Health care fraud is a crime. It occurs when a dishonest provider or insured person intentionally submits, or allows someone else to submit, false or misleading information to determine or obtain health care benefits.

The Federal Bureau of Investigation (FBI) estimates that health care fraud costs American taxpayers $80 billion a year. As such, it is also a rising threat to our economy, especially when you consider that our national health care spending has reached $2.7 trillion and continues to consistently outpace inflation.

Health care fraud is not a victimless crime. Fraudulent claims drive up the cost of insurance, resulting in increased monthly premium payments and higher cost sharing measures that affect you, the participant.

Rooting out health care fraud is central to the well-being of both our participants and the financial solvency of our Welfare Fund. Although the overwhelming majority of healthcare professionals are honest, those who are dishonest use insider knowledge and billing creativity to wreak havoc on the health care system. There are many ways they can defraud the health care system. The accompanying chart categorizes health care fraud into 5 separate groups:

Misrepresentation of services provided – This includes the upcoding of services and procedures. Upcoding is when a provider bills for services that are more costly than the actual procedure performed. A classic example of upcoding would be a simple 5 minute visit with a provider for the diagnosis and treatment of an upper respiratory condition that is then upcoded and billed with a procedure code that describes a more intensive 1 hour visit. Submission of the upcoded bill results in a higher reimbursement rate to the provider.

Providers may also misrepresent the severity of a patient’s condition to justify services that are not medically necessary. Imagine what could happen if an ER visit for chest pains, diagnosed as simple indigestion, is then upcoded to reflect a heart condition that required EKGS, Sonograms and a battery of tests that were not actually performed. Not only is the provider committing fraud, but the patient now has a non-existent heart condition on his or her permanent medical records.

An unethical provider may also try to unbundle or separate charges for procedures or tests that are most often ordered together and cost less when billed together. These providers hope that by manipulating the timing and submission of bills to insurance companies it will result in a higher reimbursement rate.

Billing for services not rendered – This occurs when a provider bills for services that were never performed. In a hospital

continued on page two
setting, examples of this fraud could be lab tests, medical supplies and various therapies that are not provided to patients, but are billed to insurance companies. Even medications that have been ordered but not dispensed could be billed through insurance. Unscrupulous providers may even bill for office visits that never occurred. This is more likely to happen with older or chronically unhealthy patients. Deceitful providers count on the fact that patients receiving a lot of medical attention will not notice being billed for an extra visit, and that the insurance provider will not question it given the patient’s medical history.

**Unnecessary durable goods** – This category of fraud occurs mostly in home health care situations. Durable medical equipment, such as walking aids, transfer equipment, even wheelchairs are billed as being provided when a patient doesn’t need them or is unable to use them.

**Providing unnecessary services** – This occurs when services are provided that are not medically necessary. For example, physical therapy visits are scheduled and performed on a patient whose medical records and prognosis indicates that they will not benefit from the therapy. Unnecessary services can also include claims submitted for care that does not apply to the patient’s condition, such as an echocardiogram for a broken bone.

**Other** – This category encompasses many forms of fraud, but worthy of note are the ones not committed by providers, but by the patients or insurers. Following are the most common types of this fraud:

- Enrolling otherwise non-dependents as eligible dependents.
- Not notifying the Fund Office of your legal separation or your divorce.
- Not abiding by the Welfare Fund’s coordination of benefits provisions.
- Lending out your medical insurance ID card to someone who has no insurance.

The Welfare Fund has an obligation to its hardworking participants to collect on fraudulent payments made to any provider or participant. In conjunction with the reimbursement of fraudulent benefits paid by the Fund. The Fund may also collect any interest, costs and attorney’s fees related to the investigation and cost of the fraudulent act.

**What is the Welfare Fund doing to uncover and prevent fraud?**

- The Welfare Fund has an auditing firm that routinely reviews claims for validity. They perform audits on claims processed in the Fund Offices and visit our self-insured claims administrators to perform on-site audits. Our insured claims administrator has its own auditing practices that work to keep fraud loss to a minimum.
- The Fund Office and all insurance providers use claims edit software to identify instances of upcoding, unbundling and duplicate claims.
- The Fund Office routinely requests original supportive documentation before enrolling any dependent in the welfare plan to ensure they are eligible.
- Coordination of Benefit questionnaires are sent out on an annual basis to confirm that dependents with other insurance available to them utilize that coverage as a primary payer.
- As soon as affirmative information on divorce or legal separation is obtained by the Fund Office, a retroactive medical claim review is performed back to the date of legal separation or divorce, whichever is earlier, and collection of any overpayments are undertaken.

**There are some easy ways that you, the participant, can assist in protecting the assets of the Welfare Fund:**

- Be careful about disclosing your insurance information. Think of your medical insurance ID cards as one of your credit cards. Report a lost or stolen card immediately.
- Compare your Explanation of Benefits (EOB) and/or your medical bills with your personal records. Are the dates of service correct? Were the services described and billed for actually performed that day?
- Question all charges that you are asked to pay that exceed your copayment for in-network services, or your deductible and coinsurance responsibility for all out-of-network services.

If you suspect fraud or have concerns about services that have been billed to one of our insurance providers or to you, please call one of our fund offices and speak to a medical department representative.
Hammering out the details for continuing medical eligibility and the self-pay provision

July is the beginning of a new regularly scheduled eligibility period for those members in the Hours Based Welfare Plans. It is at this time that hours are reviewed for continued eligibility through December 31, 2014. If you did not work 1400 hours in all of 2013, and do not have 700 hours in employer contributions remitted to the Fund office between January 2014 and June 2014, and you were eligible on June 30, 2014, you will be able to continue health benefits for you and your dependents through the Welfare Fund’s self-payment provision for the remainder of 2014.

The amount you will pay is equal to the difference between the amount your employers would have been required to contribute during the preceding half-year period to maintain your coverage, and the amount your employers actually paid on your behalf during that period.

The following example illustrates how self-pay works:

Amount of hours required to continue eligibility for 2nd half of 2014: ..............................700
Number of hours for which employer made contributions: .........................600
Number of hours “short” for continued eligibility: ..............................................100
Most recent contribution rate: ...........................................................$10.75

X

Amount of hours “short” ........................................................................100
Amount of self-pay required for continued eligibility for the second half of 2014 is ...................................................$1,100.00

If you are eligible to make a self-payment, the Fund Office will send you a self-payment letter and application to your current address on file. This letter will outline exactly how many hours have been remitted by your employers to the Fund Office on your behalf, how many you are “short” to continue your eligibility through the second half of 2014, and the exact amount required for your self-payment. For participants who were eligible for all of 2013, the Fund Office also “looks back” to determine if it is more economical for you to self-pay up to 1400 hours for 2013 to obtain benefits for all of 2014.

Only hours actually contributed to and received by the Welfare Fund can be included in determining your eligibility, including any contributions made on a self-pay basis.

On the application there are a few payment options available to you to make a self-payment. They include a personal check or money order, a withdrawal from your Supplemental Health Reimbursement Account, or you can apply for an Annuity Hardship Withdrawal. Your application and any necessary information must be received by the Fund Office within 30 days of the issuance of your notification that medical coverage has ceased.

If the Fund Office does not receive a self-payment and your coverage is terminated, you will be issued a COBRA election and Group Health Care Certificate as required by law. Please see your Summary Plan Description (SPD) for further details of that program.

SEVEN STEPS TO SAVE YOUR SKIN

Get the sun protection you need from head to toe

Summer is here and most people look forward to getting outside and feeling the sun's warming rays. But, we also know that there's a risk of skin cancer involved. Follow these preventive guidelines and feel better about your day in the sun:

1. Choose a sunscreen that contains titanium dioxide or zinc oxide. Experts disagree over the safety of avobenzone and oxybenzone, so it's better to avoid these.
2. Make sure the label says “broad spectrum” to ensure protection from both UVA and UVB rays.
3. Slather on sunscreen at least 30 minutes before going out.
4. Use enough sunscreen to provide proper coverage. An adult in a swimsuit needs about three tablespoons of sunscreen to cover the whole body.
5. Don't sweat over SPF numbers. Experts say anything over 30 should protect you for two hours.
6. Reapply sunscreen after sweating or swimming, even if you're using “sport” sunscreen.
LARISSA ANDREU, Levittown, New York
Graduate: Island Trees High School
Enrolled: Pace University
Major: Public Relations/Communications
(Father – Claudio Andreu, LU #290)

Larissa graduated with honors, maintaining a 90-plus average over four years. She was a member of her school’s Peer Leadership Group and Key Club and reported on events for the school newspaper. She also participated in numerous fundraising activities to help those in need.

MICHELLE BRAVATO, Briarcliff Manor, New York
Graduate: Sleepy Hollow High School
Enrolled: Lehigh University
Major: Finance
(Father – Michael Bravato, LU #279)

Michelle was an exceptional academic achiever, graduating 9th in her class with an all As 99.7 GPA and a superb 2130 on her SATs. She served as vice president of the Math Honor Society, and was a member of the National Honor Society, the English Honor Society, the Social Studies Honor Society, and the Foreign and Science Honor Societies – six in all. She also performed with the school orchestra and plays the guitar, snare drum and viola.

JOSEPH CAPPOTELLI, Caledonia, New York
Graduate: Caledonia Mumford High School
Enrolled: University of Rochester
Major: Bio-medical Engineering
(Grandfather – Archie Cappotelli, LU #276)

Joseph was a superb scholar-athlete, graduating 5th in his class with a 95.8 GPA. President of the National Honor Society and a member of the Student Government, he was captain of the school’s football, baseball and wrestling teams, earning All-County honors in each. He also starred in two school musicals.

DANIELLE DELULIO, Yorktown Heights, New York
Graduate: Yorktown High School
Enrolled: Marywood University
Major: Speech Language Pathology
(Grandfather – John Delulio, LU #279)

A stellar athlete, Danielle graduated in the top 10% of her class with an impressive 3.97 GPA. A member of the National Honor Society, she won All Section, All County, All League and 4th Team All-State honors as co-captain of the school’s Volleyball Team.

VICTOR DI LONARDO, Suffern, New York
Graduate: Suffern High School
Enrolled: Ramapo College
Major: Marketing/Accounting
(Grandfather – Frank Attigliato, LU #279)

Victor overcame a learning disability to emerge as an Honor Roll student during his final three years of high school. He served as the Public Relations Officer of the United Students Organization and was a member of the DECA Club.

LYDIA DORWARD, DeRuyter, New York
Graduate: DeRuyter High School
Enrolled: Cazenovia College
(Father – Christopher Dorward, LU #277)

Lydia graduated 1st in her class with a lofty 96.04 GPA and scored a strong 1960 on her SATs. She served as president of both the National Honor Society and the Student Council. She also starred on the track & field and volleyball squads, was a member of the school’s Drama Club and Marching Band and wrote for the school newspaper. She also attended Empire Girls State and the Hoby Youth Leadership Conference.
GILLIAN FLATLEY, West Seneca, New York
Graduate: West Seneca West Senior High School
Enrolled: SUNY Fredonia
Major: Speech-Language Pathology
(Father – Robert Flatley, LU #290)
Gillian earned an A-average GPA while excelling in a host of musical and other extracurricular activities. She was captain of the Volleyball Team, a member of the Spanish National Honor Society, and a member of various vocal and string instrument ensembles.

KENNETH HELBOCK, Nesconset, New York
Graduate: Smithtown High School West
Enrolled: Stony Brook University
Major: Mechanical Engineering
(Father – Donald Helbock, LU #290)
Kenneth distinguished himself by compiling a nearly perfect 3.99 GPA and scoring an impressive 1900 on his SATs. He took seven AP courses, played varsity basketball and baseball, was a member of the Math Honor Society, and was a Suffolk County Regional DECA Award winner.

EVAN LAHEY, Port Jefferson, New York
Graduate: Earl L. Vandermeulen High School
Enrolled: University of Buffalo
Major: Chemical Engineering
(Father – Daniel Lahey, LU #290)
With a natural affinity for math and chemistry studies, Evan scored a lofty 2000 on his SATs, played varsity tennis, ran winter track and cross country, and participated in the Science Olympiad and the Suffolk County Math League.

JOSEPH MICHAUD IV, Clifton Park, New York
Graduate: Shenendehowa High School
Enrolled: Hudson Valley Community College
Major: Marketing
(Father – Joseph Michaud, III, LU #291)
A solid B student, Joseph will turn his love of sports into a career in sports marketing. In his informative essay, he recalls a childhood filled with several surgeries and uncertainty about an eye condition he was born with: Hemangioma. He credits the excellent health coverage he received through the Carpenters Union with helping to save his eyesight.

BRIAN MURPHY, Winston Salem, North Carolina
Graduate: Forsyth Country Day School
Enrolled: Georgia Tech
Major: Computer Science
(Grandfather – Philip Gelsomino, LU 276)
An extraordinary student-athlete, Brian scored a remarkable 2290 on his SATs (highest of all applicants) and compiled an exceptional 4.38 GPA. He was a two-time State Wrestling Champion, a member of the National and Science Honor Societies and the Cum Laude Society. He was a Forsyth and Furman Scholar and co-founded a software development company.

DANIELLE PASQUALE, Endicott, New York
Graduate: Union-Endicott High School
Enrolled: Ithaca College
Major: Physical Therapy
(Grandfather – Alfred Paniccia, LU 277)
Danielle excelled in both sports and studies. She captained a softball team that won regional and sectional titles and led an award-winning cheerleading team. She scored 1920 on her SATs, was a member of the Key Club and National Honor Society, and participated in the prestigious Medical Pathways Program.

HALEY STEWART, Babylon, New York
Graduate: St. John the Baptist Diocesan High School
Enrolled: James Madison University
Major: Nursing/International Affairs
(Grandfather – William Stewart, LU #290)
Haley graduated with honors with a 92.8 GPA and a score of 1880 on her SATs. A member of both the National and Spanish Honor Societies, she matched her accomplishments in the classroom with excellence on the Soccer Field, achieving All League recognition for three consecutive years and leading her team to a Class AA State Championship in 2013.

JENNIFER TOMPKINS, Geneva, New York
Graduate: Romulus Central School
Enrolled: Allegheny College
Major: Law
(Father – Timothy Tompkins, LU #277)
Jennifer was Valedictorian of her class, scoring a strong 2050 on her SATs and earning an exceptional 98.8 GPA. She was president of the Student Council, vice president of the National Honor Society, played in the concert band, and was a four sport athlete: soccer, basketball, softball and track & field.
A GOOD DEFENSE AGAINST ALLERGIES

Seasonal allergies can put a damper on summer fun. But Kathleen May, MD, spokesperson for the American College of Allergy, Asthma and Immunology, says you don’t have to live with a runny nose, irritated eyes, and a constant cough. Try these five ways to stop allergies before they stop you:

**Don’t Wait to Medicate.** If medication has proven effective for you, take it before your symptoms start. Since most allergy medications require a number of days for full effectiveness, an allergist can help pinpoint specific triggers, when certain plants pollinate in your region, and the best time to start medications.

**Know the Count.** Allergy sufferers know that avoiding pollen is the best treatment. This means keeping the windows closed at home and in the car, using the air conditioner, and limiting time outside. Monitor pollution counts via local media or websites like Pollen.com to know the best days to go out.

**Stop Eating Certain Fruits.** Many people who have seasonal allergies also suffer from “pollen food allergy syndrome,” a cross-reaction between similar proteins in certain fruits and vegetables and the allergy-causing pollen. Cooking, peeling, or totally cutting out apples, cherries, peaches, celery, and tomatoes during allergy season may improve symptoms. Just be sure to replace them with other produce.

**Stress Less.** Research shows a link between the stress hormone cortisol and allergy development. Seasonal nasal allergies also lead to poor sleep from nasal congestion, and lack of good rest both causes stress and magnifies its effects. It can get worse if you skip stress-relieving activities, such as exercise and yoga.

**Rinse Away Allergies.** Research shows that nasal saline rinses flush allergens out of sinuses and reduce mucus. You can buy a nasal irrigation device, like a neti pot, or a saline rinse at drugstores. Just be sure to use distilled water, because tap water can contain organisms that are not harmful when swallowed, but can cause a serious infection if put up the nose.
Medication-related risks can have serious consequences. Now there’s an easy way to help protect yourself.

Every year, millions of Americans suffer unnecessary health complications and hospitalization because of safety issues related to their prescription use. Now there’s an online and mobile safety feature that could help protect you and your family. It’s already available at no cost to you as part of your prescription plan services.

It’s easy to use and works whether you get your medications at a retail pharmacy or through home delivery. All you need to do is register at Express-Scripts.com/safetynet.

Get automatic alerts whenever you may be at risk.

Here’s how it works. After your one-time registration, alerts will be available on Express-Scripts.com or the Express Scripts mobile app*. These personalized alerts identify and educate you about potential risks and enable you to take action quickly. They could help you:

• Avoid unnecessary hospitalization
• Prevent setbacks to your health

Stay on track with taking your medications as prescribed by your doctor

Alerts are based on established medical and scientific guidelines designed to help promote better health.

This protection works for people who take medications regularly (typically 3 months or more) for ongoing conditions such as high blood pressure, high cholesterol, or diabetes. People with one or more chronic conditions are more likely to require medical care and hospitalization if they do not take their medications as prescribed, so having this added protection could make a difference.

Don’t miss out on this anytime, anywhere protection. Register now.

We encourage you to take advantage of this online safety feature today by registering at Express-Scripts.com/safetynet. You will need your member ID card and a recent prescription number. Please call Member Services at the number on the back of your member ID card if you have any questions.

If you are already registered on Express-Scripts.com, congratulations! Your online safety feature is already activated and your protection is working. Your registration also includes alerts, if necessary, for any dependent children on your prescription plan up to 18 years old**.

*To use the Express Scripts mobile app, first register at Express-Scripts.com/safetynet. Then, search for “Express Scripts” from your smartphone’s app store to download the app for free.

**Important: Please note that spouses and any dependents in your household over 18 must register separately to receive alerts.

A BIT OF A STRETCH

Summer brings a unique set of seasonal activities that can get us moving. But, all the sightseeing, yard work, and long hours behind the wheel can add-up to a whole new set of aches and pains. A study by the National Institutes of Health found that stretching is as good as yoga at relieving back pain, and fitness experts prescribe a good stretch for the rest of your body also.

At Your Desk. Before vacation rolls around, you might be spending more desk time working to catch-up or get ahead. Do stretches to prevent back pain, like this “forward fold” recommended by certified trainer Katrina Smith:

Stand with your feet hip-width apart. Hinge forward at the hips and hang with your arms straight and down. The goal isn’t to touch your toes, but to let gravity loosen your lower back and hamstrings. Hang as low as you can to get a stretch, but don’t force it.

In the Car. When the car is stopped, tilt your right ear towards your right shoulder. Breathe gently and slowly stretch the left side of your neck. Hold for ten seconds. Repeat on the other side. At the next stop:

raise your arms and press your palms into the ceiling. Hold for three seconds and release. Repeat 10 times. (Remember to keep your foot on the brake.)

In the Yard or Garden. All that bending, reaching, crouching, and lifting can put a strain on the lower back. Try doing the “forward fold” described above. Pruning, mowing and raking can lead to elbow pain. For your elbows: Hold your arm out with your elbow straight. Gently bend your hand and wrist toward the inside of your forearm. Hold for 30 seconds. Do this with each arm three to five times.

On Your Feet. Your day ahead features a lot of time walking and standing. Before you go, walk slowly for five minutes to get the blood flowing to your leg muscles. Afterward, try this for your back and your hamstrings: With knees slightly bent, slowly bend forward from your waist. Reach toward the floor and hold for 20 to 30 seconds. Only bend as far as comfortable. Slowly straighten, and then repeat five times. (Remember, if it hurts to stretch – STOP)
Empire State Carpenters Annuity Fund

SUMMARY OF MATERIAL MODIFICATIONS

The Board of Trustees of the Empire State Carpenters Annuity Fund (“Fund”) has adopted the following change to the Empire State Carpenters Annuity Plan. This document summarizes the changes. Please keep this document with your Summary Plan Description (“SPD”) dated January 1, 2012.

1. Effective April 15, 2014, under the question “Can I Obtain A Hardship Distribution?” on page 6, the following language is added as a new bullet point on page 7:

- Payment of expenses for emergency repairs to your principal residence, including but not limited to repairs of damage due to fire, storm, flood or other water or sewer damage, or other casualty loss, to the extent not covered by insurance.