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TO: *All participants and dependents eligible for Prescription Drug Benefits*

FROM: *Trustees of the New York City District Council of Carpenters Welfare Fund*

SUBJECT: *Changes to Prescription Drug Coverage*

DATE: *May 3, 2007*

Please review this entire notice carefully and share it with your family. It is a summary of material modifications to the New York City District Council of Carpenters Welfare Fund (the "Welfare Fund"). It describes changes to the prescription drug coverage provided by the Welfare Fund and updates the Summary Plan Description (employee booklet) that was previously distributed to you. You should keep this summary with your current employee booklet until the booklet is updated to reflect the changes discussed herein.

The changes described in Sections A and B below apply to all participants (i.e. actives and retirees) and dependents eligible for prescription drug benefits, and becomes effective on May 1, 2007. These changes form the basis of a clinical management program.

A. Preauthorization for Prescription Drugs - Effective May 1, 2007, you must obtain preauthorization from Medco in order to obtain coverage for certain prescription drugs. You can find the list of prescription drugs that require preauthorization on the table called "**Prescription Drugs that Require Preauthorization**" at the end of this notice. Generic forms of the prescription drugs listed also require preauthorization.

Your physician must call Medco at 1-800-753-2851 to initiate the preauthorization process for any of the prescription drugs listed.

Many of the prescription drugs that require preauthorization are considered "specialty medications". On the list of "**Prescription Drugs that Require Preauthorization**", an asterisk (*) following the name of a medication means that the prescription drug is considered a specialty medication. Specialty medications are used to treat complex medical conditions such as anemia, hepatitis C, multiple sclerosis, asthma, growth hormone deficiency and rheumatoid arthritis. Specialty medications are costly, have special storage requirements and often require specialized patient training and coordination of care.

You must obtain all specialty medications through Medco's specialty care pharmacy, Accredo Health Group. To reach Medco's specialty care pharmacy, you may call 1-800-803-2523. You can also provide your physician with your 12-digit Medco member identification number and ask him or her to call 1-800-987-4904.

Please be aware that both the list of ***“Prescription Drugs that Require Preauthorization”*** and those prescription drugs considered specialty medications are subject to change.

B. Coverage Limitations – For most prescription drugs, the Welfare Fund provides coverage in quantities up to a 34-day supply at retail pharmacies and up to a 90-day supply at the mail-order pharmacy. Effective May 1, 2007, however, coverage for certain prescription drug categories will have quantity limits and be subject to specific coverage requirements. If you choose to fill a prescription for more than the quantity limit or do not meet the specific coverage requirements, you will be responsible for the cost of the additional medication.

The prescription drug categories subject to separate quantity limitations and coverage requirements are listed in the table at the end of this notice called ***“Prescription Drugs with Quantity Limitations and Coverage Requirements”***. Generic forms of the prescription drugs listed are also subject to the same quantity limitations and coverage requirements.

These quantity limitations and coverage requirements are based upon United States Food and Drug Administration (the “FDA”) approved prescribing and safety information, clinical guidelines, and uses that are considered reasonable, safe, and effective.

If special circumstances exist, your physician may request a review for additional coverage. As part of this review, your physician will be required to provide Medco with information supporting your need for additional coverage. Your physician can request a coverage review by calling Medco at 1-800-753-2851. Coverage reviews are available for all of the prescription drugs listed except where indicated on the ***“Prescription Drugs with Quantity Limitations and Coverage Requirements”*** table.

The change described in Section C below applies to all participants (i.e., actives and retirees) and dependents eligible for prescription drug benefits and is effective on June 1, 2007.

C. Additional Co-Payment for Brand-name Drugs with Generic Equivalents –Generic drugs are generally a safe, effective and less costly alternative to brand-name drugs. The FDA requires generic drugs to have the same quality, strength, purity and stability as brand-name drugs. Generic drugs save money for both you and the Welfare Fund.

Beginning June 1, 2007, when you purchase at a retail pharmacy a brand-name drug (either preferred or non-preferred) that has a generic equivalent, your co-payment will be the difference between the cost of the brand-name drug and the cost of the generic drug **plus** the usual \$10 generic drug co-payment (rather than the usual brand-name drug co-payment of \$20 for preferred brands and \$35 for non-preferred brands). Since it is likely that the cost difference between the brand name drug and the generic drug will be substantial, when you purchase at a retail pharmacy a brand-name drug that has a generic equivalent you will pay more than the usual brand-name drug co-payments. Note that this change in the cost of brand-name drugs that have generic equivalents does not apply to brand-name drugs obtained from the mail-order pharmacy (only the usual brand-name drug co-payments apply).

The co-payment for brand-name drugs with generic equivalents purchased at retail pharmacies applies regardless of whether or not your physician writes the prescription as DAW (dispense as written). If your physician believes you must take the brand-name drug, he or she can request a coverage review by calling Medco at 1-800-753-2851.

The change described in Section D below applies only to retired participants (i.e., pensioners), surviving spouses, and individuals receiving Continuation of Coverage during Total Disability and their dependents who are eligible for prescription drug benefits provided by the Welfare Fund, and becomes effective on May 1, 2007.

D. Prescription Drug Out-of-Pocket Maximum for Retirees - Beginning May 1, 2007, the co-payments that each individual pays for covered prescription drugs will accumulate towards a \$1,250 individual (i.e., per person) out-of-pocket annual maximum (subject to the exceptions and rules set forth below). Whenever the co-payments for an individual total \$1,250 during a 12-month accumulation period, the Welfare Fund pays the full cost of all additional covered prescription drugs that the individual requires for the remainder of that same 12-month accumulation period (subject to the exceptions and rules set forth below).

The 12-month accumulation periods begin on May 1 of each year and will end on April 30 of the following year. Therefore, the first accumulation period runs from May 1, 2007 through April 30, 2008.

Accumulations toward the individual out-of-pocket maximum are re-set to \$0 on May 1 of each year (the beginning of a new 12-month accumulation period). Co-payments are not carried over from previous 12-month accumulation periods under any circumstances.

Co-payments for prescription drugs obtained from retail pharmacies, from the mail-order pharmacy and from the specialty pharmacy (discussed in Section A above) are all added together to satisfy the \$1,250 individual out-of-pocket maximum (subject to the exceptions and rules set forth below).

The following exceptions and rules apply to the individual out-of-pocket maximum:

- i. Because of the current mandatory mail-order program for maintenance prescription drugs, when an individual uses a retail pharmacy to obtain a maintenance prescription drug after that same maintenance drug has been previously filled three times at a retail pharmacy, the co-payment or any other costs for such prescription does not accumulate towards the individual out-of-pocket maximum (only the co-payments for the first three fills for such maintenance prescription drug at a retail pharmacy will apply toward the individual out-of-pocket maximum). The cost of a maintenance drug prescription after the third fill at a retail pharmacy will not be covered by the Welfare Fund even after the individual out-of-pocket maximum has been reached.
- ii. Beginning June 1, 2007 under the new rules for purchases at a retail pharmacy of brand-name drugs that have a generic equivalent (see Section C above), when an individual is required to pay a generic drug co-payment plus the difference in cost of the brand-name drug and a generic equivalent, both the generic drug co-payment and the cost differential apply towards the individual out-of-pocket maximum. Once you satisfy the individual out-of-pocket maximum, the generic drug co-payment applicable for the brand-name drug will be waived. However, you always remain responsible for the cost difference between the brand name and generic drug even if you have already satisfied the individual out-of-pocket maximum.
- iii. Co-payments for prescription drugs that an individual pays while covered as an Active employee or under COBRA Continuation Coverage do not accumulate towards the \$1,250 individual out-of-pocket maximum when an individual's status changes (for example, from Active to Retired) during a 12-month accumulation period.

This summary only highlights the key changes made to the New York City District Council of Carpenters Welfare Fund. Summaries of material modifications together with the Summary Plan Description make up your official plan descriptions; please keep them together and refer to them as necessary. We have made every attempt to ensure the accuracy of the information in this summary and the Summary Plan Description. However, if there is any discrepancy between them and the insurance contracts or other legal documents, the legal documents will always govern. If you need a copy of the Summary Plan Description, please call the Fund Office at (800) 529-3863 or write to the Fund Office at:

*New York City District Council of Carpenters Welfare Fund
395 Hudson Street
New York, NY 10014*

The plan sponsor of the New York City District Council of Carpenters Welfare Fund reserves the right to amend or terminate the New York City District Council of Carpenters Welfare Fund, or any part of it, at any time.

PRESCRIPTION DRUGS THAT REQUIRE PREAUTHORIZATION

Drug Category	Drug Names
Narcotic Analgesic	<i>Actiq®</i> <i>Fentora®</i>
Antiemetic Agents	<i>Zofran®</i> <i>Kytril®</i> <i>Anzemet®</i> <i>Cesamet®</i>
Rheumatoid Arthritis	<i>Enbrel®*</i> <i>Kineret®*</i> <i>Orencia®*</i> <i>Humira®*</i> <i>Rituxan®*</i> <i>Remicade®*</i> <i>Arava®</i>
Red Blood Cell Stimulants	<i>Procrit®*</i> <i>Epogen®*</i> <i>Aranesp®*</i>
Anti Narcoleptic Agents	<i>Provigil®</i>
Platelet Stimulants	<i>Neulasta®*</i> <i>Neumega®*</i> <i>Neupogen®*</i> <i>Leukine®*</i>
Interferons	<i>Actimmune®*</i> <i>Alferon-N®*</i> <i>Infergon®*</i> <i>Intron-A®*</i> <i>Pegasys®*</i> <i>Peg-Intron®*</i> <i>Rebetron®*</i> <i>Roferon®*</i>
Immunomodulatory Agents	<i>Thalomid®*</i> <i>Revlimid®*</i>

* specialty medication

PRESCRIPTION DRUGS WITH QUANTITY LIMITATIONS AND COVERAGE REQUIREMENTS

Drug Category	Drug Names	Quantity Limitation or Coverage Requirement
Migraine Therapy	<i>Amerge</i> ® <i>Axert</i> ® <i>Frova</i> ® <i>Imitrex</i> ® <i>Maxalt</i> ®, <i>Maxalt-MLT</i> ® <i>Migranal</i> ® <i>Zomig</i> ®, <i>Zomig ZMT</i> ® <i>Relpax</i> ®	Retail – up to 4 treatment days per 30-day period Mail – up to 12 treatment days per 90-day period
Hypnotic Agents	<i>Ambien</i> ®, <i>Ambien CR</i> ® <i>Sonata</i> ® <i>Lunesta</i> ® <i>Rozerem</i> ®	Retail & Mail – up to 60 days of treatment per 90-day period
COX-II Inhibitors	<i>Celebrex</i> ®	Retail & Mail – coverage provided immediately if patient is over age 65 or if patient has an active prescription for any of the following: <ul style="list-style-type: none"> ● <i>Celebrex</i>®, ● a non-steroidal anti-inflammatory, ● an anticoagulant, ● an antiplatelet, or ● an anti-ulcer medication.
Narcotic Analgesics	<i>Actiq</i> ®	Retail – up to 120 units per 23-day period Mail – up to 360 units per 68-day period
	<i>Fentora</i> ® 100 or 200 µg (no coverage reviews)	Retail – up to 120 units per 23-day period Mail – up to 360 units per 68-day period
	<i>Fentora</i> ® 400, 600 or 800 µg	Retail – up to 240 units per 23-day period Mail – up to 720 units per 68-day period
Non-Narcotic Analgesics	<i>Ultram</i> ® (no coverage reviews)	Retail & Mail – up to a 16-day Supply per 90-day period
	<i>Ultracet</i> ® (no coverage reviews)	Retail & Mail – up to a 10-day supply per 90-day period