OE3 Trust Funds
Health. Security. Service.

Operating Engineers Trust Funds
1600 Harbor Bay Parkway, Suite 200, Alameda, CA 94502-3035
P.O. Box 23190, Oakland, CA 94623-0190
(800) 251-5014 • OE3trustfunds.org

Date: November 2021

To: All Participants and their Dependents, including COBRA beneficiaries, of Operating Engineers Health and Welfare Trust Fund for Utah

From: Board of Trustees

This Participant Notice will advise you of material modifications and other updates to the Operating Engineers Health and Welfare Trust Fund for Utah (the "Plan). **This information is VERY IMPORTANT to you and your dependents**. Please take the time to read it carefully.

COVERAGE FOR CARE IN A LONG TERM ACUTE CARE FACILITY EFFECTIVE JANUARY 1, 2022

The current SPD/Plan Document includes an exclusion for custodial care (which at times may include care provided in a Long Term Acute Care (or LTAC) facility). Generally, long term care is not covered as it is considered custodial in nature. However, there may be instances where a LTAC facility is clearly providing medical treatment that is helping the patient to make continual progress and eventually transition home. In recognition of the fact that there are certain instances where services provided at a LTAC facility may be considered as medically necessary, the Board of Trustees has approved the following:

> **Exclusion**: Custodial, domiciliary and convalescent care: Custodial Care, domiciliary care, convalescent care (other than as specifically provided under the Skilled Nursing Facility benefit of the Plan), rest cures, and services provided for or in connection with institutional care which is for the primary purpose of controlling or changing the patient's environment.
> Custodial Care means care that mainly provides room and board (meals), or if it is for a physically or mentally disabled person who is not receiving care specifically to reduce the disability so that the person can live outside a medical care facility or skilled nursing facility. No matter where the person lives, care is considered Custodial Care if it is non-skilled nursing care, training in personal hygiene, other forms of self-care, supervisory care by a Provider, or care provided by a health care facility licensed by the state where the facility is located as an assisted living facility, hospice, small health care facility, or that is similarly licensed by the state in which it is located.
>
> **Exception to Exclusion:** the Plan may cover a stay at a long-term acute care facility when a patient is receiving rehabilitation therapy immediately after or instead of an acute inpatient hospitalization. For the Plan to consider such services, the stay must receive prior authorization and the patient must continue to make treatment progress as documented by patient notes.

RENAMING THE DRUG TIERS EFFECTIVE JANUARY 1, 2022

The Fund originally added coverage for specialty drugs on January 1, 2015. At that time, it was decided to follow the copay structure for retail drugs for the specialty drug tier. However, there are very few generic specialty drugs. As a result of the tier description, most, if not all, specialty drugs fell into the middle tier (brand name medications when a generic is not available).

Effective January 1, 2022, the tier structure has been renamed to reflect coverage based on a preferred formulary of medications, rather than based upon the existence of a generic equivalent. The new copay structure for covered prescription drugs is as follows:

	Claimant Responsibility		
Covered Prescription Drugs	**Generic Medication**	**Tier 1 Preferred Brand Name Medications**	**Tier 3 Non-Preferred Brand Name Medications**
Prescription Medications from a Pharmacy ▪ Up to a 34-day supply for each prescription	$10	$25 or 30%, whichever is greater, (maximum $60)	$25 or 30%, whichever is greater
Injectable Medications from a Pharmacy ▪ Up to a 34-day supply for each injectable medication **Please note:** Injectables that are classified as Specialty medications may be obtained only through an OptumRx Specialty Pharmacy.	$10	$25 or 30%, whichever is greater, (maximum $60)	$25 or 30%, whichever is greater
Maintenance Medications from a Mail-Order Supplier ▪ Up to a 90-day supply for each prescription	$5	$20 or 30%, whichever is greater, (maximum $50)	$20 or 30%, whichever is greater
Prescription filled at a nonparticipating retail pharmacy (or if you fill your prescription at a participating pharmacy without a valid prescription drug ID card)	You pay the full cost of the drug and must file a claim for reimbursement. The Plan will reimburse 16.4% less than average wholesale price for the drug, plus a $.90 dispensing fee, less the applicable Copayments shown above for drugs from retail participating pharmacies.		
For any prescription drugs (whether from a Retail Pharmacy or a Mail Order Supplier) if the cost of the Prescription Drug is less than the Copayment, you will pay only the cost of the drug.			

If you currently (i.e. prior to October 2021) receive a specialty drug medication which falls within the current middle tier, the Brand Name medication when a Generic is Not Available tier, your specialty medication will be grandfathered into the new "Tier 1" effective January 1, 2022. As such, you will not experience an increased copayment for this medication.

****

Because this Plan is a "grandfathered health plan," we are providing the following notice to you:

This group health plan believes this plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted.

Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Trust Fund Office at 510-433-4422 or Toll Free at 800-251-5014. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/agencies/ebsa/. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

If you have any questions, please contact the Trust Fund Office at the numbers listed above. You may also call the Fringe Benefits office at (800) 532-2105.

Sincerely,

Board of Trustees
Operating Engineers Health and Welfare Trust Fund of Utah

Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility, or if you have any questions regarding the Plan changes, please contact the Trust Fund Office.

In accordance with ERISA reporting requirements this document serves as your Summary of Material Modifications to the Plan