

**LOCALS 302 AND 612 OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS CONSTRUCTION INDUSTRY HEALTH AND SECURITY FUND
LOCALS 302 AND 612 OPERATING ENGINEERS-EMPLOYERS RETIREMENT FUND
ENGINEERS-EMPLOYERS INDUSTRY FUND
ENGINEERS-EMPLOYERS TRAINING AND RETRAINING FUND
AFL-CIO-AGC
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PHONE (206) 441-7314 • TOLL-FREE (877) 441-1212 • FAX (206) 505-WPAS (9727)**

Administered by
Welfare & Pension Administration Service, Inc.

October 26, 2011

**TO: All Persons Eligible for Medicare
Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund**

RE: Important Message About Your Prescription Coverage

The Trustees strive to provide the best access to prescription drug coverage at the best prices, and this excellent coverage will continue in 2012. Your prescription plan through the Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund will officially become a Medicare Part D prescription plan in 2012. In many ways, this change will take place seamlessly and behind the scenes. Your co-pay will stay the same and you will continue to have access to retail and mail order prescriptions. You do not need to re-enroll.

Why change? In 2006, the federal government began offering prescription coverage as part of Medicare (Medicare Part D). Because you already had better prescription coverage through the Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund, we advised you at that time NOT to enroll in a Medicare Part D plan. Since 2006, however, the Medicare Part D plans have expanded and improved. The Trustees are taking this step to enroll you in a Medicare Part D prescription program in order to provide you better access to affordable prescription drug coverage.

What This Means to You

- You will continue to have access to retail and mail order prescriptions with no change in the co-pay amount.
- You will receive a new prescription card to use at the pharmacy. Please begin using the new card January 1, 2012, to ensure your prescription benefits are not interrupted. .
- The plan uses a "formulary," or list of preferred drugs, as described on the next page.
- You will start to receive additional correspondence (as required by Medicare) over the next few weeks about the new program. It will come from our Prescription Drug Benefit Partner, Express Scripts.

Enrollment is Simple

You will be enrolled by the Trust in the Express Scripts Prescription Drug Plan automatically. You do not need to take any other action at this time except to read what is sent to you and to follow the instructions provided, if any. You **should not** enroll in any other Medicare Part D plan.

About the Formulary

The new plan includes a “formulary,” or list of preferred drugs. Most prescription drugs you are taking will be on the formulary but some may not be. If the drug you are taking is not on the formulary, Express Scripts will work with you and your doctor to move you to a drug that is on the formulary, if possible. A copy of the 2012 formulary will be mailed to you in the near future.

Q. What’s a formulary?

A. Often multiple drugs are used to treat the same medical condition. For a drug to be included in the formulary, it must meet specific safety and quality standards. Many prescription drug programs include a formulary.

What’s Next

Watch for additional correspondence from Express Scripts regarding this program. You will also receive a new prescription drug ID card before January 1, 2012. Please begin using the new card for any prescriptions filled beginning January 1, 2012. It is important that you review the materials sent to you in the coming weeks and months. Please remember that this change is being made on your behalf by the Trust, and you should not enroll in any other Medicare Part D plan. If you have any questions, do not hesitate to call the Trust Administration Office at (800) 732-1121, extension 4704.

Board of Trustees

Locals 302 and 612 I.U.O.E. Construction Industry Health and Security Fund

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<Date>
<Member Name>
<Address1>
<Address2>

Dear <Member>:

Express Scripts*, your pharmacy benefit manager, and Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund would like to inform you of a change to the way Medicare Part B prescription medications and supplies will be processed. **If you do not use Medicare Part B-eligible medications and supplies, this letter does not apply to you.**

What are Medicare Part B-eligible medications and supplies?

This change only applies to the following:

1. Diabetes testing supplies (glucose monitors, strips, lancets, etc.)
2. Respiratory medications and supplies that are used with a nebulizer
(This does not include metered dose inhalers.)
3. Immunosuppressant medications
4. Oral anti-cancer and anti-nausea medications

What's changing?

Effective October 1, 2011 there will be changes to how your Medicare Part B-eligible medications and supplies will be processed for payment. Medicare Part B will pay its portion first for these items then your retiree health plan picks up its portion, and any remaining balance will be your responsibility. As a Medicare beneficiary, you have the right to use any Medicare Part B supplier of your choice. However, for your convenience, Express Scripts has teamed up with NationsHealth, a participating Medicare Part B supplier, to provide these medications and supplies.

Who is NationsHealth?

NationsHealth is an accredited Medicare Part B provider, chosen by Express Scripts to provide you with quality products and exceptional customer service. NationsHealth will:

- Enroll you via phone in its Medicare Part B home delivery program
- Contact your doctor to obtain Medicare-required documentation
- Deliver your medications and/or supplies directly to your home with no charge for shipping
- File your Medicare Part B claims through Medicare, your secondary insurance and Express Scripts

What do I need to do?

If you are prescribed Medicare Part B medications or supplies and want to take advantage of the convenient home delivery program, simply call NationsHealth at 1-800-390-4174. You may continue to pick up your supplies and/or medications at your local network retail pharmacy if the pharmacy is a participating Medicare Part B supplier. If you currently receive your Medicare Part B medications or supplies from a local retail pharmacy, you may find NationsHealth's home delivery program more convenient. By using NationsHealth, you will receive:

- Convenient home delivery with no charge for shipping — No driving to the pharmacy, no waiting in line.
- Expedited shipping at no charge, in the event you need your medications or supplies right away.
- Automatic claim filing with Medicare and your secondary insurance — Upfront payment is never required.
- No need for you to obtain a prescription — NationsHealth contacts your doctor directly to obtain any new or renewal prescriptions you may need.

Why is this changing?

In the past, when you received a Medicare Part B-covered medication or supply through your Express Scripts prescription-drug benefit, Locals 302 and 612 of the International Union of Operating Engineers Construction Industry Health and Security Fund paid for those claims. These claims will now be processed through Medicare Part B first, then submitted to your secondary insurance. Any remaining balance after processing through Medicare Part B and your secondary insurance will be your responsibility. This ensures that you are using the benefits you are entitled to under your Medicare benefit.

More Information

Enclosed is a set of frequently asked questions about Medicare Part B medications and supplies. If you have additional questions regarding NationsHealth, please call NationsHealth at 1-800-390-4174 or call Express Scripts directly at 1-866-493-9201.

Sincerely,

Express Scripts

Medicare Part B Prescription Medications and Supplies

Frequently Asked Questions

1. What is Medicare Part B?

Medicare Part B helps cover medically necessary services like doctors' visits, outpatient care and other medical services. Medicare Part B also covers diabetes supplies and a limited number of prescription drugs.

2. Which prescription medications and medical supplies are covered by Medicare Part B?

Most prescription medications are not covered under Medicare Part B and you will continue to receive them as usual through your medical or prescription-drug plan. The following are categories of medications and supplies that are generally covered under your Medicare Part B benefit:

Diabetes Testing Supplies

- Glucose meters
- Test strips
- Lancets
- Lancing devices
- Control solutions
- Batteries
- Insulin pump supplies

Respiratory Medications

- Unit dose nebulizer medications
 - o Albuterol
 - o Ipratropium
 - o Cromolyn sodium

Respiratory Supplies

- Tubing and circuits
- Masks

Immunosuppressive Medications

- Cyclosporine
- Tacrolimus
- Prednisone

Anti-Cancer Medications

- Busulfan
- Capecitabine
- Etoposide

Anti-Nausea Medications

- Aprepitant
- Dexamethasone
- Nabilone

3. Will Medicare or [Client] pay for my Medicare Part B-covered prescription medications?

Typically both Medicare Part B and [Client] will pay for your Medicare Part B-eligible prescriptions and supplies. Medicare will pay first before the remainder is sent to [Client] to pay its portion.

4. What do I need to do?

If you are prescribed Medicare Part B medications and supplies and want to take advantage of the convenient home delivery program, simply call NationsHealth at 1-800-555-5555.

You may continue to pick up your supplies and/or medications at your local network retail pharmacy if the pharmacy is a participating Medicare Part B pharmacy. Even if you normally use a local retail pharmacy, you may find that the NationsHealth home delivery program offers a more convenient solution for receiving your Medicare Part B medications and supplies.

5. Do I have to get a new prescription from my doctor?

No. A new prescription is not necessary. NationsHealth will contact your doctor on your behalf to gather the necessary Medicare Part B required documentation.

6. I currently have my Medicare Part B-covered prescriptions filled through the Express Scripts* Pharmacy. What will change?

Your Medicare Part B prescriptions that are currently being sent from the Express Scripts Pharmacy will now be sent from NationsHealth. NationsHealth will submit the claims to Medicare Part B for payment. All other prescriptions you are receiving from the Express Scripts Pharmacy will continue to be mailed to your home as usual.

7. What are primary and secondary payers?

The primary payer is considered primary because claims are sent to them first for processing. This payer usually pays the largest portion of the cost of your medications and supplies. Secondary payers typically pay a smaller portion of the costs and only process the claim after the primary payer has determined its responsibility.

For Medicare Part B-covered medications and supplies, Medicare Part B is the primary payer and [Client] is the secondary payer. Medicare Part B generally pays up to 80% of Part B-covered medication and supply costs after you have met the annual Medicare Part B deductible.

8. Do I need to keep paying my Medicare Part B premiums?

Yes. You should keep your Medicare Part B premiums current. You can lose Medicare Part B eligibility by failing to pay your premiums.

9. Will I pay more for Medicare Part B-covered prescriptions and supplies through NationsHealth?

In most cases your Medicare Part B prescription costs will remain the same or they may even be reduced. Please review the example shown below. A NationsHealth Customer Service Representative can help you estimate your out-of-pocket costs.

Example: Plan copayment for diabetic supplies is \$XX.

	Currently	Effective XX/XX/XX
Cost of 2 boxes of Test Strips, 100 strips total ¹	\$XX.XX	\$XX.XX
Your retirement plan currently covers the amount greater than your copay	\$XX.XX	-
Medicare covers 80% of the cost	-	(\$XX.XX)
Balance remaining after Primary payer pays	\$XX.XX	\$XX.XX
Based on plan copay, the Secondary payer pays	n/a	\$XX.XX
Member's out of pocket expense	\$XX.XX	\$XX.XX

¹Based on the national average; Actual will vary by state.

10. Do I need to do anything different the next time I go to the retail pharmacy?

Provide your pharmacist with your member ID card as usual. If there is an issue with submitting your claim to Medicare, your pharmacist may ask for your Medicare Health Insurance Claim (HIC) number. Be sure to bring your red, white and blue Medicare card with you. If your retail pharmacy is not a participating Medicare pharmacy, you may find that the NationsHealth home delivery program offers a more convenient solution for receiving your Medicare Part B medications and supplies.

11. What is a HIC number and why do I need it at the pharmacy?

Your Medicare HIC number appears on the front of your red, white and blue Medicare card you receive from the federal government once you enroll in Medicare Parts A and B. Your HIC number helps the federal government ensure you are getting the benefits due to you. It also allows the government to ensure you pay the right amount for Medicare Part B — including premiums and copayments.

12. What happens if Medicare rejects one of my prescription claims at the retail pharmacy?

If Medicare will not pay for a prescription you fill at a pharmacy, the claim should be processed with [Client] as the primary payer instead of Medicare — as long as the plan covers this prescription.

13. Will I get exactly the same number of days supply when I fill my Medicare Part B prescription through NationsHealth or at a participating Medicare Part B retail pharmacy?

Generally, yes. However, there may be some prescriptions that Medicare will only reimburse for 30 days at a time. In these instances, the quantities provided will adhere to Medicare's standards. Medicare permits the following maximum day supply:

- Diabetes testing supplies: 90 days
- Respiratory supplies and medications: 90 days
- Immunosuppressive medications: 30 days
- Anti-cancer medications: 30 days
- Anti-nausea medications: 30 days

The Medicare Part B guidelines indicate that your supplies and medications must be nearly exhausted before the pharmacy can fill your next order. Medicare allows your reorder to be authorized by you within approximately seven days before you run out of the medication or supply. Once you authorize your reorder, NationsHealth will ship and deliver your order based on the date you are expected to run out.

14. Who do I call if I still have questions?

If you have questions, or would like to enroll immediately, please call NationsHealth at 1-800-555-5555 or Express Scripts at 1-800-555-5555.

Save time
with home delivery



Express Scripts provides pharmacy benefits management services for (client). Express Scripts is not a provider of Medicare Part B supplies, durable medical equipment, or medication. NationsHealth is a Medicare Part B provider and can provide your Part B items.

United States Pharmaceutical Group, LLC (USPG) is a subsidiary of NationsHealth, Inc. USPG is a Medicare Part B participating supplier.



The following items are available for home delivery

Diabetes testing supplies

- Blood glucose meters
- Test strips
- Lancets
- Lancet devices
- Control solution

Respiratory medications and supplies

- Unit-dose nebulizer medications
- Compressors
- Masks
- Circuits and tubing

Immunosuppressive medications

- Azathioprine
- Cyclosporine
- Prednisone
- Tacrolimus

Oral anti-cancer medications

- Busulfan
- Capecitabine
- Etoposide

Oral anti-nausea medications

- Aprepitant
- Dexamethasone
- Nabilone

Rest assured with home delivery

With home delivery from NationsHealth you can relax, knowing your Medicare Part B-covered prescription medications and medical supplies will be delivered right to your home. You'll have what you need, when you need it.

Your products are delivered to your home and NationsHealth takes care of filing the necessary paperwork for your insurance claim. All you have to do is call our toll-free phone number. We'll take care of the rest.

NationsHealth, one of the country's leading providers of diabetes testing supplies and other durable medical equipment, is working with Express Scripts to make your life easier.

**Call NationsHealth today
to begin home delivery.**

1-800-XXX-XXXX
Call today!

