

TEAMSTERS LOCAL 170
HEALTH & WELFARE FUND



Administrative Offices
330 Southwest Cutoff
Suite 202
Worcester, MA 01604

October 18, 2013

Dear Participant:

This document is a Summary of Material Modifications intended to notify you of changes made to the Plan of benefits of the Teamsters Local 170 Health and Welfare Fund (the "Plan"). Since this document contains important changes to the Summary Plan Description (the Blue 3-Ring Binder) you received previously for the Plan, you should review it carefully (and share it with your family), and keep it with your copy of the Summary Plan Description.

As a result of the federal Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (more commonly known as "Obama Care"), and in an effort to provide more generous benefits, the Trustees have made the following changes to become effective January 1, 2014:

1. **Out-of-Pocket Maximums:** *Out-of-Pocket Maximums cap or limit the amount you will pay for medical services, prescription drugs, and/or dental and vision services for your children. All deductibles, copayments, and co-insurance for in-network covered services will now be counted towards your out-of-pocket maximums.*
 - All Blue Cross Blue Shield medical plans will have a \$2,000 Individual/\$4,000 Family out-of-pocket maximum for medical services. This Out of Pocket Maximum will apply to in-network medical services only.
 - Envision Rx, the prescription drug vendor for all Blue Cross Blue Shield medical plans, will have a \$1,000 Individual/\$2,000 Family Out of Pocket Maximum for in-network, covered prescription drugs.
 - All Fallon medical plans will have a \$3,000 Individual/\$6,000 Family Out of Pocket Maximum for medical and prescription drug services combined. This Out of Pocket Maximum will apply to covered in-network medical services and prescription drugs only.
 - Blue Cross Blue Shield dental plans will have an Out of Pocket Maximum of \$1,000 Individual/\$2,000 Family for all covered services for children under the age of 19, with the exception of non-medically necessary orthodontics, which will continue to have an annual maximum.
 - The Davis Vision plan will have an Out of Pocket Maximum of \$500 Individual/\$1,000 Family for all in-network covered vision services for children under the age of 19.

2. Essential Health Benefits Shall Have No Dollar Maximums: *This change will remove the dollar limits/caps on what the Plan will pay for certain services. Other limitations may still apply.*

- All existing annual dollar maximums shall be removed on all “essential health benefits” (EHBs) in both the Blue Cross Blue Shield and Fallon medical plans including:
 - Early Intervention Services
 - The Blue Cross Blue Shield plans presently provide limits of \$3,200 for each eligible child each calendar year, not to exceed \$9,600 for the whole time the child is eligible for early intervention services. These dollar limits shall be removed or eliminated.
 - The Fallon plans presently provide limits of \$5,200 per calendar year per child and an aggregate benefit of \$15,600 over the term of the child’s plan membership. These dollar limits shall be removed or eliminated.
 - Low-Protein Foods
 - The Blue Cross Blue Shield plans presently provide \$5,000 benefit limit per member per calendar year. These dollar limits shall be removed or eliminated.
 - The Fallon plans presently provide a \$2,500 benefit limit per member in each calendar year. These dollar limits shall be removed or eliminated.
 - Hair Prosthesis and Wigs
 - The Blue Cross Blue Shield plans presently provide a \$500 per member per calendar year limit when prosthesis is determined to be medically necessary. This dollar limitation shall be removed or eliminated and a participant shall be eligible for one prosthesis/wig annually.
 - The Fallon plans presently provide a \$350 per member per calendar year limit when a wig is determined to be medically necessary. This dollar limitation shall be removed or eliminated and a participant shall be eligible for one wig annually.
 - Orthotics
 - The Blue Cross BlueShield and Fallon plans presently provide a lifetime limitation of \$250 for orthotics. The benefit for all Fallon and Blue Cross Blue Shield plans will be 70% coverage with no maximum for medically necessary orthotic devices covered under the medical plans. These dollar limits shall be removed or eliminated.

3. Fallon Fitness/Weight-Loss Benefits

- The Fallon plans presently provide a \$150 dollar individual \$300 dollar family fitness benefit (known as “It Fits!”). The current benefits will remain the same and a participant will eligible for an additional benefit – Members are eligible to be reimbursed one 3-month gym membership to the YMCA or YWCA, equivalent, in total, to one 3-month individual membership. In order to be eligible for reimbursement:
 - Subscribers must be a member to the YMCA/YWCA for at least 3 months; and

- Subscribers must be a Fallon member for at least 3 months.
- Members shall be eligible to be reimbursed for a Weight Watchers Monthly Pass for 5 months
 - Monthly pass includes: free registration, unlimited meetings each month, free e-tools, and an internet weight loss companion.
 - Limit is one per subscriber.

4. Increase in Retiree Contributions

- Each year the Board of Trustees evaluates the cost of providing health benefits to our Early Retirees (Plan B – under age 65) which includes medical and prescription drug coverage and tries to minimize any necessary increase in rates.

As previously communicated, the retiree benefit contribution is targeted at 50% of the projected cost of the plan. We have been able to hold that monthly premium at \$900 for the two last years. This projection is based upon the actuary’s evaluation of the retiree experience, and it is necessary to bring retiree contributions in line with that obligation. We have adopted an increase of less than 7% in Early Retiree contributions for the upcoming year.

Beginning January 1, 2014 retiree monthly premiums or contributions will increase by \$60, from \$900 to \$960.

Sincerely,

Trustees of Teamsters Local 170 Health and Welfare Fund

This document is intended to serve as a “Summary of Material Modifications” (SMM) pursuant to the requirements of Section 104 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This SMM is provided to notify you of certain changes to the Teamsters Local 170 Health & Welfare Fund Benefit Plan. The effective dates of the changes are noted. Please keep this SMM with your Summary Plan Description for future reference. This document summarizes certain provisions of the Plan. If there is any conflict between the terms of the Plan document and this document, the terms of the Plan document will govern. The Teamsters Local 170 Health & Welfare Fund reserves the right to interpret and resolve any ambiguities in the Plan or any document relating to the Plan. If you have any questions after reviewing the SMM, you may call the Health & Welfare Fund at 1-508-791-3416. The Teamsters Local 170 Health & Welfare Fund reserves the right to change or terminate the health care benefits you currently receive, to change or terminate the eligibility of classes to be covered by the health plan, to change or terminate any health plan term or condition, and to terminate the entire health plan or any part of it at any time and for any reason. No consent of any employee/retiree is required to terminate, modify, amend or change the health care benefits provide by Teamsters Local 170 Health & Welfare Fund.