

PIPE TRADES INDUSTRY HEALTH & WELFARE PLAN
NOTICE TO PLAN PARTICIPANTS

Impact of the Affordable Care Act

The Board of Trustees thought you should be aware of the Plan changes which increased costs to the Plan in order to comply with the new regulations imposed by the Affordable Care Act.

The following table contains the changes in effective date order with a short explanation of the change:

Effective	Change
June 1, 2010	<ul style="list-style-type: none">• A statement regarding the Plan's grandfather status must be included in all materials sent to participants that explain or discuss benefits.
July 1, 2011	<ul style="list-style-type: none">• Dependent children must be covered up to age 26 unless they have coverage through their employment or their spouse's employment.• The Plan must distribute an annual Summary of Benefits and Coverage (SBC) in a government specified format and must re-distribute the SBC if any plan changes are made during the year. Implementation dates for Plan changes is restricted so that participants receive notice in advance of any change which impacts the information on the SBC.• The lifetime maximum of \$1,000,000 had to be removed from the Plan.• An annual maximum limit of \$1,000,000 was incorporated.
July 1, 2012	<ul style="list-style-type: none">• The annual maximum limit was increased to \$1,250,000.
July 1, 2013	<ul style="list-style-type: none">• The annual maximum limit was increased to \$2,000,000.
July 1, 2014	<ul style="list-style-type: none">• The annual maximum limit was removed.• Dependent children must be covered up to age 26 regardless whether they have coverage available through their employer or their spouse's employer. The Plan's COB rules were changed to coordinate benefits after these two coverages.• The Plan's lifetime limit of \$2,000 for a wheelchair or motorized scooter was eliminated. In order to better monitor medical necessity for wheelchairs the Plan is now reviewing all rentals/purchases.• The Plan must start paying an annual Research Fee to the Internal Revenue Service. The first year is \$1 per covered life and future years through 2018 will be \$2 per covered life. (i.e. \$4 for a family of 4) The cost is \$6,828 for 2014 and approximately \$13,656 for each year after that.• The Plan must pay \$5.25 per covered life per month for reinsurance fees. This fee is paid to the U.S. Treasury and is \$358,470 due in January 2015 and \$71,694 due in December 2015. This is for the year 2014 only. The Plan qualified for an exemption during 2015 and 2016 because the Plan pays its own claims and does not use a third party administrator.

You should also be aware that the Plan's coverage of Mental health and Substance Abuse benefits were changed in order to be consistent with the medical benefits which have no constraints on number of visits or in-patient days. This change was necessary in order to comply with the Mental Health Parity Act.

Statement Regarding Status as a Grandfathered Health Plan

This group health plan 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 Plan Administrator. 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.

If you have any questions regarding this informational notice, please contact the Plan's administrative office. The Welfare Plan can be reached in writing at Post Office Box 3040, Terre Haute, Indiana 47803-0040, or by phone (812) 877-2581.

Sincerely,
BOARD OF TRUSTEES