



BAC LOCAL 15 WELFARE AND PENSION FUNDS

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

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July 2011

TO: ALL ELIGIBLE PARTICIPANTS OF THE BAC LOCAL UNION 15 WELFARE FUND

**RE: SUMMARY OF MATERIAL MODIFICATION
AMENDMENTS FOR HEALTH CARE REFORM AND OTHER CHANGES**

It is the intention of the Board of Trustees of your Welfare Plan to change benefits from time to time when the financial soundness of the Fund requires, and at other times to comply with changes to the Federal law. Effective April 1, 2011, the Board of Trustees has agreed to revise the plan's rules to conform to federal laws governing health plans like this on. Please keep this updated information with your Summary Plan Description for future reference.

I. Health Care Reform changes

A. Lifetime/Annual Maximums

The Major Medical Benefit lifetime limit has been eliminated and replaced with a \$750,000 annual maximum benefit per person on essential health benefits. The annual maximum is inclusive of all spending on essential health benefits under the Plan, including the Prescription Drug Benefit. As part of this change, the following changes were also made.

The maximum coverage benefit for new employees, their spouses and any Eligible Dependents during the member's first 12 months of coverage used to be limited to \$75,000 per person. This limit has been removed. The calendar year annual coverage maximum for employees and their Eligible Dependents used to be limited to \$250,000 per person, but will now be subject to the following limitations:

April 1, 2011 – March 31, 2012.....	\$750,000 per person
April 1, 2012 – March 31, 2013.....	\$1,250,000 per person
April 1, 2013 – March 31, 2014.....	\$2,000,000 per person
April 1, 2014 and thereafter	None

B. Routine Care Benefit

The Routine Care Benefit has been amended by adding the following section to the end of the benefit:

Routine Care Benefit eligible charges in excess of \$315 shall be subject to the Plan's Deductible and Co-Payment requirements. The following Co-Payment percentages apply only after the Deductible has been met.

Co-Payment (Fund pays)

In-PPO-Network	90%
Out-of-Network	70%

Co-Payment (<i>Employee pays</i>)	
In-PPO-Network	10%
Out-of-Network	30%

C. Mental Health Benefit

Mental Health Benefit has been amended by deleting the sentence “*Employee Co-Payment does not apply to Out-of-Pocket Limits.*” and deleting the two Maximum Lifetime Admissions limit and by deleting the Outpatient Treatment limits of 10 annual visits or 30 lifetime limits. The Mental Health Benefit is treated as any other Major Medical Benefit.

D. Alcohol and Drug Treatment Benefit

The Alcohol and Drug Treatment Benefit has been amended by deleting the sentence “*Employee Co-Payment does not apply to Out-of-Pocket Limits.*” and deleting the \$3,000 Maximum Annual Benefit limit and the \$9,000 Maximum Lifetime Benefit limit. The Alcohol and Drug Treatment Benefit is treated as any other Major Medical Benefit.

E. Dental and Vision Benefits

The section on Dental and Vision Benefits is amended by adding the following sentence to the end of each Benefit: “The benefit maximums do not apply to Covered Persons under age 19.” The Dental Benefit is now limited to two prophylactic dental examinations per calendar year. The Vision Benefit is now limited to one pair of prescription or non-prescription safety glasses per calendar year, or up to a one-year supply of contact lenses.

F. Eligible Children

The rules on coverage of Eligible Dependents have been amended so natural, adopted or step children of an Employee or Retiree under age 26 who do not have any health coverage available through their employer or spouse’s employer, even if married, can be covered. Such children under the age of 24, if full-time students, whether or not they have employer-sponsored health coverage available may also be covered under the Plan.

Such dependents can be married, do not have to live at home and they do not have to be financially dependent on you. Any other minor unmarried children will be covered up to age 19, or 24 if a full-time student, only if the Covered Employee or Retiree has been appointed by the court as legal guardian of such children as well as been required to provide medical coverage for the children.

II. Short Hour Self-Pay Alternative to COBRA

If a Covered Employee worked at least one hour in the associated four month Work Period, the Covered Employee will be able to make a Short Hour Self Payment in the amount that is the difference between the required number of hours (in either the four month Work period or eight month Work Period) and the actual number of hours that the Covered Employee worked in the same Work Period multiplied by the current contribution rate.

A Covered Employee may utilize the Short Hour Self Pay option only one time in any 12-month period. COBRA will still be available if the Covered Employee loses coverage in a subsequent period because of failing to meet the continuing eligibility rules after use of the new Short Hour Self Pay option.

If you are eligible for the Short Hour Self Payment, you will receive a notice from the Fund Office that will include the amount of your required Short Hour Self Payment and the date that it must be received at the Fund Office. When calculating the amount of your required Short Hour Self Payment, you will be required to pay the lesser amount due between the four-month Work Period and the eight-month Work Period. Examples of how this will work are shown below:

Example #1:

Benefit Period	Required Hours in Work Period	Actual Hours Worked in Work Period	Difference in Required Hours and Actual Hours
12/01/2010 to 03/31/2011	350 hours from 06/01/2010 – 09/30/2010	100	250 hours
	or 700 hours from 02/01/2010 – 09/30/2010	500	200 hours

In Example 1, the Short Hour Self Payment would be based on the requirement of 700 hours in the eight-month Work Period because that creates the lower Short Hour Self Payment. The amount of the Short Hour Self Payment would be 200 hours multiplied by the current contribution rate.

Example #2:

Benefit Period	Required Hours in Work Period	Actual Hours Worked in Work Period	Difference in Required Hours and Actual Hours
12/01/2010 to 03/31/2011	350 hours from 06/01/2010 – 09/30/2010	250	100 hours
	or 700 hours from 02/01/2010 – 09/30/2010	400	300 hours

In this Example 2, the Short Hour Self Payment would be based on the requirement of 350 hours in the four-month Work Period because that creates the lower Short Hour Self Payment. The amount of the Short Hour Self Payment would be 100 hours multiplied by the current contribution rate.

If you experience short hours due to reciprocal hours transferred, please call the Fund Office to determine whether you can self pay.

III. Self-Payments for Qualifying Disabled Retirees Under Age 55

Effective June 1, 2011, eligible disabled retirees under age 55 (and/or their spouse) will have the opportunity to continue coverage under the Plan provided the disabled retiree makes the necessary self-payment and meets the following eligibility requirements:

- The disabled retiree is under age 55; and
- The disabled retiree has at least 17 Years of Service under the BAC Local Union 15 Pension Plan; and
- The disabled retiree has exhausted extended coverage under COBRA; and
- The disabled retiree is eligible for Medicare coverage.

IV. Grandfathered Status

This Plan believes this health 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 Plan administrator at the Fund Office.

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.

If you have any questions regarding these changes, please contact the Fund Office at (913) 236-5490.

Sincerely,

BOARD OF TRUSTEES

Schedule of Benefits

All Co-Payment percentages apply to the allowable amount of Usual, Customary and Reasonable Charges for In-PPO-Network charges.

All Co-Payment percentages apply to the Usual, Customary and Reasonable Charges for Out-of-Network charges.

The calendar year deductible and out-of-pocket limits apply to all listed Benefits unless otherwise stated.

<u>BENEFIT</u>	<u>AMOUNT</u>
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Major Medical Benefit

The Co-Payment percentages apply only after the deductible has been met.

Co-Payment (<i>Fund pays</i>)	
In-PPO-Network	90%
Out-of-Network	70%
Co-Payment (<i>Employee pays</i>)	
In-PPO-Network	10%
Out-of-Network	30%
Calendar Year Deductible	
In-PPO-Network	\$300 per person \$600 per family
Out-of-Network	\$500 per person \$1,000 per family
Additional Co-Payment for Emergency Room Visit (waived if admitted)	
	\$75
Maximum Out-of-Pocket Limit (Calendar Year)	
	\$7,500 per family
Maximum Lifetime Benefit	
	None
Maximum Annual Benefit:	
4/1/2011 – 3/31/2012	\$750,000 per person
4/1/2012 – 3/31/2013	\$1,250,000 per person
4/1/2013 – 3/31/2014	\$2,000,000 per person
4/1/2014 and thereafter	None

Executive Physical Examination Benefit

Provided through Concentra only.

Executive Physical Examination Benefit coordinates with Routine Care Benefit.

Co-Payment (<i>Fund pays</i>)	
Benefit provided through Concentra only	100%
Co-Payment (<i>Employee pays</i>)	
Benefit provided through Concentra only	0%
Deductible for Eligible Retirees and their Spouses only (Calendar Year)	
	\$50
Frequency of Exam	
Eligible Employee and Spouse under age 50	1 exam every 2 years per person
Eligible Employee and Spouse age 50 and over	1 exam per year per person

Routine Care Benefit

Employee Co-Payment does not apply to Out-of-Pocket Limits.

Routine Care Benefit coordinates with Executive Physical Exam Benefit.

The first \$315 of eligible charges incurred under this Routine Care Benefit shall be subject to the following Co-Payment requirements.

Co-Payment (Fund pays)

In-PPO-Network or Out-of-Network..... 100%

Co-Payment (Employee pays)

In-PPO-Network or Out-of-Network..... 0%

Deductible for Eligible Retirees and Spouses only (Calendar Year)..... \$50

Maximum Covered Routine Physical Exams

Under age 50 1 exam every 2 years per person

Age 50 and over..... 1 exam per year per person

(No Major Medical Benefits available)

Routine Care Benefit eligible charges in excess of \$315 shall be subject to the Plan's Deductible and Co-Payment requirements. The following Co-Payment percentages apply only after the Deductible has been met.

Co-Payment (Fund pays)

In-PPO-Network 90%

Out-of-Network..... 70%

Co-Payment (Employee pays)

In-PPO-Network 10%

Out-of-Network..... 30%

Prescription Drug Benefit

Employee Co-Payment does not apply to Deductible or Out-of-Pocket Limits.

Retail Co-Payment (Employee pays)

Level 1 – Generic Lesser of \$10 or 100% of cost of drug

Level 2 – Preferred Brand Name Greater of \$25 or 25% of cost of drug

Level 3 – Non-Preferred Brand Name..... Greater of \$40 or 25% of cost of drug

Maximum days of medication allowed 34 days per person per Co-Payment

Mail Order Co-Payment (Employee pays)

Level 1 – Generic Lesser of \$20 or 100% of cost of drug

Level 2 – Preferred Brand Name Greater of \$50 or 20% of cost of drug

Level 3 – Non-Preferred Brand Name..... Greater of \$80 or 20% of cost of drug

Maximum days of medication allowed 90 days per person per Co-Payment

THE ANNUAL INDIVIDUAL AND FAMILY DEDUCTIBLES DO NOT APPLY TO THE PRESCRIPTION DRUG BENEFIT.

Mental Health Benefit

The Co-Payment percentages apply only after the Deductible has been met.

Co-Payment (Fund pays)	
In-PPO-Network	90%
Out-of-Network	70%
Co-Payment (Employee pays)	
In-PPO-Network	10%
Out-of-Network	30%

Alcohol and Drug Treatment Benefit

The Co-Payment percentages apply only after the Deductible has been met.

Co-Payment (Fund pays)	
In-PPO-Network	90%
Out-of-Network	70%
Co-Payment (Employee pays)	
In-PPO-Network	10%
Out-of-Network	30%

Acupuncture Treatment Benefit

The Co-Payment percentages apply only after the Deductible has been met.

Co-Payment (Fund pays)	
In-PPO-Network	90%
Out-of-Network	70%
Co-Payment (Employee pays)	
In-PPO-Network	10%
Out-of-Network	30%
Maximum visits (per Calendar Year)	15
Maximum benefit (per visit)	\$25

Chiropractic Expense Benefit

The Co-Payment percentages apply only after the Deductible has been met.

Employee Co-Payment does not apply to Out-of-Pocket Limits.

Co-Payment (Fund pays)	
In-PPO-Network	90%
Out-of-Network	70%
Co-Payment (Employee pays)	
In-PPO-Network	10%
Out-of-Network	30%
Maximum number of manipulations (per Calendar Year)	30 per person

Hospice Benefit

The Co-Payment percentages apply only after the Deductible has been met.

Co-Payment (Fund pays)	
In-PPO-Network	90%
Out-of-Network	70%
Co-Payment (Employee pays)	
In-PPO-Network	10%

Out-of-Network.....	30%
Maximum Lifetime Benefit.....	\$25,000 per person
Maximum Counseling Visits per Bereavement	5 (in 6 months period) per person

Maternity Benefit (Employee or Dependent Spouse Only)

The Co-Payment percentages apply only after the Deductible has been met.

Co-Payment (Fund pays)	
In-PPO-Network	90%
Out-of-Network.....	70%
Co-Payment (Employee pays)	
In-PPO-Network.....	10%
Out-of-Network.....	30%

Rehabilitative Therapy Benefit

Treating Physician must submit a Plan of Treatment to the Fund Office for approval prior to beginning therapy.

Co-Payment (Fund pays)	
In-PPO-Network	90%
Out-of-Network.....	70%
Co-Payment (Employee pays)	
In-PPO-Network.....	10%
Out-of-Network.....	30%

Dental Benefit

Co-Payment (Fund pays)	
Covered Dental Charges.....	80%
Co-Payment (Employee pays)	
Covered Dental Charges.....	20%
Maximum Benefit (Calendar Year).....	\$1,500 per person*
Prophylactic Dental Examinations.....	Two per calendar year, per person
Orthodontia (Lifetime)	
Covered Person through age 18	\$1,000 per person

*The benefit maximum does not apply to Covered Persons under age 19.

Vision Benefit

Employee Co-Payment does not apply to Deductible or Out-of-Pocket Limits.

Effective 4/1/2011, the Vision Benefit is limited to one pair of prescription or non-prescription safety glasses per calendar year, or up to a one-year supply of contact lenses.

Co-Payment (Fund pays)	
Covered Vision.....	80%
Co-Payment (Employee pays)	
Covered Vision.....	20%
Maximum Benefit (Calendar Year).....	\$200 per person*

*The benefit maximum does not apply to Covered Persons under age 19.

Death Benefit..... \$10,000
Active Eligible Employee Only

Accidental Death and Dismemberment Benefit \$10,000
Active Eligible Employee Only

Surgery – Second Surgical Opinion

Co-Payment (*Fund pays*)
 In-PPO-Network or Out-of-Network..... 100%
Co-Payment (*Employee pays*)
 In-PPO-Network or Out-of-Network..... 0%

Well Child Benefit (Eligible Dependents of Active Employees only)

The Co-Payment percentages apply only after the deductible has been met.

Co-Payment (*Fund pays*)
 In-PPO-Network or Out-of-Network..... 100%
Co-Payment (*Employee pays*)
 In-PPO-Network or Out-of-Network..... 0%
Maximum Well Child Benefit (birth through age 7)
 Eligible Dependent children age birth up to age 1 year All visits per year
 Eligible Dependent children age 1 year up to age 3 years..... 5 visits per year
 Eligible Dependent children age 3 years through age 7 years..... 1 visit per year
 Eligible Dependent children age 8 years and over..... 0 visits per year