



HEALTH and WELFARE DEPARTMENT of the CONSTRUCTION and GENERAL LABORERS' DISTRICT COUNCIL of CHICAGO and VICINITY

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Announcing Important Changes in Your Welfare Plan Benefits

Dear Active Participant:

The Board of Trustees of the Chicago Laborers' Welfare Fund (the "Welfare Plan") is pleased to announce that, effective January 1, 2017, you are no longer required to meet a calendar year deductible toward the cost of your prescription medications. In addition, this Summary of Material Modification (SMM) announces important information about your smoking cessation benefits and coverage for infertility treatment.

Prescription Drug Benefit Improvement

Under your prescription drug benefit, you pay the following fixed dollar amount upfront (called a "copay") when you have your prescriptions filled at a CVS/Caremark retail pharmacy or through the CVS/Caremark mail order facility. Upon paying your copay, you are then able to submit a claim to the Fund Office to have your copay reimbursed to you.

	Retail Copays	Mail Order Copays
	30-day supply	90-day supply
Generic Drug	\$ 5.00	\$12.50
Preferred Brand Name Drug	\$10.00	\$25.00
Non-Preferred Brand Name Drug	\$25.00	\$62.50

As part of your Basic Prescription Drug Benefit, the Welfare Plan covers 100% of the first \$5,000 in expenses associated with your prescription drug medications, which includes the cost of the medications. Effective January 1, 2017, once the Welfare Plan has paid \$5,000 toward the cost of your prescription drug medications, **you are no longer required to meet a \$200 per person or \$400 per family annual prescription drug deductible.** Instead, when you purchase a covered prescription medication at a CVS/Caremark pharmacy, you only have to pay the applicable copay and 20% of the cost of the medication. The Welfare Plan covers the remaining 80% of the cost. The deductible no longer applies. Your copay and 20% coinsurance continues to be your out-of-pocket responsibility and will not be reimbursed to you.

Remember, if your prescriptions are not filled at a CVS/Caremark pharmacy or you do not show your Welfare Plan medical/prescription drug identification (ID) card when you pick up your prescriptions, you have to pay for 100% of the cost of your medications upfront and the Welfare

EMPLOYER PARTICIPANTS –

Builders' Association, Employing Plasterers' Association, Underground Contractors' Association, Mason Contractors' Association, Concrete Contractors' Association, Wrecking Contractors, Concrete Products Employers, Lake County Illinois Employers, Illinois Road Builders Association, Bridge and Highway Structural Builders; i.e. all those who employ Laborers Engaged in the Building and Construction Industry.

Plan will only reimburse 50% of that cost to you. In addition, the cost of medications filled at non-network pharmacies **does not** count toward the \$5,000 Basic Prescription Drug Benefit provision.

You can continue to have your medications filled at the same network retail pharmacies and/or through the CVS/Caremark mail order facility. For a 90-day supply of your prescriptions for maintenance medications (like those used to treat chronic illnesses like arthritis, diabetes, emotional distress, heart disorders, high blood pressure and ulcers), the prescription must be filled only at a CVS/Caremark retail pharmacy or through the CVS/Caremark mail order facility at applicable mail order facility rates.

Smoking Cessation Benefits

You (and your spouse if you are married) are eligible to receive smoking cessation benefits through the Welfare Plan. The Welfare Plan covers a maximum of \$1,000 per person per lifetime for combined medical and prescription drug expenses, which include hypnosis, laser treatments provided through Laser Concepts of Chicago and prescription medications. Since this benefit is a combined medical and prescription drug benefit, it is not possible for the Welfare Plan to cover the benefit upfront with your Welfare Plan medical/prescription drug identification (ID) card discussed earlier. Therefore, **you have to pay for the entire cost of your smoking cessation prescription medications upfront and then submit a claim to the Fund Office for reimbursement.**

Your coverage for smoking cessation is not changing. Upon receipt of your properly submitted claim(s), you will be reimbursed for 100% of your covered expenses, up to \$1,000 for life. You do not need to meet any deductibles before benefits are paid.

The Welfare Plan only covers treatment that is prescribed by a doctor, and a prescription is required for all treatment. Therefore, the first thing you should do is see your doctor. The doctor's visit is a covered expense under this benefit. To utilize the services of Laser Concepts of Chicago, call 866-908-7848 or visit www.laserconceptschicago.com.

Infertility Treatment Benefits

You (and your spouse if you are married) are eligible to receive coverage for infertility treatment through the Welfare Plan. The Welfare Plan covers a maximum of \$12,500 per person per lifetime for combined medical and prescription drug expenses associated with infertility treatment. However, since this benefit is a combined medical and prescription drug benefit (similar to your smoking cessation benefit), it is not possible to cover this benefit with your Welfare Plan medical/prescription drug identification (ID) card discussed earlier. Therefore, **you have to continue to pay for the entire cost of your infertility prescription medications upfront and then submit a claim to the Fund Office for reimbursement.**

Your coverage for infertility treatment is not changing. If you receive your treatment from a BlueCross BlueShield of Illinois (BCBSIL) BlueCard PPO provider, you will save money for yourself and the Welfare Plan because the PPO network physicians and hospitals have agreed to charge a discounted price for their services. To select a network provider in your area, call BCBSIL at 800-810-2583 or visit its website, www.bcbsil.com.

NOTE: Infertility benefits are not available to individuals who previously had elective sterilization. Infertility medications are not covered under the Specialty Drug Program.

Final Note

Please share this SMM with your family members who are eligible for coverage and store it with your Summary Plan Description (SPD) booklet and other benefits information for easy reference. If you have any questions regarding the changes mentioned in this SMM or questions regarding your other Welfare Plan benefits, please contact the Fund Office at 708-562-0200 or 866-906-0200.

Sincerely,

Board of Trustees

Statement of the Plan's Grandfathered Status. The Board of Trustees of the Chicago Laborers' Welfare Fund believes this Plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act), which means that the Welfare Plan existed when the health care reform law was signed on March 23, 2010. 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 the Welfare 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 on benefits. Questions regarding which protections apply and 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 Fund Office at 708-562-0200 or 866-906-0200. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866) 444-3272 or <http://www.dol.gov/ebsa/healthreform/>. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

SUMMARY OF MATERIAL MODIFICATION
EIN: 36-2151212 PLAN: 501
April 2017

The information contained in this Notice only highlights certain features of the Chicago Laborers' Welfare Plan (the "Plan") and is intended to be a Summary of Material Modifications. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the language in this Notice and the documents that establish the Plan, the document language will govern. The Board of Trustees of the Welfare Fund ("Trustees") reserves the right and has the authority to amend, modify, or eliminate benefits at any time, or terminate the Plan when financial conditions dictate. Receipt of this Notice does not confer or guarantee eligibility for benefits. In addition, the Trustees, or such other persons as delegated by the Trustees, have the discretion to interpret and construe the Plan's provisions.