May 2013

TO: All Participants
Hawaii Teamsters Health and Welfare Trust

FROM: Board of Trustees

SUBJECT: Self-Funded HMO Prescription Drug Plan and Self-Funded Comprehensive (PPO) Medical Plan

The Board of Trustees, at their meeting of May 3, 2013, approved the following changes:

I. Self-Funded HMO Prescription Drug Plan

Under the Self-Funded HMO Prescription Drug Plan, member copayments for prescription drug benefits are as follows:

POINT OF SERVICE PROGRAM
For a prescription or refill quantity of up to:

- A 15-day supply…… ……....$12.00 per prescription or refill
  (Acute medications/initial maintenance fill) or the cost of the drug, whichever is less

- A 30-day supply……..….$14.00 per prescription or refill
  (Maintenance medications) or the cost of the drug, whichever is less

- A 90-day supply……..$42.00 per prescription or refill
  (Maintenance medications) or the cost of the drug, whichever is less

Effective August 1, 2013, under the Point of Service Program, a member will be able to obtain two 30-day supplies of a prescription or refill for maintenance drugs from a retail pharmacy at two times the 30-day copay (e.g., 2 x $14.00 = $28.00 copay).

MAIL ORDER PROGRAM (through Mina Pharmacy and Pharmacare)
For a prescription or refill quantity of up to:

- A 90-day supply…….$28.00 per prescription or refill
  (Maintenance medications) or the cost of the drug, whichever is less

Note: Prescription drugs are available under the Mail Order Program only after the member has obtained a prior dispensed prescription for that drug and dosage for a minimum 15-day supply.

For a complete list of the participating pharmacies under the Self-Funded HMO Prescription Drug Plan, please contact the Trust.

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

A. **Effective September 1, 2013**, in accordance with the Patient Protection and Affordable Care Act, the Annual Maximum Dollar Limit for essential health benefits available under the Self-Funded Comprehensive (PPO) Medical Plan on an incurred basis will increase from $1,250,000 to $2,000,000 per person per plan year.

B. For certain covered services and supplies under the Self-Funded Comprehensive (PPO) Medical Plan, you must pay an Annual Deductible before the Plan begins paying benefits. The Annual Deductible is the first $100 of Eligible Charges that you pay for those services or supplies that you receive during a plan year.

Effective September 1, 2012, it is clarified that in the case of a family, after the $100 Annual Deductible is met per person, the Annual Deductible is the first $300 in Eligible Charges that a family of three or more pays for those services or supplies, subject to the Annual Deductible, that they receive during a plan year.

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 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.