Date: May 1, 2013
To: All Active Full-time Employees and their Dependents of Yavapai Combined Trust (YCT)

ATTACHED TO THIS LETTER ARE TWO DOCUMENTS CALLED SUMMARY OF BENEFITS AND COVERAGE (SBC).

Summary of Benefits and Coverage, commonly referred to as a “SBC.” These SBCs provides a brief overview of the medical plan benefits provided by the Yavapai Combined Trust (YCT). You will want to review them and share them with your other family members who enroll for coverage.

As required by law, across the US, insurance companies and group health plans like ours are providing plan participants with consumer-friendly SBCs as a way to help understand and compare medical benefits.

What the SBC Contains
Each SBC contains concise medical plan information, in plain language, about benefits and coverage, including, what is covered, what you need to pay for various benefits, what is not covered and where to go for more information or to get answers to questions. Government regulations are very specific about the information that can and cannot be included in each SBC. Plan sponsors are not allowed to customize very much of the SBC. There are detailed instructions the Plan had to follow about how the SBCs look, how many pages the SBC should be (maximum 4-pages), the font size, the colors used when printing the SBC and even which words were to be bold. An SBC includes:

• a health plan comparison tool called “Coverage Examples.” The coverage examples illustrate how the medical plan covers care for two common health scenarios: having a baby and diabetes care. The examples show the projected total costs associated with each of these two situations, how much of these costs the Plan covers and how much you, the participant, needs to pay. In these examples, it’s important to note that the costs are national averages; and do not reflect what the actual services might cost in your area. Plus, the cost for your treatment might also be very different depending on your doctor’s approach, whether your doctor is an In-Network PPO Provider or a Non-PPO Provider, your age and any other health issues you may also have. These examples are there to help you compare how different health plans might cover the same condition—not for predicting your own actual costs.

• a link to a “Glossary” of common terms used in describing health benefits, including the words “deductible,” “co-payment,” and co-insurance.” The glossary is standard and cannot be customized by a Plan.

• Websites and toll-free phone numbers you can contact if you have questions or need assistance with benefits.
Human Resources

When You Will Receive an SBC
SBCs will be provided to you at important points in the enrollment process, such as when you apply for coverage, with each new plan year, and at any time you want, upon request. Distribution of the SBC is required by law in accordance with the Affordable Care Act (ACA).

60-Day Notice for Material Modification of Plan Benefits
If a material change is made to a medical plan during the plan year that is not reflected in the most recent Summary of Benefits and Coverage (SBC), a notice will be provided to you at least 60 days before the effective date of the change. A material change is any change that would be considered by an average participant to be an important enhancement or reduction in benefits. This 60-day notice applies only to changes that become effective during the plan year. Changes made at the beginning of a new plan year do not require 60-day advance notice.

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Because this Plan is a “grandfathered health plan,” we are required by law to provide this notice to you:

This group health plan believes the medical plans sponsored by Yavapai Combined Trust (YCT) are considered to be “grandfathered health plans” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted.

Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to your Human Resources/Benefits Department or effective July 1, 2013, to Summit Administration Services, Inc. at 1-888-690-2020.

You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

For More Information
Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. The SBC and glossary are provided in addition to your Plan Document/Summary Plan Description (SPD). Receipt of this document does not constitute a determination of your eligibility. If you want to verify eligibility, or have any questions about your Summary of Benefits and Coverage (SBC), please contact Summit Administration Services, Inc. at 1-888-690-2020 effective July 1, 2013.

Sincerely,
YCT Board of Trustees