

Locals 302 and 612 of the International Union of Operating Engineers Trust Funds

2815 2nd Avenue, Suite 300 • P.O. Box 34203 • Seattle, Washington 98124
Phone (206) 441-7314 or (877) 441-1212 • Fax (206) 505-9727 • Website: www.engineerstrust.com

Administered by
Welfare & Pension Administration Service, Inc.

May 7, 2013

**To: All Eligible Plan Participants
Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund**

**Re: Summary of Material Modification – Important Information
Regarding Your Health Plan**

Please be sure that you and your family read this notice and keep it with your benefit booklet or insurance information for future reference.

Annual Maximum Benefit – The Plan's annual maximum benefit increased to \$2,000,000 for claims incurred from April 1, 2013 through March 31, 2014.

The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) - MHPAEA requires group health plans and health insurance issuers to ensure that financial requirements (such as co-pays and deductibles) and treatment limitations (such as visit limits) applicable to mental health or substance abuse disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical and surgical benefits.

MHPAEA became effective for this Plan on April 1, 2013. Substance abuse disorder benefits are already paid the same as any other medical benefit and have not been modified. Those benefits continue to be subject to medical necessity, the deductible, the out-of-pocket maximum (PPO only) limitation on Preferred Provider Organization (PPO) claims, and non-PPO inpatient admission co-pay.

Effective with dates of service on or after April 1, 2013, treatment for mental health will also be paid on the same terms and conditions as other similar medical benefits. Those benefits remain subject to the Plan's requirement that treatment be medically necessary. Benefits for covered mental health expenses have been revised as follows:

IMPORTANT: Benefits are based upon the PPO Allowed Amount when services are received from a PPO provider. Benefits are based upon the Usual Customary and Reasonable (UCR) Amount when services are received from a Non-PPO provider.

Mental Health Services	Current Benefit	Benefit Effective April 1, 2013
<ul style="list-style-type: none"> • Inpatient: 	<p>PPO: 80% up to out-of-pocket maximum and then paid at 100%.</p> <p>Non PPO: 70% after \$100 co-pay.</p> <p>Limitations: Subject to deductible; preauthorization required;* limited to 70 days per year for participant and 31 days per year for dependent; non-PPO services do not count towards out-of-pocket maximum.</p>	<p>PPO: 80% up to out-of-pocket maximum and then paid at 100%.</p> <p>Non PPO: 70% after \$100 co-pay.</p> <p>Limitations: Subject to deductible; preauthorization required;* room and board limited to hospital's average semi-private room rate; non-PPO services do not count towards out-of-pocket maximum.</p>
<ul style="list-style-type: none"> • Outpatient: 	<p>PPO: 50%</p> <p>Non PPO: 50%</p> <p>Limitations: Subject to deductible; maximum benefit is \$40 per visit; does not apply to out-of-pocket maximum.</p>	<p>PPO: 80% up to out-of-pocket maximum and then paid at 100%.</p> <p>Non PPO: 70%</p> <p>Limitations: Subject to deductible; non-PPO services do not count towards out-of-pocket maximum.</p>

**All in-patient services must be preauthorized by First Choice. The Trust will not pay benefits for any hospitalization which is not medically necessary. First Choice Behavioral Health (BHCC) phone number: (800) 640-7682.*

This Plan 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 this Plan does not include certain consumer protections of the Affordable Care Act that may apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, this Plan 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 Fund Office at 877-441-1212, option 1. 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 health plans.

Receipt of this notice does not constitute a determination of benefits or your eligibility. If you wish to verify benefits or eligibility, or if you have any questions regarding medical benefit changes, please contact the Administration Office at (877) 441-1212, option 1 or visit www.engineerstrust.com.

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Construction Industry Health and Security Fund**