

U.A. LOCAL 467 HEALTH AND WELFARE PLAN
P.O. Box 5057
San Jose, CA 95150-5057
Telephone: (408) 288-4400 or 1-877-827-4239

DATE: September 2019

TO: PARTICIPANTS & DEPENDENTS

**RE: SUMMARY OF MATERIAL MODIFICATIONS (“SMM”) TO THE
U.A. LOCAL 467 HEALTH AND WELFARE PLAN (“PLAN”)**

The Board of Trustees of the U.A. Local 467 Health & Welfare Plan (“Plan”) is pleased to provide you with the following benefit enhancement to the Plan. Below is a recent change made to the Plan’s self-funded PPO medical option.

IN ACCORDANCE WITH THE REQUIREMENTS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THIS DOCUMENT SERVES AS A SUMMARY OF MATERIAL MODIFICATIONS (“SMM”) TO THE PLAN AND SUPPLEMENTS THE RESTATED SUMMARY PLAN DESCRIPTION/PLAN DOCUMENT THAT HAS BEEN SEPARATELY PROVIDED TO YOU. YOU SHOULD RETAIN THIS DOCUMENT WITH YOUR COPY OF THE RESTATED SUMMARY PLAN DESCRIPTION/PLAN DOCUMENT.

PLAN CHANGE- ADDITION OF CONTRACEPTIVE COVERAGE TO SELF-FUNDED PPO PLAN

Effective September 1, 2019, the Plan’s self-funded benefits option has been amended to allow for coverage of recommended preventive services for all FDA-approved contraceptive methods, as such new Subsection “18.” is added to Section J. of Article III of the Plan rules, as follows:

18. Contraceptive Coverage. Effective September 1, 2019, coverage without cost-sharing of at least one form of contraception, as prescribed, in each of the methods (currently 18 methods) that the Food and Drug Administration (“FDA”) has identified for men and women in its current Birth Control Guide, including the clinical services, patient education and counseling, needed for provision of the contraceptive method will be covered under the Plan. FDA-approved contraceptive methods prescribed by a licensed physician include:

- Barrier methods, like diaphragms and sponges;
 - Hormonal methods, like birth control pills and vaginal rings;
 - Implanted Devices, like intrauterine devices (“IUDS”);
 - Female and male condoms;
 - Shot/Injection;
 - Emergency contraception;
 - Sterilization procedures; and
 - Patient education and counseling.
- For a full list of the current FDA approved methods, visit <https://www.fda.gov/consumers/free-publications-women/birth-control>.

Reasonable Medical Management Techniques. Within each method, the Plan is permitted to use Reasonable Medical Management techniques to impose any cost-sharing on some items and services, to encourage individuals to use other specific items and services within the chosen contraceptive method. For example, the Plan may discourage use of brand name pharmacy items over generic pharmacy items or the use of one of the several FDA-approved intrauterine devices with progestin through the imposition of cost-sharing.

Exception Process. An exception will be made if an individual's health care provider has determined that a particular service or FDA-approved item, for which there is cost-sharing is medically necessary, then the Plan may accommodate the individual and waive the otherwise applicable cost-sharing for that service or item. When making the exception, the Plan or its delegates will make a determination of the claim according to the timeframe and nature of the claim per the Plan's claim procedure and will also consider the medical exigencies involved for a claim involving urgent care. Medical necessity may include considerations such as the severity of side effects, differences in permanence and reversibility of contraceptives, and ability to adhere to the appropriate use of the item or service, as determined by the attending licensed provider.

PLAN CLARIFICATION ON RETIREES WHO CONTINUE TO WORK SUBSIDIZED PREMIUM ELIGIBILITY RULES

Effective August 1, 2019, Article I, Section D of the Plan rules is amended as follows:

Retirees who work part-time or full-time for a contributing employer are not entitled to pay a subsidized premium for retiree coverage under the Plan. Similarly, retirees who work for an approved government agency in which members of U.A. Local 467 perform work in the Pipe Trades Industry are also not eligible to pay a subsidized premium for retiree coverage under the Plan. Instead, both categories of employees are required to pay full premium to the Plan for coverage while in retirement as determined by the Board of Trustees. Individuals who work or have previously worked for a non-contributing employer in the Pipe Trades Industry are not eligible to participate in the plan as a retiree.

Any Participant who has incorrectly paid a premium at a subsidized or reduced rate but who should have been paying at the full rate or other rate shall be required to reimburse the Plan for the additional premiums that should have been paid. The Plan has the right to reduce and/or offset any amount owed by the Participant against any claims that the Plan would otherwise pay on the Participant's behalf.

GRANDFATHERED HEALTH PLAN REMINDER

The Board of Trustees believes that the Plan is a "Grandfathered health plan" under the Affordable Care Act. A grandfathered health plan can preserve certain basic health coverage that was already in effect when that Act was enacted. Being a grandfathered health plan means that your Plan is not required to include certain consumer protections of the Act that apply to other plans, for example, requiring the provision of preventive health services without any cost sharing. Grandfathered health plans must comply, however, with certain other consumer protections in the Act, such as the elimination of annual and lifetime limits on the Plan's essential health benefits. (For a definition of what constitutes as Essential Health Benefits, please visit www.healthcare.gov/glossary/essential-health-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 Office at 408-

288-4433 or 1-877-827-4239. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor (DOL) 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 health plans.

Sincerely,

Trust Fund Office