ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

475 14TH STREET, SUITE 1000, OAKLAND, CA 94612 · 1-800-838-1932 · 510-628-3000 · FAX: 510-268-9574

September 30, 2026

Subject: Medicare Part D Prescription Drug Benefits ~ Creditable Coverage Notice

Dear ACERA Health Plan Participant:

The Medicare Modernization Act (MMA) requires entities to annually notify Medicare eligible policyholders whether their prescription drug coverage is "creditable coverage", which means the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage. The Centers for Medicare and Medicaid Services (CMS) requires all plan sponsors, such as ACERA, of health plans that offer prescription drug benefits to provide a certificate of creditable coverage to all plan participants prior to the Part D enrollment period. Due to the Patient Protection and Affordable Care Act (PPACA), the open enrollment period for Medicare Part D is now from October 15 through December 7 in 2026.

Enclosed is your Medicare Part D Creditable Coverage Notice (Notice). Please read it carefully and keep it in a safe place. If you happen to need another copy of this Notice in the future, you can contact ACERA for one, or download a copy from ACERA's website.

If you are NOT eligible to enroll in Medicare Part D now, you may disregard this Notice. However, there may be a time in the future (approaching Medicare eligibility) when you or your dependents may need to take action. Should this occur, it will be important for you to have the enclosed Notice so you do not incur a penalty. **A lifetime penalty charge may go up by at least 1% of the Medicare base beneficiary premium per month for each month that you or your dependents fail to enroll within 63 continuous days of first becoming eligible for Medicare Part D or if there is a lapse in coverage. In addition, you may have to wait until the following October to join.** *Note: Late Enrollment Penalty is the late charge assessed by Medicare to ACERA Medicare contracts. These charges will be assessed to you. However, if your coverage through ACERA is creditable, by having this Notice to provide at enrollment, you will not be charged a penalty if you enroll timely and have no lapse in coverage. If you receive the Monthly Medical Allowance for Non-Medicare Retirees with coverage through Via Benefits, you must enroll in a Medicare Part D plan or other Creditable Coverage timely upon eligibility for Medicare to avoid being charged a Late Enrollment Penalty.*

Sincerely,

Carlos Barrios
Assistant Chief Executive Officer

Enclosure

CREDITABLE COVERAGE NOTICE

Important Notice from Alameda County Employees' Retirement Association (ACERA)
About Your Prescription Drug Coverage and Medicare

This notice is for people with Medicare.
Please read this notice carefully and keep it where you can find it.

This Notice has information about your current prescription drug coverage with ACERA and the prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare's prescription drug coverage, and can help you decide whether or not you want to enroll in that Medicare prescription drug coverage. At the end of this notice is information on where you can get help to make a decision about Medicare's prescription drug coverage.

- ➔ **If you and/or your family members are not now eligible for Medicare, and will not be eligible during the next 12 months, you may disregard this Notice.**
- ➔ **If, however, you and/or your family members are now eligible for Medicare or may become eligible for Medicare in the next 12 months, you should read this Notice very carefully.**

This announcement is required by law whether the group health plan's coverage is primary or secondary to Medicare. Because it is not possible for ACERA to always know when a plan participant or their eligible spouse or children have Medicare coverage or will soon become eligible for Medicare, we have decided to provide this Notice to all participants within designated plans.

There are three important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. ACERA has determined that the prescription drug coverage offered by **Kaiser Permanente, UnitedHealthcare Signature Value, and the Monthly Medical Allowance benefit for individual Medicare Plans through Via Benefits** is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. As you become Medicare eligible, you will need to enroll in a plan with similar creditable coverage within 63 days to avoid penalties.

3. ACERA has determined that the prescription drug coverage offered by the **Monthly Medical Allowance benefit for individual Non-Medicare Plans through Via Benefits** is, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage pays. If you are enrolled in such a plan, because your coverage is non-creditable, when you become eligible for Medicare, you have decisions to make about prescription drug coverage that may affect how much you pay for that coverage. While making your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully - it explains your options.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th.

However:

- if you currently have creditable prescription drug coverage through either the Kaiser Permanente or UnitedHealthcare Signature Value plan, and you lose that coverage through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

- if you currently have non-creditable prescription drug coverage through the Monthly Medical Allowance benefit for an individual non-Medicare plan through Via Benefits, and drop this coverage upon eligibility for Medicare, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with ACERA and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

Covered Member	What you can do:
For those with the **Kaiser Permanente Plan**	When you become eligible for Medicare, you will need to enroll in the Kaiser Senior Advantage Plan. This is a Medicare Advantage Plan, which provides drug coverage, **so it is not necessary for you to enroll in an additional Medicare Part D Plan.** If you decide to join a separate Medicare Part D plan, your ACERA coverage will terminate. You will not be eligible for any reimbursements or subsidies through ACERA.
For those with the **UnitedHealthcare Signature Value Plan**	When you become eligible for Medicare, you are no longer eligible for the UnitedHealthcare Signature Value plan. However, you may enroll in an individual Medicare medical plan and Part D prescription drug plan through Via Benefits. If you join a separate Medicare Part D plan, not through Via Benefits, you will not be eligible for any reimbursements or subsidies through ACERA.

Covered Member	What you can do:
For those enrolled in **individual Medicare Plans through Via Benefits** using the Via Benefits Exchange	You can keep your current individual medical and Part D prescription drug coverage through Via Benefits. If you enroll in a separate Medicare Part D plan, not through Via Benefits, you will not be reimbursed for premiums or out-of-pocket drug costs, if eligible, through ACERA.
For those enrolled in **individual Non-Medicare Plans through Via Benefits** using the Via Benefits Exchange	Upon eligibility for Medicare, you can enroll in an individual Medicare Plan and Part D prescription drug plan through Via Benefits. If you enroll in a separate Medicare Part D plan, not through Via Benefits, you will not be reimbursed for premiums or out-of-pocket drug costs, if eligible, through ACERA.

Via Benefits Health Reimbursement Arrangement (HRA) Accounts

Because ACERA provides the Monthly Medical Allowance benefit to eligible retirees enrolled in individual medical and Part D prescription drug plans through Via Benefits, these plans are considered an employer sponsored group plans. As such, we are required to send notices of creditable coverage to participants. You may also receive a notice of creditable coverage from your medical or prescription drug plan carrier.

For More Information About This Notice Or Your Current Prescription Drug Coverage…

Contact the person listed below for further information or call ACERA at (510) 628-3000, Press 1 or 1-800-838-1932, Press 1. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through ACERA changes. You also may request a copy of this notice at any time. This notice is also available on ACERA's website at www.ACERA.org.

For More Information About Your Options Under Medicare Prescription Drug Coverage…

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov.
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage Notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date:	10/1/2026
Name of Entity/Sender:	Alameda County Employees' Retirement Association
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Phone Number:	(510) 628-3000, Press 1 or 1-800-838-1932, Press 1