

September 2012

TO: All Participants who Reside on the Big Island and are Enrolled under the Self-Funded Comprehensive Medical Plan
AFL Hotel and Restaurant Workers Health and Welfare Trust Fund

FROM: Board of Trustees

SUBJECT: North Hawaii Community Hospital and Non-Emergency Inter-Island Travel Benefit

I. North Hawaii Community Hospital

Effective September 1, 2012, North Hawaii Community Hospital (N. Hawaii) will become a nonparticipating provider and services received at N. Hawaii will be paid at the nonparticipating provider benefit level under the Self-Funded Comprehensive Medical Plan.

HMA will assist in transferring beneficiaries for hospital services. For emergency or acute care, beneficiaries can go to Kona Community Hospital (a participating provider about 2 hours from N. Hawaii).

For elective or non-emergency services which are not available on the island where you or your dependent(s) reside, beneficiaries can go to Queen's Medical Center in Honolulu or Kapiolani Medical Center or Straub Hospital and Clinic in the Hawaii Pacific Health (HPH) hospital system.

II. Non-Emergency Inter-Island Travel Benefit

Effective September 1, 2012, the Trustees adopted a non-emergency inter-island travel benefit under the Self-Funded Comprehensive Medical Plan (Actives and Retirees under age 65) for all beneficiaries who do not reside on the island of Oahu.

If you or your dependent(s) require non-emergency medical services (for the diagnosis or treatment of an illness or injury) which are not available on the island where you or your dependent(s) reside, the following benefits will be provided **subject to prior review and authorization by HMA**:

- Reimbursement for air travel of up to \$200, or the actual cost of the fare, whichever is less.
- Reimbursement for taxi fare to and from the airport of up to \$50, or the actual cost of the fare, whichever is less, on the island of Oahu.
- Reimbursement for qualified travel expenses for one accompanying parent or guardian up to the benefit limitation if the beneficiary seeking inter-island travel benefits is a minor child under 18 years of age.

III. Special Enrollment Period

For participants who reside on the Big Island, a Special Enrollment Period will be held in the month of September 2012, to be effective November 2012, for participants interested in switching medical providers.

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 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 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.