



The Newsletter of the Screen Actors Guild –
Producers Pension and Health Plans

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Winter 2006

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“And now for the good news . . .”

Health Plan Improvements Slated for 2007

Highlights

A New Way to Qualify for Health Plan Eligibility

Benefit Enhancements In Dental, Hearing Aids and Ambulance

Health Plan Eligibility Increases Eliminated

We are pleased to announce that the Trustees have made several improvements to the Health Plan that will take effect during the upcoming year. These benefit changes, which include a new way to qualify for Health Plan eligibility and a significant enhancement to the dental benefit, are made possible by the steady improvement in the financial condition of the Health Plan over the past several years. In 2003, when the Plan faced a major deficit that threatened its very existence, the Trustees instituted a 3-part plan: the participant premium, the eligibility escalator and a reduction in benefits. While we still face double-digit increases in the cost of health care, the Plan’s finances have stabilized. At their recent meeting the Trustees evaluated the positive effects of the 3-part plan, and they have voted to make the changes and improvements discussed in this issue of Take 2. We think it’s all good news, and we hope it meets the needs of our participants and their dependents.

A New Way To Qualify for Plan II Coverage Starting April 1, 2007

The Trustees recognize that for some actors, the ability to meet the minimum earnings required for Health Plan benefits diminishes with age. Older actors who are not eligible for Medicare, and who lose eligibility in this Plan, also face a significantly higher premium if they have to purchase private health insurance in the marketplace. It is an all-too-real predicament that the Trustees wanted to address. To help these actors, the Trustees created a new way to qualify for Plan II Health Plan coverage effective April 1, 2007. The eligibility require-

ments are unique and tailored to a specific group: actors, age 40 and older, with a proven industry attachment. You are eligible if:

1. You have at least \$10,000 of Covered Earnings, and
2. You are age 40 or older, and
3. You have accumulated 10 years of Earned Health Plan eligibility.

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Benefit Enhancements for Dental, Hearing Aids and Ambulance

The following three enhancements become effective January 1, 2007.

1 Dental

The Plan's comprehensive dental benefit offers a wide array of dental services from free cleanings and exams to root canals and oral prostheses. When you use a network dentist for your diagnostic and preventive services, the Plan even waives the calendar year deductible. But the Plan's dental benefit is designed to help pay only a portion of your dental expenses, and that is why, in addition to the deductible, the Plan puts a calendar year maximum on services. The Trustees are very pleased to announce that the maximum benefits for both Plan I and Plan II have been significantly increased as shown below. This should put a smile on your face.

The Calendar Year Maximum benefit under the dental program will be increased as follows effective January 1, 2007:

Plan I \$2,500 (currently \$1,500)	Plan II \$1,000 (currently \$500)
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2 Hearing Aids

The Trustees are pleased to announce that the hearing aid benefit has been enhanced. The hearing aid benefit has been increased in two ways. First, the maximum has been increased to \$1,500 per device per ear. Second, this benefit is now available every three years. The current benefit is \$1,200 per device with a maximum of one device per ear per lifetime. The Plan's hearing aid benefit is available to all Plan I participants and their dependents. Plan II participants are not covered under the hearing aid benefit, however, recognizing the important role hearing plays in learning and childhood development, Plan II dependents with a congenital hearing impairment are eligible up to age 19.

3 Ambulance

The Trustees have voted to lift the restriction on the number of emergency ambulance trips per year. The Plan currently allows a maximum of two emergency ambulance trips per year. The new benefit will allow an unlimited number of emergency trips. However, as in the past, coverage is only provided for emergency transportation to or from the nearest legally constituted hospital which has the facilities to treat your medical problem. Services to relocate a patient for family or personal convenience are not covered.

Earned Participant Premium

Recognizing the important role the premium plays in stabilizing the Health Plan's finances, the Trustees decided to continue the Earned Health Plan premium. The good news is that the amount of the premium has not increased.

It remains the same as it was in 2003 when it was first implemented: \$50 per month for Plan I and \$65 per month for Plan II. These are still the lowest premiums of all of the entertainment industry plans.

2007 Health Plan Eligibility Increases Eliminated

As a further result of the improved financial condition of the Health Plan, the Trustees are pleased to announce that the previously scheduled 5% increase in the earnings requirement for Plan I and Plan II eligibility commencing in 2007 has been eliminated. The automatic eligibility escalator was created in 2002 to bring predictability to the process of eligibility increases. The good news for the coming year is that the amount you will need to qualify for Earned eligibility commencing in any calendar quarter in 2007 will remain the same as in 2006:

Plan I	\$28,120
Plan II	\$13,790 or 74 days of employment

Starting in January 2008, the Trustees have established a target increase of 3% per year. However, this is only a target figure. Each July, starting in July 2007, the Trustees will evaluate the need for an increase for the upcoming year based on the financial condition of the Health Plan. Any change in the eligibility requirement will be announced in advance of the beginning of the calendar year.

Coverage of Breast Implants Clarified

The Health Plan does not cover cosmetic surgery. However, if an individual has cosmetic breast implants which are causing pain from contracture, the Plan will cover the cost to remove the implants, but not the cost for replacement implants. Effective January 1, 2007, this benefit will be limited to one such surgery per lifetime. If subsequent cosmetic

implants need to be removed, the costs will be the responsibility of the participant.

This limitation does not apply to any breast surgery resulting from cancer treatments, which will continue to be covered.

A New Way To Qualify for Plan II Coverage Starting April 1, 2007, continued from page 1

If you meet all three of these requirements, you will qualify for Plan II benefits with full dependent coverage. The benefit level and premium are the same as they are for participants who qualify for Plan II by meeting the \$13,790 earnings requirement or the 74 days of employment. This is simply another way to qualify for Plan II benefits.

The 10 years of Earned Health Plan coverage need not be consecutive, and all years during which you qualified for Health Plan coverage will count, even the Health Plan years for which you chose not to pay the premium.

The \$10,000 must be earned in your base earnings period in the same way as the other earnings requirements. The \$10,000 is also subject to any percentage increase to the eligibility requirements the Trustees may approve. You must meet the age requirement as of the first day of your benefit period.

The Plan will notify you if our records indicate that you qualify for this coverage. However, if you do not receive a notice from the Plan and believe you qualify under the new rules, please contact the Plan Office.

Medicare Part D



Medicare Part D covers prescription drugs for people eligible for Medicare. Coverage is currently available through Medicare Prescription Drug Plans (PDPs). You may enroll in a PDP when you become eligible for Medicare or during the annual open enrollment period. However, the Health Plan does not recommend that you enroll in a PDP. For most participants the Health Plan offers more generous benefits than the standard PDP, and if you do enroll in a Medicare PDP, you will not be eligible for any prescription drug coverage from the SAG-Producers Health Plan.

Even if you are eligible for Medicare Part D you can choose to stay covered under the Health Plan (assuming you are eligible) and not be subject to a higher premium if you enroll in a Medicare PDP later. However, if you lose or decline Health Plan coverage and wait too long to sign up for Medicare Part D, you may face a higher Medicare premium. A more detailed explanation including your options and consequences is provided in the Notice of Creditable Coverage on page 5.

A New Exception to Entertainment Industry Coordination of Benefits Rules

The Health Plan has special rules for coordinating benefits with other entertainment industry health plans. Coordination of benefits is simply a way of dividing the payment responsibility between two plans when you are eligible in both plans. Basically, the rules provide that if you are primary in another plan and have secondary coverage with the SAG-Producers Health Plan, but decline coverage in that other plan by failing to pay their premium, the SAG-Producers Plan will not become your primary plan. Instead it will pay only what it would have paid as secondary. This means that the SAG-Producers Plan will pay no more than 20% of the allowed amount on the claim and the balance is your responsibility.

There are some exceptions to the general rule. If your other plan coverage is individual only and does not cover your dependents, the SAG-Producers Plan will only reduce benefits for you, not for your dependents. There is also an exception for

married couples who are both eligible for SAG-Producers coverage. Another exception applies if the SAG-Producers Plan is your third coverage behind two other plans (fourth coverage if Medicare is involved).

The Trustees have now adopted another exception to the rule. Starting July 1, 2007, the AFTRA Health Plan will have a new Core Plan which covers only the individual and has a very high deductible. If you will be primary in the new AFTRA Core Health Plan, the SAG-Producers Plan will not reduce benefits for you or your dependents if you decline the AFTRA coverage by failing to pay their premium. Instead, the SAG-Producers Plan will pay as the primary plan for your entire family. The Trustees made this decision because they recognized the financial hardship of having to pay two premiums, one of which provides only catastrophic coverage.

**Screen Actors Guild – Producers Health Plan
P.O. Box 7830
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October 2006

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 Plan (PDP) coverage. Read this Notice carefully and keep it in a safe place with your important papers.

Key Information

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare Prescription Drug Plans and Medicare Advantage plans that offer prescription drug coverage. All Medicare Prescription Drug Plans (PDPs) provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher premium.
2. The SAG-Producers Health Plan's existing prescription drug benefits are more generous than the standard Medicare drug benefits except under certain limited circumstances. This means it is considered creditable coverage.
3. You do not need to enroll in a Medicare PDP as long as you have coverage under the SAG-Producers Health Plan. If you do enroll in a Medicare PDP, you will not be eligible for any prescription drug coverage from the SAG-Producers Health Plan.

Medicare Prescription Drug Coverage (Medicare Part D)

Starting January 1, 2006, prescription drug coverage became available to everyone with Medicare through Medicare Prescription Drug Plans (PDPs). Most people have to pay a premium for Medicare drug coverage. Individuals can enroll in a Medicare PDP when they first become eligible for Medicare and each year from November 15th through December 31st. Individuals leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare PDP.

SAG-Producers Health Plan Prescription Drug Coverage

The Health Plan will continue to provide prescription drug coverage for Medicare eligible participants during 2007. 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.

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Notice of Creditable Coverage, continued from page 5

If you 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 prescription drug 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 otherwise 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 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 a Medicare PDP 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. 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 next enrollment period to enroll in a Medicare PDP.

Keep This Notice

If you enroll in a Medicare PDP, you may be required 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

Detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook which you will receive in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. To get more information, you can:

- Visit www.medicare.gov.
- Call your State Health Insurance Assistance Program (see "Medicare & You" 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 Medicare prescription drug coverage 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:

- 1-800-777-4013 (outside Los Angeles area)
- 1-818-954-9400

You may request a copy of this Notice at any time by contacting the Plan Office. An updated copy of this Notice will be provided annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through the SAG-Producers Health Plan changes.

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.



**SCREEN ACTORS GUILD-
PRODUCERS PENSION
AND HEALTH PLANS**

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Holiday Greetings

From:

The Board of Trustees and Staff of the Screen Actors Guild – Producers Pension and Health Plans

PENSION AND HEALTH PLAN DIRECTORY

Burbank Plan Office: (818) 954-9400
 From outside the Los Angeles area: (800) 777-4013
 Fax: (818) 953-9880
 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	