

# AFTRA H&R FUNDS

## BENEFITS UPDATE

November 2007

### AFTRA Health Plan Changes Delayed

In April 2007, you received a “Benefits Update” announcing that changes to the Health Plan, originally scheduled for July 1, 2007, were being postponed until July 1, 2008. These included:

- An introduction of a four-tier Health Plan, and
- New minimum earnings requirements.

**At the September 2007 Board of Trustees meetings, the Trustees voted unanimously to further postpone these changes until January 1, 2009. In addition, they approved a delay of the next scheduled 5% premiums increase to April 1, 2008.** This decision was made due to the improved fiscal stability of the Plan resulting from recent Plan changes.

As always, the AFTRA Health Fund will keep you up-to-date in the coming months about any new developments that will affect the Health Plan and its participants.

For more information, be sure to check the AFTRA H&R Web site at [www.aftrahr.com](http://www.aftrahr.com) or if you have any questions, please call Participant Services at 1-800-562-4690.

#### INSIDE THIS ISSUE

##### PAGE

- |          |  |
|----------|--|
| <b>1</b> | <b>Health Plan Changes Delayed</b>                 |
| 1        | Move to Multi-Tier Plan – 1/1/09                   |
| 1        | Increase in Minimum Earnings Requirements – 1/1/09 |
| 2        | Increase to Health Plan Premiums – 4/1/08          |
| <b>3</b> | <b>Introducing a New PPO – CIGNA – 1/1/08</b>      |
| <b>7</b> | <b>AFTRA H&amp;R Funds Summary Annual Reports</b>  |



## Increase to Health Plan Premiums Delayed

The 2007 Health Plan premiums which were scheduled to increase on January 1, 2008, will remain in effect for the first quarter of 2008 and increase on April 1, 2008 as shown in the following chart.

Quarterly Premiums	Current (1/1/07- 12/31/07)	January 1, 2008- March 31, 2008	April 1, 2008
<i>Participant only</i>	\$315	\$315	\$330
<i>Participant and spouse/Domestic Partner only</i>	\$551	\$551	\$578
<i>Participant and child(ren) only (no spouse/Domestic Partner)</i>	\$551	\$551	\$578
<i>Full Family</i>	\$603	\$603	\$633
<i>Senior Citizen retiree only</i>	\$126	\$126	\$132
<i>Senior Citizen retiree and spouse/ Domestic Partner</i>	\$362	\$362	\$380
<i>Senior Citizen retiree and child(ren) only (no spouse/Domestic Partner)</i>	\$362	\$362	\$380
<i>Senior Citizen Full Family</i>	\$414	\$414	\$434

### Your Personal Information

#### Keep Your Address Current

Make sure that the H&R office has your most recent address and contact information on file. This will help us notify you of any changes or updates to your benefits. Contact the Participant Services Department at 1-800-562-4690 for more information. And, if you have more than one address on record, let us know if you prefer to have Health Plan information sent to one address and Retirement Plan information to the other.

#### Social Security Number

We need your Social Security number to ensure that you receive the benefits to which you are entitled. Keep in mind that the Fund office uses the latest government-approved privacy practices to safeguard your personal information. Call Participant Services at 1-800-562-4690.

# AFTRA Health Plan Introduces a New PPO

## CIGNA

Effective January 1, 2008, the Funds are pleased to announce that CIGNA HealthCare will replace PHCS as the AFTRA Health Plan's Preferred Provider Organization (PPO) network in all states except California. Blue Cross of California will continue to offer the Health Plan's PPO network in that state.

The Funds conducted extensive research to identify a PPO network that could offer participants access to a wider choice of health care professionals and facilities than PHCS in most regions of the country outside of California. At the same time, it was critical that the new vendor also offer aggressive reimbursement discounts and care management savings to ensure the Health Plan's continued fiscal integrity. The change to CIGNA accomplishes these goals.

**IMPORTANT NOTE:** The state where you receive medical care, not your state of residence, determines which PPO will provide a network benefit for your covered expenses. For example, if you live in California, but are visiting another state when you need medical care, CIGNA will be your PPO network. If you live in any state other than California, but are visiting California when you require medical services, Blue Cross of California will be your PPO network.

### CIGNA PPO Network

The change from PHCS to the new CIGNA PPO network does not impact the core features and the core benefits available today through the Health Plan. However, CIGNA will offer participants a number of enhancements as outlined on pages 4 and 5.

The new CIGNA PPO will present most participants outside of California with more network provider options than PHCS. To you, that means a greater chance of accessing network providers and enjoying the Health Plan's higher network participant reimbursement rates.

Between now and January 1, 2008, feel free to visit the CIGNA HealthCare Web site at [www.cignasharedadministration.com](http://www.cignasharedadministration.com) to view its provider directory and determine what health care professionals and facilities in your area currently are in the CIGNA PPO network. Remember that Web-based provider directory information is for reference only, regardless of the PPO. You always should verify a provider's address, phone number, specialty and network status before making an appointment. It is recommended, therefore, that you contact CareAllies, a subsidiary of CIGNA, beginning on January 1, 2008 at 1-800-768-4695, prompt #2, to find out if a specific provider is in the CIGNA Shared Administration PPO network.

If your provider is not in the CIGNA Shared Administration PPO network and you would like CIGNA to reach out to your doctor or other health care professional, you can submit a nomination form and fax it to CIGNA at 201-533-7156. In addition, you can mail it to Ramona Delacruz, CIGNA HealthCare, 499 Washington Blvd., 4th Floor, Jersey City, NJ 07310. These forms are available through the Funds' Participant Services Department. Once the form is received at CIGNA, you can expect a reply within seven to 10 business days on the status of your request. Of course, unless that provider actually becomes a member of the CIGNA Shared Administration PPO network, the provider will be treated as a non-network provider (even if the provider was in the PHCS network.)

The change to the CIGNA PPO does not affect any other vendors that provide benefit administration services under the Health Plan - such as, the Prescription Drug Program (Medco), the Mental Health and Chemical Dependency Programs (ValueOptions), the Dental Program (The Guardian), or Life Insurance (Aetna).

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## AFTRA&RFUNDS

### New PPO – CIGNA *continued from page 3* CareAllies

Effective January 1, 2008, **CareAllies**, a subsidiary of CIGNA, will make the following programs available to **all participants in the AFTRA Health Plan** – whether your health care provider participates in the CIGNA Shared Administration PPO network or the BlueCross of California PPO network, or is non-network.

CareAllies will replace Alicare Medical Management (AMM) on January 1, 2008 and assume responsibility for administering the Health Plan's hospital admission pre-certification and private duty nursing pre-authorization requirements, as well as its case management program. This change is important for securing the benefits to which you may be entitled.

#### ● Hospital Admission Pre-Certification

For hospital admissions on or after January 1, 2008, you or your doctor must call CareAllies at 1-800-768-4695, prompt #2, before you are admitted to any **hospital** to arrange certification for the admission. If you are admitted because of a medical emergency, either you, your doctor, your representative or the **hospital** must call within 72 hours after admission. **Failure to get CareAllies' certification for a hospital confinement can result in a 20% penalty of the hospital benefit which otherwise would be paid.** In addition, if subsequent review of a non-certified admission reveals that the stay or any portion of the stay was not medically necessary, no benefits will be payable for those days.



If the admission is for treatment of a **mental health disorder** or for treatment of chemical dependency, pre-certification must still be obtained through ValueOptions. ValueOptions can be reached by calling 1-800-704-1421.

#### ● Private Duty Nursing Pre-Authorization

On or after January 1, 2008, private duty nursing otherwise covered by the Plan (which is limited to 504 hours in any calendar year) must be authorized by CareAllies at 1-800-768-4695, prompt #2, before you receive any services or no benefit will be paid.

#### ● Case Management

Case Management is a service (at no cost to you) designed to help you, your family, your doctor and your other health care providers develop a treatment plan for high quality and cost effective treatment of catastrophic or chronic **injury** or **illness**. This service will be particularly helpful for those who require complex, high technology medical services. Case Management can help guide you through the maze of choices in selecting health care services, providers and procedures. While Case Management is not required, it can help you avoid unnecessary or unanticipated costs and will facilitate claims processing.

On or after January 1, 2008, Case Management will be provided by CareAllies. When the transition occurs, you may call CareAllies at 1-800-768-4695, prompt # 3, for more information.

Also effective January 1, 2008, CareAllies will provide the following new care management programs for **all AFTRA Health Plan participants**.

#### ● 24-Hour Health Information Line

Through this service, you and your covered dependents have access to a registered nurse (RN) for answers to your health care questions as well as level of care counseling. This service is available 24 hours a day, any day of the year, from anywhere in the U.S., and the call is always toll free. Simply call 1-800-768-4695, prompt #3.



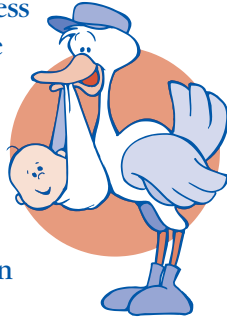
■ **Medical/Health Information** is provided by an RN using credentialed medical information including online resources, clinical decision tools and national support networks.

■ **Level-of-Care Counseling** provides clinical assessment and triage by an RN to the appropriate care at the appropriate time. The RN assists the caller in determining the appropriate level of care, i.e., emergency care, care needed today, future appointment or self care, through utilization of one of more than 350 online symptom-based guidelines. The RN

will also help the caller to decide on the most appropriate setting to seek care.

### ● **Maternity Management**

As part of the pre-certification process (see above), maternity materials are mailed to the expectant mother to provide information and to promote a healthy and positive pregnancy. Questions pertaining to pregnancy can also be answered by calling the CareAllies 24-hour Health Information Line at 1-800-768-4695, prompt #3.



### ● **LIFESOURCE Organ Transplant Program**

As part of the CareAllies Case Management program, if you or a covered dependent needs an organ transplant, the CIGNA LIFESOURCE Transplant Network offers participants access to care for organ and tissue transplantation, as well as assistance in managing the high costs associated with such complex procedures. To contact the LIFESOURCE Transplant Program, simply call 1-800-962-9682.

### ● **'myCareAllies.com'**

There are several other voluntary, unique Web-based services offered through the "myCareAllies" program that will enable you to:

- visit an electronic *Health Library* where you can listen to recorded programs and learn about diseases, medical conditions and how they are treated, questions to ask a doctor about specific conditions, etc.
- take a *Health Risk Assessment* to help you determine what medical conditions you may be at increased risk of developing over time due to your personal habits or family history, and what you can do to reduce those risks.
- access the *Healthy Rewards Program* which provides access to discounts for certain treatments and items that are not covered by the Health Plan such as fitness club memberships, cosmetic items, and massage therapy, to name a few. The discounts apply only to providers participating in the CIGNA PPO network.
- review medications and their potential interactions and alternatives.
- review preventive care tips.
- access tools to help quit smoking or lose weight.

You will need a password to access  
[www.myCareAllies.com](http://www.myCareAllies.com).  
 It is AFTRA (not case sensitive).

## New ID Cards to be Issued

You will receive two new Health Plan ID cards during the month of December: one you will use when obtaining services covered under the Hospital Program, Major Medical Program or Wellness Program (including services provided by CIGNA PPO and Blue Cross of California PPO network health care

*Keep your health care and prescription drug ID cards in a safe place. If they are lost or stolen, call Participant Services at 1-800-562-4690.*

professionals and facilities) and, the second card you will use when obtaining services covered under the Prescription Drug Program (Medco), the Mental Health and Chemical Dependency Programs (ValueOptions) or the Dental Program (The Guardian). **These cards will not be valid until January 1, 2008.** The new Health Plan ID cards also will include important information about obtaining pre-certifications, pre-authorizations and submitting claims for benefits.



Important Contact Information		Effective
CIGNA HealthCare	1-800-768-4695 www.cignasharedadministration.com	January 1, 2008 Now
CareAllies	1-800-768-4695 www.myCareAllies.com	January 1, 2008
AFTRA H&R Participant Services Department	1-800-562-4690	Now
AFTRA H&R Web Site	www.aftrahr.com	Now
Value Options	1-800-704-1421	Now

### More Information

The AFTRA Health Fund's Trustees are pleased to provide the network and care management enhancements that soon will be available to you through CIGNA. Beginning January 1, 2008, you may contact CareAllies at 1-800-768-4695 for general information about the new program. In addition, if you have questions about benefits or claims, please call Participant Services at 1-800-562-4690.

We are confident that you will be pleased with the new CIGNA Shared Administration PPO network and the CareAllies' programs.

This Benefits Update is a Summary of Material Modifications ("SMM") intended to notify you of important changes made to the plan of benefits of the AFTRA Health Fund. While every effort has been made to make this description as complete and as accurate as possible, this SMM, of course, cannot contain a full restatement of the terms and provisions of the Plan. If any conflict should arise between this summary and the Plan, or if any point is not discussed in this SMM or is only partially discussed, the terms of the Plan will govern in all cases. The Board of Trustees (or its duly authorized designee) reserves the right, in its sole and absolute discretion, to amend, modify, terminate or interpret and decide all matters under the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason.

## Summary Annual Report for the AFTRA Health & Retirement Funds (For the year ended November 30, 2006)

The Trustees are pleased to present the Summary Annual Report of the AFTRA Health & Retirement Funds for the fiscal year ended November 30, 2006. The annual reports have been filed with the Department of Labor, as required by the Employee Retirement Income Security Act of 1974 (ERISA).

### AFTRA HEALTH FUND

(Federal Employer Identification Number 13-3467049)

#### General

The Board of Trustees of the AFTRA Health Fund has committed itself to pay hospital, major medical, prescription drug, mental health and chemical dependency, wellness, dental, and loss of voice claims incurred under the terms of the plan.

#### Insurance Information

The plan has contracts with Aetna to pay life insurance and accidental death and dismemberment claims incurred under the terms of the plan. The total premiums paid for the plan year ended November 30, 2006 were \$532,092.

#### Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$103,436,063 as of November 30, 2006, compared to \$81,126,642 as of December 1, 2005. During the plan year the plan experienced an increase in its net assets of \$22,309,421. This increase includes unrealized appreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$108,376,729, including employer contributions of \$80,842,557, employee contributions of \$19,998,884, investment gains of \$4,365,879 and earnings from investments of \$3,169,449.

Plan expenses were \$86,067,308. These expenses included \$11,780,148 in administrative expenses and \$74,287,160 in benefits paid to participants and beneficiaries.

### AFTRA RETIREMENT FUND

(Federal Employer Identification Number 13-6414972)

#### Basic Financial Statement

Benefits under the plan are provided in whole from the trust fund. Plan expenses were \$109,417,251. These expenses included \$17,116,880 in administrative expenses and \$92,300,371 in benefits paid to participants and beneficiaries. A total of 40,707 persons were participants in or beneficiaries of the plan at the end of the year, although not all of these persons had yet earned the right to receive benefits.

The value of the plan assets, after subtracting liabilities of the plan was \$1,930,925,694 as of November 30, 2006, compared to \$1,771,955,245 as of December 1, 2005. During the plan year the plan experienced an increase in its net assets of \$158,970,449. This increase includes unrealized appreciation in the value of the plan assets; that is,

the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$268,387,700, including employer contributions of \$43,392,492, investment gains of \$166,062,080 and earnings from investments of \$58,933,128.

#### Funding Standards

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

### YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, upon request. The items listed below are included in the AFTRA HEALTH FUND's annual report: 1) an accountant's report; 2) financial information and information on payments to service providers; 3) assets held for investment; 4) fiduciary information; 5) loans or other obligations in default or classified as uncollectible; 6) transactions in excess of 5% of Plan assets; and 7) insurance information. The items listed below are included in the AFTRA RETIREMENT FUND's annual report: 1) an accountant's report; 2) financial information and information on payments to service providers; 3) assets held for investment; 4) fiduciary information; 5) loans or other obligations in default or classified as uncollectible; 6) transactions in excess of 5% of plan assets; 7) insurance information; 8) information regarding any common or collective trusts, pooled separate accounts or 103-12 investment entities in which the plan participates; and 9) actuarial information regarding the funding of the Plan.

To obtain a copy of the full annual report, or any part thereof, write or call the office of Ms. Christine Dubois, who is the Funds' Chief Executive Officer, AFTRA Health & Retirement Funds, 261 Madison Avenue, New York, N.Y. 10016, telephone 212 499-4800. The charge to cover copying costs will be \$33.25 for the full annual report of the AFTRA Health Fund and \$43.75 for the AFTRA Retirement Fund, \$.25 for any page thereof. You also have the right to receive from the Chief Executive Officer, on request and at no charge, a statement of the assets and liabilities of each plan and accompanying notes, or a statement of income and expenses of each plan and accompanying notes, or both. If you request a copy of the full annual report from the Chief Executive Officer, these two statements and accompanying notes will be included as part of the report. The charge to cover copying costs given does not include a charge for the copying of these

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## AFTRA H&R FUNDS

### Summary Annual Report for the AFTRA Health & Retirement Funds *continued from page 7*

portions of the report because these portions are furnished without a charge.

You also have the legally protected right to examine the annual reports at the main office of the Funds at 261 Madison Avenue, New York, NY 10016, or if you prefer, you can arrange to examine the reports, during business hours, at your office or at your employer's establishment if at least 50 Plan participants are employed there. To make

such arrangements, call or write the Chief Executive Officer at the above address. You may also examine the annual reports at the U.S. Department of Labor in Washington, DC or obtain copies of them from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, 5638, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210.

## Summary Annual Report for the AFTRA Individual Account Plan (For the year ended November 30, 2006)

The Trustees are pleased to present the Summary Annual Report of the AFTRA Individual Account Plan (the "Plan") for the calendar year ended December 31, 2006. The annual report has been filed with the Department of Labor, as required by the Employee Retirement Income Security Act of 1974 (ERISA).

### AFTRA INDIVIDUAL ACCOUNT PLAN (Federal Employer Identification Number 13-4048801)

#### *Basic Financial Statement*

Benefits under the Plan are provided in whole from the trust fund. Plan expenses were \$1,662,390. These expenses included \$1,525,894 in administrative expenses, and \$136,496 in benefits paid to participants and beneficiaries. A total of 379 persons were participants in or beneficiaries of the Plan at the end of the Plan year, although not all of these persons had yet earned the right to receive benefits.

The value of the Plan assets, after subtracting liabilities of the Plan was \$18,339,053 as of December 31, 2006, compared to \$17,881,446 as of January 1, 2006. During the Plan year the Plan experienced an increase in its net assets of \$457,608. This increase includes unrealized appreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The Plan had total income of \$2,119,998, including employer contributions of \$63,179, investment gains of \$1,458,891, and earnings from investments of \$597,928.

### YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, upon request. The items listed below are included in the Plan's annual report: 1) an accountant's report; 2) financial information and information on payments to service providers; 3) assets held for investment; 4) fiduciary information; 5) transactions in excess of 5% of Plan assets; and 6) information regarding any common or collective trusts in which the Plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call the office of Ms. Christine Dubois, who is the Plan's Chief Executive Officer, AFTRA

Individual Account Plan, 261 Madison Avenue, New York, N.Y. 10016, telephone 212 499-4800. The charge to cover copying costs will be \$12.25 for the full annual report or \$.25 for any page thereof. You also have the right to receive from the Chief Executive Officer, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Chief Executive Officer, these two statements and accompanying notes will be included as part of the report. The charge to cover copying costs given does not include a charge for the copying of these portions of the report because these portions are furnished without a charge.

You also have the legally protected right to examine the annual report at the main office of the Plan at 261 Madison Avenue, New York, NY 10016, or if you prefer, you can arrange to examine the report, during business hours, at your office or at your employer's establishment if at least 50 Plan participants are employed there. To make such arrangements, call or write the Chief Executive Officer at the above address. You may also examine the annual report at the U.S. Department of Labor in Washington, DC or obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, 5638, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210.

Sincerely,

The Board of Trustees

Chairman: **Shelby Scott**

Co-Chairman: **Dean Ferris**

Chief Executive Officer: **Christine Dubois**