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October 2011

**IMPORTANT NOTICE FROM
THE CHICAGO REGIONAL COUNCIL OF CARPENTERS WELFARE FUND
ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE**

Please read this notice carefully and keep it where you may easily refer back to it. This notice has information about your current prescription drug coverage with the Chicago Regional Council of Carpenters Welfare Fund (“Fund”) and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare’s prescription drug coverage:

- 1.) Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
- 2.) The Chicago Regional Council of Carpenters Welfare Fund has determined that the prescription drug coverage offered by the Fund is, on average for all Plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current prescription drug coverage (*and prescription drug coverage for your spouse and dependents*) with the Chicago Regional Council of Carpenters Welfare Fund will be CANCELLED. Be aware that you and your dependents will not be able to get this coverage back.

Information about your current prescription drug coverage is enclosed with this notice.



When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with the Chicago Regional Council of Carpenters Welfare Fund and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without prescription coverage that's as least as good as Medicare's prescription coverage; your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen (19) months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage:

Contact the Pension Department at (312)787-9455, telephone menu option 4.

NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the Chicago Regional Council of Carpenters Welfare Fund changes. You may also request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov.
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Chicago Regional Council of Carpenters Welfare Fund
Contact: Pension Department
12 E. Erie Street, Chicago, IL 60611
(312)787-9455, telephone menu option 4

**CHICAGO REGIONAL COUNCIL OF CARPENTERS
WELFARE FUND RETIREE PRESCRIPTION DRUG BENEFITS**

October 2011

How to Use the Prescription Drug Program

The Chicago Regional Council of Carpenters Welfare Fund has partnered with Medco Health Solutions (Medco) to provide you with competitive prescription drug pricing. If you use a pharmacist in the Medco network and display your Medco ID card, you will be required to pay a co-payment for each prescription as shown in the chart below.

If you do not use a network pharmacy or if you do not present your Medco ID card when you purchase a prescription, you must pay the full cost of the prescription and submit a completed claim form to Medco for reimbursement. Medco will reimburse you the amount the Plan would have paid for the prescription had you used a Medco participating pharmacy and presented your Medco ID card, less the applicable co-payment. The co-payment structure is:

	Medco Network Retail Pharmacy (Lesser of 100 pills or a 30-day supply)	Medco by Mail (Up to a 90-day supply through mail order)	Accredo, Medco's Specialty Pharmacy (For specialty drugs)
Generic Co-Payment	\$5	\$12.50	n/a
Single-Source Brand Co-Payment (A generic is not available)	20% \$10 minimum Co-Pay with a \$100 maximum	20% \$25 minimum Co-Pay with a \$250 maximum	n/a
	Subject to a \$1,500 annual out-of-pocket maximum. Thereafter, the Plan Pays 100% for the remainder of the calendar year.		
Multi-Source Brand Co-Payment (A generic is available)	35% \$20 minimum Co-Pay	35% \$50 minimum Co-Pay	n/a
Specialty Medications (used to treat complex conditions such as cancer, hemophilia, immune deficiency, rheumatoid arthritis, etc. and require a higher level of service)	n/a		20% \$20 minimum Co-Pay with a \$100 maximum. Subject to a \$1,500 annual out-of-pocket maximum. Thereafter, the Plan Pays 100% for the remainder of the calendar year.

NOTE: If the cost of the medication is less than the coinsurance, you will only pay the cost of the medication.

If you or your dependent is eligible for prescription drug coverage and your medication is dispensed as a **generic** drug you will only pay \$5 for a 30-day supply. A generic equivalent has the same active ingredient as the brand-name drug, even though it may have a different color and shape. It is very important to realize that you will have a greater out of pocket expense if for any reason you or your doctor refuse a generic equivalent when one is available.

The Trustees recognize that you do not have the option of electing a generic equivalent for a single source brand name drug. Therefore, there is a **\$1,500 per person out of pocket maximum coinsurance per calendar year** for single source brand name drugs. This means that, if at any point during the calendar year, your coinsurance for single source brand name drugs total \$1,500, you will not be subject to co-payments for single source brand name drugs for the balance of that calendar year. There is also a separate **\$1,500 per person out of pocket maximum coinsurance per calendar year** for specialty drugs.

Prescription Drug Benefits – Specialty Drug Clinical Management Programs

The Plan implemented Medco's Specialty Drug Clinical Management programs on January 1, 2011. The programs were put in place for new patients with new specialty medication prescriptions. Specialty drugs are medications used to treat complex conditions, such as cancer, hemophilia, immune deficiency, and rheumatoid arthritis, and they require an enhanced level of service.

Accredo (Medco's Specialty Pharmacy) has a targeted therapy management program which assists the Plan in reducing the cost of care, while helping participants enjoy an enhanced quality of life. Accredo provides a focused level of care to participants through their dedicated Therapeutic Resource Center. Specialty-trained pharmacists and registered nurses who are experienced in managing chronic condition therapies work closely with you and your physician to promote positive clinical outcomes. In addition, patient care teams can provide you with drug administration training, patient counseling, side effect mentoring, adherence monitoring, and coordination of delivery with the patient, physician, or infusion center.

Prescription Drug Benefits – Preferred Drug Programs

The Plan implemented several of Medco's Preferred Drug Programs on January 1, 2011. Please review the following information carefully.

- Proton Pump Inhibitors are medications used to treat certain stomach conditions. The Plan only covers Nexium, omeprazole and pantoprazole. These medications have been proven safe for treating certain stomach conditions. Omeprazole and pantoprazole are a generic medications and the most cost effective for you and the Plan. The Plan longer covers Aciphex®, Kapidex®, Prevacid®, Prilosec® Packets, Protonix®, and Zegerid®. Talk to your doctor about prescribing omeprazole, pantoprazole or Nexium.
- Sleep Aids, sometimes called hypnotics, are medications used to help individuals fall asleep and/or stay asleep for longer periods of time. The Plan covers generic sleep aids like zolpidem (the generic for Ambien)—as well as temazepam. The Plan does not cover Ambien CR™, Edluar®, Lunesta®, and Rozerem®.
- Anti-depressants: If your doctor prescribes a new anti-depressant medication, one you've not taken before, the Plan will require that you try the generic equivalent drug first. Remember to speak to your healthcare professional about generic medications.

Amount Limitations at a Retail Pharmacy

The amount of medication usually prescribed for you by your doctor or dentist is covered, but no benefit is payable for more than a 30-day supply or 100-unit doses, *whichever is LESS*. If your doctor provides a dosage in excess of the maximum dosage recommended by the manufacturer, you may need to obtain a letter of medical necessity before a full supply can be dispensed.

Maintenance Medications - Mail Order Prescription Drug Service

The mail-order prescription drug service allows you to receive a 90 day supply of prescription medication delivered directly to your home for one co-payment. All maintenance medications MUST be filled by Medco's mail-order prescription drug service. Maintenance medications are medications that are continually taken on a regular basis (e.g. high blood pressure, cholesterol lowering, allergy, etc.). If you take a maintenance medication prescription drug, you will be allowed a maximum of three (3) times to have the prescription for that medication filled at a retail pharmacy (drug store). After that, the maintenance medication prescription will still be covered by the Plan, provided that you use the mail-order service.

Note that the mail-order prescription drug service is only mandatory for maintenance medication. You will still be able to have prescriptions for illnesses that are temporary in nature, such as antibiotics for respiratory infection, filled at a retail pharmacy (drug store).

How the Mail Order Program Works

If you are currently taking a maintenance-type medication or your doctor prescribes one, ask the doctor to prescribe a 90-day supply with refills. If a generic drug can be effectively substituted for a brand name drug, have your doctor indicate that as well. You can obtain a Mail Order Form by calling Medco at 1-800-939-2089. Mail the original prescription along with the appropriate co-payment and completed order form in the envelope that will be provided. Your prescription will be filled within two weeks after Medco receives your order.

Helpful Hints

Check your prescription before leaving your doctor's office to make sure that:

- the doctor's name is legible
- the doctor's phone number and address are on the prescription
- the exact daily dosage is indicated
- the exact strength is indicated
- the exact quantity with number of refills is indicated
- the full first name and last name of the patient are legible

Lower Costs

You save money when you order a prescription using Medco's Mail Order Program because you receive greater quantities of medication at one time-- up to a 90-day supply.

Convenience

You save the time and trouble of going to the pharmacy. All you have to do is mail your prescription to Medco. You'll receive your prescription at home by First Class Mail or UPS, postage paid.

Customer service

Medco can be reached with a toll-free phone call for an order form and return envelope, as well as answers to questions that you or your doctor may have about your prescriptions.

Medco Toll Free 1-800-939-2089

When contacting Medco, you can use either the Retired Carpenters Social Security Number or the Identification Number listed on your Medco identification card.

Drugs Covered

Drugs covered include any "legend" drug that is lawfully obtainable only from a person licensed to dispense drugs upon the written order (prescription) of a physician or dentist. A "legend" drug is any medicinal substance that the Federal Food, Drug, and Cosmetic Act requires to be labeled "Caution - Federal Law prohibits dispensing without prescription." Prescribed syringes and hypodermic needles are also covered. Injectable insulin, although not a "legend" drug, is also covered.

Drugs/Items NOT Covered

The exclusions listed below are not all-inclusive, and are only representative of the type of charges for which benefits are limited or not payable under the Plan.

1. Drugs not approved by the United States Food and Drug Administration (FDA) for the intended use (off label) or that are experimental or investigational drugs:
2. Contraceptive drugs or devices, including oral contraceptives, contraceptive patches and the abortion pill, regardless of the purpose for which it is prescribed.

3. Erectile dysfunction drugs, regardless of the purpose for which they are prescribed;
4. Drugs or medicines lawfully obtainable without a prescription order of a Physician or Dentist, except insulin;
5. Therapeutic devices or other appliances, support garments and other non-medical substances, regardless of their intended use;
6. Any charges for the administration of prescription legend drugs or injectable insulin;
7. Medication that is to be taken by or administered to the covered individual, in whole or in part, while he or she is a patient in a licensed hospital, rest home, sanitarium, extended care facility, skilled nursing/convalescent facility, or similar institution, which operates on its premises or allows to be operated on its premises, a facility for dispensing pharmaceuticals
8. Refilling of a prescription in excess of the number specified by the physician or dentist, or any refill dispensed after one year from the order of a physician or dentist;
9. Prescription drugs that may be properly received without charge under local, state, or federal programs, including workers compensation;
10. Weight loss drugs;
11. Smoking cessation drugs, patches and gum;
12. Drugs to stimulate hair growth;
13. Infertility drugs;
14. Retin-A or similar acne drugs for cosmetic reasons;
15. Homeopathic drugs, vitamins, food supplements or infant formulas;
16. Growth hormones unless medically necessary, as determined by the Plan's medical consultant and obtained through the Specialty Care Pharmacy Program; and
17. Existing and new drugs that are not uniformly and professionally endorsed by the general medical community for prescription in the course of standard medical care, including existing and new drugs that are experimental in nature.

This announcement contains highlights of certain features of the Chicago Regional Council of Carpenters Welfare Fund, Retiree Plan of benefits. Full details are contained in the documents that establish the Plan provisions. If there is a discrepancy between the language contained in this announcement and the documents that establish the Plan, the document language will govern and control. The Trustees reserve the right to amend, modify or terminate the Plan at anytime. Receipt of this announcement does not guarantee eligibility.