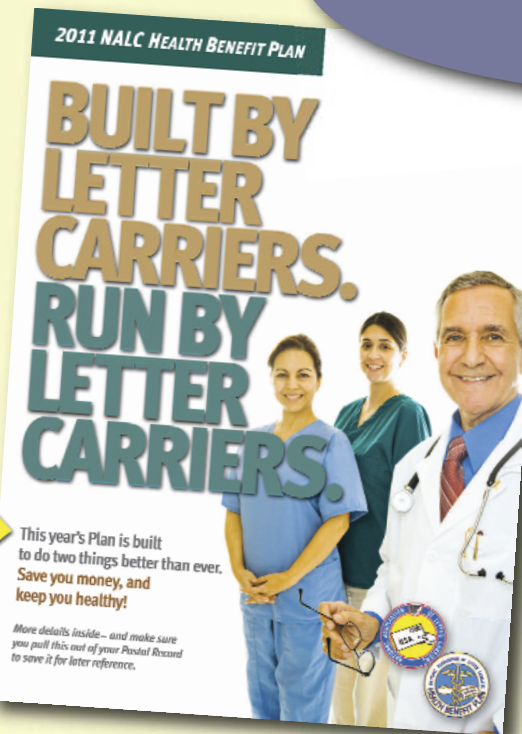


NALC Health Benefit Plan makes improvements to help stretch members' dollars



More information on the 2011 plan can be found in the special insert in this issue of *The Postal Record*.

Open Season:
Nov. 8 to Dec. 13

The cost of health insurance is on everyone's mind today, NALC members included. Things are changing rapidly in health care, and the NALC Health Benefit Plan is changing, too—for the better. The not-for-profit, union-run NALC Health Benefit Plan is adding new benefits and keeping premium rates competitive in 2011, making it the best choice for letter carriers.

As this year's open season period for choosing a health plan begins, the NALC Health Benefit Plan is announcing dozens of changes that make it a wise choice for you and your family. Changes include expanding the number of free preventive care services available and making hundreds of generic drugs available for only \$7.99 for a 90-day supply. A special insert in this issue of *The Postal Record* provides details about the Plan's changes for 2011.

For 60 years, since union letter carriers created the NALC Health Benefit Plan in 1950, the Plan has weathered rising health care costs and stiff competition—especially since 1960, when letter carriers and other federal employees gained access to their choice of health plans through the Federal Employees Health Benefits Program (FEHBP). The NALC Plan continues to offer excellent value, which is why more than 100,000 active and retired letter carriers have chosen it.

For letter carriers, by letter carriers

The NALC Health Benefit Plan is the oldest plan in the FEHBP, and the only plan created and run by letter carriers. In 1950, the plan's first year, it paid \$10 a night for a hospital stay, covering 4,116 members. By 1963, enrollment had climbed to more than 100,000 and the NALC expanded its headquarters in Washington, DC, to accommodate the growth. Today, the Plan operates from its own modern headquarters in Ashburn, VA (see "A look inside YOUR NALC Health Benefit Plan," pages 6-7).

"Health care is going through great change in this country—some good, some bad," said NALC President Fredric Rolando. "The NALC Health Benefit Plan works hard each year to stay on the good side—improving benefits while controlling costs. It's run by letter carriers, so you know it's done right."

In 2011, the Plan can keep letter carriers healthier and save you money when you use any of the available cost-free preventive services. Smokers can find the help to quit through the special coaching program, and the Plan will pay for smoking cessation medication prescribed to help quit. Preventive exams, tests and vaccines—for instance, screening for high blood pressure or a flu shot—are free when you use a network provider. Please see the 2011 NALC Health Benefit Plan brochure for a complete list of cost-free preventive care services. Educational classes and nutritional therapy for self-management of high cholesterol, high blood pressure or obesity are covered in 2011 and you pay 15 percent.

Prescription medication costs can add up quickly, and many health plans are looking for ways to lower the cost. "We saw that many of our competitors were lowering their prices for generic drugs, going as low as \$9.99," said Timothy O'Malley, NALC Health Benefit Plan director. "We decided to go further than matching that price—we chose to beat it." In 2011, hundreds of generic drugs available through the NALC Preferred prescription program will cost NALC Plan members only \$7.99 for a 90-day supply or just \$4 when Medicare Part B is the primary carrier. Also, certain generic antibiotics are free when Medicare Part B is the primary payor.

Reasonable rates

Despite the new and improved benefits in the NALC Health Benefit Plan and the continuing pressure from rising health care costs, the NALC Health Benefit Plan remains a great value, with reasonable rates. For active USPS employees, the rate is only \$51.56 biweekly for Self

Medicare Benefits At-A-Glance

When Medicare is the primary payor, all deductibles, coinsurances and copayments are waived, except for prescription drugs. See the chart below for a brief overview. Always rely on the Plan's official approved brochure for complete detailed information of the Plan's benefits when Medicare is not paying for the service or supply.

BENEFIT

YOU PAY

Hospitalization (no precertification required)
Inpatient Medical/Surgical and Mental Health
Outpatient

Nothing
Nothing

Physician Care

Annual Routine Physical Exam
Adult Routine Immunizations and Tests
Inpatient and Outpatient Medical and Surgical Care
Mental Health and Substance Abuse

Nothing
Nothing
Nothing
Nothing

Prescription Drugs

Retail Preferred Network Retail
Network Retail

10% of cost for generics / 20% of cost for brand
10% of cost for generics / 20% of cost for brand
Nothing for NALCSenior Antibiotic generic
45% of Plan allowance

Non-Network Retail

Mail Order 60-day supply

\$7 generic
\$37 brand name

90-day supply

\$4 NALCSelect generic
\$4 NALCPreferred generic
\$10 generic
\$55 brand name

Mail Order Specialty Drugs

\$150 for 30-day supply
\$250 for 60-day supply
\$350 for 90-day supply

Note: You may purchase up to a 90-day supply (84-day minimum) of covered drugs and supplies at a CVS Caremark Retail Pharmacy through our Maintenance Choice Program. You will pay the applicable mail order copayment for each prescription purchased.

Catastrophic Limits

You pay nothing for covered prescription drugs after coinsurance amounts for prescription drugs purchased at a network retail pharmacy and mail order copayment amounts for specialty drugs (only) total \$4,000 per person or family.

When you have Medicare Part D

We waive the following at retail when Medicare Part D is the primary payor:

- Refill limitations
- Day supply

This is a summary of some of the features of the NALC Health Benefit Plan. Detailed information on the benefits for the 2011 NALC Health Benefit Plan can be found in the official brochure (RI 71-009). All benefits are subject to the definitions, limitations, and exclusions set forth in the official brochure.

Only and \$100.57 biweekly for family coverage. The monthly annuitant premium is \$160.64 for Self Only and \$327.32 for family coverage. Non-postal employees pay slightly higher rates.

If you are retired and enrolled in Medicare, the NALC Plan can still provide you with excellent supplemental benefits. For hospitalization and doctor visits, you pay nothing when Medicare Part A or Part B is the primary payor—no deductibles, no coinsurance, no copayments. You will also save on prescription medications. See the Medicare chart (at right) for a summary of benefits and costs for Plan members who have Medicare.

"As we always say, dare to compare," Rolando said. "We urge letter carriers to look at all the plans and see that we're probably the best for you—the best coverage, the best value." See the NALC Health Benefit Plan insert in this issue of *The Postal Record* for more information about the Plan. You can also view the OPM Plan comparison chart of FEHB Plans at opm.gov/insure/health/search/plansearch.aspx. Enter your ZIP code and select the plans you want to compare. ☒

Flexible savings accounts let you save more

There's another way to save money on health care or dependent care during this open season—put your money in a Flexible Spending Account (FSA).

By authorizing direct deductions from your paycheck into an FSA, you can spend money on family health care expenses not covered by insurance, or daycare, without paying taxes on the income. The money never even shows up on your W-2, and you don't have to pay withholding on it before claiming it the next year. It just goes straight to your account, tax-free. An FSA is a great way to save for vital expenses without giving them a second thought.

An FSA only covers health care or daycare, so setting aside money for both kinds of expenses requires two different accounts. The health care FSA covers out-of-pocket expenses (those not covered by insurance) for things like prescriptions or vision care, and even basic items like aspirin or Band-Aids. A dependent care FSA pays for daycare expenses for a child.

Postal employees can contribute up to \$5,000 per year to each account. Though the contributions are spread across the year from each paycheck, the full annual amount is available for spending beginning January 1.

You can enroll in one or both kinds of flexible spending accounts in several different ways:

* Go to lifeblue.usps.gov on your web browser and select PostalEASE under Employee Self Service. The site is also available through the employee intranet at blue.usps.gov.

* Enroll at any employee self-service kiosk.

* Call 877-4PS-EASE (877-477-3273) and select Option 1 or request help from the Human Resources Shared Service Center.

Information about FSAs from the USPS should arrive in your mailbox sometime this month.



A look inside **your** NALC Health Benefit Plan

Anyone who has spent hours on the phone trying to get his or her health care question answered by an insurance company knows that customer service is an important factor when choosing the right health plan. When you choose the NALC Health Benefit Plan, a not-for-profit plan run by letter carriers, for letter carriers, you get a level of service you can't find anywhere else.

The Plan focuses on its members' health instead of profit, noted Health Benefit Plan Director Tim O'Malley, a Philadelphia Branch 157 letter carrier. "There are no corporate executives here getting golden parachutes or stock options," he said.

O'Malley has served as director of the Health Benefit Plan since 2006. He was elected NALC executive vice president at the national convention in Anaheim last August. New York Branch 36 member Brian Hellman, who is currently Director of Safety and Health, was elected to succeed O'Malley at the helm of the Health Benefit Plan beginning next year.

After 40 years as a leader in the NALC, O'Malley knows many letter carriers, and he often helps them with their insurance issues himself. Whether it is simply answering questions or dealing directly with doctors or hospitals to advocate on behalf of a member,



Director of Health Benefits and Philadelphia Branch 157 carrier Tim O'Malley takes a personal hand in ensuring the best benefits for other NALC members.

O'Malley is personally involved in helping Health Benefit Plan members. He recalls surprising a letter carrier's wife with a phone call on a holiday to tell her he had succeeded in getting the best negotiated Plan allowance for her husband's brain surgery. How many other insurance plans give that level of personal service?

"That's the difference between our Plan and other plans," O'Malley said. "We'll go beyond the normal steps." O'Malley also answers letters from members and visits letter carriers nationwide, thereby keeping in touch with their concerns and helping find ways to improve the Plan each year. For instance, custom functional foot orthotics are covered by the NALC Health Benefit Plan because letter carriers—whose jobs involve walking—suggested it.

All of the Health Benefit Plan's 334 employees, from member service representatives to claims analysts to the technicians maintaining the state-of-the-art computer system, work in its headquarters in Ashburn, VA. Now in its 60th year, the Plan has come a long way from its start in a small room with two clerks in NALC's downtown Washington, DC, building.

The member service representatives staffing the phone lines in Ashburn are all Plan employees who are trained in-house—no call center outsourcing here. And when you call the Plan, you reach more than a phone operator. The representatives are specially trained to give a higher level of service. Instead of just handing off problems to other departments, they can often correct a problem or handle a request themselves in a single phone call, speeding the process of settling claims or giving members the information they need to make vital health decisions. It's another way the NALC Health Benefit Plan is different.

Excellent benefits and top-ranked customer service are two reasons the Health Benefit Plan's enrollment is growing. Today, more than 230,000 active and retired letter carriers, other federal employees and family members depend on the NALC Health Benefit Plan for comprehensive health benefits at an affordable cost. ☒



Above: Two of the member service representatives who are always ready to assist Plan members with their medical insurance questions.

Left: The Plan has a state-of-the-art computer system at its headquarters in Ashburn, VA, that speeds the processing of members' claims.

