



AUTOMOBILE MECHANICS' LOCAL 701 UNION AND INDUSTRY WELFARE FUND

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WELFARE PLAN CHANGES – ACTIVE PARTICIPANTS EFFECTIVE JANUARY 1, 2006

Prescription Drug Benefit Changes:

In an ongoing effort to manage costs and continue to provide outstanding benefits there will be a change in the prescription drug co-pay amounts for brand name drugs as well a change in the rule regarding the use of generic versus brand name drugs.

- If you use generic drugs your co-pay will remain the same as before.
- If you elect to use the brand name drug your out of pocket cost will increase.

In addition to the increased co-pay for brand name drugs the new Plan rules will require prescriptions to be filled with generic equivalents whenever a generic is available.

Brand name drugs will not be covered unless:

- There is no generic equivalent or;
- If your physician has determined that the brand name drug is medically necessary.

Prescription drug co-pay amount changes.

The generic drug co-pay amount will remain the same; \$4.00 for 30 days supply at the retail pharmacy and \$12.00 for a 90 day supply through the NMHC mail order system. The co-pay amounts for Brand Name drugs will be increased:

- Brand name drug at a retail pharmacy will be \$14.00 for a 30 day supply.
- Brand name drug from NMHC mail order will be \$42.00 for a 90 day supply.

Mandatory use of Generic drugs.

- Generic drugs will be mandatory effective January 1, 2006 **unless** the brand name drug is specifically required by your physician as medically necessary.

Medical Plan benefit changes when using non-PPO providers:

In addition to the prescription drug change there will also be a change in the maximum annual out of pocket co-pay and the co-pay percentage when you use providers who do not participate in the Blue Cross and Blue Shield preferred provider network.

- Providers who do not participate in the PPO network do not discount their billing.
- Using providers who do not participate costs the Fund a significant amount of money that could be better spent on additional benefits.

In an effort to help reduce the amount of money spent with non-PPO providers the annual maximum out of pocket and co-pay will change:

Annual out of pocket amount increase for non-PPO providers:

- Participants will be responsible for up to an additional \$1,000.00 when using non-PPO providers.

Co-pay percentage if a non-PPO provider is used:

- The participant will be responsible to pay 30% of the allowable non-PPO provider charges.