

# UPPER PENINSULA PLUMBERS & PIPEFITTERS' FRINGE BENEFIT FUNDS

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UP Plumbers' & Pipefitters' Health & Welfare Fund  
UP Plumbers' & Pipefitters' Pension Fund  
UP Plumbers' & Pipefitters' Money Purchase Fund  
UP Plumbers' & Pipefitters' Vacation Fund  
UP Plumbers' & Pipefitters' Education Fund  
UP Plumbers' & Pipefitters' Money Purchase Plan

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

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September 1999

TO: ALL PARTICIPANTS

RE: HEALTH & WELFARE BENEFITS

Dear Participants:

Over the past several years the cost of providing medical benefits has soared in the Upper Peninsula as well as throughout the United States. The claims costs for Upper Peninsula Plumbers' and Pipefitters' Health and Welfare Fund increased by approximately twenty percent (20%) during the 1999 fiscal year. In order to maintain the financial solvency of the Fund and in their effort to control the escalating cost of health and welfare benefits the Trustees have elected to modify the Schedule of Benefits as follows:

## **BLUE CROSS BLUE SHIELD OF MICHIGAN – COMMUNITY BLUE PREFERRED PROVIDER ORGANIZATION**

Effective October 1, 1999 benefits will be provided under the BCBSM Community Blue Preferred Provider Organization (PPO) Plan. BCBSM has negotiated preferred pricing with these providers thereby saving both you and the Fund money. By utilizing the Community Blue PPO network providers you will have less out of pocket expense and a reduced co-payment. You can find out if your Michigan provider participates in the Community Blue PPO simply by calling your provider directly or the BCBSM Marquette Regional Center at 1-800-562-7884. For out of area providers, call 1-800-810-Blue (2583).

## **IN-NETWORK DEDUCTIBLE**

If you utilize the services of a provider who participates in the Community Blue PPO, you will pay a deductible of \$100 per person and \$200 per family, per calendar year for covered services.

## **IN-NETWORK PREVENTIVE SERVICES/WELLNESS BENEFITS**

Specified preventive services will be covered without a deductible or co-payment up to \$250 per participant per calendar year when provided by a BCBSM Community Blue network provider.

## **IN-NETWORK OFFICE VISITS**

Under the Community Blue PPO Plan, office visits provided by a network provider will not be subject to the deductible and will only require a \$10.00 co-payment.

## **OTHER IN-NETWORK SERVICES PAID AT 100%**

Other services not subject to the deductible include chiropractic manipulations of the spine, up to twenty-four (24) visits per participant, per calendar year, pre and post natal care visits, allergy testing and therapy when services are provided by a Community Blue network provider.

## **PRESCRIPTION DRUG CARD**

The prescription drug card has been modified. Generic drugs will continue to be covered with the current \$10 co-payment. However, effective October 1, 1999 there will be a \$20 co-payment for brand name drugs where there is no generic drug available or where the doctor indicates dispense as written (DAW) on the script. If **you** request a brand name drug when a generic drug is available or when the doctor has not indicated DAW on the script, you will also be required to pay the difference in cost between the brand name and the generic drug (same as the current plan). A mail-order prescription drug option will continue to be available, which will allow you to acquire a ninety (90) day supply of certain maintenance drugs for the same co-payment (see enclosed brochure).

## **OUT-OF-NETWORK DEDUCTIBLE**

If you elect to utilize the services of a provider who does not participate with the Community Blue PPO network, your deductible will increase to \$500 per person and \$1,000 per family per calendar year for all covered services.

## **OUT-OF-NETWORK COPAYMENT**

If you elect to utilize the services of a provider who does not participate with the Community Blue PPO network, your co-payment will increase from the current ten percent (10%) to forty percent (40%).

## **IN-NETWORK COPAYMENT MAXIMUM**

If you utilize the services of a provider who participates in the Community Blue PPO network the maximum co-payment (out-of-pocket expenses), after the deductible, you will be required to pay will decrease to \$500 per person and \$1000 per family per calendar year for all covered services.

## **OUT-OF-NETWORK COPAYMENT MAXIMUM**

If you utilize the services of a provider who does not participates in the Community Blue PPO network the maximum co-payment (out-of-pocket expenses), after the deductible, you will be required to pay will increase to \$5,000 per person and \$10,000 per family per calendar year for all covered services.

**This is a general out-line of your benefit changes. Benefit booklets will be forthcoming as soon as possible.**

## **BLUE CROSS BLUE SHIELD OF MICHIGAN PARTICIPANT IDENTIFICATION CARDS**

Enclosed with this letter are new participant identification cards from BCBSM which reflect the changes in your Plan.

### **ELIGIBILITY**

Effective with the October work month, eligibility will be modified to provide the following:

The hours required to continue eligibility have been **increased from 300 to 360**. For example, if an Employee who had previously satisfied the initial eligibility requirements has at least **360** hours of contributions paid in his behalf by a contributing employer for the months of June, July and August, he will be eligible for benefits for the months of October, November and December.

Effective October 1, 1999 the number of months participants may remain eligible based upon the 1,200 annual hour rule will be limited to six (6) months

### **SELF-PAYMENT RATES**

Most of the self-payment rates will be adjusted effective November 1, 1999, to reflect approximately eighty percent (80%) of the actual BCBSM cost associated with providing these benefits. If you have already remitted your self-payment for the month of November 1999, your December 1999 self-payment notice will reflect this change.

These modifications outlined are general statements of the modifications adopted and do not include all Plan language that governs benefits. The language of the Summary Plan Description shall control if there are inconsistencies. The Trustees reserve the right to amend and interpret the statements contained in this outline.

If you have any questions regarding the above, please do not hesitate to call either the Fund Office or BCBSM.

Sincerely,

UPPER PENINSULA PLUMBERS & PIPEFITTERS  
HEALTH AND WELFARE FUND  
BOARD OF TRUSTEES

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