Alaska United Food and Commercial Workers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

July 13, 2021

TO: All Eligible Participants of the Alaska United Food and Commercial Workers Health and Welfare Trust

RE: Dialysis Benefit Preservation Program – Effective August 1, 2021
Anti-Assignment of Benefits

This is a Summary of Material Modification describing changes to your health plan adopted by the Board of Trustees. Please be sure that you and your family read this notice carefully and keep it with your benefit booklet for future reference.

Dialysis Treatment – Outpatient

The Board of Trustees of the Alaska United Food and Commercial Workers Health and Welfare Trust (the "Plan") have adopted the Dialysis Program **effective August 1, 2021.**

SUMMARY OF BENEFITS		
	PPO Provider	**Non-PPO Provider**
Dialysis Treatment - Outpatient	150% of the Usual and Reasonable Charge after all applicable deductibles and coinsurance. **NOTE: Outpatient Dialysis Treatment claims are subject to specific conditions which do not apply to other types of claims. Participants should enroll in Medicare Part B when eligible to avoid balance billing.**	

The Dialysis Program shall be the exclusive means for determining the amount of Plan benefits to be provided to Plan members and for managing cases and claims involving dialysis services and supplies, regardless of the condition causing the need for dialysis.

The components of the Dialysis Program are as follows:

1) Application. The Dialysis Program shall apply to all claims filed by, or on behalf of, plan members for reimbursement of products and services provided for purposes of outpatient dialysis, regardless of the condition causing the need for dialysis ("dialysis-related claims"). The Dialysis Program shall apply to all dialysis-related claims received by the plan on or after **August 1, 2021,** regardless of when the expenses related to such claim were incurred or when the initial claim for such products or services was received by the plan with respect to the plan member.

2) Mandated Cost Review. All dialysis-related claims will be subject to cost review by the plan to determine whether the charges indicate the effects of market concentration or discrimination in charges. In making this determination the plan shall consider factors including:

   a) Market concentration: The plan shall consider whether the market for outpatient dialysis products and services is sufficiently concentrated to permit providers to exercise control over charges due to limited competition, based on reasonably available data and authorities. For purposes of this consideration multiple dialysis facilities under common ownership or control shall be counted as a single provider.

   b) Discrimination in charges: The plan shall consider whether the claims reflect potential discrimination against the plan, by comparison of the charges in such claims against reasonably available data about payments to outpatient dialysis providers by governmental and commercial plans for the same or materially comparable goods and services.

3) In the event that the plan's charge review indicates a reasonable probability that market concentration and/or discrimination in charges have been a material factor resulting in an increase of the charges for outpatient dialysis products and/or services for the dialysis-related claims under review, the plan may, in its sole discretion, determine that there is a reasonable probability that the charges exceed the reasonable value of the goods and/or services. Based upon such a determination, the plan may subject the claims and all future claims for outpatient dialysis goods and services from the same provider with respect to the plan member, to the following payment limitations, under the following conditions:

   a) Where the plan deems it appropriate in order to minimize disruption and administrative burdens for the plan member, dialysis-related claims received prior to the cost review determination may, but are not required to be, paid at the face or otherwise applicable rate.

   b) Where the provider is or has been a participating provider under a Preferred Provider Organization (PPO) available to the plan's members, upon the plan's determination that payment limitations should be implemented, the rate payable to such provider shall be subject to the limitations of this Section.

   c) Maximum Benefit. The maximum plan benefit payable to dialysis-related claims subject to the payment limitation shall be the Usual and Reasonable Charge for covered services and/or supplies, after deduction of all amounts payable by coinsurance or Deductibles.

   d) Usual and Reasonable Charge. With respect to dialysis-related claims, the plan shall determine the Usual and Reasonable Charge based upon the average payment actually made for reasonably comparable services and/or supplies to all providers of the same services and/or supplies by all types of plans in the applicable market during the preceding calendar year, based upon reasonably available data, adjusted for the national Consumer Price Index medical care rate of inflation. The plan may increase or decrease the payment based upon factors concerning the nature and severity of the condition being treated.

   e) Additional Information related to Value of Dialysis-Related Services and Supplies. The plan member, or where the right to plan benefits has been properly assigned to the provider, may provide information with respect to the reasonable value of the supplies and/or services, for which payment is claimed, on appeal of the denial of any claim or claims. In the event the plan, in its sole discretion, determines that such information demonstrates that the payment for the claim or claims did not reflect the reasonable value, the plan shall increase or decrease the payments (as applicable) to the amount of the reasonable value, as determined by the plan based upon credible information from identified sources. The plan may, but is not required to, review additional information from third-party sources in making this determination.

   f) All charges must be billed by a provider in accordance with generally accepted industry standards.

4) Provider Agreements. Where appropriate, and a willing appropriate provider acceptable to the plan member is available, the plan may enter into an agreement establishing the rates payable for outpatient dialysis goods and/or services with the provider, provided that such agreement must identify this Section of the plan and clearly state that such agreement is intended to supersede this Section.

5) Discretion. The Board of Trustees shall have full authority and discretion to interpret, administer and apply this Section, to the greatest extent permitted by law.

6) To the full extent allowable under applicable law, a provider that accepts the payment from the plan will be deemed to consent and agree that (i) such payment shall be for the full amount due for the provision of services and supplies to a plan member and (ii) it shall not "balance bill" a plan member for any amount billed but not paid by the plan.

The Preferred Providers provision of the Plan no longer applies to outpatient dialysis services.

Anti-Assignment of Benefits

Medical coverage benefits of this Plan may not be assigned, transferred or in any way made over to another party by a participant. Nothing contained in the written description of medical coverage shall be construed to make the Plan liable to any third-party to whom a participant may be liable for medical care, treatment, or services.

If you have questions regarding the contents of this notice, please contact the Administration Office at (800) 478-8329, option 1.

Sincerely,

Board of Trustees
Alaska United Food and Commercial Workers Health and Welfare Trust

Important Reminder - You must advise the Administration Office of any changes in your basic demographic data, including changes in your name, marital status, dependents, other insurance coverage available, designated beneficiary, home address, email address and telephone number. Provide information changes by completing and sending a new Enrollment Form to the Administration Office. If you have a change in dependents, divorce requires a complete filed copy of your divorce decree along with any accompanying court orders including the parenting plan. Marriage requires a copy of your marriage certificate, the parenting plan for stepchildren and their birth certificates.

Failure to update your information on file may interfere with our ability to process your benefits and provide timely communication of important Plan information.