



INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 4
Health and Welfare Fund

This Summary of Material Modification (“SMM”) describes changes to the IUOE Local 4 Health and Welfare Plan (the “Plan”) and supplements the Summary Plan Description (“SPD”) published January 1, 2015. (These changes will be incorporated in a new Summary Plan Description that will be published on or around January 1, 2021 and distributed to all Plan participants.) You should read this SMM very carefully and retain this document with your copy of the SPD for future reference.

Local 4 is an organization dedicated to the notion of building a strong foundation for future generations of operating engineers. That same philosophy applies to the decisions made by your Health and Welfare Plan Board of Trustees. The Trustees strive to build the best possible plan of benefits for the Plan’s current participants, while remaining mindful that the decisions they make today will inevitably affect the participants of tomorrow. By making incremental changes to the Plan today, in response to ever-increasing medical and pharmaceutical costs, the Plan may be able to avoid having to make more severe changes tomorrow.

Just like a crane operator on a busy Boston street, the Trustees know that every little move is important, that they must have foresight, and that they must be able to pivot in order to address unforeseen and challenging circumstances. Rotating by only a few degrees can make a big difference in the result.

To that end, the Trustees have made a series of changes to your Plan, all of which will commence on **January 1, 2021**.

- Out-of-network services will be eliminated, other than for emergency care. By joining the Blue Cross Blue Shield EPO Advantage Blue Network, the Plan largely remains the same – you do not need to select a primary care physician, you do not need referrals to see a specialist, and you retain the national coverage of the Blue Cross Blue Shield PPO network. However, going forward, you will only receive coverage if you see a provider within the extensive PPO network, which is already the case for over 99% of all Local 4 claims. (If you are currently seeing a provider outside of the PPO network, Blue Cross Blue Shield will contact you and help you transition to an in-network provider.)
- The deductible – meaning the amount of money you need to pay out of pocket each year before the Plan benefits begin – will increase from \$200 for an individual to \$250, and from \$400 for a family to \$500.

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- Co-pays for office visits, outpatient therapy, and chiropractor, acupuncture, and alternative medicine visits, as well as labs and X-rays via an independent lab or imaging facility, will increase from \$10 to \$15 per visit. However, preventive care, as well as visits to urgent care facilities and CVS MinuteClinics, will remain no cost to you.
- Co-pays for high cost imaging via an imaging facility (such as MRIs or CT scans) will increase to \$50 per service. Further, coinsurance for labs and X-rays via an outpatient hospital will increase to 10% after application of your deductible.
- As of January 1, 2021, the Massachusetts Paid Family and Medical Leave Act will begin providing up to 20 weeks of paid leave for residents of the Commonwealth with a serious health condition, at up to \$850 per week. For more information about the PFLMA, please visit <https://www.mass.gov/orgs/department-of-family-and-medical-leave>. As such, the Trustees have decided to reduce the Loss of Time benefit available under the Plan. Eligible participants must first exhaust any state medical benefits that are available to them, such as the 20 weeks of paid medical leave under the PFLMA. If participants remain disabled after 20 weeks has ended, they may be entitled to up to an additional six weeks of Loss of Time from the Plan, at the customary \$500 per week. Residents of a state that does not have paid medical leave, or who are not eligible for state leave benefits, may apply for Loss of Time through the Plan per usual.

As they look to the future welfare of the Plan, the Trustees also recognize that some participants and their family members may need a little extra help today. The Trustees are mindful that while rising medical and pharmaceutical costs affect us all, they affect some of us more severely than others. One unforeseen trip to the hospital, one surgery, or one disease necessitating expensive specialty medications can push a family into dire financial circumstances.

As a result, the Trustees have made the following improvements to the Plan, all of which will commence on **January 1, 2021**.

- The Trustees have reduced the annual out-of-pocket maximum for medical and pharmaceutical costs (combined) from \$7,350 to \$5,000 for individuals, and from \$14,700 to \$10,000 for families. After these maximums are reached, the Plan will pay 100% of your eligible costs for the remainder of the calendar year.
- As of January 1, 2019, to combat the rising cost of specialty drugs, the Plan had increased the copay for those drugs to \$200 for a 30-day supply. However, the Trustees are pleased to announce that they have entered a new partnership with PrudentRx, a program that will reduce the copay to \$0 for certain specialty drugs. (Most specialty drugs are covered by this program, except for HIV and transplant medications, which will retain a \$200 copay.) If you are currently taking specialty medications covered under the program, PrudentRx will contact you before the end of this year to assist you with enrolling in the program to eliminate your out-of-pocket expense for the medications. However, if you choose not to sign up for the PrudentRx service, you will pay 30% coinsurance for your specialty medications covered by this service.

- Local 4 operators experience a high degree of musculoskeletal injuries by the very nature of their strenuous work. If surgery proves necessary, the Trustees want to ensure that you are getting the best care possible, with the lowest possibility of complications that will cost you unnecessary suffering, time, and money. That is why the Plan has joined the Blue Cross Blue Shield *Blue Distinction Specialty Care Program* for spine surgery and knee and hip replacement, as well as for bariatric surgery. This Program will recommend to you an appropriate center of excellence for the type of surgery you require – where the value is greatest, and the readmission and complication rates are lowest. And if you elect to go to one of these centers of excellence, the Plan will waive your hospitalization coinsurance.

The Trustees wish you the very best of health in 2021 and encourage you to reach out to the Funds Office with any questions about these Plan changes, at 508-533-1400, x307.

Sincerely,

Your Board of Trustees

William D. McLaughlin, Chairman

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