

Michaels®

OptumRx

Aetna Select HRA, Basic HRA & Choice HSA

**Prescription Drug (Rx) Program
Summary Plan Description**

January 1, 2021

Introduction

Michaels Stores, Inc. (“Michaels” or the “Employer”) maintains the Michaels Stores, Inc. Employee Benefit Plan (the “Plan”) for the exclusive benefit of, and to provide welfare benefits to, eligible Team Members, their spouses/domestic partners, and eligible dependents. Prescription drug coverage is one of the benefits provided under the Plan. There is no need to enroll for prescription drug coverage; it is automatically provided when you enroll in a Michaels medical plan with Aetna.

This Summary Plan Description (“SPD”) summarizes the Plan’s prescription drug benefits, but it does not fully describe the Plan or its prescription drug coverage. For the Plan’s rules on eligibility, coverage, and enrollment, please refer to your Michaels medical plan SPD. If there are any discrepancies between this SPD and the plan documents, the plan documents shall govern.

Your Prescription Drug Program

OptumRx administers an extensive nationwide Pharmacy network to provide Michaels with network discounts for prescription medications. The retail network includes both chain and independent pharmacies. The directory of nationwide participating pharmacies can be found on www.optumrx.com. Your out-of-pocket expense will vary based on whether your drug is filled at a retail Pharmacy or through OptumRx’s Mail Order Pharmacy program.

It is important that you have the information and useful resources to help you get the most out of your OptumRx prescription drug plan. This booklet explains:

- Definitions you need to know;
- How to access network pharmacies and procedures you need to follow;
- What prescription drug expenses are covered and what limits may apply;
- What prescription drug expenses are not covered by the Plan;
- How you share the cost of your covered prescription drug expenses; and
- Other important information such as appeals and general administration of the Plan.

A few important notes to consider before moving forward:

- Unless otherwise indicated, “you” refers to you and your covered dependents.
- Your prescription drug program pays benefits only for prescription drug expenses described in this booklet as covered prescriptions drugs.
- This booklet applies to Plan coverage only and does not restrict your ability to receive Prescription Drugs that are not or might not be covered under this prescription drug program.
- Store this booklet in a safe place for future reference.

Notice

The Plan does not cover all prescription drugs, medications and supplies. Refer to the Limitations and Exclusions section of this booklet.

- Covered prescription drug expenses are subject to cost sharing requirements as described in the Cost Sharing sections of this coverage and in your Schedule of Benefits.
- Specialty prescription drugs will only be covered when obtained through OptumRx’s specialty pharmacy program.
- Maintenance medications that you take on a regular, daily basis will only be covered when obtained through a CVS retail pharmacy or OptumRx Mail Service program.

Making the Most of Your Pharmacy Benefits

Here are some tips on how you can make the most of your Pharmacy benefits:

- While at your doctor's office, ask whether Brand-Name Drugs are medically necessary or if a generic substitute would be appropriate;
- If a Generic Drug would be appropriate, ask your doctor to indicate “generic substitution permissible” on your prescription;
- If your doctor is calling in the prescription to a Pharmacy, remind your doctor that you save money using generics (or a Preferred Brand, if a Generic Drug is not available); and
- If you are filling a prescription for a Brand-Name Drug, ask the pharmacist to tell you if a Generic Drug alternative is available.

How the Prescription Drug Program Works

Identification Card

When you enroll in a Michaels medical plan with Aetna, you will automatically receive an ID card from OptumRx. The ID card tells network pharmacies that you are entitled to benefits under Michaels prescription drug coverage with OptumRx. You must present your ID card to the network Pharmacy every time you get a prescription filled to be eligible for network benefits. The network Pharmacy will calculate your claim online. You will pay any Deductible, Copayment Amount or Coinsurance Amount percentage directly to the network Pharmacy. You do not have to complete or submit claim forms. The network Pharmacy will take care of claim submission.

The card offers a convenient way of providing important information specific to your coverage including, but not limited to, the following:

- **Your Subscriber identification number.** This unique number identifies you as a participant in the Michaels prescription drug program with OptumRx.
- Your Pharmacy group number is **MICHAELS**.
- The **BIN** number is **610011** and **PCN** number **IRX**.
- This information identifies Michaels prescription drug program with OptumRx.
- **Optum's Customer Service** Toll-Free Number is **855-540-5861**.

Any time a change in your family takes place, it may be necessary for a new ID card to be issued to you.

Fraudulent, unauthorized, abusive, or intentionally improper use of ID cards by any participant may result in sanctions being applied to all participants covered under your coverage including but not limited to:

- Denial of benefits;
- Cancellation of coverage under the Plan for all participants under your coverage;
- Limitation on the use of the Identification Card to one designated Participating Pharmacy of your choice;
- Recovery from you or any of your covered Dependents of any benefit payments made;
- Prior authorization of drug purchases for all participants receiving benefits under your coverage;
- Notice to proper authorities of potential violations of law or professional ethics.

Fraudulent, unauthorized, abusive or intentionally improper use of ID cards issued to you and your covered Dependents may include: use of the ID card before your effective date (or after your termination of coverage under the Plan); obtaining drugs for resale or use by someone other than the person for whom the Prescription Order is written (even if the person is covered under the Plan); obtaining Covered Drugs without a Prescription Order or through the use of a forged or altered Prescription Order; circumventing the quantity limitations of the Plan; using Prescription Orders for the same drugs from multiple Providers; and using the same Prescription

Order at multiple pharmacies.

Accessing Pharmacies and Benefits

When you need a Prescription Order filled, you can generally elect to go to a network Pharmacy or a Out-of-Network Pharmacy. However, there are special programs you must use for medications that you take for longer than 30 days, and for certain high cost specialty drugs that require special handling. See pages 6-7 for additional information on the Mail Order and Specialty Drug programs.

Covered drugs are based on OptumRx’s Premium Formulary (Preferred Drug List), which includes both Generic and some Brand-Name Drugs. There are some medications that may be excluded from the Premium Formulary. Your out-of-pocket expenses will generally be higher if your physician prescribes a Brand-Name Drug, or one that is not on the Preferred Drug list.

Copayment Amounts and Coinsurance Amounts are shown on the Schedule of Benefits. The amount you pay depends on the quantity and whether the Covered Drug dispensed is a:

- Generic Drug
- Preferred Brand Drug
- Non-Preferred Brand Drug

Except for Maintenance Medications filled at a participating CVS retail Pharmacy, each prescription filled at a retail Pharmacy is limited to a 30-day supply.

	Retail Pharmacy	CVS 90 Saver Plus Program	Specialty Drug Program
When to Use Your Benefit	For immediate medicine needs or short-term medicines (up to a 30-day supply)	For medicines you take on a regular, daily basis to treat a chronic or long-term condition.	For high-cost drugs used to treat complex or chronic rare medical conditions
Where	You can use your prescription benefit at participating (in-network) retail pharmacies nationwide. To find a participating retail Pharmacy in your area, go to www.optumrx.com and use the “Find a Pharmacy” search or call OptumRx Customer care toll-free at 855-540-5861	Take your original prescription written for a 90-day supply to a CVS Pharmacy, or mail your original prescription with a completed mail service order form to OptumRx.	You or your physician should contact OptumRx Specialty Pharmacy at 877-838-2907 .

Network Pharmacies

This program provides access to covered benefits through a network of pharmacies, vendors or suppliers. OptumRx has contracted for these network pharmacies to provide prescription drugs and other supplies to you.

Obtaining your benefits through network pharmacies has many advantages. Benefits and cost sharing may vary by the type of network Pharmacy where you obtain your prescription drug and whether or not you purchase a generic, Preferred Brand or Non-Preferred Brand drug. Network pharmacies include retail, specialty and mail service pharmacies. Cost sharing amounts and provisions are described in the Schedule of Benefits.

When you go to a network Pharmacy:

- Present your ID card to the pharmacist along with your Prescription Order,
- Provide the pharmacist with the birth date and relationship of the patient, and
- Pay the appropriate Copayment Amount or Coinsurance Amount for each Prescription Order filled or refilled and the pricing difference* when it applies to the Covered Drug you receive.

* You may be required to pay for limited or non-covered services.

If you are unsure whether a Pharmacy is a network Pharmacy, you may access OptumRx's website at www.optumrx.com or contact Customer Care at **855-540-5861**.

Cost Sharing for Network Benefits

Network pharmacies have agreed to accept as payment in full the lowest of the following:

- Billed charges, or
- The Allowable Amount as determined by OptumRx, or
- Other contractually determined payment amounts.

You will be responsible for the Copayment Amount or applicable Coinsurance Amount for each prescription or refill as specified in the Schedule of Benefits. If the Allowable Amount of the drug is less than the Copayment Amount or Coinsurance Amount, you will pay the lower cost.

IMPORTANT NOTE: If you buy a Brand-Name Drug when a Generic Drug is available—and your prescription does not indicate “Brand Name Only” or “Dispense As Written” (DAW) on the Prescription Order—you will pay the Brand-Name Drug Coinsurance Amount AND the difference in price between the Generic Drug and Brand-Name Drug.

The Copayment Amount or Coinsurance Amount is payable directly to the network Pharmacy at the time the prescription is dispensed.

When you obtain your prescription drugs through a network Pharmacy, you will not be subject to balance billing for any amount above the negotiated charge, and no claim forms are required.

If you are unsure whether a Pharmacy is a network Pharmacy, you may access OptumRx's website at www.optumrx.com or contact Customer Care at **855-540-5861**.

Out-of-Network Pharmacy

There are no Out-of-Network benefits under the OptumRx program. If you have a Prescription Order filled at an Out-of-Network Pharmacy, you must pay the Pharmacy the full billed amount.

Premium Formulary

The premium formulary is a list of medications and where they fall in your plan's coverage. It is available online at www.optumrx.com. There are three categories:

- Tier 1 – usually Generics and have the lowest out-of-pocket costs
- Tier 2 – Preferred Brand Drugs
- Tier 3 – the highest tier and typically have a lower cost option in tier 1 or 2.

- If there is a tier 3 medication that has a tier 1 option and a member chooses the higher cost drug, there is a penalty of the copay plus the cost difference between the Tier 3 brand and the Tier 1 generic.

There are also medications marked with an E on the formulary. These are excluded medications, which means that your plan does not cover them.

The formulary listing does not include all medications available – to determine whether a specific drug is covered, call Customer Care at 855-540-5861.

CVS90 Saver Plus Program

The CVS90 Saver Plus Program is a program that allows you to get 90-day supplies of your maintenance medications at any CVS Pharmacy location or through OptumRx home delivery — the choice is yours. Your Pharmacy benefit covers only a limited number of 30-day refills of a maintenance medication. After the allowed refills, you must choose to fill your prescription through OptumRx home delivery or at a CVS Pharmacy, or pay the full cost of your maintenance medication.

Specialty Drugs

Specialty drugs often require special handling and extra care and must be purchased through the OptumRx Specialty Drug program. Specialty drugs include self-administered injectable drugs and certain oral medications for serious conditions such as multiple sclerosis, rheumatoid arthritis, hemophilia, cystic fibrosis, hepatitis C, growth hormone deficiency, anemia, Crohn’s disease, neutropenia, pulmonary hypertension and many others. A complete list of specialty drugs that must be purchased through OptumRx specialty Pharmacy is located on specialty.optumrx.com. You may also call Optum Specialty Pharmacy at **877-838-2907** for more information.

Questions? For help with your specialty pharmacy needs, call Optum Specialty Pharmacy toll-free at 877-838-2907 or visit specialty.optumrx.com

The OptumRx Specialty Pharmacy provides not only your specialty medicines, but also personalized Pharmacy care management services including:

- Access to a team of clinical experts that are specially trained in your condition. Your team will be led by a pharmacist or nurse who can help you understand and manage your condition, troubleshoot side effects, and advise you on proper use and storage of your medication.
- On-call pharmacist 24 hours a day, seven days a week
- Coordination of care with you and your doctor
- Convenient delivery to the address of your choice, including your doctor’s office
- Medicine- and condition-specific education and counseling
- Insurance and financial coordination assistance
- Confidential and empathetic care
- Online support and resources through **specialty.optumrx.com** including condition-specific information and the specialty Pharmacy drug list

For Specialty Drugs, the length of time covered by your prescription determines your Copayment Amount.

- For prescriptions of 30 days or less, the 30-day retail Copayment Amount applies;
- For prescriptions of 31-90 days, the 90-day mail order Copayment Amount applies.

How You Receive Your Specialty Drugs

Most specialty medications are delivered by mail to your home, office or other location of your choice. The quality of your medicine is maintained during shipping with secure, temperature-controlled packaging. To

protect your privacy, the outside of the shipping package is non-descriptive, and OptumRx will include the supplies you need to take your medicines, such as syringes and alcohol swabs

Injectable Drugs

The day supply of disposable syringes and needles you will need for self-administered injections will be limited to amounts appropriate for the amount actually dispensed, but not more than 100 syringes and needles per prescription in a 30-day period.

How to Get Started

If you are being treated for a serious medical condition, you or your physician should contact OptumRx Specialty Pharmacy at **877-838-2907**. Representatives are available 24 hours a day/7 days a week.

Preventive Drugs

Standard preventive Generic Drugs and insulin will be covered with no Copayment Amount or Coinsurance Amount when submitted with a Prescription Order. Contact OptumRx Customer Care at **855-540-5861** to find out whether a particular medication is subject to a Copayment Amount or Coinsurance Amount.

Physician Consultation

In certain situations, OptumRx may consult with your physician regarding your prescription drug. OptumRx may provide him or her with information on the latest medical guidelines and therapy for your medical condition. The OptumRx pharmacist may also ask your physician if an equally effective and less costly medicine is appropriate for you. This may result in your physician changing the prescribed medicine.

Prior Authorization

Certain medications must be reviewed and approved in advance by OptumRx to ensure the appropriateness of drug therapy based on strict FDA-approved and evidence-based criteria for drugs that would otherwise not be covered. Your pharmacist will inform you if your drug requires prior authorization and instruct you to have your physician contact the OptumRx Prior Authorization unit. You may contact Customer Care at **855-540- 5861** for more information.

Quantity Limits

Benefits for Covered Drugs are generally available up to the maximum day supply limit indicated on the Schedule of Benefits. However, some medications are subject to day supply limits based on clinical guidelines for efficacy and safety, regardless of the quantity ordered by the prescribing physician.

OptumRx has the right to determine the day supply at its sole discretion. Payment for benefits covered under this Plan **may be denied** if drugs are dispensed or delivered in a way that changes or circumvents the stated maximum day supply limitation.

If you require Prescription Orders in excess of the day supply limit established by OptumRx, ask your physician to submit a request for clinical review to OptumRx at **855-540-5861** to begin the review process. The request will be approved or denied after evaluation of the submitted clinical information.

Tobacco Cessation Medications

If you need help to quit smoking or using tobacco products, preventive medications are available at \$0 cost-share. Up to 180 days of treatment are covered at no cost each year. A prescription is required (even if the products are sold over-the-counter). Contact OptumRx Customer care at 855-540-5864 to find out whether a particular medication is covered.

SCHEDULE OF BENEFITS

SELECT HRA PLAN

Retail Pharmacy (up to 30-day supply) Preventive Generic & Insulin ^{1,2} Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3,5}	You pay: \$0 \$7 Copayment Amount 25% (\$30 min, \$120 max) 80% Coinsurance Amount
Mail/CVS90 (up to 90-day supply) Preventive Generic & Insulin ^{1,2} Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3,5}	You pay: \$0 \$18 Copayment Amount \$75 Copayment Amount 80% Coinsurance Amount
Specialty Pharmacy (up to 30-day supply) Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3}	You pay: \$7 Copayment Amount 25% Coinsurance Amount (\$30 min, \$120 max) 50% Coinsurance Amount (\$350 max)
Out-of-Pocket Maximum ⁵ Individual Family	\$1,950 \$3,900

BASIC HRA PLAN

Retail Store (up to 30-day supply) Preventive Generic & Insulin ^{1,2} Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3,5}	You pay: \$0 \$14 Copayment Amount 25% Coinsurance Amount (\$50 min, \$130 max) 80% Coinsurance Amount
Mail/CVS90 (up to 90-day supply) Preventive Generic & Insulin ^{1,2} Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3,5}	You pay: \$0 \$35 Copayment Amount \$125 Copayment Amount 80% Coinsurance Amount
Specialty Pharmacy (up to 30-day supply) Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3}	You pay: \$14 Copayment Amount 25% Coinsurance Amount (\$50 min, \$130 max) 50% Coinsurance Amount (\$350 max)
Out-of-Pocket Maximum ⁵ Individual Family	\$2,050 \$4,100

CHOICE HSA PLAN

Retail Store (up to 30-day supply) Preventive Generic & Insulin ^{1,2} Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3,5}	After Deductible is met, you pay: \$0 20% Coinsurance Amount after Deductible 20% Coinsurance Amount after Deductible 80% Coinsurance Amount after Deductible
Mail/CVS90 (up to 90-day supply) Preventive Generic & Insulin ^{1,2} Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3,5}	After Deductible is met, you pay: \$0 20% Coinsurance Amount after Deductible 20% Coinsurance Amount after Deductible 80% Coinsurance Amount after Deductible
Specialty Pharmacy (up to 30-day supply) Generic Preferred Brand ^{2,3} Non-Preferred Brand ^{2,3}	You pay: 20% Coinsurance Amount after Deductible (\$200 max) 20% Coinsurance Amount after Deductible (\$250 max) 50% Coinsurance Amount after Deductible (\$350 max)
Annual Deductible Individual Family	\$1,750 (combined with Medical ⁴) \$3,500 (combined with Medical ⁴)
Out-of-Pocket Maximum ⁵ Individual Family	\$5,000 (combined with Medical ⁴) \$12,500 (combined with Medical ⁴)

¹Generic and Insulin only

²To find out whether a drug is considered a preferred or Non-Preferred brand, log on to www.OptumRx.com and select "My Drug List" under the **My Coverage** area.

³If a Generic Drug equivalent is available, and you buy a Brand-Name Drug, you will pay your Coinsurance Amount PLUS the difference between the Generic and the Brand-Name cost.

⁴Refer to your Aetna medical plan Summary Plan Description for details.

⁵Non-Preferred Brand Drug costs do not apply towards the Out-of-Pocket Maximum.

Limitations and Exclusions

Benefits are not available for:

1. Drugs which do not by law require a Prescription Order from a Provider (except insulin, insulin analogs, insulin pens, and prescriptive and non-prescriptive oral agents for controlling blood sugar levels); and drugs or covered devices for which no valid Prescription Order is obtained.
2. Devices or durable medical equipment of any type (even though such devices may require a Prescription Order,) such as, but not limited to therapeutic devices, artificial appliances, or similar devices. Disposable hypodermic needles, syringes for self-administrated injections, including noninvasive glucose monitors and monitors for the blind, all required test strips, tablets for glucose, ketones, and protein, lancets, and other injection aids are exceptions to this exclusion.
3. Administration or injection of any drugs.
4. Vitamins (except those vitamins which by law require a Prescription Order and for which there is no non-prescription alternative).
5. Drugs dispensed in a physician's or authorized Professional Other Provider's office or during confinement while a patient is in a Hospital, or other acute care institution or facility, including take-home drugs; and drugs dispensed by a nursing home or custodial or chronic care institution or facility.
6. Covered Drugs, devices, or other Pharmacy services or supplies provided or available in connection with an occupational sickness or an injury sustained in the scope of and in the course of employment whether or not benefits are, or could upon proper claim be, provided under the Workers' Compensation law.
7. Covered Drugs, devices, or other Pharmacy services or supplies for which benefits are, or could upon proper claim be, provided under any present or future laws enacted by the Legislature of any state, or by the Congress of the United States, or the laws, regulations or established procedures of any county or municipality, except any program which is a state plan for medical assistance (Medicaid), or any prescription drug which may be properly obtained without charge under local, state, or federal programs, unless such exclusion is expressly prohibited by law; provided, however, that the exclusions of this section shall not be applicable to any coverage held by the participant for prescription drug expenses which is written as a part of or in conjunction with any automobile casualty insurance policy.
8. Any special services provided by the Pharmacy, including but not limited to, counseling and delivery.
9. Covered Drugs for which the Pharmacy's usual and customary charge to the general public is less than or equal to the participant's cost share determined under this Plan.
10. Non-prescription contraceptive materials.
11. Oral and injectable infertility and fertility medications.
12. Any prescription antiseptic or fluoride mouthwashes, mouth rinses, or topical oral solutions or preparations.
13. Drugs required by law to be labeled: "Caution - Limited by Federal Law to Investigational Use," or experimental drugs, even though a charge is made for the drugs.
14. Drugs dispensed in quantities in excess of the day supply amounts stipulated in your Schedule of Coverage, certain Covered Drugs exceeding the clinically appropriate predetermined quantity, or refills of any prescriptions in excess of the number of refills specified by the physician or authorized Professional Other Provider or by law, or any drugs or medicines dispensed more than one year following the Prescription Order date.
15. Legend Drugs which are not approved by the U.S. Food and Drug Administration (FDA) for a particular use or purpose or when used for a purpose other than the purpose for which the FDA approval is given, except as required by law or regulation.
16. Fluids, solutions, nutrients, or medications (including all additives and chemotherapy) used or intended to be used by intravenous or gastrointestinal (enteral) infusion or by intravenous, intramuscular (in the muscle), intrathecal (in the spine), or intra-articular (in the joint) injection in the home setting.

17. Any drugs or supplies provided for reduction of obesity or weight, even if the participant has other health conditions which might be helped by a reduction of obesity or weight.
18. Drugs that the use or intended use of which would be illegal, unethical, imprudent, abusive, not Medically Necessary, or otherwise improper.
19. Drugs obtained by unauthorized, fraudulent, abusive, or improper use of the Identification Card.
20. Drugs used or intended to be used in the treatment of a condition, sickness, disease, injury, or bodily malfunction which is not covered under your group health care plan, or for which benefits have been exhausted.
21. Rogaine, minoxidil, or any other drugs, medications, solutions, or preparations used or intended for use in the treatment of hair loss, hair thinning, or any related condition including cosmetic, whether to facilitate or promote hair growth, to replace lost hair, or otherwise.
22. Compounded drugs that do not meet the definition of Compound Drugs in this portion of your Benefit booklet.
23. Cosmetic drugs used primarily to enhance appearance, including, but not limited to, correction of skin wrinkles and skin aging.
24. RetinA or pharmacologically similar topical drugs for participants age 25 and older, unless medically necessary.
25. Athletic performance enhancement drugs.
26. Allergy serum and allergy testing materials.
27. Certain injectable drugs.
28. All forms of migraine medications are subject to FDA-recommended limitations and may require Prior Authorization.

Right of Appeal

In the event that a requested Prescription Order is still denied after your physician or authorized Provider has submitted clinical documentation, you have the right to appeal. All appeals will be conducted in accordance with the claim's rules under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

What if I don't agree with the decision?

You have the right to appeal any decision that denies payment for an item or service (in whole or in part). You may also submit written comments, documents or other information relevant to the appeal.

Who may file an appeal?

You, your prescriber or your authorized representative (someone you name to act for you, such as a family member, an attorney or a friend) may file an appeal. OptumRx reserves the right to establish and implement reasonable procedures to determine whether an individual has been authorized to act as your representative.

How do I file an appeal?

You have the right to appeal this medication coverage decision within 180 calendar days from the date of this denial notification. You or your prescriber can get appeals information, including independent appeal rights, by calling our appeals coordinator at 888-403-3398. .

To file an appeal, please send any written comments, document or other relevant documentation with your appeal to the address listed below:

Appeals Address

OptumRx c/o Appeals Coordinator
PO Box 25184
Santa Ana, CA 92799

Phone: 1-888-403-3398

Fax: 1-877-239-4565

How long does the appeals process take?

If you proceed with the appeals process, OptumRx will review the denial decision and provide you with a written determination within 30 calendar days of receiving your appeal, unless your original claim was a pre-service claim (i.e., for a prescription drug that required prior approval), in which case the written determination will be provided within 15 days. The 30-day and 15-day periods may be extended by an additional 30 or 15 days, as applicable, in which case you will be notified of the need for the extension before the expiration of the original period. If your appeal is denied, the written notice will advise you of the reasons for the denial, the pertinent plan provisions on which the denial is based, a description of any information necessary to perfect an appeal and an explanation of why such information is necessary, an explanation of the external review procedure and your right to bring a civil action under section 502(a) of ERISA within one-year of the date your initial claim was denied.

If any of the following occurs, you may be able to request an external review of your claim by an independent third party, known as an independent review organization (IRO), which will review the denial and issue a final decision:

- You do not receive a timely decision
- OptumRx continues to deny the payment, coverage or service requested after the final level of internal appeal
- OptumRx does not adhere to certain legal requirements regarding claims procedures

What if my appeal is urgent?

If your situation meets the definition of urgent under the law, your review will be rushed. Generally, an urgent situation is one in which the standard time frame for a decision:

- Could seriously jeopardize your life or health or your ability to regain maximum function, based on a prudent layperson's judgment
- In the opinion of a practitioner with knowledge of your medical condition, would subject you to severe pain that cannot be adequately managed without the care or treatment that is the subject of the request

If you believe your situation is urgent, you may request an expedited appeal by calling OptumRx at 1-888-403-3398.

You will be notified of the result of your expedited appeal within 72 hours from the receipt of the appeal request. If you are in an urgent situation, you may be allowed to proceed with an expedited external review at the same time as the internal appeals process under your plan.

EXTERNAL REVIEW PROCESS

What is an external review?

An external review is a complete re-examination of your case by an independent review organization (IRO).

Who may file an external review?

You, your prescriber or your authorized representative (someone you name to act for you, such as a family member, an attorney or a friend) may request an external review. OptumRx reserves the right to establish and implement reasonable procedures to determine whether an individual has been authorized to act as your representative.

How do I file an external review?

To file an external review, you must send OptumRx a letter within four (4) months of receiving the final letter of denial (or if you meet the situation above under "What if my appeal request is urgent?") and explain the reason for your disagreement with this denial decision.

You are not required to bear any costs, including filing fees, when requesting a case to be sent for external review to an IRO.

OptumRx will forward your letter and the entire case file to the IRO within five (5) business days of receiving your information, or within two (2) business days for an expedited external review.

Upon receiving your information, the IRO will notify you whether your request is eligible and accepted for an external review. Once you receive this letter, you have 10 business days to submit (in writing) additional information for the IRO to consider in its review.

The IRO will provide you a written notice of the final external review decision within 45 calendar days after the IRO receives the request for the external review, or within 72 hours for urgent requests. If the IRO overturns the denial, OptumRx will authorize or pay for the services in question.

To file an external appeal and provide additional information about your request, please send any written comments, documents or other relevant documentation with your appeal to the address listed below:

OptumRx c/o Appeals Coordinator
PO Box 25184
Santa Ana, CA 92799

Phone: 1-888-403-3398

Fax: 1-877-239-4565

LEGAL ACTION FOR RECOVERY

If after you have exhausted the appeal and external review process, if applicable, you are still not satisfied with the outcome, you may file a legal or equitable action in federal or state court. Any such action must be filed within one (10) year from the date your original prescription was denied.

Definitions

The following terms apply specifically to this prescription drug program booklet.

Allowable Amount means the maximum amount to be eligible for consideration of payment for a particular Covered Drug.

- For Participating Pharmacies and the Mail Service Prescription Drug Program, the Allowable Amount is based on the provisions of the contract between OptumRx and the Participating Pharmacy or Pharmacy for the Mail Service Prescription Drug Program in effect on the date of service.
- For Out-of-Network Pharmacies, the Allowable Amount is based on the Average Wholesale Price.

Average Wholesale Price means the current average wholesale price of a prescription drug listed in OptumRx's designated pricing source on the day that a Pharmacy claim is submitted for adjudication.

Brand-Name Drug is a prescription drug with a proprietary name assigned to it by the manufacturer.

Compound Drugs means those drugs that have been measured and mixed with FDA-approved pharmaceutical ingredients by a pharmacist to produce a unique formulation that is Medically Necessary because commercial products either do not exist or do not exist in the correct dosage, size, or form. The drugs used must meet the following requirements:

- The drugs in the compounded product are Food and Drug Administration (FDA) approved;
- The approved product has an assigned National Drug Code (NDC); and
- The primary active ingredient is a Covered Drug under the Prescription Drug Program.

Coinsurance Amount means the percentage amount paid by the participant for each Prescription Order filled or refilled through a Participating Pharmacy or Out-of-Network Pharmacy. The Coinsurance Amount will be based on the discounted price of the drug.

Copayment Amount means the dollar amount paid by the participant for each Prescription Order filled or refilled through a Participating Pharmacy, Out-of-Network Pharmacy or through the Mail Service Prescription Drug Program.

Covered Drugs means any Legend Drug (including insulin, insulin analogs, insulin pens, and prescriptive and non-prescriptive oral agents for controlling blood sugar levels, with disposable syringes and needles needed for self-administration):

- Which is Medically Necessary and is ordered by a physician or authorized Professional Other Provider naming a participant as the recipient;
- For which a written or verbal Prescription Order is provided by a physician or authorized Professional Other Provider;
- For which a separate charge is customarily made;
- Which is not entirely consumed at the time and place that the Prescription Order is written;

- For which the U.S. Food and Drug Administration (FDA) has given approval for at least one indication; and
- Which is dispensed by a Pharmacy and is received by the participant while covered under the Plan, except when received from a Provider's office, or during confinement while a patient in a hospital or other acute care institution or facility (refer to Limitations and Exclusions). Generic Drug means a drug which is approved by the U.S. Food and Drug Administration (FDA) as pharmaceutically and therapeutically equivalent for a particular use or purpose to the Brand-Name Drug prescribed.

Deductible – The annual amount you must pay for non-preventive drugs before the Plan begins to pay for such drugs.

Generic Drug – A generic drug, whether identified by its chemical, proprietary, or non-proprietary name, that is accepted by the U.S. Food and Drug Administration as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient. By law, a Generic Drug product must contain the identical amounts of the same active ingredient(s) as the Brand-Name Drug product. Drug products evaluated as "therapeutically equivalent" can be expected to have equal effect and no difference when substituted for the Brand-Name Drug product.

Legend Drugs means drugs, biologicals, or compounded prescriptions which are required by law to have a label stating "Caution - Federal Law Prohibits Dispensing Without a Prescription," and which are approved by the U.S. Food and Drug Administration (FDA) for a particular use or purpose.

Maintenance Drugs means prescriptions commonly used to treat conditions that are considered chronic or long-term. These conditions usually require regular, daily use of medicines. Examples of Maintenance Drugs are those used to treat high blood pressure, heart disease, asthma and diabetes.

National Drug Code (NDC) means a national classification system for the identification of drugs.

Out-of-Network Pharmacy means a retail Pharmacy that has not entered into an agreement to provide prescription drug services to Participants under the Prescription Drug Program.

Non-Preferred Drug (Non-Formulary) is a Brand-Named Drug or Generic Drug that does not appear on the Preferred Drug List (PDL).

Participating Pharmacy means an independent retail Pharmacy or chain of retail Pharmacies which have entered into a contractual agreement to provide prescription drug services to Participants under the Prescription Drug Program.

Pharmacy means a state and federally licensed establishment where the practice of Pharmacy occurs, that is physically separate and apart from any Provider's office, and where Legend Drugs and devices are dispensed under Prescription Orders to the general public by a pharmacist licensed to dispense such drugs and devices under the laws of the state in which he practices.

Preferred Drugs (Formulary) - Preferred Drugs are Generic or Brand-Named Drugs that appear on the Preferred Drug List. Only your doctor can decide whether a Preferred Drug is clinically appropriate for you.

Preferred Drug List (PDL) means a list of clinically appropriate and economically advantageous drugs developed, maintained, and revised by OptumRx and/or the Rebate Administrator. A copy of the Preferred Drug List is available upon request, or on the OptumRx website at www.OptumRx.com. [The PDL is reviewed and updated twice per year, January 1st and July 1st.](#)

Prescription Order means a written or verbal order from a physician or authorized professional other Provider to a pharmacist for a drug or device to be dispensed. Orders written by physicians or Providers located outside the United States to be dispensed in the United States are not covered under the Plan.

Provider is any recognized health care professional, Pharmacy or facility providing services within the scope of their license.

Plan Administration

Power and Authority of OptumRx

OptumRx has been delegated the responsibility for day-to-day administration of the Prescription Drug Program and conducting appeals relating to eligibility and coverage under the Prescription Drug Program, except for medical necessity appeals. For this reason, it is often referred to as a “Claims Administrator” in this document. OptumRx shall be the Plan’s named fiduciary under ERISA solely for purposes of adjudicating appeals relating to eligibility and the coverage of prescription drug benefits, except for medical necessity appeals.

OptumRx has contracted with an independent external review organization for processing appeals relating to medical necessity. The independent external review organization shall act as the Plan’s named fiduciary under ERISA solely with respect to adjudication of medical necessity appeals.

No Contract of Employment or Guarantee of Tax Consequences

The Plan is not intended to be, and may not be construed as constituting, a contract or other arrangement between you and the Employer to the effect that you will be employed for any specific period of time. Neither the Employer nor the Plan Administrator makes any warranty or other representation as to whether any payments made to or on behalf of any person will be treated as excludable from gross income for state or federal income tax purposes.

Amendment or Termination of the Plan

The Employer, as Plan Sponsor, has the right to amend or terminate the Plan at any time. The Plan may be amended or terminated by a written instrument duly adopted by the Employer.

Continuing Coverage under COBRA

If you lose your Plan coverage, including your coverage under the Prescription Drug Program, you may have the right to extend it under the Consolidated Budget Reconciliation Act of 1985 (COBRA). Additional information about continuation coverage under COBRA is available in the Plan’s medical SPD. Please refer to that document.

Important Information about the Plan

Name of the Plan

Michaels Stores, Inc. Employee Benefit Plan

Type of Plan

Employee welfare benefit plan. This SPD describes the prescription drug coverage provided under the Plan.

Employer and Plan Sponsor

Michaels Stores, Inc. Director of
Benefits 3939 W John Carpenter Fwy
Irving, TX 75063
972-409-1300

Plan Administrator

Michaels Stores, Inc. may appoint one or more persons or entities to act as Plan Administrator. To the extent no such appointment is made, Michaels shall be the Plan Administrator.

The Plan Administrator (or its delegate) has the authority, in its sole discretion, to construe and interpret the terms of the Plan and to make all eligibility and benefit determinations. The Plan Administrator (or its delegate) also has the authority, in its sole discretion, to make factual determinations as to whether any individual is entitled to receive any benefits under the Plan. The decision of the Plan Administrator (or its delegate), shall be final, subject to external review (see the section, “External Claims Review Process”).

Claims Administrator

The role of the Claims Administrator is to handle the day-to-day prescription drug claims administration and appeals relating to eligibility and coverage of prescription drug benefit determinations. OptumRx shall be the Claims Administrator for the Plan’s Prescription Drug Program, excluding review of claims denied based on lack of medical necessity. OptumRx shall contract with an independent external review organization to review appeals based on medical necessity.

Employer Identification Number

75-1943604

Plan Number

501

Agent for Service of Legal Process

Michaels Companies, Inc.
Director of Benefits
3939 W John Carpenter Fwy
Irving, TX 75063
972-409-1300

Plan Year

July 1 – June 30

Source of Contributions

The Plan is funded by employee and employer contributions. The employee rate of contribution is set by the employer and may be adjusted from time to time.

Statement of Rights under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

Receive Information about Your Plan and Benefits:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan, including insurance contracts and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, including insurance contracts, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Continue Group Health Plan Coverage

Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this summary plan description and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a (pension, welfare) benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Refer to "Right of Appeal" section of this document.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, and if you have exhausted the claims procedures available to you under the plan (discussed in the "Right of Appeal" section of in this document), you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security

Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.