Southern California
United Food & Commercial Workers Unions
and Food Employers Joint Benefit Funds Administration, LLC
6425 Katella Avenue, Cypress, California 90630-5238
P.O. Box 6010, Cypress, California 90630-0010
714-220-2297 • 562-408-2715 • 877-284-2320
www.scufcwfunds.com

Important Changes to the Indemnity PPO Medical Plan Effective January 1, 2015

New Knee/Hip Surgery Benefit

The Benefit Fund, working with Anthem Blue Cross and HMC Healthworks® (HMC), will implement changes to the hospital benefits provided for routine knee and hip joint replacement surgeries. If you or any of your covered family members expect to have one of these surgeries, please read this notice carefully and keep it handy for future reference.

Esta publicación contiene información importante acerca de sus beneficios. Si usted tiene dificultad para comprender cualquier parte de esta información, o si tiene preguntas, comuníquese con su Sindicato Local o con la Oficina del Fondo al 714-220-2297, 562-408-2715 o 877-284-2320.

How does the new benefit work?

Effective January 1, 2015, the Plan will set an "Allowed Amount" of $30,000 for hospital charges incurred for routine knee and hip joint replacement surgeries. Regardless of how much a hospital charges, the Plan's payment on your behalf is based upon the lesser of the hospital's charge or $30,000, the Plan's Allowed Amount for such surgeries. Hospital charges for these surgeries typically include the cost for the hospital stay and the devices and materials needed for the replacement. The $30,000 Allowed Amount does not apply to charges from surgeons or other providers involved in your care. There is no change to the current coverage for such non-hospital services or charges.

To keep knee and hip joint replacement hospital costs within the $30,000 Allowed Amount, you have access to over 50 well-known hospitals and surgical facilities in California. These **"Designated Hospitals"** are highly respected for the quality of their orthopedic surgical facilities, patient care, and cost effectiveness and are under contract with Anthem Blue Cross to hold their charges for knee and hip replacement surgeries at or under $30,000.

You will pay much lower out-of-pocket costs when you go to a Designated Hospital for a routine knee or hip joint replacement surgery.

For a list of Designated Hospitals, visit **www.scufcwfunds.com/knee-hip-designated-hospitals** or call HMC at **844-751-4530**.

Here's how it works:

- **If you have your hip or knee replacement surgery at a Designated Hospital**, you will have no out-of-pocket costs beyond your deductible and your coinsurance (20% or 25% of covered charges, depending on your plan). You need to meet your deductible and pay your share of coinsurance (both payable from your Health Reimbursement Account balance, if any). After you reach the Plan's annual medical out-of-pocket maximum the Plan pays 100% of the remaining charges.
- **If you have your hip or knee replacement surgery at a non-designated hospital**, your out-of-pocket costs may be extremely high. After you pay your deductible and your share of coinsurance, you must also pay any charges above the $30,000 Allowed Amount. You cannot use your Health Reimbursement Account balance to pay charges that exceed the Allowed Amount. In addition, the Plan's medical out-of-pocket maximum will not limit your share of the costs.

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Example: How the benefit works for a Gold level Participant in Plan A

Your share of costs will be much lower when you use a Designated Hospital. Know before you go.

KNEE/HIP SURGERY BENEFIT EXAMPLE	Anthem Blue Cross Designated Hospital	Anthem Blue Cross Non-Designated PPO Hospital	Out-of-Network Hospital
Hospital Charges:	$22,000	$35,000	$42,000
Allowed Amount:	$30,000	$30,000	$30,000
Part One: You pay your share of the Allowed Amount (deductible and coinsurance)			
	$3,500 You pay your $1,000 deductible ***plus*** 25% coinsurance until you reach your medical out-of-pocket maximum of $2,500	**$8,250** You pay your $1,000 deductible ***plus*** 25% coinsurance on remaining Allowed Amount ($29,000 x 25% = $7,250)	**$15,600** You pay your $1,200 deductible ***plus*** 50% coinsurance on remaining Allowed Amount ($28,800 x 50% = $14,400)
Part Two: The Plan pays the remaining share toward the Allowed Amount			
	$18,500	$21,750	$14,400
Part Three: You pay all additional charges over the Allowed Amount			
	$0	$5,000	$12,000
Your Out-of-Pocket Cost:	**$3,500**	**$13,250**	**$27,600**

IMPORTANT DEFINITION: An "Allowed Amount" is the amount on which the Fund's Indemnity PPO Medical Plan payment is based for covered health care services. This also may be called an "eligible expense" "covered expense" or "negotiated rate." If a health care provider charges more than the Allowed Amount, you typically have to pay the difference.

How can I make sure I receive the maximum benefit for a knee or hip joint replacement surgery?

If your doctor recommends that you or any of your covered family members have a knee or hip replacement surgery, call HMC at **844-751-4530** and they will send you more detailed information about your benefit along with a current list of Designated Hospitals.

Not all Anthem Blue Cross PPO hospitals are Designated Hospitals!

And, because your costs may be so much higher at a non-designated hospital, it's important to understand what you may pay before you or your covered family members have a knee or hip joint replacement surgery.

Also, if Anthem Blue Cross receives a medical claim that indicates that you or a covered family member may need a knee or hip replacement, HMC will contact you by mail and/or by phone to explain your options.

What if I don't live near a Designated Hospital?

If you qualify for "out-of-area" benefits, hospital charges will be covered as they are now for any other hospitalization. The $30,000 Allowed Amount will not apply.

Questions? For details about working with a Designated Hospital for a knee or hip joint replacement surgery call HMC at **844-751-4530**. For information about your medical coverage, call the Fund Office at **714-220-2297, 562-408-2715, or 877-284-2320** (extension 424 for all three numbers).