

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

January 2014

IMPORTANT NOTICE

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

RE: SELF-PAYMENT RATES AND SUPPLEMENTAL BENEFIT ACCOUNT

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.

These dramatic events force us to take dramatic action to protect your Fund and benefits. Below, we explain the necessary and unavoidable changes we must make in Fund benefits **effective March 1, 2014**. We know that these benefit changes, while required, are difficult and painful. Be assured, we made these changes only after a long and thoughtful review. They are our best judgment as how to best respond to a nearly impossible problem – a dramatic drop in employment and Fund revenue and the ever-increasing costs of healthcare coverage.

Deductible

Effective March 1, 2014 the benefits will be modified to include a \$250 per person, \$500 per family deductible. You will be required to pay this amount to the provider before BCBSM payments begin.

Co-Insurance

After the deductible has been satisfied, BCBSM will pay 80% of the BCBSM approved amount for participating providers and 40% of the BCBSM approved amount for non-participating providers. The 20% balance (or 60% for out-of-network charges) is the co-insurance and will be your responsibility.

Co-Insurance Maximum

Once your co-insurance payments have reached \$1,000 per person or \$2,000 per family for in-network services and \$2,000 per person or \$4,000 per family for out-of-network services, benefits will be paid at 100% of the BCBSM approved amount.

Chiropractic Co-Payments Manipulations

The Plan currently provides for one hundred percent (100%) coverage of *in-network* chiropractic spinal manipulation up to a maximum of 24 visits per calendar year. **Effective March 1, 2014**, a co-payment of twenty dollars (\$20.00) per chiropractic spinal manipulation or office call is required.

For *out-of-network* services, you must also pay the co-payment of \$20 per chiropractic spinal manipulation or office call plus an additional twenty percent (20%) copayment.

Eligibility

The cost of coverage will increase from \$900 per month to \$975 per month. The cost of coverage is the amount that is deducted from your dollar bank each month to maintain eligibility.

Maximum Dollar Bank

The maximum dollar bank permitted under the Fund will decrease from \$16,200 to \$16,000. If you currently have \$16,200 in your dollar bank you will not lose the additional \$200 however if you do utilize the \$200 for eligibility, you will not be permitted to bank contributions in excess of the \$16,000.

Supplemental Benefit Account

The annual maximum payable benefit from the Supplemental Benefit Account (SBA) has increased from \$2,500 annually to \$5,000 annually. In addition, **effective with claims incurred on and after March 1, 2014**, you will now be permitted to submit your deductibles and co-insurance to the Fund for reimbursement. If you are requesting reimbursement for deductibles and co-insurance, you will be required to provide the Explanation of Benefits (EOB) from BCBSM as documentation of the co-payments. All other terms and conditions regarding the SBA remain unchanged.

As a reminder, your reimbursement requests from the SBA must include a claim form, an itemized bill from the provider that reflects the date of service, the patient name, the provider's name, the amount charged by the provider and evidence sufficient to the Trustees that the amount that has been paid by the participant.

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

Sincerely,

FLINT PLUMBERS' & PIPEFITTERS INSURANCE FUND
BOARD OF TRUSTEE