PSC-CUNY Welfare Fund
Benefits Bulletin

Fall 2013

Medco/Express Scripts

Medco and Express Scripts have merged. The company is changing the name on all communications to Express Scripts, but you can still refill your prescriptions by using your current drug card, refill order forms, the Medco/Express Scripts website, or the telephone number on your card, 866-544-6963.

Now that the PSC-CUNY Welfare Fund prescription benefit and the city-wide PICA program are both under Express Scripts, many members have two different Express Scripts cards. The card that has the Welfare Fund logo should be used for most drugs. For injectable and chemotherapy prescriptions under the PICA program, use the card that says “Injectables Chemotherapy” on the front. You can find examples of the cards on the Drug Benefits page at *psccunywf.org*. See “Which card do I use?”

Health Care Reform & the Welfare Fund

Many questions have been raised about the effect of the Affordable Care Act (ACA) on our members' benefits. A *Clarion* report, “What Health Reform Means at CUNY,” is on our website, *psccunywf.org*. Under the ACA, the Welfare Fund benefits plan is considered a “grandfathered” plan—a plan that existed on March 23, 2010, and has not significantly changed since. The ACA mandated the expansion of some benefits that materially benefit Fund members. Here are some of the most important changes:

Children can remain on a parent's family coverage up to age 26. The ACA added 800 newly eligible dependents to Welfare Fund coverage in 2011.

Annual and lifetime caps on benefits will be phased out by 2014. A waiver from the federal government has permitted the Fund to maintain its $10,000 individual annual cap on the drug benefit for active employees until the end of 2013. This waiver was granted to almost all NYC Welfare Funds, because the additional expense of lifting the cap has not come with a commitment of additional resources to meet it. The federal government has now made clear it will end all waivers next year. While the benefit to our members is substantial, the Fund will have to find ways to absorb the added expense.

There are additional opportunities for improving benefits coverage, and the Welfare Fund has taken full advantage. The Medco Medicare Prescription Plan, a partnership between the Fund and the Medicare Part D drug plan, was instituted last year. Covered retirees benefit from: 1) elimination of the annual $50 deductible, 2) immediate removal of the annual $10,000 maximum on coverage, and 3) reduction of the co-pay (at approximately the $9,250 level) *from 20% to 5%.* The plan has none of the negative features of other Part D plans; i.e., no deductible, premiums or “donut hole” coverage gap.

Health plans, including our Welfare Fund, must provide members with a “Summary of Benefits and Coverage (SBC).” Regulations strictly determine the format of the SBC, which is intended to present a basic health program's full range of covered services (medical, hospital, etc.). The Fund will be distributing SBC's shortly, and SBC's for actives and retirees are now available on our website. It should be noted that the SBC is more appropriate for describing basic health insurance. A better-suited guide to your Welfare Fund coverage may be our own Summary Plan Description (SPD), found at *psccunywf.org*. Printed copies may be requested.

The ACA will mean better coverage for our members and the Fund is able to provide better benefits for less money, because of some of the ACA's innovations; e.g., the Medicare Part D partnership. Other benefits are expanded, however, without providing additional resources. The Fund has to pick up these costs, such as the expanded coverage of dependents up to 26 years of age. The PSC and other unions are pressing the City for additional funding for the union welfare funds to deal with these expenses.

Prescription Drugs Review Program

Meanwhile, the Fund Board of Trustees is implementing efficiencies in the current prescription drug program to defray some of the costs of removing the $10,000 annual cap. To that end the Trustees have approved some medically prudent and fiscally sound measures to keep costs under control. Since members typically pay 20% of the tab, it is in the best interests of all parties to keep costs down.

The new program will require pre-authorization for certain medications and utilization of equivalent medications to assure the use of clinically appropriate drugs at reasonable cost. Ultra high-cost specialty drugs may be dispensed in smaller starting quantities while their therapeutic value is assessed. These and even more extensive controls have long been in place at many health plans and are standard practice with physicians. The Fund has employed a highly-trained independent pharmacist to provide clinical advice and protect members.

Mailings will go out to members currently taking the medications that will be part of the review process and explain the new procedures in more detail. Though there may be inconvenience at first, we trust members will understand this is in the interest of preserving the benefit without compromising quality of care or increasing member costs.

NYC Audit of Dependent Benefits Eligibility

The City of New York has begun an audit of dependents covered by the NYC Health Benefits Program**—**without approval of the PSC or any city unions. Because the audit process was seriously flawed, a temporary restraining order was obtained that provided time to reach agreement with the City on an appeal process, protection from recourse, and safeguards to confidentiality. Protections apply to those who respond by Oct. 4. *We strongly urge you not to ignore this audit.* Submit *copies* of the requested documents or you risk losing health coverage for dependents. Everyone under age 80 with dependents on their policy should have received notice of the audit. If you have not, please contact the Employee Benefits Program, 40 Rector Street, 4th floor, New York, NY 10006. The telephone number is 212-306-7200; the fax number is 212-306-7378; the email address is ehbmail@olr.nyc.gov.

New Name for Some Davis Vision Locations: Visionworks

By the end of 2013 Davis Vision retail locations in upstate New York and Long Island will be rebranded as Visionworks. Members can expect an updated frame selection, a new layout and the same Associates and Doctors as before. All stores will remain open during renovation.

Your New Welfare Fund Website

Last year we reorganized the Welfare Fund website, *psccunywf.org*, and launched a new design in November. We are proud of the new site's clean look and user-friendly format. Among union benefits websites, it is by far the most comprehensive. We recently showed it off at the annual conference of the International Foundation of Employee Benefits Plans. We urge you to take advantage of your new, best source for Welfare Fund benefits information, news and much more, ***psccunywf.org.***

Fund Financials

PSC-CUNY Welfare Fund

Annual Report to Fund Membership

Financial Statements FY 2011 and FY 2012

Statement of Net Assets

Fiscal Year Ending June 30

Assets	- ***FY 2012***	- - ***FY2011***
Cash and Short term investments	$5,257,409	$10,899,053
Contributions receivable from CUNY		
Refund from Insurance provider	$77,850	$670,504
Retiree drug subsidy receivable (RDS)	$1,157	$662,823
Accrued interest and other receivables	$2,828,775	$2,204,974
Mutual Funds	$1,079,838	$845,818
Investments in governmental and agency obligations	$10,881,890	$17,088,962
Fixed assets (net of accumulated depreciation)	$59,780	$54,318
Other assets	$14,441	$69,055
TOTAL ASSETS	**$20,201,140**	**$32,495,507**
Liabilities and Fund Balance		
Accounts payable	$4,125,585	$4,793,302
TOTAL LIABILITIES	**$4,125,585**	**$4,793,302**
FUND BALANCE [Accumulated Reserves]	**$16,075,555**	**$27,702,205**

Statement of Changes in Net Assets

Fiscal Year Ending June 30

Additions	**FY 2012**	**FY 2011**
Contribution Income	$36,745,498	$36,418,129
Net appreciation in fair value of investments	($253,033)	($352,769)
Interest Income	$342,071	$665,417
Other Income	$85,287	$181,219
TOTAL ADDITIONS	$36,919,823	$36,911,996
Deductions		
Net cost of benefits	$46,631,677	$43,534,949
Net pension related changes	$277,662	($39,761)
Decrease (increase) In IBNR	($188,056)	($136,281)
Administrative costs	$1,825,190	$1,670,029
TOTAL DEDUCTIONS	$48,546,473	$45,028,936
Excess (Deficit)	**($11,626,650)**	**($8,116,940)**
Fund Balance - Beginning of Year	$27,702,205	$35,819,145
Fund Balance - End of Year	**$16,075,555**	**$27,702,205**