

Important Information Regarding Medicare Parts A, B and D

Understanding how to coordinate your benefits between Medicare and the SAG-Producers Health Plan can be confusing. In certain cases, if you fail to enroll in Medicare in a timely manner, you may incur penalties and the SAG-Producers Health Plan benefits may be reduced. This pamphlet is intended to help you understand how this coordination works and when you should enroll in Medicare so that you can protect your benefits under the Health Plan and Medicare. There are now three parts to Medicare coverage and this pamphlet addresses each of them.

Medicare Part A (covering hospital charges) and **Medicare Part B** (covering doctor bills and other medical costs) have been in effect for many years. If you and/or your spouse are not enrolled in Medicare Parts A and B when Medicare is primary, Health Plan benefits will be reduced and you are responsible for the remainder of the charges. Please see chart below for information on when Medicare is primary for you and/or your family.

Medicare Part D (covering prescription drugs) becomes effective January 1, 2006. This coverage is offered through Medicare Prescription Drug Plans (PDPs). If you have prescription drug coverage from the SAG-Producers Health Plan, you already have drug coverage that is better than what will be offered through a standard Medicare PDP and, you should not enroll in a PDP. You can be in **either** the SAG-Producers Health Plan **or** a Medicare PDP, **but not both**. If you enroll in a Medicare PDP, the Health Plan will not provide you with any prescription drug coverage.

Medicare Part A - covers hospital charges and costs you nothing.

Until recently, enrollment in Part A was automatic for most people because the process for enrolling in Medicare and applying for Social Security occurred simultaneously at age 65. However, while eligibility for Medicare remains at age 65, the Social Security Retirement Age is now higher than age 65. Accordingly, enrollment is not automatic. This means there is a potential gap between the date you qualify for Medicare and the date you qualify for Social Security. **We strongly urge you to enroll for Medicare Part A at age 65, even if you are still working and even if your coverage under the Health Plan is active.** This will eliminate the possibility that you could be subject to benefit reductions for hospital charges during any period after your active coverage ends and Medicare begins. You have nothing to lose by enrolling in Part A at age 65 because, remember, there is no premium for Part A.

Medicare Part B - covers doctor bills and other medical care and requires a monthly premium.

Enrollment in Part B is **not** automatic. You must apply and pay a premium, and there are limits to the enrollment period. Because Part B requires a premium, it is understandable that you would not want to enroll in Part B until Medicare becomes primary – when your Earned or Alternative eligibility ends. However, if you wait too long, there will be a gap between the date your Active coverage ends and Medicare begins. If this happens, Health Plan benefits will be reduced. *To avoid this reduction, contact the Plan Office and Medicare to make sure that you enroll as soon as you know that your coverage under*

the Health Plan is no longer active. Please see below to see how we determine whether or not your coverage is Active.

Medicare Part D – covers prescription drugs and requires a premium.

Beginning January 1, 2006 new Medicare prescription drug plans (PDPs) will be available to people with Medicare. Under a Medicare Prescription Drug Plan, the drugs that are covered may not be the same as the ones covered under the SAG-Producers Health Plan.

If you are in the SAG-Producers Health Plan, you already have prescription drug coverage that is more generous than the standard Medicare coverage; therefore you do not need to enroll in a Medicare PDP. You can be in either the SAG-Producers Health Plan or a Medicare PDP, **but not both**. If you decide to join a Medicare PDP, then the Health Plan **will not** provide you with any prescription drug coverage. You should only enroll when your Active coverage in the SAG Health Plan ends.

The Medicare Part D program includes special provisions for people with limited income and resources. If you think you might qualify, you should contact the Social Security Administration.

Should you enroll in:

Medicare Part A (hospital) – **Yes**, as soon as you turn 65

Medicare Part B (medical) – **Yes**, when Medicare is primary over the SAG Health Plan

Medicare PDP (prescription drugs) – **No**, unless you qualify under the low income provision or lose your coverage with the SAG Health Plan

Determining who is Prime

To determine whether Medicare or the SAG-Producers Health Plan is primary, you must look at your eligibility type. The Notice of Eligibility you receive from the Plan Office indicates your eligibility type. Your eligibility type is determined based on the amount and type of your earnings, your days of employment and your age. If your eligibility type is “active”, the Health Plan is primary and Medicare is secondary. If your eligibility type is “inactive”, Medicare is primary and the Health Plan is secondary.

<u>Eligibility Type</u>	<u>Category</u>	<u>Primary</u>	<u>Secondary</u>
Earned	active	Health Plan	Medicare
Alternative	active	Health Plan	Medicare
Sr. Performer	inactive	Medicare	Health Plan
Earned Inactive	inactive	Medicare	Health Plan
Self-Pay	inactive	Medicare	Health Plan

In addition, once you lose all eligibility under the Health Plan, Medicare would be your only coverage and, therefore, your primary coverage. The Health Plan will notify you when your Eligibility Type changes.

Additional Information

Resource	Web Site	Telephone
SAG-Producers Health Plan	www.sagph.org	818-954-9400 800-777-4013 (Outside L.A. Area)
Medicare	www.medicare.gov	800-633-4227 (800-MEDICAR)