

December, 2010

Summary of Material Modification #1

Dear Participant:

The Board of Trustees continues to strive to provide you and your family with high quality, cost effective benefit coverage and at the same time monitors the financial condition of the Fund to assure these benefits will continue for you and your dependents. The Fund must also make certain changes in order to comply with healthcare reform legislation. Please review this information carefully, noting effective dates of changes, and share it with your spouse and family.

Keep this Summary of Material Modifications with your new Summary Plan Description booklet so that you may refer to it if you have any questions in the future.

I. DEPENDENT ELIGIBILITY

As part of the recently enacted health care reform legislation, effective January 1, 2011, the Fund will cover adult children of a participant up to the age of twenty-six (26). The new law requires coverage of adult children up to age 26 regardless of the adult child's marital status, financial dependency on the participant, residency with the participant, student status, or any other dependency-test.

Individuals whose coverage ended, or were denied coverage because the availability of dependent coverage of children ended before attainment of age twenty-six (26) are eligible to (re)-enroll in the Fund. Individuals may request enrollment for such children for thirty (30) days from the date of this notice. Enrollment will be effective January 1, 2011. Coverage for your Eligible Dependent child will end on the last day of the month in which the child turns age 26. If you wish to obtain coverage for your Dependents, the attached Dependent Eligibility Form must be completed and returned to the Fund Office.

II. CHANGE IN COST-SHARING

On and after December 31, 2010, co-payments for benefits are removed.

Effective December 31, 2010, all Covered Expenses incurred on and after December 31 and provided by **Preferred Providers** (in-network benefits) will be paid at 80%. Eligible Participants and their Dependents will pay the remaining 20%. The co-payment structure which varied from \$25 for physician services to \$250 for in-patient hospital is discontinued on and after December 31, 2010.

This co-insurance will not apply to annual physicals or preventive care benefits such as well woman, mammograms, PSA tests, etc. Preventive care benefits and annual physicals will be covered at 100% of Allowed Charges.

In many instances, the change to 80% / 20% co-insurance will result in lowered out-of-pocket costs to the Eligible Participant or Dependent, as illustrated below:

Preferred Provider Office Visit	\$125
CIGNA PPO Allowed Amount	\$ 90
Previously Owed by Participant	\$ 25
20% Owed by Participant	\$ 18
Amount Owed for Preventive Care Benefits	\$ 0

Beginning December 31, 2010, Eligible Participants and each Eligible Dependent will have an annual deductible of \$250 with no maximum per family. This will apply to any Covered Expense incurred on and after December 31.

You will continue to have an **Individual Out-of-Pocket Medical Expense** limit of \$5,000 per Calendar Year for **Preferred Provider** charges.

Covered Expenses provided by **Non-preferred Providers** (out-of-network) will continue to be paid at 50% of Allowed Charges.

As a reminder, properly completed claims must be submitted within twelve (12) months of the date of incurred liability.

III. ANNUAL MAJOR MEDICAL BENEFIT

Effective December 31, 2010 there will be an Annual Major Medical Benefit Limit, per Eligible Individual, of \$100,000.

IV. PRESCRIPTION DRUG PROGRAM CHANGES

Also effective December 31, 2010, there will be a modest increase in co-payments for covered prescription drugs obtained through Participating Pharmacies in the Prescription Drug Program through Envision Rx. The new co-pays for up to a 30-day supply at retail will be:

	<u>Your co-pay Retail</u>
Generic:	\$15
Preferred Brand:	\$30
Non-Preferred Brand:	\$55

The Fund also offers the option to obtain medications prescribed for long-term use, (typically referred to as “maintenance medication”) through a mail order facility. You may receive up to a 90-day supply (3-months) of maintenance medications through the Mail Order Program. The co-pay for up to a 90-day supply also increases modestly to:

	<u>Your co-pay Mail</u>
Generic:	\$ 25
Preferred Brand:	\$ 55
Non-Preferred Brand:	\$105

For your convenience, information and an order form for Mail Order is enclosed.

The following modifications in covered drugs will be effective December 31, 2010 as well: Any medication available “over the counter” *including* non-sedating antihistamines (NSAs) and proton pump inhibitors (PPIs) will not be covered under the Prescription Drug Program or Fund.

V. CHANGE IN LIFE INSURANCE CARRIER

Effective December 1, 2010 the Trustees have terminated Amalgamated Life as the insurance provider for life insurance. The new provider is:

MetLife
200 Park Avenue
New York, NY 10166-0188
Policy No.: 146580-1-G

There is no change in benefits. The Fund will continue to provide a \$15,000 life insurance benefit for the Participant and a \$15,000 Accidental Death & Dismemberment benefit, also for the Participant.

VI. EXCLUDED BENEFITS

Beginning December 31, 2010, no benefit will be provided for medical expenses for the following: Home Health Care, chiropractic services, private duty nursing, hearing aids, physical therapy, substance abuse (including prescriptions to treat such conditions) and mental and nervous conditions (including prescriptions to treat such conditions).

In addition, the Fund will not provide benefits when it is determined that medical expenses have resulted from participation in inherently dangerous or ultra hazardous activities. Examples of such activities are: base jumping, water skiing, bungee jumping, riding on all-terrain vehicle as a passenger or driver, motor cross, etc.

VII. BOARD OF TRUSTEES

The Board of Trustees of the Teamsters Local Union 966 Health Fund is:

Union Trustees

James R. Anderson
Teamsters Local Union 966
300 Knickerbocker Road, #1200
Cresskill, NJ 07626

Gerard Covello
Teamsters Local Union 966
300 Knickerbocker Road, #1200
Cresskill, NJ 07626

Employer Trustees

Herbert R. Ricklin
Herbert R. Ricklin & Associates
374 Millburn Avenue, Suite 204E
Millburn, NJ 07041

We suggest that you keep this Summary of Material Modifications with your Summary Plan Description. If you should have any questions about the coverage provided under the Teamsters Local Union 966 Health Fund, the Summary Plan Description or these changes, please contact the Fund Office at 888-490-8800.

Sincerely,

THE BOARD OF TRUSTEES