



Travis County Commissioners Court Agenda Request

Meeting Date: Tuesday, September 10, 2013
Prepared By/Phone Number: C.W. Bruner (854-9760)
Elected/Appointed Official/Dept. Head: Cyd Grimes
Commissioners Court Sponsor: Judge Biscoe

Approve the following twelve-month extensions to Contract No. 4400001215 (H.T.E. Contract No. 02T00005OJ), United Healthcare Services, Inc., for Travis County employees, retirees, and their dependents:

- (A) Modification No. 18 for Administrative Services Agreement**
- (B) Modification No. 13 for COBRA Administrative Services Agreement**
- (C) Modification No. 13 for Customer Reporting System Internet Access Agreement**

Purchasing Recommendation and Comments: Purchasing concurs with department and recommends approval of requested action. This procurement action meets compliance requirements as outlined by the statutes.

This contract provides the group health benefit plans to Travis County employees, retirees and their dependents. The Commissioners Court approved the contract for Group Health Benefits on September 25, 2001.

The modifications will extend the contract for the self-funded health care services and coverage with UnitedHealthcare Services, Inc., for an additional twelve (12) months, from October 1, 2013 through September 30, 2014. The contract extension is permitted pursuant to Section 9 of the contract, entitled "Term of the Agreement."

The Plan administration fee will increase approximately 3.9% (\$1.55) from \$39.91 to \$41.46 PSPM (per subscriber per month) for all plans for FY14. The administrative rates for COBRA administration and Retiree Billing administration will decrease FY14. The monthly fixed costs of the plan will increase by 7.8% from prior year. The increase is due in part to the

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

increase in number of Employees and Retirees enrolled as well as the increase in the administration rate. The number of Employees and Retiree increased from 4,940 in FY13 to 5,126 for FY14. There is no increase in rates for FY14 for Vision Insurance coverage.

➤ **Contract Modification Information:**

Modification Amount: Not Applicable

Modification Type: Bilateral

Modification Period: October 1, 2013 – September 30, 2014

➤ **Funding Information:**

➤ Shopping Cart/Funds Reservation in SAP:

Comments: Shopping carts are to be processed monthly based on current eligible members and the contract rates.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.



Human Resources Management



700 Lavaca Street, Suite 420 • P.O. Box 1748 • Austin, Texas 78767 • (512) 854-9165 / FAX(512)

Memorandum

DATE: August 13, 2013

TO: C.W. Bruner, Purchasing Agent Assistant

FROM: John Rabb, Benefits Manager *AK*
Shannon Steele, Benefits Administrator *SMS*

Subject: Renewal for Travis County Contract # 02T000050J (SAP # 4400001215), Health Insurance: Group Benefits - ASO, Cobra and Reporting

United Healthcare has been the County's Third Party Administrator for the healthplan since October 1, 2001, the inception of the self-funded plan. Vendor services related to the above contract have been performed to the County's satisfaction. Please exercise the contract renewal option for Fiscal Year 2014.

- The Plan administration fee will increase by approximately 3.9%. (\$1.55) from \$39.91 to \$41.46 PSPM (per subscriber per month) for all plans.
- The administrative rates for Cobra Administration and Retiree Billing Administration will decrease for Fiscal Year 2014.

The monthly fixed costs of the plan will increase by 7.8% from prior year. The increase is due in part to the increase in number of Employees and Retirees enrolled as well as the increase in the administration rate. The number of Employees and Retiree increased from 4,940 in FY 13 to 5,126 for FY 14.

	Current Fiscal Year 2013	Fiscal Year 2014
Average Monthly Cost	\$197,153	\$212,544
Average Annual Cost	\$2,365,841	\$2,550,524
		3.9%

Note: costs shown above do not include Individual Stop Loss premiums. This item is currently under bid and will be brought to the Court in an agenda item.

UNITEDHEALTHCARE ADMINISTRATIVE SERVICES ONLY (ASO) RENEWAL EXHIBIT

Fixed Costs	Current fiscal year 2013 administrative rates	Renewal- fiscal year 2014 administrative rates
Administration Fee		
Plan name	Enrollment	
Choice EPO	875	\$39.91
Choice Colnsured EPO	754	\$39.91
Choice Plus PPO	3497	\$39.91
Total Subscribers	5126	
Composite Fee per Subscriber per month-PSPM	\$39.91	\$41.46
Fixed cost PSPM (per Subscriber per month)	\$39.91	\$41.46
Monthly Fixed Cost	\$197,153	\$212,544
Annual Fixed Cost	\$2,365,841	\$2,550,524
% of increase or decrease		3.9%
Expected Claims PSPM (per Subscriber per month)	\$842.96	\$914.80

		Choice Standard ASO Administration - Renewal	Choice Standard ASO Administration - Renewal	Choice + Standard ASO Administration - Renewal
Administration Fee Components				
Pharmacy Fee:	Optum Rx	Included	Included	Included
UBH Fee:	Standard Behavioral Care	Included	Included	Included
Optum Fees:	Care 24	Not Included	Not Included	Not Included
	Nurseline	Included	Included	Included
	PS PHS/TDS/HeNotes, incl. Diabetes, CAD, CHF	Included	Included	Included
Additional Options:	Conversion:	Not Included	Not Included	Not Included
	Claim Fiduciary:	Not Included	Not Included	Not Included
	HSA Fee	N/A	N/A	N/A
	HRA Fee	N/A	N/A	N/A
	Third Party Stoploss Reporting	Included	Included	Included
	Spectera Fee	Included	Included	Included
	Medicare Part D Reporting	Included	Included	Included
	On Site CSR	Included	Included	Included
Subscribers		875	754	3,497
Total Administration Fee Cost (PSPM)		\$41.46	\$41.46	\$41.46

Fiscal Year 2014 COBRA AND RETIREE Direct Billing and Administrative Fees

Cobra/ Retiree billing-UnitedHealthcare Benefit Services	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
On going maintenance Fee (once a yr charge)	\$1,155.00	\$1,155.00	Fee waived	Fee waived	Fee waived
Cobra continuant takeover charge (1 time chg per current continuant from previous Cobra Administration) (should not apply in our case as we haven't changed)	\$16.54	\$16.54	\$16.54	N/A	N/A
Ongoing Cobra Continuant per month charge	\$11.25	\$11.25	\$11.25	\$11.25	\$4.50
Outside carrier eligibility feeds and premium remittance –per carrier per month	\$41.21	\$41.21	\$41.21	\$41.21	\$0.00
Qualifying Event- fee per qualifying event	\$30.00	\$30.00	\$30.00	\$30.00	\$14.00
Cobra Initial Rights Notifications-per notice	\$4.46	\$4.46	\$4.46	\$4.46	\$3.00
Retro Cobra Initial Rights notices- per notice	\$4.46	\$4.46	\$4.46	\$4.46	\$3.00
TX State Continuation- per notice	\$11.00	\$0.00	\$0.00	\$0.00	\$0.00
Past Due notices to continuants -per notice	\$2.10	\$0.00	\$0.00	\$0.00	\$0.00
Direct Billing Services					
Retiree Billing-per retiree per month	\$7.35	\$7.35	\$7.35	\$7.35	\$4.50
Past Due notice- per notice	\$2.10	\$0.00	\$0.00	\$0.00	\$0.00
OPTIONAL SERVICES					
Employee notification Services					
HIPAA is abbreviation for - Health Insurance Portability and Accountability Act					
HIPAA Initial rights notifications –per notice	\$4.25	\$6.25	\$6.25	\$6.25	\$3.00
Retro HIPAA Initial Rights Notifications –per notice	\$4.25	\$6.00	\$6.00	\$6.00	\$3.00
Post-COBRA HIPAA certificates of coverage on outside COBRA members – per certificate	\$6.25	Not indicated on renewal	Not indicated on renewal	Not indicated on renewal	Not indicated on renewal
HIPAA Privacy Notices- per notice	\$6.00	Not indicated on renewal	Not indicated on renewal	Not indicated on renewal	Not indicated on renewal
Women's Health Cancer Rights Act- per notice	\$3.25	Not indicated on renewal	Not indicated on renewal	Not indicated on renewal	Not indicated on renewal
Open Enrollment Services					
Partial Open Enrollment Service- per person Includes custom letter and plan change form	\$11.75	\$11.75	\$11.75	\$11.75	\$8.00
Full open enrollment Services- per person Same as partial Plus packaging and distribution of all related benefit materials and or informational documents as designated and provided by the client	\$23.50	\$23.50	\$23.50	\$23.50	\$8.00 plus postage

UnitedHealthcare returns the 2% COBRA administrative fee that is charged to COBRA participants to the County.

UnitedHealthcare
ASO Administration Fee Components

Customer Name:	Travis County
Effective Date:	10/1/2013
Subscribers:	5,126
Members:	9,467
Average Contract Size:	1.85
Average Age/Gender Adjustment:	1.08

	Choice Standard ASO Administration - Renewal	Choice Standard ASO Administration - Renewal	Choice + Standard ASO Administration - Renewal
Administration Fee Components			
Pharmacy Fee: Optum Rx	Included	Included	Included
UBH Fee: Standard Behavioral Care	Included	Included	Included
Optum Fees: Care 24	Not Included	Not Included	Not Included
Nurseline	Included	Included	Included
PS PHS/TDS/HeNotes, incl. Dia	Included	Included	Included
Additional Options			
Conversion:	Not Included	Not Included	Not Included
Claim Fiduciary:	Not Included	Not Included	Not Included
HSA Fee	N/A	N/A	N/A
HRA Fee	N/A	N/A	N/A
Third Party Stoploss Reporting	Included	Included	Included
Spectera Fee	Included	Included	Included
Medicare Part D Reporting	Included	Included	Included
On Site CSR	Included	Included	Included

Subscribers	875	754	3,497
Total Administration Fee Cost (PSPM)	\$41.46	\$41.46	\$41.46

Additional Services Included in our Administration Fee	Included in Quote
Communications Bu	NO
Reporting Budget	NO
Data Extracts	YES
Auditing Budget	NO
Cross Carrier Data F	NO
Expanded eCR Rep	YES
Health Advisor	YES

Assumptions

The quote is based on the following assumptions. Changes to these assumptions may result in an adjustment to the rates or revocation of the quote. Please refer to the Financial Commentary for further assumptions.

- Rates are guaranteed for the contract period of 10/1/13 through 9/30/14.
- UnitedHealthcare is the only carrier offered.
- Quote assumes 5126 subscribers 9467 members and an average contract size of 1.85. UnitedHealthcare reserves the right to adjust the rates if the enrollment at issue varies by +/- 10% from the submitted census.
- Employer contributes a minimum of 75% toward the employee only costs and 50% toward the dependent costs.
- UnitedHealthcare reserves the right to adjust rates in the event of (i) any changes in federal, state or other applicable law or rules; (ii) changes in Plan design required by the applicable regulatory authority (e.g. mandated benefits) or by the Plan Sponsor; (iii) any taxes, surcharges, assessments or similar charges being imposed by a governmental entity on the Plan or UnitedHealthcare; or, (iv) as otherwise permitted in our policy.
- Customer Retains 100% of Rx Rebates. Quote also assumes the United Rx National Network is used, the Advantage PDL is used, and the Rx plan design is Closed.
- Please refer to the ASO Medical Plan Exhibit for plan design overviews and the ASO Administration Fee Components exhibit for additional programs included in the administration fee.
- Packaged Savings does not apply.
- Quote does not include commissions.
- Administration fee includes 3 benefit plans and a maximum of 25 claim accounts.
- Quote includes Facility Discount Program. Quote Includes Shared Savings Program. A % of network savings will be billed when a non-UHC network is accessed to obtain medical claim savings.
- Quote Includes Advance Analytics and Recovery Service.
- A signed Administrative Service Agreement must be submitted prior to the effective date of our claim processing services. The effective date may be delayed if the Agreement is not signed.
- If the arrangement is terminated by the group during the implementation phase, implementation costs incurred by UnitedHealthcare will be the responsibility of the group.
- UnitedHealthcare reserves the right to adjust the rates if an award is not made within 90 days of the issuance of this quotation.
- Our quotation is based on new dates of loss and claims with dates of services on or after the effective date. UnitedHealthcare will process runout claims for a period of six months after termination of the contract for an additional fee. The charge for processing runout claims is equal to the administration fee at the time of cancellation, times the average number of subscribers for the three month period preceding cancellation, times two. If the group terminates their contract at the end of the first year, a matured administration fee will be used at the basis for the runout claim fee.
- The PPACA imposes certain fees and taxes on plan sponsors. For example, the "Comparative Effectiveness Fee" imposes a research fee, starting in 2012, upon all employers sponsoring a group health plan and this fee equates to a \$1 per participant charge per year (with an increase to \$2 per participant in 2013). UnitedHealthcare is not responsible for these fees or taxes and has not included them in the rates and fees quoted.
- The Plan or its sponsor will remain responsible for state or federal surcharges, assessments, or similar taxes or fees imposed by governmental entities or agencies on the Plan or us, including but not limited to those imposed pursuant to the Patient Protection and Affordable Care Act of 2010 (PPACA), as amended from time to time. This includes responsibility for funding the PPACA reinsurance fee which is remitted to the government (federal and/or state) by third-party administrators on behalf of self-funded plans.
- The fees quoted do not include state or federal surcharges, assessments, or similar taxes/fees imposed by governmental entities or agencies on the Plan or UnitedHealthcare. We reserve the right to adjust the rates (i) in the event of any changes in federal, state or other applicable legislation or regulation; (ii) in the event of any changes in plan design or procedures required by the applicable regulatory authority or by the sponsor; and (iii) as otherwise permitted in our ASA.
- If awarded this business, UnitedHealthcare, on your behalf and under your employer identification number, will open and maintain a bank account to provide us the means to access your funds for the sole purpose of payment of Plan benefits, expenses, and taxes/fees (including the PPACA reinsurance fee.) You agree to hold UnitedHealthcare harmless for any and all federal, state, local or other governmental demand, charge or tax (by whatever name) assessed against or imposed upon UnitedHealthcare arising out of the administration of the plan.

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**UnitedHealthcare
ASO Renewal Exhibit**

Customer Name: Travis County
Effective Date: 10/1/2013

Fixed Costs:
Administration
 ADMINISTRATION FEE - Excludes Commissions
 Plan Name Enrollment
 Choice 875
 Choice 754
 Choice + 3,497
 Total Subscribers 5,126
COMPOSITE FEE PSPM

Fixed Cost PSPM
 Monthly Fixed Cost
 Annual Fixed Cost
 % Increase over Current Annual Fixed Cost

Expected Claims PSPM
 Attachment Factor PSPM
 % Increase over Current

Projected Monthly Expected Claims
 Projected Annual Expected Claims

Monthly Fixed Costs + Expected Claims
 Annual Fixed Costs + Expected Claims
 % Increase over Current

** Lasered Claimant Notes:
 None

	Current	Renewal
ADMINISTRATION FEE - Excludes Commissions		
Plan Name Enrollment		
Choice 875	\$39.91	\$41.46
Choice 754	\$39.91	\$41.46
Choice + 3,497	\$39.91	\$41.46
Total Subscribers 5,126		
COMPOSITE FEE PSPM		
Fixed Cost PSPM	\$39.91	\$41.46
Monthly Fixed Cost	\$204,579	\$212,544
Annual Fixed Cost	\$2,454,944	\$2,550,524
% Increase over Current Annual Fixed Cost		3.9%
Expected Claims PSPM	\$842.96	\$914.80
Attachment Factor PSPM	N/A	N/A
% Increase over Current		8.5%
Projected Monthly Expected Claims	\$4,321,009	\$4,689,263
Projected Annual Expected Claims	\$51,852,114	\$56,271,151
Monthly Fixed Costs + Expected Claims	\$4,525,588	\$4,901,806
Annual Fixed Costs + Expected Claims	\$54,307,058	\$58,821,675
% Increase over Current		8.3%

COBRA and Direct Billing Fees

Travis County

Rates Effective: 10/1/2013 thru 9/31/2015

COBRA and/or Direct Billing Set Up and Maintenance

On-going Maintenance Fee (annual fee in subsequent years after implementation)	Waived
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COBRA Services

COBRA Continuant Takeover Charge (one-time charge per current continuant from previous COBRA administrator)	n/e
Ongoing COBRA Continuant Per Month Charge	\$4.50
Outside Carrier Eligibility Fees and Premium Remittance (per carrier per month)	\$0.00
Qualifying Event: Qualifying Event Services (fee per Qualifying Event – includes distribution of Qualifying Event notices and election forms via proof of mail with instructions, and processing of enrollment forms returned so as to set up those individuals for premium billing services)	\$14.00
COBRA / HIPAA Initial Rights Notifications (per notice)	\$3.00
Retro COBRA / HIPAA Initial Rights Notices (per notice)	\$3.00
Texas State Continuation Notification (per notice)	\$0.00
Past Due Notices to Continuant (per notice)	\$0.00

Direct Billing Services

Retiree Direct Billing (per continuant per month)	\$4.50
Past Due Notices to Continuant (per notice)	\$0.00

Note: The 2% COBRA administration portion from premium collected from continuants is remitted to the customer.

The following are Optional Services Available to customers purchasing COBRA/Direct Bill Services

Employee Notification Services

Post-COBRA HIPAA Certificates of Coverage on outside COBRA members (per certificate)*	\$3.00
HIPAA Privacy Notices (per notice)	\$3.00
Women's Health Cancer Rights Act (WHCRA) Notices (per notice)	Included if COBRA Initial Rights Notice is Contracted

Open Enrollment Services

Full Open Enrollment Service (per person)	\$8.00
Same as partial service PLUS packaging and distribution of all related benefit materials and/or informational documents as designated by and provided by the client	plus postage

*We provide these certificates through our internal processes as part of standard services for UHC members.

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Human Resources Management

700 Lavaca Street, Suite 420

P.O. Box 1748

Austin, Texas 78767

(512) 854-9165 / FAX(512) 854-6677

DATE: August 13, 2013

TO: C.W. Bruner, Purchasing Agent Assistant

FROM: John Rabb, Benefits Manager *JR*
Shannon Steele, Benefits Administrator *SS*

Subject: H.T.E. Contract # 02T00005OJ (SAP # 4400000006)
UnitedHealth Care - Vision

Vendor services related to the above contract have been performed to the County's satisfaction. Please renew the contact for Fiscal Year 2014 for the Vision insurance coverage with United Healthcare.

There is no increase in rates for FY 14. The employee/retiree only vision option is included with enrollment in a Travis County Health Plan and coverage for dependents is 100% employee/retiree paid.

If you have any questions, please contact John Rabb at 854-2742 or Shannon Steele at 854-6046.

UnitedHealthcare Specialty Benefits

Uniting health and financial wellbeing

Renewal for
Travis County

John Rabb
Travis County
700 Lavaca Street
Austin, TX 78701

Dear John:

On behalf of UnitedHealthcare Specialty Benefits, I am pleased to present renewal information for Travis County for the period, **10/01/2013 – 9/30/2015**.

Your **Vision renewal** covers the cost of well vision care and corrective lenses and eyewear with affordable premiums and copays, as well as lower out-of-pocket expenses. The network includes 53,000 private practice and retail providers of vision services.

For specific renewal rates and assumptions, please refer to detailed renewal exhibit (attached).

Please contact me for more information or to request a formal proposal for the following product in our portfolio:

- *Dental Insurance:* We offer a variety of dental plans, supported by a dental network of 100,000 dental access points nationwide and state-of-the-art online services for employers and members. We include value-added services at no additional cost, including Consumer MaxMultiplierSM, Prenatal Dental Program® and Oral Cancer Screening.

To accept this renewal and let it serve as our agreement to continue to provide coverage(s), please confirm acceptance by notifying me within 30 days. The proposed renewal rates may automatically change on the above listed renewal date. Thank you for the opportunity to serve you and the vision plan members of Travis County. We look forward to continuing our relationship for many years to come.

Sincerely,

LeJuene Davis

LeJuene Davis
469.633.8731
lejuene_davis@uhc.com

UnitedHealthcare Dental and Vision coverage provided by or through United HealthCare Insurance Company or its affiliates.

UnitedHealthcare Specialty Benefits

Uniting health and financial wellbeing

Travis County Vision coverage

Plan Overview

- 12/12/24
- \$10/\$25
- Contact lens allowance \$150
- Scratch Coating

	Current Rates	Renewal Rates
Employee	\$3.00	\$3.00
Employee + Spouse	\$13.39	\$13.39
Employee + 1 Child	\$9.11	\$9.11
Employee + Spouse + 1 Child	\$11.73	\$11.73
Employee + Children	\$11.03	\$11.03
Employee + Family	\$15.70	\$15.70

Acceptance of Renewal

I accept this renewal on behalf of Travis County

Authorized Signature: _____

Date: _____

Printed Name: _____

Title: _____

Please sign and submit to:

LeJuene Davis

UnitedHealthcare Specialty Benefits

(855) 290 – 7404

lejuene_davis@uhc.com

MODIFICATION OF CONTRACT NUMBER: 02T000050J, Administrative Services Agreement

(SAP # 4400001215)

PAGE 1 OF 7 PAGES

ISSUED BY: PURCHASING OFFICE 700 LAVACA STREET, 8 TH FLOOR AUSTIN, TX 78701	PURCHASING AGENT ASST: CW Bruner TEL. NO: (512) 854-9760 FAX NO: (512) 854-4211	DATE PREPARED: August 19, 2013
ISSUED TO: United HealthCare Services, Inc. Attn: Frank Sievel 185 Asylum Street Hartford, Connecticut 06103-3408	MODIFICATION NO.: <p style="text-align: center;">18</p>	EXECUTED DATE OF ORIGINAL CONTRACT: September 18, 2001

ORIGINAL CONTRACT TERM DATES: October 1, 2001 - October 1, 2002 CURRENT CONTRACT TERM DATES: October 1, 2013-September 30, 2014

FOR TRAVIS COUNTY INTERNAL USE ONLY: Original Contract Amount: \$ N/A Current Modified Amount \$ N/A

DESCRIPTION OF CHANGES: Except as provided herein, all terms, conditions, and provisions of the document referenced above as heretofore modified, remain unchanged and in full force and effect.

This modification number eighteen to the Administrative Services Agreement is made by the following parties:
 United HealthCare Services, Inc., formerly known as United HealthCare Insurance Company, a Texas corporation (“Our”, “Us”, and “We” in this Amendment) and Travis County, Texas (“You” or “Your” in this Amendment”).

RECITALS

You and We entered into a contract for administrative services for group employee benefits, such as self-funded health coverage for county employees, retirees, and their dependents that began October 1, 2001.
Section 14.5 Amendment of the Administrative Services Agreement allows Us and You to amend the Agreement in writing signed by both of Us.
Section 8.2 Changes in Service Fees provides those circumstances under which changes in rates are allowed.

AGREEMENT TO AMEND CONTRACT

You and We agree to amend the Administrative Services Agreement as follows:

1.0 EXERCISE OF OPTION: Pursuant to **Section 1 Definitions**, in the definition of “**Agreement Period**” and **Section 9.1 Services Begin** of the Administrative Services Agreement, as amended herein, You

Note to Vendor:
 Complete and execute (sign) your portion of the signature block section below for all copies and return all signed copies to Travis County.
 DO NOT execute and return to Travis County. Retain for your records.

LEGAL BUSINESS NAME: United HealthCare Services, Inc. BY: _____ SIGNATURE BY: _____ PRINT NAME TITLE: _____ ITS DULY AUTHORIZED AGENT	<input type="checkbox"/> DBA <input type="checkbox"/> CORPORATION <input type="checkbox"/> OTHER DATE: _____
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TRAVIS COUNTY, TEXAS BY: _____ CYD V. GRIMES, C.P.M., TRAVIS COUNTY PURCHASING AGENT	DATE: _____
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TRAVIS COUNTY, TEXAS BY: _____ SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE	DATE: _____
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exercise Your option to extend this agreement for an additional one year option period from October 1, 2013 through September 30, 2014.

2.0 MODIFICATION TO FEES: Pursuant to Section 14.5 Amendment of the Administrative Services Agreement, section 2.1 MODIFICATION TO FEES, subsection 3.2 of Modification 16 IS deleted and the following is inserted in its place:

3.2 FEES FOR FY 2014: Pursuant to Section 8.2 Changes in Service Fees and Section 9.1 Services Begin of the Administrative Services Agreement as amended herein, the fees applicable for the option period from October 1, 2013 through September 30, 2014 are as follows:

Administrative Fees for County Fiscal Year ending September 30, 2014 with the following components included:

Pharmacy Fee with Optum Rx
 United Behavioral Health (UHB) Fee at National Service Center—PPO
 Optum Fees for Nurseline and Ps Personal Health Support Ps PHS/HeNotes, including Diabetes, Coronary Artery Disease and Congestive Heart Failure
 PHS Nurse team with a Clinical Lead to work directly with Your benefit staff to resolve member care management and health issues including predictive modeling results specific to you and enhance member specific wellness mailings and messaging
 Treatment Decision Support for members facing surgical treatment decisions for Musculoskeletal (back pain, knee and hip replacement); Women’s Health (benign uterine conditions and hysterectomy) Men’s Health (benign prostate disease), Heart Disease (coronary disease, CABG, angioplasty) Obesity (bariatric surgery—not covered by Your plan)
 Spectera Fee
 Medicare Part D Reporting
 On Site Customer Service Representative
 Data Extracts and Expanded Employer Customer Reporting (eCR)
 Systems Interface and Reporting services for stop-loss

The sum of the following prior to rebates:

- \$41.46 per month per Employee covered under the “United HealthCare Choice Plus” portion of the Plan.
- \$41.46 per month per Employee covered under the “United HealthCare Choice” portion of the Plan.
- \$41.46 per month per Employee covered under the “United HealthCare Coinsured Exclusive Provider Network” portion of the Plan.

Pharmacy Average Wholesale Price (AWP) Contract Rates

There is more than one applicable rate for pharmacy services because of the variety of services involved. Your contract rates for prescription drugs are stated in Attachment A to this Modification. We use Medispan’s national drug data file as the source for average wholesale price (AWP) information. We reserve the right to revise the pricing and adopt a new source or benchmark if there are material industry changes in pricing methodologies and will give you notice of any revisions or new sources or benchmarks at least 30 days before they are implemented.

Service Fee for Facility Reasonable Charge Determination and Negotiation

You will pay a fee for our services, as described in Section 12, equal to thirty (30%) of the amount of the reductions obtained through our efforts.

We will bill you for the amounts that you owe us. The bill will reflect reductions obtained during the preceding month and adjustments, if any, from previous months.

Service Fees for Shared Savings Program

You will pay a fee equal to thirty-five (35%) of the "Savings Obtained" as a result of the Shared Savings Program as described in Section 12. "Savings Obtained" means the amount that would have been payable to a health care provider, including amounts payable by both the Participant and the Plan, if no discount were available, minus the amount that is payable to the health care provider, again, including amounts payable by both the Participant and the Plan, after the discount is taken.

Service Fees for Medicare Cross-over Program

\$1.46 per month per Employee covered as a Medicare Eligible Participant

Service Fees for Benefit Plan for Prescriptions ONLY for Retirees Only

\$2.10 per month per Employee covered by the Benefit Plan for Prescriptions ONLY for Retirees

3.0 INCORPORATION OF CONTRACT

3.1 You and we hereby incorporate this amendment into the Administrative Services Agreement as amended by Modifications 1, 2, 3, 4, 5, 6, 7, 11, 14, 15, 16, 17 and 18. You and we hereby ratify all of the terms and conditions of the Agreement as amended.

4.0 EFFECTIVE DATE

4.1 The changes stated in this amendment are effective October 1, 2013.

ATTACHMENT A– PHARMACY PRICING AND GUARANTEES

The fees in this Attachment are for Pharmacy Services, and are in addition to fees specifically listed elsewhere in the Agreement. Except for the **Pharmacy Average Wholesale Price (AWP) Contract Rates**, all other fees in section 2 of Modification 18 (“Service Fees”) payable by You under this Agreement will be adjusted through a credit to your Service Fees in accordance with the guarantees below unless otherwise defined in the guarantee if we fail to pay You and will provide appropriate documentation about the calculation of the credit. These guarantees apply to pharmacy benefits and are effective for the period beginning October 1, 2013 and ending on October 1, 2014 (the “Guarantee Period”). With respect to the aspects of our performance addressed in this Attachment, these fee adjustments are your exclusive financial remedies.

The guarantees will become effective upon the later of (1) the effective date of the Guarantee Period; or (2) the date this Agreement is signed by both parties.

We reserve the right from time to time to replace any report or change the format of any report referenced in these guarantees. In that event, the guarantees will be modified to the degree necessary to carry out the intent of the parties. We shall not be required to meet any of the guarantees provided for in this Agreement or amendments to it to the extent Our failure is due to Your actions or inactions or if We fail to meet these standards due to fire, embargo, strike, war, accident, act of God, acts of terrorism or Our required compliance with any law, regulation, or governmental agency mandate or anything beyond Our reasonable control.

Prior to the end of the Guarantee Period, and provided that this Agreement remains in force, We may specify to You in writing new guarantees for the subsequent Guarantee Period. If We specify new guarantees, We will also provide you with a new Attachment that will replace this Attachment for that subsequent Guarantee Period.

“Claim” is defined as an initial and complete written request for payment of a Plan benefit made by an enrollee, physician, or other healthcare provider on an accepted format.

Retail Network		
<i>Discounts and Dispensing Fees</i> ⊕ Access to 62,000 pharmacies nationwide ⊕ Rates exclude compound and DMR claims ⊕ Aggregate average discount off AWP for MAC and non-MAC generics: 69%	Brand:	AWP –13.7% Post Rollback AWP –17.0% Equivalent Pre-Rollback \$1.50 Dispensing Fee
	Generic:	MAC \$1.50 Dispensing Fee
Mail Service		
<i>Discounts and Dispensing Fees</i> ⊕ Postage included ⊕ Based on an average days supply of 84 or greater for all claims with the exception of all specialty and certain non-specialty injectable drugs ⊕ Rates may vary for claims not covered under pharmacy benefit ⊕ Aggregate average discount off AWP for MAC & non-MAC generics: 71%	Brand:	AWP –22% Post Rollback AWP –25% Equivalent Pre-Rollback \$0.00 Dispensing Fee
	Generic:	MAC \$0.00 Dispensing Fee

Rebate Management		
<ul style="list-style-type: none"> ⊕ Adoption of Our PDL, PDL management, and utilization management in conjunction with You ⊕ Collection and distribution of funds received ⊕ Rebate ineligible paid claims such as those from 340B pharmacies or entities eligible for federal supply schedule prices (e.g., Dept. of Veterans Affairs, US Public Health Service, Dept. of Defense) are excluded from rebate guarantees ⊕ Your Plan is accountable for at least half of the aggregate drug costs annually 	Retail:	100% Pass Through
	Mail:	100% Pass Through
Standard Services		
<ul style="list-style-type: none"> ⊕ Dedicated Implementation and Client Management Team ⊕ Help Desks – Toll-free access for members, physicians, and pharmacies ⊕ DUR and System Edits – Standard Concurrent DUR and flexible plan designs ⊕ Real-Time Audit – Filters 100% of claims before payment–outliers sent to audit team ⊕ Safety Notifications for Providers and/or Members (e.g., drug recalls) 		\$0.81 per Paid Claim
Clinical Programs		
Clinical Prior Authorization		Included
⊕ Overrides requiring clinical intervention or evaluation		
Physician Reviewed Prior Authorization		Included
<i>Clinical Initiatives</i>		
<ul style="list-style-type: none"> ⊕ Standard Targeted Disease Intervention Programs ⊕ Provider and Member Education Programs 		4 programs included, \$0.08 PMPM per additional program selected
<i>Core Clinical Programs</i>		Included
⊕ Programs Include: DIAP, Geriatric Monitor, Narcotic, and PolyPharmacy		
<i>Health, Wellness, and Disease Education provided through website</i>		Included
Customized Clinical Programs		Quoted Separately Upon Request. Client claims data required for custom analysis and presentation
<i>Appeals Services for Prior Authorization</i>		Included
Translation for Prior Authorization Appeals		\$220 per Letter
Additional Services		
<i>Custom Programming/Report Generation Minimum \$500</i>		\$150 per hour
E-Prescribing		\$0.18 per Eligibility Check
Non-Standard or Manual Eligibility Maintenance		\$1.50 per Member
<i>Direct Member Reimbursement (DMR)</i>		
Entered by Us, includes creation and mailing of letters for denied claims, in accordance with state or federal requirements.		\$4.50 per Claim plus postage
<i>Appeals Services for DMR</i>		Included
Translation for DMR Appeals		Included

Pricing Terms

- Fees are adjusted annually based on CPI-U % change over the prior year. CPI-U is published by the US Department of Labor.
- Generic rates exclude generic drugs during the exclusivity period as granted by the FDA, which is typically 180 days, or as authorized by the original patent holder.
- Generic discounts exclude high cost generic drugs with a monthly cost of at least \$600.
- Rebate guarantees and generic AWP discounts may be adjusted proportional to the impact of unexpected releases of generic products to market, or the withdrawal/recall of existing branded products.
- Mail service rates exclude specialty and certain non-specialty injectable products.
- “AWP” means and refers to the average wholesale price of medication, drugs or ancillary supplies, as applicable, as dispensed and as set forth in the latest edition of the Medi-Span Prescription Pricing Guide (with supplements) or any other nationally recognized pricing source mutually agreed upon by the parties (the "Pricing Source").
 - (a) You acknowledge that We are entitled to rely on Medi-Span and the publisher of any mutually agreed upon pricing source to determine AWP for purposes of establishing the pricing provided to You under this Agreement. You further acknowledge that We do not establish AWP, and We have no liability to You arising from the use of the Medi-Span Pricing Guide or information received from any other pricing source that is mutually agreed upon in a written modification to this Agreement.
 - (b) You further acknowledge that to account for the rollback of AWP implemented by Medi-Span on or after September 26, 2009 ("AWP Rollback"), We use the following AWP adjustment processes for all pricing based on AWP (including, without limitation, guarantees) that is provided to You under this Agreement:
 - (1) We shall adjust the Medi-Span AWP Pricing Information for each of the Affected National Drug Codes (NDCs) to reflect the markup factors utilized by Medi-Span immediately prior to the AWP Rollback. “Affected NDCs” means all NDCs with adjusted markup factors by the pricing source pursuant to the AWP Rollback.
 - (i) We adjust Affected NDCs with markup changes on or after September 26, 2009, to reflect the markup factors utilized by Medi-Span immediately prior to the AWP Rollback, and
 - (ii) New NDCs with markup factors used by the pricing source are adjusted by Us to reflect a markup factor of 1.25. New NDCs means those NDCs first issued and listed on the Medi-Span AWP Pricing Information after the effective date of the AWP Rollback.
 - (2) We shall continue to adjust the AWP Pricing Information, as described in this section, until AWP is no longer published by Medi-Span.
 - (3) If We decide to utilize a pricing benchmark other than AWP or We are required to do so because the Pricing Source discontinues publication of AWP and such change would materially affect Your economic benefit under this Agreement (“Material Pricing Change”), then We shall provide You with the modified pricing terms at least thirty (30) days before the effective date of that change. If We and You fail to mutually agree upon the modified pricing terms before the effective date of the Material Pricing Change, then Our proposed modified pricing terms go into effect until otherwise agreed. Additionally, if no agreement is reached concerning the Material Pricing Change, either party may terminate this Agreement upon thirty (30) days prior written notice to the other party.

Specialty Pharmacy	Rates
Specialty Products including ⊕ Ancillary supplies, needles, syringes, and sharps containers ⊕ Express overnight shipping	See pricing schedule
Unmixed Chemotherapeutic Agents ⊕ Shipped to physician’s office or infusion clinic	See pricing schedule
Chemotherapy Adjunctive Medications	See pricing schedule
Value-added services provided at no additional charge ⊕ Care management: “High Touch” monitoring of patient response, side effects and disease progression ⊕ Clinical Management Programs to improve quality of care through education and communication for patients with Multiple Sclerosis, Hepatitis, or Rheumatoid Arthritis.	⊕ Patient Care Coordinators will proactively call members prior to each refill to help manage inventory of specialty products to ensure continuity of care ⊕ Member access to clinical pharmacists 24/7 ⊕ Provide access to patient advocate and assistance programs
Home Infusion Network/Access to Exclusive Drugs	Rates
Selection varies by geographic area (includes infusion services, specialty products and nursing)	Rates vary per contract and may include dispensing or per diem fees. See pricing schedule

Case Review		Rates
Authorization, Denial, Utilization and Case Management		\$55.00 per case
Physician Reviewed Prior Authorization		\$390.00 per case
Other		Rates
Standard Reports		Included
Online Reporting Tool		Included
Custom system or reporting configurations		\$150 per hour, as approved by Client
Implementation set up fees		Included
<i>Direct Member Reimbursement (DMR)</i> Entered by Us, includes creation and mailing of letters for denied claims, in accordance with state or federal requirements.		\$4.50 per Claim plus postage
Case Review Charges		
A client may choose to have all or some specialty products go through the case review process (recommended) and reviewed by a licensed clinical pharmacist. Authorization, Denial & Limited Case Management, \$55 per case. Services listed below are included.		
<p><i>Utilization Management</i></p> <ul style="list-style-type: none"> ▪ Specialty Product Authorization accepted by phone or fax ▪ Verify eligibility of member ▪ Review requests for any specialty product. If no guideline exists, utilize FDA indications as basis for review, and perform additional research for off label use requests if necessary ▪ Request additional information, if needed ▪ Guideline Criteria Met <input type="checkbox"/> Approve ▪ Diagnosis does not match guideline diagnosis <input type="checkbox"/> Denial (Or convert to Non-FDA limited case management review) ▪ Guideline Criteria not met <input type="checkbox"/> In depth review for off label use requires research and Medical Director consultation ▪ Guideline Criteria not met <input type="checkbox"/> Redirect to other PO or specialty product when appropriate ▪ State Regulation & NCQA Denial Letters to be completed by Optum Rx (members and providers) 		
<p><i>Off label Use</i></p> <ul style="list-style-type: none"> ▪ At Direction of Client: Review medical necessity of off label use ▪ Medical Director review of submitted documentation (i.e. studies) ▪ External expert consultant if needed 		
<p>Case Management</p> <ul style="list-style-type: none"> ▪ Direct Case to appropriate delivery mechanism (i.e. home health vs. specialty product) ▪ Manage specialty product formulary when developed (i.e. direct to formulary Low Molecular Weight Heparin) ▪ Limited Case Management (i.e. proactive monitoring of EPO/ Neupogen lab parameters for re-auths) 		
<p>Reporting – Case Log</p> <ul style="list-style-type: none"> ▪ Drug, Date, Physician & Patient ▪ Decision ▪ Outcome notes (when applicable) 		
<p>Clinical Support</p> <ul style="list-style-type: none"> ▪ Guideline Development 		

UHC document identification number:
TCCA document identification number: 278106v1

MODIFICATION OF CONTRACT NUMBER: 02T00005OJ, COBRA
(SAP # 4400001215)

PAGE 1 OF 3 PAGES

ISSUED BY: PURCHASING OFFICE 700 LAVACA STREET, 8 TH FLOOR AUSTIN, TX 78701	PURCHASING AGENT ASST: CW Bruner TEL. NO: (512) 854-9760 FAX NO: (512) 854-4211	DATE PREPARED: August 19, 2013
ISSUED TO: United HealthCare Services, Inc. Attn: Frank Sievel 185 Asylum Street Hartford, Connecticut 06103-3408	MODIFICATION NO.: 13	EXECUTED DATE OF ORIGINAL CONTRACT: September 18, 2001
ORIGINAL CONTRACT TERM DATES: <u>October 1, 2001-October 1, 2002</u>		CURRENT CONTRACT TERM DATES: <u>October 1, 2013-September 30, 2014</u>

FOR TRAVIS COUNTY INTERNAL USE ONLY: Original Contract Amount: \$ N/A Current Modified Amount \$ N/A

DESCRIPTION OF CHANGES: Except as provided herein, all terms, conditions, and provisions of the document referenced above as heretofore modified, remain unchanged and in full force and effect.

This amendment number thirteen to COBRA Administrative Services Agreement is made by the following parties: United HealthCare Services, Inc., formerly known as United HealthCare Insurance Company, a Texas corporation ("UnitedHealthcare") and Travis County, Texas ("Contractholder").

RECITALS

Contractholder and UnitedHealthcare entered into a contract for administrative services for COBRA benefits for self funded health coverage for county employees, retirees, and their dependents that began October 1, 2001.

Section VIII General Provisions of the COBRA Administrative Services Agreement with UnitedHealthcare allows Contractholder and UnitedHealthcare to amend this agreement if the amendment is in writing and signed by both parties.

Section X Term of Agreement of the COBRA Administrative Services Agreement with UnitedHealthcare grants Contractholder the option to extend this agreement for additional one year periods, with all terms and conditions remaining unchanged except the Agreement Period and negotiated rate changes.

AGREEMENT

1.0 EXERCISE OF OPTION

1.1 Pursuant to **Section X Term of Agreement** of the COBRA Administrative Services Agreement, as amended herein, Contractholder exercises its option to extend this agreement for the one year period from October 1, 2013 through October 1, 2014.

Note to Vendor:
[X] Complete and execute (sign) your portion of the signature block section below for all copies and return all signed copies to Travis County.
[] DO NOT execute and return to Travis County. Retain for your records.

LEGAL BUSINESS NAME: United HealthCare Services, Inc.	<input type="checkbox"/> DBA
BY: _____ SIGNATURE	<input type="checkbox"/> CORPORATION
BY: _____ PRINT NAME	<input type="checkbox"/> OTHER
TITLE: _____ ITS DULY AUTHORIZED AGENT	DATE:

TRAVIS COUNTY, TEXAS	DATE:
BY: _____ CYD V. GRIMES, C.P.M., TRAVIS COUNTY PURCHASING AGENT	

TRAVIS COUNTY, TEXAS	DATE:
BY: _____ SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE	

2.0 RATE CHANGES

2.1 Pursuant to **Section VI Fees and Charges; Due Dates, Payments and Penalties** of the COBRA Administrative Services Agreement and **Exhibit A – Services Fees** of the Administrative Services Agreement as amended in Amendment One, the rates applicable for this option period from October 1, 2013 to October 1, 2014 are as follows:

COBRA/Direct Billing Set Up and Maintenance

This annual fee has been waived.

COBRA Services

On-going Continuant per month charge	\$4.50
Qualifying Event notification (includes timely distribution of Qualifying Event notices and election form via proof mail with instructions and processing of enrollment forms returned to set up those individuals for premium billing services)	\$14.00 per Qualifying Event
COBRA Initial Rights Notifications	\$3.00 per notice
Retro COBRA Initial Rights Notifications	\$3.00 per notice
Texas State Continuation Notice	No fee per notice
Past Due Notices to Continuant	No fee per notice

Direct Billing Administration (Billing and Collection)

Retiree Direct Billing covered by UnitedHealthcare Options PPO or Choice EPO or Coinsured EPO or Rx Only Plan	\$7.35 per retiree per month
Past Due Notices to Retirees	No fee per notice

Open Enrollment Services

Partial Open Enrollment Service Includes custom letter and plan change form	\$8.00 per person
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Outside Carrier

Outside carrier eligibility feeds and premium remittance	\$00.00 per carrier per month.
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QUALIFIED BENEFICIARY CHARGE

On-Going Service

2% of Premium included in Qualifying Beneficiary billing rate collected from Continuant to be credited back to Contractholder.

3.0 INCORPORATION OF CONTRACT

3.1 Contractholder and UnitedHealthcare hereby incorporate this amendment into the COBRA Administrative Services Agreement, Modification One, Modification Three, Modification Four, Modification Five, Modification Six, Modification Seven, Modification Eight, Modification Nine, Modification Ten, Modification Eleven, Modification Twelve, and Modification Thirteen. Contractholder and UnitedHealthcare hereby ratify all of the terms and conditions of the Agreement as amended.

4.0 EFFECTIVE DATE

4.1 The changes in this amendment are effective October 1, 2013.

MODIFICATION OF CONTRACT NUMBER: 02T00005OJ, Reporting, UHC
(SAP # 4400001215)

ISSUED BY: PURCHASING OFFICE 700 LAVACA STREET, 8 TH FLOOR AUSTIN, TX 78701	PURCHASING AGENT ASST: CW Bruner TEL. NO: (512) 854-9760 FAX NO: (512) 854-4211	DATE PREPARED: August 22, 2013
ISSUED TO: United HealthCare Services, Inc. Attn: Frank Sievel 185 Asylum Street Hartford, Connecticut 06103-3408	MODIFICATION NO.: 13	EXECUTED DATE OF ORIGINAL CONTRACT: September 11, 2001

ORIGINAL CONTRACT TERM DATES: October 1, 2001-October 1-2002 CURRENT CONTRACT TERM DATES: October 1, 2013-September 30, 2014

FOR TRAVIS COUNTY INTERNAL USE ONLY: Original Contract Amount: \$ N/A Current Modified Amount \$ N/A

DESCRIPTION OF CHANGES: Except as provided herein, all terms, conditions, and provisions of the document referenced above as heretofore modified, remain unchanged and in full force and effect.

This amendment number thirteen to Customer Reporting System Internet Access Agreement is made by the following parties: United HealthCare Services Inc., formerly known as United HealthCare Insurance Company, a Texas corporation (“UHS”) and Travis County, (“User”).

RECITALS

User and UHS entered into a contract for Customer Reporting System Internet Access in conjunction with an Administrative Services Agreement with United HealthCare Insurance Company for group employee benefits, such as self funded health coverage for county employees, retirees, and their dependents that began October 1, 2001.

Section 6 **Term and Termination** of the Customer Reporting System Internet Access Agreement with UHS grants User the option to extend this agreement for additional one year periods if the option to extend the Administrative Services Agreement with United HealthCare Insurance Company for that period has also been exercised by User, with all terms and conditions remaining unchanged except the term of the agreement.

EXERCISE OF OPTION TO EXTEND CONTRACT

Pursuant to Section 6 **Term and Termination** of the Customer Reporting System Internet Access Agreement, as amended herein, User hereby exercises its option to extend this agreement for an additional one-year period from October 1, 2013 through September 30, 2014.

User and UHS hereby incorporate this amendment into the Customer Reporting System Internet Access Agreement. User and UHS hereby ratify all of the terms and conditions of the Agreement as amended in Modifications 5 and 6. The changes stated in this amendment are effective when it is executed by both User and UHS.

Note to Vendor:

- Complete and execute (sign) your portion of the signature block section below for all copies and return all signed copies to Travis County.
- DO NOT execute and return to Travis County. Retain for your records.

LEGAL BUSINESS NAME: United HealthCare Services, Inc.	<input type="checkbox"/> DBA
BY: _____ SIGNATURE	<input type="checkbox"/> CORPORATION
BY: _____ PRINT NAME	<input type="checkbox"/> OTHER
TITLE: _____ ITS DULY AUTHORIZED AGENT	DATE:

TRAVIS COUNTY, TEXAS	DATE:
BY: _____ CYD V. GRIMES, C.P.M., TRAVIS COUNTY PURCHASING AGENT	

TRAVIS COUNTY, TEXAS	DATE:
BY: _____ SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE	