



Laborers' Metropolitan Detroit Health Care Fund

Local #1076 and #1191

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October 1, 2010

IMPORTANT NOTICE

**TO: ALL PARTICIPANTS OF THE LABORERS' METROPOLITAN
DETROIT HEALTH CARE FUND**

**RE: SUMMARY OF MATERIAL MODIFICATIONS – BENEFIT &
ELIGIBILITY MODIFICATIONS**

Continuing and Reinstatement of Eligibility Rules
Self-Payment and COBRA Rates
Use of Participating Providers
Extension of Dependent Coverage
Eliminating Lifetime Limits and Restricting Use of Annual Limits

Dear Participant:

This is a summary of material changes to your Health Care Fund. These changes are a result of the new health care law – the Patient Protection and Affordable Care Act (PPACA), the significant slow-down in work hours, and the relentless increase in health care costs.

CONTINUING AND REINSTATEMENT OF ELIGIBILITY RULES

1. **Effective with the work month of October 2010 (eligibility for November)**, the hourly eligibility requirement to maintain or reestablish eligibility will be 350 hours. Currently, it is 300 hours.
2. **Effective with the work month of October 2010 (eligibility for November)**, participants can accumulate only up to five (5) months of eligibility based on a combination of both the quarterly or annual requirements. Currently, Participants have no limitation on accumulated eligibility based on quarterly and annual requirements.

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SELF-PAYMENT AND COBRA RATES

Self-Payment Rates

1. **Effective with the payment for the month of November 2010**, the self-payment rates for *all* current categories of self-payment will increase by five percent (5%).
2. **Effective November 1, 2010**, the self-payment rates for pre-Medicare Early Retirees who retire on or after November 1, 2010 will be five percent (5%) higher than the rates for those who retired *prior* to November 1, 2010.

These new self-payment rates will be reflected on the November 2010 self-payment notices. If your monthly self-payment is currently deducted from your monthly Pension Benefit check or is directly debited from your checking or savings account, the new rate will be automatically adjusted.

COBRA

COBRA rates are adjusted annually based upon the changing cost of providing coverage to similarly situated participants.

Effective November 1, 2010, the COBRA rate will be increased to \$806.68 for coverage without dental. With dental, the rate is \$900.16. Currently, the COBRA rate without dental is \$591.91. With dental, it is \$637.10.

The Use of Participating Providers

Participants must continue to use the services of a Cofinity/PPOM or Three Rivers Provider Network (TRPN) participating provider whenever possible.

But, *effective immediately*, the Fund's \$250.00 deductible will be waived and benefits will be paid at one hundred percent (100%) based upon the Usual, Customary and Reasonable (UCR) fee schedule under certain, limited emergency circumstances. *Specifically, if you use a participating hospital for emergency treatment and incur charges for non-participating laboratory, pathology, anesthesiology services or from a non-participating emergency room physician, the deductible will be waived and the benefits will be paid at 100% of UCR.*

To be eligible for this waiver and payment, however, you must be seeking emergency care at a participating hospital and be unable to control the use of the non-participating service provider.

Extension of Dependent Coverage

The PPACA requires the Fund to extend coverage for your child or children up to age 26 by October 1, 2010. So, if you're eligible for benefits and have a child under 26 years old, you should complete the enclosed "Request for Extension of Coverage" and return it to the Fund Office within thirty (30) days of the date of this notice. Coverage for your child will be effective October 1, 2010 and will continue until their 26th birthday provided you remain eligible.

Eliminating Lifetime Benefit Limits and New Annual Limits for Essential Health Care Benefits

The PPACA requires the Fund to modify the benefit maximums for Fund-covered "essential health care benefits", **effective October 1, 2010**. The changes are as follows:

1. The current, annual out-patient benefit maximum of fifteen thousand dollars (\$15,000) is increased to an *annual* seven hundred and fifty thousand dollars (\$750,000) benefit maximum and includes all out-patient services;
2. The current, four hundred thousand dollar (\$400,000) per disability benefit maximum is eliminated and replaced with a seven hundred and fifty thousand dollars (\$750,000) *per disability annual* maximum; and
3. The annual Prescription Drug benefit maximums are eliminated and will now be included in the annual out-patient benefit maximum of seven hundred and fifty-thousand dollars (\$750,000)

If you have any questions regarding these benefits, eligibility or self-payment rate changes, please contact the Fund Office

Sincerely,

LABORERS' METROPOLITAN DETROIT HEALTH CARE FUND
BOARD OF TRUSTEES