

Screen Actors Guild – Producers Health Plan
P.O. Box 7830
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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 2009. 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.

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.