



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

ARLINGTON PUBLIC SCHOOLS

PURCHASING OFFICE

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

Frances A. Jones
Senior Buyer / Purchasing

Kenneth R. Lawson, CPPB, VCO
Buyer / Purchasing

November 20, 2015

UNITED HEALTHCARE

ATTN: Joann Sheckler
639 West Union St.
Whitehall, PA 18052

SUBJECT: CONTRACT #73FY12 – MEDICARE RETIREE HEALTHCARE BENEFITS

Dear Ms. Scheckler:

On December 31, 2015, the above cited contract between your firm and Arlington Public Schools will expire. Attached is the proposed Amendment #3 for the contract at the accepted Option 1 - 2016 Prescription Drug Plan and Senior Supplement Rates for a one (1) year renewal effective January 1, 2016 through December 31, 2016. 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. Please ensure that a renewed certificate of insurance is sent to Arlington Public Schools.

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

Sincerely,

Frances A. Jones

Frances A. Jones
Senior Buyer / Purchasing
Arlington Public Schools

Attachments: 2016 Prescription Drug Plan and Senior Supplement Rates

ARLINGTON PUBLIC SCHOOLS
PURCHASING OFFICE
AMENDMENT #3

November 20, 2015

SUBJECT: CONTRACT #73FY12 -- MEDICARE RETIREE HEALTHCARE BENEFITS

CONTRACTOR:

UNITED HEALTHCARE

ATTN: Joann Sheckler
639 West Union St.
Whitehall, PA 18052

CONTRACT :

#73FY12

By mutual agreement; contract #73FY12 is renewed for one (1) year at the accepted **Option 1 2016 Prescription Drug Plan and Senior Supplement Rates**. The renewal shall be effective from January 1, 2016 and shall remain valid through December 31, 2016. All other terms and conditions shall remain unchanged.

Sincerely,

David Webb *November 24, 2015.*

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

ACCEPTANCE:

SIGNATURE: *Joann Sheckler* NAME: *Joann Sheckler*

TITLE: *Strategic Account Executive* DATE: *11/23/2015*

2016 PRESCRIPTION DRUG PLAN

UNITEDHEALTH GROUP*
Prescription Drug Plan
Group name: ARLINGTON PUBLIC SCHOOLS
Final Rates for 1/1/2016 - 12/31/2016

Rates are Per Member Per Month (PMPM)		Option 1
National Service Area for 1335 quoted members.		Pharmacy: Custom
Group Rate Premium		\$182.00

BiPartitions Prescription Drug Plan

- This is a final quote effective 1/1/2016 - 12/31/2016. The plan state is Virginia.
- These rates are quoted on a full replacement basis.
- This quote assumes that the employer pay 85% of the premium.
- If members who have previously opted out are to be allowed back into the plan, then this fact must be disclosed at the time of quote.
- If the enrollment were to change by more than +/- 10% of what was assumed in the quote, we reserve the right to adjust the rates.
- Please note the following with regard to the drug coverage on these PDP products:
 - We reserve the right to change our Part D formulary for calendar year 2016. We also reserve the right to change our pharmacy benefit manager and/or our pharmacy network for calendar year 2016.
 - There is a specific Part D drug formulary that applies to all of our PDP plan offerings.
 - All Part D prescription drug coverage is considered to be creditable, therefore Creditable Coverage Notices are not required.
- Unless there are significant changes in regulation, a reduction in CMS reimbursement level, or a change in the methodology used to calculate CMS payments; in the interim, UnitedHealth Group will hold the rate(s) and plan design(s) through 12/31/2016.
- Quote assumes \$0.00 PMPM commission level.
- 28 Pre-65 Medicare eligible disabled are included.
- The premium rate quoted herein assumes that premiums are due in full on a monthly basis on or before the last business day of the month prior to the month for which the premium applies.

2016 SENIOR SUPPLEMENT

UNITEDHEALTH GROUP*

Senior Supplement
Group name: ARLINGTON PUBLIC SCHOOLS
Final Rates for 1/1/2016 - 12/31/2016

Rates are Per Member Per Month (PMPM)		Option: 1
Medical	1,552	Medical) Custom \$182.50

50 questions Senior Supplement

- This is a final quote effective 1/1/2016 - 12/31/2016. The plan state is Virginia.
- These rates are quoted on a full replacement basis.
- This quote assumes that the employer pay 65% of the premium.
- If members who have previously opted out are to be allowed back into the plan, then this fact must be disclosed at the time of quote.
- If the enrollment were to change by more than +/- 10% of what was assumed in the quote, we reserve the right to adjust the rates.
- Quote assumes \$0.00 PMPM contribution level.
- 2B Pre-66 Medicare eligible individuals are included.
- The premium rate quoted herein assumes that premiums are due in full on a monthly basis on or before the last business day of the month prior to the month for which the premium applies.

United Healthcare APS Renewal
Summary for 2016

Arlington Public Schools

	<u>Senior Supplement</u>	<u>PDP (Rx) Plan</u>
2015 Employer Premium	\$164.83	\$164.83
2016 Employer Premium	\$182.96	\$182.96
Employer Premium Change Per member per month	\$ 18.13	\$ 18.13
Employer Premium Percentage Change	11%	11%

Actual group claims experience, as well as aggregate claims experience of similar UHC clients, and actual CMS funding are all taken into consideration when calculating the 2016 premiums.