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LOCAL 399 HEALTH & WELFARE CONDUCTS DEPENDENT ELIGIBILITY AUDIT

Please read this IMPORTANT information:

We are all aware of how important it is to have adequate health care coverage. We also know how expensive paying for health care can be. What you may not know is that Local 399's Health & Welfare Fund is self-insured, which means health claims are paid by the union, not an outside insurance company.

As a union Health & Welfare Fund, part of our job is to keep costs down so we can maintain a competitive health care plan for all employees. We need to make sure that only those dependents who are actually eligible are the ones being provided with coverage. National averages show that each dependent's health care costs are \$3,500 each year. Covering dependents who are not eligible raises our cost for benefits which is reflected in the premiums deducted from our checks.

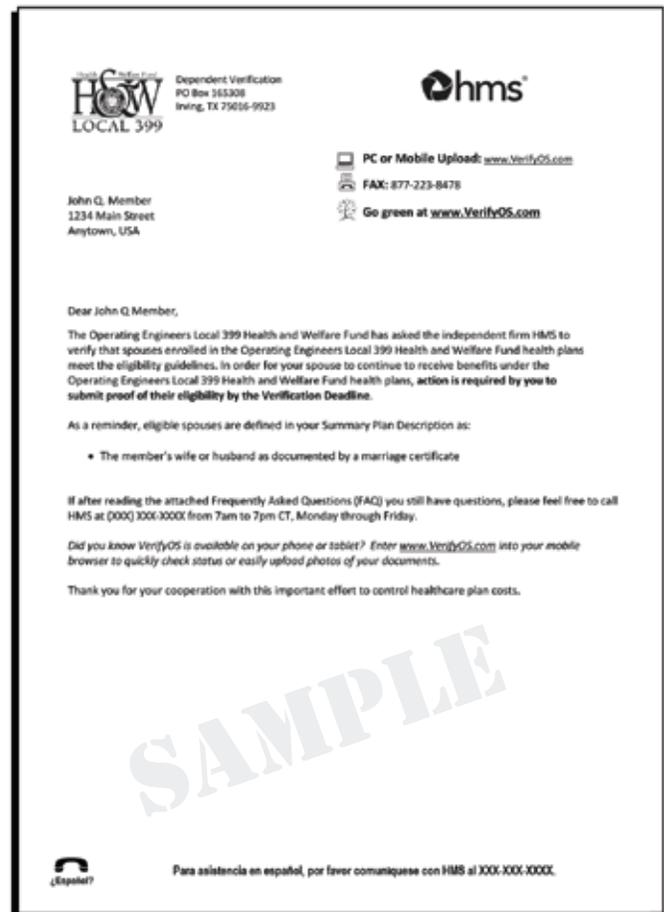
In an effort to control these costs we have retained the services of the highly recommended independent auditor HMS to assist us with completing a dependent verification of our plans. They are known for their professionalism, confidentiality and sensitivity to our members' needs and concerns. We are confident this process will ensure that we are covering eligible dependents in a fair and equitable manner.

If you have dependents enrolled in our Health & Welfare Fund benefit plan, you will receive a letter addressed to your home from HMS. The letter will detail the steps and information required to keep coverage on your enrolled dependents. You will also be asked to submit evidence of eligibility directly to HMS.

When you receive any correspondence from HMS, please read it carefully as there are specific due dates when certain information needs to be returned. Failure to follow the instructions could result in loss of coverage for your dependents.

Detailed eligibility information, as well as a toll-free customer service number, fax number and customized web address will be included in the upcoming correspondence from HMS. Feel free to contact them if you have any questions or need additional information.

Thank you for helping us manage our plan expenses so we can continue to provide health care at a reasonable cost!



Watch your mailbox for this letter from HMS regarding spousal eligibility/verification for continued Health & Welfare benefits