

Office and Professional Employees Locals 30 & 537 Health & Welfare and Retirement Trust Funds

Administered By: Benefit Programs Administration

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December 2019

ANNUAL MEDICAL PLAN OPEN ENROLLMENT PERIOD

To: All Participants

MEDICAL PLAN OPEN ENROLLMENT – Effective February 1, 2020

The OPEIU Locals 30 & 537 Health & Welfare Fund will have an Open Enrollment for all participants during the month of January 2020. Open Enrollment is available only during the month of January of each year.

This means that any participant has the option during this period to change their particular health and welfare coverage to either of the following Plans for the year beginning February 1, 2020.

- (1) **MAJOR MEDICAL PLAN** – Under this Plan, you may select your own doctor, or make use of the Panel Providers at your option at any time.

The Panel Plan Providers through AETNA Choice POS II, the Health and Welfare Fund's Preferred Provider Organization (PPO), are available to individuals and families selecting the Major Medical Plan. Use of the AETNA Choice POS II providers is optional at any time to members or their enrolled eligible dependents that are covered under the Major Medical Plan and will provide improved coverage. Enclosed for your reference is a Summary of Benefits and Coverage (SBC). If an AETNA provider is used, most benefits are covered at 80%, subject to the Major Medical Plan's Limitations and Exclusions. There is a Panel Plan deductible of \$350 per individual per calendar year; maximum \$1,050 per family. Participating hospitals and physicians under the AETNA Choice POS II network are listed via their website at www.aetna.com. There is an individual \$4,300 calendar year out-of-pocket annual maximum, and a family out-of-pocket annual maximum of \$8,600 for in-network covered medical charges.

Excluding non-panel provider hospital charges, your coverage will increase to 100% of covered expenses after you have met the out-of-pocket eligible expenses discussed above.

Covered charges incurred through non-panel providers, after satisfying the individual calendar year deductible of \$700 per individual (\$2,100 maximum per family), are payable at 60% of usual, customary and reasonable (UCR) expenses.

In addition, there is a separate prescription drug out-of-pocket annual maximum of \$3,050 individual and \$6,100 family in-network out-of-pocket annual maximum. Network pharmacies are those contracted with Express Scripts.

- (2) **Kaiser Foundation Health Plan** – Under this Plan, you must receive treatment ONLY from Kaiser Physicians at Kaiser Facilities (except in certain emergency situations). Prescription drugs must be obtained through a Kaiser pharmacy. Enclosed for your reference is a Summary of Benefits and Coverage (SBC).

Please note: Beginning in 2016, insurers such as Kaiser and self-funded plans such as the Major Medical Plan will be required to report information about health coverage provided during the prior year to all enrollees. This will include Taxpayer Identification Numbers (Social Security Numbers) of all covered individuals (included covered enrolled dependents) and the specific dates that such individuals had such health coverage, as required by Internal Revenue Code §6055. This means that if you, or any of your dependents, do not have qualifying health care coverage for 3 consecutive months, you may owe an individual shared responsibility penalty with your income tax return.

However, starting in 2019, the penalty for failing to have health insurance will be \$0 as a result of the Tax Cuts and Job Acts of 2017. Even though the individual shared responsibility payment has been reduced to zero

under federal law, California residents will be required to be covered by minimum essential coverage for themselves and their dependents or pay a state tax penalty. California's new mandate takes effect January 1, 2020. More information about the California mandate is available from the Franchise Tax Board webpage: <https://www.ftb.ca.gov/about-ftb/newsroom/news-articles/health-care-mandate.html?WT.ac=Healthcare>

You may avoid this penalty as long as you maintain your eligibility with the OPEIU Locals 30 & 537 Health and Welfare Trust. Please note that you will not be treated as covered by the OPEIU Locals 30 & 537 Health and Welfare Trust unless you complete and return the necessary enrollment application.

At this time, you may also add any eligible dependent(s) not previously covered. There is a \$150 a month co-payment for dependent coverage. Dependent co-payments are due on the month prior to the coverage month; i.e., co-payment for March coverage is due in February. Please advise your employer so that the proper payroll deduction can be made.

If you are interested in changing your medical plan, please call the Administrative Office at (562) 463-5065 or (800) 386-4350 to request an enrollment form, or you may download enrollment forms for the Major Medical and Basic Dental Plan(s), Kaiser and United Concordia from the Fund's website at <http://www.opeiufunds.org>. Enrollment changes received by the Administrative Office no later than January 10, 2020 will become effective February 1, 2020.

Note: The Plan will not pay benefits for medical, prescription drug or vision care received for any member or dependent that is rendered prior to the effective date of enrollment and/or receipt of the required dependent co-payment.

IF YOU DO NOT WISH TO MAKE ANY CHANGES IN YOUR MEDICAL COVERAGE, YOU DO NOT NEED TO DO ANYTHING AT THIS TIME.

If you have any questions concerning the information discussed herein or any other Trust matter, please contact the Administrative Office at (562) 463-5065 or (800) 386-4350.

Yours very truly,

ADMINISTRATIVE OFFICE

Enclosure(s)