

OPERATING ENGINEERS LOCAL 139
HEALTH BENEFIT FUND

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Dear Participant:

Enclosed is a revised Summary of Benefits for the Operating Engineers Local 139 Health Benefit Fund (the “Health Fund”), effective August 1, 2016. The following summarizes the information on the Summary of Benefits regarding out-of-network coverage, as well as your new nutritional counseling benefit, effective January 1, 2016.

The Usual, Customary and Reasonable (UCR) Fee Schedule—For Expenses Incurred Out-of-Network by Active Employees, Pre-Medicare-Eligible Retirees and Their Eligible Dependents

Anthem Blue Cross and Blue Shield is the Preferred Provider Organization (PPO) contracted with the Fund to provide discounted fees for the medical expenses incurred by active employees and pre-Medicare-eligible retirees. On average, Anthem provides a 45% discount if you use an Anthem in-network hospital, facility or doctor. Since the billable charge is reduced, the Health Fund pays less and any cost-sharing amount you are required to pay is also less. But while Anthem providers cannot balance bill you for any difference (the remaining balance) between their billed charges and the Health Fund’s allowed amount, out-of-network providers are not obligated to discount their fees, which means you and the Health Fund have to pay more when you use their services. Your deductible, co-insurance and out-of-pocket maximums are also higher when you use out-of-network providers.

To help reduce out-of-network costs, in many instances the Health Fund uses a Usual, Customary and Reasonable (UCR) fee schedule to determine the allowed amount for a medical service or supply. The UCR is based on what medical providers usually and customarily charge for services and supplies in a given area. **Beginning August 1, 2016, the Health Fund will use a UCR fee schedule to determine reimbursement for all out-of-network services you receive (please refer to the enclosed Summary of Benefits).** Understand that out-of-network providers may still balance bill you for any amount above the UCR allowed amount.

Furthermore, in order to keep your out-of-pocket expenses as low as possible, we encourage you to use doctors, facilities and hospitals that are in Anthem’s PPO network. To find an Anthem provider, call the number on the back of your medical ID card or check online at www.anthem.com. Anthem also provides a cost estimator tool on its website that you can use to get an estimate of what you and the Health Fund will pay for a service. To use Anthem’s cost estimator tool, you have to set up an account with Anthem and log in. Once you are logged in, you will find the option “Estimate Your Cost.” The estimator tool will show you a list of doctors in your area that provide the service you are looking for.

When You Become a Medicare-Eligible Retiree

As long as you are actively working and have enough hours or make the required self-payment contributions, you continue to be covered by the Health Fund. The Health Fund assumes that our medical benefits are your primary coverage (and your dependent's if he or she is also eligible for Medicare). Medicare benefits will be secondary to the Plan's benefits and information relating to Anthem's coverage will apply to you. However, when you become a Medicare-eligible retiree and are no longer actively working in Covered Employment with the Health Fund, Medicare will set the allowed prices for your medical services. Medicare places restrictions on health care providers by determining a Medicare Approved Amount (the maximum amount Medicare will pay). Generally, that amount is the same or less than the amount Anthem or any other PPO provider negotiates with its preferred providers. Medicare providers cannot balance bill you for the amount above the Medicare Approved Amount.

Nutritional Counseling

Effective January 1, 2016, the Plan will cover nutritional counseling:

- ❖ when it is medically necessary and related to a medical procedure like gastric bypass surgery or a chronic medical condition like diabetes, obesity, an eating disorder or cancer;
- ❖ when it is prescribed by a physician; and
- ❖ when services are furnished by a licensed nutritionist, registered dietician or other qualified licensed health care professional.

Nutritional counseling will not be covered for medical conditions like asthma, attention deficit hyperactivity disorder, autism or chronic fatigue syndrome. The nutritional counseling benefit is subject to the deductible and coinsurance, as specified in the Summary of Benefits.

Final Note

We recommend that you read the enclosed Summary of Benefits carefully to ensure you have a thorough understanding of your benefits. Keep it with your Summary Plan Description (SPD) booklet so that you can reference it in the future as needed and share the information with your family members who are also eligible for Health Fund coverage.

If you have any questions regarding your Plan benefits, contact the Fund Office at **(262) 549-9190** or at **(800) 242-7018**.

Sincerely,

The Board of Trustees
Enclosure

This announcement provides only highlights of recent changes to the Operating Engineers Local 139 Health Benefit Fund. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at any time.

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