



**Welfare Fund
of Local No. One, I.A.T.S.E.**

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Memorandum

To: Welfare Fund Participants
From: Scott Cool, Director of Fund Administration
Date: September 8, 2016
Re: **Change in Pharmacy Benefit Manager (PBM) from Cigna to Express Scripts, Inc.**

After careful consideration, the Trustees of the Welfare Fund have made the decision to move the administration of our pharmacy benefits from Cigna to Express Scripts effective **October 1, 2016**. In a few weeks you will be receiving a welcome package from Express Scripts which will include your new pharmacy ID cards and contact information for Express Scripts.

Why is the Welfare Fund making this change?

Like the recent transition of our medical benefits administration to Aetna, the decision to move the management of our pharmacy benefits to Express Scripts was primarily a financial one. As one of the largest Pharmacy Benefit Managers (PBMs) in the country, Express Scripts is able to leverage their market share to negotiate substantial discounts and rebates with pharmacies and drug makers. Express Scripts was selected primarily because their negotiated rebates and discounts were superior to the other PBMs who submitted proposals to the Welfare Fund.

What if my current prescription is not on Express Scripts' Preferred Drug List?

As you know, your copay for a particular drug depends on whether it is categorized as "Generic", "Brand Name Preferred", or "Brand Name Non-Preferred". Every PBM maintains a list of Preferred drugs (called the Formulary) which are usually those Brands for which they have been able to negotiate the best deals. A "Non-Preferred" drug is generally one for which there is a less expensive therapeutic equivalent in either the Generic or Preferred Name Brand categories, and some drugs are not covered at all. The list of Preferred drugs naturally changes over time as the result of ongoing negotiations between the PBM and drug makers. Cigna operated in a similar way, so you may have already experienced a situation where a drug you were taking moved from the Preferred to Non-Preferred category, or the other way around.

Since we are moving to a new PBM, we are also moving to a new Formulary, and it's possible that a Preferred drug you are currently taking may be on Express Scripts' Non-Preferred list. In this case you will be receiving a letter from Express Scripts which will alert you that your medication will become Non-Preferred. You will have until **January 1, 2017** to speak to your doctor to explore therapeutic equivalents that are on Express Scripts Preferred list. Otherwise, starting January 1, 2017, your Non-Preferred prescriptions will be subject to the higher Non-Preferred copay.

How will 90-Day Mail Order work under Express Scripts?

If you are on a long-term maintenance drug, you will receive an invitation from Express Scripts to join their mail-order program. You can join up by phone or online, and Express Scripts will then work with your doctor. Shipping is free, and if you are approved for a 90-day mail-order prescription, you will pay less in copays since the copay for a 90-day supply through mail order is only twice the monthly copay for a three-month supply. (Current copay, deductible, and out-of-pocket maximum amounts are shown on the next page.)

Continued 

What do I need to do?

- Keep your eye out for the Welcome Package from Express Scripts that will arrive mid-September. It will include your new Pharmacy Benefit ID cards, information for setting up your online account, and a 1-800 phone number for contacting Express Scripts with any questions.
- If you are on a long-term maintenance drug, you should register online or by phone for home delivery and start saving money on your ongoing copays.
- If you receive a notice from Express Scripts that one of your drugs is now “Non-Preferred”, talk to your doctor to see if one of the Generics or Preferred drugs on Express Scripts’ Formulary is right for you. Otherwise, starting January 1, 2017, you will be charged the higher Non-Preferred drug copay for your prescription.

We are working with our Express Scripts team to ensure this transition takes place as smoothly as possible. If you have any problems related to your pharmacy benefit, please call Gloria Shea at (212)247-5225, ext. 104, or email her at gashea@fundoneiatse.com.

Wishing you good health,



Scott Cool
 Director of Fund Administration

	Generic	Brand Name Preferred	Brand Name Non-Preferred
Tier III			
Copay for Retail Pharmacy (30-day supply)	\$5	\$35	\$50
Copay for Mail Order (90-day supply)	\$10	\$70	\$100
Individual Deductible	None		
Out-of-Pocket Maximum	\$500 Single / \$1,000 Family		
Tier II			
Copay for Retail Pharmacy (30-day supply)	\$5	\$40	\$55
Copay for Mail Order (90-day supply)	\$10	\$80	\$110
Individual Deductible	\$50		
Out-of-Pocket Maximum	\$750 Individual / \$1,500 Family		
Tier I / Basic (Generic Only)			
Copay for Retail Pharmacy (30-day supply)	\$5	\$45	\$60
Copay for Mail Order (90-day supply)	\$10	\$90	\$120
Individual Deductible	\$100		
Out-of-Pocket Maximum	\$1,000 Individual / \$2,000 Family		
Medicare-Eligible			
Copay for Retail Pharmacy (30-day supply)	\$5	\$25	\$35
Copay for Mail Order (90-day supply)	\$10	\$50	\$70
Individual Deductible	None		
Out-of-Pocket Maximum	\$500 Single / \$1,500 Family		