



FOX VALLEY & VICINITY LABORERS

HEALTH AND WELFARE AND PENSION FUNDS

DATE: December 1, 2016

TO: Eligible Participants, Retirees, and Beneficiaries

FROM: Board of Trustees

SUBJECT: Fox Valley Laborers Health and Welfare Plan
Summary of Material Modifications

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This letter is a Summary of Material Modifications to the Plan. Please read this letter carefully and keep it with your copy of the Summary Plan Description booklet. The letter contains information on clarification of existing plan provisions and new programs provided by your Health and Welfare Plan.

Physical/Occupational Therapy Benefits: The following is provided as clarification of the existing Plan provisions. The Plan provides for treatment of a physical disability for which there is a reasonable expectation of significant improvement in the status of that disability. Services are covered if provided by a registered physical therapist or registered or state licensed occupational therapist for short-term therapy. Physical/Occupational Therapy services must be ordered by a Physician under an individual treatment plan and must be certified by the Physician as necessary for the improvement of the patient's condition through "short-term" care. The term "short-term" for purposes of Physical/Occupational Therapy benefits is defined as a continuous course of treatment of "up to 26 weeks" for a specific condition/diagnosis. The "up to 26 weeks" period begins on the first day of therapy. Treatment is considered continuous if there is no gap in the course of treatment from the first day of therapy. A gap of greater than four weeks in duration is considered to be a break in treatment and ends the coverage of therapy for that specific condition/diagnosis.

In the event of an accidental injury resulting in hospitalization, a participant may request an extension of "short term" therapy benefits. Requests for an extension of the 26 week period must be recommended by a Physician and reviewed by Case Management. An extension of benefits will be considered only after a medical review to determine medical necessity, reasonable expectation of significant improvement, and non-experimental treatment status according to accepted standards of medical practices through established medical review mechanism. Extension of benefits will be approved in four week increments with an overall maximum benefit of no more than 52 weeks.

Physical/Occupational Therapy benefits will be covered for treatment of a Dependent with a congenital disability without regard to the reasonable expectation of significant improvement of the disability or the “short-term” care of up to 26 weeks limitation.

Prescription Drug Benefits: CVS/Caremark continually review medicines and products for the Plan. This helps the Plan make sure the medicines that work well and are cost effective become part of the drug benefit plan. As part of this effort, there are changes that could affect your current medicine choices. Effective January 1, 2017 CVS/Caremark will be removing certain drugs from the network formulary list. Attached is the 2017 Standard Formulary List of Removals and Updates. The Plan does not cover drugs that are not on the contract pharmacy network formulary list. If you are currently taking any of these drugs, you will be contacted by CVS/Caremark with available drug options that are covered by the Plan. If you choose to continue to use a drug that is not on the network formulary list, you will pay the full price for the drug. If your physician believes there are special circumstances with regard to the drug being removed, your physician can contact CVS/Caremark.

Statement of Grandfathered Plan Status: The Fox Valley Laborers Health and Welfare Fund believes this plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (PPACA). As permitted by PPACA, a grandfathered health plan can preserve certain basic health coverage that was already in effect when the law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of PPACA 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 PPACA, 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 at 1-847-742-0900. You may also contact the Employee Benefits Security Administration, U.S. 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.

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The address of the Plan and the Administrative office is as follows:

Fox Valley Laborers Health and Welfare Fund
2371 Bowes Road, Suite 500
Elgin, IL 60123-5523

If you have any questions regarding these changes, please contact the Fund Office at 847-742-0900.

SUMMARY OF MATERIAL MODIFICATIONS – DECEMBER 2016 – EIN: 36-6219639 – PLAN NO.501 This announcement contains highlights of certain features of the Fox Valley Laborers Health and Welfare Plan. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the language contained in this announcement and the documents that establish the Plan, the document language will govern and control. The Trustees reserve the right to amend, modify or terminate the Plan at any time. Receipt of this announcement does not guarantee eligibility.