



# Teamsters Health & Welfare Fund

*of Philadelphia and Vicinity*

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November 27, 2015

**Re: Member Benefit Bulletin: Changes to Your Health & Welfare Benefits**

Dear Fund Participant:

The Board of Trustees of the Teamsters Health and Welfare Fund of Philadelphia and Vicinity ("the Fund") recently made several changes to the Fund's Plan of Benefits. ***The changes will be effective as of March 1, 2016.*** These changes are necessary to ensure the long-term financial stability and value of your health and welfare benefits.

***Why the Changes are Being Made***

The Fund's Plan of Benefits has remained essentially unchanged in the last 10 years. During that time, the cost of health care has grown, especially with respect to prescription drugs. In addition, the passage of the Patient Protection and Affordable Care Act ("the ACA"), which is also sometimes referred to as "Obamacare," has also significantly increased the Fund's costs. The Fund has successfully absorbed many of these increased costs for the last 10 years through increases in the Contributing Employer contribution rate and strong investment returns, but the Fund cannot continue to do so. The Fund operated at a \$7 Million deficit through the end of September 2015 because of increased medical claims and high cost prescription drugs.

The Trustees believe that the current environment requires making some common sense changes to the Fund's Plan of Benefits. These changes are projected to protect the stability of the Fund, while at the same time continuing to provide you, the Fund's participants, with the same high quality benefits you have come to expect.

***What Can I Expect to Change***

The Fund is making changes to its overall benefit design and member cost-sharing provisions. The benefit design changes are in the process of being finalized. You will receive additional information about these changes in your Open Enrollment materials, which will be mailed to you in December. That having been said, you can expect to receive a greater range of benefits than you currently enjoy under the Plan that is in effect today. In exchange, however, the Fund's cost-sharing provisions (which have not changed in 10 years) will increase slightly. In addition, the Fund will implement a voluntary wellness screening program, which will decrease the healthcare costs of Fund participants who choose to participate beginning in the 2017 plan year.

## A Basic Overview of Changes to the Fund's Cost-Sharing Provisions<sup>1</sup>

<b><u>Horizon PPO Program</u></b>		
<b>Category</b>	<b>Current Cost Sharing</b>	<b>2016 Cost Sharing</b>
In-Network Office Copayments	\$15/Primary & \$25/Specialist/Outpatient Therapies	\$20/Primary & \$30/Specialist
Emergency Room	\$100/Visit (Waived if Admitted)	\$100/Visit (Waived if Admitted)
Urgent Care Centers	\$50/Visit	\$50/Visit
In-Network Annual Deductible	\$225/Person & \$450/Family	\$250/Person & \$500/Family
Coinsurance	10% In-Network & 20% Out-of-Network	10% In-Network & 20% Out-of-Network
Out-of-Pocket Coinsurance Max	\$500/Person (after deductible)	\$500/Person (after deductible)

<b><u>Aetna HMO Program</u></b>		
<b>Category</b>	<b>Current Cost Sharing</b>	<b>2016 Cost Sharing</b>
Office Copayments	\$10/Primary & \$20/Specialist	\$15/Primary & \$25/Specialist
Emergency Room	\$100/Visit (Waived if Admitted)	\$100/Visit (Waived if Admitted)
Urgent Care Centers	\$50/Visit	\$50/Visit
Annual Deductible	None	\$100/Person & \$200/Family
Coinsurance	None	10%
Out-of-Pocket Maximum	\$440 Copayment Maximum	\$250 Applies to Coinsurance After Deductible

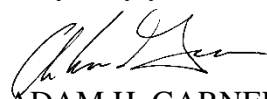
<b><u>Prescription Drug Program</u></b>		
<b>Category</b>	<b>Current Cost Sharing</b>	<b>2016 Cost Sharing</b>
Generic Medications	\$3/30-Day Supply	\$5/30-Day Supply
Preferred Medications	\$10/30-Day Supply	\$15/30-Day Supply
Non-Preferred Medications	Min. \$30 & Max. \$40 per 30-Day Supply	Min. \$30 & Max. \$50 per 30-Day Supply
Specialty Medications	Currently Included In Above Tiers	\$100/30-Day Supply
Annual Prescription Drug Out-of-Pocket Maximum	No Annual Limit	\$1,500/Person & \$3,000/Family; thereafter, no Rx co-payments for the rest of the year

### ***Wellness Program***

As noted above, and in addition to the changes to the Fund's cost-sharing provisions, the Fund will roll out a new wellness screening program beginning in March 2016. The program is intended to provide each participant with important information about their health and will also allow the Fund to better understand the overall health of its participant base. Those Fund participants and their spouses who participate in the wellness screening program will be eligible for significant savings during the plan year beginning January 1, 2017. Additional information regarding the Fund's new wellness program will be provided to you during the Open Enrollment period.

We are sure you will have additional questions after reading this letter and upon receiving your 2016 Open Enrollment packets. The Fund's Member Services Department is available to answer your questions as we move into a new era for the Fund. You may rest assured, however, that your benefits are safe, valuable, and will be there for you and your family when you need them.

Very truly yours,



**ADAM H. GARNER**  
Administrator for the  
Board of Trustees

cc: Board of Trustees & Participating Local Unions

<sup>1</sup> These tables are intended to provide a basic overview of changes to the Fund's cost-sharing provisions. They are not intended to be a comprehensive or exclusive presentation of those changes. Additional information regarding these changes will be provided to you during the Open Enrollment period, which will begin in December.