



MICHIGAN ELECTRICAL EMPLOYEES' HEALTH PLAN



October 2018

TO: ALL ELIGIBLE PARTICIPANTS OF THE MICHIGAN ELECTRICAL EMPLOYEES' HEALTH PLAN

RE: SUMMARY OF MATERIAL MODIFICATIONS —
Monthly Eligibility Requirements
Deductibles
Co-Insurance
Co-Payments
True Out-of-Pocket ("TROOP") Maximums
Medical Specialty / Lifestyle Drugs
Skilled Nursing Facility Services
Private Duty Care Services
Post-Natal Care
Physical/Occupational/Speech Therapy
Medicare Advantage Prescription Drug Co-Payments

Dear Participant and Dependents:

The Board of Trustees of the Michigan Electrical Employees' Health Plan (the "Plan") would like to inform you of important changes made to your Plan benefits effective January 1, 2019. This notice, which is called a Summary of Material Modifications ("SMM"), is intended to update the Summary Plan Description ("SPD"). This SMM also updates your Summary of Benefits and Coverage for the coverage period 09/01/2018 – 08/31/2019, as applicable. Please review the information below to learn about recent changes to the Plan.

BENEFIT CHANGES FOR ACTIVE AND PRE-MEDICARE PARTICIPANTS

Monthly Eligibility Requirements

The Plan has a month-to-month eligibility system, which is described on page 11 of your SPD. Effective with the work month beginning on January 1, 2019, the initial and continuing monthly eligibility requirements will increase from 130 hours to 135 hours of credited hours per month. There is a lag month between each work month and its corresponding coverage month. Accordingly, hours worked during the month of January will provide you with eligibility for March, provided you meet the 135 hours per month requirement.

Example: In November 2018, you are credited with 131 hours. You have satisfied the monthly eligibility requirement and are eligible for coverage in January 2019. However, if you are credited with 131 hours in January 2019, you will not be eligible for coverage in March 2019 because you have not met the 135 hours of credited service requirement.

Medical and Prescription Drug Benefit Changes

After careful and extensive review, the Board of Trustees has elected to implement the Blue Cross Blue Shield Community Blue PPO network for the membership's healthcare benefits. Please review the chart for a summary of the changes to your Plan benefits and the subsequent sections for a detailed description of some of these changes.

(see reverse side)

Summary of Benefit Changes

Medical and Prescription Drug Benefit	Current Benefit	Benefit Effective January 1, 2019
Deductible	<i>In-Network and Out-of-network:</i> \$500 per person \$1,000 per couple or family	<i>In-Network:</i> \$750 per person \$1,500 per couple or family <i>Out-of-Network:</i> \$1,500 per person \$3,000 per couple or family <i>In-network expenses don't apply to out-of-network deductibles.</i>
Annual Co-insurance Maximums	<i>In-network and out-of-network</i> co-insurance maximums contribute towards each other.	<i>In-network</i> co-insurance expenses don't apply toward <i>out-of-network</i> co-insurance maximums.
Annual TROOP Maximums	<i>In-Network and Out-of-network:</i> \$7,150 per person \$14,300 per couple or family	<i>In-Network:</i> \$7,150 per person \$14,300 per couple or family <i>Out-Of-Network:</i> \$7,150 per person \$14,300 per couple of family <i>In-network expenses don't apply to out-of-network maximums.</i>
Emergency Room Co-Payment	\$100 co-payment.	\$200 co-payment.
Chiropractic Visits	Unlimited.	Limited to 24 visits/person per calendar year.
Medical Specialty Drugs	Preauthorization not required.	Preauthorization required for select, specialty pharmaceutical drugs.
Impotency Drugs	Covered.	Not covered.
Preventive Care Services	Covered 100% of the approved charges at <i>in-network</i> and <i>out-of-network</i> providers.	<i>In-Network:</i> Covers 100% of the approved charges <i>Out-Of-Network:</i> 30% co-insurance for certain services and certain services not covered.
Skilled Nursing Facility Services	No limit on number of visits for services.	Facility and professional services covered up to 120 days per calendar year at BCBSM participating facilities.
Private Duty Nursing Co-insurance	20% co-insurance in-network	50% co-insurance.
Allergy Services Co-insurance	20% co-insurance in-network	Covered at 100% of the approved amount from an <i>in-network</i> provider.
Post-Natal Care	20% co-insurance.	Covered at 100% of the approved amount from an <i>in-network</i> provider.
Physical/Occupational/Speech Therapy Services	No limit on number of visits.	Limited to 60 visits per calendar year.

Calendar Year Deductibles.

Deductibles are amounts you pay for covered services before the Plan starts paying. Deductibles are calculated on a calendar-year basis. Effective January 1, 2019, your annual deductibles will increase as set forth in the summary chart.

Additionally, payments you make toward your *in-network* deductible will not apply to your *out-of-network* deductible. However, payments you make toward your *out-of-network* deductible will apply to your *in-network* deductible.

Example: On March 1, 2019, you meet your \$750 *in-network* deductible for the year. If you then use *out-of-network* services during 2019, your *out-of-network* deductible is still \$1,500. But, any amounts you pay toward your *out-of-network* deductible during the year 2019 will apply to your *in-network* deductible for 2019.

Annual Co-Insurance Maximums.

Co-insurance is your share of the costs for covered services *after* your deductible is met. The co-insurance maximum is the maximum you will pay in co-insurance in a calendar year.

Currently, expenses paid toward both *in-network* and *out-of-network* co-insurance maximums contribute towards each other. Effective January 1, 2019, only your *out-of-network* co-insurance will count towards your *in-network* co-insurance maximums. This means that any payments you make for *in-network* co-insurance will not apply to your *out-of-network* co-insurance maximums.

Example: On March 1, 2019, you meet your \$2,000 *in-network* co-insurance maximum for the year. If you then use *out-of-network* services during the 2019 calendar year, you would still be responsible for paying *out-of-network* co-insurance up to the separate *out-of-network* co-insurance cap of \$2,000. But, any amounts you pay for *out-of-network* co-insurance during the 2019 calendar year will apply to your *in-network* co-insurance cap for 2019.

Annual TROOP Maximums.

The annual TROOP is the most you could pay for covered services in a calendar year. The following out-of-pocket costs contribute towards your TROOP maximum: deductibles, flat dollar co-pays (medical and prescription drugs) and co-insurance (medical and prescription drugs).

Currently, you have a single *in-network* and *out-of-network* TROOP maximum. Effective January 1, 2019, you will have separate TROOP maximums for *in-network* and *out-of-network* expenses. Only *out-of-network* out-of-pocket costs will count towards your *in-network* TROOP maximums. This means that any out-of-pocket payments you make for *in-network* services will not apply to your *out-of-network* TROOP maximums.

Example: On March 1, 2019, you meet your \$7,150 *in-network* TROOP maximum for the year. If you then use *out-of-network* services during the 2019 calendar year, you would still be responsible for paying *out-of-network* cost sharing up to the separate *out-of-network* TROOP maximum of \$7,150. But, amounts you pay for *out-of-network* services during the 2019 calendar year will apply to your *in-network* TROOP maximum for 2019.

Medical Specialty Drugs.

Effective January 1, 2019, prior authorization will be required for select, specialty pharmaceutical drugs administered in BCBSM-approved locations. This includes office, clinic, hospital or home drug administration. Your physician must contact BCBSM to obtain preauthorization. If preauthorization is not requested and approved by BCBSM, you may be responsible for the full cost of the specialty drug.

Impotency Drugs.

Effective January 1, 2019, drugs used for the treatment of impotency (erectile dysfunction) will no longer be covered. However, members may use their Special Fund account balance to pay for some of these medications.

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Preventive Care Services.

Currently, preventive care services are covered 100% of the approved charges at *in-network* and *out-of-network* providers. Preventive care services will continue to be covered 100% of the approved charges at *in-network* providers.

Effective January 1, 2019, the preventive care services below will be subject to a 30% co-insurance at *out-of-network* providers:

- medically necessary physician office visits, consultations, or urgent care visits;
- voluntary sterilization for females;
- contraceptive injections;
- colonoscopy (routine or medically necessary); and
- routine mammogram and related reading (*out-of-network* readings and interpretations are payable only if the screening mammogram is performed at an *in-network* provider).

Also effective January 1, 2019, the preventive care services below will not be covered at *out-of-network* providers:

- health maintenance and/or gynecological exams;
- pap smear screenings (lab and pathology);
- well-baby and childcare visits;
- adult and child immunizations;
- fecal occult blood screening;
- flexible sigmoidoscopy exam; and
- prostate specific antigen (PSA) screening.

Skilled Nursing Facility Services.

Effective January 1, 2019, facility and professional services are covered in a BCBSM participating skilled nursing facility for up to 120 days each calendar year. The admission must be ordered by the patient’s attending physician. Previously, there was no limit on the number of visits for these services.

BENEFIT CHANGES FOR MEDICARE PARTICIPANTS

To ensure a more consistent benefit structure with the Active and Non-Medicare Participant benefits, the Board of Trustees has approved the following updates to the Prescription Drug benefits for the Medicare Participants:

Drug Tier	2018 Co-Payment		2019 Co-Payment	
	Pharmacy Type			
	Preferred	Standard	Preferred	Standard
Tier 1 - Preferred Generic	\$10	\$20	\$15	\$20
Tier 2 - Generic	\$10	\$20	\$15	\$20
Tier 3 - Preferred Brand	\$25	\$35	\$45	\$50
Tier 4 - Non-Preferred Brand	\$40	\$50	\$70	\$75
Tier 5 - Specialty Drugs	\$40	\$50	\$70	\$75

As a reminder, you can take advantage of lower co-payments when you fill prescriptions at one of the following BCBSM preferred pharmacies:

2018 Preferred Chain Pharmacies:

- Costco Pharmacy
- D & W Pharmacy
- Family Fare Pharmacy
- Felpausch Pharmacy
- Glen's Pharmacy
- Kmart Pharmacy
- Kroger Pharmacy
- Meijer Pharmacy
- Rite Aid Pharmacy
- Sam's Club Pharmacy
- Shopko Pharmacy
- VG's Pharmacy
- Walgreens Pharmacy
- Walmart Pharmacy

If you have any questions regarding the information contained in this SMM, please contact the Plan Office at the phone number listed below.

Sincerely,

MICHIGAN ELECTRICAL EMPLOYEES' HEALTH PLAN
BOARD OF TRUSTEES

Please note that receipt of this description of benefit modifications is not a guarantee of coverage. You will only be eligible for benefits described herein if contributions are required to be made to the Fund on your behalf. The Board of Trustees reserves the right to amend, modify or terminate the Plan at any time.