PWGA
Pension & Health Plans
YOUR TRUSTED GUIDE

TURNING 65
MEDICARE AND YOU

In 1968, the WGA established the Writers' Guild-Industry Health Fund to provide its members with health coverage tailored to the unique concerns of its members working in the entertainment industry.

The Health Fund resolved that if a writer is able to retire with 68 qualified quarters of employment they will be categorized as a "Certified Retiree" and receive the full benefits of the Health Fund from the age of 60 through to 65 – at which point federal law mandates Medicare comes into effect.

Once a Certified Retiree writer turns 65, the Health Fund supplements Medicare so that the writer receives comparable benefits to when the Health Fund alone was providing coverage.

The Medicare guide which follows will help you understand how Medicare and your Health Fund coverage work together, and how best to take advantage of all the resources available to you.

If you are not a Certified Retiree, there are still many viable options available to you; they will be explained throughout this guide, and in even on our website: www.wgaplans.org

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Turning 65 (Medicare And You)

MEDICARE AND YOU

Within three months of your 65th birthday:

SIGN UP FOR MEDICARE PART A.

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We will discuss Medicare Part B, C, and D in this document.

If you still have questions after reading this guide, please call us at (818) 846-1015 and we will be happy to assist you.

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I. GETTING STARTED – THE BASICS

Medicare is a federally-mandated program that comes into effect at age 65. Every paycheck earned in your working life had money taken out of it so you could have Medicare – you paid a lot of money for these benefits!

If you are a Certified Retiree, Medicare becomes your primary health carrier, supplemented by the Fund so that you receive comparable benefits to when the Health Fund alone was providing coverage.

Federal law places Medicare in a secondary position if you are still working and receiving health coverage through your employer.

If you are not a Certified Retiree, or on active coverage, you will want to sign up for Medicare Part A and Part B. You may also want to consider a Medicare Advantage program, commonly referred to as Medicare Part C; Medicare Part D, which covers prescriptions, may also be of interest to you. There will be more information about this later.

In addition to reading this guide, you can get government-provided information from:

www.medicare.gov.

THERE ARE FOUR PARTS TO MEDICARE:

MEDICARE PART A Covers hospitalization, hospice, and home health care (more about this in Section III).

MEDICARE PART B Covers outpatient services like doctor visits (more about this in Section III).

MEDICARE PART C Medicare Advantage Plans (commonly called Medicare Part C) are Medicare approved Plans available through private companies (more about this in Section III).

MEDICARE PART D Covers prescription drugs (more about this in Section III).

Federal law requires you to sign up for Medicare at 65, but depending on your circumstances, you still have important decisions to make.

If there is anything you find confusing, please call and we will be happy to assist you.

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HOW MEDICARE PARTS A THROUGH D APPLY TO YOU AS A WRITER

As you approach age 65, Medicare Parts A, B, C, and D are each relevant, depending on your individual circumstances. As a writer, you most likely will fall into one of the following categories and should take action as indicated:

EARNED COVERAGE If you (or your spouse) has healthcare coverage as a result of covered employment, you will want to take the minimally required action and apply only for Medicare Part A coverage. This will suffice until your employer-provided health coverage ends.

A writer who is receiving health coverage from that employment requires only Medicare A.

The earliest possible time to apply for Medicare Part A is three months before the month of your 65th birthday. We strongly recommend applying as early as possible.

Medicare Parts B, C, and D will not be relevant to you because your healthcare needs will be covered by your primary carrier as long as you or your spouse continue to receive health coverage from employment.

Once your employment provided coverage ends you should immediately sign up for Medicare Part B to avoid penalties and increased costs. If you are not a Certified Retiree who qualifies for health benefits, you may want to examine Medicare Part C and Medicare Part D. (There will be more about this later.)

EXTENDED COVERAGE PROGRAM If you are receiving health coverage because you are using Extended Coverage points, you will want to opt for Medicare Part A solely until your Extended Coverage points are exhausted. You will not have need for Medicare Parts B, C, or D while you are receiving health insurance via Extended Coverage because your healthcare needs will be covered by the Fund.

As long as you are using Extended Coverage points, you only need to sign up for Medicare Part A.

Once the Extended Coverage points are used up, at the very least, you also need to sign up for Medicare Part B.

Once your health coverage from employment (or Extended Coverage points) ends, Medicare becomes the primary carrier. It is critical to keep this

in mind, and to make plans to sign up and pay your Part B premium as soon as possible in the enrollment window at the conclusion of employment-based coverage.
Note: If you qualify for Certified Retiree status (and are 65 or older) and opt to begin receiving your pension, you will need to immediately sign up for Medicare Part B as you will lose your Extended Coverage points.

CERTIFIED RETIREE If you and/or your spouse are a Certified Retiree* under the Health Fund and you (or your spouse) have no active employment that provides health coverage, sign up for Medicare Part A and Medicare Part B. It is unlikely that you would elect to enroll in Medicare Parts C or Part D because your healthcare needs that would be covered by Medicare Parts C and D will already be covered by the Fund.

**A Certified Retiree is a Plan participant who has retired under the Pension Plan and at the time of retirement has a minimum of 68 qualified quarters of Health Fund coverage. Certified Retiree Health Fund coverage does not become effective until the Certified Retiree is at least 60 years of age.*

RETIREMENT BEFORE REACHING CERTIFIED RETIREE STATUS It is important that you carefully consider your options before retiring with the PWGA Pension Plan. If you file for retirement with the PWGA, and you have not accumulated enough qualified quarters to become a Certified Retiree (68 quarters), you will not receive Certified Retiree health coverage from the Fund even if you earn 68 quarters at a later date.

If you elect to retire before you acquire 68 qualified quarters, you should apply for both Medicare Part A and Part B. You may also want to consider a Medicare Advantage program and/or Medicare Part D as soon as you turn 65.

WORKING BUT NOT YET A CERTIFIED RETIREE If you are still working and have Earned Coverage you may opt not to retire. In this circumstance, you would enroll in Medicare Part A only.

It is particularly critical that you fully understand the consequences of electing to retire if you fall into one of these categories.

Please call us if you have <u>any</u> questions.

If you decide to retire anyway (which would make you a Non-Certified Retiree), you would most likely still opt for Medicare Part A only, and then file for Medicare Part B when you are no longer receiving Earned Coverage.

SOCIAL SECURITY If you are collecting Social Security when you turn 65, you will automatically be enrolled in Medicare Part A. If you are receiving health

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coverage through the Fund as a Certified Retiree, you should also enroll in Medicare Part B to avoid penalties and increased costs. Once you sign up, at your request, the Part B premium will be deducted from your social security check automatically. If you fall into this category, you may also want to consider Medicare Part C and/or Medicare Part D.

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II. FAQs – QUESTIONS AND ANSWERS

WHEN I RETIRE, DON'T I GET HEALTH COVERAGE THROUGH THE WRITERS GUILD INDUSTRY HEALTH FUND? If you have 68 qualified quarters when you retire and begin drawing your pension, you will be considered a Certified Retiree. The Fund will be your primary healthcare carrier from 60 until 65, at which time the federally-mandated Medicare program commences as your primary coverage, and the Fund moves into a secondary position. (There is no Certified Retiree coverage before age 60.)

HOW DOES A WRITER BECOME A CERTIFIED RETIREE? For every year you qualify for healthcare coverage you accrue four quarters toward your Certified Retiree status. Once you reach 68 qualified quarters, when you opt to take your pension you are considered a Certified Retiree and receive health coverage beginning at age 60. (Before 1988, there was a different criteria for accruing points.)

Failing to sign up for Medicare in a timely manner costs you money – twice! Once when you have to pay medical costs that would have been covered if you had signed up on-time and once again when you have to pay an increased monthly Medicare premium for signing up late.

WHEN DO I HAVE TO APPLY FOR MEDICARE? You should apply at least three months before the month of your 65th birthday (Technically, you have until three months after the month of your 65th birthday to sign up, but we STRONGLY recommend you sign up at the earliest possible opportunity).

Here is the link to sign up on-line:
https://secure.ssa.gov/iClaim/rib

IF I'M A CERTIFIED RETIREE AND I'VE ALREADY GOT HEALTH COVERAGE, WHY DO I NEED MEDICARE? The Fund covers Certified Retirees until they are 65, at which point – by law – Medicare becomes your primary health insurance carrier. At that point your Fund health coverage moves to the position of secondary carrier unless you are working and your employer provides health insurance – in which case Medicare will be the secondary carrier.

If you don't sign up for Medicare, you will be fully liable for medical costs that Medicare would otherwise have paid.

WHAT HAPPENS IF I DON'T SIGN UP FOR MEDICARE? When you turn 65, and you have started drawing your pension as a Certified Retiree, Medicare becomes your primary health insurance carrier and the Fund moves into a secondary position. If you have not signed up for Medicare, the Fund will pay its portion of the costs. You will have to pay the difference between what the Fund pays and what Medicare would have paid if you had applied for Medicare.

As you will see below, that can be a lot of money:

Certified Retiree with and without Medicare Comparison	**Certified Retiree** (signed up with Medicare)	**Certified Retiree** (not signed up with Medicare)
Provider's Billed Amount	$1,500.00	$1,500.00
Amount Participant must pay	**$120.00**	**$950.00**

(In this example, failure to apply for Medicare Part B cost the participant an extra $830)

Certified Retiree with and without Medicare Comparison	**Certified Retiree** (signed up with Medicare)	**Certified Retiree** (not signed up with Medicare)
Provider's Billed Amount	$76,593.50	$76,593.50
Amount Participant must pay	**$164.51**	**$29,226.64**

(In this example, failure to apply for Medicare Part B cost the participant an extra $29,062.13)

Certified Retiree with and without Medicare Comparison	**Certified Retiree** (signed up with Medicare)	**Certified Retiree** (not signed up with Medicare)
Provider's Billed Amount	$7,329.30	$7,329.30
Amount Participant must pay	**$0.00**	**$2,632.42**

(In this example, failure to apply for Medicare Part B cost the participant an extra $2,632.42)

You can find the details for how these three examples were calculated by going to Appendix A.

IS MEDICAL CARE MORE EXPENSIVE IF MEDICARE IS MY PRIMARY CARRIER? There is little – if any – difference in cost to the

writer when Medicare is the primary carrier and the Fund is secondary. See Appendix B for a detailed analysis.

HOW DOES THE FUND PAY BILLS WHEN I HAVE MEDICARE?

One of the first questions writers ask is, "How does this all fit together and who do I turn to if there is a payment issue, Medicare or the Health Fund?" If there's a problem, call us, we'll help you work through the process, and if necessary, we'll assist you.

The Fund coordinates your benefits with Medicare so that the combined medical payments of Medicare and the Fund are equal to – but not more than – what the Fund would have paid if Medicare were not involved.

I AM WORKING AND I AM OVER 65. WHY ISN'T MEDICARE MY PRIMARY CARRIER? If you are working AND your employer provides you health coverage even though you are drawing your pension, then Medicare becomes the secondary carrier for as long as you're actively employed and have health coverage.

Medicare is set up for retirees. When you continue to work and receive health coverage as a consequence of that employment, Medicare regards you differently than if you were retired and not working.

SO, IF I'M WORKING AND GETTING HEALTH CARE COVERAGE AS A RESULT, DO I STILL NEED TO APPLY FOR MEDICARE? Yes. By law, Medicare starts for everyone at age 65. You need only apply for Medicare Part A if you are working.

WHAT IF MEDICARE IS MY PRIMARY CARRIER AND THEN I GO BACK TO WORK? Once you are receiving health insurance from your employer, Medicare moves into a secondary position until you are no longer actively working and receiving health coverage from an employer.

Medicare is not automatically notified that you are no longer receiving health coverage from an employer.

You must take the initiative to sign up for Medicare Part B when your employer-provided health coverage ceases.

Note: If you have employment-related coverage, notify Medicare to cease withdrawing the Part B premium. Be sure to inform them to start up again before your coverage ends or changes to Certified Retiree coverage.

HOW DOES HAVING MEDICARE IN THE POSITION OF PRIMARY CARRIER AFFECT WHAT I HAVE TO PAY? There is usually little – if any difference – in cost to a writer when Medicare is in the primary position and the Fund is in second.

(Note: If your doctor doesn't accept Medicare, then the costs to you will be significantly higher. There is a detailed explanation of this in Section VI).
Below are two examples of typical costs when Medicare is the primary carrier and The Fund is in a secondary position:

Certified Retiree and Active Earned Comparison	**Certified Retiree** (enrolled in Medicare)	**Active Earned** (no Medicare involvement)
Provider's Billed Amount	$125,133.89	$125,133.89
Participant's payment to the provider	**$1,100.00**	**$1,100.00**

(In this example, there is no difference in cost to the participant)

Certified Retiree and Active Earned Comparison	**Certified Retiree** (enrolled in Medicare)	**Active Earned** (no Medicare involvement)
Provider's Billed Amount	$305.00	$305.00
Participant's payment to the provider	**$38.30**	**$24.45**

(In this example, the participant pays $13.85 more as a Certified Retiree)

If you would like to know the details of how these calculations were made, please go to Appendix B.

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III. MEDICARE PART A, B, C, AND D

MEDICARE PART A Medicare Part A covers hospitalization, hospice, and home health care costs. Sign up for Medicare Part A at 65. Period. No exceptions.

If you're already getting benefits from Social Security, you'll automatically get Medicare Part A starting the first day of the month you turn 65. You can also request that the Part B premium be paid automatically from your Social Security check.

Sign up for Medicare Part A as soon as possible, but no later than three months after the month of your 65th birthday.

If you are not receiving Social Security benefits when you turn 65, then you must sign up for Medicare Part A during the period three months preceding the month in which your 65th birthday falls, through the three months after.

Here is the link to sign up on-line: https://secure.ssa.gov/iClaim/rib

MEDICARE PART B This covers doctors' services and many other medical services and supplies that are not covered by Medicare Part A such as lab tests, ambulance transportation, second opinions, and durable medical equipment like CPAPs.

Note: Make sure you pay your Medicare Part B premium. Simply signing up does not grant coverage. If you are not receiving social benefit, the government will send you a bill.

IF YOU ARE WORKING AT A JOB THAT PROVIDES HEALTH COVERAGE then you do not need to sign up for Part B until your employer-supplied health coverage runs out. You have eight months after your employer-supplied health coverage ends to sign up for Medicare Part B. (See the chart on page 13 for more details)

If you are not receiving health coverage from employment, then you will want to sign up for Medicare Part B.

IF YOU ARE WORKING AT A JOB THAT DOES NOT PROVIDE HEALTH INSURANCE COVERAGE then you need to sign up for Medicare Part B (as well as Medicare Part A) in the three months preceding the month in which your 65th birthday falls, or in the three months after.
If you fail to sign up for Medicare Part B, you will be liable for uncovered medical costs, and you will also pay a 10% penalty in

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additional premium payments for every 12-month period that you fail to sign up. (Please note: Make sure you pay your Part B premium. Merely signing up does not activate coverage.)

APPENDIX D lays out the monthly premium cost for Part B.

MEDICARE PART C Technically, this is called Medicare Advantage, but it is almost universally referred to as Medicare Part C and costs an additional amount. It works like this: private companies offer healthcare plans that Medicare approves. If you decide to pay for a Medicare Advantage Plan, you still have Medicare, but you'll get your Medicare Part A and Medicare Part B coverage through the Medicare Advantage Plan, not Original Medicare.

Medicare Advantage might place you in an HMO like Kaiser, or in an open-access or gatekeeper plan such as are typically offered by large health carriers like Blue Cross. If the cost-certainty of such a situation appeals to you despite the other restrictions you are likely to encounter, then this might be an option you would select.

Most writers will elect Medicare Part C only if they are not covered as a Certified Retiree.

MEDICARE PART D This is Medicare's drug coverage program. The Fund has what Medicare refers to as "creditable" drug coverage. What this means is that you can use the Fund formulary with its exceptionally low pricing structure without purchasing Medicare Part D.

If you decide to opt for Medicare Part D, your Fund drug coverage is suspended until such time as you no longer have Medicare Part D coverage.

The only reason it might ever make sense for a Certified Retiree writer to purchase Medicare Part D is if Medicare's formulary carries a drug you need that the Fund does not and the cost of that drug is prohibitive.

If you are not a Certified Retiree or on Earned Coverage, you may want to consider signing up for Medicare Part D to cover your prescription needs.

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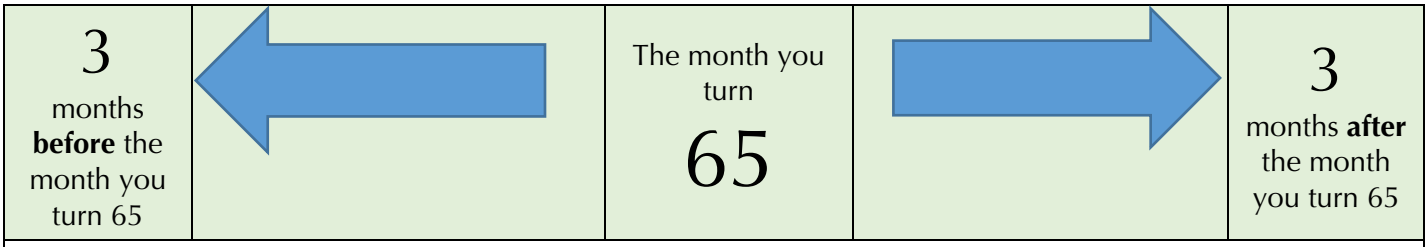
IV. MEDICARE INITIAL ENROLLMENT



In the Initial Enrollment Period, you have seven months to sign up for Medicare – three months before the month of your birthday until three months after the month of your birthday.

If you sign up AFTER your 65th birthday, health coverage begins on the first day of the month you signed up – there is no retroactive coverage. For example, if you sign up in the third month after your birthday, your coverage starts that month. Any medical bills incurred in the month(s) before then would not be covered by Medicare even though you would have been entitled to coverage if you'd signed up earlier.*

If you miss the initial Medicare Part A signup period, you will have to wait until the following year to sign up. Any medical costs incurred during this waiting period will be your responsibility.

If you sign up for Medicare Part A and fail to sign up for Part B, or if you sign up for both but fail to pay your Medicare Part B premium, you will have to wait until the following year to sign up again, and in addition to going without coverage during this waiting period and being liable for any medical costs incurred, when you do sign up you will pay a 10% monthly premium penalty – in perpetuity.*

Please call us if you have any questions: (818) 846-1015.

If you're 65, a Certified Retiree and not working, sign up for Medicare Part A and Medicare Part B

Sign up at: https://secure.ssa.gov/iClaim/rib

If you're 65, and your employer provides health insurance, you only need to sign up for Medicare Part A.

Sign up at: https://secure.ssa.gov/iClaim/rib

* In addition to the Medicare premium penalty and the loss of direct health coverage protection you are entitled to, if you fail to sign up for Medicare, Fund benefits will be reduced as if Medicare had paid its portion and you will be responsible for the difference – this can be very costly. (For more details, see Appendix A.)

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V. HOW MEDICARE WORKS IF YOU GO BACK AND FORTH BETWEEN WORKING AND UNEMPLOYMENT

If you are already working – or you just went back to work – while you still must sign up for Medicare Part A, you will not need to sign up for Medicare Part B until you are no longer receiving health insurance from your employer.

We strongly recommend that you apply and pay for Medicare Part B as soon as your health coverage from your employer expires. If you fail to make a payment during the allotted eight-month time-frame, it will be the same as if you had never enrolled. You will have to wait until the following year to sign up, and you will incur a permanent 10% premium penalty for every year you delay.

In addition to the Medicare premium penalty and the loss of health coverage protection you are entitled to, if you fail to sign up for Medicare, the Fund's benefits will be reduced as if Medicare had paid its portion. (See the charts on page 7 or Appendix A for examples)

When you lose health coverage after 65, Medicare treats the time period(s) in which you apply for Medicare Part B differently depending upon how soon you apply. It works like this:

TIME PERIOD IN WHICH MEDICARE PART B IS REQUESTED	MONTH COVERAGE BEGINS
1st THREE MONTHS WITHOUT EMPLOYER PROVIDED HEALTH COVERAGE	Part B coverage starts the same month it is requested.
4th THROUGH 8th MONTH WITHOUT EMPLOYER PROVIDED HEALTH COVERAGE	Part B coverage starts the month after the month requested

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SUPPOSE YOU WENT ONE YEAR WITHOUT SIGNING UP: Your premium would be $192.17 a month instead of $174.70. It would cost you an extra $ 209.64 a year than if you had filed inside the seven month window. If you live an additional 20 years, you will pay an additional $4,192.80 than otherwise would have been necessary. This additional premium increases each year you fail to sign up.

As you can see, it is extremely important to sign up and pay for Medicare Part B in a timely manner. If you're already receiving Social Security then you can have the premium automatically deducted from your check, but if you are not, you will have to make arrangements to send in your premium. Without timely payment, you will be subject to the increased costs detailed above.

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VI. HOW IT WORKS WHEN YOU FILE A CLAIM FOR HEALTHCARE SERVICES UNDER MEDICARE AND YOU ALSO HAVE FUND COVERAGE

IF THE FUND IS PRIMARY AND MEDICARE IS SECONDARY In this circumstance you have your traditional Fund coverage and Medicare will for the most part save you only a few dollars here and there. For all intents and purposes there is little or no difference in what you will pay for healthcare.

IF MEDICARE IS PRIMARY AND THE FUND IS SECONDARY When Medicare is primary and Fund coverage is secondary, major medical issues will cost you pretty much the same – or even a little less than if you had the Fund coverage alone. (See the charts on page 9 or Appendix B for some typical examples)

If you see a lot of doctors but rarely have medical issues which require hospitalization, then Medicare may end up costing you slightly more than if the Fund were your primary provider. (See Appendix C for details)

SPOUSES' HEALTH PLANS AND HOW THEY MAY AFFECT YOUR COVERAGE

IF YOUR SPOUSE IS WORKING AND THE SPOUSE'S EMPLOYER IS PROVIDING HEALTH COVERAGE which covers you, then the spouse's plan will become the primary carrier, Medicare will become the secondary carrier, and the Fund will be in third position (assuming you are a Certified Retiree).

IF YOUR SPOUSE IS WORKING AND YOU ARE ALSO WORKING, then your employer-provided coverage will be primary for your claims, your spouse's coverage will be second, and Medicare will be third.

IF YOU AND YOUR SPOUSE ARE BOTH RETIRED AND GETTING RETIREE HEALTH COVERAGE FROM SEPARATE FUNDS, then Medicare would be your primary health coverage carrier, the Fund would be second, and your spouse's would be third.

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The Fund coordinates your benefits with Medicare so that the combined medical payments of Medicare and the Fund are equal to – but not more than – what the Fund would have paid if Medicare were not involved.

COB (COORDINATION OF BENEFITS) One of the first questions writers ask is, "How does this all fit together and who do I turn to if there is a payment issue, Medicare or the Health Fund?" If there's a problem, come to us, we'll help you work through the process, and if necessary, we'll assist you in dealing with Medicare.

ANNUAL DEDUCTIBLE AND OUT OF POCKET COSTS The Fund has a $400 annual deductible for individuals and $1,200 for families, regardless of whether you are receiving services in-network or out of network. If you're getting medical care from a provider in-network, the Fund covers 85% of the allowed amount until you reach the $1,000 out-of-pocket annual maximum and then it covers 100% of the allowed amount.

If your medical care is coming from a doctor out-of-network, you still have an annual deductible of $400, and then the Fund pays 60% of the allowed amount until you reach the $20,000 out-of-pocket annual maximum after which the Fund cover 100% of the allowed amount.

IF YOUR SPOUSE IS WORKING AND RECEIVING HEALTH COVERAGE The Fund would be the secondary carrier if you and your spouse were both working and receiving health coverage.

If your spouse is working and you are a Certified Retiree, then your spouse's plan would be primary, Medicare would be secondary, and the Fund would be third.

WHEN THE FUND PLAN IS SECONDARY The Fund coordinates your benefits with Medicare so that the combined medical payments of Medicare and the Fund are equal to but not more than what the Fund would have paid if Medicare were not involved.

The same is true if your spouse's plan is the primary carrier.

IF MEDICARE'S BENEFIT IS GREATER THAN THE FUND The Fund pays nothing toward the claim in this circumstance. Once a writer has met the annual deductible and the OOP obligations, they usually won't be paying any more than they would have if the Fund were the sole provider and in some cases they will actually pay less:

Physician Services only (non-PPO Provider, deductible and OOP not met)

Certified Retiree Medicare COB Calculation and Active Coverage Comparison	Certified Retiree	Active Coverage
Provider's Billed Amount	$305.00	$305.00
Medicare/Fund's Allowed Amount	$198.66	$271.00
Deductible met this claim (maximum of $ 400)	$10.00	$10.00
Applied to Out-of-Pocket (40% of Allowed Amount after deductible, max of $20,000)	$74.46	$ 104.40
Fund's Normal Liability using Medicare's Allowed Amount	$132.06	$156.60
Less: Medicare's payment	$158.93	$0.00
Fund's payment to the provider	**$0.00**	**$ 156.60**
Participant's payment to the provider	**$39.73**	**$114.40**

THINGS THE FUND COVERS THAT MEDICARE DOESN'T There is an additional benefit in that the Fund covers services like acupuncture that Medicare does not with the exception when related to lower back pain, and often offers more generous numbers of appointments for things like physical therapy sessions. The Fund will coordinate with Medicare by taking into consideration Medicare's allowable amount, and pay the difference up to the amount the Fund would normally pay.

For Fund-eligible services not covered by Medicare, such as acupuncture services, vision, prescriptions, and dental, the Fund will act as primary carrier.

OTHER CONSIDERATIONS If there is a hospital stay, obviously, the minimums are easily met, but if you see doctor(s) several times a year, you will find that between Medicare and the Fund, your final out-of-pocket expenses will not exceed $1,400 for in-network providers and $20,400 for out-of-network providers. It is worth noting that most labs and anesthesiologists are out of network.

There is an additional expense incurred when Medicare is the primary health insurance carrier because there is a monthly premium

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for Medicare Part B, usually in the amount of $174.70 per month ($2098.80 annually). See APPENDIX D for more details.

Having Medicare as your primary health care provider costs an additional $2098.80 annually. To help offset some of this cost, when you turn 65, the Fund waives the dependent premium ($600 a year). Thus, if Medicare is your primary healthcare coverage provider, and you have dependents, you are looking at an additional $1498.80 annually, rather than $2098.80. If you don't have a dependent(s), it's worth noting that the Fund covers several potentially expensive areas that Medicare does not: dental, vision, and prescription costs – as well as wellness care for both Active and Certified Retirees.

MEDICARE ASSIGNMENT

DOES YOUR DOCTOR ACCEPT MEDICARE? There are three possible answers to the question of whether or not a doctor accepts Medicare, and each of these has a vastly different consequence to you:

YES, MY DOCTOR DOES ACCEPT MEDICARE. This is the simplest outcome: The provider accepts Medicare's approved amount and discounts the remaining amount. You have the normal annual deductible, OOP, COB, and you're done.

NO, MY DOCTOR DOESN'T ACCEPT MEDICARE. There are two ways a doctor may elect not to accept Medicare:

Non Participating and Opt-Out providers can make it difficult to ascertain what you should pay.

If you need help with paperwork or managing administrative processes, please call the Fund at (818) 846-1015 and we will be glad to assist you.

In order for the Fund to consider these claims you must submit a copy of the health provider's opt-out letter to the Fund. Without this letter, the claim will be denied.

Non-participating providers are doctors who don't routinely take Medicare assignment; they don't accept Medicare's discount system, nor will they provide the paperwork Medicare needs to pay on a claim.

You will be responsible for the full cost of care you received. Since the provider doesn't accept Medicare's assignment, there would be no provider discount amount. The patient is responsible for the amount over Medicare's allowance. You then have to contact the Fund and seek reimbursement for the portion the Fund would have paid if the provider had been paid by Medicare.
If the provider does not bill Medicare, you will have to bill

Medicare. It is only after this Medicare bill has been submitted (by you) that the Fund will pay its portion.

Opt-Out Providers are doctors who formally opt-out of the Medicare system. If a doctor elects to go this route, they may not be accepted back into the Medicare system for 24 months. Medicare will not cover this provider's services. If your doctor has opted out, he/she will have you enter into a private contract that requires the patient to pay for the services in full at the time they are provided. The Fund does not honor private contracts and the Fund will process your claims as if Medicare is involved and estimate Medicare's benefit.

If your doctor has made the decision to formally opt-out of Medicare you will be liable for higher costs. In this circumstance, it may be worth discussing the physician's Medicare policy, or see if the doctor is willing to make some accommodations. If the doctor is unwilling to work with you, unfortunately a writer has to either accept higher costs or find a physician who does accept Medicare.

The Fund can help you with the complex paperwork required to get some healthcare cost reimbursement when dealing with a doctor who has formally opted out of Medicare.

No one likes the idea of having to look for a new medical professional, particularly if they have been working with the same medical provider for many years. If the doctor in question is an internist, you may want to elect to stay with the physician and pay the office visit costs. Blood tests, prescriptions and other medical procedures may well still be covered if they are provided by third-parties who have not opted-out.

You will need to be especially careful if you choose to go this route should you be hospitalized, as any visits from your healthcare professional would be substantially more expensive for you than would be the case otherwise.

If you do decide you need a new healthcare provider, there is an enormous population of medical professionals to draw upon. (See APPENDIX E for more information)

If you live in Southern California, you may want to consider using The Industry Health Network. This is a PPO-type narrow network available only to entertainment industry professionals. It has very high quality services and very low co-pays.

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SUMMING UP

We hope you now better understand how Medicare works and how it affects your Fund coverage. If you wish to know more, there is an electronic version of this guide on our website which provides more detail, has charts and spreadsheets to help you understand how to calculate payments under Medicare, and also covers some less common concerns that were not touched on in this document.

In the future, we will be holding seminars to help you learn more about Medicare. We will place a notice on the web site in advance of the event.

You can get more information at the PWGA web site: www.wgaplans.org or at Medicare's own web site: www.medicare.gov.

Finally, please keep in mind, our staff is here to help you with any questions or concerns you might have: (818) 846-1015.

##

APPENDIX A

EXAMPLE 1

Example 1: Multiple Claims - WGIHF's Allowed Amount is Greater than Medicare (deductible met)

Medicare is Primary, WGIHF is Secondary - COB	Comparison of Participant Signed Up Vs. Not Signed Up with Medicare		WGIHF is Secondary - Medicare Estimate 80%
	Certified Retiree (≥ 65) Signed with Medicare	Certified Retiree (≥ 65) Not Signed with Medicare	
Provider's Billed Amount	$1,500.00	$1,500.00	Provider's Billed Amount
Medicare's Allowed Amount	$800.00	$1,000.00	Fund's Allowed Amount
Applied to Out-of-Pocket (15% of Medicare's Allowed Amount, maximum of $1,000)	$120.00	$150.00	Applied to Out-of-Pocket (15% of Fund's Allowed Amount, maximum of $1,000)
Fund's Normal Liability using Medicare's Allowed Amount (allowed amount less OOP)	$680.00	$850.00	Fund's Normal Liability using Fund's Allowed Amount (allowed amount less OOP)
Less: Medicare's payment	$640.00	$800.00	Less: Medicare's payment
Fund's payment to the provider	**$40.00**	**$50.00**	**Fund's payment to the provider**
Amount Participant must pay	**$120.00**	**$950.00**	**Amount Participant must pay**

In this example, the writer's failure to apply for Medicare cost the writer an extra $830.

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APPENDIX A

EXAMPLE 2

Example 2: Single Claim - WGIHF's Allowed Amount is Greater than Medicare (deductible met)

Medicare is Primary, WGIHF is Secondary - COB	Comparison of Participant Signed Up Vs. Not Signed Up with Medicare		WGIHF is Secondary - Medicare Estimate 80%
	Certified Retiree (≥ 65) Signed with Medicare	Certified Retiree (≥ 65) Not Signed with Medicare	
Provider's Billed Amount	$76,593.50	$76,593.50	Provider's Billed Amount
Medicare's Allowed Amount	$1,096.70	$35,283.30	Fund's Allowed Amount
Applied to Out-of-Pocket (15% of Medicare's Allowed Amount, maximum of $1,000)	$164.51	$1,000.00	Applied to Out-of-Pocket (15% of Fund's Allowed Amount, maximum of $1,000)
Fund's Normal Liability using Medicare's Allowed Amount (allowed amount less OOP)	$932.20	$34,283.30	Fund's Normal Liability using Fund's Allowed Amount (allowed amount less OOP)
Less: Medicare's payment	$873.80	$28,226.64	Less: Medicare Estimated Payment (80% of Fund's Allowed Amount)
Fund's payment to the provider	**$58.40**	**$6,056.66**	**Fund's payment to the provider**
Amount Participant must pay	**$164.51**	**$29,226.64**	**Amount Participant must pay**

In this example, the writer's failure to apply for Medicare cost the writer an additional $29,062.14.

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APPENDIX A

EXAMPLE 3

Example 3: Single Claim (deductible and OOP met)

Medicare is Primary, WGIHF is Secondary - COB	Comparison of Participant Signed Up Vs. Not Signed Up with Medicare		WGIHF is Secondary - Medicare Estimate 80%
	Certified Retiree (≥ 65) Signed with Medicare	Certified Retiree (≥ 65) Not Signed with Medicare	
Provider's Billed Amount	$7,329.30	$7,329.30	Provider's Billed Amount
Medicare's Allowed Amount	**$1,729.69**	**$3,290.53**	Fund's Allowed Amount
Applied to Out-of-Pocket ($1,000 OOP met)	$0.00	$0.00	Applied to Out-of-Pocket ($1,000 OOP met)
Fund's Normal Liability using Medicare's Allowed Amount (allowed amount less OOP)	**$1,729.69**	**$3,290.53**	Fund's Normal Liability using Fund's Allowed Amount (allowed amount less OOP)
Less: Medicare's payment	$1,378.13	$2,632.42	Less: Medicare Estimated Payment (80% of Fund's Allowed Amount)
Fund's payment to the provider	**$351.56**	**$658.11**	**Fund's payment to the provider**
Amount Participant must pay	**$0.00**	**$2,632.42**	**Amount Participant must pay**

In this example, the writer's failure to apply for Medicare cost the writer an additional $2,632.42.

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APPENDIX B

EXAMPLE 1

Example 1: Hospital Claim - 20-day admission, PPO Provider(deductible met)

Medicare is Primary, WGIHF is Secondary - COB	Comparison of Participant Active Earned Vs Certified Retiree		Writers' Guild-Industry Health Fund (WGIHF) is Primary No COB
	Certified Retiree Participant ≥ 65 Years of Age	**Active Earned Participant ≤ 64 Years of Age**	
Provider's Billed Amount	$125,133.89	$125,133.89	Provider's Billed Amount
Medicare's Allowed Amount	$9,829.65	$115,304.24	Fund's Allowed Amount
Patient's $100 copay per admission	$100.00	$100.00	Patient's $100 copay per admission
Applied to Out-of-Pocket (15% of Medicare's Allowed Amount, maximum of $1,000)	$1,000.00	$1,000.00	Applied to Out-of-Pocket (15% of Fund's Allowed Amount, maximum of $1,000)
Fund's Normal Liability using Medicare's Allowed Amount (allowed amount less copay and OOP)	$8,729.65	$114,204.24	Fund's Normal Liability using Fund's Allowed Amount (allowed amount less copay and OOP)
Fund's payment to the provider	**$84.00**	**$114,204.24**	**Fund's payment to the provider**
Amount Participant must pay (copay and OOP)	**$1,100.00**	**$1,100.00**	**Amount Participant must pay (copay and OOP)**

*Note: For Medicare claims, the Fund allows Medicare's allowance over Anthem Blue Cross

In this example, there would have been no difference in cost to the writer when Medicare is the primary healthcare provider.

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APPENDIX B

EXAMPLE 2

Example 2: Annual claims profile (includes Inpatient Hospital Services, deductible and OOP met)

Medicare is Primary, WGIHF is Secondary - COB	Comparison of Participant Active Earned Vs Certified Retiree		Writers' Guild-Industry Health Fund (WGIHF) is Primary No COB
	Certified Retiree Participant ≥ 65 Years of Age	Active Earned Participant ≤ 64 Years of Age	
Provider's Billed Amount	$125,133.89	$125,133.89	Provider's Billed Amount
Medicare's Allowed Amount	$9,829.65	$115,304.24	Fund's Allowed Amount
Patient's $100 copay per admission	$100.00	$100.00	Patient's $100 copay per admission
Applied to Out-of-Pocket ($1,000 OOP met)	$0.00	$0.00	Applied to Out-of-Pocket ($1,000 OOP met)
Fund's Normal Liability using Medicare's Allowed Amount	$9,729.65	$115,204.24	Fund's Normal Liability using Fund's Allowed Amount (allowed amount less copay and OOP)
Fund's payment to the provider	**$1,084.00**	**$115,404.24**	**Fund's payment to the provider**
Amount Participant must pay	**$100.00**	**$100.00**	**Amount Participant must pay (copay)**

*Note: For Medicare claims, the Fund allows Medicare's allowance over Anthem Blue Cross

In this example, there is no cost difference between Medicare and WGA coverage.

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APPENDIX B

EXAMPLE 3

Example 3: Physician Services only - PPO Provider (deductible and OOP not met)

Medicare is Primary, WGIHF is Secondary - COB	Comparison of Participant Active Earned Vs Certified Retiree		Writers' Guild-Industry Health Fund (WGIHF) is Primary No COB
	Certified Retiree Participant ≥ 65 Years of Age	Active Earned Participant ≤ 64 Years of Age	
Provider's Billed Amount	$305.00	$305.00	Provider's Billed Amount
Medicare's Allowed Amount	$198.66	$106.34	Fund's Allowed Amount
Deductible met this claim (maximum of $300)	$10.00	$10.00	Deductible met this claim (maximum of $300)
Applied to Out-of-Pocket (15% of Medicare's Allowed Amount, maximum of $1,000)	$28.30	$14.45	Applied to Out-of-Pocket (15% of Medicare's Allowed Amount, maximum of $1,000)
Fund's Normal Liability using Medicare's Allowed Amount	$160.36	$81.89	Fund's Normal Liability using Fund's Allowed Amount (allowed amount less copay and OOP)
Less: Medicare's payment	$158.93	N/A	
Fund's payment to the provider	**$1.43**	**$81.89**	**Fund's payment to the provider**
Amount Participant must pay	**$38.30**	**$24.45**	**Amount Participant must pay**

*Note: For Medicare claims, the Fund allows Medicare's allowance over Anthem Blue Cross (Medicare's allowance greater than the Fund on the above example)

In this example, the writer pays $13.85 more because Medicare is the primary provider than would have been the case if the WGA was the primary provider.

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APPENDIX B

EXAMPLE 4

Example 4: Physician Services, PPO Provider (deductible & OOP Met)

Medicare is Primary, WGIHF is Secondary - COB	Comparison of Participant Active Earned Vs Certified Retiree		Writers' Guild-Industry Health Fund (WGIHF) is Primary No COB
	Certified Retiree Participant ≥ 65 Years of Age	Active Earned Participant ≤ 64 Years of Age	
Provider's Billed Amount	$305.00	$305.00	Provider's Billed Amount
Medicare's Allowed Amount	$198.66	$106.34	Fund's Allowed Amount
Applied to Out-of-Pocket ($1,000 OOP met)	$0.00	$0.00	Applied to Out-of-Pocket ($1,000 OOP met)
Fund's Normal Liability using Medicare's Allowed Amount	$198.66	$106.34	Fund's Normal Liability using Fund's Allowed Amount
Less Medicare's payment	$158.93	N/A	
Fund's payment to the provider	**$39.73**	**$106.34**	**Fund's payment to the provider**
Amount Participant must pay	**$0.00**	**$0.00**	**Amount Participant must pay**

*Note: For Medicare claims, the Fund allows Medicare's allowance over Anthem Blue Cross (Medicare's allowance greater than the Fund on the above example)

In this example there is no difference between the cost to the writer whether the WGA is the primary provider or Medicare is in the first position.

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APPENDIX C

(WGA primary vs Medicare primary – cost to writer)

Earned versus Retiree Coverage
Comparison of Benefits and COB Rules

Health Coverage – Premium and COB Earned Coverage – No Medicare	Health Coverage – Premium and COB Certified Retiree - Medicare Coverage
Premium: Individual Premium: $ 0.00 Dependent Premium: $150 per quarter ($600 annually) Medicare Government Tax withholding: 2.9% of annual salary. 1.45% is paid by the employer and 1.45% is paid by the writer. All 2.9% is paid by the writer if there is a loan out company.	**Premium:** WGA Individual Premium: $ 0.00 WGA Dependent Premium: $150.00 per quarter (if age 65 or older, and on retiree coverage, the premium is waived) Medicare Part B Premium: $174.70 per month ($2,096.40 annually)
COB Rule: Usually, the plan covering someone as a participant based on employment is the primary plan and the plan covering someone as a dependent is the secondary plan. For dependent children covered under more than one plan – the birthday rule is applied. The plan of the parent whose birthday is earliest (month & day) in the year is the primary plan. If both parents have the same birthday, the primary plan is the one that has covered the parent longer. Please refer to the SPD for "Other COB Rules". The Plan remains the primary coverage over Medicare if the participant is age 65 and over.	**COB Rule:** Medicare coverage will be the primary plan when the Certified Retiree turns age 65. If the Certified Retiree has coverage through another plan based on employment or covered as a dependent, the standard coordination of benefits determination for the secondary or tertiary will be made. See the SPD for the COB determination rules.
Medicare COB Approach: None – The Plan is the primary coverage and Medicare is secondary.	**Medicare COB Approach:** **Carve Out or non-duplication approach –** Under this method, when the Fund is the secondary plan, the primary plan's benefit is subtracted from the Fund's normal benefit, and the difference, if any, is paid on the claim. If the primary plan's benefit is greater than or equal to the Fund's benefit on a claim, nothing is paid by the Fund. If the primary plan's benefit is less than the Fund's benefit, the difference between the two benefits is paid. With this method, the plan participant continues to be responsible for normal out-of-pocket expenses like deductibles and coinsurance. (see attached examples)

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APPENDIX C

Comparison of Benefits and COB Rules (Cont'd)

Health Coverage Earned Coverage – No Medicare	Health Coverage Certified Retiree - Medicare Coverage
Hospital Coverage – WGA Coverage -Inpatient Care in hospital -Inpatient Care in a skilled nursing facility *Subject to the Plan's hospital $100 copay, then the Plan's Plan's $400 deductible, payable at 85% INN (in Network) or 60% OON (Out Of Network) until the out-of-pocket maximum is met ($1000 INN or $20,000 OON), then payable at 100%, no lifetime maximum* -Hospice care services -Home health care services *Subject to the Plan's $400 deductible, payable at 85% INN or 60% OON until the out-of-pocket maximum is met (($1000 INN or $20,000 OON), then payable at 100%, no lifetime maximum*	**Hospital Coverage – Medicare Part A** -Inpatient Care in hospital *The patient pays $1,632 for the first 60 days, $408 for days 61-90, $816 after 90 days (up to 60 days after your lifetime maximum)* -Inpatient Care in a skilled nursing facility *The patient pays $204per day for days 21 – 100 days (benefit period)* -Hospice care services – 100% if medically necessary *The patient pays $5 per outpatient prescription for pain and symptom management* -Home health care services – 100% if medically necessary *The patient pays 20% of the Medicare approved amount for durable medical equipment.*
All other services **-**Physician Services -Hospital Outpatient lab and physicians services *Subject to the Plan's $400 deductible, payable at 85% INN or 60% OON until the out-of-pocket maximum is met (($1000 INN or $20,000 OON), then payable at 100%, no lifetime maximum*	**All other services – Medicare Part B** **-**Physician Services -Hospital Outpatient lab and physicians' services *Subject to Medicare's Part B deductible of $240, then payable at 80%. No out-of-pocket maximum.*

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APPENDIX D

MEDICARE PART B COSTS*

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Part B income-related monthly adjustment amount	Total monthly Part B premium amount
Less than or equal to $103,000	Less than or equal to $206,000	$0.00	$174.70
Greater than $103,000 and less than or equal to $129,000	Greater than $209,000 and less than or equal to $258,000	$69.90	$244.60
Greater than $129,000 and less than or equal to $161,000	Greater than $258,000 and less than or equal to $322,000	$174.70	$349.40
Greater than $161,000 and less than or equal to $193,000	Greater than $322,000 and less than or equal to $386,000	$279.50	$454.20
Greater than $193,000	Greater than $386,000	$384.30	$559.00

Monthly premium rates to be paid by beneficiaries who are married and lived with their spouse at any time during the taxable year, but file a separate return, are as follows:

Beneficiaries who are married and lived with their spouse at any time during the year, but file a separate tax return from their spouse:	Part B income-related monthly adjustment amount	Total monthly Part B premium amount
Less than or equal to $103,000	$0.00	$174.70
Greater than $103,000 and less than or equal to $397,000	$384.30	$559.00
Greater than $397,000	$419.30	$594.00

*(All income levels are based on adjusted gross income)

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APPENDIX E

Medicare Providers Available in the Top Participant Geographic areas

Zip Code	# of Providers with 25 miles (that accept Medicare Assignment) Specialty & Count	# of Providers with 25 Miles (that accept Medicare Assignment) Specialty & Count	# of providers within 25 miles (that accept Medicare Assignment) Specialty & Count	
	Family Practice, General Medicine, Geriatrics, Internal Medicine	Hematology/Oncology	Cardiology	Number of Opt. Out Providers
90025 Los Angeles	4,741	62	531	615
94112 San Francisco	2,503	66	190	2658
10013 New York	8,250	494	1,435	3286

Note: In-network Medicare Provider counts obtained from www.Medicare.gov and Number of Opted Out Medicare Providers count was obtained from a Healthcare Payer list.