



AUTOMOBILE MECHANICS' LOCAL 701 UNION AND INDUSTRY WELFARE FUND

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IMPORTANT CHANGE IN OUTPATIENT SURGICAL COVERAGE

THE PLAN CHANGE

Effective September 1, 2004, the Automobile Mechanics' Local 701 Welfare Plan is changing how it covers outpatient surgical procedures received at outpatient surgical centers that do not participate in the Blue Cross PPO network. Given rising costs at these facilities, surgeries received at outpatient surgical centers that do not participate in the Blue Cross PPO Network will no longer be covered as of September 1, 2004, unless due to unusual circumstances it is pre-approved by the Fund.

To receive coverage under the Plan after September 1st, outpatient surgeries must be performed in a hospital's outpatient department, a network outpatient surgical center or, with pre-approval only, at a non-network outpatient surgical center.

If you have a planned outpatient surgery on September 1, 2004 or later, please make arrangements to schedule it at a PPO facility to maximize benefits payable by the Plan.

For information about participating PPO hospitals, surgery centers and other providers please call BlueCross/BlueShield directly at 1-800-810-2583 or visit them online at www.bcbsil.com.

COST COMPARISON

Contrary to what you might think, it is actually much less expensive to have outpatient surgery performed at a hospital than at a non-PPO outpatient surgical center. Based on the Fund's past claims experience, costs average 40% less to have outpatient surgeries performed through a participating hospital's outpatient surgical department than at a non-PPO outpatient surgical center.

You should also remember that when you have surgery performed on an outpatient basis at a PPO facility, the Plan pays 90% of the cost of covered services. If surgery is pre-approved to be performed on an outpatient basis at a non-PPO facility, the Plan only pays 80% of the reasonable and customary cost of covered services.

IN CLOSING

This announcement presents selected highlights of the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund. The actual Plan provisions may be found in the Plan's legal documents. In the event of a conflict between the wording here and the legal document, the legal document will govern. The Trustees reserve the right to amend, modify, or discontinue all or part of the Plan at any time.

If you have questions about this announcement or your benefits in general, please call the Fund Office at 1-800-704-6270.

The Board of Trustees