Connecticut Carpenters Health Fund

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IMPORTANT NOTICE – July 2013

To All Active and Retired Plan Participants and their Spouses and other Eligible Dependents:

The Board of Trustees of the Connecticut Carpenters Health Fund appreciates the efforts of the collective bargaining parties to increase the Health contribution rate from $7.60 to $8.10, effective May 2013. The 50-cents increase will be used to help maintain the present level of benefits and, to do so, we need to make changes that impact your prescription drug coverage. This notice is also intended to inform you of recent changes to the Plan's reimbursement provision about the amount of money you must repay to the Fund in the event you receive a monetary award from a third party or insurer for an accident, injury or illness caused by a third party.

1. Prescription Drug Benefit Changes

   a. The prescription drug co-payments will be increased by $5 beginning September 1, 2013. The "Old" co-payments have not changed since June 2006.

	Generic Drug	**Preferred Brand Drug**	**Non-Preferred Brand Drug**
At a network pharmacy, your co-payment for up to a 30-day supply will be:	**New - $10** (Old - $5)	**New - $15** (Old - $10)	**New - $30** (Old - $25)
Through the mail service program, your co-payment for up to a 90-day supply will be:	**New - $15** (Old - $10)	**New - $25** (Old - $20)	**New - $55** (Old - $50)

   b. Mandatory Mail Service Program

   As of September 1, 2013, all maintenance medications (for chronic conditions such as high blood pressure, high cholesterol, etc.) must be filled or refilled through the mail service pharmacy operated by the Plan's Pharmacy Benefits Manager, OptumRx. You are required to participate in the mandatory mail service program whether you are taking maintenance medication as of September 1, 2013 or you start taking maintenance medication for the first time after September 1, 2013. In either case, you may choose to pay the $10/$15/$30 co-payment to obtain a 30-day supply of that medication at your retail pharmacy up to 3 times on or after September 1, 2013.

The mandatory mail service program has been implemented because of the cost savings to you and to the Health Fund. When you use the mail service program, you will receive a 90-day supply of maintenance medication by paying less than two times the co-payment for a 30 day-supply at a retail pharmacy.

You can get your mail order prescription one of two ways:

1. Ask your doctor to electronically submit your prescription (for 90 days, with 3 refills) to OptumRx (your doctor can receive instructions on how to submit your electronic prescription by calling **1-877-309-5345** or by visiting **optumrx.com**) or,

2. Obtain a new written prescription (for 90 days, with 3 refills) from your doctor and mail it to OptumRx *at P.O. Box 2975, Mission, Kansas 66201-1375.*

Registering for the Mail Service Program

To participate in the mail service program, you must provide OptumRx with information about yourself, your mailing address, and the credit card to which your co-payments will be charged. If you currently use the mail service program and have already created a profile with OptumRx, you do not need to take either of the following steps. Otherwise, you are required to provide the required information in one of two ways:

By Mail: You may mail the "New Prescription Mail-In Form" (included in the enclosed brochure about how the mail service program works) to OptumRx at the address above (you may include it in the same envelope with your new written prescription), or

Electronically: If you wish to complete this process electronically, you may do so on-line by visiting OptumRx.com.

For new prescriptions, you may expect to receive your medication from OptumRx approximately 10-14 business days from the date you mail your new prescription or the date your doctor submits your prescription electronically.

You may want to bring a copy of this notice to your doctor's office when you obtain your new mail order prescription for the first time.

c. Generic drug education program

Under the current Plan, you are not required to use generic medication although there are many advantages associated with choosing a generic medication instead of a brand name one. Generic medication is often less expensive than a brand name and is said to be just as effective. Beginning September 1, 2013, if you obtain a brand name drug when a chemically-equivalent generic substitute exists, the Health Fund has authorized OptumRx to send you a letter explaining the cost-saving and other benefits of choosing a generic drug over a brand name when the choice is available.

2. Changes to Your Reimbursement Obligations In The Event Of Accident, Injury or Illness Caused By A Third Party

The Trustees amended the Health Fund's reimbursement rules, effective April 1, 2013. When the Fund pays for your medical treatment or disability income due to an accident or injury for which another person or insurance company is responsible, the reimbursement rules require you to reimburse the Fund from the entire amount of any recovery you receive by judgment, compromise or settlement from any third-party. You must pay the Fund first from your recovery amount and cannot reduce the recovery by your attorney's fees or any other costs or expenses. You must pay the Fund first, even if you don't think that is the "fair" or equitable result and even if you aren't able to keep any of the recovery amount. If you cooperate with the Fund and reimburse it promptly, so the Fund does not have to consult its own attorney or devote a lot of staff time to the matter, the Fund will give you a 25% "discount" off what you owe to help you pay your legal fees. The discount cannot exceed $10,000, except that if the Trustees determine that extenuating circumstances exist and your attorney has agreed to reduce the legal fees to which s/he is entitled, the Trustees may increase or eliminate the $10,000 cap on that discount.

Once you become entitled to a recovery amount, even if you are still eligible for Fund coverage the Fund will not cover any of your future expenses related to that illness or injury. If you prove to the Fund that you have spent all the proceeds on future accident-related treatment that the Fund would have covered, your coverage for that treatment may resume.

If you do not repay the Fund, as required, the Fund may offset what you owe against future benefit payments due to you or any family member for other covered treatment.

3. Monthly Retiree Costs Stay The Same

Retiree monthly contribution rates, subsidized by the Fund, are currently $330 for each Medicare-eligible retiree and spouse and $675 for retirees not yet eligible for Medicare or if one spouse is Medicare-eligible and the other is not. In the past, the Trustees have reviewed these rates in July, with the help of the Fund's actuarial consultant. The current rates have been in effect since July 1, 2006 and the Trustees decided not to change them for the year that began July 2013.

Grandfathered Health Plan Status

The Fund's Board of Trustees believes that the 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 (in March of 2010). Being a grandfathered health plan means that the 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 Health Fund Administrator, Deborah L. Palmieri, at (203) 281-5511 extension 602. 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.

This Notice is intended to be a brief description of the topics described. In any situation involving Fund benefits, the documents governing the Fund will control. It constitutes a Summary of Material Modifications to the Fund, and we are furnishing it to you in accordance with U.S. Department of Labor regulation §2520.104b-3. Please keep this Notice with your Summary Plan Description for future reference and contact the Benefit Office with any questions. All benefits are subject to amendment and/or termination as the Trustees may determine to be in the best interests of the Fund's participants and beneficiaries.

For the **Health Fund** Board of Trustees,

Deborah L. Palmieri, Health Fund Administrator

July 2013