

NATIONAL ASSOCIATION OF LETTER CARRIERS
HEALTH BENEFIT PLAN FOR EMPLOYEES AND STAFF

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**SUMMARY OF BENEFIT
CHANGES FOR YEAR 2013**

Dear Participants and Dependents:

This notice summarizes the modifications to the NALC Health Benefit Plan for Employees and Staff (Staff Plan) effective January 1, 2013. This information supplements the information contained in the 2012 NALC Health Benefit Plan for Employees and Staff brochure. Refer to the appropriate sections in the brochure as specified below for our benefit changes. Please share this summary with your family and keep it with your Staff Plan documents for future reference.

Enclosed with this notice is the NALC Health Benefit Plan for Employees and Staff's Summary of Benefits and Coverage (SBC) for the period January 1, 2013 through December 31, 2013, as required by the Affordable Care Act. This document summarizes the benefits under the Staff Plan and is intended to help you compare this Plan's benefits to those of other plans. Please note that we are required to use certain uniform terms and other language prescribed by the Affordable Care Act and applicable regulations in the SBC, and some of the terms, definitions and other language may differ from what is set forth in the Staff Plan brochure. Please refer to the 2012 Staff Plan brochure for a complete description of your Staff Plan benefits.

General Information

Open Enrollment this year is from December 1, 2012 through December 31, 2012. Any changes in your enrollment will be effective January 1, 2013.

Our Plan meets the requirements under the Women's Health and Cancer Rights Act of 1998 (WHCRA) by providing benefits for:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedema.

Please contact the Nongroup Department at 703-729-4677 or 1-888-636-NALC (6252) with any questions concerning mastectomy-related benefits.

Modifications

The modifications, effective as of January 1, 2013, are as follows:

1. We now provide coverage with no cost-sharing for additional preventive care and screenings for women provided in comprehensive guidelines adopted by the Health Resources and Service Administration (HRSA).
2. South Carolina was added to the list of Medically Underserved Areas and Alaska and Kentucky were removed. For 2013, these states are designated as medically underserved: Alabama, Arizona, Idaho, Illinois, Louisiana, Mississippi, Missouri, Montana, New Mexico, North Dakota, Oklahoma, South Carolina, South Dakota, and Wyoming. See Section 3. *Medically underserved areas*.
3. We now base our Plan allowance on the MultiPlan negotiated rate for non-PPO providers participating in the MultiPlan Network. Previously, we based our Plan allowance on the lesser of the 80th percentile of data gathered from health care sources or the MultiPlan negotiated rate. See Section 1. *How we pay providers*.
4. We now cover preventive medicine counseling for women as recommended by Health Resources and Services Administration (HRSA). See Section 5(a). *Preventive care, adult*.

5. We now cover the Hepatitis B vaccine for all adults age 19 and older. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously, we only covered this vaccine if you had medical indications as recommended by the Centers for Disease Control and Prevention (CDC). See Section 5(a). *Preventive care, adult.*
6. We now cover Measles, Mumps and Rubella (MMR) vaccine for all adults age 19 through 56 and adults age 57 and older with medical indications as recommended by the CDC. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously, we only covered this vaccine for adults age 19 through 49. See Section 5(a). *Preventive care, adult.*
7. You now pay nothing for a colonoscopy screening with polyp removal—one every 10 years, age 50 and older, when rendered by a PPO provider. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously, you paid 15%. See Section 5(a). *Preventive care, adult.*
8. We now cover Human Papillomavirus (HPV) testing for women age 30 and older. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously, we covered this test once every 3 years for women age 30 through 70. See Section 5(a). *Preventive care, adult.*
9. You now pay nothing for the initial examination of a newborn child covered under a family enrollment when rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously, you paid 15%. See Section 5(a). *Preventive care, children.*
10. We now cover alcohol and drug use assessment for children age 11 through 21 as recommended by Bright Futures/American Academy of Pediatrics (AAP). You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Preventive care, children.*
11. We now cover developmental screening (including screening for autism) for children through age 3 as recommended by Bright Futures/AAP. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Preventive care, children.*
12. We now cover developmental surveillance and behavioral assessment for children age 21 and younger as recommended by Bright Futures/AAP. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Preventive care, children.*
13. We now cover one fasting lipoprotein profile (total cholesterol, LDL, HDL and triglycerides) for children age 18 through 21. We cover this screening for children age 17 and younger with medical indications as recommended by AAP. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Preventive care, children.*
14. We now cover hearing screening for children age 4 through 10 and all other ages when the child is at high risk for hearing loss as recommended by Bright Futures/AAP. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any,

between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Preventive care, children.*

15. We now cover one hematocrit or hemoglobin screening for children age 12 months. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously, we covered one annual screening for females ages 11 through 21. See Section 5(a). *Preventive care, children.*
16. We now cover lead screening test for children age 6 and younger with medical indications as recommended by Bright Futures/AAP. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Preventive care, children.*
17. We now cover one newborn metabolic screening panel, age 2 months and younger. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Preventive care, children.*
18. We now cover tuberculosis screening for children at high risk as recommended by Bright Futures/AAP, through age 21. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Preventive care, children.*
19. We now cover vision screening for children age 3 through 18 as recommended by Bright Futures/AAP. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously, we covered one vision screening for children age 3 through 5. See Section 5(a). *Preventive care, children.*
20. You now pay nothing for the rental of breastfeeding equipment when you use a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously you paid 15% of the Plan allowance. See Section 5(a). *Maternity care.*
21. We now cover gestational diabetes screening for women who are 24 to 28 weeks pregnant or are at high risk of developing gestational diabetes. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Maternity care.*
22. We now cover lactation support and counseling under preventive medicine counseling for breastfeeding as recommended by the USPSTF. You pay nothing if services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. See Section 5(a). *Maternity care.*
23. You now pay nothing for hearing aids and the related examination for neurosensory hearing loss up to the maximum Plan payment of \$500 per ear after satisfaction of the \$300 calendar year deductible with replacements covered every 3 years when you use a PPO provider. When services are rendered by a non-PPO provider, you pay nothing up to the Plan limit of \$500 per ear and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. Previously, you paid 15% after the calendar year deductible and all charges after we paid \$1000 in a lifetime for a PPO provider and 30% of the Plan allowance and all charges after we paid \$1000 in a lifetime. See Section 5(a). *Hearing services (testing, treatment, and supplies).*

24. We now cover casting as part of the custom functional foot orthotic benefit. You pay 15% of the Plan allowance up to the maximum Plan payment of \$400 after satisfaction of the \$300 calendar year deductible when services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible and all charges after we pay \$400. See Section 5(a). *Orthopedic and prosthetic devices.*
25. We now cover twenty (20) spinal or extraspinal chiropractic manipulations per calendar year. You pay 15% of the Plan allowance after satisfaction of the \$300 calendar year deductible when services are rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible. When spinal and extraspinal manipulations are performed on the same day, each manipulation applies to the calendar year maximum. Previously, we only paid for 20 spinal manipulations per calendar year. See Section 5(a). *Chiropractic.*
26. You now pay nothing for voluntary female sterilization, surgical placement of implanted contraceptives, insertion of an IUD, and administration of an injectable contraceptive drug when rendered by a PPO provider. When services are rendered by a non-PPO provider, you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount. Previously, you paid 15% when rendered by a PPO provider and 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible when rendered by a non-PPO provider. See Section 5(b). *Surgical procedures.*
27. You now pay nothing for outpatient professional anesthesia services for a voluntary female sterilization when rendered by a PPO provider. When services are rendered by a non-PPO provider you pay 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount. Previously, you paid 15% when rendered by a PPO provider and 30% of the Plan allowance and the difference, if any, between our allowance and the billed amount after satisfaction of the \$300 calendar year deductible when rendered by a non-PPO provider. See Section 5(b). *Anesthesia.*
28. You now pay nothing for outpatient services and supplies for a voluntary female sterilization when rendered by a PPO provider. Previously, you paid 15% after satisfaction of the calendar year deductible. See Section 5(c). *Outpatient hospital or ambulatory surgical center.*
29. You now pay the Specialty drug copayment for specialty drugs dispensed in an outpatient hospital setting.

Note: Prior approval is required for all specialty drugs used to treat chronic medical conditions. Call Caremark Specialty Pharmacy Services at 1-800-237-2767 to obtain prior approval, more information, or a complete list.

When rendered by a PPO provider you pay:

30-day supply: \$150

60-day supply: \$250

90-day supply: \$350

When rendered by a non-PPO provider you pay:

30-day supply: \$150 and the difference, if any, between our Plan allowance and the charged amount

60-day supply: \$250 and the difference, if any, between our Plan allowance and the charged amount

90-day supply: \$350 and the difference, if any, between our Plan allowance and the charged amount

Previously, you paid 15% when dispensed or administered by a PPO hospital or 35% when dispensed or administered by a non-PPO hospital. See Section 5(c). *Outpatient hospital or ambulatory surgical center.*

30. You now pay nothing for covered lab charges related to mental health or substance abuse billed by Quest Diagnostics and LabCorp. Previously, you paid 15% after satisfaction of the calendar year deductible. To find a location near you, call 1-877-220 NALC (6252), or visit our Web site at <https://staff.nalchbp.org/>. See Section 5(e). *In-Network and Out-of-Network benefits.*

31. Our brand name drug formulary is open and voluntary. It is called the NALC Health Benefit Plan Drug List. You now pay more for non-formulary brand name drugs.

A formulary is a list of prescription drugs, both generic and brand name, that provide a safe, effective and affordable alternative to non-formulary drugs, which have a higher cost-share. If your physician believes a brand name drug is necessary, or if there is no generic available, ask your physician to prescribe a formulary brand name drug from our NALC Health Benefit Plan Formulary Drug List. You will pay the appropriate retail coinsurance and mail order copayment amounts for generic and formulary brand name drugs on this list. Your out-of-pocket costs will be higher for non-formulary brand name drugs not on the NALC Health Benefit Plan Drug List. To obtain a copy of this list, call 1-800-933-NALC (6252). See Section 5(f). *We use a formulary.*

32. You now pay 30% of the cost of formulary brand name drugs purchased at an NALC CareSelect network pharmacy. See Section 5(f). *Covered medications and supplies.*
33. You now pay 45% of the cost of non-formulary brand name drugs purchased at an NALC CareSelect network pharmacy. Previously, you paid 30%. See Section 5(f). *Covered medications and supplies.*
34. You now pay 20% for formulary brand name drugs purchased at an NALC CareSelect network pharmacy when Medicare Part B is primary. See Section 5(f). *Covered medications and supplies.*
35. You now pay 30% for non-formulary brand name drugs purchased at an NALC CareSelect network pharmacy when Medicare Part B is primary. Previously, you paid 20%. See Section 5(f). *Covered medications and supplies.*
36. You now pay \$43 for up to a 60-day supply and \$65 for a 90-day supply of formulary brand name drugs purchased through our mail order program. See Section 5(f). *Covered medications and supplies.*
37. You now pay \$58 for up to a 60-day supply and \$80 for a 90-day supply of non-formulary brand name drugs purchased through our mail order program. Previously, you paid \$43 for a 60-day supply and \$65 for a 90-day supply. See Section 5(f). *Covered medications and supplies.*
38. You now pay \$37 for up to a 60-day supply and \$55 for a 90-day supply of formulary brand name drugs purchased through our mail order program when Medicare Part B is primary. See Section 5(f). *Covered medications and supplies.*
39. You now pay \$52 for up to a 60-day supply and \$70 for a 90-day supply of non-formulary brand name drugs purchased through our mail order program when Medicare Part B is primary. Previously, you paid \$37 for a 60-day supply and \$55 for a 90-day supply. See Section 5(f). *Covered medications and supplies.*
40. You now pay nothing for FDA-approved prescription contraceptive drugs for women when purchased at a Preferred network/Network pharmacy or Mail order. Previously, you paid the applicable cost-share for generic and brand name drugs. See Section 5(f). *Covered medications and supplies.*
41. We now cover FDA-approved over-the-counter contraceptives for women (requires prescription). You pay nothing when purchased at a Preferred network/Network pharmacy or Mail order. See Section 5(f). *Covered medications and supplies.*
42. You now pay nothing for prescription injectable contraceptive drugs, implantable contraceptives, diaphragms or intrauterine devices purchased through our mail order program or at an NALC CareSelect pharmacy. Previously, you paid 15% when performed, administered or dispensed by a PPO provider. See Section 5(f). *Covered medications and supplies.*
43. We now cover prescription oral fluoride supplements for children from age 6 months through 5 years. You pay nothing when purchased at a Preferred network/Network pharmacy or Mail order. See Section 5(f). *Covered medications and supplies.*

44. We now cover over-the-counter aspirin (prescription required) for men age 45-79 and women age 55-79. You pay nothing when purchased at a Preferred network/Network pharmacy or Mail order. See Section 5(f). *Covered medications and supplies.*
45. We now cover over-the-counter folic acid (prescription required) for pregnant women. You pay nothing when purchased at a Preferred network/Network pharmacy or Mail order. See Section 5(f). *Covered medications and supplies.*
46. We now cover over-the-counter iron supplements (prescription required) for children age 6 months through 12 months. You pay nothing when purchased at a Preferred network/Network pharmacy or Mail order. See Section 5(f). *Covered medications and supplies.*
47. We clarified that we cover routine annual well-women office visits as recommended by the HRSA. See Section 5(a). *Preventive care, adult.*
48. We clarified that we cover dietetic counseling for obese adults at higher risk for chronic disease. See Section 5(a). *Preventive care, adult.*
49. We clarified that we cover HPV4 immunizations for males age 9 through 21 as recommended by AAP. See Section 5(a). *Preventive care, children.*
50. We clarified that when you are admitted to a hospital for an accidental injury, you receive inpatient hospital benefits, not Accidental injury benefits. See Section 5(d). *Accidental injury.*
51. Alere™ Health Management now manages the following chronic diseases: chronic heart failure, coronary artery disease, chronic obstructive pulmonary disease, diabetes, and asthma. Call Alere™ Health Management at 1-866-270-2202 for more information. See Section 5(h). *Disease management programs-Alere™ Health Management.*
52. We clarified coverage for genetic counseling and genetic screening. Genetic counseling and/or genetic screening are not covered (except as specifically listed in Section 5(a). *Preventive care, adult, Preventive care, children and Maternity care*). See Section 6. *General exclusions—things we don't cover.*
53. Our Plan allowance for non-PPO facility charges (such as hospitals, dialysis facilities, and ambulatory surgical centers) is now based on two and one half (2½) times the Medicare reimbursement rate. See Section 12. *Plan allowance.*
54. Our Plan allowance for non-PPO medication charges is now based on the suggested wholesale price or an alternative pricing benchmark. Previously, we based our Plan allowance on the average wholesale price. See Section 12. *Plan allowance.*

If you have any questions concerning this summary or the Staff Plan, please contact the Nongroup Department at 703-729-4677 or 1-888-636-NALC (6252).

Please attach this Summary of Material Modifications (SMM) to your 2012 brochure (your summary plan description) and other Staff Plan documents for future reference. If you have any questions regarding the information in this SMM, or if you need another copy of the 2012 brochure or subsequent modifications, please contact the Nongroup Department. While every effort has been made to make this as complete and as accurate as possible, it does not restate the existing terms and provisions of the Staff Plan other than the specific terms and provisions it is modifying. The Administrator of the Staff Plan and the Board of Trustees specifically reserve the right to change, eliminate, or add to the benefits provided to participants and beneficiaries and the rules concerning eligibility for such benefits. They also reserve the right to adopt new rules and regulations, to modify the rules and regulations, and to terminate the existing Plan. No benefits or rules of the Plan are guaranteed (vested) for any participant or eligible dependent. All benefits and rules may be changed, reduced, or eliminated at any time by the Administrator and the Board of Trustees, in their sole discretion.