

NORTHERN NEVADA OPERATING ENGINEERS
Health and Welfare Trust Fund
*445 Apple Street * P.O. Box 11337 * Reno, Nevada 89510 * (775) 826-7200*

May, 2018

To: All Plan Participants under the Northern Nevada Operating Engineers Health & Welfare Trust Fund

This Participant Notice will advise you of certain material modifications that have been made to the Summary Plan Description and Rules and Regulations as restated March 1, 2015 (“Plan”) of the Northern Nevada Operating Engineers Health and Welfare Trust Fund. **This information is VERY IMPORTANT to you and your dependents.** Please take the time to read it carefully.

OPTUM RX CHANGES EFFECTIVE JULY 1, 2018

The Fund is continually looking for ways to provide cost effective healthcare. In that spirit, the Fund has decided to make some changes in the area of prescription drugs. The changes will positively impact both you and the Fund. These changes do require some action and change on your part. They will advantage you through reduced out of pocket costs and advantage the Fund by reducing reimbursement cost. Attached is a document from OptumRx that outlines the specifics of each of the following programs that are designed to protect both you and the Fund:

- **Preferred Alternative Drugs** - Within each drug category, there are many therapeutic alternative drugs available. If you are taking a prescription drug for one of the therapeutic categories listed in the attached document, the Fund will only provide coverage for the Preferred Alternative. If you attempt to fill a prescription for one of the “Excluded Medications”, there will be no payment by the Fund. This does not mean you should stop taking your medication. However, we recommend that you talk to your doctor about possible alternative medication options.
- **Excluded brand name medications with generic equivalents:** If you take one of the brand name prescription drugs listed on the attached document when a generic drug was available and medically appropriate, there are no benefits available for the brand name drug.
- **Prior Authorization and Step Therapy:** OptumRx requires prior authorization for certain medications before they are covered in order to promote safe and effective medication use in addition to helping keep pharmacy plan costs in check. Many times, there are many medications within each drug category. Frequently, the newest drug being marketed is also the most expensive option, but is not necessarily the most effective. In fact, many times a less costly drug can provide the same medical results. With a step therapy program, you may be asked to use a more cost effective drug before the Fund will pay for a higher priced drug. Contact OptumRx at (855) 672-3644 for preauthorization or with any questions regarding the Step Therapy program.

If your Physician feels that you are not able to comply with one of the programs outlined above, you may file an appeal with the Fund.

NOTICE OF STATUS AS A GRANDFATHERED PLAN

Because this medical Plan is a “grandfathered health plan,” we are required by law to provide this notice to you:

This group health plan believes the Northern Nevada Operating Engineers Health & Welfare Trust Fund’s medical 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 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 Administrative Office at (775) 826-7200. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (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.



Please keep this important notice with your Rules and Regulations/Summary Plan Description (SPD) for easy reference to all Plan provisions. If you have any questions, you may call the Administrative Office at (775) 826-7200 or Toll Free at (877) 826-5053.

Sincerely,

Board of Trustees

Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility, or if you have any questions regarding this Plan change, please contact the Fund Office.

In accordance with ERISA reporting requirements, this document serves as your Summary of Material Modifications to the Plan.

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