



Group Dental Service of Maryland
111 Rockville Pike, Suite 700
Rockville, MD 20850

April 2014

Board of Trustees
Unite Here Local 25 and Hotel Association of Washington, D.C.
901 K St NW
Washington, DC 2225

Re: 2014 Rate Adjustment

Dear Trustees,

Group Dental Service of Maryland (GDS) would like to extend its thanks for the trust you have placed in us to provide dental services for **The Unite Here Local 25 and Hotel Association of Washington, D.C. Health and Welfare Fund**. We have strived to fulfill your expectations by providing the highest quality dental care in a manner that ensures cost-effective delivery.

Per our last Agreement with the Fund in 2013 (Amendment #8 of the GDS-MD Agreement), GDS would hold the premium rate effective 1/1/13 – 12/31/14 unless either of the two circumstances became applicable:

1. If average monthly hours reported by the Fund drops below 875,000
2. If GDS-MD is assessed a Federal tax, specific to Local 25 membership, under the Affordable Care Act (Health Care Reform).

As of 1/1/2014, in accordance with the Patient Protection and Affordable Care Act (PPACA), the Health Insurance Providers Fee (HIF Tax) took effect. This applies to most forms of health insurance, including dental, and is used to fund premium subsidies and tax credits that were made available in 2014 under PPACA.

In accordance with our Agreement, GDS proposes the following for 2014 - 2015:

- GDS has waived the HIF Tax for the period of 1/1/2014 through 5/31/2014. We will not request an increase for this 5 month period.
- Effective 6/1/2014 – 12/31/2014, GDS is proposing a 2.6% increase in premium due to the HIF Tax.
- Effective 1/1/2015 – 12/31/2015, GDS is proposing a 5% trend increase.

We understand the significance of this increase, and look forward to speaking to you. Thank you for your continued trust and confidence. Should you have any questions, please feel free to contact me.

Sincerely,

Dwight D. Hyman
Union, Labor Account Manager
Group Dental Service of Maryland

Cc: Anne-Marie Sims, Administrative Agent