

Office and Professional Employees Locals 30 & 537 Health & Welfare and Retirement Trust Funds

Administered By: Benefit Programs Administration
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December 2010

SUMMARY OF MATERIAL BENEFIT MODIFICATIONS

To: All Participants of the Office and Professional Employees
Locals 30 & 537 Health & Welfare Trust Fund

As you likely know, the Patient Protection and Affordable Care Act (“the Act”) was signed into law on March 23, 2010. This notice will explain the changes that the Act requires for the Office and Professional Employees Locals 30 & 537 Health & Welfare Trust Fund (Trust Fund). The changes will apply to all services received on and after February 1, 2011.

Many of the changes required in the Act apply only to new plans. However, a few of them apply to what are called “grandfathered plans.” A grandfathered plan is any plan that was in effect when the Act was passed. The Office and Professional Employees Locals 30 & 537 Health & Welfare Trust Fund is a grandfathered plan.

The Act requires that we give you a special grandfather notice, which is attached to this letter. It includes information for contacting the Department of Labor if you have questions.

SUMMARY OF CHANGES

A. Coverage of Dependent Children to Age 26.

As of February 1, 2011 all of your natural or adopted children will be eligible for benefits from the Trust Fund until they reach age 26. It does not matter whether the child is living with you, dependent upon you for financial support, is married, or is attending school.

However, there is one exception. Until February 1, 2014, your adult child cannot be your dependent under the Trust Fund if your child is age 19 or older and employed and eligible for coverage in his or her employer’s group plan, he or she is ineligible for coverage in this Plan. “Adult child” means any child who is at least 19 years of age but not yet age 26.

For example, if your adult child is working for *ABC Company* and *ABC Company* provides a health plan to which your child could join or purchase, your child cannot be covered under the Trust Fund if he or she elects not to be covered under *ABC’s* plan.

If you have one or more children who are under age 26 and who are not currently eligible under the Trust Fund's existing eligibility rules, you must complete and return the enclosed Dependent Enrollment Form for each child who is not currently eligible. Also, if your child is at least 19 years of age or older, both you and the child must also complete the Employer Group Health Plan Certification form that is also enclosed. If you need more forms call the Administrative Office at (562) 463-5065.

The form(s) should be returned to the Administrative Office for the Trust Fund by January 15, 2011, in order to allow ample time for the mailing and receipt of the proper Plan enrollment material and dependent co-payment. You should send the form(s) to the Administrative Office:

Office and Professional Employees Locals 30 & 537
Health and Welfare Trust Fund
13191 Crossroads Parkway, North, Suite 205
City of Industry, CA 91746-3434

Coverage for newly added dependents will begin February 1, 2011, provided the required dependent co-payment is remitted to the Trust Fund. Remember, you do not have to complete and return any forms for dependent children who are already covered under the Trust Fund's existing eligibility rules.

B. Elimination of Lifetime Maximum Benefit Cap – Major Medical Plan

Currently the Major Medical Plan has a lifetime maximum of \$1,000,000 for all medical benefits. This applies to you and to each of your enrolled dependents. The Act requires elimination of this lifetime cap which will become effective February 1, 2011.

If you or any of your dependents have previously reached the lifetime cap (or will reach it before February 1, 2011) you or that dependent will again be eligible for benefits as of February 1, 2011. This will apply only to services received on and after that date. Of course, you or your dependent must otherwise be eligible for benefits at the time of service.

C. Implementation of Annual Maximum – Major Medical Plan

In addition, the Act provides that a Plan may adopt temporary Annual Maximums. As a result, the following will apply:

<u>Plan Year Beginning</u>	<u>Annual Maximum</u>
February 1, 2011	\$1,000,000
February 1, 2012	\$1,250,000
February 1, 2013	\$2,000,000
February 1, 2014 and thereafter	No Annual Maximum

D. Elimination of Annual Maximum Benefit Caps – Major Medical Plan

The new law also requires the removal of certain benefit dollar maximums as follows:

Benefit	Current Dollar Limits that will be Removed February 1, 2011	Page Number Referencing Benefit in the SPD¹
Physical Therapy including Acupuncture	\$1,500 per calendar year	Page 36, #13
Podiatrist	\$75 per visit	Page 36, #14(a)
Chiropractor	\$50 per visit; \$1,500 per calendar year	Page 36, #14(c)
Allergy Testing	\$500 maximum per calendar year	Page 36, #14(d)
Morbid Obesity	\$15,000 maximum per treatment	Page 36, #14(e)
Annual Health Assessment	\$150 maximum per year	Page 36, #23
Basic Dental Plan Maximum	\$2,000 maximum per calendar year for children under the age of 19 only	Page 44

In addition to the removal of the dollar limits listed above, the Major Medical Plan will be further modified as follows for claims incurred on or after February 1, 2011:

1. A 30 visit per calendar year maximum will be implemented for Physical Therapy benefits including acupuncture.
2. A 30 visit per calendar year maximum will be implemented for chiropractic services.

¹ Your Summary Plan Description booklet dated January 1, 2008.

NOTICE OF GRANDFATHERED HEALTH CARE STATUS

The Office and Professional Employees Locals 30 & 537 Health & Welfare Trust Fund believes that it is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health service without any cost sharing. However grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan Administrator as follows:

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Health and Welfare Trust Fund
13191 Crossroads Parkway, North, Suite 205
City of Industry, CA 91746-3434
Telephone: (562) 463-5065 or (800) 386-4350

You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered plans. You may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.

GROUP HEALTH PLAN CERTIFICATION

I, _____ [print name], hereby make the following representations and agreements:

1. As of the date this certification is made by me, I am at least 19 years of age but have not yet reached age 26.
2. As of the date this certification is signed by me, I am not eligible to participate (as defined below) in any employer-sponsored group health plan, either through my own employment or (if I am married) my spouse's employment. I understand that this does not apply to eligibility under a group health plan maintained for either of my parents.

“Group health plan” means any plan, policy, or program that provides benefits or coverage for hospital or medical services. “Eligible to participate” means that I could participate but have chosen not to be covered.

3. I agree that if I ever become eligible to participate in a group health plan (other than as a dependent of a plan of one of my parents), but I choose not to participate in that plan, I will promptly notify the Trust Fund at:

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Health and Welfare Trust Fund
13191 Crossroads Parkway North, Suite 205
City of Industry, CA 91746-3434
(562) 463-5065 or (800) 386-4350

4. I understand that if any time prior to age 26 I am eligible to participate in a group health plan (other than as a dependent of a plan of one of my parents) but I choose not to participate, then I cannot receive any benefits from the Trust Fund. If I receive such benefits while so eligible, I agree to promptly repay all such benefits to the Trust Fund. Further, if any lawsuit is brought against me to recover any portion of the aforescribed benefits, I agree to pay the Trust Fund's reasonable attorneys' fees and costs in such lawsuit.

Date: _____ Signed: _____
(Dependent)

AGREEMENT BY PARENT PARTICIPANT:

I, _____ [print name], am the parent of the child who is making the above certification, and by reason of my employment I am a participant in the Trust Fund.

I agree to be jointly and severally liable for the repayment of any benefits, including attorneys' fees and costs, that are described in Paragraph 4 of the above certification.

Date: _____ Signed: _____
(Parent/Participant)