

Important: Health And Welfare Fund Changes

Dear Participant:

It's our goal to provide you with comprehensive coverage in a cost-effective manner, while ensuring that your health care needs are met. As a result, after careful review of the Plan, we are making the following changes to the Plan, **effective May 1, 2006:**

- Adding a smoking cessation benefit;
- Adding a retail pharmacy maintenance medication program;
- Changing the prescription drug copayments;
- Adding a dental benefit deductible;
- Changing the Medical Expense Benefit deductibles and emergency room copayments; and
- Removing the 24-hour emergency treatment requirement.

Also, you will receive an updated *Schedule of Benefits* shortly, which includes these changes and a *Contact Information* page, if you need to contact a provider. Please be sure to read the remainder of this letter so you are fully aware of the Plan changes.

Smoking Cessation Benefit

Quitting smoking is one of the best ways to improve your general health. Quitting can help you to breathe easier and feel better overall, and it may also reduce your risk of developing many illnesses. As a result, the Plan has added a smoking cessation benefit for you and your eligible Dependents. The Plan will cover 50% of eligible smoking cessation expenses for one smoking cessation program, up to a lifetime maximum benefit of \$500 per person. Eligible smoking cessation expenses include:

- Physician services;
- Counseling through the Member Assistance Plan (MAP);
- Nicotine replacement therapy;
- Laser therapy;
- Acupuncture;
- Hypnosis;
- Prescription medications and products; and
- Over-the-counter smoking cessation medications and products.

The smoking cessation benefit is covered under all three medical plans: Health Alliance Preferred Provider Organization (PPO), HFN Exclusive Provider Organization/Preferred Provider Organization (EPO/PPO), and the Blue Cross Blue Shield of Illinois Preferred Provider Organization (PPO).

Retail Maintenance Medication Program And Prescription Drug Copayments

Currently, if you or your eligible Dependents have a prescription filled at a retail pharmacy, your prescription is filled with a 34-day supply (up to 120 pills) through the Sav-Rx pharmacy network. After the initial prescription is

Consider Generic Or Formulary Medications To Save Money

To ensure high-quality care and to help manage costs, the prescription drug program has a formulary that lists preferred drugs.

While the Plan covers generic and brand name medications, you pay a higher copayment amount when you receive a brand name medication. You pay the highest copayment when you have your prescription filled with a non-formulary medication.

filled, you may receive up to two refills on the original Physician's prescription, provided the prescription allows refills and you must pay the retail copayment for each prescription.

The Plan has added a retail maintenance program, which allows you to receive a 90-day supply of your medications through a retail pharmacy. You will pay the same copayments as the mail order program for the 90-day supply, a savings from having to pay three copayments for three 34-day prescriptions. *Please be aware that not all pharmacies participate in the retail maintenance medication program; currently Walgreen's and Osco are participating pharmacies.* If you have questions about other pharmacies participating in the program or if you would like Sav-Rx to contact your pharmacy for potential participation, please call Sav-Rx at 800-228-3108.

Prescription Drug Copayments

The prescription drug program copayments are increasing to:

Prescription Drug Benefit Copayments		
Type Of Medication	Retail Pharmacy (34-Day Supply)	Mail Order Pharmacy Or Retail Maintenance Program (90-Day Supply)
Generic Formulary Medication	You pay \$10	You pay \$20
Brand Name Formulary Medication	You pay \$20	You pay \$40
Non-Formulary Medication	You pay \$35	You pay \$70

Prescription Drug Benefit Reminders

You must show your Sav-Rx identification card at the participating pharmacy when you fill or refill a prescription. If a generic medication is available, your prescription will be filled with the generic or formulary medication. If your Physician has not indicated DAW (dispense as written) on your prescription and you request the brand name medication, you will have to pay the difference in cost between the generic and the brand name or non-formulary medication in addition to your co-payment amount.

Also, the Plan will continue to offer the mail-order pharmacy for maintenance medications. The mail order program provides you with a 90-day supply of your medication delivered directly to your home. You do not have to pay postage costs.

Oral contraceptives must always be purchased through the Sav-Rx mail order program in order to be covered.

Have Questions About The Prescription Drug Program?

Contact Sav-Rx at 800-228-3108 or www.savrx.com to:

- Find a participating pharmacy or a pharmacy participating in the Sav-Rx retail maintenance program;
- Request quotes or a formulary listing;
- Ask if a medication is covered by the program; and
- Request mail order envelopes and instructions.

Dental Benefit Deductible

Now, before the Plan pays Preventive Care benefits, you must pay a \$50 per person or \$100 per family dental deductible. This deductible is separate from the medical deductible. After you meet the dental deductible, the Plan pays 80% of covered dental expenses up to \$1,500 per person per year. If you have already incurred dental Preventive Care expenses after January 1, 2006, that amount will be applied

toward your dental deductible for this year. The deductible does not apply to Primary Care or Major Care, or orthodontic services.

As a reminder, the Plan pays 50% of covered orthodontic expenses up to \$750 per year and \$1,500 per lifetime per eligible Dependent child under age 19.

Medical Expense Benefit

The Medical Expense Benefit deductibles, emergency room copayments, and emergency treatment requirements are changing as follows:

Health Alliance Preferred Provider Organization (PPO) and Blue Cross Blue Shield of Illinois Preferred Provider Organization (PPO) Plans:

- In-network deductible is increasing to \$400 per person and \$800 per family;
- Emergency room copayment is increasing to \$200; and
- 24-hour emergency room rule has been eliminated. This means you no longer have to seek emergency treatment within 24 hours of an illness or injury.

Deductible

The calendar year individual deductible is the dollar amount of eligible covered expenses that you and your eligible dependents must satisfy before the Plan begins to pay for most covered benefits.

The calendar year family deductible is satisfied when eligible family members have collectively satisfied the family deductible amount. Once the family deductible has been satisfied, no additional deductibles will apply for the remainder of the Plan year. However, keep in mind that the dental and medical deductibles are separate.

HFN Exclusive Provider Organization/Preferred Provider Organization Plan (EPO/PPO):

- In-network EPO deductible is changing to \$100 per person and \$200 per family;
- In-network PPO deductible is increasing to \$400 per person and \$800 per family;
- Emergency room copayment is increasing to \$200; and
- 24-hour emergency room rule has been eliminated. This means you no longer have to seek emergency treatment within 24 hours of an illness or injury.

Out-Of-Area Benefit:

- Deductible is increasing to \$400 per person (then the Plan pays 80% of covered expenses).

Questions

These changes are designed to strengthen the financial stability of the Fund, while ensuring we are providing the best benefits possible to fit your and your family's needs. If you have questions about these changes, refer to the *Schedule of Benefits*, which will be mailed shortly or contact the Fund Office.

Sincerely,

Board of Trustees

This announcement notice contains only highlights of certain features of the Plan and services as a Summary of Material Modifications. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or terminate the Plan at anytime.