OE3 Trust Funds
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Operating Engineers Trust Funds
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Date **April 2014**

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

This notice will advise you of material modifications to the Trust Fund's benefit plan effective January 1, 2014, including changes made in compliance with Health Care Reform regulations. **This information is VERY IMPORTANT to you and your Dependents**. Please take the time to read it carefully.

Please note, the Change in Vision Coverage affects all eligible participants with Vision Service Plan (VSP) coverage. All other changes in this notice apply only if you are in the Comprehensive Medical Plan.

Change in Vision Coverage for Dependent Children

The Trustees have made a change to the Trust Fund's vision benefits for dependent children under age 19. Currently, the Plan covers an unlimited number of eyeglass frames for dependent children under age 19. ***Effective January 1, 2014, coverage for a dependent child under age 19 will be limited to <u>one</u> frame during each rolling one-year period.***

For example, if your dependent child received eyeglasses (frames and lenses) on August 1, 2013, the next time the Plan will cover his, or her, eyeglass frames will be on August 1, 2014 or later. However, if your child needed new eyeglass lenses before August 1, 2014, then the Plan would cover the lenses at the usual benefit level. Copayments and other out-of-pocket expenses are not changing at this time.

Out-of-Pocket Limit (Annual Limit on Cost Sharing)

Effective January 1, 2014, in compliance with Health Reform regulations, the Trustees have revised the Out-of-Pocket Limit, which limits your total annual cost-sharing for covered essential health benefits. There are now separate Out-of-Pocket Limits for Contract Provider and Non-Contract Provider services. If you use Contract Providers, the individual Out-of-Pocket Limit is reduced and there is a family Out-of-Pocket Limit.

All deductibles and copayments as well as any coinsurance accumulate to the Out-of-Pocket Limits, which are as follows:

- **Contract Providers: $6,350 per person per calendar year and $12,700 per family per calendar year**. These amounts may be adjusted annually in accordance with Health Reform regulations.
- **Non-Contract Providers: $10,000 per person per calendar year, no family limit.** These amounts may be adjusted by the Trustees.

The Out-of-Pocket Limit on cost sharing is accumulated on a calendar year basis. Covered expenses are applied to the Out-of-Pocket Limit in the order in which eligible claims are received by the Fund. Non-Contract emergency services performed in an Emergency Room will apply also to meet the Contract Provider Out-of-Pocket Limit.

The Out-of-Pocket Limit for cost-sharing does not accumulate premiums or self-pay contributions, balance-billed charges in excess of allowed charges, non-covered expenses, charges in excess of benefit maximums or amounts over the plan maximum amounts for certain surgeries, a penalty for failure to obtain precertification, dental and vision plan expenses, outpatient retail/mail order prescription drug expenses, or charges for certain treatment at a facility that is not a Center of Medical Excellence.

Preventive Over-the-Counter Drugs

In accordance with Health Care Reform, certain over-the-counter (OTC) drugs are payable at no charge when prescribed by your doctor and purchased at an OptumRx retail pharmacy. For an over-the-counter preventive drug to be covered with no Copayment, the drug must be:

- a generic drug that is obtained at an OptumRx participating retail pharmacy, and
- presented to the pharmacist with a prescription for the OTC drug from your physician.

The following chart outlines the OTC drugs currently payable by the Fund at no charge when purchased from a network retail pharmacy, in accordance with Health Reform regulations and the US Preventive Service Task force A and B recommendations. Where the information in this notice conflicts with any newly released Health Reform regulations affecting the coverage of OTC drugs, the Fund will comply with the new requirements on the date required.

Aspirin	Generic aspirin for individuals over 44 years of age
Fluoride	Generic oral fluoride supplements
Folic Acid	Generic folic acid supplements, including prenatal vitamins, for women during pregnancy
Iron Supplements	Generic iron supplements for children
Vitamin D2 or D3	Generic Vitamin D (800IU per dose) for adults over age 65.
Preparation (“prep”) products for a colon cancer screening test	Generic for adults over age 50 for preparation before a colonoscopy

As previously announced, in addition to the above OTC drugs, the Fund covers all forms of female contraceptives with no Copayment at a participating retail pharmacy (generic only unless it is medically inappropriate for the woman to take the generic option). This includes emergency contraception. Injectables, contraceptive implants and IUDs are covered under the medical portion of the plan. All forms of contraceptive products are subject to quantity limits. Male condoms are not covered.

Routine Costs Associated With Clinical Trials To Be Covered

Effective January 1, 2014 the medical plan will cover routine costs when associated with certain approved clinical trials related to cancer or other life-threatening illnesses. This means that for individuals who participate in an approved clinical trial, routine costs, services and supplies will be payable during the time the eligible individual is participating in the clinical trial.

- "Routine costs" means services and supplies incurred by an eligible individual during participation in a clinical trial if such expenses would be covered for a participant or beneficiary who is not enrolled in a clinical trial. However, the plan does not cover non-routine services and supplies, such as: (1) the investigational items, devices, services or drugs being studied as part of the approved clinical trial; (2) items, devices, services and drugs that are provided solely for data collection and analysis purposes and not for direct clinical management of the patient; or (3) items, devices, services or drugs inconsistent with widely accepted and established standards of care for a patient's particular diagnosis.

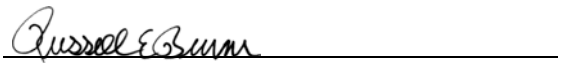
- An "approved clinical trial" means a phase I, II, III, or IV clinical trial conducted in relation to the prevention, detection, or treatment of cancer or other life-threatening disease or condition. The clinical trial's study or investigation must be (1) federally-funded (like a trial funded by the National Institutes of Health (NIH), the Centers for Disease Control and Prevention (CDC), the Agency for Health Care Research and Quality (AHCRQ), the Centers for Medicare and Medicaid Services (CMS)); (2) conducted under an investigational new drug application reviewed by the Food and Drug Administration (FDA); or (3) a drug trial that is exempt from investigational new drug application requirements.

For individuals who will participate in a clinical trial, precertification is required in order to notify the Fund that routine costs, services and supplies may be incurred by the individual during their participation in the clinical trial.

The plan may require that an eligible individual use an in-network provider as long as the provider will accept the patient. This plan is only required to cover out-of-network costs for routine clinical trial expenses if the clinical trial is only offered outside the patient's state of residence.

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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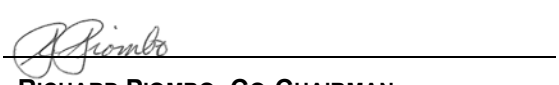

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Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility, or if you have any questions regarding the Plan changes, please contact the Trust Fund Office.

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.