

RETIREE ASSOCIATION BULLETIN

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December 2016 and January 2017

New York, N.Y.

Important News About Your 2017 Prescription Drug Coverage

YOUR PRESCRIPTION DRUG COVERAGE will be undergoing some important changes starting January 1, 2017. As described below, these changes are necessary in order for the DC 37 Health & Security Plan ("the Plan") to be able to continue to provide prescription drug coverage to you as an eligible DC 37 Medicare retiree and to your eligible Medicare dependent(s).

Aetna Life Insurance Company has been selected to provide your Medicare prescription drug coverage starting January 1, 2017. United-Healthcare ("UHC") will no longer be providing your drug coverage and you will be receiving a separate notice from UHC indicating they will not be providing your drug benefit as of January 1, 2017.

Do not be alarmed by this disenrollment notice from UHC. You will still have drug coverage without interruption. You will be automatically enrolled in the new Aetna plan and you will be receiving a "Welcome Package" and a new "Medicare Prescription Drug ID Card" from Aetna very shortly. The welcome package will describe in detail your new prescription drug coverage. You will also receive your new Aetna Medicare Prescription Drug Plan ID card before January 1, 2017. However, your UHC Drug ID card will still be accepted until December 31, 2016. Effective January 1, 2017, you must present your Aetna Medicare Prescription Drug Plan ID card in order to obtain covered prescription drugs.

Why changes in your 2017 prescription drug coverage were necessary:

► The cost of prescription drugs has been skyrocketing (over 105 percent in the last eight years) while contributions from your former Employer that fund your Plan's benefits have failed to keep pace with these ever-increasing costs (employer contributions only increased by 1.05 percent over the last 8 years).

► Due to the deficits driven by these unchecked increases in the cost of prescription drugs, the Plan's Trustees conducted a competitive bidding process. The goal was to select a company that offered a quality drug benefit that would continue to provide the drug coverage required by Medicare Part D while also lowering the plan's costs thereby enabling it to be able to continue to fund this important benefit. By selecting Aetna, which offered a carefully structured generic-centric drug plan, the plan's trustees took responsible and necessary steps to maintain your drug coverage into the future. These changes include:

► *Adopting a generic-centric drug plan:* Generic drugs are a much lower-cost option than brand drugs. You are encouraged to take FDA-approved, generic equivalent drugs. If no generic is available, you will be able to take certain covered brand or specialty drugs. In order to save the most money, we urge you to ask your doctor to prescribe generics that will appear on Tier 1 or Tier 2 of the drug list (formulary) you will be receiving from Aetna. Additionally, in Aetna's welcome package, Aetna will provide a list of "Preferred Pharmacies." Choosing a preferred pharmacy will help keep overall costs down and will enable the plan to continue to provide this important benefit into the future.

► *Increasing co-pays:* Since both DC 37 active and DC 37 retirees co-pays had not increased for at least 20 years, the plan's trustees had to make a difficult decision to increase all co-pays in order to continue to fund this benefit. **Retirees who get their Tier 1 Preferred Generic drugs filled at a preferred Pharmacy, will only have a co-pay of \$5 for a 30-day supply.** The 2017 copays for a 30-day supply of drugs will be:

► *"Donut hole" or "gap" coverage:* Tier 1 and Tier 2 generic drugs will continue to be covered at the \$10 copay for a 30-day supply (Tier 1 generic drugs will be covered at the \$5 copay if you use a preferred pharmacy). Or, you will pay two copays for a 90-day supply at mail order. While in gap coverage, you will be required to make a 40 percent coinsurance payment if you take a brand drug covered on the drug list

Retail Pharmacy Benefit: 30-Day Supply			
DC 37 Formulary		You pay:	
Tier Number	Tier Name	Preferred Pharmacy	Standard Pharmacy
1	Preferred Generic	\$5 *Lower copay*	\$10
2	Generic (except those over \$670)	\$10	\$10
3	Preferred Brand	\$20	\$20
4	Non-Preferred Brand	\$45.50	\$45.50
5	Specialty (includes unique/high-cost generic and brand medications)	\$45.50	\$45.50

*Mail order will continue to offer a 90-day supply for only two copays.

(formulary). You may be eligible for government subsidies (see next issue of PEP) which will eliminate the 40 percent coinsurance payment and may eliminate or substantially reduce your co payments while in the gap.

► *Catastrophic coverage:* remains unchanged. If you reach this level of coverage under Medicare Part D, you will only be required to pay 5 percent of the cost of the drug or the co-pay, whichever is lower.

If you have any questions about your new Medicare Part D prescription drug plan, you may call Aetna's toll-free number at **1-800-307-4830 (TTY:711)**, 8 a.m. to 9 a.m., Eastern Time, Monday through Friday.

Aetna has scheduled more Retiree conference calls due to the upcoming transition effective Jan. 1.

DC 37 2017 conference call date	Time	Participant #	Conference ID
12/19/2016	10 a.m.-12 p.m.	855-685-1471	35212467
12/21/2016	2 p.m.-4 p.m.	855-685-1471	35213659
12/23/2016	10 a.m.-12 p.m.	855-685-1471	35214290
12/28/2016	2 p.m.-4 p.m.	855-685-1471	35215695
12/30/2016	10 a.m.-12 p.m.	855-685-1471	35216480

DEC. 2016 - JAN. 2017 - MEETING SCHEDULE

General Membership	Tuesday	Dec. 13	10:00 a.m.
Political Action Committee	Tuesday	Dec. 20	10:30 a.m.
Executive Board	Tuesday	Dec. 27	10:00 a.m.
Housing Committee	Wednesday	Jan. 4	11:00 a.m.
Jewish Committee	Monday	Jan. 9	11:00 a.m.
CBTU Committee	Tuesday	Jan. 10	12:00 p.m.
Health Committee	Tuesday	Jan. 10	12:00 p.m.
Meet and Greet	Tuesday	Jan. 10	1:00 p.m.
Pension Committee	Monday	Jan. 23	1:00 p.m.
Hispanic Committee	Tuesday	Feb. 7	10:30 a.m.
Asian Committee	Wednesday	Feb. 22	1:00 p.m.