

Teamsters Miscellaneous Security Trust Fund

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September 2005

TO: ALL PLAN G-N PARTICIPANTS

FROM: THE BOARD OF TRUSTEES

**RE: MERGER OF PLAN G-N TO PLAN G-O
EFFECTIVE OCTOBER 1, 2005**

Effective October 1, 2005, all covered MRP (Indemnity), Kaiser, PacifiCare and Health Net participants currently covered under Plan G-N will be covered under Plan G-O. When the Trustees of the Teamsters Miscellaneous Security Trust Fund recently met to review the utilization, premiums and cost of the health and welfare plans under the Fund, it was found that the cost of providing Plan G-N benefits was no longer feasible nor affordable for your employer and the Fund.

There are only five (5) contributing employers and ninety-one (91) eligible employees under Plan G-N. The cost to provide the MRP (Indemnity) benefits under Plan G-N increased to \$1,577 per employee per month. The HMO cost per person was lower but the average cost per employee covered under Plan G-N increased to \$791.61 per person per month. The largest contributing factor to this increase is due to the small number of participating employees and families. There are not enough people participating in Plan G-N to maintain the plan at an affordable dollar amount. Large deficit spending on Plan G-N by the Fund that provides your benefits could not continue. Since one large claim for a serious medical condition or accident substantially impacts the plan, the Trustees had no choice but to merge the Plan G-N participants to the comparable Plan G-O in order to preserve your benefits at an amount affordable to you, your employer and the Fund. Your employer's cost for this benefit would have increased approximately \$100 per month per person in order to maintain this plan. Some or all of this cost increase may have been passed to you, the employee, depending upon the terms of your collective bargaining agreement.

How does this change affect you? Only your medical benefits may be affected. There are no changes to Life and AD&D, Vision, Dental or Prescription benefits.

HEALTH NET, KAISER AND PACIFICARE MEMBERS

If you are enrolled in either the Health Net HMO or POS Plan, Kaiser or PacifiCare, there is no change in your coverage. Your copayments remain the same. Your group number is the same with the exception of Health Net HMO coverage and you may continue to use your same identification card. The Health Net HMO group number will change and Health Net will issue you a new identification card. Continue to use your current Health Net card until you receive your new card. Kaiser, PacifiCare and Health Net POS may issue a new card in the future but it is not necessary to have a new identification card to obtain services from Kaiser, PacifiCare or Health Net.

MEDICAL REIMBURSEMENT PLAN MEMBERS (INDEMNITY)

There are some changes to your benefits under Plan G-O. Your new benefits under Plan G-O include both Basic and Major Medical benefits. You will have first dollar coverage on many services and your deductible under the Major Medical decreases from \$200 per calendar year to \$100 per calendar year effective October 1, 2005. You do not have to satisfy another deductible if you have already done so for this calendar year. A brief highlight of the differences is as follows:

<u>Service</u>	<u>Plan G-N</u>	<u>Plan G-O</u>
Inpatient Hospital	90% PPO 70% non-PPO	100% PPO 80% non-PPO
X-Ray & Lab	90% PPO 70% non-PPO after \$200 deductible satisfied.	100% for the first \$200 in a six-month period. Balance at 80% under Major Medical. No PPO requirement.
Office Visit	90% PPO after \$200 deductible satisfied. 70% non-PPO	\$5 Basic balance to Major Medical at 80% after deductible satisfied. No PPO requirement.
Surgery	90% PPO and 70% of UCR for non-PPO	\$15 per Unit Basic. Major Medical at 80% of UCR. No PPO requirement.
Annual Copay Maximum	\$1,200/3 maximum	\$1,500/3 maximum

You will not have to re-satisfy the annual Plan G-O out-of-pocket maximum of \$1,500 if you previously satisfied the \$1,200 out-of-pocket maximum under Plan G-N prior to October 1, 2005.

All participants regardless of coverage have the option of changing their enrollment during the months of October and November 2005 because of this change in benefits. If you wish to make a change in your coverage options (MRP, Health Net HMO, Health Net POS, Kaiser or PacifiCare) please call Southwest Administrators at (877) 350-4792, extension 601 and ask for the enrollment materials. If you are satisfied with your enrollment, you need do nothing.

If you have any questions concerning this merger of Plan G-N to Plan G-O, please contact the Administrative Office at (877) 350-4792, extension 601 for questions on your HMO benefits. Call (877) 350-4792, extension 603 for questions on the MRP (Indemnity) benefits.

Enclosure: Plan G-O Benefit Comparison