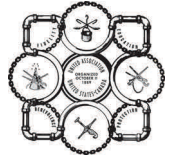




NATIONAL AUTOMATIC SPRINKLER INDUSTRY WELFARE FUND • PENSION FUND



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November 2018

To All Participants in the NASI Welfare Fund

From the Board of Trustees

The Board of Trustees of the National Automatic Sprinkler Industry Welfare Fund is again pleased to report that the NASI Welfare Fund continues to experience generally favorable financial conditions.

In recognition of the better-than-expected financial situation of the NASI Welfare Fund, effective July 1, 2018 (as previously announced), the Board of Trustees approved a 5% increase to the percentage that the NASI Welfare Fund covers for Participants with Level 1 medical benefits. In 2019, the coinsurance levels will continue at the 2018 levels.

As a reminder, the NASI Welfare Fund pays the following percentage for Level 1 benefits after you meet the individual deductible:

	Fund Pays/You Pay
In-Network	80%/20%
Out-of-Network	60%/40%

Coverage for Urgent Care

One of the factors contributing to lower-than-expected claim expenses may be that fewer people are using a hospital emergency room for diagnosis and/or treatment that can be addressed at an Urgent Care facility or even by telephone. To encourage you to seek the appropriate level of medical care, the NASI Welfare Fund covers In-Network Urgent Care charges at 90% (instead of the above-stated 80% coverage level) and there is no deductible applied to Urgent Care.

MDLive

To make it even easier to access medical care, earlier this year, the NASI Welfare Plan added a telemedicine service; **MDLive**. **MDLive** gives you access to a physician, licensed in your state, any time of day or night; even on weekends and holidays. **MDLive** is appropriate for non-emergency issues like sore throat, asthma, fever, flu, and more. To encourage use of **MDLive**, the NASI Welfare Fund covers 100% of the cost of this service. While the cost of the “virtual visit” is covered in full, you will be responsible for costs arising from your “virtual visit”; things like your portion of the cost of a prescription drug that you received as a result of your telemedicine visit.

Sign up online now, before you need it. You might not feel like doing it when you are sick. Follow the link to the **MDLive** website you can find on the nasifund.org website or go to

MDLIVE.com/bcsil

Expanded Coverage for Physical Exams

The NASI Welfare Fund has, for many years, provided coverage for routine physical examinations. In more recent years, certain “Preventive Service” exams (particularly for children and for women) have been covered at 100% without the application of the annual deductible as required by the Affordable Care Act. Effective January 1, 2019, the NASI Welfare Plan will expand 100% coverage to include one routine physical examination per eligible person per year for male and female adults whether or not the exam is to obtain recommended preventive services.

Weekly Disability Benefits

For some years, the NASI Welfare Fund has provided Weekly Disability Benefits in the amount of \$250 per week, for up to 26 weeks. Effective January 1, 2019, that benefit amount will be increased to \$300 per week. The 26-week maximum benefit will remain in effect.

Definition of Usual and Customary

Effective October 17, 2018, the Trustees have changed the definition of “Usual and Customary” as that term pertains to charges for medical services. When you go to a participating Blue Cross Blue Shield provider (e.g. doctor, hospital), the charge amount that BCBS has negotiated with that provider is already deemed to be the Usual and Customary charge. However, for providers that are not in the BCBS network of preferred providers, Usual and Customary means the lesser of: (A) the non-network provider’s actual charge or (B) an amount that shall not exceed 150% of the reimbursement rate under Medicare for that service. When a Medicare reimbursement rate is not available, the Usual and Customary amount will not exceed the payment that would be paid to a network provider for the same service or item in the same geographic area or locality.

Remember, if you use BCBS network providers, you do not have to worry about whether the doctor will “balance bill” you for the amount that exceeds the Usual and Customary charge. This is so because BCBS providers agree to “write off” amounts above the BCBS contracted fee for that service so neither you nor the NASI Welfare Fund have to pay that amount. The Trustees will try to negotiate with non-BCBS providers to agree to not balance bill you for amounts in excess of the Usual and Customary allowed amount. The Fund has been successful in negotiating that agreement in many, but not all, cases. If you choose to use a doctor or facility that does not participate in the BCBS network, you lose one of the best benefits we provide: the assurance that you will not be financially responsible for charges that exceed the Usual and Customary allowance.

Preventive Services

The NASI Welfare Plan is hereby updated, effective January 1, 2019, to amend the list of Preventive Services (services covered at 100% with no application of deductible when they are obtained through an In-Network provider) as follows:

- Colorectal Cancer Screening for adults ages 50 to 75
- Type 2 Diabetes screening for adults ages 40 to 70 years who are overweight or obese
- HIV screening for everyone ages 15 to 65, and people with increased risk
- Daily folic acid supplements for women who are planning or capable of pregnancy, containing 0.4 to 0.8 mg of folic acid
- Gonorrhea screening for sexually active women ages 24 years or younger and for older women with increased risk
- Counseling and screening for HIV, once per year, and for pregnant women, including those with an unknown HIV status during labor
- Hearing screening for all newborns and for children once between the ages of 11 and 14 years, once between 15 and 17 years, and once between 18 and 21 years
- Statin preventive medication for adults ages 40 to 75 at high risk
- Tuberculosis screening for certain adults without symptoms at high risk
- Screening for preeclampsia in pregnant women with blood pressure measurements throughout pregnancy
- Comprehensive lactation support and counseling by a trained provider during pregnancy and for the duration of breastfeeding, including rental costs for breastfeeding equipment
- Depression screening for pregnant and postpartum women
- Blood pressure screening for children
- Depression screening for adolescents ages 12 and older
- Fluoride varnish for all infants and children as soon as teeth are present

Personal Health Management

The Board of Trustees has decided to suspend further efforts by **Carewise Health** to engage Participants and Dependents with certain chronic medical conditions while the Trustees evaluate the results of the program. Individuals who have qualified for a benefit “reward” in 2019 will still receive that benefit reward. Similarly, individuals who failed to engage with Carewise Health when they were contacted are still subject to the benefit “penalty” associated with this program. In the event the program is reinstated, you will be advised of that fact.

Vision Service

The NASI Welfare Plan provides coverage for a selection of frames from participating Vision Service Plan providers. Effective January 1, 2019, the maximum coverage for frames will increase from \$115 to \$150. The coverage applies after you pay the \$10 annual vision deductible. This improvement should provide you with a larger selection of frames that you can purchase at no additional cost after the \$10 annual vision deductible. If you choose frames that are more expensive than this maximum covered amount, you will receive a 20% discount on the difference between the price of the frames and \$150.

Flu shots and other Immunizations

Remember to get your seasonal flu shot from your Blue Cross Blue Shield participating physician or at your local pharmacy that participates with Express Scripts. Most immunizations, including flu shots, are covered at 100% by the NASI Welfare Fund when using an In-Network provider.

Level 2 and Level 3 Benefits

The great majority of those eligible for benefits from the NASI Welfare Plan enjoy Level 1 benefits which include non-medical benefits like dental, vision, disability, and life insurance. The NASI Welfare Plan also provides two other levels of medical benefits which have different deductible, co-insurance, and out-of-pocket maximum expense levels. Groups who have bargained for Level 2 or Level 3 medical benefits can also choose to bargain for some or all of the “additional” benefits: dental, vision, disability, and life insurance.

Effective January 1, 2019, the hourly contribution rates associated with these benefits are as follows:

Pensioner Medical Coverage

Retirees with medical coverage pay a premium that is deducted from their monthly pension benefit. The amounts retirees pay are designed to cover 50% of the cost of retiree coverage.

Pensioners and Beneficiaries who do NOT have Medicare

The monthly self-payment amount for pensioners or beneficiaries who are not yet eligible for Medicare will increase from \$840 per month in 2018 to \$860 per month beginning January 1, 2019.

Pensioners and Beneficiaries whose Local Union has a Retired Employee Subsidy Account (RESA) and who are eligible for their Local Union’s RESA will continue to benefit from their Local Union’s subsidy of the cost of their coverage. If your Local Union determines that your RESA will not pick up the additional cost by increasing its subsidy to its covered members, you will be advised in a separate announcement.

Pensioners and Beneficiaries WITH Medicare

The monthly self-payment amount for Pensioners or Beneficiaries who became eligible for Medicare before 2002 will increase in cost from \$300 per month in 2018 to **\$305 per month in 2019**. For those Pensioners or Beneficiaries who become eligible for Medicare after 2001, the monthly self-payment cost for coverage will increase in cost from \$350 per month in 2018 to **\$355 per month in 2019**.

Medicare-eligible Pensioners and Beneficiaries who are eligible for their Local Union’s Retired Employee Subsidy Account (RESA) will continue to benefit from their Local Union’s subsidy of the cost of their coverage. If your Local Union determines that your RESA will not pick up the additional cost by increasing its subsidy to its covered members, you will be advised in a separate announcement.

Monthly Cost for Those Participating in NASI Welfare Fund through Participation Agreements

The premium for the NASI Welfare Fund for those participating in the Fund through participation agreements (e.g. owner members) will be \$1,603.02 per month.

REMINDERS

Retiree Benefits and Medicare

Medicare is the primary coverage for Pensioners, Dependents of Pensioners and Beneficiaries. The NASI Welfare Plan requires that individuals who are eligible for Medicare Part B benefits sign up for those benefits. Additionally, if an individual is not entitled to cost-free Medicare Part A, that individual must also purchase Part A coverage from Medicare when they become eligible to do so at age 65. Since ***Medicare does not pay for hospital or medical services outside of the United States***, in order to have adequate coverage when traveling or living outside the United States, you need to purchase travel insurance or other medical insurance. The NASI Welfare Fund will not provide primary medical coverage for Medicare-eligible individuals; instead, the Plan will limit its coverage to the amount the Plan would have paid on your behalf had you received those services in the United States. For example, if you are hospitalized in the United States, Medicare Part A pays all of the cost of the hospitalization except for the deductible (\$1,364 in 2019). If you are, instead, hospitalized outside of the United States, the Plan will process your claim assuming your medical expense was \$1,364 (i.e., the amount that would not have been covered by Medicare if the expense was incurred in the United States), and you will be responsible for the remainder of the charges unless you have travel insurance or other coverage.

Notification Requirement upon Divorce

Notice of your divorce must be provided to the Fund office within 60 days of your divorce.

If notice of your divorce is not provided to the Fund Office in this time frame, and as a result, benefits are paid to an ineligible Dependent, the Fund can recover those benefits by treating such benefits as an advance to you and deducting such amounts from benefits which become due to you until the entire amount of benefits erroneously paid is recovered.

Make Sure Your Beneficiary is Up-to-Date

Be aware that your divorce does not invalidate your Beneficiary designation. Forms to designate or change a Beneficiary for your NASI Welfare Fund life insurance benefit, NASI Pension Fund Death Benefit (for active participants) and SIS Pension Fund death benefit are available on the Funds' website, www.nasifund.org or by calling the Fund office.

Annual Reminder (as required by federal law) regarding Women's Health and Cancer Rights Act of 1998

The NASI Welfare Plan, as required by the Women's Health and Cancer Rights Act of 1998, provides benefits for mastectomy-related services, including all stages of reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy, including lymphedema.

Call the Fund Office at 1-800-638-2603 for more information.

Summary of Benefits and Coverage

The pages that follow this announcement are designed to meet requirements of the PPACA.