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June 9, 2008

**Dianne Poore
Assistant Superintendent, Business
P.O. Box 3520
Anaheim, CA 92803-3520**

Dear Dianne:

NMHC can assist you with your application to receive the Medicare Part D Retiree Drug Subsidy (RDS) for plan year ending in **2009**. There are two alternatives for RDS Retiree List Maintenance support and RDS Cost Reporting which are more fully described below.

Retiree List Maintenance Options:

Option #1

NMHC Retiree List management:

NMHC will assist you with the creation, submission and maintenance of the initial retiree listing. NMHC can supply you with some of the data elements for you to create your retiree listing. Should you elect Option #1, NMHC will submit your retiree list to the RDS center for review and validation once you have assembled it in the NMHC format. The RDS center will process and return a response file and weekly notification files, as applicable. NMHC will retrieve and process these files from the RDS center and provide you a report for your records, review and/or research, as applicable. For ongoing maintenance, you will provide updates in the NMHC format. NMHC will compile these updates and submit the updated RDS retiree list to the RDS Center for review and reconciliation.

Option #2

Client Retiree List Management:

NMHC will receive, on a basis determined by you, a full RDS retiree list in the NMHC format for approved members only. NMHC will use this listing to generate RDS cost data. Client or Client's designee will be responsible for submitting additions/changes/deletions to CMS and processing RDS response files and notification files.

Cost Reporting Options:

Option #1

Elect NMHC as the "Cost Reporter," for your Plan:

Application Support:

NMHC will assist with the online application completion and submission, acting as the RDS Application Account Manager. This involves assigning the appropriate designees, assisting the Authorized Representative, and monitoring the application's progress and approval.

Cost Data Reports:

NMHC will extract the gross cost data for RDS-approved retirees and calculate the threshold reduction, limit reduction, and the estimated cost adjustments (e.g. rebates) in accordance with the RDS guidelines. NMHC will submit the Cost Data to the entity indicated in Appendix A (the "Receiving Party") and supply a copy of the RDS reports at the claim and individual level to the Receiving Party. (In addition, NMHC will calculate and submit the reconciliation reports to the Receiving Party fifteen (15) months after the plan year.

Option #2

Elect NMHC for **Rebate Reconciliation Reporting Only:** You wish to create and submit your own cost data.

Please note that this is only an option for plans that receive complete claims data extracts/files and can construct the RDS Cost Data in accordance with the RDS guidelines. For example, you must remove any Part B medications as well as all other Part D excluded medications (e.g. most over the counter medications, vitamins, benzodiazepines) and you must aggregate the data for only those participants who are RDS-eligible. In this instance, NMHC will provide the required assignment of actual rebates to the RDS-eligible population within 12 months of the close of the plan year for RDS reconciliation.

Please indicate which **Retiree List Maintenance** option you choose by checking the appropriate box:

Option 1 – NMHC Retiree List Management: NMHC will manage your retiree list with respect to RDS response files and RDS notification files. You will submit additions/changes/deletions to NMHC for submission to CMS. **Fee: \$2,500 per application**

Option 2 – Client Retiree List Management: Client elects to submit approved members only to NMHC in the NMHC Retiree List format.

Please indicate which **Cost Reporting** option you choose by checking the appropriate box.

Option 1 - Elect NMHC as the "Cost Reporter," for your plan: NMHC will provide ongoing support for you to receive the RDS, including support with the compilation and maintenance of the RDS retiree list, and all required payment reporting and reconciliation. **Fee: \$5,000 per application**

Option 2 – Rebate Reconciliation Report Only: You wish to construct your own retiree list and cost data submission, NMHC will provide the required assignment of actual rebates to the RDS-eligible population within 12 months of the close of the plan year. **Fee: \$150 per hour for programming (or your applicable contracted programming rate).**

NMHC acknowledges that the information it provides to you herein will be used by you for the purpose of obtaining federal funds.

You represent and warrant that the information provided to NMHC in Appendices A and B is accurate. Furthermore, you acknowledge and understand that if any information changes

during or after the analysis process, you are responsible for immediately notifying NMHC of any such changes. Finally, you understand that NMHC shall not assume responsibility for any liability arising from your failure to provide us with updated and correct information, except if due to NMHC's willful misconduct or intentional fraud.

Should you have any questions about the RDS process, please do not hesitate to contact your account manager.

Sincerely,



Mary Ellen Mitchell
Chief Services Officer

I have read, agree to and acknowledge the terms as selected above and the Appendices attached hereto:

For **{{Client Name}}**:

Signature

Title

Name (please print)

Date



Cost Report Data Elements- Appendix A

Client Name: Anaheim Union High School District

CCG: AUHSD 070002_

RDS Account Manager Kirsten Sanderson

Email address ksanderson@nmhc.com

Phone Number 916-361-4471

Authorized Representative Diane Poore

Email address Poore_D@auhsd.us

Phone Number (714) 999-3555

The following information must match exactly what is on the RDS Application:

Plan Sponsor ID: 18425

Application ID: 82122

Plan Year: Jan 01, 2009 to Dec 31, 2009

Unique Benefit Option Identifier(s): Retiree

Payment Frequency monthly

NMHC to act as the RDS Account Manger No Yes (if yes please complete appendix B)

Retiree List will be up loaded by NMHC Client/client's vendor

Cost Data will be submitted to RDS by NMHC Client/client's vendor



**NMHC RDS Application Management Data Form-
Appendix B**

Client Name: Anaheim Union High School District

EIN (tax id number): 956000120

Phone Number: 714-999-3555

Fax Number: 714-520-5741

Type of Organization (*please circle one*) :

Commercial
Union

Nonprofit

Government

Religious

Authorized Representative (AR) Information:

Name: Dianne Poore

Email address: __Poore_D@auhsd.org__

Phone Number: __ (714) 999-3555__

Plan Start Date: **January 1, 2009**

Plan End Date: **December 31, 2009**

Unique Benefit Option Information:

Benefit Option Name: Retiree

Unique Benefit Option Identifier: Post 65 Anaheim Retirees

Benefit Options Type (*please circle one*)

Self Funded

Fully Insured

Electronic Funds Transfer (EFT)

Bank Name: Wells Fargo

Account Type (*please circle one*) **Checking** Savings

Company Name associated with the account: Orange County Department of Education

Account Number: 495-0025122

Bank Routing Number: 121000248

Bank Contact information:

First Name: Mark

Last Name: Hewlett

Telephone number: 213-614-2234

Email address: _____

Address: 707 Wilshire Blvd

City: Los Angeles

State: CA

Zip code: 90017

Payment Frequency

Monthly Quarterly Annual