

Messenger

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January 1999

Trustees Announce Review of Benefit Increases **Proposed Changes, If Approved,** **To Take Effect April 1, 1999**

Dear Fund Participant:

At the December 21, 1998 meeting of the Fund Trustees, the Fund consultants were directed to conduct a review of a series of increases in benefits for Fund members. The consultants will be presenting the results of their analysis at the January Trustee meeting. At that time, we will vote on those increases and expect to approve those changes that are feasible. Any changes will take effect April 1, 1999, which is the beginning of the next plan year.

We are very excited about the proposed benefit increases. We think they represent a considerable additional value to members. Some of the changes are based directly upon responses to the October 1998 issue of the *Messenger*. We want to thank those members that took the time to clip and send responses back to us. We want your feedback on the benefits. Be assured that all suggestions are read.

It is always gratifying to announce benefit increases. As much as we would like, however, we cannot be responsible fiduciaries of the Fund and add benefits in an indiscriminate manner. We can, however, listen to your input and take responsible action on those items that benefit the majority of the membership. Our ultimate responsibility is to provide comprehensive benefits to our members while, at the same time, maintaining the financial integrity of the Fund. Our decisions will be guided by this responsibility.

INCREASES TO CURRENT BENEFITS

We are considering several increases to the benefits currently provided by the Fund.

Why increase benefits? The Trustees are committed to routinely examining the benefits provided to members to ensure that service and quality are up to the standards our members deserve. The benefit increases under review reflect areas where we feel that change will improve the quality of service and access to providers as well as provide more comprehensive coverage.

The following benefit increases are under review.

Retiree Benefit Plan

The current Retiree Benefit plan provides for a benefit maximum of \$100,000 each calendar year. We want to increase the annual maximum to ensure that the benefits remain competitive and keep pace with increases in medical costs. The change would increase the benefit maximum by **50%** to \$150,000.

Increasing the retiree benefit runs counter to current employee benefit trends. A recent survey indicated that the number of employers providing benefits to retirees under age 65 has dropped from 46% to 36% over the past six years. So it appears that at a time when other plans are reducing benefits, the Fund may be able to increase benefits.

If approved, the new maximum will be effective April 1, 1999.

Post-65 Benefits for Retirees

The Fund currently does not provide a benefit for retired members once they reach eligibility for Medicare. This is an issue of concern for both the Trustees and retired members. It is our desire to provide some form of benefit, as a supplement to Medicare, to our retired members after they reach age 65.

We are moving with caution in this area due to the great financial obligation any benefit addition represents. For example, average pharmaceutical costs alone may average approximately \$1,000 - \$1,100 per year, per retiree. Like the proposed increase in the current retiree program, adding this program runs counter to current trends in retiree benefits. Survey data indicates that the percentage of employers offering Medicare retiree health coverage has dropped from 40% to 29% in the past six years.

Even though the cost associated with adding this benefit is very material. It is the Fund's desire to provide some level of benefits to members that are Medicare eligible. We plan to do so as long as the financial integrity of the Fund can be maintained.

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Dental Plan

The Trustees have asked the consultants to review several areas of the dental benefit in order to improve access and service to members. Plan A is expected to receive considerable attention. This reflects our goal to improve scheduling of appointments and to increase the number of Plan A dentists. With the anticipated changes, we expect a noticeable improvement in Plan A service and access.

The Fund is also reviewing the feasibility of increasing Plan B dental benefits. The changes under review include:

- An increase in the annual maximum from the current \$1,000 to higher levels.
- An increase in the schedule of fees, with an increase in the fees for services that are diagnostic and preventative.

Vision Benefits

We are reviewing certain structural changes to the Vision Plan in order to increase the dollar amount paid for services, increase the frequency with which we will cover services, and increase the number of preferred vision care providers.

The increases and changes being reviewed include:

- An increase in the frequency of reimbursement for examinations and prescription lenses (and contacts) from 18 months to 12 months.
- A change in the frequency of reimbursement for frame replacement from 18 months to 24 months.
- An increase in the schedule of fees with an emphasis on preventive eye services.
- An increase in the number of Preferred Vision Care providers.

Hearing Aid Benefits

Based upon member input, we have asked the Fund consultants to review increases in the Hearing Aid benefit. Like changes to the Vision Plan, the goal is to increase the frequency of reimbursement and increase the number of preferred hearing aid centers.

The increases and changes under review include:

- An increase in the frequency of reimbursement for examination, testing, and equipment from every 36 months to every 24 months.
- The requirement that all Audiology testing be done by a licensed Clinical Audiologist that is independent of the provider of the hearing aids.
- An increase in the number of Designated Hearing Aid Centers.

Chiropractor Benefits

The current level of chiropractic benefits have fallen behind the average benefit for Funds like the Michigan Teamsters. Our consultants are reviewing an increase in the current calendar year maximum of \$400 to a higher level such as \$1,000.

This benefit increase, if approved, would be in effect April 1, 1999.

NEW BENEFITS

The long-term health of the members is a major responsibility of the Fund. One of the recommendations contained in the report of the National Firm was the development of programs *that will improve and manage the health status of Fund members*. We are reviewing a series of programs for that purpose. The first program is a Wellness Initiative, which we want to make available to every eligible Fund member, irrespective of the medical plan option you have selected.

The Wellness Initiative will be available to all members that have medical coverage. This means that members with Plan A, B, or C will have equal access and opportunity to receive the benefits from their provider of choice. All of the Wellness Initiative benefits will be covered by the Fund in full. The program will involve a package of carefully developed tests, examinations, and procedures that will be unique to the members of the Michigan Conference of Teamsters Welfare Fund. Under consideration are the following programs for the women, men, and child members of the Fund.

Women's Health Benefit

American Cancer Society statistics report that 180,000 new cases of breast cancer are diagnosed in the United States each year. Over 46,000 deaths are also reported annually. One the keys to breast cancer prevention is early detection, which includes self examination, physician examination, and mammograms for women at risk or over age 40. We have begun to monitor the utilization of Fund benefits like mammograms, because such data helps us to understand how effective we are at getting the wellness message across to our members. Statistics for mammograms in 1997 are shown in the following table.

MICHIGAN CONFERENCE OF TEAMSTERS WELFARE FUND
Mammogram Utilization – 1997 Fund Results

| Age Range | Average Females | # of Mammograms | Percent of Females |
|--------------|-----------------|-----------------|--------------------|
| 40 – 49 | 3,646 | 837 | 23.0% |
| 50 – 59 | 2,842 | 962 | 33.8% |
| 60 + | 977 | 348 | 35.6% |
| Total | 7,465 | 2,147 | 28.8% |

Source: 1997 claims data – Michigan Conference of Teamsters Welfare Fund

The goal of the Wellness Initiative is to increase the utilization for 40-49 year olds to 50%. For ages 50 and above, the goal is 100%.

The American Cancer Society also reports 15,000 newly diagnosed cases of cervical cancer each year. These and other cancer statistics indicate a unique and important issue that the Fund needs to address. Aside from cancer, there are also issues such as heart disease, post-menopausal considerations, and osteoporosis that demand attention.

The Women's Health Benefit under consideration would include the following benefits for all Fund members.

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- Annual mammograms for women aged 50 and older.
- Bi-annual mammograms for women aged 40-49.
- Annual mammograms for any women above age 30 who are at risk for breast cancer.
- Annual cervical cancer screening (pap smear) for all women aged 18+.
- Annual women's (aged 18+) physical examination including family and personal history, health habits, height/weight, blood pressure, blood sugars (diabetes screening), cholesterol, triglycerides (lipid panel), skin cancer screens, breast cancer screens, and pelvic examination.
- Annual stool occult blood test for women aged 50+.
- Flexible sigmoidoscopy screening every 4 years for women aged 50+.
- Flexible sigmoidoscopy screening every 4 years for any women above age 40 who are at risk for colorectal cancer.

Men's Health Benefit

Prostate cancer, other than skin cancer, is one of the most common types of cancers found in American men. American Cancer Society statistics report that 185,000 new cases of prostate cancer are diagnosed in the United States each year. The cancer is most common in men over age 50. It is reported that about 39,000 men die of prostate cancer each year.

Statistics for colorectal cancer are similar. Approximately 131,000 new cases of this form of cancer are diagnosed each year. Like the Women's Health Benefit, the Fund is committed to developing a Male Health Benefit to address these risks in order to detect cancer onset as soon as possible. The Men's Health Benefit under consideration would include the following benefits for all Fund members.

- Annual PSA tests for men aged 50+.
- Annual PSA tests for men above age 40 who are at risk for prostate cancer.
- Annual stool occult blood tests for men aged 50+.
- Annual stool occult blood tests for men above age 40 who are at risk for colorectal cancer.
- Annual men's (aged 18+) physical examination including family and personal history, health habits, height/weight, blood pressure, blood sugars (diabetes screening), cholesterol, triglycerides (lipid panel), skin cancer screens, testicular cancer screening, and digital rectal examination.
- Flexible sigmoidoscopy screening every 4 years for men aged 50+.
- Flexible sigmoidoscopy screening every 4 years for men above age 40 who are at risk for colorectal cancer.

Pediatric Health Benefit

The Pediatric Health Benefit will provide full coverage for all physical examinations and immunizations as designated by

the American Academy of Pediatrics. This represents a significant change to the coverage of child immunizations. This benefit had formerly been available to Plan B and C members if the immunization was administered by a Plan A provider. The change provides that the benefit can be received from your own Pediatrician, regardless as to whether the Pediatrician is Plan A or not.

Other Initiatives

We will continue to review other wellness initiatives in the future. Already there are plans to review smoking cessation, weight loss, and disease management programs.

Member Incentives – Additional Life Insurance

The Fund is committed to improving the health status of its members. Even though improved health and early detection of disease will provide great incentives to utilize the Wellness Benefit, we will be providing a tangible additional benefit as an extra incentive for members. Each member will be able to earn an additional \$1,000 (up to \$5,000) in life insurance benefit if they participate as a partner with the Fund in the Women's and Men's Health Benefits. Each consecutive year that a member receives the annual physical examination, an additional \$1,000 of life insurance will be credited to them. To be eligible, the physical exams must be received every year, and the member must continue to have exams even after they have increased the life insurance to the \$5,000 additional maximum.

The Fund will do its part to help you. Each year, at or around your birthday, the Fund will send you a notice wishing you a Happy Birthday, and reminding you to make your appointment for the annual wellness benefits. Letters for children will also be sent to parents, even though the additional life insurance benefit does not apply to them.

We Want to Hear From You

Your input is important to us. We want to hear from you regarding the benefit increases that are currently under review. We welcome your comments, suggestions, and questions. Please feel free to submit them to us in writing.

It is a pleasure to be of service to our members. The areas discussed in this issue reflect our commitment and desire to make the Michigan Conference of Teamsters Welfare Fund a model for the Taft-Hartley industry.

Respectfully submitted,

Board Of Trustees
MICHIGAN CONFERENCE OF TEAMSTERS WELFARE FUND

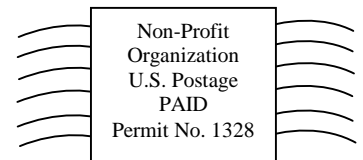
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