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IMPORTANT NOTICE ABOUT SIGNIFICANT PLAN IMPROVEMENTS

May 2011

To: All Participants in the International Union of Operating Engineers, Local 399 Health and Welfare Plan

BENEFIT IMPROVEMENTS

Effective June 1, 2011:

- **Lifetime Benefit Limits Removed; Plan Year Maximum Added** – The \$1,500,000-per-lifetime overall maximum applicable to the medical plan is being removed.

In place of a lifetime limit, there will be a dollar limit that applies to all expenses incurred during a plan year. The plan year limits will be phased out in 2014. Plan years start on June 1 and end on May 31.

The new benefit maximums are:

- \$1,500,000 for the plan year starting June 1, 2011;
 - \$1,500,000 for the plan year starting June 1, 2012;
 - \$2,000,000 for the plan year starting June 1, 2013; and
 - No dollar limit starting June 1, 2014.
- **Annual Prescription Drug Maximum Removed** – The annual \$20,000 maximum for prescription drug benefits will no longer apply.
 - **Chemical Dependency Dollar Limits Removed** – The annual and lifetime dollar limits applicable to chemical dependency treatment are being removed.
 - **Dollar Limit Removed for Well-Child Care** – The current \$500 annual limit on well-child care will no longer apply. The types of expenses covered under this benefit will remain the same – this benefit is for in-network well-child exams, immunizations and tuberculin skin tests for children age 0-18. No benefits are payable for out-of-network services.

AGE LIMIT FOR CHILDREN INCREASED

The Plan's definition of an eligible dependent child is changing as follows **effective June 1, 2011:**

- Your eligible children can remain covered through age 25 (until the end of the month of their 26th birthday).
- Eligible children are not required to be students in order to remain covered under the Plan. Full-time student verification will no longer be required.
- The residency, financial dependency and marital status of an eligible child under age 26 will not affect eligibility of a child under age 26.

- The Plan will exclude any child age 19 or older who is eligible for other group coverage through his or her employment or through his or her spouse's employment.

ENROLLMENT FORM PREVIOUSLY SENT TO ALL MEMBERS – All eligible Plan participants were issued a notice and form in April about a special enrollment period for children under age 26. If you need another copy of that notice or form, please contact the Fund Office as soon as possible.

NEW DEFINITION OF 'DEPENDENT' – Because of the changes described above, the Plan's definition of "dependent" on page 3 of the 2010 Summary Plan Description booklet has been restated effective June 1, 2011 to read as follows:

Definition of Dependent

- The member's wife or husband as documented by a marriage certificate.
- The member's natural or legally adopted children under age 26 as documented by birth certificate or legal adoption papers. (Step-children are not covered by the Plan.)

Exception: A child age 19 or older who is eligible to enroll in a group health care plan through his employment, or through his or her spouse's employment will not be considered an eligible dependent under the Plan.

- A child under age 26 who is a member's alternate recipient in a divorce decree or under a Qualified Medical Child Support Order (QMCSO).
- The member's unmarried child over age 26 who has a permanent mental or physical handicap that began prior to age 26 and whose condition renders the child incapable of self-support. (The member must prove to the Fund Office that the child meets these conditions when requested, but not more than once a year.) This handicapped adult dependent must:
 - be dependent for care and support mainly upon the member;
 - be unable to engage in regular employment; and
 - have legal residence with the member.

NO PRE-EXISTING CONDITION LIMITATION FOR CHILDREN

Effective June 1, 2011, the Plan's pre-existing condition limitation will no longer apply to children age 0-18.

OTHER PLAN IMPROVEMENTS

Effective January 1, 2010:

- MRIs and PET scans no longer require prior authorization.
- Foot orthotics no longer require prior authorization. The Plan will allow one pair of orthotics every three calendar years without pre-authorization. Claims or claim requests in excess of one pair per 3-year period will require pre-authorization by Med-Care Management.
- The Plan's definition of a Licensed Medical Professional will now include the services of an oral and maxillofacial surgeon for medically necessary treatment of a medical (non-dental) condition. (Dental services, i.e., surgical extractions, are covered under the dental benefits of the Plan.)

REQUIRED NOTICES

Notice Regarding Grandfathered Status

The Trustees of the International Union of Operating Engineers, Local 399 Health and Welfare Fund have determined the 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 your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement to cover preventive health services 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 Fund Administrator at (312) 372-9870, Ext. 3137, or in writing to the Fund Office at 2260 S. Grove Street, Chicago, IL 60616. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor, at (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.

Notice Regarding Removal of Lifetime Limit

The lifetime limit on the dollar value of benefits under the International Union of Operating Engineers, Local 399 Health and Welfare Fund no longer applies. Individuals whose coverage ended by reason of reaching a lifetime limit under the Plan are eligible to re-enroll in the Plan. Individuals have 30 days from the date of this notice to request re-enrollment. For more information contact the Fund Administrator at (312) 372-9870, Ext. 3137, or in writing to the Fund Office at 2260 S. Grove Street, Chicago, IL 60616.



Please keep this important notice with your 2010 Summary Plan Description (SPD) book for easy reference to all Plan provisions. Contact the Fund Office if you have any questions regarding your benefits.