AUTOMOBILE MECHANICS' LOCAL 701 WELFARE FUND

361 S. FRONTAGE ROAD, SUITE 100 | BURR RIDGE, IL 60527

TELEPHONE: (708) 482-0110 | TOLL FREE: (800) 704-6270 | FAX: (708) 482-9140

IMPORTANT BENEFIT PLAN CHANGES

The Trustees of the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund (the "Fund") have made certain changes to the **Premier**, **Classic Bargained**, and **Pre-Medicare Retiree** plans, as documented in the applicable combination Summary Plan Description and Plan Document ("SPD") that was previously provided to you. Each change is summarized below and is effective as of April 15, 2019.

1. A clarifying change was made to the SPD stating that the Fund will cover hospital intensive care expenses at out-of-network providers at the full Reasonable and Customary rate. This change reflects the Fund's actual practice.

2. A clarifying change was made to the SPD's definition of "Reasonable and Customary" as applied to charges paid to out-of-network providers, as described below.

3. A change was made to the SPD's definition of "Experimental or Investigative" to reflect that an accepted off-label use of an FDA-approved drug or device will not be considered "Experimental or Investigative."

4. Two changes were made to the SPD's definition of "Medically Necessary or Medical Necessity," as explained in more detail below.

228

SUMMARY OF MATERIAL MODIFICATIONS

This document, referred to as a "summary of material modifications," is intended to supplement the SPD/Plan. You should retain this summary of material modifications with your copy of the SPD/Plan. If you have any questions, you may contact the Fund Office (708) 482-0110 ~ Toll Free (800) 704-6270.

1. Clarification regarding the Fund's coverage of non-PPO ICU benefits

As shown below, the SPD's Schedule of Benefits was changed to state that the Fund will cover hospital intensive care benefits at out-of-network providers at the full Reasonable and Customary rate. The Schedule of Benefits previously stated that out-of-network intensive care benefits would be covered at three times the semi-private room rate (or three times the single room rate if semi-private rooms were unavailable). The language was updated to reflect the Fund's actual practice.

Comprehensive Medical Benefit	
Special Benefit Maximums	
• Non-PPO Hospital Intensive Care	~~Three times semi-private room rate (three times single room rate if semi-private rooms unavailable)~~Full Reasonable and Customary Rate

2. Clarification of the SPD's definition of "Reasonable and Customary"

The SPD's definition of Reasonable and Customary, i.e., the method of determining the amount that the Fund pays providers for medical expenses, was updated to reflect that with respect to out-of-network providers, the Fund may pay the negotiated rate established in a contractual arrangement with a provider, if applicable. In other words, with respect to an out-of-network provider, the Fund will pay the lowest of: (1) no more than 80% of the prevailing charge which amount may be based on industry standard provider reimbursement data provided to the Plan or the maximum amount allowable by Medicare; (2) the negotiated rate established in a contractual agreement with the provider; (3) the amount payable to a similarly situated network provider in the nearest geographic area; or (4) the provider's actual charges.

3. Change to the SPD's definition of "Experimental or Investigative"

The SPD's definition of "Experimental or Investigative" was amended to state an FDA-approved drug or device being used for an indication or at a dosage that constitutes accepted off-label use (as described below) will not be considered to be "Experimental or Investigative" under the Plan. In other words, off-label use of an FDA-approved drug or device will not be categorically excluded under the Plan (it may still be excluded for other reasons).

Off-label use of FDA-approved drugs or devices will be permitted under the Plan if it meets the following criteria: the use of the drugs is supported by one or more citations in the AHFS Drug Information (AHFS DI), U.S. Pharmacopoeia Drug Information, Micromedex DrugDex, Facts and Comparisons Off-Label Database, NCCN Drugs & Biologics Compendium, Clinical Pharmacology, the Association of Community Cancer Centers (ACCC), or any CMS supported compendia, provided that the use is not listed as "not indicated" in any one of the listed compendia.

The Fund's Trustees retain the authority to determine whether a service, procedure, drug, device, or treatment modality is "Experimental or Investigative." The fact that a physician has prescribed, ordered,

recommended or approved the service, procedure, drug, device or treatment does not, in itself, make it eligible for payment.

4. Changes to the SPD's definition of "Medically Necessary or Medical Necessity"

Two changes were made to the SPD's definition of "Medically Necessary or Medical Necessity." First, a clarifying change was made stating that in determining standard of care for Medical Necessity, if no scientific evidence is available to determine what the generally accepted standards of medical practice are, then standards that are based on physician specialty society recommendations or professional standards of care may be considered. In addition, the Fund Administrator reserves the right to consult expert opinion in determining whether health care services are Medically Necessary.

Second, a clarifying change to the SPD's definition of "Medically Necessary or Medical Necessity" was made to state that the administration of a non-approved experimental drug, procedure or device, or the participation in a clinical trial will not invalidate coverage for treatment that is considered an established standard of care.