

GREENBERG & ASSOCIATES INSURANCE

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**** IMPORTANT EMPLOYER BULLETIN ****

TO: KAISER GROUP HEALTH CLIENTS

FROM: GREENBERG & ASSOCIATES INSURANCE

DATE: SEPTEMBER 27, 2005

RE: KAISER MEDICARE DRUG COVERAGE ELECTION

We received notification from Kaiser Permanente yesterday that they will be sending a mailing to all Kaiser group administrators within a few days. This mailing will specifically address employer options for providing prescription drug coverage for their Medicare eligible employees.

Kaiser is different from other group health plans in that they cover all Medicare eligible insureds under their Kaiser Senior Advantage plan that differs from your employee group health plan. Due to this distinction, you have the option of either purchasing the new Medicare Part D prescription drug coverage along with the Senior Advantage medical coverage, or, purchasing prescription drug coverage from another source.

Choosing the option of purchasing the prescription drug coverage along with your Senior Advantage medical coverage will require no additional administrative steps. However, if you choose to purchase prescription drug coverage from another source, there will be added paperwork and expense. Unless you have a substantial number of Medicare eligible individuals insured under your plan, you will most likely choose to purchase the Medicare Part D prescription drug coverage for your Medicare eligible individuals through Kaiser.

Kaiser asks that you notify them prior to October 1, 2005 regarding your decision concerning this matter. Feel free to let us know your decision and we will notify our servicing representative at Kaiser on your behalf. After you've received their notification, please don't hesitate to contact our office either if you have any questions about your options. We would be happy to discuss this matter with you prior to making a decision. When we spoke to Kaiser today, they felt that the vast majority of groups will provide the Part D benefits with Kaiser along with their Senior Advantage medical plan. They expressed that unless you had a very large number of employees to spread the additional cost of administration for a stand-alone plan, that the costs would be prohibitive. In addition, we were informed that if Kaiser does not receive any indication from a client regarding this decision they will assume that you are going to provide the Medicare Part D prescription drug coverage through them and will process your next renewal accordingly.

Sharon and Adrienne