

November 2014

TO: OTS Active and Retired Participants
Hawaii Teamsters Health and Welfare Trust

FROM: Board of Trustees

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

This notice contains important information about changes to the medical benefits available under the Hawaii Teamsters 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 November 7, 2014, adopted the following change:

I. MEDICAL COVERAGE FOR MEDICARE RETIREES AND SPOUSES RESIDING OUTSIDE THE STATE OF HAWAII

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 monthly 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 monthly premium reimbursement, please contact the Trust Fund Office.

II. STATUE OF LIMITATIONS

Effective September 1, 2014, the Board of Trustees, at their meeting of November 7, 2014, approved to include a provision to the Self-Funded Comprehensive Medical Plan, Self-Funded Prescription Drug Plan, and the Self-Funded HMO Medical Plan, as follows:

Right to Bring Civil Action

Following an adverse benefit determination on review, the Beneficiary may bring a civil action under section 502(a) of ERISA within two years after receipt of the written notice of Initial Benefit Determination by the Beneficiary.

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 plan status can be directed to the plan administrator, Benefit & Risk Management Services, at 560 N. Nimitz Highway, Suite 209, Honolulu, Hawaii 96817 or 1-808-842-0392. 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.