

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

111 East Wacker Drive, 25<sup>th</sup> Floor, Chicago, IL 60601-4205

October, 2011

## FUND NEWS AND NOTES

The Fund Office wants to remind you that help is available if you are experiencing problems with:

### BODY



Contact Union Health Service (UHS)  
(312) 423-4200

- Laboratory
- X-Ray
- Pharmacy
- Physician Specialist

### MIND



Contact Member Assistance Program (MAP)  
(800) 292-2780

- Alcohol or drug abuse counseling
- Marital and family counseling
- Job-related stress management
- In person counseling
- Adolescent and parenting support
- Child & elder care resources
- Budgeting & financial counseling
- Legal consultation and referral service
- Identity theft recovery

### SPIRIT



REMEMBER. . .

UHS + MAP + YOU

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HEALTHY, HAPPY PARTICIPANT

## **ANNUAL NOTICE OF WAIVER APPROVAL FOR ANNUAL LIMITS**

The Affordable Care Act prohibits health plans from applying dollar limits below a specific amount on coverage for certain benefits. This year, if a plan applies a dollar limit on the coverage it provides for certain benefits in a year, that limit must be at least \$1.25 million.

Your health coverage, provided by Local 25 SEIU Welfare Fund, does not meet the minimum standards required by the Affordable Care Act described above. Your coverage has an annual limit of \$400,000 on all covered benefits in Plans 1 and 3, and \$200,000 on all covered benefits in Plan 2.

This means that your health coverage might not pay for all of the health care expenses you incur. For example, a stay in a hospital costs around \$1,853 per day. At this cost, your insurance would only pay for 215 days for Plans 1 and 3, or 107 days for Plan 2.

Your health plan has requested that the U.S. Department of Health and Human Services waive the requirement to provide coverage for certain key benefits of at least \$1.25 million this year. Your health plan has stated that meeting this minimum dollar limit this year would result in a significant increase in your premiums or a significant decrease in your access to benefits. Based on this representation, the U.S. Department of Health and Human Services has waived the requirement for your plan until September 30, 2012.

If you are concerned about your plan's lower dollar limits on key benefits, you and your family may have other options for health care coverage. For more information, go to: [www.HealthCare.gov](http://www.HealthCare.gov).

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 2500  
Chicago, IL 60601-4200  
(312) 233-8888**

## SUMMARY OF MATERIAL MODIFICATION

A Summary of Material Modification (SMM) is a document that describes a plan amendment or change to the Summary Plan Description (SPD).

The Trustees of the Local 25 S.E.I.U. Welfare Fund adopted the following Plan changes that are effective **October 1, 2011**, to comply with the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).

Covered expenses incurred on and after October 1, 2011 for mental and nervous disorders and chemical dependency will be paid the same as other covered medical expenses, and the current benefit limitations for mental and nervous disorders and chemical dependency will no longer apply. The purpose of the MHPAEA was to provide participants who already have benefits under mental health and substance abuse disorder coverage parity with benefit limitations under their medical/surgical coverage.

In order to comply with the MHPAEA, the following changes are being made to the Plan:

1. Inpatient treatment for mental/nervous disorders and chemical dependency will be paid at the same co-payment levels as inpatient hospital and skilled nursing care (In-Plan: 100%; Out-of-Plan: 80%). Additionally, all other mental/nervous disorder and chemical dependency treatments that are considered covered expenses will be paid in accordance with other covered expenses at 100% for In-Plan expenses and not covered for Out-of-Plan expenses. This provision applies to Plans 1, 3 and 4.
2. Plan 2 will cover mental/nervous disorders and chemical dependency the same as all other covered expenses after the applicable deductibles are satisfied: 80% before the maximum out-of-pocket amount is reached and 100% after the maximum out-of-pocket is reached.
3. All treatment and visit limitations for mental/nervous disorders and chemical dependency have been removed although are still subject to the Plan's medical necessity requirement.
4. Payment of covered mental/nervous disorders and chemical dependency expenses are no longer subject to completion of the treatment program.
5. Also, for Plans 1, 3 and 4, the Plan will cover inpatient services rendered by a physician if a UHS Physician has made arrangements for the care. Also, for these Plans, Out-of-Plan inpatient treatment of chemical dependency in a hospital or treatment facility for chemical dependency must be upon the recommendation of a Physician unless it is an emergency as defined by the Plan.
6. For Plan 2, the Plan will cover outpatient treatment of mental or nervous disorders as long as the treatment is provided or rendered by a physician. Additionally, the Plan will cover inpatient chemical dependency treatment provided that the course of treatment is received in an accredited hospital or treatment facility for chemical dependency and the appropriate Review Program procedures are followed.
7. The Plan's definition of emergency no longer excludes transportation to a hospital for reasons related to the non-legal use of controlled substances.

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

## 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](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered health plans.

NOTE: 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.

## TO ALL PLAN PARTICIPANTS OF THE LOCAL 25 S.E.I.U. 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.

This mailing has several purposes:

1. To remind all participants to call UHS at (312) 423-4200 for all your healthcare needs (Page 1).
2. To remind all participants to utilize the Member Assistance Program (MAP) by calling (800) 292-2780 to access a variety of free counseling services available to you and your family (Page 1).
3. To distribute the Annual Notice of Waiver Approval for Annual Limits – 2012 (Page 2).
4. To distribute the Summary of Material Modifications (SMM) describing benefit improvements mandated by the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) providing coverage parity for mental health and substance abuse benefits with medical/surgical coverage (Page 3).

## CONTACT THE OFFICE FOR ADDITIONAL INFORMATION COMUNIQUESE CON LA OFICINA PARA RECIBIR INFORMACION

PROSZE SKONTAKTOWAC SIE Z BIUREM W  
CELU DODATKOWYCH INFORMACJI

MOLIMO VAS KONTAKTIRAJTE  
NASU KANCELARIJU ZA BILO KAKVU POMOC

LOCAL 25 S.E.I.U. WELFARE FUND  
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(312) 240-1600 • Fax (312) 233-8839  
Claims Direct Dial (312) 233-8899  
Member Services (312) 233-8888  
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PPACA WAIVER NOTICE – 2012  
SUMMARY OF MATERIAL MODIFICATIONS