

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

October 2016

IMPORTANT NOTICE ABOUT YOUR BENEFITS

TO: ALL MEDICARE-ELIGIBLE RETIRED PARTICIPANTS OF THE MICHIGAN BAC HEALTH CARE FUND

RE: SUPPLEMENT TO MEDICARE BENEFITS

Dear Retiree:

EFFECTIVE JANUARY 1, 2017, the Michigan BAC Health Care Fund is replacing your current Medicare supplemental coverage with “**Medicare Plus Blue Group-PPO**” -- a group Medicare Advantage PPO.

BCBSM administers this New Medicare Advantage-PPO.

1. WHO’S AFFECTED BY THIS CHANGE

Only Medicare-eligible retirees are immediately impacted by this change to *The Medicare Plus Blue Group-PPO*. Pre-Medicare retirees aren’t currently affected. But, once a pre-Medicare retiree becomes Medicare eligible, they too will participate in this new Program.

2. ADVANTAGES OF THE **MEDICARE PLUS BLUE GROUP-PPO**

BCBSM will administer both your Medicare and your *Medicare Plus Blue Group-PPO*.

Below we list some of the advantages of this new Program:

- ◆ **ONE ID Card:** Effective January 1, 2017, use only your new BCBSM *Medicare Plus Blue Group-PPO* Card. (Put your Medicare “red, white, and blue” card away for safe-keeping.)

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- ◆ **ONE Explanation of Benefits (EOB):** For each medical service rendered, you'll receive only one EOB. So, you won't have to compare your BCBSM and Medicare EOB's to understand how your claims and services were paid.
- ◆ **ONE Benefit Book:** You'll get only one (1) benefit book. So, there's no need to compare your BCBSM and Medicare benefit books to understand your benefits.
- ◆ **BCBSM's Dedicated Medicare Advantage Member Serving Center:** If you have questions, you can call BCBSM's *Medicare Plus Blue Group-PPO* customer service representatives. They're specially trained to answer Medicare and the *Medicare Plus Blue Group-PPO*-related questions.

3. WHAT YOU SHOULD KNOW ABOUT YOUR NEW BCBSM MEDICARE PLUS BLUE GROUP-PPO

- ◆ **Substantially No Change in Medical Benefits Covered:** BCBSM *Medicare Plus Blue Group-PPO*'s benefits are substantially the same as your current Fund-provided Medicare supplemental benefits.

But, the Programs **aren't** identical.

Your co-pays, co-insurance, co-insurance out-of-pocket maximums and deductibles may be higher under the *Medicare Plus Blue Group-PPO* coverage. And, these higher out-of-pockets will be greater if you use a non-network service provider.

- **Extensive Provider Access:** The *Medicare Plus Blue Group-PPO* offers the same broad, statewide and nationwide access to health care that you're currently enjoying. Beyond that:
 - The *Medicare Plus Blue Group-PPO* provider network within Michigan is **18% larger** than the BCBSM's PPO network;
 - Services provided to you in States outside of Michigan, by non-network providers who are "Medicare deemed providers" (they are qualified to provide Medicare Services and accept Medicare allowed amounts as full payment for their services), are paid as "in-network" services; and
 - Emergency services coverage levels are the same -- whether in-network or out.
- ◆ **Wellness and Medical Management:** The *Medicare Plus Blue Group-PPO* includes programs that improve the quality of care while also containing costs through the use of networks. In addition to its in-network doctors and hospitals, this Program uses networks to help control the costs of retail and mail order pharmacy, laboratory, diagnostics, durable medical, prosthetics/orthotics/medical supplies and hi-tech imaging services.

4. IN-NETWORK DOCTORS

You'll receive a pre-enrollment package early in November. It'll include a Welcome Kit, a Benefit Description of the Program, a Coverage Waiver Form, and other information regarding Medicare and the *Medicare Plus Blue Group-PPO*.

This information includes health care Provider directories that identify in-network doctors. Of course, you can always call your doctor and ask if they participate in the *Medicare Plus Blue Group-PPO*. You can also visit the BCBSM website at www.bcbsm.com.

Watch your mail for your BCBSM *Medicare Plus Blue Group-PPO* materials which are coming in early November.

5. AUTOMATIC ENROLLMENT

You'll automatically be enrolled in the Medicare Plus Blue Group PPO Plan. If you don't want to participate in this new Plan, you must complete and return the Coverage Wavier Form.

BUT PLEASE NOTE:

IF YOU DON'T PARTICIPATE IN THE BCBSM MEDICARE PLUS BLUE GROUP-PPO, YOU'RE NOT ELIGIBLE FOR ANY OTHER FUND COVERAGE.

This change to the *Medicare Plus Blue Group-PPO Plan* is a result of our constant review to provide you with the best possible benefits at a prudent price.

Sincerely,

Michigan BAC Health Care Fund
Board of Trustees