

February, 2011

TO: All Participants
AFL Hotel & Restaurant Workers Health & Welfare Trust Fund

FROM: Board of Trustees

SUBJECT: 2011 Kaiser Plan Changes, Student Self-Payment Program, Dental Plans, HMSA Akamai Advantage Medicare Plan, COBRA Program, Self-Funded Comprehensive Medical Plan, Self-Funded Prescription Drug Plan, and Vision Care Plan

The Board of Trustees, at their meeting on January 13, 2011, adopted the following changes:

I. 2011 Kaiser Plan Changes

In accordance with the Patient Protection and Affordable Care Act (the Affordable Care Act), **effective January 1, 2011**, the lifetime maximum of the Kaiser medical plan is unlimited. In addition, **effective January 1, 2011**, coverage for dependent children for medical and prescription drug benefits under the Kaiser medical plan is extended to age 26.

For all Hotel Bargaining Unit Participants (Actives and Retirees) and for Kaiser Bargaining Unit Retirees under age 65 enrolled in the Kaiser prescription drug plan, **effective January 1, 2011**, the prescription drug benefit copayment increased from \$10 to \$12.

The preceding is only a summary of the changes in coverage. These changes are contained in the provisions of the Group Medical and Hospital Service Agreement. You may contact Kaiser Permanente or the Trust Fund office about your coverage. For details on extra services that are not part of the health plan, please refer to Kaiser Permanente's website and individual mailings.

II. Student Self-Payment Program

Effective January 1, 2011, the Student Self-Payment Program has been terminated on the basis that there is no longer a requirement for student status for dependent coverage due to the extension of dependent coverage to age 26 provision of the Affordable Care Act.

III. Dental Plans

Effective January 1, 2011, coverage of dental benefits for dependent children is extended to age 26 for participants enrolled in the Hawaii Dental Service (HDS) Dental Plan and in the Gentle Dental Plan.

IV. HMSA Akamai Advantage Medicare Plan

Effective January 1, 2011, HMSA's Akamai Advantage Medicare Plan replaced its 65C Plus Plan, and the "Medical Benefits" section on page 107 of the summary plan description booklet for the AFL Hotel and Restaurant Workers Health and Welfare Trust Fund (Hotel Industry Bargaining Unit) dated March 2006 has been modified to read as follows:

Benefits for Retirees Eligible for Medicare Parts A and B

If you reside in the State of Hawaii, when you or your spouse becomes eligible for Medicare, you or your spouse will be switched from the Comprehensive Medical Plan to the HMSA Akamai Advantage Medicare Plan or Kaiser Senior Advantage Plan which will supplement Medicare Parts A and B.

If you reside outside the State of Hawaii, or you or your spouse are not eligible to enroll in the HMSA Akamai Advantage Medicare Plan or Kaiser Senior Advantage Plan, you or your spouse will continue to be covered under the Comprehensive Medical Plan. However, the Comprehensive Medical Plan will pay benefits that supplement Medicare Parts A and B. The supplemental coverage will pay the \$110 deductible charge and the 20% of allowable charges (copayment portion) under Medicare Part B. (Medicare pays 80% of allowable charges under Part B.)

The "Medical Benefits" section on page 98 of the summary plan description booklet for the AFL Hotel and Restaurant Workers Health and Welfare Trust Fund (Kaiser Bargaining Unit) dated December 2005 has been modified to read the same as above.

V. COBRA Program

Effective January 1, 2011, the rates for the COBRA Program are changed as follows:

	<u>Effective 1/01/11</u>
<u>Medical and prescription drug</u>	
Retirees \geq 65	
HMSA (per individual)	\$183.22

VI. Self-Funded Comprehensive Medical Plan

Effective March 1, 2011, the Eligible Charge for all out-of-state services shall not exceed 150% of the Hawaii Eligible Charges for the same services. This Eligible Charge limit applies to all participating and non-participating providers.

Effective March 1, 2011, all non-emergency out-of-state services require prior authorization. Under the Care Management Program, the member or his referring physician must call the HMA Health Services Department at 951-4621 (Neighbor Islands call toll free 1-866-377-3977) for out-of-state hospital admissions, services, or procedures before the services are received.

If a member fails to obtain prior authorization, or if a member chooses to use a non-participating provider, the claim will be treated as a service from a non-participating provider, resulting in a lower plan payment (i.e. 80% instead of 90% of an Eligible Charge). The charges of a non-participating provider may be higher than the Eligible Charges of a participating provider, and the employee or dependent is responsible for payment to the provider of the difference between the billed charges and the Eligible Charges.

For emergency or maternity admissions, you must notify the HMA Health Services Department within 48 hours or by the next working day, as stated on pages 34-35 of your AFL Hotel and Restaurant Workers Health and Welfare Trust Fund (Hotel Industry Bargaining Unit) summary plan description (SPD) booklet dated March 2006, or on pages 47-48 of your AFL Hotel and Restaurant Workers Health and Welfare Trust Fund (Kaiser Bargaining Unit) SPD booklet dated December 2005.

VII. Self-Funded Prescription Drug Plan

Effective March 1, 2011, CVS Longs stores will no longer be included in the AFL Hotel and Restaurant Workers Health and Welfare Trust Fund participating pharmacy network. This means you will need to transfer your maintenance prescriptions to a Central Fill participating pharmacy to receive your prescription medications and for it to be paid by the plan.

To those who currently obtain their prescriptions from CVS Longs, Catalyst Rx will send you a separate notice with a list of participating pharmacies to where you can transfer your prescriptions (i.e. Safeway, Times, or Costco). Catalyst Rx will also send you procedures on how to transfer any outstanding prescription refills that you may have at CVS Longs.

If you still wish to purchase your medications through CVS Longs, you may pay for them yourself; however, your medications will not be covered by your plan and you will not be reimbursed for this cost by the plan. There is an exception for maintenance medications through mail order only; if you use the CVS Longs mail order for maintenance medications, these prescriptions will still be covered by the plan.

Effective immediately, Foodland pharmacies were added as participating pharmacies to the Point-of-Service and Central Fill networks. There are a total of six (6) pharmacies (2 on Oahu and 4 on the neighbor islands) that can assist you with filling your acute and maintenance prescriptions and refills.

For a complete listing of participating pharmacies, please contact the Trust Fund office.

VIII. Vision Care Program

A. Current Providers

1. Seoul Optical, a current participating provider, has moved and relocated its office. **Effective immediately**, Seoul Optical's new contact information is as follows:

Seoul Optical
641 Keeaumoku Street, Suite 17
Honolulu, Hawaii 96814
Phone: (808) 941-1004

2. Paradise Optical, a current participating provider, has moved and relocated its office. **Effective immediately**, Paradise Optical's new contact information is as follows:

Paradise Optical
98-1277 Kaahumanu Street, Suite 105
Honolulu, Hawaii 96701
Phone: (808) 488-6869

B. Terminated Providers

1. Nelson Iwata, O.D. has closed his practice as of October 31, 2010. Thus, Nelson Iwata, O.D., Inc. is no longer a participating provider under the vision care program, **effective immediately**.
2. **Effective immediately**, Kaiser Foundation's Health Plan, Inc. is no longer a participating provider under the vision care program.

You are free to use any licensed care provider of your choice and receive the Trust Fund's allowances for covered services and supplies. However, by receiving services and supplies from a participating provider, you limit your out-of-pocket costs for covered services. For a complete listing of participating vision care providers, please contact the Trust Fund office.

REMINDER

All vision claims must be filed within 90 days from the date of service.

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.