

FLINT PLUMBING AND PIPEFITTING FRINGE BENEFIT FUNDS

Flint Plumbing & Pipefitting Industry Health Care Fund
Flint Plumbing & Pipefitting Industry Pension Fund
Flint Plumbing & Pipefitting Industry Defined Contribution Plan
Scholarship Fund of Flint Plumbing Pipefitting Industry
Supplemental Unemployment & Disability Plan of Local Union 370

September 2011

IMPORTANT NOTICE

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

RE: FLINT PLUMBING & PIPEFITTING INDUSTRY HEALTH CARE FUND –
SUMMARY OF MATERIAL MODIFICATIONS –

Office Call Co-payment	Cost of Coverage
Emergency Room Co-payment	Retiree Self-Payment Rates
Prescription Drug Co-payments	

Dear Participant:

As you know, we carefully and routinely review the Fund benefits, the Fund's finances, and health care cost increases. As a direct result of the dramatic slow-down in work, the hourly contributions to the Fund have dropped significantly. This has occurred, unfortunately, while medical costs are increasing at an alarming rate. This has forced us to make the following benefit, eligibility and self-payment rate adjustments

Office Visit Co-Payments

The Fund currently provides for an office visit co-payment of \$15. Effective November 1, 2011 the co-payment will increase to \$20 per visit.

Emergency Room Co-Payment

The Fund currently provides for an emergency room co-payment of \$50. Effective November 1, 2011 the co-payment for emergency room visits will increase to \$100. The co-payment will be waived if the patient is admitted to the hospital or if the visit to the emergency room is due to an accidental injury.

Prescription Drug Co-Payments

The Fund currently provides for prescription drug co-payments of \$15 for Generic drugs and \$25 for Brand Name drugs. Effective November 1, 2011 the Fund will implement a three tier Prescription drug program will be implemented.

With a triple-tier co-payment arrangement, prescription drugs are divided into three different categories or "tiers" based on their status in the BCBSM Custom Formulary. The member's co-payment amount is lowest for

generic drugs, higher for preferred brand-name drugs (BCBSM Custom Formulary) and highest for non-preferred brand name prescriptions (non-formulary).

The BCBSM Custom Formulary is a regularly updated list of the Food and Drug Administration (FDA) approved medications reviewed by the Pharmacy Therapeutics Committee. This list (see enclosed brochure) represents the clinical judgment of Michigan physicians, pharmacists and other experts in the diagnosis and treatment of disease and promotion of health. Medications are selected for inclusion in the Formulary based on clinical effectiveness, safety and opportunity for cost savings.

If your physician writes “dispense as written” on the prescription, whether a generic drug is available or not, you receive the brand name drug, and are responsible for the preferred or non-preferred brand-name co-payment.

The following co-payments will apply for the Flint Plumbing & Pipefitting Industry Health Care Fund:

Generic Prescriptions: A ten dollar (\$10) co-payment per prescription will apply.

Formulary Brand Name Prescriptions: These are drugs that are on the Blue Cross Blue Shield of Michigan approved list. The co-payment will be thirty dollars (\$30) per prescription.

Non-Formulary Brand Name Prescriptions: These are Brand name drugs that are not on the BCBSM Customer Formulary list. The co-payment for this group of drugs will be sixty dollars (\$60) per prescription.

If you are receiving a prescription with a sixty dollar (\$60) co-payment, you should contact your physician as there may be a prescription drug available that is just as effective that can be provided at a lesser co-payment.

The table below defines the tiers:

Tier	Definition	Co-Payment Level
Generic	Drugs made with the same active ingredients that are available in the same strength and dosage form, and administered in the same way as equivalent brand-name drugs.	Members pay the lowest co-payment (\$10.00)
Formulary Preferred Brand Name Prescriptions	Includes brand name medication found in the BCBSM Custom Formulary	Members pay a higher co-payment (\$30.00)
Non-Formulary Brand Name Prescriptions	Includes brand-name medications not include in the BCBSM Custom Formulary	Members pay the highest co-payment (\$60.00)

As you can see, your co-payment will be the lowest if you elect a Generic or Preferred Brand Drug. Additional information on BCBSM’s program can be found by visiting their Website at www.bcbsm.com and then clicking “I am a member.”

Currently, if you use the Mail Order Prescription Drug Program you receive a ninety- day supply of your Maintenance Prescription for one (1) of the applicable co-payments rather than three (3).

Effective November 1, 2011 you will pay two (2) co-payments for a 90 day supply for maintenance prescriptions using mail order OR at your local pharmacy.

Cost of Coverage

The current cost of coverage is \$770 per member, per month or approximately 118 hours per month. Effective November 1, 2011 the cost of coverage will increase to \$900 per member, per month or approximately 138.50 hours per month.. The maximum dollar bank will increase from the current \$13,860 to \$16,200, therefore, if participants have contributions in excess of \$900 remitted, the hour bank will increase based upon the excess contributions.

Retiree Self-Payment Rates

The self-payment rates for the Fund will increased based upon the BCBSM Illustrative Rates. The following self-payment rates will be implemented effective November 1, 2011.

BCBSM Coverage	Current Rate	Rate effective November 1, 2011
Single Retiree - Retired <i>prior</i> to 6/1/08 (No Medicare)	\$194.00	\$197.00
Single Retiree - Retired <i>after</i> to 6/1/08 (No Medicare)	\$385.00	\$450.00
Retiree & One Dependent (no Medicare)	\$385.00	\$450.00
Retiree with Family (no Medicare)	\$385.00	\$450.00
Single Retiree with Medicare	\$178.00	\$185.00
One Retiree with Medicare, One Person without Medicare	\$372.00	\$382.00
Family without Medicare and One Person with Medicare	\$573.00	\$626.00
Retiree and Spouse with Medicare	\$356.00	\$369.00
Widow without Medicare	\$194.00	\$197.00
Widow with Medicare	\$178.00	\$185.00
Blue Care Network Advantage Coverage	Current Rate	Rate effective November 1, 2011
Single Retiree with Medicare	\$153.00	\$159.00
One Person with Medicare, One without	\$347.00	\$356.00
Retiree and Spouse with Medicare	\$305.00	\$318.00
Widow with Medicare	\$153.00	\$159.00

If your self-payment is deducted from your monthly pension benefit check, your November 2011 pension benefit check will automatically be adjusted to reflect your new self-payment rate. If you have already remitted your self-payment for the month of November 2011, you will be required to submit the balance due with your next monthly self-payment.

Please be assured these changes are being made to protect the financial integrity of your health care plan and to provide you with the best coverage for the most affordable price.

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

Sincerely,

Flint Plumbing & Pipefitting Industry Health Care Fund
Board of Trustees