

Sacramento Independent Hotel, Restaurant and Tavern Employees Trust Funds

Date: February 14, 2022

To: All Plan Participants and Dependents

From: Board of Trustees of the Sacramento Independent Hotel, Restaurant And Tavern Employees Welfare Plan ("PLAN")

Re: SUMMARY OF MATERIAL MODIFICATIONS ("SMM")

In response to the recent federal mandate, requiring group health plans and insurers to provide coverage for and/or reimbursement of Over-the-Counter ("OTC") Rapid Antigen COVID-19 Home tests (without a prescription or doctor's note), the Board of Trustees of the Plan is pleased to provide you with the following summary of changes to the self-funded Plan (through Magellan Rx the Pharmacy Benefit Manager) and its HMO coverage options with Kaiser and Western Health Advantage ("WHA"), called a Summary of Material Modification ("SMM"). Please review the important change to the Plan's benefits described below under the section entitled "Important Plan Changes".

Also, you may be eligible to receive free Rapid Antigen Home tests through the Federal Government, with no shipping charges.

Effective immediately, every family in the U.S. is eligible to order 4 -home Rapid Antigen COVID-19 Home tests completely free. To order the free tests please visit <https://www.covidtests.gov/>. Please note, at this time, each residential home can only order one set of 4 free at-home tests. Please further note this is a separate program available through the federal government (not through the Plan or its Insured Carriers).

IMPORTANT PLAN CHANGES

ARTICLE IX., Section C.11-

Coverage of Over-the-Counter ("OTC") COVID-19 TESTS (Effective Jan. 15, 2022)

Coverage of Over-the-Counter ("OTC") COVID-19 Tests. Effective for purchases on or after January 15, 2022 and during the public health emergency period, the self-funded Plan (through the Pharmacy Benefit Magellan Rx) and through its Insured Carrier(s) (currently Kaiser and WHA) will provide coverage for, including reimbursement of, all OTC tests (also known as at-home tests or self-tests): that are FDA approved tests or have received Emergency Use authorization, purchased through pharmacies, retail stores and online retailers, without any cost-sharing, prior authorization or medical management requirements and without a prescription or involvement of a health care provider or individualized clinical assessment.

Pursuant to federal guidance, the Plan or Insurers are permitted (but not mandated) to make quantity and cost limitations under the following Safe Harbors pursuant to FAQ Part 51. If the Safe Harbor requirements are met the Plan or Insurers are permitted to implement the following limitations:

- (a) **Cost Limits (Through Pharmacy Network or Direct Coverage).** The Plan or Insurer is permitted to limit reimbursement from a non-preferred pharmacy or other retailers to the lesser of: (i) the actual price of the test or (ii) \$12 per test, provided that the:
 - (1) Plan or Insurer provides access to direct coverage, without cost-sharing (meaning the participant does not pay an upfront cost and instead the plan or its contracted entity pays the preferred pharmacy or retailer directly) of OTC COVID-19 tests through a preferred pharmacy network or other retailers, including direct-to-consumer shipping programs; and
 - (2) Plan or Insurer takes reasonable steps to provide adequate access to OTC COVID-19 tests through an adequate number of retail locations (both in-person and on-line locations).
- (b) **Quantity Test limit.** The Plan or Insurer is permitted to limit OTC COVID-19 tests without a prescription or provider involvement, to no less than 8 tests per covered individual (ex. Participant, Dependent Spouse, Dependent Child) per 30-day period or calendar month. In applying the quantity limit of 8, the Plan or Insurer may count each test separately, even if multiple tests are sold in one package. The Plan or Insurer is permitted to set more generous limits although not mandated.

If the above Safe Harbors (a) is not met (for example, if there are delays that are significantly longer than the amount of time it takes to receive other items under, if applicable, the Plan or Insurer's direct-to-consumer shipping program), the Plan or Insurer must provide coverage of the OTC COVID-19 test without cost-sharing and cannot deny coverage and cannot set limits relating to reimbursement on the amount of OTC COVID-19 tests.

If the above Safe Harbor (b) is not met (for example, OTC COVID-19 test with doctor's note), the Plan or Insurer must provide coverage of the OTC COVID-19 test without cost-sharing and cannot deny coverage and cannot set quantity limits.

To address suspected fraud or abuse the Plan or Insurer is permitted to require reasonable documentation of proof of purchase with a claim for reimbursement for the cost of the OTC COVID-19 test or require a self-attestation.

PLEASE NOTE: The Plan will cover a maximum of **8 test kits** per eligible covered individual per 30-day period. For those participants in the Self-Funded Plan (Aetna PPO Plan), if you purchase the COVID-19 test kits other than through the Magellan RX prescription plan, your direct reimbursement is processed through Magellan Rx and NOT the medical plan.

How To Get OTC COVID-19 Tests Through Kaiser, WHA or Magellan RX (Pharmacy Benefit Network):

1. **For KAISER HMO enrollees**, you can submit a claim for reimbursement of FDA-approved rapid antigen home tests purchased through local drug stores or online, by signing onto <https://healthy.kaiserpermanente.org>. Kaiser has indicated that in the incoming days, as supply of tests increases, Kaiser will make more rapid home antigen tests available to its members. The claim must include an itemized purchase receipt with test name, date of purchase, price, and number of tests. You must also include a photo of the QR or UPC bar code cut out of the rapid antigen home test box.
2. **For WHA HMO enrollees**, you can submit a reimbursement request form, with a scanned receipt, for the cost paid up to \$12 per diagnostic test at <https://covidtest.optumrx.com/covid->

[test-reimbursement](#). You can also visit a preferred test pick up pharmacy simply by showing your WHA ID card and the pharmacist will dispense the at-home test at no charge to you at the time of pickup. Test kits may be limited to available stock on hand at pharmacy location. Please visit <https://www.westernhealth.com/coronavirus/> for more information and preferred networks for test pick ups.

3. For MAGELLAN RX enrollees (under the self-funded plan option), you can either:

(a) Purchase an At-Home test through Magellan's Direct-coverage option with a retail pharmacy. Member should check-out at the pharmacy counter with their pharmacy benefit card. You do not need prior authorization or doctor's note for OTC COVID-19 rapid antigen tests. Testing for employment purposes will not be covered. Direct coverage at point-of-sale (POS) may be provided for OTC COVID-19 tests with associated National Drug Codes.

OR

(b) You can submit a claim for reimbursement. Members who have purchased OTC Rapid Antigen COVID-19 tests from an out-of-network pharmacy on or after January 15, 2022, may submit their claims for reimbursement if the product was FDA authorized, cleared, or approved and has a valid NDC. The maximum reimbursement possible per test is no less than the actual price or up to \$12/test, whichever is lower.

Please use the steps below to submit a request.

1. Access the member portal (<https://magellanrx.com/member/login/>)
2. Print and complete the "Prescription Claim Form"
3. Mail in the form and include the name of the OTC COVID-19 test, and a register receipt/proof of payment to the address below:

**Magellan Health Services Attention: Claims Department
11013 W. Broad Street, Suite 500
Glen Allen, VA 23060
Fax: 1-888-656-3607**

Please also see the attached Notice from Magellan Rx with more detailed information about how to obtain coverage of OTC COVID-19 tests and any limitations. **(See attachment)**

IN ACCORDANCE WITH THE REQUIREMENTS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THIS DOCUMENT SERVES AS A SUMMARY OF MATERIAL MODIFICATIONS ("SMM") TO THE PLAN AND SUPPLEMENTS THE RESTATED SUMMARY PLAN DESCRIPTION/PLAN DOCUMENT THAT HAS BEEN SEPARATELY PROVIDED TO YOU. YOU SHOULD RETAIN THIS DOCUMENT WITH YOUR COPY OF THE RESTATED SUMMARY PLAN DESCRIPTION/PLAN DOCUMENT.