

Alaska United Food & Commercial Workers Trust Funds

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Administered by
Labor Trust Services, Inc.

December 15, 2010

**TO: ALL RETIRED AND WIDOWED PARTICIPANTS
ALASKA UFCW HEALTH AND WELFARE TRUST**

**RE: Special Enrollment Opportunity, Summary of Material Modification, and
Grandfather Status**

PARTICIPANT NOTICE ABOUT BENEFIT MODIFICATIONS

This Participant Notice is intended to advise you of certain material modifications that have been made to the Alaska UFCW Health and Welfare Trust to comply with the new health care reform law effective January 1, 2011. **This information is VERY IMPORTANT to you and your dependents.** Please take the time to read it carefully and keep it with your important paperwork.

COVERAGE FOR DEPENDENT CHILDREN TO AGE 26

EFFECTIVE JANUARY 1, 2011

***Attention Parents* - Please make sure to provide a copy of this notice to any children entitled to this special enrollment right. Under the law and applicable regulations, this notice is being transmitted to you for delivery to your children.**

Coverage for Adult Children up to Age 26

In accordance with the Patient Protection and Affordable Care Act (PPACA) as amended, the Alaska UFCW Health and Welfare Trust will provide dependent coverage to children of participants up to age 26, effective January 1, 2011. An adult child can qualify for this coverage even if he or she is no longer living with a parent, is not dependent on a parent for support or is no longer a student. Both married and unmarried adult children can qualify for the dependent coverage extension, although that coverage does not extend to an adult child's spouse or children. These recently issued regulations extending dependent coverage to age 26 also provide the possibility of coverage for a child whose coverage ended, a child who was denied coverage or a child who was not eligible for coverage. The Administration Office may require documentation proving dependent child eligibility such as a birth certificate, legal guardianship order, and if the adult child is married, a marriage certificate. *An adult child (ages 19 to 26) who has health coverage available through their employer, but does not elect or accept such coverage, is disqualified from coverage under this Plan.*

Eligible employees must request enrollment for such children within 30 days from the date of this notice; a dependent child enrolled during this period will have coverage effective on January 1, 2011. To request an Enrollment Form, contact the Administration Office at 907-561-5119, ext. 222 or toll free at 800-325-6532, ext. 222.

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**ELIMINATION OF \$1,000,000 LIFETIME MAXIMUM
EFFECTIVE JANUARY 1, 2011**

Effective January 1, 2011, the Plan is eliminating the \$1 million lifetime maximum benefit limit and will be implementing a \$1,000,000 annual maximum on benefits incurred in 2011. The annual limit shall apply to the greater of \$1,000,000 in claims for all medical benefits or \$1,000,000 in claims for Essential Medical Benefits incurred from January 1, 2011 through December 31, 2011. Essential Medical Benefits will be defined in accordance with Federal Regulations.

Individuals whose coverage ended by reason of reaching a lifetime limit under the Plan are eligible to re-enroll. Individuals have 30 days from the date of this notice to request enrollment and coverage will be effective January 1, 2011. To request an Enrollment Form, contact the Administration Office at 907-561-5119, ext. 222 or toll free at 800-325-6532, ext. 222.

CALENDAR YEAR MAXIMUMS REMOVED EFFECTIVE JANUARY 1, 2011

The Plan's lifetime and calendar year maximums are also being removed January 1, 2011 as outlined below:

- Physical Exams – annual dollar limit of \$500;
- Preventive Care Screening – annual dollar limit of \$500;
- Well Child Care – lifetime maximum of \$1,500;
- Nutritional Counseling – lifetime maximum of \$500;
- Substance Abuse Treatment - \$7,000 in 24 consecutive months / \$14,000 lifetime;
- Hospice – lifetime outpatient maximum of \$3,000;

Pediatric Care (the following limits will no longer apply to children under age 18)

- Dental – annual limit of \$1,500;
- Vision – annual dollar limit on services and supplies.

Grandfather Status

The Alaska UFCW Health and Welfare Trust believes the plan 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 Administration Office at (800) 331-6158. 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.

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. Should you have any questions, please contact the Administration Office at 907-561-5119, ext. 222 or toll free at 800-325-6532, ext. 222.

**Administration Office
Alaska UFCW Health and Welfare Trust**