

Pharmacy Benefit Plan Changes for Active UFA Members Effective January 1, 2012

As a result of the new Federal Health Care Reform Act, the UFA was required to make certain changes to its Security Benefits Fund prescription drug plan. Federal health care reform legislation has added significantly to the Fund's cost by requiring the plan to extend coverage to young adults up to age 26, and also eliminating annual maximum benefit usage caps. Additionally, prescription drug costs have continued to rise significantly over the past several years and this trend is expected to continue. As a result, there has been a heavy drain on the UFA's Security Benefit Fund.

For the past 21 years, the UFA has managed to keep our active drug plan co-pays at \$0 for generic drugs and \$8 for brand name prescriptions. Under the new federal requirements, this is no longer sustainable. Under the new law's requirements there will no longer be a \$6,500 annual family prescription drug use cap. Therefore, effective January 1, 2012, the UFA prescription drug plan design for active members will be changed. These changes will manage plan costs more effectively and encourage members to use—when medically appropriate—low-cost generic drugs and formulary brand drugs. Key changes are summarized below. A letter from the UFA with more details was mailed to all members December 1. Additionally, each member will be receiving information on the new plan design from CVS Caremark.

At Pharmacy (30-day prescription)

Generic:	\$5
Preferred Brands "Formulary":	(25% of cost) \$15 min., \$50 max.
Non-preferred Brand "Non-Formulary":	(35% of cost) \$40 min., \$100 max
Annual usage exceeding \$7,500:	(35% of cost) \$5 min., No max.

Mail Order (90-day prescription)

Generic	\$12.50
Preferred Brands "Formulary":	(25% of cost) \$37.50 min., \$125 max.
Non-preferred Brand "Non-Formulary":	(35% of cost) \$100 min., \$250 max
Annual usage exceeding \$7,500:	(35% of cost) \$12.50 min., No max.