

CSA Welfare Fund Announces Benefit Changes for Active Members

By

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Healthcare costs continue to increase at a rate that far exceeds the inflation rate, and perhaps the largest contributor to that increase is the cost of prescription medications. While the increased use of prescription medications has allowed individuals to continue to lead productive lives, and live with what only a few years ago might have been debilitating or fatal diseases, it has become a great burden on those responsible for paying for these treatments.

In July of 2001, New York City, in conjunction with the Municipal Labor Committee, set up the PICA program to remove responsibility for four of the most costly types of medications – Psychotropic, Injectable, Chemotherapy, and Asthma – from Welfare Fund responsibility and cover them through a special shared fund. Not surprisingly, this fund exhausted its funds in short order, and, in July 2005, two of these medications, Psychotropic and Asthma, were returned to the Welfare Funds' prescription drug programs. To assist in paying for these medications, whose first year cost was estimated at \$ 750,000, the city contributed an extra \$ 100 per member per year to the funds, but for only one year. Thus, beginning July 1, 2006, the CSA Welfare Fund now has to absorb the full impact of this extra \$ 750,000, which is projected to increase to over \$ 800,000 in the next year and increase each year after that, with no additional income to defray the cost.

As a result, the Trustees voted at their last meeting to modify the prescription drug co-payment structure and to implement a mandatory mail policy for chronic maintenance medications effective January 1, 2007. For medications purchased through a local pharmacy, the \$ 50.00 individual / \$ 150 family deductible will continue to apply. After the deductible is satisfied, the co-payment will be 10% of the cost of generic medications, 25% of the cost for preferred brand-name medications, and 35% of the cost of non-preferred brand-name medications. For medications purchased through the mail-order program, MEDCO by Mail, there remains no deductible, and the co-payments, for a 60-day supply of medications, will become \$ 10.00 for generic medications, \$ 25.00 for preferred brand-name medications, and \$ 35.00 for non-preferred brand-name medications.

The drug program will also, for the first time, implement a mandatory mail provision for chronic maintenance medications, such as those used to treat high blood pressure and high cholesterol. After an original fill of a prescription and two refills, use of the mail-order program is required. If you choose not to use the mail-order program for the fourth, and succeeding, refills, you will pay 100% of the cost of the medication. Those medications which must be taken immediately,

such as antibiotics, or those which must be monitored for the correct dosage, such as blood thinners, are not subject to the mandatory mail provision.

If you wish to see if a medication is available as a generic, or if it is subject to the mail-order provision, simply visit the MEDCO website at www.medco.com and, if you have not already done so, create a profile. Once you have created a profile, you can check the cost of medications, use the Savings Advisor tool to see if there are generic medications available for your brand-name medications, and determine if your medication is on the preferred formulary list. If your medication is not on the preferred formulary list, the Savings Advisor tool will suggest possible alternatives which are on the preferred list, and provide the capability to print the page and take it with you the next time you visit your doctor.

You will be receiving materials, directly from MEDCO, describing the program and providing mail-order forms. In addition, mail order forms are available on the Welfare Fund website, www.csawf.org, on the CSA Welfare Fund, CSA Prescription Drugs Benefit, CSA Drug Forms page.

Please contact the Fund at 718-624-2600 if you have any questions regarding the new provisions of your prescription drug benefit.