

**U. A. PLUMBERS LOCAL UNION NUMBER 68 GROUP PROTECTION PLAN
468 LINK ROAD
POST OFFICE BOX 8726
HOUSTON, TEXAS 77249-8726
Telephone: (713) 869-2592 Toll Free: (800) 833-2980**

NOTICE TO PARTICIPANTS

The Board of Trustees of the U.A. Plumbers Local Union Number 68 Group Protection Plan (“the Plan”) would like to advise you of several changes due to the rising cost of pharmaceuticals, and to protect and preserve our Plan for all Participants, to your prescription drug coverage.

Minimum Payment

For all of drugs, you will be responsible for 100% of the cost of the medication up to the first \$5.00. For amounts in excess of \$5.00, you will pay the applicable coinsurance. This change is effective April 1, 2018.

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| <p>Example: Your coinsurance for retail generic drugs is 15% with a minimum of \$5.00. If a retail generic drug costs \$4.95, you will first pay \$4.95 because it is under the minimum \$5.00. If your medication costs \$50.00 you will pay a 15% coinsurance of \$7.50 because the 15% is greater than the \$5.00.</p> |
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Brand Name Drugs When a Generic is Available

If you choose a preferred brand or non-preferred brand drug instead of its generic equivalent, you will pay the applicable brand coinsurance plus a penalty. The penalty is the difference in cost between the brand and generic medications. If your physician prescribes as brand only, you will pay the applicable coinsurance and a penalty does not apply. This change is effective April 1, 2018.

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| <p>Example: Your coinsurance for preferred brand drugs is 20% for up to a 30-day supply. Let’s say you choose a preferred brand drug, which costs \$100, instead of its generic equivalent, which costs \$25. You will first pay a minimum of \$5.00 and then pay 20% of the \$95.00 balance, or \$19.00. In addition you will pay a penalty of \$75.00 (the difference between the \$100.00 cost of the brand medication and the \$25 cost of the generic medication). Your total cost for the drug would be the minimum \$5.00, plus \$19.00 in coinsurance, plus the \$75.00 penalty, or \$99.00. However, if your physician prescribes brand only, you will pay the applicable coinsurance and the penalty does not apply.</p> |
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If you choose a preferred brand or non-preferred brand drug instead of its generic equivalent, you will pay the applicable brand coinsurance plus a penalty. The penalty is the difference in cost between the brand and generic medications. This penalty applies even if your doctor writes “dispense as written” (DAW) on the prescription. This change is effective April 1, 2018.

Example: Your coinsurance for preferred brand drugs is 20% for up to a 30-day supply. Let's say you choose a preferred brand drug, which costs \$100, instead of its generic equivalent, which costs \$25. You will first pay a minimum of \$5.00 and then pay 20% of the \$95.00 balance, or \$19.00. In addition you will pay a penalty (the difference between the \$100.00 cost of the brand medication and the \$25 cost of the generic medication) of \$75.00. Your total cost for the drug would be the minimum \$5.00, plus \$19.00 in coinsurance, plus the \$75.00 penalty, or \$99.00. The penalty applies even if your doctor writes "dispense as written" (DAW) on the prescription.

PLAN'S STATUS AS A "GRANDFATHERED HEALTH PLAN"

The U.A. Plumbers Local Union Number 68 Group Protection Plan (the Plan) believes this Plan is a "grandfathered health plan" under 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 Fund Office at:

U.A. Plumbers Local Union Number 68 Group Protection Plan
468 Link Road
Post Office Box 8726
Houston, Texas 77249-8726
Telephone: (713) 869-2592 Toll Free: (800) 833-2980

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.

If you have any questions concerning this notice, please contact the Fund Office.

Your receipt of this Notice is not a certification that you are eligible to receive any benefits under the Plan. You must satisfy the Plan's eligibility requirements to receive benefits. If you have any questions, please contact the Fund Office.