

4th DISTRICT IBEW HEALTH FUND

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IMPORTANT NOTICE ABOUT CHANGES TO THE PLAN

June 1, 2011

This Notice explains important changes that are being made to the 4th District IBEW Health Plan. The changes to the Plan described in this Notice are effective for claims incurred, based on date of service, on and after June 1, 2011. You are urged to carefully review this Notice and address any questions to the Benefit Office or the Board of Trustees. This Notice should be kept with your records of Plan activities.

Effective June 1, 2011 the benefit plan is amended to:

- I. Comprehensive Major Medical Benefit
 - a. Increase the in-network calendar year deductibles to \$350 individual and \$1,050 family,
 - b. Increase the out-of-network calendar year deductibles to \$700 individual and \$2,100 family,
 - c. Increase the in-network out-of-pocket maximum for non-retired participants to \$3,750 family,
 - d. Increase the in-network out-of-pocket maximum for retired participants or spouses of retired participants to \$2,000 individual,
 - e. Increase the out-of-network out-of-pocket maximum for non-retired participants to \$7,500 family, and
 - f. Increase the out-of-network out-of-pocket maximum for retired participants or spouses of retired participants to \$4,000 individual.
- II. Prescription Drug Benefit
 - a. Change the copay amount for formulary brand-name mail order prescription drugs to 20%, with a minimum of \$40 and a maximum of \$200, and
 - b. Change the copay amount for non-formulary brand-name mail order prescription drugs to 30%, with a minimum of \$60 and a maximum of \$200.

Please note participants will be credited with deductible and out-of-pocket amounts incurred in calendar year 2011 prior to June 1, 2011 towards satisfaction of the new deductible and out-of-pocket amounts. For example, if a participant had incurred \$200 of deductible expenses prior to June 1, 2011, that participant would be responsible for \$150 of additional deductible expenses before the payment factor would apply.

There is no change in the copay schedule for retail prescription drugs (obtained from the pharmacy) or the \$15 copay amount for generic drugs obtained through the mail order program.

After careful consideration and review of the Plan's current and projected financial status for the next few years, the Trustees adopted these changes. The Trustees have always been and remain committed to protecting the financial stability of the Plan, and deemed it prudent to make these modifications now.