

IMPORTANT NOTICE – February 2014

To All Active and Retired Plan Participants and their Spouses and other Eligible Dependents:

The Boards of Trustees of the Connecticut Carpenters Health Fund wants to inform you of the following items:

1. Health Fund - Summary of Benefits and Coverage (SBC). As outlined last year, we are required by the Affordable Care Act (ACA) to provide you with a general summary or “SBC” of the benefits the Health Fund provides. This is the second year the Fund is issuing SBCs. Using an 8-page format that the law specifies, we have prepared one SBC for the Active and Non-Medicare Plan and a separate SBC for the Medicare Supplement Plan. The SBC that applies to you is included with this mailing. If you and your family members are in different Plans, we have included both SBCs. The SBCs are posted on the Health Fund’s website, www.ctcarpentersfunds.org, if you would like to see both.

One important change from last year is that the government requires the Health Fund to address two additional ACA standards, namely whether a plan provides:

- (1) a minimum value of coverage (if, overall, the plan covers 60% of the cost of covered services) and
- (2) minimum essential coverage (whether the plan provides a “base” level of coverage).

As outlined above, the Health Fund offers coverage to two distinct groups, specifically the: (1) Active and Non-Medicare Plan, and (2) Medicare Supplement Plan. The Medicare Supplement Plan is different from the Active and Non-Medicare Plan because under the Medicare Supplement Plan Medicare is the primary payer of services you incur and the Health Fund is the secondary payer. As the Medicare Supplement Plan is only intended to *supplement* Medicare’s coverage, **the Medicare Supplement Plan does not meet the two ACA standards described above and established for standard health plans**. The Active and Non-Medicare Plan do meet those ACA standards, and the SBC for that Plan addresses that on page 6 of 8.

2. Health Fund – New Changes under the ACA. There are three changes to Health Fund coverage as required by the ACA, and all of them are effective beginning with the Plan Year commencing April 1, 2014. First, the Health Fund will no longer impose an annual dollar limit on ACA-mandated “essential health benefits” for covered individuals (the annual limit was \$2 million in the April 1, 2013 through March 31, 2014 Plan Year). Second, the Health Fund will no longer impose any pre-existing condition exclusions (i.e., exclusions for a medical condition and/or health problem that existed before the date an individual enrolled in the Health Plan).

The third change, as reported earlier, is that the Health Fund will now provide coverage to a Participant's eligible child until the last day of the month after s/he attains age 26, *regardless of whether the child has access to his/her own employment-based health coverage*. This means that effective April 1, 2014, the Fund will no longer exclude such an adult child who has other employer-sponsored coverage. Of course, you or your adult child must file the appropriate enrollment forms with the Fund Office before the coverage can take effect. If you have an adult child who is newly-eligible for coverage beginning in April as a result of this change, please contact the Fund Office as soon as possible so we can provide you with the appropriate forms to enroll your child for coverage.

3. Health Fund – Avoiding Confusion with the ACA and Connecticut's Health Insurance Marketplace. With the ACA in the news so often, it is easy to get confused. We want you to know that the ACA is still the law of the land, it has not been repealed by Congress, and it has not been declared unconstitutional by the U.S. Supreme Court. The Health Fund continues to comply with the numerous ACA rules and mandates as reflected in items 1 and 2, above.

Another point to mention is that you have likely seen the television and radio ads for Connecticut's ACA Health Insurance Exchange or Marketplace, Access HealthCT. As long as you have coverage under the Health Fund, you and your eligible dependents will continue to receive your medical and prescription drug benefits as you normally would and you do not need to worry about the Marketplace at all. It is also important to mention that when you are eligible for Medicare, you are not eligible to enroll in coverage through the Marketplace.

4. Health Fund - Privacy Notice. Since 2003, the Health Fund has had a Privacy Notice that describes how the Health Fund may use and disclose medical information we gather from benefit claims relating to you and how you may access this information. We updated that Privacy Notice to comply with new federal regulations in March of 2013, and the updated Notice replaced the one printed in the current edition of the Health Fund's Summary Plan Description. If you would like an updated copy of the Privacy Notice, please call the phone number on the top of this notice or visit the Health Fund's website at www.ctcarpentersfunds.org.
5. Health Fund - Women's Health and Cancer Rights Act of 1998. Under federal law, group health plans that provide medical and surgical benefits covering mastectomy must provide benefits for certain related reconstructive breast surgery. This applies to reconstruction of the breast on which the mastectomy was performed, surgery or reconstruction on the other breast to produce a symmetrical appearance, prostheses and physical complications of all stages of mastectomy, including lymphedemas (swelling). Coverage is subject to all of the Health Fund's normal rules, including co-payments, annual deductibles and coinsurance provisions.
6. Health Fund – Grandfathered Status under the ACA. The Health Fund's Board of Trustees continues to believe that the Health Plan is a "grandfathered health plan" under the ACA. As permitted by the ACA, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted (in March of 2010). Being a grandfathered health plan means that the Plan may not include certain consumer protections of the ACA 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 ACA, 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 Health Fund Administrator, Deborah L. Palmieri, at (203) 281-5511 extension 602. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor, at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

7. Names (alphabetically) and Addresses of Board of Trustees of Pension, Health and Annuity Funds

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This Notice is intended to be a brief description of the topics described. In any situation involving Funds benefits, the documents governing the Funds will control. It constitutes a Summary of Material Modifications to the Health, Pension and Annuity Funds, and we are furnishing it to you in accordance with U.S. Department of Labor regulation §2520.104b-3. Please keep this Notice with your Summary Plan Descriptions for future reference and contact the Benefit Office with any questions. All benefits are subject to amendment and/or termination as the Trustees may determine to be in the best interests of the Funds' participants and beneficiaries.

For the **Health Fund** Boards of Trustees,

Deborah L. Palmieri, Health Fund Administrator

February 2014