

# PLUMBERS & STEAMFITTERS LOCAL 21 BENEFIT FUNDS

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## SUMMARY OF MATERIAL MODIFICATION TO THE PLUMBERS AND STEAMFITTERS LOCAL 21 WELFARE FUND

**May 2024**

**To: Active and Retired Participants and COBRA Beneficiaries**

**From: The Board of Trustees**

**Re: Important Changes to Your Medical Benefits**

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The Board of Trustees is committed to providing quality and affordable benefits to you and your family. This Summary of Material Modification (“SMM”) describes changes to the Retiree Medical Plan and Active and Pre-Medicare OptumRx prescription drug benefits of the Plumbers and Steamfitters Local 21 Welfare Fund (“Plan”) effective July 1, 2024. You should read this SMM very carefully and retain this document with your copy of the SPD for future reference.

### **Changes to Retiree Medical Plan**

Currently, an eligible retiree’s surviving spouse and eligible dependents coverage under the Retiree Medical Plan ends the first of the month following six months after the retiree dies. During that six-month extension of coverage following the retiree’s death, retiree premiums at the current *subsidized* rates must continue to be paid to remain eligible for coverage.

Effective July 1, 2024, a deceased retiree’s surviving spouse and eligible dependents remain eligible on the Retiree Medical Plan for only health and prescription drug benefits beyond the six months described above. This coverage is lifetime for the surviving spouse, however, the deceased retiree’s eligible dependents must continue to meet the definition of eligible dependents under the rules of the Retiree Medical Plan to continue to be eligible under the Plan. Coverage for an eligible dependent who is not the surviving spouse will end when they cease to meet the definition of an eligible dependent. Please see the Summary Plan Description for more information about eligible dependents under the Retiree Medical Plan.

#### Retiree Premium

For the first six months following the retiree’s death, retiree premiums will remain at the then current subsidized rates. Beginning with the seventh month following the retiree’s death, the surviving spouse and any eligible dependents must pay the full premium each month to continue coverage. These premiums are adjusted every January 1 and are currently:

<b>Retiree Plan</b>	<b>Monthly Premium</b>
MediBlue Freedom MAPD High	\$288.81
MediBlue Freedom MAPD Low	\$234.65
MediBlue Freedom MA High	\$142.37
MediBlue Freedom MA Low	\$88.21
Pre-Medicare	\$1,471.00 (individual) \$3,058.00 (family)

As a reminder, retiree premiums are due by the 1<sup>st</sup> of the month for which coverage is applicable. To ensure continuous coverage, please make payments timely as you will not receive any bills or reminders. If payments are not received timely, coverage will terminate, and you may not be allowed to re-enroll. To ensure timely premium payment, the Plan offers an automatic deduction of your premium from your monthly Pension benefit. You may also choose to pre-pay for a quarter or entire year by check, or from the HRA if there exists a sufficient balance. Please contact the Fund Office for more information about retiree premium payment options.

### **Changes to the OptumRx Prescription Drug Benefit**

The changes described below are being implemented to mitigate waste and optimize the prescribing and utilization of expensive specialty medications, many of which are several thousands of dollars for each month's supply. These changes only impact specialty drugs and in most cases will not be visible to participants.

The specialty drugs for which these rules apply are managed by OptumRx and change from time to time as new drugs come to market. To find out if a drug you are prescribed is subject to these rules, please call OptumRx at (866) 863-1408. If any of these changes impact the drugs you are currently taking, OptumRx will notify you and your physician of any new requirements in advance.

- **\$0 Generic Specialty Drugs:** A generic specialty drug is equivalent to a brand name specialty drug. It is identical in terms of dosage form, safety, strength, route of administration, quality, performance characteristics and intended use. Although chemically identical to their brand name drug counterparts, generic drugs are typically sold at much lower prices than brands. The prescribing and filling of generic specialty drugs will save both you and the Plan money.

To encourage utilization of generic specialty drugs (when available) the Plan is implementing a \$0 copayment for specialty generic drugs.

- **Optimized Utilization Management:** Specialty drugs are already subject to certain utilization management protocols under the Plan. However, certain specialty drugs will be subject to additional criteria and documentation from your physician before a new prior authorization for the specialty drug will be approved. These criteria are being added to ensure the prescribing of the most appropriate, safe and cost-effective specialty drugs.
- **Specialty Drug Expert Review:** Specialty medicines are drugs that are used to treat complex conditions, such as cancer, growth hormone deficiency, hemophilia, hepatitis C, immune deficiency, multiple sclerosis, and rheumatoid arthritis, and which require special administration and monitoring. Whether they are administered by a healthcare professional, self-injected, or taken by mouth, specialty medicines require an enhanced level of service.

The Specialty Drug Expert Review program is designed to increase the level of communication between your specialty pharmacist and your physician. This enhanced level of service is generally invisible to a participant but will help ensure their medication and dosage is appropriate and patients are adherent to their prescribed therapy.

- Oversupply Stockpiling: To prevent stockpiling of specialty drugs, the Plan is implementing stricter criteria to prevent refills from occurring longer than 7 days prior to running out of your specialty medication. Please note that instances where you will be away from home where an early refill is required, such as an extended vacation, will still be allowable. Please reach out directly to the Fund Office if you require an early refill for these reasons.
- Split-Fill Rules: Certain specialty drugs used to treat cancer have a high rate of discontinuance at the onset of therapy due to several reasons such as tolerability and effectiveness. When a drug therapy is discontinued, the remainder of the prescription fill is waste. To mitigate waste and excess spend on drugs with high discontinuance rates, certain specialty oncology drugs will only be filled for a maximum 15-day supply for the first six fills. Subsequent fills will not be subject to this rule.
- Dose Optimization: In some cases, the cost of specialty drugs is such that the price for a particular dose may be higher or lower than other doses. The Dose Optimization program seeks to align the prescribed dose to the most advantageous cost. For example, a single dose carton of Cosentyx is approximately \$4,700. However, the two-dose carton the same price. In this instance, the Dose Optimization program will seek to alter the prescription such that two syringes are filled every other month instead of one every month.

As always, the Fund Office is available to assist you with any questions that you might have. If you have any questions, please contact the Fund Office at 914-737-7220.

Sincerely,

Board of Trustees  
Plumbers and Steamfitters Local 21 Welfare Fund

This SMM is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this SMM and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases.

The Board of Trustees reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement is available upon request at the above address and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.