



December 26, 2014

TO: All Retired Participants and their Dependents

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

RE: BENEFIT CHANGES

- **Sole Pharmacy to Dispense Certain Medications and/or Sole Medical Provider or Facility to Receive Certain Medical Services**

The Board of Trustees of the Carpenters Health and Welfare Trust Fund for California modified the Plan Rules and Regulations for Retirees as follows:

To protect your benefit dollars, the Trustees continue to implement a variety of fraud, waste, and abuse procedures and practices. Evidence shows that in this country hundreds of billions of medical dollars are wasted each year through fraud and waste, and that much can be done to avoid falling victim to the abuse. To help avoid payment for inappropriate services and/or prescription drugs, the Trustees have hired professionals to look for abuse, and have modified the Plan to help manage the risk. If a case of provider or patient abuse is identified, a patient may be limited to a single medical or prescription provider. In such cases, when through the investigation or appeals process the matter is resolved, such limitations may be lifted.

➤ **EFFECTIVE JUNE 1, 2014:**

Sole pharmacy to dispense certain medications and/or sole medical provider or facility to receive certain medical services: The Fund may require you to fill certain prescription drugs at a specific pharmacy or to receive medical services from a single medical provider and/or medical facility. You will be notified in writing if you need to fill a prescription at a specific pharmacy or if you are required to use a specific provider or medical facility. After you have been notified, if you choose to continue to get the medication from any pharmacy other than the one that has been specified, or to receive medical services from a provider other than the one that has been specified, no benefits will be available for the unspecified pharmacy or medical provider.

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 plan, 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 website has a table summarizing which protections do and do not apply to grandfathered health plans.

Please keep this notice with your benefit booklet. If you have any questions, please contact Benefit Services at the Fund Office at (510) 633-0333 or toll free at (888) 547-2054. You may also send an email to benefitservices@carpenterfunds.com. Forms and information can be found on our website at www.carpenterfunds.com.

The Board of Trustees maintains the right to change or discontinue the types and amounts of benefits under this Plan. This notice is intended as a summary only, and actual Plan documents will be used to interpret the Plan. Only the full Board of Trustees is authorized to interpret the Plan. The Board has discretion to decide all questions about the Plan, including questions about your eligibility for benefits and the amount of any benefits payable to you. No individual Trustee, Employer or Union Representative has authority to interpret this Plan on behalf of the Board or to act as an agent of the Board.

In accordance with ERISA reporting requirements this document serves as your Summary of Material Modifications to the Plan.