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**ALASKA TEAMSTER-EMPLOYER WELFARE TRUST**

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**SUMMARY OF MATERIAL MODIFICATIONS  
SUMMARY OF PRESCRIPTION DRUG CHANGES EFFECTIVE OCTOBER 1, 2020, AND  
EXTENSIONS OF COBRA, ENROLLMENT, AND CLAIM DEADLINES DURING  
CORONAVIRUS OUTBREAK PERIOD**

**Please read this important notice summarizing changes to your health Plan. This document, referred to as a “Summary of Material Modifications,” supplements and updates your Summary Plan Description.**

**Effective October 1, 2020, the following changes to the Plan’s prescription drug coverage will go into effect. Details are provided below.**

- The Plan’s Prescription Drug Program provider is being changed from OptumRx to AmWINS. Contact information for AmWINS is at the end of this notice.
- The Plan’s mail-order pharmacy program will require that after an initial retail prescription, all available maintenance medications be obtained through mail order, or coverage for the prescription will not be provided.
- To reduce costs, the Plan is adopting payment assistance programs through AmWINS and Paydhealth. If your medication is covered under one of these programs and you do not enroll or provide required information, benefits for those medications will not be provided.

**In addition, the Plan has extended certain deadlines during the coronavirus “Outbreak Period.” Details are provided below. The extended deadlines may apply to:**

- “Special Enrollment” of family members
- The time allowed to elect and pay for COBRA continuation coverage; and
- Deadlines to submit initial benefit claims and appeals of denied claims.

### **PRESCRIPTION DRUG BENEFIT CHANGES**

The Plan is changing the mail order pharmacy program and adding payment assistance programs to reduce costs for you and for the Plan overall. Participation in these programs is required and benefits will not be provided for your medications if you do not participate and provide all required information, as described below.

With these changes, Plan Section 8.4 will now state as follows:

#### **8.4 Mail Order Pharmacy Program and Payment Assistance Program Requirements**

If you need to take maintenance medications on an ongoing basis, the first time you fill a

prescription for this drug, it may be filled at retail. For any subsequent prescription for a maintenance drug, you **must** obtain a minimum 84-day or a maximum 90-day supply through the AmWINS Mail Order Pharmacy program for direct delivery to your home. Maintenance medications are Drugs prescribed for more than 34 days or taken on a regular or long-term basis. Pre-addressed prescription order forms and envelopes are available from the Trust Customer Service Office, the Administration Office, or the pharmacy benefit manager's website.

### ***How to Use the Mail Order Pharmacy Program***

Failure to participate in the Mail Order Pharmacy Program for maintenance medications will result in the participant or family member being responsible for the entire cost of the prescription – not just the co-pay.

Ask your doctor to prescribe maintenance medications for a minimum 84-day supply or a maximum 90-day supply, plus refills. Complete the prescription order form and mail it with your prescription to the mail order program using the special pre-addressed envelopes. For the protection of each Participant, a "patient health profile" questionnaire must be completed and mailed with the first order. The Mail Order Pharmacy Program will use this health history when reviewing your prescriptions for safety and appropriateness. The Mail Order Pharmacy Program will process your order and send your medications to your home via the U.S. postal service. A new order form and envelope will be returned to you with each prescription delivery.

If you need a prescription immediately, you must *ask your Physician for 2 prescriptions*. The first prescription should be for up to a 30-day supply and should be taken to a retail participating pharmacy to be filled. The second prescription should be sent to the Mail Order Pharmacy Program in the envelope provided for that purpose. Your prescriber may choose to send the prescriptions to the pharmacy electronically.

When your prescription is filled you will receive a notice showing the number of times it may be refilled. It will also show your prescription number. In addition, there will be a pre-addressed reply envelope enclosed. Simply fill out the information on the reverse side of the envelope, enclose the refill notice, seal, stamp and mail. Your prescription will be refilled and mailed directly to you.

**PRESCRIPTION DRUG COPAYMENTS**

	<b>Participating Retail Pharmacy*</b> <i>(34-Day Supply)</i>	<b>Preferred Participating Mail Order Pharmacy</b>	<b>Non-Participating Pharmacy**</b>
<b>Generic Drugs</b>	Participant copayment is 20% of the total cost of the Drug.	Participant co-payment is the lesser of 20% of the cost of the drug or \$20 for each prescription.	No Reimbursement
<b>Preferred Brand-name Drugs*</b> <i>Reimbursement Limitations apply, see below*</i>	Participant copayment is 35% of the total cost of the Drug.	Participant co-payment is the lesser of 35% of the cost of the drug or \$50 for each prescription.	No Reimbursement
<b>Non-Preferred Brand-name Drugs*</b> <i>Reimbursement Limitations apply, see below*</i>	Participant copayment is 50% of the total cost of the Drug.	Participant co-payment is the lesser of 50% of the cost of the drug or \$100 for each prescription.	No Reimbursement
<b>Specialty Drugs (*)</b> Must be filled by participating Specialty Drug mail order facility	Not applicable.	Participant co-payment is \$100 for each Specialty prescription for a 30-day supply. Noncompliance and failure to participate in the Patient Assistance Program, participant out-of-pocket is 100%.	No reimbursement.

**\*REIMBURSEMENT LIMITATIONS:**

If you or your Physician request that your prescription be filled with a brand-name Drug when a generic equivalent is available, you will be responsible for paying the full difference in price between the generic and brand-name Drug *in addition to* your brand-name Prescription Drug copayment. The generic price is established by the Plan's Pharmaceutical Provider.

**\*\*OUT OF NETWORK PRESCRIPTIONS:**

If no network pharmacy is located in the area, the co-payment is 50% of the Drug cost per each prescription filled out-of-network.

If filled through a participating retail pharmacy, the Plan also covers medications and

supplements that are designated as “preventive care” under Health Care Reform and which the Plan is required by law to provide. For a list of the covered medications and supplements, see [www.hhs.gov/](http://www.hhs.gov/). These items are covered at 100% in network, but you must have a prescription from your doctor (even for the over-the-counter items). Please note that not all items are covered for everyone - for example, there are age restrictions, and some items are limited to generic only. Contact the Pharmaceutical Provider for more information.

### ***Payment Assistance Programs***

As described further below, the Plan is providing payment assistance programs through AmWINS and Paydhealth to help offset the costs of certain expensive specialty and non-specialty drugs. Not all medications will be eligible for these programs. However, if a medication you are taking is eligible, then you must participate in the program. Failure to participate in these programs will result in you being responsible for the entire cost of the prescription, not just the copay.

#### ***AmWINS Patient Assistance Program (Program)***

The Plan has engaged AmWINS to assist with certain high cost non-specialty medications that are eligible under this Program and provide certain medications at zero out of pocket cost.

Any person taking a non-specialty medication covered by the AmWINS Patient Assistance Program must enroll in the Program. Failure to enroll or to provide all required information will result in you being responsible for the entire cost of the drug – not just the copay. AmWINS will contact you to enroll you in the Program if you are taking or are prescribed a covered medication. To be enrolled, you may be required to provide information such as your driver’s license, SSN, W-2 or other income verification, and a HIPAA authorization form. The enrollment process will take some time to complete – until enrollment is completed, normal Plan benefits will apply. Once you are enrolled, medications covered by the Program will have \$0 out of pocket cost to you. For additional information, you can contact the AmWINS Rx Customer Service Center at 855-693-3920.

If a medication is not covered by the Program, normal Plan benefits apply.

#### ***Paydhealth Select Drugs and Products Program***

The Plan has engaged Paydhealth to assist with certain high cost specialty medications that have been identified by Paydhealth to allow alternative sources of funding. Paydhealth maintains a list of these medications on its Select Drugs and Products<sup>SM</sup> List. If you are prescribed a medication on the Select Drugs and Products List, you are required to enroll in this program. For additional information, you can contact the Paydhealth’s Specialty Contact Center at 877-869-7772.

Some Paydhealth identified alternate funding programs require verification of income. In such cases, you must provide this information directly to the alternate funding program, and such information will not be provided to the Plan and is not considered in determining coverage by the

Plan.

Failure to enroll or to provide all required information will result in you being responsible for the entire cost of the medication – not just the copay.

If an attempt by Paydhealth to obtain funding for a medication on the Select Drugs and Products List is unsuccessful, the Plan's Prescription Drug Program provider shall process a benefit reconsideration, and may determine that the drug is medically necessary and in such a case the cost of the drug is considered a prescription claims expense under the terms of this Plan.

Together with these changes, Plan Section 8.1 is being modified to include an updated definition of "Specialty Drugs," as follows:

### 8.1 Definitions

- "Specialty Drugs" are medications that are more complex than other drugs and often require special handling, distribution, storage, administration, and/or monitoring. Specialty drugs may also be high cost medications, though cost alone is not sufficient to consider a drug a specialty medication. Specialty medications are commonly required to treat patients with complex, serious or life-threatening conditions including cancer, rheumatoid arthritis, multiple sclerosis, cystic fibrosis, hepatitis, and bleeding disorders. In many cases, a clinical review for prior authorization is required. Specialty medications often cannot be dispensed at a typical retail pharmacy because the therapy usually requires special handling as well as significant patient support and education regarding appropriate utilization. Additionally, ongoing clinical monitoring is provided to manage side effects and ensure compliance with the treatment regimen.

### EXTENSIONS OF CERTAIN PLAN DEADLINES DURING CORONAVIRUS "OUTBREAK PERIOD"

On May 4, 2020, the federal government adopted an emergency Extension Rule that extends certain Plan deadlines during the coronavirus "Outbreak Period," including: deadlines for "Special Enrollment"; deadlines to elect and pay for COBRA continuation coverage; and deadlines to submit initial benefit claims and appeals of denied claims. The Outbreak Period began on March 1, 2020, and unless changed by a further notice from the federal government, it will end 60 days following the announced end of the National Emergency Concerning the Novel Coronavirus or on February 28, 2021 – whichever comes first. This notice should be read in conjunction with the Plan's Summary Plan Description (SPD), which describes the deadlines impacted by the Extension Rule in further detail.

The Extension Rule requires that **during the Outbreak Period**, any portion of each of the following deadlines that passes **does not count** against the ordinary Plan deadline involved:

- The 60-day "Special Enrollment" periods for enrollment in Plan coverage outside the Plan's normal initial and annual enrollment periods (these Special Enrollment periods

apply in certain situations where other healthcare coverage is lost, or when a new spouse and/or other eligible dependent(s) are acquired through marriage, birth, adoption or placement for adoption;

- The 60-day election period for COBRA continuation coverage;
- The 45-day period for the initial COBRA premium payment and the 30-day grace period for payment of each monthly COBRA premium payment;
- The 60-day period for notifying the Plan of a COBRA Qualifying Event caused by divorce, separation, loss of dependent status, or a disability that can extend COBRA coverage;
- The one-year period for submitting a claim for benefits to the Plan;
- The period for submitting an appeal of a denial of a claim for benefits under the Plan; and
- The four-month period to request independent external review of a denied appeal, and the period allowed for providing any information needed to complete such a request.

**Applying the Extension Rule to these deadlines means: (1) If the deadline would have normally fallen during the Outbreak Period, the deadline is extended to the end of the Outbreak Period plus the number of days of the deadline that passed during the Outbreak Period; and (2) if the deadline falls after the end of the Outbreak Period, but a portion of the ordinary deadline passes during the Outbreak Period, the portion of the ordinary deadline that passes during the Outbreak Period is added at the end of the Outbreak Period, which has the effect of extending the normal deadline by that amount of time.** Examples for each category of these extensions that may apply during the Outbreak Period are provided below.

### **Special Enrollment Extensions**

*Examples:*

- 1) Robert was an eligible participant under the Plan when he had a new child, Lucy, born on May 1, 2020. His ordinary special enrollment deadline to enroll Lucy and have her covered under the Plan retroactive to her birth date is June 30, 2020 (60 days after May 1, 2020). But because all 60 days of the ordinary “special enrollment” period for Lucy fall within the Outbreak Period, those days are not counted and Robert’s 60-day special enrollment deadline for Lucy will instead be 60 days after the end of the Outbreak Period. If Robert enrolls Lucy at any time before the end of the extended deadline for special enrollment, she will be covered retroactive to May 1, 2020.
- 2) Jim was an eligible participant under the Plan when he married Sally on February 1, 2020. Jim’s ordinary special enrollment deadline to enroll Sally and have her covered under the Plan retroactive to the date of marriage would have been April 1, 2020 (60 days after February 1, 2020). Jim did not enroll Sally by that deadline. However, because of the Extension Rule, Jim’s expired special enrollment period for Sally is reinstated, and will now end 32 days after the end of the Outbreak Period to enroll Sally, since there were 32 days left in the special enrollment period when the Outbreak Period began on March 1, 2020.

## **COBRA Election and Payment Extensions**

### *Examples:*

- 1) Terry lost coverage on December 31, 2019 and received a COBRA election notice on January 20, 2020. Terry did not elect COBRA coverage by March 20, 2020 (the 60-day deadline under the normal COBRA election rules). The 20-day portion of Terry's COBRA election window that falls within the Outbreak Period (March 1-March 20) is not counted. Terry's expired COBRA election period is reinstated and will now end 20 days after the end of the Outbreak Period.
- 2) John lost coverage due to a reduction of hours and received a COBRA election notice on April 1, 2020. John's COBRA election period would normally end on May 31, 2020, but will now end 60 days after the end of the Outbreak Period.
- 3) Susan was receiving COBRA coverage through March 2020 and is eligible to continue receiving COBRA coverage through December 2020 (the end of her maximum COBRA period). COBRA premium payments for each month are due on the first of the month, plus a 30-day grace period. Susan made a timely March 2020 COBRA premium payment but has not made any payments since then. As of August 1, 2020, Susan has made no premium payments for April, May, June or July. For purposes of this example, assume that the Outbreak Period ends on July 31, 2020. With the 30-day grace period for COBRA payments added after the end of the Outbreak Period, Susan's premium payments for those four months (April through July) are all due by August 30, 2020.
  - a) The health plan will not pay for any benefits and services retroactively for April through July unless Susan pays the COBRA premium by August 30, 2020.
  - b) If payment is not made for all months of COBRA eligibility by the end of the extension period, COBRA coverage will only be provided for the earliest months for which premiums have been paid. For example, if Susan only submits payment equivalent to two months' COBRA premiums by August 30, 2020, benefits and services provided in April and May 2020 would be covered but COBRA eligibility will end and she will have no coverage for benefits or services provided after May 2020.
  - c) In this example, any COBRA premium payments due August 1, 2020 and later are not extended because they fall outside the Outbreak Period, but Susan will have the ordinary grace period of 30 days from the due date to make any such payments.

## **Extension for Submitting Benefit Claims**

*Examples:* For both of these examples, assume that the Outbreak Period ends on November 15, 2020.

- 1) Joe is covered by the Plan and incurred expenses for a medical treatment covered by the Plan on April 30, 2019. Ordinarily, the claim for that treatment would have needed to be submitted by April 30, 2020 – one year after Joe received the service. However, because April 30, 2020 falls during the Outbreak Period that began on March 1, 2020, the days from March 1 to April 30 (61 days) are not counted, and in this example the extended claims submission deadline is January 15, 2021 – 61 days after the end of the Outbreak Period.
- 2) Pat is covered by the Plan and incurs expenses for a medical treatment covered by the Plan on June 20, 2020. Pat’s ordinary deadline to submit this claim would be June 20, 2021, one year after the date of service. In this example, although Pat’s ordinary deadline to submit the claim is after the Outbreak Period ends on November 15, 2020, part of the one-year period passes during the Outbreak period and is therefore not counted. In this situation, the one-year claim deadline doesn’t begin to run until after the end of the Outbreak Period, and Pat is allowed until November 15, 2021 to submit this claim.

### **Extension of Deadlines for Benefit Claim Appeals and External Review**

*Example:* Vic’s claim for benefits was denied by Plan on April 15, 2020, and Vic was advised that a written appeal could be submitted within 180 days in accordance with the Plan’s Claims Review Procedures. The ordinary appeal deadline – 180 days after April 15, 2020 – is October 12, 2020. Assume for this example that the Outbreak Period ends on November 15, 2020. Under the Extension Rule, Vic’s extended deadline for the appeal is May 14, 2021 (180 days after the end of the Outbreak Period, since all 180 days of Vic’s ordinary appeal deadline passed during the Outbreak Period).

Please contact Alaska Teamster-Employer Welfare Trust at 907-751-9700 if you have any questions about this Summary of Material Modifications, or any other questions about the Plan.