



# **SOUTHERN CALIFORNIA PIPE TRADES HEALTH & WELFARE FUND**

(Active Plan)

## **SUPPLEMENT No. 16**

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 a surgery on July 1<sup>st</sup>, 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 5% Coinsurance amount of \$200.
  - The \$200 Coinsurance that you have to pay applies toward your individual, and family, in-network Out-of-Pocket Maximum for 2021.

2. You have a surgery on November 4<sup>th</sup>, 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 10% Coinsurance amount of \$135 plus the amount over the Allowable Charge of \$3,650 (\$5,000 - \$1,350).
  - The \$135 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 28<sup>th</sup>, 2021, the billed amount is \$1,700, the Blue Shield of California PPO Network Rate is \$1,500, the Allowable Charge is \$1,000, 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 \$500 (\$1,500 - \$1,000) 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 \$1,000 per hearing aid, the \$500 does not apply toward your Out-of-Pocket Maximum.

## **SECTION**

# **24. 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.

This Southern California Pipe Trades Health & Welfare Fund believes this Active 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 the Active 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 preventive 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 Fund Office at (800) 595-7473. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or <https://www.healthcare.gov/health-care-law-protections/grandfathered-plans/>. This website has a table summarizing which protections do and do not apply to grandfathered health plans.