

IMPORTANT NOTICE – PLEASE READ CAREFULLY!

To All Participants and Beneficiaries of the Benefit Fund for Hospital and Health Care Employees – Philadelphia and Vicinity

Summary of Material Modification

NOTICE OF CHANGE IN BENEFITS

This notice, called “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 Benefit Fund For Hospital and Health Care Employees – Philadelphia and Vicinity (the “Plan”). Please do three things with this notice: (1) Read it and, if you have any questions, contact the Plan Administrator; (2) keep this notice with your SPD; (3) mark the Sections of the SPD that have been changed, so that when you refer to that Section of the SPD, you will be reminded that the change described in the notice has occurred. The following changes have been made to the Plan:

Changes to Your Plan as a Result of the Patient Protection and Affordable Care Act of 2010

The following changes **became effective January 1, 2013** for all participants:

1. **Dependent Child Coverage.** Eligible dependents now include children from birth to age 26, regardless of whether an adult child is enrolled in college and regardless of a child’s marital status. Your child may be eligible to continue coverage after he or she reaches age 26 if he or she is primarily dependent on you for financial support and incapable of self-support or employment because of a mental or physical disability that commenced before he or she reached age 26.
2. **No Annual Limits on Essential Health Benefits.** The Plan will not impose an annual limit on the dollar value of essential health benefits provided to you under the Plan. (The Plan never imposed lifetime limits on the dollar value of essential health benefits provided under the Plan.)
3. **No Rescission of Coverage.** The Plan will not cancel or discontinue benefits under the Plan with a retroactive effect with respect to a Participant or covered Dependents except in the event of fraud or intentional misrepresentation or otherwise permitted under regulations.
4. **No Cost Sharing for In-Network Recommended Preventative Care.** Preventive health services under the Plan will be covered at 100%. No cost-sharing (e.g., co-payments, deductibles, or coinsurance) will apply for in-network recommended preventative health services. For more information on what constitutes preventive health services, please contact the Fund Office or visit: <https://www.healthcare.gov/what-are-my-preventive-care-benefits/>
5. **Updated Claims and Appeals Procedures.** The Plan updated its claims and appeals procedure by modifying its internal review procedure and adding a new external review procedure. In the event the Plan considers, relies upon or generates new or additional evidence in connection with your claim, you will have the right to respond to the additional information. Also, a new external appeal option will be available for adverse benefit determinations involving (1) medical judgment (excluding those that involve only contractual or legal interpretation without any use of medical

judgment) as determined by the external reviewer, or (2) rescission of coverage (i.e., a retroactive termination of coverage, whether or not the rescission has any effect on any particular benefit at the time). No external review will be available for adverse determinations that relate to a failure to meet the eligibility requirements under the Plan. If you have any questions regarding these new claims and appeals procedures or questions regarding the external review procedures please contact the Fund Office.

The following changes became effective January 1, 2014 for all participants:

- 1. Eligibility Waiting Period No Longer Than 90 Days.** New participants will be eligible for Benefit coverage no later than the first day of the month following the date that is the earliest of the following to occur: (i) the date on which the employee has completed 1200 cumulative hours of Covered Employment, (ii) the date that is 60 days after the employee's date of hire or (iii) the date specified in the collective bargaining agreement covering the employee. Under no circumstances will a new participant wait longer than 90 days to be eligible to participate in the Plan.
- 2. Coverage for Participation in Certain Clinical Trials.** The Plan will not (i) deny your participation in an approved clinical trial with respect to the treatment of cancer or another life-threatening disease or condition, or (ii) deny (or limit or impose additional conditions on) the coverage of routine patient costs for drugs, devices, medical treatment, or procedures provided or performed in connection with participation in such an approved clinical trial. You will not be discriminated against on the basis of your participation in an approved clinical trial.
- 3. Wellness Programs.** From time to time the Plan may offer wellness programs. These programs may provide financial incentives to engage in activities that encourage healthy lifestyle changes, provide participants with information about their current health condition by undergoing health screenings or answering questionnaires, give participants the opportunity to receive health "coaching" and participate in disease management programs, provide on-line education tools, etc. These wellness programs are designed to help mitigate risks and allow participants to be more involved in their health care, which may lead to a healthier Employee population with lower healthcare costs, ultimately saving Participants and the Employer money. Information collected as part of any wellness program will be analyzed and considered when developing future wellness programs and making future plan design changes affecting all Participants. The terms of any wellness programs will be communicated to you separately as part of annual open enrollment material or other communication.

FOR MORE INFORMATION ON THIS NOTICE PLEASE CONTACT THE FUND OFFICE

PLEASE KEEP THIS NOTICE WITH YOUR SUMMARY PLAN DESCRIPTION