



David Webb, C.P.M.
Director / Purchasing

ARLINGTON PUBLIC SCHOOLS

PURCHASING DEPARTMENT

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Ellen H. Wills, MBA, CPPB, VCO
Assistant Director / Purchasing

Frances A. Jones
Senior Buyer

Kenneth R. Lawson, CPPB
Buyer

November 21, 2014

UNITED HEALTHCARE

ATTN: Patricia Brown
48 Monroe Turnpike
Trumbull, CT 06611

SUBJECT: CONTRACT #73FY12 – MEDICARE RETIREE HEALTHCARE BENEFITS

Dear Ms. Brown:

On December 31, 2014, the above cited contract between your firm and Arlington Public Schools will expire. Attached is the proposed Amendment #2 for the contract at the accepted **Option 1 2015 Prescription Drug Preliminary Rates** for a one (1) year renewal effective January 1, 2015 through December 31, 2015. All other terms and conditions remain the same.

Please indicate your acceptance by having an officer of your firm sign and return the acceptance portion attached. Upon receipt, this office will sign and execute the amendment and return one copy to your office.

Your response is requested no later than five (5) days from the date of this letter.

Sincerely,

Frances A. Jones
Senior Buyer
Arlington Public Schools

Attachments: 2015 Prescription Drug Preliminary Rates

ARLINGTON PUBLIC SCHOOLS
PURCHASING DEPARTMENT
AMENDMENT #2

November 21, 2014

SUBJECT: CONTRACT #73FY12 - MEDICARE RETIREE HEALTHCARE BENEFITS

CONTRACTOR:

UNITED HEALTHCARE
ATTN: Patricia Brown
48 Monroe Turnpike
Trumbull, CT 06611

CONTRACT:

#73FY12

By mutual agreement; contract #73FY12 is renewed for one (1) year at the accepted Option 1 2015 Prescription Drug Preliminary Rates. The renewal shall be effective from January 1, 2015 and shall remain valid through December 31, 2015. All other terms and conditions shall remain unchanged.

Sincerely,

David Webb December 5, 2014

David Webb, C.P.M.
Director/ Purchasing

ACCEPTANCE:

SIGNATURE:

Greta Redmond NAME: *Greta Redmond, FSA, MAAS*

TITLE:

V.P. Actuarial & Underwriting DATE: *December 2, 2014*

UNITEDHEALTH GROUP®

Prescription Drug Plan

Group name: ARLINGTON PUBLIC SCHOOLS

Preliminary Rates for 1/1/2015 - 12/31/2015

| Rates are Per Member Per Month (PMPM) | Option 1 | Option 2 |
|--|------------------|---------------|
| National Service Area for 1103 quoted members, | Pharmacy: Custom | Pharmacy: D13 |
| Group Retiree Premium | \$164.83 | \$154.79 |
| Key Assumptions | Fully-Insured | Fully-Insured |
| Formulary Name | G | G |
| Part D Gap Coverage | Full Coverage | Full Coverage |
| Bonus Drug List | U | U |
| Retail Tier 1 | \$10 | \$10 |
| Retail Tier 2 | \$25 | \$30 |
| Retail Tier 3 | \$40 | \$40 |
| Retail Tier 4 | \$40 | 25% |
| Mail Tier 1 | \$20 | \$20 |
| Mail Tier 2 | \$50 | \$60 |
| Mail Tier 3 | \$80 | \$80 |
| Mail Tier 4 | \$80 | 25% |
| Initial Coverage Limit | \$2,960 | \$2,960 |
| TrOOP Threshold | \$4,700 | \$4,700 |
| Catastrophic Coverage over TrOOP | Standard | Standard |
| Copay for generics | \$2.65 | \$2.65 |
| Copay for all other drugs | \$6.60 | \$6.60 |
| OR Coinsurance | 5% | 5% |

**UnitedHealthcare APS Renewal
Summary for 2015**

Arlington Public Schools

| | <u>Senior Supplement</u> | <u>PDP (RX) Plan</u> |
|---|------------------------------|--------------------------|
| 2014 Employer Premium | \$143.33 | \$143.33 |
| 2015 Employer Premium | \$164.83 | \$164.83 |
| Employer premium change per member per month | \$ 21.50 | \$ 21.50 |
| Employer Premium Percentage Change | 15 % | 15 % |

Actual group claims experience as well as aggregate claims experience of similar UHC clients and actual CMS funding are all taken in consideration when calculating the 2015 premiums.