

# OUTSTATE MICHIGAN TROWEL TRADES FRINGE BENEFIT FUNDS

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Michigan Trowel Trades Health and Welfare Fund  
Outstate Michigan Trowel Trades Pension Fund  
O.P.C.M.I.A. Apprenticeship Fund

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

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April 2012

## IMPORTANT NOTICE REGARDING YOUR BENEFITS

TO: ALL ELIGIBLE PARTICIPANTS IN THE MICHIGAN TROWEL TRADES  
HEALTH AND WELFARE FUND

RE: SUMMARY OF MATERIAL MODIFICATIONS

Dear Participant:

As you know, we carefully and routinely review the Fund's finances, benefits provided, and the impact of increases in the costs of providing health care. As a direct result of the dramatic and sustained slow-down in work, the contributions to the Fund have continued to drop at a significant rate. This has occurred, unfortunately, while the costs of providing health care continue to increase.

The Fund has been seriously affected by the ongoing economic turmoil and is required to take action to protect your Fund and benefits. Below, we explain the necessary and unavoidable changes we must make. We know that these benefit changes are difficult and painful. Be assured, we made these changes only after a long and thoughtful review.

These changes, *ALL OF WHICH BECOME EFFECTIVE JUNE 1, 2012*, are as follows:

### Deductibles

The **in-network** annual deductible of two hundred fifty dollars (\$250.00) per person and five hundred dollars (\$500.00) per family for in-network services will increase to five hundred dollars (\$500.00) per person, and one thousand dollars (\$1,000.00) per family.

The **out-of-network** annual deductible of five hundred dollars (\$500.00) per person and one thousand dollars (\$1,000.00) per family for out-of-network services will increase to one thousand dollars (\$1,000.00) per person and two thousand (\$2,000.00) per family.

If you have already satisfied all or a portion of your deductible, you will be required to satisfy the additional portion of the new deductible.

### Prescription Drug Coverage

Prescription drug co-payments were changed as follows: co-payments were raised from ten dollars (\$10.00) to fifteen dollars (\$15.00) for generic drugs, decreased from forty dollars (\$40.00) to thirty dollars (\$30.00) for a preferred brand-name drug and increased from forty dollars (\$40.00) to sixty dollars (\$60.00) for other brand-name drugs. These changes are a result of the Trustees' decision to implement the Blue Cross Blue Shield of

Michigan (BCBSM) Triple Tier Prescription Drug Program. With a Triple Tier co-payment arrangement, prescription drugs are divided into three “tiers” based on their status in the BCBSM developed Custom Formulary. Medications are selected for inclusion in the formulary based on clinical effectiveness, safety and opportunity for cost savings. The table below defines the tiers:

Tier	Definition	Co-Payment Level
<b>Generic</b> (Formulary Preferred)	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 <b>(\$15.00)</b>
<b>Preferred Brand</b>	Includes brand name medications found in the BCBSM Custom Formulary	Members pay a higher co-payment <b>(\$30.00)</b>
<b>Non-Preferred Brand</b>	Includes brand-name medications not included in the BCBSM Custom Formulary	Members pay the highest co-payment <b>(\$60.00)</b>

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 at [www.bcbsm.com](http://www.bcbsm.com) then click “I am a member.”

*If you are receiving a prescription that will have a sixty dollar (\$60.00) co-payment, you should contact your physician as there may be a prescription drug available in one of the lower co-payment tiers that is just as effective.*

**Self-Payment Rates**

The Board of Trustees reviews the self-payment rates annually and has determined that it will be necessary to increase self-payment rates for Totally and Permanently Disabled, Early Retiree, Retiree Spouse and Widows effective June 1, 2012. The rates for those categories will be as follows:

- Single: \$450.00
- Two person: \$500.00
- Family: \$700.00

If you have questions regarding these benefit changes, please contact Blue Cross Blue Shield of Michigan (BCBSM) at the number listed on the back of your BCBSM participant identification card or the Fund Office at the address or telephone number listed below.

**Atención a los hablantes de español.** Este y otros anuncios de la Oficina de Fondos sobre sus derechos y sus beneficios están disponibles en español. Si quiere recibir futuros anuncios en español, escriba o llame a la oficina del Comité de los fideicomisarios, fondos de pensiones, salud y bienestar de Michigan Trowel Trades Health and Welfare Fund, 6525 Centurion Drive, Lansing, Michigan 48917-9275, número de teléfono gratuito (877) 876-9357 (517) 321-7502.

Sincerely,

Michigan Trowel Trades Health and Welfare Fund  
Board of Trustees