

2020 SUMMARY ANNUAL REPORT FOR CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS HEALTH AND WELFARE PLAN ACTIVE PLAN

This is a summary of the annual report (Form 5500) of the Central States, Southeast and Southwest Areas Health and Welfare Plan Active Plan (Plan No. 501) having EIN 36-2154936 for the period beginning January 1, 2020 and ending December 31, 2020. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Trustees of Central States, Southeast and Southwest Areas Health and Welfare Fund have committed themselves to pay certain health, life insurance, dental, vision, temporary and long-term disability, and accidental death and dismemberment benefit claims incurred under the terms of the plan.

Insurance Information

The Fund has contracts with Kaiser Foundation Health Plan Inc. and Kaiser Foundation Health Plan of the Northwest to pay certain medical and prescription drug claims incurred under the terms of plans AK, BK, CK, DK, GK, U5, U7, UM, UN and WK. The total premiums paid for the plan year ending December 31, 2020 were \$15,416,218.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$7,844,320,318 as of December 31, 2020, compared to \$6,724,987,623 as of January 1, 2020. During the plan year the plan experienced an increase in its net assets of \$1,119,332,695. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$4,389,913,660, including employer contributions of \$3,875,405,898, employee contributions of \$4,911,502, realized gain of \$4,922,862 from the sale of assets, and earnings from investments of \$503,759,180. Plan expenses were \$3,270,580,965. These expenses included \$191,534,042 in administrative expenses and \$3,079,046,923 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the Plan's full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information and information on payments to service providers;
3. assets held for investment;
4. loans or other obligations in default or classified as uncollectible;
5. fiduciary information;
6. transactions in excess of 5 percent of the plan assets; and
7. information regarding any common or collective trusts in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write the Research and Correspondence Department, TeamCare – A Central States Health Plan, PO Box 5126, Des Plaines, Illinois 60017-5126, or call 800-TEAMCARE (832-6227).

You also have the right to receive from the plan administrator, on request and at no charge, a statement of assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the Central States, Southeast and Southwest Areas Health and Welfare Fund's office located at 8647 West Higgins Road, Chicago, Illinois 60631-2803, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

This report contains an English summary of the Health and Welfare Active Plan for the year beginning January 1, 2020, and ending December 31, 2020. If you have difficulty in understanding this report, please write the Research and Correspondence Department, TeamCare – A Central States Health Plan, PO Box 5126, Des Plaines, Illinois 60017-5126, or call 800-TEAMCARE (832-6227).

Este informe contiene un resumen en inglés de las actividades financieras del Health and Welfare Active Plan para el año comenzando el primero de Enero del 2020 y terminando el 31 de Diciembre del 2020. Si usted tiene dificultad en entender este informe, por favor escriba al Research and Correspondence Department, TeamCare – A Central States Health Plan, PO Box 5126, Des Plaines, Illinois 60017-5126, o puede llamar 800-TEAMCARE (832-6227).

SUMMARY OF MATERIAL MODIFICATIONS

COVERAGE OF A DISABLED CHILD:

Effective January 1, 2022, a Covered Participant's disabled child may be covered under Medicaid or Medicare and remain eligible for coverage as a disabled child under the Plan.

FAMILY PROTECTION ELIGIBILITY:

Effective January 1, 2022, the Plan was amended to define the family protection benefit Five-Year Period of coverage to begin on the date of death of the Participant and end five years after the date of death of the Participant. Additionally, if an eligible Covered Dependent loses the family protection plan benefit due to the occurrence of a Terminating Event, then that Covered Dependent may gain or regain eligibility within the original Five-Year Period provided that the condition(s) that caused the Terminating Event no longer exists.

FORUM SELECTION CLAUSE:

Effective January 1, 2022, all claims (including without limitation claims under the terms of the Plan, the Trust Agreement, or the Employee Retirement Income Security Act of 1974, as amended) against the Plan (including without limitation claims against the Central States, Southeast and Southwest Areas Health and Welfare Fund, "TeamCare", Trustees, Plan administrator, Plan fiduciaries, or Plan employees) shall be filed and maintained solely in the United States District Court for the Northern District of Illinois, Eastern Division.

PLANS UA - UC EMERGENCY ROOM BENEFIT:

Effective January 1, 2022, Plans UA and UC will no longer require emergency treatment to be received within 72 hours of an accident in order to receive the emergency room benefit at 100% after the copayment.

MEDICAL BENEFIT PAYMENTS BASED ON

ALLOWED AMOUNT: Effective January 1, 2022, in all instances, other than when a specific dollar amount is the stated allowance, medical benefits to be paid by the Fund will be based upon the Allowed Amount which is defined as follows:

- (a) For providers or facilities which have a written agreement with the Fund or with a network utilized by the Fund, the amount specified in such agreement.
- (b) For providers that do not have a written agreement with the Fund or with a network utilized by the Fund, the lesser of (1) the provider's billed charges; and (2) 200% of the base Medicare reimbursement rate, excluding any Medicare adjustment(s).
- (c) For facilities that do not have a written agreement with the Fund or with a network utilized by the Fund, the lesser of (1) the facility's billed charges; and (2) 175% of the base Medicare reimbursement rate, excluding any Medicare adjustment(s).
- (d) If there is no base Medicare reimbursement rate for a claim under (b) and (c), then the lesser of (1) the provider's or facility's billed charge; and (2) the median rate that would be paid for an in-network claim for such claim.
- (e) If there is no base Medicare reimbursement rate for a claim under (b) and (c), and no median rate that would be paid for an in-network claim for such claim under (d), then the Reasonable and Customary amount.
- (f) In determining the Allowed Amount, all other Plan rules, conditions, exclusions, and limitations apply, including without limitation the specified percentages of the Allowed Amount payable under the Plan.

GRANDFATHERED PLAN NOTICE

This group health plan believes all of its plans (other than plans 1N, 2M, 2N, 4M, 5D, 5N, 5S, 5U, 6N, 8N, A5, AB, AK, AN, AU, B5, BN, CK, CL, CM, M5, N1, N3, N5, N6, N8, NM, NN, PU, R3, RB, U5, U7, UA, UC, UM, UN and WK) are “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 the plan administrator at Research and Correspondence Department, TeamCare – A Central States Health Plan, PO Box 5126, Des Plaines IL 60017-5126, or call 800-TEAMCARE (832-6227). You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 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.

WOMEN’S HEALTH & CANCER RIGHTS

Do you know that your plan, as required by the Women’s Health and Cancer Rights Act of 1998, provides benefits for mastectomy-related services including all stages of reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy, including lymphedema?

Call your plan administrator at 800-TEAMCARE (832-6227) or visit MyTeamCare.org for more information.

NOTICE OF PRIVACY POLICY

The Central States, Southeast and Southwest Areas Health and Welfare Fund (“Central States”) restricts access to your personal health information to only those entities having a right to the information. To obtain a copy of Central States’ Notice of Privacy Practices, call 800-TEAMCARE (832-6227), visit our website at <https://myteamcare.org/-/media/Files/Forms-and-Documents/Members/HIPAA/TeamCare-Notice-of-Privacy-Practices-PHI.pdf> or write to us at Privacy Officer, TeamCare – A Central States Health Plan, 8647 West Higgins Road, Chicago, IL 60631-2803.