

# SOUTHWESTERN TEAMSTERS SECURITY FUND

**Administrator:**  
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**To:** All Class 4 Eligible Participants and Dependents

**Date:** February 5, 2007

**Re:** Southwestern Teamsters Security Fund

The Southwestern Teamsters Security Fund has reviewed the utilization of prescription drugs under the 4-tier co-pay plan that became effective January 1, 2007. After careful consideration, we have elected to return to the 3-tier co-pay structure. We believe the 3-tier co-pay structure will be more convenient for you, your physician, and your pharmacist to determine the appropriate medications.

## PRESCRIPTION DRUG CO-PAYMENTS

**Effective February 6, 2007**, the Fund will use a 3-tier co-payment structure for outpatient prescription drugs. As you know, your greatest cost savings is still available by using generic drugs and/or the mail order service.

Old 4-Tier Structure	New 3-Tier Structure
<b>In-Network Retail Pharmacy (30-day supply):</b> Generic: \$10 co-payment Brand with no generic available: \$20 co-payment Brand if generic available*: \$50 co-payment Non-formulary: \$60 co-payment	<b>In-Network Retail Pharmacy (30-day supply):</b> Generic: \$10 co-payment Brand with no generic available: \$20 co-payment Brand if generic available*: \$50 co-payment

\* Prior authorization is required for members who truly need the brand medication due to a clinical failure of the generic product or because of an allergy to the generic product.

Old 4-Tier Structure	New 3-Tier Structure
<b>Mail Order (90-day supply):</b> Generic: \$20 co-payment Brand with no generic available: \$60 co-payment Brand if generic available*: \$75 co-payment Non-formulary: \$120 co-payment	<b>Mail Order (90-day supply):</b> Generic: \$20 co-payment Brand with no generic available: \$60 co-payment Brand if generic available*: \$75 co-payment

\* Prior authorization is required for members who truly need the brand medication due to a clinical failure of the generic product or because of an allergy to the generic product.

If you are interested in how to receive a maintenance medication through the mail order program, please contact customer service at 1-800-881-1966, or log on to [www.nmhcrx.com](http://www.nmhcrx.com) and go to member services to print out an enrollment form. We will provide additional information regarding the mail order program in the near future.

The above noted prescription drug co-payment changes do not affect the fact that **the Plan is still considered to be creditable** (as valuable as Medicare's prescription drug plan design).

Reimbursement for non-contracted pharmacies has not changed. If you go to a non-contracted retail pharmacy **within** the service area, reimbursement will be 60% of billed charges. If you go to a non-contracted retail pharmacy **outside** the service area, reimbursement will be 85% of billed charges. Also, please remember that expenses for outpatient prescription drugs do not apply toward the Plan's annual Coinsurance Maximum.

Please keep this important notice with your Plan Document/Summary Plan Description (SPD) for easy reference to all Plan provisions.

If you would like to view or receive a copy of the actual amendments or have any questions, please contact the Administrative Office at (602) 249-3582, or toll free at (800) 474-3485.

Sincerely,

Board of Trustees

**Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility or if you have any questions regarding this Plan change, please contact the Administrative Office.**

*In accordance with ERISA reporting requirements this document serves as your Summary of Material Modifications to the Plan and we are advising you of these Plan changes within 60 days of the adoption of those changes.*