



June 2011

Dear LACERA Member:

Welcome to the 2011 – 2012 plan year for your healthcare coverage! This packet contains important information about your LACERA-administered healthcare plans. Enclosed, you will find the following items:

- **Retiree Healthcare Benefits Update** — what's new for 2011 – 2012,
- **Retiree Healthcare Benefits Guide** — an overview of the health plans available to you and important administrative details about your LACERA-administered healthcare benefits,
- **Monthly Premium Rates Booklet** — 2011 – 2012 monthly contribution rates for LACERA-administered healthcare plans. (If you are enrolled in the Kaiser plan outside of California, you will receive a separate mailing from LACERA).
- **Notice of Creditable Coverage** — an official statement that your LACERA-administered medical plan provides you with prescription drug coverage that is, on average, as good as or better than the coverage offered by the Medicare Part D model plan, and
- **Notice About the Early Retiree Reinsurance Program (ERRP)** — a notice explaining that LACERA is participating in the ERRP. This temporary program was established as part of the recent healthcare reform legislation known as the Patient Protection and Affordable Care Act (PPACA).

Periodically, there are regulatory changes that require modifications to some of the benefits offered by our LACERA-administered health plans. This year, the changes are minimal. **Please read the enclosed Benefits Update** carefully to learn about these important changes. Please note, you do **not have to take any action unless you want to make changes to your current LACERA-administered healthcare coverage.**

For the upcoming plan year, the premiums for LACERA-administered health plans are increasing by an average of 4.2%. The premium increase will vary by plan, so some members will experience a higher increase than average, while others will experience a lower increase or none at all. **Please review the enclosed Monthly Premium Rates Booklet** for your new monthly contribution rates for 2011 – 2012.

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As a participant in the LACERA-administered retiree healthcare benefits program, you should not enroll in non-LACERA Medicare Part D plans because all LACERA-administered plans offer prescription drug coverage that are equal to, or generally better than that available through Medicare. Enrolling in a non-LACERA Medicare Part D plan may jeopardize your LACERA medical plan.

This year, LACERA will be making a change to comply with the healthcare reform legislation known as the Patient Protection and Affordable Care Act (PPACA). This PPACA-mandated change will enhance Medicare Part D prescription drug coverage for some LACERA plans. Refer to your enclosed Benefits Update for more information on this and other changes for the upcoming plan year.

We'll provide more details about the changes and their impact as further regulations and policies are developed. If you have questions about the impact of healthcare reform visit our website at www.lacera.com or, contact LACERA's Retiree Healthcare Division at (800) 786-6464 and press 1, or at (626) 564-6132, or by email at healthcare@lacera.com.

As you're learning about what's new for your health plans in the coming year, it's also a good idea to see what health and wellness programs your health plans offer. All of the LACERA-administered health plans offer Disease Management Programs — these programs offer support for the management and prevention of many common medical conditions. Remember that the care of your health is in your hands.

LACERA and the Board of Retirement will continue this year, as every year, to ensure cost-effective, high-quality, and comprehensive coverage for our retirees.

Sincerely,



Gregg Rademacher
Chief Executive Officer

Enclosures:

Retiree Healthcare Benefits Update
Retiree Healthcare Benefits Guide
Monthly Premium Rates Booklet
Notice of Creditable Coverage