



SOUTHERN CALIFORNIA PIPE TRADES HEALTH & WELFARE FUND

SUPPLEMENT No. 19

To: All Participants
From: Board of Trustees
Date: August 2021
Re: High Cost Medication

KEEP THIS NOTICE WITH THE SUMMARY PLAN DESCRIPTION

The Board of Trustees has amended the Plan to improve coverage for Specialty Medications.

Effective for prescriptions dispensed on or after July 1, 2021, the Specialty Medication benefit has been expanded to include Prescription Drugs costing \$1,000 or more for a 30-day supply. This means the Plan will pay more of the cost for these types of high-cost medications and you will pay less. This changes the 2019 Summary Plan Description as follows:

SECTION **9. MEDICAL BENEFITS**

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Specialty Medication

A Prescription Drug is covered as a Specialty Medication when the Fund determines that the medication:

- A. Requires special delivery, preparation, or handling; or
- B. Requires special administration or monitoring; or
- C. Treats a complex condition; or
- D. Costs \$1,000 or more for a 30-day supply.

The Plan will pay 95% of either (1) the cost or (2) the Red Book average wholesale price of the Specialty Medication, whichever is lower. A Specialty Medication requires prior authorization from the Fund Office. Generic or other lower-cost drug substitutes may be required. A maintenance medication for a chronic or long-term condition (such as diabetes), other than one that costs \$1,000 or more for a 30-day supply, is not considered a Specialty Medication.

...

Patients who, before July 1, 2021, have been reimbursed for a medication now considered a Specialty Medication under the new rules will not be required to obtain preauthorization for the same medication, nor to change to a generic or other lower-cost drug substitute, but will be subject to the 5% patient coinsurance for a Specialty Medication dispensed on or after July 1, 2021.



This Southern California Pipe Trades Health & Welfare Fund believes this Active 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 the Active 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 (800) 595-7473. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or <https://www.healthcare.gov/health-care-law-protections/grandfathered-plans/>. This website has a table summarizing which protections do and do not apply to grandfathered health plans.