



PSC-CUNY WELFARE FUND

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December 1, 2016

Dear Welfare Fund Member:

On behalf of the PSC-CUNY Welfare Fund Trustees, I am pleased to announce the enhancement of three benefits provided to you by the PSC-CUNY Welfare Fund. **Starting on January 1, 2017, the PSC-CUNY Welfare Fund's dental, vision, and hearing benefits will be significantly improved.**

The Trustees' approach to benefit enhancement is to work with a single provider organization that will offer our members *quality service* at *great value*. Our goal is to make it possible for members to have full, high-quality dental, vision and hearing aid care at an affordable cost—and in some cases at no cost—if members select an in-network provider. Many of us are familiar with in-network providers for our medical care or for hospitalization: the same principle applies here.

The Fund Trustees—who include representatives from both the PSC and the CUNY administration—recognize that the 41,000 individuals we serve are diverse in their needs and geographically dispersed throughout the metropolitan area and beyond. Consequently, we have sought out provider-networks that are accessible, reputable, and have quality control measures in place. We want members to know the Fund office will constantly monitor the service the networks provide to members in order to ensure both quality and value.

The Trustees are also aware that some of our members may prefer to go out of network to obtain benefits. We will continue to provide out-of-network subsidies for dental, vision and hearing benefits, and in some cases these subsidies will be enhanced. *I want to emphasize, however, that by utilizing in-network services you will be able to realize substantial savings over out-of-network providers and receive quality services.*

Our ability to make enhancements comes from a series of positive developments over the last several years: funding for the Welfare Fund has increased as the result of the new contract negotiated by the PSC and CUNY, and as part of an agreement negotiated by the municipal unions and the City of New York; the Welfare Fund no longer covers health insurance for eligible adjuncts because of an agreement reached by the PSC and CUNY, with support from the State and the City, to provide their coverage; the Welfare Fund has

reduced costs by availing of new programs resulting from Medicare reform legislation; and the Fund management has implemented additional administrative efficiencies.

The Trustees have taken a fiscally conservative approach to enhancing benefits. We expect utilization and costs to increase, and we have accounted for the anticipated impact of those increases. Adding to the uncertainty of utilization increases is the new financial risk introduced by the presidential election. The Republicans have vowed to repeal and replace the Affordable Care Act (“Obama Care”), and the ultimate impact of those actions on Fund finances cannot be fully known at this time. The Trustees have sought expert advice and determined that the substantial revenue streams to the Fund from the federal Medicare Part D program are likely to continue and are not immediately threatened. Members should know, however, that the Trustees are committed to the financial stability of the Fund, and we will continue to monitor these risks and make necessary adjustments should they arise.

Why did we decide to enhance the dental, optical and hearing aid benefits? The Fund Trustees are committed to providing the best benefits we can make available, and the Welfare Fund Advisory Council has listened carefully to your comments. Fund Trustees and staff spent the last six months researching and negotiating the most advantageous new benefit packages we could obtain, and we hope that the result will make a difference in your life. We concentrated on the dental, vision and hearing benefits as those are the subject of frequent member comments and dissatisfaction. The Fund has recently transitioned to a new pharmaceutical benefit manager, CVS/Caremark, and we will continue to monitor our experience with CVS before considering any further changes in the prescription drug benefit. Given the money we have to invest, and being mindful of the volatility of drug prices, the Trustees determined we could have the biggest impact on members’ well-being with the choices we made.

There is much more to say about the details of the benefit enhancements, and you can expect follow-up mailings on each benefit from Davis Vision, Guardian and HearUSA. Enclosed with this letter is a short summary of the major changes. Please visit the Fund website (www.pscunywf.org) for more information on these enhancements as well as other benefits.

In solidarity,

A handwritten signature in cursive script that reads "Steven London".

Steven London
Executive Officer
PSC-CUNY Welfare Fund