



The Trustees of the Northwest Ironworkers Health and Security Fund are working to provide you with comprehensive health care benefits, but it's becoming harder and harder to afford the current programs.

On the current course, the Plan's health care costs may continue to increase around 10% per year. Between June 2011 through June 2012, the Plan will pay an estimated \$9,006 per participant for health benefits. In five years, that could increase to \$14,496 per year. In 10 years, that could increase to \$23,340 per year.

Health care costs continue to rise for many reasons. For example, with the aging population in the United States, the demand for health care services continues to grow. This causes costs to go up. There has also been a huge spike in obesity and the prevalence of chronic illnesses like diabetes and heart disease, which require ongoing treatment and lead to higher costs. In addition, the costs for the same procedures (e.g., an MRI or knee surgery) can vary greatly among network providers and hospitals, and the Plan picks up most of the tab.

The bottom line is, your health and the choices you make every day can affect the Plan's costs. The Plan pays medical and prescription claims with contributions made by your employer on your behalf to fund benefits. When claims costs go up, the contributions negotiated to provide your health benefits must go up, too. This can affect the dollars available for your wages and retirement, and it gives you a stake in helping the Plan contain health care costs.

The Trustees are taking action on rising health care costs, and need your help, too. The focus is on two areas. First, we want you to live the healthiest life possible. Second, we want you to make smart, informed choices when you use your benefits. Doing these things will keep money in your wallet. It will also help the Plan save money over time.

Please read this important announcement about upcoming benefit plan changes. (Note: The changes do not apply to Medicare retirees and individuals enrolled in an HMO.)

This announcement explains why changes are necessary. It also includes a brief summary of the changes that will go into effect on May 1, 2012.

You will receive more information in your mail over the next few weeks.

Contact the Administration Office at 206-441-7226 or 866-986-1515 (select option 1) if you have questions. You can call Monday – Friday from 8:00 a.m. to 5:00 p.m. (Pacific Time).

Important changes are going into effect on May 1, 2012, to encourage you to use your benefits more efficiently:

1. The Plan will introduce a "Care Counseling" program that can help you find cost-effective health care providers.
2. Authorization through the Plan's Care Counseling service will be required for most outpatient services performed outside of your doctor's office.
3. You will be encouraged to use the lowest cost prescription drugs whenever appropriate.

It will be very important for you to read all the information you receive about these changes. Be sure to pay close attention to the mailings you receive from the Fund.

The Trustees are excited about setting these innovative changes into motion, and look forward to reporting the progress to you in the coming months.

Sincerely,

Board of Trustees
Northwest Ironworkers Health and Security Fund