

Puget Sound Electrical Workers Trust Funds

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Administered by
Welfare & Pension Administration Service, Inc.

October 31, 2014

**TO: All Active Participants, Retirees, Beneficiaries and COBRA Participants
Puget Sound Electrical Workers Healthcare Trust (the “Plan”)**

RE: Benefit Changes Effective January 1, 2015

This is a summary of material modification describing benefit changes adopted by the Board of Trustees. Please be sure that you and your family read it carefully and keep this document with your Summary Plan Description Booklet.

Effective January 1, 2015, the Plan is being amended with the benefit changes summarized below and where appropriate are reflected on the enclosed Summary of Benefits and Coverage.

Prescription Drug Co-pay Changes

| | Tier | Current Co-pay | Effective January 1, 2015 |
|--|------|------------------------------|------------------------------|
| Retail Co-pay (30-day supply) | 1 | \$10 Generic (\$0 at Costco) | \$10 Generic (\$3 at Costco) |
| | 2 | \$20 Preferred Brand | \$25 Preferred Brand |
| | 3 | \$40 Non-Preferred Brand | \$50 Non-Preferred Brand |
| Costco Mail Order Co-pay (90-day supply) | 1 | \$0 Generic | \$7.50 Generic |
| | 2 | \$40 Preferred Brand | \$62.50 Preferred Brand |
| | 3 | \$80 Non-Preferred Brand | \$125.00 Non-Preferred Brand |

Prescription Drug Program Changes

Formulary Updates

What is a Formulary?

- Your prescription drug benefit features a formulary drug list. A formulary is a list of preferred medications organized into groups, or “Tiers.”
 - Tier 1 drugs are generic drugs and are the first choice whenever possible.
 - Tier 2 drugs are a set of preferred brand-name drugs.
 - Tier 3 drugs are non-preferred brand-name drugs.
- For a full formulary listing, please visit www.envisionrx.com, select Resource Tools, then click on Preferred Drug List.

What are the changes to my benefit?

- Brand drugs which now have a generic alternative available will be placed on the non-preferred brand tier, with the generic versions of those drugs available on the generic tier. These brand drugs are listed in Table A on the enclosed insert.

Please be aware that these changes in tier level may impact your co-pay and/or result in additional penalties if you continue to receive the brand medication when a generic alternative is available.

Implementation of Step Therapy Program Effective January 1, 2015

What is a Step Therapy Program?

A step therapy program is designed specifically for patients with certain conditions that require taking medications regularly. It is the practice of beginning medication therapy for a medical condition with the most cost-effective medication and progressing to other more costly therapy(s) should the initial medication not provide adequate therapeutic benefit. The step therapy approach to care is a way to provide you with savings without compromising your quality of care.

How does the Step Therapy Program work?

In step therapy, medications are grouped into two categories.

- Step 1: First Line medications – medications proven safe, effective, and affordable.
- Step 2: Second Line medications – mostly higher costing brand name medications.

You will first be required to try a recognized First Line medication (Step 1) before approval of a more costly and complex therapy is approved (Step 2). If the Step 1 therapy does not provide you with the therapeutic benefit desired, your physician may write a prescription for a Step 2 medication.

Which drugs will be subject to the Step Therapy Program?

There are two lists of drugs attached to this notice that are subject to the new Step Therapy Program. One list includes specialty drugs and the other list includes standard drugs. For specialty drugs, the Step Therapy Program will apply to new prescriptions only. For all drugs on the standard drug list, the Step Therapy Program will apply for any prescriptions or refills on or after January 1, 2015.

What should I do if I need to take a medication that is a Step 2 on the Step Therapy Program?

If you are in need of a medication that is a Step 2 on any of the step therapy programs, you will need to do one of the following:

- Have your physician write you a prescription for a First Line medication, or
- You will need to submit a Letter of Medical Necessity in order to receive the Second Line medication. Have your physician submit a Letter of Medical Necessity request for your current prescription and quantity, stating that it is medically necessary for you to be on the exact dosage and quantity. A Letter of Medical Necessity is a request that must be submitted annually. You or your physician can begin the Letter of Medical Necessity process by contacting the EnvisionRxOptions Help Desk at 1-800-361-4542.

Should you have questions regarding participating pharmacies or any of these updates within your prescription drug benefit, please contact the EnvisionRxOptions Customer Service Help Desk at 1-800-361-4542. The EnvisionRxOptions Help Desk is here to assist you with prescription questions 24 hours a day, 7 days a week. You may also contact the Administration Office for any additional questions at toll free 1-866-314-4239, option 1.

Always talk to your doctor before discontinuing or changing any medication. If you have medical questions, please contact your health care provider. We encourage you to work with your physician to determine which medication options are best for you.

Other Prescription Drug Benefit Changes

- **Specialty Medication Fill Rule** – All specialty medications are required to be filled at a Costco Specialty Pharmacy. *Effective January 1, 2015, first fill at a retail pharmacy will not be allowed.*
- **Compound Medication Drug Criteria** – A Letter of Medical Necessity (LMN) will be required on all compound medications costing more than \$200.
- **Erectile Dysfunction Medications** – Viagra, Levitra, Stendra, Edex, Caverject, Muse, and Cialis will not be covered for erectile dysfunction. The Plan will only cover Cialis for the diagnosis of Benign Prostatic Hyperplasia (BPH) with a Letter of Medical Necessity from your physician and requires prior authorization.

Emergency Room Co-pay

Effective January 1, 2015, the emergency room co-pay will increase to \$100 for all participants.

Summary of Benefits and Coverage

The Trust is required to provide a **Summary of Benefits and Coverage** (SBC) to all participants and beneficiaries. The enclosed SBC is for the Plan in which you are currently enrolled and replaces any prior SBC you may have received. *Please note: The SBC furnished to the participant will be considered provided to dependents unless the Plan has been advised of a different address for dependents.*

It is important to note that the SBC is only a **summary** and does not replace the Summary Plan Description (Plan booklet). Included in the SBC are “coverage examples,” which estimate what the Plan benefit would be under two common medical situations. If you are eligible or enrolled in Medicare or have primary coverage through another group health plan, this plan’s benefits will be coordinated with that other plan and differ from what’s indicated in the SBC and the coverage examples. **The SBC is not intended to be a cost estimator and should not be used to estimate your actual costs.**

A **Uniform Glossary of Terms** has also been published by the government. This document is intended to describe terms commonly used in health insurance coverage, such as “deductible” and “copayment.” Both the SBC and the Uniform Glossary of Terms have been posted to the Trust’s website at www.psewtrusts.com.

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions. Should you have any questions, please contact the Administration Office toll free at 1-866-314-4239, option 1.

Board of Trustees

Puget Sound Electrical Workers Healthcare Trust

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Enclosures:

- Envision Table A – Formulary Changes
- Step Therapy Program: specialty and standard drug lists
- Summary of Benefits and Coverage

Table A: Brand Drugs Moving to Non-Preferred Status

| Brand Drugs Moving to Non-Preferred Status (Generics are now available) | | |
|--|-------------------------------|------------------------------|
| DIOVAN® TAB 80MG | ZEMPLAR® CAP 2MCG | LODOSYN® TAB 25MG |
| DIOVAN® TAB 160MG | ZEMPLAR® CAP 4MCG | TRIZIVIR® TAB |
| DIOVAN® TAB 320MG | ZEMPLAR® CAP 1MCG | CIPRO® (10%) SUS 500MG/5 |
| DIOVAN® TAB 40MG | TOBI® NEB 300/5ML | CIPRO® (5%) SUS 250MG/5 |
| AVELOX® TAB 400MG | TEMODAR® CAP 100MG | ORTHO EVRA DIS WEEK |
| AVELOX® ABC TAB 400MG | TEMODAR® CAP 250MG | AVINZA® CAP 45MG |
| PRANDIN® TAB 0.5MG | TEMODAR® CAP 140MG | AVINZA® CAP 75MG |
| PRANDIN® TAB 1MG | TEMODAR® CAP 180MG | AVINZA® CAP 30MG |
| PRANDIN® TAB 2MG | TEMODAR® CAP 20MG | AVINZA® CAP 60MG |
| EVISTA® TAB 60MG | TEMODAR® CAP 5MG | AVINZA® CAP 90MG |
| RAPAMUNE® TAB 0.5MG | SORIATANE® CAP 10MG | AVINZA® CAP 120MG |
| CLEOCIN® PHOS INJ 300MG | SORIATANE® CAP 25MG | HEPSERA® TAB 10MG |
| CLEOCIN® PHOS INJ 600MG | SORIATANE® CAP 17.5MG | ARICEPT® TAB 23MG |
| CLEOCIN® PHOS INJ 900MG | MEPRON® SUS | LIDODERM® DIS 5% |
| DETROL® LA CAP 2MG | EPIVIR® HBV TAB 100MG | PREVPAC® MIS |
| DETROL® LA CAP 4MG | MEPRON® SUS | XELODA® TAB 150MG |
| MYCOBUTIN® CAP 150MG | OXSORALEN®-UL CAP 10MG | XELODA® TAB 500MG |
| ZYMAXID® SOL 0.5% | BENZACLIN® GEL 1-5% | LOVAZA® CAP 1GM |
| ALPHAGAN® P SOL 0.15% | DIFFERIN® GEL 0.3% | MICARDIS® TAB 20MG |
| ASTEPRO® SPR 0.15% | ACTONEL® TAB 150MG | MICARDIS® TAB 40MG |
| VFEND® SUS 40MG/ML | VIRAMUNE® XR TAB | MICARDIS® TAB 80MG |
| RETIN-A® MICR GEL 0.1%PUMP | LOCOID® LIPO CRE 0.1% | MICARDIS® HCT TAB 80/25MG |
| RETIN-A® MICR GEL 0.04%PMP | PENNSAID® SOL 1.5% | MICARDIS® HCT TAB 40/12.5 |
| BENZACLIN® GEL 1-5%PUMP | EXALGO® TAB 8MG | MICARDIS® HCT TAB 80/12.5 |
| NIASPAN® TAB 500MG ER | EXALGO® TAB 12MG | LUNESTA® TAB 1MG |
| NIASPAN® TAB 750MG ER | EXALGO® TAB 16MG | LUNESTA® TAB 2MG |
| NIASPAN® TAB 1000 ER | NITROLINGUAL® SPR PUMPSPRA | LUNESTA® TAB 3MG |

1) Specialty Step Therapies

Specialty medication step therapy criteria will only apply to new users of the listed medications.

| Drug Category | Primary Treatment (Step one) | Secondary Treatment (Step Two) |
|---------------------------------|--|--|
| Growth Hormone* | Must try and fail Genotropin or Norditropin prior to use of a secondary product | Humatrope, Nutropin AQ, Omnitrope, Saizen, Tev-Tropin |
| Hepatitis C | Must try and fail Pegasys or Peg-Intron before coverage. | Intron-A, Infergen |
| Multiple Sclerosis* | Must try and fail Avonex, Copaxone, or Tecfidera prior to use of a secondary product | Aubagio, Betaseron, Extavia, Gilenya, Rebif |
| Red Blood Cell Formation | Must try and fail Procrit before Aranesp or Epogen. | Aranesp, Epogen, |
| Rheumatoid Arthritis* | Must try and fail Enbrel and Humira prior to use of a secondary product | Stelara, Simponi, Cimzia, Xeljanz, Actemra, Orencia, Kineret |

2) Standard Step Therapies

| Drug Category | Primary Treatment (Step one) | Secondary Treatment (Step Two) |
|--|---|--|
| Angiotensin Receptor Blocker | Must try and fail Losartan/HCT, Valsartan HCT, or Irbesartan/HCT prior to use of a secondary product | Edarbi, Micardis/HCT, Hyzaar, Cozaar, Avapro, Avalide, Atacand/HCT, Teveten/HCT, Benicar/HCT |
| Antidepressant | Must try and fail any generic antidepressant prior to the use of a secondary product | Brintellix |
| Cholesterol/ Fibric Acid Derivative | Must try and fail a generic Fenofibrate prior to utilizing a secondary product | Tricor, Antara, Triglide, Lipofen |
| Cholesterol/Statin | Must try and fail Simvastatin, Pravastatin, Lovastatin, or Atorvastatin prior to utilizing a secondary product | Crestor 5 mg, Lipitor 10mg /20mg, Lescol/XL, Fluvastatin, Vytorin, Altoprev, Mevacor, Pravachol, Zocor, Livalo |
| Cox II Inhibitor | Must have been on one (1) generic NSAID in the last 180 days, or currently be on GI, Steroid, or Anticoagulant therapy, or be greater than age 50 | Celebrex |
| Gout | Must try and fail Allopurinol prior to use of secondary product | Uloric, Zyloprim |
| Insomnia Agents | Must try and fail Zolpidem IR or Zaleplon prior to use of a secondary product | Ambien, Ambien Cr, Zolpidem CR, Edluar, Zolpimist, Sonata, Lunesta |
| Osteoporosis | Must try and fail Alendronate prior to use of a secondary product | Actonel, Boniva, Fosamax |
| Proton Pump Inhibitor (PPI) | Must try and fail Prilosec OTC, Omeprazole, Prevacid OTC, Lansoprazole or Pantoprazole prior to utilizing a secondary product | Nexium, Prilosec 40mg , Aciphex, Rabeprazole, Protonix, Prevacid, Zegerid, Dexilant |
| Selective Serotonin Reuptake Inhibitor (SSRI) | Must try and fail a generic SSRI prior to use of branded product | Viibryd |
| Serotonin (SSRI) and Norepinephrine Reuptake Inhibitor (SNRI) | If diagnosis is depression, member must try and fail a generic SSRI or SNRI first. If diagnosis is chronic pain, then the member is exempt from step therapy. | Cymbalta |