October 2004

IMPORTANT NOTICE REGARDING
BENEFIT CHANGES

TO: ALL ELIGIBLE PARTICIPANTS OF THE
MICHIGAN LABORERS’ HEALTH CARE FUND

RE: Annual Eligibility
Dental Benefits
Preferred Provider Organization (PPO)
Co-payments
Prescription Drug Benefits
Vision Benefits

Dear Participant:

As you know, we’re carefully monitoring the staggering increases in health care costs and their impact on your Fund. (Unfortunately, these costs have increased by more than 20% per year in the last several years alone).

Predictably, these astonishing increases have strained the Fund’s finances. And, they require us to take additional action to protect your benefits and the Fund.

So, we’ve made several, necessary benefit/eligibility changes. These changes, which we discuss below, are simply unavoidable.

The changes, all of which become effective November 1, 2004, are as follows:

A. ELIGIBILITY

Annual Eligibility Requirement

Currently, the “Annual Eligibility Requirement” is 1,120 hours. That is, to maintain your eligibility, by way of the annual eligibility requirements, after you’ve satisfied the initial eligibility requirements, you currently must have employer contributions for at least 1,120 hours for work actually performed.
Effective with the work month of November 2004 (January 2005 eligibility), the annual eligibility requirement is one thousand two hundred (1,200) hours. And, effective with the work month of November 2004, the number of months that you can accumulate based upon this annual eligibility requirement will be limited to three (3) months. The quarterly eligibility requirements have not changed.

B. DENTAL BENEFITS

Effective November 1, 2004, the Fund will only reimburse for preventive services. These reimbursements are limited to the plan’s current maximums. The reimbursable preventive services are limited to routine exams and cleanings, fluoride treatments, and certain x-rays.

Procedures such as orthodontics, root canals, dentures and crowns, could be reimbursed up to the Plan maximum provided the treatment was started prior to November 1, 2004. Documentation regarding the first treatment date is required.

If you receive a pre-authorization for services that have not yet been performed, your dentist must contact the Fund Office to verify coverage and benefits prior to performing any services.

If you are currently enrolled in the Midwestern Dental Plan, your benefits will also be limited to preventive services.

C. PREFERRED PROVIDER NETWORK (Hospital/Medical Services)

Effective November 1, 2004, the Fund’s health care benefits will change from the current Traditional Blue Cross Blue Shield (BCBSM) program to the BCBSM PPO program. (You’ll receive new BCBSM ID cards, which reflect this change sometime before November 1, 2004).

You must use a BCBSM PPO participating provider to avoid additional out-of-pocket expenses. To avoid these expenses, ask your health care provider if they participate in the PPO program. (All acute care hospitals participate in the BCBSM PPO program in Michigan.) To verify whether other providers participate with the BCBSM’s PPO program, check the BCBSM web site at www.bcbsm.com or call 1-800-252-1900.

If you reside or travel out of Michigan, you still must also use a PPO participating provider to avoid additional out-of-pocket expenses.

If you use a non-participating provider, you must pay a co-payment of thirty percent (30%) up to an additional out-of-pocket maximum of $1,000.
NOTE: Members who receive primary coverage through Medicare and/or have a spouse who receives primary coverage through Medicare are not affected by the above change to the PPO network and you will not be receiving a new BCBSM identification card.

D. COPAYMENTS

Effective November 1, 2004, co-payments for hospital and medical services will be twenty percent (20%) for all in-network services. The maximum out-of-pocket expense of twelve hundred dollars ($1,200) will not change for in-network services.

If you use a non-participating provider, you must pay a co-payment of thirty percent (30%) up to an additional out-of-pocket maximum of $1,000.

E. PRESCRIPTION DRUG BENEFITS

Effective November 1, 2004, the prescription drug co-payment will be twenty dollars ($20) for generic drugs and forty dollars ($40) for brand names drugs. You must also pay a fifty percent (50%) co-payment for lifestyle drugs such as reproductive drugs, smoking cessation programs, weight loss, etc.

And, you must also pay the full difference between a generic and brand name drug, in addition to your co-payment, if you purchase a brand name drug when a generic drug is available even if your doctor directs that the drug be dispensed as written (DAW).

F. VISION BENEFIT

Effective November 1, 2004, vision benefits are available every twenty-four (24) months rather than the current renewal of benefits after twelve (12) months. This twenty-four (24) month period begins with your last date of vision service.

These changes are necessary. We believe these changes are sufficient to preserve your Fund. But, if costs continue to escalate, other changes may be necessary, including an adjustment of the hourly contribution rate.

The enclosed “Benefits-at-a-Glance will provide a summary of the benefits effective November 1, 2004.

CORRECTION TO FEBRUARY 2004 NOTICE

Finally, we wish to correct our February 2004 notice to you. Specifically, in the Summary of Material Modifications sent to you in February 2004, the self-payment rate for an Early Retiree without Medicare with a spouse with Medicare
was listed **incorrectly**. *It should be $321 without dental coverage and $343 with dental coverage.*

If you have any questions regarding this notice, please do not hesitate to contact the Fund Office.

Sincerely,

MICHIGAN LABORERS’ HEALTH CARE FUND
BOARD OF TRUSTEES
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**TO ACCESS PHYSICIAN SEARCHES USING THE BLUE CROSS BLUE SHIELD OF MICHIGAN WEBSITE**

- Go to www.bcbsm.com
- Find “Top Requests” (at the right) and click on “Find your Doctor”. This takes you to the Physician Search page.
- At **Step 1** – “Choose a Plan” – click the arrow, scroll down and select **Community Blue/Blue Preferred PPO**
- From that point, follow **Step 2** and the various options to find a doctor or confirm your doctor’s participation.