

IMPORTANT ANNOUNCEMENT

DATE: August 3, 2009
TO: All **Active Plan** Participants Enrolled in the Direct Payment Plan
RE: Benefit Changes Effective September 1, 2009

In an effort to manage escalating health care costs by the Plan, it has become necessary to take steps to modify benefits under the **Active Direct Payment Plan**.

Effective September 1, 2009, the following changes will take place:

- Reinstatement of the \$150 Plan Year Deductible; \$450 Family Maximum for all Covered Services **except Inpatient Hospitalization, Routine Physical Exams and Prescription Drugs**.
- Covered **Inpatient Services by Participating Providers** will be payable at 90% of the first \$15,000 of the negotiated contract rate and 100% of those rates thereafter, not to exceed the Plan's Lifetime Maximum.
- Covered **Inpatient Services** while confined in a **Skilled Nursing Facility** will be payable at 90% of **Covered Expense** of the first \$15,000 and 100% of **Covered Expense** thereafter, not to exceed the Plan's Lifetime Maximum. Refer to the Health and Welfare Plan Booklet, Article V, Section 2.a., page 92, for Covered Expense **limitations**.
- Covered **Outpatient Services by Participating Providers** will be payable at 90% of the negotiated contract rate not to exceed the Plan's Lifetime Maximum.
- Covered **Outpatient Services by Non Participating Providers** will be payable at the lesser of the amount actually charged or **60% of Usual, Customary and Reasonable (UC&R) charges** (not to exceed the Plan's Lifetime Maximum), **with the exception of:**
 - Non Participating Emergency Room physicians **providing services at a Participating hospital** will be payable at 90% of Usual, Customary and Reasonable (UC&R) charges.
 - Professional Ambulance services **when requested by a hospital or paramedic personnel in cases of life-threatening emergencies** will be payable at 90% of Usual, Customary and Reasonable (UC&R) charges.

If you should have any questions, please contact the Fund Office, Monday through Friday, 8:00 AM to 5:00 PM.

Sincerely,

Board of Trustees