

Local 25 S.E.I.U. Welfare Fund

111 East Wacker Drive, 25th Floor, Chicago, IL 60601-4205

January, 2011

FUND NEWS AND NOTES

WAIVER APPROVED FOR ANNUAL LIMITS

The Affordable Care Act prohibits health plans from applying arbitrary dollar limits for coverage for key benefits. This year, if a plan applies a dollar limit on the coverage it provides for key benefits in a year, that limit must be at least \$750,000.

Your health insurance coverage, provided by Local 25 SEIU Welfare Fund, does not meet the minimum standards required by the Affordable Care Act described above. Instead, it puts an annual limit of \$400,000 (\$200,000 for Plan 2) on the Medical Expense Benefit (major medical benefit).

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 premiums or a significant decrease in your access to benefits. This waiver is valid for one year.

If the 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. Illinois is still developing a Consumer Assistance Program. No state contact information is available at this time.

If you have any questions or concerns about this notice, contact the Member Services Department at the fund office:

**Local 25 SEIU Fund Office
Member Services Department
111 East Wacker Drive, Suite 2502
Chicago, IL 60601-4200
(312) 233-8888**

NOTICE REGARDING GRANDFATHERED STATUS

The Trustees of the Local 25 S.E.I.U. Welfare Fund believe this is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (PPACA). As permitted by the PPACA, 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 PPACA 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 PPACA, 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 Fund Office at 111 East Wacker Drive, Suite 2502, Chicago, IL 60601-4200, telephone (312) 233-8888. 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.

TO ALL PLAN PARTICIPANTS OF THE LOCAL 25 SEIU WELFARE FUND

We are all attempting to deal with and follow the federal government requirements surrounding the health care reform legislation passed during 2010.

As you know, the Local 25 SEIU Welfare Fund incorporates a very unique health care delivery system via the staff model HMO called Union Health Service (UHS) for all physician services and urgent care issues.

If and when hospitalization is required either in a life threatening emergency or a scheduled operation, our contract with BCBSIL helps your 100% employer paid healthcare dollar go further by utilizing these discounted arrangements.

The above notice regarding the waiver approval contains the same information as previously distributed in October 2010, but is required by law to be in clear, conspicuous, and prominent type to help you understand our Fund's situation.

Also, whenever benefits are discussed or communicated to you, we must also repeat the "Grandfather" notice to remind you that we continue to maintain this status during the transition phase of the Patient Protection and Affordable Care Act (PPACA) of 2010.

Sincerely,

*Board of Trustees
Local 25 SEIU Welfare Fund*