

# CONTRACTORS, LABORERS, TEAMSTERS & ENGINEERS

## – Health & Welfare and Pension Plan –

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December 1, 2010

TO: Participating Members

FR: CLT&E Fund Office  
--- On behalf of the Trustees

RE: Your 2011 Health Plan

It's no secret that the construction industry has been hit especially hard in this slumping economy. Many of you have felt the strain of this slow down on a personal level. The CLT&E Health & Welfare Plan has also come under considerable pressure of late due in part to this overall economic state.

For much of the year the CLT&E Board of Trustees have been monitoring both the financial health of the Plan and the numerous mandates originating within the national health care act (Patient Protection and Affordable Care Act). We are now approaching the time to implement some of these new measures.

Recognizing the tremendous strain that many of our members have been under the past two years, the Trustees have decided to implement only those changes mandated by the Federal Government. Thus, the upcoming changes are enhancements that provide greater benefits in one form or another. This includes an increase in the age of eligible dependents to age 26 and an unlimited lifetime benefit. It also eliminates many of the restrictions on the mental health and chemical dependency benefits (as mandated under the Mental Health and Addiction Equity Act of 2008).

Further, the Plan will not undergo any reductions in benefits or rate increases at this time.

The decision to implement the mandated enhancements without a corresponding reduction in benefits or increase in price was a difficult one, one that carries a certain amount of risk. As noted earlier, 2010 has proven to be a difficult year. With expenses far exceeding the revenues generated, the Plan did end up using some of the money it had been saving for a "rainy day". Nevertheless, the Trustees thought this was the right time to use those reserves and hopefully lessen the burden on the members and their families.

Attached is a summary of the upcoming changes. All changes are effective January 1<sup>st</sup>, 2011. The Trustees will continue to monitor the financial status of the Plan and the very fluid state of our national health care plan. Every effort will be made to keep you informed of the situation.

# CONTRACTORS, LABORERS, TEAMSTERS AND ENGINEERS (CLT&E)

## Summary of Material Modifications

Effective January 1, 2011

### **Notice:**

This notice is to inform you and your dependents (if any) of the following changes to your health & welfare plan. These changes are effective January 1, 2011.

The Contractors, Laborers, Teamsters and Engineers Health & Welfare Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act.

The Act requires health care plans to adopt certain benefits and provisions over a multi-year period. The “grandfathered status” allows the plan more flexibility in adopting and implementing these provisions. For CLT&E, even with the grandfathered status, the Act modifies the Plan in the following fashion:

- The definition of “eligible dependents” shall include the member’s children under the age of 26, provided the child is not offered coverage through their employer. This coverage is now available regardless of the dependent’s school status, marital status, dependency status, or whether or not they reside with the member.

Individuals whose coverage ended, or who were denied coverage (or were not eligible for coverage) because the availability of dependent coverage of children ended before attainment of age 26 are now eligible to enroll in the Plan. Individuals may re-enroll their effected children within the first 30 days from the effective date this provision.

- The lifetime limit on the dollar value of benefits under the Plan no longer applies. Individuals whose coverage ended by reason of reaching a lifetime limit under the plan are now eligible to reenroll.

The annual limit of \$2,000,000 shall remain in force.

- The Plan shall not terminate coverage retroactively except in the case of non-payment, fraud or intentional misrepresentation.

In addition of the above changes, it is also time to implement some provisions of the 2008 Mental Health and Addiction Equity Act.

- The annual and lifetime limits applied to Mental Health and Substance Abuse will be eliminated.

For more information regarding these changes, please contact the Fund’s administrative offices at (402) 491-3751 or by mail at 10334 Ellison Circle, Omaha, NE 68134.