



Medicare Part D



2010 Prescription Drug Coverage and Your ACERA Medical Plans

What is Medicare Part D?

Medicare Part D is a federal program to subsidize the costs of prescription drugs for Medicare beneficiaries in the United States. Everyone with Medicare is eligible for this coverage regardless of income and resources, health status, or current prescription expenses.

ACERA Medical Plans include Medicare Part D coverage



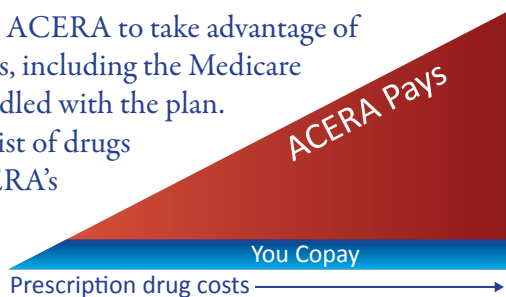
If you are Medicare eligible and enrolled in an ACERA Medicare Plan, your Medicare Part D prescription drug benefits are included in your plan. This allows ACERA to offer Part D coverage to retirees on a group basis and results in lower premiums. Retirees pay only a flat copayment for their prescription drugs, rather than paying a deductible and tracking out of pocket expenses, as required under an independent Medi-

care Part D plan. You should not enroll in an independent Medicare Part D plan, as detailed in the blue box to the right.

To retain ACERA medical coverage after becoming eligible for Medicare, ACERA requires that you enroll in Medicare Parts A and B, and then an ACERA Medicare Plan.

This allows you and ACERA to take advantage of premium reductions, including the Medicare Part D benefits bundled with the plan.

Take note that the list of drugs covered under ACERA's plan may vary from year to year.



Your ACERA medical coverage will be dropped if...

If you enroll in a Medicare Part D plan offered by Wal-Mart, Walgreens, or other independent providers, Medicare will notify ACERA that you have switched providers. Because ACERA medical plans are bundled plans, your Part D prescription drug coverage is bundled with your medical plan, and Medicare drug coverage cannot be separated.

You cannot be enrolled in two Medicare Part D plans, so ACERA will be forced to cancel your medical coverage.

Please do not make this mistake!

Advertisements may promote low plan premiums, but it is unlikely these providers can compete with your ACERA medical plan.

Please contact ACERA Member Services if you have questions about your plan and *before* you sign any forms related to drug or medical coverage offered by another provider.

Prescription drug benefits offered by ACERA are equal to or better than the prescription drug benefits you would receive from an independent Medicare Part D plan.

If you are not enrolled in an ACERA Medical Plan, see the back page...

Members not enrolled in an ACERA medical plan can enroll in Part D

ACERA currently only offers prescription drug benefits to members enrolled in an ACERA Medical Plan and will not supplement any independent Medicare Part D plan in which you choose to enroll.

Unlike Medicare Part A (hospital) and Part B (medical) coverage offered directly through Medicare, Medicare Part D drug coverage must be handled by a private, state-approved provider. Medicare Part D coverage also requires a monthly premium to be paid by each participant.

When To Sign Up For Part D You may elect to sign up for a state-approved provider's Medicare Part D plan when you first become eligible for Medicare, from 3 months before the month you turn age 65 until 3 months after. If you are eligible for Medicare before you are 65, you may join from 3 months before until three months after your 25th month of Social Security cash disability payments.

Late Penalties If you do not elect to sign up for a Medicare Part D plan when you are first eligible and do not have other prescription drug coverage, Medicare will add a **permanent** late enrollment penalty to your monthly premium if you subsequently attempt to sign up. If you do have prescription drug coverage, you can avoid this penalty by avoiding a break in creditable coverage (i.e. coverage that is as good or better than Medicare Part D) of more than 62 days.

Part D Open Enrollment Additionally, if you didn't join when you were first eligible, you can only sign up during open enrollment. Your next opportunity to enroll in an independent Medicare Part D plan is between November 15, 2010 and December 31, 2010.

Part D Standard Benefits Level Each year in autumn, Medicare announces the Medicare Part D prescription drug standard level of benefits that will become effective the following January 1. Independent, state-approved Part D prescription drug providers are required to offer the standard level of benefits, but they may offer greater benefits. This means that drugs covered may vary between providers and from year to year. Therefore, you must be diligent each year if you enroll in a Part D plan. All Part D drug providers must file their list of covered drugs with Medicare each year, so make sure your drugs are on your provider's list each year.

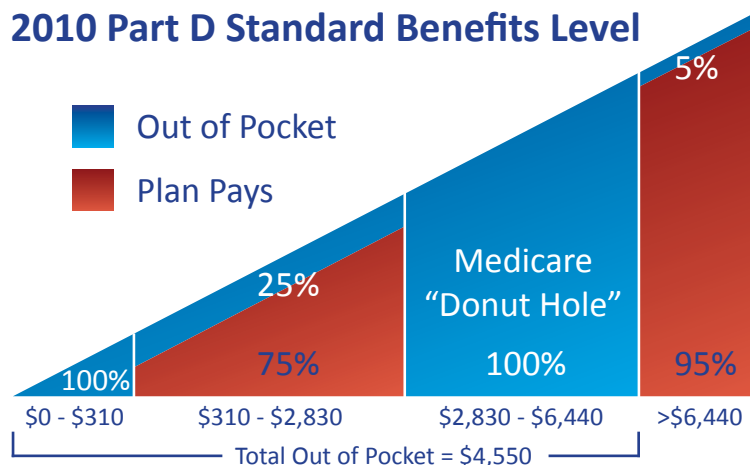
Effective January 1, 2010, the standard level of benefits is as follows:

Plan pays 75% of covered drugs* between the \$310 deductible and \$2,830

Plan pays 95% of costs (excluding expenses for any other supplemental drug coverage), once your out-of-pocket expenses under the Part D plan reach \$4,550.

*Covered drugs are only those drugs filed by individual Part D providers with Medicare.

2010 Part D Standard Benefits Level



For more Medicare Part D information

Members enrolled in ACERA Medical Plans:

Call ACERA Member Services at 1-800-838-1932 (Press 1)

Members not enrolled in ACERA Medical Plans:

Call 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov

For non-benefited ACERA members with limited income and resources, Medicare provides extra help paying for Part D prescription drug benefits. For additional information about this extra help, visit the Social Security Administration website at www.ssa.gov, or call them at 1-800-772-1213.