
FOR YOUR BENEFIT

NEWSLETTER OF THE LOCAL 295 IBT EMPLOYER GROUP BENEFIT FUNDS
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THE ANTHEM CYBER ATTACK

Late in January it was in the news that Anthem Blue Cross was the target of a very sophisticated external cyber attack.

Tens of millions of records stolen...



The attackers gained unauthorized access to Anthem's system and have obtained personal information about current and former Anthem participants and some members of other independent Blue Cross and Blue Shield plans who received healthcare services in any of the areas that Anthem serves. The attackers gained access to information such as names, birthdates, medical identification numbers, Social Security numbers, street addresses, e-mail addresses and other personal data.

We don't know if medical information, such as claims, test results or diagnostic codes were targeted or compromised.

At the present time, we've been told that participants of the Welfare Fund were affected by this attack. Some of them have already received letters from Anthem.

Once the attack was discovered, Anthem immediately made every effort to close the security vulnerability. They contacted the FBI and cooperated fully with its investigation. Anthem has also retained Mandiant, a leading cybersecurity firm, to assist in the investigation and to strengthen the security of their systems. Anthem will contact current and former members via mail delivered by the U. S. Postal Service about the cyber attack. Affected members will receive free credit monitoring and ID protection services. Enrollment for the credit monitoring is automatic.

Dedicated website...

Anthem has created a dedicated website

(www.AnthemFacts.com) where participants can access information such as frequently asked questions and answers. Anthem has also established a dedicated toll-free telephone number you can call for information. The number is 1.877.263.7995.

Beware of the scammers...

It has been reported that scam artists have already been busy at work calling and e-mailing Anthem participants and trying to get their Social Security numbers and credit card information. You should not accept any telephone call or open any e-mail or attachments that appear to be from Anthem. Anthem is not calling or e-mailing anyone regarding the cyber attack.

You can get more information about recognizing scam e-mails, by visiting the FTC Website at <http://www.consumer.ftc.gov/articles/0003-phising>.

TIME FOR A PHYSICAL




How long has it been since you had a physical exam? A year? Two years? Five years? Never? Maybe it's time.

The silent killers are lurking...

Many serious health conditions have no symptoms whatsoever. High blood pressure and high cholesterol are usually only discovered when you get a checkup. Patients with diabetes aren't aware of it until they have their blood sugar checked. Call your doctor now. Annual physical examinations are covered in full. ■

A CHANGE IN PRE MEDICARE RETIREE COST

The Welfare Fund mailed out a Summary of Material Modifications (SMM) to all of the participants covered by the Local 295 IBT Employer Group Welfare Fund.

 **Pre-Medicare monthly cost is increasing...** The SMM announced that it has become necessary to increase the monthly cost of coverage for the covered retirees and their eligible dependents who have not reached Medicare age.

The change goes into effect on June 1, 2015. The Board of Trustees and the professional staff in the Fund Office have constantly strived to control the rising costs of health care.

Historically, costs have skyrocketed... Unfortunately, while the Consumer Price Index (CPI) was increasing at the rate of 2 or 3 percent a year, health care costs have been jumping up at the rate of 8 or 10 percent or more every year.

We reported in another article on page 2 of this newsletter that overall costs increased by 13.1% during the last fiscal year.

 **Health care costs for older persons are more expensive...**

The costs for older people are higher than the costs for the younger, healthier active-at-work employees.

Older persons become ill more frequently and recovery is much slower. That usually means longer hospital stays, more doctors office calls, more testing and more prescription drugs.

A series of deficits... The upward spiraling medical costs have been cause for a lot of concern. The claims costs in the Welfare Fund have outstripped the income for a number of consecutive years.

Active/Retired ratio is shrinking... At one time the ratio of active employees to retirees was much higher. There were three or more active-at-work employees for every retiree and the cost of providing retiree coverage was subsidized.

As of the latest census, the ratio of active-at-work employees to retirees is about one to one. Because of the dramatic cost increases, the Welfare Fund must, once again, increase the monthly charge for pre-Medicare retired persons.



The new amount is \$975 per month for each person covered by the pre-Medicare plan of benefits. The effective date of the cost increase is June 1, 2015.

You may opt out... Along with the SMM, the Welfare Fund Office provided opt-out forms. If any of the retirees wishes to opt out of the Welfare Fund's coverage he or she may do so by completing the form and sending it to the Welfare Fund Office.

You can return to the Welfare Fund coverage if you meet the requirements... If you do opt out of the Welfare Fund's coverage, you can return to the plan at a later date. To do so, you will have to provide evidence that you had creditable

coverage throughout the time you were not covered by the Welfare Fund.

Finding coverage through the State or Federal exchanges... If you opt out of the Welfare plan of benefits, you may, if you wish, obtain coverage in the State or Federal Health Care Exchanges. And, you can explore the possibility of getting a subsidy. You may also investigate your private insurance options.

If you live in New York State, the website of the Exchange is: www.healthbenefitexchange.ny.gov If you live outside of New York, you may be able to buy coverage either through the Federal Exchange or your State Exchange.

You can get some assistance finding other coverage... If you would like to explore the possibility of obtaining health coverage through the Exchanges, the Board of Trustees has made arrangements with a service that can help you find coverage that is right for you. The service is available to New York State residents.

The service is:

Community Service Society
105 East 22nd Street
New York, New York 10010
1.888.714.5400
The website address is:
www.essny.org

Questions? If you have any questions about this change, call or visit the Welfare Fund Office. The telephone number is 212.308.4200.

The Fund Office is located in the financial district of New York City at 60 Broad Street, 37th Fl, New York, New York 10004.

DON'T JUST SIT THERE

You may find this information so unusual that you feel inclined to sit down for a minute, but that's actually the opposite of what you should do. A study published in the American Journal of Epidemiology suggests people who spend more time sitting (specifically, more than six hours a day) during leisure time have an increased risk of premature death compared to those who sit for three hours or less, and the results are independent of exercise.

When you sit for long periods of time, usually with little or no movement, it negatively affects circulation, metabolism, resting blood pressure and cholesterol, among other things. And, more time sitting, especially in front of the TV, computer, etc.,

often contributes to excessive snacking (all too often the unhealthy variety) which can lead to obesity and weight-related disorders such as diabetes. "Sit less, move more" is a great message to store in your memory bank and recall on a daily basis. Anytime you start to feel stuck to your chair, peel yourself away and add a little motion (and a few years) to your life.

HEALTH CARE COSTS CONTINUE TO RISE & THE WELFARE FUND POSTS ANOTHER DEFICIT

The audit report is in for the most recent fiscal year of the Local 295 IBT Employer Group Welfare Fund.

The Welfare Fund staff processed more than 75,000 claims last year. That is an average of about 6,200 claims per month.

Thousands of other claims were processed by the pharmacy benefit and dental plan operations.

Health care benefits costs spiraling upward... Benefit payments and other costs exceeded the income by \$2,440,498 in the last fiscal year. That's more than double the previous year's deficit when the benefits and other costs outstripped the income by \$1,004,124. The total amount of health care benefits paid out was \$21,922,033 by comparison to the previous year when \$19,378,843 was paid out. That's an increase of \$2,543,190 or 13.1%.

Hospital and major medical benefits were the highest... During the last year, the Welfare Fund paid out \$14,498,746 in hospital and major medical benefits by comparison to \$12,881,583 in the previous year. That's an increase of nearly 13%.

Prescription drug costs have slowed down... The Welfare Fund paid \$4,517,068 for prescription drugs last year. The total in the previous year was \$4,277,439. The increase was \$239,629 or 5.6%. Dental benefits increased from \$898,140 to \$935,969.

Some good news... Utilization of our newest benefit, Wellness – The Right Way - For Your Benefit, indicates that more members and dependents are becoming interested in staying healthy by participating in the program. And, death benefit payments have reduced from \$251,500 to \$180,500.

Also in the good news department... Administration costs did not change. The cost of administration has remained level over a five-year period.

Income increased, but not enough... The Welfare Fund's total income from all sources such as employer and employee contributions, investment income and appreciation was \$21,639,819 last year and \$20,535,736 in the previous year. The income increased by \$1,108,207 or 5.4%.

No end in sight, costs will continue to rise... Unfortunately, there are no indicators that health care costs will level off. Historically, the costs have increased at a higher rate than the cost of living and the probability is very high that the costs will continue to rise at that pace. Hospital, medical, laboratory, surgical, medical and drug costs are running rampant. Also, unfortunately, when the financial stability of the benefit fund is threatened by a series of annual losses, the Board of Trustees must take action to stabilize the Welfare Fund. That action includes finding ways to increase the income or reducing the benefits.

With regrets, the Board of Trustees of the Welfare Fund is changing the cost for retirees who are covered by the pre-Medicare plan of benefits.

LOCAL 295 IBT EMPLOYER
GROUP PENSION TRUST FUND AND
EMPLOYER GROUP WELFARE FUND
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COBRA CONTINUATION COVERAGE

If your coverage is ending because of a reduction of your hours or termination of employment, a federal law known as the Consolidated Omnibus Budget Reconciliation Act (COBRA) allows you to apply for (and pay for) continuation of coverage. If you have any dependents who were also eligible in the Welfare Fund, they can obtain COBRA coverage. COBRA coverage is not available if your employer has stopped paying into the Welfare Fund.

This special coverage can be purchased by a terminated employee and eligible dependents for a period of 18 months. If a terminating dependent needs to purchase COBRA coverage, the maximum period of time is 36 months. When your coverage terminates, you'll receive a notice telling you about the termination of benefits. The notice will also tell you how to apply for COBRA coverage.

You have to pay for COBRA coverage. The current cost is close to \$1,700 a month for a family. The cost provides the same schedule of benefits that was previously in effect except for life insurance and death benefits. The COBRA cost is subject to adjustment once a year.

As an alternative, if you don't want to enroll in the COBRA coverage, you can shop for health benefit coverage in the Marketplace.

Refer to the COBRA section of your Summary

Plan description for more information or call the Welfare Fund Office if you have any questions.

SHINGLES - AN OVERVIEW

Shingles is a painful skin rash. It is caused by the varicella zoster virus. Shingles usually appears in a band, a strip, or a small area on one side of the body. It is also called herpes zoster.

Shingles is most common in older adults and people who have weak immune systems because of stress, injury or certain medicines. Most people who get shingles will get better and will not get it again. It is, however, possible to get shingles more than once.

Shingles occurs when the virus that causes chickenpox starts up again in your body. After you get better from chickenpox, the virus "sleeps" in your nerve roots. In some people, it stays dormant forever. In others, the virus "wakes up" when disease, stress, or aging weakens the immune system. Some medicines may trigger the virus to wake up and cause a shingles rash. It is not clear why this happens. After the virus becomes active again, it can only cause shingles, not chickenpox.

You can't catch shingles from someone else who has shingles. There is a small chance that a person with a shingles rash can spread the virus to another person who hasn't had chickenpox and who hasn't gotten the chickenpox vaccine.