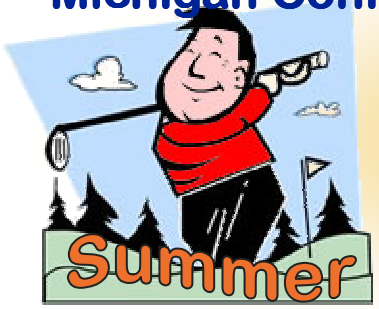
Michigan Conference of Teamsters Welfare Fund



Messenger

VOLUME 28, ISSUE 2
SUMMER 2010

Message from MCTWF's Executive Director

Dear Teamster Families,

Employer Trustee Chairman Bob Lawlor passed away on May 31, 2010. Bob served MCTWF's participants and families since 1988, not only with wisdom and extraordinary devotion, but with unswerving principle and dignity. Bob had the respect, admiration, and friendship of each of the Trustees and of each of our many staff with whom he interacted. His passing is a great personal and professional loss to all of us. Bob has been succeeded on the Board of Trustees by Bob Jones, YRC Vice President of Labor Relations for the Central Region. The new Chairman of the Employer Trustees is Howard McDougall.

The following summary update on healthcare reform rules was provided last month, in similar form, to Local Union officers and agents. Much of the new law still requires explanation by the federal departments and their agencies responsible for doing so, but I believe that you will find this summary helpful. I will continue to provide you with updates. You can also check our website (see Health Care Reform on the *Home* page) for updates prepared by Groom Law Group, MCTWF's employee benefits counsel.

For the past few months the Health & Human Services, Labor, and Treasury Departments have been issuing interim final rules to provide clarity and detail to some of the market reform provisions of the Patient Protection and Affordable Care Act, which was enacted on March 23rd and then amended on March 30th. Many of the more transformative provisions of the Act first become effective beginning in 2014, such as employer mandates, individual mandates and subsidies, state health insurance exchanges, and many insurance plan design and benefit mandates. It won't be until 2018 when the infamous "Cadillac" tax on high cost plans becomes effective. Regulations have yet to be drafted on these provisions.

However, interim final rules have been issued addressing - the grandfathered status of group health plans and health insurance policies, the dependent child coverage extension up to age 26, preexisting condition exclusions, annual and lifetime dollar limits, rescission of coverage, choice of primary care physicians, coverage of out-of-network emergency services, coverage of preventive health services, and the benefit appeals process.

Each of these rules applies to group health plans and health insurance policies, other than retiree only plans, effective, in whole or in part, the first day of the plan or policy year following September 23, 2010. So, in the case of MCTWF, these rules, to the extent that they apply to MCTWF, will become effective April 1, 2011, the first day of our next plan year.

While certain of these rules apply to every group health plan and health insurance policy, "grandfathered" plans and policies are exempt from other Act rules for so long as they maintain that status. So, maintaining that status certainly has value to plans and insurers, although each will have to determine whether maintaining that status is worth refraining from making desired changes that would cause the loss of that status.

All group health plans and health insurance policies were initially deemed grandfathered if they covered enrollees on the date of the Act's enactment. We believe that all of MCTWF's current plans are grandfathered and each will remain so unless participation in the plan ceases, or an "impermissible change" is made to it, as described by the Act.

Continued on Page 2

Inside this issue:

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see page 3 for more details.

MCTWF Telephone Automated Attendant Change

Please note that in order to connect directly with any MCTWF staffer through our phone auto attendant system, you must press "6" before entering that person's extension number.

Message Continued from Page 1

Such impermissible changes include - the elimination of all or substantially all benefits for a particular condition, the increase of a coinsurance percentage, the increase of a deductible or out-of-pocket limit by more than medical inflation + 15%, the increase of a copayment by the greater of (a) medical inflation + 15% or (b) $5, the decrease of an employer contribution for that plan by more than 5%, or the imposition of an overall annual limit when none existed, or the decrease of a current overall annual limit (all of the foregoing changes would be determined by comparison to March 23, 2010 levels). MCTWF's Trustees are not currently contemplating any such changes to existing plans, so we expect our current plans to remain in grandfathered status when the first market reforms become applicable to MCTWF on April 1, 2011.

Of the several reforms that MCTWF plans will be exempt from complying with due to their grandfathered status, those plans, nonetheless, already are in compliance with all but two - one would require the expansion of our wellness program to include a broader range of no-cost preventive care services and the second would require the implementation of a more rigorous appeal process, including the right to an external review of the Trustees' decision by an Independent Review Organization.

So, we are left with four reforms that are applicable to MCTWF, regardless of grandfathered status -

- The extension of coverage to dependent children up to age 26. Under this rule, the plan may not take into account the child's student status, marital status, tax dependency, or residency. The one exception is that, until 2014, grandfathered plans are not required to provide extended coverage to dependent children who are eligible under other employer sponsored coverage. The plan must provide a one-time re-enrollment for children who have aged out of coverage, or who were denied coverage under the plan's rules. This re-enrollment window must be open for at least 30 days which must begin no later than the first day of the plan year in which this becomes effective. [Please see the related article in this *Messenger* for more details.]
- The elimination of pre-existing condition exclusions. The definition of pre-existing condition exclusions has been expanded (from the denial or limitation of benefits related to a specific condition) to now include the denial for coverage as a whole based on a person's health status prior to the denial. This will have no affect on MCTWF plans since they do not exclude pre-existing conditions under the old or new definition. For those affected, the prohibition will at first be limited to enrollees under age 19, and then expanded to all other enrollees in 2014.
- The elimination of overall lifetime and annual dollar limits on "essential health benefits". This rule, which will be fully effective with regard to lifetime limits, will be phased in with annually increasing permissible annual limits of $750,000, $1.25 million, and $2 million before annual limits are completely eliminated. The rule doesn't define "essential health benefits", but provides the general categories that you would expect to be included as follows: ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental health and substance abuse disorder services, prescription drugs, rehabilitative and habilitative services and devices, laboratory services, preventive and wellness services and chronic disease management, and pediatric services (including pediatric oral and vision care). We do not believe that any MCTWF plan, other than the Retiree Medical Program (to which the Act does not apply), has annual dollar limits on any "essential health benefits," but we are awaiting further regulatory guidance.
- The last applicable reform is the prohibition on the rescission of healthcare coverage, which means that, generally, a plan or insurer may not retroactively cancel or otherwise discontinue coverage, except when due to the failure to make timely payment of contributions or premiums, or where the enrollee has performed an act or practice that constitutes fraud or makes a misrepresentation of a material fact. The rule also provides that rescissions and prospective cancellations of coverage require prior notice to enrollees. Further rule clarification is expected and will be needed before the Fund can evaluate what practices it must modify.

We welcome our many new participants since publication of our Spring *Messenger* publication including (under Detroit **Local 51**) Metropolitan Baking in Hamtramck; (under Gary **Local 142**) Hope's Hauling in Valparaiso; (under Detroit **Local 214**) Delta Area Transit Authority in Escanaba, City of Menominee, City of Clare, and Benton Harbor-St. Joseph Waste Water Treatment Plant; (under Detroit **Local 243**) Imlach Movers in Trenton; (under Detroit **Local 247**) National Concrete Products in Plymouth; (under Wyandotte **Local 283**) Lime Transport in Gross Ile; (under Columbus **Local 284**) Evan's Adhesive in Columbus; (under Detroit **Local 299**) Detroit Golf Club; (under Flint **Local 332**) Marathon Flint Oil; (under Detroit **Local 337**) American Bottling-Dr. Pepper/Snapple in Redford and film production groups Real Steel Productions, Next Films, Santa Stash, Agent Two, MGP Productions, LOL Productions, Street Films, Major Tan, Vamps, Home Run Derby, Things Fall Apart, Touchback, and Cheyenne Pictures; (under Grand Rapids **Local 406**) Model Coverall in Grand Rapids; and (under Saginaw **Local 486**) Bay Dust Control in Kawkawlin, and Delta Sanitation in Escanaba.

Please thoroughly review this *Messenger.* It may contain information that directly affects you. On behalf of the Trustees and staff, I wish you good health, good luck and a great Fall season.

Richard Burker

Notice of Creditable Coverage

All MCTWF Plans With Prescription Drug Coverage

The following Notice is published in accordance with regulations promulgated by the Centers for Medicare and Medicaid Services, pursuant to the Medicare Prescription Drug, Improvement, and Modernization Act of 2003:

Important Notice from the Michigan Conference of Teamsters Welfare Fund (MCTWF) About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with MCTWF and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice. There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. MCTWF has determined that the prescription drug coverage offered by the above stated Plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When can you join a Medicare drug plan?
You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What happens to your current coverage if you decide to join a Medicare Drug Plan?
If you decide to join a Medicare drug plan, under MCTWF rules you nonetheless may not drop your MCTWF prescription drug coverage. If you have both MCTWF prescription drug coverage and Medicare prescription drug coverage, MCTWF prescription drug coverage will be primary and your Medicare prescription drug plan will be secondary. If you are a COBRA beneficiary you may drop your MCTWF coverage in full, including prescription drug coverage, and enroll in a Medicare prescription drug plan. However, you will not be able to get your MCTWF COBRA coverage back later. If you do elect COBRA continuation coverage, your COBRA prescription drug coverage will be secondary to your Medicare prescription drug plan coverage. You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Your current prescription drug plan provides comprehensive coverage for eligible prescription drugs, subject to preauthorization requirements for non-sedating antihistamines, proton pump inhibitors, selective serotonin reuptake inhibitors, anabolic steroids, anti-obesity, ADHD/narcolepsy (age 20 and above), oral acne, topical acne (age 26 and above) and oral anti-fungal drugs with both retail and mail order availability, subject to generic and brand copays, as detailed in your Summary Plan Description. Your current coverage pays for other health expenses, in addition to prescription drugs, and you still will be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

When will you pay a higher premium (penalty) to join a Medicare Drug Plan?
You should also know that if you drop or lose your current coverage with MCTWF and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

For more information about this notice or your current prescription drug coverage…
Contact MCTWF's Customer Communications Department at (313) 964-2400 or (800) 572-7687. NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through MCTWF changes. You also may request a copy of this notice at any time.

For more information about your options under Medicare prescription drug coverage…
More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help visit Social Security on the web at www.socialsecurity.gov, or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

September 1, 2010
Michigan Conference of Teamsters Welfare Fund
Customer Communications Department

Reminders!

Retiree Eligibility Ceases Upon Medicare Eligibility

In addition to the other causal events stated in your Summary Plan Description, Retiree Medical Program (Program) participation and benefits entitlement cease as of the earlier of a) the first of the month in which the individual's (retiree's or spouse's) 65th birthday falls or b) the date that the individual becomes eligible for early Medicare Part A coverage. However, unless we are informed, we do not know when an individual becomes eligible for early Medicare coverage. Therefore, it is imperative that the individual immediately call to inform MCTWF of his or her early Medicare eligibility date and that use of Program benefits immediately cease. MCTWF then will ask the individual for a copy of the Medicare card or letter from the Social Security Administration stating the effective eligibility date. MCTWF will pursue recovery from the individual for any Program benefits paid for services incurred on or after the individual's Medicare eligibility date.

Timely Receipt of Documents or Self Payments

MCTWF's requires actual receipt of a document or self-payment by its due date to be deemed as timely filed or paid; not mere evidence that it was mailed prior to the due date. If the due date falls on a non-MCTWF business day and the document or self-payment is received the following business day, the document or self-payment will be deemed as having been timely received.

Expanded Preventive Dental Services for Sjogren's Syndrome

As stated in your Summary Plan Description, MCTWF's dental plans provide expanded preventive dental services (four teeth cleanings per calendar year, either routine or periodontal, subject to annual benefit maximums) for diabetics and pregnant women with periodontal disease, individuals with kidney failure or who are undergoing dialysis, those with suppressed immune systems due to chemo or radiation therapy, those with HIV, those who have had organ or bone marrow transplants, those with certain heart conditions and those undergoing head and neck radiation treatment, since each of these conditions can increase the risk for dental infections or decay.

MCTWF has added Sjogren's syndrome to this list of conditions. Sjogren's syndrome is a disorder of the immune system which suppresses the production of saliva, which is essential to the preservation of teeth and gums.

Your dentist is responsible for submitting the claim and appropriate documentation of the existence of Sjogren's syndrome to MCTWF's Utilization Review Department in order for the claim for additional cleanings to be covered.

Eased Restriction on Retiree Medical Program Participation

MCTWF's Summary Plan Description defines "Retirement Date", in part, as "the date an Employee ceases to be Covered as an Active Employee as a result of retirement, after application of all remaining benefit bank weeks" [emphasis added]. The Retiree Medical Program (Program) eligibility rules currently state, in part, that "the right of a retiring Participant to newly enroll in the Program is suspended upon the expiration of his Collective Bargaining Agreement (CBA) and will remain so unless the parties agree to renew participation in MCTWF, retroactive to the prior CBA's expiration date. In such case, the Retiree's right to enroll is retroactively restored."

Accordingly, even though a retiring participant's last day of work, including any unused paid time off, is prior to the expiration of his CBA, his remaining benefit bank weeks may extend his MCTWF Retirement Date to a date following the expiration of his CBA, resulting in the above described suspension until the parties agree to renew participation in MCTWF.

The Trustees, therefore, have modified the definition of Retirement Date to exclude the application of remaining benefit weeks, if by their application, the retiree's eligibility to enroll in the Retiree Medical Program would be suspended.

Revised Criteria for Prescription PPI Coverage

Prescription proton pump inhibitors (PPIs) generally are excluded from coverage under MCTWF's prescription drug benefit rules due to the availability of over-the-counter (OTC) PPIs. However, MCTWF does grant exemptions to this rule by permitting (a) limited coverage (i.e., standard coverage for generic Omeprazole, or 15% of charges for alternative PPI) when medical necessity is established through a prior authorization process in which the prescribing physician asserts an adverse reaction or intolerance to OTC PPIs, or an adverse drug interaction or potentially adverse drug interaction with OTC PPIs, or a documented failure of treatment (minimum trial period of eight weeks) with OTC PPIs and (b) standard coverage when, in addition to satisfying (a) above, the physician documents the existence of esophagitis, or a complication thereof (e.g., esophageal narrowing, esophageal ulceration, or Barrett's esophagus).

The Trustees have revised the above criteria for coverage by reducing the minimum trial period for limited or standard coverage to two weeks and by expanding the medical conditions for which standard coverage will be provided to include gastric and duodenal ulceration and Zollinger-Ellison syndrome.

Coverage for Adult Dependent Children to Age 26

Pursuant to the Patient Protection and Affordable Care Act (the Affordable Care Act), effective April 1, 2011, MCTWF will make coverage available to adult dependent children of MCTWF participants, until they reach age 26, regardless of their financial dependency, residency, student status, marital status, employment, or eligibility for other coverage (except that, as a "grandfathered" plan, MCTWF will exclude adult children who are eligible to enroll in an employer-sponsored health plan other than their parent's group health plan until 2014). Current plan rules regarding dependent child coverage, however, will apply until April 1, 2011.

This extended coverage entitlement applies not only to those adult dependent children who have MCTWF coverage on March 31, 2011, but also to those who, as of that date, have lost coverage or were denied coverage under MCTWF rules. In January, 2011, all known dependent children with birthdates of April 1, 1985 or after, whom MCTWF identifies as having lost, or who are expected to lose dependent coverage by March 31, 2011, or who have been denied coverage, will be notified by MCTWF, by letter to their last filed mailing address (as will their parent), of a special, one time enrollment period of at least 30 days duration, to begin no later than April 1, 2011, with coverage retroactive to April 1, 2011. For those children who are covered on March 31, 2011, extended coverage will be automatic; no enrollment will be required.

Summary Plan Description Corrections

Please note the following corrections to the April 2010 Summary Plan Description booklet:

- Section 7.4: *Covered Dental Expenses* (page 57) should state, in relevant part, that Class I Covered dental services include "sealants for first and second permanent molars of Dependent children up to age 15 with high risk teeth." [Note: prior authorization required.]
- Section 7.6: *Dental Expenses Not Covered* (page 60) should state, in relevant part, "charges for sealants, except for first and second permanent molars of Dependent children up to age 15 with high risk teeth…."
- Part 5: *Total and Permanent Disability Benefits* (page 48) should state (in the first paragraph) that "Upon approval of your application for TPD benefits, all rights to the Retiree Medical Program are forfeited."

The Summary Plan Description on MCTWF's website has been updated accordingly.

We're on the Web!!
www.mctwf.org

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
DETROIT, MI
PERMIT #2655

The *Messenger* notifies you of changes to your plan of benefits. Please retain all issues of the *Messenger*, along with your SPD booklet and other plan materials, for future reference.

MICHIGAN CONFERENCE OF
TEAMSTERS WELFARE FUND

2700 TRUMBULL AVE.
DETROIT, MICHIGAN 48216
313-964-2400
TOLL FREE 800-572-7687

If in reviewing any Explanation of Benefits provided to you from MCTWF, or any of its vendors, you identify possible fraud, please contact the appropriate toll free **Anti-fraud Hotline** as follows:

For MCTWF Claims	800-637-6907
For Delta Dental or Optical Claims	800-524-0147
For BCBSM Hospital Claims	800-482-3787

MICHIGAN CONFERENCE OF TEAMSTERS WELFARE FUND

Union Trustees:
WILLIAM A. BERNARD
ROBERT F. RAYES
H.R. HILLARD
DENNIS HANDS

Employer Trustees:
HOWARD McDOUGALL
RAYMOND J. BURATTO
EARL D. ISHBIA
ROBERT W. JONES

"Grandfathered" Status Under The Affordable Care Act

Please be advised that this group health plan, the Michigan Conference of Teamsters Welfare Fund (MCTWF), believes that this plan is a "grandfathered health plan" 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 MCTWF Plan Administrator at 2700 Trumbull Avenue, Detroit, Michigan 48216. 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.

Secured Email Available to Participants

For those who choose to communicate with MCTWF by email, we now offer you the ability to secure those emails through MCTWF's arrangement with a leading provider of email encryption services, Zix Corporation. To do so, go to the *Home* page or *Contact Us* page on MCTWF's website at *www.mctwf.org*, click on the *For Secure Email Communications to MCTWF* link and connect to the MCTWF *Secure Email Message Center*, on which, if you have not already done so, you may register your email address and personal password, and make use of the tutorial.

Please be aware, however, that it is MCTWF's policy not to utilize email to communicate personal health information to participants, even if the participant chooses to do so. For that purpose, MCTWF will continue to communicate by telephone call or first class mail.