

WELFARE, ANNUITY AND APPRENTICESHIP SKILL IMPROVEMENT & SAFETY FUNDS

of the

International Union of Operating Engineers

Local 15, 15A, 158, 15C & 150, A.F.L.-C.I.O.

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Summary of Material Modification

To all Active Participants and Pre-Medicare Retirees:

We are writing to inform you about changes to the Welfare Plan's benefits that will become effective January 1, 2019. The changes are necessary in order for the Plan to maintain its financial stability and to continue to provide a comprehensive benefit package that our members have grown accustomed to. The changes have also been explained at recent membership meetings.

The most significant changes consist of implementing in-network copayments at the time services are received. This is a fairly standard plan design and with these changes the Local 15 Welfare Fund will continue to provide a program of benefits that is superior to most. In addition to the cost-sharing changes, the following improvements will be implemented, also effective January 1, 2019:

- 1) Elimination of the In-Network Deductible,
- 2) Implementation of a more robust well-care benefit with no cost-sharing,
- 3) Implementation of a maximum out-of-pocket threshold for in-network services,
- 4) Implementation of an impartial 3rd level of appeals in the event your in-network claim for benefits is denied by the Plan's representatives, and
- 5) Changing Prescription Benefit Managers to Optum RX.

The cost-sharing changes, effective January 1, 2019, are outlined below:

In-Network Deductible	\$0.00
Out-of-Network Deductible	\$250.00 per person per year
Doctor Visits -	Co-payments
General Practitioner	\$15
Specialist	\$30
Urgent Care Clinics (Alternative to Emer. Room)	\$30
MRI's, MRA's & all Scans	\$40
Outpatient Surgical Facility/Ambulatory Surgery	\$50
Hospital Emergency Room {waived if admitted}	\$200
Hospital Inpatient Stay	\$100 per stay/ \$250 max per year
Physical, Occupational, Speech Therapy	\$10
Lab tests, X-Rays & Anesthesia (unchanged)	\$0

With these changes the Plan will give up its grandfathered status that was in place since the passage of the Affordable Care Act of 2010. The following page describes the 5 improvements listed above.

1) Elimination of the Plan's In-Network deductible-

The Plan will no longer apply a deductible for in-network services.

2) Improved Preventative Care for all Covered Participants -

Below are links to the websites that contain description of the benefits that are covered under the preventative care benefit grouped as follows:

- a) Adults- <https://www.healthcare.gov/preventive-care-adults/>
- b) Women- <https://www.healthcare.gov/preventive-care-women/>
- c) Children- <https://www.healthcare.gov/preventive-care-children/>

Source- Healthcare.gov. From the U.S. Centers for Medicare and Medicaid Services

3) Implementation of a Maximum Out-of-Pocket that can be imposed •

The Plan will now limit the amount of out-of-pocket expenses that you or your family can incur for in-network services. Out-of-pocket expenses include deductibles and copayments that you incur. Effective January 1, 2019, the most that you or your family can experience in out-of-pocket expenses is as follows, subject to annual cost of living adjustments:

	Single	2 or More
Medical	\$1,000	\$2,000
Prescription	\$6,900	\$13,800
Total	\$7,900	\$15,800

If the above amounts are met, all in-network covered medical & prescription expenses will be paid at no cost to you.

4) Implementation of an Impartial 3rd Level of Appeals

Also starting in 2019, if your claim for In-Network benefits is denied by the Empire Blue Cross claims department and your appeal is also denied, you will now have the ability to appeal to an Independent Review Organization (IRO) to review your appeal. The IRO that reviews your claim will be a private company outside of Empire Blue Cross Blue Shield that will provide a complete and impartial review of your denial of benefits. The right to receive this additional impartial 3rd level of appeal will be explained if your claim for benefits and appeal are denied.

5) Changing Prescription Benefit Managers to Optum RX

This change is expected to provide more favorable pricing on most prescriptions that will result in savings to the participants and the plan itself. You will receive new Prescription ID cards shortly.

Empire Blue Cross will be producing new Medical Identification (ID) cards that will be mailed to you during December prior to the January 1st implementation of the changes. As a reminder, the Summary of Benefits and Coverage (SBC) is available on-line at www.IUOE15Funds.org. Please keep this memo with your benefits information and be sure to submit your stamps timely to ensure that all hours are credited promptly to prevent a lapse in your Welfare Plan coverage.

If you have any questions regarding this information or your coverage under the Plan please contact the Fund Office at 212-255-7657. You can also find more information regarding the Affordable Care Act and the Exchange Marketplace at www.HealthCare.gov.

Wishing you and your family a healthy and safe Holiday season and the best in the New Year.

Very truly yours,
Board of Trustees