



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

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## Important Coordination of Benefits Reminder for Participants With Coverage in Other Entertainment Industry Health Plans

Coordination of benefits is simply a method of determining which health plan pays your claims first (primary), which pays second (secondary) and, in some cases, which pays third (tertiary), when you have coverage under more than one health plan.

In general, the Health Plan follows the National Association of Insurance Commissioners (NAIC) guidelines which provide that when you have the same type of coverage under more than one health plan, the plan in which you have the longest continuous coverage is primary and the other plan is secondary. The primary plan pays the majority of the claims, usually 80%, and the secondary plan pays 20%.

This method does not change if you decide to opt out of coverage in one of the entertainment industry health plans by failing to pay their premium. 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. The balance of the bill is your responsibility. This is similar to the rule the AFTRA Health Plan adopted in 2003. For this rule, the entertainment industry health plans include the AFTRA Health Plan, the Directors Guild of America – Producer Health Plan, the Equity-League Health Plan, the Motion Picture Industry Health Plan, and the Writers’ Guild - Industry Health Plan.

The same rules apply for Medicare claims. If you would have primary coverage with Medicare and secondary with SAG, but you fail to enroll in Medicare, the SAG Plan will only pay up to 20% of the allowed charges. And, these new rules also apply if SAG is your tertiary (third) plan. For example, if Medicare is primary, AFTRA is secondary and SAG is third, and you do not pay the AFTRA premium, the SAG plan will pay little, if anything, on your claim because it will maintain its third position. The SAG Plan will pay more on prescription drugs and dental benefits because Medicare does not cover those benefits at this time.

If you need assistance determining which of your plans is primary, secondary or third, or if you have questions about what the SAG Plan will pay if you fail to enroll in Medicare or pay another plan’s premium, please call the Plan Office. You should also contact your other health plans to see how your coverage with them may be affected if you fail to pay the SAG-Producers Plan premium.

## Extended Therapy Basics

Under the therapy benefit, the Plan will consider up to 12 sessions per calendar quarter and up to 48 sessions per calendar year for all types of therapy combined. An extended therapy benefit for physical and occupational therapy is also available under certain circumstances. There is no extended benefit available for other types of therapy such as chiropractic, acupuncture, speech, voice, vision and biofeedback.

The term extended therapy can be misleading. Extended therapy does not increase the total number of therapy sessions allowed in a calendar year. Instead, it allows for an acceleration of visits. It is designed to *extend* your sessions beyond the maximum 12 per calendar quarter with the goal of providing a concentrated therapy benefit when it can be most beneficial. However, in no event will the Plan consider more than 48 sessions per calendar year for *all* types of therapy used.

The extended therapy benefit is available:

- following an accident that requires hospitalization;
- following surgery; or
- proactively to avoid surgery – effective January 1, 2005 (see article below)

The timeframes for accelerated sessions differ based on the reason for therapy. These are outlined in the chart below.

### Preauthorization Procedure for Extended Therapy

If you need more than 12 sessions per calendar quarter for physical or occupational therapy following an accident that requires hospitalization, or following surgery, or proactively to avoid surgery, your referring physician will have to write a letter to the Plan specifying why the additional treatment is needed.

The physician must also advise the Plan of the number of sessions that will be required, the frequency of treatments, and how long the therapy is anticipated to last. The Plan’s medical consultants will review your case, and advise you if extended therapy benefits will be provided, and the number of sessions that will be allowed. It is advisable to contact the Plan Office before beginning any type of therapy to clarify your eligibility for therapy and any limitations that apply.

		Maximum # of Sessions if No Other Therapies Used		
Type of Therapy	Covered Therapists	Accident with Hospitalization	Following Surgery	To Avoid Surgery
Physical	R.P.T., M.D., D.O.	Up to 48 in a calendar quarter	Up to 48 in a calendar quarter	Up to 24 in a 2 quarter period
Occupational	O.T.R.	Up to 48 in a calendar quarter	Up to 48 in a calendar quarter	Up to 24 in a 2 quarter period

In no event will the Plan consider more than 48 sessions per calendar year for *all* types if therapy used.

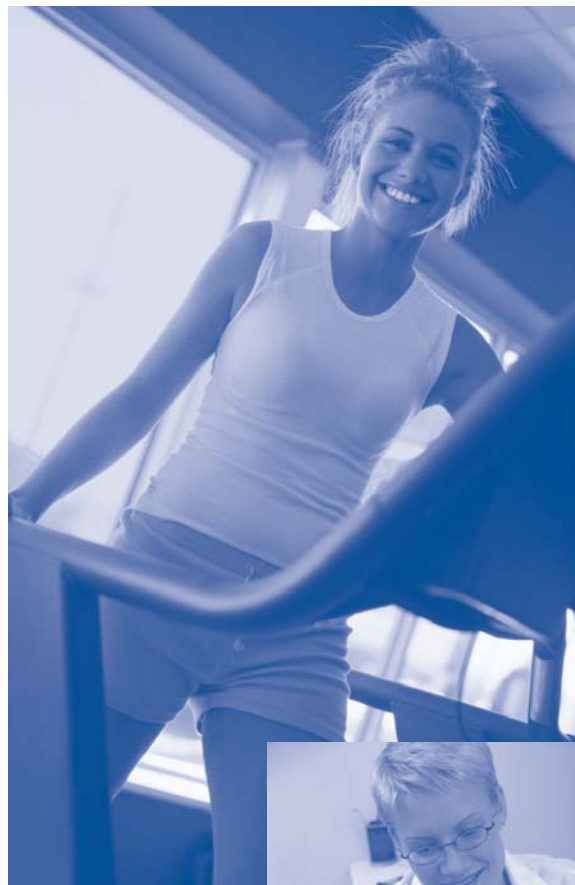
## Extended Therapy Benefit Considers Pre-Surgical Sessions

*Effective January 1, 2005*

In reviewing the Plan's extended therapy benefit, the Trustees felt that there might be certain conditions for which proactive therapy could reduce the need for surgery. Accordingly, we are pleased to announce that the extended therapy benefit has been enhanced.

If your doctor believes that your condition could benefit from pre-surgical therapy beyond the basic 12 sessions in a calendar quarter, he or she should follow the preauthorization procedure outlined on page 2. If, after medical review, you are approved for pre-surgical extended therapy, you will be eligible for up to a maximum of 24 sessions in a two-quarter period. Your remaining 24 sessions are available at the normal therapy benefit rate of 12 sessions per calendar quarter.

You might ask, isn't the extended therapy benefit of 24 sessions in two calendar quarters the equivalent of the Plan's regular therapy benefit of 12 sessions in one quarter plus 12 sessions in the following quarter? Yes, however, the extended therapy benefit allows you to accelerate the use of the 24 sessions. Theoretically, you could use all 24 sessions in the first month of the first quarter. Assuming that you did, you would not be eligible for more sessions until the start of the third calendar quarter. At that point, you would be eligible for 12 sessions in that quarter and, if needed, 12 more sessions in the fourth calendar quarter. In no case will the Plan consider more than 48 visits for all types.



## Lifetime Maximum Amended

We reported in the Summer 2004 issue of Take 2 that effective January 1, 2005, the new lifetime maximum benefit for all hospital and major medical charges would be the lesser of:

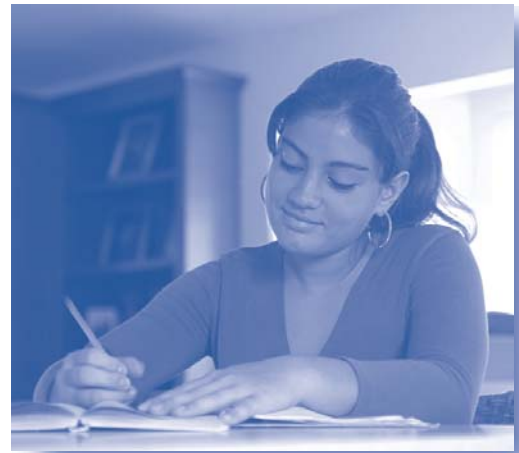
- \$2,000,000 from the SAG – Producers Health Plan; or
- \$2,500,000 from the entertainment industry health plans combined.

At their November meeting, the Trustees reviewed this issue and decided to eliminate the industry-wide combined maximum. Accordingly, effective January 1, 2005, the new lifetime maximum for hospital and major medical charges incurred under the SAG – Producers Health Plan is \$2,000,000. Be advised that while this change takes effect on January 1, 2005, all major medical and hospital benefits, whether received before or after January 1, will be applied to the new limit.

A separate lifetime maximum applies to each member of your family. Once you or your dependents begin to use major medical and hospital benefits, up to \$1,000 of the lifetime maximum will be reinstated automatically at the end of each calendar year.

### Southeastern Plan Office Closed

The Southeastern Plan Office located at 7300 North Kendall Drive, Suite 620, Miami, Florida has closed. Kevin Graver, who managed the Southeastern Plan Office has relocated to the New York Plan Office. Participants in the Southeast area who have questions on the Health and Pension Plan should contact either the Burbank Plan Office or the New York Plan Office.



## The Definition of Dependent Child

Due to changes in the definition of dependent under the Internal Revenue Code, the Health Plan has modified its definition of a dependent child. Prior to the change, your children were only considered to be your eligible dependents under the Health Plan if they were dependent on you for at least half of their support. Effective January 1, 2005, your children are considered to be your eligible dependents if they either are dependent on you for at least half of their support or if they reside with you for over six months during the year.

All of the other Plan rules still apply. That is, to be an eligible dependent, the child must be unmarried, younger than age 19 and one of the following: natural child, step child, foster child, adopted child or a child who lives in your home and for whom you or your legal spouse are the legal guardian.

If you have any questions about whether your child satisfies the Plan's definition, please contact the Plan Office.

# Important Notice For All Senior Performers

*If You Do Not Enroll In Medicare As Soon As You Become Eligible at Age 65, Your Benefits May Be Reduced*

Medicare consists of two parts: Part A, which covers hospital charges, costs you nothing; Part B, which covers doctor bills and other medical care, involves a monthly premium. The Plan rules provide that if you are **not enrolled** in Medicare when Medicare is primary and the SAG-Producers Health Plan is secondary, the Health Plan benefits will be reduced by 80%. You are responsible for the remainder of the charges.

## Part A

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. 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. This will eliminate the possibility that you could be subject to benefit reductions for hospital charges during any period after your Earned eligibility 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.

## Part B

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 eligibility ends. However, if you wait too long, there will be a gap between the time your Earned eligibility ends and Medicare begins. If this happens, the Health Plan benefits will be reduced. To avoid this reduction in benefits, you should contact Medicare and the Plan Office to make sure that you enroll as soon as possible after you stop working.

**If you have questions about when you should enroll in Medicare, please contact the Plan Office.**

## Pension Plan Amended

Under current Pension Plan rules if the total value of your lifetime pension is less than \$5,000, it is automatically paid as a lump sum instead of monthly payments. Total value is determined by the actuary. For pensions that become effective after March 28, 2005, the Plan will automatically pay out a lump sum only when the total value of the lifetime pension is \$1,000 or less. If the value of the lifetime pension is between \$1,000 and \$5,000, you will have the option of receiving either a lump sum payment or monthly payments. This change was made to comply with federal law.



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

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Burbank, CA 91510-7830



*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**  
**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