

Michigan Laborers' Health Care Fund  
Michigan Laborers' Pension Fund  
Michigan Laborers' Annuity Fund  
Michigan Laborers' Vacation Fund  
Michigan Laborers' Training and  
Apprenticeship Fund  
Michigan Laborers' and Employers'  
Cooperation & Education Trust Funds  
Managed for the Trustees by:  
TIC International Corporation

# Michigan Laborers' Fringe Benefit Funds

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January 2016

## IMPORTANT NOTICE FOR ALL PARTICIPANTS



**TO: ALL ACTIVE AND RETIRED PARTICIPANTS OF THE  
MICHIGAN LABORERS' HEALTH CARE FUND (FUND)**

**RE: SUMMARY OF MATERIAL MODIFICATIONS –  
EFFECTIVE MARCH 1, 2016  
PRESCRIPTION DRUG CHANGES**



Dear Participants:

This is a summary of changes to the Fund's prescription drug program. These changes are *effective March 1, 2016*.

Below we explain these changes, and the reasons for them.

### **I. Non-Medicare and Medicare Participants**

*Effective March 1, 2016*, Medicare and non-Medicare participants will have different prescription drug benefits under the Fund.

#### **Non-Medicare Participants – Active and Retired**

Non-Medicare participants' prescription drug benefits will change from the current Three-Tier Program to a Five-Tier Program, as described below and in the attached Benefit Summary.

#### **Current Program – Three Tier:**

Tier 1 – Generic Drugs	\$10 copayment
Tier 2 – Preferred Brand Drugs	\$40 copayment
Tier 3 – Non-Preferred and Specialty Drugs	\$60 copayment

**New Program – Five Tier:**

Tier 1 – Generic Drugs	\$15 copayment
Tier 2 – Preferred Brand Drug	\$50 copayment
Tier 3 – Non-Preferred Brand Drugs	50% with a minimum copayment of \$80 and a maximum copayment of \$100
Tier 4 – Preferred Specialty Drugs	20% with a maximum copayment of \$200
Tier 5 – Non-Preferred Specialty Drugs	25% with a maximum copayment of \$300

**1. Prescription Drugs Preferred Therapy Program**

*Effective March 1, 2016*, the Fund is implementing a “Preferred Therapy Program”. This program includes both step therapy and prior authorizations for certain drugs.

The **step therapy** program requires you to try certain alternative drugs before using a more expensive prescription. A prescribed drug may not be covered if it does not meet step therapy guidelines. So, you should consult with your doctor and pharmacist.

The prior **authorization program** requires some prescription drugs to be reviewed before they are authorized. This ensures that drugs are prescribed appropriately, and that you have tried other drugs that may be better tolerated or less expensive. If your doctor does not get a prior authorization when required, your prescription may not be covered. So, you should consult with your doctor.

**PLEASE NOTE:** to avoid disrupting current treatment, your prescription will not change if you have been receiving a prescription drug covered by step therapy or prior authorizations within six (6) months prior to the start of these programs.

**Please visit “[bcbsm.com/pharmacy](http://bcbsm.com/pharmacy)” for more information about step therapy and prior authorizations.**

**2. New Ninety (90) Day Prescription Plans for Non-Medicare Participants**

*Effective March 1, 2016*, the Fund is adding both Mail Order and Ninety (90) Day Retail prescription drug programs. These programs allow you to receive prescriptions for ninety (90) days and will replace the current maintenance drug program that allowed more than thirty (30) day prescriptions for select maintenance drugs.

**PLEASE NOTE:** your physician must write your prescription for ninety (90) days for you to use these programs.

To use the Mail Order or Ninety (90) Day Retail programs, you’ll have to make a “two (2) times” copayment, based on the copayments listed above. For example:

90-day – Generic Drug	\$30 copayment (two-times the \$15 copay)
90-day – Preferred Brand Drug	\$100 copayment (two-times the \$50 copay)

The two (2) times copayment **reduces** your out-of-pocket expenses by eliminating the third copayment that you would have paid by refilling your prescription three times at the normal copayment.

#### **a. Mail Order Drug Program**

To use the Mail Order program, either mail your prescription, or have your doctor fax it, to Express Scripts for processing. You'll need to set up an account with Express Scripts and choose a payment option. Once your account is set up, Express Scripts will remind you about refill dates.

Contact Express Scripts at (800) 778-0735.

#### **b. Ninety (90) Day Retail Program**

You may use your local pharmacy to fill ninety (90) day prescriptions. Many chain and independent pharmacies participate in the BCBSM Ninety (90) Day Retail program.

**Please visit “[bcbsm.com/pharmacy](http://bcbsm.com/pharmacy)” for more information about the Mail Order and Ninety (90) Day Retail Programs, including formulary lists, forms, phone numbers, etc.**

### **3. Specialty Drugs and Walgreens Pharmacy**

Specialty drugs treat complex or life-threatening conditions like Multiple Sclerosis, Hepatitis C, HIV, cancer, Rheumatoid Arthritis, and others. These drugs usually require special handling, administration, and monitoring. In many cases, your pharmacy can dispense these drugs. But, for additional assistance **or to receive your specialty drug through mail order**, BCBSM has designated Walgreens Specialty Pharmacy as the “preferred vendor.” In addition to prescription and mail order assistance, Walgreen’s offers an assistance program for individuals who may have difficulty paying for their specialty drug.

Contact Walgreens Specialty Pharmacy at (866) 515-1355.

## **B. Medicare Participants – Retired and Disabled**

Medicare participants’ prescription drug benefits will also change from the current Three Tier Program to a Five Tier Program, as described below and in the attached Benefit Summary. But, Medicare participants will be part of the “*Prescription Blue Group PDP*”. The *Prescription Blue Group PDP* is often referred to as “Part D of a Medicare Advantage plan”.

### **Current Program – Three Tier:**

Tier 1 – Generic Drugs	\$10 copayment
Tier 2 – Preferred Brand Drugs	\$40 copayment
Tier 3 – Non-Preferred and Specialty Drugs	\$60 copayment

**New Program – Five Tier:**

Tier 1 – Preferred Generic Drugs	\$10 copayment
Tier 2 – Non-Preferred Generic Drugs	\$10 copayment
Tier 3 – Preferred Brand Drugs	\$40 copayment
Tier 4 – Non-Preferred Brand Drugs	\$60 copayment
Tier 5 – Specialty Drugs	\$60 copayment

**1. Prescription Drugs Preferred Therapy Program for Medicare Participants**

*Effective March 1, 2016*, the Prescription Blue Group PDP program for Medicare participants will also include step therapy and prior authorization programs for certain drugs. If you're taking a drug that requires step therapy or a prior authorization, you'll need to obtain approval prior to receiving a refill under this new program.

If you are taking a drug that is not covered by the new program, your prescription will continue to be covered for only ninety (90) days, at which time an alternative drug will be required. You should discuss your options with your physician.

**Please visit “[bcbsm.com/pharmacy](http://bcbsm.com/pharmacy)” for more information about step therapy and prior authorization under the Prescription Blue Group program.**

**2. New Ninety (90) Day Prescription Plans for Medicare Participants**

*Effective March 1, 2016*, the Fund is adding both Mail Order and Ninety (90) Day Retail prescription drug programs to the Prescription Blue Group PDP program. These programs allow you to receive prescriptions for ninety (90) days and will replace the current maintenance drug program that allowed more than thirty (30) day prescriptions for select maintenance drugs.

**PLEASE NOTE:** your physician must write your prescription for ninety (90) days for you to use these programs.

**Under the Ninety (90) Day Mail Order or Ninety (90) Day Retail Program, prescriptions for ninety (90) days will require a “two and one-half (2 ½) times” copayment when using a Preferred Pharmacy and a “three (3) times” copayment when using a Non-Preferred Pharmacy, based on the copayments listed above.**

Examples of copayments for 90-Day Retail prescriptions are:

90-day Preferred Generic Drug	-- \$25 copayment (Preferred Pharmacy)
90-day Preferred Generic Drug	-- \$30 copayment ( <b>Non-Preferred Pharmacy</b> )
90-day Preferred Brand Drug	-- \$100 copayment (Preferred Pharmacy)
90-day Non-Preferred Brand Drug	-- \$180 copayment ( <b>Non-Preferred Pharmacy</b> )

**a. Mail Order Drugs**

To use the Mail Order program, either mail your prescription, or have your doctor fax it, to Express Scripts for processing. You'll need to set up an Express Scripts account and choose a payment option. Once your account is set up, Express Scripts will remind you about refill dates.

Contact Express Scripts at (800) 778-0735.

### **b. 90-Day Retail**

You may use your local pharmacy to fill ninety (90) day prescriptions. Many chain and independent pharmacies participate in the Ninety (90) Day Retail program.

**Please visit “[bcbsm.com/pharmacy](http://bcbsm.com/pharmacy)” for more information about the Mail Order and Ninety (90) Day Retail Programs, including formulary lists, forms, phone numbers, etc.**

## **3. How the New Prescription Drug Plan Works for Medicare Participants**

If you're enrolled in Medicare and receiving Fund benefits, you'll receive a “Pre-Enrollment Kit” (Kit) from BCBSM in mid-January 2016. The Kit will contain detailed information about the new prescription drug plan. The Kit will include a BCBSM letter and a summary of pharmacy benefits.

The Kit also will include an “Opt-Out Form”. This “opt-out” is a legal requirement that allows you to “opt-out” of the prescription drug program, if you choose.

But, if you “opt-out”, you'll be permanently terminated from the Fund for *all* health care benefits – not just prescription drug benefits. If you do nothing – that is, if you don't opt-out – you'll automatically be enrolled in the Fund's new prescription drug program and your Fund health care benefit plan will continue.

## **C. BCBSM ID Cards**

### **1) Non-Medicare Participants**

Non-Medicare participants will not need or receive a new BCBSM ID card (unless your family has a combination of Medicare and non-Medicare participants, as described below). Your current ID card will continue to work. The new copayment levels will automatically be applied when you use your current ID card.

### **2) Medicare Participants and Spouses/Dependents**

Each Medicare participant and any spouse and/or dependent will receive two (2) new ID cards – one (1) for prescription drug benefits, and one (1) for all other Fund benefits.

So, if a husband and wife both collect Medicare benefits, each will get their **own, separate** prescription drug-only ID card and a separate ID card for all other Fund benefits.

**PLEASE NOTE:** If you're Medicare-covered, you should continue to use your Medicare card – just as you do now – in conjunction with your BCBSM ID card for medical services.

### **3) Families Where Some Members are Medicare Covered and Some are Not**

Families with both Medicare and non-Medicare members also will receive new ID cards.

Individuals enrolled in Medicare and receiving Fund benefits will receive a new ID card for pharmacy benefits and a separate ID card for all other health care benefits (see the explanation for Medicare Participants above).

Fund-enrolled spouses and/or dependents not enrolled in Medicare will be issued a new BCBSM ID card with a different identification number, in the name of the non-Medicare participant.

Non-Medicare participants will need only one ID card covering both prescription drug and non-prescription drug health care benefits.

#### **1. ID Card Mailing**

ID Cards should be mailed by mid-February 2016. So, starting March 1, 2016, please present any new ID card to your pharmacist and your other health care providers. (Remember though, if you're a non-Medicare participant and have no family members on Medicare, your current ID card will work, even after March 1.)

Your old BCBSM ID card *won't* work after March 1, 2016 if you're enrolled in Medicare and receiving Fund benefits. So, you should call the Fund Office at (517) 321-7502 or Toll Free at (877) 645-2267, before the end of February if you haven't received your new BCBSM ID card(s).

#### **II. Why We Made These Changes**

Quite simply, we made these prescription drug changes because it was fiscally prudent and consistent with our duty to address the hard issue of ever-rising prescription drug costs.

We understand that any change is difficult. But, these changes were economically necessary.  
Sincerely,

Board of Trustees  
Michigan Laborers' Health Care Fund