



**Date** April 2014

**To:** Eligible Participants of the Pensioned Operating Engineers Health and Welfare Trust Fund Who are Enrolled in the Comprehensive Medical Plan and NOT Eligible for Medicare

**Re:** Comprehensive Medical Plan Benefit Changes – Effective January 1, 2014

**Note:** This notice applies to retired participants, spouses, surviving spouses and dependents who are enrolled in the Comprehensive Medical Plan and not eligible for Medicare. If you are Medicare eligible or enrolled in an HMO, you may disregard this notice.

## NEW VALUE BASED PROGRAM

There are wide treatment cost variations that exist in California for elective outpatient procedures and other types of surgeries, which cannot be explained by improved quality or clinical outcomes. In order to better manage the costs for certain surgical procedures, the Board of Trustees, along with Anthem Blue Cross, have developed a Value Based Program designed to keep your overall out-of-pocket costs down while limiting the overall increase in medical costs.

### Colonoscopies, Arthroscopy and Cataract Surgery

Outpatient surgeries can be more expensive when performed in an outpatient hospital versus an Ambulatory Surgical Center (ASC). Effective January 1, 2014, payment for the following procedures when received in an outpatient hospital setting will be limited to the amounts listed below:

- Colonoscopy \$1,500
- Arthroscopy \$6,000
- Cataract Surgery \$2,000

You will be responsible for any amount above these payment limits. If your surgeon believes that it is medically necessary to have one of these procedures done in an outpatient hospital setting, an exception would be granted and the payment limits stated above will not apply. You still have the same access to providers but will save money when you use a recommended facility.

### Total Hip and Knee Replacements

In order to manage the cost variance for hip and knee replacement surgeries, payment will be limited to a \$30,000 maximum for a single hip joint replacement or a single knee joint replacement surgery effective January 1, 2014. This maximum includes all inpatient facility costs but does not include the professional fees such as anesthesia or surgeon fees. The Board of Trustees and Anthem Blue Cross have identified 52 facilities throughout California where these surgeries can be performed with little to no out-of-pocket costs beyond the plan's deductible (Schedule II only) and

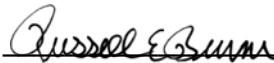
coinsurance. See the attached list of approved Value Based facilities. You still have the same access to providers but will save money when you use a recommended facility.

**Out-of-Network Ambulatory Center**

A daily maximum of \$500 will be implemented for services received at an out-of-network Ambulatory Center.

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



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**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.**