IMPORTANT NOTICE
ABOUT YOUR BENEFITS

TO: ALL RETIRED PARTICIPANTS OF THE FLINT PLUMBING AND PIPEFITTING INDUSTRY HEALTH CARE FUND

RE: SUPPLEMENT TO MEDICARE BENEFITS

Dear Retiree:

Effective September 1, 2012, Flint Plumbing and Pipefitting Industry Health Care Fund is replacing your current group Medicare supplemental coverage with a more advantageous “Medicare Plus Blue Group PPO” (MPBG-PPO), a new group Medicare Advantage PPO, which includes prescription drug benefits and is administered by Blue Cross Blue Shield of Michigan (BCBSM).

This change applies only to Medicare eligible members! If you are not yet eligible for Medicare, these changes do not currently apply to you.

Advantages of the Medicare Plus Blue Group PPO ….

With BCBSM's MPBG-PPO, BCBSM will administer both your Medicare and Supplement to Medicare benefits as one plan. The advantages to you are that:

♦ You will only have to carry ONE ID card. You should put your Medicare “red, white, and blue” card away for safe keeping and only use your new Blue Cross MPBG PPO card.

♦ You will only receive ONE Explanation of Benefits (EOB) for each service rendered. You won’t have to compare your Blue Cross and Medicare EOB’s to understand how claims and services were paid.

♦ You will receive only ONE benefit book. You will not have to go back and forth between your Blue Cross and Medicare benefit books to determine which plan covers what benefits.
You will have access to BCBSM’s dedicated Medicare Advantage Member Serving Center. While you will always be a Medicare beneficiary and have continued access to Medicare rights and privileges, your customer service needs can be handled by calling your BCBSM MPBG-PPO customer service representatives that have been specially trained on Medicare and Medicare Advantage benefits, including MPBG-PPO benefits.

Here is an overview of your new Medicare Plus Blue Group -PPO coverage:

**Changes to Your Benefits** - The MPBG-PPO plan is different than your current benefits. The most significant change is in your "Member Cost Share Amounts (MCSA’s), such as co-pays, co-insurance, co-insurance out-of-pocket maximums and deductibles.

**In-Network Provider Services** – MCSA’s (deductible, office visit co-payments, coinsurance, and coinsurance out-of-pocket maximums) will vary from those required under your current Fund coverage.

- **Deductible** – Each individual will have a $100 annual deductible. You must pay this amount out-of-pocket before BCBSM starts payment.
- **Various Copays** – Copays are typically paid when services are rendered. Your plan will have the following copays:
  - Primary Care Physician: $10 copay
  - Specialist: $20 copay
  - Psych / Substance Abuse: $10 copay
  - Emergency Room: $65 copay
  - Urgent Care: $10 copay
- **Coinsurance** – For most services, your in-network coinsurance (after deductible and/or copay if applicable) will be 0%.
- **Out-of-Pocket Maximum** – For in-network services, your out-of-pocket maximum is $1,000 per person. This is the maximum amount you will pay for coinsurance and copays annually.
- **Hearing Care** – Coverage for binaural hearing aid and hearing exams
- **Prescription Drug Copays** – A 5-tier copay schedule will be implemented. Below is an outline of the preferred pharmacy copays for a 30 day supply:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Copay for 1 Month Supply At a Preferred Pharmacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Generic</td>
<td>$10 copay</td>
</tr>
<tr>
<td>2: Formulary Brand</td>
<td>$30 copay</td>
</tr>
<tr>
<td>3: Non-Formulary Brand</td>
<td>$60 copay</td>
</tr>
<tr>
<td>4: Specialty</td>
<td>$60 copay</td>
</tr>
<tr>
<td>5: Non-Self Administered</td>
<td>$60 copay</td>
</tr>
</tbody>
</table>

A 90 day supply will be provided for the cost of two (2) co-payments

**Non-Network Provider Services** – MCSA’s (deductible, office visit co-payments, coinsurance, and coinsurance out-of-pocket maximums) are also applied, but they are higher than MCSA’s for in-network services.

**Extensive Provider Access** - BCBSM's MPBG-PPO Provider Network offers statewide and nationwide access to care similar to your current Fund coverage.
Services provided to you in states outside of Michigan by non-MPBG-PPO providers who are "Medicare deemed providers" (they are qualified to provide Medicare Services and accept Medicare allowed amounts as full payment for their services) are paid as MPBG-PPO “in-network” services.

Emergency services coverage levels are the same both in and out of the MPBG-PPO network.

Wellness and Medical Management – Your new MPBG-PPO includes programs designed to improve quality of care while containing costs through the use of networks. In addition to MPBG-PPO's physician and hospital networks, MPBG-PPO also uses networks to help control the costs of retail and mail order pharmacy, laboratory, diagnostics, durable medical, prosthetics/orthotics/medical supplies and hi-tech imaging services.

If you are currently enrolled in the BlueCare Network Advantage program, you may continue that coverage or you may elect to transfer your coverage to the Medicare Plus Blue Group PPO or you can decline all coverage through the Fund.

If you are currently enrolled in the Supplement to Medicare Coverage through Blue Cross Blue Shield of Michigan you will automatically be enrolled in the Medicare Plus Blue Group PPO plan unless you decide not to participate or you elect to switch to the Blue Care Network Advantage program or you decline coverage completely. You must complete and return the enclosed Election Form indicating your coverage selection. Self-payment rates are listed on the enclosed Election Form.

IF YOU CHOOSE NOT TO PARTICIPATE IN MPBG-PPO OR THE BLUECARE NETWORK ADVANTAGE PROGRAM, YOU WILL NOT BE ELIGIBLE FOR ANY OTHER FUND COVERAGE.

Enrolling in the new plan
If you elect to enroll in the MPBG-PPO, you will receive a welcome kit from BCBSM near the end of July. It will include a benefit description, a coverage waiver form, and other information regarding Medicare and Medicare Advantage programs, such as MPBG-PPO.

The member materials and welcome kit that you will receive will include provider directories so that you can see whether your doctors are in the MPBG-PPO network. However, the easiest way to find out if your doctor participates in the MPBG-PPO is to call and ask your doctor's office directly. You can also visit the BCBSM website at www.bcbsm.com.

Be sure to watch your mail for your Medicare Plus Blue Group PPO materials which are coming in July. We look forward to continuing to provide you with quality healthcare benefits in the upcoming year.

Sincerely,

Flint Plumbing and Pipefitting Industry Health Care Fund
Board of Trustees

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