

BENEFITS GUIDE

2009

LACERA

This *Benefits Guide* presents an overview of LACERA-administered health plans, details about administrative rules and procedures, and insurance carrier contact information. For information about premium rates and important plan changes for the 2009 – 2010 plan year, please refer to the *Benefits Update* and rate booklet included in this packet.

Disease Management Programs

Disease Management Programs help LACERA members with certain chronic conditions (for example, hypertension, congestive heart failure, diabetes) to take advantage of support, tools, and information to better manage their diseases. These programs also help LACERA fulfill one of its long-standing objectives regarding our members: to give you the tools you need to enjoy the best possible quality of life. All of LACERA's medical plans have Disease Management Programs as part of their benefits. If you have a chronic disease, call your plan to learn how you can participate — your health is in your hands!

- **If you are in an HMO:** Call your HMO at the number listed at the back of this *Benefits Guide*.
- **If you are in Anthem Blue Cross Plan I, II, or III:** Call CVS Caremark's AccordantCare at (800) 227-3728.
- **If you are in Anthem Blue Cross Prudent Buyer:** Call Anthem Blue Cross Health Management Corporation at (800) 522-5560.

Medicare Prescription Drug Program

In compliance with the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Medicare introduced a prescription drug benefit called Medicare Part D on January 1, 2006. You may continue to receive information from Centers for Medicare and Medicaid Services (CMS) and LACERA about your prescription drug options.

As a reminder, please do not enroll in other Medicare Part D plans before consulting with LACERA. If you do, you may jeopardize your coverage with LACERA — not just your prescription drug coverage, but all of your other medical coverage as well, and you may not be able to switch back until later. Also, if you have a Medicare Part D plan from an employer/agency other than LACERA, please consult with LACERA — CMS will not allow for both, and your coverage with LACERA may be jeopardized.

LACERA strives to ensure that our members continue to receive the best possible prescription drug coverage. If you have questions, please contact LACERA's Retiree Health Care Division at (800) 786-6464 and press 1, or at (626) 564-6132.

Medicare Part B Premium Reimbursement Program Renewal

CMS announces the amount of its annual Medicare Part B premium toward the end of each calendar year. As of January 1, 2009, the premium is based on your annual income. For example, those who file an individual tax return have monthly premiums as follows:

Annual Income:	Monthly Premium:
\$0 – \$85,000	\$96.40
\$85,001 – \$107,000	\$134.90
\$107,001 – \$160,000	\$192.70
\$160,001 – \$213,000	\$250.50
Over \$213,000	\$308.30

On December 9, 2008, the Board of Supervisors approved the Medicare Part B Premium Reimbursement Program for 2009 for LACERA-administered Medicare Plan enrollees. Effective January 1, 2009, the Medicare Part B premium reimbursement amount will be \$96.40 (base rate) or \$192.80 (for two parties). The Medicare Part B Premium Reimbursement Program is subject to annual review by the Board of Supervisors.

Under the Part B Premium Reimbursement Program, the County reimburses members for the amount of their Medicare Part B premiums (base rate only) on a tax-free basis if the following conditions are met:

- You are enrolled in Medicare Part A and Medicare Part B.
- You are enrolled in a LACERA-administered Medicare HMO plan or Medicare supplement plan.
- You are paying for your Medicare Part B premium yourself.
- You are not being reimbursed for your Medicare Part B premium by another agency, such as a different employer, or the state.

Moving Permanently Out of Your Plan Network, Outside California, or Outside the United States

The benefits offered by all LACERA-administered health plans change when an enrolled member moves outside the provider network. Moving to a new location can impact your plan's service area, rates, and coverage levels. Before moving outside your provider network, please contact the Retiree Health Care Division to determine the options you have and the changes you can expect.

Los Angeles County/City of Los Angeles Reciprocity

Los Angeles County and the City of Los Angeles have a contract to provide a retiree health insurance reciprocity program for members who meet the established eligibility requirements. An eligible member's retirement date and years of service with each system will determine eligibility for full or limited reciprocity, as well as the plan for which he or she is eligible. If you think you may be eligible, please call LACERA's Retiree Health Care Division at (800) 786-6464 and press 1, or at (626) 564-6132 for more information.

County Contributions Based on Retirement Service Credit

The County contributes an amount equal to a percentage of the benchmark premium for Anthem Blue Cross I and Anthem Blue Cross II indemnity medical plans and the CIGNA indemnity dental/vision plan.

- **For members with 10 years of retirement service credit**, the County contributes 40% of your health care plan premium or 40% of the benchmark plan rate (Anthem Blue Cross Plans I and II for medical and CIGNA Indemnity for dental/vision), whichever is less.
- **For each year of retirement service credit beyond 10 years**, the County contributes an additional 4% per year of your health care plan premium or 4% of the benchmark plan rate (Anthem Blue Cross Plans I and II for medical and CIGNA Indemnity for dental/vision), whichever is less, up to a maximum of 100% for a member with 25 years of service credit.

Plan Limitations and Exclusions

Each LACERA-administered health plan has its own exclusions, limitations, arbitration provisions, and contracts with Medicare with respect to health care services they can provide to their members. Please refer to the documents for each plan and **read them carefully** to become familiar with the provisions as they apply to the plan in which you are enrolled. You can obtain plan documents by requesting them directly from the insurance carrier.

Medical Plan Highlights

The following plans are available to retirees, their eligible dependent spouse or domestic partner, and their own or their spouse's or domestic partner's eligible dependents.

Indemnity Plans

		Deductible	Coinsurance
Anthem Blue Cross Plan I	You may see any physician you choose, and the plan pays 80% after the deductible has been met. Hospital room and board is covered at \$75 a day. There is no limit on your out-of-pocket expenses under this plan. This plan has a lifetime maximum benefit of \$1,000,000.	Individual – \$100 Family – \$100	N/A
Anthem Blue Cross Plan II	You may see any physician you choose, and the plan pays 80% after the deductible has been met. Hospital room and board is covered at 90% for a network hospital (non-Medicare members only) or 80% for a non-network hospital for a semi-private room. The maximum you will pay out-of-pocket for covered expenses is \$2,500 a year. This plan has a lifetime maximum benefit of \$1,000,000.	Individual – \$500 Family – \$1,500	N/A
Anthem Blue Cross Prudent Buyer Plan	You may see any physician you choose: if you see a Prudent Buyer physician, the plan pays 80% after the deductible has been met; if you see a non-Prudent Buyer physician, the plan pays 70% after the deductible has been met. There is no limit on your out-of-pocket expenses under this plan. This plan has a lifetime maximum benefit of \$1,000,000.	Individual – \$100 Family – \$200	N/A

Health Maintenance Organizations (HMOs)

		Deductible	Copay
CIGNA Network Model Plan	You must see network physicians for medical care.	N/A	\$5
Kaiser Permanente	You must see Kaiser Permanente physicians or Kaiser Permanente-affiliated physicians.	N/A	\$5
PacifiCare	You must see network physicians for medical care.	N/A	\$5

The following plans are available to retirees and their eligible dependents who are Medicare-eligible and enrolled in Medicare Parts A and B.

Medicare Supplement Plan

		Deductible	Cost
Anthem Blue Cross Plan III	You should receive services from a physician who accepts Medicare assignment. When you receive services from a physician who accepts Medicare assignment, the plan pays 20% of Medicare-approved charges while Medicare pays 80%. If you receive services from a physician who does not accept Medicare assignment, your costs will be higher. This plan has an unlimited lifetime maximum benefit.	None	None (In-network only, and if provider accepts Medicare assignment)

Medicare Advantage Prescription Drug (MA-PD) HMOs

		Deductible	Copay
*Kaiser Permanente Senior Advantage	You must see Kaiser Permanente physicians or Kaiser Permanente-affiliated physicians.	N/A	\$5
* Secure Horizons/ PacifiCare	You must see network physicians for medical care.	N/A	\$5
*SCAN Health Plan	You must see network physicians for medical care.	N/A	\$5

** If you are enrolled in the above plans, Medicare will not reimburse or pay for any treatment outside your elected health care plan. Your plan will not cover you for treatment received outside the plan's network except in an emergency.*

Dental/Vision Plan Highlights

Medicare Advantage Prescription Drug (MA-PD) HMOs

		Deductible	Cost
CIGNA Indemnity Dental/Vision	Dental: You may see any dentist in the U.S. for dental care.	Individual – \$25 Family – \$50	20%*
	Vision: You may receive in-network or out-of-network benefits.	N/A	Depends on service
CIGNA Dental HMO/Vision	Dental: You must see network dentists for dental care.	N/A	\$0**
	Vision: You may receive in-network or out-of-network benefits.	N/A	Depends on service

** Member pays this percentage of usual and customary charges and 50% for procedures involving gold.*

*** Member copay, plus additional charges specified in the plan brochure. CIGNA Dental HMO members can access a copayment schedule at www.mycigna.com.*

When and How You Can Change Medical Plans

In most cases, after completing a **six-month waiting period**, you can change from any LACERA-administered medical plan into any other; you may also change from the Firefighters Local 1014 plan into a LACERA-administered medical plan. Coverage is continuous, and you do not need to provide evidence of insurability.

Note: If you have end-stage renal disease (ESRD), which is permanent kidney failure that requires regular kidney dialysis or a transplant to maintain life, the following applies:

- You cannot change to Kaiser Permanente Senior Advantage unless you are already a Kaiser Permanente member,
- You cannot change to Secure Horizons/PacifiCare unless you are already a PacifiCare member,
- You cannot change to SCAN from other LACERA-administered medical plans.

Procedure for Changing Medical Plans

1. Contact LACERA at (800) 786-6464 and press 1, or at 626-564-6132, 7:00 a.m. to 5:30 p.m., Monday through Friday and request a Change Form. You can download a copy of the Change Form from the website at www.lacera.com. Look for the Brochures and Forms tab on the Home Page, and click the Retiree Health Care tab.
2. Fill out the Change Form completely, and be sure to sign it and keep the last copy for your records.
3. Mail the rest of the form back to LACERA.
4. Coverage takes effect the first day of the month after completion of a six-month waiting period. The waiting period begins when your Change Form is received by LACERA.

Exceptions to the Six-Month Wait Period

The six-month waiting period will not apply if:

- You move out of your HMO service area.
- You're currently enrolled in the Anthem Blue Cross of California Prudent Buyer Plan and move out of the Prudent Buyer network area.
- You change from any LACERA-administered plan **into** SCAN Health Plan (except the ESRD condition discussed in the box on page 6 of this *Benefits Guide*).
- You change **from** Anthem Blue Cross Plan I, Anthem Blue Cross Plan II, CIGNA, Anthem Blue Cross Prudent Buyer Plan, or Kaiser Permanente **into** Kaiser Permanente Senior Advantage, Secure Horizons/PacifiCare, or SCAN. (Exception: You cannot change plans if you are currently being treated for end-stage renal disease.)
- You change **from** Anthem Blue Cross Plan I **into** Anthem Blue Cross Plan II.
- You change **from** Anthem Blue Cross Plan I, Anthem Blue Cross Plan II, or the Anthem Blue Cross Prudent Buyer Plan **into** Anthem Blue Cross Plan III.

If you qualify for an exception to the waiting period, your plan change is effective as follows:

If Your Change Form Is Received By:	Your Plan Change Is Effective:
The 15th day of any month	The 1st day of the month following receipt of your request

Example: If your form is received by June 15, your plan change will be effective July 1.

If your change is to enroll in a Medicare Advantage Prescription Drug (MA-PD) HMO, your plan change is effective as follows:

If Your Change Form Is Received By:	Your Plan Change Is Effective:
The 15th day of any month	The 1st day of the second month following receipt of your request

Example: If your form is received by June 15, your plan change will be effective August 1.

Disenrolling From the Medicare Advantage Prescription Drug Plan (MA-PD)

If you wish to disenroll from your LACERA-administered Medicare Advantage Prescription Drug Plan (MA-PD), you should contact the LACERA Retiree Health Care Division at (800) 786-6464 and press 1, or at (626) 564-6132.

In most cases, you may have the use of your Medicare benefits within 30 days of disenrollment. However, you must complete a six-month waiting period before transferring to another LACERA-administered health plan, except SCAN Health Plan. If you do not contact LACERA to coordinate your disenrollment, you will be subject to Late Enrollment rules when reenrolling in another LACERA-administered plan.

The LACERA Retiree Health Care Division will coordinate your transfer to another plan so you avoid being covered by only Medicare during the waiting period — it is not necessary for you to notify either your current insurance carrier or your local Social Security office.

When and How You Can Change Dental/Vision Plans

In most cases, after completing a **one-year waiting period**, you can change from one LACERA-administered dental/vision plan into the other.

Procedure for Changing Dental/Vision Plans

1. Request a Change Form by contacting LACERA at (800) 786-6464 and press 1, or at (626) 564-6132, 7:00 a.m. to 5:30 p.m., Monday through Friday. You can also download a copy of the Change Form from the website, at www.lacera.com.
2. Fill out the Change Form completely and be sure to sign it and keep the last copy for your records.
3. Mail the rest of the form back to LACERA.
4. Coverage takes effect the first day of the month after completion of a one-year waiting period. The waiting period begins when your Change Form is received by LACERA. For example, if LACERA receives your form on January 15, your coverage begins February 1 of the following year.

Important Reminder: As a LACERA member, you are responsible for notifying LACERA to request a Change Form to add or remove dependents from your plan within 30 days of a qualifying event (e.g., marriage/divorce/registration or termination of a domestic partnership, birth, adoption, death, disenrollment, or change in full-time student's status).

If You Move Outside California or a Health Plan Service Area

If you decide to move outside California or out of your health plan's service area, you may have to make changes to your health plans. **Please notify LACERA first before disenrolling from your current health plan.** Here's a quick overview of how each of your LACERA-administered plans handles out-of-area retirees:

Health Plan	Out-of-Area Benefits
Anthem Blue Cross Plans I and II	Plan pays 80% of covered expenses, although deductibles and hospital benefits differ between Plan I and Plan II. You are covered anywhere in the U.S. as well as in many foreign countries.
Anthem Blue Cross Plan III (Indemnity Plan)*	Plan pays 20% of covered eligible Medicare expenses after Medicare pays. You are covered anywhere in the U.S. by hospitals or providers who accept Medicare assignment or provide Medicare-eligible services. You are covered in foreign countries for emergencies only.
Anthem Blue Cross Prudent Buyer Plan*	Plan pays 70% of covered expenses (80% if an emergency situation) for any physician in any state. You are covered in foreign countries for emergencies only.
SCAN Health Plan*	SCAN is available in Maricopa County, Arizona, and the following counties in California: Los Angeles, Orange, Riverside, San Bernardino, Kern, Ventura, and San Diego. You will need to change medical plans if you move out of the SCAN service area.
CIGNA Network Model Plan/ CIGNA Medicare Select Plus Rx*	You will need to change to another plan if you move outside California or Arizona.
Kaiser Permanente/Kaiser Permanente Senior Advantage*	You will need to change to another plan if you move to an area not covered by a Kaiser Permanente network in California.
PacifiCare*	You will retain emergency coverage for only 60 days. You will need to switch to another plan if you move outside California.
Secure Horizons/PacifiCare*	You must first notify LACERA. You will need to switch to another plan if you move outside California.

** If you move permanently to a foreign country, the medical plans available to you are the Anthem Blue Cross Plans I and II. Anthem Blue Cross does not preauthorize any medical services provided in foreign countries. You must pay first and then send the bills, proof of medical necessity, and your payment information, along with an Anthem Blue Cross Foreign Claim Form, to Anthem Blue Cross of California for reimbursement. Contact Anthem Blue Cross to obtain an Anthem Blue Cross Foreign Claim Form.*

If You Have Questions...

- For verification of health insurance coverage, your physician or pharmacist must call the number on your ID card. The numbers shown below are for your use and not for physicians or pharmacists.
- Call the insurance carriers at the numbers listed below if you need ID cards, health plan booklets, or claim forms, or if you have billing questions.

Carrier	Phone Number	Website
Anthem Blue Cross Plans I, II, and III	(800) 284-1110	www.anthem.com/ca
Utilization Review (Anthem Blue Cross Plans I and II Non-Medicare Members Only)	(800) 274-7767	www.anthem.com/ca
Anthem Blue Cross Prudent Buyer Plan	(800) 284-1110	www.anthem.com/ca
Anthem Blue Cross Health Management Corporation (with Anthem Blue Cross Prudent Buyer)	(800) 522-5560	www.anthem.com/ca
CVS Caremark (with Anthem Blue Cross Plans I, II, and III)	(800) 450-3755	www.caremark.com
AccordantCare (with Anthem Blue Cross Plans I, II, and III)	(800) 227-3728	www.caremark.com
Kaiser Permanente	(800) 464-4000	www.kp.org
Kaiser Permanente Senior Advantage	(800) 443-0815	www.kp.org
CIGNA Network Model Plan	(800) 244-6224	www.cigna.com
CIGNA Indemnity Dental	(800) 244-6224	www.cigna.com
CIGNA Dental HMO	(800) 244-6224	www.cigna.com
CIGNA Vision Plan	(877) 478-7557	www.cigna.com
PacifiCare	(800) 624-8822	www.pacificare.com
Secure Horizons/PacifiCare	(866) 622-8055	www.securehorizons.com
SCAN Health Plan	(800) 559-3500	www.scanhealthplan.com
LACERA-sponsored Long-Term Care Plan underwritten by MetLife	(800) 207-9883	www.metlife.com

- Contact LACERA if you wish to enroll in a new program, change health care plans, clarify the administrative rules, or settle insurance claims/service issues.

LACERA Resource	Contact Information	Hours of Operation
Retiree Health Care Division Call Center	Call (800) 786-6464 and press 1, or (626) 564-6132	7:00 a.m. to 5:30 p.m., Monday through Friday
LACERA Public Counter	300 North Lake Avenue 1st Floor Pasadena, CA	7:00 a.m. to 5:00 p.m., Monday through Friday
LACERA website	www.lacera.com	24 hours a day, seven days a week
LACERA e-mail	Healthcare@lacera.com	24 hours a day, seven days a week

Please note: *LACERA does not need information about your health or health conditions in order to assist you with your enrollment, administrative or claims/service issues. In order to protect your private health information, we request that you limit your conversations and written correspondence with/to LACERA staff to your non-health issues.*

