



SOUTHERN CALIFORNIA PIPE TRADES PENSIONERS & SURVIVING SPOUSES HEALTH FUND

SUPPLEMENT No. 10

To: All Participants
From: Board of Trustees
Date: May 2021
Re: Out-Of-Pocket Maximum

KEEP THIS NOTICE WITH THE SUMMARY PLAN DESCRIPTION

Effective January 1, 2020, the Board of Trustees has amended the Plan to improve the benefits by including an annual Out-of-Pocket Maximum that places a cap on the amount you have to pay in Deductibles and Coinsurance in a Calendar Year.

This change applies to in-network and out-of-network charges and amends the 2019 Summary Plan Description as follows:

SECTION **7. PLAN BASICS**

B) Out-of-Pocket Maximum

You and/or your Eligible Dependent(s) are responsible for Out-of-Pocket costs under the Plan, such as your Calendar Year Deductible and Coinsurance for Covered Services, up to an Out-of-Pocket Maximum.

The Out-of-Pocket Maximum will change annually based on the out-of-pocket limits determined by the Department of Health and Human Services for the purposes of the Affordable Care Act.

The Out-of-Pocket Maximum does not apply to amounts that are over the Allowable Charge.

Examples:

1. You have surgery on July 1st, 2021, in an *in-network* Hospital, the billed amount is \$5,000, the Blue Shield of California PPO Network Rate is \$4,000, and you are responsible for the 15% Coinsurance amount of \$600.
 - The \$600 Coinsurance that you have to pay applies toward your individual, and family, in-network Out-of-Pocket Maximum for 2021.

2. You have surgery on November 4th, 2021, in an **out-of-network** surgery center, the billed amount is \$5,000, the Allowable Charge is \$1,350, and you are responsible for the 20% Coinsurance amount of \$270 plus the amount over the Allowable Charge of \$3,650 (\$5,000 - \$1,350).
 - The \$270 Coinsurance that you have to pay applies toward your individual, and family, out-of-network Out-of-Pocket Maximum for 2021.
 - The \$3,650 does not apply toward your Out-of-Pocket Maximum.

3. You purchase a hearing aid from an **in-network** Durable Medical Equipment supplier on December 28th, 2021, the billed amount is \$1,700, the Blue Shield of California PPO Network Rate is \$1,500, the Allowable Charge is \$800, and there is a \$50 Deductible. Because the Allowable Charge is less than the Blue Shield of California PPO Network Rate you are responsible for the remaining \$700 (\$1,500 - \$800) under the contract and the Deductible.
 - The \$50 Deductible that you have to pay applies toward your individual, and family, in-network Out-of-Pocket Maximum for 2021.
 - Because the Fund Allowable Charge is \$800 per hearing aid, the \$700 does not apply toward your Out-of-Pocket Maximum.

SECTION

19. DEFINITIONS

Out-of-Pocket Maximum

The most you have to pay for Covered Services in a Calendar Year. After you spend this amount on your Deductibles, as well as Prescription Drug and medical Coinsurance for Covered Services, the Plan pays 100% of the costs for Covered Benefits. This does not include amounts that are above the Allowable Charge.