

OPERATING ENGINEERS LOCAL 139 HEALTH BENEFIT FUND

N27 W23233 Roundy Drive • P.O. Box 160 • Pewaukee, WI 53072-0160

Phone: (262) 549-9190
Toll Free: 1-800-242-7018

September 25, 2018

*** IMPORTANT NOTICE – PRESCRIPTION DRUG PROGRAM CHANGE ***

Dear Actives and Retirees,

The Board of Trustees of the Operating Engineers Local 139 Health Benefit Fund is pleased to inform you that, effective January 1, 2019, the Fund is switching from CVS Caremark to OptumRx as the Fund's prescription drug program provider. CVS Caremark will continue to provide its prescription drug program services on your behalf through December 31, 2018. **Note that this switch will not affect our Plan's benefit structure. Brand named drugs will continue to be covered at 80% and generic drugs will continue to be covered at 90%.** You will receive new prescription drug ID cards in the mail between late November and early December. Set them aside in a safe place and start using them January 1, 2019.

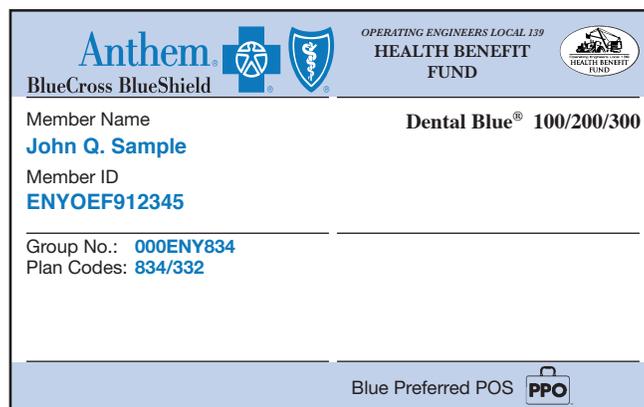
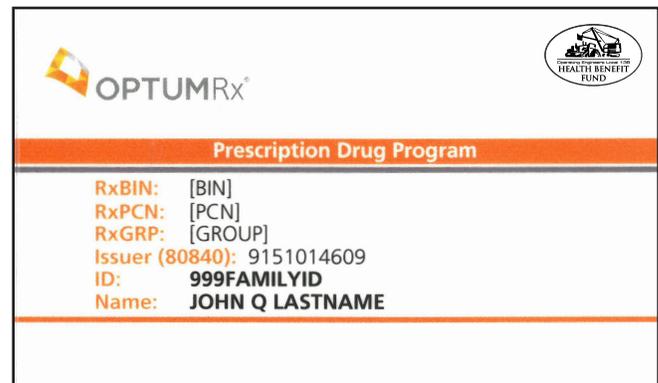
Please read this entire notice carefully to make sure you don't miss any of the important information about the change. At the end of this notice is a list of items that you must remember to do.

NEW IDENTIFICATION (ID) CARDS

The ID cards and the transition process for Actives, Pre-Medicare Retirees and Medicare Retirees are slightly different. Please read the following section that applies to you and/or your eligible family members.

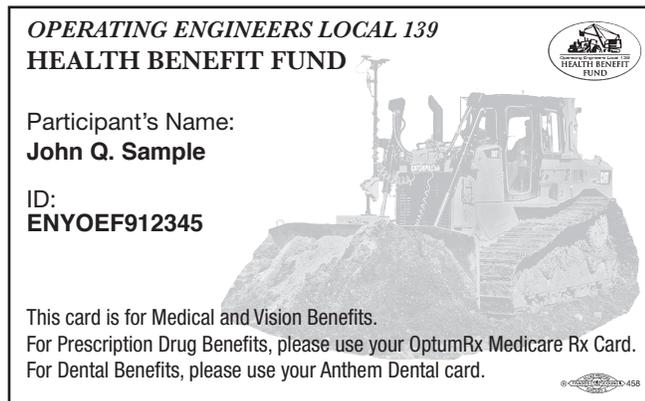
Actively Working Participants and Pre-Medicare Retirees

The OptumRx prescription drug ID card will be a separate ID card from the Anthem medical ID card. Therefore you will receive two separate ID cards in the mail. OptumRx will mail new prescription drug ID cards to you in late November or early December and the Health Fund office will mail updated Anthem ID cards to you in December. New Anthem ID cards are needed to remove the information for CVS Caremark and to add the Anthem dental network. Do not throw away any mail that you receive from OptumRx. The mailings will include important information about how the switch to OptumRx may affect you.



Medicare Retirees

Currently the prescription drug program for Medicare retirees is provided by SilverScript (a product of CVS Caremark). Your new prescription drug ID card will be an OptumRx Medicare Rx ID card, which OptumRx will mail to you in late November or early December. The Health Fund office will also mail you a new medical/vision ID card in December, which will replace your current “steam gauge” card. The new medical/vision card will have an image of a **bulldozer** on it. Continue to use the Anthem dental ID card for all dental services.



Important: You will also receive multiple notices in the mail regarding the switch to OptumRx. SilverScript will send a letter to you, which will inform you that you are being dis-enrolled from the SilverScript prescription drug program as of December 31, 2018. OptumRx will also send you a letter, which will inform you that you are being enrolled in OptumRx Medicare Rx as of January 1, 2019, but that you have the option to opt-out of the program. **Medicare requires that both of these letters be sent to you— you do NOT need to take any action upon receipt of the letters unless you do NOT want to keep the Operating Engineers coverage.** Keep in mind, if you “opt out” of the OptumRx program, you will lose your prescription drug coverage with this Health Fund. Remember that as a Medicare retiree, the Operating Engineers Local 139 Health Benefit Fund participates in a Medicare Part D prescription drug program for you. You can trust that the Health Fund office staff is working closely with both SilverScript and OptumRx to make this transition as seamless as possible.

TRANSFER OF PRESCRIPTIONS

Current prescriptions at your retail pharmacies will stay where they are. You simply need to show your retail pharmacy your new OptumRx ID card on or after January 1, 2019. Most prescriptions at CVS Caremark mail order will transfer to OptumRx mail order.

Mail order prescriptions that will not transfer are for medications that are considered a controlled substance, such as medications for pain, attention deficit (ADD or ADHD), depression, anxiety, etc. You must have your doctor provide a new prescription for any **mail order** refills of controlled substances that you need on or after January 1, 2019. Other prescriptions that may be affected are compound medications, which are products specifically prepared to treat your condition (mail order only), prescriptions that are expired, and prescriptions that do not have refills remaining.

Specialty medications will be filled by BriovaRx, the OptumRx specialty pharmacy. Specialty drugs are medications that require special handling. For example, these drugs may require refrigeration or other temperature controls, or may need special packaging. For a list of specialty medications, visit BriovaRx.com or call 1-855-4BRIOVA (1-855-427-4682).

Open prescriptions with available refills for specialty medications will automatically transfer to BriovaRx. CVS Caremark's prior authorizations will be honored by OptumRx. You will not need to have those drugs reauthorized except when the prior authorization has expired.

Additional information about BriovaRx will be mailed to you if you are taking specialty medications prior to the January 1, 2019 transfer.

FORMULARY CHANGES

Each prescription drug company has its own unique list of medications that are allowed or excluded from its formulary list. CVS Caremark's and OptumRx's formulary lists may differ slightly. If you are taking a medication that is not covered by OptumRx (meaning the medication is not on the OptumRx formulary or has utilization or prior authorization requirements), when you fill that prescription between January 1, 2019 and March 31, 2019, you can receive a 30-day supply at retail. Then, you will receive a notification letter from OptumRx, which will notify you what further action you need to take, or how you can request a formulary exception to ensure continued coverage of that same drug. You can then share the information with your doctor so that he/she can write a new prescription for you.

REASON FOR THE SWITCH

The Health Fund participates in a coalition of the operating engineers throughout the country to negotiate prescription drug company contracts for over 300,000 operating engineers and their family members. Several months ago, the coalition worked with prescription drug companies on a proposal for a new agreement and the projected savings from OptumRx were much better than those proposed by CVS Caremark. As you know, health care and prescription drug costs continue to rise and it is the goal of the Board of Trustees to provide quality coverage to you and your family at the best cost available. The more favorable agreement with OptumRx will help accomplish that goal for the Health Fund and its participants overall.

Please be patient during this transition period. Read the notices that will be mailed to you from the Health Fund, OptumRx and BriovaRx, participate in your union meetings and retiree meetings where Health Fund staff will be available for questions, and/or call the Health Fund office if you have any questions: (262) 549-9190 or (800) 242-7018.

MEDICARE RETIREE MONTHLY STATEMENTS

Medicare retiree monthly statements regarding the prescriptions that are filled under your account each month will continue to be mailed to you. It is a Medicare requirement. They are currently sent by SilverScript, but will be sent to you by OptumRx starting in February 2019. As long as you remain covered by the Operating Engineers Local 139 Health Benefit Fund, you can disregard the information on the statement regarding the Medicare deductible, stages of coverage, and the "donut hole" period since the Operating Engineers' benefits provide additional coverage to Part D benefits. You would only need that information if you were going to drop the Health Fund coverage and seek coverage from a different Medicare Part D plan. For reference, these statements are referred to as the Explanation of Benefits (EOB).

REMINDERS AND CHECK LIST

- ✓ Read all mailings from the Health Fund and OptumRx.
- ✓ Show your OptumRx prescription drug ID card to your OptumRx participating pharmacy on or after January 1, 2019.
- ✓ **If you are a Medicare retiree, do not** take any action on the notices you will receive from SilverScript or OptumRx that are related to opting in or out of coverage. The disenrollment from SilverScript and enrollment into OptumRx Medicare Rx will happen automatically and **no further action is needed by you if you want to remain enrolled with the Operating Engineers Local 139 Health Benefit Fund Prescription Drug Plan.**
- ✓ Actives and pre-Medicare Retirees. Keep your new ID cards. You can use the new Anthem card for medical and dental services immediately. Your current Anthem card is needed through December 31, 2018 for prescriptions from CVS Caremark. The OptumRx ID card will be effective January 1, 2019.
- ✓ Medicare Retirees. Keep your new ID cards from OptumRx Medicare Rx and the Health Fund's medical (**bulldozer**) card in a safe place and begin using them starting January 1, 2019. Continue to use the Anthem dental ID card for all dental services.
- ✓ If you have a **mail order** prescription for a controlled substance or compound medication, contact your doctor in December to request a new prescription for refills needed on or after January 1, 2019. Send new mail order prescriptions to OptumRx **after** the January 1, 2019 effective date. **Prescriptions received by OptumRx prior to January 1, 2019 will be denied.**
- ✓ Talk to your doctor if you receive a letter from OptumRx or BriovaRx (specialty medication) regarding a medication change needed due to formulary exclusions. If necessary, your doctor or you may call OptumRx to request a formulary exception.
- ✓ If you have any questions about this or any Notices you receive in the mail, call the Fund Office at (262) 549-9190 or (800) 242-7018.

STATEMENT OF THE PLAN'S GRANDFATHERED STATUS

The Operating Engineers Local 139 Health Benefit Fund 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, such as 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, such as 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 at (262) 549-9190 or (800) 242-7018. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866) 444-3272 or via <http://www.dol.gov/ebsa/healthreform/>. This website has a table summarizing which protections do and do not apply to grandfathered health plans.