

The Fund Office Report

JANUARY 2004

STEAMFITTERS & METAL TRADES WELFARE FUNDS

SUBROGATION INITIATED TO RECOVER UNNECESSARY HEALTH CARE COSTS

Subrogation is not a term many of us are familiar with when we discuss our health care coverage. The subrogation process allows a health care plan to recover hospital, medical and other health care costs from liable third parties for injuries resulting from motor vehicle and personal injury accidents, product liability, medical malpractice and workers' compensation cases. The respective Welfare Funds have always had a right of subrogation and recovery efforts have been part of the operations of Empire BlueCross BlueShield (Empire).

However, with the evolving sophistications of computer software, a more advanced, national subrogation system has been designed by Meridian Resource Company, LLC. This improved system has been offered to the Funds through our relationship with Empire. It was put into place on January 1, 2004 on both a prospectus basis (going forward) and a retroactive basis (reviewing past claims from 2002 and 2003).

Our comprehensive subrogation efforts will audit claims to be sure that the Welfare Fund should be the responsible payer and not another entity. When the software identifies a potential subrogation case, Meridian will send a letter and questionnaire to you to start the recovery process. If there is lawsuit involved, the subrogation process will monitor the legal system to be sure that the Welfare Fund is fully repaid for any health care costs it may have expended.

With the ever escalating costs of your Welfare Fund programs, any and all available efforts to contain costs must be implemented. As always, should you have any questions about the subrogation process do not hesitate to contact the Fund Office.

HEALTH CARE COVERAGE FOR DIVORCED SPOUSES AMENDED ***TIMELY NOTIFICATION OF DIVORCES IMPERITIVE***

As of January 1, 2004 divorced spouses will only have coverage under either the Metal Trades or Steamfitters Welfare Funds until and including the actual date that the divorce becomes legal. This new period of coverage replaces the previous rule in which a divorced spouse was permitted to maintain coverage until the end of the month that the divorce was finalized. COBRA coverage is offered to all divorced spouses in accordance with federal law.

It is essential that you report a divorce to the Fund Office immediately so that COBRA coverage can be made available on a timely basis. If a divorce is not reported within 60 days COBRA coverage is not offered. In addition, you are liable for the unnecessary costs the Welfare Fund incurs due to you non-notification. Not a month goes by that a member does not neglect to notify the Fund Office about a divorce and gets personally billed for the claim, insurance and other costs the Fund paid due to the member's negligence. The Welfare Fund has recovered tens of thousands of dollars from members who forget to promptly report divorces.

“ A friendly reminder.....”

Each quarter we use this space to remind you of a program’s rules, regulations or benefit structure. This quarter we will refresh your memory regarding the BlueCard Worldwide Program. This is particularly important as you plan summer vacations that may include visits to places outside the United States.

The BlueCard Worldwide Program provides hospital and professional coverage through an international network of healthcare providers. With this program, you are assured of receiving care from licensed professionals.

To use the program call 800-810-BLUE, 24 hours a day, seven days a week, for the names of participating doctors and hospitals. Outside the US, you may use this number by dialing an AT&T Direct Access Number. Show your Empire ID card at the hospital. If you’re admitted you will only have to pay for expenses not covered such as co-insurance, copayments , deductibles or personal items.

If you receive outpatient hospital care or care from a doctor in the BlueCard worldwide Program pay the bill at the time of treatment. When you return home, submit an international claim form and attach the bill or paid receipt. The international claim form is available from the healthcare provider you used or calling the BlueCard Worldwide Program.

It is always nice to know that you have healthcare while traveling outside the United States.

150 Hour Rule For Certain Metal Trades Branch Participants

Participants employed by any of the three Parkchester employers, TMC or who work on a reciprocal basis need to work 150 hours per month to obtain or maintain eligibility in the Welfare Fund. This rule has been in effect since November 2002.

PRESCRIPTION DRUG COVERAGE Controlled Substances

We are now a few weeks into the enhanced coverage for controlled substances that commenced on January 1st in both the Steamfitters and Metal Trades Welfare Funds. The improved benefit allows for a 30 day supply at the retail pharmacy level (all other prescriptions can only be filled for 21 day and have a one refill limit) with no limit as to the number of fills permitted although federal and state laws require a new prescription for each re-order.

The co-payments for controlled substances are as follows:

**Steamfitters \$22
Metal Trades\$10**

NEW EMPLOYER TRUSTEES NAMED

The following Trustees have been newly named to the listed Funds:

Pension:	Terence Farrell
Welfare:	David Israel
Supplemental Retirement:	Terence Farrell
Vacation:	Bruce Kelley
Security Benefit:	John Kritis
Education:	Arthur Klansky

These Employer Trustees can be reached by contacting the Mechanical Contractors Association of New York, Inc., 44 West 28th Street, New York, NY 10001-4212. The telephone number for the MCA is 212.481.1490.