

**THIRD AMENDMENT TO THE SUMMARY PLAN DESCRIPTION
REVISED MAY 2017 FOR ACTIVE AND RETIRED EMPLOYEES -
AIRCONDITIONING AND REFRIGERATION INDUSTRY
HEALTH AND WELFARE TRUST FUND**

The Summary Plan Description revised May 2017 for Active and Retired Employees – Airconditioning and Refrigeration Industry Health and Welfare Trust Fund is hereby amended as follows:

Effective August 7, 2018, Section V, Prescription Drug Benefits, is hereby deleted in its entirety and replaced with the following:

V. PRESCRIPTION DRUG BENEFITS

While you and your Dependents are eligible under the Fee-For-Service Medical Plan provided by the Airconditioning and Refrigeration Industry Health and Welfare Trust Fund, you are also eligible for the benefits of the Prescription Drug Plan. All of your prescription drug benefits are provided by the Trust’s pharmacy benefit manager (PBM), which is currently Navitus.

The Plan allows two means for obtaining your medications:

- (1) Mail Order - The mail order program offers the convenience of home delivery and is typically used for any of your “maintenance” long-term prescription drug needs. If you use the mail order program to fill any prescriptions, you must use a Costco pharmacy. Additional information about this program and how to fill a prescription through the mail order program is set forth below.
- (2) Walk-In - There is a national network of retail pharmacies that are contracted with Navitus to provide “walk-in” services to meet your immediate needs, especially for acute drug therapy. Additional information about this program and how to fill a prescription through the walk-in program is set forth below.

Both walk-in and mail order prescription drugs are subject to the copayments described below, and depending on your prescription, a deductible may also apply.

All prescription drug benefit claims (whether mail order or walk-in) must be filed with Navitus within 90 days of the date the expenses are incurred, or as soon thereafter as reasonably possible, but not more than one year from the date the expense was incurred. For additional information on the amount of time you have to submit a claim (or appeal a denied claim), please refer to the Claims and Appeals Procedures beginning on page 43. For specific information on the amount of time to bring legal action against the Plan, please refer to the section entitled “Appeal of Adverse Benefit Determination” (in the Claims and Appeals Procedures) beginning on page 43 of this SPD.

Your Copayments

The amount of your copayment depends on whether your prescription is filled through the mail order program or walk-in program, the number of days for which your prescription is written, and whether the drug is generic, preferred brand name, or non-preferred brand name, as set forth below. Additional information about what drugs are covered and the drug “tiers” is set forth below in the section entitled “What Drugs are Covered?”

Mail Order Prescription Drugs (up to 90-day supply)

- \$16 for generic drugs and some lower cost brand name drugs (Tier 1)
- \$40 for preferred brand name drugs (Tier 2)
- \$80 for non-preferred brand name drugs (Tier 3)

NOTE: *When you use the mail order program, you save because of the lower copayment.*

Walk-in Prescription Drugs (up to 34-day supply)

- 10% of cost for generic drugs and some lower cost brand name drugs (Tier 1) with an \$8 minimum and a \$20 maximum
- 20% for preferred brand name drugs (Tier 2) with a \$20 minimum and a \$50 maximum
- 40% for non-preferred brand name drugs (Tier 3) with a \$40 minimum

Walk-in Prescription Drugs (35 to 60-day supply)

- 10% of cost for generic drugs and some lower cost brand name drugs (Tier 1) with a \$16 minimum and a \$40 maximum
- 20% for preferred brand name drugs (Tier 2) with a \$40 minimum and a \$100 maximum
- 40% for non-preferred brand name drugs (Tier 3) with an \$80 minimum

Walk-in Prescription Drugs (61-day supply or more)

- 10% of cost for generic drugs and some lower cost brand name drugs (Tier 1) with a \$24 minimum and a \$60 maximum
- 20% for preferred brand name drugs (Tier 2) with a \$60 minimum and a \$150 maximum
- 40% for non-preferred brand name drugs (Tier 3) with a \$120 minimum

NOTE: ***FOR ACTIVE PARTICIPANTS AND RETIRED PARTICIPANTS WHO ARE NOT ELIGIBLE FOR MEDICARE - If you purchase a brand name drug, and there is a generic equivalent available that is less expensive, you will have to pay the brand name copayment plus the difference in cost between the***

brand name and generic drug, even if your physician prescribes “Dispense as Written.”

Your Deductible (Brand Name Drugs Only)

For active participants, and retired participants who are not eligible for Medicare, there is a separate deductible of \$100 per person for any brand name drugs that are preferred (Tier 2) or non-preferred (Tier 3). The prescription drug deductible applies to brand name drugs received through both the mail order program and walk-in program. The prescription drug deductible does not apply if you are a Medicare-eligible retired participant.

Your Out-of-Pocket Maximum

Once the calendar year deductible is satisfied (if applicable), the copayments listed on page 26 will be in effect until an individual has paid \$3,600 in out-of-pocket copayments, and until a family has paid \$7,200 in out-of-pocket copayments. Thereafter, the Plan pays 100% of Allowable Charges incurred by the individual or family during the remainder of the calendar year.

Generic Prescription Drugs

When your physician writes a prescription for you or your eligible Dependent, he or she can prescribe the brand name drug or the generic substitute, if a generic substitute is available. The generic substitute generally costs less to manufacture and sell, and reduces costs to the Plan. ***Taking a generic substitute may also save you money because they typically have the lowest copayment.*** (Note, also, that copayments for preferred brand name drugs are lower than copayments for non-preferred brand name drugs.)

Generic drugs are drugs that are identified by their chemical name, not a brand name. For example, St. Joseph’s and Bayer are brand names for aspirin, and “Aspirin” is the generic name. Generic drugs must meet the same federal standards as their brand name equivalents.

Reminder: If your doctor is prescribing a drug for you, you may want to ask if a generic substitute will be just as effective. Purchasing the generic substitute will likely save you money.

Walk-In Pharmacy Program

To have a prescription filled at a “walk-in” pharmacy, take your prescription along with your Navitus I.D. card to one of the many conveniently located participating pharmacies. A list of the participating pharmacies is available at www.navitus.com.

You may also fill a larger prescription, including a 90-day supply of maintenance medications, at most participating pharmacies.

You must pay your copayment to the dispensing pharmacy.

For more information, you may call Navitus at (866) 333-2757.

Mail Order Pharmacy Program (Costco)

Mail order services are provided through Costco. The Costco mail order program is an option provided for convenience and savings.

You may receive up to a 90-day supply of prescription drugs at a time through this program. Your doctor also has the option of prescribing up to three (3) refills which will entitle you to a maximum of a 12-month supply, resulting in considerable savings in both time and money.

Once your prescription is received by Costco, it will be filled by a pharmacist. Costco generally ships your prescription within 24 - 48 hours of receipt, but you should allow at least 14 days from receipt of the prescription by Costco until delivery of your medication.

Costco provides a toll-free phone number to answer any of your questions or concerns regarding your prescription. The toll-free phone number is (800) 607-6861.

Using the Mail Order Pharmacy Program: To obtain your mail order prescriptions from Costco you will need to create an account by doing one of the following:

- Enroll online at www.costco.com
- Enroll via telephone at 1-800-607-6861
- Download an Enrollment Form at www.costco.com. Complete the Enrollment Form and mail to:

Costco Mail Order Pharmacy
215 Deininger Circle
Corona, CA 92880-9911

Please note, you do NOT need a Costco membership to use the mail-order service.

Once you have created an account you may mail your original prescriptions with a Mail-In Form and your payment to the address above. You may also submit your original prescriptions online at www.costco.com. Be sure to ask your doctor to prescribe a 90-day supply plus three refills, if appropriate.

Once Costco has begun to fill your prescriptions, you may order refills 24 hours/7 days a week by calling 1-800-607-6861. You may also order refills online at www.costco.com.

What Drugs are Covered?

The Plan will pay for any drugs that, under Federal or State of California law, require the written or oral prescription of a licensed physician or dentist and which are part of the Plan's formulary (the "Formulary"). The Formulary is comprised of all drugs included on the list available at www.navitus.com that are identified as Tier 1, Tier 2, or Tier 3 drugs. Please note that any drugs

without a Tier 1, Tier 2, or Tier 3 notation are not covered by the Plan and are not included in the Formulary.

The Formulary is updated periodically. New drugs that are approved by the FDA may be considered for inclusion on the Formulary, while other drugs may be removed from the Formulary. The Plan will, in its sole discretion, with or without the advice of a third party, determine if new drugs should be included on the Formulary and covered by the Plan.

The following items when they are prescribed in writing by a doctor are also covered by the Plan:

- a. Insulin and diabetic supplies, including: injectables, insulin needles and syringes, lancets and devices, glucose testing strips, blood glucose meters, urine testing strips, and glucagon injectables.
- b. Emergency Allergic Reaction Kits (Epipen)

The following preventive care drugs are covered at 100% of Allowable Charges, with no co-payment or cost-sharing, if your Physician prescribes the medication and you obtain the medication at a participating pharmacy:

- a. Aspirin for men from ages 45 to 79 years of age, and for women from ages 55 to 79 years of age (1 pill per day).
- b. Vitamin D (2 per day) for men and women age 65 years and over and residing in a community-living facility.
- c. Fluoride supplementation for children from ages zero months to five years of age.
- d. Folic acid supplements (including prenatal vitamins) for women who may become pregnant.
- e. Liquid iron supplements for infants ages zero months to one year in age.
- f. Oral contraceptives and contraceptive devices for women (excludes abortifacients, IUD's and implants.)
- g. Smoking cessation medication and products.
- h. Immunizations for adults and children.

Note: All preventive care drugs will be covered at 100% of Allowable Charges ONLY for generic drugs, unless there is no generic available. If you choose to fill a brand name prescription, you may incur a co-payment.

What Drugs Are Not Covered?

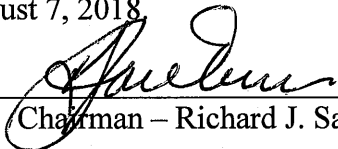
1. Drugs not requiring a physician's or dentist's prescription (except certain immunizations and preventive care drugs).
2. Certain injectable drugs, blood and blood plasma.
3. Non-Formulary multivitamins and non-therapeutic vitamins, cosmetics, dietary supplements (except when prescribed, and a prior authorization received), health and beauty aids.

4. Non-drug items such as appliances, prosthetics, bandages, heat lamps, etc. (except as identified above under the "What Drugs are Covered?" section and/or on the Formulary).
5. Any drugs taken in accordance with the physician's directions that exceed a 90-day period without the necessity of a refill, unless prior written agreement has been reached with the Trust.
6. Rogaine (minoxidil) solution.
7. Progesterone suppositories.
8. Drugs taken by or prescribed for a patient in a hospital, sanitarium or rest home (with the exception of Vitamin D as identified above under the "What Drugs are Covered?" section).
9. Drugs for which reimbursement is provided under Workers' Compensation or occupational disease laws.
10. Any drugs not reasonably necessary for the care or treatment of bodily injuries or sicknesses.
11. Drugs dispensed in the physician's office.
12. Drugs prescribed in connection with weight reduction.
13. Drugs prescribed in connection with the treatment of infertility or to enhance fertility.

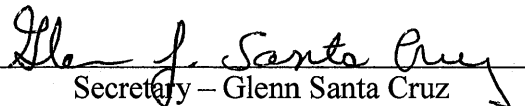
NOTE: The general exclusions described in Section X also apply to drug benefits.

CERTIFICATE OF ADOPTION OF AMENDMENT

The undersigned Chairman and Secretary of the Board of Trustees of the Airconditioning and Refrigeration Industry Health and Welfare Trust Fund do hereby certify that the foregoing Amendment was duly adopted by the Board of Trustees at a meeting duly called and held on August 7, 2018.



Chairman – Richard J. Sawhill



Secretary – Glenn Santa Cruz