

EMPLOYEES SECURITY FUND OF THE ELECTRICAL PRODUCTS INDUSTRIES

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September 2019

Important Information for all ESF Plan "A", Plan "C" and Retired Participants and their Eligible Dependents

Gene Therapy Exclusion

Dear Participant:

This is an important notice concerning the health benefits provided by the Employees Security Fund of the Electrical Products Industries ("the Plan"). Please read this notice carefully and keep it with your copy of the Plan's Summary Plan Description ("SPD").

The Plan does not cover gene therapy.

What is Gene therapy?

Gene therapy is a technique that modifies a person's genes to treat or cure disease. Gene therapy can involve the following:

1. Replacing a gene that causes a medical problem with a gene which does not.
2. Adding a gene to help the body fight or treat a disease.
3. Inactivating a gene which causes a disease.

The Plan does not cover any charges related to gene therapy, whether those therapies have received FDA approval or are considered experimental or investigational. Illustrative examples of gene therapy include Chimeric Antigen receptor T-cell (CAR-T), such as Kymriah and Yescarta. New applications for gene therapy are submitted every year.

The following paragraph is for clarification purposes and will be added to the SPD section entitled "Exclusions and Limitations:"

"Charges in connection with any gene therapy treatments whether those therapies have received approval from the U.S. Food and Drug Administration ("FDA") or not or are considered experimental or investigational, including but not limited to CAR-T Therapies, such as Kymriah and Yescarta, Ocular Gene Therapies, such as Luxturna, and Spinal Muscular Atrophy treatments, such as Zolgensma."

From time to time, the FDA approves new drugs, biologicals, and other treatment modalities. The Trustees reserve the right to decide if a new drug, biological, or other treatment modality will be covered on a case-by-case basis. The Trustees may base their decision on, among other things, industry practices and the recommendation of the manager of the Plan's Prescription Drug Program. From time to time, the Trustees will review these decisions and may decide to reverse the exclusion of any drug, biological, or treatment modality from coverage.

You or your health care provider may call the MagnaCare ESF dedicated line at 1-800-548-0138 with any questions or concerns.

Sincerely,

Trustees of the Employees Security Fund of the
Electrical Products Industries

“Grandfathered” Plan Status:

The Employees Security Fund of the Electrical Products Industries Health and Welfare Plan believes this plan is a “grandfathered health plan” 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 the Joint Industry Board of the Electrical Industry at 718-591-2000. 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.