

September 2012

TO: All Participants who Reside on the Big Island and are Enrolled under the Self-Funded PPO Comprehensive Medical Plan
Hawaii Teamsters Health and Welfare Trust

FROM: Board of Trustees

SUBJECT: North Hawaii Community Hospital

Effective September 1, 2012, North Hawaii Community Hospital (N. Hawaii) will become a nonparticipating provider and services received at N. Hawaii will be paid at the nonparticipating provider benefit level under the Self-Funded PPO Comprehensive Medical Plan.

HMA will assist in transferring beneficiaries for hospital services. For emergency or acute care, beneficiaries can go to Kona Community Hospital (a participating provider about 2 hours from N. Hawaii).

For elective or non-emergency services which are not available on the island where you or your dependent(s) reside, beneficiaries can go to Queen's Medical Center in Honolulu or Kapiolani Medical Center or Straub Hospital and Clinic in the Hawaii Pacific Health (HPH) hospital system. Qualified travel expenses will be covered under the existing non-emergency inter-island travel benefit.

Should you have any questions on the above change 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.