

MICHIGAN BAC FRINGE BENEFIT FUNDS

Michigan BAC Health Care Fund
Michigan BAC Pension Fund
Michigan BAC Apprenticeship & Training Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

June 2005

IMPORTANT NOTICE

TO: ALL ELIGIBLE PARTICIPANTS

RE: MICHIGAN BAC HEALTH CARE FUND – SUMMARY OF MATERIAL MODIFICATIONS

Dear Participants:

As you know, we have been carefully monitoring the staggering increases in health care costs and their impact on your Fund.

Predictably, these astonishing increases have strained the Fund's finances. And, they require us to take additional action to protect your benefits and the Fund.

Effective August 1, 2005 the Michigan BAC Health Care Fund's health benefits will change from the Blue Cross Blue Shield of Michigan (BCBSM) Traditional Network to the Blue Preferred PPO Network. This change affects **health benefits only** and not prescription drugs, dental, vision or hearing.

Please also note that your health care benefits, including deductible and co-payment amounts, are **not** changing. Only the network is changing. Also, those participants who are enrolled in the Medicare supplemental program will not have any change to the network or their benefits. Medicare enrollees should continue to use a doctor who participates with Medicare.

BCBSM's PPO network includes all acute-care hospitals in the state of Michigan. However, beginning with services obtained August 1, 2005 and after, you should check to make sure that your provider; doctor, chiropractor, anesthesiologist, etc. is in the BCBSM PPO network.

If the provider you choose is not part of the PPO network, you will be required to pay a 20% co-payment in addition to the current 10% co-payment for services. Your out-of-network family co-payment maximum will be \$1,000 which is in addition to the current \$1,000 family co-payment maximum. Deductibles and co-payments will continue on a calendar year basis.

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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 chart summarizes how your benefits will now work. Please review this carefully. Should you have any questions, please contact a Customer Service Representative at 1-800-411-1141.

Sincerely,

Michigan BAC Health Care Fund
Board of Trustees

attachment

TO ACCESS PHYSICIAN SEARCHES USING THE BLUE CROSS BCBSM WEBSITE

- Go to www.bcbsm.com
- Find "Top Requests" (at the right) and click on "**Find your Doctor**". This takes you to the **Physician Search** page.
- At **Step 1** – "Choose a Plan" – click the arrow, scroll down and select ***Community Blue/Blue Preferred PPO***
- From that point, follow **Step 2** and the various options to find a doctor or confirm your doctor's participation.