



Iron Workers District Council
of Philadelphia and Vicinity
Health Benefit Plan

The NEW Health Reimbursement Arrangement Program: An Overview

What We'll Cover Today

Overview

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Overview

The background features a stylized, isometric illustration of a city skyline. The buildings are rendered in a light blue color against a darker blue background. The architecture includes various styles, such as modern skyscrapers with grid patterns, traditional domed structures, and buildings with intricate facades. The overall aesthetic is clean and modern, with a focus on geometric shapes and lines.

A Summary



- Today, all eligible members are in one health plan.
 - It is expensive and getting more so every day.
 - If the Trustees don't take action now, eventually the Plan will be unable to provide benefits.
 - You've told us that you want more choice when it comes to your coverage.
- As a result, the Trustees are introducing a new program: The Health Reimbursement Arrangement (HRA).
 - Three plan options.
 - Three tiers of dependent coverage (you choose who you want to cover).
 - New eligibility rules.
 - Annual enrollment.

How We Got Here



Health care costs have been increasing for years.

It costs more to provide benefits than the contributions that come in from employers.

The Plan's reserves are shrinking.

The Trustees have made changes over time to keep benefits affordable, including increasing employer contribution rates.

If We Do Nothing. . .



- Health care costs will continue to skyrocket.
- Within the next two years, the Plan will have less than three months of reserves to pay claims.
- To keep the Plan viable, the Trustees and you have two options: either cut benefits or shift more Plan costs **to all Participants.**

That is why the Trustees are creating a new option that will allow the Plan to continue providing benefits, make coverage more flexible for you, and keep your benefits affordable for the Plan, contractors, and you.

Why We Need the HRA Program



- Contain costs—and keep the Plan viable
 - Provide you with choice by providing lower-cost plan options
 - Offer Member, Member +1, and Family tiers of dependent coverage options
- You deserve the option to choose the health plan that best meets your needs.





How Our HRA Program Will Work

How Our HRA Program Will Work—An Overview



The HRA Program offers the same great benefits and coverage that you and your family deserve—and that you’ve come to expect from the Plan—with more **CHOICES** for you!

What is a Health Reimbursement Arrangement?



An HRA is an account with Credits you can use to be reimbursed for eligible health care expenses on a pretax basis.

- Beginning March 1, 2021, the Plan will create an account for all eligible participants.
- That account will receive Credits on your behalf for each hour of covered employment that you work.
- You'll use those Credits for eligibility for coverage and/or to be reimbursed for eligible health care expenses.

How the New HRA Program Will Work



- HRA Program Credits help you establish and continue eligibility for health insurance through the Plan, if you choose to do so.
 - You can use your HRA Credits to get reimbursed for eligible expenses not covered by the Plan or any other group health plan you may be covered under.
- Your HRA Program Credits will be kept in an account.
 - It's a notional account, which means you accrue Credits—not money—based on the number of hours you work in covered employment.
 - Although you can use HRA Credits for your own health care expenses, those Credits belong to the Plan.
 - If you lose eligibility for coverage, you will not receive any money from the account.

- Your employer will make contributions to the Plan for each hour you work in covered employment, whether or not you are enrolled in one of the plan options—the same system that's in place today.
- Effective March 1, 2021, your HRA Account will be credited with those employer contributions for you to use for eligibility for coverage under the Health Plan.
- During open enrollment, you'll decide which health plan option to enroll in for the next Plan Year and whether or not to enroll your dependents.
- Your HRA Credit balance will determine which plan options and coverage tiers are available to you to enroll in.
- You'll be reimbursed for your eligible medical, dental, and vision expenses if you file a claim; the reimbursed amount will be deducted from your HRA Credit balance.

New Eligibility Rules: Credits



- You are eligible for the HRA Program as an active member if you are working in covered employment.
 - The HRA Program begins on March 1, 2021.
 - Once you have enough Credits in your account, you can enroll in a health plan option.
 - Coverage will continue for as long as you have enough Credits in your HRA Account to continue that coverage.
- Credits will be deducted from your HRA Account at the beginning of each month in which you are enrolled in Plan coverage, based on the plan option and tier of coverage that you have selected.
 - If you don't have enough Credits in your HRA Account, your coverage will terminate on the last day of the month for which you had enough Credits to continue your eligibility.
 - You can then self-pay the difference for one month, elect COBRA coverage (if eligible), or waive coverage.

New Eligibility Rules: Month-to-Month Eligibility



- Once you have coverage under the Plan, that coverage will continue on a month-to-month basis.
 - This is a change from today's quarterly eligibility system. Now, if you have a bad quarter, you can lose eligibility for the next quarter.
 - In the new HRA Program, you'll accrue Credits for every hour you work.
 - You can save them to continue your eligibility. If you have a bad month, for example, you can use the HRA Credits in your account to continue being eligible.
- If you don't have enough Credits to continue eligibility for a particular month, you may self-pay the difference for that month. You can only do this for one month.
 - After that, you can elect COBRA coverage (if eligible) or waive Plan coverage (and purchase insurance through an exchange).
 - Once your HRA Account balance is again equal to at least three months of the cost of coverage for the plan option you previously elected, you may ask to re-enroll in Plan coverage.

HRA Program Applies Only to Health Benefits



The eligibility changes apply only to your health benefits:

- Medical/Hospital
- Prescription Drug
- Dental
- Vision.

The eligibility provisions explained in your Summary Plan Description continue to apply to your other Plan benefits:

- Long-term Disability
- Life Insurance
- Waiver of Life Insurance Premium.

How Will This Work for Retirees?



- Retirees are not eligible for contributions into an HRA Account. They do not accrue Credits.
- If you participate in the HRA Program as an active member and later retire with a balance in your HRA Account, you can use the Credits remaining in your HRA Account to be reimbursed for eligible health expenses during your retirement.



How Will This Work for Dependents?

- You can use HRA Account Credits to be reimbursed for your dependents' medical expenses only if those dependents were enrolled in coverage under the Plan when they incurred the expenses.
- Coverage for eligible dependents starts when the participant's coverage begins, as long as the dependent is properly enrolled.
- You'll be able to choose if you want to cover your dependents or not; coverage will no longer be automatic.

The background features a stylized, light blue illustration of a modern building with a glass facade. A person is depicted walking on a balcony or walkway. The overall aesthetic is clean and professional, with a focus on architectural lines and a sense of movement.

Your HRA Account

Your HRA Account



- The Trustees will establish and maintain a notional HRA Account for each eligible participant.
 - The HRA Account Credit balances are not vested, and interest does not accrue on the HRA Account balances.
 - Contributions to your HRA Account come solely from employer contributions made in accordance with a Collective Bargaining Agreement.
 - No one else, including participants, can contribute to the HRA Account.
- HRA Account contributions will begin March 1, 2021.
 - Beginning March 1, 2021, if the Plan receives no new employer contributions on your behalf, or no Credits are granted to you due to disability, for a period of 12 consecutive months, all Credits in your HRA Account will be forfeited.
 - If you retire from the Iron Workers District Council Philadelphia and Vicinity Pension Fund with an HRA Account balance, those Credits will not be subject to forfeiture. You can keep them and use them to be reimbursed for eligible medical expenses in retirement.

Initial HRA Program Account Allocation



- Starting March 1, 2021, you will receive credits in your HRA Account based on your work in covered employment and your employer contributions.
 - Because you need to establish your eligibility for health coverage before then, the Trustees are granting HRA Credits to all active members who were covered under the Plan for at least one quarter during the one-year period beginning September 1, 2019, and ending August 31, 2020.
- If you have work hours only in the period from September 1, 2020, through February 28, 2021, you will not receive an initial HRA Account allocation.
 - If you retired on or before August 31, 2020, you will not receive an HRA Program Account allocation.
 - The following slide describes how the initial HRA Account allocation for each participant was calculated.

How the Initial HRA Program Account Allocation Is Calculated



If you meet the HRA Program eligibility criteria as described earlier, you will receive an initial HRA Account allocation in the amount equal to the ratio of your hours worked in the three-year period from September 1, 2017, through August 31, 2020, to the total aggregate hours worked by all active participants over the same period.

Example: A member worked 3,600 hours between September 1, 2017, and August 31, 2020, as shown below:

- September 1, 2017–August 31, 2018: 1,200 hours
- September 1, 2018–August 31, 2019: 1,300 hours
- September 1, 2019–August 31, 2020: 1,100 hours

The total number of hours worked by all participants during that same period was 7,487,826 hours.

If we divide, the member's 3,600 hours by the 7,487,826 total hours, we get a ratio of 0.00048.

The Plan is projected to have \$11,005,459 in assets on February 28, 2021.

When you multiply the Plan's projected assets (\$11,005,459) by this member's ratio (0.00048), you get \$5,283.

That means this member's initial HRA Program Account allocation will be 5,283 Credits.

For comparison, the average initial HRA Account allocation is 6,285 Credits; some participants will receive more, others less, depending on how many hours they worked.

Personalized Statements—Helping You Make Your Decision



- The Plan is mailing personalized statements to all eligible participants.
 - The statements show an estimate of your starting Credit balance (initial HRA Account allocation).
 - If you do not receive a personalized statement, you are not eligible for an initial HRA Account allocation.
- If you disagree with the numbers on your personalized statement or you believe that you should have received one but did not, please call the Plan Office immediately.
 - You can use the statement to help you decide which plan option to enroll in and who to cover (more on that later).

Ongoing Contributions to Your HRA Account



Beginning March 1, 2021, each eligible participant's HRA Account will be credited at the beginning of the first month following the month in which contributions are received on your behalf from contributing employers.

The anticipated contribution rate on March 1, 2021, will be \$9.95 per hour.

- \$8.85 per hour will be contributed to your HRA Account as Credits.
- \$1.10 per hour will be allocated to General Account Expenses for the Plan.
 - General Account Expenses include administrative costs, stop-loss insurance, long-term disability, life insurance, waiver of premium, and fees that may be associated with the Affordable Care Act.



What Happens to Your Account When You Retire?

- You can continue using your HRA Account balance when you retire.
- You can use your remaining Credits to be reimbursed for eligible health care expenses.*
- **Retirees do not receive additional HRA Credit contributions.**
- If you retire on or before August 31, 2020, you are not eligible to participate in the HRA.

**Note: The \$100 per month deducted from your monthly pension benefit for Plan coverage is not an eligible health care benefit expense.*

New Plan Options

The background features a stylized, light blue illustration of a modern building with a glass facade. A person is depicted walking on a balcony or walkway. The overall aesthetic is clean and professional, with a focus on architectural elements.

New Plan Options



You have three health plan options to choose from:

Plan A (Current Plan)	Plan B	Plan C
<ul style="list-style-type: none">▪ Identical to the plan you have now▪ No in-network deductible and the lowest cost-sharing (coinsurance and copayments) of all the available plan options▪ Requires the most Credits for eligibility	<ul style="list-style-type: none">▪ Has a higher deductible and higher cost-sharing than Plan A▪ Requires fewer Credits for eligibility than Plan A, but more than Plan C	<ul style="list-style-type: none">▪ Has the highest deductible and cost-sharing of the three options▪ Requires the fewest Credits for eligibility

Plan Option Comparison



		Plan A (Current Plan)		Plan B		Plan C	
		In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible	Single	None	\$500	\$1,500	\$2,750	\$3,500	\$4,000
	Member +1	None	\$1,000	\$3,000	\$5,500	\$7,000	\$8,000
	Family	None	\$1,000	\$3,000	\$5,500	\$7,000	\$8,000
Annual Out-of-Pocket Max	Single	\$6,075	\$8,000	\$6,075	\$8,000	\$6,075	\$8,000
	Member +1	\$12,075	\$16,000	\$12,075	\$16,000	\$12,075	\$16,000
	Family	\$12,075	\$16,000	\$12,075	\$16,000	\$12,075	\$16,000

Plan Option Comparison *continued*

	Plan A (Current Plan)		Plan B		Plan C	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Coinsurance	Plan pays 100% after deductible	Plan pays 70% of allowable charges after deductible	Plan pays 85% after deductible	Plan pays 60% of allowable charges after deductible	Plan pays 50% after deductible	Plan pays 50% of allowable charges after deductible
PCP and Specialist Copayment or Coinsurance	\$20	Plan pays 70% of allowable charges after deductible	No charge for Preventive, Screening and Immunization Services	Plan pays 60% of allowable charges after deductible	No charge for Preventive, Screening and Immunization Services	Plan pays 50% of allowable charges after deductible
Inpatient Copayment or Coinsurance	You pay \$100 per day up to a max of \$500 per admission	Plan pays 70% of allowable charges after deductible	You pay \$500 per day up to a max of \$5,000 per admission	Plan pays 60% of allowable charges after deductible	You pay \$500 per day up to a max of \$5,000 per admission	Plan pays 50% of allowable charges after deductible

Plan Option Comparison *continued*

		Plan A (Current Plan)	Plan B	Plan C
Rx Deductible		None	\$100	\$200
Rx Copayments or Coinsurance		<p>Generic: \$10/\$20 Brand Formulary: \$25/\$50 Non-Formulary: \$100/\$200 (Retail/Mail Order Copayment)</p> <p>Specialty: You pay 2% coinsurance (\$25 min/\$250 max for formulary specialty medications; \$50 min/\$250 max for non-formulary specialty medications)</p>	You pay 15% coinsurance per prescription	You pay 50% coinsurance per prescription
Rx Annual Out-of-Pocket Maximum	Single	\$1,825	\$1,825	\$1,825
	Member +1	\$3,725	\$3,725	\$3,725
	Family	\$3,725	\$3,725	\$3,725

Enrollment

The background is a dark blue color with a faint, light blue line-art illustration of a university campus. The illustration includes several buildings with windows, a bridge with a suspension tower, and a fountain with water spraying upwards. The overall style is clean and modern.

Your Enrollment Options



You can choose from three plan options:

- **Plan A:** Identical to the current plan; no in-network deductible and the lowest cost-sharing of all the available plan options; requires the most Credits for eligibility.
- **Plan B:** Has a higher deductible and higher cost-sharing than Plan A; requires fewer Credits than Plan A, but more than Plan C, for eligibility
- **Plan C:** Has the highest deductible and cost-sharing of the three options; requires the least Credits for eligibility

You can choose from three tiers of coverage:

- Single (only you)
- Member + 1 (you and one eligible dependent)
- Family (you and all your eligible dependents)

Choose the plan option that's best for you and your family based on your needs and your available HRA Credits.

All covered family members must be enrolled in the same plan option.

Enrolling for Coverage



- You can elect coverage during open enrollment only if your HRA Account Credit balance is equal to or greater than three months of the cost of coverage for the plan option you elect.
- If you do not have enough Credits to enroll, or you choose to wait until you have enough Credits for the plan option you want, you can ask to enroll in coverage at any point during the year, once your HRA Account Credit balance is equal to or greater than three months of the cost of coverage for the plan option you want.
- If you enroll in coverage but later don't have enough Credits in your HRA Account for your plan option, you may self-pay the difference for that month. After that month, you can elect COBRA coverage (if eligible), purchase other coverage under a public health exchange, or waive coverage.
- When your HRA Account Credit balance is once again equal to or greater than three months of the cost of coverage for the plan option you previously selected, you can ask to re-enroll in the plan option you previously elected.

Using Your Credits for Eligibility



Credits will be deducted from your HRA Account each month. The amount deducted will be based on the plan option and tier of coverage that you select.

Monthly Credit costs for the three plan options and the three coverage tiers, effective March 1, 2021:

Dependent Coverage Tier	Plan A (Current Plan)	Plan B	Plan C
Single	688 Credits	563 Credits	468 Credits
Member + 1	1,328 Credits	1,072 Credits	878 Credits
Family	1,725 Credits	1,387 Credits	1,132 Credits

To enroll in a plan option (or to continue your eligibility in that option), you must have a Credit balance in your HRA Account that is **equal to or greater than three months of the cost of coverage** for that plan option.

Minimum HRA Balance to Start or Continue Coverage

Coverage Tier	Plan A (Current Plan)	Plan B	Plan C
Single	2,064 Credits	1,689 Credits	1,404 Credits
Member + 1	3,984 Credits	3,216 Credits	2,634 Credits
Family	5,175 Credits	4,161 Credits	3,396 Credits

Example 1: Casey has 4,500 Credits in his HRA Account. He has enough Credits to enroll as an individual in Plan A, but not to cover his family. Casey decides to enroll his family in Plan B and save up for Plan A family coverage next year.

Example 2: John has 975 Credits in his HRA Account. He does not have enough Credits to enroll in any of the plan options. He will continue without Plan coverage and keep working until he has enough Credits in his HRA Account to be eligible for Plan B coverage for himself and his spouse.

Using Your Credits for Ongoing Eligibility



After the initial HRA Credit allocation you may receive, ongoing Plan eligibility depends on your hours worked in covered employment beginning March 1, 2021. Consider this when deciding which plan option to elect, if any.

The table to the right shows the monthly and annual hours needed to maintain eligibility under the three Plan A (most Credits required) dependent tiers.

Plan A (Current Plan)	Single	Member + 1	Family
Required Monthly HRA Credits	688 Credits	1,328 Credits	1,725 Credits
Required Annual HRA Credits	8,256 Credits	15,936 Credits	20,700 Credits
Required Minimum Monthly Hours Based on \$8.85 per Hour Contribution Rate	78 Hours	150 Hours	195 Hours
Required Minimum Annual Hours Based on \$8.85 per Hour Contribution Rate	933 Hours	1,801 Hours	2,339 Hours

The table to the right shows the monthly and annual hours needed to maintain eligibility under the three Plan B (mid-level Credit requirement) dependent tiers.

Plan B	Single	Member + 1	Family
Required Monthly HRA Credits	563 Credits	1,072 Credits	1,387 Credits
Required Annual HRA Credits	6,756 Credits	12,864 Credits	16,644 Credits
Required Minimum Monthly Hours Based on \$8.85 per Hour Contribution Rate	64 Hours	122 Hours	157 Hours
Required Minimum Annual Hours Based on \$8.85 per Hour Contribution Rate	763 Hours	1,454 Hours	1,881 Hours

The table to the right shows the monthly and annual hours needed to maintain eligibility under the three Plan C (fewest Credits required) dependent tiers.

Plan C	Single	Member + 1	Family
Required Monthly HRA Credits	468 Credits	878 Credits	1,132 Credits
Required Annual HRA Credits	5,616 Credits	10,536 Credits	13,584 Credits
Required Minimum Monthly Hours Based on \$8.85 per Hour Contribution Rate	53 Hours	99 Hours	128 Hours
Required Minimum Annual Hours Based on \$8.85 per Hour Contribution Rate	635 Hours	1,191 Hours	1,535 Hours

Using Your Credits for Health Care Expenses



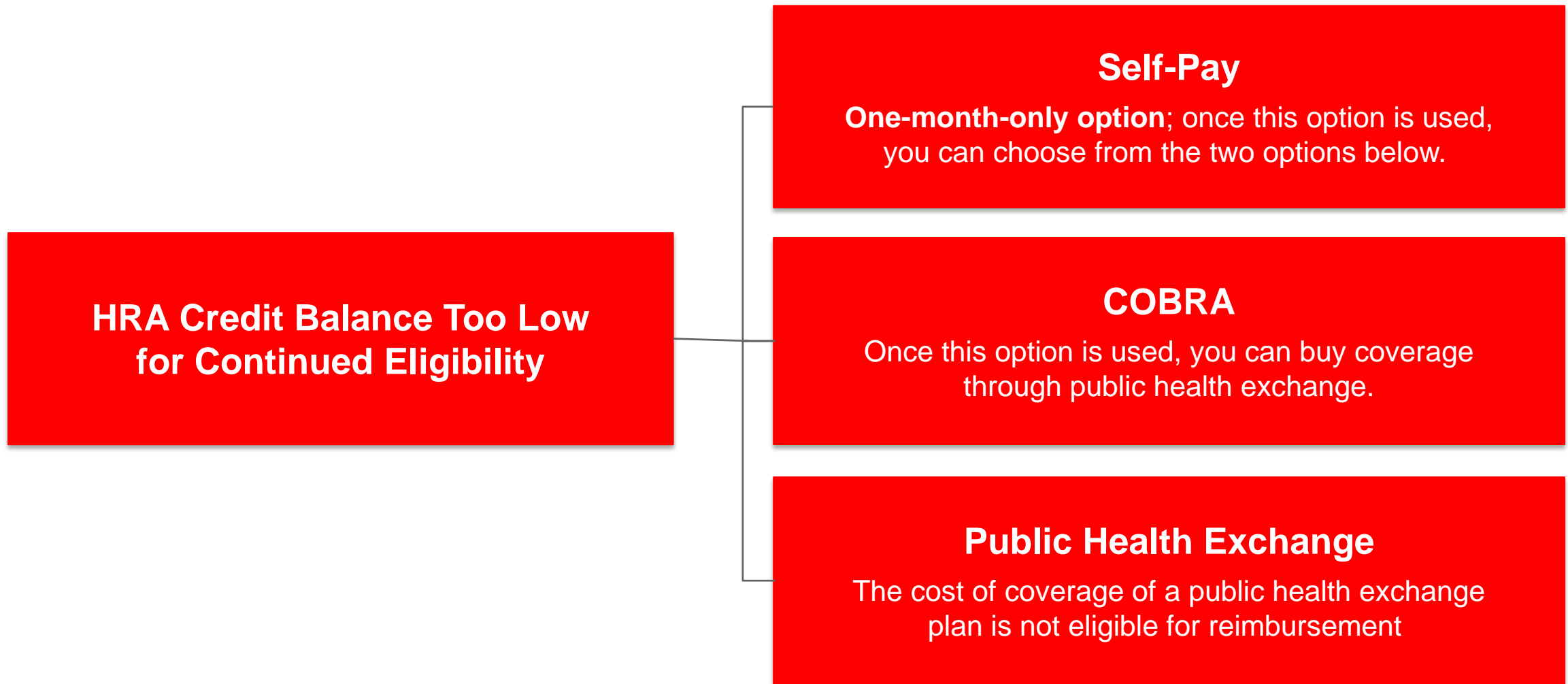
- In addition to using your Credits for eligibility, you can also use them to be reimbursed for eligible health care expenses for yourself and your covered dependents.
- Eligible medical expenses include amounts paid by you or your covered dependent(s) for deductibles, copayments, and coinsurance under this Plan or any other qualified group health plan in which you're enrolled.
- To be reimbursed for eligible health care expenses, you must file a claim with the Plan Office.

Open Enrollment



- Open enrollment happens once a year. It is your chance to elect, waive, or change your health plan options—and select the dependents you want to cover—for the upcoming year.
- 2021 open enrollment will begin on December 1, 2020, and end on January 15, 2021.
- Coverage for the plan option you select will begin on March 1, 2021. It will continue each month you have enough Credits in your HRA Account through December 31, 2021.
- Going forward, open enrollment will be held from October 15 through November 30 of each year, for coverage effective January 1 through December 31 of the following year.
- You can elect coverage during open enrollment only if your HRA Account Credit balance is equal to or greater than three months of the cost of coverage for the plan option you elect. **If you do not make an election for coverage, you will not be covered under the Plan.**
- Outside of annual enrollment, you can enroll or change your elections only if you experience a qualifying event.

Continuing Coverage Options



Conclusion

The background features a stylized, light blue line-art illustration of a city skyline. It includes various architectural elements such as skyscrapers, a bridge with a suspension tower, and a building with a grid-like facade. The overall style is clean and modern, set against a solid dark blue background.

What Happens Next?



- Open enrollment will begin on December 1, 2020, and end on January 15, 2021.
- You'll get an enrollment kit in the mail.
 - Enrollment guide
 - Summaries of Benefits and Coverage
 - Enrollment form
 - Return envelope
- You need to complete and return your enrollment form on or before January 15, 2021, to have coverage beginning March 1, 2021 (if you're eligible for coverage).
- Future open enrollment periods will take place every October 15—November 30, with your elections taking effect the following January 1.

Resources



A copy of this presentation will be mailed to everyone receiving a personalized statement; it will also be posted on our website.

Check out our website: iwdcphila.com.

On the home page, you'll see a link to the new page we've created for the HRA Program.

You'll find additional information, FAQs, and other important documents there.

Call the Plan Office at 215-537-0900 or 800-473-5005.

Recap and Questions



We can't do nothing; rising health costs will put us out of business.

One plan no longer fits all members.

You want and need the freedom to choose the option that best meets your needs and those of your family.

The more hours you work, the more Credits you'll earn.

QUESTIONS?