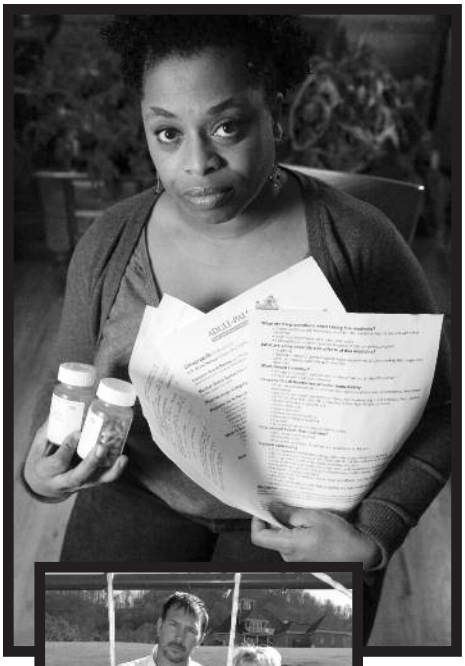
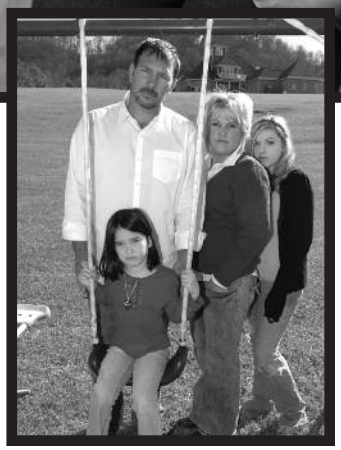
WHAT YOU SHOULD KNOW ABOUT
Health Insurance Reform





1. Your union-negotiated health insurance plans are maintained. Nothing in reform will take them away. Nothing in the bill changes our right to bargain over health benefits. Nothing in the bill allows employers to drop benefits or change benefits outside the collective bargaining process.

2. Benefits provided under the terms of existing collective bargaining agreements remain in effect until the contract expires.

3. The excise tax, the tax on high-value health plans, will not take effect until 2018. CWA and other labor unions successfully beat back this measure, delaying the effective date by 5 years, reducing the amount of plan costs that are taxable, and implementing adjustments to account for older work-forces. (more on this below)

4. Some reforms that will apply to our plans in the future, include:

- Plans are prohibited from excluding coverage for treatments related to any pre-existing conditions
- Plans are prohibited from imposing lifetime and annual dollar limits on benefits payable.
- Plans that cover dependent children must offer coverage to unmarried children until their 26th birthday if they do not have access to coverage from their own employer.
- Preventive care must be provided without deductibles or copays.
- Limits waiting periods for coverage to 90 days from date of hire.

5. Improvements for retirees include:

- Effective 1/1/11 Medicare covers preventive care and screenings without deductible or copays.
- The "doughnut hole" in the Medicare prescription drug plan is closed gradually each year and completely by 2020.
- A $5 billion trust fund is established to reimburse retiree health plans a portion of the cost of high cost claims for retirees between the ages of 55 and 64.
- A voluntary long-term care insurance program for community-based living assistance services is established.
- The subsidy received by employers for providing retiree drug benefits will no longer be excluded from taxable corporate income. Employers must account for the different tax treatment immediately.

6. Brings costs under control to keep coverage affordable:

- Eliminates a significant portion of the estimated $1,100 that employers and workers pay each year to cover the cost of the uninsured.
- Emphasizes evidence-based care to improve quality and control costs in Medicare, and to help manage chronic illnesses. These system improvements are expected to be adopted by the private sector.
- Cuts the deficit by $100 billion over 10 years and by $1.2 trillion in the second decade, by reducing wasteful spending and slowing the rise of healthcare costs.

7. How reform is paid for:

- Effective 2013, the Medicare Hospital Insurance tax is raised by 0.9% on the wealthiest taxpayers (more than $200,000/individual or $250,000/married couple).
- Effective 2013, the Medicare Hospital Insurance tax is applied to unearned income, investment income, dividends, royalties, etc. of the wealthiest taxpayers.
- Effective 2013, the current tax deduction for the Medicare Part D subsidy for employers who maintain retiree prescription drug plans is eliminated.
- Effective 2018, an excise tax is applied to employers whose health plans cost more than $10,200 for single coverage and $27,500 for family coverage. The threshold dollar amounts will be adjusted by the age and gender of the workforce to account for the higher utilization experience by these groups. Retiree plans have separate, higher dollar thresholds.
- Effective 2011, an annual flat fee is assessed on the pharmaceutical manufacturing sector.
- Effective 2013, a tax is applied to on the sale of medical devices.
- Effective 2014 a flat fee imposed on the health insurance sector.

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