

November, 2011

**TO: All Participants**  
AFL Hotel and Restaurant Workers Health and Welfare Trust Fund

**FROM: Board of Trustees**

**SUBJECT: Self-Funded Comprehensive Medical Plan, Self-Funded Prescription Drug Plan, and Vision Care Program**

**I. Self-Funded Comprehensive Medical Plan**

**Effective October 1, 2011**, the Self-Funded Comprehensive Medical Plan will cover IUDs (interuterine devices) for contraceptive purposes as follows:

Limited to one (1) IUD implant every five (5) years. The Plan will pay 50% of the Eligible Charges for services rendered by a participating or nonparticipating provider.

**II. Self-Funded Prescription Drug Plan (Indemnity Prescription Drug Benefits)**

**Effective January 1, 2012**, the AFL Hotel and Restaurant Workers Health and Welfare Trust Fund is implementing a new oral contraceptive benefit and step therapy programs in a few key therapeutic medication categories.

**A. Oral Contraception Coverage**

**Effective January 1, 2012**, oral contraception is a covered benefit. Coverage is limited to oral generic medications indicated for the use of contraception. Brand name medications with a generic available will require a Prior Authorization. Without a Prior Authorization, the brand name medication will not be a covered benefit. Participant will pay 100% of the cost of the medication with no reimbursement by the Plan.

**B. Step Therapy Programs**

A step therapy uses treatment guidelines to recommend drug therapy for medications that will work for the vast majority of patients, with the least number of side effects at the right economic price. Think of these as the “tried and true” options. If a patient has already tried the suggested therapy and they have moved on to a different medication that is non-preferred, a Prior Authorization may be required. Prior Authorization requests can be submitted to Catalyst Rx by the prescribing physician. Prior Authorization form is attached.

**1. Proton Pump Inhibitor (PPI) Step Therapy**

PPI's are used to treat acid reflux, severe heartburn and gastro esophageal reflux disease (GERD). **Effective January 1, 2012**, Participants prescribed a prescription in this therapeutic drug category will be required to try a preferred medication or Over the Counter (OTC) Prilosec/Omeprazole prior to obtaining a non preferred medication. OTC Prilosec/Omeprazole obtained with a written prescription by the prescribing physician is covered with a zero dollar co-payment. Non-preferred medications used to treat acid reflux or heartburn will be covered with a Prior Authorization only. Without a Prior Authorization, non-preferred medications will not be a covered benefit. Participant will pay 100% of the cost of the medication with no reimbursement by the Plan.

**2. Angiotensin Receptor Inhibitors (ARB) Step Therapy**

ARB's are used to treat high blood pressure. **Effective January 1, 2012**, participants prescribed ARB's will be required to try a preferred medication a prescription in this therapeutic drug category prior to obtaining a non preferred medication. Non-preferred medications used to treat high blood pressure will require a Prior Authorization. Without a Prior Authorization, the non-preferred medication will not be a covered benefit. Participant will pay 100% of the cost of the medication with no reimbursement by the Plan.

**3. Brand Osteoporosis Agents Step Therapy**

Osteoporosis is a disease that decreases bone density. These medications help improve bone density and decrease the risk of bone fracture. **Effective January 1, 2012**, participants prescribed Osteoporosis medications will be required to try a preferred medication a prescription in this therapeutic drug category prior to obtaining a non preferred medication. Non-preferred medications being used to treat osteoporosis will require a Prior Authorization. Without a Prior Authorization, the non-preferred medication will not be a covered benefit. Participant will pay 100% of the cost of the medication with no reimbursement by the Plan.

**4. Brand Nasally Inhaled Steroids Step Therapy**

**Effective January 1, 2012**, participants prescribed Nasally inhaled steroid medications will be required to try a preferred medication a prescription in this therapeutic drug category prior to obtaining a non preferred medication. Non-preferred medications being used to treat and prevent allergic rhinitis will require a Prior Authorization. Without a Prior Authorization, the non-preferred name medication

will not be a covered benefit. Participant will pay 100% of the cost of the medication with no reimbursement by the Plan.

**C. Quantity Duration Management Program**

**Effective January 1, 2012**, quantity level limits will be placed on certain medications as recommended by the Food and Drug Administration (FDA). Participants requiring more than the recommended quantity per valid prescription will require a Prior Authorization.

**D. Dispense as Written (DAW) 2 Rule**

**Effective January 1, 2012**, Participants that obtain a brand name medication with a generic equivalent will pay the applicable co-pay plus the cost difference between the brand and the generic equivalent medication. Participants that require the brand name medication in place of the generic equivalent will require a Prior Authorization.

**III. Vision Care Program – Glenn M. Watanabe, O.D.**

**Effective December 1, 2011**, Glenn M. Watanabe, O.D. will be added as a participating provider under the vision care program. The name, address, telephone number, and type of services available for the provider are as follows:

<u>Provider's Name and Address</u>	<u>Services Available</u>
Glenn M. Watanabe, O.D. 94-239 Waipahu Depot Street, Suite 213 Honolulu, Hawaii 96797 Phone: (808) 671-2888	Eye Examinations, Eye Glasses, Contact Lenses, and Therapeutic Pharmaceutical Agents

You are free to use any licensed care provider of your choice and receive the Trust Fund's allowances for covered services and supplies. However, by receiving services and supplies from a participating provider, you limit your out-of-pocket costs for covered services. For a complete listing of participating vision care providers, please contact the Trust Fund Office.

**REMINDER**

*All vision claims must be filed within 90 days from the date of service.*

Should you have any questions on the above changes or need assistance with your coverage, please contact the Trust Fund Office at 523-0199, or for neighbor islands, call toll free at (866) 772-8989.

### ***Disclosure of Grandfathered Status***

This group health plan believes this 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 plan administrator at 523-0199 or neighbor islands at 1-866-772-8989. 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](http://www.dol.gov/ebsa/healthreform). This Web site has a table summarizing which protections do and do not apply to grandfathered health plans.