

PSSU LOCAL UNIT HEALTH & WELFARE FUND

IMPORANT INFORMATION ABOUT HOW THE PATIENT PROTECTION AND AFFORDABLE CARE ACT WILL AFFECT BENEFITS FOR YOU AND YOUR FAMILY

“GRANDFATHERED” PLAN STATUS

The Trustees of the PSSU Local Unit Health & Welfare Fund (the “Fund”) believe this plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (“the Affordable Care Act”). The Affordable Care Act allows certain health plans, like the Fund, to defer changes otherwise required by the Act. The Fund will delay implementation of certain consumer protections that apply to non-grandfathered plans. For example, the Fund will not immediately implement the requirement for an external review process for claims appeals.

Even though the Fund is a “grandfathered” plan, it must still make *some* of the changes required by the Act, including changes to the plan’s annual limit on benefits and coverage of most dependents up to age 26. For example, the Fund has already implemented the change to cover dependents to age 26, effective January 1, 2011. Please see below for more information on changes to the annual limit on prescription drug benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Fund office at (717) 526-4856.

In order to find out general information about this important Act and how it might apply to you or to the plans of others in your family, you may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

ELIMINATION OF ANNUAL LIMITS ON “ESSENTIAL HEALTH BENEFITS”

Under the Affordable Care Act, a plan may not impose lifetime or annual dollar limits on “essential health benefits.” The term “essential health benefits” includes the following general categories: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.

In accordance with the requirements of the Affordable Care Act, the Fund will revise the annual limit for prescription drug benefits that it imposes on individuals under the Fund. Effective on the following dates, the annual limit for prescription benefits for an individual will be as follows:

May 1, 2011	\$ 750,000
May 1, 2012	\$ 1.2 million
May 1, 2013	\$ 2 million
May 1, 2014	No limit

Prescription drug benefits will continue, however, to be subject to the Fund's prior authorization and utilization review procedures.

The Act allows the Fund to impose annual and lifetime dollar limits on benefits that are *not* "essential health benefits." Generally, the term "essential health benefits" does not include dental, orthodontic and vision benefits. Accordingly, these benefits may still be subject to annual and lifetime limits under the Fund, as described in your summary of benefits.

If you have any questions regarding annual and lifetime limits to benefits provided under the Fund, please call the Fund office at (717) 526-4856.

Candice V. Crouthamel, Fund Administrator
2589 Interstate Drive
Harrisburg, PA 17110

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