MEMBER BENEFITS
nysut
Working to Benefit You

October 23, 2017

Dear Group Catastrophe Major Medical (CMM) Participant:

This letter includes important information and notices regarding your benefits under the NYSUT Member Benefits CMM Insurance Trust-sponsored Group CMM Plan, including:

- Future benefit changes;
- New Claim Administrator;
- Important Q&As;
- Reminder for Participants who added dependents during the spring 2017 Open Enrollment period; and
- Summary Annual Report.

Please read this letter and keep it for future reference.

FUTURE BENEFIT CHANGES

As you may be aware, the Trustees of the NYSUT Member Benefits CMM Insurance Trust review the CMM Plan (Plan) on a regular basis to insure that the Plan provides the best possible design and access for participants and their families. As a result of this review, the Trustees voted to make some significant changes to the Plan, effective January 1, 2018.

These changes will make it easier for you to understand the Plan design and file claims. In addition, they will help the Plan to remain financially strong. Thousands of claims have been filed over the years, resulting in over $60 million in benefits paid to participants in the past three years alone.

Participants will receive a new Group CMM Plan Document in January 2018 that will fully describe the new Plan. As part of the January 2018 mailing, participants will also receive a cover page outlining a new policy number, new certificate number and the individual(s) covered under the certificate.

In the meantime, you can see an overview of the new Plan by reviewing the "2018 Group CMM Plan Highlights" and "2018 Summary of Benefits & Coverage" (SBC) documents, available by visiting the NYSUT Member Benefits website at ***memberbenefits.nysut.org*** and clicking on "Groups/Locals/Funds," then "Programs for Groups" and then "Group Catastrophe Major Medical Plan." These materials are also available in paper form at no charge upon request by contacting NYSUT Member Benefits at **800-626-8101**.

Please retain the existing and new Group CMM Plan Documents for your records. For claims filed with a benefit period effective date between January 1, 2014 and December 31, 2017, the existing Group CMM Plan Document (Policy #: CMM1-002) continues to apply.

For claims filed with a benefit period effective date on or after January 1, 2018, the new Group

CMM Plan Document (Policy #: CMM1-004) will apply. In addition, for claims filed with a benefit period effective date prior to January 1, 2014, the Group CMM Plan Certificate of Insurance (Policy #: E-610, 219) continues to apply.

NEW CLAIM ADMINISTRATOR

The **NYSUT Member Benefits CMM Insurance Trust** will continue to be the Administrator responsible for enrollment/eligibility, customer service, and premium collection.

We're pleased to announce that HealthSmart Benefit Solutions, Inc. will be the new Administrator responsible for claims processing and coordination of appeals for benefit period effective dates of **January 1, 2018 and beyond**.

For benefit period effective dates between January 1, 2014 and December 31, 2017, Mercer Consumer will continue to be responsible for claims processing and coordination of appeals. In addition, for benefit period effective dates prior to January 1, 2014, The United States Life Insurance Company in the City of New York will continue to be responsible for claims processing and coordination of appeals.

You will receive information about how to file claims with HealthSmart by the end of the year, as well as in the January 2018 Plan Document mailing.

IMPORTANT Q&As

1) *Effective January 1, 2018, what will be the changes to plan benefits under the new CMM Plan Document?*

   You will receive a new Plan Document in January 2018 that will fully describe the new Plan. In the meantime, you can download or request two documents that describe the major components of the new Plan. Instructions for obtaining these documents can be found above in the ***Future Benefit Changes*** section.

2) *Will the Plan's deductible change?*

   Yes. Under the current and prior Plans, participants had to satisfy a $25,000 deductible that was a combination of medical expenses incurred either by you or your Basic Health Plan(s). Under the new Plan, all participants will be subject to an annual out-of-pocket deductible as follows:

Description	In-Network	Out-of-Network
Overall Annual Out-of-Pocket Deductible	$2,500/Individual $5,000/Family	$5,000/Individual

   Participants are not required to satisfy the Overall Annual Out-of-Pocket Deductible to access the Plan's critical illness, home health care or nursing home (*i.e.*, convalescent home) benefits. See Q&A #4 below.

3) *How do In-Network and Out-of-Network benefits work?*

   In general, In-Network medical expenses are paid at 100% of eligible expenses less payments made by the Basic Plan. Payment for Out-of-Network medical expenses will be limited to 70% of eligible expenses less payments made by the Basic Plan, and you pay 30%

co-insurance up to the maximum benefit. Out-of-Network benefits include services or supplies provided by a physician, provider or facility that is not a member of your Basic Plan's Preferred Provider Organization (PPO), Exclusive Provider Organization (EPO) or Health Maintenance Organization (HMO).

Payment for Out-of-Network home health care expenses will be limited to 20% of the eligible expenses (less any payment by your Basic Plan) and you pay 80% co-insurance up to the maximum benefit. Out-of-Network expenses for convalescent care are not covered by the CMM Plan.

4) *The current CMM Plan covers some home health care and nursing home (i.e., convalescent home) expenses. Will the new Plan cover them as well?*

Yes. In January 2018, the new CMM Plan will continue to provide some home health care and nursing home benefits. These benefits will <u>not</u> be subject to the Plan's Overall Annual Out-of-Pocket deductible but will have some waiting periods that must be satisfied prior to paying benefits. In addition, these benefits will be subject to lifetime maximums.

Description	**In-Network**	**Out-of-Network**
Charges for Home Health Care • Up to 25 hours per calendar week • Limited to a maximum of 6,000 hours per lifetime while eligible for benefits under the Plan • Benefits begin following 60 hours of paid home health care per calendar year	Plan reimburses 100% of the Covered Charge (less payment made by Basic Plan) and you pay no co-insurance up to the maximum weekly and lifetime benefits.	Plan pays 20% of the Covered Charge (less payment made by Basic Plan) and you pay 80% co-insurance up to the maximum benefit (An Out-of-Network provider is one that is not certified by a state department of health or Medicare.).
Charges for convalescent/custodial care in a Convalescent Home, Custodial Care Facility, Nursing Home, Assisted Living Facility or Skilled Nursing Facility • Up to $72 per day • Limited to a maximum of $80,000 per lifetime while eligible for benefits under the Plan • Benefits begin on the 20th day of confinement	Plan reimburses 100% of the Covered Charge (less payment made by Basic Plan) and you pay no co-insurance up to the maximum daily and lifetime benefits.	No benefits for an Out-of-Network facility (An Out-of-Network facility is one that is not a Medicare-certified facility.).

5) *If I am currently receiving or have received home health care benefits in the past, will the benefits I've received count against the new 6,000-hour lifetime maximum?*

No. Benefits for home health care payable under the terms of the current and Prior Plans will not count toward the new 6,000-hour lifetime maximum under the new Plan.

6) *Will the Plan's benefit period change?*

Yes. Under the current and Prior Plans, once the deductible was met, participants had a five (5) year benefit period. The new Plan's benefit period will be the calendar year and run from January 1 to December 31.

7) *Will the Group CMM Plan's critical illness benefit change?*

No. The critical illness benefit, which provides a one-time $2,500 benefit for certain medical conditions, will remain the same.

8) *Where should I send claims?*

Claims for Covered Charges associated with benefit period effective dates between January 1, 2014 and December 31, 2017 should continue to be sent to Mercer Consumer. Claims for Covered Charges associated with a benefit period effective date prior to January 1, 2014 should continue to be sent to The United States Life Insurance Company in the City of New York.

Claims for Covered Charges associated with benefit periods that start on January 1, 2018 or later should be sent to HealthSmart. Future communications will provide instructions for how to contact HealthSmart.

9) *How do I find out the start date of my current benefit period?*

Contact Mercer Consumer toll-free at **888-386-9788**.

REMINDER FOR PARTICIPANTS WHO ADDED DEPENDENTS DURING THE SPRING 2017 OPEN ENROLLMENT PERIOD

If you enrolled dependents during the Open Enrollment period that took place from May 1 to June 15, 2017, please keep in mind that these dependents must be covered by a Basic Plan (as that term is defined in the new Plan Document) in order to be covered under the CMM Plan on January 1, 2018 and beyond.

The definition of Basic Plan can also be found in the 2018 Group CMM Plan Highlights document available at ***memberbenefits.nysut.org*** or by contacting NYSUT Member Benefits at **800-626-8101**.

QUESTIONS:

If you have any questions, please contact NYSUT Member Benefits at **800-626-8101**, 9 a.m. to 5 p.m. (EST), Monday through Friday.

Sincerely,

NYSUT Member Benefits CMM Insurance Trust