SUMMARY OF MATERIAL MODIFICATIONS AND NOTICE TO PARTICIPANTS

NEW YORK STATE TEAMSTERS COUNCIL HEALTH & HOSPITAL FUND

(Plan No.: 501; I.D. No.: 15-0551885)

May 1, 2012

Dear Participant:

Effective July 1, 2012, 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, Quantity/Dose Duration and Step Therapy programs.

Importantly, participants currently taking the drugs in the categories below will continue to receive coverage for these drugs without interruption or the need to re-qualify. Participants not currently taking one of the drugs in the categories described below will be subject to the below terms and conditions with respect to such medications.

PRIOR AUTHORIZATON REVIEW PROGRAM (PA)

Under the Prior Authorization Program ("Program"), you are entitled to obtain preapproval before the plan will cover your prescribed medication. Effective August 1, 2011, the Program will require prior authorization.

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.

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.

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.

QUANTITY/DOSE DURATION REVIEW (QD)

For some medications, the Fund may only cover a medication for a specified duration of time. Under the Quantity/Dose Duration Review Program ("Program"), your pharmacist will receive an alert when the total quantity of a medication exceeds the amount allowed.

STEP THERAPY (ST)

For some medications, the Fund may request that you pursue a course of treatment with an alternative drug other than the one prescribed by your attending physician.

PREFERRED THERAPY AUTHORIZATION (PTPA)

This criteria will require users of a non-preferred drug to try a preferred drug first unless the patient has experienced intolerance or failure with the preferred drug.

Rare/Specialty/Oncology	Medco Coverage Management
Oncology Package	PA & QD
Anti Emetics Management	QD
Rheumatiod Arthritis Agents	QD
Xolair	QD
Immune – Pulmozyme	PA
Pulmonary – Tobi	ST
Pulmonary – Cayston	ST
Pulmonary Arterial Hypertension	ST & PTPA
Hormones – Kuvan	PA
Hormones – Acthar Gel	PA & QD
Hep C (incevik/victrelis)	PA & QD

Women's Health/Family Medicine	Medco Coverage Management
Androgens and Anabolic Steroids	PA
Dermatological – Solodyn	QD
Dermatological – Protopic/Elidel	ST
Dermatological – Retin A/Tazorac	PA
Anti Influenza Management	QD
Antibiotics – Xifaxan	QD
Antibioticx – Factive	QD

<u>Neuroscience</u> Cox II Inhibitors <u>Medco Coverage Management</u> ST

Anti Narcoleptic Agents QD Pain – Actiq/Fentora/Onsolis ST

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.

You should keep this letter with your Health & Hospital Fund Summary Plan Description booklet. It is important to retain this information until a new Summary Plan Description booklet is issued to you. If you have any questions, please contact the Fund Office at 315.455.9790 or toll free at 877.698.3863.

Sincerely,

BOARD OF TRUSTEES OF THE NEW YORK STATE TEAMSTERS COUNCIL HEALTH & HOSPITAL FUND