Operating Engineers Local #49 Health and Welfare Fund
Administered by Wilson-McShane Corporation

3001 Metro Drive - Suite 500
Bloomington, MN 55425

Phone: (952) 854-0795
Fax: (952) 854-1632
Toll Free: (800) 535-6373

Date: October 2024

To: Local #49 Health & Welfare Fund Participants and Spouses

From: Board of Trustees – Operating Engineers Local #49 Health & Welfare Fund

---

The Board of Trustees routinely work with consultants to ensure that the Operating Engineers Local #49 Health and Welfare Fund Plan ("Plan") provides robust benefits for you and your family. To guarantee the Fund's financial health moving forward, the Board has determined that it is necessary to take certain funding management measures. This letter discusses the changes to the Plan as a result of these measures.

The following change was implemented January 1, 2024

For Active Employees Only: Transition to a Fully Insured Benefit for the Death and Accidental Death and Dismemberment Benefits

The benefits from the Plan are self-funded, meaning, the Fund's assets are used to pay claims. However, effective January 1, 2024, the Plan now provides that the death benefit, and the accidental death and dismemberment benefit are fully insured. Participants and beneficiaries will continue to receive the same benefits as when it was a self-funded benefit, but now the Fund will purchase an insurance policy, which will pay the participant and beneficiaries the same benefit as the Fund paid before this transition. By insuring this benefit, the Fund provides the same benefit, but at a lower cost to the Plan. There may also be additional tax benefits from receiving payment from the insurance company. Contact the Fund Office if you have any questions or if you need to file a claim.

This change only applies to the Active Employees. The benefits available to retirees remain self-funded.

The following changes will be implemented January 1, 2025

Calendar Year Deductible Increase For All Participants

The per covered person calendar year deductible will be $1,000 and the per family calendar year deductible will be $2,000.

Establishment of an Emergency Room Copayment

There will be a $1,000 emergency room copayment for all emergency room visits. However, this emergency room copayment will be waived if the participant is admitted to the hospital for treatment of the same condition within 72 hours of the initial emergency room visit.

Pharmacy Benefit Manager Will Change to CVS Caremark

For a number of years, the Fund has been part of a pharmacy benefit coalition with the International Union. The bargaining strength of the large number of covered lives resulted in a contract with Optum. The coalition conducted a study several months ago, examining different proposals from pharmacy benefit managers, and determined CVS Caremark would offer better terms for the membership. After reviewing the benefits offer by CVS and comparing the information from the current provider, OptumRx, the Board determined the coalition's agreement with CVS will provide the best benefits to you. Therefore, the Fund will transition from OptumRx to CVS Caremark to provide prescription drug benefits. This transition will result in some changes to the formulary. To the extent you are impacted by any change, you will be contacted by CVS Caremark in the next few months to review those changes.

Coverage for GLP-1 Drugs for Treatment of Weight Loss

The Plan will cover GLP-1 prescription medications approved by the FDA for weight loss at 50% co-insurance. However, coverage is predicated on the participant receiving pre-authorization from CVS Caremark, meeting the Fund's policy guidelines for the medication, and participating in the Fund's weight loss management program provided by TEAM.

If you are currently taking a GLP-1 medication for weight loss, or if you are interested in taking a GLP-1 medication for weight loss, you need to contact TEAM as soon as possible to ensure you are meeting the Plan's requirements. TEAM may be reached at 800-634-7710 / 651-642-0182 or on-line at www.startwithteam.com.

The amount the participant pays towards GLP-1 weight loss medication expenses will not count towards the out-of-pocket amount under either medical or prescription drug benefits.

Health Gauge Screenings Limited to One Per Year

Active members and their spouses, and retirees and their spouses who are eligible for Fund benefits, can receive one health screening provided through Health Gauge. The Plan will limit coverage to one Health Gauge screening per person, per calendar year.

Cap on Hour Bank Accruals

For Employees with a Dollar Bank credited with the maximum of six months of the required contribution amount, excess amount(s) will be credited to the active employee's HRA account until the active employee's annual reported hours exceed 2,200. (For example, for 2025, the 2,200 hour count will start with January 2025 work hours and continue through December 2025 work hours.) Any excess amount(s) for hours above 2,200 reported by the Employer will not be credited to the Employee's HRA account, but will be credited to the employee's Dollar Bank as necessary to replenish dollars debited for continuing eligibility until the employee's Dollar Bank reaches the six month maximum.

The following change will be implemented January 1, 2026

Health Reimbursement Arrangement Plan Eligibility and Forfeiture Changes

The HRA Plan provisions relating to eligibility, termination, and forfeiture will be clarified and amended, effective January 1, 2026. Eligibility to participate in the HRA Plan requires eligibility in the Plan, and will terminate when the participant becomes ineligible in the Plan. Further, the participant's HRA account balance will be forfeited after 24 consecutive months of Plan ineligibility, unless the participant is a retiree who has opted out of coverage under the Plan.

Certain individuals who are actively working for a public or private sector employer who is signatory to a collective bargaining agreement with Local 49, but who is not otherwise making contributions to the Fund, are eligible to participate in the HRA Plan, so long as they remain employed by the signatory employer.

If you have any questions regarding these Plan changes, do not hesitate to contact the Fund Office at (800) 535-6373 or (952) 854-0795.