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WELFARE & PENSION FUNDS

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AMENDMENT TO THE

UFCW LOCAL 1500 WELFARE FUND

SUMMARY OF MATERIAL MODIFICATIONS

Amended Effective: March 1, 2020

This notice is being provided as a Summary of Material Modifications. Provided below is a description of the changes that were made to the Plan. This Summary of Material Modifications should be read in conjunction with the Summary Plan Description (SPD) that has already been distributed to you.

Temporary changes have been made to certain deadlines applicable to group health plans. The timeframes that are affected by these temporary changes are described below.

General Special Enrollment Timeframes

The ability for a member or dependent to enroll in the Fund can occur under certain special conditions, including when an employee or dependent loses coverage in which the member or member's dependents were previously enrolled and if applicable, coverage under the Fund was waived. The right to enroll may also occur when a person becomes a dependent of an eligible participant by birth, marriage, adoption, or placement for adoption. In these cases, the Fund must allow the individual to enroll if they are otherwise eligible and if enrollment is requested within 30 days of the occurrence of the event (or within 60 days, in the case of special enrollment rights through the Children's Health Insurance Program Reauthorization Act of 2009), even if the requested enrollment is outside of the Plan's open enrollment period.

General COBRA Enrollment and Premium Payment Timeframes

When a participant loses coverage due to a COBRA "qualifying event" a Fund must give a minimum of 60 days for the participant to choose continuation coverage under the Fund. There are certain notice requirements in which the participant or the employer is required to notify a Fund of the qualifying event in order for the Fund to send a timely COBRA notification. If the participant elects COBRA, a Fund generally allows for the participant to make the first COBRA premium payment 45 days from the date he/she elects to take COBRA and on a monthly basis thereafter. You should refer to your Summary Plan Description for a full explanation of what is considered a COBRA qualifying event.

General Claims Procedure Timeframes

A Fund must maintain a procedure in which the participant is able to file benefit claims and to provide claimants with a reasonable opportunity to appeal adverse benefit determinations (claim denials) to the Board of Trustees. A Fund must allow participants at least 180 days following receipt of an adverse benefit determination to file an appeal. A participant has an additional 120 days from an appeal denial to request an Independent Review Organization if the claim denial meets certain conditions.

TEMPORARY CHANGES TO APPLICABLE TIMEFRAMES:

Because of the COVID-19 Pandemic and the resulting declaration of a National Emergency, the Fund will extend the following deadlines from March 1, 2020 until sixty (60) days after the announced end of the National Emergency, which is now known as the “Outbreak Period.”

- (1) The 30-day period (or 60-day period, if applicable) to request special enrollment;
- (2) The 60-day election period for COBRA continuation coverage;
- (3) The date for making COBRA premium payments (premium payments will still have to be made, retroactive to the date they are due. This is not a waiver of premium);
- (4) The date for individuals to notify the Fund of a qualifying event or determination of disability for the purposes of COBRA eligibility;
- (5) The date within which individuals may file a benefit claim under the Fund’s claims procedure;
- (6) The date which claimants may file an appeal of an adverse benefit determination (claim denial) under the Fund’s claims procedure;
- (7) The date which claimants may file a request for an external review after receipt of an adverse benefit determination (claim denial) or final adverse benefit determination;
- (8) The date within which a claimant may file information to perfect a request for external review upon finding that the request was incomplete.

Below are some examples of how the new timeframes may affect you. As of the date of this Summary of Material Modification, the National Emergency has not been declared over, which would trigger the Outbreak Period. Additional guidance may be forthcoming if different parts of the country are subject to differing Outbreak Periods.

Assume for the Examples below, that the National Emergency ended on April 30, 2020, which means that the Outbreak Period ended on June 29, 2020 (the 60th day after the end of the National Emergency).

Example 1: Special Enrollment Period

Facts: Individual A is a Participant in the Fund. On March 31, 2020, Individual A gave birth and would like to enroll her child into the Fund. Normally, Individual A would have 30 days from the date of her child’s birth to notify the Fund that she would like to enroll her dependent. However, the new timeframe to notify the Fund would be 30 days from the end of the Outbreak Period, which is July 29, 2020, provided that she pays the premiums for any period of coverage retroactively, if that rule applies.

Example 2: Electing Continuation Coverage (COBRA)

Facts: Individual A works for Employer X and is a Participant in the Fund. Due to the National Emergency, Individual A experiences a qualifying event as a result of termination from work and has no other coverage. Individual A is provided a COBRA election notice on April 1, 2020. Normally, Individual A would have 60 days to decide whether or not to elect COBRA coverage, beginning from the date the election notice is provided or the date Individual A would otherwise lose coverage due to the qualifying event, whichever is later. However, the new timeframe to elect COBRA coverage in this case would be 60 days after June 29, 2020 (the end of the Outbreak Period), which is August 28, 2020.

Example 3: COBRA premium payments

Facts: On March 1, 2020, Individual A was receiving COBRA under the Fund. The COBRA premium payments are due by the first of the month and Individual A has not made the payment or any subsequent payments during the Outbreak Period. Normally, Individual A would have 30 days to pay the premium to continue COBRA coverage, from the date that the premium is due. However, as of July 1, Individual A has not made premium payments for March, April, May, or June. Because of the new Timeframe, premium payments made 30 days after June 29, 2020 (July 29, 2020) for March, April, May, and June 2020, will be considered timely. All payments for the four months outstanding would be due on or before July 29, 2020. Individual A will be eligible

to receive coverage under the terms of the Plan during this period once the premiums are timely paid, even if some or all of the premium payments are not received until the July 29, 2020 deadline.

Example 4: COBRA premium payments

Facts: Same facts as above except by July 29, 2020, Individual A only made payment equal to March and April's premiums but not for May or June. Therefore, Individual A is only entitled to COBRA continuation coverage for March and April 2020, the two months for which timely payments were made, and Individual A is not entitled to COBRA coverage for any month after April 2020. The Fund would not be responsible for any health related charges or services incurred by Individual A after April 30, 2020.

Example 5: Claims Procedure

Facts: Individual A received medical treatment for a condition covered by the Fund on March 1, 2020 but the doctor did not submit the claim to the Fund until April 1, 2021. Normally, the Fund in this case requires that claims must be submitted within 365 days of the participant's receipt of medical treatment. Normally, Individual A's claim could be denied because it is submitted approximately one month later than the 365-day period. However, because of the new timeframe, Individual A's last day to submit a claim is 365 days after June 29, 2020 (the end of the Outbreak Period), which is June 29, 2021, so Individual A's claim must be considered timely.

Example 6: Claims Procedure (Adverse benefit determination (claim denial))

Facts: Individual A submits a claim for medical coverage that is timely but the claim is denied because it is not covered. Individual A receives a notification of an adverse benefit determination (claim denial) on January 28, 2020. The notification advised Individual A that there are 180 days within which to file an appeal. Normally, the timeframe to file an appeal would expire after July 26, 2020. However, because of the new timeframe, Individual A's appeal must consider the Outbreak Period. Individual A's last day to submit an appeal is 148 days after June 29, 2020, because only 32 days elapsed from the benefit denial until the beginning of the Outbreak Period, March 1, 2020. The 148 days is calculated by subtracting the 32 days between January 28, 2020 and March 1, from 180 days permitted for an appeal. The new deadline is November 24, 2020, which is 148 days after the end of the Outbreak Period.

For questions or if you would like more information, contact the Fund Office.

NOTE: This document is a Summary of Material Modifications. It should be kept with your Summary Plan Description.