Warehouse Employees Union Local No. 730 Health and Welfare Trust Fund

Affordable Care Act Compliance (ACA) – Key Action Items

August 2013

Key Trustee Action Items

The Fund will need to:

- Calculate the minimum value and affordability of the Plan;
  - Determining the minimum value is used for the Summaries of Benefits and Coverage (SBCs) for the Plan Year beginning on January 1, 2014.
- Provide contributing employers with information about minimum value and affordability so that employers can send notices to employees about the health insurance Exchanges;
- Issue the Fund's Year 2 SBCs at least thirty (30) days prior to start of the 2014 Plan Year;
- Eliminate the Fund's Class E Plan's $2,000,000 annual maximum benefit effective January 1, 2014; and
- Eliminate the Fund's Class E Plan's pre-existing condition exclusion on adults effective January 1, 2014.

Key Fund Action Items

For Co-Counsel and Fund Office to review:

- Dependent eligibility rules and contribution strategies;
- If there are employee contributions for self-only coverage, determine whether affordable;
- Continue to review potential changes for impact on grandfathered status; while the Fund remains grandfathered, continue to include notice of grandfathered status in materials about the Fund's benefits. (If the Fund loses grandfathered status, it will need to comply with the mandates that apply to non-grandfathered plans, including the FAQ guidance (*e.g.*, preventive services without cost sharing, emergency room services, internal claims and appeals, and external review);
- Review the process for determining if adult children have their own employment-based coverage to confirm it is being administered consistently and fairly; eliminate this exclusion as of January 1, 2014;

- The Class E Plan does not have annual dollar limits on specific benefits, but it has a $1,500 lifetime limit on TMJ. The Optimum Choice HMOs have annual dollar limits on Chiropractic Services ($500/policy year), Durable Medical Equipment ($2,500 per policy year), Ostomy and Urological Services ($2,500/policy year), and Prosthetic Devices ($2,500/policy year);
  - The health insurance carrier and TPA should confirm that the above list of specific benefits subject to lifetime or annual dollar limits is complete, and the carrier should explain its rationale for keeping the annual dollar limits listed above;
  - To the extent that dollar limits apply to specific benefits, the Fund will need to identify a benchmark health plan for defining Essential Health Benefits (EHBs); and
  - The Fund should compare its benefits with dollar limits against the EHBs in its benchmark plan to see whether the identified dollar limits are still permissible.
- The Fund's Summary Plan Description (SPD) should be updated for the many changes made since the SPD was last issued;
- The Fund's Evidence of Coverage Booklets should also be reviewed and updated as necessary;
- Fund Counsel should confirm that the Fund's retroactive termination policy is consistent with the ACA's prohibition of rescission of coverage unless due to fraud or material misrepresentation of fact:
- Fund Counsel should confirm that changes made to the Fund's health plan options to comply with the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) did not affect the Fund's grandfathered status under the ACA
- Review guidance on the ACA's ban on waiting periods over 90 days to assess extent of impact, if any, on the Fund's eligibility rules; The self-funded vision plan covers several services subject to annual dollar limits (*i.e.*, eye examinations - $35.00; single vision lenses - $9.00; bifocal or trifocal lenses - $14.00; contact lenses - $55.00; and frames - $15.00). Fund Counsel should review whether these limits should be eliminated on coverage for individuals under age 19 due to the ACA's prohibition on annual dollar limits on pediatric vision coverage; and
- United Health Care should confirm that the Optimum Choice HMO for active Class C employees and Optimum Choice HMO for pre-Medicare Class E retirees fully complies with all ACA requirements for grandfathered health plans and no changes have been made that would affect the Fund's grandfathered status.