

IMPORTANT NOTICE – PLEASE READ CAREFULLY!

SUMMARY OF MATERIAL MODIFICATIONS

To All Participants of the

ITPEU HEALTH & WELFARE PLAN

NOTICE OF CHANGE IN BENEFITS

This notice, called a “summary of material modifications,” advises you of changes in the information presented in your summary plan description (sometimes called an “SPD” or “descriptive booklet”) with respect to the ITPEU Health and Welfare Plan (the “Plan”). Please do two things with this notice: (1) Read it and, if you have any questions, contact the Plan Administrator and (2) keep this notice with your SPD.

This Notice is a summary of important changes to the Plan that will be effective January 1, 2017.

Skilled Nursing Facility Case and Home Health Care will be covered for a maximum of 120 visits per year, subject to deductible and coinsurance. Below please find a description of the coverage provided.

Skilled Nursing Facility Care

This care must be ordered by the attending Physician. All Skilled Nursing Facility admissions must be pre-certified. Claims will be reviewed to verify that services consist of Skilled Convalescent Care that is medically consistent with the diagnosis.

Skilled Convalescent Care during a period of recovery is characterized by:

- a favorable prognosis;
- a reasonably predictable recovery time; and
- services and/or facilities less intense than those of the acute general Hospital, but greater than those normally available at the Member’s residence.

Covered Services include:

- semiprivate or ward room charges including general nursing service, meals, and special diets. If a Member stays in a private room, this Plan pays the Semiprivate room rate toward the charge for the private room;
- use of special care rooms;
- pathology and radiology;
- physical or speech therapy;
- oxygen and other gas therapy;
- drugs and solutions used while a patient; or
- gauze, cotton, fabrics, solutions, plaster and other materials used in dressings, bandages, and casts.

This benefit is available only if the patient requires a Physician’s continuous care and 24-hour-a-day nursing care.

Benefits will not be provided when:

- A Member reaches the maximum level of recovery possible and no longer requires other than routine care;
- Care is primarily Custodial Care, not requiring definitive medical or 24-hour-a-day nursing service;

- Care is for mental illness including drug addiction, chronic brain syndromes and alcoholism, and no specific medical conditions exist that require care in a Skilled Nursing Facility;
- A Member is undergoing senile deterioration, mental deficiency or retardation, and has no medical condition requiring care;
- The care rendered is for other than Skilled Convalescent Care.

Home Health Care Services

Home Health Care provides a program for the Member's care and treatment in the home. The program consists of required intermittent skilled care, which may include observation, evaluation, teaching and nursing services consistent with the diagnosis, established and approved in writing by the Member's attending Physician. Services may be performed by either Network or Out-of-Network Providers.

Some special conditions apply:

- The Physician's statement and recommended program must be pre-certified.
- Claims will be reviewed to verify that services consist of skilled care that is medically consistent with the diagnosis. Note: Covered Services available under Home Health Care do NOT reduce Outpatient benefits available under the Physical Therapy section shown in this Plan.
- A Member must be essentially confined at home.

Covered Services:

- Visits by an RN or LPN. Benefits cannot be provided for services if the nurse is related to the Member.
- Visits by a qualified physiotherapist or speech therapist and by an inhalation therapist certified by the National Board of Respiratory Therapy.
- Visits to render services and/or supplies of a licensed Medical Social Services Worker when Medically Necessary to enable the Member to understand the emotional, social, and environmental factors resulting from or affecting the Member's illness.
- Visits by a Home Health Nursing Aide when rendered under the direct supervision of an RN.
- Nutritional guidance when Medically Necessary.
- Administration or infusion of prescribed drugs.
- Oxygen and its administration.

Covered Services for Home Health Care do not include:

- Food, housing, homemaker services, sitters, home-delivered meals.
- Home Health Care services which are not Medically Necessary or of a non-skilled level of care.
- Services and/or supplies which are not included in the Home Health Care plan as described.
- Services of a person who ordinarily resides in the Member's home or is a member of the family of either the Member or Member's spouse/domestic partner.
- Any services for any period during which the Member is not under the continuing care of a Physician.
- Convalescent or Custodial Care where the Member has spent a period of time for recovery of an illness or surgery and where skilled care is not required or the services being rendered are only for aid in daily living, i.e., for the convenience of the Member.
- Any services or supplies not specifically listed as Covered Services.
- Routine care and/or examination of a newborn child.
- Dietician services.
- Maintenance therapy.
- Dialysis treatment.
- Purchase or rental of dialysis equipment.

Spinal Manipulation – Spinal Manipulation will be covered up to thirty (30) visits per year, with applicable Deductibles and Coinsurance.

Modifications of Medical Benefits Effective January 1, 2017

1. Modifications for Class III and IV Participants

a. Co-Pays

- i. The amount of the co-pay for Primary Care Physicians for Class III and IV Participants with contribution rates of \$4.40/hour or higher shall remain at \$20.00;
- ii. The amount of the co-pay for Specialist Physicians for Class III and IV Participants with contribution rates of \$4.40/hour or higher shall remain at \$40.00;
- iii. The amount of the co-pay for Primary Care Physicians for Class III and IV Participants with Contribution Rates between \$4.15/hour and \$4.39 hour shall be increased to \$25.00;
- iv. The amount of the co-pay for Specialist Physicians for Class III and IV Participants with Contribution Rates between \$4.15/hour and \$4.39/hour shall be increased to \$50.00.
- v. Class III and IV Participants with contribution rates less than \$4.15/hour shall not have Co-Pays and, accordingly, all of their physician's visits, whether for Primary Care or Specialist Physicians, shall first be subject to their deductible, after which the Fund shall pay 75% of the charges for In-Network Physicians and 65% of the charges for Out-Of-Network Physicians.

b. Deductibles

- i. The amount of the Annual Calendar Year Deductible for Class III and IV Participants with Contribution Rates of \$4.40/hour or higher shall be increased to \$350.00 (Single) and \$700.00 (Family);
- ii. The amount of the Annual Calendar Year Deductible for Class III and IV Participants with Contribution Rates between \$4.15/hour and \$4.39/hour shall be increased to \$400.00 (Single) And \$800.00 (Family);
- iii. The amount of the Annual Calendar Year Deductible for Class III and IV Participants with Contribution Rates between \$3.90/hour and \$4.14/hour shall be increased to \$450.00 (Single) and \$900.00 (Family);
- iv. The amount of the Annual Calendar Year Deductible for Class III and IV Participants with Contribution Rates between \$3.69/hour and \$3.89/hour shall be increased to \$500.00 (Single) And \$1,000.00 (Family);

v. The amount of the Annual Calendar Year Deductible for Class III and IV Participants with Contribution Rates between \$3.35/hour and \$3.68/hour shall be increased to \$550.00 (Single) and \$1,100.00 (Family).

c. Maximum Out-of-Pocket Per Calendar Year

i. The Maximum Out-of-Pocket, plus deductible, for Class III and IV Participants with Contribution Rates of \$4.40/hour or over shall remain at \$2,500.00 (Single) and \$5,000.00 (Family);

ii. The Maximum Out-of-Pocket, plus deductible, for Class III and IV Participants with Contribution Rates between \$4.15/hour and \$4.39/hour shall be increased to \$3,500.00 (Single) and \$7,000.00 (Family);

iii. The Maximum Out-of-Pocket, plus deductible, for Class III and IV Participants with Contribution Rates between \$3.90/hour and \$4.14/hour shall be increased to \$5,000.00 (Single) and \$10,000 (Family);

iv. The Maximum Out-of-Pocket, plus deductible, for Class III and IV Participants with Contribution Rates between \$3.69/hour and \$3.89/hour shall be increased to \$5,500.00 (Single) and \$11,000.00 (Family);

v. The Maximum Out-of-Pocket, plus deductible, for Class III and IV Participants with Contribution Rates between \$3.35/hour and \$3.68/hour shall remain at \$5,500.00 (Single) and \$11,000.00 (Family)

3. Modifications for Class I and II Participants

a. Co-Pays

i. The amount of the Co-Pay for Primary Care Physicians for Class I and II Participants with Contribution Rates of \$4.40/hour or higher shall remain at \$25.00;

ii. The amount of the Co-Pay for Specialist Physicians for Class I and II Participants with Contribution Rates of \$4.40/hour or higher shall remain at \$50.00;

iii. The Class I and II Participants with Contribution Rates less than \$4.15 per hour shall not have Co-Pays, and, accordingly, all of their physician's visits, whether for Primary Care or Specialist Physicians, shall first be subject to their Deductible, after which the Fund shall pay 75% of the charges for In-Network Physicians, and 65% of the charges for Out-Of-Network Physicians.

b. Deductibles

i. The amount of the Annual Calendar Year Deductible for Class I and II Participants with Contribution Rates of \$4.40/hour or higher shall be increased to \$400.00 (Single) and \$800.00 (Family);

ii. The amount of the Annual Calendar Year Deductible for Class I and II Participants with Contribution Rates between \$4.15/hour and \$4.39/hour shall be increased to \$450.00 (Single) and \$900.00 (Family);

iii. The amount of the Annual Calendar Year Deductible for Class I and II Participants with Contribution Rates between \$3.90/hour and \$4.14/hour shall be increased to \$500.00 (Single) and \$1,000.00 (Family);

iv. The amount of the Annual Calendar Year Deductible for Class I and II Participants with Contribution Rates between \$3.69/hour and \$3.89/hour shall be increased to \$550.00 (Single) and \$1,100.00 (Family);

v. The amount of the Annual Calendar Year Deductible for Class I and II Participants with Contribution Rates between \$3.35/hour and \$3.68/hour shall be increased to \$600.00 (Single) and \$1,200.00 (Family).

c. Maximum Out-of-Pocket Per Calendar Year

i. The Maximum Out-of-Pocket, plus deductible, for Class I and II Participants with Contribution Rates of \$4.40/hour or over shall remain at \$3,500.00 (Single) and \$7,000.00 (Family);

ii. The Maximum Out-of-Pocket, plus deductible, for Class I and II Participants with Contribution Rates between \$4.15/hour and \$4.39/hour shall be increased to \$5,000.00 (Single) and \$10,000.00 (Family) ;

iii. The Maximum Out-of-Pocket, plus deductible, for Class I and II Participants with Contribution Rates between \$3.90/hour and \$4.14/hour shall remain at \$5,500.00 (Single) and \$11,000.00 (Family);

iv. The Maximum Out-of-Pocket, plus deductible, for Class I and II Participants with Contribution Rates between \$3.69/hour and \$3.89/hour shall remain at \$5,500.00 (Single) and \$11,000.00 (Family);

v. The Maximum Out-of-Pocket, plus deductible, for Class I and II Participants with Contribution Rates between \$3.35/hour and \$3.68/hour shall remain at \$5,500.00 (Single) and \$11,000.00 (Family).

4. **Prescription Drugs (RX):** Reimbursement is 75% of cost using the Caremark/CVS discount card. The Participant pays 25%, and the Maximum Out of Pocket is \$1,000.00 for Single coverage and \$2,000.00 for Family coverage.

5. **All Other Benefits Provided by the Plan Remain Unchanged.**

FOR YOUR CONVENIENCE WE HAVE ATTACHED A CHART WHICH SUMMARIZES THE MODIFICATIONS TO YOUR CO-PAYS, DEDUCTIBLES AND MAXIMUM OUT-OF-POCKET EFFECTIVE JANUARY 1, 2017. IF YOU ARE A CLASS III OR IV PARTICIPANT YOU SHOULD READ THE CHART FROM THE TOP DOWN. IF YOU ARE A CLASS I OR II PARTICIPANT, PLEASE READ THE CHART FROM THE BOTTOM UP.