

PIPE TRADES INDUSTRY HEALTH & WELFARE PLAN
NOTICE TO PLAN PARTICIPANTS

Summary of Material Modification

It is the intention of the Board of Trustees of your Welfare Plan to change benefits from time to time when the financial soundness of the Fund requires, and at other times to comply with changes to the Federal law. The following changes were made to your Prescription Benefit effective January 1, 2020:

Mandatory Generic Program

In order to save you and the Fund money, you are encouraged to use generic prescriptions whenever possible. If you purchase a brand-name or specialty drug when a generic equivalent is available, you will pay the brand name Coinsurance plus the difference in the cost between the brand name drug and the generic equivalent. The difference in cost between the brand name drug and generic equivalent will only be waived if it is deemed medically necessary for you to take the brand name drug. Your doctor will need to submit a Letter of Medical Necessity to Sav-Rx for consideration.

The Plan is combining a “Try One on Us” offer with the Mandatory Generic Program which provides an additional incentive for Participants to try a generic alternative risk free. The first fill of the generic alternative – at retail or mail order pharmacies – would be available at no Co-Payment, while subsequent refills would be at the applicable Co-Payment.

Step Therapy Program

If you seek treatment with certain types of medications, you will be required to try less expensive but clinically appropriate medications, commonly referred to as ‘first-step drugs,’ before a prescription will be covered under the Plan for what is considered a ‘second-line drug.’ First-line drugs include over-the-counter products, generic drugs and some brand name drugs (with no generic equivalent). The medication classes listed below are currently included in the Step Therapy Program so second-step drugs will only be covered by the Plan only after you have tried a first-step drug that was demonstrated to be ineffective for treating the problem.

- Antidepressants (SSRI/SNRI)
- Antihypertensives (blood pressure)
- Anti-inflammatories (NSAID)
- Glaucoma eye drops
- Osteoporosis medications
- Proton Pump Inhibitors (PPI)
(stomach acid-blockers)
- Statins (cholesterol)
- Steroid Nasal Sprays
- Triptans (migranes)

Please note, all existing utilizers of second-step drugs prior to January 1, 2020, will receive grandfathered authorization to prevent therapy disruption. The pharmacist will advise you if you are presenting a new prescription for a medication that is covered by the Step Therapy program. Sav-Rx will work with your pharmacist and doctor to implement the program but still provide you with suitable medication on a timely basis. This list may be updated from time to time.

The Plan is combining a “Try One on Us” offer with the Mandatory Step-Therapy Program which provides an additional incentive for Participants to try a generic alternative risk free. The first fill of the generic alternative – at retail or mail order pharmacies – would be available at no Co-Payment, while subsequent refills would be at the applicable Co-Payment.

Privacy Notice

According to federal health information privacy laws, the Plan is required to notify you that a copy of the Plan's **Notice of Privacy Practices** can be obtained by contacting the Plan Office at (812) 877-2581. If you would like a complete copy, please contact the plan office.

Women's Health & Cancer Rights – Annual Notification

Do you know that your Welfare Plan, as required by the Women's Health and Cancer Rights Act of 1998, provides benefits for mastectomy-related services including all stages of reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy, including lymphedema? Contact your plan administrator for more information. The Welfare Plan can be reached in writing at Post Office Box 3040, Terre Haute, Indiana 47803-0040, or by phone (812) 877-2581.

Statement Regarding Status as a Grandfathered Health Plan

This group health plan believes this plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan Administrator. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Please keep this notice with your Summary Plan Description booklet and if you have any questions regarding this change, please contact the Plan's administrative office.

Sincerely,

BOARD OF TRUSTEES