

PACIFIC COAST SHIPYARDS METAL TRADES TRUST FUND

June 28, 2019

FROM **BOARD OF TRUSTEES**

TO: **ALL ACTIVE PLAN PARTICIPANTS AND THEIR DEPENDENTS
ENROLLED IN THE KAISER OF CALIFORNIA PLAN OF THE PACIFIC
COAST SHIPYARDS METAL TRADES TRUST FUND, INCLUDING COBRA
PARTICIPANTS**

RE: **IMPORTANT INFORMATION REGARDING CHANGES TO YOUR KAISER
HMO PLAN EFFECTIVE SEPTEMBER 1, 2019**

This announcement will advise you of certain plan changes effective for current Active members and their dependents enrolled in the Kaiser of California Health Plan. **This information is VERY IMPORTANT to you and your dependents. Please take the time to read it carefully.**

KAISER OF CALIFORNIA PLAN CHANGES EFFECTIVE SEPTEMBER 1, 2019
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Like other health plans, this Trust Fund has faced and continues to face significant rate increases from its medical and dental providers. The Trust Fund makes every effort to keep the quality of your health care plan at the highest level while managing these high costs. This year, the Fund was impacted by a large renewal increase from Kaiser of California where the cost of continuing the current level of benefits increased by roughly \$150 per month.

As you are aware, the charge to your dollar bank is based on the cost of your benefits, less a Trust Fund subsidy. Due to this rate increase, the Trustees made the difficult decision to make benefit changes to your Kaiser of California HMO plan effective September 1, 2019. We believe that these changes will positively impact both you and the Fund long term. The new Kaiser plan still has no deductible but some services will require a higher copayment. The plan also has a higher member out of pocket limit.

With this change, the Kaiser plan cost was reduced from over a \$150 increase per month to a \$90 increase per month effective September 1, 2019. To help offset this impact on your dollar bank charge, the Trustees have approved an increase in the Trust Fund subsidy for actives from \$140 to \$160 per month.

The following will be your charge off rates effective September 1, 2019:

	Option 1	Option 2	Option 3	Option 4
Kaiser Medical	\$1,603.86	\$1,603.86	\$1,603.86	\$1,603.86
Dental	\$113.19 (Standard)	\$24.40 (Sun Life)	\$16.80 (Dental Health Services)	n/a
Vision	\$6.12	\$6.12	\$6.12	n/a
Life	\$5.80	\$5.80	\$5.80	\$5.80
Actual Cost of Benefits	\$1,728.97	\$1,640.18	\$1,632.58	\$1,609.66
Trust Fund Subsidy	\$160.00	\$160.00	\$160.00	\$160.00
Your Charge Off	\$1,569	\$1,480	\$1,473	\$1,450

This new plan will replace the Kaiser of California HMO option currently available through the Fund. The below chart compares the current Kaiser HMO benefits with the new benefits that will become effective September 1, 2019. Enclosed please find a copy of the Summary of Benefits and Coverage (SBC) for this new plan. Please refer to the Evidence of Coverage from Kaiser for a complete description of your available benefits.

If you are currently enrolled in the Kaiser HMO option, you and your enrolled dependents will be automatically enrolled in the new Kaiser HMO option, effective September 1, 2019. Any cost-sharing for services or supplies that you have already received under the current Kaiser HMO option that have accumulated toward your out-of-pocket limit will be carried over to the new Kaiser HMO option.

	Current Kaiser CA HMO Benefits Through August 31, 2019	New Kaiser CA HMO Benefits Effective September 1, 2019
Medical Deductible	None	None
Drug Deductible	None	None
Out-of-pocket limit	\$1,500/individual, \$3,000/family per calendar year	\$3,500/individual, \$7,000/family per calendar year
Office Visit	\$35 copay per visit	\$40 copay per visit
Specialist	\$35 copay per visit	\$50 copay per visit
Inpatient Hospital	\$150 copay per admission	\$500 copay per day
Emergency Room	\$150 copay per visit	\$150 copay per visit
Ambulance	\$150 copay per trip	\$150 copay per trip
X-ray and Lab	No Charge	\$10 copay per encounter
Outpatient Surgery	\$50 copay per procedure	\$250 copay per procedure
Prescription Drugs	Retail (up to a 30-day supply): <ul style="list-style-type: none"> • Generic: \$10 • Brand: \$30 • Specialty: \$30 Mail Order (up to a 100-day supply): <ul style="list-style-type: none"> • Generic: \$20 • Brand: \$60 	Retail (up to a 30-day supply): <ul style="list-style-type: none"> • Generic: \$15 • Brand: \$35 • Specialty: 30% up to \$200 Mail Order (up to a 100-day supply): <ul style="list-style-type: none"> • Generic: \$30 • Brand: \$70

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. Should you have any questions regarding this material, please contact the Administrative Office at (925) 398-7056.

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 the Plan changes, please contact the Administrative Office.

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