

June 2014

TO: All Active Participants
Hawaii Teamsters Health and Welfare Trust

FROM: Board of Trustees

SUBJECT: Affordable Care Act Changes (effective September 1, 2014)

In accordance with the Patient Protection and Affordable Care Act (the Affordable Care Act), the Board of Trustees adopted the following changes:

I. Dependent Eligibility

Effective September 1, 2014, dependent coverage is available to all dependents under age 26 regardless of whether they may be eligible for other employer-sponsored health coverage, pursuant to the Affordable Care Act.

II. Self-Funded Comprehensive Medical Plan (PPO Actives)

Effective September 1, 2014, annual limits on essential health benefits are prohibited, pursuant to the Affordable Care Act. Therefore, the annual limit of \$2,000,000 per person on essential health benefits will be removed.

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 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.