

UTILITY WORKERS' UNION OF AMERICA LOCAL 223 HEALTH AND WELFARE FUND

November 2007

IMPORTANT NOTICE

TO: ALL ELIGIBLE PARTICIPANTS OF THE UTILITY WORKERS' UNION OF AMERICAN LOCAL 223 HEALTH AND WELFARE FUND

RE: CHANGE IN HEALTH CARE COVERAGE

Dear Participant:

As you know, the Board of Trustees routinely reviews the benefits provided by the Fund to assure that the participants of the Fund receive the best benefits affordable.

In an effort to provide a better network of participating providers, effective January 1, 2008 the health benefits will change from Blue Care Network (BCN) to the Community Blue PPO Network with Blue Cross Blue Shield of Michigan (BCBSM). This change affects **health benefits only** and not dental, vision or life insurance benefits.

BCBSM's PPO network includes all acute-care hospitals in the state of Michigan. However, beginning with services obtained January 1, 2008 and after, you should check to make sure that your provider; doctor, chiropractor, anesthesiologist, etc. is in the BCBSM PPO network.

The current BCN HMO option does not cover out of network benefits at all. In the new PPO plan, you will have coverage out of network but the deductible and co-insurance will be higher than if you choose to use participating PPO providers. If the provider you choose is not part of the PPO network, you will be required to pay a 20% co-payment instead of the current in-network 10% co-payment for services. Your out-of-network family co-payment maximum will be \$2,000 per person or \$4,000 per family. In addition, if you use an out-of-network provider, your deductible will increase to \$500 per person, and \$1,000 per family. Deductibles and co-payments maximums will continue to be calculated (and will renew) each calendar year.

While the PPO network is much larger than the HMO network, you **must** use a BCBSM PPO participating provider to avoid additional out-of-pocket expenses. To avoid these expenses, ask your health care provider if they participate in the PPO program. To verify whether other providers participate with the BCBSM's PPO program, check the BCBSM web site at www.bcbsm.com. If you live outside of Michigan, you can call **1-800-810-2583** for assistance.

If you reside or travel out of Michigan, you still **must** also use a PPO participating provider to avoid **additional** out-of-pocket expenses.

The attached Community Blue PPO Plan 6, Benefits-at-a-Glance (pages 1 through 4) summarizes how your benefits will now work. Please review this carefully. Should you have any questions, please contact a Customer Service Representative at 1-800-572-0280 after January 1, 2008.

There are some differences between the new Community Blue PPO and the current BCN HMO. A comparison of the differences is provided on page 5.

New benefit summaries will be distributed to you soon. During the month of December, you will receive your new Community Blue PPO participant identification cards. Until then, this letter and the attached notices should be considered a Summary of Material Modifications, and you should keep it with your current Summary Plan Description and other important documents.

Your benefits for Dental, Vision and Life Insurance have not changed and will continue to be provided to you through the current vendors.

If you have any questions regarding the above, please do not hesitate to contact the Medical Claims Department at the Fund Office at the phone number listed below.

Sincerely,

Utility Workers Union of America Local 223
Health and Welfare Trust Fund
Board of Trustees