



TO: David Webb / Procurement Director, Purchasing Agent
FROM: Christy Laschen / Benefits Supervisor
DATE: September 18, 2018
RE: Contract #73FY12, Emergency Contract Extension

I am writing to inform you why APS must move forward without delay with an emergency one (1) year contract extension with UnitedHealthcare, which provides Medicare Benefits for Retirees.

At this point in time, resoliciting proposals for a Medicare contract for benefits scheduled to go into effect as of January 1, 2019 is not feasible. Please consider the following activities that APS would have to complete prior to January 1, 2019:

- A new solicitation once drafted must be posted for a minimum of ten (10) calendar days prior to the date set for receipt of proposals.
 - Proposals once received must be reviewed by a Selection Advisory Committee and scored to create a selection of Offerors for interviews, this process constitutes approximately fifteen (15) calendar days.
 - Interviews once held will result in a rescoring of the proposals to determine Offerors with which to negotiate, adding an additional seven (7) calendar days.
 - Negotiations once began will constitute approximately ten (10) calendar days to complete.

- The implementation process of a new contract is a joint effort between the insurance carrier and APS and includes the following:
 - Developing and rolling out a communication plan that includes creating a branded and customized announcement letter (must include printing and mailing in implementation timeline).
 - Creating customized enrollment materials for distribution to retirees (must include printing and mailing in implementation timeline).
 - Scheduling multiple, onsite retiree educational sessions throughout Arlington County (this requires lead time to reserve the proper meeting space and must also allow sufficient notice to retirees).



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- Scheduling of multiple webinar and phone-based educational sessions (retiree should be provided proper advanced notice).
 - Creating and posting online resources for retiree reference.
- Enrollment and Opt Out Period – APS must allow retirees sufficient time to make an informed health insurance election decision and have ample time and opportunities to ask questions. The annual Open Enrollment period is the month of October. The implementation plan must be completed in advance of October 1st. The typical implementation timeline leading up to the Enrollment and Opt Out Period is a minimum of eight (8) weeks.
- The insurance carrier must also have the proper lead time to implement their internal processes, which can take several months prior to the plan coverage effective date. Internal processes include:
- Establishing the proper benefits, billing, and eligibility protocols in the carrier's system to ensure the retiree's coverage is in effect and active as of January 1, 2019.
 - Setup of call center for retirees.
 - Coordinating retiree data with the Centers for Medicaid and Medicare (CMS) to verify Medicare identification numbers.
 - Obtain enrollment approval from CMS.
 - The issuance of Medicare ID cards within CMS guidelines.

The information I provided is just an overview of the solicitation and implementation processes. In consideration of the processes described above and their respective timeframes, an emergency one (1) year contract extension with UnitedHealthcare is critical to ensure essential health insurance benefits are active for each retiree effective of January 1, 2019 without which the health of the APS retirees would be vitally affected. A Contract extension with United Healthcare is the only feasible option to prevent a detrimental lapse in health benefits for APS retirees, while APS prepares a new competitive procurement in time for the 2020 plan year.

Please advise if I can answer any questions. Thank you.