



PO Box 9472
Minneapolis, MN 55440-9472

July 12, 2011

Collin County Purchasing Department
Attn: Sara Hoglund, CPPB, Contract Administrator
Collin County Administration Building
2300 Bloomdale Rd, Suite 3160
McKinney, Texas 75074

**RE: Solicitation 06212-11
Insurance, Medicare Supplemental Plans**

Dear Sara:

On behalf of UnitedHealthcare, thank you for the opportunity you have given us to propose our AARP Medicare Supplement and AARP MedicareRx plans for the retirees of Collin County.

Due to the nature of the AARP Medicare Supplement and AARP MedicareRx plans, we must abide by the state and federal filings. For this reason we have provided information about our proposed products in BidSync but we have not completed the entire questionnaire.

We believe that the AARP Plans will be a great fit for your retirees who are losing coverage on September 1 for many reasons, including:

- ✓ Guaranteed Issue and Guaranteed Renewable
- ✓ Direct Billing to participants
- ✓ Choice of plans most suitable for the retiree
- ✓ Choice to use any physicians who participate with Medicare
- ✓ Pharmacy network of over 65,000 pharmacies
- ✓ Support from the largest provider of health care for Medicare retirees in the U.S.

We look forward to continuing to serve your retirees through the UnitedHealthcare family and look forward to any discussions through this proposal process.

Sincerely,

A handwritten signature in cursive script that reads "Jean Farone Jones".

Jean Farone Jones
Vice President, Client Development

Cc : Dennis Ellis

UnitedHealthcare Insurance Company
AARP Medicare Rx Enhanced
Illustrative Rate Information
Collin County

Quote Prepared : 7/5/2011

Rating Basis : Illustrative 2011 Rates

Proposed Group Effective Date : 9/1/2011

| State | Monthly Rate | Average Age | # of Members | Monthly Premium |
|-----------------|-------------------------|------------------------|-------------------------|----------------------------|
| Texas | \$89.20 | 69.4 | 46 | \$4,103.20 |
| National | | 69.4 | 46 | \$4,103.20 |

Please refer to the Summary page for additional information regarding these rates.

UnitedHealthcare Insurance Company
AARP Medicare Rx Preferred
Illustrative Rate Information
Collin County

Quote Prepared : 7/5/2011

Rating Basis : Illustrative 2011 Rates

Proposed Group Effective Date : 9/1/2011

| <u>State</u> | <u>Monthly Rate</u> | <u>Average Age</u> | <u># of Members</u> | <u>Monthly Premium</u> |
|-----------------|-------------------------|------------------------|-------------------------|----------------------------|
| Texas | \$39.90 | 69.4 | 46 | \$1,835.40 |
| National | | 69.4 | 46 | \$1,835.40 |

Please refer to the Summary page for additional information regarding these rates.

UnitedHealthcare Insurance Company
AARP Medicare Supplement Plan N
Illustrative Rate Information for:
Collin County

Date Prepared : 7/5/2011

Rating Basis : Illustrative 2011 Rates

Proposed Group Effective Date : 9/1/2011

| State | Minimum Monthly Rate(1) | Maximum Monthly Rate(2) | Average Monthly Rate | Average Age | # of Members | Monthly Premium |
|-----------------|------------------------------------|------------------------------------|---------------------------------|------------------------|-------------------------|----------------------------|
| Texas - Area 2 | \$105.35 | \$165.55 | \$134.53 | 69.5 | 44 | \$5,919.10 |
| Texas - Area 3 | \$102.74 | \$115.41 | \$109.08 | 67.5 | 2 | \$218.15 |
| National | | | | 69.4 | 46 | \$6,137.25 |

Please refer to the Summary page for additional information regarding these rates, including states with an asterisk (*).

(1)Minimum Monthly Rate is the lowest rate available in a given state and plan for the list of individuals provided.

(2)Maximum Monthly Rate is the highest rate available in a given state and plan for the list of individuals provided.

UnitedHealthcare Insurance Company
 AARP Medicare Supplement Plan F
 Illustrative Rate Information for:
Collin County

Date Prepared : 7/5/2011

Rating Basis : Illustrative 2011 Rates

Proposed Group Effective Date : 9/1/2011

| State | Minimum Monthly Rate(1) | Maximum Monthly Rate(2) | Average Monthly Rate | Average Age | # of Members | Monthly Premium |
|-----------------|------------------------------------|------------------------------------|---------------------------------|------------------------|-------------------------|----------------------------|
| Texas - Area 2 | \$146.65 | \$230.45 | \$187.26 | 69.5 | 44 | \$8,239.57 |
| Texas - Area 3 | \$143.26 | \$160.92 | \$152.09 | 67.5 | 2 | \$304.18 |
| National | | | | 69.4 | 46 | \$8,543.75 |

Please refer to the Summary page for additional information regarding these rates, including states with an asterisk (*).

(1)Minimum Monthly Rate is the lowest rate available in a given state and plan for the list of individuals provided.

(2)Maximum Monthly Rate is the highest rate available in a given state and plan for the list of individuals provided.

UnitedHealthcare Insurance Company
Illustrative Rate Summary for:
Collin County

Date Prepared : 7/5/2011
 Rating Basis : Illustrative 2011 Rates
 Proposed Effective Date : 9/1/2011

| <u>Plan</u> | <u>Average Monthly Rate</u> | <u>Monthly Premium</u> | <u>Annual Premium</u> |
|---------------------------------|-----------------------------|------------------------|-----------------------|
| AARP Medicare Supplement Plan F | \$185.73 | \$8,543.75 | \$102,525.00 |
| AARP Medicare Supplement Plan N | \$133.42 | \$6,137.25 | \$73,647.00 |
| AARP Medicare Rx Preferred | \$39.90 | \$1,835.40 | \$22,024.80 |
| AARP Medicare Rx Enhanced | \$89.20 | \$4,103.20 | \$49,238.40 |
| Members | 46 | | |

AARP Medicare Supplement Stipulations:

- Estimated premiums are based on the provided list of individuals in the group, including their zip codes and dates of birth.
- Rates are for new insured members – rates may be different for individuals who are continuing existing coverage under an AARP Medicare Supplement plan.
- Individuals must be age 65 or older to enroll in this coverage offered through the group – premiums do not include amounts for individuals under age 65.
- The average monthly premium does not reflect the actual premium rate for any individual. Rates charged for each individual can vary by plan, state, area of residence, age, tobacco use, Medicare Part B effective date and underwriting tier at time of enrollment (if applicable).
- Rates are for non-tobacco users – premiums could be higher for some individuals who use tobacco
- Rates could be higher for individuals subject to medical underwriting (if applicable). Note that individual medical underwriting does not apply to individuals replacing other employer group coverage.
- Rates are for individuals enrolled in Medicare Part B at age 65 - premiums could be lower for some who enrolled in Medicare Part B at later ages.
- Rates do not include additional discounts - premiums could be lower due to additional discounts that may be available in some areas: (a) two insureds billed under the same household account, and/or (b) automatic payment of premiums through electronic funds transfer.
- Note that actual rates used for AARP Medicare Supplement Plans are filed and approved each year with each state's Department of Insurance. Rates are not permitted to vary from those approved for all similar insured members.
- The actual rate charged for each individual will be based on each individual's situation at time of enrollment. Premium rates can change over time.

* Standardized plans are not available in Massachusetts, Minnesota and Wisconsin. Illustrative rates in these states are based on comparable state specific plans.

AARP MedicareRx Stipulations:

- Estimated premiums are based on the provided list of individuals in the group, including their zip codes and dates of birth.
- Individuals can join these plans if they are entitled to Medicare Part A and/or enrolled in Medicare Part B and live in the service area.
- Note the actual rates used for AARP MedicareRx Plans are filed and approved each year by the Center for Medicare and Medicaid Services (CMS). Rates can vary by plan and state.
- Members may be able to get extra help in paying for their prescription drug plan deductibles, premiums and copays. To see if they qualify, they can call Medicare at 1-800-Medicare.

AARP Medicare Supplement Plans and AARP MedicareRx Plans are insured by UnitedHealthcare Insurance Company (UnitedHealthcare Insurance Company of New York for NY residents).

All information provided in this quote is provided specifically for this business, and is not intended for distribution to the public.

An Industry Leader

UnitedHealthcare is one of the nation's largest, most financially stable health care coverage providers. We offer one of the broadest portfolios of products and services for retirees ranging from early retiree to Medicare coverage options. With more than 25 years of experience in the federal Medicare program, we are the largest and longest-tenured Medicare retiree business in the United States. We now serve one in five Medicare beneficiaries including retirees in more than 1,000 employer-sponsored health plans. Our experience helps us provide the service and support your retirees deserve. What makes us unique is our innovative ability to combine and customize our products and services to create a solution tailored to your needs.

Our product portfolio includes:

- Medicare Advantage plans
- Individual and group Medicare supplement plans
- Individual and group Medicare Part D prescription drug plans
- Endorsed plan options with or without a retiree reimbursement account (RRA)

When you work with UnitedHealthcare, you benefit from the strengths of our diverse organization, including expertise in data technology, clinical programs, operations, service support and financial services. We leverage these strengths to create programs and services that stand apart.

We understand that retiree health care is an essential part of your employee benefits planning strategy. This planning requires groups to navigate the complicated Medicare marketplace, to work through the broad human resource implications of providing retiree benefit options and to offer retirees meaningful choices and coverage while balancing associated costs.

We appreciate the complex challenge that employers face in balancing the importance of providing meaningful medical and prescription-drug coverage with the pressures to control the escalating costs of benefits—all while optimizing the funding available from federal government programs. The breadth of our products, knowledge and expertise, together with our stalwart commitment to retirees, uniquely situates us to provide a best-in-class solution for your organization.

Our product experts and actuaries leverage our diversified resources to bring comprehensive health benefit solutions to group clients and individual consumers. We offer a unique perspective on retiree health care because we are a major provider of these services through a variety of benefit plans. By organizing resources to deliver better benefit and clinical solutions, we make the health care system work better for your retirees, facilitating timely, effective, and compassionate care and services.

AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

We will provide you with a dedicated, experienced client manager and implementation team to coordinate a seamless service transition for your retirees. More broadly, as the Medicare program continues to evolve in response to government and consumer demand, we will partner with you over time, marshalling the full array of our company's vast resources to facilitate continuing access to most innovative benefit and care solutions in the health care marketplace.

We are pleased to offer an alternative approach for your organization and for your post-65 retirees which includes our AARP Individual Medicare Supplement plans and our AARP Individual Medicare Part D prescription drug plans.

AARP Medicare Supplement Plans®

Thank you for the opportunity to present our proposal to support health care coverage for your organization's Medicare-eligible retirees. We are proposing our AARP Medicare Supplement Plans F, N, and L.

Through an exclusive partnership with AARP, we provide access to AARP Medicare Supplement plans to more than 2.8 million Medicare-eligible seniors nationwide. We are proud that our Medicare Supplement plan, underwritten by UnitedHealthcare Insurance Company, is the largest, most financially-stable Medicare supplement insurance program in the nation.

With a selection of Medicare Supplement plan designs in all 50 states, Washington DC, Puerto Rico, U.S. Virgin Islands and the Northern Mariana Islands we provide equitable access to members, regardless of their place of residence. With a variety of plan design options, we cater to retirees' preference sensitivities, allowing them to choose from a variety of plan designs based on their unique health and financial needs and inclinations.

While the AARP Medicare Supplement plans are individual products, we are able to deliver them with group-administrative features, facilitating efficient and coordinated communication, implementation, enrollment, billing and other administrative services, and simplifying these functions for your staff. The AARP Medicare Supplement Plans are especially appealing because of the financial stability they represent and the administrative services provided.

- There are more than 2.8 million participating members.
- The size of the AARP Medicare Supplement plans block of business promotes rate stability because the plans health care costs are spread over 2.8 million insured members. As a result, the average annual rate increase over the last five years has averaged 5.5 percent for the AARP Medicare supplement plans.
- Premiums change annually after AARP and state approvals are received. No individual will ever be singled out for a rate increase. Any rate change will apply on a class basis to everyone who is insured under the plan and resides in the same state.

AARP Medicare Supplement and Medicare RX Prescription Drug Plan

Overview

- There is confidence in joining more than 800 employers who have selected AARP Medicare Supplement plans as the health care benefit option for their retirees.

Benefits for Retirees

Partnership with the leading Medicare Supplement provider can provide your retirees with the broadest range of coverage choices. Designed with an unwavering focus on accessibility, usability, affordability and quality, the plans offer your retirees:

- Flexibility and simplicity - minimal paperwork and virtually no claim forms
- Simplified budgeting with predictable monthly premiums instead of cost-sharing that is hard to anticipate
- Access and freedom to choose any doctor, specialist or hospital nationwide that accepts Medicare – no referrals or networks
- Predictable out-of-pocket costs instead of cost-sharing that is hard to anticipate
- No exclusions for pre-existing conditions for retirees replacing coverage
- Portability so that coverage follows the retiree when traveling or moving within the United States
- Competitive pricing with guaranteed acceptance (available in most cases) and renewability
- Value-added services including discounts on prescriptions, vision and fitness to support retirees in achieving and maintaining good health and well-being
- Five percent discount in most states when two family members are insured on one AARP Medicare Supplement plan
- Monthly household discount of \$2 for households that choose to pay their premiums through electronic funds transfer (EFT) from their bank
- Early Enrollment Discount Program in many states when an individual enrolls in one of the AARP Medicare Supplement plans within a specified time period from their 65th birthday or Medicare effective date, if later
- Subscription to AARP the Magazine and the AARP Bulletin, discounts on travel services and access to other special programs as an AARP member

Product Rating

The AARP Medicare Supplement Plans are individually rated. In most states, rates for the plans are based on a community rating methodology where all members in the same rating class pay the same rate for the plan. This excludes any applicable discounts for which the member may be eligible. Due to the unique regulatory requirements and competitive environment in each state, UnitedHealthcare's rate strategy varies by state.

AARP MedicareRx - Medicare Part D Prescription Drug Plans

We also recommend the Medicare Part D prescription drug plans for your organization, which are provided through our wholly-owned pharmacy benefits manager (PBM), Prescription Solutions. Prescription Solutions has been rated as the number one mail-order pharmacy in the United States by WilsonRX, a nationally-recognized PBM research company. With complete national coverage and more than 62,000 contracted network retail pharmacy locations, nearly 5,000 long-term care pharmacies and convenient mail service options, our PDP plans provide equitable service to your retirees anywhere in the United States and its territories.

We are proposing our individual AARP Prescription Drug Plans (PDP), which can provide plans with no deductibles and easy access to high-quality prescription drug services. We would be honored to partner with you to provide Medicare Part D prescription drug plans for your Medicare-eligible retirees and we appreciate your consideration of our proposal.

Benefits for Your Organization

- Consistent benefit and premium designs across the country, including the U.S. territories
- Split billing availability
- Formularies specially designed to serve the unique needs of Medicare-eligible adults
- Seamless enrollment - once we receive the roster, we handle the enrollment process
- Administrative simplicity through unparalleled operations and financial experience using our sophisticated proprietary systems
- Call centers open 24 hours a day, seven days a week
- Mail-order pharmacy operations from a state-of-the-art facility

AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

- Eliminates the need to file for the Retiree Drug Subsidy (RDS) and avoids the complex administration associated with CMS reporting requirements, including reconciliation

Benefits for Retirees

- One of the broadest formularies that includes 100 percent of the drugs covered by Medicare Part D
- Cost savings and home delivery through our network mail service pharmacy
- Ability to receive a 90-day supply of medications through mail service and at participating retail pharmacies
- Convenience of specialized, retiree-focused customer care professionals 24 hours a day, seven days a week
- National coverage that goes where retirees go
- National pharmacy network with more than 62,000 retail locations, more than 90 percent of the nation's pharmacies
- Access to lower-cost alternative drugs
- Low premiums and predictable drug costs that help retirees manage their health care budget
- The exclusive endorsement of AARP: the pre-eminent advocacy group for seniors

Retiree Eligibility

In order to be eligible for participation in an AARP Medicare Supplement Plans as part of an employer group, retirees and spouses must be 65 years or older, enrolled in Medicare Parts A and B and be AARP members. For any new AARP members, the first year membership fee (generally \$16 per household) is paid by UnitedHealthcare at enrollment. Retirees who reside in the state of New York will be responsible for paying their dues upon enrollment in an AARP Medicare Supplement plan. Future AARP association membership dues are billed directly by AARP to the member. AARP membership is only required at the household level.

To be eligible to enroll in any Medicare Part D plan, CMS requires that the individual be eligible for Medicare Part A and enrolled in Medicare Part B. When we receive a retiree's application, the eligibility information is forwarded to a CMS-contracted vendor for verification of the applicant's eligibility for Medicare Part D. Following the verification, the application is forwarded to CMS for final approval.



AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

Eligibility Restrictions

AARP Medicare Supplement acceptance for retirees and spouses is not guaranteed in all states due to federal and state law. Coverage must be denied if any of the following apply:

- Retirees are not covered by Medicare Parts A and B.
- Retirees are enrolled in an ineligible Medicaid program, another Medicare supplement plan or Medicare Advantage plan which they do not intend to cancel.

Additionally, acceptance may not be guaranteed if:

- Eligibility questions are asked in cases where individual underwriting applies.
- The spouse does not meet eligibility criteria.

Plan Designs

AARP Medicare Supplement Plans

This will need to be customized based on plans being quoted.

The AARP Medicare Supplement program offers fully-insured Medigap plans with varying levels of health care coverage as indicated in the Medicare Supplement Plans A through N table. There are up to seven modernized plans to choose from in most states, Washington D.C., Puerto Rico, U.S. Virgin Islands and the Northern Mariana Islands. In Massachusetts, Minnesota and Wisconsin, plans vary.

The plans provide varying levels of coverage, ranging from basic hospitalization and Part B coinsurance coverage to plans with broader benefits like foreign travel emergency care, and Part B excess charges.

| Medicare Supplement Plan | F | I | N |
|----------------------------|---|------------------|--------------------|
| Medicare Supplement Plan A | X | X | X |
| Medicare Supplement Plan B | X | 75% | X |
| Medicare Supplement Plan C | X | 75% ¹ | Copay ² |
| Medicare Supplement Plan D | X | | |
| Medicare Supplement Plan E | X | | |
| Medicare Supplement Plan F | X | 75% | X |



AARP Medicare Supplement and MedicareRx Prescription Drug Plan Overview

| Medicare Plan | Part A | Part B | Part D |
|----------------------------|--------|--------|--------|
| Medicare Supplement Plan A | X | 75% | X |
| Medicare Supplement Plan B | X | 75% | X |
| Medicare Supplement Plan C | X | | X |
| Medicare Supplement Plan F | | 100% | |

- ¹ Exception: Plans K and L will pay 100% of Part B co-insurance for preventive care covered by Medicare
- ² 100 percent Part B coinsurance with maximum copayment of \$20 for office visits and up to \$50 for ER.
- ⁴ While most AARP Medicare Supplement Plans do not have an annual out-of-pocket maximum, Plan L has an out-of-pocket maximum of \$2,310. Services under Plan L that do not count toward out-of-pocket maximums include Part B excess charges and any service not covered by Medicare. After the out-of-pocket yearly limit and yearly Part B deductible (\$155 in 2010), the plan pays 100 percent of covered services for the rest of the calendar year.

AARP MedicareRx

We make it easy to make the switch to a Medicare Part D prescription drug plan. Because these plans include coverage to help bridge the Medicare Part D coverage gap, they also eliminate the need to administer or coordinate a secondary coverage gap benefit.

UnitedHealthcare offers three AARP MedicareRx PDP plans. The plans are national in scope and do not vary by state. Employers that are subsidizing some of the entire premium may offer both the AARP MedicareRx Saver and AARP MedicareRx Preferred plans. Employers who are endorsing or recommending the plans have all three plan options. AARP membership is not required to be a member of one of the AARP MedicareRx plans.

We are proposing the following plan designs:

AARP MedicareRx Preferred

This will need to be customized based on plans being quoted.

AARP MedicareRx Preferred includes 100 percent of the drugs covered by Medicare Part D including brand-name drugs. It comes with no annual deductible, so your savings can begin with the first prescription filled.

| Tier | | Type | Member Cost | |
|------|---------------------|------------------------------|-------------------|-----------------------|
| | | \$0 annual deductible | Retail | Preferred Mail Order* |
| 1 | Generic | | \$7 copay** | \$4-10 copay*** |
| 2 | Preferred Brand | | \$42-\$45 copay** | \$111-\$120 copay*** |
| 3 | Non-Preferred Brand | | \$52-\$95 copay | \$141-\$270 copay |



AARP Medicare Supplement and MedicareRx Prescription Drug Plan Overview

| | | | |
|---|-----------------|-----------------|-----------------|
| 4 | Specialty Drugs | 33% coinsurance | 33% coinsurance |
|---|-----------------|-----------------|-----------------|

*Preferred mail order – up to 90-day supply; members may also obtain a 90-day supply at participating retail pharmacies at 3 times the retail copay.

**Some U.S. territories have copays up to \$10 generic, and a range of \$30 - \$42 preferred brands.

***Some U.S. territories have \$14 copay for preferred mail order generic, and a range of \$75-\$111 mail order generic.

- Monthly Premiums vary by region: \$28.10 - \$47.00 per member
- Benefits shown above apply during the initial \$2,830 of member's Medicare Part D allowable expense.
- Coverage gap begins when a member's Medicare Part D allowable expense reaches \$2,830 and continues until the "true" out of pocket costs reaches \$4,550 paid by a member.
- Standard catastrophic coverage in accordance with CMS regulations.

AARP MedicareRx Enhanced

This plan provides the same great coverage as the AARP MedicareRx Preferred plan and has no annual deductible. If a retiree reaches the coverage gap, they pay a \$14 copay for Tier 1 drugs at participating retail pharmacies and through the preferred mail service. Enhanced plan members also enjoy the Plus Drug Discounts program, which allows savings on prescription drugs not normally covered by Medicare Part D.

| 2010 Part D Enhanced Plan Design | | | |
|----------------------------------|---------------------|-----------------------|-----------------------|
| Tier | | Type | Member Cost |
| | | \$0 annual deductible | |
| | | Retail | Preferred Mail Order* |
| 1 | Generic | \$7 copay | \$4 copay |
| 2 | Preferred Brand | \$42 copay | \$111 copay |
| 3 | Non-Preferred Brand | \$90 copay | \$255 copay |
| 4 | Specialty Drugs | 33% coinsurance | 33% coinsurance |

*Preferred Mail Order – up to 90-day supply; members may also obtain a 90-day supply at participating retail pharmacies at 3 times the retail copay.

- Monthly Premiums vary by region: \$72.50 - \$86.60 per member
- Benefits shown above apply during the initial \$2,830 of member's Medicare Part D allowable expense
- Coverage gap begins when a member's Medicare Part D allowable expense reaches \$2,830 and continues until the "true" out of pocket costs reach \$4,550 paid by a member



AARP Medicare Supplement and MedicareRx Prescription Drug Plan

Overview

- 100 percent coverage of Tier 1 drugs continues throughout the coverage gap - \$14 copay at retail (31 day) or preferred mail order (90-day); \$42 copay at non-preferred mail order (90-day)
- Standard catastrophic coverage in accordance with CMS regulations
- No Employer Subsidy Allowed with this Plan through the end of 2010

Administrative Services

Enrollment

After we receive a roster of your eligible retirees, we will mail each retiree an individualized, state-specific enrollment kit. The retiree completes the application and mails it in the enclosed envelope to our processing center. Retirees may call toll-free customer service lines for assistance with the applications. Welcome Kit and ID cards are sent to retirees approximately two weeks after their completed application is received.

The enrollment kits for AARP Medicare Supplement plans include a guide for the plan portfolios, outlines of coverage for every plan available in the retiree's state and a chart to help retirees easily compare benefits and monthly premiums.

The welcome package for the AARP MedicareRx plans include an ID card, a pharmacy directory, a summary of benefits booklet, the first payment coupon and a form to choose payment through electronic funds transfer (EFT).

Part D enrollments are effective on the first of the month following receipt of the application and approval from CMS.

We will provide the following services at no additional cost:

- Assistance in preparing communication to retirees
- Preparation of state-specific, individualized enrollment materials
- Toll-free telephonic support to answer questions and assist retirees with the enrollment process
- Enrollment processing and welcome packages to retirees
- Calling all eligible retirees who do not enroll to make sure they understand their options

Billing

Employers can choose from three subsidy options. To provide maximum flexibility, employers can choose a single subsidy option, or they can mix and match the subsidy options to balance the coverage their retirees need with the flexibility and stability employers need. The subsidy options are:

- Full Subsidy – where the employer pays 100 percent of the retiree premium.
- Partial Subsidy – where the employer pays a portion of the retiree premium, either as a percentage of the total premium or as a flat premium dollar amount for each retiree.
- Endorsed Arrangement – where the employer endorses the plan, but the retiree is responsible for all premium payments.

Our split-billing approach facilitates timely, accurate premium billing according to the employer's preferred parameters, while reducing administrative burden for staff.

- We include a payment coupon in our new-member welcome kit and directly bill the retiree for his or her portion of the premium.
- Within several weeks, we send members a coupon book and envelopes by which to submit payments for the remainder of the year.
- Thereafter, we mail billing statements to the employer on a monthly basis, reflecting membership, plan information, retroactivity and other key metrics.
- Members can pay their premiums by personal check, by money order or by electronic funds transfer (EFT). An EFT application form is included in the post-enrollment kit.
- Payments are due on the first day of each month. EFT payments are typically withdrawn on the fifth day of the month. We can accept premium payments from members monthly, annually or for multiple months.

Low Income Subsidy

When we submit a PDP application to CMS, CMS informs us about the new member's subsidy eligibility. Based on the CMS data, we enroll the beneficiary and administer benefits accordingly. Enrollee costs are based on their qualified LIS copay category or our copay, whichever is less. When retirees enrolled under a group PDP plan are reported to us as LIS-qualified, the employer's monthly invoice is adjusted to reflect the retiree's adjusted premium amount. Likewise, if the retiree is billed directly by us, the retiree's monthly premium amount is reduced based on the LIS level.

If members are eligible for reduced premiums, they are billed only for that reduced amount. In addition, if members are eligible for reduced copayments or coinsurance, they

AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

pay only the reduced amount at the pharmacy or point-of-service. Based on CMS determination, we enroll the member and administer benefits accordingly. When retirees are billed directly, they are only responsible for their portions of the cost based on their qualified LIS copay categories or our copays (whichever is less).

Customer Service

The AARP Medicare Supplement program has a strong track record of delivering superior customer service to its members. AARP Medicare Supplement customer support is available 24 hours a day, every day through multiple channels, including live support from our customer care professionals Monday through Friday, 7 a.m. to 11 p.m. (EST) and Saturday, 9 a.m. to 5 p.m. (EST); automated support from a sophisticated interactive voice recognition (IVR) system; and Web support via our comprehensive, retiree-focused Web site.

Located in Horsham, Pennsylvania, our customer service centers deliver seamless service to members, with special emphasis on meeting the unique health and financial needs of older Americans.

The customer service centers for our PDP plans are located in Roanoke, Virginia and St. Louis, Missouri are available 24 hours a day, seven days a week. We have more than 900 customer care professionals who handle between 35,000 and 55,000 retiree calls on a daily basis. Using "virtual call center" technology, retiree calls are routed to the first available customer care professionals at any of the centers, resulting in shorter wait times for retirees. An Employer Group Core Team—a smaller designated team within the call centers—provides employer-group retirees with specialized service.

Specialized Training

With a sole focus on service to Medicare plan members, our customer care professionals develop focused expertise through in-depth training on our Medicare products, formularies, pharmacy networks and procedures for providing the full spectrum of retiree services.

We provide extensive training to our customer care professionals, empowering them through facilitated training sessions, Web-based training and ongoing education updates. Training focuses not just on our products and benefits but additional training modules focus on empathic services to seniors, including sensitive communication, diversity, service to members with changing physical function and other psychosocial concerns for older Americans.

We empower our customer care professionals to exceed retirees' expectations, and we measure performance not on call-volume metrics, but on the number of retiree concerns we have resolved to the retiree's satisfaction.

AARP Medicare Supplement and MedicareRx Prescription Drug Plan

Overview

Through this refined core competency, our customer care professionals provide best-in-class service to retirees. In addition, our management paradigm provides the infrastructure to support their success, evaluating employee performance not by call-volume metrics (as in most call centers), but by the number of concerns resolved to retirees' satisfaction with just one call.

Our customer care professionals provide seamless service to retirees via our toll-free telephone number. We are committed to providing equitable service to all of the retirees we serve. We provide access to plan information through a variety of inclusive channels, including:

- TTY/TDD capabilities for deaf or hard-of-hearing retirees
- Customer care professionals who are bilingually fluent in English and Spanish
- A language-interpreter line providing translation services in more than 140 languages
- 24-hour emergency access to a registered pharmacist
- A relentless commitment to the use of plain language, in both verbal and written communications

Our sophisticated service systems and resources provide robust information to our customer care professionals, supporting them in immediately answering more than 80 percent of member questions. If retirees need additional, specialized claims information, our customer care professionals warm transfer the call to our claims service specialists.

Claims Processing

AARP Medicare Supplement Plans

UnitedHealthcare manages all claims adjudication functions for the AARP Medicare Supplement Plans. Our Medicare Supplement claims processing facilities located in Wisconsin and Pennsylvania have proven expertise processing Medicare eligibility and claims. Our knowledge of the Medicare program, coordination of benefits rules, and federal and state claims-processing rules and regulations allows us to process claims, enrollment and billing information efficiently and effectively.

Our claims examiners develop their competency through a six-to-eight week training program that includes dedicated classroom training focused on adjudication accuracy and CMS compliance. Following the formal training program, our quality-auditing team evaluates performance through monthly audits of a statistically-significant sample of claims.

AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

Our proprietary claims processing system is the backbone of all claims adjudication processes. This highly-sophisticated system leverages state-of-the-art artificial intelligence to facilitate efficient claims administrative processes, including:

- Automated and queued manual adjudication
- Calculation of accurate provider payments
- Generation and dissemination of explanation of benefit (EOB) forms and provider remittance notices
- Identification of fraud, waste and abuse
- Detection of duplicate claims
- Recognition of billing anomalies
- Production of internal and CMS reporting
- Real-time interface with our customer service systems

Electronic claims submission improves adjudication timeframes and payment accuracy. We assertively encourage physicians and other health care providers to submit claims electronically whenever possible.

Electronic and paper claims go through several steps to determine and release claim benefits, including eligibility, charge entry, duplicate bill screening, provider validation and random selection for quality review. All claim benefit calculations are generated by UnitedHealthcare Claim Processing System (UCPS) through a series of automated benefit files and tables, so no manual calculation is required; this level of automation facilitates the accuracy of benefit checks, explanation of benefits, correspondence letters and reports.

AARP MedicareRx

Individuals with Medicare Part D coverage as their primary coverage have their Medicare Part D benefits calculated at the point of sale. If the member has secondary coverage through another plan, the pharmacy should also submit the secondary claims to the employer plan to calculate any additional benefit due. This assumes the intended functioning of the CMS coordination of benefit process.

The on-line claims processing system operates in real time to pay all claims submitted by network pharmacies on behalf of our Medicare Part D plan members. A 99 percent auto adjudication rate for claims facilitates accurate and timely payment because only a very small number of claims must be processed manually.

We consistently meet or exceed the standards set by CMS for claims processing. The CMS standards are:

AARP Medicare Supplement and MedicareRx Prescription Drug Plan

Overview

- 98 percent responded to within four seconds
- 99 percent system availability

Medicare Part D coordination of benefits is normally handled at the point of sale. The only paper claim requirements are for individuals using non-network pharmacies in certain emergency situations or pharmacies not connected to the electronic processing network.

AARP Medicare Supplement Value-Added Services

We guarantee issuance and renewal of the plans, and we include full administrative services in our quoted premiums. In addition, our experienced staff will assist in delivering an implementation strategy designed to provide a smooth transition process, including a toll-free employer-services line for information support.

Further, we include a host of additional services to add value and to support retirees in achieving and maintaining good health and well-being. The AARP Medicare Supplement Plans offer the following additional services at no additional charge:

24-Hour AARP Nurse HealthLine

AARP Nurse HealthLine offers members convenient 24-hour access to a registered nurse as a resource for obtaining immediate health and well-being information. Members simply call our toll-free number to receive information about a variety of topics, including:

- **General health:** Learn more about chronic health conditions; discuss questions to ask a care provider to understand illnesses, treatments and medication therapy options and much more.
- **Prescription and medication management:** Receive information on prescription drugs or over-the-counter medications. Learn how to take medications safely and effectively.
- **First-aid:** Learn self-care tips for minor injuries or illnesses.
- **Decision-making:** Obtain information to help decide whether to seek preventive or emergency care.
- **Treatment information:** Discuss possible treatment options for a diagnosed illness and/or receive up-to-date medical procedure information.
- **Treatment Decision Support:** Treatment Decision Support helps members arrive at a treatment decision that best meets their needs by taking into consideration one's values, emphasizing the partnership with the physician, transferring skills and empowerment, and encouraging shared decision making.

AARP Medicare Supplement and MedicareRx Prescription Drug Plan

Overview

- **Health and wellness strategies:** Learn how to make lifestyle changes that optimize your nutrition and fitness planning.
- **Self-education:** Access a comprehensive medical audiotape library of health and well-being information available in English and Spanish.
- **Bilingual resources:** Communicate with nurses in English or Spanish, or use translation assistance in more than 140 languages.

AARP Eye Health Services Plus

AARP Eye Health Services Plus, provided by EyeMed, gives members access to the following affordable, professional eye care and eyewear services:

- **Savings:** Affordable eye exam rates that range from \$10 to \$40. Members receive an eye health exam report that details examination results.
- **Preventive care:** Complimentary glaucoma screening and test results.
- **Convenient access:** Access to thousands of convenient optical care service providers with nationwide office locations, including Sears, JC Penney, Target, participating Pearle Vision Centers and independent optometrists. Many offer convenient evening and Saturday hours.
- **Responsive Service:** Knowledgeable customer care professionals.
- **Satisfaction guarantee:** 90-day satisfaction guarantee on every eyewear purchase.

Medical Supply Services

Our home-delivery medical-supply service helps members manage the need for medical supplies by offering:

- **100 percent cost coverage and no claims to file:** Medicare assignment is accepted on selected supplies. With Medicare Part B and an AARP Medicare Supplement Plan, members potentially pay nothing at all. In addition, we handle all claims and billing forms, reducing the burden of paperwork for retirees.
- **Convenient home delivery:** We deliver supplies to retirees' homes or wherever they need them with free shipping for Medicare-processed orders.
- **Extensive product selection:** Members can choose from well-known brand names such as Hollister, Coloplast, Bard and others.

AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

- **Medicare Part B coverage remains the same:** With all the recent changes to Medicare insurance, members are assured that coverage of supplies under Medicare Part B stays the same.

Health Essentials Catalog

Our free Health Essentials catalog offers competitively-priced products to help members maintain an active and healthy lifestyle. Members can conveniently shop at home for a wide assortment of quality name-brand products including:

- Vitamins, vitamin supplements and over-the-counter medications
- Fitness and exercise equipment
- Healthy cooking items
- Ergonomically-designed tools for independent living

In each catalog selection, members will find:

- **Best value and selection:** A broad assortment of products for every aspect of healthy living
- **Sales and special offers:** Up to 75 percent savings on pharmacy services brands over comparable national brands
- **Best guarantee:** 100 percent satisfaction guaranteed or money back
- **Convenient home delivery:** If members are away from home, supplies will be delivered to wherever they are needed. Shipping is free for Medicare-processed orders.

Coverage for Retirees who Move or Travel Abroad

- **Permanent Change of Address:** AARP Medicare Supplement plan options, rates and discounts vary based on each member's state of residence and ZIP Code. When members inform us of their intent to establish a permanent address in another state, we adjust the premium based on the new address.
- **Seasonal Change of Address:** Our systems can maintain a second address for members that have a seasonal change of address.

AARP Medicare Supplement and MedicareRx Prescription Drug Plan

Overview

- **International Travel Emergency Care:** AARP Medicare Supplement Plan N provides for emergency care when traveling abroad. Coverage includes 80 percent of actual charges for the first 60 days after the \$250 deductible is met for the calendar year. The lifetime maximum benefit is \$50,000.
- **International Residency:** To participate in the AARP Medicare Supplement Plan, the retiree must be eligible for Medicare coverage. Enrollees living abroad are not eligible for Medicare. Retirees returning to the United States after living abroad must enroll in Medicare Part B before enrolling in one of our AARP Medicare Supplement plans.

AARP MedicareRx

Pharmacy Network

With complete national coverage and more than 62,000 contracted network retail pharmacy locations, nearly 5,000 long-term care pharmacies and convenient mail service options, our PDP plans provide equitable service to your retirees anywhere in the United States and its territories. In addition, many contracted pharmacies dispense a 90-day supply of medications to retirees, offering the convenience of fewer trips to the pharmacy.

Mail-Order Pharmacy Services

Our mail-order pharmacy facilities, located in Overland Park, Kansas and Carlsbad, California, are among of the largest and highest-quality mail-order pharmacies in the United States, supporting a combined daily fulfillment capacity of 144,000 prescriptions.

Delivering high-precision fulfillment combined with seamless retail integration, the mail-order service features:

- Exceptional quality and dispensing accuracy supported by state-of-the-art fulfillment systems; more than 99.99 percent of prescription orders are filled accurately (far greater than retail pharmacy performance metrics)
- Quality oversight by more than 200 credentialed pharmacy staff members
- Real-time claims adjudication through fully-interfaced retail and mail-order claims systems, avoiding redundancies and improving safety through full system integration
- Timely shipping, with more than 99.5 percent of clean orders shipped within 72 hours and more than 98 percent of refill orders shipped within 48 hours
- Mail-order customer service available 24 hours a day, every day

In addition to our prescription-drug services, we also offer comprehensive mail-order service for over-the-counter (OTC) pharmacy items at competitive prices. Our integrated service provides retirees with the convenience of ordering the full array of their pharmacy items without leaving home. And for retirees ordering a prescription medication, we waive the shipping fee for all OTC items.

Prescription Drug Formulary

Our Medicare Part D formulary is one of the broadest available, and contains drugs in every therapeutic category and class allowed by CMS. Virtually every Medicare Part D covered drug (or a chemical equivalent) is included on our formulary, including 96 percent of the top 250 drugs used by seniors.

Medication Therapy Management Program (MTMP)

Our Medication Therapy Management Program (MTMP) promotes safe, appropriate and affordable medication use by providing education and consultation to targeted retirees, their caregivers and their prescribing physicians. Our MTMP offers a holistic approach to improving medication use by addressing all types of drug-related problems including overuse, underuse and misuse. The strategy for improving medication care under our MTMP includes the following intervention components:

Poly-Pharmacy Retiree Counseling

Through this program, our registered pharmacists review the retiree's personal medication record and meet with the retiree, providing counseling and education about appropriate medication use, safety, efficacy, side effects and possible drug interactions. This program is available to retirees not residing in an institutional setting (where equivalent services typically are provided by the facility).

Poly-Pharmacy Prescriber Interventions

This program coordinates retrospective review of claims and utilization information to identify retirees who are at high risk for medication-related problems. Following identification, physicians provide one-to-one consultation and education to retirees in an effort to preclude adverse health outcomes.

Utilization Management Programs

Our utilization management (UM) programs use coverage criteria and claims-payment edits to facilitate safe, appropriate and cost-effective medication use. Our Pharmacy and Therapeutics (P&T) Committee, composed of practicing physicians and pharmacists, defines UM paradigms, taking into consideration factors such as the manufacturer's recommendation for medication use, evidence-based prescribing guidelines, availability and analysis of therapeutically-equivalent medications, and overall cost. CMS recognizes the value of such programs in facilitating prescription utilization quality and in managing pharmacy cost trends.

We prudently manage the application of UM criteria, minimizing impact to retirees and avoiding the perception of barriers to care. UM programs focus primarily on medications that pose significant risk for inappropriate utilization or have therapeutic equivalents at a lower cost. Utilization management programs include:

Prior Authorization

Prior-authorization programs support our effective management of safety, efficacy and appropriateness of prescription drug use, our accurate assessment of benefit determinations when drugs may or may not be covered according to CMS guidelines and/or the terms of the plan, and our effective stewardship of the plan's funds.

Prescription medications that require prior-authorization must satisfy documented coverage criteria (defined by our P&T Committee) before they are covered by the plan. Prescribing physicians submit prior-authorization requests detailing the patient's clinical circumstances and the clinical necessity of the prescription medication. Our clinical staff reviews such requests and provides timely notification of the review-decision to both the physician and the retiree.

Step Therapy

Step therapy programs require that retirees try first-line, cost-effective therapies before receiving approval for more expensive drugs. Step therapy is administered through systems logic at the point of service:

- When a pharmacy processes a prescription for a drug that requires step therapy, our claims system automatically reviews the retiree's claims history for previous use of a first-line alternative (often a lower-cost or generic equivalent)
- If the first-line drug has been tried, the step therapy rule is satisfied and the claim is paid
- If the first-line drug has not been tried, we review the claim to assess whether criteria for covering the second-line medication have been satisfied

Quantity Limits

Quantity limits manage the dispensation quantities of specified drugs for a given timeframe or for a specified copayment. Limits are defined consistent with the prescribing recommendations of the Food and Drug Administration or as established in reliable scientific studies.

Drug Utilization Review

Drug Utilization Review (DUR) is an effective tool in monitoring drugs for appropriateness and safety. Our online, real-time point-of-service DUR program monitors claim submissions across all contracted pharmacies, compares each claim with the active prescriptions of individual retirees and flags the pharmacist when a utilization issue is identified.

The system complies with the National Council for Prescription Drug Programs (NCPDP) DUR guidelines and monitors every prescription for numerous condition categories including the following:

Drug Interactions

Drug interactions occur when a patient is taking two or more drugs that may interact with potentially harmful results, including:

- An over-response to one of the medications
- A decrease in the drug's effectiveness
- An increase in the adverse effects of one or both of the drugs

We have detected potentially-significant drug interactions in roughly 10 percent of all claims submitted. When potential interactions are identified, our system advises the dispensing pharmacist that the drug about to be dispensed may result in harmful interactions. This real-time intervention allows the pharmacist to use professional judgment to prevent the patient from being harmed.

Over-utilization

We monitor the submission of prescription drug claims across all contracted pharmacies. When we receive a claim, our system reviews the retiree's drug profile and searches for a previous prescription for the same drug or its generic equivalent. The system then applies any other predefined parameters to reject the claim if the prescription is being refilled too soon.

Maximum Dose Range Edits

If a prescription is dispensed at a dosage level beyond the manufacturer's recommended dosage range, there is a greater potential for adverse outcomes. Dosages above the recommended maximum level may result in toxicity or the intensification of side effects.

By monitoring the maximum dosage levels, we are able to provide online screening for dosages beyond the recommended range. When such incidents are identified, we notify the pharmacist electronically, facilitating the opportunity for professional intervention.

Duplication of Therapy

Duplication of therapy involves over-prescribing of a single medication or multiple medications of the same drug class. Our system identifies such issues and alerts the pharmacist to intervene with counseling and advice.

Retiree Protections

All UM guidelines and coverage criteria are defined by our P&T Committee and are approved by an independent team of doctors and pharmacists at CMS. In addition, we provide timely reviews of coverage requests and appeals, as follows:

- Retirees, pharmacists and prescribing physicians can request a coverage review by contacting our customer care center, open 24 hours a day, every day.
- We review expedited requests within 24 hours.
- If we deny a request, the retiree may appeal the decision.
- If we deny a request based on a quantity limit, we approve coverage up to the quantity limit. This provides the retiree with access to the medication in question and allows the retiree time to appeal.
- If we deny a medication prescribed for the treatment of an acute condition, we will approve coverage for a 5-day supply of the medication, allowing the physician to prescribe an alternate drug, to request an exception or to pursue an appeal.
- When we make changes to our UM program, we notify impacted retirees at least 60 days before the program goes into effect.

Transition Services

We recognize that a smooth implementation is critical to the success of any new retiree health program. An effective implementation will meet the needs of your organization by clearly defining roles, responsibilities and benchmarks throughout the process while carefully considering the needs of the retiree population ultimately served by the program. One of our goals throughout the implementation process is to minimize disruption for

AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

retirees while providing them with all of the information necessary to understand and maximize the benefits of the new program.

An essential element in any transition is access to health care professionals who are readily available to discuss day-to-day operational issues as well as implementation strategies throughout the process. Therefore, we assign an experienced implementation and account management team to provide ongoing support before and after the coverage effective date.

With your strategic goals in mind, our professionals bring their years of retiree-specific experience to your organization, so that every part of the transition process is carefully crafted and monitored to meet your expectations and the needs of your retirees.

Account Management

With a strong commitment to service, we provide a single point of contact who proactively manages the overall service experience for the customer's account. This team includes the regional sales director, senior client manager and implementation manager.

The senior client manager is the customer relationship owner. This individual has overall responsibility for the account and is supported by many functional team members. This individual's primary objectives are to:

- Oversee the initial implementation working closely with the implementation manager
- Design and execute a mutually agreed upon business plan
- Present new product and service options on an ongoing basis
- Deliver reporting and analysis of financial, claims cost and utilization data
- Plan, prepare and present annual renewal information

The senior client manager is also designated to address day-to-day service issues. This individual will work with experts within each of the functional areas to deliver on all service expectations. Empowered with the tools and team to resolve any service issues quickly and effectively, the senior client manager can be pro-active as well as reactive to your organization's specific needs and unique requirements. The senior client manager is also available to go to the customer's location as needed throughout the transition process to facilitate a smooth progression toward completion of all goals and objectives.

To facilitate a successful implementation an experienced implementation manager is designated to provide meaningful implementation support, including development, tracking and facilitation of a detailed implementation plan. The implementation manager will work hand-in-hand with your organization and the senior client manager to support a seamless transition designed to empower retirees to make informed health care choices.

Implementation Team

Our implementation team consists of professionals who are focused on the retiree health care needs of employer groups. They provide a wide range of expertise in product specifications, communications, account management and operations. An essential member of our implementation team is the implementation manager. The unique skills provided by the implementation manager include the ability to coordinate development of a timeline, provide roster file layouts, and manage the production and distribution of retiree communications.

Implementation Activities

Standard implementation activities are based on your organization's unique needs and can include identifying team members within your organization, creating a schedule or timetable and creating specifications for the implementation process.

Identify Contacts

The implementation phase begins with identifying one or more primary contact persons within your organization to be responsible for working with our implementation team during the transition process. Designated individuals from other departments are identified as needed. After assembling an implementation team that includes representatives from your organization, we will meet to review and refine the implementation process and associated time requirements.

Develop a Timetable

One of the most crucial activities for the newly defined implementation team is to develop a customized timetable that outlines action items, delivery dates and identifies who is responsible for completing each task. The timetable is developed collaboratively and includes decisions regarding the frequency of meetings, types of meetings (e.g., conference call or on-site) and expectations regarding involvement at each meeting.

The implementation timetable provides the key deliverables required for the transition based on your requested effective date. It is important to remember that this is merely a starting point in the process for creating an implementation framework. Your input is necessary to build a more detailed schedule that meets your unique implementation needs.

AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

Develop Your Organization's Specifications

As a part of our proactive approach to promote an error-free implementation environment, your specifications are carefully documented and followed with precise detail. Our implementation team establishes a firm foundation at the beginning of the process in preparation for all subsequent administration. Additional implementation meetings are scheduled periodically to monitor progress and to allow for discussion of emerging issues.

No additional fees are charged for a standard implementation. If customized materials or activities are required, additional expenses may be incurred.

Sample Implementation Plan

| Date | Task | Owner |
|------|---|---------------------------------------|
| TBD | Customer implementation kick-off | Your Organization UnitedHealthcare |
| TBD | Provide sample announcement letter and eligibility file layout | UnitedHealthcare |
| TBD | Submit announcement letter draft for review and approval to UnitedHealthcare | Your Organization |
| TBD | Submit eligibility file to UnitedHealthcare | Your Organization |
| TBD | Announcement letter approval (7-10 business day regulatory approval) | UnitedHealthcare |
| TBD | Mail initial announcement letter to retiree homes | Your Organization |
| TBD | Customer care professionals and 800 line available to answer retiree questions | UnitedHealthcare |
| TBD | Enrollment kits mailed to retiree homes | UnitedHealthcare |
| TBD | Retiree enrollment meeting (if applicable) | Your Organization UnitedHealthcare |
| TBD | Enrollment applications due at UnitedHealthcare to guarantee ID card by 7/1/2010 | Your Organization |
| TBD | Ongoing enrollments received (ID cards issued and mailed to retirees as enrollments are received and processed) | UnitedHealthcare |

AARP Medicare Supplement and Medicare Rx Prescription Drug Plan

Overview

| Date | Task | Owner |
|---------|--|-------------------|
| TBD | Coverage effective for retirees who enrolled | UnitedHealthcare |
| Ongoing | Provide file of new and age-in retirees for generation of packages | Your Organization |

Communications / Educational Materials

We understand the importance of pre- and post-enrollment periods to your retirees. Retirees can often feel anxious and confused about the transition to their new health care plans. We know that communications and educational materials – when delivered in a timely and sensitive manner – alleviate concerns and encourage retirees to become informed and empowered health care consumers.

Our goal is to partner with you in empowering your retirees. To achieve that goal, our implementation approach includes numerous strategically-timed communication touch points using a variety of communication methods throughout the process.

In every communication effort we will reach out to your retirees with language and a communication style that is accessible and retiree-focused. We are committed to directing our efforts and resources in the ways that will be most helpful to your organization, and we look forward to discussing communication opportunities with you in future meetings.

Initial Program Announcement

Prior to enrollment for new groups, we reach out to retirees with a program announcement letter providing retirees with introductory information about the health plan options and the upcoming enrollment period.

Printed Educational Materials

We assist retirees in better understanding the plan through various print educational tools that describe the plan's features and benefits. We supplement these tools with notices and reminder materials, such as post cards alerting retirees of key enrollment dates. We assume responsibility for all costs related to producing, printing and mailing/distributing the member-related materials.

When a retiree requests materials we send an entire pre-enrollment kit that includes, among other material, an enrollment form. On average, the retiree receives these materials in four to seven days from request. If materials are ordered in bulk by the senior client manager, the average number of days for these materials to arrive is five to 16 days.

Web Portal

Complementing these print communications and available to retirees at any time, our consumer Web portals provide information about our company and the plan. Convenient and content rich, the portals offer information about our company and our plans in an appealing layout specially designed for seniors. Site visitors can quickly view detailed information about the Medicare programs, plan designs, health information and other useful consumer resources.

The services that members and employers can access via the AARP Health Web site, www.aarphealthcare.com include:

- Member Self-Service
 - Access benefit plan summaries
 - Access benefit plan information specific to the member
 - Enroll online (most states)
 - Order replacement ID cards
 - View claims status and claims history
 - Download printable claim forms
- Health Management
 - Access disease management program information
 - Access educational information
 - Take a medical risk assessment
- Employer Web site
 - Check participants online
 - Add new retirees
 - Track retirees' enrollment and/or make real-time eligibility updates
 - View status of contribution payments

Our retiree Web portal provides robust information to retirees about the Medicare Part D Plan, featuring four main service and information centers, as described below.

- **Prescription Center:** Learn about our preferred mail-order pharmacy, order or refill prescriptions, review order history, look up covered medications and locate a pharmacy.
- **Stay Informed:** Find formulary and plan updates and information regarding our medication therapy management program.

AARP Medicare Supplement and MedicareRx Prescription Drug Plan

Overview

- **Forms and Documents:** Access information regarding plan policies and procedures, learn about the exceptions and appeals processes and download plan materials.
- **Resource Center:** Review the latest news about prescription drugs, Medicare Part D and health advances, with helpful links, a glossary of commonly used terms and contact information for customer service.

In-Person Support

Open Enrollment Meetings

While print and electronic materials are an important part of any communication strategy, we know that retirees place a premium on direct human interaction. The dedicated senior client manager and implementation manager plan and coordinate open enrollment meetings. These managers provide sensitive guidance and decision support to retirees as they contemplate their health plan options.

Customer Service

Our customer care professionals are dedicated to serving older Americans, including those who are non-English speaking and hearing- or visually-impaired. Our representatives are knowledgeable about our Medicare products and are able to assist callers who have enrollment and coverage questions. Designed to optimize the customer experience, our customer care centers focus on providing each individual caller with personalized service.

ID Cards

As part of the enrollment process, we mail ID cards to the retiree's mailing address generally within 48 hours of receiving complete enrollment information. Members should receive their ID cards within five to 10 business days. All mailings are subject to receiving complete and accurate enrollment/eligibility information in a timely manner.

Post-enrollment

After retirees make their selections, we send a welcome packet to all new plan members. Materials sent to new members upon completion of eligibility processing include a certificate of insurance, schedule of benefits, ID card and plan riders, if selected.

AARP Medicare Supplement and MedicareRx Prescription Drug Plan

Overview

Standard communications go directly to the retiree.

Timing, Cost and Customization of Materials

We follow state and CMS guidelines for distribution of most communication and marketing materials. Outside of state requirements, the timeline for distribution depends on the group size, implementation efforts involved and the effective date of the plan.

All CMS required communications are sent to retirees at no additional charge to the employer group. If customized materials are required, additional expense may be incurred.

Each state Department of Insurance and/or CMS regulates all standard communications that go directly to beneficiaries including:

- Customer service letters
- Member identification cards
- Annual notice of change
- Evidence of coverage
- Welcome kits
- Inquiry kits

Because CMS strongly encourages the use of their provided model documents for materials, we do not recommend customization. We can, however, address this on a case-by-case basis for certain materials.

Summary

For your post-65 retirees, we are pleased to propose our AARP Medicare Supplement and AARP MedicareRx plans: the product of a remarkable collaboration between UnitedHealthcare Insurance Company and AARP. We are confident that the AARP plans will bring measurable value, clinical quality and best-in-class service across the continuum of health plan services to you and your retirees.

You can be assured your choice of AARP Medicare Supplement and AARP MedicareRx plans. You and your retirees will be working with a team of retiree-focused specialists who understand the plans, the concerns of retirees during a time of change, and the steps necessary to successfully implement a new retiree benefit solution. We look forward to working with you and your retirees to implement their new AARP Medicare Supplement and AARP MedicareRx plans.

Supplier: **UnitedHealthcare**

**SIGNATURE FORM
COLLIN COUNTY, TEXAS**

DELIVERY WILL BE F.O.B. INSIDE DELIVERY AT COLLIN COUNTY DESIGNATED LOCATIONS AND ALL TRANSPORTATION CHARGES PAID BY THE SUPPLIER TO DESTINATION.

DELIVERY TO BE SPECIFIED IN CALENDAR DAYS FROM DATE OF ORDER. **120**

WE **DO NOT** TAKE EXCEPTION TO THE BID SPECIFICATIONS.

WE **TAKE** EXCEPTION TO THE BID SPECIFICATIONS (EXPLAIN):

On behalf of UnitedHealthcare, thank you for the opportunity you have given us to propose our AARP Medicare Supplement and AARP MedicareRx plans for the retirees of Collin County.

Due to the nature of the AARP Medicare Supplement and AARP MedicareRx plans, we must abide by the state and federal filings. For this reason we have provided information about our proposed products in BidSync but we have not completed the entire questionnaire.

We look forward to continuing to serve your retirees through the UnitedHealthcare family and look forward to any discussions through this proposal process.

Sincerely,

**Jean Farone Jones
Vice President, Client Development**

COMPANY INFORMATION/PROFILE/REFERENCES

Preferential Requirement: The County of Collin, as a governmental agency of the State of Texas, may not award a contract to a nonresident bidder unless the nonresident's bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located (Government Code, Title 10, V.T.C.A., Chapter 2252, Subchapter A). Bidder shall make answer to the following questions by selecting the appropriate radio button or inserting information in the box provided:

Is your principal place of business in the State of Texas? Yes No

If the answer to question is "yes", no further information is necessary; if "no", please indicate:

in which state is your principal place of business is located: **MN**

if that state favors resident bidders (bidders in your state) by some dollar increment or percentage? Yes No

if "yes", what is that dollar increment or percentage? NA

Company Profile: IS YOUR FIRM?

- Sole Proprietorship Yes No
- General Partnership Yes No
- Limited Partnership Yes No
- Corporation Yes No
- Other Yes No

List Legal Names in Company: **UnitedHealthcare
AARP Insurance Services, Inc.**

List at least three (3) companies or governmental agencies where these same/like products/services, as stated herein, have been provided. Include company name, address, contact name and telephone number.

We will provide references upon finalist notification.

AS PERMITTED UNDER TITLE 8, CHAPTER 271, SUBCHAPTER F, SECTION 271.101 AND 271.102 V.T.C.A. AND TITLE 7, CHAPTER 791, SUBCHAPTER C, SECTION 791.025, V.T.C.A., OTHER LOCAL GOVERNMENTAL ENTITIES MAY WISH TO ALSO PARTICIPATE UNDER THE SAME TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT. EACH ENTITY WISHING TO PARTICIPATE MUST ENTER INTO AN INTERLOCAL AGREEMENT WITH COLLIN COUNTY AND HAVE PRIOR AUTHORIZATION FROM VENDOR. IF SUCH PARTICIPATION IS AUTHORIZED, ALL PURCHASE ORDERS WILL BE ISSUED DIRECTLY FROM AND SHIPPED DIRECTLY TO THE LOCAL GOVERNMENTAL ENTITY REQUIRING SUPPLIES/SERVICES. COLLIN COUNTY SHALL NOT BE HELD RESPONSIBLE FOR ANY ORDERS PLACED, DELIVERIES MADE OR PAYMENT FOR SUPPLIES/SERVICES ORDERED BY THESE ENTITIES. EACH ENTITY RESERVES THE RIGHT TO DETERMINE THEIR PARTICIPATION IN THIS CONTRACT. WOULD BIDDER BE WILLING TO ALLOW OTHER LOCAL GOVERNMENTAL ENTITIES TO PARTICIPATE IN THIS CONTRACT, IF AWARDED, UNDER THE SAME TERMS AND CONDITIONS? Yes No

By signing and submitting this Bid/Proposal, Bidder/Offeror acknowledges, understands the specifications, any and all addenda, and agrees to the bid/proposal terms and conditions and can provide the minimum requirements stated herein. Bidder/Offeror acknowledges they have read the document in its entirety, visited the site, performed investigations and verifications as deemed necessary, is familiar with local conditions under which work is to be performed and will be responsible for any and all errors in Bid/Proposal submittal resulting from Bidder/Offeror's failure to do so. Bidder/Offeror acknowledges the prices submitted in this Bid/Proposal have been carefully reviewed and are submitted as correct and final. If Bid/Proposal is accepted, vendor further certifies and agrees to furnish any and all products/services upon which prices are extended at the price submitted, and upon conditions in the specifications of the Invitation for Bid/Request for Proposal.

THE UNDERSIGNED HEREBY CERTIFIES THE FOREGOING BID/PROPOSAL SUBMITTED BY THE COMPANY LISTED BELOW HEREINAFTER CALLED "BIDDER/OFFEROR" IS THE DULY AUTHORIZED AGENT OF SAID COMPANY AND THE PERSON SIGNING SAID BID/PROPOSAL HAS BEEN DULY AUTHORIZED TO EXECUTE SAME. BIDDER/OFFEROR AFFIRMS THAT THEY ARE DULY AUTHORIZED TO EXECUTE THIS CONTRACT; THIS COMPANY; CORPORATION, FIRM, PARTNERSHIP OR INDIVIDUAL HAS NOT PREPARED THIS BID/PROPOSAL IN COLLUSION WITH ANY OTHER BIDDER/OFFEROR OR OTHER PERSON OR PERSONS ENGAGED IN THE SAME LINE OF BUSINESS; AND THAT THE CONTENTS OF THIS BID/PROPOSAL AS TO PRICES, TERMS AND CONDITIONS OF SAID BID/PROPOSAL HAVE NOT BEEN COMMUNICATED BY THE UNDERSIGNED NOR BY ANY EMPLOYEE OR AGENT TO ANY OTHER PERSON ENGAGED IN THIS TYPE OF BUSINESS PRIOR TO THE OFFICIAL OPENING OF THIS BID/PROPOSAL.

| | |
|---|--|
| Company Name | UnitedHealthcare |
| Street Address of Principal Place of Business | 9900 Bren Road East |
| City, State, Zip | Minnetonka, MN 55343 |
| Phone of Principal Place of Business | Corporate Office is located in Minnesota |
| Fax of Principal Place of Business | 888-879-5520 |
| E-mail Address of Representative | jean_m_farone_jones@uhc.com |
| Federal Identification Number | 36-2739571 |
| Date | July 13, 2011 |
| Acknowledgement of Addenda | #1 <input checked="" type="checkbox"/> #2 <input checked="" type="checkbox"/> #3 <input checked="" type="checkbox"/> #4 <input checked="" type="checkbox"/> #5 <input checked="" type="checkbox"/> #6 <input checked="" type="checkbox"/> |
| Authorized Representative Name | Jean Farone Jones, VP Client Development, UnitedHealthcare |
| Authorized Representative Title | VP Client Development, UnitedHealthcaer |
| Signature (Required for paper bid submission) | Jean Farone Jones |

Supplier: **UnitedHealthcare**

AFFIDAVIT OF COMPLIANCE

I, the undersigned, declare and affirm that my company is in compliance with the Immigration and Reform Act of 1986 and all employees are legally eligible to work in the United States of America.

I further understand and acknowledge that any non-compliance with the Immigration and Reform Act of 1986 at any time during the term of this contract will render the contract voidable.

Name of Company **UnitedHealthcare**
Title of Officer **VP Financial and Product Services**
Name of Officer **Ellen R. Sexton**
Date: **July 13, 2011**

Supplier: **UnitedHealthcare**

In order to better serve our bidders, the Collin County Purchasing Department is conducting the following survey. We appreciate your time and effort expended to submit your bid. Please take a moment to complete the below. Should you have any questions or require more information please call (972) 548-4165.

HOW DID YOU RECEIVE NOTICE OF THIS REQUEST FOR BID OR PROPOSALS?

| | | | | |
|----------------------------------|-------------------------------------|-----|-------------------------------------|----|
| McKinney Courier-Gazette? | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |
| Plan Room? | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |
| Collin County Web-Site? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Facsimile or email from BidSync? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |

Other

HOW DID YOU RECEIVE THE BID DOCUMENTS?

| | | | | |
|--------------------------------------|-------------------------------------|-----|-------------------------------------|----|
| Downloaded from Home Computer? | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |
| Downloaded from Company Computer? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Requested a Copy from Collin County? | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |

Other NA

Thank You,

Collin County Purchasing Department

Supplier: **UnitedHealthcare**

| CONFLICT OF INTEREST QUESTIONNAIRE FORM CIQ For vendor or other person doing business with local governmental entity | |
|--|---|
| <p>This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.</p> <p>By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.</p> <p>A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.</p> | OFFICE USE ONLY Date Received |
| 1 | <p>Name of person doing business with local governmental entity.</p> <p>Jean Farone Jones, VP Client Development, UnitedHealthcare</p> |
| 2 | <p><input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.</p> <p>(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)</p> |
| 3 | <p>Name each employee or contractor of the local governmental entity who makes recommendations to a local government officer of the governmental entity with respect to expenditures of money AND describe the affiliation or business relationship.</p> <p>Jean Farone Jones, VP Client Development, UnitedHealthcare</p> |
| 4 | <p>Name each local government officer who appoints or employs local government officers of the governmental entity for which this questionnaire is filed AND describe the affiliation or business relationship.</p> <p>N/A</p> |

Adopted 11/02/2005

FORM CIQ

CONFLICT OF INTEREST QUESTIONNAIRE

Page 2

For vendor or other person doing business with local governmental entity

**5 Name of local government officer with whom filer has affiliation or business relationship.
(Complete this section only if the answer to A, B, or C is YES.**

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or other relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire? Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity? Yes No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more? Yes No

D. Describe each affiliation or business relationship.

Jean Farone Jones, VP Client Development, UnitedHealthcare is proposing AARP Medicare Supplement and AARP MedicareRx plans for the retirees of Collin County.

6

Jean Farone Jones, VP Client Development, UnitedHealthcare
Signature of person doing business with the governmental entity

July 13, 2011
Date

Adopted 11/02/2005

UnitedHealthcare

Item: **State Monthly Premium Medicare Supplement Plan F (Low Option Plan)**

Attachments

Collin County AARP Quotes.pdf

Collin County Cover Letter.doc

AARP Medicare Supplement AARPRx Overview.pdf

UnitedHealthcare

Bid Contact **Jean Farone Jones**
jean_m_farone_jones@uhc.com
Ph 210-340-4613

Address **402 Fox Hall Lane**
Castle Hills, TX 78213

| Item # | Line Item | Notes | Unit Price | Qty/Unit | Total Price | Attch. | Docs |
|-----------------|--|--|--|-----------|--|--------|------|
| 06212-11--01-01 | State Monthly Premium Medicare Supplement Plan F (Low Option Plan) | Supplier Product Code: Supplier Notes: PLEASE SEE ATTACHMENT FOR PRICING INFORMATION. | First Offer - \$0.00 Text: SEE ATTACHMENT | 1 / month | \$0.00 Text: SEE ATTACHMENT | Y | Y |
| 06212-11--01-02 | State Monthly Premium Medicare Supplement Plan F (High Option Plan) | | | | No Bids | | |
| 06212-11--01-03 | State Monthly Premium Medicare Advantage PPO Plan w/Prescription Drug | | | | No Bids | | |
| 06212-11--01-04 | State Monthly Premium for Medicare Part D Prescription Drug Plan | | | | No Bids | | |

Bid #06212-11 - Insurance, Medicare Supplemental Plans

Creation Date **Jun 8, 2011**

End Date **Jul 14, 2011 2:00:00 PM CDT**

Start Date **Jun 28, 2011 8:09:23 AM CDT**

Awarded Date **Not Yet Awarded**

| 06212-11--01-01 State Monthly Premium Medicare Supplement Plan F (Low Option Plan) | | | | | |
|---|----------------------|-----------|--|--------|------|
| Supplier | Unit Price | Qty/Unit | Total Price | Attch. | Docs |
| UnitedHealthcare | First Offer - \$0.00 | 1 / month | \$0.00 | Y | Y |
| Product Code: Unit Amount Text: SEE ATTACHMENT Total Amount Text: SEE ATTACHMENT Agency Notes: | | | Supplier Product Code: Supplier Notes: PLEASE SEE ATTACHMENT FOR PRICING INFORMATION. | | |

| 06212-11--01-02 State Monthly Premium Medicare Supplement Plan F (High Option Plan) | | | | | |
|--|------------|----------|------------------------|--------|------|
| Supplier | Unit Price | Qty/Unit | Total Price | Attch. | Docs |
| | | | No Bids | | |
| Agency Product Code: Unit Amount Text: Total Amount Text: Agency Notes: | | | Supplier Notes: | | |

| 06212-11--01-03 State Monthly Premium Medicare Advantage PPO Plan w/Prescription Drug | | | | | |
|--|------------|----------|------------------------|--------|------|
| Supplier | Unit Price | Qty/Unit | Total Price | Attch. | Docs |
| | | | No Bids | | |
| Agency Product Code: Unit Amount Text: Total Amount Text: Agency Notes: | | | Supplier Notes: | | |

| 06212-11--01-04 State Monthly Premium for Medicare Part D Prescription Drug Plan | | | | | |
|--|------------|----------|------------------------|--------|------|
| Supplier | Unit Price | Qty/Unit | Total Price | Attch. | Docs |
| | | | No Bids | | |
| Agency Product Code: Unit Amount Text: Total Amount Text: Agency Notes: | | | Supplier Notes: | | |

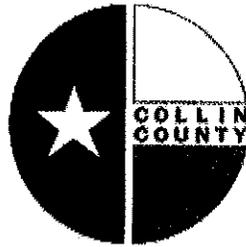
Supplier Totals

| | |
|---|---|
| UnitedHealthcare | \$0.00 (1/4 items) |
| Bid Contact Jean Farone Jones <u>jean_m_farone_jones@uhc.com</u> Ph 210-340-4613 | Address 402 Fox Hall Lane Castle Hills, TX 78213 |
| Agency Notes: | Supplier Notes: |

**

**Bid Tabulation Packet
for
Solicitation 06212-11**

Insurance, Medicare Supplemental Plans



Collin County