



Los Angeles Machinist Benefit Trust

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SUMMARY OF MATERIAL MODIFICATIONS AND IMPORTANT NOTICE

DATE: November 1, 2018
TO: All Participants and Eligible Dependents in the Plan for Active Employees
FROM: Board of Trustees
RE: Benefit Changes Effective January 1, 2019; Change to the Way "Allowable Charges" are Determined; and Changes to Claims and Appeals Procedures in "Description of Benefits" Plan Booklet

Benefit Changes Effective January 1, 2019

Please note that the following benefit changes are effective under the Plan for Active Employees, effective January 1, 2019:

1. For participants enrolled in a Blue Shield plan, a new benefit for chiropractic services has been added. The copay will be \$10 per visit, you will be eligible for 30 visits per calendar year, and up to \$50 will be payable for appliances per calendar year.
2. For participants enrolled in the High Option A indemnity PPO medical plan, you will have additional benefits for chiropractic services. You will be eligible for 17 chiropractic visits per calendar year. If you require additional services, you can use any remaining unused physical therapy visits for the calendar year. However, no more than 30 visits will be payable during any calendar year (chiropractic and physical therapy visits combined).
3. For participants enrolled in the High Option B or the Medium Option indemnity PPO medical plan, you will have additional benefits for chiropractic services. You will be eligible for 17 chiropractic visits per calendar year. If you require additional services, you can use any remaining unused physical therapy visits for the calendar year. However, no more than 23 visits will be payable during any calendar year (chiropractic and physical therapy visits combined).
4. The Trust is replacing Aetna/The Hartford, which currently provides Life, Accidental Death and Dismemberment, and Weekly Short Term Disability benefits under the Plan, with essentially the same coverage underwritten by Anthem Blue Cross. If you are still receiving benefits for a disability that began before January 1, 2019, Aetna/The Hartford will continue your coverage until you recover or reach the maximum benefit. Covered deaths, dismemberments, or disabilities beginning on or after January 1, 2019 will be handled by Anthem Blue Cross.

The Anthem Blue Cross benefits are essentially the same as under Aetna/The Hartford except there is a new benefit for your spouse's education if you are deceased, and Anthem Blue Cross will not provide 3rd degree burn benefits or the coverage for child care; however, these benefits have not been used by Plan participants in the past.

New beneficiary cards are not required but you may want to revisit your beneficiary designations and make any changes now since benefits are paid to the last listed beneficiary. New forms can be requested from the Administration Office at (800)499-8121 or downloading from the website. www.lambt.org

5. Navitus Health Solutions is replacing ProCare Rx as the Plan's pharmacy benefit manager ("PBM") providing prescription drugs for participants enrolled in the indemnity PPO medical plans. The Navitus formulary (of preferred prescription drugs) is different from the ProCare formulary; however, Navitus has agreed to "grandfather" existing formulary coverage for formulary drugs you are now taking, for one year. This means that you will not have to change your prescription in order to pay lower "formulary" charges for your existing covered formulary prescription drugs, because of the change in formularies, for at least one year.

Other Important Plan Changes

The Plan uses a schedule or schedules of allowances provided by Anthem Blue Cross to determine "Allowable Charges" and Usual, Customary, and Reasonable ("UCR") payment for claims by non-PPO providers. Allowable Charges and benefit payments to non-PPO providers are based on the 90th percentile of the UCR allowable provided by Anthem Blue Cross.

Finally, please be advised that effective January 1, 2019, the claims review procedures under the Plan for Active Employees, as set forth in the "Description of Benefits" plan booklet dated March 2012, starting at page 75 thereof, are revised as follows:

- The following language is added, establishing the following deadline for suit to be filed by a participant, dependent, beneficiary, alternate payee, or provider of benefits pursuant to an assignment of benefits following denial of a covered appeal (or denial of a covered claim if no appeal is filed): "Any civil action brought under Section 502(a) of ERISA, challenging a denial of benefits or eligibility for benefits under this Plan, in whole or in part, must be filed within two years of the date of the Plan's denial of your appeal relating thereto. If no appeal was filed, even though appeals are required as a condition of filing suit, then suit must be brought within two years of the date of the Plan's denial of your claim."
- The following language is added regarding forum selection for suits involving the Plan: "Any civil action by a Plan participant, dependent, beneficiary, alternate payee, or provider of benefits pursuant to an assignment of benefits, relating to or arising under the Plan, shall be brought and resolved only in the United States District Court for the

Central District of California, and in any court in which appeals from such court are heard. Such court or courts shall have personal jurisdiction over any Plan participant, dependent, beneficiary, alternate payee, or provider of benefits named in such action.”

The information contained in this Summary of Material Modifications and Important Notice is important. Please take time to read this notice carefully and keep a copy of this notice with your Description of Benefits plan booklet and other important plan information. Should you have any questions, please contact the Administrative Office at (800) 499-8121.

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) 499-8121, donde habrá varios representantes bilingües que con gusto le ayudarán.