

We are working to provide you with comprehensive health care benefits, but it's becoming harder and harder for us to afford our current programs.

On our current course, we expect our health and welfare plan costs to increase by 10% per year. In 2011, our benefit Trust Fund will pay an estimated \$12,921 (\$1,076.75 per month) per enrolled participant for these benefits. In five years, that could increase to \$20,796 (\$1,733 per month). In ten years, that could increase to \$33,492 (\$2,791 per month).

Health care costs continue to rise for many reasons. Suppose a participant hurts his knee. His doctor may immediately refer him to see a surgeon who orders a CT scan and other procedures to diagnose his injury. In many cases, this course of treatment may be necessary; yet in other cases, a few days of simple rest will do the trick and cost a lot less. Now, suppose this participant is 40 pounds overweight. His extra weight may have contributed to his knee injury. It may also increase the time needed for him to recover. It may put him at risk for other health problems like diabetes, heart disease, and cancer. For this participant, taking steps to lose weight would help him feel better and reduce his risk for injury. Taking action on his weight may also help him to avoid illness and high health care costs in the future.

It's a fact that the choices you make every day can affect your health and your health care costs. Your employer's contributions are the primary source for paying for your health benefits, including your medical and prescription drug claims. When claims costs go up, the contributions needed to provide your health benefits must go up, too. This can affect the dollars available for your wages and retirement.

So, the Trustees of our benefit Trust Fund—working with your union and employer—are taking action to address rising health care costs, and we need your help. Our plan of attack focuses on two areas. First, we want our participants to live the healthiest lives possible. Second, we want you to make smart, informed choices when you use your benefits. Doing both will keep money in your own wallet. It will also help our benefit Trust Fund save money over time. We are in this together.

On September 1, 2011, we will introduce three important changes to encourage you to use your benefits more efficiently:

- 1** We want you to talk with a "Care Counselor" before you receive non-emergency treatment and services from anyone other than your primary doctor. (Primary doctors include a family/general practice physician, internist, pediatrician, and OB-GYN.)
- 2** If you need total hip or total knee replacement surgery, we want you to work with an Anthem Blue Cross designated hospital.
- 3** We want you to use generic/lower cost prescription drugs whenever appropriate.

If you take the time to understand these changes and the steps you need to take, you will save money without sacrificing any quality in your care. You will receive more information about these changes in the coming weeks. **And, later this year and into 2012, we will introduce several changes and programs that will help you focus on improving your health and may reward you for doing it.**

It will be very important for you to read all the information you receive about these changes. All communications will include the new "Healthy Structures" logo shown to the right. When you see it, pay close attention to the material. Contact the Trust Fund Office by phone at 1-888-245-5005 or e-mail at customerservice@norcalcementmasons.org if you have questions.



Healthy Structures
YOUR TOOLS FOR A SMART FINISH

We are excited about setting these innovative changes into motion, and we look forward to reporting our progress to you in the coming months.

Sincerely,

The Board of Trustees for the Cement Masons Health and Welfare Trust Fund for Northern California

Please read this important announcement about upcoming changes to your benefits.

It explains why changes are necessary.

It also includes a brief summary of the changes that will go into effect on September 1, 2011.

You will receive more information in August.

We believe if we shift the way we think about our health benefits, we can lower our costs AND provide you with access to quality health care, when you need it, at prices you can afford.