

# ***SEAFARERS HEALTH AND BENEFITS PLAN***

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Margaret R. Bowen  
Administrator

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Dear Plan Participant:

**I am very pleased to inform you about new rehabilitation benefits for employees and their dependents at the Core and Core-Plus benefit levels. The benefits will provide coverage for inpatient and outpatient rehabilitation services for employees and their dependents who are recovering from a catastrophic illness or injury. The Trustees have approved this benefit as a one year pilot program, retroactive to January 1, 2013. At the end of the year, the Trustees will evaluate the benefits, and make a determination about rehabilitation benefits for 2014 and any subsequent years.**

In order to be eligible for rehabilitation benefits, you or your dependent must be recovering from a catastrophic illness or injury, which the Plan defines as: the acute onset of a medical condition resulting from an illness or injury, which will require extensive rehabilitation services. Some examples of a catastrophic illness or injury are: a stroke, a severe accident, or a heart attack. In order to be eligible for this benefit, the patient must be expected to improve to a certain level of recovery and must require rehabilitative therapy or skilled nursing care on a daily basis. The Plan still does not provide benefits for custodial care.

## **New benefits for Employees at Core or Core-Plus level only**

- Effective January 1, 2013, the Plan will pay for inpatient rehabilitation for up to 180 days or \$1,000,000 per inpatient stay, or until the employee reaches maximum medical improvement, whichever comes first, when the employee is confined at a skilled nursing facility or acute rehabilitation facility. Precertification from the In-Network hospital or facility is required prior to admission. The Plan will pay 100 percent of the Network-allowed charges if the employee is confined at a facility that participates in the Network; or 70 percent of the reasonable and customary charge if the employee is at an out-of-Network facility. This benefit also covers charges for physical, occupational, speech, pulmonary and cognitive therapy while the employee is an inpatient. There is no change in the employee benefit for cardiac rehabilitation.
- The Plan will also cover outpatient rehabilitation services for an employee following a catastrophic illness or injury. The Plan will pay at 80 percent of the Network-allowed charge if the provider is in-Network, or 65 percent of the reasonable and customary charge if the provider is out-of-Network, for up to 40 sessions of any combination of physical, occupational, speech, pulmonary or cognitive therapy during a calendar year for the rehabilitation of an employee.

- This new outpatient therapy benefit following a catastrophic illness or injury is separate from the physical therapy benefit that employees already receive for non-catastrophic illness or injury.

**New benefits for Dependents of Employees at Core or Core-Plus level only**

- Effective January 1, 2013, the Plan will pay for inpatient rehabilitation for up to 180 days or \$1,000,000 per inpatient stay, or until the dependent reaches maximum medical improvement, whichever comes first, when a dependent is confined at a skilled nursing facility or acute rehabilitation facility. Precertification from the In-Network hospital or facility is required prior to admission. The Plan will pay 100 percent of the Network-allowed charges if the dependent is confined at a facility that participates in the Network; or 70 percent of the reasonable and customary charge if the dependent is at an out-of Network facility. This benefit also covers charges for physical, occupational, speech, pulmonary and cognitive therapy while the dependent is an inpatient.
- The Plan will also cover outpatient rehabilitation services for a dependent following a catastrophic illness or injury. The Plan will pay at 80 percent of the Network-allowed charge if the provider is in-Network, or 65 percent of the reasonable and customary charge if the provider is out-of-Network, for up to 40 sessions of any combination of physical, occupational, speech, pulmonary or cognitive therapy during a calendar year for the rehabilitation of a dependent.
- The Plan will now pay for up to 40 sessions of cardiac rehabilitation during a calendar year for dependents. All services must be provided by a licensed therapist. The Plan will pay 80 percent of the Network-allowed charges if the therapist participates in the Network, or 65 percent of the reasonable and customary charge if the therapist is out-of-Network.
- Dependents will be eligible for benefits for the rental or purchase of durable medical equipment that is required to assist with rehabilitation following a catastrophic illness or injury. The Plan will pay 80 percent of the Network-allowed charge for such equipment if the provider is in-Network, or 65 percent of the reasonable and customary charge if the provider is out-of-Network.

These new benefits are subject to the same limitations on the payments of benefits, as well as the deductible amounts, co-payments and co-insurance that apply to other Plan benefits.

The rehabilitation benefits are retroactive to January 1, 2013; therefore, if you have received rehabilitation services for treatment of a catastrophic illness or injury during the first few months of this year, please contact the Plan regarding submitting a claim for coverage. In addition, if you have any questions, feel free to contact the Plan at (800) 252-4674.

Sincerely,

Margaret R. Bowen  
Administrator