PHILADELPHIA

# Update

Official Publication of the
Teamsters Health & Welfare Fund
*of Philadelphia and Vicinity*

***www.teamsterfunds.com***

**Nov—Dec 2011**

## *Yearly Open Enrollment Period is here now!*

### *Your Chance to Choose Between Blue Cross PPO or Aetna HMO Coverage*

During late November and mid-December, the Fund will conduct its annual open enrollment period under the Plan's Double Option feature. This is the opportunity where you, and you alone, get to make the most important decision about your family's health care coverage for the coming year.

***If you are presently enrolled in the BlueCard PPO program and don't want to make any change to your present coverage, you don't have to do a thing.*** If you have *PPO* coverage now and don't do anything, as of January 1, 2012 you'll still enjoy coverage under the PPO program.

***If you have BlueCard PPO coverage and want to switch to the Aetna HMO coverage effective January 1, 2012, call 1-800-523-2846 to have an enrollment kit mailed to you.*** You must fill out the enrollment form, choose a Primary Care Physician, ***AND*** have the enrollment form returned to the Fund office before the open enrollment period **ends on December 27th.**

***If you have Aetna HMO coverage now and want to keep that HMO coverage into next year, you don't have to do a thing.*** If you have HMO coverage now and don't do anything, as of January 1, 2012 you'll still enjoy coverage under the HMO program. ***If you have Aetna HMO coverage and want to switch to the Blue Cross PPO coverage effective January 1, 2012, call the Fund office at 1-800-523-2846 for a coverage change form (a copy is also available on the Fund's web site).***

***If you wish to change your coverage for the coming year, YOU MUST ACT NOW!***

***Attention Pension Fund Participants:***

## TEAMSTERS PENSION PLAN of Philadelphia and Vicinity

### Statement of Material Modifications

(Keep this Notice with your Summary Plan Description)

As described more fully below, the Board of Trustees have recently amended the Teamsters Pension Plan of Philadelphia and Vicinity (the "Plan") in two important respects. Please review these changes and file this with your current copy of the Plan's summary plan description.

The Plan was recently amended to change the suspension of benefit provisions for retired employees. Starting July 1, 2011, a retired employee who is working in suspendible employment for a Covered Employer, as defined in the Plan, will not have his or her Plan benefits suspended if the employee works 100 or less hours a month for the Covered Employer in such employment. Prior to this change, benefits were required to be suspended if the retired employee worked more than 64 hours in a month in suspendible employment. Starting July 1, 2011, benefits will only be suspended if the employee works more than 100 hours for a Covered Employer. Benefits will continue to be suspended if a retired employee works more than 64 hours in a month in suspendible employment for an employer who is not a Covered Employer.

The Plan was also amended, effective January 1, 2012, to change the benefit accrual formula for employees who work for an employer that was not a contributing employer on December 31, 2004. Prior to this change, the daily contribution rate used to calculate benefit accruals for employees of such employers was based upon the first contribution rate that their employer contributed to the Plan. Effective for benefits that accrue on or after January 1, 2012, the daily contribution rate used to calculate benefit accruals for employees who work for an employer that was not a contributing employer on December 31, 2004 will be the lesser of that Covered Employer's first daily contribution rate or $45.80.

*Also in this Issue .....*

- ***Summary Annual Report for the Health & Welfare Fund***
- ***Annual notice regarding post-mastectomy reconstructive surgery benefits***
- ***Pension notices– Statement of Material Modifications***
- ***Notice regarding out-of-network benefits under the PPO medical program***

## NOTICE TO PARTICIPANTS OF THE TEAMSTERS HEALTH & WELFARE FUND ENROLLED IN THE BLUE CROSS/BLUE SHIELD PPO MEDICAL PROGRAM

***The following changes were made by the Blue Cross/Blue Shield Association with regard to the operation of the Blue Card PPO Program relating to OUT-OF-AREA SERVICES***

Horizon BCBSNJ has a variety of relationships with other Blue Cross and/or Blue Shield Licensees. These are referred to generally as "Inter-Plan Programs." When you obtain covered services and supplies outside of Horizon BCBSNJ's service area, the claims for these services and supplies may be processed through one of these Inter-Plan Programs. These programs include the BlueCard Program, described below.

Typically, when you access medical care outside Horizon BCBSNJ's service area, you will obtain it from healthcare providers that have a contractual agreement (i.e., are "participating providers") with the local Blue Cross and/or Blue Shield Licensee in that other area ("Host Blue"). But in some cases, you may obtain care from non-participating providers. Horizon BCBSNJ's payment practices in both cases are generally described below.

***A. BlueCard® Program***

Under the BlueCard® Program, when you obtain covered services and supplies within the geographic area served by a Host Blue, Horizon BCBSNJ will still fulfill its contractual obligations. But the Host Blue is responsible for: (a) contracting with its providers; and (b) handling its interactions with those providers. When you obtain covered services and supplies outside Horizon BCBSNJ's service area and the claim is processed through the BlueCard Program, the amount you pay, if not a flat copayment, is calculated based on the lower of:

- The billed covered charges for the covered services or supplies; or
- The negotiated price that the Host Blue makes available to Horizon BCBSNJ.

Often, this "negotiated price" will be a simple discount that reflects an actual price that the Host Blue pays to the provider. Sometimes it is an estimated price that takes into account a special arrangement with that provider or provider group. Sometimes, such an arrangement may be an average price, based on a discount that results in expected average savings for services provided by similar types of providers. Estimated and average pricing arrangements may also involve: types of settlements; incentive payments; and/or other credits or charges. Estimated and average pricing arrangements also take into account certain adjustments to their basic rates. These may be made to correct for an over- or underestimation of changes of the past pricing for the types of transactions noted above. But, such adjustments will not affect the price on the claim that will be used to determine the amount you pay. Also, laws in a small number of states may require the Host Blue to add a surcharge to a claim calculation. If any state law mandates other liability calculation methods, including a surcharge, a covered person's liability for any covered service or supply will be calculated according to applicable law.

***B. Negotiated (non-BlueCard Program) National Account Arrangements***

As an alternative to the BlueCard Program described above, a covered person's claims for covered services and supplies may be processed through a negotiated national account arrangement with one or more Host Blues. If Horizon BCBSNJ has arranged with one or more Host Blues to provide customized networks with respect to the Plan, then the terms of any such arrangement shall apply.
The amount you pay for covered services and supplies under such an arrangement will be calculated based on the lower of either: (a) billed covered charges; or (b) the price that Horizon BCBSNJ has negotiated with the Host Blue under that arrangement. (Please refer to the

*(continued from previous column)*
Description of negotiated price under section A. BlueCard Program.)

***Determinations of Covered Healthcare Services***

If it is determined that healthcare services are covered under the Plan, coverage of those services cannot be denied based on the Host Blue's network protocols. Also, under the BlueCard Program, you cannot be denied coverage of healthcare services received outside of the geographic area served by Horizon BCBSNJ if those services: (a) are covered by the network protocols of the Host Blue; and (b) are not specifically limited or excluded by the Plan.

***Non-Participating Healthcare Providers Outside Horizon BCBSNJ's Service Area***

When you obtain covered services and supplies from non-participating healthcare providers outside of Horizon BCBSNJ's service area, the amount you pay for the services and supplies will generally be based on either: (a) the Host Blue's nonparticipating provider local payment; or (b) the pricing arrangements required by applicable state law. In these cases, you may be responsible for the difference between: (a) the amount that the non-participating provider bills; and (b) the payment Horizon BCBSNJ makes for the covered services and supplies.

***Summary***

To summarize the above, the BlueCard Program is basically a means by which you can benefit from the discounts that another Blue Cross and Blue Shield Association Licensee has negotiated with providers in its area of operation when you obtain covered services and supplies outside of Horizon BCBSNJ's service area. The Program in no way affects the terms of the Plan with respect to your contractual liability for charges incurred for a covered service or supply. The calculation of that liability will be based on the lower of: (a) the billed charge for the covered service or supply received in the other Licensee's area; or (b) a negotiated price that the Host Blue makes available to Horizon BCBSNJ. The calculation of your liability can also be affected by regulatory requirements of the state in which you obtain the covered service or supply. This provision also describes how your and Horizon BCBSNJ's liability for claims may be determined under negotiated non-BlueCard Program national account arrangements or when you obtain covered services and supplies from non-participating providers outside of Horizon BCBSNJ's service area.

***Please attach this insert to your Plan description.***

*Attention Health & Welfare Fund Participants:*

## *Annual Notice Regarding Post-Mastectomy Reconstructive Surgery Benefits*

As required by the Women's Health and Cancer Rights Act of 1998, the Health & Welfare Fund's Plan provides (as it always has) benefits for mastectomy-related services, including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedemas). For more information, contact the Fund's Member Services Department at 1-

## SUMMARY ANNUAL REPORT FOR BOARD OF TRUSTEES OF TEAMSTERS HEALTH & WELFARE FUND

This is a summary of the annual report of the Board of Trustees of Teamsters Health & Welfare Fund of Philadelphia and Vicinity, a health, dental, vision, temporary disability and death benefits plan (employer identification number 23-1392600), for the plan year 01/01/2010 through 12/31/2010. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees of Teamsters Health & Welfare Fund of Philadelphia and Vicinity has committed itself to pay certain dental, prescription, vision, medical, disability claims incurred under the terms of the plan.

### Insurance Information

The plan has a contract with The Union Labor Life Insurance Company to pay certain death benefits claims incurred under the terms of the plan. The total premiums paid for the plan year ending 12/31/2009 were $553,461.

### Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $56,412,285 as of the end of plan year, compared to $47,058,222 as of the beginning of the plan year. During the plan year the plan experienced a change in its net assets of $9,354,063. This change includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of $102,417,368 including employer contributions of $92,486,654, employee contributions of $3,479,295, earnings from investments of $6,451,419. Plan expenses were $93,063,305. These expenses included $6,014,174 in administrative expenses and $87,049,131 in benefits paid to participants and beneficiaries.

### Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report: 1. An accountant's report. 2. Financial information and information on payments to service providers. 3. Assets held for investment. 4. Loans or other obligations in default or classified as uncollectible. 5. Transactions in excess of 5 percent of the plan assets. 6. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of William J. Einhorn, who is a representative of the plan administrator at 6981 North Park Drive, Suite 400, Pennsauken, NJ 08109 and phone number, 856-382-2400. The charge to cover copying costs will be $5.00 for the full annual report, or $0.10 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan: 6981 North Park Drive, Suite 400, Pennsauken, NJ 08109 , and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

William J. Einhorn, Administrator

# THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT YOUR HEALTH AND WELFARE AND PENSION BENEFITS.

# PLEASE TAKE THE TIME TO READ IT AND SAVE IT!

*Find us on the World Wide Web at www.teamsterfunds.com*

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