



NATIONAL AUTOMATIC SPRINKLER INDUSTRY WELFARE FUND • PENSION FUND

8000 CORPORATE DRIVE • LANDOVER, MD 20785



TELEPHONE
(301) 577-1700

FRED BARALL, Secretary
CORNELIUS J. CAHILL
GREGG HUENNEKENS
RORY SCHNURR
ROB VINCENT
TOR CHRISTENSEN, Alternate

WELFARE FUND TRUSTEES

BRIAN DUNN, Chairman
MICHAEL R. MAHLER
PETER GIBBONS
ROBERT J. COOPER, JR.
BRIAN E. FISHER

PENSION FUND TRUSTEES

FRED BARALL, Secretary
CORNELIUS J. CAHILL
GREGG HUENNEKENS
RICKY JACKSON
MARTIN CORCORAN

BRIAN DUNN, Chairman
STANLEY M. SMITH
WAYNE MILLER
ROBERT J. COOPER, JR.
BRIAN E. FISHER

TOLL FREE
(800) 638-2603

MICHAEL W. JACOBSON, Administrator

November 2017

To All Participants in the NASI Welfare Fund

From the Board of Trustees

The Board of Trustees of the National Automatic Sprinkler Industry Welfare Fund is, once again, pleased to report that the NASI Welfare Fund is maintaining a strong financial position. Several factors are involved in our current financial strength:

- investment returns on Fund reserves have been strongly positive so far this year.
- the hours worked for which contributions are made to the Fund have continued to increase over previous recent years.
- claim expenses have been consistent with expectations.

Together, all of these factors are expected to leave the Fund with a positive income-over-expense result by year end. In recognition of the overall financial situation, **the Board of Trustees has decided that there will be no changes made to the deductibles, co-insurance levels or out-of-pocket maximums for 2018.**

Financial Assistance for Specialty Drugs

As some of you have already encountered, some of the new “specialty” drugs can be really expensive. Your portion of the cost of these drugs can be very large, even causing some to reach the \$2,500 out-of-pocket annual maximum early in a year.

In the coming months, active eligible and non-Medicare eligible retirees and beneficiaries purchasing certain expensive drugs may be contacted by “**SaveonSP**”; an organization that works with Express Scripts to get any available assistance from the drug industry and other resources for expensive drugs that treat the following conditions:

- Rheumatoid Arthritis and other inflammatory conditions
- Multiple Sclerosis
- Hepatitis C
- Cancer, and
- some other conditions

If you are contacted, the Trustees encourage you to cooperate with **SaveonSP** as your participation is expected to be of financial benefit to you and takes advantage of financial resources that exist to help people in your situation. The Trustees expect you and the NASI Welfare Fund can save money on these certain drugs that will still come to you through Express Scripts by your participation with **SaveonSP**.

Preventive Services

The NASI Welfare Plan provides coverage for *certain* “Preventive Services” without the application of the Deductible and at 100% coverage. The list of Preventive Services that receive this level of coverage (instead of the standard level of coverage after the application of the deductible) can be found beginning on page 57 in the PDF of the NASI Welfare Plan Booklet available on the Fund’s website, www.nasifund.org. Effective January 1, 2018, the following services are added to that list:

Covered Preventive Services for Adults

- Low to moderate dose statin in adults 40 to 75 year of age for the prevention of cardiovascular disease
- Tuberculosis screening in adults at increased risk

Opioid Crisis in America

In 2015, more than 15,000 people in the United States died as a result of an overdose of prescription pain killers, and that number is only growing. Express Scripts, the NASI Welfare Fund's pharmacy benefit manager, has advised the Trustees that 70% of abused prescription drugs are obtained from the unused prescriptions of **friends and family**. It is estimated that more than two million Americans are presently addicted to opioid drugs. You may know someone who has suffered from abuse or addiction of opioid drugs.

The Board of Trustees is aware of the growing problem and hardship that prescription opioids can pose to participants and their families. The Trustees previously implemented a "Fraud, Waste, and Abuse" program that identified people who obtained opioid prescriptions from multiple doctors and used multiple pharmacies to fill such prescriptions. Some who acted this way are now limited to one pharmacy for their prescription fills. Unfortunately, this type of action only affects people **after** they have developed a serious problem. The Trustees are now taking further action to help others from becoming addicted.

Express Scripts recently advised the Trustees that one in five individuals receiving a 10-day fill of an opioid prescription will still be taking opioids a year later. In an effort to minimize such prolonged dependence on opioids, the Trustees are implementing three new measures regarding prescription opioid fills.

First, coverage for opioid prescriptions will be limited to an initial fill of a seven-day supply. Refills will be allowed as prescribed but will still be limited to seven days at a time. To the extent state law has more restrictive limits for opioid prescription fills, such laws will, of course, be observed.

Second, the Fund is implementing additional requirements to fill a prescription for enhanced long-acting opioids. Express Scripts calls this process "Prior Authorization". Typically, immediate-release forms of pain-killing drugs should be tried first and only when such form of the drug proves inadequate should extended-release opioids be used. Such decisions will be made with communication between your physician and appropriate experts at Express Scripts.

Third, targeted educational information will be sent to patients who receive an opioid prescription. Express Scripts pharmacists will be available to discuss the risks of dependence and addiction that is tied to opioid use. Opioids can be very effective for managing pain but are also very powerful. Opioid containing medications can cause a number of side effects and, in some patients, can lead to dependence. If you are prescribed an opioid medication, Express Scripts may contact you by mail or phone to offer assistance and tips that we hope will help you maintain healthy habits for taking your medication as prescribed.

Opioids are an effective treatment for pain when taken correctly. Because opioids are addictive, it's important to take them as prescribed.

By implementing these measures, the Trustees hope to minimize unnecessary early exposure to opioids and thereby prevent the progression to overuse and abuse, while also permitting participants and their families to obtain the pain relief they need.

Below is a list of the most commonly prescribed drugs covered by the NASI Welfare Fund that contain some form of opioid and which will be subject to the measures discussed above:

- Hydrocodone/Acetaminophen (Vicodin)
- Oxycodone/Acetaminophen (Percocet)
- Oxycodone (Oxycontin)
- Acetaminophen/Codine
- Morphine Sulphate ER
- Fentanyl (Duragesic)
- Methadone HCL
- Hydromorphone

Finally, the Trustees are committed to ensuring that people who need long-term pain management connected with their existing medical condition (such as is sometimes the case with cancer patients) will continue to be able to receive their opioid containing drugs. It is expected that this new program will not interfere with such appropriate long-term use of opioids.

Pensioner Medical Coverage

Retirees with medical coverage pay a premium that is deducted from their monthly pension benefit. The amounts retirees pay are designed to cover 50% of the cost of retiree coverage.

Pensioners and beneficiaries who do NOT have Medicare

The monthly self-payment for pensioners or beneficiaries who are not yet eligible for Medicare will increase from \$823 per month in 2017 to **\$840 per month beginning January 1, 2018.**

Pensioners and beneficiaries whose local union has a Retired Employee Subsidy Account (RESA) and who are eligible for their local union's RESA will continue to benefit from their Local Union's subsidy of the cost of their coverage. If your Local Union determines that your RESA will not pick up the additional cost by increasing its subsidy to its covered members, you will be advised in a separate announcement.

Pensioners and beneficiaries WITH Medicare

The monthly self-payment for pensioners or beneficiaries who became eligible for Medicare before 2002 will increase in cost from \$293 per month in 2017 to **\$300 per month in 2018.** For those pensioners or beneficiaries who become eligible for Medicare after 2001, the monthly self-payment cost for coverage will increase in cost from \$343 per month in 2017 to **\$350 per month in 2018.**

Medicare-eligible Pensioners and beneficiaries whose local union has a Retired Employee Subsidy Account (RESA) and who are eligible for their local union's RESA will continue to benefit from their Local Union's subsidy of the cost of their coverage. If your Local Union determines that your RESA will not pick up the additional cost by increasing its subsidy to its covered members, you will be advised in a separate announcement.

Monthly Cost for Those Participating in NASI Welfare Fund through Participation Agreements

The premium for the NASI Welfare Fund for those participating in the Fund through participation agreements (e.g. owner members) will be \$1,547.20 per month.

Level 2 and Level 3 Benefits

The great majority of those eligible for benefits from the NASI Welfare Plan enjoy Level 1 benefits which include non-medical benefits like dental, vision, disability, and life insurance. The NASI Welfare Plan also provides two other levels of medical benefits which have different deductible, co-insurance, and out-of-pocket maximum expense levels. Groups who have bargained for Level 2 or Level 3 medical benefits can also choose to bargain for some or all of the "additional" benefits: dental, vision, disability, and life insurance.

Effective January 1, 2018, the hourly contribution rates associated with these benefits are as follows:

- Level 2 Medical Benefits \$7.27
- Level 3 Medical Benefits \$6.93
- Dental \$0.68
- Disability \$0.07
- Vision \$0.10
- Life \$0.01

REMINDERS

Retiree Benefits and Medicare

Medicare is the primary coverage for retirees, dependents of retirees and beneficiaries. The NASI Welfare Plan requires that individuals who are eligible for Medicare Part B benefits sign up for those benefits. Additionally, if an individual is not entitled to cost-free Medicare Part A, that individual must also purchase Part A coverage from Medicare when they become eligible to do so at age 65.

Since ***Medicare does not pay for hospital or medical services outside of the United States***, in order to have adequate coverage when traveling or living outside the United States, you need to purchase travel insurance or other medical insurance. The NASI Welfare Fund will not provide primary medical coverage for Medicare-eligible individuals; instead, the Plan will limit its coverage to the amount the Plan would have paid on your behalf had you received those services in the United States. For example, if you are hospitalized in the United States, Medicare Part A pays all of the cost of the hospitalization but for the deductible (\$1,316 in 2017). If you are, instead, hospitalized outside of the United States, the Plan will process your claim assuming your medical expense was \$1,316 (i.e., the amount that would not have been covered by Medicare if the expense was incurred in the United States), and you will be responsible for the remainder of the charges unless you have travel insurance or other coverage.

Blue Distinction Centers

Remember to take advantage of Blue Distinction Centers. The Blue Cross Blue Shield (“BCBS”) Association has identified specific hospitals across the nation which have demonstrated expertise in delivering specialty care. Some of these facilities are close to where you live. The BCBS evaluation process involves reviewing the expertise of the medical team, the number of times the facility has performed the procedure, and the facility’s track-record for procedure results. Facilities identified as “Blue Distinction Centers” have a proven track-record for delivering better results such as fewer complications and fewer readmissions than facilities not recognized as Blue Distinction Centers.

Blue Distinction Centers delivering the following types of specialty care have been identified:

- Bariatric Surgery
- Cardiac Care
- Knee and Hip Replacement
- Maternity Care
- Spine Surgery
- Transplants

If you or someone in your family is contemplating a procedure (e.g. surgery, delivery) in one of the above medical categories, the Board of Trustees encourages you to consider doing so at a facility that specializes in that care. Finding the right facility can have a direct impact on the care you receive and the results of your procedure, including better medical outcomes, fewer complications, fewer readmissions for the same condition, lower hospital-acquired infection rates, and lower mortality rates. Better care is better for you and will likely result in lower medical costs to you and the Fund.

Some of the facilities identified as Blue Distinction Centers also have lower costs associated with their high-quality care. Facilities that are considerably more efficient at providing expert specialty care have been further classified as “Blue Distinction Centers +”.

A better medical outcome might be enough incentive for you to choose to use a Blue Distinction Center but, in addition to expert medical care, those who receive one of the above categories of specialized care at a Blue Distinction Center + facility will also receive a \$500 incentive benefit payment. Contact the Fund Office for more information about this incentive benefit.

Blue Distinction Center Finder

Use the “Blue Distinction Center Finder” link on the NASI Welfare Fund’s website, www.nasifund.org. You can search for the particular specialty you need (e.g. cardiac care), and you can limit your search to the state or states you are willing to go to in order to receive the best care available. This search tool will also identify whether the facility is a Blue Distinction Center or a Blue Distinction Center + facility.

Make Sure Your Beneficiary is Up-to-Date

Be aware that your divorce does not invalidate your beneficiary designation. Forms to designate or change a beneficiary for your NASI Welfare Fund life insurance benefit as well as for your NASI Pension Fund death benefit (for active participants) and for your SIS Pension Fund death benefit are available on the Funds’ website, www.nasifund.org or by calling the Fund office.

Notification Requirement upon Divorce

Notice of your divorce must be provided to the Fund Office within 60 days of your divorce. If notice of your divorce is not provided in this time frame, and as a result, benefits are paid to an ineligible dependent, the Fund can recover those benefits by treating such benefits as an advance to you, and deducting such amounts from benefits which become due to you until the entire amount of benefits erroneously paid is recovered.

Annual Reminder (as required by federal law) regarding Women’s Health and Cancer Rights Act of 1998

The NASI Welfare Plan, as required by the Women’s Health and Cancer Rights Act of 1998, provides benefits for mastectomy related services, including all stages of reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy, including lymphedema.

Call the Fund Office at 1-800-638-2603 for more information.

The pages that follow this announcement are designed to meet requirements of the PPACA.