

AMENDMENT TO THE MEDICARE ADVANTAGE WITH PRESCRIPTION DRUG
BENEFIT ("MA-PD") GROUP AGREEMENT

This Amendment (this "Amendment") to the Medicare Advantage with Prescription Drug Benefit ("MA-PD") Group Agreement between UnitedHealthcare Insurance Company and its affiliates ("United") and City of Long Beach ("Group") dated January 1, 2009 (the "Agreement") is made and entered into by UnitedHealthcare and Group effective on January 1, 2017.

WHEREAS, United and Group desire to amend the Agreement in accordance with the terms and conditions of the Agreement.

NOW, THEREFORE, United and Group hereby amend the Agreement as follows:

1. A new Section 3.14, Implementation Credit, is hereby added to the Agreement as follows, to provide for such implementation credit.

"3.10 Implementation Credit. UnitedHealthcare will provide an implementation credit to help Group mitigate costs associated with an administrative service provider change, in the amount of \$5.00 per Eligible Retiree or Eligible Dependent enrolled in the MA-PD Plan. The implementation credit will be paid after the total actual expense, including a detailed description of charges, has been documented by Group and submitted to UnitedHealthcare. This is a one-time credit. If Group terminates the Agreement prior to December 31, 2017, Group will pay United a prorated portion of this credit."

2. Exhibit A, Performance Guarantees, attached hereto, is hereby added to the Agreement to provide for such guarantees.

3. Any capitalized term used but not defined in this Amendment shall have the definition assigned to it in the Agreement.

4. Except as amended by this Amendment, all provisions of the Agreement shall remain in full force and effect.

5. This Amendment may be executed in two (2) or more counterparts each of which shall be deemed an original and all of which taken together shall constitute one and the same Amendment.

((Signature page follows.))

IN WITNESS WHEREOF, United and Group hereto have executed this Amendment effective January 1, 2017.

UnitedHealthcare Insurance Company

City of Long Beach

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

By *Greta Redmond*
Authorized Signature

By *T. West*
Authorized Signature Assistant City Manager

Print Name Greta Redmond FSAMAAA

Print Name Patrick H. West

Print Title VP, Underwriter/Actuarial

Print Title City Manager

Date November 16, 2016

Date 12/22/16

APPROVED AS TO FORM
Dec. 16, 20 16
CHARLES PARKIN, City Attorney
By *Gary J. Anderson*
GARY J. ANDERSON
PRINCIPAL DEPUTY CITY ATTORNEY

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RECEIVED
CITY CLERK
LONG BEACH, CA

Exhibit A Performance Guarantees

These performance guarantees will apply when enrollment in the MA-PD Plan reaches five hundred (500) Members.

The below performance guarantees (these "Performance Guarantees") are effective for the term of this Agreement provided, however, United may specify to Group new Performance Guarantees upon a subsequent anniversary of the Effective Date. Any new Performance Guarantees must be in writing between the parties and shall supersede and replace these Performance Guarantees. With respect to the aspects of United's performance addressed in this exhibit, these fee adjustments are Group's exclusive financial remedies.

These Performance Guarantees will become effective upon the later of (1) the Effective Date of this Agreement; or (2) the date this Agreement is signed by both parties. In the event these Performance Guarantees become effective later than the Effective Date of this Agreement: (1) quarterly guarantees will become effective beginning with the next calendar quarter following signature of this Agreement by both parties and (2) annual guarantees will become effective commencing with the next anniversary of the Effective Date following the date this Agreement is signed by both parties.

These Performance Guarantees can be modified to the degree necessary to carry out the intent of the parties. United shall not be required to meet any of these Performance Guarantees or amendments thereto to the extent United's failure to meet these Performance Guarantees is due to fire, embargo, strike, war, accident, act of God, acts of terrorism; or United's required compliance with any law, regulation, or governmental agency mandate; or anything beyond United's reasonable control.

Total Fees at Risk for all Medicare Advantage Medical Performance Guarantees		2% of total employer paid premium annually
Product		National PPO plan
Member Phone Service		
Phone service guarantees and standards apply to Member calls made to the customer care center that primarily services Group members.		
Abandonment Rate		
Definition	The percentage of calls queued that abandon (hang up) will be no greater than the percentage set forth.	
Measurement	The percentage of calls queued that abandon (hang up) before being answered by a representative.	5%
• Criteria	Standard system tracking reports.	
• Level	Group Retiree Medicare Advantage Book of Business.	
• Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Customer Service Service Level		
Definition	The percentage of answered member calls that are answered within the parameters set forth.	
Measurement	Percentage of calls answered.	80%
Time answered in seconds, on average		seconds 30
• Criteria	Standard system tracking reports.	
• Level	Group Retiree Medicare Advantage Book of Business.	
• Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Claims Operations		
Dollar Accuracy		
Definition	Claims dollars paid accurately will not be less than the designated percent.	
Measurement	Percentage of claims dollars paid accurately.	99%
• Criteria	Standard Claims Operations Report.	
	Statistically significant random sample of claims processed is reviewed to determine the percentage of claims processed without payment errors. Measurement: (Sample Claim Dollars Paid - Mispaid) / Sample Claim Dollars Paid.	
• Level	Cosmos Platform - Medicare and Retirement PPO Book of Business.	
• Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Procedural Accuracy		
Definition	Procedural accuracy rate of not less than the designated percent.	
Measurement	Percentage of claims processed without procedural (i.e. non-financial) errors.	97%
• Criteria	Standard Claims Operations Report.	
	Statistically significant random sample of claims processed is reviewed to determine the percentage of claims processed without payment errors.	
• Level	Cosmos Platform - Medicare and Retirement PPO Book of Business.	
• Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures

Payment Accuracy		
Definition	Claims Payment Accuracy Percentage will not be less than the designated percent.	
Measurement	Percentage of sampled claims paid without errors.	97%
Criteria	Standard Claims Operations Report. (Number of Sampled Claims - Number of Sampled Claims with Financial Defects) / Number of Sampled Claims.	
Level	Cosmos Platform - Medicare and Retirement PPO Book of Business.	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Claims Time to Process in 30 calendar days		
Definition	The percentage of all claims United receives will be processed within the designated number of calendar days of receipt.	
Measurement	Percentage of clean claims processed (Par and Non Par Providers, including paid and un paid claims). Calendar days after receipt.	95% 30
Criteria	Standard Claims Operations Report	
Level	Cosmos Platform - Medicare and Retirement PPO Book of Business.	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Eligibility File		
Enrollment/Eligibility Processing Turnaround Time		
Definition	Member Applications processed within the designated number of calendar days of receipt of properly completed applications.	
Measurement	Percentage of member applications or enrollment files processed within seven (7) calendar days of receipt (must be received by 12:00 noon EST otherwise they are considered received on the following calendar day) (BUSINESS decision to identify when the clock starts ticking). Standard system tracking reports; the guarantee is waived for member applications that cannot be processed because they have been not properly completed.	95%
Criteria	Customer specific.	
Level	Customer specific.	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Fulfillment - ID Cards		
Initial ID Card Distribution		
Definition	ID Cards will be postmarked within the parameters set forth.	
Measurement	Percentage of ID cards mailed within seven (7) calendar days of receiving CMS approval. Calculated on the actual number of cards mailed within seven (7) calendar days divided by the total number of member applications.	99%
Criteria	Customer specific.	
Level	Customer specific.	
Period	Annual enrollment period.	
Payment Period	Annually.	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Claim Operations - Pharmacy		
Electronic Claim Turnaround Time		
Definition	The number of seconds taken to process all clean electronic pharmacy claims received.	
Measurement	Percentage of claims processed - As measured by the total elapsed time from the point a transaction is received by United's pharmacy system from the dispensing pharmacy until the submitted transaction is adjudicated and appropriate claim payment information is issued. Time to process, not to exceed.	99% 3 seconds
Criteria	Book of Business (UHCMR).	
Level	Book of Business (UHCMR).	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Retail Paper Claims Paid in 14 Days (PROFIT PAY DMR CLAIMS)		
Definition	The percentage of all clean pharmacy claims United receives will be processed within the designated number of business days of receipt.	
Measurement	Percentage of clean pharmacy claims processed. Time to process, in calendar days or less after receipt of clean claim.	99% 14
Criteria	Book of Business (UHCMR).	
Level	Book of Business (UHCMR).	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Retail and Mail Order Claim Payment Accuracy		
Definition	Accuracy rate of not less than the designated percent.	
Measurement	Percentage of paper and electronic clean pharmacy drug claims processed accurately and with no errors. Statistically significant random sample of clean pharmacy claims processed is reviewed to determine the percentage of claims processed without errors.	99%
Criteria	Book of Business (UHCMR).	
Level	Book of Business (UHCMR).	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures

Mail Order Average Dispensing Time - Intervention Required		
Definition	Average dispensing time for all mail order prescriptions that require administrative or clinical intervention, no greater than as set forth.	
Measurement	Percentage of mail order prescriptions dispensed.	100%
Criteria	Average dispensing time in business days.	5
	Average dispensing time is derived by dividing the total whole days to dispense all prescriptions by the total number of prescriptions dispensed, based on the date a prescription order is received and the date the order is shipped. Orders where the prescriber or Participants fails to respond will be excluded.	
Level	Book of Business (UHCMR).	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Mail Order Average Dispensing Time - No Intervention		
Definition	Average dispensing time for all mail order prescriptions that require no administrative or clinical intervention, no greater than as set forth.	
Measurement	Percentage of mail order prescriptions dispensed.	100%
Criteria	Average dispensing time in business days.	3
	Average dispensing time is derived by dividing the total whole days to dispense all prescriptions by the total number of prescriptions dispensed, based on the date a prescription order is received and the date the order is shipped.	
Level	Book of Business (UHCMR).	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
Mail Order Dispensing Accuracy		
Definition	Mail order dispensing accuracy rating of the guaranteed percentage.	
Measurement	Percentage of prescriptions dispensed accurately.	99.90%
Criteria	External feedback will be collected and tracked from individuals receiving prescriptions for home delivery. This guarantee is conditional upon utilization of United's standard pharmacy management claim processing protocols.	
Level	Book of Business (UHCMR).	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures
POS System Availability		
Definition	United guarantees that the pharmacy point of service system will be available a minimum of the displayed percentage of the time, not including scheduled downtime for maintenance, system updates, and telecommunication failures.	
Measurement	Percentage of time the system is available.	99%
Criteria	United's internal systems measures.	
Level	Book of Business (UHCMR).	
Period	Reported quarterly.	
Payment Period	Annually (aggregated results).	
Fees at Risk	Percentage of fees at risk for this metric.	Total at risk divided equally between all measures