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DATE: January 2009
TO: All Eligible Retiree Plan Participants
FROM: Boilermakers National Health and Welfare Fund
RE: Important Changes to the Retiree Health & Welfare Plan

In December, the Board of Trustees adopted Amendment 8 to the Health & Welfare Plan. Amendment 8 includes changes to:

- The payable percentage for *all* anesthesiologists and licensed anesthetists
- Exceptions to the pre-authorization requirement for certain mental health and substance abuse benefits
- Payment of mental health and substance abuse expenses incurred in an emergency room
- Payment of mental health and substance abuse expenses for other outpatient services
- Payment of benefits when you have both mental health/substance abuse and comprehensive hospital/medical expenses

Please keep this Notice with your benefits booklet for reference.

Payable Percentage of 80% for All Anesthesiologists and Licensed Anesthetists

- **Old Provision:** 100% of the Reasonable and Customary Charges was allowed for each provider, *if both* an anesthesiologist and a licensed anesthetist submitted charges for the same surgery. The providers' fees were then each payable at 80%.
- **New Provision:** Effective for expenses incurred on or after January 1, 2009, the same standard will apply where *only one provider* (either an anesthesiologist or a licensed anesthetist) submits charges for a surgery. As a result, a single provider's charges will be allowed up to 100% of Reasonable and Customary Charges and the single provider's charges will then be payable at 80%.

Exception to Mental Health and Substance Abuse Pre-Authorization Requirement

- **Old Provision:** The Plan required pre-authorization for all mental health and substance abuse benefits, *with one exception*. Under that exception, pre-

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authorization was *not* required for non-structured outpatient services rendered by an out-of-network provider.

- **New Provision:** Effective for expenses incurred on or after January 1, 2009, the Board of Trustees adopted new exceptions to the pre-authorization requirement. You no longer need to obtain pre-authorization for emergency room care rendered in an emergency room of a psychiatric hospital or behavioral health facility. In addition, you will no longer need to obtain pre-authorization for “other outpatient services” *regardless* of whether the service is rendered by an in-network or out-of-network provider. Your claims will not be denied and your benefits will not be reduced because you failed to obtain pre-authorization if you incur expenses for emergency room care in a psychiatric hospital or behavioral health facility or for “other outpatient services.”

Mental Health and Substance Abuse – Emergency Room Care:

- **Old Provision:** The Plan provided that expenses incurred in the emergency room of a hospital or other state-licensed facility were payable as a mental health or substance abuse benefit *if* you were immediately admitted to the hospital or facility as a registered bed patient. If you were immediately admitted, the expenses were payable at the same percentage as Inpatient Care (50% Out-of-Network or 80% In-Network). If you were *not* immediately admitted, *no* Plan benefits were provided.
- **New Provision:** Effective for expenses incurred on or after January 1, 2009, mental health and substance abuse benefits will be paid if medically necessary expenses are incurred in the emergency room of a psychiatric hospital or behavioral health facility even if you are *not* immediately admitted to the hospital or facility. Such expenses will continue to be payable at the same percentage as Inpatient Care (50% Out-of-Network or 80% In-Network). This change helps you because your emergency room claims for treatment of a mental health or substance abuse condition will *not* be denied merely because you were not then immediately admitted to the hospital or facility.

If you incur expenses in the emergency room of a non-psychiatric hospital or non-behavioral health facility for mental health or substance abuse-related illnesses or injuries, the expenses will be paid by the Plan as a comprehensive hospital or medical expense.

Mental Health and Substance Abuse – Other Outpatient Services

- **Old Provision:** The Plan had two levels of benefits for “other outpatient services” provided by an in-network provider. If *pre-authorization was received* for “other outpatient services” from an in-network provider, covered expenses were payable at 80% with no dollar limit per visit and for a maximum of 50 visits per calendar year. If *pre-authorization was not received* for “other outpatient services” from an

- **New Provision:** Effective for expenses incurred on or after January 1, 2009, the Board of Trustees eliminated lower benefit levels if pre-authorization is *not* obtained. You will *not* receive lower benefit levels for “other outpatient services” from an *in-network* provider merely because you failed to obtain pre-authorization. However, if the provider is an *out-of network* provider, lower benefit levels (50% up to \$25 per visit for a maximum of 30 visits per calendar year) will continue to apply.

Mental Health and Substance Abuse – Mixed Services Protocol

- **Old Provision:** The Plan did *not* include any provisions addressing how benefits would be paid if services for both mental health or substance abuse conditions and medical conditions (mixed services) were received by a participant. As a result, in the past, for example, claims were denied for persons treated for *mental health or substance abuse* problems at the emergency room of a *non-behavioral health* hospital or facility.
- **New Provision:** Effective for expenses incurred on or after January 1, 2009, mental health and substance abuse benefits will be administered according to a Mixed Services Protocol agreed to by the Fund and CIGNA Behavioral Health. The Protocol will specify when CIGNA Behavioral Health will process claims and when the Fund Office will process claims. This change should help avoid claims being denied because a person is treated for mental health or substance abuse problems at a non-behavioral health hospital or facility.

Check www.bnf-kc.com for up-to-date information about the Boilermakers National Funds. If you have any questions about the information in this Notice, please call the Fund Office at 866-342-6555, and the staff will be happy to assist you.

Sincerely,

Board of Trustees