Northern California Cement Masons Trust Funds
1600 Harbor Bay Pkwy, Suite 200, Alameda, CA 94502 • Telephone: 707-864-3300

July 15, 2020

To: All Direct Payment Plan Participants and Eligible Dependents, including COBRA Beneficiaries

Re: Cement Masons Health and Welfare Trust Fund for Northern California Direct Payment Plan

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This information is VERY IMPORTANT to you and your dependents. Please take the time to read it carefully.

SUSPENSION OF DEADLINES DURING CORONAVIRUS OUTBREAK PERIOD

This notice explains how new emergency federal rules suspend the Cement Masons Health and Welfare Trust Fund's deadlines for plan participants, beneficiaries, qualified beneficiaries, and claimants to take certain actions.[1] **The changes are temporary - they only apply retroactively from March 1 until sixty (60) days following the end of the "National Emergency" that was declared by President Trump on March 13, 2020**.

The period from March 1, 2020 until sixty (60) days after the announced end of the National Emergency is referred to as the "Outbreak Period." The normal deadlines to enroll during a special enrollment period, to file claims and appeals, and make COBRA elections and pay COBRA premiums are suspended during the Outbreak Period and will not start to run again until after the Outbreak Period ends.

- **Special Enrollment Timeframes** – The usual 60-day deadline to request enrollment in this Trust Fund following a special enrollment event (i.e., marriage, birth, adoption or placement for adoption of a child, or loss of other health coverage) is suspended during the Outbreak Period.

[1] This communication reflects our current understanding of the Joint IRS/DOL Rule published on May 4, 2020 in the Federal Register.

Example: If an employee is married or has a new child on March 1, 2020, the employee will have until 60 days after the end of the National Emergency to submit a request for special enrollment of the new spouse or child. If the National Emergency ends on June 1, 2020, the Outbreak Period will end on July 31, 2020 (the 60th day following the end of the National Emergency). The request to add the new child or spouse will be deemed timely if it is filed with the Administrative Office by July 31, 2020. In this example, if the request to enroll is made by July 31, 2020, the new dependent child will be retroactively coverage from the date of birth or adoption (March 1). In the case of a new spouse, retroactive coverage begins the first day of the calendar month following the marriage (April 1).

- **Benefit Claims and Appeals** - The 90-day deadline to submit claims is suspended during the Outbreak Period and will not restart until after the Outbreak Period ends.

Example: If a claim was incurred on March 1, 2020 and the National Emergency is declared over on June 1, 2020, the Outbreak Period will end on July 31, 2020. In this case, the deadline to file the claim will be October 29, 2020 (the 90th day after July 31, 2020). Likewise, the 180-day deadline to file an appeal from a denied claim is suspended during the Outbreak Period and will not restart until after the Outbreak Period ends. In such case the deadline to file an appeal will be January 27, 2021 (the 180th day after July 31, 2020).

- **COBRA notice, election and payment deadlines** – The deadlines for electing COBRA coverage, paying COBRA premiums, and for notifying the health plan of a Qualifying Event that is a divorce, separation, loss of dependent status or a disability are suspended during the Outbreak Period and will not restart until after the Outbreak Period ends.

Example: If an employee has a COBRA qualifying event (a reduction of hours or a termination) and wishes to elect COBRA coverage, the normal 60-day election period is not diminished by the Outbreak Period.

For example, assuming the Outbreak Period ends on July 31, 2020, if coverage is lost on March 1, 2020 due to a qualifying event and the COBRA election notice is sent on March 1, , the deadline to elect COBRA will be September 29, 2020 (the 60th day after July 31, 2020).

The deadline to pay the initial COBRA premium is also extended to 45 days after COBRA is elected. Thus, if the employee successfully elects COBRA on September 29, 2020, the initial COBRA premium is not due until November 13, 2020 (45 days after September 29, 2020).

Until the employee both elects and pays for coverage, the administrative office will inform health care providers that the employee does not currently have coverage in place, but will have coverage retroactively instated if he/she elects COBRA coverage and makes timely payment of COBRA premiums covering the months of service.

Thus, following the example above, if the employee elects COBRA by September 29, 2020, he/she will be covered retroactively as of March 1, 2020, as long as COBRA premiums for the months of March through November are paid by November 13, 2020. If the employee only pays COBRA premiums for two months, then the Plan would not be obligated to pay for services rendered after April 2020.

Clarification of Coverage for Gene Therapy

At the most recent meeting of the Cement Masons Health and Welfare Trust Fund for Northern California Board of Trustees, it was confirmed that the Fund will cover certain gene therapies that are FDA-approved (subject to any plan deductible, coinsurance and/or copay). Although this is more of an interpretation of current plan language rather than a plan change, we thought it would be helpful to the Participants to outline some of the terms of coverage.

Gene therapy seeks to modify or introduce genes into a patient's body with the goal of treating, preventing or potentially curing a disease. Examples of gene therapy approaches include replacing a mutated gene that causes disease with a functional copy; introducing a new, correct copy of a gene into the body; or turning off genes that cause medical problems. Kymriah, Yescarta, Luxturna and Zolgensma have all been approved by the FDA. These may be considered as medically necessary treatment for a rare subset of patients.

All gene therapy must be preauthorized by Anthem Blue Cross (Anthem). A penalty of up to $2,000 will be applied if preadmission review is not obtained when admitted to a non-participating hospital (note that preadmission review is automatic for a participating hospital). If services are subsequently determined to be not medically necessary, there will be no benefits available. Anthem will determine whether the patient meets the indications for use of the therapy. Where possible, the patient will be directed to a participating provider.

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. If you have any questions, you may call the Trust Fund Office at 1-888-245-5005.

Sincerely,

Board of Trustees

Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility, or if you have any questions regarding these Plan changes, please contact the Trust Fund Office.

In accordance with ERISA reporting requirements, this announcement serves as your Summary of Material Modifications to the Plan. It is intended to be a brief summary of the plan change. It cannot describe each and every plan provision that may be relevant to your situation. You should always refer to your plan Rules and Regulations for the full details of your plan. You should keep all Important Plan Benefit Change announcements with your Summary Plan Description so it contains up-to-date information. Receipt of this announcement does not validate your eligibility under the plan. You should always call the Trust Fund Office to verify your eligibility prior to any service.