

SOUTHERN CALIFORNIA PIPE TRADES HEALTH & WELFARE FUND

(Active Plan)

SUPPLEMENT No. 11

To: All Participants

From: Board of Trustees

Date: August 2014

Re: Mental Health Benefit Improvements

KEEP THIS NOTICE WITH THE SUMMARY PLAN DESCRIPTION

Recently, the Departments of Treasury, Labor and Health and Human Services issued final rules on the Mental Health Parity and Addiction Equity Act of 2008 (“MHPAEA”). The rules clarify permissible mental health benefit delivery and coverage for employee health and welfare plans. Because the Health & Welfare Fund (Active Plan) is a “grandfathered” health and welfare plan, certain benefits have been added or expanded.

Below is a summary of Health & Welfare Fund (Active Plan) additional mental health benefits effective July 1, 2014:

- Mental and Nervous Disorder care provided at a Residential Treatment Center is covered in certain cases.
- Medical and Mental and Nervous Disorder care provided at an Adult Day Health Care Center is covered for adults, subject to limitations.
- Partial Hospitalization is covered for Mental and Nervous Disorder treatment.
- Referrals for hospitalization may be made by either a Physician or a Psychiatrist.

New definitions are added:

Residential Treatment Center: (1) a facility that provides 24-hour care to children under 18 in a structured environment under a court order; or (2) a residential home for adults ages 18 through 59 with mental health care needs or who have physical or developmental disabilities and require assistance with care and supervision, when prescribed by a Physician or Psychiatrist; or (3) a residential home that provides 24-hour services for up to five adults with developmental disabilities who have special health care and intensive support needs and who would otherwise need to reside in an institution as certified by a Physician or Psychiatrist. NOTE: Facilities that treat substance abuse or chemical dependency are not included in this definition.

Adult Day Health Care Center (ADHC) Program: a licensed community-based day health program that provides services to older persons and adults with chronic medical, cognitive, or mental health conditions and/or disabilities that are at risk of needing institutional care. A

Community-Based Adult Services (CBAS) program is a similar and related program. Licensed ADHC/CBAS centers provide professional nursing services; physical, occupational and speech therapies; mental health services; therapeutic activities; social services; personal care; hot meals and nutritional counseling; and transportation to and from the participant's residence. Both ADHC and CBAS centers require the certification of a Physician or Psychiatrist.

Partial Hospitalization (for Mental and Nervous Disorders): a structured program of outpatient active psychiatric treatment. Sometimes this type of treatment is described as "Intensive Outpatient Therapy". This type of treatment is provided during the day and doesn't require an overnight stay. Services must be provided through a hospital outpatient department or a community mental health center. Your doctor must certify that you would otherwise require inpatient treatment.

New Plan coverage for these benefits:

Residential Treatment Facility: If a Participant or Eligible Dependent is confined in a Residential Treatment Facility for the treatment of an Illness, Injury or Mental and Nervous Disorder, the Plan will pay 95% of the Blue Shield contract rate to Blue Shield contracted providers and 90% of the Allowable Charge to all other providers. Placement in a Residential Treatment Facility requires either a (1) court order or (2) certification by a Physician or Psychiatrist. Treatment for chemical dependency or substance abuse is not covered under this benefit. Custodial care is not covered under this benefit.

Adult Day Health Care Center (ADHC) Program and Community-Based Adult Services (CBAS) Program: If a Participant or Eligible Dependent attends a ADHC or CBAS program as defined in the Summary Plan Description, the Plan will pay a maximum of \$27 per day. Placement in a ADHC or CBAS facility requires certification by a Physician or Psychiatrist. Treatment for chemical dependency or substance abuse is not covered under this benefit. Custodial care, transportation to and from the facility and meals are not covered under this benefit.

Partial Hospitalization (for Mental and Nervous Disorders): When a Participant or Eligible Dependent is referred by his or her Physician or Psychiatrist for Partial Hospitalization for Mental or Nervous Disorder, the Plan will pay 95% of the Blue Shield contract rate to Blue Shield contracted providers and 95% of the Allowable Charge to all other providers. Treatment for chemical dependency or substance abuse is not covered under this benefit. Custodial care and meals are not covered under this benefit.

Changes to Summary Plan Description Sections:

Section 3, Summary of Active Plan Benefits page 42, (Hospital Benefits, Inpatient Psychiatric):

TYPE OF SERVICE		BLUE SHIELD OF CALIFORNIA (BSC) CONTRACTING PROVIDER Plan Pays:	NON-BLUE SHIELD OF CALIFORNIA CONTRACTING PROVIDER Any charges that exceed the Allowable Charge are Out-of-Pocket expenses to the Patient. Plan Pays:
HOSPITAL	Hospital Inpatient	95% of the BSC Contract Rate for Medically Necessary room and board, services and supplies.	90% of the Allowable Charge for Medically Necessary room and board, services and supplies up to \$1,215 per day.
	Inpatient Psychiatric (treatment for substance abuse is not covered)	95% of the BSC Contract Rate for Medically Necessary room and board, services and supplies.	90% of the Allowable Charge for Medically Necessary room and board, services and supplies up to \$1,215 per day.
	Hospital Outpatient	95% of the BSC Contract Rate.	90% of the Allowable Charge.

Section 3, Summary of Active Plan Benefits page 44, (Psychiatric):

TYPE OF SERVICE		BLUE SHIELD OF CALIFORNIA (BSC) CONTRACTING PROVIDER Plan Pays:	NON-BLUE SHIELD OF CALIFORNIA CONTRACTING PROVIDER Any charges that exceed the Allowable Charge are Out-of-Pocket expenses to the Patient. Plan Pays:
PSYCHIATRIC	OUTPATIENT PSYCHIATRIC (Services of a Psychiatrist, licensed Psychologist or doctor of psychology, Clinical Social Worker, Master Social Worker, or Marriage and Family Therapist who is practicing within the scope of his/her license in the state in which he/she practices)	100% of the BSC Contract Rate.	100% of the Allowable Charge.
	INPATIENT PSYCHIATRIC Services of a Physician, Psychiatrist, licensed Psychologist or doctor of psychology, Clinical Social Worker, Master Social Worker, or Marriage and Family Therapist who is practicing within the scope of his/her license in the state in which he/she practices) (Refer also to Hospital Benefits)	100% of the BSC Contract Rate.	100% of the Allowable Charge up to \$1,215 per day.

Section 11, Subsection A (Medical Benefits, Inpatient Hospital) page 65

The following paragraphs are amended and should appear under (A) Inpatient Hospital:

NOTE:

- (1) A fully itemized bill is required from the facility;
- (2) A bill listing an "all inclusive" daily rate will not be paid by the Fund;

Section 11, Subsection B (Medical Benefits, Outpatient Treatment for Mental and Nervous Disorders) page 65

This section is amended to read:

B) Outpatient Treatment for Mental and Nervous Disorders

When a Participant or Eligible Dependent uses the services of a Psychiatrist, Psychologist, Clinical Social Worker, Master Social Worker, or Marriage and Family Therapist who is practicing within the scope of his/her license in the state in which he/she practices, the Plan will pay either, but not both, of the following schedules:

- i) Blue Shield of California Contracting Providers - 100% of the Blue Shield of California Contract Rate.
- ii) Non-Blue Shield of California Contracting Providers - 100% of the Allowable Charge.

Children under 5 years of age require a referral by their attending Physician or Psychiatrist for psychiatric care and/or testing.

When a Participant or Eligible Dependent is referred by his or her Physician or Psychiatrist for Partial Hospitalization for Mental or Nervous Disorder, the Plan will pay 95% of the Blue Shield contract rate to Blue Shield contracted providers and 95% of the Allowable Charge to all other providers. Treatment for chemical dependency or substance abuse is not covered under this benefit. Custodial care and meals are not covered under this benefit.

Section 11, Subsection C (Medical Benefits, Outpatient Hospital) page 66

This section is amended with the following line added under the first paragraph:

- vi) Mental and Nervous Disorders

Section 11, Subsection D Medical Benefits, Physician Visits/Professional Services page 66:
Where the term “Physician” is used, the phrase “Physician or Psychiatrist” will be substituted.

Section 11, Subsection Q (Medical Benefits, Extended Care Facility/Convalescent or Skilled Nursing Facility) page 69:

The subsection is amended to read:

Q) Extended Care Facility/Convalescent Care Facility/Adult Day Health Care or Skilled Nursing Facility

“If a Participant or Eligible Dependent is confined in an Extended Care Facility, Convalescent Care Facility, Adult Day Health Care Center or Community-Based Adult Services center, the Plan will pay a maximum of \$27 per day.

If a Participant or Eligible Dependent is confined in a Skilled Nursing Facility or Residential Treatment facility, the Plan will pay 95% of the Blue Shield contract rate to Blue Shield providers or 90% of the Allowable Charge to non-Blue Shield providers.

Treatment for chemical dependency or substance abuse is not covered under these benefits. Custodial care, transportation to or from the facility and meals are not covered under these benefits.”

Section 11, Subsection R (Medical Benefits, Other Services and Supplies) page 69: Where the term “Physician” is used, the phrase “Physician or Psychiatrist” will be substituted.

The following Exclusions have been amended in Section 17 (Medical Expense Exclusions and Limitations) beginning on page 76:

Line 14: Amended to read “Care or treatment or Accident and Sickness benefits for drug addiction, and/or alcoholism.”

Line 30: Amended to read “Custodial Care as defined in this Summary Plan Description.”

Line 51: Amended to read “Goal-oriented behavior modification therapy for smoking cessation, alcohol or substance abuse or weight loss.”

A new Line 59 is added: “Transportation to or from: Residential Treatment Facilities, Partial Hospitalization for Mental and Nervous Disorders, Adult Day Health Care Center (ADHC) Programs, and Community-Based Adult Services (CBAS) Programs.”

The following Exclusions have been **removed** from Section 17 (Medical Expense Exclusions and Limitations) on page 78:

Line 43: “Care or treatment as a mentally abnormal or mentally disordered sex offender or deviate in any hospital or facility of any state or political subdivision.”

Line 55: “Mental health day care centers, ½ day confinements for mental and nervous conditions, residential facilities.”

This Southern California Pipe Trades Health & Welfare Fund 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 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 Trust Fund Office administrator at (800) 595-7473. 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.