

SUMMARY OF MATERIAL MODIFICATION

ELECTRICAL HEALTH AND WELFARE TRUST FUND, May 26, 2017, AS AMENDED

Dear Participant:

The Summary of Material Modification (“SMM”) provides you information regarding certain new developments relating to the Electrical Welfare Trust Fund (EWTF) as adopted by the Board of Trustees. This SMM describes edits to the terms of the Summary Plan Description (SPD) and/or amendments intended to clarify the benefits provided by the EWTF.

I. Coverage of Anti-Obesity Drugs

Effective February 1, 2015, certain anti-obesity drugs will be covered by EWTF through CVS Caremark with the following limitations:

- a) Coverage for these drugs must be pre-authorized by CVS Caremark. In order to obtain prior authorization, your prescribing provider must contact CVS Caremark at 800-626-3046.
- b) This approval was renewed for a one-year period ending in February 2017.

II. Re-Enrollment of Dependent Child

In compliance with the Patient Protection Affordable Care Act (PPACA), the EWTF covers dependent children until age twenty-six (26). A dependent child with an offer of coverage from an employer plan unrelated to the EWTF has the option to opt-out or disenroll from EWTF coverage. Generally, disenrollment is permanent.

Effective September 29, 2016, the Board of Trustees clarified the rules for re-enrollment of a dependent child in the Plan. A dependent child (1) who has previously declined coverage under the Plan; (2) has lost coverage under the elected plan; and (3) meets the eligibility requirements of the EWTF may re-enroll in the Plan. The Fund Office may request the necessary documentation to confirm that the individual is no longer covered under the elected plan.

III. Non-Discrimination: Section 1557 of the Patient Protection Affordable Care Act (PPACA)

A. Removal of Categorical Exclusions:

Section 1557 is the non-discrimination provision of the PPACA. Pursuant to the law, the EWTF is prohibited from implementing plan terms and administering benefits in a discriminatory manner. Specifically, the plan cannot discriminate on the basis of race, color, national origin, sex, age, or disability.

Prior to January 1, 2017, the EWTF generally excluded the following from coverage:



1. Trans-sexual or gender change operations or any care or services within the classification (EWTF SPD pg. 104); and
2. Cosmetic, plastic or reconstructive surgery including surgery to correct developmental malformations, or as a result of earlier cosmetic, plastic or reconstructive surgery, unless the surgery is appropriate for the repair of damage caused by an accidental injury or congenital defect; however, benefits are payable for breast reconstructive surgery in accordance with the Women's Health and Cancer Rights Act of 1998. (EWTF SPD pg. 104)

In compliance with Section 1557, the Board of Trustees has removed and amended the above provisions as follows:

1. The language generally excluding all transsexual or gender change operation or any care or services associated with surgery of the type has been removed in its entirety;
2. Language excluding cosmetic, plastic, or reconstructive surgery has been amended as follows: "Cosmetic, plastic, or reconstructive surgery including surgery to correct developmental malformations, or as a result of earlier cosmetic, plastic, or reconstructive surgery, *are generally excluded from coverage for all plan participants* unless the surgery is appropriate for the repair of damage caused by an accidental injury or congenital defect. *To the extent that this section results in the denial of benefits in a manner inconsistent with Section 1557 of the Patient Protection and Affordable Care Act and 45 CFR Part 92, such denial will be rectified and benefits shall be payable in compliance with the applicable Rule and Regulations. Such individuals shall not be required to submit an appeal to the Board of Trustees. Breast reconstructive surgery in accordance with the Women's Health and Cancer Rights Act of 1998, shall not be considered "cosmetic" and thus shall not be excluded under this provision.*"

The Trustees retain the discretion to determine whether a service is necessary or otherwise meets applicable coverage requirements on a case-by-case basis and may, where appropriate, retain the services of an independent medical review organization to provide guidance in certain cases where the medical necessity of a particular procedure is not clearly established.

B. Non-Discrimination Notice:

On October 17, 2016, the EWTF's non-discrimination notice was mailed to all participants. As mandated under Section 1557 Final Rule, the notice provides information regarding the Plan's policy of non-discrimination, including services provided for EWTF participants and dependents to facilitate the distribution of information. A copy of this notice is available from the Fund Office at 10003 Derekwood Lane, Lanham, MD 20706.

IV. Service Updates

Dental Services:

Effective March 16, 2016, The Cigna Dental network was selected to replace OneNet Dental. OneNet has decided to close operations. Benefit levels will remain unchanged.

Case Management & Disease Management:

Effective January 1, 2017, Conifer Health Solutions became the designated Case Management service for the Fund (in addition to the Disease Manager, see Item 1 above), replacing Optum Health. "Case Management" means the collaborative process that assesses, plans, implements, coordinates, monitors, and evaluates options and



services to meet an individual's health needs using communication and available resources to promote quality cost-effective outcomes. Candidates for Case Management are typically individuals who demonstrate utilization patterns that indicate disease progression and ineffective management of disease.

Effective August 1, 2016, Conifer Health Solutions became the designated Disease Management service for the Fund, replacing Optum Health. As a supplement to the EWTF benefits package, the Conifer Health Solutions program is offered to selected participants who are identified with health-related needs that will respond to improve patient care and knowledge. The selected participants may benefit the most from additional medical management support.

Please place this Summary of Material Modification with your Summary Plan Description (Fund Booklet) for handy reference and safekeeping. Please consult the Fund Office if you have any questions or require assistance.

Trust Fund Office

ELECTRICAL WELFARE TRUST FUND

