



Date: February 2022

To: Participants and Dependents in the Pensioned Operating Engineers Health and Welfare Trust Fund

This notice will advise you of material modifications made to the Trust Fund's benefit plan. **This information is VERY IMPORTANT to you and your Dependents.** Please take the time to read it carefully.

**CARE IN A LONG TERM ACUTE CARE FACILITY
EFFECTIVE JANUARY 1, 2021**

Generally, long term care is not covered by most group health plans as it is considered custodial in nature. This is the approach that had been taken by the Fund. However, there may be instances where a LTAC facility is clearly providing medical treatment. In recognition of the fact that there are certain instances where services provided at a LTAC facility may be considered as medically necessary that is helping the patient to make continual progress and eventually transition home, the Board of Trustees is pleased to announce a clarification to the Plan's benefits for these services, which will allow for limited exceptions where coverage will be provided. The Plan's new exclusion states as follows:

- x. Charges for hospitalization when such confinement occurs primarily for physiotherapy, hydrotherapy, convalescent or rest care, or occurring in an institution which is primarily a place for the treatment of chronic or long-term Injuries or Illnesses. This exclusion does not include Medically Necessary care in a Long-Term Acute Care (LTAC) facility where a patient is receiving continued rehabilitation therapy immediately after, or instead of, acute inpatient hospitalization, and only to the extent the patient is continuing to progress.
 - For Retirees and/or dependents who are not eligible for Medicare, preauthorization by the Utilization Review Program is required in order to determine the care is medically necessary (for coverage, medical necessity must be re-established by the Utilization Review Program every two months).
 - For Retirees and/or-dependents who are eligible for Medicare, the Fund will use Medicare's determination of medical necessity. This means that if Medicare determines the care in a LTAC facility is not medically necessary, the Fund will not consider the services to be medically necessary.

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. If you have any questions, please contact the Trust Fund Office at (800) 251-5014. You may also call the Fringe Benefits office at (800) 532-2105.

Sincerely,
Board of Trustees

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 and we are advising you of these Plan changes within 60 days of the adoption of those changes.