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MEMORANDUM

Via E-Mail

To: Board of Trustees
UFCW Unions and Participating Employers Health and Welfare Fund

From: Chris Heppner
Mitch Bramstaedt

Date: December 30, 2014

Re: **UFCW Unions and Participating Employers Health and Welfare Fund**
Shoppers MOB Employer Contribution Rates Effective January 1, 2015

We have developed the Shoppers' MOB employer contribution rates Effective January 1, 2015, based on budget projections, which reflect changes adopted in the Memorandum of Agreement. The projected rates are as follows:

Monthly MOB Employer Contribution Rate Effective January 1, 2015	
Plan	**Rate**
Plan JSS2	$1,488.72
Plan Y – Full Time	$839.88
Plan Y – Part Time Individual	$347.41
Plan Y – Part Time Family	$966.52
Plan Y20 – Full Time	$505.91
Plan Y20 – Part Time	$240.86
Plan Y30 – Full Time	$467.95
Plan Y30 – Part Time	$225.93
Plan Y40	$31.26

The changes to the plans offered, which are included in the development of the above rates, are as follows:

1) Medical Plan Design Effective February 1, 2015

- Elimination of the base/major medical plan design.
- Implementation of a $75 emergency room co-pay (waived if admitted).
- Amend the coverage of benefits to prevent duplication of benefits.
- Set the Plan Y20 deductible at $500 and the out-of-pocket maximum at $5,000.

2) Eligibility

- If an employee elected coverage under Plan Y20 prior to November 1, 2014, the employee is eligible to elect Plan Y coverage.

3) **Y30 Plan Design Effective January 1, 2015**

- Employees hired on or after January 1, 2015, averaging 28 or more hours of service per week shall be eligible for medical and ancillary benefits.
- All non-medical benefits shall have the same waiting periods and benefits as Plan Y20.
- All medical benefits shall have the maximum waiting period allowed by law.
- Medical benefits shall have a deductible of $500, out-of-pocket maximum of $5,000 and coinsurance of 70%/30%.

4) **Y40 Plan Design Effective January 1, 2015**

- Employees hired on or after January 1, 2015, averaging less than 28 hours of service per week shall be eligible for all ancillary benefits only.
- All non-medical benefits shall have the same waiting periods and benefits as Plan Y20.

5) **Prescription Drug Program**

- Effective April 1, 2015, the new Catamaran pricing contract will be implemented.

6) **Maximum-Out-of-Pocket Limits**

- Medical and prescription drug out-of-pocket limits as provided in our letter dated December 4, 2014.

7) **Dependent Audit**

- Savings resulting from a dependent eligibility audit effective January 1, 2015.

If you have any questions, please do not hesitate to ask.

The projections in this report are estimates of future costs and are based on information available to Segal Consulting at the time the projections were made. Segal Consulting has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from the new health care reform legislation or other recently passed state or federal regulations.

Projection of retiree costs takes into account only the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled or terminated employees during a period other than that which is referred to in the projection, nor does it reflect any anticipated increase in the number of those eligible for retiree benefits, or any changes that may occur in the nature of benefits over time.

mwb/jp:rm

cc: Bill Jensen
Barry Slevin, Esq.
Harry Burton, Esq.
Josh Timm
John Priester

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