



MPIHP PRESCRIPTION DRUG COVERAGE AS COMPARED TO MEDICARE PART D

Your Questions Answered

1. What is the effective date for the Medicare prescription drug coverage?

On January 1, 2006, the new Medicare prescription drug benefit went into effect as a result of the Medicare Prescription Drug Improvement and Modernization Act signed into law December 8, 2003.

2. Who benefits from the Medicare prescription drug program?

Medicare Part D was *not* designed to replace existing high-benefit, low-cost plans like your MPI Health Plan prescription drug coverage. This program was established to benefit those Medicare-eligible individuals who:

- Are low income¹
- Are not currently insured for prescription drug costs
- Have large out-of-pocket expenses associated with their medications

3. Am I required to sign up for Medicare Part D?

You are *not* required to sign up for Medicare Part D. It is a voluntary program. If you are Medicare-eligible and eligible for prescription drug coverage through the MPI Health Plan, you have a choice to stay with your Motion Picture Industry Health Plan prescription drug coverage (administered by Medco), or to enroll in Medicare Part D. *However, you must choose one plan or the other.*

4. What happens if I don't sign up for Medicare Part D?

If you do *not* enroll in Medicare Part D, you will continue to enjoy prescription drug coverage through Medco, provided you remain eligible for MPIHP benefits. It *is not* necessary to take any action to stay enrolled in the MPIHP prescription drug plan. You will automatically continue your coverage relatively low co-pays.

5. What is the best choice for me?

In the vast majority of cases, it would be more beneficial for you to stay with your current MPI Health Plan prescription drug coverage through Medco.¹ It would *not* be to your advantage to sign up for Medicare Part D because your current coverage is better than that provided through the Medicare plan.

- Your MPI Health Plan coverage is comprehensive, and your out-of-pocket costs are significantly lower than they would be with Medicare Part D.
- Regardless of whether you are Active or Retired, with your MPIHP Medco prescription drug benefit, in most cases, you pay no premium and no deductible, and your co-pays are relatively small.

6. Can I choose both Medicare Part D and MPIHP Prescription Drug Coverage?

No. The MPI Health Plan *will not* coordinate benefits with any other prescription drug plan, so it is important that you compare the options and make an informed decision. If you enroll in any Medicare Part D plan, you will no longer be covered by MPIHP for prescription drug benefits.

¹ You may qualify for “extra help” (the low-income subsidy) from Medicare to pay prescription drug costs. Further information is available at www.socialsecurity.gov or call the Social Security Administration at 1.800.772.1213.



7. If I choose Medicare Part D, will it affect my other MPI Health Plan benefits?

No. Choosing Medicare Part D will *not* impact any other part of your MPI Health Plan benefits, *only* the prescription drug benefit. It is important you understand, however, that if you enroll in the Medicare prescription drug plan, you will no longer be covered for prescription drug benefits through the MPIHP's prescription drug plan administered by Medco.

8. I'm Medicare-eligible but covered by the MPI Active Health Plan because I'm still working. Am I eligible for Medicare Part D?

Yes, all Medicare-eligible individuals are eligible for Medicare Part D.² Your out-of-pocket cost comparison with Medicare Part D will differ slightly from that of Participants covered by the MPI Retiree Health Plan because your co-pays are higher. However, your current MPIHP prescription drug co-pays will still be significantly lower than the out-of-pocket costs will be for Medicare Part D.

9. If I stay with the MPI Health Plan prescription drug coverage (during the Part D Open Enrollment period) and change to Medicare Part D later, will Medicare penalize me?

No. Should you, for any reason, choose to sign up for Medicare Part D at a later date, you will need a formal document from the Motion Picture Industry Health Plan in order to avoid a penalty for late sign-up.

This "Notice of Creditable Coverage" states that you had coverage through the MPI Health Plan at the time of the original Medicare enrollment that was equal to or better than the Medicare Part D benefit. You will be responsible for providing it to Medicare if needed. So, be sure to keep it in a safe place.

Because your prescription drug coverage with the MPI Health Plan is better than the Medicare Part D coverage, Medicare will wave any penalty for late sign up, provided any gap in coverage is less than 63 days.

10. What happens if my spouse and I want to choose different plans?

In the event that only one of you chooses to enroll in Medicare Part D, the other person's prescription drug coverage will remain unchanged under the current MPI Health Plan, so long as the Participant and spouse are covered by and eligible for MPI Health Plan benefits. Once Medicare Part D becomes effective for the individual who chooses it, that person will no longer be covered by MPIHP for the prescription drug benefits. However, he or she will continue to receive the rest of the MPI Health Plan benefits.

11. Can I switch back to the MPI Health Plan for prescription drug coverage if I choose Medicare Part D now?

Yes, as long as you remain eligible for MPI Health Plan benefits and are no longer covered by Medicare Part D, you may switch back to the MPIHP prescription drug coverage during any period that Medicare permits you to drop Part D coverage.

12. What type of coverage do I have now?

Through the Motion Picture Industry Health Plan, most Participants² enjoy a prescription drug benefit, administered by Medco. For the most part, Medicare-eligible Participants, *regardless of which health plan option is selected*, receive prescription drug coverage administered by Medco. Medco has an expansive national network of participating pharmacies. Details of your coverage are available in your *2007 MPI Active and Retiree Health Summary Plan Descriptions and Summaries*

² As a result of unique agreements associated with mergers of various benefit plans into the MPI Health Plan throughout the years, health benefits for certain groups of Participants may differ. If you are a Participant in the MPI Health Plan by virtue of a merger, please consult the appendix included in your Active or Retiree Health Summary Plan Description for a complete list of your benefits through the MPIHP.



of Material Modifications-Plan Updates. However, in general, the MPIHP Medco prescription drug benefit includes, for most Participants, the following:

- No monthly premium
- No annual deductible
- Utilizing the Medco Health Home Delivery program by mail can lower the average monthly co-pay amount even further for maintenance medications.

13. Is anything different because I'm a member of a Local whose benefit plans merged into the MPI Health Plan?

As a result of unique agreements associated with the mergers of various benefit plans into the MPI Plans throughout the years, your benefits may be different from the examples presented.

Regardless, if your plan includes a prescription drug benefit, your co-pays are significantly lower than out-of-pocket costs for Medicare Part D, and in the vast majority of cases, it is to your advantage to remain with the MPIHP prescription drug program.

14. Will my decision on Medicare Part D in any way affect my coverage for Medicare Parts A or B?

No. The three Medicare plans are distinct, and your participation in Part D *does not* impact your Medicare Part A or Part B coverage. You pay a monthly premium for each Medicare plan you enroll in, and that payment is deducted from your Social Security check.

- **Medicare Part A** is coverage for hospitalization, and you are automatically enrolled through Social Security.
- **Medicare Part B** is coverage for physician office visits and is voluntary. You make a choice to enroll or not enroll.
- **Medicare Part D** is the prescription drug program which, like Medicare Part B, is voluntary. You make a choice to enroll or not enroll.

15. What special assistance is available to low income seniors through Medicare Part D?

There is government assistance available to low income individuals and families. You may qualify for "extra help" (the low-income subsidy) from Medicare to pay prescription drug costs if you have a yearly income (in 2009) below \$16,245 (\$21,855 for a married person living with a spouse and no other dependents) and resources (in 2009) less than \$12,510 (\$25,010 for a married person living with a spouse and no other dependents). Amounts will change in early 2010. Further information is available at www.socialsecurity.gov or call the Social Security Administration at 1.800.772.1213.

16. Will all the Medicare Part D prescription plans offered be the same?

No. You may have already received promotional information from various private prescription drug and health plans contracted by Medicare to provide prescription drug coverage. They may encourage you to sign up for their Medicare prescription plans. These plans may vary in how they structure their costs to you, and they may offer lower out-of-pocket costs than the standard Medicare Part D plan. It is unlikely, however, that any will compare to the low out-of-pocket expenses available to Participants through the MPI Health Plan prescription drug benefit.

Remember, you are not required to sign up for any of those plans. You have the option to stay with your current MPIHP prescription drug coverage.

17. When do I need to make this decision?

The open enrollment period for Medicare Part D begins November 15, 2009, and ends December 31, 2009. If you choose to enroll in Medicare Part D, you will lose your MPIHP prescription drug coverage at the time your Medicare Part D coverage becomes effective.

- If you enroll prior to December 31, 2009, your Medicare Part D coverage will be effective January 1, 2010, and your MPIHP prescription drug coverage will be cancelled at that time.
- After December 31, 2009, the next open enrollment period will be in the Fall of 2010.