

August 2014

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

FROM: Board of Trustees

**SUBJECT: MEDICAL COVERAGE FOR MEDICARE RETIREES AND SPOUSES
RESIDING OUTSIDE THE STATE OF HAWAII**

This notice contains important information about changes to the medical benefits available under the AFL Hotel & Restaurant Workers Health & Welfare Trust Fund for Medicare eligible retirees and dependents residing outside of the State of Hawaii. Please read it carefully and keep it with your SPD booklet so that you will have complete information about your health benefits.

The Board of Trustees, at their meeting of July 17, 2014, adopted the following change:

Effective January 1, 2015, medical benefits for Medicare eligible retirees and dependents residing outside the State of Hawaii will no longer be provided through the Self-Funded Comprehensive Medical Plan. Instead, medical benefits will be in the form of a premium reimbursement. This premium reimbursement is the only medical benefit payable under this Plan to Medicare eligible retirees and dependents residing outside the State of Hawaii, and will be payable only to eligible retirees who meet the requirements stated in this notice. The Plan will no longer pay any deductible, copayment, coinsurance or other form of cost-sharing on any type of claim for this population of Participants.

Medicare eligible retirees and dependents residing outside the State of Hawaii must enroll in an approved Medicare Supplement Insurance (MediGap) or Medicare Advantage Plan in their state of residence in order to continue receiving medical benefits through the Trust Fund. The Trust Fund will reimburse you for the MediGap or Medicare Advantage plan premium on a quarterly basis up to the amount the Trust pays for Akamai Advantage plan or your cost, whichever is lower.

In order to receive this premium reimbursement, you must submit the following documentation to the Trust Fund Office:

1. A completed "Application for Out-of-State Medicare Premium Reimbursement" form for **Medicare Advantage Plan or MediGap**;
2. A copy or description of the approved **Medicare Advantage Plan or MediGap** ;
3. Confirmation of your enrollment in the **Medicare Advantage Plan or MediGap**;

4. Proof of payment for your **Medicare Advantage Plan or MediGap** premium (e.g. receipt from the insurance carrier, copy of your cancelled check or money order)

Important Note: If you do not provide all required documentation to the Trust Fund Office, no reimbursement will be made. If you have any questions about how to file a claim for your quarterly premium reimbursement, please contact the Trust Fund Office.

Should you have any questions on the above change 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 (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 Web site has a table summarizing which protections do and do not apply to grandfathered health plans.