



# Transportation Communications International Union

*An affiliate of the International Association of Machinists and Aerospace Workers*



God Bless America

**SOCIAL SERVICES DEPARTMENT**  
**Robert A. Scardelletti, International President**  
**Russell Oathout, International Secretary-Treasurer**

September 28, 2010

TO ALL INTERNATIONAL REPRESENTATIVES  
ASSISTANT INTERNATIONAL REPRESENTATIVES and  
LOCAL CHAIRPERSONS

Dear Sisters and Brothers:

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the "Act"). Since that date several federal agencies have published Interim Final Regulations (IFRs) interpreting the provisions of the Act.

After many months of TCU's and the other Rail Labor Organizations' continued persistence and discussions with the National Carriers' Conference Committee, the parties have mutually agreed that the Railroad Employees National Health and Welfare Plan is considered a Grandfathered plan. A grandfathered health plan under the Act means a plan that was in effect on March 23, 2010 and which is exempt from some provisions of the Act. However, grandfathered health plans must still comply with certain health care reform requirements. Two of the required provisions, removal of lifetime limits and the addition of certain dependent children to age 26, are scheduled to become effective under the Plan on **January 1, 2011**.

Employees covered under the Plan will soon be receiving the 2011 Open Enrollment materials from the Railroad Enrollment Services, which will contain further details and instructions on how they may take advantage of these two provisions. Each employee is being provided a 30-day special enrollment period, which coincides with the regular Open Enrollment period, to enroll or re-enroll certain dependent children under age 26 in the Plan for coverage effective January 1, 2011.

It is imperative that employees open and read the Open Enrollment materials. Otherwise, they may miss an opportunity to enroll certain dependent children under age 26. **IMPORTANT NOTE: the deadline for enrolling certain dependent children is November 3, 2010.**

♦ 3 Research Place ♦ Rockville, Maryland 20850-3279 ♦  
Phone—301-948-4910 ♦ FAX—301-330-7665 ♦ Website—www.tcionion.org



Further, as a reminder, it is also vital that each employee reads the instructions in the enrollment packet to ensure they comply with the Federal Law requiring the submission of Social Security Numbers (SSNs) for their covered dependent(s). For any dependent(s) whose Social Security number has not been provided, the dependent(s)' coverage will be suspended on January 31, 2011.

The attached **IMPORTANT ANNOUNCEMENT** contains additional details of the provisions of the Act and who is considered as an eligible dependent child and what impact the removal of the lifetime maximums may have on Plan participants.

TCU and the other Rail Labor Organizations' persistent efforts ultimately resulted in the required provisions of the Act being implemented under the Plan effective January 1, 2011. However, the National Carriers' Conference Committee and other employers are actively pursuing efforts to prevent these benefits from being permanently implemented.

As such, the Plan changes described above and in the attached, including the removal of lifetime limits and the addition of certain dependent children to age 26 may not be permanent. These provisions will remain in effect as long as they are required by the Federal Act and interpreted by applicable agency regulations. The interpretations of the Act set forth in the Federal Interim Final Rulings issued to date do impose these requirements. They, along with other changes mandated by the Interim Final Rulings, may, however, be reversed or modified by future agency action, judicial decision or legislation. In that event, your Plan will incorporate the terms and conditions of such reversal or modification, effective as soon as practicable after any amendments occur.

Please distribute this information to your members so they are aware of the importance of reading the 2011 Open Enrollment materials and taking actions to enroll their eligible dependent children by the November 3, 2010 deadline.

In Solidarity,



Robert A. Scardelletti  
International President

Attachment

cc: Executive Council  
Carmen Division Officers  
Department Directors

## **IMPORTANT ANNOUNCEMENT**

**Health Care Reform Changes  
Coming Soon  
Under**

**The Railroad Employees National Health and Welfare Plan**

**WATCH FOR YOUR ANNUAL OPEN ENROLLMENT MATERIALS  
FROM RAILROAD ENROLLMENT SERVICES**

Employees covered under the Railroad Employees National Health and Welfare Plan (the Plan) will soon receive their annual Open Enrollment Packets from Railroad Enrollment Services. It is imperative that every employee open the packet to read the important Plan changes effective January 1, 2011. Further, it is also vital that each employee reads the instructions on how to comply with the Federal Law requiring Social Security Numbers (SSNs) for covered dependents.

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the "Act"). Since that date several federal agencies have published Interim Final Regulations (IFRs) interpreting the provisions of the Act. As a result, the Plan will make certain changes effective January 1, 2011.

### **Grandfathered Status**

The Plan is considered a grandfathered health plan under the Act. Being a grandfathered health plan means that a plan was in effect on March 23, 2010, and makes that plan exempt from some provisions of the Act. However, a grandfathered health plan must still comply with certain health care reform requirements. Two of them, removal of lifetime limits and addition of certain dependent children to age 26, are scheduled to become effective for this Plan on January 1, 2011.

**Effective January 1, 2011, the following will be implemented under the Plan. During Open Enrollment, Railroad Employees will be given a 30-day special enrollment period to take advantage of these provisions. Please note, the deadline for enrolling is November 3, 2010.**

### **Removal of Lifetime Limits from the Plan**

Currently, the Plan contains a lifetime maximum benefit of \$1,000,000 per each individual, which includes any amounts paid under 1) the Comprehensive Health Care Benefit (CHCB); 2) Out-of-Network services under the Managed Medical Care Program (MMCP); or 3) Out-of-Network services for mental health care under the Mental Health and Substance Abuse (MHSA) Benefits. There is also a separate lifetime maximum benefit of \$100,000 per individual for Out-of-Network services for substance abuse care under the MHSA Benefits.

Beginning on January 1, 2011 these lifetime maximums will be eliminated for any individual who reached or will reach a lifetime maximum prior to December 31, 2010. The Plan will begin paying any claims incurred by that individual on or after January 1, 2011. Note, any claims incurred prior to January 1, 2011 that exceed the maximum will not be paid.

Any individual who had previously reached the lifetime maximum under the Plan and is no longer enrolled in the Plan, or opted-out of coverage, now has the right to re-enroll in the Plan during the special 30-day enrollment period which will run concurrently with the Plan's 30-day annual open enrollment period this year.

## **Addition of Certain Dependent Children to Age 26**

The Plan will be extending coverage to certain dependent children to age 26, regardless of student, marital, residence or financial dependence status of the dependent child. The 30-day special enrollment period is being provided for certain children that are not currently enrolled in the Plan, or who are enrolled in the Plan but will lose their dependent eligibility on or before December 31, 2010. **Coverage for your children added during this special enrollment period will be effective on January 1, 2011.** In order to be eligible for this special enrollment, your child:

- Must not be currently enrolled in the Plan, or be currently enrolled in the Plan but will lose his/her dependent eligibility status on or before December 31, 2010; and
- Must be your married or unmarried child, under the age of 26, who is not eligible to enroll for coverage under an employer-sponsored group health plan, other than the group health plan of a parent.
  - A child is your natural child, your stepchild, your adopted child (including a child placed with you for adoption) and your child who is an Alternate Recipient under a Qualified Medical Child Support Order.
  - Your child does not have to be a student, reside with you or be financially dependent upon you.
  - Your child can be married and still qualify for coverage under the Plan. However, the Plan will not cover the spouse of your child.

**NOTE: Only your child who meets the above definition can be added and have his/her coverage extended to age 26 for this special enrollment.** Grandchildren are not impacted by the Act and the IFRs. Thus, a grandchild must continue to meet all other requirements for his/her coverage. Please consult the Plan's Summary Plan Description for more details on these requirements.

If you have a dependent child currently enrolled in the Plan who will not lose his/her dependent eligibility prior to January 1, 2011, coverage will automatically be extended up to age 26 for that child if he/she is your natural child, stepchild, adopted child (including a child placed with you for adoption) or your child who is an Alternate Recipient under a Qualified Medical Child Support Order. Such dependent child is only eligible if he/she is not eligible to enroll for coverage under an employer-sponsored group health plan, other than the group health plan of a parent.

If your child was enrolled in the Plan and his/her coverage ends prior to December 31, 2010, or if you have a child that was denied coverage or was not otherwise eligible under the Plan, you may now enroll this child if he/she meets the requirements set forth above. Also, if your child currently has COBRA continuation coverage, you may now obtain coverage for your child without COBRA as long as he/she meets the requirements set forth above.

If you are not currently enrolled in the Plan because you previously opted-out of coverage, you may enroll for coverage for yourself and your eligible dependent children during this special enrollment period.

**Your personalized annual open enrollment materials will arrive in the mail in a few weeks. The package will contain further details along with a special Dependent Add Form. Please review the materials and follow the instructions included in the packet to enroll your eligible dependents up to age 26. The completed Dependent Add Form and other required materials must be postmarked no later than November 3, 2010 in order to have the eligible dependents covered by your Plan.**

If you have questions regarding the Health Care Reform provisions you should contact your claims administrator by calling the Member Services phone number located on the back of your Member Identification Card, or:

<b>Claims Administrator</b>	<b>Health and Welfare Plan</b>
Aetna	1-800-842-4044
Highmark Blue Cross Blue Shield	1-866-267-3320
UnitedHealthcare	1-800-842-9905

\*\*\*\*\*

The Plan changes described above, namely, the removal of lifetime limits and the addition of certain dependent children to age 26 may not be permanent. They will remain in effect only so long as required by the Act as interpreted by applicable agency regulations. The interpretations of the Act set forth in the IFRs issued to date do impose those requirements. They, along with other changes mandated by the IFRs, may, however, be reversed or modified by future agency action, judicial decision or legislation. In that event, your Plan will incorporate the terms and conditions of such reversal or modification, effective as soon as practicable after it occurs.