PSC-CUNY Welfare Fund
Benefits Bulletin

February 2011

New GVS Optical Benefit Brochure and Bonus Coupon

The Welfare Fund and General Vision Services (GVS) are making the vision benefit more user-friendly. Here's how:

- A revised GVS brochure that includes a defined surcharge schedule for specialized lenses and features is included with this mailing and has been posted on the Welfare Fund website, *psccunywf.org*.
- A $100 coupon is also enclosed, which can be used to buy a second pair of glasses, or to purchase glasses for a family member who is not currently eligible for the benefit.
- A consumer glossary of commonly used optical terms and lens types is available on the Fund website.

The new schedule of set charges for lens upgrades (photosensitive, hi-index, polycarbonates, etc.) will go a long way toward clarifying any confusion or inconsistency in pricing at point of purchase, and should give members renewed confidence in the value of the benefit. The Fund encourages members to bring the schedule of charges to the store when utilizing the benefit at GVS.

Members who are unfamiliar with the variety of lens types and optical terminology should take advantage of the new glossary of optical terms. A link to the GVS brochure, coupon and optical glossary is on our website homepage, *psccunywf.org*, in the News and Notes section on the site's home page.

Your satisfaction with the products and customer service provided by GVS is important to the Fund. When you use your optical benefit at any GVS location, please let us know about your experience by emailing us at *communications@psccunywf.org.*

John Hancock Long Term Care

Welfare Fund members who participate in the John Hancock Long Term Care (LTC) group policy recently learned of the insurer's intent to raise premiums in the near future. The brief notice was an enclosure to an offer to increase the daily coverage adjusted for inflation.

The projected premium increase is the result of financial problems in the LTC insurance industry. Several companies, including MetLife, have discontinued new LTC enrollments, but John Hancock continues to offer them. While there are no reliable projections of the size of the rate hike, it could be as much as 40%.

Our members should know that the Welfare Fund is working hard to limit the impact of the rate hike. Despite the financial trouble in the industry, we feel strongly that our Hancock group program is still the best available long term care plan, and that it is in the interests of our members to stay with it, especially given the lack of a viable alternative that we can recommend.

Hancock policy members should check the Fund website for updates on the expected rate increase. New York state residents receive a tax subsidy on LTC premiums and should remember to claim it when filing this year's income tax.

Marsh Catastrophe Major Medical insurance

Losses over the last couple of years due to a high volume of claims have presented this program with difficult choices on how to stabilize and ensure its continued availability and financial viability. Typically, those choices are to either increase premium rates, reduce benefits, or some combination thereof.

Given the currently modest premiums (relative to industry standards) charged for the catastrophic plan, the Fund elected to accept a rate increase rather than a reduction in benefits, i.e., a higher deductible or a shortened benefit period.

Effective March 1, 2011, policy holders will experience a premium rate increase of 20% over their current rate. The increase will be reflected on March 1 billing statements. This is the first rate increase since the inception of the program and will vary from a minimum of $0.40 per payroll period (for individuals under age 30) to a maximum of $3.25 per payroll period (for a members over 65 with family coverage).

Health Care Reform and the Welfare Fund

The Welfare Fund is regularly reviewing the federal health care reform legislation known as the Patient Protection and Affordable Care Act (PPACA). Naturally we are monitoring the new regulations with a view to our obligations, but also to the opportunities for cost-saving and benefit improvement that the rules may offer. We intend to keep members informed on a timely basis of any program changes in response to our compliance with PPACA regulations.

The next big change prompted by the new law is the extension of dependent health insurance coverage to children under the age of 26. The City of New York Health Benefits Program will implement this coverage on July 1, 2011, which is the beginning of the City plan year. Dependent eligibility for Welfare Fund benefits coverage will coincide with the extended eligibility rules for basic health insurance from the City.

There will no longer be restrictions related to financial dependency, residency, or the child's marital or student status. Children under age 26 who lost coverage owing to previous status restrictions may regain eligibility for inclusion on their parent's plan. In the coming weeks the city will provide further information concerning eligibility and enrollment. Please check the Welfare Fund website, ***psccunywf.org***, for updates.