

DIVISION 1181 A.T.U. – NEW YORK WELFARE FUND
101-49 Woodhaven Boulevard, Ozone Park, N.Y. 11416
(718) 845-5800

Dear Participant:

Attached is a Notice that we are required to send to you by federal law. Under the Patient Protection and Affordable Care Act, group health plans generally cannot have annual limits of less than \$2 million for the January 1, 2013 Plan Year for certain “essential” benefits. Plans can seek a waiver of annual limits for “essential” benefits from the Department of Health and Human Services if complying with the new annual limit would result in a significant decrease in employee access to benefits or a significant increase in employee payments.

Because the Active Plan currently has an annual limit on “essential” benefits below \$2 million for hospitalization, major medical, and “pediatric” dental benefits, and the Fund's benefit consultant projected that the Fund's cost of benefits would increase significantly if it were required to increase the annual limit for these benefits to \$2 million, the Board of Trustees obtained a waiver of these annual limits. As a result, if the Fund did not obtain the waiver, the Trustees would have had to consider decreasing benefits or increasing participant cost sharing, such as increases in deductibles, co-payments and co-insurance. Because the Trustees did not want to have to consider decreasing benefits or increasing the out of pocket costs you pay for your health insurance, they decided that the best alternative was to apply to HHS for the waiver. Please note that all other annual limits in the Plan are considered to be “non-essential” benefits and there have been no changes to any other annual limits.

You should be aware that as a result of obtaining the waiver, there will be no reductions in the current package of health benefits you are receiving. The Board of Trustees is proud of the affordable health benefits that they have been able to provide over many years.

Please contact the Fund Office at 718-845-5800 with any questions you may have.

Very truly yours,



Robert D'Ulisse, Fund Director
On behalf of the Board of Trustees

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Notice of Waiver from the PPACA Annual Limit Requirement

Active Plan

The Affordable Care Act prohibits health plans from applying dollar limits below a specific amount on coverage for certain benefits. This year, if a plan applies a dollar limit on the coverage it provides for certain benefits in a year, that limit must be at least \$2 million.

Your health insurance coverage, offered by Division 1181 A.T.U. – New York Welfare Fund, does not meet the minimum standards required by the Affordable Care Act described above. Instead, it puts an annual limit of \$500,000 on hospitalization benefits, an annual limit of \$1,000,000 on major medical benefits and an annual limit of \$2,000 on “pediatric” dental benefits, i.e. dental benefits for dependent children age 18 or younger.

This means that your health coverage might not pay for all of the health care expenses you incur. For example, a stay in a hospital costs around \$1,853 per day. At this cost, your insurance would only pay 269 days.

Your health plan has requested that the U.S. Department of Health and Human Services waive the requirement to provide coverage for certain key benefits be at least \$2 million this year. Your health plan has stated that meeting this minimum dollar limit this year would result in a significant increase in your premiums or a significant decrease in your access to benefits. Based on this representation, the U.S. Department of Health and Human Services has waived the requirement for your plan until December 31, 2013.

If you are concerned about your plan’s lower dollar limits on key benefits, you and your family may have other options for health care coverage. For more information, go to: www.HealthCare.gov.

If you have any questions or concerns about this notice, contact the Fund Office at (718) 845-5800. In addition, if you live in New York, you can contact the New York Department of Insurance's Consumer Services Bureau at 1-800-342-3736. If you live in New Jersey you can contact the New Jersey Department of Banking and Insurance at 1-800-446-7467.