

# SAN FRANCISCO ELECTRICAL WORKERS HEALTH & WELFARE TRUST

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## ANNOUNCEMENT TO ALL PLAN PARTICIPANTS

**The 2009 Open Enrollment Period Will be Held in July 2009  
With Plan Enrollment Changes Taking Effect August 1, 2009**

**Please look for your Open Enrollment Packets (to be  
distributed during the first week in July)**

As of the fiscal year ended January 31, 2009, the Fund experienced a 24% loss in Fund reserves. This resulted from the economic downturn that adversely affected Plan investments and employment, leading to a reduction in contributions. IBEW Local 6 and SFECA have agreed to a one-year extension of the prior contract, with no change to the wages/ fringe benefit package. As a result, the Trustees considered various changes to the Plan that would reduce costs and preserve the overall financial stability of the Fund during the next fiscal period.

The following is a summary of the decisions that were made by the Trustees in their efforts to ensure that the Plan's reserves are maintained without causing undue hardship to Plan participants. All changes will become effective on August 1, 2009.

### **1. Self-funded PPO Plan.**

- a. Annual Out of Pocket Maximum.** Increase the calendar year out-of-pocket maximum from \$1,000 to **\$1,500 per person**.
- b. Annual Deductible.** Increase the calendar year deductible from \$50 to **\$100 per person** (\$200 per family).
- c. Out of Network Coinsurance:** Decrease the Plan's reimbursement coinsurance percentage from 100% to **80% for all out-of-network covered expenses incurred after the \$1,500 annual out-of-pocket maximum has been met**. The Plan will, therefore, reimburse out-of-network expenses at 60% until the \$1,500 out of pocket level is reached and, thereafter, at 80% for out-of-network covered charges incurred during the remainder of the year. In-network covered charges will continue to be reimbursed at 80% and, thereafter, at 100% once the individual has reached the annual out-of-pocket maximum.

**2. Kaiser.**

- a. Increase in **office visit copay** from \$15 to **\$20 per visit**.
- b. Increase in **emergency room visit copay** from \$25 to **\$50 per visit**.
- c. Change to **prescription drug co-pay** from \$10 generic/\$20 brand named per prescription or refill at Kaiser Permanente Pharmacies up to a 100-day supply, to \$10 generic/**\$30 brand named** per prescription or refill at Kaiser Permanente Pharmacies up to a **30-day supply**.

**3. Blue Shield HMO.**

- a. Increase in **office visit copay** from \$20 to **\$25 per visit**.
- b. Implement **in-patient hospital copay** of **\$100 per confinement**.
- c. Implement **out-patient surgery copay** of **\$50**.

**4. Medicare Retiree Monthly Co-Payments.**

An additional **\$125 co-payment** will be charged to all Medicare eligible retirees with enrolled dependents, with a maximum copay of \$250 per month. A single Medicare eligible retiree with no dependents will continue to be charged \$125 per month.

**5. Temporary Disability Coverage.**

A **\$125 monthly charge** will be implemented for temporary disability health coverage. This will apply to all new applicants beginning August 1<sup>st</sup>.

**6. Direct Self Payments and COBRA Rates.**

The Plan provides that monthly direct self-payments are determined by multiplying the hourly employer Plan contribution rate by the number of hours that are needed to obtain a month of Plan coverage. Because **there is no change to the hourly contribution rate, the monthly direct payment will remain at \$1,278 through July 31, 2010**. Separate from self-payments, the COBRA coverage is available at rates that are directly related to plan costs plus a 2% administrative fee. The following rates will remain in effect from August 1, 2009 through July 31, 2010.

<b>Plan</b>	<b>2008/2009 COBRA Rate</b>	<b>2009/2010 COBRA Rate</b>	<b>% Increase/ (Decrease)</b>
PPO Plan-Medical Only	\$1,012.25	\$1522.94	50.45%
PPO Plan- Medical/Dental Vision	\$1,169.64	\$1,690.53	44.53%
Kaiser Plan- Medical Only	\$852.43	\$886.55	4.00%
Kaiser plus Dental & Vision	\$1,009.82	\$1,054.14	4.39%
Blue Shield HMO- Medical Only	\$1,045.86	\$1,144.72	9.45%
Blue Shield HMO- plus Dental & Vision	\$1,203.24	\$1,312.31	9.06%

The following table includes the 35% COBRA subsidy pursuant to the American Recovery and Reinvestment Act (ARRA) that was signed by President Obama on February 16, 2009. The subsidy is available for up to a maximum of nine months of coverage (but in no event beyond August 2010) and applies only upon involuntary termination of employment (and not to a reduction in hours) occurring between September 1, 2008 and December 31, 2009.

<b>Plan</b>	<b>2008/2009 COBRA Rate</b>	<b>2009/2010 COBRA Rate</b>
PPO Plan-Medical Only	\$354.29	\$533.03
PPO Plan- Medical/Dental Vision	\$511.68	\$700.62
Kaiser Plan- Medical Only	\$298.35	\$310.29
Kaiser plus Dental & Vision	\$455.74	\$477.88
Blue Shield HMO- Medical Only	\$366.05	\$400.65
Blue Shield HMO- plus Dental & Vision	\$523.43	\$568.24

Any questions concerning the above changes may be directed to the Plan Office at (415) 263-3670.