



## *Sweeping Health Fund Changes Must Go Into Effect October 1st*

### WHAT'S HAPPENING ON 10/1/03

Here's an overview of the Health Fund changes that take place on October 1. There's more information on each of these changes in this newsletter, and even more details will follow in a special *Now Playing* Supplement that will be mailed out in early September.

- More stringent eligibility rules for Health Fund participation.
- CIGNA HealthCare will replace ULLICO and BlueCross, with hospital and Major Medical/PPO benefits combined under one Comprehensive Medical Plan.
- The PPO In-Network office visit copay is going from \$15 to \$25.
- CIGNA will also replace Medco Health Solutions for our Prescription Drug Program. (The deductible is going to \$100 on January 1, 2004; see inside for more details.)
- The Dental Plan will no longer be provided, but a voluntary self-pay dental benefit is being considered.

# SPECIAL EDITION!

All of the changes you will read about here take place on October 1, 2003, unless otherwise noted.

Unless we take these steps now, the Health Fund deficit will only get bigger, which could wipe our Fund out of existence altogether.

HOWEVER, THERE'S SOME GOOD NEWS. There's no doubt that some of the October 1 changes are cutbacks, but some of them were made to lower costs without lowering benefits. For example, combining hospital and major medical/PPO benefits under the CIGNA Comprehensive Medical Plan will significantly reduce what the Fund pays to the insurance company in administrative expenses, and moving the Prescription Drug Program to CIGNA will allow the Fund to obtain drugs at lower costs. We're also eliminating the lifetime maximum on the Medical Plan's benefits, so there's no limit on what the Plan will pay toward your eligible expenses. Also be sure to see page 3 for reasons why the move to CIGNA HealthCare is a good thing, not just for the health of our Fund, but for the well-being of our participants.

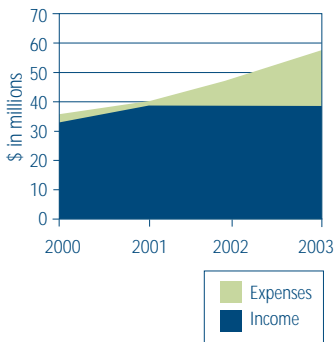
NOW PLAYING

## Further Cost Savings Are a Must

The changes you will read about here are absolutely necessary from a cost standpoint, and should come as no surprise. We've been very open about the fact that our Health Fund is in deep financial trouble. Unfortunately, our earlier attempts to conserve money — tightening the eligibility rules, putting in the PPO and raising deductibles and copays, for example — haven't been enough to turn things around. The increased cost of health care continues to eat away at our Fund's reserves. In fact, the Health Fund has been operating in a deficit position for the last four years, which means there's not enough money going into the Fund to cover our expenses (see

chart at left). Some of the changes will affect you more than others, but change is, nonetheless, difficult. It is important for you to understand that the changes slated for October 1, 2003 were arrived at after a long and careful evaluation of various alternatives. We hope you can appreciate that the Trustees have been struggling not only with the increased Health Fund costs and how to deal with them, but also with the effect these changes will have on you. But the Trustees are responsible for the fiscal health of the Fund, and had no other choice but to take these steps in an attempt to preserve the Fund for the benefit of our members.

Equity-League Health Fund Income & Expenses



We're in a bad situation, but we're in good company.

We are not the only Fund struggling with health care costs. The cost of health care is a national crisis. Other Health Funds in our industry—including SAG, AFTRA and the DGA—have already implemented significant changes in an effort to keep their funds afloat. In fact, some of them have taken even more drastic measures, including requiring members who are eligible for health coverage to make a substantial contribution toward the cost.

## New Eligibility Rule

**Beginning with Benefit Periods that start on or after October 1, 2003, you'll need at least 20 weeks of work during your eligibility period to qualify for 12 months of Health Fund coverage or 12 weeks to qualify for 6 months of Health Fund coverage.**

As you know, Health Fund eligibility is established by working the required number of weeks during a 12-month period, known as the *Eligibility Period*. Weeks of work in an Eligibility Period earn coverage for a corresponding *Benefit Period*, which begins each calendar quarter. As you can see from the

chart below, there's a two-month gap between an Eligibility Period and a Benefit Period, which is known as the *Waiting Period*. To see if you pass the eligibility test, the Fund does a "look back" two months before the start of each calendar quarter. If you have the required number of weeks, your health coverage will begin (or continue uninterrupted if you're re-establishing your eligibility) on the first day of the following quarter. Since we do the "look back" quarterly, even if you don't qualify during one particular quarter, you could qualify in a subsequent one.

### Health Fund Eligibility Periods

Eligibility Period		Waiting Period	Benefit Period
12 months counting from:		Two months	Quarterly
the first Sunday in	to the last Sunday in		
August	July	Aug–Sept	October 1
November	October	Nov–Dec	January 1
February	January	Feb–Mar	April 1
May	April	May–June	July 1

**The New Rule** The Eligibility Period and Benefit Period starting dates aren't changing. But for Benefit Periods as of October 1, if you work at least 20 weeks in the 12-month Eligibility Period, you'll get 12 months of coverage starting with your corresponding Benefit Period. If you work at least 12 but less than 20 weeks in your 12-month Eligibility Period, you'll get six months of coverage. In other words, 20 weeks of work gets you 12 months of Health Fund coverage, and 12 weeks of work gets you six months of coverage.

Since the Eligibility Period look backs are 12 months, there are overlaps for those earning six months of coverage. So if you work at least 12 but less than 20 weeks, weeks in excess of 12 (13–19) earned during the second six months of your Eligibility Period will be carried forward and counted in your next Eligibility Period. If the combined weeks (newly earned and/or carried forward) add up to at least 12, you'll get six more months of Health Fund coverage; if they add up to at least 20 weeks, you'll get 12 more months of coverage.

# Some Examples to Illustrate How the New Eligibility Rules Work

## Example 1: Carrie

Let's say Carrie earned 19 work weeks (blue) during her November 2002–October 2003 Eligibility Period look back. Her first 12 weeks (red) get her six months of coverage for the Benefit Period that begins on January 1, 2004, and can't be used again. Her seven unused weeks (green) were all earned during the second half of the May 2003–October 2003 look back period. Because she earned only six months of coverage, we look back again six months later for the May 2003–April 2004 Eligibility Period to determine if Carrie stays covered as of July 1, 2004. Any unused weeks during the overlapping months

(May 2003–October 2003) that fall within her first and second Eligibility Periods are counted toward eligibility for her new Benefit Period beginning July 1, 2004. With seven unused weeks (green) that she can combine with her eight new weeks (blue) earned between November 2003 and April 2004, Carrie would get another six months of coverage starting on July 1, 2004. Plus, she has three unused weeks that she can use during her next Eligibility Period look back to determine her eligibility beginning January 1, 2005.

These three examples assume that these three actors earned six months of coverage. The next time we look at their work history would be six months later. Because each look back period is 12 months, there's a 6-month overlap between any two periods. As you will see, work weeks earned during the first 12-month period that also fall within the second Eligibility Period that were not used to establish the first 6 months of coverage are counted toward the second Eligibility Period tally.

month	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	
earned	2	1	0	2	2	0	3	2	1	2	2	2	19 total
used	2	1		2	2		3	2					12= 6-month eligibility
unused									1	2	2	2	7 unused

month	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
earned	X	X	1	2	2	2	1	0	1	2	3	1	15 total
used	X	X	1	2	2	2	1	0	1	2	1		12= 6-month eligibility
unused											2	1	3 unused

## Example 2: Barry

Like Carrie, Barry also had 19 weeks (blue) during his initial Eligibility Period, which got him six months of coverage beginning January 1, 2004, and left him with seven unused weeks (green). He worked a lot during his second Eligibility Period look back, earning 14 additional weeks (blue) between November 2003 and April 2004. With his seven unused weeks and his 14 new weeks all falling within the May 2003–April 2004 Eligibility Period, Barry has more than

the 20 weeks (red) he needs for another 12 months of coverage for the July 1, 2004 – June 30, 2005 Benefit Period. His next Eligibility Period look back will run the 12 months from May 2004 to April 2005 to establish eligibility for July 1, 2005. Since he earned 12 months of coverage, there's no overlap between the two Eligibility Periods, so he can't carry forward the week he didn't have to use for his 12 months of coverage.

month	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	
earned	2	1	0	2	2	0	3	2	1	2	2	2	19 total
used	2	1		2	2		3	2					12= 6-month eligibility
unused									1	2	2	2	7 unused

month	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
earned	X	X	1	2	2	2	1	3	3	2	3	2	21 total
used	X	X	1	2	2	2	1	3	3	2	3	1	20= 12-month eligibility
unused													0 unused

# Some Examples to Illustrate How the New Eligibility Rules Work

## Example 3: Harry

Let's say Harry also has the same work history during his initial Eligibility Period. But even though he carried forward seven unused weeks (green), he only worked two weeks (blue) between November 2003 and April 2004. His nine-week total isn't enough to earn him continued coverage, so he's not covered for the

Benefit Period beginning July 1, 2004. However, eight of his nine unused weeks (green) can be carried forward because they were earned between August 2003 and April 2004 and will fall within the next Eligibility Period look back used to determine eligibility for October 1, 2004. (Read on for what happens next.)

month	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	
earned	2	1	0	2	2	0	3	2	1	2	2	2	19 total
used	2	1		2	2		3	2					12=6-month eligibility
unused									1	2	2	2	7 unused

month	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
earned	X	X	1	2	2	2	0	0	0	0	0	2	9 total
used	X	X											no coverage
unused			X	2	2	2						2	8 unused

Because Harry lost eligibility, we'll re-examine his work history quarterly to see if he worked enough to earn Health Fund coverage. His next Eligibility Period will be the 12 months from August 2003 to July 2004 to determine eligibility for October 1, 2004. Harry had seven new work weeks during that period (blue). Adding together his unused weeks (green) and his new work weeks gives him a total of 15 weeks. He uses 12 of them (red) to regain eligibility for six months of coverage beginning October 1, 2004.

At the end of this Eligibility Period, he has three unused weeks (green) that he can then use for the next Eligibility Period look back for coverage beginning April 1, 2005. In case we lost you, here's the upshot: Harry was covered from January 2004 to July 2004, had a three-month gap with no coverage, earned six more months of coverage beginning on October 1, 2004 and had three unused weeks available for the next look back.

month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
earned	2	2	2	0	0	0	0	0	2	3	2	2	15 total
used	2	2	2						2	3	1		12=6-month eligibility
unused											1	2	3 unused



If you have Health Fund coverage now, the new rule will apply with your next eligibility anniversary date.

# NOW PLAYING

## Why the Move to CIGNA



**CIGNA**  
HealthCare

In addition to providing us with the most competitive bid (and thus giving us the most for our Health Fund money) and allowing us to more efficiently deliver benefits, consolidating our medical coverage with CIGNA HealthCare has other distinct advantages.

- CIGNA HealthCare is a premier health carrier, with a national presence and a reputation for the highest quality standards.
- They have the resources to see to it that the transition goes as smoothly and seamlessly as possible.
- Top-notch service and state-of-the-art technology to facilitate customer service and payment of claims.
- A bigger PPO network, with 450,000 physicians and 3,600 hospitals nationwide.
- One toll-free number to call (and one website to visit) to get your hospital, major medical and prescription drug questions answered.
- Special features, including a 24-Hour Health Information Line, online provider directories, and an interactive, easy-to-use website that also lets you set up a personal online profile.

## A Snapshot of What's Happening With the Indemnity Medical Plans as of October 1, 2003

Currently			As of 10/1/03
Hospital benefits	BlueCross	➔➔	CIGNA HealthCare
Major Medical benefits	ULLICO	➔➔	CIGNA HealthCare
PPO benefits	Beech Street (Alliance in Wash., DC and Maryland)	➔➔	CIGNA HealthCare
Prescription drug benefits	Medco Health Solutions	➔➔	CIGNA HealthCare's Rx PRIME
Vision benefits	Davis Vision	➔➔	No change
Dental benefits	CIGNA HealthCare Dental Plan	➔➔	See page 5.

## Hospital Benefits Under the Comprehensive Medical Plan

Your eligible hospital expenses are, of course, still covered and, other than having CIGNA HealthCare instead of BlueCross, benefits are almost exactly the same. In-Network care in a

CIGNA HealthCare PPO hospital is covered in full. But if you go Out-of-Network, you'll pay more toward your eligible expenses (see page 4).

All hospital stays and certain other types of medical care will require **PREADMISSION CERTIFICATION**. More information on Preadmission Certification will be in the special *Now Playing* Supplement which will be mailed out in early September.

## Major Medical Benefits Under the Comprehensive Medical Plan

Essentially the same major medical services will be covered, but how they will be reimbursed depends on whether you go In-Network (that is, to a CIGNA HealthCare PPO provider) or Out-of-Network.

**In-Network** Most In-Network care will continue to be covered in full, with visits to the doctor's office and other PPO services still subject to a per-visit copay. **However, starting October 1, the copay is going to \$25.** (This higher copay would have gone into effect even if we had not moved to CIGNA HealthCare.) A complete list of covered In-Network expenses, as well as details on frequency and other limits, are on our website, so log on to [www.equityleague.org](http://www.equityleague.org) and click on HEALTH for more details.

**Out-of-Network** For the most part, Out-of-Network benefits are staying the same, which means you'll pay more toward your covered expenses.

- Before being reimbursed for your eligible medical expenses, you have to meet the **\$350 annual deductible** (\$700 for a family). Also note that the "carryover" provision that currently allows you to apply deductibles paid during the last three months of the calendar year to the next Plan year is being eliminated.
- Once you've met the \$350 annual deductible, your eligible Out-of-Network expenses are reimbursed at **70% of the reasonable and customary charge**. (Your 30% share of coinsurance is capped at \$5,000, after which your remaining eligible expenses are reimbursed at 100% of the reasonable and customary charge for the rest of that year.)

The PPO copay is going up, but going Out-of-Network will still cost you considerably more.

We're switching to CIGNA HealthCare's pharmacy program on October 1, 2003. The deductible on prescription drugs and medications is going to \$100, but not until January 1, 2004.

## If You're Undergoing Treatment Now

If you or a covered dependent are currently undergoing treatment for a serious or prolonged illness or non-work-related injury, you may need to see a CIGNA HealthCare PPO provider to qualify for the highest coverage level. If the health care professionals you're using are in the CIGNA HealthCare PPO network, it will be a seamless transition for you. But if your providers aren't in CIGNA's network, you'll have to switch to those who are in order to be eligible for In-Network benefits. If you don't transfer to the care of CIGNA PPO providers by October 1, your eligible expenses will be subject to the Out-of-Network deductibles and co-insurance (see above).

**Easing the Transition** Patients with certain serious medical conditions (like cancer, AIDS or heart disease, for example) can continue their treatment for a limited period of time if their provider was In-Network under the Beech Street PPO but not in the CIGNA PPO. To apply for these "Transition of Care" benefits, you *must* complete a CIGNA Transition of Care Benefits form. Contact the Fund Office immediately, or log on to [www.equityleague.org](http://www.equityleague.org) for a form.

## Prescription Drugs

Prescription drug coverage will also be through CIGNA HealthCare starting October 1. That means in order to get the In-Network benefit, you'll have to get your prescriptions filled at one of CIGNA's Rx PRIME pharmacies. In-Network drug copays aren't changing, which means you'll still pay \$10 (or 20%) toward the cost of each 30-day

prescription. However, starting **January 1, 2004**, the annual **deductible** on prescription drugs is **doubling**, which means you'll pay **\$100** (\$200 per family) out of your own pocket before the copay arrangement kicks in. The annual deductible applies regardless of where you get your prescriptions filled.

## The Dental Plan

The Trustees are in the process of considering a voluntary, self-pay Dental Plan. Details will be provided in the next issue of *Now Playing*, due out in early September.

## You Will Get More Information

We know this is a lot of news and information to digest, so we will be following up with more details in a special Supplement to this newsletter early in September. There's more information on

our website, so log on to [www.equityleague.org](http://www.equityleague.org) and click on HEALTH. If you need immediate assistance, please contact the Fund Office nearest you. (See below for how to do that.)

## Contacting the Health Fund Office

Office	Hours	Phone	Fax
New York	9:30am-5:30pm ET Monday-Friday	212-869-9380	212-869-3323
Chicago	9:00am-5:00pm CT Monday-Friday	312-641-2090	312-641-0720
Los Angeles	9:00am-5:00pm PT Monday-Friday	323-634-8980	323-634-8989



### Additional Information Coming in September's *Now Playing* Supplement

- How to locate providers in CIGNA's PPO network
- When Preadmission Certification is required and how to get it
- Transition of Care benefits
- Medical case management through Intracorp, a CIGNA subsidiary
- CIGNA HealthCare's *Healthy Babies* Program
- More information on the voluntary, self-pay Dental Plan
- How to set up your own personal benefits page on CIGNA's website
- Getting your prescriptions filled
- What you can do to keep health care costs in check
- More FAQs

## **Why is health care so expensive?**

Lots of reasons, including the high cost of the technology used to treat and cure disease; people living long enough to require more care than any previous generation; the astronomical cost of malpractice insurance; the price tag attached to medical research and development; unprecedented marketing campaigns aimed at creating popular demand for expensive brand-name drugs and medications; and last, but certainly not least, utilization, which is essentially how (and how often) people go about getting medical care.

## **Will our Fund ever make members pay for their medical coverage?**

If we don't close the gap between our reserves and our expenses, introducing contributions toward the cost of coverage is a possibility. We wouldn't be the first Health Fund to do this, and would, of course, give you ample notice if we had to implement this change.

## **Can I apply weeks I've worked to more than one Eligibility Period?**

Yes. If you have a six-month eligibility anniversary date and you have unused weeks from the last Eligibility Period that also fall within the next Eligibility Period, the unused weeks may apply. However, weeks used for a previous eligibility determination can't be used more than once.

## **Can I carry forward unused weeks even if I don't need them to pass the eligibility test?**

No. Unused weeks are applied only if they overlap within two Eligibility Periods (because you have a six-month Benefit Period) and only if you need them to establish or maintain your eligibility. If you don't have to tap into your unused weeks to get to the number of weeks you need, your unused weeks would disappear, since they're carried forward for only one period.

## **Didn't the Health Fund eligibility rules just change in July?**

Yes, but it wasn't enough to have a sufficient impact on the Fund's finances, which is why they're changing again on October 1, 2003.

## **When will I get my new ID card?**

Actually, you'll be getting *two* ID cards: one for your Major Medical and Hospital benefits, and one for your Prescription Drug benefits. CIGNA will be mailing out the new ID cards around September 10. If you don't receive yours by the middle of September, contact the Fund Office (see page 5 for how to do that).

## **I just switched from the Indemnity Plan to an HMO during May's Open Enrollment. Can I switch back?**

Yes, but you'd have to do it before September 1. Stay tuned for a special mailing that is planned for all current HMO participants.

## **I'm on self-pay. Do these changes apply to me?**

The October 1, 2003 changes apply to all Health Fund participants who have coverage on that date, including those on self-pay.

**I was supposed to have surgery at the end of September, but it's been postponed to October 1, the day these changes take place. My surgeon is in the Beech Street PPO. How will my expenses be covered?**

Any eligible expenses incurred from October 1, 2003 on will be covered under the terms of the CIGNA HealthCare Comprehensive Medical Plan. If your surgeon is also in the CIGNA HealthCare PPO, your surgery-related expenses will be covered in full. If your surgeon is *not* in CIGNA's network, your eligible expenses will be reimbursed at the Out-of-Network level. (The same rules apply to your other surgery-related expenses, including hospitalization.)

**My wife is due to give birth in late December. There's no way she's changing obstetricians if her doctor isn't in CIGNA's network. Does that mean we're going to be on the hook for the higher cost?**

Your wife may qualify for Transition of Care benefits. You *must* complete a CIGNA Transition of Care Benefits form in order to qualify. To get this form, contact the Fund Office immediately, or log on to [www.equityleague.org](http://www.equityleague.org).

**If my doctor isn't in CIGNA HealthCare's PPO, can she get in?**

If your doctor meets CIGNA HealthCare's credentialing standards and is interested in becoming a CIGNA HealthCare preferred provider, she can call their Provider Relations Department at 800 345-9458 for more information, including how to get a physician nominating form.

**Does CIGNA HealthCare's prescription drug program have a mail-order feature?**

Yes. You can order up to a 90-day supply of drugs and medications through Tel-Drug, CIGNA HealthCare's mail-order pharmacy. There will be more details in the special *Now Playing* Supplement, which will be mailed out in early September. For more information now, log on to CIGNA's website ([www.cigna.com](http://www.cigna.com)), call their toll-free number, 800 TEL-DRUG (800 835-3784), or write to them at TEL-DRUG, P.O. Box 1019, Horsham, PA 19044-9805.

**How do I know which pharmacies are in CIGNA HealthCare's network?**

A complete list of participating Rx PRIME pharmacies is on CIGNA HealthCare's website, [www.cigna.com](http://www.cigna.com). You can also get this information by calling their toll-free number, 800 CIGNA24 (800 244-6224).



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# NOW PLAYING

This newsletter is a publication of the Board of Trustees of the Equity-League Trust Funds. Additional copies are available upon request, or online at our website ([www.equityleague.org](http://www.equityleague.org)). For any question about the newsletter or your benefits, contact The Fund Office, Equity-League Pension, Health and 401(k) Funds, 165 West 46th Street, Suite 402, New York, NY 10036-2582. To call the Fund Office from the NYC area, phone 212 869-9380; if you're calling from outside the NYC area, call the Fund Office toll-free at 800 344-5220.

To the extent that any of the information contained in this newsletter is inconsistent with the official Plan documents (which, of course, includes the Trustees' rights to amend or modify the Plans at any time), the Plan documents will govern in all cases. No official (other than the Trustees) has any authority to interpret the Plans, or other official Plan documents, or to make any promises to you about them.