TAKE 2

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

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Coordination of Benefits with Other Entertainment Industry Health Plans

The Health Plan has been providing information to you on the way in which we coordinate benefits when you have coverage in another entertainment industry plan as well as this Plan. This article is intended to further clarify these rules.

The general rule is if you decide to opt out of coverage in one of the entertainment industry plans by failing to pay their premium, the SAG Plan will not change its original position in the order of payment. For example, if you are AFTRA primary and SAG secondary and do not pay the AFTRA premium, SAG is still your secondary plan and will only pay up to 20% of the allowed charges.

This rule does not apply if the SAG Plan's original position is third or lower. So, if you have DGA as primary, AFTRA as secondary and SAG as third, but you fail to pay your AFTRA premium, SAG will pay as if it were in second position. In this case your benefits will not be reduced because of your failure to pay the AFTRA premium.

If Medicare is your primary plan, the rules are a little different. For example, let's say Medicare is your primary Plan, AFTRA is second and SAG is third. If you fail to pay the AFTRA premium, SAG will only pay what it would have paid in third position.

There is also a special rule for married participants who are both eligible for SAG coverage and coverage in another entertainment industry plan. If the SAG Plan is primary for one or both of the participants, the SAG Plan will not penalize the family for failure to pay all three premiums. That means you can choose to pay for only one SAG coverage, in which case, you and your family will receive primary coverage (80%). If you pay the premiums for both SAG coverages, you and your family will receive full coverage (100%). All payments are subject to the Plan allowed charges.

Coordination of Benefits (COB) is simply a method of determining which Plan pays your claims first, second, third, etc. and how the benefits are paid.

We hope this further clarifies the rules for coordinating benefits with other entertainment industry plans. However, if you have a question about your particular situation, please contact the Participant Services Department at the Plan Office.

COB Rules Amended for Pro Rata Participants

See article on page 2.

COB Rules Amended for Pro Rata Participants

The Entertainment Industry Coordination of Benefit rules (EICOB), which went into effect on January 1, 2005, have created an unforeseen burden for pro rata participants. A pro rata participant is an actor who has the same eligibility start date in both the SAG-Producers Health Plan and the AFTRA Health Plan.

Under COB rules your primary plan, the one responsible for the major part of your health expenses, is generally the plan under which you have the longest continuous coverage. The pro rata participant, with a simultaneous start date in two health plans, does not have a *primary* plan; instead, the SAG and AFTRA Health Plans are each responsible for fifty percent of health costs for pro rata participants.

Beginning April 1, 2005, pro rata participants will be given an opportunity to choose primary coverage under either the SAG or AFTRA Health Plans. For those participants who choose a primary plan but also maintain coverage in the other plan, the normal COB rules for primary and secondary plan will be in effect. Pro rata participants will be notified with further details in a separate mailing.

New York State COBRA Self-Pay Assistance

A pilot program created by the New York State Insurance Department offers financial assistance equal to fifty percent of an eligible actor's COBRA Self-Pay continuation insurance premiums for a period of up to 12 months. You must be a resident of New York to qualify for benefits. The pilot program began January 1, 2005. Applications are accepted on a first come first served basis. Due to limited funding there is not a guarantee that all eligible applicants will receive assistance. To read a list of eligibility requirements, including household income limitations,

visit the
New York State Insurance Department Web site:
www.ins.state.ny.us/cobra_entertainment.htm

or call the
NY State Insurance Department's
Consumer Services Bureau at
(800) 342-3736

You may also download an application from our Web site:
www.sagph.org
(click on assistance organizations)

Medco Health Exclusive Provider for Entertainment Industry Prescription Drugs

A coalition of entertainment health plans recently concluded a bid review whose goal was to contain rising prescription drug costs. Medco Health was chosen as the exclusive provider of prescription drugs for all entertainment industry health plans. This will ease the administrative burden of coordinating prescription drug benefits between health plans and provide better pricing to all participants. Medco Health was already the prescription drug provider for the SAG Producers Health Plan.

Allowed Amount Versus Billed Amount

An Important Distinction When Using Non-Network Providers

The surest way to stretch your healthcare dollars is to utilize the Plan's various network providers. If you choose a non-network provider be aware of the important and potentially costly distinction between the "Allowed Amount" and the "billed amount". The Allowed Amount is the *maximum* amount that the Health Plan will consider for each medical service or procedure. The amount billed by the health care provider might differ significantly from the amount allowed by the Plan.

For example, your non-network doctor might charge $1,000.00 for a particular procedure, but the Health Plan's Allowed Amount for that procedure might be only $600.00. Paid at 80% of the Allowed Amount, the Plan would reimburse $480.00 on the doctor's bill of $1,000. When you use a non-network provider, the person responsible for the $520.00 difference in the amount billed and the amount allowed is you.

This is because a non-network provider has not negotiated a price for services with the Health Plan. He or she may set whatever price they choose for services. When the Plan Office receives a claim for the services

The amount billed by the health care provider might differ significantly from the amount allowed by the Plan.

of a non-network provider, we pay according to the Plan's Allowed Amount for each service or procedure. The remainder of the bill is your responsibility. This example assumes you have already met the separate and more expensive non-network deductible.

When you use a network provider you are using a provider with whom the Health Plan has negotiated a price for each service or procedure. In the example above, the provider might charge $1,000.00, but would accept the Plan's allowance of $600.00. With the exception of deductibles and copayments, you would not receive a bill or owe additional money for that procedure. You are free to choose a non-network provider, but the Allowed Amount and not the billed amount will determine how much the Plan pays.

Medicare Part D

Starting January 1, 2006, Medicare will be implementing its new prescription drug program, called Medicare Part D. Under that program, Medicare eligible participants are entitled to some coverage for prescription drugs. As a result, the Trustees have looked at the prescription drug benefits currently provided through the Plan to Medicare eligible participants.

At their recent meeting the Trustees decided to make no changes in the prescription drug benefits currently provided through the Health Plan at this time. The Health Plan benefits are more generous than those provided by Medicare Part D, which means Medicare eligible participants receive better benefits from the Plan than they would from the Medicare Part D program.

The Plan will be sending more detailed information about Medicare Part D and the Plan's prescription drug benefits in the future.

Plan Office Address Clarified

The Post Office will no longer deliver mail with dual addresses. A dual address contains both a P.O. Box number and a street number. To avoid a delay in the delivery of mail sent to the Burbank Plan Office, all mail should be addressed to the P.O. Box only.

The correct mailing address is:
SAG – Producers Pension and Health Plans
P.O. Box 7830
Burbank, CA 91510-7830

The street address of the Burbank Plan Office is:
3601 W. Olive Avenue
Burbank, CA 91505

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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	