TO: HEALTH BENEFITS OFFICERS AND ASSISTANTS OF THE STATE, CALIFORNIA STATE UNIVERSITY AND CONTRACTING AGENCIES

SUBJECT: TRANSITION OF PERS CHOICE AND PERSCARE PRESCRIPTION DRUG PROGRAM FROM CAREMARK, INC. TO MEDCO HEALTH SOLUTIONS, INC. (MEDCO)

Beginning July 1, 2006, Medco will be replacing Caremark as the PERS Choice and PERSCare pharmacy benefit manager. To assist you during the transition to Medco, attached are a Pre-Announcement Letter, Transition Highlights, Prescription Drug Benefits At A Glance, and a 2006 Evidence of Coverage (EOC) Pharmacy Addendum. These documents will be mailed to PERS Choice and PERSCare members during the week of May 8, 2006. These documents and other important information regarding the transition can be found on-line at www.calpers.ca.gov beginning May 8, 2006.

- **Pre-Announcement Letter**
  The Pre-announcement letter provides general information on the Medco Pharmacy Transition.

- **Transition Highlights**
  The Transition Highlights provide a calendar of events that will occur as a result of the transition as well as telephone and Web site contact information.

- **Prescription Drug Benefits at a Glance**
  The Prescription Drug Benefits at a Glance summarizes the PERS Choice and PERSCare prescription drug benefits.
• **2006 Evidence of Coverage Addendum (EOC)**

   The PERS Choice and PERSCare Basic/Supplement to Medicare EOC Addendum updates the outpatient prescription drug benefit program.

   If you have any additional questions regarding this transition, please contact a Medco Customer Services Technician at 1 (800) 939-7091.

   Sincerely,

   ORIGINAL SIGNED BY RICHARD J. KROLAK

Richard J. Krolak, Chief
Office of Health Plan Administration

Enclosures