



GREATER KANSAS CITY LABORERS FRINGE BENEFIT FUNDS

Managed for the Trustees by:
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December, 2003

TO: ALL PARTICIPANTS OF THE GREATER KANSAS CITY LABORERS WELFARE FUND

RE: PPO CHANGES FOR 2004

Dear Participants:

As you are already aware, medical costs have been rising rapidly for the last several years. The Board of Trustees has taken several actions in recent years in order to provide a comprehensive benefit package while managing the costs of those benefits. One way to help make each dollar go further is to use medical providers that offer the Fund the biggest discounts. The Board has decided that changes to the Preferred Provider Organization (PPO) arrangement is in the best interest of the Fund in order to maximize the discounts the Fund receives. Please read this notice carefully because it describes how you can receive the maximum benefits by using in-network PPO providers.

Effective January 1, 2004, plan participants will now have access to the **Freedom Network Select PPO** in the Kansas City Metro and western Missouri areas, the **HealthLink PPO** in out-state Missouri and the **HPK PPO** in out-state Kansas. All three logos will appear on your new ID card, allowing you access to all three PPO networks throughout the states of Kansas and Missouri.

Enclosed with this mailing are your new medical ID cards. Effective January 1, 2004, destroy your old medical ID card and begin using the new cards.

Through this change in PPO networks, several Kansas City Metro hospitals will no longer be considered in-network. These hospitals are:

- Kansas City Ortho
- Liberty Hospital
- Mid-America Rehabilitation
- St. Joseph Health Center
- St. Mary's Hospital of Blue Springs
- Truman Med Lakewood
- Truman Med West

Charges at these hospitals will be considered out-of-network for purposes of co-payment, although they will continue to provide a discount under the Freedom Network Select contract.

This change in the PPO network required that a change be made in the co-payment levels of the Plan in order to encourage use of the PPO providers. **Effective January 1, 2004, the co-payment level for claims covered under the Major Medical Benefit will be 81% in network, 70% out-of-network.** Separate co-insurance levels for coverage such as alcohol and substance abuse treatment and developmentally-related speech therapy will remain at their current levels.

To check on new providers available in your area, please visit Preferred Health Professionals' website at www.phpkc.com or call Preferred Health Professionals' Customer Service Department at (913) 685-6300 or toll-free at (800) 544-3014.

In order to further encourage use of in-network providers, starting January 1, 2004, the following changes in the Comprehensive Major Medical Expense Benefit will become effective:

➤ Annual Deductible

Annual Deductible		
	In-Network	Out-of-Network
Individual	\$300	\$400
Family	\$500	\$800

➤ Annual Out-of-Pocket Maximum

Annual Out-of-Pocket Maximum		
	In-Network	Out-of-Network
Individual	\$2,000	\$3,000
Family	\$4,000	\$6,000

In addition, the carryover of annual deductibles and out-of-pocket amounts paid in the last three months of a calendar year against the deductible and out-of-pocket amounts in the following year has been eliminated as of January 1, 2004.

The following notice is required each year under the Women's Health and Cancer Rights Act (WHCRA).

Under the Women's Health and Cancer Rights Act, group health plans that provide medical and surgical benefits in connection with a mastectomy, like this Plan, must provide benefits for certain reconstructive surgery. This benefit covers reconstruction of the breast on which the mastectomy was performed, surgery and reconstruction on the other breast to produce a symmetrical appearance, and prostheses and treatment of physical complications of all states of mastectomy, including lymphedema. This coverage is subject to the plan's deductible and coinsurance provisions which are described in your Summary Plan Description (SPD).

If you have any questions about the new PPO Network arrangement, the benefit changes or the Women's Health and Cancer Rights Act, please contact the Fund Office at (913) 236-5490.

A new Summary Plan Description is in preparation and should be sent to you next year. The Board of Trustees will continue to monitor the financial security of the Fund to offer benefits in the most cost-effective manner.

If you have any questions about your benefits, please call the Fund Office (913) 236-5490..

Sincerely,

BOARD OF TRUSTEES