

Alaska Pipe Trades Association - U.A. Local No. 375 Health and Security Trust Fund

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Administered by
Welfare & Pension Administration Service, Inc.

October 16, 2023

**TO: All Eligible Plan Participants and Dependents of the
Alaska Pipe Trades Association – U.A. Local No. 375 Health and Security Trust Fund**

RE: IMPORTANT PLAN CHANGES

This is a Summary of Material Modification describing IMPORTANT changes to your health plan 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 Benefit Booklet.

New Deductible and Out-of-Pocket Maximums

Effective January 1, 2024, the Trust has changed it's deductible and out-of-pocket maximum as follows:

Current Deductible
\$400 per person/\$1,200 per family

New Deductible Effective 1/1/24
\$500 per person/\$1,500 per family

Current Out-of-Pocket Maximum
\$3,000 per person/\$9,000 per family

New Out-of-Pocket Maximum Effective 1/1/24
\$3,500 per person/\$10,500 per family

New Retiree Rates

The Board of Trustees noted due to the current retiree rate structure certain classifications of retirees and dependents have been heavily subsidized by the Trust. Effective January 1, 2024, the Board of Trustees has decided to change the rates to create a more equitable balance among the retiree eligible participants and dependents.

If you are a Medicare eligible retiree and you have dependents enrolled in the Plan who are not eligible for Medicare, you will be charged an additional \$1,410 a month for your dependents' coverage. This charge will be in addition to the \$470 per month charged to the Medicare eligible retiree, for a total monthly premium of \$1,880. This additional charge will apply regardless of the number of non-Medicare eligible participants you have enrolled in the Plan.

If you are a Medicare eligible retiree and you have dependents enrolled in the Plan who are eligible for Medicare, you will be charged an additional \$250 a month for each of your dependents who are eligible for Medicare. This charge will be in addition to the \$470 per month you currently pay for coverage. This means that if you and your spouse are eligible for Medicare, you will pay a total of \$720 for coverage.

New Specialty Medication Program

The Plan provides coverage for specialty medications. Specialty medications are high-cost drugs that are often injected or infused and require special storage and monitoring. Typically, these medications must be obtained through an approved specialty pharmacy and may be subject to prior authorization. Specialty medications are limited to a 30-day supply.

Effective January 1, 2024, the Plan has adopted a new specialty medication program offered by PrudentRx. The PrudentRx program provides access to drug manufacturer financial support, lowering the cost of specialty medications for both you and the Plan. If you are on a specialty medication, you must enroll in the PrudentRx program to receive full Plan benefits for any specialty medication on the PrudentRx drug list. If you are currently on a specialty medication or start taking a new medication that is on the PrudentRx specialty drug list, you will be contacted by PrudentRx and asked to enroll in the program. *If you enroll in the program, your copayment will be \$0 for all PrudentRx specialty medications; accordingly, it is very important that you enroll in the program.* If you do not enroll in the program, your copay will be equal to the greater of the normal plan benefits or 30% of the cost of the specialty medication and may not count toward your prescription drug out-of-pocket maximum. The PrudentRx drug list may be updated periodically.

If you are currently taking one or more specialty medications on the PrudentRx Program Drug List, you will receive a separate welcome letter from PrudentRx providing information about the PrudentRx Solution as it pertains to your medication. If you receive a letter from PrudentRx you must call PrudentRx at 1-800-578-4403 to register for any manufacturer copay assistance program available for your specialty medication as some manufacturers require you to sign up to take advantage of the copay assistance that they provide for their medications. If you do not call PrudentRx, PrudentRx will reach out to you to assist with questions and enrollment. If you choose to opt out of the PrudentRx Solution, you must call 1-800-578-4403. Eligible members who fail to enroll in an available manufacturer copay assistance program or who opt out of the PrudentRx Solution will be responsible for the full amount of the 30% co-insurance on specialty medications that are eligible for the PrudentRx Solution.

Payments made on your behalf, including amounts paid by a manufacturer's copay assistance program, for medications covered under the PrudentRx Solution will not count toward your plan deductible or out-of-pocket maximum (if any), unless otherwise required by law. Also, payments made by you for a medication that does not qualify as an "essential health benefit" under the Affordable Care Act (ACA), will not count toward your deductible or ACA out-of-pocket maximum (if any), unless otherwise required by law. A list of specialty medications that are not considered to be "essential health benefits" under the Affordable Care Act is available. An exception process is available for determining whether a medication that is not an "essential health benefit" under the Affordable Care Act is medically necessary for a particular individual. PrudentRx can be reached at 1-800-578-4403 to address any questions regarding the PrudentRx Solution.

Once the program is in effect, you can call PrudentRx at 1-800-578-4403 to enroll or ask questions regarding the PrudentRx program. Please note, this program applies only to specialty medications that are on the PrudentRx specialty drug list. Specialty medications that are not on the PrudentRx drug list are subject to 30% coinsurance up to a maximum of \$300.

New Medicare Retiree Program

Effective February 1, 2024, the Trust is contracting with Retiree First to provide Medicare eligible retirees and dependents with a fully insured Medicare Supplemental program through United American (medical) and Humana (prescription drugs). Additional information regarding the change to Retiree First will be provided in subsequent notices.

New Third Party Administrator

Effective February 1, 2024, the Trust will be transitioning administrators from Welfare & Pension Administration Service/Labor Trust Services to BeneSys. Additional information regarding this transition will be provided in subsequent notices.

Questions regarding the new deductible, out-of-pocket maximum, or retiree rates please contact:
Welfare & Pension Administration Service – (800) 331-6158.

Questions regarding the new Specialty Medication Program please contact:
PrudentRx – (800) 578-4403.

Sincerely,

Board of Trustees

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