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The Newsletter of the Screen Actors Guild – Producers Pension and Health Plans Volume XIII, Number 3 Fall 2005

Medicare Prescription Drug Coverage

The new Medicare Part D prescription drug benefit becomes effective on January 1, 2006. **If you are Medicare-eligible and have coverage under the SAG-Producers Health Plan, you should NOT enroll in a Medicare Prescription Drug Plan (PDP).** This is because the SAG-Producers Health Plan prescription drug benefits are more generous than the standard Medicare plan, as outlined in the following chart:

MEDICARE		SAG-PRODUCERS PLAN
Additional monthly premium		No additional premium for Rx coverage
\$250 calendar year deductible		\$100 calendar year deductible
A “donut hole”: No coverage between \$2,250 and \$5,100		No “donut hole”
Some normally allowable drugs will not be covered		All drugs covered (per Plan rules)

If you enroll in a Medicare PDP, you will not have any prescription drug coverage under the SAG-Producers Health Plan. You may hear that there is a penalty if you do not sign up for a Medicare PDP right away. However, you will not be subject to the penalty as long as you are covered by the SAG-Producers Health Plan. Please refer to the Notice of Creditable Coverage in this newsletter for more information.

Although the majority of SAG-Producers Health Plan participants should NOT enroll in a Medicare PDP, there are two possible exceptions to this rule:

People With Limited Resources: Medicare includes special provisions for people with limited income and resources. The special provisions allow you, if you qualify, to receive Medicare Prescription Drug benefits with no premium and low or no deductibles

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IMPORTANT

Inside this issue: Your Notice of Creditable Coverage.

Medicare Prescription Drug Coverage, continued from page 1.

and co-payments. If you think you may qualify for this provision, you should contact the Social Security Administration (SSA) or complete their worksheet, which can help you determine whether you should apply for the extra prescription drug help. The worksheet can be found on the SSA Web site (www.ssa.gov) and there is a link to it on ours (www.sagph.org).

Self-Pay Program Participants: If you are currently enrolled in our Self-Pay Extended Coverage Program and are also Medicare-eligible, it is possible that, with the monthly Self-Pay premiums and Health Plan prescription drug deductible and co-payments, you may pay more for our coverage than through a Medicare PDP. You should do a comparison of your costs under the SAG-Producers Health Plan vs. a

Medicare PDP. Keep in mind that if you decide to enroll in a Medicare PDP and stop paying your SAG-Producers Health Plan Self-Pay premiums, you will have no coverage – medical or prescription drug – under the SAG-Producers Health Plan. You cannot drop just the prescription drug coverage and retain medical. Also, if you terminate your Self-Pay coverage, you will not be able to get back into the Self-Pay Program.



For more information on Medicare (Parts A, B or D) and how it affects your Health Plan benefits, call the Plan Office or visit our Web site.

Beware of Fraudulent Diagnostic Testing

Two lawsuits alleging fraudulent diagnostic tests ordered by some chiropractors are currently moving through the courts. Be advised that the Health Plan does not pay for any non-medically necessary diagnostic tests ordered or performed by a physician or for ANY diagnostic test ordered or performed by a chiropractor. The Plan's benefit is limited to traditional chiropractic services, which include the initial physical examination, subsequent chiropractic manipulations and x-rays of the spine when medically necessary. No benefits will be paid for any other diagnostic tests performed or ordered by a chiropractor even if he or she is duly licensed by a state agency and authorized to provide such services within the scope of his or her license. Tests such as MRIs, CT-scans and nerve conduction velocity studies are not generally used for conditions that are treated by chiropractors. These tests are more appropriately prescribed by physicians in other specialties.

Additional Safety for Pension Payments

Pensioners who already take advantage of the safety, security and convenience of direct deposit are advised that beginning with the December 2005 pension checks, the Plan Office will no longer be sending a "non-negotiable" duplicate of the check to your home address. The elimination of the duplicate is part of a continuing effort to combat identity theft. Your monthly benefit will be in your account and available on the first of each month just as it always is. You can always confirm receipt of the check with your bank. If you should experience any problems, you can contact the Plan Office.

Signing up for direct deposit to your checking or savings account is easy. Contact the Pension Department at the Plan Office (extension 2020) and tell us that you want to sign up for direct deposit of your monthly pension benefit. We will send you the short Electronic Deposit Form to complete. You may also download the Electronic Deposit Form from the Plans' Web site: www.sagph.org. Once the Pension Department receives your completed form, we take care of the rest. You cannot sign up for direct deposit by telephone.

A Tale of Two Knees

You and a friend are both eligible for Plan I benefits under the SAG – Producers Health Plan. Both of you have satisfied the Plan deductibles for the calendar year. You both have the same problem in the left knee, and it requires an identical surgical procedure. You have knee surgery on the same day in the same facility; and though you and your friend use different doctors, each surgeon bills an identical \$5,000 for the procedure. However, when you awaken from the haze of anesthesia one of you owes \$100, and one of you owes \$3,000. How is this possible? The answer is simple, one of you used a Network doctor and one of you used a Non-network doctor.

Unfortunately for some of you, this tale will prove all too true. You are free to go outside the network, but you should know in advance that the more expensive your medical or surgical procedure is, the more it costs you to use a Non-Network provider. How much more and why is illustrated in the chart below.

Hypothetical \$5,000 Knee Surgery

NETWORK		NON-NETWORK	
Billed Amount	\$5,000	Billed Amount	\$5,000
Plan's Allowance This is network contracted rate. \$3,800 is written off by the provider.	\$1,200	Plan's Allowance* This is based on usual & customary charges in geographic area where services are performed	\$2,500
Health Plan Pays	\$1,100	Health Plan Pays 80%	\$2,000
Your Responsibility	\$ 100 copay	Your responsibility 20% of Plan's Allowance PLUS Difference between billed amount and Plan's Allowance	\$ 500 \$2,500
		Total	\$3,000

*The Allowed Amount is the *maximum* amount that the Health Plan will consider for each medical service or procedure from a Non-Network provider, which in this example is \$2,500.

If you choose a Non-Network provider be aware of the potentially costly difference between the "Allowed Amount" and the "billed amount". The Non-Network provider can charge whatever he or she wants, *but the Plan pays based on the Allowed Amount, not the billed amount*. If you would like to have an idea of what your out-of-pocket cost may be, have your provider contact

the Plan Office in writing. Please have them send a letter of medical necessity, the proposed procedure codes, and the anticipated costs. The Plan will advise you and your doctor of the approximate amount that is covered. This estimate is not a guarantee of payment. The final determination of any allowance will be based on a review of the actual services provided.

Screen Actors Guild – Producers Health Plan

P.O. Box 7830
Burbank, CA 91510-7830

October 2005

Notice of Creditable Coverage

This Notice contains important information about your current prescription drug coverage with the SAG-Producers Health Plan and the Medicare Prescription Drug coverage available January 1, 2006. Read this notice carefully and keep it in a safe place with your important papers.

Key Information

1. Medicare Prescription Drug coverage (Medicare Part D) will be available starting January 1, 2006 to anyone with Medicare.
2. The SAG-Producers Health Plan's existing prescription drug benefits are more generous than the standard Medicare drug benefits except under very limited circumstances.
3. You do not need to enroll in a Medicare Prescription Drug Plan (PDP) as long as you have coverage from the SAG-Producers Health Plan. If you do enroll in a Medicare PDP and you have Earned Inactive, Senior Performer or Extended Spousal eligibility, you will not be eligible for any prescription drug coverage from the SAG-Producers Health Plan.
4. If you have Earned Active eligibility, you should not enroll in a Medicare PDP because the SAG-Producers Health Plan is your primary plan.

New Medicare Prescription Drug Coverage (Medicare Part D)

Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare (entitled to Medicare Part A and/or enrolled in Medicare Part B). This coverage will be provided through Medicare Prescription Drug Plans (PDPs). Most people will have to pay a premium for Medicare Part D. The enrollment period for 2006 is from November 15, 2005 through May 15, 2006. Each year after 2006, the enrollment period will be from November 15th through December 31st. For people with limited income and assets, extra help in payment for Medicare Part D is available. All Medicare PDPs will provide a standard level of care as set by Medicare. Some PDPs may offer better coverage for a higher premium.

SAG-Producers Health Plan Prescription Drug Coverage

The Health Plan will continue to provide prescription drug coverage for Medicare eligible participants for 2006. These benefits have been determined to be "creditable coverage" which means that the Health Plan is expected to pay as much in claims for all participants as standard Medicare Prescription Drug coverage. Because your Health Plan drug coverage is more generous than the standard Medicare drug coverage, you do not need to join a Medicare PDP as long as you have coverage under the Health Plan.

Your Choices and the Consequences

If you do not enroll in a Medicare PDP, you will continue to receive your current prescription drug benefits from the Health Plan as long as you are otherwise eligible for Plan coverage. Remember that the Health Plan also covers hospital and medical benefits. There is no premium for prescription drug coverage under the Health Plan.

If you have Earned Inactive, Senior Performer or Extended Spousal eligibility and enroll in a Medicare PDP, you will no longer receive any prescription drug coverage from the Health Plan. However, you will continue to receive medical and hospital benefits from the Health Plan as long as you are otherwise eligible for Plan coverage. Remember that for most people there is a monthly premium for Medicare Part D coverage. If you enroll in a Medicare PDP and later drop that coverage, you can again receive your prescription drug coverage from the Health Plan, provided you are still eligible. Your Health Plan prescription drug coverage will be effective the first of the month after your Medicare PDP coverage ends.

Important Note: If you drop or lose your coverage with the SAG-Producers Health Plan and do not enroll in a Medicare PDP right away, you may have to pay more to enroll in Medicare Part D later. If you go 63 days or longer without prescription drug coverage that is as good as Medicare's drug coverage, your monthly Medicare Part D premium will increase by 1% for each month that you did not have that coverage. This penalty does not begin accruing until after the end of the initial enrollment period on May 15, 2006. For example, if you go 19 months without coverage, your premium for Medicare drug coverage will be 19% higher than what you would have paid had you enrolled as soon as you lost your Health Plan coverage. You will have to pay this higher premium for as long as you have Medicare coverage. In addition, you may have to wait until the following November to enroll.

Keep This Notice

If you enroll in a Medicare PDP after May 15, 2006, you will need to provide a copy of this Notice when you enroll to avoid paying a higher premium. This Notice verifies that you have creditable coverage with the SAG-Producers Health Plan so that you are not required to pay the higher premium.

For More Information

You will receive a "Medicare & You 2006" handbook in the mail from Medicare which contains detailed information about the Medicare prescription drug coverage. You will also receive information directly from Medicare PDPs. To get more information, you can:

- Visit www.medicare.gov for personalized help.
- Call your State Health Insurance Assistance Program (see "Medicare & You 2006 for phone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For individuals with limited income and assets, extra help paying for a Medicare PDP is available. Information about this help is available from the Social Security Administration:

- Visit www.socialsecurity.gov
- Call 1-800-772-1213 (TTY 1-800-325-0778)

For More Information About this Notice or the SAG-Producers Health Plan Prescription Drug Benefits, contact the Plan Office at:

- (800) 777-4013 (outside Los Angeles area)
- (818) 954-9400

You may request a copy of this Notice at any time by contacting the Plan Office. An updated copy of this Notice will periodically be provided in the future.

Benefits under the SAG-Producers Health Plan are not vested or guaranteed. They may be modified, reduced or terminated at any time by the Board of Trustees.



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Moving???

When you move, you must notify the Pension and Health Plan Office so that you will continue to receive information about your eligibility and benefits. This is especially important now that premium payment coupons are mailed every quarter to your address on file.

You can change your address with the Plan Office four different ways:



- Online at www.sagph.org
- Call the Plan Office
- File a Change of Address Card
- Write or FAX a letter to the Plan Office

The *Screen Actors Guild* is a separate entity from the Pension and Health Plans and requires a separate notice for change of address.

PENSION AND HEALTH PLAN DIRECTORY

Burbank Plan Office: (818) 954-9400
From outside the Los Angeles area: (800) 777-4013
Fax: (818) 953-9880
New E-mail address: psd@sagph.org
Web site: www.sagph.org

IF YOU NEED:

ASK FOR:

Benefit and Eligibility Information	Participant Services
Pension Plan Information	Pension Department, Ext. 2020
Information on Medical Claims	Participant Services
Information on Dental Claims	
Delta Dental – Member Services	(800) 846-7418
– Directories	(800) 846-7418
Information on Prescription Drugs	
Medco Health	(800) 903-4728
Prescription Pre-Authorizations	(800) 753-2851
NEW YORK Plan Office	(212) 599-6010
275 Madison Ave. #1819, New York, NY 10016	