

October 13, 2013

VERY IMPORTANT ANNOUNCEMENTS

TO: All Participants of the San Diego Electrical Health & Welfare Trust
FROM: Board of Trustees
RE: Summary of Material Modifications

Please pay careful attention to the following announcements to become **effective January 1, 2014** which pertain to Plan A PPO Plan Changes, Plan A PPO Providers in Mexico, and Making Direct Payments to maintain Plan A, Plan B or Plan C coverage. More specific information may be provided in December 2013.

1. Plan A PPO Plan Amendments

- a. Knee & hip replacement limitation - The maximum amount payable for all facility charges, including the replacement joint, will be \$30,000;
- b. For organ transplants, if a live human organ donor is without health insurance coverage for the procedure, a maximum of \$30,000 shall be considered as **Eligible Expenses** of the recipient. All expenses related to any other source of a live human organ donation or procurement will be limited to a maximum of \$30,000;
- c. Outpatient specialty drugs - Specialty drugs require special handling, administration or monitoring and usually need special approval to order. All specialty drugs, including injectable and infused medications, to be administered on an out-patient basis must be purchased directly through the SpecialtyRx program of CVS/Caremark in order to be covered by the **Plan**. The limit for each prescription is up to a 30-day supply. **Specialty drugs procured through a retail or hospital pharmacy will not be covered by the Plan unless they are required for treatment of urgent or emergency care.** It will be possible to arrange for home administration that is covered by the Plan ;
- d. Maximum payments for wellness and preventive services - The following maximum payment allowances will be applicable to:
 - Breast pumps (manual or electric) - 100% up to \$200
 - Mammograms - 100% up to \$500 for all services*
 - Colonoscopies - Up to \$1,000 for all services*

* Routine physical exam services for covered Plan A PPO participants (employees/spouses), including Mammograms and colonoscopies, are provided **at no cost to the participant** through Sharp Rees Stealy. Otherwise a deductible and co-insurance may apply which could result in out-of-pocket expense to the participant. To make arrangements through Sharp Rees Stealy call 858-616-8411.

OVER

Elective Surgery -Be Careful! - Best Doctors reports that 38% of recommended surgeries are totally unnecessary and another 18% of the time the procedure to be performed isn't the optimal one. Therefore, for any of the following elective procedures it is highly recommended that the patient contact Best Doctors (1-866-904-0910) **BEFORE** undergoing the procedure: Back, hysterectomy, knee and hip replacement, obesity or bariatric, coronary artery by-pass graft, heart valve replacements, prostatectomy and lumpectomy/mastectomy. By completing a Best Doctors Inter-Consultation the patient's calendar year deductible will be waived or reimbursed if already satisfied.

2. Plan A PPO Providers in Mexico

As of January 1, 2014 the PPO Plan will recognize medical service providers in various parts of Mexico who participate in a network developed by Pinnacle Claims Management, Inc. In particular, providers are located in the following border cities: Mexicali, San Luis, Los Algodones, Tijuana and Palaco.

What this means is that it will become possible for covered participants working in the U.S. and/or living in Mexico to access certain providers in these areas by displaying a special ID Card that will be provided to all participants. For the cost of services to be covered the patient must be covered under the Plan A PPO Plan at the time services are rendered.

Please make note that there will be NO OUT-OF POCKET COST to the participant for use of Pinnacle panel providers in Mexico. "No out-of-pocket cost" means there will be no co-payment, deductible, or co-insurance shared amount applicable to the cost of services rendered by Pinnacle panel providers so long as the services rendered are considered to be eligible expense(s) under the Plan.

For employees and family members working/living in Imperial County, we are exploring possible arrangements through certain Pinnacle network providers to send transportation into the U.S. at various times during the week to take people in need of medical attention to their facilities in Mexico and then return them to Imperial County later in the day.

As arrangements for this program are finalized you will receive more information along with a special ID cards that must be presented to a panel provider in order to be treated under this Program.

3. Making Direct Payments via an ACH transfer

Recognizing the distance between eastern San Diego and Imperial Counties and the location of the Trust Office in San Diego various alternatives to making a Direct Payments to maintain Plan A, Plan B or Plan C coverage have been explored, in particular with respect to electronic processes.

Presently, participants who are advised they must remit a Direct Payment for a particular month of coverage may do so in the following ways: Mailing a check to the Trust Office, delivering a check to the Trust Office or using a debit card at the Trust Office. Other than the cost of a stamp or gas to use one of these methods there are no other fees or costs to the participant.

Following an extensive review as to other ways in which Direct Payments could be remitted, it has been determined that the acceptance of ACH transfers, which can be initiated by a participant on a personal computer, notepad or smartphone with Internet connectivity, should make it much easier for participants to arrange to make their payments **on a timely basis**. The use of a credit card is not practical due to varied use rules between Visa and MasterCard programs and the resulting cost that would have to be passed on to participants who utilized a credit card to make a Direct Payment.

Watch for information and instructions for remitting an ACH payment to be included with Direct Payment notifications commencing with January 2014 coverage.

Should there be any questions relative to the above please contact the Trust Office at x-310.

Thank you.