

# Labor Connection

A Newsletter for Labor Leaders from Blue Cross and Blue Shield of Illinois  
Winter 2004 Issue Volume 12 Number 1



BlueCross BlueShield  
of Illinois

## Labor Fund Dental PPO Network Program

*Cost-saving opportunity from BCBSIL*

**L**abor funds can now provide valuable dental benefits to members, while effectively managing dental costs and maintaining consistency of plan administration by offering the Labor Fund Dental PPO Network Program.

Like a medical PPO, the Labor Fund Dental PPO Network Program provides Fund members with access to a national dental PPO network of contracting general and specialty dentists administered by Dental Network of America and DenteMax. This extensive network consists of more than 2,200 dentists in Illinois and 53,000 dentists nationwide, so members should easily find a dentist or specialist from the network.

Through the dental PPO network, Fund members receive valuable savings for dental services. When the member presents his or her ID card at the time of service (dental network information is found on the back of the ID card), the contracting dentist will recognize the member as being eligible for discounted fees. Fee schedules should range from 25% to 40% below a dentist's usual charge. Actual discounts may vary by geographic location.

Labor Funds and members can realize the most savings through in-network utilization. Benefits are paid at the highest level when members receive services from contracting network dentists or specialists.

It's also easy to add the Labor Dental PPO Network to existing dental benefit plans. Labor Funds can now offer a "passive PPO" plan. With a passive PPO plan, the benefit levels remain the same for in-network or out-of-network services, with immediate plan savings recognized when members receive services from network dentists. Out-of-network claims are paid at the usual & customary (U&C) charge.

With the Labor Dental PPO Network Program, Funds can enjoy the benefit of consistent plan administration, as the Fund office will continue to handle dental claims, benefit questions and member eligibility.

For more information about the Labor Dental PPO Network Program and how it can benefit your Fund, contact your BCBSIL account executive.

### The Labor Fund Dental PPO Network Program offers Labor Funds:

- plan savings for in-network utilization
- consistency of plan administration
- member access to a nationwide network of dental providers



SAVE THE DATE

Friday, March 11, 2005

St. Patrick's Day Party • Plumbers' Hall

# Annual Notification of Health Coverage for Reconstructive Surgery Following Mastectomy

Federal and state of Illinois legislation require that individuals covered by a group health plan be notified yearly of the provisions of the *Women's Health and Cancer Rights Act*. Please note that it is the responsibility of group administrators and producers to provide this notice or a similar version to all Blue Cross and Blue Shield of Illinois (BCBSIL) PPO and indemnity members. Also, this notice must be added to enrollment materials if a group does not use enrollment materials produced by BCBSIL. To assist, BCBSIL has prepared a sample notice, which explains the law's provisions.

To obtain the notice electronically, contact [waldenb@bcsil.com](mailto:waldenb@bcsil.com).

For more information on this law, contact your BCBSIL account executive.

## *BCBSIL Provides Coverage for Reconstructive Surgery After Mastectomy*

*The Women's Health and Cancer Rights Act requires group health plans and insurers to provide coverage for reconstructive surgery following a mastectomy. The law states that health plans that cover mastectomies must also provide coverage in a manner determined in consultation with the attending physician and patient for:*

- Reconstruction of the breast on which the mastectomy has been performed*
- Surgery and reconstruction of the other breast to produce a symmetrical appearance*
- Prosthesis and treatment for physical complications for all stages of mastectomy including lymphedemas*

*Blue Cross and Blue Shield of Illinois provided this coverage before it was required. We are pleased to continue providing coverage for mastectomies and the above procedures, subject to the terms of the member's applicable health care benefit coverage.*

## 10 Year Anniversary of BCBSIL's Shared Claim Processing System

**B**lue Cross and Blue Shield of Illinois' shared claim processing system turns 10 this year. We are proud to have worked with a variety of Funds who were instrumental in helping develop our Shared Claim Processing Option into what it is today — a seamless online system that provides valuable bottom-line savings for Labor clients.

Ten years ago, when Funds were approached as potential clients, many would view the traditional service offering of claims processing as the "taking over of the Fund office." While that was not the intention, we understood the need to change this perception and work with the Funds to find a more comfortable solution that would benefit both parties.

The solution was to share the claim processing. We looked to our own national BlueCard® claims processing system as a model, which shared the same characteristics of what we wanted to provide to Labor accounts — two entities sharing claim processing. Based on this model, we developed our Labor Shared Claim Processing Option, with the Fund acting as the Home Plan and BCBSIL as the Host Plan.

Once the model was in place, UFCW Midwest Health Benefits Fund became the system's first user. Pat Egan, Senior Manager of Major Account Support at BCBSIL, who was involved in the system's launch says, "We acknowledge the

foresight of Dan Ryan and the trustees of UFCW Midwest Health Benefits Fund in recognizing the value of this process. The Fund's feedback, and the technical guidance of Ed Mohr in particular, was instrumental in shaping the direction of the system and its capabilities."

Early on, UFCW Midwest Health Benefits Fund shared their positive experiences with shared claim processing and BCBSIL with other Funds. As a result, Plumbers and Pipefitters Local #23, Sheet Metal Workers Local #73 and Central Laborers Pension Welfare and Annuity Fund soon signed on for the shared claim processing system.

"Over the past 10 years, the Shared Claim Processing Option has greatly evolved through open communication between BCBSIL and the Funds," says Egan. "Each new Fund that participated early on helped mold the Shared Claim Processing Option into the successful system you see today."

Blue Cross currently shares claim processing with 88 Taft - Hartley Funds, and that number continues to grow. For more information on our Shared Claim Processing Option and how it can benefit your Fund's bottom line, contact your BCBSIL account executive.

## Blue Cross Responds to Identity Theft Legislation — New Member Identifiers to Replace Social Security Numbers

Many states have already passed identity theft laws to protect the confidentiality of Social Security numbers for state residents. The laws restrict the use of Social Security numbers (SSN) as a way to identify customers by non-governmental entities and individuals. Other states are expected to follow.

In response to these legislative and regulatory initiatives, Blue Cross and Blue Shield of Illinois (BCBSIL) is converting members' identification numbers from the SSN to a unique identification number. Each member will be issued a new identification (ID) card with a unique identifier number. Social Security numbers will no longer appear on ID cards.

We first are converting Funds with populations in states where SSN laws are in force. We anticipate converting all Labor Funds to new identification numbers within the next several months.

Social Security numbers will continue to be collected on applications and/or electronic files for internal purposes, as allowed by law.

As it has for more than 65 years, BCBSIL remains committed to protecting the privacy of its members. Your Labor Account Team will be providing periodic updates as your Fund's conversion approaches. Please contact your Labor Affairs account executive with any questions.

### New Faces in Labor



#### Dan Mackenzie

Dan Mackenzie joined the Labor Affairs team as a Senior Account Executive in September 2004. He came to Blue Cross and Blue Shield of Illinois in 1995 as a Systems Analyst for National Accounts. His major responsibilities included the implementation of large national accounts, BlueCard/ITS conversions and Y2K conversions. For the past four years, Dan has worked in our Office of Strategy Development and Implementation on various consolidation initiatives with Blue Cross and Blue Shield of Texas, Blue Cross and Blue Shield of New Mexico and other subsidiaries.

Dan brings to the Labor Affairs team a strong understanding of the BlueCard® claims system, claims processing and a variety of strong relationships throughout the Blue Cross organization.

Dan grew up in the western suburbs of Illinois and resides in Mount Prospect with his wife Eileen and daughter Grace.



#### Jyoti Bhatia Peters

In May 2004, Jyoti Bhatia Peters joined the Labor Affairs team as a Senior Account Executive. Prior to that, she worked in the Health Information Analysis and Consulting area. At Blue Cross and Blue Shield of Illinois, she partnered with the Marketing team to provide analysis and consultation to national account employer groups on health care utilization and financial performance. Jyoti also has previous experience in quality management, executive office administration, governance and customer loyalty from Henry Ford Health System in Detroit, Michigan.

A native of Michigan, Jyoti received her undergraduate degree from University of Wisconsin-Madison and her Master's from The University of Michigan in Ann Arbor. In her free time, Jyoti enjoys cooking, traveling and reading. She also is an avid soccer player and soon-to-be golfer.



#### Jennie Tatooles

Jennie Tatooles joined the Labor Affairs team as a Senior Account Executive in September 2004. She began her career at Blue Cross and Blue Shield of Illinois in 1997 as an Online Coordinator in the Integrated Technology Group. Jennie then moved to the National Account Division in 1998, serving under InterPlan Administration, where she worked closely with many Blue Cross and Blue Shield Plans nationwide. She was responsible for plan-to-plan relations, including financial negotiations, provider networks, discounting issues and the implementation of large national accounts. Most recently, Jennie held the position of Assistant Manager in the National Division.

Jennie is a graduate of Michigan State University and grew up in the northwest suburbs of Illinois. She now resides in downtown Chicago.

## Someone You Should Know



**Robert (Rob) Betts** is the Executive Director of the National Elevator Industry Health Benefit Plan. He was appointed to this position in December 2003.

National Elevator Industry (NEI) Health Benefit Plan is a Taft-Hartly Fund that provides health benefit coverage to over 23,000 active members of the International Union of Elevator

Constructors (IUEC) and their retirees. The Plan offers full medical, dental, vision, prescription drug, life and disability coverage. The Fund is headquartered outside Philadelphia, PA, where approximately 80 employees work on behalf of the members of IUEC, providing quality benefit services.

Previous to this position, Betts held a variety of financial and executive roles within the NEI Health Benefit Plan, spanning a 15-year career that began in the Plan's Accounting/Finance division. Betts holds a B.A. in Accounting & Finance from Drexel University in Philadelphia, and has extensive experience in the financial services sector.

Blue Cross and Blue Shield of Illinois (BCBSIL) was pleased to have the Fund join the Blue Plans and the national BlueCard® Program in January 2003. NEI Health Benefit Plan was BCBSIL's first international labor fund located outside of Illinois. In addition, it was also BCBSIL's first labor fund with members in every state of the union.

In late 2002, NEI Health Benefit Plan experienced the same problem as many funds continue to experience today — rising medical costs — and looked for ways to help manage those costs. The Plan was also seeking a physician and hospital network that had a strong national PPO presence. “We looked to Blue Cross for help. Blue Cross is one of the most trusted health insurance companies around. They went above and beyond to work with our Fund to present us the best benefits plan for our members, at the best price” says Betts.

As a result, NEI switched vendors to Blue Cross. “The main driver for changing to BCBSIL was the higher discounts,” says Betts. “The discounts were very attractive and competitive. Along with the high network penetration rate and great geographic access for our members, the choice to join BCBSIL was easy.”

And NEI continues to be pleased, especially in regards to cost savings. Betts says they are greatly satisfied with the discounts they've been receiving on a national basis. He adds, “The discounts are higher and better than other vendors out there.

This year, the fund will save 20% over where we were last year if we did not make the change to BCBSIL.”

With members in every state and abroad, the Plan needs flexibility for its members to visit the providers they need, wherever they live. Working within BlueCross' BlueCard PPO program, NEI Health Benefit Plan has a 93% in-network utilization rate, resulting in lower out-of-pocket costs for their members and reduced costs for the Fund.

Eighty percent of the Plan's claims are handled electronically, instead of paper. This allows an accurate and quick turnaround, with claims being processed within an average time-frame of one week. As this claims process was the first electronic process NEI rolled out, Betts says no amount of planning can be enough. “You need to educate and train your staff, and get them up to speed on the new systems and requirements. Issues are bound to come up; it's part of the process,” he says. “Make sure to keep communications open, both internally and with the vendor, to ensure a smooth transition. We were lucky to have that smooth transition with BCBSIL.”

From a health plan standpoint, Betts acknowledges that consumers need to be enticed to use their benefits more effectively, and to take a more active role in their health care. “When our members see a cost savings, they know that's more money in their pockets. We hope this, along with other factors, encourages them to continue to make wiser choices when it comes to their health care.” He adds, “We look forward to BCBSIL continuing to provide reliable products at competitive discounts, to help make health care more affordable for the Fund and for our members.”

### Welcome New Clients

Allied Service Division Welfare Fund  
Architectural Iron Workers Local 63 Health & Welfare Fund  
Cement Masons Local 502 Welfare Fund  
Central States Joint Board  
Chicago Laborers' Health and Welfare Fund  
Chicago Painters and Decorators  
East Central Illinois Pipe Trades Health and Welfare Fund  
International Brotherhood of Electrical Workers Local 117  
International Brotherhood of Electrical Workers  
Local 150 Welfare Fund  
Plumbers Local 93 Health & Welfare Fund  
Teamsters & Employers Health & Welfare Fund  
Suburban Teamsters of Northern Illinois Welfare Fund

# This and That

The Chicago Federation of Labor, **President Dennis Gannon** and the Board of Directors have hired an architect to design a new headquarters building at Paulina Street and Ogden Avenue, just north of Teamsters City. The building will also house the Midwest Regional Office of the **AFL-CIO, Illinois Federation of Labor (Chicago Office)** and **Chicago Building Trades**, and will include a meeting hall for over 300 people. The estimated completion date is late 2005 or early 2006.

The Blue Cross Labor Affairs department hosted a retirement party for Building Trades Secretary **Bernie Spatz** on April 29th at the Lexington House in Hickory Hills. The event was attended by over 500 friends and labor leaders. *Labor Connection* wishes Bernie and his family many enjoyable years during retirement.

Thanks to all who attended the **Annual Blue Cross Christmas Luncheon** at the Plumbers' Hall. This year, over 800 guests joined in the festivities. Thank you to **Plumbers Local 130** for helping make the party a success.

Labor Affairs also hosted a reception at this year's state **AFL-CIO Building Trades Apprentice Conference** in Peoria. The first day, many attendees played in the Annual Golf Outing in Bartonville. We discovered a new (two year old) top notch course named Coyote Creek. If you like a challenging round of golf, this course is worth a visit.

*Labor Connection* visited the new home of **Sheet Metal Workers Local 73** at 4550 Roosevelt Road in Hillside. Our thanks to **Stanley Karczynski**, President and Business Manager, for the tour. The members of Local 73 are to be congratulated on a beautiful, well-designed building. Besides providing the necessary office space, the building includes a hall that can seat 700 people for meetings or over 300 for dinner. There is plenty of parking, plus convenient access to I-55, I-294 and the Eisenhower Expressway.

*Labor Connection* salutes the active and retired members of **Will County Carpenters Local 174 Joliet**, who volunteered their services for Easter Seals for the 10th year. The local constructed the platform, backdrop and full set for the annual telethon. "The local retirees and members volunteer their time and skills for the less fortunate and their various churches," said **Gary Perinar, Sr.**, Business Manager of Local 174. This is just one Building Trades Local that is representative of the many trades volunteering their services in towns and cities across Illinois.

The **Great Chicago & Vicinity Port Council Maritime Trades Department** presented their Annual Persons of the Year Awards. The Honorees were **James Sullivan**, Business Manager, Plumbers Local 130 and our own **Frank Harmon**, Labor Affairs, Blue Cross and Blue Shield of Illinois. Our congratulations to both!

Chicago union members and their families were once again the guests of the **Chicago Federation of Labor** at Navy Pier on Labor Day.

The union merger of **Unite and H.E.R.E.** took place in Chicago, when they met at a joint convention to ratify the agreement. The new Unite H.E.R.E. Union will be headquartered in New York.

The 30th annual AFL-CIO summer meeting was held in Chicago earlier this year, and was hosted by **President John Sweeney**. Labor leaders met in town August 10th and 11th.

During the last week of August, the **Sheet Metal Workers International** held its convention at the Chicago Hilton and Towers. The host was **Sheet Metal Local 73 of Cook and Lake Counties**, with nearly 1,500 people in attendance.

The labor community lost three top labor leaders in the past six months with the deaths of **James "Jiggs" Donahue (Millwrights), Earl Oliver (President, Northeast & Chicago Council of Carpenters)** and **Marion Graham (President, Joliet Carpenters Local 174)**. Our condolences to all their families.

Our best wishes to **James Waters, Jr.**, Administrator of the Policeman's Annuity & Benefit Fund on his retirement on November 1st. May Jim and his wife Judy enjoy many relaxing and fun-filled years.

We also wish retired Business Manager of I.B.E.W. Local 701 (DuPage) **Art Ludwig**, a happy retirement. He now serves as Director of Illinois Department of Labor and has offices in Chicago, Springfield and Marion, IL. Congratulations, Art and welcome back to work.



*Bob Pierson, Business Manager of IBEW of Local 9, was presented with the Rerum Novarum award for Labor by Francis Cardinal George, OMI, at the annual Rerum Novarum awards dinner October 26, 2004.*

The prestigious **Rerum Novarum Awards** were given out at the 14th Annual Seminary Salute held October 26th. The awards were presented by his **Eminence Francis Cardinal George, Archbishop of Chicago**. The Master of Ceremonies was the **Honorable Edward M. Burke**, 12th Ward Alderman, and Committee Chairman was none other than Blue Cross Labor Affairs' **Frank Harmon**. This year's award recipients were **Robert Pierson**, Business Manager, I.B.E.W. Local 9; **Daniel O'Brien**, O'Brien's Restaurant and Whittaker Woods Golf Community and **Cherryl Thomas**,

President, Admore Associates, LLC. Needless to say, the event was a sell out. The 15th Annual Seminary Salute is scheduled for November 10, 2005, at Plumbers' Hall in Chicago.

**Benefit Administrative Services (BAS)** has recently changed their name to **Medical Group Insurance Services (MGIS)**.

The Blue Cross Labor Affairs department knew the day was coming (and not looking forward to it) when the woman who kept everyone in focus, **Poonee Bagwanedee**, announced she will retire effective January 1, 2005, after 30 years with Blue Cross. Needless to say, we will surely miss this smiling, easy going and very knowledgeable associate. The entire Labor Affairs team, her colleagues and friends wish Poonee and husband Harry many happy and healthy years in sunny Florida. We know they will visit Chicago often to see their grandson James, who was born September 30, 2004. You can imagine how many frequent flyer miles they'll be totaling up.

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Labor Connection is a publication for those who work in and with organized labor.

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Please inform us of address changes, new union officers and other updates. So that we may serve you better, please provide us with your e-mail address. Send it to [timsk@bcbsil.com](mailto:timsk@bcbsil.com).

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Left to right; Tim Bechtold – BCBSIL, Charlie Pasalic – BCBSIL, Doug Rivard – Zenith Administrators, Joe Bernstein – Teamsters #781



Left to right; Tom Villanova – Chicago & Cook County Building Trade, John Crinion – Heat & Frost #17, Tom Harmon – Chicago Asset Management, Terry Lynch – International Asbestos Workers' Union



Left to right; Gary Blankenship – Plumbers & Pipefitters #422, Ed Arnez – BCBSIL, Tom Faul – Machinists #126, Tom Nixon – Plumbers & Pipefitters #422



Left to right; Bob Cline – Automatic Sprinkler Fitters #281, Brian Donahue – Dearborn Partners, Greg Gosney – Dearborn Partners, Tom Collins – Automatic Sprinkler Fitters #281



Left to right; Mike Marks – BCBSIL, Bob Ingersoll – Stagehands #2, Joe Burns – Attorney for Stagehands #2, Tom Cleary – Stagehands #2



Left to right; John Norris – Sheet Metal #73, Mike Doyle – Sheet Metal #73, Joe Ohm – Sheet Metal #73



Left to right; Jean McCarthy – Blue Care Dental, Rona Spano – American Income Life, Trina McCoy – Zenith Administrators, Jyoti Bhatia Peters – BCBSIL



Left to right; Pete Driscoll – Plumbers & Pipefitters #597, John Foley – Blue Care Dental, Joe Barrett – Plumbers & Pipefitters #597, Craig Voelker – Blomquist & Company



Left to right; Larry Crawley – IBEW #134, Charlie Dunne – IBEW #134, Mike Nugent – IBEW #134, Tim Foley – IBEW #134



Left to right; Red Baskin – Operating Engineers #399, Mike Masterson – Attorney for Operating Engineers #399, Denny Nolan – Operating Engineers #399, Vince Winters – Operating Engineers #399



*Left to right; Kevin Chesniak – BCBSIL, Ed Christiansen – Elevators International Union, Jim Callahan – Elevators #2, Kevin O'Brien – Elevators #2*



*Left to right; Sam Cicinelli – Machinists #701, Dennis Jawor – Machinists #701, Mike O'Neill – Heat & Frost #17, Bob Feehan – Machinists #701*



*Left to right; Ken Cliff – SEIU #1, Rod Bashir – SEIU #1, David Bodley – Operating Engineers #150, Harold Martin – BlueCare Dental*



*Left to right; Mark Spano – Central States Joint Board, Steve Torello – Central States Joint Board, John Ward – Attorney for Central States Joint Board, Bob Wilson – Central States Joint Board*



*Left to right; Nate Curry – Zenith Administrators, Chad Jashelski – Vision Service Plan, Jim Madden – Graphic Artists #458-3M*

# Labor Affairs Annual Labor Outing



Left to right; Frank Harmon – BCBSIL, Vince Pesho – SEIU #1,  
Doug Matook – ATPA, Chris Anderson – SEIU #1



Left to right; Tom Boehm – Teamsters #734, Al Faul –  
McCormick Place, Dick Quigley – BCBSIL,  
Chuck Loverde – Laborers #1092



Left to right; Al Nolan – BCBSIL, Jim Corrigan – BCBSIL,  
Robert Niksa – Plumbers & Pipefitters #501, Paul Mancillas –  
Graphic Artists #458-3M



Left to right; Jim McArdle – SEIU #25, Dave Myers – BCBSIL,  
Cary Goldstein – BCBSIL, Milan Diklich – Painters Dist.  
Council #30



Left to right; Dennis Gannon – CFL, Jim Venek – Laner-Muchin,  
Jim Houlihan – County Assessor, Tom Stiede – Teamsters #703