



# Messenger



VOLUME 22, ISSUE

FALL 2004

## Message from the Fund's Executive Director

Dear Teamster Families,

Welcome to the Fall issue of the *Messenger*. Thanksgiving is fast approaching with all of its sensory pleasures and heartwarming feelings – and then on to the good cheer and optimism of the Winter holiday season. It can't happen soon enough for me, as I struggle to shake myself free from the grip of despondency and frustration with the national election.

I learned that many, many Americans were willing to disregard their economic and physical well-being, as well as the sanctity of their civil liberties, in order to vote their conscience in the name of "values". And whether this is really about issues such as abortion rights, same sex marriages, stem cell research, school prayer, or guns, or about something even more fundamental and more pervasive, this country stands in a perilous state, divided by fear, anger and contempt. Without enlightened leadership and the willingness of people to reach out to one another with open minds and with mutual respect to find common ground, all Americans, and especially our children, will lose. While hopes for desperately needed reforms to our health care system surely have been dealt a devastating blow, the Bill of Rights, organized labor, the environment, the middle class, public education, Social Security, adequate federal funding for homeland security – all are endangered. Americans have got to come together with humility and mutual tolerance, face the future with achievable goals and unshakeable resolve, and resist the exhortations of the demagogues and fringes, right or left.

In this issue of the *Messenger*, you will find the Fund's Summary Annual Report for the Plan year ending March 31, 2004 (please see page 2). You will note that while the Fund suffered about a \$5 million loss to net assets, those losses were mitigated by about \$29 million in investment income (whereas since then, in the six months ending September 2004, investment income totaled less than \$1 million). The shortfall of expenses to contribution income was about \$37 million, \$14 million of which was attributable to Retiree programs. Indeed, retiree self contributions cover only 23% of expense, resulting in an annual shortfall of over \$5,000 for each Retiree Medical Program participant contract (retiree or retiree plus spouse) and about \$500 for each Affinity Rx Drug Program participant. Consequently, for the first time since January 2002, the Trustees are constrained to raise all Retiree Medical Program self-contribution rates by \$100 per month effective April 1, 2005 (please see page 5). For each year thereafter, it is the Trustees' intent to increase the self-contribution rates by the Program's trend rate (inflation plus utilization) experienced for the prior year.

We are happy to announce the addition of the **Choice90<sup>Rx</sup>** network to the Fund's Prescription Drug Program, resulting from Blue Cross Blue Shield of Michigan's new relationship with **MedImpact Healthcare Systems** (please see page 3). Effective November 15<sup>th</sup>, you may fill all of your 90 day prescriptions at participating Choice90<sup>Rx</sup> network pharmacies (all CVS, Rite Aid, Walgreens, and many others) at the same copayment as for mail order. In addition, you will be able to access your personal prescription drug information from the "MedImpact" link on the Fund's website. Also newly available to you (to be described in the Winter *Messenger*) is an excellent new website (linked to the Fund's website on the "Info Links" page), **Achieve Solutions**, which is an interactive tool that addresses mental health and substance abuse issues, created by the Fund's behavioral health associate, ValueOptions.

Please review this *Messenger* in its entirety. There are many important issues addressed.

On behalf of the Fund's Trustees and staff, I wish you the best of health and a wonderful Thanksgiving Day.

Richard Burkner

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# **Summary Annual Report for Participants**

## **Michigan Conference of Teamsters Welfare Fund**

### **Plan Year Ended March 31, 2004**

This is a summary of the annual report of Michigan Conference of Teamsters Welfare Fund (hereafter the Plan), EIN 38-1328578 for the plan year ended March 31, 2004. The annual report has been filed with the Employee Benefits Security Administration of the U.S. Department of Labor as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan provides health, dental, optical, prescription drug, short and long term disability, and death benefits for its participants.

#### **BASIC FINANCIAL STATEMENT**

The value of plan assets, after subtracting liabilities of the Plan was \$196,723,295 as of March 31, 2004 compared to \$201,816,722 as of April 1, 2003. During the plan year, the Plan's net assets decreased by \$5,093,427. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the Plan had total income of \$163,354,700 including, but not limited to, employer contributions of \$126,853,964, participant contributions of \$5,696,820, net realized gains of \$463,804 from the sale of assets, earnings from investments of \$28,550,325, rental income of \$34,691 and other income of \$1,755,096.

Plan expenses were \$168,448,127. These expenses included \$157,001,364 in benefits paid on behalf of participants and beneficiaries, and \$28,327 in premiums paid to an insurance carrier for the provision of benefits and \$11,418,436 in administrative expenses.

#### **Insurance Information**

The Plan had contracts with GE Group Life Assurance Company and CNA Insurance to pay long-term disability claims incurred under the terms of the Plan for salaried staff of the Plan only. The total premiums paid for these policies for plan year ended March 31, 2004 were \$28,327.

#### **YOUR RIGHTS TO ADDITIONAL INFORMATION**

You have the right to receive a copy of the full, annual report, or any part thereof, on request. The items below are included in that report:

- an accountant's report
- financial information and information on payments to service providers
- assets held for investment
- transactions in excess of five percent of plan assets
- insurance information, including sales commissions paid by insurance carriers
- information regarding any common or collective trusts, pooled separate accounts, master trusts, or 103-12 investment entities in which the plan participates

#### **TO OBTAIN ADDITIONAL INFORMATION**

To obtain a copy of the full annual report, or any part thereof, your request should be addressed to: Executive Director, Michigan Conference of Teamsters Welfare Fund, 2700 Trumbull Avenue, Detroit, Michigan, 48216-1269. The charge to cover copying costs will be \$19.65 for the full annual report or \$.15 per page. You also have the right to receive, at no charge, the annual report's statement of assets and liabilities and accompanying notes or a statement of income and expenses and accompanying notes, or both. If you request a copy of the full annual report, these two statements and accompanying notes will be included, at no cost, as part of that report.

You also have the legally protected right to examine the annual report at the offices of the Michigan Conference of Teamsters Welfare Fund in Detroit, Michigan and at the U.S. Department of Labor in Washington D.C. To obtain a copy from the U.S. Department of Labor, your request should be addressed to:

Public Disclosure Room N 5638  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210

## Prescription Drug Program

Effective November 15, 2004, Blue Cross Blue Shield of Michigan (BCBSM), the Fund's pharmacy benefit manager, will switch to its new claims processing system administered by highly regarded **MedImpact Healthcare Systems, Inc.**, the largest, privately held pharmacy benefits manager in America. We're assured by BCBSM that the switch will be seamless for you and simple for your pharmacist, but please contact the Fund's Member Services Department if any problems arise. There is no need for new identification cards for any group other than our Affinity Rx Drug Program participants (those cards have already been mailed).

The pharmacy network for Michigan is unchanged. For outside of Michigan, BCBSM has changed from the Medco network to the MedImpact network, but there will be virtually no disruption for participants (only five non-Michigan participants have been identified as using a non-network pharmacy). The MedImpact network includes all of the major chain pharmacies and many independent drug stores. To locate a participating pharmacy, visit the Fund's website at [www.mctwf.org](http://www.mctwf.org) and click on the "MedImpact" link located on the Fund's "Provider Networks" and "Info Links" pages, or call the Fund's Member Services Department.

However, for both Michigan and non-Michigan prescription fills, all Fund participants will have access to MedImpact's **Choice90<sup>Rx</sup>** retail pharmacy network, which currently includes, among others, all CVS, Rite Aid, Walgreens, Kmart, Kroger and Meijer store pharmacies. Choice90<sup>Rx</sup> pharmacies offer you the convenience of filling between 84 and 90 day supplies of medication, just like the mail order program, and will do so for the same copay as required for mail order fills. Please be aware, however, that prescriptions written for between 34 and 84 day supplies will be filled only for a 34 day supply.

Also, newly available is MedImpact's Member Portal, an interactive screen on MedImpact's website. As a registered user, MedImpact offers you:

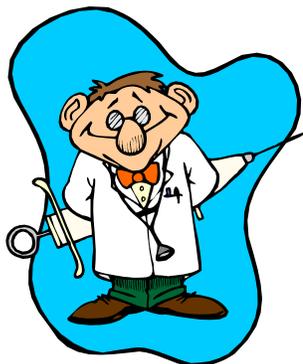
- Benefit Highlights – view your current co-payment amounts.
- Formulary Lookup – determine coverage and pricing for specific medication.
- Pharmacy Locator – find a participating pharmacy near your location.
- PersonalHealth Rx – print your prescription history for a physician visit or tax reporting.

The "Member Portal" also offers comprehensive health and wellness information including **WebMD's** guide to disease and condition descriptions, symptoms, treatments and prevention.

## Influenza Vaccination

Yes, it's that time of the year again; time to get your influenza vaccination. Influenza is a serious disease that can peak anywhere from December through March according to the Department of Health and Human Services' Centers for Disease Control and Prevention, and therefore the best time to get a flu shot is in October or November.

There are two types of influenza vaccines, the form recommended for all ages, made from an inactivated virus and administered by injection (flu shot) and the form limited to healthy 5 to 49 year olds, made from a live weakened virus and administered as a nasal mist (FluMist™).



As you already may be aware, there is a shortage of flu shots. Taking that into consideration, as well as the fact that the Centers for Disease Control and Prevention recommends its use, the Fund is pleased to announce that FluMist is once again covered, as prescribed, for those healthy participants between the ages of 5 and 49 years.

For adults age 19 through 49, administration of FluMist is covered as a Major Medical benefit under your Plan (see your schedule of benefits for details). For non-network FluMist administration, the maximum allowable benefit amount for this season is \$30 per patient; any deductible, coinsurance or charges in excess of \$30 is the participant's responsibility.

For children ages 6 months to 18 years, the influenza vaccination (either flu shot or FluMist) is covered in full under the Wellness benefit when administered in-network. However, if the child receives services from a non-network provider, you will be responsible for amounts in excess of the \$30 maximum allowable benefit amount.

## Retiree Medical Program Rates Effective April 1, 2005

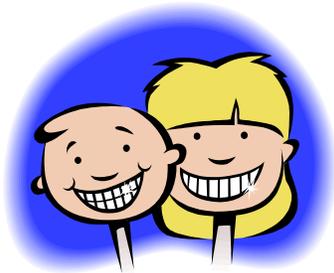
Effective April 1, 2005, the below self contribution rates will apply to all those participating in the Fund's Retiree Medical Program (please see [Message](#) on front page for explanation):

Retiree Medical Program Rates <i>Effective April 1, 2005</i>						
Monthly Self-Contribution Rate Covering Both Retiree and Spouse						
Age at Retirement	Years in Fund 5 - 9	Years in Fund 10 - 14	Years in Fund 15 - 19	Years in Fund 20 - 24	Years in Fund 25 - 29	Years in Fund 30 +
50 - 54	\$440.00	\$400.00	\$360.00	\$320.00	\$280.00	\$240.00
55 - 59	\$340.00	\$315.00	\$290.00	\$270.00	\$245.00	\$220.00
60 - 64	\$240.00	\$230.00	\$225.00	\$215.00	\$210.00	\$200.00
<b><i>For participants who retired on or before December 31, 2001</i></b>						
\$200.00						

### Dental Benefit Age and Time Limitations

The Fund's dental benefits include certain age and time limitations based on what is considered by the dental community to be appropriate treatment and reasonable frequency of procedures for children and adults. These limitations are standard in the industry and are subscribed to by Delta Dental Plans of Michigan. In addition to the dental limitations described in your Summary Plan Description, the following limitations apply to Class III dental services:

- Porcelain, porcelain substrate, and cast restorations are not payable for children less than 12 years of age.
- Fixed bridges and removable cast partials are not payable for children less than 16 years of age.
- A reline or the complete replacement of denture base material is limited to once in any three-year period per appliance.



### Flexible Dependent Coverage Enrollment

The Fund's Flexible Dependent Coverage Program provides a medical expense reimbursement account to cover certain participant medical, dental and optical expenses that are not covered by the Fund or other benefit plans and that are deductible from individual tax returns if itemized. To participate in this Program, a participant must enroll and agree to waive all Fund medical and prescription drug coverage for his dependents (i.e., spouse and dependent children). Evidence that each dependent has other coverage is required. The waiver remains in effect until such time as the participant notifies the Fund that he is discontinuing his participation in the Program. A detailed description of the Program can be found in your Summary Plan Description. For those of you with eligible dependents, the Program provides \$100 per month for your medical spending account and for those of you without eligible dependents, the Program provides \$45 per month.

If you wish to participate in this Program, you must first fill out the Fund's Flexible Dependent Coverage Election Request form and send proof of dependent coverage if applicable. A copy of the form can be obtained by contacting the Fund's Member Services Department or on our website at [www.mctwf.org](http://www.mctwf.org) (from the "Forms" page). The current general enrollment window is now open and election requests will be accepted until December 31, 2004. After that date the enrollment period will not re-open for another 12 months.



## Full-Time Student Eligibility

The Fund provides coverage for dependents who have not attained the age of 19 (coverage provided through the end of the 19<sup>th</sup> birthday month) and full-time students who have not attained the age of 24 (coverage is terminated on the 24<sup>th</sup> birthday). The full time student rule has been amended to provide coverage through the end of the 24<sup>th</sup> birthday month. In other words, if the student turns 24 on November 1<sup>st</sup>, Fund coverage will continue through November 30<sup>th</sup>. This new rule is effective immediately and applies to full time students covered on or after October 1, 2004.

## Mental & Nervous and Substance Abuse Treatment

Effective October 27, 2004, the Fund has expanded the 50 visit limit for mental & nervous and substance abuse professional services in connection with and following an in-hospital stay (including inpatient, partial/day hospital and intensive outpatient with or without domiciliary component) to permit authorized professional services after the 50 visit limit is exhausted. The benefit will cover all necessary professional services during the approved "in-hospital" stay, as well as up to ten additional visits during the four months following discharge, or until January 1<sup>st</sup>, whichever period is shorter.

Remember, all mental & nervous and substance abuse treatment requires prior authorization by contacting ValueOptions at 1-800-457-8540.

## Taking An Active Role in Your Healthcare Decisions

Have you ever obtained services from a healthcare provider and received a balance due bill you did not expect? By taking an active role in your healthcare decisions, some of your out-of-pocket expenses can be prevented by asking questions, by knowing your benefits and by determining, prior to receiving services, whether a facility, physician, or other professional is a network provider. In accordance with Fund rules and limitations, listed below are some helpful hints to avoid those added expenses:

- ❖ When receiving a referral for services from your participating physician, make sure that the physician, other professional, or facility you are being referred to is a network provider.
- ❖ When receiving services from a network provider, do not make payment at the time services are rendered, other than for applicable co-payments when requested. All network providers accept agreed upon fees, subject to applicable deductibles, coinsurance or co-payments, as payment in full. Once the claim has been processed by the Fund, you will receive notification of your responsibility which may include deductible, co-payment, or coinsurance amounts.
- ❖ When obtaining services from a network hospital, you may receive care from a variety of professionals (e.g. radiologists, anesthesiologists, emergency room physicians, pathologists). Be aware that even though the hospital participates in the network, some of the professionals who perform services may not, and reimbursement will be subject to the non-network deductible and coinsurance levels listed in your Schedule of Benefits, along with any balance due billing by the facility or professional.

Therefore, when you have the opportunity to choose a facility in advance, consider one that provides services using network professionals.

- ❖ When filling a drug prescription, request that the pharmacist fill it with the generic equivalent if available. Or, ask your physician to prescribe a generic drug. Your co-pay will be much lower.

Also, if you are taking a medication on an ongoing basis, ask your physician to specify a 90-day supply and take advantage of the **Choice90<sup>Rx</sup>** Program (please see page 3) allowing you a co-payment savings.

- ❖ Ask your dentist what the charges will be for intended services and then, by predetermination request to Delta Dental or by calling the Fund's Member Services Department or by using the "Consumer ToolKit" link located on the "Provider Network" and "Info Links" pages of the Fund's website, you may determine whether there is room under your annual benefit maximum to cover the intended services.



- ❖ Always be aware of benefit dollar and time limits, all of which are found in your Summary Plan Description. Some of the more common dollar and/or time limits, in addition to the above, are on certain dental and orthodontic services, vision products and services, chiropractic services and hearing devices.

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www.mctwf.org

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The *Messenger*, published quarterly, notifies you of changes to your plan of benefits. Please retain all issues of the *Messenger*, along with your SPD booklet and other plan materials, for future reference.

MICHIGAN CONFERENCE OF  
TEAMSTERS WELFARE FUND

2700 TRUMBULL AVE.  
DETROIT, MICHIGAN 48216  
313-964-2400

Metro Detroit 1-800-572-7687  
Upstate 1-800-824-3158  
Out-of-State 1-800-334-9738



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## Retiree Medical Program Enrollment Reminder

As a reminder to those who are considering retirement, the deadline for establishing pre-age 57 Retiree Medical Program eligibility is December 31, 2004.

As announced in previous *Messenger* issues, effective January 1, 2005, the minimum age at which new retirees may participate in the Retiree Medical Program will be age 57 (with the exception of "30-and-Out Pension" retirees whose minimum age remains at 50). Those otherwise eligible participants who retire prior to age 57, on or after January 1, 2005, will have participation deferral rights to age 57 or older. In the event a participant retires on or before December 31, 2004, the Fund will recognize the last date of active employment for the purpose of determining eligibility to participate in the Program prior to age 57. Participation in the Program will commence following the Retirement Date, which may be extended from the last day of active employment by (1) vacation contributions, (2) available benefit bank weeks applied and (3) COBRA coverage contributions.

As always, we urge you to contact our Member Services Department if you are considering retirement, to ensure your enrollment in the Fund's Retiree Medical Program. Your notification of retirement to the Central States Pension Fund is not communicated by that Fund to this Fund, and does not protect your right to participate in this Fund's Retiree Medical Program. In order to be considered for the Retiree Medical Program, you must file an application with this Fund within 90 days following your Retirement Date.