

IMPORTANT -- FMCP 2019 Contribution Increase Notification

1/25/2018

The Board of Trustees of the NECA/IBEW Family Medical Care Plan (FMCP) met to review the financial status of the FMCP. After reviewing the Plan's financial projections, the Board determined that a contribution increase of **3.4 percent** is necessary but will not be implemented until January 1, 2019. We are communicating this increase well in advance so that any adjustments that need to be made to collective bargaining agreements can be made during calendar year 2018.

While many plans have faced and continue to face double digit increases, many experts in health care continue to predict skyrocketing costs into the future. The FMCP's average increase of 5 percent per year has been roughly half of the general health care increases since the FMCP's inception in January of 2006. This is attributable to our size and continuing growth, as well as aggressive oversight of the Plan. The main cause of the increase is health care cost inflation. There are many upward pressures that contribute to health care cost inflation but two of the most significant are the increased utilization of services and the required changes associated with the Affordable Care Act (ACA) and the Mental Health Parity Act (MHPAEA). The ACA mandates starting in 2014 include covering all children to age 26 regardless of other coverage, the removal of dollar limits on most benefits, 100 percent coverage for a wide range of preventive care, coverage for previously excluded providers, coverage of clinical trials, and the imposition of hefty "fees" to help offset the costs of the exchange-offered insurance plans. The MHPAEA requires that plans must provide mental, nervous benefits at the same level as medical benefits. One effect of this mandate is the removal of limits on drug and alcohol rehabilitation coverage. While these mandates provide additional benefits to our participants and their families, they also have associated costs.

The FMCP Trustees have three main objectives: providing meaningful and secure benefit programs for Plan participants, providing all participants with extraordinary service, and, at the same time, containing costs. The Trustees will continue to work with Plan professionals to meet these goals by exploring all available options and developing innovative strategies and initiatives to mitigate costs, while continuing to provide valuable and meaningful benefit plans.

We will also notify IBEW Local Unions, NECA Chapters and single employers as well. As always, we wanted you to have this in advance so that you can answer questions that may arise.

Should you have any questions, please do not hesitate to contact the FMCP at 301-556-4313.

Thank you,

*Board of Trustees of the
NECA/IBEW Family Medical Care Plan*