



GREATER KANSAS CITY LABORERS FRINGE BENEFIT FUNDS

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

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December 2010

TO: ALL ELIGIBLE PARTICIPANTS

RE: GREATER KANSAS CITY LABORERS WELFARE FUND

Announcing Important Plan Changes
Effective January 1, 2011

Dear Participant:

You should have received a letter from the Fund Office this past October announcing Plan changes that became effective November 1, 2010 as a result of the Patient Protection and Affordable Care Act (ACA). However, in light of these economic times, the Board of Trustees requested a waiver of the ACA provision requiring the Plan to cover at least \$750,000 of the cost you incur annually for key health care benefits. Consequently, the Fund recently received a one-year waiver from the U.S. Department of Health and Human Services. In order to maintain the Fund's financial stability, the Board of Trustees has decided to accept the waiver. Therefore, **effective January 1, 2011 through December 31, 2011, certain annual limits will apply, once again.**

We will notify you immediately of any future changes made to the health benefits the Fund provides to you and your family. In the meantime, this letter and its **Attachment A** provides you with details on the Plan's benefit provisions effective January 1, 2011.

THE PLAN'S "GRANDFATHERED" STATUS

It is important you understand that the Plan is considered a "grandfathered health plan" under the ACA, which means that the Plan:

1. **Is not required to** include certain consumer protections of the ACA that apply to other plans – *for example, provide preventive health services without any cost sharing.*
2. **Must comply** with certain other consumer protections in the ACA – *for example, the elimination of lifetime limits on benefits.*

Call the Fund Office at (913) 236-5490 if you have questions about what grandfathered health plan status means and what might cause a plan to lose its grandfathered status.

You may also contact the Employee Benefits Security Administration (EBSA), U.S. Department of Labor at 1-800-444-3272 or at www.dol.gov/ebsa/healthreform. The website has a chart that summarizes which protections do and do not apply to grandfathered health plans.

BEGINNING JANUARY 1, 2011

- **Annual Limit**—A \$400,000 overall annual limit (\$100,000 for first-year participants) will apply.
- **Chiropractic Treatment**—A \$240 per person per year limitation for chiropractic treatment will apply.
- **Speech Therapy Treatment**—A \$1,000 per year limitation on speech therapy benefits for dependents up to the age of 12 will apply.
- **Dental Benefits**—A \$2,000 per person per year limitation on dental benefits will apply for children under the age of 19, as well as for adults age 19 and over.
- **Vision Benefits**—A \$200 per person per year limitation on vision benefits will apply for children under the age of 19, as well as for adults age 19 and over.
- **Hearing Benefits**—A \$1,000 “per instrument” per person per 5 years limitation will apply.

FOR MORE INFORMATION

Please review this letter and its attachment carefully to ensure you understand the benefits available to you and your family beginning January 1, 2011.

Call the Fund Office at (913) 236-5490 if you have any questions about these Plan changes.

Sincerely,

BOARD OF TRUSTEES

This Summary of Material Modification highlights certain features of the Greater Kansas City Laborers Welfare Fund. You can find full details in the documents (Summary Plan Description, Plan Document, etc.) that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.

ATTACHMENT A

Schedule of Benefits

Effective January 1, 2011

Comprehensive Medical Benefit	
For Active Employees, Retired Employees And Dependents	
Dependents	Coverage
Calendar year deductible	
In-network	\$275 per person; \$450 per family
Out-of-network	\$375 per person; \$750 per family
Copayment	
In-network	Plan pays 81% of covered charges
Out-of-network	Plan pays 70% of covered charges
Hospital non-notification deductible	\$200 for each failure to notify the Fund of planned inpatient hospitalization or emergency hospital admissions
Calendar year out-of-pocket maximum (includes deductibles and copays)	
In-network	\$2,000 per person; \$4,000 per family
Out-of-network	\$3,000 per person; \$6,000 per family
Lifetime maximum	None
Annual Limit	\$400,000 (\$100,000 for first-year participants)
Mental and nervous disorder treatment ^{1, 3}	
In-network	Plan pays 81% of covered charges
Out-of-network	Plan pays 70% of covered charges
Outpatient treatment maximum	52 visits per calendar year
Alcoholism and substance abuse treatment ^{2, 3}	
First course of treatment in a three calendar-year period:	
In-network	Plan pays 81% of covered charges
Out-of-network	Plan pays 70% of covered charges
Subsequent courses of treatment in a three calendar-year period:	
In-network	Plan pays 51% of covered charges
Out-of-network	Plan pays 40% of covered charges
Maximum days per course of treatment	90
Maximum inpatient days per course of treatment	21
Maximum outpatient visits per course of treatment	45
Lifetime maximum	None
Chiropractic treatment ⁴	
Daily limit	\$20
Calendar year maximum	\$240

1, 2 & 4 You must satisfy the Plan's calendar year deductible before the Plan begins to pay benefits for covered services. Not subject to the out-of-pocket maximum.

3 Subject to the \$400,000 (\$100,000) annual limit.

Comprehensive Medical Benefit (continued)

For Active Employees, Retired Employees And Dependents

Coverage**Laser eye surgery**

LASIK surgery (active Employees only)

Subject to a lifetime maximum of \$800 per eye (active Employees only)

Wellness physicals (active Employees and their spouses only)

Plan pays 100% once each calendar year through Concentra Health Services

Outpatient speech therapy ⁵

For restoration of lost speech

In-network

Plan pays 81% of covered expenses

Out-of-network

Plan pays 70% of covered expenses

For developmentally-related speech therapy for

Dependents up to age 12

Coinsurance

Plan pays 50% of covered expenses

Calendar year maximum

\$1,000

Lifetime maximum

None

Employee assistance program

Plan pays 100%

Prosthetic devices ⁶

In-network

Plan pays 81% after deductible

Out-of-network

Plan pays 70% after deductible

Lifetime maximum

None

Hearing benefit ⁷

In-network

Plan pays 81% of covered expenses

Out-of-network

Plan pays 70% of covered expenses

Maximum benefit per instrument

\$1,000

Hearing instrument limitation

One instrument per 5 years for adults, including maintenance (every three years up to age 19 for Dependents)

Hearing test maximum

One per person every 24 months

Emergency room visits

Copayment

\$100 per visit will apply if you visit an emergency room 6 or more times during a calendar year

Dental expense benefit

Deductible

In-Network

\$25 per person; \$50 per family

Out-of-network

\$25 per person; \$50 per family

Coinsurance

In-network

Plan pays 81% of covered expenses

Out-of-network

Plan pays 70% of covered expenses

Maximum calendar year benefit

\$2,000 per person

5 You must satisfy the Plan's calendar year deductible before the Plan begins to pay benefits for covered services. Charges not subject to the out-of-pocket maximum.

6 Subject to the \$400,000 (\$100,000) annual limit.

7 All hearing tests and aids must be performed and dispensed by a physician or licensed audiologist. Charges not subject to the deductible or out-of-pocket maximum.

Prescription Drug Benefit	
For Active Employees And Dependents	
	Coverage
Retail pharmacy (up to a 34-day supply or 100-unit dose)	You pay 20% copay for brand name medications You pay 20% copay for generic medications, up to a maximum of \$3.00
Mail order program (up to a 90-day supply)	You pay 20% copay for brand name medications You pay 20% copay for generic medications, up to a maximum of \$6.00
Prescription Drug Benefit	
For Retired Employees And Dependents	
	Coverage
Retail pharmacy (up to a 34-day supply or 100-unit dose)	You pay 40% copay for brand name medications You pay 40% copay for generic medications, up to a maximum of \$4.00
Mail order program (up to a 90-day supply)	You pay 40% copay for brand name medications You pay 40% copay for generic medications, up to a maximum of \$8.00
Vision Benefit	
For Active Employees, Retired Employees And Dependents	
	Coverage
Calendar year maximum	Plan pays \$200 per person
Weekly Accident And Sickness Benefit	
For Active Employees Only	
Non-occupational	\$350 per week for up to 14 weeks ⁸
Death Benefit	
For Active Employees, Retired Employees and Dependents	
Employee	\$8,000
Dependent spouse	\$4,000
Dependent children	\$4,000
Retired Employee	Benefit equal to number of pension credits earned, up to a maximum of 10, times \$250 (i.e., maximum benefit = \$2,500)
Accidental Death And Dismemberment Benefit ⁹	
For Active Employees Only	
Loss of life	\$3,000
Loss of two limbs, sight of both eyes or one limb and sight of one eye	\$3,000
Loss of one limb or sight of one eye	\$1,500

⁸ The actual benefit is greater; the amount shown is after deduction for Social Security tax.

⁹ If more than one of the losses listed is suffered as a result of any one accident, not more than \$3,000 will be payable.

GREATER KANSAS CITY LABORERS WELFARE FUND Waiver Notice

The Affordable Care Act prohibits health plans from applying arbitrary dollar limits for coverage for key benefits. If a plan applies a dollar limit on the coverage it provides for key benefits in a year, that limit must be at least \$750,000.

In order to apply lower limits, the Greater Kansas City Laborers Welfare Fund requested a waiver of the requirement that coverage for key benefits be at least \$750,000. That waiver was granted by the U.S. Department of Health and Human Services based on your health plan's representation that providing \$750,000 in coverage for key benefits in 2011 would result in a significant increase in your premiums or a significant decrease in your access to benefits. The waiver is valid for one year.

Your health insurance coverage places a \$400,000 annual limit (\$100,000 for first-year participants) on certain medical benefits as well as annual limits on the following:

- \$240 per person per year for chiropractic treatment.
- \$1,000 per year for speech therapy treatment for dependents up to the age of 12.
- \$2,000 per year for dental benefits for children and adults.
- \$200 per year for vision benefits for children and adults.
- \$1,000 "per instrument" per person per 5 years for hearing benefits.

If the lower limits are a concern, there may be other options for health care coverage available to you and your family members. For more information, go to: www.HealthCare.gov.

If you have any questions or concerns about this notice, contact the Fund Office of the Greater Kansas City Laborers Welfare Fund at (913) 236-5490.