



Executive Office

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Dear CalPERS Medicare Plan Member:

This is a special communication to CalPERS Health Program Medicare enrollees regarding Medicare Part D, the new federal voluntary outpatient prescription drug benefit that will be added to the Medicare program beginning January 1, 2006. Members enrolled in a CalPERS health plan already have prescription drug coverage that is as good as, or better than, what will be available under Medicare Part D. Part D is generally intended to assist those in Medicare who do not have prescription drug coverage through an employer group health plan like CalPERS. These individuals can enroll in a Part D Prescription Drug Plan (PDP), but will have to pay an additional premium to their health plans to do so.

Over the next several months, you will receive information about Medicare Part D from the Centers for Medicare and Medicaid Services (CMS), which runs the Medicare program, and from prescription drug plans (PDPs) that will be offering drug coverage through Part D. Some of you may also have received letters from the Social Security Administration about assistance for people with low incomes and limited resources. There will be a lot of publicity about Part D that may not apply to you. So much conflicting information can be confusing.

HERE IS WHAT YOU NEED TO KNOW ABOUT MEDICARE PART D AND CALPERS

CalPERS Health Program members SHOULD NOT enroll separately in Medicare Part D.

- Because CalPERS prescription drug coverage is as good as, or better than what will be available under Medicare Part D, CalPERS Health Program members should not enroll in a non-CalPERS prescription drug plan.
- **Under a bill currently on the Governor's desk, CalPERS members who enroll in a non-CalPERS prescription drug plan will lose their CalPERS health coverage.**

Association Plans*

- **PORAC**
- **CCPOA**
- **CAHP**

CalPERS administers the enrollment in three association plans:

- Peace Officers Research Association of California (PORAC) will follow the general guidelines in this letter.
- California Correctional Peace Officers Association (CCPOA) and California Association of Highway Patrolmen (CAHP) associations will issue their own guidance. Please contact those associations for further information.

***You must be a member of the association to access these plans.**

Members enrolled in a CalPERS Health Program will experience NO CHANGES to their prescription drug benefit as a result of Medicare Part D.

Your drug benefit will not change.

- The way you get your prescription drugs will not change.
 - You will not have to pay higher premiums or copayments.
 - You will not have to fill out any new paperwork or applications.
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CalPERS Health Program members enrolled in Kaiser Permanente Senior Advantage will be automatically enrolled in a Medicare Part D Prescription Drug Plan (PDP).

Kaiser Senior Advantage will automatically enroll its members in Part D. ***You do not need to take any action or enroll in a non-CalPERS prescription drug plan.***

Your drug benefit will not change.

- The way you get your prescription drugs will not change.
 - You will not have to pay higher premiums or copayments.
 - You will not have to pay a separate premium for Part D.
 - You will not have to fill out any new paperwork or applications.
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Some members may benefit by enrolling in the Social Security Administration (SSA) low-income assistance program.

- The Social Security Administration (SSA) offers a program to help people with low incomes and limited resources pay for Medicare Part D prescription drug plan costs by reducing their premiums, copayments, and deductibles. Some of you may already have received letters from the SSA regarding this assistance.
 - Your local SSA office or the Health Insurance Counseling and Advocacy Program (HICAP) can answer questions about the low-income assistance program. Contact information for these organizations is included on page 3 of this letter.
 - If you qualify for the low income assistance program, you may need to decide if it is in your best interest to leave the CalPERS health benefits program to enroll in a non-CalPERS prescription drug program. You must make this decision based on your own situation. What works for your neighbor or friend may not be the same choice that works best for you.
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Creditable Coverage Notice

Within the next two months, your CalPERS health plan will send you a Creditable Coverage Notice. **This is a very important document that you should keep in your files.** If you leave the CalPERS Health Program and enroll in a non-CalPERS prescription drug plan, you will need to provide a copy of the Creditable Coverage Notice to your new health plan. This Notice will prove you have been enrolled in a health plan that has prescription drug coverage equal to Medicare Part D. Otherwise you may have to pay a penalty to enroll in Medicare Part D.

**Questions about
Medicare Part D?**

Centers for Medicare & Medicaid Services (CMS)

Phone: 1-800-633-4227

Web site: www.medicare.gov

Health Insurance Counseling and Advocacy Program (HICAP)

Phone: 1-800-434-0222

Web site: www.cahealthadvocates.org

**Questions about the
low-income assistance
program?**

Social Security Administration

Phone: 1-800-772-1213

Web site: www.ssa.gov

Health Insurance Counseling and Advocacy Program (HICAP)

Phone: 1-800-434-0222

Web site: www.cahealthadvocates.org

**Questions about this
letter or how Part D
affects your current
health plan benefits?**

CalPERS Customer Contact Center

Phone: 1(888) CalPERS (225-7377) or

Web site: <http://www.calpers.ca.gov>

CalPERS continues to work closely with CMS to learn more about Medicare Part D. We promise to keep you informed about how Part D will affect your CalPERS health benefits.

ORIGINAL SIGNED BY:

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