

March, 2012

**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, Self-Funded PPO Prescription Drug Plan, and Medicare Part D Premium Reimbursement**

The Board of Trustees, at their meeting of February 17, 2012, adopted the following changes:

**I. COBRA Program**

**Effective March 1, 2012**, the rates for the COBRA Program will be changed as follows:

A. Actives

	<u>Effective 3/01/12</u>	
	<u>Single</u>	<u>Family</u>
<b>Core Coverage *</b>		
Indemnity PPO	\$ 326.85	\$ 882.49
HMO	\$ 350.07	\$ 945.20
<b>Full Coverage **</b>		
Indemnity PPO with HDS	\$ 358.76	\$ 965.22
Indemnity PPO with Gentle Dental	\$ 350.13	\$ 942.15
HMO with HDS	\$ 381.99	\$1,027.93
HMO with Gentle Dental	\$ 373.35	\$1,004.86

\* 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 19<sup>th</sup> to 29<sup>th</sup> month)

	<u>Effective 3/01/12</u>	
	<u>Single</u>	<u>Family</u>
<b>Full Coverage *</b>		
Indemnity PPO with HDS	\$ 527.60	\$1,419.44
Indemnity PPO with Gentle Dental	\$ 514.89	\$1,385.52
HMO with HDS	\$ 561.75	\$1,511.66

HMO with Gentle Dental	\$ 549.05	\$1,477.74
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\* 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 3/01/12</u>	
	<u>Single</u>	<u>Family</u>
<b>Core Coverage *</b>		
Indemnity PPO	\$ 326.85	\$ 882.49
HMO	\$ 350.07	\$ 945.20
<b>Full Coverage **</b>		
Indemnity PPO	\$ 328.97	\$ 888.23
HMO	\$ 352.20	\$ 950.94

\* 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>
<b>Full Coverage *</b>	
HMSA Akamai Advantage and EGWP	\$146.71 (effective 1/01/12)
Kaiser	\$299.01 (effective 3/01/12)

\* 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 March 1, 2012**, the rates for the Employee Self-Payment Program will be changed as follows:

	<u>Effective 3/01/12</u>	
	<u>Single</u>	<u>Family</u>
<b>Core Coverage *</b>		
Indemnity PPO	\$ 320.44	\$ 865.19
HMO	\$ 343.21	\$ 926.67

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

**III. Self-Funded PPO Prescription Drug Plan**

A. Mail Order Program

**Effective March 1, 2012**, the prescription drug benefit under the Mail Order Program will be a 90-day benefit at the following co-pays:

	<u>90-day supply</u>
Generic	\$8.00
Brand	\$24.00

**Effective March 1, 2012**, participants can obtain their maintenance prescriptions through the Mail Order Program from two additional pharmacies, Mina Pharmacy and Pharmacare. For an updated listing of the pharmacy network, please contact the Trust Office.

B. Dispense as Written (DAW) 2 Rule

**Effective April 1, 2012**, participants that obtain a brand name medication with a generic equivalent will pay the applicable co-pay plus the cost difference between the brand and the generic equivalent medication. Participants that require the brand name medication in place of the generic equivalent will require a Prior Authorization.

C. Quantity Duration Management Program

**Effective June 1, 2012**, quantity level limits will be placed on certain medications as recommended by the Food and Drug Administration (FDA). Participants requiring more than the recommended quantity per valid prescription will require a Prior Authorization.

**FOR RETIREES AND SPOUSES OUTSIDE THE STATE OF HAWAII ONLY**

**IV. Medicare Part D Premium Reimbursement**

For calendar year 2012, the Trustees approved to continue the Medicare Part D premium reimbursement **up to** \$32.34 per month on a quarterly basis.

If your spouse is eligible for Medicare and also enrolls in an approved Medicare Part D Plan, the Trust will reimburse you for your spouse's Medicare Part D premium **up to** \$32.34 per month for calendar year 2012, on a quarterly basis.

**Reminder:** In order for you to receive this reimbursement, you must submit the following documentation to the Trust Office:

1. A copy or description of the approved Medicare Part D Prescription Drug Plan in which you (or your spouse) are enrolled;
2. Confirmation of your enrollment (or your spouse's enrollment) in the Medicare Part D Prescription Drug Plan;
3. Proof of payment for your Medicare Part D premium (i.e. receipt from insurance carrier, copy of cancelled check or money order, etc.); and
4. A completed "Application for Out-of-State Medicare Part D Premium Reimbursement" form, which is available upon request from the Trust Office (see attached).

**Important Note:** If you do not provide all the required documentation, the Trust will not make any reimbursement payment to you.

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](http://www.dol.gov/ebsa/healthreform). This Web site has a table summarizing which protections do and do not apply to grandfathered health plans.