

The page features decorative geometric shapes on the left and right sides. On the left, there is a vertical grey bar that tapers to a point at the bottom. On the right, there is a complex, layered geometric shape composed of several overlapping triangles and quadrilaterals in various shades of grey, creating a sense of depth and movement.

# Health Benefit Plan

# History of the Fund

## How it used to be

- ▶ From the August 1, 1952 Summary Plan Description:
  - ▶ Eligible dependents listed as wife of member and unmarried children between the ages of 14 days and 19 years
  - ▶ \$14/day for hospitalization
  - ▶ Maximum surgical expense benefit \$300
    - ▶ Appendectomy: \$150
    - ▶ Removal of gall bladder: \$225
    - ▶ Delivery of child or children \$75
  - ▶ X-ray maximum of \$50 per 12 months
  - ▶ Polio: Actual expenses up to \$5,000 over 3 years

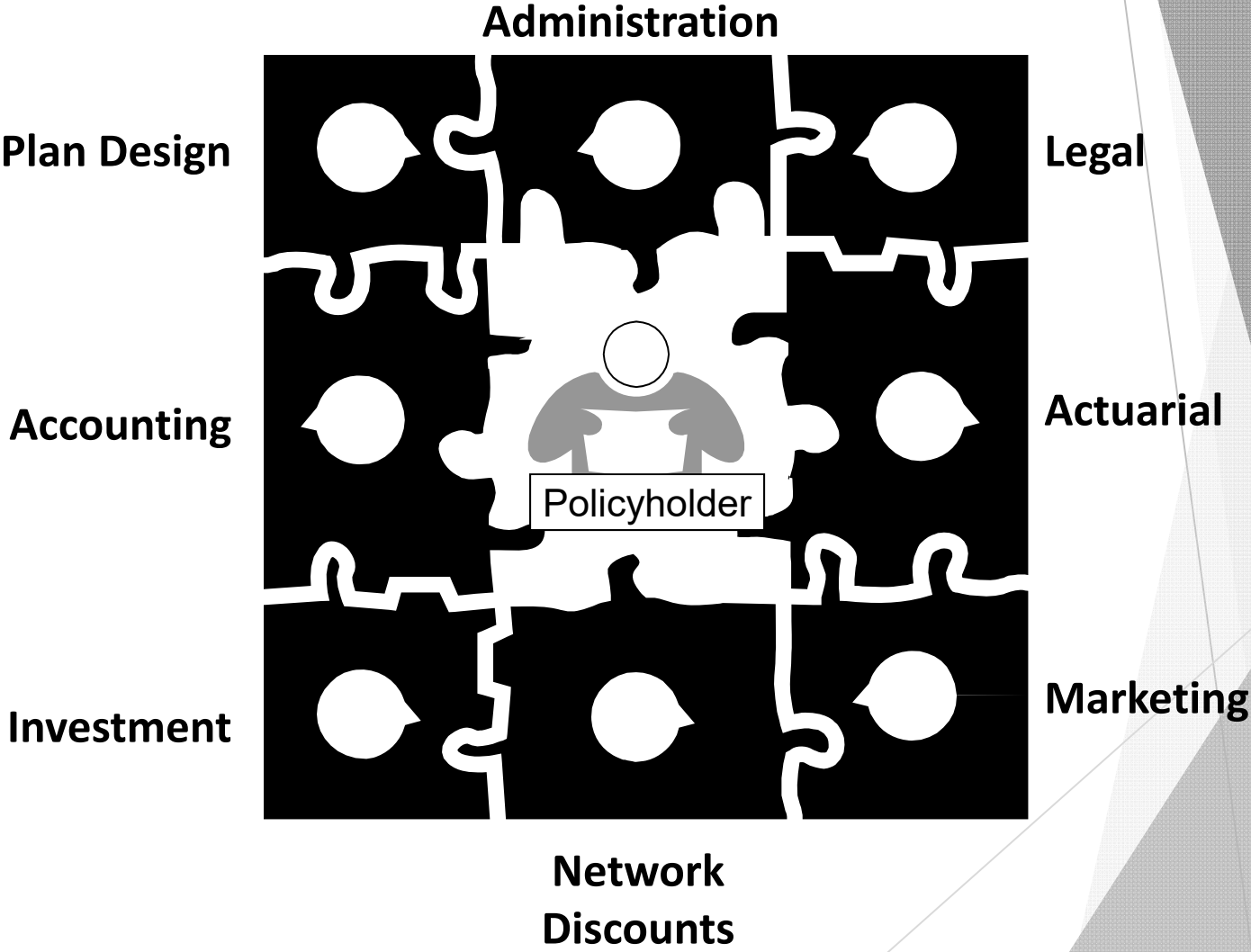
# History of Health Contribution Rates

<u>YEAR</u>	<u>JW Rate</u>	<u>Health</u>	<u>% of Rate</u>
▶ 1960	\$3.90	\$0.12	3%
▶ 1970	\$7.05	\$0.25	4%
▶ 1980	\$12.68	\$1.05	8%
▶ 1990	\$23.39	\$2.50	11%
▶ 2000	\$30.49	\$5.00	16%
▶ 2010	\$41.45	\$12.00	29%
▶ 2015	\$45.17	\$13.00	29%
▶ <b>2016</b>	<b>\$47.13</b>	<b>\$13.00</b>	<b>28%</b>

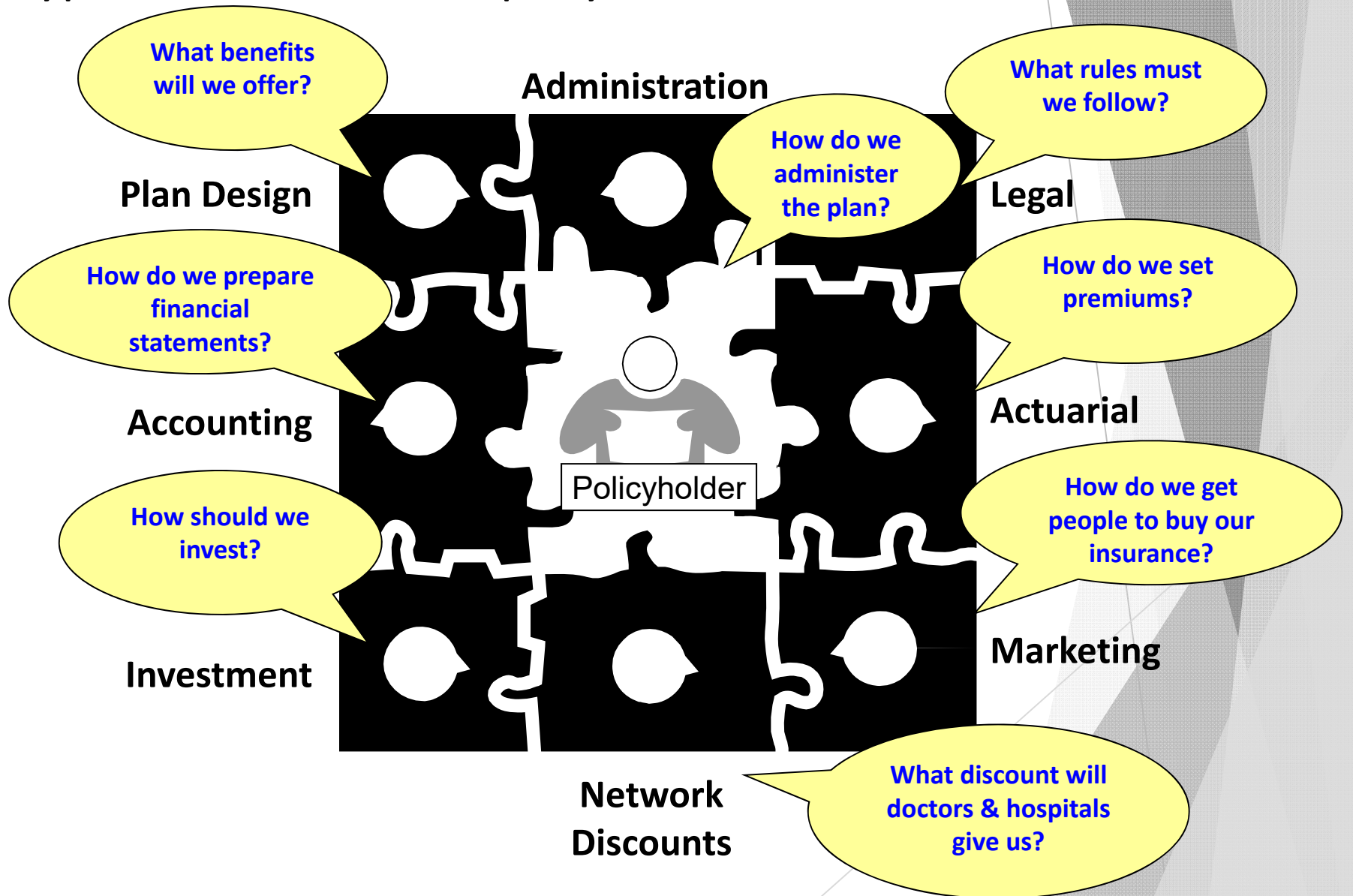
Do we buy insurance from an insurance company for this plan?

- ▶ No
- ▶ This Fund is “self-insured”
- ▶ The Trustees make decisions
- ▶ Fund Office administers the Plan

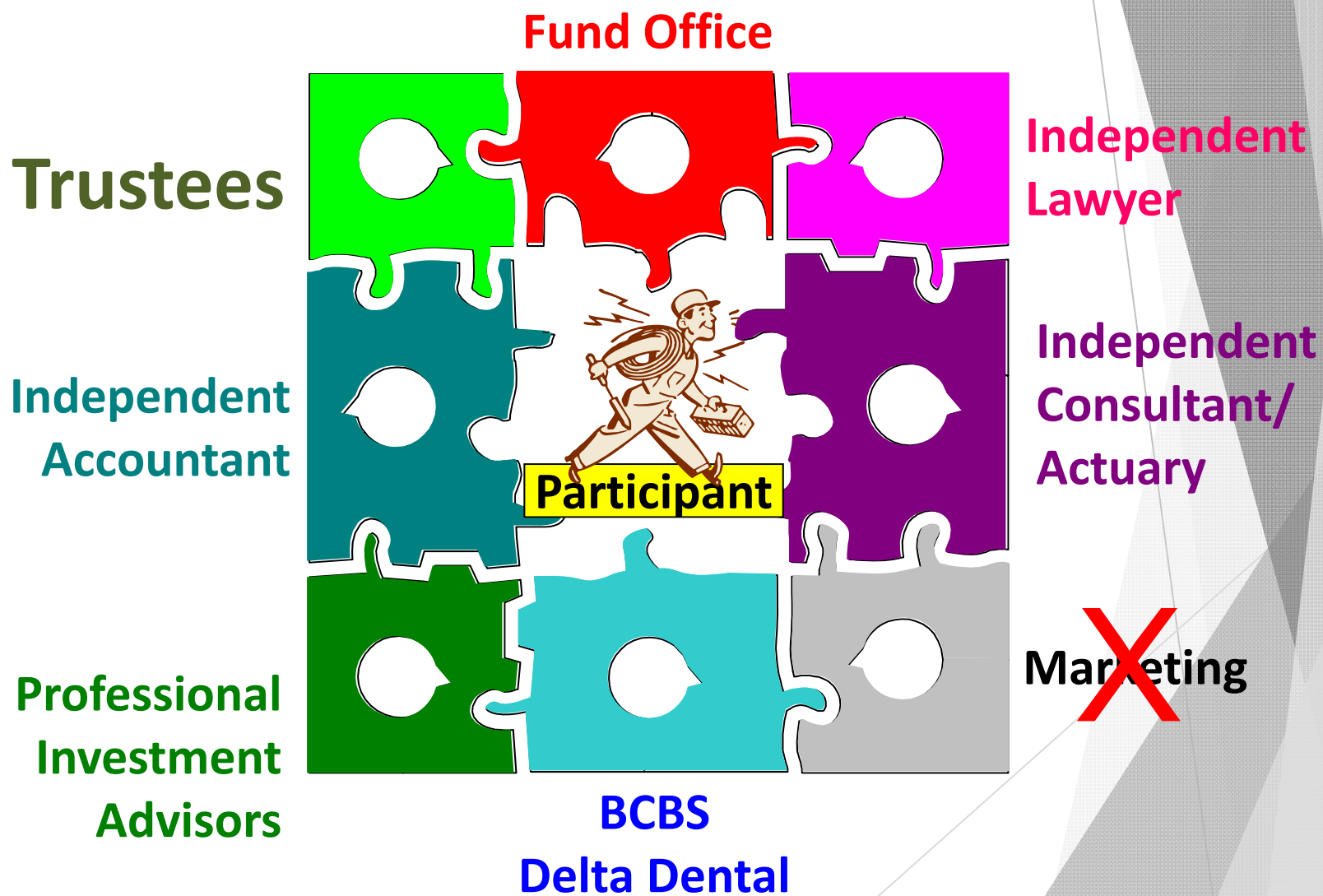
# Typical Insurance Company



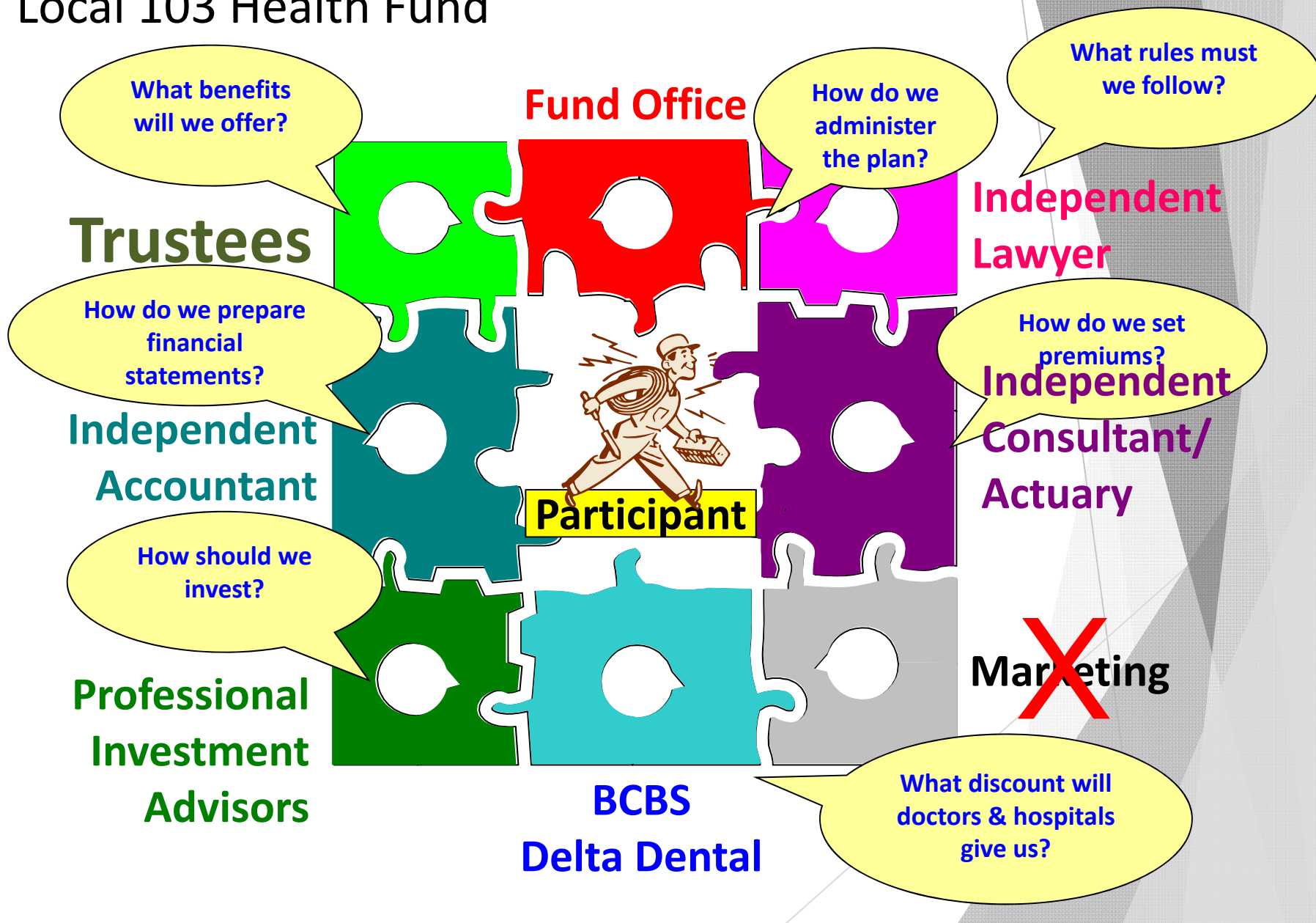
# Typical Insurance Company



# Local 103 Health Fund



# Local 103 Health Fund





## How do Blue Cross and Delta Dental fit in?

- ▶ They are the Fund's "network(s)"
  - ▶ They negotiate with providers (doctors, hospitals, dentists, and so on) to have the Fund and Participants pay less than their "normal" rates
- ▶ Both Blue Cross and Delta Dental are national, which is one reason the Trustees selected them
- ▶ But, the Fund does not get insurance from Blue Cross or Delta Dental, we pay a fee to utilize their network(s) and associated discounts

## The fund has different cards, depending on who you are

- ▶ If you're active (in the "Master Plan") or retired (in the "Normal Retiree Plan")
  - ▶ Blue Cross, CVS CareMark, Delta Dental, DavisVision
- ▶ If you're the spouse or dependent of a Participant
  - ▶ Blue Cross, CVS CareMark
- ▶ If you're on Medicare (in the "Supplemental Plan")
  - ▶ Medicare card, Supplemental Plan Card, CVS CareMark, Delta Dental, DavisVision
  - ▶ Your spouse may stay on active coverage/card until eligible for Medicare

## How do I qualify for “retiree benefits” under the Health Fund

- ▶ You need **15 consecutive years** of Master Plan coverage immediately preceding your retirement **and**
- ▶ You must have worked a **minimum of 15,000 hours** in employment requiring contributions to the Plan during those 15 years
- ▶ Widow coverage for 5 years (spouse & dependents) at the member’s rate and then 5+ at “full” rate (currently, \$1,872/month)

## What health benefits do I have if I retire before age 65?

- ▶ Generally, the benefits you receive from the Health Fund do not change
  - ▶ You will, however, switch from the “Master” Plan to the “Normal Retiree” Plan
- ▶ You and your eligible dependents are covered for
  - ▶ Medical Benefits
  - ▶ Prescription Drug Benefits
  - ▶ Dental Benefits
  - ▶ Vision Care Benefits

## But, you will no longer have coverage for Life Insurance or AD&D

- ▶ Instead, your family will receive a “death benefit” from the plan upon your death
- ▶ You can convert your group life insurance that was provided under the Master Plan into an individual policy by applying to the Insurance Company within 31 days of leaving the Master Plan
  - ▶ You will be provided this application with your retirement paperwork

## What happens after I turn 65?

- ▶ At 65, you are eligible for Medicare, so the plan changes for you
- ▶ The “after age 65” part of the plan is called the “Supplemental Plan”
- ▶ You are eligible for coverage if either:
  - ▶ You were eligible to be covered at retirement, elected and received such coverage, and are still covered by the Plan on the day before you turn 65; or
  - ▶ You retire from employment with a Contributing Employer and are eligible for coverage (“15 years/15,000 hours rule”)

## How does Medicare fit in?

- ▶ When you (or your Eligible Dependent) turns 65, you'll most likely become eligible to participate in "Part A" and "Part B" of Medicare
  - ▶ All such eligible participants **must** sign up for both "Part A" and "Part B" of Medicare
- ▶ Note that this Fund provides your Prescription drug coverage, so DO NOT SIGN UP for Medicare Part D

# Who decides what Medicare does/does not cover?

- ▶ The Federal Government makes those rules
- ▶ The Supplemental Plan is really just what it says – it supplements the benefits provided under Medicare
- ▶ Some treatments/services are not covered by Medicare, so the Supplemental Plan does not cover them
  - ▶ Even if such treatments/services may be covered under the Master Plan or Normal Retiree Plan
- ▶ Also, since Medicare does not cover out-of-country services, the Supplemental Plan does not cover those, either



## If you retire and have a disabled spouse

### ▶ Example:

- ▶ Member has disabled spouse who is otherwise eligible for Medicare, but doesn't qualify because they are covered under the Master Plan, which is considered "employment based" coverage
- ▶ Member retires at age 58; moves from Master Plan (employment based) to Normal Retiree Plan, which isn't employment based
- ▶ Spouse should apply for Medicare immediately upon Member's retirement, since that retirement is a "qualifying event"

## What will I have to pay for the plan?

- ▶ Coverage for retirees (in both the Normal Retiree Plan and the Supplemental Plan) is subject to payment of a monthly premium
- ▶ Coverage must be elected effective on the first month for which you become eligible
- ▶ The amount of the premium, and other conditions for payment of the premium, may be established by the Trustees from time to time as they determine in their sole discretion

## What are the current premiums?

- ▶ **\$300 per month** if the Retiree, or any covered dependent, is not eligible for Medicare
- ▶ **\$150 per month** if the Retiree and all dependents are Medicare eligible and participating in Parts A & B, but not Part D

## How do I pay my premium?

- ▶ Monthly premiums will be deducted from your monthly benefit payment under the Local 103 Pension Plan
- ▶ If your monthly Pension benefit is less than the Health Plan premium or you are not receiving Local 103 Pension benefits, you must pay the monthly premium directly to the Health Plan by the first of each month

## How do I apply?

- ▶ Your eligibility for Retiree health coverage will be determined when you make your Pension application
- ▶ There is certain paperwork that needs to be completed upon retirement
- ▶ Additionally, when you, or any of your dependents, becomes eligible for Medicare, you need to inform the Fund Office and **must** elect Medicare Part B when you become eligible as a retiree
- ▶ Please note that as the Supplemental Plan provides “creditable” prescription drug coverage, it receives significant subsidies from the government each year
  - ▶ The Plan does not receive these subsidies when retirees elect Part D of Medicare. Please do not elect Part D without consulting the Fund Office

# Website



Visit us online at  
[www.trustfunds103.com](http://www.trustfunds103.com)