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**MEDICARE ADVANTAGE WITH PRESCRIPTION  
DRUG BENEFIT ("MA-PD") GROUP AGREEMENT**

This Medicare Advantage with Prescription Drug Benefit ("MA-PD") Group Agreement (the "Agreement") is entered into effective as of 1-1-2009 (the "Effective Date") between UNITEDHEALTHCARE INSURANCE COMPANY, a Connecticut corporation, on behalf of itself and United Affiliates, hereinafter collectively referred to as "UnitedHealthcare," and City of Long Beach, hereinafter referred to as "Group."

**RECITAL OF FACTS**

UnitedHealthcare is a Medicare Advantage with Prescription Drug Benefit Plan Sponsor certified by the Centers for Medicare & Medicaid Services ("CMS") to offer a Medicare Advantage with Prescription Drug Benefit Plan(s) ("MA-PD Plan").

Group is an employer or other entity which sponsors an employee welfare benefit plan (the "Group Plan") and desires to provide a UnitedHealthcare MA-PD Plan for its Eligible Retirees and their eligible Dependents.

**AGREEMENT**

NOW THEREFORE, in consideration of the application of Group for the medical and prescription drug benefits provided under this Agreement, in accordance with the Medicare Laws and Regulations and in consideration of the periodic payment of MA-PD Plan Beneficiary Premiums on behalf of Members in advance as they become due, UnitedHealthcare agrees to provide coverage for Covered Medical Services and Covered Part D Drugs to Group Plan participants enrolled as Members in the UnitedHealthcare Medicare Advantage with Part D Plan, subject to all terms and conditions of this Agreement, including the Evidence of Coverage and any attachments thereto.

1. DEFINITIONS

1.01 Agreement is this Medicare Advantage with Prescription Drug Benefit Plan Group Agreement, including, but not limited to, the Evidence of Coverage and Disclosure Information, Summary of Benefits, Limitations and Exclusions, other attachments and any amendments thereto.

1.02 Centers for Medicare & Medicaid Services ("CMS") is a Federal Agency within the United States Department of Health and Human Services and is responsible for administering various Medicare programs.

1.03 Coinsurance is the portion of covered health care costs the Member is financially responsible for, usually a specified percentage. Coinsurance is usually applied, according to a fixed percentage, after a deductible or Copayment requirement is

met. Coinsurance does not include any amounts payable by the Member that are not Covered Services or Covered Part D Drugs under this Agreement.

1.04 Copayments are the amounts payable to a health care provider or pharmacy by the Member when the Member receives a health care service or product that is a Covered Service or fills a prescription for a Covered Part D Drug; Copayments are in addition to the MA-PD Plan Beneficiary Premiums paid by Group. Such fees may be a specific dollar amount or a percentage of total fees as specified herein, depending on the type of Covered Service or Covered Part D Drug furnished.

1.05 Covered Part D Drugs are the prescription drugs covered pursuant to the current terms of the MA-PD Plan.

1.06 Covered Services are the health care services and products covered pursuant to the current terms of the MA-PD Plan.

1.07 Dependent is any Subscriber's spouse or unmarried child (including a step-child, adopted child, or child who is in the custody of the Subscriber for purposes of adoption) of a Subscriber who is enrolled hereunder, or other person defined as a qualified dependent by Group, in all cases who meets all the eligibility requirements of Group and the MA-PD Plan in his or her own right, and who is eligible, in his or her own right, to enroll in a Medicare Advantage with Prescription Drug Benefit Plan under the Medicare Laws and Regulations. The Dependent must permanently reside within the Service Area.

1.08 Eligible Retiree is a former Group employee who has met the minimum required Retiree participation conditions as determined by Group, who is eligible to enroll in a Medicare Advantage with Prescription Drug Benefit Plan under the Medicare Laws and Regulations, who meets the Subscriber eligibility and enrollment requirements of the MA-PD Plan, who permanently resides in the Service Area.

1.09 Enrollment is the enrollment of Group's Eligible Retirees and their eligible Dependents into the MA-PD Plan by Group pursuant to and in accordance with Medicare Laws and Regulations. Enrollment is conditioned upon acceptance of the Eligible Retiree or eligible Dependent by UnitedHealthcare and by CMS, the execution of this Agreement by UnitedHealthcare and by Group, and the receipt of MA-PD Plan Beneficiary Premium by UnitedHealthcare. In its discretion and subject to specific protocols (including but not limited to use of UnitedHealthcare's file format), UnitedHealthcare may accept Enrollment through an electronic submission from Group.

1.10 Evidence of Coverage and Disclosure Information ("EOC") is the document issued to prospective and enrolled Subscribers disclosing and setting forth the health care and prescription drug benefits and terms and conditions of coverage to which Members of the MA-PD Plan are entitled. The EOC includes the Retirement Benefits Summary, Pharmacy Program & Drug Formulary Booklet, certain other attachments and

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any amendments thereto. The EOC is incorporated fully into this Agreement by reference.

1.11 Group is the single employer or other entity identified above.

1.12 Group Plan is the employee welfare benefit plan sponsored by Group.

1.13 Group Contribution is the amount of the MA-PD Plan Beneficiary Premium applicable to each Member which is paid by Group.

1.14 Low Income Subsidy Eligible Individual is a Medicare beneficiary who is eligible for a low-income subsidy for coverage under a Medicare Advantage with Prescription Drug Benefit Plan, as described in the Medicare Laws and Regulations.

1.15 MA-PD Plan is a Medicare Advantage with Prescription Drug Benefit Plan described in this Agreement, subject to modification, amendment or termination pursuant to the terms of this Agreement and the Group Plan.

1.16 MA-PD Plan Beneficiary Premiums are amounts established by UnitedHealthcare and approved by CMS to be paid to UnitedHealthcare by or on behalf of each Member enrolled in the MA-PD Plan for coverage under the MA-PD Plan. The amount, method of payment, and Group Contribution to the MA-PD Plan Beneficiary Premium, if any, is set forth on the Medicare Complete Employer Contribution and LIS Sign-Off Form or comparable document. The MA-PD Plan Beneficiary Premiums may include late enrollment penalties as assessed by CMS for those beneficiaries who did not have creditable prescription drug coverage for a period that exceeds 63 days from or after eligibility for Medicare Part D.

1.17 Medicare Laws and Regulations are, collectively, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the "MMA"), the regulations implementing the Medicare Advantage provisions at 42 CFR Part 422, together with guidance, instruction and other directives from CMS relating to Medicare Advantage Plans, and the regulations implementing the Part D Plan provisions of the MMA at 42 CFR Part 423, together with guidance, instruction and other directives from CMS relating to Medicare Part D Plans.

1.18 Medicare Part D Plan is a Medicare Part D Prescription Drug Benefit Plan.

1.19 Member is the Subscriber or any Dependent who is eligible, enrolled and covered by the MA-PD Plan.

1.20 Open Enrollment Period is the annual period established by Group, or another period required by CMS, during which all eligible and prospective Group Subscribers and their eligible Dependents may enroll in the MA-PD Plan.

1.21 Retiree is a former employee or union member of Group who meets the Group Plan's definition of a Retiree.

1.22 Service Area is a geographic area approved by CMS within which an MA-PD Plan Member must permanently reside in order to enroll in the MA-PD Plan.

1.23 Subscriber is the Eligible Retiree enrolled in the MA-PD Plan for whom the appropriate MA-PD Plan Beneficiary Premium has been received by UnitedHealthcare.

1.24 UnitedHealthcare Affiliates are all companies controlling, controlled by or under common control with UnitedHealthcare Insurance Company.

1.25 UnitedHealthcare Enrollment Packet is the packet of information supplied by UnitedHealthcare to prospective Members which discloses plan policy and procedure and provides information about the MA-PD Plan medical and prescription drug benefits and exclusions.

## 2. ELIGIBILITY AND ENROLLMENT

2.01 Eligibility. The MA-PD Plan specifies the coverage for which Eligible Retirees and eligible Dependents are eligible, in consideration of their continued entitlement to or enrollment in Medicare Part A and enrollment in Part B, and in consideration of UnitedHealthcare's receipt of any specified MA-PD Plan Beneficiary Premiums. Only persons with both Medicare Parts A and B are allowed to be enrolled in the MA-PD Plan. Therefore, if the Member is not currently entitled to Medicare Part A, the Member must purchase coverage of Part A services through the Social Security Administration and pay the Part A premium to Medicare. The Member is responsible for paying the appropriate premiums for Medicare part A and/or Part B. If the Member purchased an equivalent Part A plan from UnitedHealthcare in the past, the Member may continue to pay the amount for such plan to UnitedHealthcare and continue coverage under such plan provided that enrollment in such plan started prior to January 1, 1999.

2.02 Submission of Eligibility List and Enrollment/Election Forms. Group shall submit an initial list of Eligible Retirees and eligible Dependents (the "Group Eligibility List"). If Group seeks to automatically enroll all Eligible Retirees and eligible Dependents, Group will make available to such Eligible Retirees and eligible Dependents the ability to opt out of the automatic enrollment in a manner that allows such Eligible Retirees and eligible Dependents to enroll in another plan of their choice on a timely basis and in accordance with Medicare Laws and Regulations. Group shall submit any and all modifications to the Group Eligibility List to UnitedHealthcare on a monthly basis by the 10<sup>th</sup> day of each month. Additions to the Group Eligibility List must be received by the 10<sup>th</sup> day of the month before a Member's coverage becomes effective in order for such Member's coverage to be considered effective as of the first day of the following month. The Group Eligibility List is subject to modification by

UnitedHealthcare based upon acceptance or rejection of Enrollment by UnitedHealthcare and CMS.

2.02.01 Enrollment/Election. A properly completed Enrollment must be submitted to UnitedHealthcare by Group for each Eligible Retiree and eligible Dependent to be enrolled in the Plan. In its discretion, UnitedHealthcare may accept a uniform group Enrollment (without individual election forms) if such group Enrollment is conducted pursuant to the Medicare Laws and Regulations. Required elements for an enrollment are: the plan name of the Medicare Advantage with Prescription Drug Plan; product/premium choice (if applicable); the Member's name; the Member's date of birth; the Member's sex; the Member's permanent residence address; the Member's Medicare number; the Member's response to the ESRD question; contact information for the Member's authorized representative; Group's name and group number; and the Member's response to the question of which Medicare Advantage plan the beneficiary is currently a member of and to which Medicare Advantage plan the beneficiary is changing.

2.02.02 Time of Enrollment. All Enrollments shall be completed and submitted by Group to UnitedHealthcare during the Open Enrollment Period. The EOC applicable to the MA-PD Plan includes information regarding Initial Election Periods and Special Election Periods as defined by CMS during which Subscribers and Dependents may enroll in the MA-PD Plan outside of the Open Enrollment Period. Group shall provide notice to existing and/or prospective Members of the applicable Open Enrollment Periods.

2.02.03 Notice and Certification. Group shall provide a written notice prepared by UnitedHealthcare to Eligible Retirees and eligible Dependents at the commencement of the Open Enrollment Period and throughout the year to persons who become eligible at times other than during the Open Enrollment Period. The written notice shall provide notice of the availability of coverage under the MA-PD Plan.

2.02.04 Enrollment Record Retention. Group's record of the Member's enrollment election must exist in a format that can be easily, accurately and quickly reproduced for later reference by each individual member, UnitedHealthcare and/or CMS, as necessary, and be maintained by Group for the term of this Agreement and for ten (10) years thereafter.

2.03 Commencement of Coverage. The commencement date of coverage under the MA-PD Plan shall be in accordance with the terms of this Agreement and the Medicare Laws and Regulations (or, if applicable, in accordance with the eligibility date CMS communicates to UnitedHealthcare). UnitedHealthcare's acceptance of each Member's Enrollment is contingent upon receipt of the applicable MA-PD Plan Beneficiary Premium payment and CMS's confirmation of enrollment.

2.04 Notice of Disenrollment. In the event a Member no longer meets Group's eligibility requirements for participation in the MA-PD Plan, or a Member elects to

discontinue being covered by the MA-PD Plan, Group and/or Member shall provide written notice to UnitedHealthcare of such Member's disenrollment from the MA-PD Plan or Group shall provide notice via the monthly electronic eligibility submission, if applicable. Such notice, regardless of medium, shall include the reason for disenrollment.

In the case of a Member who no longer meets Group's eligibility requirements for participation in the MA-PD Plan or in the case of termination of this Agreement in accordance with Section 7, Group will issue prospective notice to Member(s) of the termination. Such notice must advise Member(s) of other insurance options that may be available through Group. Group will also advise such Member that the disenrollment action means the Member will not have Medicare drug coverage. Notice must include information about the potential for late-enrollment penalties that may apply in the future.

The effective date of disenrollment always falls on the last day of a month. In the case of a Member no longer meeting Group's eligibility requirements, Group will issue notice of a Member's termination from the MA-PD Plan by the 1<sup>st</sup> of the month for an effective date of the end of that month. All notification received after that date will result in a termination effective date of the last day of the following month. To disenroll from the MA-PD Plan, each Member must submit a signed, written notice to UnitedHealthcare according to the Medicare Laws and Regulations.

Disenrollment Record Retention. Group's record of a Member's election to disenroll must exist in a format that can be easily, accurately and quickly reproduced for later reference by each individual member, UnitedHealthcare and/or CMS, as necessary, and be maintained by Group for at least ten (10) years following the effective date of the individual's disenrollment from the MA-PD Plan.

### 3. GROUP OBLIGATIONS, MA-PD PLAN BENEFICIARY PREMIUMS AND COPAYMENTS

3.01 Notices to UnitedHealthcare. Group shall forward all completed or amended Enrollment forms for each Member for receipt by UnitedHealthcare in accordance with Section 2.02. Group acknowledges that any Enrollment applications not received by UnitedHealthcare within the timeframes specified in Section 2.02 may be rejected by UnitedHealthcare or may result in a later effective date of coverage.

Group shall forward all notices of termination to UnitedHealthcare within the timeframes specified in Section 2.02 in the event a Member loses eligibility or elects to terminate membership under this Agreement. Group agrees to pay any applicable MA-PD Plan Beneficiary Premium through the last day of the month in which the Member is enrolled. Group will provide at least thirty (30) days' advance written notice to Member of involuntary disenrollment, or a longer period if required by law.

3.02 Notices to Member. If Group or UnitedHealthcare terminates this Agreement pursuant to Section 7 below, Group shall promptly notify all Members

enrolled through Group of the termination of their coverage in the MA-PD Plan. Such notification will include any other plan options that may be available through Group. Group shall provide such notice by delivering to each Subscriber a true, legible copy of the notice of termination sent from UnitedHealthcare to Group, or from Group to UnitedHealthcare, at the Subscriber's then current address. Group shall promptly provide UnitedHealthcare with a copy of the notice of termination delivered to each Subscriber, along with evidence of the date the notice was provided. In the event that UnitedHealthcare terminates Member's enrollment in the MA-PD Plan for non-payment of MA-PD Plan Beneficiary Premium or UnitedHealthcare's non-renewal of this Agreement, Members will receive notice of termination from UnitedHealthcare.

If, pursuant to Sections 3.07.01 and 3.07.02 below, UnitedHealthcare or Group increases MA-PD Plan Beneficiary Premium payable by the Subscriber, or if UnitedHealthcare increases Copayments or reduces Covered Services and Covered Part D Drugs provided under this Agreement, UnitedHealthcare or Group, as applicable (whichever party promulgates the change) shall promptly notify all Members enrolled through Group of the increase or reduction. In addition, UnitedHealthcare or Group, as applicable (whichever party promulgates the change) shall promptly notify Members enrolled through Group of any other changes in the terms or conditions of this Agreement affecting the Members' benefits or obligations under the MA-PD Plan. Unless the change is to be communicated by UnitedHealthcare through the Annual Notice of Change (ANOC) process, Group shall provide such notice by delivering to each Subscriber a true, legible copy of the notice of the MA-PD Plan Beneficiary Premium or Copayment increase or reduction in Covered Services and Covered Part D Drugs sent from UnitedHealthcare to Group at the Subscriber's then current address. When required by CMS, Group shall promptly provide UnitedHealthcare with a copy of the notice of MA-PD Plan Beneficiary Premium or Copayment increase or reduction in Covered Services and Covered Part D Drugs delivered to each Subscriber, along with evidence of the date the notice was provided. UnitedHealthcare shall have no responsibility to Members in the event Group fails to provide the notices required by this Section 3.02.

3.03 Indemnification. Group agrees to indemnify, defend and hold UnitedHealthcare and its affiliates harmless and accept all legal and financial responsibility for any liability (including reasonable attorneys' fees) arising out of Group's failure to perform its obligations as set forth in this Section 3.

3.04 MA-PD Plan Beneficiary Premiums. MA-PD Plan Beneficiary Premiums are set forth in the applicable document and will be paid to UnitedHealthcare by the Due Date in accordance with Section 3.06.

3.05 Late Enrollment Penalty. MA-PD Plan Beneficiary Premiums may include any late enrollment penalties as determined applicable by CMS. The late enrollment penalty is based on the national average Part D bid amount set by CMS and is assessed for each month a beneficiary has not enrolled in a Medicare Advantage with Prescription Drug Benefit plan, when eligible or a beneficiary does not have creditable coverage (coverage containing a prescription drug benefit that is equivalent to Medicare

Part D). The late enrollment penalty is communicated to UnitedHealthcare by CMS upon confirmation of beneficiary enrollment by CMS. In the event a beneficiary is assessed a late enrollment penalty by CMS, UnitedHealthcare will pass on this premium penalty within the group billing. Group may choose to pass on this penalty to or pay on behalf of Group members. In the case where UnitedHealthcare bills members directly for premiums, UnitedHealthcare will bill the late enrollment penalty directly to the applicable Group Members.

3.06 Due Date. MA-PD Plan Beneficiary Premiums are due in full on a monthly basis by check or electronic transfer and must be paid directly by Group and/or by Member, as applicable, to UnitedHealthcare on or before the last business day of the month prior to the month for which the premium applies. Failure to pay the MA-PD Plan Beneficiary Premiums on or before the due date may result in termination of the Member from the MA-PD Plan in accordance with the procedures set forth in the EOC and the Medicare Laws and Regulations. For payments due from Group, UnitedHealthcare reserves the right to assess Group an administrative fee of five percent (5%) of the monthly premium prorated on a thirty (30)-day month for each day it is delinquent thereafter. This fee will be assessed solely at UnitedHealthcare's discretion. In the event that deposit of payments not made in a timely manner are received by UnitedHealthcare after termination of Group, the depositing or applying of such funds does not constitute acceptance, and such funds shall be refunded by UnitedHealthcare within twenty (20) business days of receipt if UnitedHealthcare, in its sole discretion, does not reinstate Group.

3.07 Modification of MA-PD Plan Beneficiary Premiums and Benefits.

3.07.01 Modification of MA-PD Plan Beneficiary Premium Rates. MA-PD Plan Beneficiary Premiums, as set forth in the UnitedHealthcare Enrollment Packet or other applicable document, may be modified by UnitedHealthcare in its sole discretion upon thirty (30) days prior written notice mailed postage prepaid to Group. Any such modification shall take effect commencing the first full month following the expiration of the thirty (30)-day notice period.

3.07.02 Modification of Benefits or Terms. Covered Services and Covered Part D Drugs, as set forth in the EOC, as well as other terms of coverage under the MA-PD Plan may be modified by UnitedHealthcare in its sole discretion upon thirty (30) days written notice mailed postage prepaid to Group. Any such modification shall take effect commencing the first full month following the expiration of the thirty (30)-day notice period or on a later date specified in the notice.

3.08 Effect of Payment. Except as otherwise provided in this Agreement, only Members for whom the MA-PD Plan Beneficiary Premiums are received by UnitedHealthcare are entitled to benefits under the MA-PD Plan, and then only for the period for which such payments are received.



3.09 Adjustments to Payments. No retroactive adjustments may be made beyond ninety days for any additions to or terminations of Enrollees or changes in Coverage classification not reflected in UnitedHealthcare's records at the time UnitedHealthcare calculates and bills for MA-PD Plan Beneficiary Premiums.

Group must notify UnitedHealthcare in writing prior to the billing date of any known changes in Enrollee status or enrollment, voluntary or involuntary, by the end of the month following such change. Such written notification must include the request for change, effective date, and reason for change.

Group cannot request a voluntary disenrollment of an Enrollee. Group must notify UnitedHealthcare in writing of any known changes in Enrollee status or enrollment, voluntary or involuntary, by the end of the month following such change.

Any imposition of or increase in any premium tax, guarantee or uninsured fund assessments, or other governmental charges relating to or calculated in regard to the MA-PD Plan Beneficiary Premiums shall be automatically added to the MA-PD Plan Beneficiary Premiums as of their legislative effective dates, as permitted by law. In addition, any change in law or regulation that significantly affects UnitedHealthcare's cost of operation shall result in an increase in the MA-PD Plan Beneficiary Premiums, in an amount to be determined by UnitedHealthcare, as of the next available date of MA-PD Plan Beneficiary Premiums adjustment, as permitted by law.

3.10 Member/Marketing Materials. Group shall provide UnitedHealthcare with copies of any and all materials relating to the coverage available through the MA-PD Plan that Group intends to disseminate to Eligible Retirees. All materials relating to the MA-PD Plan and/or UnitedHealthcare shall be subject to review and approval by UnitedHealthcare prior to its distribution by Group. Further, Group understands that the MA-PD Plan may be subject to federal and state regulatory oversight, and that Member materials and advertisements (including, but not limited to, cover letters accompanying direct mail kits, announcement mailings, etc.) may be required to be filed with, reviewed and approved by, CMS or state regulators prior to use. Group agrees not to distribute such material prior to receipt of written approval of the material by UnitedHealthcare. Group shall assume all liabilities and damages arising from Group's unauthorized dissemination of Member and/or advertising materials.

3.11 ERISA. UnitedHealthcare makes no representations or determinations regarding whether the arrangement contemplated by this Agreement constitutes an employee welfare benefit plan under the Employee Retirement Income Security Act ("ERISA"), 29 USC § 1001 et seq. This determination is solely the responsibility of Group. UnitedHealthcare will administer this Agreement in accordance with the requirements of Medicare and is not responsible for complying with or administering any applicable obligations that may arise under ERISA, including with respect to claims procedures or appeals, COBRA, providing summary plan descriptions, or required filings or disclosures. UnitedHealthcare is neither the plan administrator nor named fiduciary of the welfare plan, as those terms are used in ERISA.

3.12 Payment of MA-PD Plan Beneficiary Premiums. Group shall pay or ensure payment of any portion of MA-PD Plan Beneficiary Premiums for Members for which Group is responsible, as set forth in the applicable document. Each Member is responsible for paying to UnitedHealthcare or Group, as applicable, any portion of MA-PD Plan Beneficiary Premiums for which he or she is responsible, as set forth in the applicable document. When agreed by UnitedHealthcare and Group, UnitedHealthcare will bill each Member for the Member's amount of the MA-PD Plan Beneficiary Premiums. UnitedHealthcare shall arrange for Covered Services and Covered Part D Drugs under the MA-PD Plan only for those Members for whom the applicable MA-PD Plan Beneficiary Premiums have been paid.

3.13 Employer/Union-Only Group Part D Prescription Drug Plan Obligations. Pursuant to the MMA and the Medicare Laws and Regulations, Group acknowledges and agrees to comply with the following obligations with respect to the MA-PD Plan:

1. Uniform Premium Requirements: Group may determine how much of an MA-PD Plan Member's Medicare Advantage with Prescription Drug Benefit Plan Beneficiary Premium Group will subsidize, subject to the following conditions:

a. Group can subsidize different amounts for different classes of Members in the MA-PD Plan provided such classes are reasonable and based on objective business criteria, such as years of service, date of retirement, business location, job category, and nature of compensation (e.g., salaried v. hourly). Different classes cannot be based on Low Income Subsidy Eligible Individuals;

b. Group cannot vary the MA-PD Plan Beneficiary Premium subsidy for individuals within a given class of Members, other than as is required for the CMS-assessed late enrollment penalty; and

c. Group cannot charge a Member for prescription drug coverage provided under the MA-PD Plan for more than the sum of his or her monthly MA-PD Plan Beneficiary Premium attributable to basic prescription drug coverage and 100% of the monthly MA-PD Plan Beneficiary Premium attributable to his or her supplemental prescription drug coverage (if any).

2. Low Income Subsidy: For all MA-PD Plan Low Income Subsidy Eligible Individuals:

a. Group agrees that the low income premium subsidy amount will first be used to reduce the portion of the monthly MA-PD Plan Beneficiary Premium attributable to basic prescription drug coverage paid by the Member, with any remaining portion of the premium subsidy amount then applied toward the portion of the monthly MA-PD Plan

Beneficiary Premium attributable to basic prescription drug coverage paid by Group; and

b. if the low income premium subsidy amount for which a Member is eligible is less than the portion of the monthly MA-PD Plan Beneficiary Premium paid by the Member, Group shall communicate to the Member the financial consequences for the Member of enrolling in the Group MA-PD Plan as compared to enrolling in another Medicare Advantage with Prescription Drug Benefit Plan with a monthly beneficiary premium equal to or below the low income premium subsidy amount.

c. Any low-income subsidy amounts due to beneficiaries and/or groups must be applied within forty-five (45) days of receipt.

#### 4. BENEFITS AND CONDITIONS FOR COVERAGE

The applicable EOC(s) and any attachments are an integral part of this Agreement and are incorporated by reference into this Agreement. These documents include a complete description of the Covered Services and Covered Part D Drugs under the MA-PD Plan. UnitedHealthcare agrees to apprise Group concerning the type, scope and duration of Covered Medical Services and Covered Part D Drugs to which Members are entitled under the MA-PD Plan.

#### 5. PARTIES AFFECTED BY THIS AGREEMENT; RELATIONSHIPS BETWEEN PARTIES

5.01 Relationship of Parties. UnitedHealthcare is not the agent or representative of Group and shall not be liable for any acts or omissions of Group, its agents or employees, or any other person or organization with which Group has made, or hereafter shall make, arrangements for the performance of services under this MA-PD Plan. Group is not the agent or representative of UnitedHealthcare and shall not be liable for any acts or omissions of UnitedHealthcare, its agents, employees or providers, or any other person or organization with which UnitedHealthcare has made, or hereafter shall make, arrangements for the performance of services under this MA-PD Plan.

5.02 Compliance with the Health Insurance Portability and Accountability Act of 1996; Creditable Coverage. Group is solely responsible for issuing any and all notices of creditable coverage required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to eligible Members.

#### 6. TERM OF AGREEMENT; RENEWAL PROVISIONS

The term of this Agreement shall be one (1) year, commencing on the Effective Date, unless this Agreement is terminated as provided herein. This Agreement shall automatically renew for a one (1) year term on each anniversary of the Effective Date,

unless terminated as provided herein. Renewal of this Agreement shall be subject to modification of rates and benefits pursuant to Section 3.07.

## 7. TERMINATION

7.01 Termination by Group. Group may terminate this Agreement by giving a minimum of sixty (60) days written notice of termination to UnitedHealthcare, to allow processing time for UnitedHealthcare to notify the MA-PD Plan Members with a minimum of twenty-one (21) days' advance notice of termination. Group termination must always be effective on the first day of the month. Group shall continue to be liable for MA-PD Plan Beneficiary Health Premium for all Members enrolled in this MA-PD Plan through Group until the date of termination or, if later, the termination date indicated by CMS.

### 7.02 Termination by UnitedHealthcare.

7.02.01 Termination in the Event of Non-Renewal or Termination of CMS Contract. This Agreement shall automatically terminate in the event of a termination or non-renewal of UnitedHealthcare's contract with CMS (including termination or non-renewal with respect to a Service Area or a portion of a Service Area in which Enrollees of Group reside, as applicable). If the contract between UnitedHealthcare and CMS is not renewed, the Member's Medicare Advantage with Prescription Drug Benefit Plan coverage will be terminated unless the Member decides to enroll in another Medicare Advantage with Prescription Drug Benefit Plan administered by UnitedHealthcare. If either UnitedHealthcare or CMS decides not to renew the contract at the end of the year, UnitedHealthcare will send the Member a letter at least ninety (90) days before the end of the contract. If CMS ends the contract in the middle of the year, MA-PD Plan Members will receive a letter at least thirty (30) days before the end of the contract. In the event UnitedHealthcare exits in a portion of the Service Area, MA-PD Plan Members will be notified prior to the Service Area exit.

7.02.02 Termination in the Event of Non-Renewal of this Agreement. This Agreement shall terminate in the event it is not renewed by UnitedHealthcare (including non-renewal with respect to a Service Area or a portion of a Service Area in which Enrollees of Group reside, as applicable). If this Agreement is not renewed, the Member's Medicare Advantage with Prescription Drug Benefit Plan coverage under this Agreement will be terminated. If UnitedHealthcare decides not to renew the Agreement at the end of the year, UnitedHealthcare will send the Member a letter at least ninety (90) days before the end of the Agreement. In the event UnitedHealthcare exits in a portion of the Service Area, MA-PD Plan Members will be notified prior to the Service Area exit.

7.02.03 Termination for Nonpayment of MA-PD Plan Beneficiary Premiums. UnitedHealthcare may terminate this Agreement in the event Group or its designee fails to remit MA-PD Plan Beneficiary Premiums in full by the required date to UnitedHealthcare by giving written notice of termination of this Agreement via first class mail to Group. Nonpayment of MA-PD Plan Beneficiary Premiums includes but is not

limited to, payments returned due to non-sufficient funds (NSF) and post-dated checks. Such notice shall specify that payment of all unpaid MA-PD Plan Beneficiary Premiums must be received by UnitedHealthcare within fifteen (15) days of the date of issuance of the notice, and that if payment is not received within the fifteen (15) day period, no further notice shall be given, and coverage for all Members enrolled in this MA-PD Plan shall automatically be terminated effective at the end of the month for which MA-PD Plan Beneficiary Premiums have been actually received by UnitedHealthcare, subject to compliance with notice requirements.

7.02.04 Termination for Breach of Material Term. UnitedHealthcare may terminate this Agreement if Group breaches any material term, covenant or condition of this Agreement and fails to cure such breach within thirty (30) days after UnitedHealthcare sends written notice of such breach. UnitedHealthcare's written notice of breach shall make specific reference to Group's action causing such breach. If Group fails to cure its breach subject to UnitedHealthcare's satisfaction within thirty (30) days after UnitedHealthcare sends notice of the breach, UnitedHealthcare may terminate this Agreement at the end of the thirty (30)-day notice period.

7.02.05 For Providing Misleading or Fraudulent Information. UnitedHealthcare may terminate this Agreement thirty (30) days after UnitedHealthcare sends written notice to Group if Group provides materially misleading or fraudulent information to UnitedHealthcare in any Group questionnaires or is aware that materially misleading or fraudulent information has been provided on membership Enrollment forms.

7.02.06 For Ceasing to Meet Group Eligibility Criteria. UnitedHealthcare may terminate Group upon thirty (30) days written notice to Group if Group fails to abide by and enforce the conditions of Subscriber Enrollment set forth in this Agreement.

7.02.07 Withdrawal of Product from Market. UnitedHealthcare may terminate this Agreement upon at least ninety (90) days' prior written notice to Group if UnitedHealthcare no longer issues this particular MA-PD group health benefit plan within the applicable market, as permitted by law.

7.02.08 Withdrawal from Market. UnitedHealthcare may terminate this Agreement upon at least one hundred eighty (180) days' prior written notice to the applicable state regulatory authority and to Group if UnitedHealthcare no longer issues group health benefit plans within the applicable market.

7.02.09 Minimum Requirements. UnitedHealthcare may terminate this Agreement upon 60 days' prior written notice to Group if Group no longer meets UnitedHealthcare's minimum contribution or participation requirements.

7.02.10 For Loss of Group's Office Location within Service Area. Group acknowledges that in the event of such change of Group's office location, a

modification to MA-PD Plan Beneficiary Premium may be necessary. In the event of a change of Group's office location, UnitedHealthcare and Group shall negotiate any changes requested by either UnitedHealthcare or Group to the MA-PD Plan Beneficiary Premiums. In the event that the parties are unable to reach agreement regarding modified MA-PD Plan Beneficiary Premiums, UnitedHealthcare may terminate Group upon thirty (30) days written notice prior to such termination.

7.03 Return of Prepayment Premium Fees Following Termination / No Waiver of Right to Payment for Services Rendered. In the event of termination by either UnitedHealthcare (except in the case of fraud or deception in the use of UnitedHealthcare services or facilities, or knowingly permitting such fraud or deception by another) or Group, UnitedHealthcare will, within thirty (30) days, return to Group the pro-rata portion of money paid to UnitedHealthcare which corresponds to any unexpired period for which payment has been received, together with amounts due on claims, if any, less any amounts due to UnitedHealthcare. UnitedHealthcare's exercise of its termination rights under Section 7.02 does not waive UnitedHealthcare's right to payment by Group for all coverage provided, including late fees as provided in Section 3.06.

## 8. MISCELLANEOUS PROVISIONS

8.01 UnitedHealthcare Names, Logos and Service Marks. UnitedHealthcare reserves the right to control all use of its name, product names, symbols, logos, trademarks, and service marks currently existing or later established. Group shall not use UnitedHealthcare's name, product names, symbols, logos, trademarks, or service marks without obtaining the prior written approval of UnitedHealthcare.

8.02 Assignment. This Agreement and the rights, interests and benefits hereunder shall not be assigned, transferred, pledged, or hypothecated in any way by Group and shall not be subject to execution, attachment or similar process, nor shall the duties imposed herein be subcontracted or delegated by Group without the approval of UnitedHealthcare.

8.03 Validity. The unenforceability or invalidity of any part of this Agreement shall not affect the enforceability and validity of the balance of this Agreement.

8.04 Amendments. This Agreement may be modified by UnitedHealthcare as set forth in Section 3.06 above, or it may be amended upon the mutual written consent of the parties.

8.05 Attachments. The attachments to this Agreement, and all terms and conditions set forth therein, as they are from time-to-time amended by parties, are incorporated by reference herein and made an integral part of this Agreement.

8.06 Use of Gender. The use of masculine gender in this Agreement includes the feminine gender and the singular includes the plural.

8.07 Waiver of Default. The waiver by UnitedHealthcare of any one or more defaults by Group or Member shall not be construed as a waiver of any other or future defaults under the same or different terms, conditions or covenants contained in this Agreement.

8.08 Notices. Any notice required or permitted under this Agreement shall be in writing and either delivered personally or by regular, registered, or certified mail, U.S. Postal Service Express Mail, or overnight courier, postage prepaid, or by facsimile transmission at the addresses set forth below:

If to UnitedHealthcare:           UnitedHealthcare Insurance Company  
  Attention: President  
  UnitedHealth Group Center  
  9900 Bren Road East  
  Minnetonka, MN 55343

If to Group, at Group's last address known to UnitedHealthcare.

Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark date. If sent by regular mail, the notice shall be deemed given forty-eight (48) hours after the notice is addressed and mailed with postage prepaid. Notices delivered by U.S. Postal Service Express mail or overnight courier that guarantees next day delivery shall be deemed given twenty-four (24) hours after delivery of the notice to the United State Postal Service or courier. If any notice is transmitted by facsimile transmission or similar means, the notice shall be deemed served or delivered upon telephone confirmation of receipt of the transmission, provided a copy is also delivered via delivery or mail.

8.09 Acceptance of Agreement. Group may accept this Agreement either by execution of the Agreement or by making its initial payment to UnitedHealthcare of MA-PD Plan Beneficiary Premiums on or before the Effective Date. Member accepts the terms, conditions and provisions of this Agreement upon completion and execution of the Enrollment form. Acceptance by any of these methods shall render all terms and provisions of this Agreement binding on UnitedHealthcare and Group.

8.10 Entire Agreement. This Agreement, including all exhibits, attachments and amendments, contains the entire understanding of Group and UnitedHealthcare with respect to the subject matter hereof and it incorporates all of the covenants, conditions, promises, and agreements exchanged by the parties hereto with respect to such matter. This Agreement supersedes any and all prior or contemporaneous negotiations, agreements, representations, or communications, whether written or oral, between Group and UnitedHealthcare with respect to the subject matter of this Agreement.

8.11 Headings. The headings of the various sections of this Agreement are inserted merely for the purpose of convenience and do not expressly, or by implication, limit or define or extend the specific terms of the section so designated.

8.12 No Third Party Beneficiaries. Except as otherwise expressly indicated in this Agreement, this Agreement shall not create any rights in any third parties who have not entered into this Agreement, nor shall this Agreement entitle any such third party to enforce any rights or obligations that may be possessed by such third party.

8.13 Superseding of Other Agreements. The MA-PD Plan replaces and supersedes any previous Medicare Advantage with Prescription Drug Benefit plan between UnitedHealthcare and Group. The terms and conditions of this Agreement shall in turn be superseded by those of any subsequent agreement to provide an MA-PD Plan between UnitedHealthcare and Group.

8.14 Roles. UnitedHealthcare shall not be deemed or construed as an employer or as an employee for any purpose with respect to the administration or provision of benefits under Group's benefit plan. UnitedHealthcare shall not be responsible for fulfilling any duties or obligations of an employer or an employee with respect to Group's benefit plan. This Agreement is a business transaction between two unrelated parties.

## 9. ARBITRATION

UnitedHealthcare and Group will work together in good faith to resolve any disputes about their business relationship. If the parties are unable to resolve the dispute within thirty (30) days following the date one party sent written notice to the other party, and if any party wishes to pursue the dispute, it shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. In no event may arbitration be initiated more than one (1) year following the sending of written notice of the dispute. Any arbitration proceeding under this Agreement shall be conducted in Hennepin County, Minnesota. The arbitrators may construe or interpret but shall not vary or ignore the terms of this Agreement, shall have no authority to award any punitive or exemplary damages and shall be bound by controlling law. Each party shall be responsible for its own costs, including attorneys' fees, incurred in connection with any arbitration. The parties acknowledge that because this Agreement affects interstate commerce, the Federal Arbitration Act applies. Notwithstanding the provisions of this Section 9, if any party would suffer irreparable and immediate injury as a result of another party's breach or violation of any provision of this Agreement for which there would be no adequate remedy at law, such party may seek preliminary and other injunctive relief against any such breach or violation in a court having jurisdiction over the parties and the subject matter of the dispute.

*[Signature page follows.]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

GROUP: City of Long Beach

BY: [Signature] Assistant City Manager

NAME: Patrick H. West

TITLE: City Manager

DATE: 5.27.11

TIN: 95-6000733

UNITEDHEALTHCARE  
INSURANCE COMPANY

BY: [Signature]

NAME: Ellen R Sexton

TITLE: V.P. Group Retiree Services

DATE: 4/14/11

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

APPROVED AS TO FORM

5/17, 2011  
[Signature]