

SEAFARERS HEALTH AND BENEFITS PLAN

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Margaret R. Bowen
Administrator

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Dear Plan Participant:

TRUSTEES OF SHBP APPROVE NEW BENEFITS

We are very pleased to inform you that the Trustees of the Seafarers Health and Benefits Plan ("SHBP" or "Plan") recently approved a number of benefit improvements, which will go into effect on January 1, 2019. The following is a summary of these new benefits:

OUT-OF-POCKET MAXIMUM

Core-Plus Employees, Non-Medicare Pensioners, and their Dependents: \$2,700 for a Single Person / \$5,500 family of two or more.

Core Employees and their Dependents: \$3,000 for a Single Person / \$6,000 family of two or more.
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At the Core-Plus level, once a single person pays \$2,700, or a family pays \$5,500 for deductibles, copayments, and co-insurance in a calendar year, the Plan will pay 100% of remaining Network allowed charges for that year.

At the Core level, once a single person pays \$3,000, or a family pays \$6,000 for deductibles, copayments, and co-insurance in a calendar year, the Plan will pay 100% of remaining Network allowed charges for that year.

The out-of-pocket maximum applies to in-Network treatment only. Prescription costs, dental care, vision benefits, and services not covered by the Plan do not count towards this out-of-pocket maximum.

- **For example: Sam is a seafarer who is married and has three children.** He is eligible for Core-Plus benefits. In March, his wife Maria is hospitalized for a serious illness, and they pay \$5,000 out-of-pocket for the deductible, co-insurance, and copayments for her care from in-Network providers. The next month, one of their children breaks her arm, and the family pays \$500 for the child's coinsurance for her in-Network treatment. The Plan will now pay 100% of the Network-allowed amounts for all members of the family for the rest of the calendar year as they have met the \$5,500 out-of-pocket maximum.
- **Manuel is a non-Medicare Pensioner,** and is eligible for health benefits. **He is not married.** In February, he is hospitalized at an in-Network hospital for a heart condition, and pays a total of \$2,700 for his deductible, co-payments, and co-insurance. The Plan

will now pay 100% of the Network-allowed amount for Manuel's medical bills for in-Network treatment for the rest of the year as he has met the \$2,700 out-of-pocket maximum.

INCREASE IN PAYMENT PERCENTAGE FOR IN-NETWORK TREATMENT

The Plan will pay **90%** of the Network-allowed charge for treatment by an in-Network provider, or at an in-Network facility. This applies to **seafarers and their dependents** at the **Core-Plus** and **Core** benefit levels, and **Non-Medicare Pensioners, and their Dependents**. This is an increase from the current 80%.

- **For example**, George goes to a doctor who is in-Network. The billed amount is \$500. As this service was provided by an in-Network provider, the bill will be reduced by \$100, leaving the Network-allowed amount of \$400. The Plan will pay \$360, leaving you a balance of \$40, assuming your deductible has been satisfied.

PHYSICAL THERAPY AND OTHER REHABILITATIVE THERAPIES

At the **Core-Plus** and **Core** benefit levels, **dependents are now eligible for benefits for physical therapy and other rehabilitative therapies**. The Plan will now also cover cognitive, speech, pulmonary, or occupational therapy for seafarers, even when they do not suffer from a catastrophic illness or injury. The Plan will cover up to 20 visits per year for any combination of physical therapy, cognitive, speech, pulmonary or occupational therapy for seafarers and their dependents. (The Plan also covers up to 40 visits per person per year following a catastrophic illness or injury.)

DURABLE MEDICAL EQUIPMENT FOR DEPENDENTS

At the **Core-Plus** and **Core** Benefit Levels, the Plan will now pay for Durable Medical Equipment for dependents, even when they are not suffering from a catastrophic illness or injury. Durable Medical Equipment (DME) includes items such as wheelchairs, CPAP machines, prostheses, nebulizers, and wearable cardio defibrillators. The Plan will pay 90% of the Network allowed charge to rent or buy DME from an in-Network provider, or 65% of the reasonable and customary charge if the item is obtained from an out-of-Network provider.

PAYMENT FOR TREATMENT OF ILLNESS OR INJURY IF PARTICIPANT SUFFERS FROM SUBSTANCE ABUSE PROBLEM

In the past, the Plan did not pay for treatment of an illness if it resulted from alcohol or drug use (such as cirrhosis of the liver). The Plan will now pay for treatment of these conditions if the medical condition is the result of a substance abuse problem. The Plan still will not pay for treatment of illnesses or injuries that result from a person's reckless disregard to their own health and safety (such as an injury that results from drunk driving).

OUTPATIENT DRUG/ALCOHOL TREATMENT FOR SEAFARERS

The Plan covers inpatient detoxification treatment and covers the entire cost of inpatient treatment at the ARC in Piney Point, Maryland for eligible seafarers. The Plan will now also pay for prescriptions to treat substance abuse.

The ARC offers the best treatment option for seafarers with substance abuse issues, as the staff is familiar with the unique problems that mariners face, and are extremely knowledgeable about the Coast Guard regulations and procedures that apply when a seafarer fails a drug or alcohol test. There is no other facility available that is able to provide these services.

At the **Core-Plus** and **Core** benefit levels, the Plan will now pay for outpatient substance abuse treatment for Seafarers; however, this benefit will be subject to your deductible and copayment. You should be aware that the Seafarers ARC is recognized by the U.S. Coast Guard as the gold standard for substance abuse treatment with a high success rate for returning mariners to work. Substance abuse programs outside of the Seafarers ARC may not be familiar with the Coast Guard requirements, which could result in you paying additional fees and having to take additional steps before returning to work.

On behalf of SHBP and the Board of Trustees, I would like to wish you and your family a happy and healthy holiday season!

Sincerely,

Margaret R. Bowen
Administrator