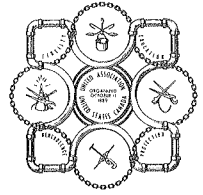


PLUMBERS AND PIPEFITTERS LOCAL 501 NORTHERN ILLINOIS BENEFIT FUNDS



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IMPORTANT NOTICE

TO ALL NORTHERN ILLINOIS BENEFIT FUND (HEALTH AND WELFARE) PARTICIPANTS

July 2005

Medical Benefit Changes Effective August 1, 2005

As you know, health care costs have escalated over the past several years, and this trend is expected to continue. After analyzing the Plan's costs and benefits, the Trustees have implemented some cost saving measures to preserve the integrity of the Plan. The changes consist of some benefit reductions, and a new retiree eligibility requirement. The Trustees regret the necessity of these modifications and have structured the reductions to minimize your cost burden.

The benefit plan will still provide greater and more comprehensive benefits than most other plans, even after these changes go into effect.

The Trustees will continue to monitor the cost and effectiveness of the Plan's benefit program in order to maintain a high quality and cost-effective health care program for current and future participants.

The following changes are effective for charges incurred on and after August 1, 2005.
They apply to ALL Plan participants (active & retired).

ANNUAL DEDUCTIBLE - The calendar year deductibles applicable to the medical benefit plan (the Comprehensive Medical Expense Benefit) will increase as shown below:

	<u>Before 8/1/05</u>	<u>Effective 8/1/05</u>
PPO		
Per person	\$100	\$200
Per family	\$200	\$600 (3 or more family members)
Out-of-Network		
Per person	\$200	\$300
Per family	\$400	\$900 (3 or more family members)

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Amounts that apply to the PPO deductibles will also apply to the out-of-network deductibles and vice versa.

For 2005 - Amounts applied to your annual deductible before August 1, 2005 will carry over and be applied to the new deductible amount. If you met your \$100 PPO deductible prior to August 1, 2005, you will need to meet an additional \$100 PPO deductible for charges incurred on and after August 1. The non-PPO and family deductibles will be handled in the same manner.

PLAN PAYMENT PERCENTAGES - The following Plan payment percentages will apply to covered medical expenses incurred on and after August 1, 2005:

	<u>Before 8/1/05</u>	<u>Effective 8/1/05</u>
PPO	80%	80%
Non-PPO	80%	60%*

** Treatment for a life-threatening emergency (accident or illness) at an out-of-network facility will be paid at the PPO percentage.*

OUT-OF-POCKET LIMITS - The Plan's out-of-pocket limits are increasing as shown below. Amounts that apply to one limit will continue to be applied to the other. Your copayment percentage shares for mental health, chemical dependency, learning and behavior disorders, and infertility expenses will not apply to either limit.

	<u>Before 8/1/05</u>	<u>Effective 8/1/05</u>
PPO		
per person	\$1,000	\$1,500
per family	\$1,500	\$3,000
Non-PPO		
per person	\$2,000	\$3,000
per family	\$3,000	\$4,000

PRESCRIPTION DRUG CO-PAYS - Your prescription drug co-pays are increasing as follows:

	<u>Before 8/1/05</u>	<u>Effective 8/1/05</u>
Retail Pharmacy		
generic	10%	\$5 minimum / 10%
brand	10%	\$10 minimum / 10%
Mail-Order		
generic	\$5	\$15
brand	\$10	\$30

Caremark will be sending you a packet of information and a new prescription drug card within the next few weeks. (Your new card will show a unique identification number, not your Social Security number.)

CHEMICAL DEPENDENCY BENEFITS - The Plan will now allow a maximum of three (3) courses of treatment for chemical dependency, and the chemical dependency deductible has been increased from \$100 to \$200 per calendar year. The current \$15,000 lifetime maximum benefit will remain in effect.

Eligibility for Retiree Benefits

A new eligibility requirement has been added for employees who would like to make monthly self-payments for Retiree Benefits. Effective for retirements on and after August 1, 2005, a retired employee:

- Must have been covered under the Northern Illinois Benefit Fund as an active eligible employee during the five (5) years (60 consecutive months) immediately prior to retirement; AND
- Must have a minimum of ten years of service performing covered work in the industry during the employee's lifetime.

The 10 years of industry service can include the 5 years of immediate past coverage.

A retired employee who does not meet these service requirements will not be entitled to make self-payments for the Plan's retiree coverage.

Disabled Self-Pay Rate

The Board of Trustees reviewed the payment schedule for disabled participants and agreed to reduce the monthly self-pay amount from \$1,042 per month to \$400 per month (\$1,200 per quarter) effective July 1, 2005:

	<u>Old Rate</u>	<u>New Rate</u> <u>Effective 07/01/05</u>
<p>DISABLED MONTHLY SELF-PAY (Social Security disability award required or independent medical examination verifying disability)</p>	<p>\$1,042 per month</p>	<p><i>\$400 per month</i> <i>(\$1,200 per quarter)</i></p>

If the participant cannot obtain a Social Security disability award because he was never covered by Social Security (i.e., having worked for a state employer), or was ineligible due to not having worked the number of quarters required, the Plan will waive the Social Security requirement if an independent medical exam (paid for by the Fund) verifies to the Trustees' satisfaction that the person is totally disabled. The person's case will then be reviewed every two years.

New MedLink Healthcare Network Cards

Enclosed are two (2) new MedLink cards for you to use when scheduling MRIs, CT screenings or x-rays through MedLink providers. In the past, we learned that members were scheduling procedures through MedLink and showing the MedLink provider the Northern Illinois Benefit Fund medical card, which has the BlueCross BlueShield logo on it. As a result, the charge was being billed through BlueCross BlueShield. **BY USING THE MEDLINK CARD AND SHOWING IT TO THE MEDLINK PROVIDER, IT WILL ENSURE THAT THE BILL IS SENT DIRECTLY TO THE NORTHERN ILLINOIS BENEFIT FUND OFFICE FOR PROCESSING.**

As a reminder, if you use MedLink providers for your MRIs, CT scans, x-rays and mammograms, the Plan pays the charges at 100% (subject to all Plan coverage rules and limitations). We encourage you to use MedLink providers to save you and the Fund money. If you need additional cards for other dependents, please contact the Fund Office at (630) 978-4600.

If you have any questions about these changes, please call the Fund Office.