Corti 111 South Church Ave Tucson, AZ 85702</p>	<ul style="list-style-type: none"> ▪ Tel: (520) 838-2517 ▪ Email: acorti@diocesetucson.org ▪ Appointed: 2017 ▪ Current term: 3 years ▪ Re-appointment: 2020 ▪ Term: 2nd yr. of 1st term
<p>Mr. Richard Moog Diocese of Great Falls - Billings 121 23rd St. So. Great Falls, MT 59401</p>	<ul style="list-style-type: none"> ▪ Tel: (406) 727-6683 ▪ Fax: (406) 454-3480 ▪ Email: rmoog@diocesegfb.org ▪ Appointed: 2016 ▪ Current term: 3 years ▪ Re-appointment: 2019 ▪ Term: 1st yr. of 1st term

SECTION 4 - BOARD & COMMITTEE CHARTERS AND RESPONSIBILITIES -

4.1 BOARD OF TRUSTEES:

The Trustees oversee all matters relating to the planning, design and maintenance of the Reta Trust health benefit plans. The goal of the Board is to assure quality, cost effective, relevant health benefit plans that meet the needs of the Trustors and their members. The Board periodically reviews communications among the Trust, Trustors and Plan Participants.

MEETING SCHEDULE:

The Board meets at least four times a year and the Board retains a written record of all meetings.

RESPONSIBILITY:

- Act as fiduciaries of the Trust; oversee Trust;
- Be familiar with ERISA's conflict of interest rules and fiduciary obligations of Trustees;
- Evaluate performance of Executive Director;
- Evaluate Board processes & performance;
- Identify committees, members and committee responsibilities;
- Apply social and moral teachings of Roman Catholic Church in development of Trust plans;
- Recruit Board members;
- Recommend modifications to Religious Trust Agreement as necessary;
- Assist in expansion of Trust to other Catholic entities; and
- Approve (through delegation) all contracts.

4.2 CHAIRPERSON:

The Board Chair serves the Trust as the lead governance officer for both internal and external matters.

AUTHORITY AND MISSION:

- The Board Chair is nominated by the Executive Committee and confirmed by a vote of the Board of Trustees.
- This election takes place at the Board of Trustees meeting prior to the Annual Trustors' Meeting.

TERM:

The term for the Board Chairperson is an initial two-year with the option, if nominated by the Executive Committee and approved by the Board, for one additional two-year term.

RESPONSIBILITY:

The responsibility of the Board Chair includes:

- Chairing all Reta Board meetings, the Strategic Board Retreat and the Annual Trustees' Meeting;
- Appoint all Committee Members and Committee Chairs;
- Serve as a Member or Ex-officio Member of any Board Committee;
- Serve as the Executive Director's primary contact and as point person if escalation of any Trust related matter is required; and
- Represent the Trust to the outside world on governance issues.

The Board Chair and the Chair of the Governance and Appeals Committee are responsible for the Executive Director's annual review and compensation determination.

- To accomplish this, the Board Chairperson may:
 - ♦ Form an Ad Hoc Committee of Board Members and other to consider an issue;
 - ♦ Call on support from key Trust advisors including legal counsel and/or business advisor;
 - ♦ Request information and/or analysis from the Plan Administrator or outside experts; and
 - ♦ Confer with other Board Members and Committee Members.

4.3 EXECUTIVE COMMITTEE:

The Executive Committee assists the Board Chair and the Executive Director on matters of critical importance to the Trust and retains a written record of all meetings.

AUTHORITY AND MISSION:

- This Committee is made up of the Board Chair and all standing Board Committee Chairs as appointed by the Chairperson of the Board of Trustees;
- The mission for this Committee is to support the Board Chair and the Executive Director on critical issues that may arise between regularly scheduled Board of Trustees meetings; and
- This Committee is not merely an advisory committee; it has the full authority to act on behalf of the Board if action is necessary.

RESPONSIBILITY:

The responsibilities of the Executive Committee include:

- Deliberating options and nominating a candidate to become Board Chair or to be retained as Board Chair for a second two-year term;
- Convening to respond to critical questions and issues that may emerge or escalate in between regularly scheduled Board of Trustee meetings; and

- To accomplish this the Executive Committee may:
 - ♦ Call on support from key Trust advisors including legal counsel and/or business advisors.
 - ♦ Request information and/or analysis form the Plan Administrator or outside experts; and
 - ♦ Confer with other Board Members and Committee Members.

4.4 AUDIT COMMITTEE:

The Committee is an advisory committee of the Board and is independent of the Trust's management and its external auditor. This Committee monitors the disclosure process of Trustees, management and vendors to assure that Trustees and Trust management are independent of vendors to the Board or, if not independent, that all relationships are appropriately and fully disclosed.

AUTHORITY AND MISSION:

- The Committee recommends appropriate accounting policies and internal controls so that financial reporting is accurate and reliable and fraud is avoided.
- The Audit Committee monitors management and internal and external audits to ensure that the Trust follows good financial governance practices.

MEETING SCHEDULE:

- The Committee meets at least two times a year and the Committee retains a written record of all meetings.

RESPONSIBILITY:

AUDIT -

Oversee the audit process, including:

- Annual nomination of the outside auditors;
- Review the engagement letter and assess the scope and independence of the audit;
- Determine the extent to which the audit can be relied upon to detect fraud or weaknesses in the accounting system and internal control procedures;
- Determine reasonableness of estimated fees;
- Monitor audit results; and
- Recommend resolutions for administrative issues raised by the Auditor's Management Letter.

INTERNAL CONTROLS -

The Audit Committee fulfills its oversight responsibilities without inappropriate intervention of management. The Audit Committee:

- Maintains a direct line of communication with the auditors to provide for the exchange of views and information;

- Reviews annual reports prepared by the auditors discussing weaknesses in internal control, organizational structure and operations, with recommendations to the Board to improve such weaknesses;
- Determines, through annual discussions with the auditors, that no restrictions are placed by management on the scope of the examination or on its implementation; and
- Directs special investigations into significant matters brought to its attention within the scope of its duties.

CONTRACTS -

The Audit Committee is responsible for the following contracted services:

- Outside independent auditors.

To accomplish this, the Audit Committee will:

- Search out qualified parties to perform the required services;
- Determine which contractor is best qualified;
- Negotiate a reasonable fee or compensation;
- Monitor and evaluate the services performed; and
- Negotiate extensions or new contracts.

4.5 FINANCE & INVESTMENT COMMITTEE:

The Finance & Investment Committee oversees the accounting, financial and investment policies and practices of the Trust.

AUTHORITY AND MISSION:

- The Finance & Investment Committee is appointed by the Chairperson of the Board of Trustees to assist the Trustees in fulfilling their statutory and fiduciary responsibilities.
- The Committee has the primary responsibility for the Trust's financial reporting and oversight of the investment of funds by the contractors to the Trust. An active Finance & Investment Committee is essential to effective oversight of accounting, financial, and investment reporting policies and practices when these functions are contracted to outside parties.

MEETING SCHEDULE:

The Finance & Investment Committee meets quarterly, either in person or via telephone, and the committee retains a written record of all meetings.

RESPONSIBILITY:

FINANCIAL REPORTING -

The responsibility of the Finance & Investment Committee, in the area of financial reporting, is to provide assurance that financial disclosures made by management, reasonably portray the Trust's financial condition and results of operations. To accomplish this, the Finance & Investment Committee:

- Reviews accounting policies and procedures; and
- Reviews the financial statements, including interim financial statements.

FINANCE & INVESTMENT COMMITTEE OVERSIGHT -

Maintains direct cognizance of the custodianship of the Trust's investment funds:

- Designates Trustee(s) or agents and charges them with the responsibility for furnishing accurate and timely reports of the holdings and any additions to the Trust;
- Hires external consultants to monitor the performance of such custodians and agents, making reports and recommendations as appropriate to the Board;
- Regularly reports Finance & Investment Committee activities to the Board; and
- Reviews quarterly IBNR reports prepared by the Actuary.

CONTRACTS:

This Committee is responsible for the following contracted services:

- Investment management services;
- Consultants that monitor socially responsible investments;
- Consultants who manage investment performance; and
- Companies that maintain the Trust's investment records.

To accomplish this, the Finance & Investment Committee:

- Searches out qualified parties to perform the required services;
- Determines which contractor is best qualified;
- Negotiates a reasonable fee or compensation;
- Monitors and evaluates the services performed; and
- Negotiates extensions or new contracts.

This Committee provides the Board with recommendations on awarding these contracts.

BUDGETING, FINANCIAL ANALYSIS AND OTHER RESPONSIBILITIES:

The Finance & Investment Committee is responsible for:

- Reviewing Management's annual budget for expenses of the Trust and quarterly reviews of actual performance to budget; and
- Reviewing financial trends and cash flow needs of the Trust.

4.6 GOVERNANCE & APPEALS COMMITTEE:

The Governance & Appeals Committee assists the Trustees in effective governance of the Trust in accordance with applicable law. The Committee is available to assist Trustors if there are matters of dispute with the Trust. The Committee decides Member appeals as necessary and as described in the Committee's responsibilities. Committee Members also identify trends in appeals and make suggestions to alleviate the situations that give rise to appeals.

AUTHORITY AND MISSION:

The Governance & Appeals Committee is appointed by the Chairperson of the Board of Trustees to assist the Trustees in fulfilling their statutory and fiduciary responsibilities.

- The mission for this Committee includes recommending new members to serve on the Board of Trustees, with due consideration given to the following areas of representation and/or expertise:

Dioceses; Religious community; Finance expertise; Human Resources expertise; and Hospital and/or healthcare insurance expertise.

- The Trustees are ultimately responsible for decisions about appeals. Appeals can be related to any denial of benefits including, but not limited to, denials based on eligibility or medical necessity and any reduction of benefits already approved. The Committee has the authority to act for the Trust in the circumstances where the Trustees cannot otherwise render a decision on an appeal within a time period required by applicable law.

MEETING SCHEDULE:

The Governance & Appeals Committee will meet on trust governance matters as directed by the Chairman and on appeals as requested by the Plan Administrator in order to respond to Appeals within the time periods required by applicable law. The Committee retains a written record of all meetings. Committee Members must be available to meet on short notice to address urgent and time sensitive appeals. Three members constitute a quorum for Appeals Committee action; additional members may be appointed as necessary should an insufficient number of Committee Members be available.

RESPONSIBILITY - GOVERNANCE:

The responsibility of this Committee in the area of Trust governance is to provide assurance that the Trust:

- Complies with pertinent laws and regulations;
- Conducts its affairs ethically;
- Maintains effective controls against conflicts of interest and fraud; and
- Provides a point of contact with the Trust to address areas of dispute between a Trustor and the Trust.

To accomplish these responsibilities, the Governance & Appeals Committee may:

- Review Trust policies as they relate to social responsibilities with respect to the teaching of the Catholic Church;
- Establish policies and procedures to discuss and resolve conflicts of interest and to address and respond to Trustor disputes with the Trust; and
- Meet, as required, with the Trust's General Counsel to discuss legal matters that may have significant impact on the Trust.

The Governance & Appeals Committee also oversees:

- The type of representation needed on the Board (background, Trustor affiliation, etc.) to best suit the Reta Trust membership as a whole;

- Solicitation of qualified participants to become Trustees, in pursuit of the Trust's overall mission;
- Rules of order for meetings of the Board of Trustees and recommendations for amendments to the Religious Trust Agreement on matters of term limits, number of Trustees, voting, and nomination and election procedures;
- Periodic Board and Board Committee evaluations and annual Executive Director evaluation; and
- Educational needs of the Board.

RESPONSIBILITY - APPEALS:

The Trustees are responsible for making decisions about appeals. However, an active Committee is essential to allow appeals to be addressed within the time periods required by applicable law as set forth below:

- 30 days on a pre-service appeal;
- 60 days on a post-service appeal; and
- Urgent Care - if the appeal involves Urgent Care, the covered person, or authorized representative, may appeal the denial by telephone. It is required that the covered person be notified of the decision no later than 72 hours after the appeal is received by the Plan Administrator.

The Executive Director has limited authority to resolve appeals with a financial impact less than \$25,000. Any appeal approved under this authority is to be reported first to the Governance and Appeals Committee and then to the Board as an information item. The Executive Director must use its best judgment in resolving appeals that may set precedent. As reasonably practical, the Executive Director shall defer both matters that may set precedents and appeals with an impact greater than \$25,000 for decision by the Committee.

4.7 MANAGED GROWTH COMMITTEE:

The Managed Growth Committee assists the Trustees and the Plan Administrator in the controlled, strategic expansion of the Trust, per the Board's policy on managed growth.

AUTHORITY AND MISSION:

- This Committee is appointed by the Chairperson of the Board of Trustees
- The mission for this Committee is to enable managed growth for the long-term viability of the Reta Trust

MEETING SCHEDULE:

The Managed Growth Committee meets at least two times a year to review and support marketing efforts coordinated by the Plan Administrator. The Committee retains a written record of all meetings.

RESPONSIBILITY:

The responsibility of the Managed Growth Committee is to provide guidance to the Board and the Plan Administrator on:

- Organizational, financial, operational and cultural characteristics of potential Trustors who will be well-served by the Trust and whose inclusion in the Trust will enhance the Trust's ability to serve all Trustors;
- The scope and geography of marketing efforts;
- The appropriate pace and degree of the Trust's growth; and
- Rules of engagement for internal and outside brokers who wish to introduce new Trustees to Reta.

To accomplish these responsibilities, this Committee may:

- Engage with Plan Administrator and/or outside experts on market trends;
- Establish policies and procedures to discuss and resolve conflicts of interest;
- Conduct periodic evaluations of new Trustors to determine whether the admission of the Trustors adhered to the specific guidelines;
- Conduct periodic evaluations of Trustors to learn the experience of the Trustors in first approaching the Trust, and in joining the Trust, in order that the process for admission of new Trustors be improved;
- Confer with members of the Finance & Investment Committee on areas of potential overlap of responsibility; especially around areas of premium setting, reserves, etc., and
- Engage in direct outreach activities or solicit other Board Members support for specific opportunities; this does not mean that individual Trustees will be asked to lead such efforts, but rather that individual Trustee may provide a reference or an internal viewpoint to potential Trustor entities.

4.8 TRUSTOR HEALTH BENEFITS PLANNING COMMITTEE:

The Trustor Health Benefits Planning Committee assists the Trustees and the Plan Administrator in identifying, prioritizing and monitoring initiatives to reduce the cost trends facing the Reta Trust, Trustors, and its members.

AUTHORITY AND MISSION:

- The Trustor Health Benefits Planning Committee is appointed by the Chairperson of the Board of Trustees; and
- The mission for this Committee is to assist the Trustees and the Plan Administrator in making a long term, lasting impact on the current health care cost trends facing the Trust, Trustors, and members.

MEETING SCHEDULE:

The Trustor Health Benefits Planning Committee meets at least two times a year to support review and consideration of current and proposed initiatives brought to it by the Plan Administrator. The Committee retains a written record of all meetings.

RESPONSIBILITY:

The responsibility of this Committee is to provide recommendations to the Board and guidance to the Plan Administrator on:

- Performance of existing Reta Trust efforts including the Wellness program and ongoing modifications to the rating models and underwriting guidelines;
- How best to apply to the Trust, relevant knowledge and programs on benefit design innovation from the marketplace;
- The fit and potential for success within the Trust of proposed health benefits initiatives as identified by the Plan Administrator, other Board Members or Trustors to improve quality of care and manage healthcare costs; and
- The benefit design needs of individual Trustors.

To accomplish these responsibilities, the Committee may:

- Engage with Plan Administrator and/or outside experts on health inflation trends, actuarial trends and benefit design innovations;
- Prioritize initiatives to be considered for Board approval and/or implementation;
- Solicit information about benefit design needs from individual Trustors; and
- Conduct periodic evaluations of existing initiatives to determine their impact on the Trust's cost trends and make recommendations to the Board in the areas of benefit design and wellness.

SECTION 5 - EXECUTIVE DIRECTOR -

RESPONSIBILITY:

- Provide leadership to the Trust;
- Oversee financial stewardship of Trust assets;
- Manage Trust operations;
- Coordination of human resources with GBS Management; and
- Manage contracts and contractors.

CONTRACTS:

The Executive Director is responsible for managing the following contract relationships. The Board, at its discretion, can delegate to the Executive Director approving any and all contracts.

- Actuarial Services;
- Auditing Services;
- Banking Services;
- Consultants;
- Directors & Officers Insurance;
- Eligibility & Premium Administrator;
- Fidelity Insurance;
- Fiduciary Insurance;
- Health Plan Administrators;
- Legal Counsel;
- Plan Administrator;
- Prescription Drug Manager;
- Reinsurance; and
- Wellness Services.

CONTRACT NEGOTIATIONS:

The Executive Director will:

- Search out qualified parties to perform the required services;
- Determine which contractors are best qualified;
- Screen proposals and select qualified finalists, or coordinate interviews conducted by the Board;
- Schedule, from time-to-time, Board appearances for the contractors to allow for review and discussion on performance and to facilitate good communication;
- Monitor and evaluate the services performed by the contractors; and
- Negotiate extensions of contracts or new contracts as directed.

CONTRACT EVALUATION:

Reta Trust contracts shall be:

- Consistent with the Trusts' mission and sensitive to Catholic sponsorship;
- Performed on a timely basis;
- Cost competitive; and
- Satisfactorily executed according to agreed-upon performance standards.

PERFORMANCE STANDARDS:

The Executive Director shall administer the Trust by the following standards -

- Plan Administrator – Gallagher Benefit Services of California Insurance Services:
 - ♦ Staff assigned is professional and responsive to the direction of the Board;
 - ♦ Staff proactively anticipates potential issues;
 - ♦ Monitors unfinished business items;
 - ♦ Provides follow-through on issues brought to the Board for resolution; and
 - ♦ Maintains good working relationships with contract affiliates.
- Health Plan Administrators – Anthem/Blue Cross, Aetna, United Health Care, and Kaiser Permanente:
 - ♦ Maintain excellent customer relations with each member;
 - ♦ Respond promptly to issues raised by Trustors or their representatives;
 - ♦ Consistently meet turnaround standards; and
 - ♦ Maintain effective complaint resolution processes.
- Utilization Review and Preferred Provider Network Administrator – Anthem/Blue Cross, Aetna, Kaiser and United HealthCare:
 - ♦ Provides timely response to issues raised by Plan Administrator and Board;
 - ♦ Excels in customer satisfaction;
 - ♦ Demonstrates consistent cost-effective services; and
 - ♦ Works collaboratively with Trust providers.
- Prescription Drug Administrator – OptumRx.
- Eligibility & Premium Administrators – Benefit Allocation Systems (BAS).

SECTION 6 - TRUST CONTRACTS - ALL CONTRACTS ARE APPROVED BY THE BOARD

