

October 28, 2013

**Major restructuring of the CWA Local 1180  
Security Benefits Fund's plan of benefits to conform with the  
Patient Protection & Affordable Care Act  
Beginning January 1, 2014**

The Trustees of the CWA Local 1180 Security Benefits Fund ("SBF") announce a major restructuring of the Plan of benefits as of January 1, 2014 that will provide significant new benefits to you and your family. The changes were made so that the Plan complies with the Federal Affordable Care Act requirements.

**The cap on prescription drugs is gone on January 1, 2014!**

In order to ensure that no one will go bankrupt due to expensive medications the \$5,000 per year, per family, maximum prescription drug benefit paid by the SBF will have its cap removed on January 1, 2014. There will be **no dollar maximum** on the amount of money that the SBF will then pay for prescription drugs for any member or dependent of the Fund.

**Preventive medications available to you at no cost!**

In addition, the following items will be paid for by the SBF if you have a doctor's prescription for them **without any copayment on your part:**

- Aspirin, generic only, for men who are age 45-79 and women who are age 55-79.
- Influenza and pneumonia immunizations given outside of a doctor's office or hospital such as at a pharmacy.
- Vitamin D in generic form twice/day for those in an adult community (i.e., a nursing or long term care facility).
- Folic acid in generic form, .4 to .8 mg. once/day for women who may become pregnant.
- Fluoride in generic pill form for children up to age 5.
- Smoking cessation products – generic only. After six (6) months of providing these products, a member will only be eligible thereafter if he/she is in a smoking cessation program.
- FDA approved contraceptives – i) oral - generic only. ii) patch - generic only. iii) vaginal rings if not provided by your City health plan, iv) IUDs if not provided by your City health plan, v) Female condoms if not provided by your City health plan, vi) Emergency contraception – presently, only Plan B is available.
- Iron supplements up to one year of age, generic only.

Finally, the Affordable Care Act provides the additional benefits of eliminating annual dollar caps for children under the age of 19 in the DENTAL and OPTICAL (i.e., EYEGASSES) programs (see details below).

**These additional benefits have been calculated to cost the SBF an additional one and a third million dollars (\$1,333,000) annually. The introduction of new life saving and very expensive drugs is inevitable. A few members or their dependents if prescribed these very expensive drugs could quickly deplete our Fund's reserves and cause serious financial trouble if we do not find savings measures that meet the additional costs that the Fund faces and preserve our reserves.**

One option that other unions have taken is discontinuing the drug benefit coverage and allowing members to purchase the high option riders offered through the City's health plans. We chose not to do so since the cost to the member would have been outrageously high (see *box immediately below*).

#### **GHI-CBP Optional Rider Prescription Drugs**

The **premium deduction** from your paycheck for the family plan for GHI-CBP is about **\$2,400/year** for the Optional Rider Prescription Drugs. In addition you must pay an annual deductible of \$150 per individual-\$450 per family.

After the deductible, you would have to pay:

**Generic - 20% coinsurance** with a minimum charge of \$5 or actual cost if less;

**Brand-Name Formulary - 40% coinsurance** with minimum charge of \$25 or actual cost if less;

**Brand-Name Non-Formulary - 50% coinsurance** with minimum charge of \$40 or actual cost if less.

If you choose a formulary or non-formulary brand that has a generic equivalent, you pay the difference in cost between the drug and the generic coinsurance.

#### **HIP Prime HMO Optional Rider Prescription Drugs**

The **premium deduction** from your paycheck for the family plan for HIP Prime HMO would be **\$3,792/year** for Optional Rider Prescription Drugs

The prescription drug must be filled at HIP's participating pharmacies.

**\$5 generic/\$15 brand copay**, however it is subject to the Drug Formulary.

When utilizing the HIP Mail Order Pharmacy Service Formulary copays are reduced by 50% for up to a 90 day supply.

The SBF only receives **\$1,675 per member**, per year from the City to provide you all of our benefits. The contribution by the City to the SBF has not increased in five years. Never the less we believe that we will be able to provide a robust drug benefit plan with the following co-payments commencing January 1, 2014:

- The generic copay will be \$5 per prescription for up to a thirty (30) day supply at a participating retail pharmacy and \$10 per prescription for up to a 90 day supply at the mail order pharmacy.
- Brand name copay will be 20% of the cost of a prescription for up to a thirty (30) day supply at retail pharmacy and 20% per prescription for up to a ninety (90) day supply at mail order pharmacy.
- The copay for a brand name drug with a generic equivalent will be the difference between the price of the brand name drug and the price of the generic drug for both retail and mail order.
- The SBF will cover the generic form of proton pump inhibitor only.
- There are no changes in the current participating pharmacy network or mail-order pharmacy except for specialty medications (see *below*).

You should know that Generic drugs are required by the U.S. Food and Drug Administration to be the same as (bioequivalent) the brand name drug and have the same active ingredient, strength, dosage form, and route of administration as the brand name product. Through review of bioequivalence data, FDA ensures that the generic product performs the same as its respective brand name drug.

## **Specialty Medications**

Specialty drugs are high-cost drugs used to treat complex or rare conditions. Those that are injectable or cancer drugs are provided by the City through its PICA program for those under age 65. Those members over the age of 65 or who work for the Transit Authority or the Jacob Javits Center are covered for injectable or cancer drug benefits by the Fund. Those drugs that are determined by Envision, the Fund's Pharmacy Benefits Manager, to be specialty drugs and are not covered by the PICA program will be handled by:

**Orchard Specialty Pharmacy  
7835 Freedom Ave NW  
North Canton, OH 44720  
Telephone (877) 437-9012**

You will be able to make your first fill at a local participating pharmacy for up to a thirty (30) day supply. However, your next prescription refill must be made through the specialty pharmacy. You may determine what drugs are specialty drugs through EnvisionRx's website (<http://www.envisionrx.com/pdfs/pdl.pdf> - look for tiers 4 and 5, which are the specialty medications) or by calling the Fund office. Note: Tiers 1, 2, and 3 drugs on the EnvisionRx website do not apply to our plan as we do not have a tiered drug plan.

## **Diabetic Medications**

For members under age 65, the SBF will no longer cover any diabetic medications, equipment, or supplies effective January 1, 2014 because they will be covered by your City health insurance provider — that is GHI, EMBLEM, HIP, AETNA etc. Therefore, starting on January 1, 2014, simply present your City health insurance i.d. card with a new prescription for diabetic medications for controlling blood sugar, glucose monitors, blood and urine glucose monitoring test strips, injection and syringes, pumps and all other related equipment and supplies to your pharmacy. If you have an existing prescription for renewal of diabetic medication, equipment and supplies, simply present your City health insurance card for your refill and they will bill your health insurance provider in accordance with the terms of your City plan. If you have existing refills at Costco Mail Order you can contact Costco directly and simply present your City health insurance card for your refill and they will bill your health insurance provider in accordance with the terms of your City plan. **Members over age 64** should continue to use your CWA Local 1180 SBF drug card to obtain diabetic medications, equipment, and supplies.

## **Step Therapy Program**

Step therapy is an approach to prescription drug therapies intended to control the costs and risks posed by prescription drugs. The practice begins medication for a medical condition with the most cost-effective and safest drug therapy and progresses to other more costly or risky therapies only if necessary. On January 1, 2014, the SBF will institute a step therapy program for:

- angiotensin receptor blockers,
- insomnia agents (a/k/a, sleeping pills)
- osteoporosis medications,
- statins,
- fibric acid derivatives,
- gout medications,
- cox II inhibitors,
- selective serotonin reuptake inhibitors (SSRIs), and
- serotonin and norepinephrine reuptake inhibitors (SNRIs).

If you or your dependent is taking a brand name drug in the step therapy program class of drugs, the SBF will pay only for the generic form of the drug.

If, prior to January 1, 2014, you or your dependent are taking a brand name drug in the step therapy program class of drugs that has no exact generic equivalent, you or your dependent will be "grandfathered" and will be eligible to continue to receive that drug with a copay of 20% for a 12 month period (i.e., until December 31, 2014). Thereafter, you or your dependent will be required to follow the regular step therapy program and the SBF will only pay for the generic form of the drug, even if not an exact replica, unless you or your dependent provide a letter of medical necessity clearing you for a step 2 drug.

## **Maintenance of Present Benefits**

Despite the projected additional cost of improving benefits, the Trustees are maintaining your present benefits listed below without change.

### **1- Life & Disability Benefits are continued:**

- Life Insurance \$5,000 (\$1,000 for part-time)
- Accidental Death & Dismemberment \$5,000 (\$1,000 for part-time)
- Weekly Accident and Sickness Benefit \$250 weekly for up to 13 weeks

### **2- Dental Benefits are continued as follows:**

#### **i) Age 19 or Older –**

You may use either Dentcare, or a dentist who participates in the Local 1180 Scheduled Dental Benefit Plan (hereafter, “Participating Dentist”), or go out-of-network. Enrollment or disenrollment for coverage for 2014 in either Dentcare or the Local 1180 Scheduled Dental Benefit Plan ends Friday, November 29, 2013. If you or your dependent over the age of 18 chooses Dentcare or uses a Participating Dentist, most services are covered at no charge. There are no out-of-pocket expenses or annual or lifetime maximums when using a Dentcare Dentist. When using a Participating Dentist, the maximum benefit the plan will pay is \$2,000 per person, per calendar year, per schedule and there are certain lifetime maximums.

If you do not wish to use Dentcare or a Participating Dentist, you may instead use an out-of-network dentist under the Fund’s Scheduled Dental Benefit Plan. Payment is made according to the schedule set forth in the Summary Plan Description. The maximum benefit the plan will pay is \$2,000 per person for general dentistry per calendar year. There is a separate lifetime maximum for orthodontia and implants.

#### **ii) Dependents Under Age 19 – No Cost Benefit**

Dependents under age 19 must choose either Dentcare or a Participating Dentist. The plan will have no annual dollar cap for medically necessary orthodontia obtained through either a Dentcare Dentist or a Participating Dentist. However, the lifetime limits will remain in place for orthodontia that is not medically necessary – that is, other than in cases of a cleft palate or other deformities that are part of or the result of a congenital defect or anomaly of the mouth that prevents the usual and normal action of mastication and ingestion of normally solid foods. Otherwise, lifetime frequency limitations in the dental schedules do not apply to those under 19.

### **3- Optical Benefit is continued as follows:**

#### **i) Age 19 or Older –**

Every eligible person over the age of 18 is entitled to one eye exam and one pair of prescription eyeglasses or contact lenses per person, per calendar year, up to four pairs of glasses or contact lenses per family, per year. The maximum benefit is \$100 per eligible person.

#### **ii) Dependents Under Age 19 –**

Children under the age of 19 are also entitled to one eye exam and one pair of prescription eyeglasses per calendar year and there is no cost or annual dollar limit on benefits the Fund will pay, however, they are only eligible for benefits using an in-network provider — GVS, CPS, Vision Screening, or Vision World — with a selection from a special pediatric carousel of frames covered by the plan. A pair of eyeglasses will be provided without charge if the prescription changes within the year. For broken, lost or stolen eyeglasses, the charge for a second pair of eyeglasses in a year will be \$50, \$75 for a third pair, and \$100 for any beyond that.

**4- Mental Health Benefit is continued:**

- Covers out-patient mental health and substance abuse care.
- Reimbursement of up to a maximum of \$300 per person, per calendar year.

**5- General Medical Reimbursement Benefit is continued:**

- Benefit of up to \$150 per family, per calendar year, for covered medical expenses.
- Benefit can be applied towards certain unreimbursed, out-of-pocket medical expenses.

**6- Hearing Aid Reimbursement Benefit is continued:**

- Up to \$300 per eligible person.
- Benefits can be claimed once every two years.

**7- Podiatry Benefit is continued:**

- Up to \$10 per visit, four times a calendar year for you and your spouse or domestic partner only.

**8- Birth/Adoption Benefit is continued:**

- This benefit provides up to \$100 toward incidental medical expenses for the birth or adoption of your child.

**9- Prepaid Legal Benefit is continued:**

This benefit provides you with paid coverage for

- general,
- civil, and
- criminal matters through arraignment.

**10- Education Benefit is continued:**

- The College Tuition Reimbursement Program provides reimbursement of up to \$200 per semester for tuition and registration fees if you successfully complete courses for which you earn college credit at any accredited college or for remediation courses given at a college or university and
- up to \$25 for related books.
- Additional benefits are available for adult education, workplace literacy, career development, and examination preparation for promotion from your current position.
- The Bachelors and Masters programs with The Murphy Institute of CUNY that offers up to 24 tuition free credits continues.

**11- The Retirement, Pension, and Health Insurance Counseling Benefits are continued.**

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The Trustees hope that you are pleased with the lifting of the cap on prescription drugs, the provision of preventive medications at no cost to you, and the improved pediatric dental and optical benefits. We have tried to make the best informed and most intelligent choices in response to the requirements of the Affordable Care Act. In these tumultuous times, we have acted solely in the interests of you and your family.

In Unity,

The Trustees