

Sheet Metal Workers' Health Plan OF SOUTHERN CALIFORNIA, ARIZONA & NEVADA

P.O. BOX 10067

MANHATTAN BEACH, CA 90266-8567

PHONE: (800) 947-4338

PHONE: (310) 798-6572

FAX: (310) 798-0766

April 15, 2016

IMPORTANT ANNOUNCEMENT

TO: All Plan B Eligible Participants and their Eligible Dependents

RE: Health Plan Changes Effective July 1, 2016

FROM: Board of Trustees

This announcement has been prepared to advise you of a number of significant Health Plan changes that will go into effect on July 1, 2016.

After a lengthy process of thoroughly evaluating the Health Plan's eligibility rules and benefit plan offerings, we have determined it appropriate to make the changes outlined in this announcement to safeguard the long term success of the important and significant benefits provided under your Health Plan.

Please read this material carefully and keep it with your Summary Plan Description benefit booklet for future reference.

Eligibility Changes for Plan B Bargaining Unit Employees

Starting with the July 2016 work month, the hours required to establish **initial eligibility** for employees will change from 100 hours per month for two consecutive calendar months to 110 hours per month for two consecutive calendar months. Coverage will begin on the first day of the second calendar month that follows the two consecutive calendar months in which the employee worked (or was credited with) at least 110 hours in each month.

For Example: If you worked or were credited with 110 hours during the month of July and 110 hours during the month of August, your coverage would begin on October 1.

Special transitional rule for participants in the process of obtaining initial eligibility on July 1, 2016: If you are working to obtain initial eligibility but have not yet obtained the hours required for eligibility, you will qualify for eligibility if you worked or were credited with at least 100 hours in June and at least 110 hours in July. If these hours requirement are met, your coverage will be effective September 1, 2016.

The hours required for **ongoing eligibility** is also changing effective with the July 2016 work month. The change is from 100 hours in a calendar month to 110 hours in a calendar month.

Also starting with the July 2016 work month, employers will be required to report and pay contributions to the Health Plan for a minimum of 110 hours for Plan B bargaining unit employees who worked during the month, except for the month of hire or termination. This is an increase from the previous minimum of 100 hours per month.

The **hour bank** maximum will remain at the equivalent of 3 months of coverage (330 hours) before deduction of the current month's coverage.

Disability hours credit (as explained on page 19 of your benefits booklet) will be increased from 25 hours per week to 27-1/2 hours per week, up to a maximum of 110 hours per calendar month, beginning July 1, 2016.

Vision Benefit Changes

Effective July 1, 2016, the Plan's vision care coverage provided by Vision Service Plan (VSP) will be replaced by coverage provided by Anthem Blue Cross, called Blue View Vision plan. Your in-network copay for a routine eye exam will change from \$10 to \$15. Other benefit levels will generally be the same but your choice of network providers may change. Anthem's vision care provider network can be found at www.Anthem.com/ca. Or, you can obtain a provider listing by calling 866-723-0515. Additional information about Anthem's vision care plan, including how to obtain services, will be included in the 2016 open enrollment materials that will be mailed to you shortly.

Dental Plan Changes

As of July 1, 2016, both the United Concordia (UCCI) dental plan, as well as the self-funded indemnity dental plan provided directly by the Trust, will be eliminated. They will both be replaced with Delta Dental's DMO dental plan, called DeltaCare USA.

All Plan B participants will automatically be enrolled in DeltaCare USA effective July 1, 2016, with one exception. If you live more than 30 miles from a DeltaCare USA network provider, which is considered outside the DMO network service area, your dental coverage will automatically change to Delta's PPO dental plan effective July 1, 2016.

DeltaCare USA's enrollment packet will be included with the 2016 open enrollment material that you will receive shortly. If the Administrative Office does not receive a completed enrollment form from you by June 1, 2016, you will automatically be assigned to a DeltaCare USA plan network dentist closest to where you live. You can later change your assigned network dentist upon 30 days advance notice.

Special transitional rule for dental work in progress: If you or a family member are undergoing dental work at the time of this change, including orthodontia, please refer to the enclosed DeltaCare USA brochure on how coverage for work in progress will be provided.

You will be receiving a new ID card and Evidence of Coverage booklet from Delta, which describes the benefits, limitations, and exclusions in detail.

HMO Plan Changes

Benefits under all the HMO plans will be changed for services and supplies rendered on or after July 1, 2016. The changes are summarized in the attached benefit chart. This is only a summary of the benefit changes. You will be receiving a new Evidence of Coverage booklet for the plan in which you are enrolled, that describes the benefits, limitations, and exclusions in detail.

If you have questions concerning any of the Health Plan changes, please direct them to the Administrative Office where the staff will be happy to assist you. If you have specific questions about network providers or benefit levels, you should contact the applicable insurance company.

AVISO A LOS PARTICIPANTES QUE HABLAN ESPAÑOL: *Si tiene alguna pregunta tocante este aviso, o requiere alguna otra información tocante a su cobertura de salud, por favor no dude en comunicarse con la Oficina Administrativa al 800-947-4338, donde habrá varios representantes bilingües que con gusto le ayudarán.*

[Summary of Material Modifications (SMM) -- Active Plan B]

ntp4-16