Northwest Ironworkers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

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To: All Active, Retired and COBRA Eligible Participants and Their Dependents
Northwest Ironworkers Health and Security Fund – Alaska Shop Ironworkers

Effective July 1, 2011, the Northwest Ironworkers Health and Security Fund ("Trust") has made certain material modifications to the Plan to comply with the Patient Protection and Affordable Care Act (the "Affordable Care Act"). **This notice provides VERY IMPORTANT information to you and your Eligible Dependents**. Please take the time to read it carefully and keep it with your important paperwork. With the exception of the new definition of Eligible Dependent, these changes do not describe benefits under the Kaiser HMO option. If you are currently covered under the Kaiser HMO option, Kaiser will provide you with notice of any changes to the Kaiser HMO option due to the Affordable Care Act.

NOTICE OF STATUS AS A GRANDFATHERED PLAN

The Trustees of the Northwest Ironworkers Health and Security Fund believe the Plan is a "grandfathered health plan" under 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 Plan does 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, the Trust must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of Plan 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 lose its grandfathered status can be directed to the Administration Office at (206) 441-7226 or (866) 986-1515. 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.

COVERAGE OF ELIGIBLE CHILDREN TO AGE 26

The Affordable Care Act allows you to keep your children on your Plan until they reach age 26. Therefore, effective July 1, 2011, the Trust is extending the maximum limiting age for children from age 19 (or 24 if a full time student) up to the new limiting age of 26.

To be eligible for this coverage, your children must satisfy the Plan definition of an Eligible Dependent. The following new definition of Eligible Dependent is effective July 1, 2011. This definition replaces the definition of Eligible Dependent on page 11 of your 2009 Plan Booklet.

DEPENDENTS' ELIGIBILITY

Your Eligible Dependents include:

- The lawful spouse of an Employee or Retired Employee (even if legally separated). The spouse must be legally married to the Employee or Retired Employee as determined under federal law, and must be treated as a spouse under the Internal Revenue Code.
- A child of an Employee or Retired Employee. Children of an Employee or Retired Employee include the following:
    1) A natural child, stepchild, adopted child, child "placed for adoption" or "foster child" under the age of 26. The term, "placed for adoption," means the assumption and retention by the Employee or Retired Employee of a legal obligation for total or partial support of the child in anticipation of adoption. The term "foster child" means a foster child who is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.
    2) An unmarried child, other than those mentioned above, for whom the Employee or Retired Employee has legal custody or is the legal guardian pursuant to a judgment, decree, or other order of any court of competent jurisdiction, provided the child resides with and is a member of the household of the Employee or Retired Employee on a full-time basis and is dependent on the Employee or Retired Employee for support and maintenance.
    3) A child age 26 or older and unable to engage in any substantial gainful activity by reason of a mental or physical impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, provided the child was an Eligible Dependent and so handicapped at the time of reaching the limiting age, and remains dependent upon the Employee or Retired Employee for support and maintenance. Evidence of the child's dependency and incapacity must be filed with the Board within 31 days after attaining the limiting age, and periodically thereafter. The Plan, at its own expense, has the right to designate a Physician to examine the Eligible Dependent when and so often as the Plan may reasonably require.
- If your child is eligible for group health coverage through his or her employer or spouse's employer, your child is not eligible to enroll in this Plan. You are required to inform the Plan if your child is eligible for group health coverage through his or her employer or spouse's employer.

SPECIAL ENROLLMENT OPPORTUNITY FOR CHILDREN UP TO AGE 26

If you would like to enroll your children who are under age 26 in the Trust's Plan, you have a special enrollment right. This enrollment right applies to your Dependent children under age 26, who:

- Were denied coverage in the past because they were over the prior maximum limiting age (up to age 19 or up to age 24 if a full time student), or
- Were enrolled and lost coverage because they attained the prior maximum limiting age (up to age 19 or up to age 24 if a full time student), or
- Had previously lost or were denied coverage because they failed to meet the dependent eligibility requirements (not a full time student, were married, did not reside with the employee or did not meet the financial requirements of the Plan).

This special enrollment opportunity does not apply to your child who is eligible for group health coverage through his or her employer or spouse's employer. It also does not apply to your child's spouse or child's children.

The special enrollment period is the 30-day period from June 1, 2011 to June 30, 2011. A Dependent child enrolled during this period will have coverage commencing July 1, 2011, assuming you also have coverage on that date. If you do not enroll a dependent child during this 30-day period, claims for that child will not be paid until a completed enrollment form is returned to the Trust Administration Office. Retirees who do not enroll an eligible dependent child during this 30-day period will only be able to enroll the child in the future as allowed under the "Special Enrollment Provisions" section on pages 15-16 of the 2009 Plan booklet.

If you have a Dependent child who qualifies and you wish to enroll them in the plan, you must complete a new enrollment form and submit it to the Administration Office by June 30, 2011. You may obtain an enrollment form in one of the following ways:

1. Log onto the Trust's website – www.ironworkerstrust.com, click on forms, then click on medical forms, then download and print Enrollment/Beneficiary form.
2. By e-mail – please address your e-mail to form@wpas-inc.com, include your name, complete address, and 7-digit member identification number (located on the first line of address on the envelope), and include "NW Ironworkers" in the subject line of your e-mail. An enrollment form will be mailed to you the next business day.
3. By telephone – call (866) 986-1515, option 4.

ELIMINATION OF LIFETIME MAXIMUM AND ADDITION OF ANNUAL MAXIMUM

Effective July 1, 2011, the Trust's $2,000,000 lifetime limit on essential benefits under the Plan is eliminated. Individuals whose coverage ended by reason of reaching a lifetime limit under the Plan are eligible to enroll in the Plan if they would otherwise be eligible to enroll. The Administration Office will contact individuals who are eligible for this special enrollment right.

Also, effective July 1, 2011, the Trust is implementing a $2,000,000 annual dollar limit on essential medical benefits for the 2011, 2012 and 2013 plan years. If you incur claims for essential medical benefits in excess of $2,000,000 between July 1st and June 30th of each of these Plan years, coverage under the Plan will not be provided for the claims in excess of $2,000,000. Absent any intervening changes to the Affordable Care Act, the $2,000,000 dollar annual limit on essential benefits will be eliminated effective July 1, 2014.

Essential benefits are defined as: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance abuse services; (6) prescription drugs; (7) rehabilitative services and devices; (8) preventive services; and (9) pediatric services including oral and vision care.

IMPOTENCE MEDICATION DOSING CHANGE

The dosing requirements for the impotence medication, Cialis, have changed. The plan previously allowed 8 pills every 30 days or 24 pills every 90 days. Effective April 1, 2011 the plan will allow a quantity limit of 30 pills every 30 days or 90 pills every 90 days at a lower dosage. Note this change applies to the drug Cialis only.

REDUCTION IN OFFICE VISIT CO-PAY FOR SPECIALTY PROVIDERS

In order to maintain the Plan's grandfathered status under the Affordable Care Act, the Trust is reducing the Plan's co-pay for PPO Specialist office visits from $30 to $20. This change is effective July 1, 2011. This change does not change the Plan's current PPO co-pay for a Primary Care Physician office visit, which is also $20.

ELIMINATION OF ANNUAL AND LIFETIME DOLLAR LIMITS ON CERTAIN BENEFITS

Effective July 1, 2011, the Trust is removing the Plan's current annual and lifetime dollar limits on certain benefits. The dollar limits being removed are as follows:

- The $1,250 annual limit on medically necessary chiropractic benefits is being removed, but only in situations when the medically necessary chiropractic treatment is recommended in writing by a medical doctor. The combined annual limit of $1,250 shall continue to apply to Complementary and Alternative Medicine which includes naturopathic, acupuncturist, as well as chiropractic services that are not recommended by a medical doctor or that are not medically necessary.
- The $500 lifetime limit on diabetes educational expenses is being removed. The diabetes education benefit is limited to medically necessary services and must be provided by a physician recommended program.
- The $800 three-year limit on hearing evaluations is being removed. The $800 three-year maximum limit will continue to apply to hearing aids.
- The $380 biannual limit on physical exams for Active and Retired Employees is being removed.
- The $2,000 annual maximum on Class I and Class II dental charges for children under the age of 18 is being removed.

All Plan benefits, including those referenced above, remain subject to all applicable Plan provisions and exclusions, including the exclusion for treatment that is not Medically Necessary. Other Plan exclusions that may apply are set forth throughout the 2009 Plan booklet.

CHANGES TO MENTAL HEALTH AND CHEMICAL DEPENDENCY BENEFITS

In addition to the Affordable Care Act, Plan benefits are being revised pursuant to the Mental Health Parity and Addiction Equity Act of 2008 ("Mental Health Act"). Under the Mental Health Act, the Plan will treat mental health and chemical dependency benefits similar to the benefits provided for the majority of the Plan's medical and surgical services. The following changes to the Plan's mental health and chemical dependency benefits become effective July 1, 2011:

- The 25 visit per calendar year limit for mental health outpatient treatment is eliminated.
- The $500 separate deductible for inpatient chemical dependency treatment is eliminated.
- The coinsurance amounts for inpatient and outpatient chemical dependency treatments are 75% for a PPO provider and 50% for a non-PPO provider. These coinsurance amounts apply to all allowable courses of treatment.

- Preauthorization is no longer required for outpatient chemical dependency treatment. Preauthorization remains required for inpatient chemical dependency treatment in the same manner that preauthorization is required for other inpatient medical services.
- The annual and lifetime dollar limits on chemical dependency treatment are eliminated. These include the $5,000 course of treatment limit for adults, the $10,000 course of treatment limit for adolescents, the two inpatient course of treatment limit, and the $12,000 lifetime limit.
- The $500 lifetime limit and course of treatment limit for smoking cessation drugs are eliminated. Smoke cessation drugs require a prescription and are limited to medically necessary treatment.

The Plan's mental health and chemical dependency benefits remain subject to all other applicable Plan provisions and exclusions, including the exclusion for treatment that is not Medically Necessary. Other Plan exclusions that may apply are set forth throughout the 2009 Plan booklet.

NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

Please keep this important notice with your 2009 Summary Plan Description booklet for easy reference to all Plan provisions. Should you have any questions regarding this material, please contact the Administration Office at (206) 441-7226 or (866) 986-1515.

Sincerely,

Board of Trustees
Northwest Ironworkers Health and Security Fund

Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility, or if you have any questions regarding this Plan change, please contact the Administration Office.

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

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