

**4<sup>th</sup> DISTRICT IBEW HEALTH FUND**

609 3rd Avenue • P.O. Box 487 • Chesapeake, OH 45619

Telephone: (304) 525-0331 • Fax: (740) 867-4300

www.4thdistricthealthfund.com



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**IMPORTANT NOTICE ABOUT CHANGES TO THE PLAN**

October 1, 2010

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This Notice explains an important change that is being made to the 4<sup>th</sup> District IBEW Health Plan to comply with the Patient Protection and Affordable Care Act of 2010. The changes to the Plan described in this Notice are effective October 1, 2010. You are urged to carefully review this Notice and address any questions to the Benefit Office or the Board of Trustees. This Notice should be kept with your records of Plan activities.

Discontinuance of Benefits – page 1.15

Paragraph A. at the top of the page is deleted in its entirety.

Self-Funded Schedule of Benefits – page 2.1

The Comprehensive Major Medical Benefit summary is amended to delete item 2. Maximum Benefits Per Individual in its entirety and replaced with the following:

*2. Plan Payment Factors*

- a. For expenses due to mental infirmity or functional nervous disorders, other than as an inpatient or for convulsive therapy.....50% of the reasonable and customary cost*
  - b. For all other covered charges:*
    - In-Network Charges.....80%*
    - Out-of-Network Charges.....60%*
- (Charges for chiropractic manipulations and treatments are subject to a maximum benefit of \$500 per calendar year per individual.)*

The Comprehensive Major Medical Benefit summary is amended to delete item 4. Maximum Benefits Per Individual in its entirety and replaced with the following:

*4. Maximum Benefits Per Individual*

- Lifetime benefit for attendance of a registered graduate nurse in the Individual's home.....\$50,000*

General Provisions – page 2.3

The paragraph under the heading General Provisions is deleted in its entirety and replaced with:

*GENERAL PROVISIONS*

*The following General Provisions are applicable to all of the Health Benefits described in this section which provide reimbursement of expenses for medical care or treatment. Until such time as regulations are issued by the appropriate federal agencies, the Plan will use good faith efforts to define and interpret the term “essential health benefits” in a reasonable and consistent manner to comply with the restrictions against lifetime and annual limits under the federal health care reform law (Patient Protection and Affordable Care Act of 2010).*

Pre-Existing Condition Limitation – page 2.3

The second paragraph of this section is deleted in its entirety and replaced with:

*The Plan’s pre-existing condition limitations do not apply to individuals who are under 19 years of age. This pre-existing conditions limitation will apply to all Plan participants and their dependents, subject to the foregoing age limitation, upon their initial eligibility date for Plan benefits and will reapply to all Plan participants and dependents upon reinstatement of their eligibility for Plan benefits following a break of eligibility of more than six (6) consecutive months.*

Dependent Definition – page 2.10

The first paragraph of this definition is deleted in its entirety and replaced with the following:

***Dependent***-The term “dependent” means your spouse provided you are not legally separated or divorced. Your “dependent” also means your children: 1) who are considered disabled under the terms of the Plan; or 2) who are less than 26 years of age. Children who are between age 19 and 26 and eligible for other employer-sponsored health coverage are not eligible for coverage under this Plan. Children who are students and eligible to enroll in an employer-sponsored health plan can be covered if they are over nineteen (19) years of age but less than twenty-six (26) years of age, enrolled in a full-time accredited educational institution on a full-time basis and are dependent upon the Participant for their support. Proof of enrollment in such institution shall be required by the Plan.

The third paragraph of this definition is deleted in its entirety.

Maximum Lifetime Benefits – page 2.29

The section entitled Lifetime Maximum Benefits is deleted in its entirety and replaced with:

*LIFETIME MAXIMUM BENEFITS*

*The maximum benefit payable over an individual's lifetime for the attendance of a registered graduate nurse in the individual's home is \$50,000.*

Schedule of Dental Benefits – page 2.37

The Calendar Year Maximum entry is deleted in its entirety and replaced with:

*Calendar Year Maximum*

*Per Individual.....\$750\*\**

*\*\* The Calendar Year Maximum does not apply to pediatric oral services.*

Sincerely,

Board of Trustees

This group health plan believes this plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act 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 Affordable Care Act, for example, the elimination of lifetime limits in 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 plan administrator at the address or telephone number shown above.

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](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered health plans.