

PLAN UPDATE

Update to Your Summary Plan Description

Volume 17, Number 1 Winter 2007

This Plan Update contains important information about your rights under the Motion Picture Industry Pension and Health Plans and under ERISA. Please keep it with your Summary Plan Description for future reference.

HEALTH PLAN BENEFIT ENHANCEMENTS AND CLARIFICATIONS TAKE EFFECT

In an ongoing effort to be responsive to the needs of its Participants and to maintain a strong health benefits package, the Board of Directors of the Motion Picture Industry Health Plan has approved a number of benefit enhancements. Most of these changes, as well as some clarifications to existing benefit language, were effective as of January 1, 2007. Other behavioral health benefits and specialty drug changes are being phased in and become fully operational on April 1, 2007.

This *Plan Update* provides you with the details you need to better understand these benefit modifications. Not all changes will impact all Participants, of course, but it is important to read this information closely to determine

what might affect you and your eligible dependents.

In addition to Health Plan benefit changes, this *Plan Update* provides an overview of the financial health of your MPI Pension Plan that illustrates a stability that few other plans in this or any other industry are experiencing.

MPI Health Plan Affordability

No Health Plan changes have been made that will increase Participants' out-of-pocket expense. The MPI Health Plan remains a premier benefit package and has maintained its affordability in comparison with national and industry averages. Participants still pay no portion of the annual premium and pay no deductible for any health plan option selected.

STRONG FUTURE AHEAD FOR THE MPI PENSION PLAN

The Motion Picture Industry Pension Plan enjoyed an approximate 13% return on investments and contributions received during 2006, once again offering a strong financial picture for Plan Participants.

This return better the MPI Pension Plan's already excellent long-term annual average investment earnings of 10% over the past 25 years, a payback that has allowed the Plan to increase pension benefits consistently. Since 1996, the Plan has provided increases for active Participants amounting to an unprecedented 84% and paid retirees 13th and 14th checks each year since 1996.

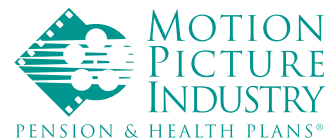
The "Annual Funding Notice" for the MPI Pension Plan that was recently distributed to Participants, did not reflect this financial strength of the Plan. Federal regulations, under which this new annual notice was prepared, require multi-employer pension plans to calculate future funding projections based on an

extremely conservative 6% earnings assumption, a rate which the Plan has bettered significantly for 25 years.

The MPI Pension Plan has previously used and still does use for internal purposes, an 8% earnings assumption for our calculations, still 2% less than our long-term average. As a result, the funded current liability percentage of 69.1% that is published in the Annual Funding Notice is significantly less than the funded liability percentage of approximately 84%, which would apply if the Plan's 8% earnings assumption were used as of January 1, 2007.

The funded current liability percentage is the extent to which all earned benefit obligations have been funded as of a given point in time. Future benefits earned will be funded by future contributions and investment income.

The Pension Plan is a long-term commitment. Please be assured that your Pension is on sound financial ground and on track to meet its full funding objective.



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MPIPHP Departments

West Coast Office:
818 or 310.769.0007

Outside of Southern California:
888.369.2007

Participant Services

Extension 106 7 a.m. to 5 p.m.
Benefits Changes Inquiries
Case Management
Claims Inquiries
Health Benefits

Pension Department

Extension 627 8 a.m. to 5 p.m.
Death Benefit
Pension History Print-outs
Refund of Employee Contributions
Retirement
Benefit Estimate Statements

Eligibility Department

Extension 263 8 a.m. to 5 p.m.
Address Changes
Adding Dependents
Plan Enrollments

Participants Please Take Note: As a result of unique agreements associated with mergers of various Locals throughout the years, not all benefit changes reflected in this notice apply to all Participants. Please contact the Plan Office if you have any questions.

BENEFIT ENHANCEMENTS: EFFECTIVE JANUARY 1, 2007

MPI Health Plan benefit enhancements that took effect on January 1, 2007, are included in this section. *These changes will affect only Participants enrolled in the MPIHP/Blue Shield Plan option.* Participants enrolled in Kaiser, Health Net or Oxford should contact their respective plan for benefit coverage questions. Please read the following carefully to identify how any of these changes might impact you and your eligible dependents.

New Immunization Coverage *Impacts MPIHP/Blue Shield Plan Participants*

The recently Board-approved enhancement of immunization coverage adds some new vaccines and expands Participant groups that are covered for certain vaccines under the MPIHP/Blue Shield Plan benefits. The list below includes only the changes that have been made effective January 1, 2007. If you do not fall into any of these newly covered immunization groups and would like to know if an immunization is covered, please see your Health Plan *Summary Plan Description* for a complete list of immunization coverage.

It is important to remember that not everyone should receive these immunizations. Any decision to be vaccinated should be discussed thoroughly with your doctor and should be made based on individual medical circumstance.

- **Rotavirus vaccinations for infants**, to protect them from this common cause of diarrhea.
- **Human Papillomavirus (HPV) vaccinations for girls ages 11 to 13**, to prevent infections that are the cause of most cervical cancers.
- **Tetanus, Diphtheria, Pertussis booster vaccinations for adults**, covered every 10 years to protect against three serious diseases, commonly known as Lockjaw, Diphtheria and Whooping Cough, which are all caused by bacteria.
- **Influenza vaccinations for high risk adults and caretakers of high risk adults**, to guard against the strain of flu anticipated each year. High risk adults include pregnant women, anyone over age 50, health care workers and those individuals who

have chronic medical conditions such as immune disorders, diabetes, or heart, lung and kidney disorders.

- **Pneumovax vaccinations for adults ages 19 to 65 who suffer from certain chronic medical conditions**, to provide protection from pneumonia. This coverage is for those with diabetes or chronic heart, lung, kidney or liver disorders.
- **Hepatitis A and B vaccinations for Participants with Hepatitis C**, to prevent against a potentially life-threatening blood-borne pathogen.

Expanded Pregnancy Termination Coverage *Impacts MPIHP/Blue Shield Plan Participants*

The MPI Health Plan Board of Directors has expanded the health benefit for elective termination of pregnancy (abortion) beyond the previous coverage for medical conditions in the mother which are a major threat to her health. The new benefit provides added coverage for pregnancy termination in the following circumstances:

- **There are documented fetal abnormalities** which are a major threat to the mother's physical health, or
- **The fetus has severe chromosomal or anatomical abnormalities** which a neonatologist, perinatologist or geneticist certifies are not compatible with life.

Genetic Testing Coverage Expansion *Impacts MPIHP/Blue Shield Plan Participants*

The Board has expanded Genetic testing coverage to include the following when the Participant has had genetic

counseling and the tests are recommended by a physician medical geneticist:

- **BRCA 1 and 2 testing**, to determine a genetic link to breast and ovarian cancer.
- **Heredity Non-Polyposis Colorectal Cancer (HNPCC) and Familial Adenomatous Polyposis (FAP)**. HNPCC is a type of inherited cancer of the digestive tract, particularly the colon (large intestine) and rectum. FAP is also an inherited condition in which numerous polyps form mainly in the epithelium of the large intestine.

Increased Physical Examination Benefit Allowance *Impacts MPIHP/Blue Shield Plan Participants*

The Board of Directors has increased the benefit allowance for an annual physical examination from \$200 to \$300 for those Participants and their eligible dependents age 13 and older who live outside of Los Angeles County. The benefit allows these individuals to use that allowance to go to the physician of their choice for an annual comprehensive physical examination.

All Participants, regardless of where they live, have the option to take advantage of the cost-free comprehensive annual physical examination benefit through The Wellness Program at one of the Motion Picture & Television Fund (MPTF) Health Centers. For those living outside of Los Angeles County who choose to use one of the MPTF Health Centers for their physicals, this benefit is in lieu of going to a private physician.

Participants who are residents of Los Angeles County must use this program for annual physical exams, and will not be covered for such exams performed outside the Health Centers.

Participants Please Take Note: As a result of unique agreements associated with mergers of various Locals throughout the years, not all benefit changes reflected in this notice apply to all Participants. Please contact the Plan Office at 818 or 310.769.0007 if you have any questions regarding any of the benefit changes or their applicability to you. Outside of So. California, call 888.369.2007.

BENEFIT ENHANCEMENTS: EFFECTIVE APRIL 1, 2007

Two enhancements to the health benefit package will be phased in to become fully operational April 1, 2007. Changes have been made to both the specialty medication and mental health benefits.

Specialty Medication Monitoring for Safety Impacts All Participants

To ensure that MPI Health Plan Participants are receiving the highest quality of care, the Board of Directors has modified Plan benefits to allow Medco, our pharmaceutical supplier, to more closely monitor specialty medications. Specialty drugs are primarily those medications that are given by injection and require special handling and dosing.

Those Participants who use these affected medications will be contacted directly to discuss the oversight process and how it will improve their care.

Out-of-Network Outpatient Behavioral Health Option Added Impacts MPIHP/Blue Shield Plan Participants

The Board of Directors has approved a new out-of-network option to the MPI Health Plan Behavioral Health benefit effective April 1, 2007. This expansion of coverage for MPIHP/Blue Shield Plan Participants applies ONLY to outpatient therapy. It requires no preauthorization and allows Participants to use any mental health care provider of choice outside the PacifiCare Behavioral Health network. However, Participant out-of-pocket costs may be significantly higher than for in-network providers.

The out-of-network option is not available for any inpatient, residential or intensive outpatient services, which must still be preauthorized and provided by network clinicians.

Please make special note of the differences between the new out-of-network option and the in-network benefit before choosing to use an out-of-network provider.

Comparison of Behavioral Health Options	
Out-of-Network Outpatient Therapy	In-Network Outpatient Therapy
May choose any behavioral health provider	Must choose from the 65,000 behavioral health providers in the PacifiCare network
No preauthorization required for treatment	Treatment preauthorization required by calling 888.661.9141
Participant financial responsibility is greater than with in-network treatment: <ul style="list-style-type: none"> • MPI Health Plan will pay 50% of the fee based on the usual and customary rate (UCR) coupled with the provider's level of licensure: <ul style="list-style-type: none"> –MDs will be paid at 100% of 50% of UCR –PhDs will be paid at 65% of 50% of UCR –MFT/LCSWs will be paid at 55% of 50% of UCR (This is a licensed Masters level therapist, Marriage Family Therapist or a Licensed Clinical Social Worker.) • The Participant will be responsible for whatever portion of the charges are not paid by MPI Health Plan 	Participant financial responsibility is limited: <ul style="list-style-type: none"> • \$25 co-payment per visit • No co-insurance
Total of 30 visits covered annually, with a maximum of 20 that may be out-of-network.	

BENEFIT CLARIFICATIONS

In addition to the enhancements in the MPI Health Plan benefits, some clarifications of current benefits will be included in the *2007 Summary Plan Description* to be published later this year.

Covered Genetic Testing Impacts MPIHP/Blue Shield Plan Participants

- Newborn testing
- Expectant mother testing for carrier states
- Fetus in utero testing (amnio centesis/chorionic villus sampling)

Please Note: Genetic testing is a limited benefit and covered only under certain circumstances.

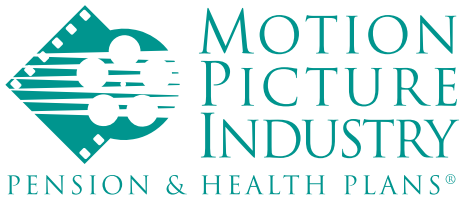
Physical and Occupational Therapy Benefit Impacts MPIHP/Blue Shield Plan Participants

Physical and occupational therapy visits will continue to be limited to

16 visits per calendar year. However, in certain special circumstances, an exception may be made to approve 16 additional visits during that calendar year. These exceptions would include a Participant who exhausts his or her 16 visit maximum and experiences a second, unrelated injury or surgery that occurs during the same calendar year and requires physical or occupational therapy.

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WE THOUGHT YOU'D LIKE TO KNOW...

This newsletter contains important information about your rights under the Motion Picture Industry Pension and Health Plans and under ERISA. Please keep it with your *Summary Plan Description* for future reference.

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For Your Benefit/Plan Update is published 4 times a year for Motion Picture Industry Pension and Health Plans Participants.

Please send your comments and suggestions to:
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1/19/07

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DON'T FORGET MEDICARE PART B SIGN-UP

It is extremely important for Participants and/or their eligible dependents who become eligible for Medicare for any reason to enroll in Medicare Part B immediately. Failure to do so can result in a substantial out-of-pocket expense on medical claims.

BENEFIT CLARIFICATIONS continued from page 3

Dependent Student Continuation of Medical Coverage *Impacts All Participants*

If a student is unable to meet the student eligibility requirements due to a physical injury or illness, regardless of whether the Participant has chosen the MPIHP/Blue Shield Plan or an HMO option, the dependent student's coverage will be continued when certified by a physician. This certification must occur every six months until the student is once again fit to return to school. Learning disabilities, behavioral problems, substance abuse, ADHD and similar issues do not qualify as reasons to extend coverage for a student who cannot attend class.

Handicapped Dependent Continuation of Medical Coverage *Impacts All Participants*

Coverage may be extended to handicapped dependents with conditions such as cerebral palsy, mental retardation, autism and bipolar disorder, and who are incapable of self-sustaining employment and independent care and maintenance. These diagnoses must also be certified every six months by a physician.