SUMMARY OF MATERIAL MODIFICATION

June 2026

Dear Participant:

This Participant Notice will advise you of certain material modifications that have been made to the Alaska Electrical Health & Welfare Fund**. This information is VERY IMPORTANT to you and your dependents**. Please take the time to read it carefully and keep it with your important paperwork.

CHANGES TO PLAN COVERAGE FOR GLP-1 INHIBITORS

The Alaska Electrical Health and Welfare Fund's Plan currently provides coverage of GLP-1 inhibitors (such as Ozempic, Wegovy, and Mounjaro) for weight loss and type 2 diabetes, and related comorbidities, without prior authorization.

Following a detailed review by the Board of Trustees, the Trustees determined that the Fund is an outlier in covering these medications without prior authorization. This has allowed for very high utilization of these medications and for potential utilization contrary to FDA guidelines. These medications are very expensive for the Fund, costing the Fund in excess of $5 million in 2025.

Following review, the Trustees decided to adopt a prior authorization requirement for all GLP-1 inhibitors. Accordingly, effective October 1, 2026, all GLP-1 inhibitors will require prior authorization by the Fund's pharmacy benefit manager CVS Caremark.

If you are prescribed GLP-1 medication for type 2 diabetes

For treatment of type 2 diabetes, CVS Caremark will evaluate current information it has in its system to determine if there is sufficient ICD diagnosis codes and prescription claims history to bypass prior authorization requirements. If there is not sufficient information, CVS Caremark will send you a letter noting that prior authorization will be required for approval of your GLP-1 medication.

If you are prescribed GLP-1 medication for weight loss

For treatment of weight loss, the prior authorization requirement will apply across all users of weight loss medications. CVS Caremark will contact you and your prescribing physician regarding the prior authorization process. Your physician will typically submit the prior authorization request on your behalf, but you may want to contact your physician to confirm. CVS Caremark's prior authorization process will follow FDA guidelines. If you are currently using a GLP-1 medication for maintenance of weight, you may be eligible for approval if your physician can provide medical documentation showing that you met the CVS maintenance criteria to continue coverage.

Please note that while you are always entitled to appeal the denial of a medication, the Trustees will not grant exceptions to CVS Caremark's prior authorization criteria.

The Trustees understand that these medications are very popular and the Trustees did not make this decision lightly. The Trustees note that if you do not meet CVS Caremark's prior authorization criteria, you may still be able to purchase these medications as there is broad access to these medications in the market. If you decide to purchase a GLP-1 medication without prior authorization, you will need to pay for the medication and your out-of-pocket costs cannot be submitted for reimbursement and will not count toward your deductible or out-of-pocket maximums.

COBRA "BUY DOWN"

The Alaska Electrical Health and Welfare Fund's Plan provides that if you should pass away while eligible under an hourly plan, coverage will continue for your dependents for as long as your hour bank has sufficient hours to continue coverage. Coverage will terminate on the last day of the calendar month in which you have fewer than 130 hours remaining in your hour bank. Any remaining hours in the hour bank are forfeited to the Plan.

Effective January 1st, 2026, the Board of Trustees has amended the Plan to provide your surviving dependents with the option of using any remaining balance in your hour bank to "buy down" the premium for the first month of COBRA continuation coverage. The value of this buy down will depend on the number of hours in the hour bank, but shall not exceed the full monthly cost of the COBRA premium. This buy down option for surviving dependents will be included with the COBRA election packet. If your surviving dependents do not elect COBRA continuation coverage, any remaining hours in the hour bank are forfeited to the Plan.

CHANGES BOARD OF TRUSTEES

The Fund's Board of Trustees is updated as follows:

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Receipt of this notice does not constitute a determination of benefits or your eligibility. If you wish to verify benefits or eligibility, or if you have any questions regarding medical benefit changes, please contact the Trust Administration Office at (907) 276-1246.