The amount of money spent on prescription drugs continues to be one of the biggest drivers of cost in the Health Plan. This issue of Take 2 will describe two new programs that will go into effect January 1, 2015. These new programs are expected to generate significant savings while affecting a very small number of participants.

Much has been discussed in the media recently about the prescription drug Sovaldi. Sovaldi is a newly approved medication to treat Hepatitis C. It has been hailed as a game-changer for patients with Hepatitis C who have been awaiting a therapy that is extremely effective with minimal side effects. Until Sovaldi, the side effects of the treatments for Hepatitis C were often worse than the

Continued on page 2

The required health plan annual Notice of Creditable Coverage, which helps you determine whether or not you want to join a Medicare drug plan, is also included in this issue.

As in the past, the Health Plan’s prescription drug program coverage is considered creditable under Medicare Part D. This means you do not need to sign up for a Medicare Part D plan as long as you are covered under this plan. The Notice of Creditable Coverage can be found on page 5.

Express Scripts Specialty Pharmacy Accredo has recently launched Accredo Plus C, a new smartphone app for hepatitis C patients to help manage their treatment and increase adherence. The app leverages disease-specific expertise from pharmacists and nurses in the Hepatitis C Therapeutic Resource Center that are able to help patients derive the most from their therapy. Accredo Plus C offers patients customized treatment schedules, medication reminders, education videos and support resources. Patients also have the option to email healthcare providers with questions. Simply download the Accredo Plus C app from the iTunes App Store or visit www.AccredoPlusC.com to learn more about the app and its features.
The cost associated with compounding medications has skyrocketed over the past two years, with the per prescription price rising more than tenfold on average: from $90 to $1,100 per prescription. This increase has been shared by health plans and participants.

The abrupt increase in the cost of compounded medications is due to a loophole that developed when compound billing was restructured in an attempt to produce greater transparency. Before 2012, compounding pharmacies were paid based on the most expensive active ingredient in a compound. After January 1, 2012 they were paid for each ingredient in the compounded medication. This allowed compounding pharmacies to charge hundreds or thousands of dollars per gram of bulk powder or cream, needlessly driving up the cost of care. As a result, some elements that are used to make compounded medications have been overused and exorbitantly overpriced.

Express Scripts has introduced a program to reduce these costs by over 90% while affecting less than 2% of participants. Express Scripts’ compound prescription management solution will do the following:

- Ensure individuals who need compounds will receive compounds.
- Evaluate all compound ingredients to identify needless cost and waste.
- Actively and regularly manage the use of compounded medications.
- Target, or block, more than 1,000 ingredients (bulk powders) whose prices have been greatly inflated but that provide no additional clinical benefit.

If an individual truly needs a compounded medication covered by the Plan, they will still be able to get it. In many cases, individuals who take compounded medications do so because they cannot ingest available alternatives. For example, someone who cannot swallow a tablet may need it crushed or liquefied. But, by and large, compounded medications do not provide any additional clinical value over what is currently available as FDA-approved prescription or over-the-counter alternatives.
The Trustees also reviewed and adopted Express Scripts’ National Preferred Formulary (the Formulary). A formulary is a list of covered medications. You may have already seen information about the Formulary as several other entertainment industry health plans have also adopted it. Effective January 1, 2015, a small number of brand-name drugs, affecting less than 2% of the Plan’s participants, will no longer be covered. If you are currently taking one of the non-covered drugs Express Scripts will mail you a personalized letter in October so you can have a discussion with your doctor about switching to a covered alternative that is at least as effective.

In the meantime, you can log on to your Express Scripts account at www.express-scripts.com/covered to see if a drug you are currently taking is affected. The list of drugs on the Formulary could also change over time, so please make sure to check Express Scripts’ website at www.express-scripts.com or call them at (800) 903-4728.

Express Scripts Home Delivery Service Program

Express Scripts offers savings and convenience on long-term maintenance medications by using the Home Delivery Service program. If you are taking a long-term medication, the Home Delivery Service program offers up to a 90-day supply which often saves both you and the Plan money. Simply ask your doctor if a 90-day supply fits your treatment plan and if it does, have your doctor submit a 90-day script to Express Scripts. A 90-day supply will not be provided for all classes of drugs. Prescription orders are processed promptly and are usually delivered to you within ten days.

For a short-term or a newly prescribed prescription, use an Express Scripts participating retail pharmacy to receive up to a 30-day supply. **If you are taking a medication for the first time, the Home Delivery Service program is not the best option until you know how you will react to the new medication.** You should have your doctor prescribe up to a 30-day supply to be filled at a local pharmacy. Should your treatment continue long-term, ask your doctor to switch you over to the Home Delivery Service program to receive up to a 90-day supply.

Express Scripts cannot accept the return of properly-dispensed prescription medications for credit or refund. State law prohibits the return of prescription medications for resale or reuse.

For more information regarding your prescription benefits, Home Delivery Service program or finding a participating retail pharmacy, please visit www.express-scripts.com or call Express Scripts at (800) 903-4728.
## Prescription Drug Benefit Summary Chart

<table>
<thead>
<tr>
<th></th>
<th>Retail Pharmacy Program</th>
<th>Home Delivery Pharmacy (includes Specialty)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan I</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Calendar Year Deductible</strong></td>
<td></td>
<td>$150 per person/$300 per family</td>
</tr>
<tr>
<td><strong>Supply of Medication</strong></td>
<td>Up to a 30-day supply per prescription and/or refill</td>
<td>Up to a 90-day supply per prescription and/or refill</td>
</tr>
<tr>
<td><strong>Copay</strong></td>
<td>You will pay the greater of the two copays shown:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Generic: $10 or 10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Preferred Brand: $25 or 25%</td>
<td>• Generic: $20 or 10%; maximum $50 per prescription</td>
</tr>
<tr>
<td></td>
<td>• Non-Preferred Brand: $40 or 40%</td>
<td>• Preferred Brand: $50 or 25%; maximum $125 per prescription</td>
</tr>
<tr>
<td></td>
<td>In addition, if you receive a brand name drug when a generic exists, you will pay the difference in cost between the generic and brand name medication.</td>
<td>In addition, if you receive a brand name drug when a generic exists, you will pay the difference in cost between the generic and brand name medication subject to the maximum copays listed above.</td>
</tr>
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<tr>
<td><strong>Preventive Services Prescriptions</strong></td>
<td>Generic prescription medications that appear on the list of Affordable Care Act preventive services are not subject to the deductible or copay. For more information visit <a href="http://www.healthcare.gov">www.healthcare.gov</a>.</td>
<td></td>
</tr>
<tr>
<td><strong>Plan II</strong></td>
<td>Same as Plan I except that prescriptions used for mental health and substance abuse treatment are not covered.</td>
<td></td>
</tr>
</tbody>
</table>

### Women’s Health and Cancer Rights Act of 1998 Annual Notice

As required by the Women’s Health and Cancer Rights Act of 1998, the Health Plan provides benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema).

For more information contact the Plan Office at (800) 777-4013
Prescription Drug Dollars Now Included in the Out-of-Pocket Maximum

Effective January 1, 2015, as required by the Affordable Care Act, the Plan will change the overall out-of-pocket maximum for network services. The change will further limit what you have to pay out-of-pocket because the maximum will now include covered prescription drugs. As of January 1, 2014, the Plan included network deductibles and copays in the overall out-of-pocket maximum. The Plan I out-of-pocket maximum continues to apply to network mental health and substance abuse charges as these charges are included in the major medical and hospital categories.

The overall maximum does not change your current coinsurance out-of-pocket limits for network hospital or medical benefits. It simply incorporates prescription drugs, deductibles and copays. The new maximums will be $6,600 per person and $13,200 per family (currently they are $6,350 per person and $12,700 per family) and will apply only to covered prescription drugs and network medical and hospital charges. In other words, the portion you will pay in a calendar year for in-network services and prescription drugs will not exceed the out-of-pocket maximum.

For the new maximum, dollars spent on covered prescription drugs and network hospital and medical coinsurance as well as deductibles and copays apply. Once the new maximum is satisfied your covered prescription drug and network hospital and medical claims will be paid at 100%.

For questions regarding the 2015 prescription drug changes and any questions about your prescription drug benefit, please contact Express Scripts (formerly Medco) online at www.express-scripts.com or call their Customer Service line at (800) 903-4728.

Notice of Availability of HIPAA Privacy Notice

The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) provides that the Plan periodically remind you of your right to receive a copy of the Plan’s HIPAA Privacy Notice. This notice explains how your private health insurance information is used by the Plan and your rights under HIPAA. You can find the Plan’s HIPAA Privacy Notice on the Plan’s website or you may request a copy by contacting the Plan Office.
This Notice contains important information about your current prescription drug coverage with the SAG-Producers Health Plan and your options under Medicare’s prescription drug coverage. Please read it carefully and keep it in a safe place with your important papers.

This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area.

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 drug plans 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 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 comparable to the standard Medicare drug benefits, you do not need to join a Medicare drug plan as long as you have coverage under the Health Plan.

3. You do not need to enroll in a Medicare drug plan as long as you have coverage under the SAG-Producers Health Plan. If you do enroll in a Medicare drug plan, you will not be eligible for any prescription drug coverage from the SAG-Producers Health Plan.

When Can You Join a Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th. In addition, if you lose your Health Plan prescription drug coverage you may be eligible for a two-month Special Enrollment Period to sign up for a Medicare drug plan.

Your Choices and the Consequences

If you do not enroll in a Medicare drug plan, 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 separate premium for prescription drug coverage under the Health Plan.

If you enroll in a Medicare drug plan, 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 continue to pay the Health Plan premium and are otherwise eligible for Plan coverage.

If you enroll in a Medicare drug plan 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 drug plan coverage ends.

When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

If you drop or lose coverage with the SAG-Producers Health Plan and do not enroll in a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 days or longer without prescription drug coverage that is as good as Medicare’s drug coverage, your
If you enroll in a Medicare drug plan, 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.

**Notice of Creditable Coverage**

*Continued from page 6*

For More Information About This Notice or the Health Plan’s Prescription Drug Coverage

Contact the Plan Office at: (800) 777-4013 or (818) 954-9400.

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

**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.**

**For More Information About Your Options Under Medicare Prescription Drug Coverage**

Detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You will get a copy 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” or www.medicare.gov/contacts for phone number).
- Call 1-800-MEDICAR (800) 633-4227. TTY users should call (877) 486-2048.

If you have 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).

Keep this Notice of Creditable Coverage

If you enroll in a Medicare drug plan, 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.
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

SAG-AFTRA is a separate entity from the Pension and Health Plans and requires a separate notice for change of address.

Sign up for web access to all your information at sagph.org

PENSION AND HEALTH PLANS DIRECTORY

Burbank Plan Office: (818) 954-9400 or (800) 777-4013
Fax: (818) 953-9880 • Email address: psd@sagph.org
website: 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 Mental Health/Substance Abuse Coverage
  ValueOptions ................................................ (866) 277-5383
Information on Dental Claims
  Delta Dental — Member Services ........ (800) 846-7418
  — Directories .......................... (800) 846-7418
Information on Prescription Drugs
  Express Scripts ............................................. (800) 903-4728
  Prescription Pre-Authorizations ............ (800) 753-2851
NEW YORK Plan Office .......................... (212) 599-6010
  275 Madison Ave. #1819, New York, NY 10016