

**SAN FRANCISCO ELECTRICAL WORKERS
HEALTH & WELFARE TRUST**

720 MARKET STREET, SUITE 700 • SAN FRANCISCO, CA 94102
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2018-2019 OPEN ENROLLMENT NOTICE

June 2018

TO: SAN FRANCISCO ELECTRICAL WORKERS ACTIVE/EARLY RETIREE PLAN PARTICIPANTS

FROM: PLAN OFFICE

RE: OPEN ENROLLMENT- Plan selection for 8/1/2018 – 7/31/2019

The Open Enrollment is being held during the month of July for coverage effective August 1, 2018. **Depending on where you reside**, you may choose from the following medical plans:

- ♦ **SELF FUNDED PPO**
- ♦ **KAISER HMO**
- ♦ **BLUE SHIELD HMO**

A comparison of the more significant benefits along with the Summary of Benefits Coverage for each medical plan as required by the Affordable Care Act, are enclosed. You are urged to study this comparison carefully and select the Plan you feel best meets the needs of your family. **Note that only under special circumstances, will participants be allowed to change plans outside the open enrollment period. This is why it is important for you to review all of the information before you make a change.** You may also contact the Plan Office if you would like additional information regarding the Plans.

If you wish to remain under your present coverage, no action is required.

If you are changing coverage, complete the enclosed Green Participant Enrollment Information Form. If you have had a change in dependent status or wish to add an eligible dependent, please be sure to include documentation (e.g., proof of marriage, divorce decree, birth certificate etc.).

ALL CHANGE APPLICATIONS MUST BE RECEIVED NO LATER THAN JULY 20, 2018.

If you have any questions concerning this information or require additional information, do not hesitate to contact the Plan Office at (415) 263-3670.

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ANNOUNCEMENT TO ALL PLAN PARTICIPANTS

**ENCLOSED IS YOUR OPEN ENROLLMENT MATERIAL FOR
2018. ENROLLMENT CHANGES ARE ACCEPTED IN JULY
AND TAKE EFFECT AUGUST 1, 2018**

The Trustees met on May 24, 2018, and approved increases to provider renewals **with no changes in benefits**. As of the Plan Year ended January 31, 2018, the Plan's uncommitted reserves were estimated at \$34.4 million, representing an equivalent of 8.8 months of benefits and operating expenses, compared to uncommitted reserves of \$29 million equivalent to 8.7 months of benefits and operating expenses for the Plan Year ended January 31, 2017. The \$5.4 million increase in net assets as of the year end was due to a combination of factors including 1) investment returns and 2) a \$0.75 per hour increase to the employer contribution rate effective June 1, 2017.

Beginning with hours worked in June 2018, \$0.25 per hour is being contributed by your Employer on your behalf under a new Health Reimbursement Arrangement recently added to the Plan. Information is enclosed.

The \$0.25 per hour increase to the contribution rate that took effect June 1, 2018, it is projected that the Plan's uncommitted reserves are sufficient to cover Plan expenses through the current Plan Year, assuming no significant unforeseen changes such as eligibility trends, changes in the work picture, and the unpredictability of claims. In addition, there may be legislative or economic changes that could impact the Plan. The Board of Trustees continue to monitor the Plan and are prepared to take action, as necessary, to ensure that the Plan remains healthy.

New COBRA Rates

The Plan's COBRA rate is the lesser of 1) the calculated rate based on the applicable premiums plus a 2% administrative charge, and 2) the hourly employer Plan contribution rate, multiplied by the number of hours required for one month of Plan coverage. The following table reflects the Active Plan COBRA rates that will apply for coverage beginning August 1, 2018 and ending July 31, 2019:

| Plan | Medical Only | Medical, Dental & Vision |
|----------------------|---------------------|-------------------------------------|
| Self Funded PPO Plan | \$1,770.00 | \$1,927.03 |
| Kaiser Plan | \$1,326.05 | \$1,499.38 |
| Blue Shield HMO | \$1,770.00 | \$1,927.03 |

If you have any questions regarding the change in benefits described above, please contact EISB at (415) 263-3670.