



## GREATER KANSAS CITY LABORERS FRINGE BENEFIT FUNDS

Managed for the Trustees by:  
**TIC INTERNATIONAL CORPORATION**

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December 2011

**TO: ALL ELIGIBLE PARTICIPANTS AND DEPENDENTS (ACTIVE AND RETIRED)  
OF THE GREATER KANSAS CITY LABORERS WELFARE FUND**

**RE: IMPORTANT PLAN CHANGES EFFECTIVE NOVEMBER 1, 2011 AND JANUARY 1, 2012**

Dear Participant:

This Announcement describes important Plan design changes. These changes include many improvements to benefits (new preventative and expanded vision services) and some additional cost sharing by participants (new co-pays and deductibles). As you are aware, the construction industry in the Kansas City area and nationally has been dealing with a severe recession and loss of employment. At the same time, Congress has made significant changes through legislation to requirements for health care benefits. We have been working diligently over the past 16 months to address these double challenges. We recognize that the collective bargaining parties (the Local Unions and your employers) must maintain a competitive position so that employment can improve. Therefore, we are aware that the amount of contributions being paid by the employers impact the wages that are paid to you as employees. We are trying to make the best use of the contributions coming into the Plan to provide both major medical and surgical expenses, but also preventative services, vision and dental programs, to benefit you and your family.

Effective November 1, 2011, expanded coverage for substance abuse and mental health services consistent with new federal laws.

Effective January 1, 2012:

- New and additional preventative services at no cost sharing
- Expansion of Vision Services
- Changes in co-pays, deductibles and cost sharing by the member for major medical (including mental health)
- A new pre-authorization process when you go into the hospital
- A new pharmacy benefit manager will be providing your prescription drugs and new co-pays will be applicable (A separate letter will be sent to you regarding the new pharmacy benefit manager with new ID cards)

The majority of these changes take effect January 1, 2012. However, the expansion of the Mental Health and Substance Abuse benefits are effective November 1, 2011. Please pay close attention to the Schedule of Benefits included with this notice as many of your benefits and cost sharing have changed. If you have any questions about this notice, please do not hesitate to call the Fund Office for clarification.

This letter and its **Attachment A** provide you with details on the Plan's benefit provisions effective November 1, 2011 and January 1, 2012.

#### **BEGINNING NOVEMBER 1, 2011**

- **Benefits for Mental Health and Substance Use Disorders** – The Plan will provide benefits for mental health and substance use disorders so that the financial requirements and treatment limits are essentially the same as for medical and surgical benefits. Please see the Schedule of Benefits in Attachment A for these changes.

#### **BEGINNING JANUARY 1, 2012**

- **Loss of Grandfathered Plan Status** – The Plan is no longer considered a “grandfathered health plan.” This means that the Plan will:
  1. Include Affordable Care Act (ACA) consumer protections – for example, provide preventive health services without any cost sharing.
  2. Comply with certain other ACA consumer protections – for example, the new requirements for external reviews, which may be available during an appeal.
- **Prescription Drug Benefits** – Under the new design for prescription drug benefits, copayments and other charges have changed. Please see the Schedule of Benefits in Attachment A for these changes. Watch your mail for a notice from LDI with benefit explanation and new I.D. cards.
- **New Participant Co-Payment And Deductible Requirements** - See the Schedule of Benefits, attached.
- **New Preventative Care Services** - There are five new categories of preventative care services: children's immunization; adult immunization; children's health screenings; adult health screenings; and women's health screenings. You may find more information about these benefits at the Fund Office web site at [www.kclaborersbenefits.org](http://www.kclaborersbenefits.org), or you may call the Fund Office to receive a written summary. Some of the women's health screenings are not available until November 1, 2012.
- **New Vision Services** - See the Schedule of Benefits, attached. Also, watch your mail for a special notice explaining these benefits in more detail.
- **New Preauthorization Requirement** - Effective January 1, 2012, you or your provider must call the Fund Office for authorization before you go into the hospital. If you use an in-network provider, your provider will do this without any further action on your part. If you use an out-of-network hospital, you must call.

#### **FOR MORE INFORMATION**

Please review this letter and its attachment carefully to ensure you understand the benefits available to you and your family beginning November 1, 2011 and January 1, 2012. Also, watch your mail for special notices explaining some of these benefits in more detail.

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.*

**Schedule of Benefits**  
Effective January 1, 2012  
(except Mental Health changes effective November 1, 2011)

<b>Comprehensive Medical Benefit</b>	
For Active Employees, Retired Employees And Dependents	
	Coverage
<b>Calendar year deductible*</b>	
In-network	\$350 per person; \$600 per family
Out-of-network	\$700 per person; \$1,200 per family
<b>Copayment</b>	
In-network	Plan pays 80% of covered charges
Out-of-network	Plan pays 60% of covered charges
(Includes covered expenses for mental health benefits and substance use disorder benefits)	
<b>Calendar year out-of-pocket maximum</b> (includes deductibles and co-pays)*	
In-network	\$3,000 per person; \$5,000 per family
Out-of-network	\$6,000 per person; \$10,000 per family
(Includes covered expenses for mental health benefits and substance use disorder benefits)	
<b>Lifetime maximum</b>	None
<b>Annual Limit*</b>	\$400,000 (\$100,000 for first-year participants)
*Combined with Mental Health benefit	
<b>Chiropractic treatment<sup>1</sup></b>	
Daily limit	\$20
Calendar year maximum	\$240
<b>Laser eye surgery</b>	
LASIK surgery (active Employees only)	Subject to a lifetime maximum of \$800 per eye (active Employees only)
<b>Wellness physicals</b> (active Employees, Retirees and their spouses)	<b>In-Network, Only</b> Plan pays 100% once each calendar year through Concentra Health Services or \$315 at an in-network provider's office.
<b>Smoking cessation aids</b> (active Employees and their spouses only): Include over-the-counter treatments, prescription medications, and, subject to pre-certification, laser treatments	Plan pays 50%, subject to deductible
Lifetime Maximum	\$400

<sup>1</sup> 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.

**Comprehensive Medical Benefit (continued)**  
 For Active Employees, Retired Employees And  
 Dependents

Coverage

**Outpatient speech therapy <sup>2</sup>**

For restoration of lost speech

In-network	Plan pays 80% of covered expenses
Out-of-network	Plan pays 60% 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

**Employee assistance program**

Plan pays 100% up to three (3) visits in network, only

**Prosthetic devices <sup>3</sup>**

In-network	Plan pays 80% after deductible
Out-of-network	Plan pays 60% after deductible

**Hearing benefit <sup>4</sup>**

In-network	Plan pays 80% of covered expenses
Out-of-network	Plan pays 60% of covered expenses

Maximum benefit per instrument \$1,000

Hearing instrument limitation One instrument per five (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**

**In-network and out-of-network**

Copayment	\$100 per visit (waived if admitted or diagnosed with a life-threatening illness)
Coinsurance	80%

**Preventive Services**

**In-network only**

Coinsurance	100%
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**Dental expense benefit <sup>5</sup>**

Deductible	\$25 per person; \$50 per family
In-Network	\$25 per person; \$50 per family
Out-of-network	\$25 per person; \$50 per family

Coinsurance	Plan pays 80% of covered expenses
In-network	Plan pays 60% of covered expenses
Out-of-network	

Maximum calendar year benefit \$2,000 per person

<sup>2</sup> 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.

<sup>3</sup> Subject to the \$400,000 (\$100,000) annual limit.

<sup>4</sup> 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.

<sup>5</sup> Subject to the comprehensive medical calendar year deductible.

**Mental Health and Substance Abuse Benefits****Coverage****Calendar year deductible\***

In-network	\$350 per person; \$600 per family
Out-of-network	\$700 per person; \$1,200 per family

**Copayment**

In-network	Plan pays 80% of covered charges
Out-of-network	Plan pays 60% of covered charges

(Includes covered expenses for mental health benefits and substance use disorder benefits)

**Calendar year out-of-pocket maximum** (includes deductibles and copays)\*

In-network	\$3,000 per person; \$5,000 per family
Out-of-network	\$6,000 per person; \$10,000 per family

(Includes covered expenses for mental health benefits and substance use disorder benefits)

**Lifetime maximum**

None

**Annual Limit\***

\$400,000 (\$100,000 for first-year participants)

\*Combined with a Comprehensive Medical benefit

**Prescription Drug Benefit**

For Active Employees And Dependents

**Coverage****Retail pharmacy** (up to a 34-day supply or 100-unit dose)

You pay \$5 for generic medications (or the cost of the prescription, if less)

You pay 25% copay up to \$70 for brand name/preferred medications

You pay 25% copay up to \$100 for brand name/non-preferred medications

**Mail order program** (up to a 90-day supply)

You pay \$10 for generic medications (or the cost of the prescription, if less)

You pay 25% copay up to \$200 for brand name/preferred medications

You pay 25% copay up to \$275 for brand name/non-preferred medications

**Prescription Drug Benefit**

For Retired Employees And Dependents

**Coverage****Retail pharmacy** (up to a 34-day supply or 100-unit dose)You pay \$5 for generic medications  
(or the cost of the prescription, if less)

You pay 40% copay up to \$85 for brand name/preferred medications

You pay 40% copay up to \$110 for brand name/non-preferred  
medications**Mail order program** (up to a 90-day supply)You pay \$10 for generic medications  
(or the cost of the prescription, if less)

You pay 40% copay up to \$230 for brand name/preferred medications

You pay 40% copay up to \$300 for brand name/non-preferred  
medications**Vision Benefit**

For Active Employees, Retired Employees and Dependents

**In-Network, Only**

VSP Signature

**Frequency**

Every 12 months

**Exam**

Covered after \$25 copay

**Lenses Single**

Covered after \$25 copay

**Bifocals**

Covered after \$25 copay

**Trifocals**

Covered after \$25 copay

**Frame**

\$130 allowance towards any frame, 20% discount on above cost

**Elective Contact Lenses**In lieu of glasses. \$130 allowance towards fitting, evaluation and  
materials.**Cosmetic Lens Option Discounts**

Average discounts of 35% to 40%

**Additional Discounts**Discounts on additional pairs of prescription glasses, non-prescription  
sunglasses, laser corrective surgeries**Exclusions**

Some exclusions apply. See Plan Document for further information.

**Weekly Accident And Sickness Benefit**

For Active Employees Only

**Non-occupational**\$350 per week for up to 14 weeks <sup>6</sup><sup>6</sup> The actual benefit is greater; the amount shown is after deduction for Social Security tax.

**Death Benefit**

For Active Employees, Retired Employees and Dependents

Employee	\$8,000
Dependent spouse	\$4,000
Dependent children less than 6 months of age	\$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 <sup>7</sup>**

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

**Medical Necessity Definition:** The Plan only pays for services that are medically necessary, which is defined as:

A service or supply essential to an Eligible Person's health that is:

- Appropriate and necessary for the symptoms, diagnosis and treatment of the Eligible Person's medical/surgical condition;
- Consistent with acceptable medical practice according to the medical policy established by the national Blue Cross and Blue Shield Association, (the right to review this medical policy is available upon review of a denied claim in accordance with terms of the Plan document.
- Not primarily for the convenience of the Eligible Person, his family, Physician, or other provider;
- Consistent with attaining reasonably achievable outcomes; and
- Reasonably calculated to result in the improvement of the Covered Person's physiological and psychological functioning.

The fact that a Physician prescribes services or supplies does not automatically mean the services or supplies are Medically Necessary and covered by the Plan.

<sup>7</sup> If more than one of the losses listed is suffered as the result of any one accident, not more than \$3,000 will be payable.

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