

CARPENTERS HEALTH AND WELFARE TRUST FUND FOR CALIFORNIA

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December 2, 2013

To: Participants Enrolled in the Indemnity Medical Plan

**From: BOARD OF TRUSTEES
Carpenters Health and Welfare Trust Fund for California**

**Re: Important Information about the Anthem Blue Cross Prudent Buyer Hospital Network –
Contract Negotiations with Sutter Health System**

Anthem Blue Cross has notified the Fund Office that its Preferred Provider agreement with the Sutter Health System may be in jeopardy. Although Anthem Blue Cross and the Sutter Health System continue to engage in discussions, if both parties do not reach a mutual agreement, all Sutter Health System providers **will terminate with Anthem's Preferred Provider Organization (PPO) network effective January 1, 2014.**

In 2013, Sutter billed Carpenter members and dependents more than \$43,000,000. Because of Anthem's contract those charges were reduced by over \$9 million to approximately \$34,000,000 in allowable charges by Sutter Hospitals and Physicians. Even with the contract reduction, if those services had been received at other network providers, costs would have been much lower at \$29,000,000. It seems that using Sutter services wasted \$5,000,000 just last year.

Now, on top of being much more expensive than other network providers, Sutter has demanded that the overcharges not only be continued, but that they be allowed to charge even more and in so doing continue to waste millions more of your Carpenter benefit dollars each year. This waste is difficult to accept when other high quality equivalent treatments are available nearby.

All treatments received at Sutter facilities, or from Sutter doctors on and after January 1, 2014 will be paid at the **non-network** benefit level if negotiations are unsuccessful and **you could be responsible for any dollar amounts in excess of the "Allowed Charge" in addition to the non-network deductible and coinsurance with no out of pocket limitations.**

If you are scheduled for treatment at a Sutter Health System hospital or medical group, you should consider an alternative facility and/or doctor for treatment after December 31, 2013. Financial hardship on you and your family will be greatly reduced if your medical services are received from an in-network PPO provider of service. Please discuss this situation with your doctor and reschedule planned procedures with network providers and hospitals.

If you have any questions, you may send an e-mail to benefitservices@carpenterfunds.com or call the Fund Office Benefit Services Department at (510) 633-0333 or toll free at (888) 547-2054.

The chart below offers alternative facilities who continue to participate in the Anthem Preferred Provider network.

Terminated Hospitals	Alternative Hospitals
Alta Bates Summit Medical Center (Herrick and	<ul style="list-style-type: none">• Children's Hospital Oakland, 747 52nd St., Oakland, CA 94609• Alameda Hospital, 2070 Clinton Ave., Alameda, CA 94501• Doctors Medical Ctr-San Pablo/Pinole, 2000 Vale Rd., San Pablo, CA 94806• Chinese Hospital, 845 Jackson St., San Francisco, CA 94133

Summit Campus')	<ul style="list-style-type: none"> • St. Francis Memorial Hospital, 900 Hyde St., San Francisco, CA 94109 • John Muir Medical Ctr-Walnut Creek, 1601 Ygnacio Vly Rd., Walnut Creek, CA 94598 • St. Mary's Medical Center, 450 Stanyan St., San Francisco, CA 94117 • UCSF Children's Hospital, 505 Parnassus Ave., San Francisco, CA 94143 • UCSF Medical Center, 505 Parnassus Ave., San Francisco, CA 94143 • John Muir Medical Center-Concord, 2540 East St., Concord, CA 94520 • Seton Medical Center, 1900 Sullivan Ave., Daly City, CA 94015 • Kentfield Rehabilitation and Specialty Hospital, 1125 Sir Francis Drake Blvd., Kentfield, CA 94904 • St. Rose Hospital, 27200 Calaroga Ave., Hayward, CA 94545
California Pacific Medical Center (California, Pacific, St Lukes and Davies Campus')	<ul style="list-style-type: none"> • St. Mary's Medical Center, 450 Stanyan St., San Francisco, CA 94117 • UCSF Children's Hospital, 505 Parnassus Ave., San Francisco, CA 94143 • UCSF Medical Center, 505 Parnassus Ave., San Francisco, CA 94143 • St. Francis Memorial Hospital, 900 Hyde St., San Francisco, CA 94109 • Chinese Hospital, 845 Jackson St., San Francisco, CA 94133 • Seton Medical Center, 1900 Sullivan Ave., Daly City, CA 94015 • Children's Hospital Oakland, 747 52nd St., Oakland, CA 94609 • Kentfield Rehabilitation and Specialty Hospital, 1125 Sir Francis Drake Blvd., Kentfield, CA 94904 • Alameda Hospital, 2070 Clinton Ave., Alameda, CA 94501 • Doctors Medical Center-San Pablo/Pinole, 2000 Vale Rd., San Pablo, CA 94806 • San Mateo County General Hospital, 222 W 39th Ave., San Mateo, CA 94403
Eden Hospital Medical Center	<ul style="list-style-type: none"> • St. Rose Hospital, 27200 Calaroga Ave., Hayward, CA 94545 • San Ramon Regional Medical Center, 6001 Norris Canyon Rd., San Ramon, CA 94583 • Alameda Hospital, 2070 Clinton Ave., Alameda, CA 94501 • Washington Hospital, 2000 Mowry Ave., Fremont, CA 94538 • Valley Memorial Hospital, 1111 E Stanley Blvd., Livermore, CA 94550 • Children's Hospital Oakland, 747 52nd St., Oakland, CA 94609 • Valleycare Medical Center, 5555 W Las Positas Blvd, Pleasanton, CA 94588
Memorial Hospital Medical Center – Modesto	<ul style="list-style-type: none"> • Stanislaus Surgical Hospital LLC, 1421 Oakdale Rd., Modesto, CA 95355 • Doctors Medical Center of Modesto, 1441 Florida Ave., Modesto, CA 95350 • Oak Valley District Hospital, 350 S Oak Ave., Oakdale, CA 95361
Memorial Hospital of Los Banos	<ul style="list-style-type: none"> • Mercy Medical Center Merced, 2740 M Street, Merced, CA 95340
Menlo Park Surgical Hospital	<ul style="list-style-type: none"> • Lucile Salter Packard Children's Hosp-Stanford, 725 Welch Rd., Palo Alto, CA 94304 • Stanford University Hospital, 300 Pasteur Dr., Palo Alto, CA 94305 • Sequoia Health Services, 170 Alameda De Las Pulgas, Redwood City, CA 94062 • El Camino Hospital, 2500 Grant Rd., Mountain View, CA 94040 • San Mateo County General Hospital, 222 W 39th Ave., San Mateo, CA 94403 • Washington Hospital, 2000 Mowry Ave., Fremont, CA 94538 • St. Rose Hospital, 27200 Calaroga Ave., Hayward, CA 94545 • O'Connor Hospital, 2105 Forest Ave., San Jose, CA 95128 • Santa Clara Valley Medical Center, 751 S Bascom Ave., San Jose, CA 95128 • Regional Medical Ctr of San Jose, 225 N Jackson Ave., San Jose, CA 95116 • Good Samaritan Hospital, 2425 Samaritan Dr., San Jose, CA 95124
Mills Hospital	<ul style="list-style-type: none"> • San Mateo County General Hospital, 222 W 39th Ave., San Mateo, CA 94403 • Sequoia Health Services, 170 Alameda De Las Pulgas, Redwood City, CA 94062 • Lucile Salter Packard Children's Hosp-Stanford, 725 Welch Rd., Palo Alto, CA 94304 • Seton Medical Center, 1900 Sullivan Ave., Daly City, CA 94015 • St. Rose Hospital, 27200 Calaroga Ave., Hayward, CA 94545

	<ul style="list-style-type: none"> • Stanford University Hospital, 300 Pasteur Dr., Palo Alto, CA 94305 • St. Francis Memorial Hospital, 900 Hyde St., San Francisco, CA 94109
Novato Community Hospital	<ul style="list-style-type: none"> • Petaluma Valley Hospital, 400 N McDowell Blvd., Petaluma, CA 94954 • Kentfield Rehabilitation and Specialty Hospital, 1125 Sir Francis Drake Blvd., Kentfield, CA 94904 • Marin General Hospital, 250 Bon Air Rd., Greenbrae, CA 94904 • Sonoma Valley Hospital, 347 Andrieux St., Sonoma, CA 95476
Peninsula Hospital & Medical Center	<ul style="list-style-type: none"> • San Mateo County General Hospital, 222 W 39th Ave., San Mateo, CA 94403 • Seton Medical Center, 1900 Sullivan Ave., Daly City, CA 94015 • Sequoia Health Services, 170 Alameda De Las Pulgas, Redwood City, CA 94062 • UCSF Children's Hospital, 505 Parnassus Ave., San Francisco, CA 94143 • UCSF Medical Center, 505 Parnassus Ave., San Francisco, CA 94143 • St. Francis Memorial Hospital, 900 Hyde St., San Francisco, CA 94109 • Chinese Hospital, 845 Jackson St., San Francisco, CA 94133 • Lucile Salter Packard Children's Hosp-Stanford, 725 Welch Rd., Palo Alto, CA 94304 • St. Marys Medical Center, 450 Stanyan St., San Francisco, CA 94117 • St. Rose Hospital, 27200 Calaroga Ave., Hayward, CA 94545 • Stanford University Hospital, 300 Pasteur Dr., Palo Alto, CA 94305
Sutter Surgical Hospital-North Valley	<ul style="list-style-type: none"> • Rideout Memorial Hospital, 726 4th St., Marysville, CA 95901
Sutter Amador Hospital	<ul style="list-style-type: none"> • Mark Twain St. Joseph's Hospital, 768 Mountain Ranch Rd., San Andreas, CA 95249
Sutter Auburn Faith Hospital	<ul style="list-style-type: none"> • Sierra Nevada Memorial Hospital, 155 Glasson Way, Grass Valley, CA 95945
Sutter Coast Hospital	<ul style="list-style-type: none"> • Mad River Community Hospital, 3800 Janes Rd., Arcata, CA 95521
Sutter Davis Hospital	<ul style="list-style-type: none"> • Woodland Memorial Hospital, 1325 Cottonwood St., Woodland, CA 95695 • Vaca Valley Hospital, 1000 Nut Tree Rd., Vacaville, CA 95687 • UC Davis Medical Center, 2315 Stockton Blvd., Sacramento, CA 95817 • Mercy General Hospital, 4001 J St., Sacramento, CA 95819
Sutter Delta Medical Center	<ul style="list-style-type: none"> • John Muir Medical Center-Concord, 2540 East St., Concord, CA 94520 • John Muir Medical Ctr-Walnut Creek, 1601 Ygnacio Vly Rd., Walnut Creek, CA 94598
Sutter General Hospital	<ul style="list-style-type: none"> • Mercy General Hospital, 4001 J St., Sacramento, CA 95819 • UC Davis Medical Center, 2315 Stockton Blvd., Sacramento, CA 95817 • Methodist Hospital of Sacramento, 7500 Hospital Dr., Sacramento, CA 95823 • Mercy San Juan Hospital, 6501 Coyle Ave., Carmichael, CA 95608 • Woodland Memorial Hospital, 1325 Cottonwood St., Woodland, CA 95695
Sutter Lakeside Hospital	<ul style="list-style-type: none"> • St. Helena Hospital Clear Lake, 15630 18th Ave., Clearlake, CA 95422
Sutter Maternity & Surgery Center	<ul style="list-style-type: none"> • Dominican Santa Cruz Hospital, 1555 Soquel Dr., Santa Cruz, CA 95065 • Watsonville Community Hospital, 75 Neilson St., Watsonville, CA 95076
Sutter Medical Center of Santa Rosa	<ul style="list-style-type: none"> • Santa Rosa Memorial Hospital, 1165 Montgomery Dr., Santa Rosa, CA 95405 • Palm Drive Hospital, 501 Petaluma Ave., Sebastopol, CA 95472 • Healdsburg District Hospital, 1375 University St., Healdsburg, CA 95448 • Petaluma Valley Hospital, 400 N McDowell Blvd., Petaluma, CA 95954

Sutter Memorial Hospital	<ul style="list-style-type: none"> • Mercy General Hospital, 4001 J St., Sacramento, CA 95819 • UC Davis Medical Center, 2315 Stockton Blvd., Sacramento, CA 95817 • Methodist Hospital of Sacramento, 7500 Hospital Dr., Sacramento, CA 95823 • Mercy San Juan Hospital, 6501 Coyle Ave., Carmichael, CA 95608
Sutter Roseville Medical Center	<ul style="list-style-type: none"> • Mercy San Juan Hospital, 6501 Coyle Ave., Carmichael, CA 95608 • Mercy Hospital of Folsom, 1650 Creekside Dr., Folsom, CA 95630 • Mercy General Hospital, 4001 J St., Sacramento, CA 95819 • UC Davis Medical Center, 2315 Stockton Blvd., Sacramento, CA 95817
Sutter Solano Medical Center	<ul style="list-style-type: none"> • Northbay Medical Center, 1200 B Gale Wilson Blvd., Fairfield, CA 94533 • Doctors Medical Center-San Pablo/Pinole, 2000 Vale Rd., San Pablo, CA 94806 • Queen of the Valley Medical Center, 1000 Trancas St., Napa, CA 94558 • John Muir Medical Center-Concord, 2540 East St., Concord, CA 94520
Sutter Tracy Community Hospital	<ul style="list-style-type: none"> • Doctors Hospital of Manteca Inc., 1205 E North St., Manteca, CA 95336 • Dameron Hospital, 525 W Acacia St., Stockton, CA 95203 • Valleycare Medical Center, 5555 W Las Positas Blvd., Pleasanton, CA 94588 • St. Joseph's Medical Center, 1800 N California St., Stockton, CA 95204

Grandfathered Health Plan: The Board of Trustees of the Carpenters Health and Welfare Trust Fund for California 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 preventative 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 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 or the Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This Web site has a table summarizing which protections do and do not apply to grandfathered health plans.