



AUTOMOBILE MECHANICS' LOCAL 701 WELFARE FUND

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IMPORTANT BENEFIT PLAN CHANGES

The Trustees of the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund have made certain changes to the **Premier Plus**, **Premier**, **Classic Bargained** and **Pre-Medicare Retiree** plans as documented in the applicable combination Summary Plan Description and Plan Document ("SPD/Plan") that was previously provided to you. Each change is summarized below and is effective on the dates indicated below.

1. Under recent regulations from the Employee Benefits Security Administration of the Department of Labor (EBSA) and the Internal Revenue Service (IRS), these departments temporarily extended certain timeframes related to COBRA Continuation Coverage and claims periods due to the COVID-19 pandemic. This change is effective as of March 1, 2020 through the end of the "Outbreak Period", as described below.
2. The Plans were amended to replace the previous diagnostic imaging vendor, One Call Care Management, with Absolute Solutions, which will provide MRI, CT or PET scans at no cost if scheduled through Absolute Solutions. This change is effective as of July 20, 2020.
3. The Plans were amended to provide coverage for COVID-19 diagnosis and testing at 100% with no cost-sharing and coverage of COVID treatment in the same manner as any other illness. This change is effective as of March 18, 2020.
4. The Plans were temporarily amended to provide coverage for tele-visits and video visits, which were previously excluded from coverage. This change is effective as of March 20, 2020 and will remain in effect until December 31, 2020, unless extended further by the Plan Trustees.

SUMMARY OF MATERIAL MODIFICATIONS

This document, referred to as a “summary of material modifications,” is intended to supplement the SPD/Plan. **You should retain this summary of material modifications with your copy of the SPD/Plan.** If you have any questions, you may contact the Fund Office (708) 482-0110 ~ Toll Free (800) 704-6270.

1. Extensions of COBRA Continuation Coverage and Claims Periods During the COVID-19 Outbreak Period

Under recent regulations from EBSA and the IRS, the Plan cannot take into account the period of time known as the “Outbreak Period” when determining whether certain actions were timely.

The Outbreak Period runs from March 1, 2020 to the date that is 60 days after the announcement of the end of the National Emergency that was declared for the COVID-19 pandemic, or such other date announced by EBSA and the IRS. As of the printing of this SMM, we do not know when the Outbreak Period will end.

Effective March 1, 2020, the Outbreak Period will be disregarded for purposes of determining the following deadlines, if applicable:

- The time period for you to enroll your Dependents in the Plan after you have a life event, such as getting married or having a baby (i.e., 90 days after such life event) or after losing coverage under another group health plan (i.e., 63 days after such loss of coverage) or losing Medicaid or CHIP or eligibility for premium assistance under Medicaid or CHIP (i.e., 60 days after such loss of eligibility or coverage)
- The time period for you to notify the Plan of a qualifying event that would make you eligible for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA), such as a divorce, separation or a child ceasing to meet the Plan's eligibility requirements (60 days after the qualifying event)
- The 14-day time period for the Plan to send you a COBRA election notice once it learns of a qualifying event that you report or that your employer reports (such as a reduction in hours, layoff or termination for reasons other than gross misconduct)
- The time period for you to elect COBRA continuation coverage (60 days after you receive the COBRA election notice)
- The time period for you to pay your COBRA premiums if you have elected COBRA continuation coverage (45 days for the initial premium, by the first of the month for each month of coverage thereafter subject to a 30-day grace period)
- The time period to file a benefit claim (generally 1 year from the date of service)
- The time period to appeal the denial of a benefit claim or an adverse benefit determination (generally 180 days after the denial of the claim)
- The time period to seek an external review if the denial of your benefit claim involved medical judgment (generally 4 months from the denial of the claim)
- The time period to submit information necessary to perfect your claim for external review

Examples of How This Affects The Time For Enrollments For Life Events

If you had a baby on May 1, 2020 and wish to enroll him or her in the Plan, you will have until 90 days after the Outbreak Period ends to enroll your new child in the Plan for the coverage to be retroactive to the date of birth.

If you got married on May 1, 2020 and wish to enroll him or her in the Plan, you will have until 90 days after the Outbreak Period ends to enroll your new spouse in the Plan for the coverage to be retroactive to the date of marriage.

Examples of How This Affects The Time To File and Appeal Benefit Claims

If you received outpatient medical treatment on May 1, 2020, you have until 1 year after the Outbreak Period ends to file a claim for benefits related to that treatment.

If you submitted a claim for outpatient medical treatment and it was denied on May 1, 2020, you have until 180 days after the Outbreak Periods ends to file an appeal on that claim.

Examples of How This Affects The Time To Enroll In COBRA Continuation Coverage

If you were laid off and you were sent a COBRA election notice on May 1, 2020, you will have 60 days after the Outbreak Period ends to elect COBRA continuation coverage.

If you divorced your spouse and he or she was sent a COBRA election notice on May 1, 2020, he or she will have 60 days after the Outbreak Period ends to elect COBRA continuation coverage.

Example of How This Affects The Time To Pay COBRA Premiums

Under the Plan's written terms, premiums for COBRA coverage are due on the first day of the month of coverage (e.g., premiums are due March 1 for COBRA coverage in March). You generally have a 30-day grace period for existing COBRA elections (45-day for initial COBRA coverage elections) to pay the premium before COBRA coverage is terminated. If you do not pay the premium by the end of the grace period, your COBRA coverage is terminated *retroactively* to the first of the month for which you failed to pay the premium.

However, despite this general rule, if, for example, you were on COBRA continuation coverage as of March 1, 2020 and failed to make the March 2020 payment or any subsequent payments, you will have until 30 days after the Outbreak Period ends to pay the past-due premium for March or any subsequent past-due premium until the Outbreak Period ends.

However, please note that claims that come in during a month of coverage for which no COBRA premium has been received will be suspended and not paid until the premium for that month of coverage is received. If the premium is received, the claims will be paid retroactively.

Once the Outbreak Period ends, you must pay *all* COBRA premiums past due within 30 days. If you fail to do so, your coverage will be terminated *retroactively* to the first day of the first month of coverage for which no premium was paid, and the Plan will seek to recover any benefits that were paid on your behalf for all months of coverage for which no payment was made. Recovery will be sought from you and/or your medical (including prescription drug) or vision service providers, which could leave you with large and unexpected out-of-pocket expenses.

For example, if the Outbreak Period ends on August 1, 2020, and on that date you owe premiums for March, April, May, June and July COBRA coverage, you must pay all of those premiums by August 31, 2020. If you fail to do so, your coverage will be retroactively terminated as of March 1, 2020. You and your medical (including prescription drug) and vision service providers will be responsible to reimburse the Plan for any benefits paid on your behalf on and after March 1, 2020, and you will be responsible to pay those service providers out of your own pocket.

In addition, please note that the maximum period of COBRA continuation coverage is *not* extended by this rule. For example, if your maximum period of COBRA continuation coverage would end on June 1, 2020, it will still end on that date.

2. Change to the Plans' Diagnostic Imaging Vendor to Absolute Solutions

The Plans switched from One Call Care Management to Absolute Solutions as its preferred diagnostic imaging vendor for MRI, CT and PET scans effective as of July 20, 2020. The new contact information for Absolute Solutions is 1-800-321-5040 or www.absolutedx.com.

3. Coverage of COVID-19 Testing and Treatment

The Plans were amended to provide coverage for COVID-19 diagnosis and testing at 100% with no cost-sharing (i.e., no deductibles, co-pays or coinsurance), for both in-network and out-of-network providers. In addition, the Plans were amended to cover COVID-19 treatment (e.g., doctor office visits, hospitalizations, etc.) in the same manner as any other illness and subject to the applicable deductibles, co-pays and coinsurance. These changes are effective as of March 18, 2020.

4. Coverage of Tele-Visits and Video Visits

The Plans were temporarily amended to provide coverage for tele-visits and video visits which were previously excluded from coverage. Effective as of March 20, 2020 through December 31, 2020 (or as further extended by the Plan Trustees), the Plans will cover tele-visits and video visits in the same way as any other in-person office visit and will be subject to the same annual deductibles, co-pays and coinsurance.