

February, 2013

TO: All Active Participants and OTS Retirees and Spouses
Hawaii Teamsters Health and Welfare Trust

FROM: Board of Trustees

SUBJECT: COBRA Program, Employee Self-Payment Program and Self-Funded HMO Plan – Physical Examinations

The Board of Trustees, at their meeting of February 8, 2013, adopted the following changes:

I. COBRA Program

Effective April 1, 2013, the rates for the COBRA Program will be changed as follows:

A. Actives

	<u>Effective 4/01/13</u>	
	<u>Single</u>	<u>Family</u>
Core Coverage *		
Indemnity PPO	\$ 367.70	\$ 992.79
HMO	\$ 319.46	\$ 862.55
Full Coverage **		
Indemnity PPO with HDS	\$ 401.19	\$1,079.69
Indemnity PPO with Gentle Dental	\$ 391.03	\$1,052.58
HMO with HDS	\$ 352.95	\$ 949.46
HMO with Gentle Dental	\$ 342.79	\$ 922.35

* Core coverage for actives under the COBRA Program includes medical and prescription drug benefits.

** Full coverage for actives under the COBRA Program includes medical, prescription drug, dental, vision, and chiropractic benefits.

B. Disabled Actives (from 19th to 29th month)

	<u>Effective 4/01/13</u>	
	<u>Single</u>	<u>Family</u>
Full Coverage *		
Indemnity PPO with HDS	\$ 589.98	\$1,587.78
Indemnity PPO with Gentle Dental	\$ 575.04	\$1,547.91
HMO with HDS	\$ 519.05	\$1,396.26
HMO with Gentle Dental	\$ 504.11	\$1,356.39

* Full coverage for disabled actives under the COBRA Program includes medical, prescription drug, dental, vision, and chiropractic benefits.

C. OTS Retirees under Age 65

	<u>Effective 4/01/13</u>	
	<u>Single</u>	<u>Family</u>
Core Coverage *		
Indemnity PPO	\$ 367.70	\$ 992.79
Kaiser	\$ 508.98	\$1,526.94
HMO	\$ 319.46	\$ 862.55
Full Coverage **		
Indemnity PPO	\$ 369.87	\$ 998.65
HMO	\$ 321.64	\$ 868.42

* Core coverage for OTS retirees under age 65 under the COBRA Program includes medical and prescription drug benefits.

** Full coverage for OTS retirees under age 65 under the COBRA Program includes medical, prescription drug, and vision benefits.

D. OTS Retirees Age 65 and over (includes Medicare Part D Drug)

	<u>Per Individual</u>
Full Coverage *	
HMSA Akamai Advantage and EGWP	\$164.51 (effective 1/01/13)
Kaiser	\$325.41 (effective 4/01/13)

* Full coverage for OTS retirees age 65 and over under the COBRA Program includes medical, prescription drug, and vision benefits.

II. Employee Self-Payment Program

Effective April 1, 2013, the rates for the Employee Self-Payment Program will be changed as follows:

	<u>Effective 4/01/13</u>	
	<u>Single</u>	<u>Family</u>
Core Coverage *		
Indemnity PPO	\$ 360.49	\$ 973.32
HMO	\$ 313.20	\$ 845.64

- * Core coverage under the Employee Self-Payment Program includes medical and prescription drug benefits. Does not include 2% administration charge.

III. Employee Self-Payment Program

Effective April 1, 2013, the rates for the Employee Self-Payment Program will be changed as follows:

	<u>Effective 4/01/13</u>	
	<u>Single</u>	<u>Family</u>
Core Coverage *		
Indemnity PPO	\$ 360.49	\$ 973.32
HMO	\$ 313.20	\$ 845.64

- * Core coverage under the Employee Self-Payment Program includes medical and prescription drug benefits. Does not include 2% administration charge.

IV. Self-Funded HMO Plan – Physical Examinations

At the effective date of the Self-Funded HMO Plan, **September 1, 2011**, the Self-Funded HMO Plan covered one preventive care office visit per calendar year for beneficiaries age 2 and older at no charge. The Board of Trustees wanted to clarify that the one preventive care office visit includes the following:

- Routine physical examinations
- Routine screens or checkups
- Physical examinations required by an educational institution for students in grades K through 6

Therefore, the above is a covered benefit under the Self-Funded HMO Plan and is not considered an exclusion as stated on page 82 of the Actives Summary Plan Description dated November 2012 and page 73 of the OTS Retirees Summary Plan Description dated November 2012.

Certain services and related reports/paperwork, in connection with third party requests or requirements, such as those for employment, participation in employee programs, camp, insurance, disability, licensing, or on court order or for parole or probation, are excluded. Physical examinations that are authorized and deemed medically necessary by a Physician and are coincidentally needed by a third party are covered.

Should you have any questions on the above changes or need assistance with your coverage, please contact the Trust Office at 842-0392, 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 (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.