

TRUSTEES OF U. A. LOCAL 38 TRUST FUNDS

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June 21, 2010

PLEASE READ THIS ENTIRE LETTER CAREFULLY, AS IT CONTAINS IMPORTANT INFORMATION REGARDING YOUR MEDICAL HEALTH CARE COVERAGE

TO: ALL ACTIVE PARTICIPANTS IN THE U.A. LOCAL & HEALTH & WELFARE PLAN

FROM: PETER P. MACHI, Administrator

RE: CHANGE IN U.A. LOCAL 38 HEALTH & WELFARE PLAN'S MEDICAL HEALTH CARE PROVIDER EFFECTIVE JULY 1, 2010

Dear Participant:

The U.A. Local 38 Health & Welfare Plan ("the Plan") is pleased to announce a change in medical health care provider. **Effective July 1, 2010**, CIGNA HealthCare ("CIGNA") will be providing medical coverage to you and to your dependents beginning, July 1, 2010, replacing Health Net, the Plan's present medical health care provider.

The Plan has been notified by Health Net that it will significantly increase its cost of health care services to the Plan. In response, the Board of Trustees, through its Health Benefits Manager, undertook to find a medical health care provider that would be able to provide the same medical benefits provided by the Plan, at the lowest cost to the Plan. After careful consideration of all options available, the Board of Trustees determined that CIGNA met the Plan's requirements. With this move to CIGNA, the Board of Trustees have maintained, and in some cases increased, the level of benefits that you receive, while providing you with a national network of providers and wellness programs to control the ever-increasing cost of healthcare.

CIGNA will provide the Plan with a Open Access Plus plan, which replaces Health Net's PPO plan and a NETWORK plan, which replaces Health Net's HMO. In most instances, CIGNA's benefit plan will be equal to or better than the benefits currently provided by Health Net.

Open Access Plus Plan:

CIGNA's Open Access Plus plan replaces Health Net's PPO plan. CIGNA's Open Access Plus program works like Health Net's PPO plan. That is, you **DO NOT** need to choose a primary care physician and you **DO NOT** have to get referrals to see specialists. You can simply see any doctor or facility to receive the services you need, but remember, your benefits will be reduced if you choose to seek services with providers that are not in CIGNA's Open Access Plus Plan network. Most in network services are covered at 100% in the Open Access Plus Plan. Out of network services are covered at a reduced rate of 80% of usual and customary charges. **If you were enrolled in Health Net's PPO plan, you will be automatically enrolled in CIGNA's Open Access Plus plan.**

Network Plan:

CIGNA's NETWORK plan replaces Health Net's HMO plan. CIGNA's NETWORK plan allows you and your dependents to access facilities and physicians in CIGNA's nationwide NETWORK program. CIGNA's NETWORK plan requires that you choose a primary care physician and obtain referrals to see specialists. Your primary care physician will provide a variety of services such as preventive care, referrals to specialists or coordination of your hospital stay. **There is NO coverage for services rendered outside of the NETWORK list of physicians except for emergencies.** Your out of pocket costs are less with CIGNA's NETWORK plan, since most services are covered at 100% after a copayment. If you are currently enrolled in Health Net's HMO plan, you will be automatically enrolled in CIGNA's NETWORK plan. A Primary Care Physician ("PCP") will be assigned to you. ***It is extremely important that you call CIGNA on or after 7/1/2010 to change the Primary Care Physician ("PCP") to the PCP of your choice. You will only be able to receive services from the PCP on file.***

To find out if your doctor or facility is in either CIGNA's NETWORK plan or their Open Access Plus plan, simply call 800-CIGNA-24 or go online at www.cigna.com and click on the "provider directory" link on the left-hand side of the screen. You must reference either "NETWORK" and select health plan or "Open Access Plus Only" plan when looking for participating providers. DO NOT ask for HMO or PPO providers because these are different benefit plans at CIGNA. **If your provider is not currently participating in CIGNA's plan, you can nominate your provider and CIGNA will contact them to see if they would like to be a participating provider in the CIGNA benefit plan in which you are enrolled.**

Transition of Care:

If you are currently in the middle of treatment for an acute condition or third-trimester pregnancy, you may be able to transition your care to CIGNA if you are seeing a provider that is currently not in the CIGNA network. Please complete the Transition of Care Form (available at the Trust Fund Office) if you are experiencing one of these conditions, or any other condition that you believe is acute and short term (not ongoing). CIGNA will review each transition of care request on a one-by-one basis. If it is determined that your condition would worsen by discontinuing services with your current out of network doctor/facility, CIGNA will pay your future claims as in network for a limited time.

ID Cards:

Prior to 7/1/10, CIGNA will be mailing an ID card for you and one for each of your dependents. This ID card does not necessarily mean that you are eligible for medical health care coverage. Eligibility is subject to the Plan's eligibility rules. This ID card is for identification purposes only.

Please remember to destroy your old Health Net cards because they will no longer be valid on 07/01/10. Also, please remember to accept or change your PCP and notify your doctors about the change in your benefits to CIGNA HealthCare.

Additional Information To Be Provided:

Informational packets will soon be mailed to you that will include the following information:

- Benefit Summaries describing the covered benefits under the CIGNA plans.

- Information about how to access our list of doctors online.
- Information about how to register for mycigna.com. This personalized, secure online service allows you to view your personal health information. You will be able to confirm your eligibility for the Plan, view 24-months of your own personal claims history, as well as the claim history for your dependents, and the details of your benefit plans. You can also change your providers, view a personalized provider directory and order ID cards for yourself.
- Information about the CIGNA HealthCare 24-Hour Health Information LineSM.
- Information on CIGNA Healthy Rewards® – the discount program offered through CIGNA for many non-covered products and services, such as laser vision correction, Weight Watchers®, smoking cessation, vitamins, supplements, health/beauty aids and more.

If you have any questions regarding your health and welfare benefits, or any of the information contained in this letter, please contact CIGNA HealthCare at 800-CIGNA-24, **ON OR AFTER 7/1/2010**, or contact the Trust Fund Office at (415) 626-2000.

Very truly yours,

A handwritten signature in black ink that reads "Peter P. Machi". The signature is written in a cursive style and is enclosed within a large, hand-drawn oval.

PETER P. MACHI,
Administrator

This Summary of Material Modifications (SMM) is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of all of the terms and provisions of the Plan. If any conflict should arise between this summary and the Plan, the terms of the Plan will govern in all cases.

The Board of Trustees reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, in accordance with the Plan or the Agreement and Declaration of Trust establishing the Plan.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the Plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.