

Local 638 Health & Welfare Plan



**With Vicki Lehnen
Administrative
Manager**

As a member of Local 638 you should be proud that the Plan provides the opportunity for over 2,700 members and 5,300 dependents to receive great benefits and excellent medical care. Listed below are some of the key components that factored into the financial picture for 2010.

Medical Claims

The Plan paid over \$24 million(1) in medical claims compared to over \$23 million in 2009. This was an increase of 3% as compared to 2009. On a per participant basis, claims increased over 5% in 2010. This increase was slightly below the average medical claim increase our Third Party Administrator saw for union health and welfare funds of 6%. Listed below are some medical claim statistics for 2010 as compared to 2009.

Prescription Claims

The Plan paid over \$4.6 million(1) in prescription claims in 2010 and close to \$5 million in 2009. On a per participant basis, the claims expense remained about the same for the last two years. This was good news for the Plan considering the average prescription claim increase our Third Party Administrator saw for union health and welfare funds was 8%.

- Lipitor this year and last year was the top utilized drug (1,900+ claims) with a cost to the fund of \$255,000
- Specialty drugs (typically self-injectable) are averaging about \$2,000 per claim; the number of specialty drug claims filled went down but the claim cost is rising; in 2010, 364 claims were paid at a cost of \$748,000 as compared to 2009 when 396 claims were paid at a cost of \$709,000

Your Part

To maintain these exceptional benefits the Trustees encourage you to be mindful of how

benefit dollars are spent and to do the following:

- 1) Review your bills closely to make sure that you are being charged properly.
- 2) Consider using Retail Clinics (also known as Minute and Express Clinics) for minor illnesses. Services provided at retail clinics will be reimbursed at 100% after your calendar year deductible has been met.
- 3) Enroll in the Diabetes Management program, the Stop Smoking program or the Prenatal Support program, if appropriate.
- 4) Use Blue Cross AWARE network doctors, clinics and hospitals whenever possible to limit the Plan's cost and your out-of-pocket costs.
- 5) Use generics (if approved by your doctor) and the prescription mail order program (90-day supply for only 2 co-pays) whenever possible.
- 6) Consider getting more information from the Fund office on the Rx OTC program(2), Half-Tab Rx program(3) and the Prescription Solutions Wise Choice program(4).

If you have any questions, you may reach the Fund office at (612) 379-9157 or (800) 462-5329, Monday through Friday, 7:30 am to 4:00 pm.

	2010	2009
Large Claims	42% of the medical claim dollars (\$10.29 million) cover 156 participants (1.9% of the group)	38% of the medical claim dollars (\$8.86 million) cover 138 participants (1.6% of the group)
Claims over \$300,000+	4	2
Claims \$100,000 to \$300,000	22	18
Claims \$50,000 to \$100,000	32	36
Claims \$25,000 to \$50,000	98	82
Percent of Claims paid for Inpatient/Outpatient Hospital Services	57%	54%
Average Annual Benefit Paid Per Member and Their Dependents	\$8,777	\$8,156
Network Discount	36%	38%

(1) Unaudited

(2) A \$0 co-pay for certain OTC allergy and stomach acid relief medications with a doctor's prescription.

(3) Some medications are about the same cost regardless of the dosage and are safe to split resulting in savings to you and the Plan. It is important that you speak to your doctor first before splitting any medications.

(4) Personalized prescription benefit consultation that may help you identify money saving options if you are taking a number of medications.