



IBEW LOCAL UNION NO. 915



HEALTH & WELFARE FUND

DECEMBER 17, 2010

IMPORTANT BENEFIT REVISIONS ANNOUNCED

Dear Participant:

For the last several years we have worked very diligently as the Trustees of the IBEW Local Union No. 915 Health & Welfare Fund to provide and maintain the very best level of benefits possible for you and your covered family members. Given the current state of the economy and rampant unemployment in many areas of the United States, this has become extremely challenging over the last couple of years. As a result, for an extended period the Fund has been sustaining regular monthly losses. Although we have recognized for some time now that benefit revisions would be necessary in the absence of improved employment and additional employer contributions, we have deferred action on such changes as long as we prudently could, at least in our belief.

As we have wrestled over the last several months with the need to implement benefit adjustments that would reduce the Plan's costs, changes have been taking place in Washington. As you are undoubtedly aware by now, on March 23, 2010 President Obama signed the "Patient Protection and Affordable Care Act" which, for our Fund, is scheduled to become initially effective on January 1, 2011. This Act establishes certain minimum standards for benefit levels and benefit provisions, some of which are scheduled to become effective January 1, 2011, and some of which are deferred until January 1, 2014. One of the key elements of the Act is the ultimate elimination of any annual or lifetime dollar limits placed on certain essential benefits. It is our intent to fully comply with the Act as of its various effective dates.

Contained in this notice are a number of Plan changes, some of which are required to comply with the Act and some of which are necessary to preserve the assets of the Fund and its ability to provide future benefits to you and your family. However, contained in the Act was a provision for plans like ours to seek a waiver of the requirement that the annual benefit limit be increased and ultimately eliminated. The Fund's past experience indicates that its current annual benefit limitations are adequate for virtually all claims. Further, because prudence would dictate the

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need for the Plan to acquire insurance protection for any claims which might exceed the current annual maximum at a substantial cost to the Plan, we have determined such a change to be cost prohibitive. Consequently, we made application for, and recently received notice of approval, of such a waiver from the U.S. Department of Health and Human Services. Given the need to otherwise reduce benefit costs even without the increases that would otherwise be required by law, we believed this action to be in the Fund's and your best interest. Consequently, the following annual limits will continue in effect at least through 2011:

\$200,000-All Covered Medical Expenses Combined
 \$5,000 - Hospice Care per 6 Month Period
 \$350 - Routine Physical Exam (\$200 for children)
 \$10,000 - Prescription Drugs
 \$1,000 - Chiropractic Care

In accepting the waiver, we agreed to provide the following notice to all Plan participants. Please understand that, after exhaustive study, we have determined the acceptance of the waiver and the need to otherwise adjust benefits as explained herein to be the only reasonable method of maintaining the Fund's financial stability. The language required by the U.S. Department of Health and Human Services is as follows:

"In order to apply the lower limits described above, your health plan requested a waiver of the requirement that coverage for key benefits be at least \$750,000 this year. That waiver was granted by the U.S. Department of Health and Human Services based on your health plan's representation that providing

\$750,000 in coverage for key benefits this year would result in a significant increase in your contributions or a significant decrease in your access to benefits. This waiver is valid for one year.

If lower limits are a concern, there may be other options for health care coverage available to you and your family members. For more information, go to www.HealthCare.gov. If you have questions or concerns about this notice, contact the Fund office at one of the numbers provided on the face of this notice."

It is extremely important that you and your spouse, if any, become thoroughly familiar with the contents of this notice. It contains very important information about the benefits your family will be entitled to for claims incurred on or after **January 1, 2011**. Once you have become familiar with the contents of the notice, please place it with your permanent records so that you will have it available for future reference.

LIFETIME MAXIMUM ON BENEFITS ELIMINATED

Prior to January 1, 2011, the maximum overall amount payable by the Fund during a covered person's lifetime for all covered medical expenses combined was limited to \$500,000. **Effective January 1, 2011, there will be no lifetime limit on the dollar value of benefits under the Fund. However, the calendar year maximum of \$200,000 for all covered medical expenses combined will remain in place for the 2011 calendar year.**

DENTAL COVERAGE ELIMINATED

We regret to announce that effective **January 1, 2011** the dental coverage provided to you and your family is being eliminated.

CALENDAR YEAR DEDUCTIBLES INCREASED

Effective **January 1, 2011**, the calendar year deductible for expenses incurred at a PPO provider is being increased from \$300 to \$350 per individual and from \$800 to \$1,050 per family. The calendar year deductible for expenses incurred at a non-PPO provider is being increased from \$300 to \$350 per individual and from \$1,200 to \$1,400 per family.

PRESCRIPTION DRUG ANNUAL MAXIMUM INCREASED AND COPAYMENTS REVISED

Currently the Plan provides an annual maximum per covered person of \$7,500 for ex-

| | Generic | Formulary Brand | Non-formulary Brand |
|----------------------|---------|-------------------|---------------------|
| Retail (30 days) | \$5 | 20%, \$20 minimum | 20%, \$35 minimum |
| Mail Order (90 days) | \$10 | 20%, \$40 minimum | 20%, \$70 minimum |

penses incurred for prescription drugs. Effective **January 1, 2011** the annual maximum for prescription drugs is being increased to **\$10,000**. Additionally, the copayments for prescription drugs are being revised effective **January 1, 2011** to:

Expenses for generic prescription drugs do not apply towards the calendar year maximum.

CONTINUING ELIGIBILITY REQUIREMENTS REVISED

Continuing eligibility requirements are being revised effective for the **Eligibility Period beginning April 1, 2011** (October – December 2010 Qualifying Period). An employee must be credited with a minimum of \$1,500 (formerly \$1,200) of contributions for work performed in each Qualifying Period to continue coverage for the corresponding Eligibility Period. This contribution requirement is reduced for a number of work classes as follows:

- CE and CW - \$720 per quarter - Family coverage contribution will increase from \$160 per month to \$200.
- 1st year apprentice - \$900 per quarter
- 2nd year apprentice - \$1,000 per quarter
- 3rd year apprentice - \$1,100 per quarter
- 4th year apprentice - \$1,300 per quarter
- 5th year apprentice - \$1,400 per quarter

The monthly contribution rate for Non-Bargaining Unit Employees will increase from \$650 to \$750 per month effective **April 1, 2011**.

EMPLOYEES' CONTRIBUTION BANK MAXIMUM REDUCED

Also effective **April 1, 2011** an employee's contribution bank will be reduced to a maximum of \$9,000. Dollars in excess of \$9,000 will be deleted from the employee's account. Further contributions to an employee's bank will be credited when employer contributions made on behalf of an employee exceed \$1,575 in a qualifying quarter.

DEFINITION OF "DEPENDENT" CHILD REVISED

The Fund will be amended to expand its coverage for eligible dependent children effective **January 1, 2011**. As of that date, coverage for dependent children will be extended up to age 26 and will also be expanded to take in new categories of children that were formerly excluded, for instance, married children, children not living with the participant, children not financially dependent on the participant and children not attending a full-time educational institution. Prior to 2014, the Fund will exclude coverage for an adult child who is eligible to enroll in an employer-sponsored health plan other than the plan of a parent. In other words, if the child is eligible to enroll in a group health plan as an employee or as the spouse of an employee, eligibility for coverage under this Plan will be deferred until 2014.

Therefore, individuals whose coverage ended, or who were denied coverage (or were not eligible for coverage) because the availability of dependent coverage of children ended before attainment of age 26, are eligible to enroll for the Plan's coverage. Individuals may request enrollment for such children for 30 days from the date of notice. Enrollment will be effective retroactively to January 1, 2011. For more information or to request an enrollment form please contact the Fund office at one of the numbers located on the front page of this newsletter.

CHILDREN UNDER AGE 19 EXEMPT FROM PRE-EXISTING EXCLUSION

Effective **January 1, 2011**, covered dependent children under the age of 19 will be exempt from the Plan's pre-existing condition exclusion. In other words, medical expenses for treatment of a medical condition incurred prior to coverage under this Plan by a covered child under the age of 19 will not be an excluded medical expense.

RETIREE CONTRIBUTION RATE INCREASE EFFECTIVE APRIL 1, 2011

Effective **April 1, 2011** the retiree contribution rate will be increased to \$500 per month.

If you have any questions concerning the information provided herein, please feel free to contact the Fund office.

Best regards,

BOARD OF TRUSTEES

Union Trustees

Mr. W. L. "Bill" Dever
Mr. Don Canty, Jr.
Mr. Roberto Rosa

Management Trustees

Mr. Frank Carpenter
Mr. Robert R. Coppersmith
Mr. Vance Anderson

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