



Laborers' Metropolitan Detroit Health Care Fund

Local #1076 and #1191

6525 Centurion Drive • Lansing, MI 48917-9275
(517) 321-7502 • FAX (517) 321-7508
Toll Free in Michigan • (800) 228-0048
www.metrodetroitlaborers.org

March 2013

TO: ALL ELIGIBLE PARTICIPANTS IN THE LABORERS' METROPOLITAN DETROIT
HEALTH CARE FUND

RE: 1. BLUE CROSS BLUE SHIELD OF MICHIGAN (BCBSM) PPO NETWORK
2. HEALTH CARE REFORM -- WOMEN'S PREVENTIVE BENEFITS
3. SELF-PAYMENT RATES

Dear Participant:

As you know, we continually review the Fund's benefits and eligibility rules to assure that the Fund provides you the most cost effective, comprehensive benefits. As a result of our most recent review, we've made several changes to the Fund. These changes are discussed below.

1. BCBSM PPO

Recently, we reviewed several PPO networks. We concluded that the Blue Cross Blue Shield of Michigan (BCBSM) PPO, a national network that provides medical, prescription drugs, dental and vision benefits in every state, is the most cost-effective and comprehensive method for providing you with health care benefits.

SO, EFFECTIVE APRIL 1, 2013, BCBSM WILL BE THIS FUND'S PPO NETWORK AND THE BENEFIT CLAIMS ADMINISTRATOR.

This means for services *effective April 1, 2013*, your claims will be paid by BCBSM. In most cases, your health care providers will submit these claims directly to BCBSM on your behalf. To save out-of-pocket costs for medical services, always confirm that your provider participates with BCBSM for services received in Michigan. If you live in another state or if you're traveling, always confirm that your provider participates in the BCBS plan in that state. This too will save you out-of-pockets costs.

Does the Fund's engagement of BCBSM PPO change the Fund benefits? Yes, but only slightly.

The enclosed BCBSM *Benefits at a Glance* for Medical, Prescription, Dental and Vision explains your new benefits, *which are effective April 1, 2013*. Among other things, the *Benefits-at-a-Glance* identifies the following changes:

- Medical care deductibles are eliminated
- Doctor's office \$25.00 co-payment is eliminated
- Benefits will be paid at 80% of the BCBSM approved amount. You're responsible for 20% of the payment when you use a BCBSM participating provider.
- Out-of-network benefits will be paid at 70% of the BCBSM approved amount with an additional \$1,000 out-of-pocket expense for any out-of-network services.
- The maximum out-of-pocket for in-network services will be \$1,000 per family, per calendar year. So, after your out-of-pocket payments of 20% for medical claims costs have exceeded \$1,000 per family, your benefits will be paid at 100% of the BCBSM approved amount for participating providers.
- Prescription drugs co-payments remain the same: \$20 for Generic, \$50 for Formulary/Preferred Brand Drugs and \$70 for Non-Formulary or Non-Preferred Brand Drugs. BCBSM's pharmacy network contains major pharmacies including CVS, Rite Aid, Kmart, Kroger, Walgreen and most small pharmacies.
- Dental Benefits will no longer be processed through Delta Dental. Instead, these will be processed through the BCBSM "Blue Dental" program which gives you access to any licensed dentist nationwide. "Blue Dental" also includes the Dental Network of America (DNoA) Preferred Network, another nation-wide network of dentists. Utilizing a DNoA provider will provide you the highest level of benefits at the lowest out-of-pocket costs. The enclosed BCBSM *Dental Benefits at a Glance* explains the network and how to find participating providers.
- Vision Benefits will not change. But, participants who use the Vision Service Plan (VSP) provider network will receive significant discounts. VSP is a nation-wide network of participating providers. Using a VSP provider not only gives you significant discounts on your vision benefits, but it also provides you with additional discounts on services not covered by the Fund's Vision Program.

A. BCBSM ID Cards

Soon, you'll receive a BCBSM Identification card. When you do, please discard your current Fund card. Effective April 1, 2013, show your new BCBSM identification card to all of your providers.

2. WOMEN'S PREVENTATIVE HEALTH

Consistent with Health Care Reform requirements, your Plan now covers Women's Preventive Benefits. The following services will be covered *with no expense to you if you use a BCBSM participating in-network provider*:

- Well-Woman Visits
- Screening for gestational diabetes
- Human papillomavirus (HPV) testing
- Counseling for sexually transmitted infections
- Counseling and screening for human immune-deficiency virus (HIV)
- Contraceptive methods and counseling
- Breast feeding support, supplies and counseling
- Screening and counseling for interpersonal and domestic violence

But, if you don't use a BCBSM in-network participating provider, Women's Preventive Health Benefits will be paid at seventy percent (70%) of the BCBSM approved amount.

3. SELF-PAYMENT RATES

Effective **May 1, 2013**, the following Self-Payment rate changes will be implemented:

- A. *All* Self-Payment rates will be increased by five percent (5%). (These new rates will be listed on your May 2013 Self-Payment notice. If your monthly payments are deducted automatically from your pension check or your savings or checking account, the deduction for your May 2013 Self-Payment will automatically reflect this increase.)
- B. The Self-Payment rates for those who **retire on or after May 1, 2013** will be based upon the actual cost of coverage (which will be calculated each year) and your years of service with the Detroit and Vicinity Pension Fund and/or the Michigan Laborers' Pension Fund. The actual cost of coverage for Fiscal Year 2012 is **\$896.19**.

Provided you meet the eligibility requirements of the Retiree Self-Payment Program, your Self-Payment rate will be reduced, in five (5) years increments, by your years of service as follows:

- Participants with 35 years of service will receive a 35% reduction (For example, in Fiscal 2012 the actual cost is \$896.19. If you have 35 years of service, this \$896.19 will be reduced by 35% (\$896.19 minus 35% = \$582.52)
- Participants with 30 years of service will receive a 30% reduction

- Participants with 25 years of service will receive a 25% reduction
- Participants with 20 years of service will receive a 20% reduction
- Participants with 15 years of service will receive a 15% reduction
- Participants with 10 years of service will receive a 10% reduction

If you're considering retirement *after* May 1, 2013, please contact the Fund Office for a review of your Self-Payment rate.

If you have any questions, contact the Fund Office at the address or telephone number listed above.

Sincerely,

Laborers' Metropolitan Detroit Health Care Fund
Board of Trustees

/mkm