

May 2015

TO: All Hotel Bargaining Unit Participants
AFL Hotel and Restaurant Workers Health and Welfare Trust Fund

FROM: Board of Trustees

SUBJECT: COBRA Program, Employee Self-Payment Program

The Board of Trustees, at their quarterly meeting on May 15, 2015, adopted the following changes:

I. COBRA Program

Effective July 1, 2015, the rates for the COBRA Program will be changed as follows:

A. Actives

	<u>Effective 07/01/15</u>
Indemnity	
w/ HDS Dental	\$738.51
w/ Gentle Dental	\$715.39
Kaiser	
w/ HDS Dental	\$800.21
w/ Gentle Dental	\$777.08

Full coverage includes medical, prescription drug, dental, vision, EAP, and death benefits.

B. Retirees

Medical and prescription drug¹ Effective 07/01/15

Retirees < 65

Indemnity (per individual)	\$417.73
Kaiser (per individual)	\$607.59

Retirees ≥ 65

	<u>Effective 01/01/15</u>
HMSA (per individual)*	\$233.03
Kaiser Sr. Advantage (per individual)	\$357.70

Retirees ≥ 65: Not Eligible for HMSA or Kaiser Medical Plans

Indemnity (per individual) \$417.73

**Includes HMSA Akamai Advantage medical plan and Medicare Part D EGWP drug plan.*

<u>Dental</u> ²	<u>Effective 07/01/15</u>
HDS Dental	\$31.90
Gentle Dental	\$23.73

<u>Vision</u> ³	<u>Effective 07/01/15</u>
Indemnity	\$4.46

¹ Retirees with less than 15 years of credited service receive medical & prescription drug benefits.

² Retirees with 15 or more years but less than 20 years of credited service receive medical, prescription drug, and dental benefits.

³ Retirees with 20 or more years of credited service and those retired prior to 09/16/95 receive medical, prescription drug, dental and vision benefits.

II. Employee Self-Payment Program

Effective July 1, 2015, the rates for the Self-Payment Program will be changed as follows:

	<u>Effective 07/01/15</u>
Indemnity	Single \$ 396.80
	Family \$ 694.40

For **single coverage**, the amount you must pay each month will be equal to 80 hours multiplied by the contribution rate for the benefit package which excludes retiree coverage.

For **family coverage**, the amount you must pay for each month will be equal to 140 hours multiplied by the contribution rate for the benefit package which excludes retiree coverage.

	<u>Effective 07/01/15</u>
Kaiser	Single \$ 401.03
	Two-Party \$ 802.06
	Family \$1,203.09

Coverage includes medical and prescription drug.

III. Core Coverage

Effective July 1, 2015, the Core Cover rates will be changed as follows:

A. Actives

	<u>Effective 07/01/15</u>
Indemnity	\$674.27
Kaiser	\$735.96

Core coverage includes medical, prescription drug and EAP benefits.

Should you have any questions on the above changes or need assistance with your coverage, please contact the Trust Fund office at 523-0199, or for neighbor islands, call toll free at (866) 772-8989.

Disclosure of Grandfathered Status

The Trust Fund believes its group health plans are “grandfathered health plans” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator, Benefit & Risk Management Services, Inc., at 560 North Nimitz Highway, Suite 209, Honolulu, Hawaii 96817-5315 or 1-808-523-0199. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.