

Carpenters'



Combined Funds, Inc.

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ARE YOU TAKING A VOLUNTARY PAY CUT?

February 2005

By now, hopefully everyone understands that our Medical Plan is self-insured. When you are healthy, nothing is spent on you. If you are ill and have a large claim, you plan pays the claim. In other words, YOU are the insurance company. If the plan is spending more than it is bringing in, then your benefits will be reduced or more will have to come from your total package to fund the shortage. If money is wasted, it is YOUR money that is wasted.

The plan takes steps to attempt to ensure that plan assets are not wasted. And you can help in this area. When you receive an Explanation of Benefits (EOB) from Highmark, it should be reviewed to make sure that we are only being charged for services received. If you were injured on the job, none of those claims should go through our insurance -- they should be paid by your employer's workers' compensation insurance. Take the time to review the EOB's to make sure we are not paying for things that we should not be.

It is also important to understand our plan's coordination of benefits provision which provides a framework for coordinating payment of medical expenses when you and other members of your family are covered by two or more medical plans. In general, we will be required to pay first for you, our member, and your spouse's plan will pay first for her/him. For your dependent children, our plan follows the "birthday rule". The plan of the parent whose birth date (month and day only, not the year) occurs earlier in the calendar year will pay first. If your spouse has coverage, please ensure that her/his plan pays before our plan for your spouse and children, if appropriate. If you allow those claims to be paid by our plan, you in effect are allowing your medical dollars to be thrown away. If you see this happening, please call our office so that we can have the claim reprocessed in the appropriate manner.

One final point on the matter. Should you divorce, you must inform us immediately and provide us with a copy of your divorce decree. Our plan does not cover former spouses. YOU will be held responsible for any loss suffered by the plan because of your failure to report a change in marital status. Also, at that time, you may want to consider submitting a new ID Card and naming a new beneficiary for your benefit, in the case of your passing.

In summary, YOU are the medical plan and if you allow our medical dollars to be wasted, YOU are volunteering for a pay cut. Please help us help you.