

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL #38 HEALTH & WELFARE FUND BENEFIT PLAN**

**SECOND SUMMARY DESCRIPTION OF MATERIAL MODIFICATION TO
THE MAY 1, 2022 SUMMARY PLAN DESCRIPTION**

**IMPLEMENTATION OF ADDITIONAL PROGRAMS
FOR PRESCRIPTION DRUG COVERAGE**

The Board of Trustees wishes to announce the following changes to the “I.B.E.W. Local No. 38 Health and Welfare Summary Plan Description/Plan Document For Active Inside, Residential, and Teledata Electricians” (hereinafter, the “SPD”) dated May 1, 2022. This document should be read in conjunction with the SPD, which was provided to you previously. Information contained in this Summary Description of Material Modification (hereinafter “Summary Description”) supersedes what is contained in the SPD. However, this Summary Description materially modifies only those provisions of the SPD to which it specifically refers. The remaining provisions of the SPD remain unaltered. The changes set forth in this Summary Description of Material Modifications are effective on the date indicated below.

Utilization Management Program and Variable Copay Program for Prescription Drugs

A. Utilization Management Program

The Utilization Management Program (“UM Program”) is being added to the Plan’s Prescription Drug Benefits coverage. This program will enable the Plan to lower costs while still providing cost effective treatment that is line with current medical guidelines. The UM Program includes prior-authorization requirements, quantity limitations, and step-therapy requirements. The Plan’s Pharmacy Benefit Manager is responsible for determining which medications are subject to the UM Program and which restrictions will apply. Any appeals regarding the UM Program must be directed towards the Plan’s Pharmacy Benefit Manager.

B. Variable Copay Program

The Variable Copay Program is a cost-savings program that applies to certain high cost medications, such as certain specialty drugs. The Plan’s Pharmacy Benefit Manager is responsible for determining which medications are subject to this program. The purpose of this program is to take advantage of the financial assistance programs offered by many drug manufacturers, such as co-payment coupons. Utilizing these programs will enable the Plan to continue offering coverage for these medications while lowering the out-of-pocket costs to participants and generating savings to the Plan. Accordingly, to implement these programs, Article II, Section A is amended to read as follows under “PRESCRIPTION BENEFIT” effective April 1, 2023:

Prescription Drug Benefit*	Retail (30-day supply limit)	Mail (90-day supply limit)
Generic Copay	\$10.00	\$20.00
Preferred Brand Copay	\$25.00	\$50.00
Non-Preferred Brand Copay	\$40.00	\$80.00
Specialty Copay**	\$50.00	Excluded

Preauthorization is necessary for Non-Preferred Brand Name drugs that are not on the Plan's Rx Formulary. For a list of Preferred Brand, Non-Preferred Brand, and Specialty medications, please contact the Pharmacy Benefit Manager.

Utilization Management: Certain medications may be subject to the Utilization Management Program through the Pharmacy Benefit Manager which evaluates the application of prescription drugs. This program includes prior-authorization, quantity limit, and step-therapy rules for some medications. The medications subject to these additional requirements is determined by the Pharmacy Benefit Manager and subject to change. The Pharmacy Benefit Manager shall also be responsible for determining which restrictions (i.e., prior-authorization, quantity limits, and/or step therapy) apply to a particular medication. Furthermore, the Participant must enroll and cooperate with the Pharmacy Benefit Manager's Utilization Management Program as a prerequisite to coverage under this Plan. Any appeals should initially be made to the Pharmacy Benefit Manager through its internal appeals process. Once that process is exhausted, Participants may submit an appeal to the Plan's Board of Trustees through the Plan's appeal process.

***Variable Copay Program:** The Plan utilizes a Variable Copay Program through the Pharmacy Benefit Manager. Accordingly, the co-insurance for certain medications designated by the Pharmacy Benefit Manager will vary and may be up to 100% of the discounted cost. Further, the co-insurance for medications designated under the Variable Copay Program will not apply to the annual maximum or deductible.

The Plan uses a healthcare advocacy services provider to assist Participants in reducing the cost of drugs on the designated list. This process may require the Participant to submit data or complete an application in order to find alternative funding programs. Compliance with this program, including meeting medical necessity and step-therapy criteria, are pre-requisites to receiving any coverage under the Plan.

If you are NOT eligible for an identified funding program through the Plan's Pharmacy Benefit Manager, your claim shall be submitted to the Plan for benefit reconsideration under the Plan's appeal process. The Trustees may, in their discretion, adjust your out-of-pocket cost to the appropriate co-insurance and other cost-sharing amounts for the medication at issue. For more information on whether your prescription drug qualifies for this program, visit the prescription drug manufacturer's website or call the Pharmacy Benefit Manager.

****Specialty Drugs** – Participants must try the generic Specialty drug first, if available, before the Plan will cover a Brand name Specialty drug. There is no 90-day supply for Specialty drugs.

Moreover, the text in the Informational Box entitled "Important Rules" under Article IV, Section G, Subsection 2 is deleted in its entirety and replaced with the following:

Important Rules: Please be aware of the following rules that affect your Rx benefits:

- Prescriptions for non-preferred drugs that are not on the Plan's formulary will not be covered unless your Physician determines that it is "Medically Necessary" (See Article I, Section (B)(55) and submits a written requirement for prior approval for the drug to be covered ("prior authorization").
- If your Physician does not follow the rules above, you will be required to pay the full cost of the non-preferred drug.
- **Utilization Management:** Certain medications may be subject to the Utilization Management Program through the Pharmacy Benefit Manager which evaluates the application of prescription drugs. This program includes prior-authorization, quantity limit and step-therapy rules. For more information on this program, contact the Pharmacy Benefit Manager.

- If a generic equivalent drug is available, but you or your physician elects to use a name brand drug, you will be required to pay the copayment identified above along with the difference in price between the generic and brand name drug.

Lastly, Article IV, Section G, Subsection 3, entitled, “Dispensing Limitations,” is amended to read as follows:

The quantity of each eligible prescription is normally limited to a 30-day supply; individual prescriptions may be limited to the greater of one hundred (100) unit doses or a 30-day supply. Prescriptions may be refilled a maximum of five (5) times in any six (6) month period if authorized by the Physician. No prescription shall be refilled after six (6) months from the date of its original issue. Certain prescriptions may be subject to quantity limitations through the Plan’s Utilization Management Program. For more information on quantity limitations and whether it applies to your prescriptions, ask your pharmacy, or contact the Plan’s Pharmacy Benefit Manager.

CONCLUSION

As stated in the Introduction, this Summary Description should be read in conjunction with the SPD. Information contained in this Summary Description supersedes what is contained in the SPD. However, this Summary Description changes only the provisions to which it specifically refers and any other provisions in the SPD have not been materially modified.

Please keep this notice with your SPD booklet, and if you have any questions regarding this notice, please contact the Fund’s administrative office at 1-216-642-7565.

Spanish (Español): Para obtener asistencia en Español, llame al 1-216-642-7565.

Chinese: 注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 1-216-642-7565.

**Board of Trustees
International Brotherhood of Electrical Workers Local No. 38
Health and Welfare Fund**