

# ILWU-PMA BENEFIT PLANS /

International Longshore & Warehouse Union —  
Pacific Maritime Association

1188 FRANKLIN STREET • SUITE 300 • SAN FRANCISCO, CALIFORNIA 94109



(415) 673-8500

ILWU-PMA Pension Plan  
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan  
ILWU-PMA Supplemental Welfare Benefit Plan

August 27, 2007

**TO:** ILWU Longshore, Ship Clerk and Walking Boss/Foremen  
Locals and ILWU Watchmen Locals 26 and 75

**FROM:** Gail Lorentz, Manager, Welfare Plans

**SUBJECT:** **Notice to ILWU-PMA Coastwise Indemnity Plan Participants**

The attached notice will be sent to all Welfare Plan Coastwise Indemnity Plan Participants at their home address of record the week of August 27, 2007. The notice informs the members of the agreed-upon application of UCR charges for Choice and Non-Choice Ports for all claims incurred on or after September 1, 2007.

Attachment

A copy of this memo can be downloaded at [www.benefitplans.org](http://www.benefitplans.org)

GL:th/opeiu29aflcio/NoticetoILWU-PMACIPParticipants-082707

# ILWU-PMA BENEFIT PLANS /

International Longshore & Warehouse Union —  
Pacific Maritime Association

1188 FRANKLIN STREET • SUITE 300 • SAN FRANCISCO, CALIFORNIA 94109

(415) 673-8500

ILWU-PMA Pension Plan  
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan  
ILWU-PMA Supplemental Welfare Benefit Plan

DATE: August 27, 2007

TO:

FROM: ILWU-PMA Benefit Plans

**SUBJECT: Application of Usual, Customary and Reasonable Limits (UCR)**

**Please read this important announcement. It may affect the amount you and your Plan pay for medical services.**

In an effort to ensure that you and your Plan are being charged for medical services you receive in accordance with the terms of the Plan, the ILWU-PMA Coastwise Indemnity Plan's Supplemental Summary Plan Description (SSPD) provides for Usual, Customary and Reasonable (UCR) charge limits on reimbursable medical fees. The SSPD defines UCR Charges as "charges which are reasonable and in line with fees customarily charged for the treatment or service rendered by providers of care in the same area."

The ILWU and PMA have agreed that, effective for all claims incurred on or after September 1, 2007, the following application of UCR charges, as outlined in the SSPD, will be in effect:

**Choice Ports:** All charges outside of any negotiated contractual arrangements (including but not limited to One Health Plan (Great-West Healthcare), Managed HealthCare Northwest, and First Choice Health Network) will be subject to UCR, in accordance with the provisions of the SSPD. (If you use a PPO provider, the covered services are paid at 100% of the contracted rate without any charge to you.)

**Non-Choice Ports:** All charges will be subject to UCR, in accordance with the provisions of the SSPD.

The Coastwise Claims Office will continue its present practice of referring large claims to an outside company for attempted fee negotiations and settlement of claims without balance billing to the beneficiaries. In addition, the Joint Trustees may refer claims to the Coastwise Claims Office for follow-up to resolve claims in cases where the provider is known to charge fees for services materially above UCR.

Commencing November 1, 2007, the Claims Office shall provide a monthly report to the Plan Consultant, the Benefit Plans Office, and the Joint Trustees, containing the following: (1) each over UCR charge submitted to the Plan (including the date of service, claim number, procedure

-over-

code, name of procedure, amount billed, amount paid, and amount over UCR) and the provider's name, address, and telephone number; (2) the status and/or results of all attempts during the preceding month to resolve disputes with providers concerning over UCR charges; (3) the over UCR monthly totals for each provider; and (4) the over UCR monthly totals for each port. The first report will cover the month of September, 2007, and each report thereafter will be for the next successive month.

Commencing with the third quarter of 2007, the Plan Consultant and Plan Trustees shall conduct a quarterly review of the UCR System to address any problems that may have arisen in the administration of the UCR System and to ensure that the Plan's UCR Charges are reasonable and in line with fees customarily charged by the medical providers in appropriate geographic regions. Furthermore, the Plan Consultant and Plan Trustees shall conduct a periodic audit of the paid claims to ensure that the Plan's UCR levels are reasonable and in line with fees customarily charged by medical providers in appropriate geographic regions. If the Joint Trustees conclude that adjustments to the UCR System would be desirable, the Plan Consultant shall work with the entity or entities that own the UCR System and with the Claims Office to determine if such adjustments can be made. If no adjustments can be made, the Trustees may consider appropriate alternatives, if any. Any disputes among the Trustees concerning adjustments to the UCR System, or a change to a different commercially available UCR System, shall be resolved in accordance with the deadlock procedures in the Welfare Agreement.

Participant claims for payment of over UCR Charges will be reviewed under the Plan's claims review procedures, taking into consideration all the facts and circumstances of each individual case.

If you are charged over UCR, you may want to talk to your doctor or other medical provider regarding the reasons for the amount over UCR. You may also want to ask that provider to reduce the charges.

If you have any questions, please contact your Area Welfare Director at the below telephone number or call the Benefit Plans Office at 1-415-673-8500.

Nick Buckles	Washington	1-877-938-6720
Joe Cabrales	Northern California	1-877-885-2793
Ron Costa	Southern California	1-866-833-5144
Ty Gorton	Oregon	1-866-226-0013

cc: Area Welfare Directors