

**SUMMARY OF MATERIAL MODIFICATIONS TO  
THE HEALTH AND BENEFIT TRUST FUND OF THE INTERNATIONAL UNION OF  
OPERATING ENGINEERS LOCAL UNION NO. 94-94A-94B, AFL-CIO**

**To: All Participants and Beneficiaries in the Health and Benefit Trust Fund of the International Union of Operating Engineers Local Union No. 94-94A-94B, AFL-CIO**

**From: The Plan Administrator of the Health and Benefit Trust Fund of the International Union Operating Engineers Local Union No. 94-94A-94B, AFL-CIO**

**Re: Prescription Benefit – Traditional Generic Step Therapy Program  
Effective 7/1/2012**

**Date: June 1, 2012**

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*This document is a Summary of Material Modifications (“SMM”) intended to notify you of important changes to the prescription benefits available under the Health and Benefit Trust Fund of the International Union of Operating Engineers Local Union No. 94-94A-94B, AFL-CIO (“the Plan”). This summary is intended to satisfy the requirements for issuance of a SMM under the Employee Retirement Income Security Act of 1974, as amended. You should take the time to read this SMM carefully and keep it with the Summary Plan Description (“SPD”) that was previously provided to you. If you need another copy of the SPD or if you have any questions regarding this change to the Plan, please contact the Plan Administrator during normal business hours at: 331-337 West 44<sup>th</sup> Street, New York, New York, 10036, telephone number: (212) 331-1800.*

To keep prescription costs down the Board of Trustees of the Plan recently approved the implementation of a Traditional Generic Step Therapy Program regarding the reimbursement of prescriptions paid by eligible participants (those who satisfy the eligibility requirements under the SPD for such benefit).

**Effective 7/1/12, if you use certain brand-name drugs before trying a generic medication, your prescription will not be covered and you will need to pay the full cost.\*\***

If you will be affected by this Program, you and your doctor will receive notification.

**Why choose a generic drug:**

- the Plan offers a lower co/pay/coinsurance\* when you choose a generic drug
- 2 out of 3 prescriptions filled today are for generic drugs, and that number is growing.<sup>1</sup>
- The U.S. Food and Drug Administration (FDA) approves generics to be safe and effective.
- There are generic drugs available to treat most conditions, and your doctor can help you choose the right one for you.

If your doctor doesn't think a generic option is right for you, please have your doctor contact CVS Caremark toll-free at 1-877-203-0003.

To learn more about your specific cost-savings, visit [Caremark.com](http://Caremark.com) and click “Find Savings and Opportunities”. You may also call CVS toll-free using the number on your prescription card or call the Health and Benefit Fund at 212-331-1800.

\*Copayment, copay or coinsurance means the amount a plan member is required to pay for a prescription in accordance with a Plan, which may be a deductible, a percentage of the prescription price, a fixed amount or other charge, with the balance, if any, paid by a Plan. \*\*If you have taken a generic in these drug classes previously, you may not be affected by this change. <sup>1</sup> IMS Health, 2009. \*Your savings will vary based on your plan and/or drug prescribed. Source: Generic Pharmaceutical Association Website: <http://www.gphaonline.org/about-gpha/about-generics/case>. Subject to state law restrictions. <sup>1</sup>Source: Generic Pharmaceutical Association Website. <http://www.gphaonline.org>

This SMM is intended to provide you with an easy-to-understand description of certain changes to the Plan. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this SMM and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases.

The Board of Trustees or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and the Agreement and Declaration of Trust establishing the Plan (the "Trust Agreement"). The Trust Agreement is available at the Fund Office and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.

#### **IMPORTANT GOVERNMENT NOTICE REGARDING THE PLAN'S GRANDFATHERED PLAN STATUS**

The Board of Trustees believes that the Plan is a "grandfathered plan" as such term is defined under the Patient Protection and Affordable Care Act of 2010 (more commonly known as Health Care Reform). As permitted by Health Care Reform, a grandfathered health plan can preserve certain basic health coverage that was already in effect when Health Care Reform was enacted. Being a grandfathered health plan means that the medical coverage that you have elected under the plan may not include certain consumer protections of Health Care Reform that apply to other group health plans, for example, the requirement for the provision of preventive health services without any cost sharing (*i.e.*, copayments, coinsurance, deductibles). However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits and extension of coverage to dependents until age 26. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Plan Administrator during normal business hours at: 331-337 West 44th Street, New York, New York, 10036, telephone number: (212) 541-9880. You may also contact the Department of Labor at (866) 444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered plans.

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