

November 2010

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

**FROM:** Board of Trustees

**SUBJECT: PATIENT PROTECTION AND AFFORDABLE CARE ACT**  
**NATIONAL HEALTH CARE REFORM**

#### **I. EXTENSION OF DEPENDENT COVERAGE TO AGE 26**

Effective January 1, 2011, adult child dependents who are not eligible for other employer-sponsored health plan coverage are eligible for dependent coverage under the Plan up to age 26. Individuals whose coverage ended, or who were denied coverage (or were not eligible for coverage), because the availability of dependent coverage of children ended before attainment of age 26 or were not considered Full-Time Students enrolled in an accredited college, university or technical school, taking at least 12 unit credits, are eligible to enroll in the AFL Hotel & Restaurant Workers Health & Welfare Trust Fund. Individuals may request enrollment for such children for 30 days from the date of this notice. In the case of an adult child who is eligible for coverage under the employer-sponsored plans of both parents, neither parent's plan may exclude the adult child from coverage based on the fact that the adult is eligible to enroll in the other parent's employer-sponsored plan. ***Complete the enclosed Declaration of Adult Dependent Status Form and return to your Trust Fund Office. Upon receipt of all required documentation, enrollment will be effective January 1, 2011. Please refer to attachment for eligibility requirements.***

#### **II. GRANDFATHERED HEALTH PLAN**

The AFL Hotel & Restaurant Workers Health & Welfare Trust Fund believes this plan is a "grandfathered health plan" 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 the 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 eliminations 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 at (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/healthform](http://www.dol.gov/ebsa/healthform). This website has a table summarizing which protections do and do not apply to grandfathered health plans.

### **III. LIFETIME LIMITS NO LONGER APPLIES AND ENROLLMENT OPPORTUNITY / ANNUAL MAXIMUM LIMITS**

Effective January 1, 2011, the lifetime limit on the dollar value of essential benefits under the AFL Hotel & Restaurant Workers Health & Welfare Trust Fund no longer applies. Individuals whose coverage ended by reasons of reaching a lifetime limit under the plan are eligible to enroll in the plan. Individuals have 30 days from the date of this notice to request enrollment. Effective January 1, 2011 the Annual Maximum Limits in the Self-Funded Comprehensive Medical Plan increased from \$450,000 to \$750,000 for Actives, \$250,000 to \$750,000 for Retirees under age 65, and \$150,000 to \$750,000 for Retirees age 65 and over.

### **IV. SELF-FUNDED COMPREHENSIVE MEDICAL PLAN**

All out-of-state services under the Self-Funded Comprehensive Medical Plan require prior authorization. Failure to obtain prior authorization will result in a higher out-of-pocket cost based on a reduction in benefits by 10%. The Eligible Charges of a non-participating provider may be higher than the Eligible Charges of a participating provider. 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.

### **V. COBRA PROGRAM**

Effective March 1, 2010, the coverage and rates for Retirees age 65 and over under the COBRA Program are **revised** as follows:

HMSA 65C Plus medical, Srx Medicare Part D,  
and the supplemental self-funded drug plan

Per individual

**\$249.04**

## **VI. VISION CARE PROGRAM**

Duane K.W. Ching, O.D. has retired as of April 30, 2010. Thus, Duane K.W. Ching is no longer a participating provider under the vision care program, effective immediately.

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 regarding the above changes or need assistance with your coverage, please contact the Trust Fund Office (808) 523-0199, or for neighbor islands, call toll free at 1-877-772-8989.*

## **ELIGIBILITY REQUIREMENTS FOR EXTENSION OF DEPENDENT COVERAGE TO AGE 26**

**If you have an adult child who is NOT currently enrolled in coverage**, the AFL Hotel & Restaurant Workers Health & Welfare Trust Fund will hold a Special Enrollment Period from November 1, 2010, through November 30, 2010 so you may add them to your coverage. Thereafter, enrollment for Extension of Dependent Coverage to Age 26 is provided according to Plan Rules.

Coverage for your adult children will begin **January 1, 2011** provided you complete and submit the Declaration of Adult Dependent Status Form and all required documentation no later than November 30, 2010 to the Trust Fund Office.

**You may add your adult children, married or unmarried, if:**

- They are between the ages of 19 and 26 – even if they were previously removed from your coverage
- They are your:
  - Natural child, stepchildren, legally adopted children, or children placed in the home in anticipation of adoption; or
  - Child of a qualified domestic partner if the domestic partner is currently enrolled.\*

Your adult children do not need to qualify as your tax dependent, attend school or live with you.

\*If a domestic partner's child does not qualify as a "tax dependent", there is imputed income on the portion of the premium attributable to their coverage.

**You may NOT add adult children if:**

- They are eligible for group health benefits through their own employer or their spouse's employer, even if they are not currently enrolled.
- They are your grandchildren
- They are married to your adult children

**Documentation You Must Provide Upon Enrollment**

- Child's birth certificate, adoption, marriage certificate (if applicable) or legal guardianship documents ; **and**
- Signed Declaration of Adult Dependent Status that the adult child is not eligible for coverage through his/her employer or their spouse's employer.