



Los Angeles City Employees' Retirement System (LACERS)

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MEDICARE PART D INFORMATION SHEET

As of January 1, 2006, the Medicare Part D Prescription Drug Benefit, which is part of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, provides elderly and disabled people on Medicare access to prescription drug coverage. Please read this entire information sheet to understand the new prescription drug benefit and how it applies to you.

Here is how Medicare Part D will work with your LACERS medical plan:

- The Part D benefit will provide financial credits from the federal government that enable employer-sponsored plans such as LACERS to maintain prescription drug benefits for retirees.
- Credits from Part D will be used to help pay for a portion of your drug costs, a savings that will be passed on to Members in the form of lower premiums.

You will obtain your drugs in the same way as you do now. The drug formularies in each of the plans will be improved, so you will be able to obtain your same medications. Following are the enrollment requirements for Medicare Part D for each LACERS medical plan:

- **Kaiser Senior Advantage, SCAN and Secure Horizons:** You do not need to enroll in Medicare Part D separately or pay the monthly premium. You will be automatically enrolled in Part D at the time you enroll in Kaiser Senior Advantage, or SCAN, or Secure Horizons.
- **Anthem Blue Cross PPO or HMO:** If you are Medicare eligible, LACERS will provide you with a separate form to complete entitled, "Anthem Blue Cross MedicareRx Medicare Prescription Drug Plan Group Member Enrollment Form". You must list LACERS in the box requesting the name of your employer. You must complete this form entirely, sign and submit to LACERS. You will not be charged monthly premiums for Medicare Part D.

WARNING: YOUR LACERS MEDICAL PLAN WILL BE TERMINATED IF YOU ENROLL IN MEDICARE PART D SEPARATELY FROM YOUR LACERS PLAN

You may receive solicitations to enroll in Medicare Part D separately from your LACERS medical plan. If you enroll in Medicare Part D separately from LACERS, this makes you ineligible for LACERS medical plan coverage and your LACERS plan will be terminated.

Some of you may be covered by a second Medicare plan that offers the Part D prescription drug benefit. If this is your situation, you must decide whether to keep your LACERS plan or your other health insurance. We recommend that you verify any rules affecting your coverage with your second plan with the plan sponsor. We are unable to obtain this information for you. Remember, if you enroll in Medicare Part D with your second plan, your LACERS medical plan will be terminated.

NOTE: Everyone enrolled in a LACERS medical plan is required to be enrolled in Medicare Part B. If you are not enrolled in Part B now, you must telephone LACERS immediately or your medical insurance will be terminated.

MEDICARE CREDITABLE COVERAGE REQUIREMENT

- Your LACERS medical plan satisfies the Medicare creditable coverage requirement – you do not need to enroll in another medical plan.
 - Creditable coverage means your prescription drug benefit is equal to or exceeds the standard value under Medicare Part D

Members and/or their dependents who are not covered by a LACERS medical plan: The first time to enroll in Part D was November 15, 2005 -- May 15, 2006 for Members who already had Medicare Parts A and B or Part B only coverage. In most cases, if you didn't enroll by May 15, 2006, and you didn't have creditable prescription drug coverage; you had to wait until November 15, 2006 to enroll. In this case, if you enrolled by December 31, 2006, your coverage began January 1, 2007. The Medicare Part D open enrollment period (non-LACERS plans) is from November 15 to December 31 every year for coverage effective January 1 of the following year.

If you didn't enroll at the time you were first eligible and didn't have Creditable Prescription Drug coverage, **the late enrollment penalty is 1% per month** on your premium for every month that you waited to enroll. Like other Medicare insurance, you must pay this penalty as long as you have Medicare prescription drug coverage, **even if you later enroll in a LACERS medical plan.** The same rules apply for Members and their dependents who turn age 65 (aging-in), as Medicare Part D enrollment begins at that time. You may be required to submit proof of creditable coverage when you enroll and/or add a Medicare eligible dependent in a LACERS medical plan.

If you have any questions regarding your LACERS health benefits, please consult your *Health Benefits Guide* or contact LACERS at (800) 779-8328 or (213) 473-7200; TDD (888) 349-3996. Information is also available on LACERS website at www.lacers.org or you may email LACERS at: lacers.health@lacity.org