



NEWS FROM ROAD CARRIERS LOCAL 707 WELFARE & PENSION FUND ~ SEPTEMBER 2012

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Please note that there is important information about your rights under the Plan in this issue.

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The Changing World of Healthcare

One of the biggest drivers of the Welfare Fund's costs are the treatment of chronic diseases. It is not so much the cost of preventing, identifying and properly treating these diseases, but the cost of dealing with them if they are neglected. These costs are seen in expensive emergency room visits and hospital admissions which could have been prevented. The easiest way to identify and treat these types of illnesses is through the establishment of a relationship with a primary care physician. By seeing your primary care physician on a regular basis, any chronic condition you or your dependents may have can be identified and controlled and this means healthier outcome for you and your dependents.

By now you should have received a letter from the Union and Welfare Fund explaining our participation in the "Prevention Now" program. In coordination with North Shore LIJ Hospital System and Crystal Run Healthcare, the Fund is encouraging members and their families who don't already have primary care physicians, to establish a relationship with one who is in our Plan. By calling the number referred to in the letter we sent, you will be put in touch with a participating primary care physician in your area. We encourage you to make an appointment with a primary care physician and receive the proper preventative screening. Remember, there are no co-pays or deductibles in your health plan for appropriate preventative care or screening tests. There is no reason to put off any longer your first step towards a healthy lifestyle and longer life expectancy.

The recent Supreme Court decision affirmed that the Patient Protection and Affordable Care Act, in some form, is here to stay. Many of us have benefited by the provision of the new law which allows adult children under age 26, without access to their own health care, to be covered under their parents plan and eliminates lifetime benefit limits. Over the next several years, other provisions of the Act are scheduled to be implemented such as the elimination of annual limits for certain benefits and reduction in the waiting period for benefits to begin.

For insurance companies providing these benefits, this is not a problem. They simply send out a notice of the change in benefits, calculate the increased cost and send the bill to a company or individual to cover the additional costs. This results in increased costs to individual policy holders and usually increased cost sharing by employees. Self insured plans, such as ours, which negotiate multi-year health care contributions, are adversely affected by the additional cost of these provisions. Because we negotiated most of our collective bargaining agreements prior to the new law, the Fund, for the most part, is paying for the new mandated benefits without additional contributions. Fortunately, the Fund has worked hard to reduce administrative costs. We have streamlined our operations and created operational efficiencies and also reduced office space. Our administrative costs are less than 7% of benefits paid out, which is one of the lowest among Union benefit plans. Because of lower administration costs, along with increases in contributions through recent contract negotiations and favorable claims experience due to changes in Plan design, the Welfare Fund went from a deficit of almost \$900,000.00 in 2010 to a surplus of almost \$750,000.00 in 2011. The Fund is currently maintaining this positive cash flow in 2012.

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A potential downside to Union benefits plans is the health care exchanges which are scheduled to begin in 2014 under the Affordable Care Act. Although there are still many questions about how these exchanges will operate, they likely will be run by large insurance companies, will be able to provide health care at a lower cost but not due to administrative efficiencies or lower reimbursements to doctors and hospitals. Their advantage is derived from receiving new government subsidies based on family income to offset the cost of care. The way the current law is being interpreted, Union benefit plans are not eligible to provide coverage as an exchange and receive these government subsidies. Local 707 is leading the fight along with other locals and the IBT to allow union plans to act as exchanges and level the playing field. If we are able to operate as an exchange, it would allow us to offer more affordable health care coverage to all our members and allow an affordable alternative to employers who will be required to provide coverage for their employees or face a fine. This could actually help us to grow our fund.

As the health care world rapidly changes and your Welfare Fund continually adapts to these changes, we will continue to provide you and your family with comprehensive and affordable health care coverage.

COORDINATION OF BENEFITS & CENSUS FORM

During September 2012 you will be receiving the new Coordination of Benefits/Census form that must be completely filled out and returned to us by October 15, 2012. Each year, a Coordination of Benefits form is mailed to each participant of the Fund and even if your information has not changed, you still must complete the form and return it to us on a timely basis.

The Fund is now required to extend coverage to your eligible adult children up through the day that your adult child reaches age 26. Even though you might have enrolled your adult child last year, you must still fill out an updated form and return it to us. If you have more than one adult child, you will need to complete a separate form for each adult child. Please note that this includes any adult children already enrolled as a college student in our Welfare Plan.

It is imperative that we receive these forms at the Fund Office no later than October 15, 2012. Failure to do so will result in loss of coverage and/or a possible gap in coverage and no medical claims will be paid on your behalf.

NEW EMPLOYER TRUSTEE

Effective August 28, 2012, the Transport Employers Association has appointed Lamar Beinhower to serve as Employer Trustee as of August 28, 2012. He will be replacing Employer Trustee Pete Hassler who recently resigned from the position.

KEEP YOUR PLAN INFORMED OF ADDRESS & TELEPHONE CHANGES

In order to protect your family's rights, you should keep the Fund Office informed of any changes in the addresses of family members. All changes of address must be sent to us in writing.

CASHING BENEFIT CHECKS

Once a month we mail benefit checks to cover services performed by a non participating provider. These claims are paid according to the summary plan description for your particular plan. If you have sought the services of a non participating provider, please be on the lookout for your benefit check. It is important that you either cash this check in a timely manner or turn it over to the provider as soon as possible.

PARTICIPATING PROVIDERS

It is your responsibility to determine whether the medical providers you and your family use participating in your network. Check to see that the doctor or other provider you use participated with Empire Blue Cross Blue Shield. If you are referred outside the doctors office for X-rays, blood test or other diagnostic procedures, make sure you are being referred to a in network provider. Network providers are supposed to make their best effort to refer you to another in-network provider. However, the final responsibility is yours. All out of network claims are subject to your plan's annual deductible and coinsurance. To check the participation status of your provider, you can call Empire at 1-800-553-9603 or visit their website at www.empireblue.com.

HANDLING CLAIMS DURING A DIVORCE

Marriage between a Participant and his or her spouse ends on the date that a judgment of divorce is signed. Coverage will terminate for the spouse at the end of the month in which the divorce occurred. The Participant, however, is responsible for notifying the Fund of the divorce. Until you are divorced, you remain married, even if you marry again. A subsequent marriage is invalid if you have not divorced.

Failure to notify the Fund that a former spouse is no longer eligible for benefits will be considered an act of fraud upon the Fund and the member will be responsible for any claims that the Fund pays for the former spouse.

EXPLANATION OF BENEFITS

Each time a claim is paid in your behalf, we mail you and Explanation of Benefits (EOB). Check your EOB carefully to be sure the billing, dates of service, and services rendered are accurate. If not, call the Fund Office immediately to notify us of any discrepancies.

For information regarding the Pension and Welfare Fund, please call our office during business hours, 8:30 am to 4:00 pm, Monday through Friday. The phone number is 516-560-8500.

Union Trustees

Kevin McCaffrey, C.E.B.S.
Vincent Cangelosi

Employer Trustees

Tom J. Ventura
Lamar Beinhower

Interim Fund Manager

Kevin McCaffrey, C.E.B.S.

Phone (516) 560-8500 ~ 1-800-366-3707

Road Carriers Local 707 Welfare and Pension Plans
14 Front Street, Ste. 301 ~ Hempstead, New York 11550
Website ~ www.roadcarriers707.com

SUMMARY ANNUAL REPORT FOR ROAD CARRIERS LOCAL 707 WELFARE FUND

This is a summary of the annual report for Road Carriers Local 707 Welfare Fund, EIN 11-2159859, Plan No. 501 for the period September 1, 2010 to August 31, 2011. The annual report has been filed with the Employee Benefits Security Administration as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The plan has contracts with Cigna Life Insurance Co. of New York, Empire HealthChoice HMO, Inc. and Harford Life Insurance Co. to pay certain Health, Life Insurance, Dental, Vision, Temporary Disability, Long-Term Disability and other claims incurred under the terms of the plan. The total premiums paid for the plan year ended August 31, 2011 were \$2,488,262.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$4,895,761 as of August 31, 2011, compared to \$3,360,591 as of September 1, 2010. During the plan year the plan experienced an increase in its net assets of \$1,535,170. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$17,086,571, including employer contributions of \$15,016,269, employee contributions of \$1,973,712, losses of \$24,116 from the sale of assets, earnings from investments of \$107,906 and other income of \$12,800. Plan expenses were \$15,551,401. These expenses included \$1,157,361 in administrative expenses and \$14,394,040 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of plan assets; and
5. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Board of Trustees at Road Carriers Local 707 Welfare Fund at 14 Front Street, Hempstead, NY, 11550, (516) 486-7100. The charge to cover copying costs will be \$9.75 for the full report, or \$.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, if any, or a statement of income and expenses of the plan and accompanying notes, if any, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes, if any, will be included as part of that report. The charge to cover copying costs given above does not include a charge for copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan at 14 Front Street, Hempstead, NY, 11550 and at the US Department of Labor in Washington DC, or obtain a copy from the US Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, US Department of Labor, 200 Constitution Avenue, NW, Washington DC 20210.



The first step to prostate health. If you're reading this, you're on your way.

One in six men over 50 are at risk for prostate cancer. Almost 10% will die from it.

Even though it's not always deadly, half of men between age 50 and 60 develop some kind of problem in their prostate, a gland situated just below the bladder.



Symptoms of prostate problems include difficulty urinating, having to go often in the middle of the night, leaking, or blood in the urine — or you may have no symptoms at all until it's too late.

Talk to your doctor about your risk and together decide if it makes sense to get tested.

We want to be America's healthiest union. And that means all of us have to do what we can to prevent prostate problems.

If you don't have a Primary Care Physician, we will help you select one at no charge. Just call 1-516-307-5293. For additional information, visit preventionnow.com.

***PRIVACY NOTICE REMINDER**

As you may remember, on or about April 14, 2003, the Road Carriers Local 707 Welfare Fund ("Fund") sent its HIPAA Notice of Privacy Practices ("Notice") to you. That Notice is still applicable and available for your review, and review by your dependents. You and your dependents can obtain copies as follows:

1. The Notice is available on the Fund's website at www.roadcarriers707.com.
2. If you would like a hard copy of this Notice sent to you, please submit a written request to:

HIPAA Contact Person
Road Carriers Local 707 Welfare Fund
14 Front Street, Ste. 301
Hempstead, NY 11550
516.560.8500

**Federal law requires that we provide this notice to you annually.*

POST-MASTECTOMY RECONSTRUCTIVE SURGERY*

The Road Carriers Local 707 Welfare Fund covers Post-Mastectomy Reconstructive Surgery. Briefly described, any participant or dependent receiving mastectomy-related benefits will be covered, in a manner determined in consultation with the attending physician and the patient, for: Reconstruction of the breast on which the mastectomy was performed; Reconstruction of the breast on which the mastectomy was not performed in order to produce a symmetrical appearance; Protheses; and Treatment of physical complications at all stages of the mastectomy, including lymphedema. Coverage for all reconstructive surgery described here will be subject to the normal co-payments, deductibles and co-insurance consistent with the Plan's terms as described in the applicable Summary Plan Description.

**Federal Law requires that we provide this notice to you annually.*

**Road Carriers Local 707
Welfare & Pension Funds
14 Front Street, Ste. 301
Hempstead, New York 11550**

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