SAG•AFTRA
HEALTH PLAN

3601 W. Olive Ave., Burbank, CA 91505
Mailing Address: P.O. Box 7830, Burbank, CA 91510-7830
P (800) 777-4013 • F (818) 953-9880
www.sagaftraplans.org/health

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Notice of Benefit Changes: Effective January 1, 2018

The following changes to your benefits will take effect on January 1, 2018. Please keep this notice with your copy of the Plan's Summary Plan Description (SPD). For more information please refer to the SPD, available at www.sagaftraplans.org/healthspd. Changes outlined in this notice include:

1. Annual increase in minimum requirements for eligibility.
2. Increase in comprehensive out-of-pocket maximum for in-network services.
3. Pre-authorization required for non-emergency spinal surgery and transcranial magnetic stimulation.
4. Royalty earnings and Medicare coordination of benefits.

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1. Annual increase in minimum requirements for eligibility.

Per page 9 of the Summary Plan Description, the minimum requirements for earned eligibility will increase by 2% each year. An exception is for the Plan II Age and Service earnings requirement, which will increase by more than 2% in 2018 with no additional increases scheduled through 2020.

For eligibility beginning on or after January 1, 2018, the minimum eligibility thresholds will increase as follows:

Eligibility Type	Current Eligibility Requirements	For Eligibility Beginning on or after January 1, 2018
Plan I	$33,000	$33,660
Plan II	$17,000	$17,340
Plan II – Age and Service*	$11,600	$13,000
Plan II – Alternative Days	78 days	80 days

*Note: Although the Age and Service eligibility requirement is scheduled to remain at $13,000 through 2020, the Plan reserves the right to amend the eligibility requirements at any time.

2. Increase in comprehensive out-of-pocket maximum for in-network services.

In accordance with the Affordable Care Act, the comprehensive out-of-pocket maximum for in-network services will increase on January 1, 2018 by $200 per person, from $7,150 to $7,350, and will increase by $400 per family, from $14,300 to $14,700. The comprehensive out-of-pocket maximum is the maximum amount you could pay in any calendar year – including all copays, coinsurance and deductibles – for hospital, medical, prescription drugs, mental health and substance abuse services from in-network providers under the Plan. For more information please see page 50 of the Summary Plan Description.

3. Pre-authorization required for spinal surgery and transcranial magnetic stimulation.
Effective January 1, 2018, pre-authorization is required for non-emergency spinal surgery, and transcranial magnetic stimulation for the treatment of medication-resistant depression. For non-emergency spinal surgery, your physician is required to contact the Plan and provide all of the necessary information to establish the existence of medical necessity and all other requirements under the Plan. Upon review by the Plan's medical consultant, you will be advised in writing whether your treatment will be covered. For additional information about obtaining pre-authorization from the Plan, please see page 62 of the Summary Plan Description. If you require additional assistance, please call the Plan at (800) 777-4013. To obtain preauthorization for transcranial magnetic stimulation for the treatment of medication-resistant depression, please contact Beacon Health Options at (866) 277-5383.

4. Royalty earnings and Medicare coordination of benefits.
Effective immediately, royalty earnings reported on behalf of participants with currently effective recording agreements with signatory employers will be treated as sessional earnings and the Plan will be primary to Medicare if the participant satisfies the minimum covered earnings requirement. If a participant does not have a current recording agreement in effect with a signatory employer, royalty earnings will be treated as residuals and his or her coverage, if based solely on royalty earnings, will be secondary to Medicare. For more information about Medicare coordination of benefits (COB), please see page 99 of the Summary Plan Description.

Below is a table summarizing how the Plan coordinates benefits with Medicare:

If your earned eligibility is based on	You are	Your primary plan is	Your secondary plan is
All sessional earnings	Active	SAG-AFTRA Health Plan	Medicare
All residual earnings*	Inactive	Medicare	SAG-AFTRA Health Plan
Royalty earnings from sound recording, and you have a current recording agreement in effect with a signatory employer	Active	SAG-AFTRA Health Plan	Medicare
Royalty earnings from sound recording, but you do not have a current recording agreement in effect with a signatory employer	Inactive	Medicare	SAG-AFTRA Health Plan
A combination of residual and sessional earnings	Active	SAG-AFTRA Health Plan	Medicare
Alternative days	Active	SAG-AFTRA Health Plan	Medicare
Covered Roster Artist	Active	SAG-AFTRA Health Plan	Medicare

*If you had AFTRA Health Fund active eligibility based on residuals as of December 31, 2016, your active eligibility continued in the SAG-AFTRA Health Plan through the end of your benefit period. Thereafter, the Plan evaluates your active and inactive status based on the rules outlined in the table above.