Local 25 S.E.I.U. Welfare Fund
111 East Wacker Drive, 25th Floor, Chicago, IL 60601-4205

October, 2010

FUND NEWS AND NOTES

WHY YOU SHOULD COORDINATE ALL MEDICAL CARE THROUGH UHS

To All Plan Participants in the Local 25 S.E.I.U. Welfare Fund:

Please read this notice carefully and keep it with your Summary Plan Description booklet (SPD) for future reference.

It is very important that you and your family use UHS for your health care needs. UHS physicians will not only treat you on an outpatient basis, but will admit you to the hospital if you need inpatient care. UHS physicians are available by telephone 24 hours a day, 7 days a week.

If you have a serious (life-threatening) emergency, call 911. ***Then you, or someone acting for you, should contact UHS as soon as it is medically possible.***

For all other health problems, call UHS. You can reach an operator anytime.

DURING BUSINESS HOURS

- **Dial 1-312-423-4200**
- **Dial 1 (English) 2 (Spanish) 3 (Polish) 4 (Serbo-Croatian)**
- **Dial 0 for the operator who will then transfer you to the proper extension for your health care needs.**

AFTER HOURS

Dial 1-312-423-4200. When the answering service responds, provide your name, telephone number, your UHS doctor's name, and an explanation of your health problem. A UHS doctor will call you back to let you know what to do.

If you receive emergency care for a medical problem before calling UHS **and the condition is determined not to have met the Fund's definition of an emergency,** ***the treatment will be considered to have been received out-of-plan.*** Don't forget that the following rules apply to out-of-plan treatment:

- Out-of-plan charges for doctors' services are NOT covered.
- A $500 deductible applies to the care provided by the hospital emergency room or emergency treatment center. (The $500 deductible applies only to covered expenses—which means that it is in addition to what you will pay for charges for doctors' services.)
- You will also pay 20% of covered expenses after you have met the $500 deductible.

No benefits will be payable for treatment provided by non-UHS doctors, except in emergencies, as defined by the Plan.

Definition of Emergency *(see your SPD for a complete definition)* – A medical condition which, if immediate medical attention is not provided, can reasonably be expected to lead to death, serious dysfunction of an organ or other serious medical consequences. The condition must be severe, sudden in onset and involve one or more of the major organ systems. In no event will a condition be considered an emergency if the first treatment by a doctor is provided more than 24 hours after the onset of the symptoms.

BENEFIT PLAN IMPROVEMENTS

The Trustees of the Local 25 S.E.I.U. Welfare Fund have adopted the following Plan changes that are **effective October 1, 2010.**

AGE LIMIT FOR CHILDREN INCREASED
CHANGE TO DEFINITION OF DEPENDENT

The Plan's definition of an eligible dependent child is changing as follows effective October 1, 2010:

- The Plan will now cover your children through age 25.
- Children are not required to be students.
- They do not have to be living with you, financially dependent on you, or unmarried.
- The Plan will exclude any child age 18 or older who is eligible for group coverage through his or her employer, or who is eligible for group coverage through his or her spouse's employer.
- The coverage requirements for children for whom you have guardianship are being revised.

New Definition of 'Dependent' - Because of the changes described above, the Plan's definition of "dependent" has been restated to read as follows:

DEPENDENT - A dependent is:

1. Your legal spouse (if you and your spouse divorce or legally separate, your spouse is not a dependent as of the date of divorce or legal separation); and
2. Your child:
   - Who is less than 26 years old, excluding a child age 18 or over who is eligible to enroll in a health plan provided through or sponsored by the child's employer, or who is eligible for group coverage through his or her spouse's employer; or
   - Who is age 26 or older and who is incapable of self-sustaining employment because of mental retardation or physical handicap (hereafter called a "handicap" or "handicapped"). The child must be a "child" as defined below and must have become handicapped before becoming age 26. He or she must remain handicapped, be incapable of self-support, and be dependent on you for the major portion of his or her support. At your expense, you must furnish the Fund Office with proof of the child's handicap within 31 days before the child becomes age 26, and from time to time in the future if the Fund Office requests it.

Definition of 'child' - Under this Plan, "child" means:

a. **A legitimate child** born of a valid marriage of yours;
b. **A natural child of yours who is not a legitimate child** born of a valid marriage, provided you submit satisfactory proof of your parenthood (birth certificate, Voluntary Acknowledgement of Paternity, etc.);
c. **A child legally adopted by you** or placed in your home for the purpose of adoption;
d. **A stepchild,** meaning a child of your current spouse who was born to your spouse or who was legally adopted by your spouse before your marriage to that spouse; and
e. **An eligible foster child,** meaning a child who is placed with you by an authorized placement agency or by judgment, decree, or other order of a court of competent jurisdiction.

Spouses or children who are eligible for Plan benefits as employees are not considered dependents, nor are spouses or children who are full-time active members of the armed forces of any country.

LIFETIME DOLLAR LIMIT REPLACED WITH ANNUAL LIMIT

The Plan's $400,000 **lifetime** maximum ($200,000 for Plan 2) under the Medical Expense Benefit (major medical benefit) is being replaced with a $400,000 **annual** limit ($200,000 for Plan 2) effective October 1, 2010 for services incurred for the Plan year October 1, 2010 through September 30, 2011.

The Plan's annual maximums for specific types of benefits or conditions other than major medical are **not** changing. See your Summary Plan Description (SPD) booklet for details.

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Notice to Individuals Who Previously Met the Lifetime Dollar Limit

The lifetime limit on the dollar value of benefits under the Local 25 S.E.I.U. Welfare Fund no longer applies. Individuals who previously reached the lifetime maximum for medical benefits are eligible for benefits up to the new limits effective October 1, 2010.

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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 (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 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.

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Please keep this notice with your Summary Plan Description booklet for future reference.

Important Notice from the Local 25 S.E.I.U. Welfare Fund about Your Prescription Drug Coverage and Medicare

This notice is for all persons eligible for Medicare, even if Medicare is not the person's primary health plan. The information in this notice applies only to participants who are eligible for Medicare, or who become eligible for Medicare during 2011.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Local 25 S.E.I.U. Welfare Fund 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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three 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. The Local 25 S.E.I.U. Welfare Fund (the Fund) has determined that the prescription drug coverage offered by the Fund is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage is considered Non-Creditable Coverage. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the Local 25 S.E.I.U. Welfare Fund. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.
3. You can keep your current coverage from the Local 25 S.E.I.U. Welfare Fund. However, because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully—it explains your options.

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 decide to drop your current coverage with the Local 25 S.E.I.U. Welfare Fund, since it is employer/union sponsored group coverage, you will be eligible for a two (2)-month Special Enrollment Period (SEP) to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under the Local 25 S.E.I.U. Welfare Fund.

When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

Since the coverage under the Local 25 S.E.I.U. Welfare Fund is not creditable, depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that's creditable, 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 beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

What Happens to Your Current Coverage if You Decide to Join a Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Local 25 S.E.I.U. Welfare Fund prescription drug coverage will terminate—you cannot have prescription drug coverage through both the Local 25 S.E.I.U. Welfare Fund and a Part D drug plan. You will still be eligible to receive all of your other health benefits from the Local 25 S.E.I.U. Welfare Fund, but you will receive your prescription drug coverage through the Medicare drug plan in which you enroll. ***You must notify the Fund Office if you do decide to join a Medicare Part D drug plan.*** Your self-payment for this Plan's coverage will not change if you drop your drug coverage.

If you do decide to join a Medicare drug plan and drop your current Local 25 S.E.I.U. Welfare Fund prescription drug coverage, you and your dependents will be able to get this prescription drug coverage back if you later drop your Medicare Part D drug plan coverage. Contact the Fund Office ***before*** you terminate your Medicare Part D drug plan coverage.

For More Information about this Notice or Your Current Prescription Drug Coverage . . .

Contact the Fund Office at (312) 233-8888 for further information. 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 the Local 25 S.E.I.U. Welfare Fund 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 call them at 1-800-772-1213 (TTY 1-800-325-0778).

Date:	October 2010
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