

# BENEFIT UPDATE



Fall 2004

## Benefit Plans Office

### What's Inside:

2005 Medicare Supplement Plan Changes

New Health Care Partners Announced

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Benefit Plans Office Website

## 2005 PLAN OPTIONS APPROVED

In its July 2004 meeting, the WELS VEBA Commission approved three all-new plan deductible/co-insurance plans. Beginning with the January 2005 plan year, WELS VEBA members will have the choice of the following plan deductibles:

	Individual Deductible	Individual Out-of-Pocket Maximum	Co-insurance Percentage
Plan 1	\$500	\$1,500	90% in-network 70% out-of-network
Plan 2	\$1,000	\$3,000	85% in-network 70% out-of-network
Plan 3	\$1,800	\$5,000	80% in-network 70% out-of-network

Family deductibles and out-of-pocket maximums will remain at two times individual amounts. The current 4-tier coverage choices of single, employee + spouse, employee + child(ren) and family coverage will remain unchanged. Details of the 2005 premium rates for these choices are further outlined in the article below.

*Continued on page 2*

## 2005 HEALTH PLAN RATES

As a result of the plan option changes and the new health care partner announced in this issue of the *Benefit Update*, the WELS VEBA Commission has been able to keep 2005 premium rates at reasonable levels. Your plan choice for 2005 will determine whether your premium will remain the same, decrease, or in some cases increase. Every effort has been made to keep the premium increases at a minimum.

Rates for the 2005 WELS VEBA health plan options are now available on the Benefit Plans Office website, [www.welsbpo.net](http://www.welsbpo.net). You may also call the Benefit Plans Office at (414) 256-3860 or email to [bpo@sab.wels.net](mailto:bpo@sab.wels.net) for rates and other information regarding the 2005 WELS VEBA health plan options.

*Blue Cross Blue Shield Network Effective 2005 - See Page 3*

# 2005 PLAN OPTIONS APPROVED

*Continued from page 1*

Members selecting Plan 3 will have the ability to set up a Health Savings Account (HSA) with a financial institution of their choice. HSAs allow for pre-tax payroll deductions to be placed in a trust account to cover the cost of medical services as well as prescription drug coverage.

Benefit Plans staff continue to explore the possibility of providing other pre-tax funding of health premiums and medical costs through a Section 125 plan. Because some administrative issues must be resolved, the offering of such a plan through WELS VEBA may be delayed until later in 2005. Efforts continue to help members minimize the financial impact of these plan changes.

*Watch for  
WELS VEBA Group  
Health Care Plan  
open enrollment  
materials to arrive  
in early October.*

Further details of changes to the WELS VEBA plan are available on the Benefit Plans website, [www.welsbpo.net](http://www.welsbpo.net). **During the upcoming 2005 open enrollment period, each plan member will be required to select one of the new plan options outlined above, which will result in a full re-enrollment of all members.**

Enrollment materials will be mailed to each eligible member beginning in early October. Information about the open enrollment will also be available on the website. Questions on any aspect of the changes may be directed to the Benefit Plans Office at (414) 256-3860 or by e-mail to [bpo@sab.wels.net](mailto:bpo@sab.wels.net).



## 2005 MEDICARE SUPPLEMENT PLAN CHANGES

**R**ecognizing the impact that medical care costs have on the fixed incomes of former WELS workers and their dependents, the VEBA Commission has approved changes in the Medicare Supplement Plan that should help individual members better plan for the financial impact of the rising cost of medical care.

The current monthly cost of \$202 per member (\$404 per month for member and spouse) will remain in effect for 2005. In order to maintain this fixed monthly cost at current levels, a \$500 deductible has been added to the plan before any costs are covered by WELS VEBA. The deductible will apply to each individual enrolled in the plan. After a member meets the \$500 deductible, the plan will now pay 100% (instead of the current 80%) of the remaining balance of Medicare covered expenses. This should eliminate most of the balance billing that members currently receive from providers whose services are paid by

Medicare and the WELS VEBA supplement plan. Prescription drug coverage remains unchanged for plan year 2005. **Members currently enrolled in the Medicare Supplement Plan need not take any action to stay in the plan. No re-enrollment is necessary for current Medicare participants.**

While the new deductible does increase the cost for members who utilize more medical services, the change allows the fixed monthly cost to remain flat for all members. Overall, the WELS VEBA plan continues to be an affordable option for most retired workers and their dependents as it provides valuable prescription drug coverage at reasonable co-payment levels. Look for information about the Medicare Supplement Plan on the Benefit Plans website, [www.welsbpo.net](http://www.welsbpo.net), or contact the Benefit Plans Office at (414) 256-3860 or by e-mail to [bpo@sab.wels.net](mailto:bpo@sab.wels.net).

**Questions and concerns on this topic may be addressed to the Benefit Plans Office at [bpo@sab.wels.net](mailto:bpo@sab.wels.net) or by calling 414/256-3860.**

NEW

HEALTH

CARE

PARTNERS

ANNOUNCED



Since 1986, the WELS Benefit Plans Office has provided complete membership and claims services for WELS VEBA plan members. A service model has developed over the years that keeps the needs of members and sponsoring organizations as one of its foremost objectives. The increasing burdens of regulatory compliance have severely challenged the plan's ability to maintain this objective while keeping the overall competitiveness of plan costs in step with the health care marketplace. The erosion of provider network discounts and service levels from outside partners have also challenged the plan's ability to provide quality service to members.

A search of several years for a partner that can provide third-party claims administration within a network that has meaningful cost discounts and member access to health care providers has resulted in a new partnership for the WELS VEBA Plan. Beginning January 1, 2005, Claims Management Services, Inc. (CMS), Green Bay, Wisconsin, will team with the Benefit Plans Office to deliver a service model that will include:

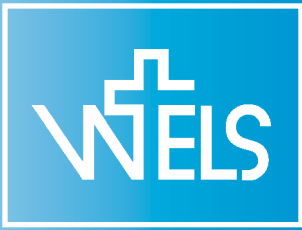
- ▶ Claims processing and clinical management services through CMS
- ▶ Access to the **Blue Cross Blue Shield (BCBS) national "BlueCard" provider network**
- ▶ All membership services and claims inquiries handled by Benefit Plans staff

This exciting new relationship will position the WELS VEBA Plan to maintain its competitiveness through:

- ▶ Improved network discounts and access for all members
- ▶ Increased administrative efficiencies
- ▶ Enhanced communication capabilities that lead to greater member satisfaction
- ▶ Reduced overall plan costs

Through CMS' access to the Blue Cross Blue Shield networks, WELS VEBA members will participate in the largest network of providers in the country. Blue Cross Blue Shield is a highly recognized health plan provider that has provided services to generations of customers. The BCBS symbol is consistently visible in areas of the country where WELS members reside. Providing discounts that are unsurpassed by any network, this partnership will serve WELS members and sponsoring organizations with broad access and reasonable cost containment.

WELS Benefit Plans office staff will continue to serve members with eligibility, enrollment, coverage, billing and claims inquiries through the current toll-free number. Please be assured that under this new service model providing member satisfaction through responsive and caring customer service remains as an overriding objective. Look for further details about these new partnerships on the Benefit Plans website, [www.welsbpo.net](http://www.welsbpo.net), and in upcoming mailings to members and sponsoring organizations. Questions about any benefit matters may be addressed to the Benefit Plans Office at (414) 256-3860 or by e-mail to [bpo@sab.wels.net](mailto:bpo@sab.wels.net).



## SUMMARY

# ANNUAL REPORT

WELS

VEBA

GROUP

HEALTH

CARE

PLAN

This summary annual report for the plan year January 1-December 31, 2003 is provided to all WELS VEBA GROUP HEALTH CARE PLAN ("WELS VEBA" or "The Plan") participants and sponsoring organizations as required by the Employee Retirement Income Security Act of 1974 (ERISA). The full annual report has been filed with the Employee Benefits Security Administration as required by ERISA. The Employer Identification Number of the plan is 39-1522925.

The WELS VEBA plan provides health insurance coverage through preferred provider organizations as well as life insurance, long-term disability insurance, dental insurance and stop-loss insurance for certain health claims exceeding \$380,000 in a plan year.

WELS VEBA has contracts with the following insurance carriers to pay certain claims incurred under the Plan:

- ▶ ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA (stop-loss)
- ▶ THE PRUDENTIAL LIFE INSURANCE CO. (life/accidental death/long-term disability)
- ▶ PROTECTIVE DENTAL CARE (voluntary dental indemnity plan)
- ▶ DENTAL BLUE DENTAL PLAN (voluntary dental maintenance plan)

The total premiums paid for the plan year ending 12/31/2003 were \$1,636,075.

The value of plan assets, after subtracting liabilities of the plan, was \$15,028,078 as of 12/31/2003, compared to \$15,542,364 as of 1/1/2003. During the plan year, the Plan experienced a decrease in its net assets of \$514,286. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the costs of assets acquired during the year. During the plan year, the Plan had total income of \$36,402,377 including sponsoring

organization contributions of \$34,566,521, no employee contributions or realized losses from the sale of assets, and earnings from investments of \$1,835,856. Plan expenses were \$36,916,663. These expenses included \$2,098,299 in administrative expenses and \$34,818,364 in benefits paid to participants and beneficiaries. There were no other plan expenses.

You have the right to receive a copy of the full annual report or any part thereof on request.

To obtain a copy of the full Annual Report or any part thereof, write or call the office of:

VEBA COMMISSION-WELS  
2949 NORTH MAYFAIR ROAD, #116  
MILWAUKEE WI 53222-4392  
414-256-3860

who is the Plan Administrator.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the Plan:

2949 NORTH MAYFAIR ROAD, #116  
MILWAUKEE WI 53222-4392

and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to:

Public Disclosure Room, Room N-1513  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210

# DENTAL PLAN OPEN ENROLLMENT

The WELS Voluntary Dental Plan will be conducting an Open Enrollment for dental coverage to become effective January 1, 2005. The enrollment period will be held from October 1-31, 2004. This enrollment is available to all **active** WELS VEBA policyholders who are not enrolled in the dental plan.

If you are a current dental plan member and would like to change your provider or dental company, you can do so during this enrollment period.

Fortis Employee Benefits has recently changed their name to Assurant Employee Benefits. Please note the rate increases for the year 2005 are as follows:

DentalBlue VDC186 (WI) .....	4.5%
Dentacare 160 (WI) .....	9.6%
All Assurant DHMO Plans .....	No Increase to Current Rates
Assurant Freedom Schedule .....	No Increase to Current Rates

Frank F. Haack & Associates, Inc. will send further details. If you would like additional information or if you do not receive

the mailing and wish to enroll, please contact our dental administrator:

**Frank F. Haack & Associates**

Voice Mail Toll-Free National:  
(800) 637-3550 ext. 8879

Voice Mail Toll-Free State of Wisconsin:  
(800) 242-1313 ext. 8879

Fax: (414) 259-8871

E-Mail: [openwels@haack.com](mailto:openwels@haack.com)

**NOTE:  
IF YOU ARE ALREADY ENROLLED  
IN THE DENTAL PLAN  
AND DO NOT WISH  
TO MAKE ANY CHANGES,  
YOU WILL BE AUTOMATICALLY  
RE-ENROLLED!**

## WOMEN'S CANCER NOTICE

**TO: All Eligible Plan Participants and Dependents**  
**RE: Women's Health and Cancer Rights Act of 1998**

Under this new federal law, group health plans that provide medical and surgical benefits to a person who is receiving benefits from the Plan in connection with a mastectomy, must provide benefits for certain reconstructive surgery.

Although the WELS VEBA Group Health Care Plan has previously considered this a benefit of the Plan, the new law assures that coverage is available for all people who receive Plan benefits in connection with a mastectomy and then elect breast reconstruction.

Coverage must be available for the following:

1. Reconstruction of the breast on which the mastectomy has been performed.
2. Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
3. Prostheses and treatment of physical complications in all stages of mastectomy.

Coverage of the above is subject to the deductible or co-payment provisions and limitations applied by the Plan for covered treatments.

If you have any questions regarding this benefit, please contact the Benefit Plans Office at (414) 256-3860 or by e-mail to [bpo@sab.wels.net](mailto:bpo@sab.wels.net).

WELS Benefit Plans Office  
2949 N. Mayfair Road  
Suite 116  
Milwaukee, WI 53222

Phone: 1-414-256-3860  
8:00 a.m. to 4:25 p.m. CST

Fax: 1-414-256-3879  
Available 24 hours a day

E-mail: [bpo@sab.wels.net](mailto:bpo@sab.wels.net)

Website: [www.welsbpo.net](http://www.welsbpo.net)

*Material contained herein  
is published solely for  
informational purposes and is  
not advisory in its condensed  
form. Comments and  
inquiries on subject matter  
presented are encouraged.*



## BENEFIT PLANS OFFICE WEBSITE

Benefit Plans Office

Home | Health | Medicare | Pension | GTL | LTD | AD&D | Dental

Welcome to the WELS Benefit Plans Office!

The WELS Benefit Plans Office website, [www.welsbpo.net](http://www.welsbpo.net), has been updated with information regarding the WELS VEBA plan for 2005.

On the website, you can find:

- 2005 Rates
- In-Depth 2005 Plan Option Information
- Blue Cross/Blue Shield Network Updates
- Up-to-date Plan News and Events

Visit us today at [www.welsbpo.net](http://www.welsbpo.net)

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Benefit Plans Office

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