

SANTA MONICA UNITE HERE HEALTH BENEFIT TRUST FUND

Administered By: Benefit Programs Administration
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ATTENTION! IMPORTANT! PLEASE READ!

Date January 30, 2018

To: Participants in the Santa Monica Unite HERE Health Benefit Trust Fund (“Fund”),
including COBRA Enrollees

From: Board of Trustees, Santa Monica UNITE HERE Health Benefit Trust Fund

RE: Notice of Transfer of coverage to the Kaiser HMO Plan.

The EHS EPO Plan is being replaced by the Kaiser HMO Plan. If you are currently enrolled in the EHS EPO Plan, your coverage is being moved to the Fund’s Kaiser HMO Plan. If you are currently in the Kaiser HMO Plan, your benefits will not be affected. Please READ this notice carefully for important information about these changes to your health plan.

1. REPLACEMENT OF EHS EPO PLAN WITH KAISER HMO PLAN.

Actions by the State of California affecting Employee Health Systems (EHS) and Synermed, a company that performs administrative services for the EHS EPO Plan have raised concerns about EHS’s ability to continue providing benefits under the EHS EPO Plan. In order to ensure continued access to quality health care, the Board of Trustees has made the decision to transfer all Participants out of the EHS EPO Plan and enroll them into the Fund’s Kaiser HMO Plan. Please read this notice carefully for more information.

If you are currently enrolled in the EHS EPO Plan, and you receive this notice, you will be enrolled in the Kaiser Plan and can begin using Kaiser Providers on February 1, 2018.** (See Note below for some exceptions). Kaiser is working to issue ID cards to you and your enrolled Dependents. It is estimated that the new ID cards will be mailed to you by the end of January. If you have not received your ID card by February 1, 2018, please call Kaiser at 1-800-464-4000. The enclosed “Getting Started” flyer provides helpful information on choosing a Kaiser physician and other important information.

You are encouraged to begin transitioning your care to Kaiser in February, though you may continue to use EHS Providers during the month of February. **If you are currently enrolled in the EHS EPO Plan and you receive this notice, the last day that you can receive services from EHS Providers is February 28, 2018.**** (See Note below for some exceptions). Beginning on March 1, 2018, you will no longer have coverage under the EHS EPO Plan, and you will not be able to use EHS Providers to access services.

**** Note:** Some Participants cannot be enrolled in the Kaiser HMO Plan on February 1, 2018, because we have insufficient information to complete the enrollment. However, if you have received this notice by mail, you will be enrolled in Kaiser on February 1, 2018. If you have friends or colleagues in the EHS EPO Plan who have not received this notice by mail, please have them contact the Administrative Office.

Under the Kaiser HMO Plan, most services that were previously provided by EHS providers will be provided by Kaiser Permanente. The following services that were not previously provided by EHS will be provided as follows:

- **Prescription Drugs.** Your prescription drug program will continue to be provided by Express Scripts through its network of pharmacies. There are no changes to your current prescription drug benefits. Express Scripts will accept prescriptions written by a licensed physician, including any EHS or Kaiser physician.
- **Mental Health & Substance Abuse Benefits.** Kaiser will provide coverage for mental health and substance use disorder services. If you are currently receiving treatment for mental health and/or substance use disorder services from EHS or Beacon Health Options (“Beacon”), you should call Kaiser at 1-800-464-4000 to set up an appointment. You may use Beacon for services through February 28, 2018.
- **Member Assistance Program (MAP).** As outlined in a notice sent to you in November 2017, your MAP benefits will be provided by Beacon Health Options. To contact Beacon, call 1-888-479-6606.
- **Dental Benefits.** Dental benefits will continue to be provided under the United Concordia Dental HMO Plan or the Delta Dental Plan.
- **Life Insurance and Accidental Death and Dismemberment Benefits.** These benefits will continue to be provided directly by the Fund, as described in your Summary Plan Description.

Under the Kaiser HMO Plan, you are required to use Kaiser providers for your care. In general, no benefits are payable for services provided outside the Kaiser HMO network, except in cases of Emergency (as defined in the SPD). For information about your benefits under the Kaiser HMO Plan and cost sharing, please review the enclosed Summary of Benefits and Coverage (SBC). You may also contact Kaiser Permanente at 1-800-464-4000 to request an Evidence of Coverage (“EOC”).

If you have medical issues or prescription drugs which require that your care not be interrupted, it is recommended that you call Kaiser to set up an appointment. You may call Kaiser at 1-800-464-4000. As a reminder, you will be able to use your current EHS providers through February 28, 2018.

In order to ensure that Kaiser Permanente has your correct information, it is requested that you complete and return the enclosed California Subscriber Enrollment/Change Form. Your enrollment into Kaiser will be effective on February 1, 2018, even if you have not returned the completed form by that date.

If you experience any problems scheduling an appointment with Kaiser, or if you have unique circumstances that may require special consideration, you should contact the Administrative Office at 1-562-463-5075 as soon as possible.

2. NO NEW ENROLLMENTS IN EHS EPO PLAN.

Effective February 1, 2018, the Fund will not offer the EHS EPO Plan to newly eligible Participants. Instead, the only plan option available to newly eligible Participants will be the Kaiser HMO Plan.

Also effective February 1, 2018, the EHS EPO Plan will not be available to Participants with a special enrollment right (a right to change plans or enroll mid-year as a result of certain life events, such as the birth of a child or the loss of other health coverage) or during open enrollment.

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Please keep this important notice with your Summary Plan Description (SPD) and other plan materials for easy reference to all plan provisions. Should you have any questions, please contact the Administrative Office.

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 changes described in this notice, please contact the Administrative Office.

In accordance with ERISA reporting requirements, this document serves as your Summary of Material Modifications to the Santa Monica UNITE HERE Health Benefit Plan Summary Plan Description (as in effect on September 1, 2014) and the Santa Monica UNITE HERE Health Benefit Fund Select Choice Health Benefit Plan Summary Plan Description (as in effect on January 1, 2015).