

February 1, 2009

RAILROAD MEDICAL & DISABILITY INSURANCE COVERAGE UPDATE

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1. TO INITIATE GA 23000 MEDICAL COVERAGE:
 - a. New employee working under UTU contract must work 1 month before coverage begins
 - b. After coverage begins an (any operating) employee must work 7 calendar days in a month to have coverage
 - Example – employee works 7 days in June 2008 and would then have coverage for July 2008
 - A “calendar day” means the employee must work during a calendar day
 - A 300 mile run that goes to work on Monday June 1, 2008 would qualify as one calendar day, not 3 days
 - Vacation pay received in a month counts as calendar days
 - Extra board pay counts as a calendar day
2. RESIGNATION:
 - a. All coverage ends the day one resigns
 - b. Example – employee resigns on August 1, 2008. Coverage ends on August 1, 2008 for the employee and all dependents
3. MARRIAGE:
 - a. New spouse is eligible for coverage the first day of marriage
 - b. Ex-spouse loses coverage the day the divorce is final
4. CHILDREN:
 - a. Children are covered until age 19
 - b. Children are covered up to age 25 if full time enrolled in college. Full time means 12 or more hours a semester
 - c. Step children are covered
5. COVERAGE FOR SUSPENSION, DISCHARGE OR FURLOUGH:

- a. Coverage for **4 months** following the last month of compensated service for the employee and all dependents
- b. Example: Employee is suspended on March 22, 2008. Employee and all dependents have full coverage for March, April, May, June and July 2008
- c. Remember one can buy the insurance at the Carrier's cost (COBRA) for up to 18 months after the insurance ends. The cost is \$552.00 per month for the employee and \$552.00 for the spouse and \$318.00 for all children.

6. LEAVE OF ABSENCE:

- a. Coverage for **1 month** following the last month of compensated coverage
- b. Example: Employee takes a leave of absence on March 22, 2008. Employee and dependents have coverage for March and April 2008.

7. FAMILY MEDICAL LEAVE COVERAGE:

- a. If an employee takes FMLA because of their spouse, children or parent has a serious health condition; the employee is considered on a leave of absence and would have coverage for 1 month after the last month of compensated coverage.
- b. If an employee takes FMLA because the employee has a serious health condition, the employee has coverage for the entire year when FMLA begins and 2 years thereafter. Dependents have coverage for 1 year less than the employee.
 - Example: Employee begins FMLA (because of his or her own serious health condition) March 1, 2008. Employee has coverage for 2008, 2009 and 2010. Dependents have coverage for 2008 and 2009.
 - If the employee worked long enough during the year FMLA begins (for his or her own serious health condition) to earn a vacation for the following year, coverage is extended for the employee and the dependents for an additional year.
 - Example: Employee begins FMLA (because of his or her own serious health condition) September 1, 2008. Employee has coverage for 2008, 2009, 2010 and 2011, assuming vacation pay earned in 2008 is received in

2009. Dependents would have coverage for 2008, 2009 and 2010.

8. THE NEW MEDICAL PLANS GA 23111- Plans A, B, C
- a. Three new plans are now offered for those that might not otherwise have coverage. These plans are intended to provide coverage when an active employee loses coverage.
 - b. These are medical insurance plans, but they do not have the prescription drug coverage. However the plans do automatically have a partnership with United Health Allies, including the major drug stores (Walgreens, CVS, Wal-Mart) which provides prescription drugs at discounted prices from 25% to 50% off retail prices.
 - c. Plan A:
 - Cost \$250.00 per month for the employee and an additional \$250.00 per month for all dependent. So an employee, wife and 2 children could purchase the policy for \$500.00 per month
 - There is \$1000.00 per person deductible
 - Thereafter the plan pays 50% of covered costs
 - d. Plan B:
 - Cost \$325.00 per month for the employee and an additional \$325.00 per month for all dependent. So an employee, wife and 2 children could purchase the policy for \$650.00 per month
 - There is \$750.00 per person deductible
 - Thereafter the plan pays 60% of covered costs
 - e. Plan C:
 - Cost \$400.00 per month for the employee and an additional \$400.00 per month for all dependent. So an employee, wife and 2 children could purchase the policy for \$800.00 per month
 - There is \$500.00 per person deductible
 - Thereafter the plan pays 70% of covered costs
 - f. All three plans have a lifetime maximum amount of coverage of \$500,000.00 per person
 - g. There is NO PRE-EXISTING EXCLUSION for any of Plan A, B or C

- h. These plans are available to any railroad worker who otherwise does not have coverage and can be purchased until Medicare begins.
- i. All three plans pay 75% of inpatient drug abuse care
- j. Once a plan is selected the insured cannot change the plan for 2 years, or until the next open enrollment
- k. All three plans are available to any active railroad worker that loses coverage, but the worker **must apply within 4 months** of losing the active coverage
- l. The next open enrollment is May 2010

9. NEW WELLNESS PLAN:

- a. Effective July 1, 2008 a FREE wellness plan is available under GA 23000 to help active employees quit smoking and/or lose weight.
- b. A nurse through UHC is available to assist with a plan to lose weight or quit smoking
- c. The plan will pay for “nicotine” patches
- d. Nurseline phone number is 866 735 5685

10. NEW CO-PAY:

- a. Effective November 1, 2008 co-pays for physical therapy, chiropractic, physician’s assistant care and nurse practitioner care were reduced from \$35.00 per visit to \$20.00 per visit.

11. REFERRALS:

- a. It is no longer necessary to get a referral from a primary care physician to a specialist, **so long as the specialist is within the contract plan.**
 - Example: Employee has a back injury and wants to see an orthopedic surgeon. The employee may see the surgeon without a referral and the plan will pay the full contract price for all procedures.
- b. A doctor or provider that is a part of the contract plan is not allowed to charge the covered employee or dependants more than the contract price for the service performed.
 - Example: Doctor performs a procedure for which the contract price is \$250. The doctor must accept the contract price of \$250. For the procedure. Should the

doctor send a bill for more than \$250. The patient **is not required to pay any additional charges.**

12. HEARING BENEFIT:

- a. There is an annual \$600.00 benefit of for hearing
- b. Includes testing and hearing aides

13. RETIREMENT PLAN – GA 46000:

- a. This is a comprehensive paid up plan for employees who retire at age 60 with 30 years of service.
- b. The plan pays 80% of covered procedures
 - The plan covers office visits and diagnostic testing
- c. There is \$100.00 deductible
- d. The prescription drug plan is the same as GA 23000
 - GA 46000 uses the same Medico plan as GA 23000
 - \$2.00 Co-pay for generic drugs
 - \$6.00 Co-pay for brand name drugs
- e. The plan also covers the qualifying employees' spouse and dependents **until the employee reaches age 65.**
 - Example: Employee retires at age 60 with 30 years of service on March 1, 2008. Employee's spouse is 59 on March 1, 2008. The spouse would begin coverage under GA 46000 on March 1, 2008 and would continue to be covered under GA 46000 until the employee was 65.
 - The spouse could buy the plan **after the employee reaches age 65** for about \$708.00 per month for up to 36 months.
- f. If an employee is on a disability and is covered under GA 23000 on his or her 60th birthday, the employee qualifies for GA 46000 and so does the spouse and dependents.
 - Example: Employee is granted an occupational disability at age 57 and is covered under GA 23000 at age 60. The employee's spouse would begin coverage when the employee turns age 60 and would remain covered under GA 46000 until the **employee turns 65.**
 - 1. Note: This the same plan for those that take a normal retirement at age 60 with 30 years of service.

- g. Once the employee qualified for Medicare at age 65 the GA 46000 no longer covers the employee and he/she only has Medicare.
- Example: Employee last worked when he was 57, but remains on GA 23000 until 60 (coverage for year of injury plus 3 with vacation pay). When GA 23000 expires on December 31 (the year the employee turns 60) then Medicare starts and there is no GA 46000 for the employee, but the spouse would have coverage under GA 46000 for until the employee is 65.
- h. GA 46000 has a lifetime cap today of \$113,000.00 for the employee and \$113,000.00 for the spouse.
- i. There is a supplemental policy (Plan E) that can be bought to increase the lifetime cap by \$500,000.00 to \$613,000.00 for \$150.00 per month for the employee and \$150.00 for the spouse and all dependents. Thus, the employee with a spouse and dependent child would pay a total of \$300.00 per month for all three.
- This supplemental policy also pays 70% of the 20% the plan does not pay and it pays the \$100.00 deductible. Thus, the plan pays 94%
 - The decision to buy Plan E must be made within 4 months of going onto GA 46000.
- j. GA 46000 **ends for the employee and the spouse** when the employee reaches age 65.
- k. An employee cannot be covered under GA 46000 and Medicare
- If and when an employee gets Medicare coverage, GA 46000 ends for the employee
 - Example: Employee is on a total and permanent disability and is therefore on Medicare when reaching age 60. The employee would have Medicare, but not GA 46000. However, the spouse would still be covered under GA 46000 until the employee is 65.
- l. There is no vision and dental coverage under GA 46000
- Thus, once GA 23000 ends (active employee plan) so does the dental and vision plan
 - Both dental & vision can be COBRA'ed for up to 18 months
 - Dental is \$23.85 per month

- Vision is \$5.03 per month

14.MEDICARE:

a. Part A:

- Part A is a major medical plan that pays 80% of major medical costs
- Office visit deductible is \$100.00
- Hospital deductible is \$970.00

b. Plan F:

- Plan F pays the deductible and 80% of the 20% that Medicare does not pay for.
- Plan F pays for office visits and other routine medical care
- Plan F also pays for medical coverage when out of the country. Medicare does not pay when treatment is out of the country.
- Plan F is also available to an active employee's parents or in-laws
- Plan F costs \$150.00 per month
- Plan F does not have any prescription drug coverage

c. Effective January 1, 2006 Medicare began paying for prescription drugs as follows:

- There is a \$35.00 monthly fee.
- There is a \$250.00 annual deductible.
- Patient pays 25% of the first \$2,000.00 of prescription drugs.
- Thereafter, Medicare pays 100% of all prescription drugs.

d. An individual should buy a prescription drug plan along with Plan F to pay what Medicare does not pay. Those who do not buy a prescription drug plan when eligible are penalized. There are over 40 prescription drugs plans available at varying costs.

15.ON DUTY INJURIES & COVERAGE:

- ##### a. GA 23000 pays for all on duty injuries **without approval** from the railroad

- NOTE: The railroad does not pay for any medical care for an injured worker. All medical care is paid by the employee's insurance.
- b. Coverage period when off injured:
- The year of the injury plus 2 for the employee and the year of the injury plus 1 for all dependents.
 - Example: Employee is injured on March 1, 2008 and is not able to return to work. The employee has full coverage until December 31, 2010 and all dependents have coverage until December 31, 2009
 - If at the time of injury the employee has worked enough to earn a vacation for the following year and then gets paid for vacation time in the following year, the employee and dependents get an extra year of coverage
 1. Example: Employee is injured on June 1, 2008 and cannot return to work. He has worked enough in 2008 to earn a vacation for 2009 and subsequently receives vacation pay in 2009. The employee would have full medical coverage through December 31, 2011 and all dependents would have full coverage until December 31, 2010.
 - Note: Vision and dental insurance are not in effect for the last year of medical coverage under these scenarios.
- c. The employee must pay the \$20.00 co-pay for a contract provider, but the plan pays the rest for all on duty and any type injury or illness.
- d. The injured employee should notify UHC of his or her intent to have the plan pay directly by sending a written request to the Kingston, New York office.
- e. The employee is required to keep UHC notified of their condition while off, by having their doctor fill out a form provided by UHC about every 45 days or the coverage will be suspended until the form is completed.
- f. When injured at work an employee has the right to select his or her own doctor and is not required to see a company doctor for the treatment and care of their injury.

- The employee is not required to see a company doctor for a second opinion with regard to their on duty injury

16.GA 23000 2009 plan premiums:

- Total costs:
 - \$1,061.46 medical care
 - \$12.30 life and accidental death & dismemberment plan
 - \$55.98 dental plan
 - \$10.00 vision plan
- Total monthly \$1,139.74
- Carrier's pay \$968.78 monthly
- Employee's pay \$170.96

17.COBRA cost for GA 23000:

- \$552.58 for employee
- \$552.58 for the spouse
- \$318.00 for all children
- The policy can be purchased at the COBRA price for up to 18 months. Thus, if an employee was fired on January 1, paid up coverage would last until the end of May and thereafter coverage could be paid for at the COBRA price for an additional 18 months.

18.LIFE INSURANCE:

- Active employees have \$20,000.00 in life insurance
- If the death is accidental there is an additional \$16,000.00 in coverage
 - Example: Active railroad worker dies in car accident, the total life insurance benefit is \$36,000.00
 - Example: Active railroad worker dies of heart attack, the total life insurance benefit is \$20,000.00
- Retirees:
 - The amount of life insurance coverage for retired railroad workers is \$2,000.00
- Life insurance is through MET LIFE 800 310 7770

19.DISABILITY INSURANCE:

- Effective January 1, 2009, engineers on the Union Pacific & KCS are entitled to disability insurance from Met Life as follows:

b. PART A:

- Part A covers non-worked (non-occupational) related disabilities
- Part A is a paid up plan that pays \$402.00 per week for an engineer who is off work due to non worked related injury or illness
- A disability is defined as: “receiving appropriate care and treatment and comply with the requirements of such treatment and unable to perform the material duties of your own job.”
- Note - Part A also includes a \$50,000.00 accidental death and dismemberment policy.
- Part A has a 14 day waiting period and pays for up to 52 weeks.
- Part A is not taxable income

c. PART B:

- Part B covers work related (occupational) disabilities
- Part B pays \$402.00 per week for up to 52 weeks with a 14 day waiting period
- Part B costs the employee \$23.00 per month. This amount will be automatically withheld from the members pay, unless the person gives the union (BLET Division S&T) written notice to not withhold the premium.
- There is no subrogation for the payment. Thus, if a personal injury settlement is made, such as a FELA settlement, the disability money does not have to be paid back
- Part B is not taxable income
- Part B carries a \$50,000.00 accident death and dismemberment provision
- Note that UTU members working as engineers may purchase Part B coverage by making an annual payment of \$276.00 to the BLET trust fund

d. Part A & B benefits will be paid in **addition** to any applicable claim for RRB sickness benefits, vacation pay, personal leave day pay or another policy of disability insurance the individual has purchased.

e. To make a claim call 800 858 6506

20.OFF TRACK VEHICLE BENEFITS:

- a. Under the national labor agreements an employee who is injured in an off track vehicle operated by a railroad employer or contracted by a railroad employer is entitled to benefits for up to 36 months at 80% of the employee's earnings, not to exceed \$1000.00 per month
 - Any monies paid under this plan are subrogated to a personal injury settlement
 - Any monies due under this plan are offset by RRB sickness benefits
- b. This covers injuries received getting into or getting out of a vehicle
- c. The plan also pays \$300,000.00 in case of the death of an employee involved in an off track vehicle accident & \$150,000.00 in dismemberment cases.
- d. The plan covers all off track vehicles owned, operated, leased or contracted by a carrier to haul crews.