

## Summary of Material Modification – NJCF Health SPD

### **RE: Supplemental Healthcare Reimbursement Account (HRA) for Commercial Carpenters, Floorlayers & Millwrights**

This summary of material modification (“SMM”) describes changes to the NJ Carpenters Health Fund (“Plan”), and supplements the Summary Plan Description (“SPD”) for the Plan. The effective date of these changes is indicated below. You should read this SMM very carefully and retain this document with your copy of the SPD for future reference.

#### **Summary of Changes:**

**Supplemental Healthcare Reimbursement Account (HRA):** Beginning on January 1, 2012, a Supplemental HRA was created for all commercial carpenters, floorlayers and millwrights who receive health and welfare employer contributions paid into the NJ Carpenters Fund on their behalf. An HRA allows for participants and their dependents to obtain reimbursement for certain out-of-pocket healthcare expenses. The HRA is funded solely from employer contributions and reimbursements are restricted to certain qualified medical expenses as defined by the IRS. The terms and conditions applicable to the Supplemental HRA are described in more detail below.

The current 25% Health and Welfare (H&W) contributions are directed as follows; 24% of gross wage contributions will be directed into the active health and welfare account and 1% of gross wage contributions will be directed into the Supplemental HRA. A Participant engaged in covered employment in 2012 has earned credit toward their HRA. Participants will continue to earn credit as they work in covered employment now and into the future.

Participants have no vested rights to any contribution made to their Supplemental HRA. The Trustees intend to continue this Supplemental HRA indefinitely into the future; however, the Trustees, in their sole and exclusive discretion, may modify, amend or terminate the Supplemental HRA at any time.

Activation, access and reimbursement of eligible medical expenses from the **Supplemental HRA** are as follows:

- Activation: January 1, 2013.
- Activation Balance must be a minimum of: \$2,000.00.
- Minimum Balance: \$2,000.00 (under \$2,000.00 used for COBRA /NJCF Self-Pay ONLY)
- 1% of Gross Wage H&W contribution directed into HRA for hours worked from 01/01/12 – 10/31/12.
- Member must always be available for work under the Collective Bargaining Agreement to access HRA, or be retired.
- Account pays for Eligible Medical Expenses – SEE APPENDIX A.
- Monthly Reimbursements (1 per month must total a minimum of \$100.00.)

- Reimbursements must be submitted to the Funds Office within 12 months of the date of services.
- Eligible reimbursements will be paid by the end of the following month.
- Original receipts & bills must be submitted with HRA Claim Form. **NO PHOTOCOPIES.**
- Balance Rolls-Over from year-to year.
- Balance can be used by Eligible Dependents after a member's death.
- Domestic Partner Reimbursements not recognized; only recognized Civil Unions.
- Administrative Fee to be determined by the Board of Trustees
- 36-month Forfeiture of Balance due to no activity – *(Contributions or claims.)*
- \$120.00 Administrative Fee for no account activity for a 12-month calendar period from January 1<sup>st</sup> – December 31<sup>st</sup>. *(Contributions or claims.)*
- No cash pay-outs at any time.
- No ownership of HRA.

The modification to the NJ Carpenters Active Health Plan is effective as of January 1, 2013.

**( Scroll Down and See Appendix A on pages below.)**

## Appendix A

### Eligible Medical Expenses for Reimbursement from your HRA

**Please remember that just because an expense is included on this list, does not mean that it is automatically reimbursable from the HRA. All the applicable requirements described in the SPD must be met in order for your claim to be eligible for reimbursement. In addition, the Fund reserves the right to request additional information that is not included in this Appendix to determine whether a particular expense is reimbursable.**

Healthcare Expense Type	Substantiation Requirements
<p><b>Co-Payments, Co-insurance, Deductibles and expenses that exceed the Usual or Customary Charges paid to out-of-network providers for expenses. This includes, but is not limited to, doctors, hospitals, urgent care facilities, laboratory services, radiology services, ambulance transport, mental health services, substance abuse treatment, orthotics and prosthetics.</b></p>	<ul style="list-style-type: none"> <li>• Explanation of Benefits (EOB) is preferable</li> <li>• Proof of Payment</li> <li>• If an EOB is not available, you may submit an itemized bill which must include the following:               <ol style="list-style-type: none"> <li>1. Date of service</li> <li>2. Patient Name</li> <li>3. Description of services rendered (procedure code) and diagnosis code if available</li> <li>4. Cost of Services rendered and proof of payment</li> <li>5. Name and address of provider.</li> </ol> </li> </ul>
<p><b>Medical Premiums</b></p> <ul style="list-style-type: none"> <li>• Post-tax medical, dental or vision premiums that are paid to a qualified individual or group health plan</li> <li>• Medicare</li> <li>• COBRA premiums that are paid to a qualified individual or group health plan</li> <li>• Premiums that are self-paid to the Fund with after-tax dollars during a period in which your Employer is delinquent</li> </ul>	<ul style="list-style-type: none"> <li>• Acceptable Proof:               <ol style="list-style-type: none"> <li>1. Proof that premiums are paid with “after tax dollars,” such as a letter from Human Resources or Payroll department.</li> <li>2. Paycheck stub showing the amount of premiums paid. Pay stub must also include: date the check was issued, name of person the check is issued to and the amount of premium deducted.</li> <li>3. Proof that the plan is a qualified individual or group health plan.</li> <li>4. Copies of Medicare statements or invoices are acceptable.</li> </ol> </li> </ul>

	<p>5. For COBRA premiums, proof must include a letter from the Plan Administrator certifying the COBRA rate and proof that you have paid the full premium.</p>
<p><b>Dental and Orthodontic Services</b></p>	<ul style="list-style-type: none"> <li>• Explanation of Benefits (EOB)</li> <li>• Proof of payment</li> <li>• Orthodontics also require the following:             <ol style="list-style-type: none"> <li>1. Signed and dated Orthodontic contract with provider information, patient name, payment plan selected and what the insurance company is estimated to pay</li> <li>2. If the Participant does not have dental insurance, the Participant must submit a signed orthodontic contract and an itemized bill which includes the date services began, patient name, services rendered, and cost for the services</li> </ol> </li> </ul>
<p><b>Drugs/Medicines – Prescriptions</b></p> <p><b>FDA legend drugs only.</b></p> <p><b>No over-the-counter drugs.</b></p>	<ul style="list-style-type: none"> <li>• Documentation from the Pharmacy that must include all of the following:             <ol style="list-style-type: none"> <li>1. Name and Address of Pharmacy</li> <li>2. Name of patient</li> <li>3. Name of Drug</li> <li>4. Cost of Drug and any amounts covered by insurance</li> <li>5. Prescribing doctor</li> </ol> </li> <li>• Proof of Payment</li> </ul>
<p><b>Vision Care</b></p> <ul style="list-style-type: none"> <li>• Contact lenses</li> <li>• Laser surgery</li> <li>• Eye examinations by a licensed ophthalmologist, optometrist or optician</li> <li>• Prescription Eyeglass Lens</li> </ul>	<ul style="list-style-type: none"> <li>• Explanation of Benefits (EOB) is preferable</li> <li>• Proof of payment.</li> <li>• If an EOB is not available, you may submit an itemized bill which must include the following:             <ol style="list-style-type: none"> <li>1. Date of service</li> <li>2. Patient name</li> <li>3. Description of services rendered (procedure code) and diagnosis code if available</li> <li>4. Cost of services rendered and proof of payment</li> </ol> </li> </ul>

<p><b>Hearing</b></p> <ul style="list-style-type: none"> <li>• Purchase price and maintenance cost for hearing aids</li> <li>• Batteries needed to operate the hearing aid</li> <li>• Hearing exams</li> </ul>	<ul style="list-style-type: none"> <li>• Explanation of Benefits (EOB)</li> <li>• Letter of Medical Necessity</li> <li>• Proof of payment</li> <li>• If an EOB is not available, you may submit an itemized bill which must include the following;             <ol style="list-style-type: none"> <li>1. Date of service</li> <li>2. Patient name</li> <li>3. Description of services rendered (procedure code) and diagnosis code if available</li> <li>4. Cost of services rendered and proof of payment</li> </ol> </li> </ul>
<p><b>Durable Medical Equipment</b></p> <p><b>(Equipment must be an Eligible Medical Expense as per current Internal Revenue Service guidelines.)</b></p>	<ul style="list-style-type: none"> <li>• Copy of the prescription or proof that the equipment was prescribed</li> <li>• Letter of Medical Necessity</li> <li>• Proof of payment</li> <li>• Documentation that includes the following:             <ol style="list-style-type: none"> <li>1. Name and Address of Company providing the equipment</li> <li>2. Name of patient</li> <li>3. Type of Equipment</li> <li>4. Cost of Equipment and any amounts covered by insurance</li> <li>5. Prescribing doctor</li> </ol> </li> </ul>

Please see IRS Publication 502, IRS Code Section 213 (d) for a complete list of Eligible and Ineligible Medical Expenses. **However, be advised that at this time the Board of Trustees is limiting reimbursements to the Medical Expenses listed in the above appendix.**

The following list provides examples of items that are **NOT** eligible for reimbursement from your HRA. This list is provided as an example and is not exhaustive.

- |                          |                                 |
|--------------------------|---------------------------------|
| Foods and Beverages      | Massage Therapy                 |
| Cancellation Fees        | Cosmetic Surgery and procedures |
| Missed Appointment Fees  | Non-prescription medicine       |
| Late Payments            | Acne Treatments                 |
| Shipping Fees            | Suntan Lotion                   |
| Athletic Club membership | Vitamins                        |
| Swimming Pool, Hot Tubs  | Dietary Supplements             |
| Weight loss programs     | Exercise Equipment              |