

New York State Teamsters Council Health and Hospital Fund

Mailing Address:
PO Box 4928
Syracuse, NY 13221-4928
Telephone: 315.455.9790
Fax: 315.455.1237
E-mail: benefits@nytfund.org



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TO: Health & Hospital Fund Participants and Beneficiaries

FROM: Board of Trustees

DATE: November 10, 2008

RE: Summary of Material Modifications Made to Medco's Prescription Coverage Management Programs

Effective January 12, 2009, the Board of Trustees ("Trustees") of the New York State Teamsters Council Health and Hospital Fund ("Fund") has made certain changes to the coverage management programs that Medco administers. The coverage management programs, as you may know, determine how the prescription drug plan will cover certain medications that are prescribed to you. The changes the Trustees are making include covering new types of prescription drug treatments under the already existing Prior Authorization and Quantity/Dose Duration programs, as well as adding a new coverage management program called Step Therapy. Medco provided directly affected participants with information about the Step Therapy program through mailings in June 2008.

The Trustees are committed to providing you with the prescription drug coverage that you need and are expanding the coverage management programs only to help ease the double digit price increases that the Fund has been experiencing. For example, over the past five years, the Fund has experienced the following increases in the cost of prescription drugs:

<u>Year</u>	<u>Prescription Payments</u>	<u>% Increase</u>
2003	\$17,819,397	29.83%
2004	\$21,222,426	19.10%
2005	\$24,627,233	16.04%
2006	\$26,995,873	9.62%
2007	\$29,820,400	10.46%

Through September 2008 this trend has continued with a 10.0% increase.

I. PRIOR AUTHORIZATION REVIEW PROGRAM

Under the prior authorization program, you are required to obtain preapproval before the plan will cover your prescribed medication. The prior authorization may be obtained

through a “Traditional Prior Authorization” process or a “Smart Prior Authorization” process. Under the Traditional Prior Authorization process, you, your doctor or your pharmacist may initiate the review process by calling Medco at 1-800-753-2851. Also, when you use **Medco By Mail**, Medco will call your doctor to start the review process. Once the review process is started, your doctor will be sent a Coverage Management Review Fax Form to fill out and fax back to Medco. Medco will send you and your doctor a letter confirming whether or not coverage has been approved.

Examples of medications that may need preapproval through the Traditional Prior Authorization process are:

- Drugs for the treatment of allergy and asthma (such as *Xolair*[™])
- Drugs for the treatment of cancer (such as *Nexavar*[®], *Sutent*[®] and *Gleevec*[®])
- Drugs used for the treatment of narcolepsy (such as *Provigil*[®])
- Drugs used to stimulate the production of red or white blood cells (such as *Epogen*[®], *Procrit*[®], *Aranesp*[®], *Neupogen*[®], *Leukine*[®], *Neulasta*[™] and *Neumega*[®])

Under the Smart Prior Authorization process, the authorization is submitted and approved through an automated process known as **Smart Rules**. Upon submission of your prescription to your pharmacist, the prescribed medication is run through the Smart Prior Authorization process. If coverage is not preapproved, you or your pharmacist may request a coverage review by calling Medco at 1-800-753-2851 and, after review, Medco will mail you a notification letter confirming whether or not coverage has been approved.

Examples of medications that may need preapproval through the Smart Prior Authorization process are:

- Drugs known as stimulants (such as *Adderal*[®], *Adderal XR*[®], *Focalin*[®], *Focalin XR*[®], *Dexedrine*[®], *Dexedrine Spansules*[®], *Dextrostat*[®], *Desoxyn*[®], *Ritalin*[®], *Ritalin SR*[®], *Ritalin LA*[®], *Metadate CD*[®], *Methylin ER*[®], *Daytrana*[®] and *Strattera*[®]), which are used for conditions including attention deficit hyperactivity disorder (ADHD), narcolepsy, depression and multiple sclerosis
- Drugs used for the treatment of rheumatoid arthritis (such as *Arava*[®], *Enbrel*[®], *Humira*[®], *Kineret*[®], *Remicade*[®], *Orencia*[®] and *Rituxan*[®])

If coverage is preapproved, your prescription will be filled and you will be obligated to pay the normal co-pay for the medication. If coverage is not approved, you may still have the prescription filled, but you will be responsible for the full cost of the medication.

Note: *The above-lists are not complete lists of affected medications; all medications listed above are subject to change.* You, your doctor or your pharmacist may call Medco at 1-800-753-2851 to find out whether your medication needs preapproval, and if so, whether to use the Traditional or Smart Prior Authorization process.

II. AUTHORIZATION FOR ADDITIONAL QUANTITY OF MEDICATION

For some medications, the plan may only cover a limited quantity within a specified period of time. This program will alert the pharmacist when the total quantity of a medication exceeds the amount allowed.

The medications listed below will be authorized for a limited quantity only. You, your doctor or your pharmacist will need to initiate a coverage review by calling Medco at 1-800-753-2851 to request additional quantities. Medco will send you a notification letter confirming whether or not coverage for the additional quantity has been approved.

- Drugs used for sleep disorders (such as *Rozerem*[®], *Sonata*[®], *Ambien*[®], *Ambien CR*[®] and *Lunesta*[®])
- Drugs used to treat migraine headaches (such as *Imitrex*[®], *Amerge*[®], *Frova*[®], *Zomig*[®], *Axert*[®], *Maxalt*[®], *Relpax*[®] and *Migranol*[®])

Note: *This is not a complete list of affected medications; all medications listed above are subject to change.* You, your doctor or your pharmacist may call Medco at 1-800-753-2851 to determine whether a particular prescription drug is authorized for a limited quantity only.

III. STEP THERAPY PROGRAM

This Program encourages the use of generic medications. Currently the types of medications covered by this Program are nasal steroid medications, prescription sleep aids and medications to treat certain stomach conditions. In the future, you may receive additional notification from Medco that adds or changes the medications covered by the Step Therapy Program.

PLEASE NOTE: *You will have the right to appeal the decision if your prescription or the quantity of medication is not approved under any of the above-described coverage management programs. Information regarding the appeal process will be included in the notification letter that you will receive from Medco.*

To obtain more information about these programs or how they apply to you, please visit Medco online at www.medco.com or call their Member Services at 1-800-939-2108. If you are a first time visitor to medco.com, take a moment to register. You will need to have your member ID number and a recent prescription number available.

Finally, the Health Fund Customer Service representatives are always available to assist you with all your health care needs. They can be reached at 1-877-698-3863.

Regards.