



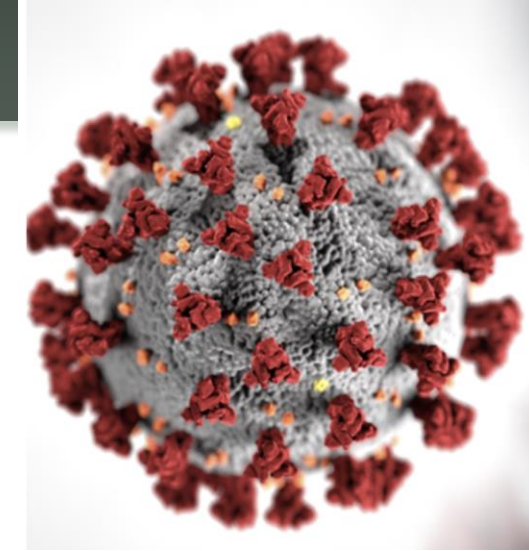
District Ten Council & Membership Meeting

LINECO Update

April 4, 2023

Consistent. Reliable. Strong.







Key Takeaways

- ✓ LINECO is fully **OPERATIONAL** and **ESSENTIAL**
- ✓ LINECO is on Solid Footing and **FINANCIALLY STABLE**
- ✓ Benefits Remain **STRONG** and **CONSISTENT**
- ✓ Continuous **SERVICE** Improvements
- ✓ Our Sole Focus - **OUR MEMBERS**



FUND BACKGROUND

- ❑ **Peer Led** - 18 Trustees (9 IBEW, 9 NECA)
- ❑ **Strong History** – 60th Birthday!! Founded in 1963
- ❑ **Laser Focused** – Sole Mission is to provide Health and Welfare Benefits to IBEW / NECA Outside Electrical Construction Industry
- ❑ **Service Organization** – Not a large insurance company, real life - Midwesterners provide service
- ❑ **Value Proposition** – Generous Benefits for Predictable Cost

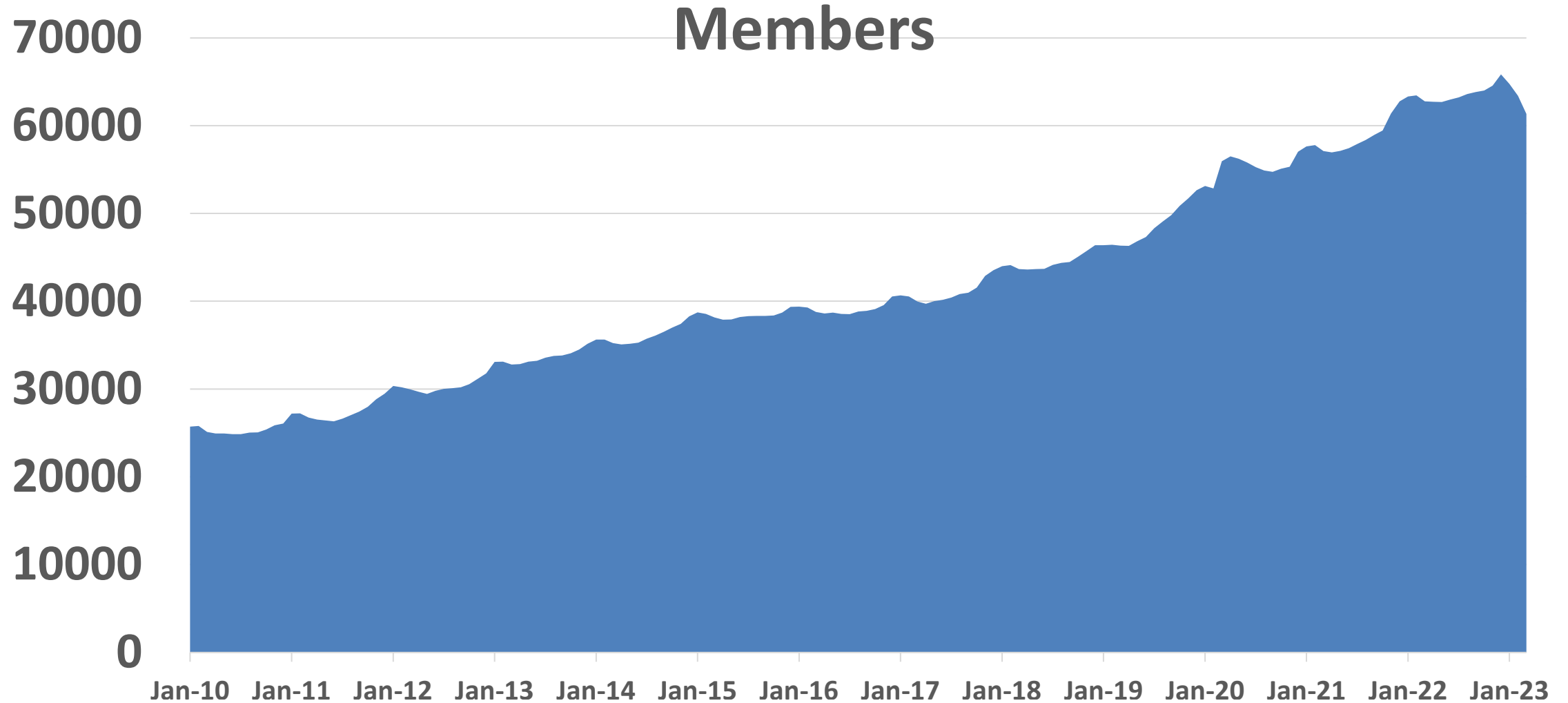


60 Years Of D-10 Leadership!

McRoy Herschel Taylor Crowley **Jackson**
Pastor
Lindley Soule, Jr. **Wilson** Hoppe
Stark Soule Davie Silver
Asher Ernst Tucci Newell Coleman
Chiesa Bridges Stark **Ayres** Collins
Hixson, Jr. Gable Jack Collins Hilsman
Shea Rowland Wheatlake Auldreich Troutman
Smith
Remington Wilson Payton **Pellerito**
Flippin **Carmean** Lloyd, Jr. **McCliff** Hall Williams

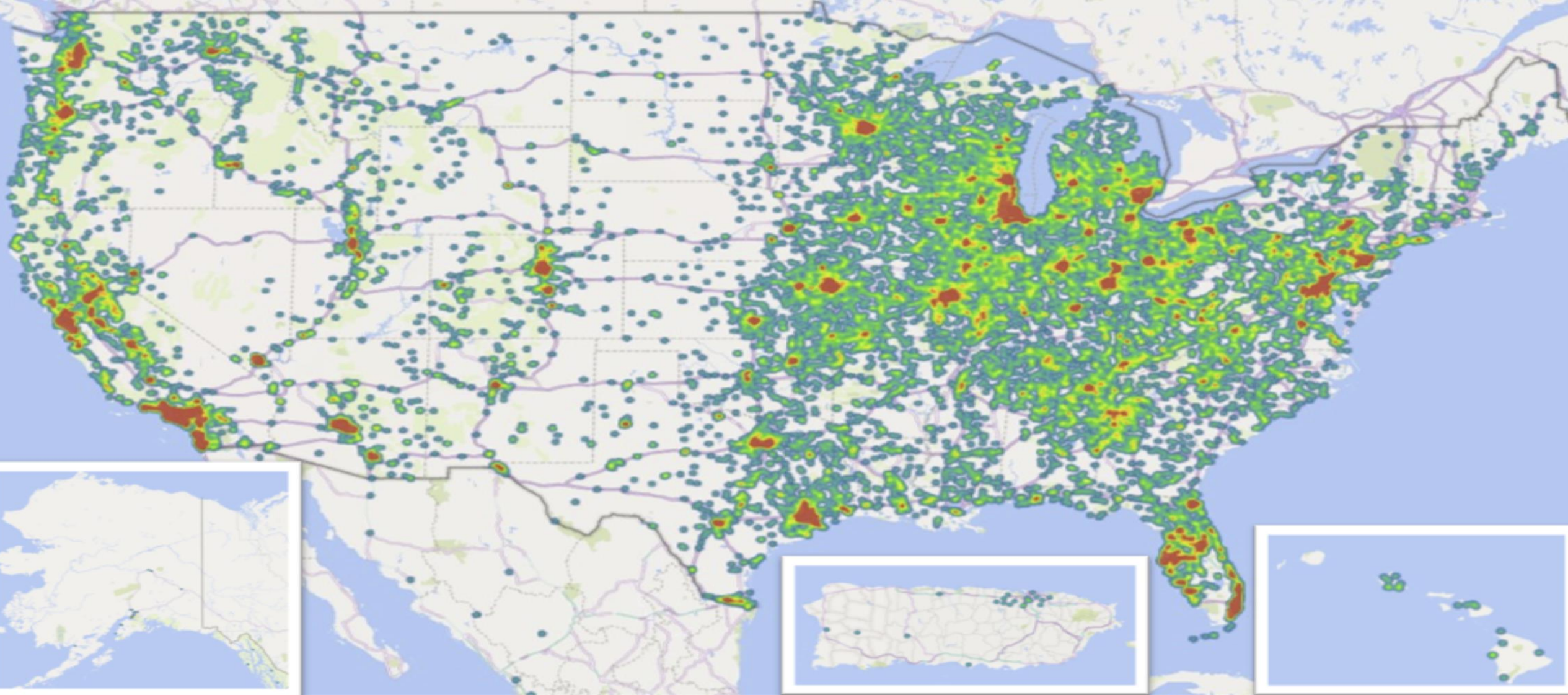


Membership Growth





Strength In Numbers



Who Does The Fund Serve



- Construction: **59,000**
- Utility (REA / COOP): **1,700**
- Retirees: **2,800**
- Total Members: **63,500**





2021 Year In Review



EMPLOYER CONTRIBUTIONS



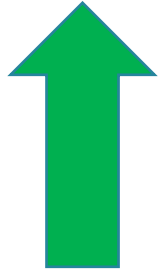
BENEFIT CLAIM EXPENSE



**INVESTMENT GAIN /
LOSS**



2022 Year In Review



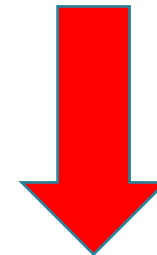
EMPLOYER CONTRIBUTIONS

Hours Continue to be **STRONG**



BENEFIT CLAIM EXPENSE

Driven by increased Head Count



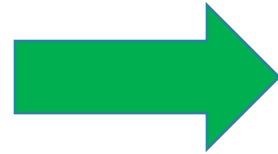
INVESTMENT LOSS

On pace to lose \$100M
in Investments (-9.1%)



Overall Healthy Fund

Fund has been at a "4/4/5/4" for 2019 - 2022

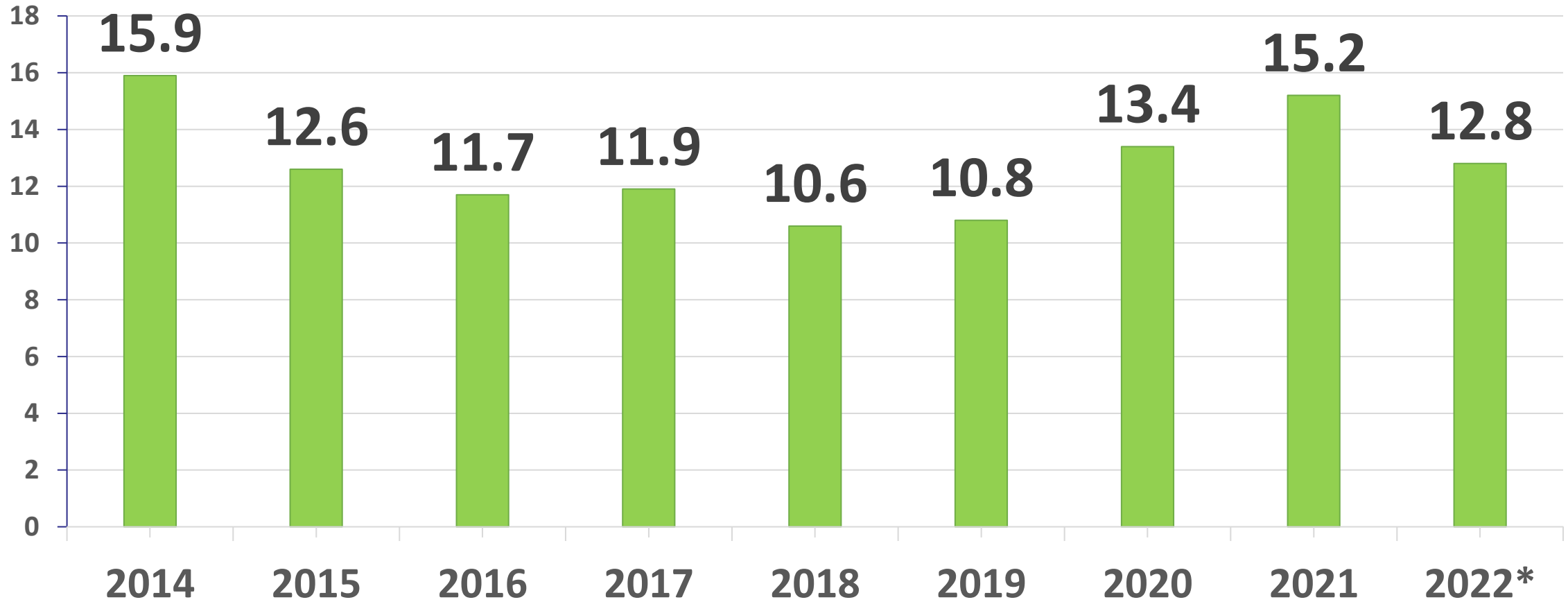


✓ With assumed investment return of 4%, 2023 and 2024 should be 4+

FI Level	Total Gain/(Loss)	Ordinary Gain/(Loss)	Months of Surplus
5	1. Positive	1. Positive	1. Greater than 12
4	1. Positive 2. Negative 3. Negative 4. Positive	1. Negative 2. Positive 3. Negative 4. Positive	1. Greater than 12 2. Greater than 12 3. Greater than 12 4. Between 6 and 12
3	1. Negative 2. Negative 3. Positive	1. Positive 2. Negative 3. Negative	1. Between 6 and 12 2. Between 6 and 12 3. Between 6 and 12
2	1. Positive 2. Positive 3. Negative	1. Positive 2. Negative 3. Positive	1. Below 6 2. Below 6 3. Below 6
1	1. Negative	1. Negative	1. Below 6

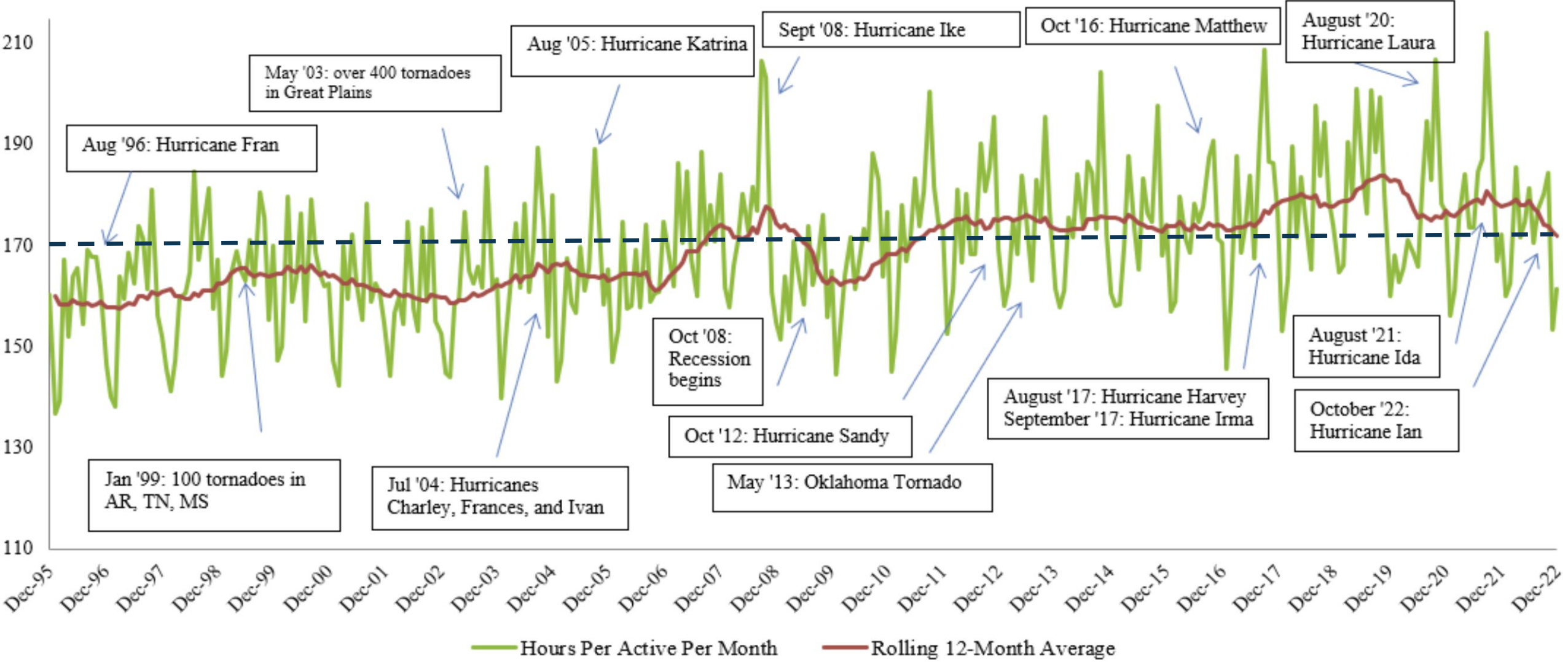


Months of Operating Surplus



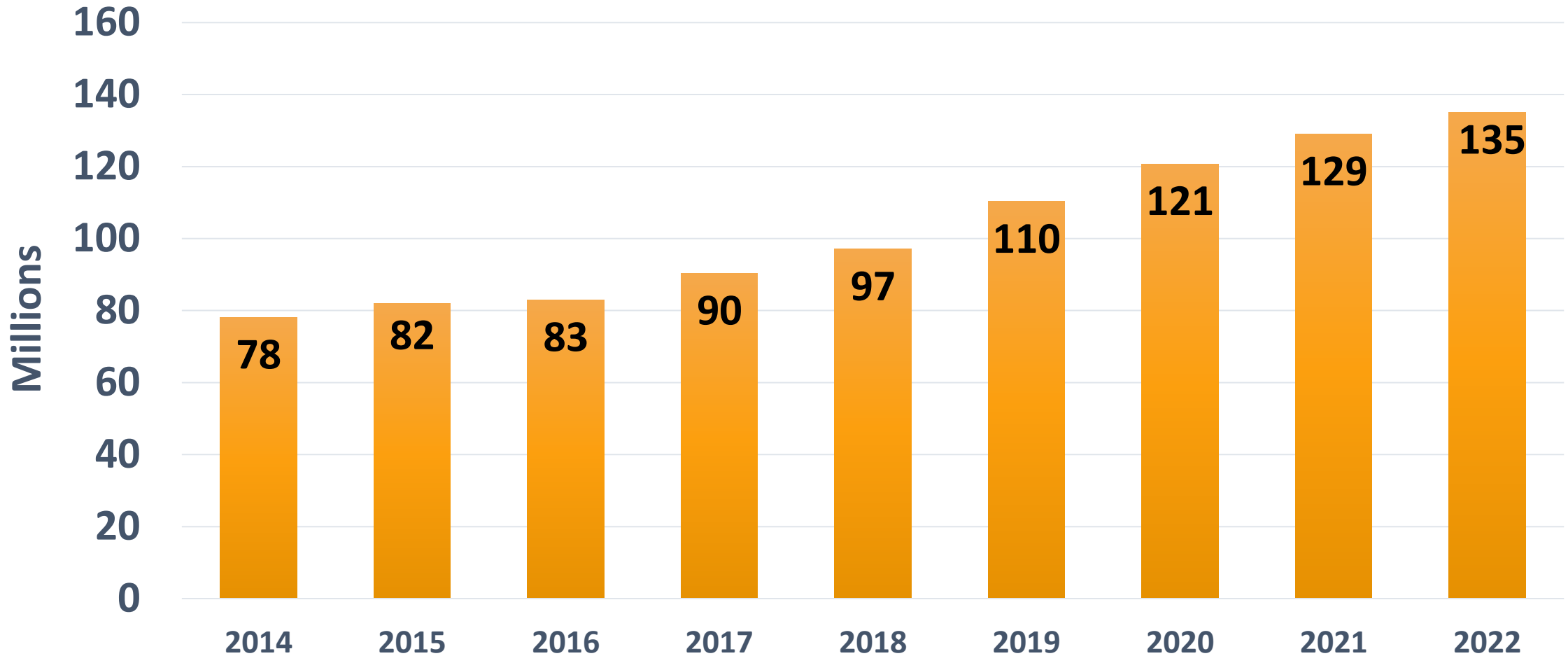


Work Consistently Strong





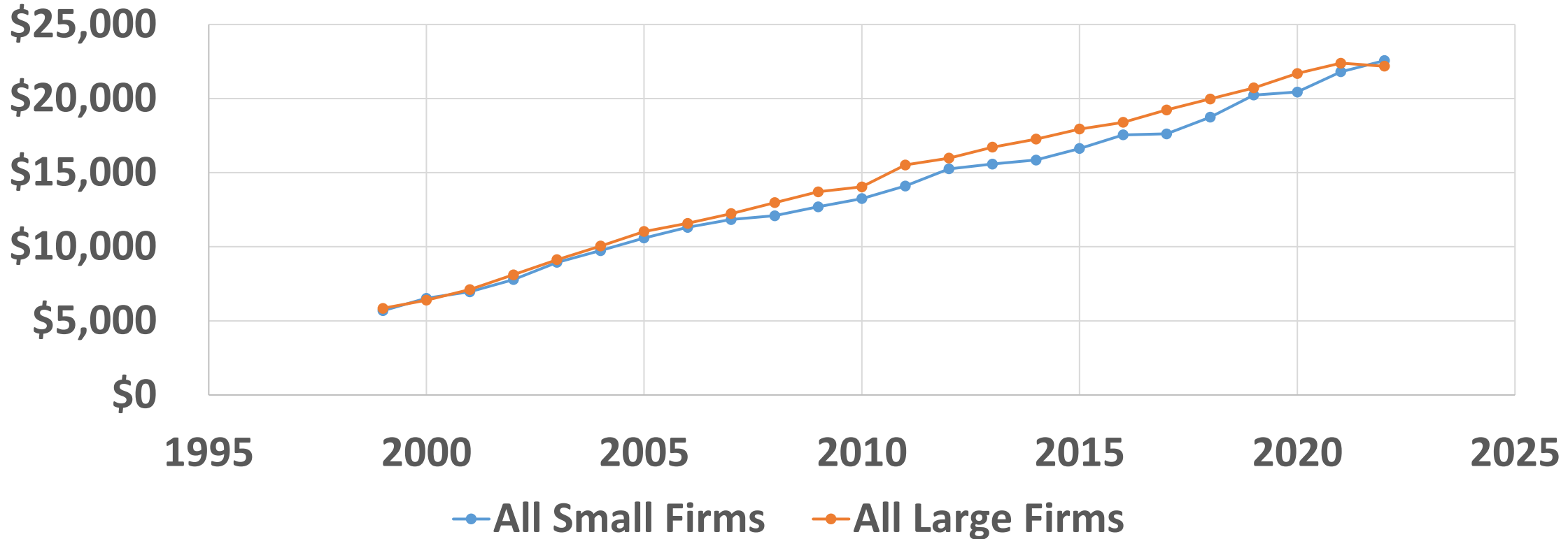
Annual Total Work Hours Reported





How Does LINECO Compare?

Employer Annual Health Insurance Premiums – Family Coverage

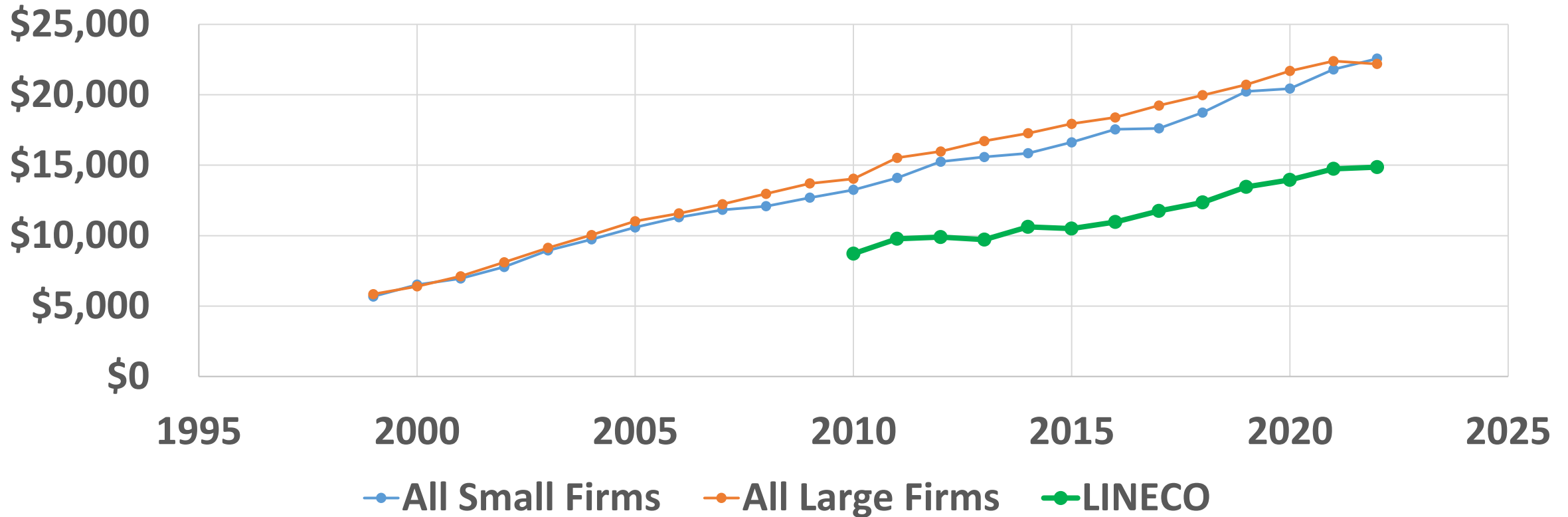


Source: Kaiser Family Foundation Annual Survey of Employer Sponsored Plans



How Does LINECO Compare?

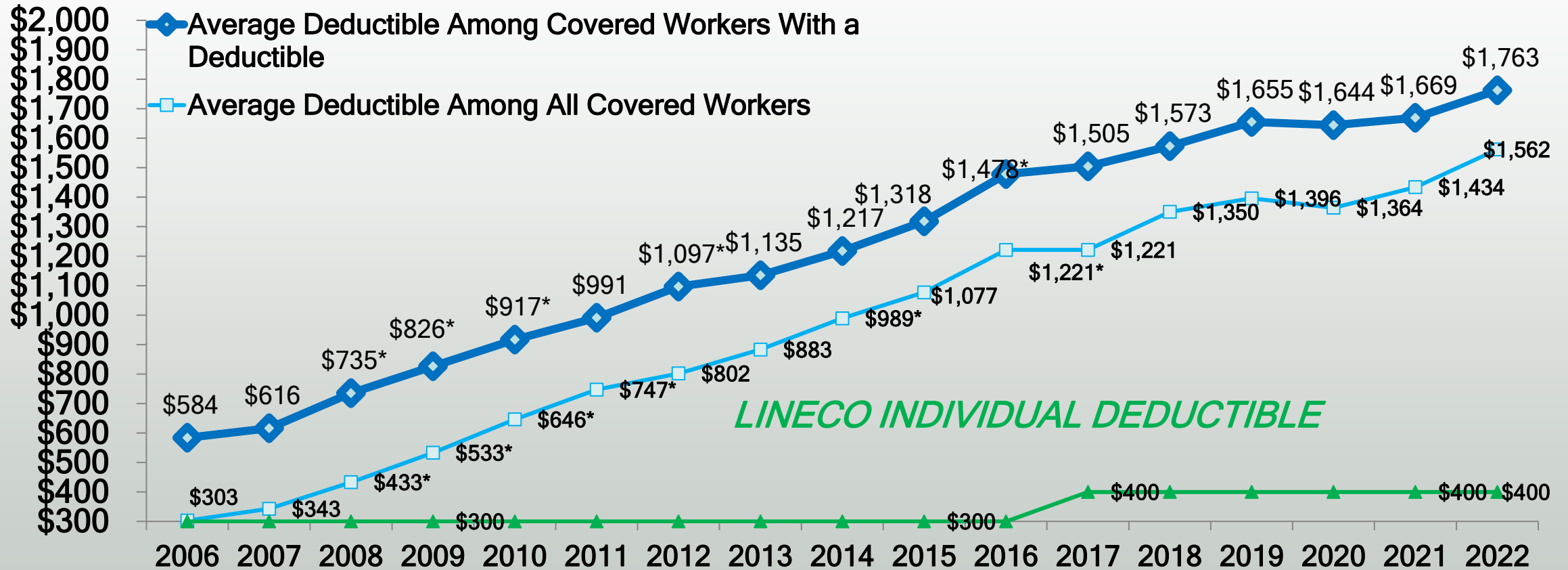
Employer Annual Health Insurance Premiums – Family Coverage



Source: Kaiser Family Foundation Annual Survey of Employer Sponsored Plans



Average Individual Deductible Levels (2006 – 2022)



LINECO INDIVIDUAL DEDUCTIBLE

* Estimate is statistically different from estimate for the previous year shown (p<.05).

NOTES: Average general annual deductible is among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2022.

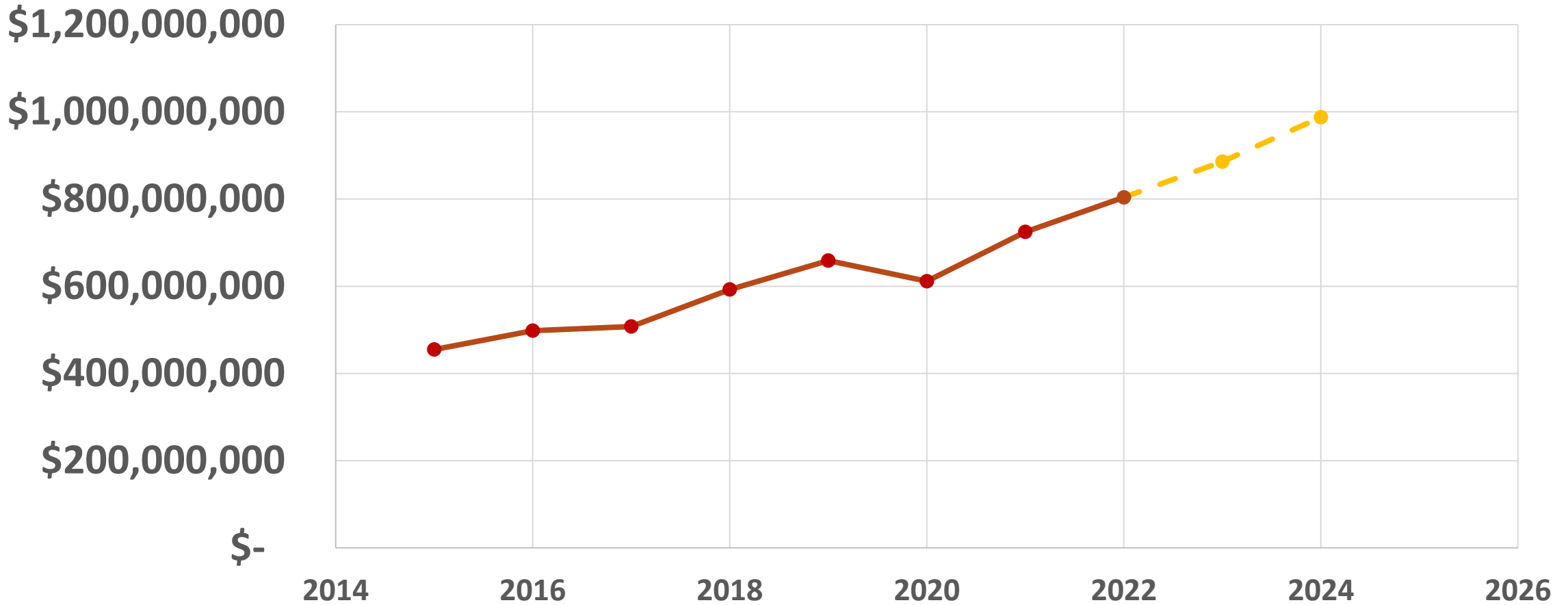


-AND-



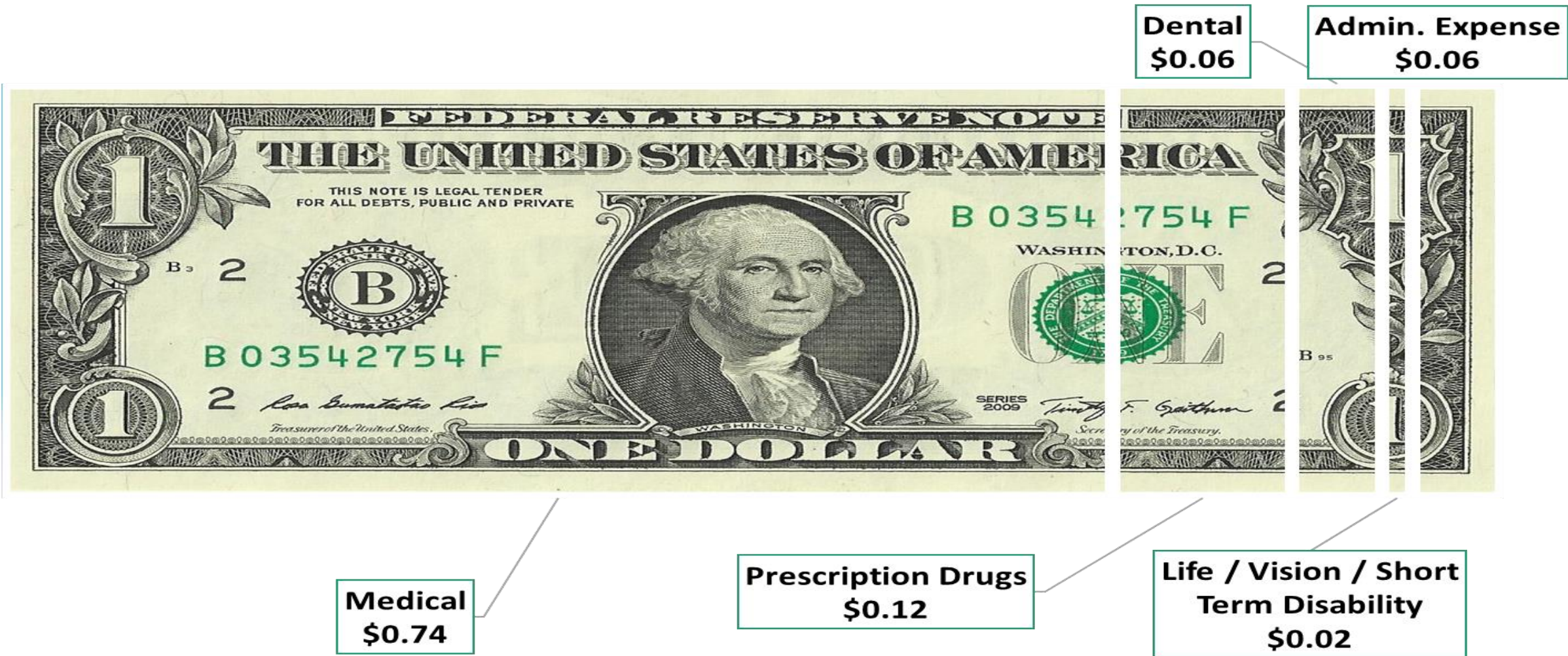


Annual Plan Benefit Expense





How Is Your Contribution Dollar Spent?





Contribution Rate History

Since 2004, average annual increase
in contribution rate is 3%/year

<i>YEAR</i>	<i>Construction</i>
2004	\$3.75
2005	\$4.50
2006-2010	\$4.75
2011	\$5.00
2012	\$5.00
2013	\$5.00
2014	\$5.00
2015	\$5.00
2016	\$5.25
2017	\$5.50
2018	\$5.75
2019	\$6.00
2020	\$6.50
2021	\$6.75
2022	\$7.00
2023	\$7.00



2024 Contribution Rate Set

CONSTRUCTION

\$7.25

UTILITY

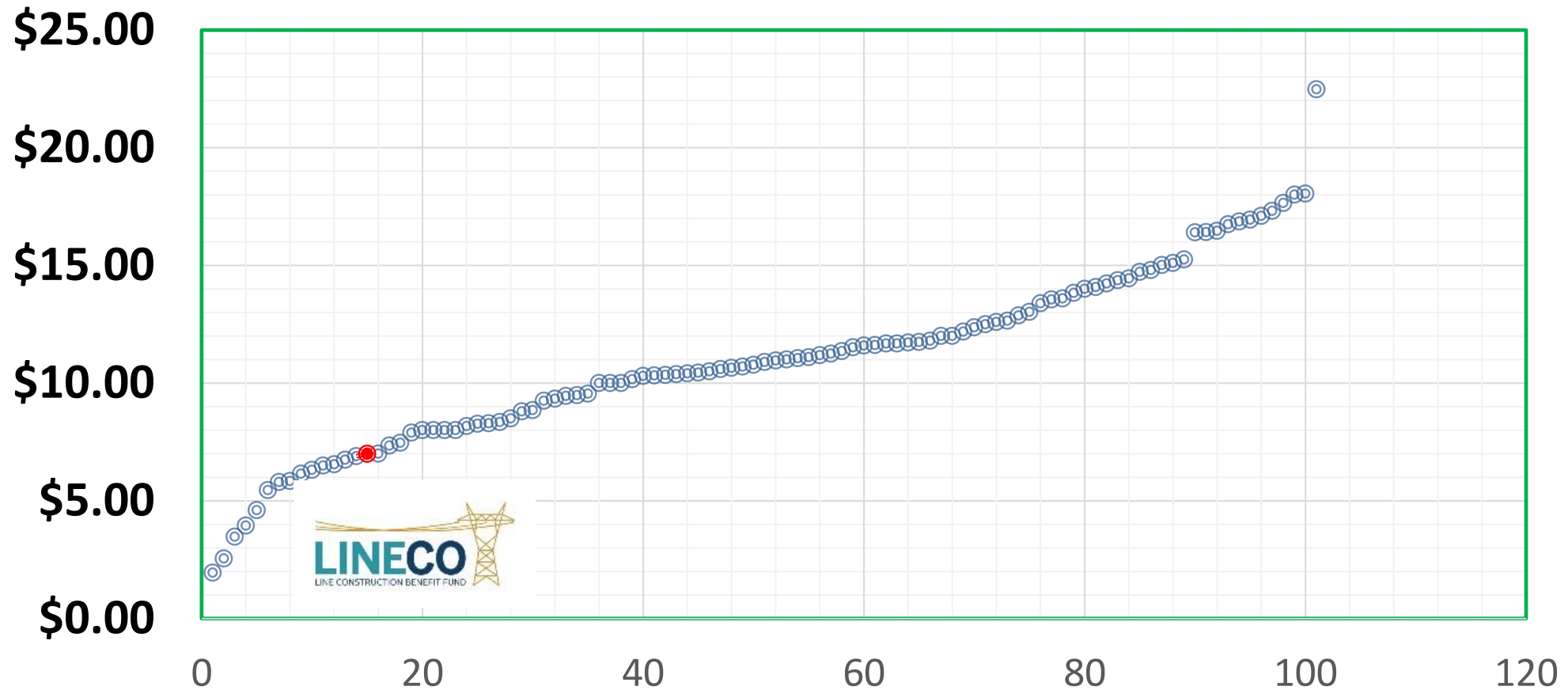
\$9.43

**ABOVE RATES ANNOUNCED IN
JANUARY 2023**



IBEW Contribution Rates

Health & Welfare Fund Contribution Rates





Recent Plan Changes

PLAN IMPROVEMENTS

- + **Lifetime Maximum Eliminated (2011)**
- + **LINECO HRA Created (2012)**
- + **ABA Therapy and Autism Benefits For Children Added (2013)**
- + **Diabetes Clinical Program and Healthy Mom / Healthy Baby Program Instituted (2013)**
- + **100% Preventive Dental Coverage for Children Thru Age 20 (2014)**
- + **Prescription Safety Glasses Free Every 2 years (2015)**
- + **Free Telemedicine Benefit via Teladoc (2015)**
- + **Vision Frame Allowance Increased From \$125 to \$175 (2015)**
- + **Free Expert 2nd Medical Opinion Benefit via Included Health (2019)**
- + **Increased Weekly Income Benefit from \$400/week to \$600/week (2022)**
- + **Expanded Home Health Care Benefit (2022)**
- + **Skilled Nursing Facility Benefit Increased from 30 days to 60 day per calendar year (2022)**

PLAN MODIFICATION

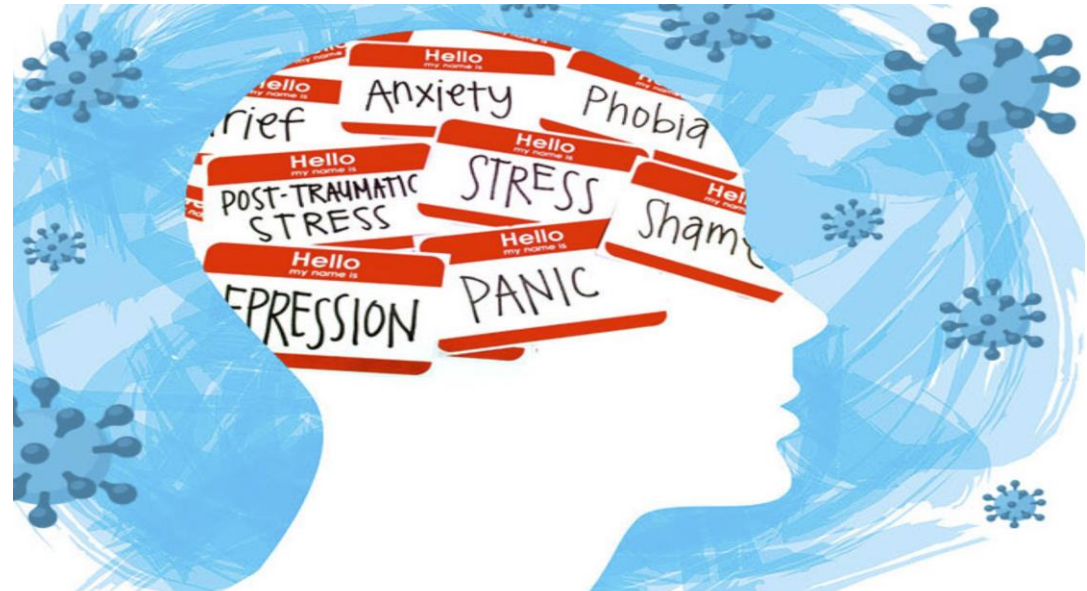
- **Individual Deductible Increased from \$300 to \$400 (2017)**
- **ER Co-Pay Increased from \$100 to \$150 (2015)**



POST Pandemic – Mental Health Focus

STRESS - 1. the physiological or psychological response to internal or external stressors. Stress involves changes affecting nearly every system of the body, influencing how people feel and behave.

-American Psychological Association





POST Pandemic – Mental Health Focus

- **Expanded FREE Access to Counseling via Teladoc on 1/1/2022.**
- **Expanded PPO Network to include Both BlueCross BlueShield and Beacon Health Options Mental Health Providers.**
- **Piloting “Mental Health Safety Card”.**

BETHE1TO.COM

1. **ASK**
2. **KEEP THEM SAFE**
3. **BE THERE**
4. **HELP THEM CONNECT**
5. **FOLLOW UP**



DIAL
9 - 8 - 8

SUICIDE WARNING SINGS

These signs may mean someone is at risk. Risk is greater if behavior is new or has increased and if it seems related to a painful event, loss, or change.

- Mentions wanting to die or kill oneself.
- Looking for a way to kill oneself, such as searching online or buying a gun.
- Discusses feeling hopeless or having no reason to live.
- Feels trapped or in unbearable pain.
- Talks about being a burden to others.
- Increased use of alcohol or drugs.
- Acting anxious or agitated, behaving recklessly.
- Sleeping too little or too much.
- Withdrawing or feeling isolated.
- Shows rage or talking about seeking revenge.
- Exhibits extreme mood swings.

SUICIDE IS PREVENTABLE

CALL THE LIFELINE AT
1-800-273-TALK (8255)

With Help Comes Hope

IF YOU OR SOMEONE YOU KNOW NEEDS HELP, CALL THE
NATIONAL SUICIDE PREVENTION LIFELINE
1-800-273-TALK (8255)



LINECO HRA - At A Glance

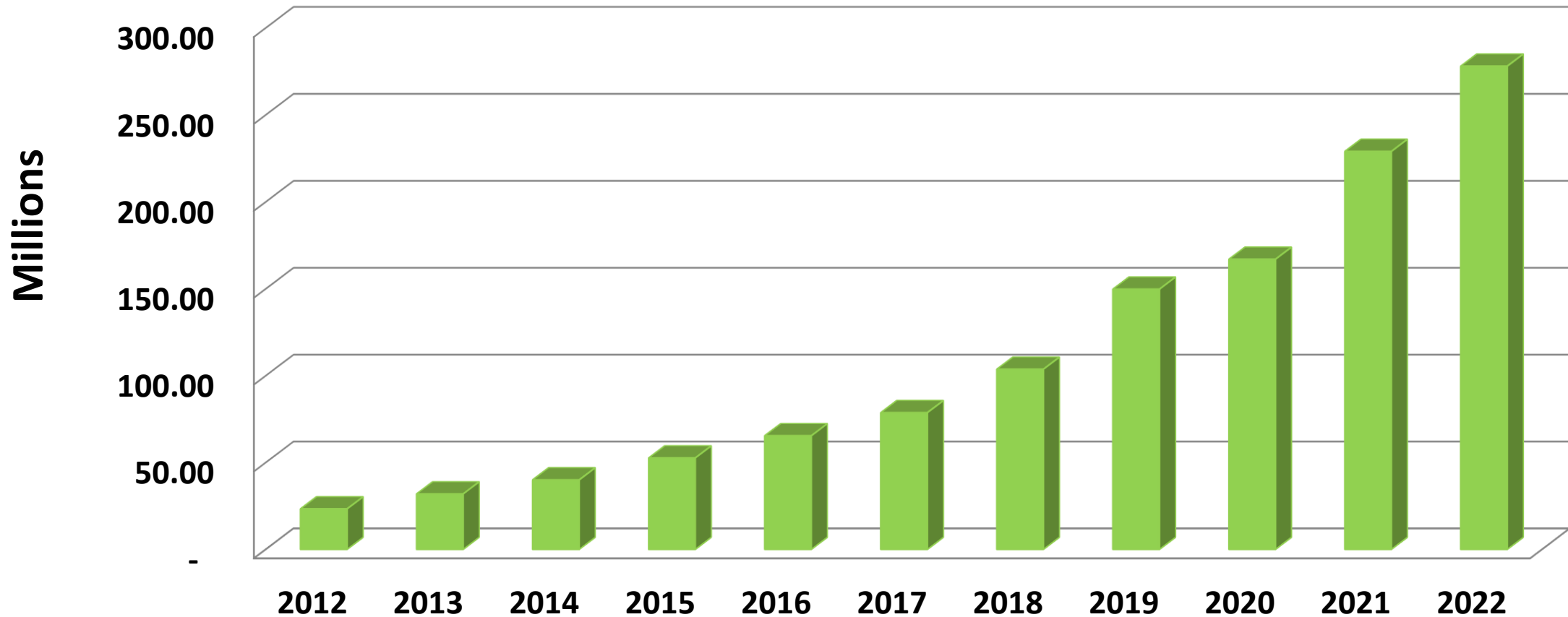
- Established on June 1, 2012.
- Integrated HRA with LINECO Health and Welfare Plan.
- Employer ONLY contributions into the Fund pre-tax.
- Benefits paid from the account for employee (qualified dependents) also not taxed.
- **Employees (HRA \$\$\$) in account rolls year to year. Great retiree healthcare savings mechanism. Tax Free.**
- **HRA \$\$\$ can be used from account for certain “qualified medical expenses” determined on an annual basis by the IRS.**





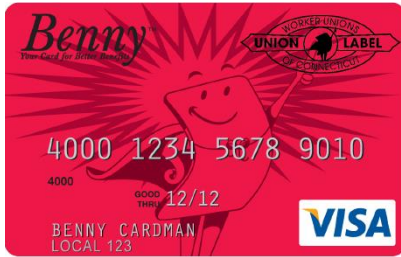
Annual HRA Growth

HRA Year Ending Balance





Re-Branded HRA in 2020



OLD CARD

NEW CARD





HRA Reimbursed Expenses

- Retiree Premiums
- Smoking cessation
- Active Self-payments
- Expenses not covered by LINECO
- Deductibles, co-pays, coinsurance
- Hearing aids
- Weight loss programs
- Vision surgery
- Vision expenses
- Prescription drug copays
- Dental expenses
- Breast pumps
- Routine exams
- Transportation for treatment
- Well-child care
- Expenses over a maximum benefit
- Electronics for disabled
- Some OTC Drugs
- Long Term Care Premiums



Items NOT Eligible for Reimbursement

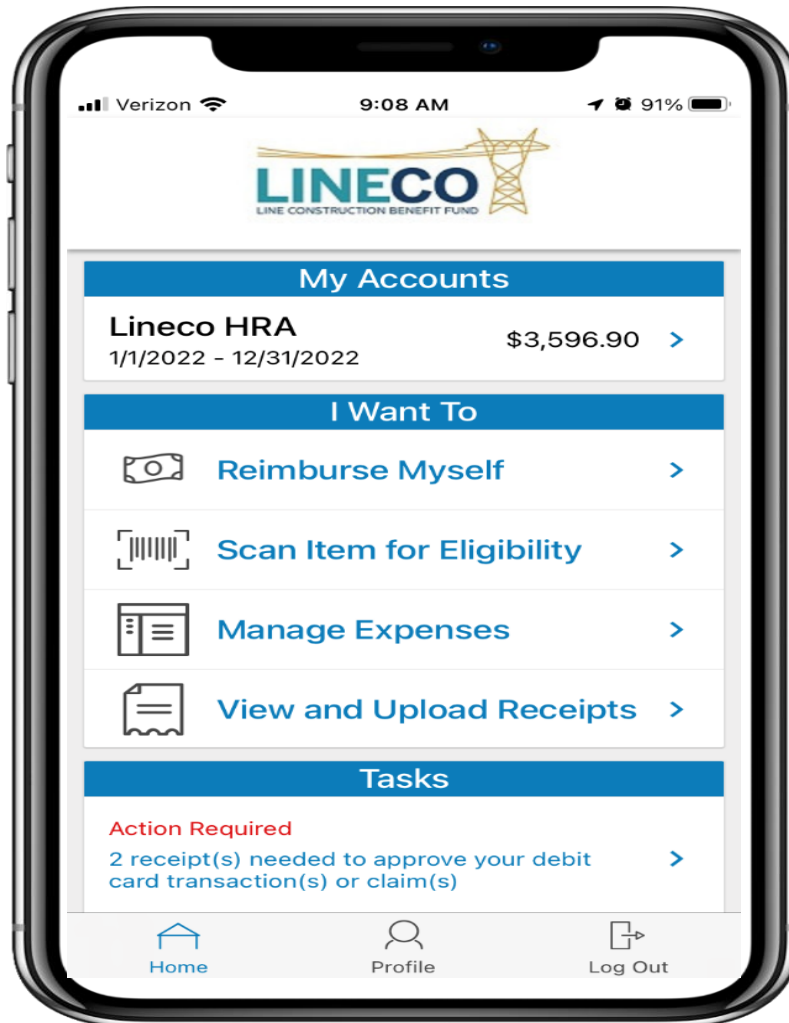
- IRS does not consider following expenses tax deductible, and therefore are NOT reimbursable under HRA:

- ❖ **Cosmetic Surgery**
- ❖ Burial Expenses
- ❖ Household Help
- ❖ Certain Health Insurance
- ❖ Food / Dietary Supplements
- ❖ Environmental Devices Such as Air Purifiers or Humidifiers
- ❖ Health Club Memberships
- ❖ Maternity Clothes
- ❖ Child or Elder Care Expenses
- ❖ Some Over-The-Counter Drugs
- ❖ **Death / Burial / Funeral**

IRS Code Section 213(d) Identifies Medical Expenses Eligible For Reimbursement (IRS Publication 502)



HRA Mobile Application Features



- Real-time HRA balance
- Simple, on-the-go claim filing
- Eligible Expense Scanner
- Receipt Organizer
- Report debit card as lost or stolen

- **AppStore: linecohra**



Challenges For LINECO

- **Healthcare Inflation**
 - Large Claims
 - Specialty Drugs
- **Mental Health**
- **Member Engagement**
- **Compliance**



Cheers To 60!! Thank You



CONSISTENT. RELIABLE. STRONG.