Q 3. I live in an area where my providers do not accept Medicare patients. Do I still need to apply for Medicare, even if I never plan to use it, after all, my preferred providers do not accept Medicare?

A. Yes. You still need to enroll in Medicare A & B even if you may not use providers who accept Medicare. Peralta and the retiree needs to document that the retiree has attempted to participate in the process to establish wrap around coverage. Peralta can then pay benefits accordingly.

If you need assistance in filing claims with Medicare, visit the Medicare website or contact District Service agents at PSW Benefits Resources at 877 866 2623.

Q 4. I have heard that the District reimburses me for Medicare A & B premiums. Is that true?

A. Yes. The District reimburses eligible retirees for Medicare A & B premiums incurred. We even reimburse late fees!

Q 5. How do I get my money back? The answer is as simple as 1-2-3.

1. Simply submit the claim form to our agent.
2. Attach documentation of your payment to the claim form.
3. Reimbursements occur on a quarterly basis (March, June, September and December).

Q 6. District correspondence that I have received indicates that my coverage will be interrupted if I do not provide confirmation of my Medicare status. If I don’t take any action because I do not understand the process or what is required of me, then will my coverage end? Will I experience an interruption to my medical and prescription coverage if I do not take any action?

A. Yes. Peralta needs to be consistent about the application of wrap around coverage to our retirees. Wrap around coverage is when the District provides and pays for coverage secondary to other existing coverage.

Avoiding service interruption is as simple as 1-2-3
1. Enroll* in Medicare A & B
2. Pay premium (after all the district will reimburse you, including the late fees)
3. Complete the Kaiser Senior Advantage form to preserve enrollment with Kaiser. This action does not apply to CoreSource participants.

The general Medicare enrollment window is January through March of each year, we are sending frequent notifications about this matter so that you have sufficient time to understand the requirements and to plan for your enrollment in Medicare during the January 1 — March 31 open enrollment period.

Q 7. What does service interruption mean?

A. If you have not enrolled in Medicare Parts A & B by March 31, 2012, then Peralta will interrupt benefits on July 1, 2012 until Medicare determination is established and until we are able to wrap our costs around your Medicare coverage. There is a general enrollment window which occurs annually January 1 - March 31, of each year. Contact Medicare directly regarding your unique circumstances and for details about other enrollment periods.

For services after July 1, 2012, if you are enrolled in:

- CoreSource, then the District will pay reduced benefits based on the amount Medicare would have paid. We will assume Medicare coverage of 80% for benefit-eligible services. The District will only pay 20% of the bill for eligible expenses.
- Kaiser, then your coverage will end on 6/30/12 and you will be permitted to enroll in our self-funded plan currently administered by CoreSource. We will then pay eligible claims based on the amount that Medicare would have paid. The District will only pay 20% of the bill for eligible expenses.

CalSTRS annuitants may be eligible for Medicare deductions from their CalSTRS annuity. Contact CalSTRS directly for more information at:
- 800 228 5453 or
- http://www.calstrs.com/members/

Third Medicare Communication Notice

MEDICARE FREQUENTLY ASKED QUESTIONS

October 2011

“Must I act now? What must I do?” See Q2
“Will I be reimbursed for premiums and late fees?” See Q4 & Q5
“What if I need help?”

Come to the next Medicare Coordination & Support workshop on Wednesday, February 1, 2012 @10am District Board Room. Representatives from Kaiser, CoreSource, Medicare and the District Benefits Office will be available.

BENEFITS OFFICE
333 EAST 8TH STREET
OAKLAND, CA 94606
510 466 7229

Medicare: 800 772 1213
PSW Benefit Resources: 877 866 2623
EMAIL: medicare@pswbenefits.com
benefits@peralta.edu
How much does it cost the District for retirees that are not part of the wrap around?

It costs us about $1,000,000 more than we should have to spend in our annual premiums paid to Kaiser or costs we pay to your providers as your primary insurer. Let’s looks at two scenarios based on these general assumptions:

- Peralta retiree or dependent
- Retired before July 1, 2004
- Not receiving wrap around coverage or enrolled Medicare A and/or B

**ILLUSTRATION I**

Enrolled in Kaiser, but has not enrolled in the Kaiser Senior Advantage Plan

<table>
<thead>
<tr>
<th>Non Medicare District – Paid Monthly Premium</th>
<th>Senior Advantage</th>
<th>District Mo. Savings rate</th>
<th>District Annual Savings (Mo. savings x 12)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This is not wrap around coverage</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DISTRICT MO. COST</th>
<th>$847.98</th>
<th>$447.98</th>
<th>$400.00</th>
<th>$4,800</th>
</tr>
</thead>
<tbody>
<tr>
<td>YOUR COST</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

**ILLUSTRATION II**

Enrolled in District’s Self-funded plan (CoreSource w/ Anthem Blue Cross Network)

<table>
<thead>
<tr>
<th>CoreSource/Anthem Blue Cross</th>
<th>In-network (Anthem) provider bills Medicare for payment and Medicare pays</th>
<th>In-network (Anthem) provider bills Medicare, but Medicare does not pay.</th>
</tr>
</thead>
<tbody>
<tr>
<td>This is wrap around coverage</td>
<td>This is wrap around coverage</td>
<td>This is not wrap around coverage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost of Eligible Service</th>
<th>$15,000</th>
<th>$15,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Pays</td>
<td>$10,000</td>
<td>$0</td>
</tr>
<tr>
<td>DISTRICT COST</td>
<td>$5,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>YOUR COST</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

If 50 retirees are eligible, but not enrolled, we spend $250,000, annually, in excess premiums.

If the average annual cost for each retiree under this plan is $15,000 and we pay for eligible services otherwise covered by Medicare, we can spend upward of $500,000 in non-wrap around costs.

Q 1. I have been retired for years, before the rules changed on July 1, 2004. I am also covered under the Peralta medical plan. I also have lifetime benefits. I never signed up for Medicare B...didn’t think I had to. What are you asking me to do?

A. We are asking that you apply for federal Medicare benefits as referenced in the collective bargaining agreements. Once approved for benefits, then your coverage is primarily paid for by Medicare, then the District’s coverage will wrap around Medicare. We cover eligible expenses not paid for by Medicare. The District agreed to provide wrap around policy upon retirement.

In other words, Peralta benefits “wrap around” other primary coverage offered through the federal Medicare A & B programs. If we are not wrapping around Medicare, then we are actually the primary payer.

If you are currently enrolled in Kaiser, you will need to take the additional step of completing the Senior Advantage Enrollment Application.

Q 2. Why is the District contacting me?

A. We are contacting you because our records indicate that we are paying benefits outside of the retirement agreements and we need you to take action to prevent coverage interruption.

By March 31, 2012, we expect that you apply for Medicare so that we can wrap around the Medicare coverage. If on Kaiser, you will also need to complete the Kaiser Senior Advantage Enrollment Application.

If you have not already done so, we are asking you to enroll in Medicare Parts A & B during the open enrollment period from January 1, 2012 to March 31, 2012. This will mean that Medicare will be your primary insurer starting July 1, 2012.