

BENECARD®
Benecard Services, LLC

October 31, 2019

Mr. Ryan Graham
Fairview Insurance Agency
25 Fairview Avenue
Verona, NJ 07044

Re: **Benecard®** Prescription Benefit Program 2020-2021 Renewal (24-Months),
Township of West Orange

Dear Ryan,

Good news! Benecard has reviewed the prescription benefit program activities to date for the current plan year and is pleased to offer the following 24-month program renewal. The program charges for the entire (24) month agreement will reflect an overall decrease of approximately 5%. This offering does not include any services/fees for purposes of administering the Township of West Orange's Retiree Drug Subsidy (RDS) program. This offering will remain valid for (60) days. The proposed program charges below are contingent upon the group remaining active for the entire term and the Township signing and returning the 2020-2021 Benecard agreement prior to January 1, 2020. Acceptance of this renewal proposal is contingent upon the group agreeing to a (24) month contract with Benecard and does not allow for the Township of West Orange to bid on its prescription services during this (24) month agreement. In the event of a breach, Benecard shall be entitled to recover an amount equal to the most recent two months of billed Program Charges as liquidated damages.

The proposed renewal program charges provided below does not account for any Federal and/or State government programs, fees, taxes or regulations including, but not limited to, the Patient Protection and Affordable Care Act with the exception of certain preventive health services and coverage for dependents to the age 26. The proposed renewal program charges also assume that the present benefit design, co-pay structure, and participation level will remain unchanged. Should any of these factors change during the contract period, Benecard reserves the right to revise these program charges. The proposed program charges include insurance carrier charges by Heartland Fidelity Insurance Company. These charges guarantee program costs by the carrier for the contract period. An updated experience report for the past year is enclosed for your reference.

Program Charges Effective January 1, 2020 Expiring December 31, 2021:

Benecard Client ID# **1625** – Group #'s **1000/1098/1099/2000/2098/2099**

Retail Co-pay: \$12 Brand / \$5 Generic

Retail Day Supply Limitations: 1-30 day supply 1x co-pay, 31-60 2x co-pay, 61-90 3x co-pay

Mail Order Co-pay: \$0 Brand / \$0 Generic

Mail Order Day Supply Limitation: up to 90 days

¹Out of Pocket Limit (separate): \$3,900 for individual and \$7,800 for family

Census Coverage	Single	Parent/Child	Parent/Children	Member/Spouse	Family	Totals
Current Census	34	3	8	19	25	89
Monthly Program Charges	237.49	581.36	581.36	474.97	902.45	
24-Month Program Cost Based on Current Census						1,105,327

Over Age Dependent Program Charge for 1/1/2020 - 12/31/2021 **\$189.43**

Should the proposed program charges change at any point during the 2020/2021 contract period the overage dependent program charge will be changed accordingly.

Benecard Client ID# **1625** – Group #'s **3000/3098/3099/4000/4098/4099/5000/5098/5099**

Retail Co-pay: \$20 Brand / \$10 Generic

Retail Day Supply Limitations: 1-30 day supply 1x co-pay, 31-60 2x co-pay, 61-90 3x co-pay

Mail Order Co-pay: \$2 Brand / \$2 Generic

Mail Order Day Supply Limitation: up to 90 days

¹Out of Pocket Limit (separate): \$3,900 for individual and \$7,800 for family

Census Coverage	<u>Single</u>	<u>Parent/Child</u>	<u>Parent/Children</u>	<u>Member/Spouse</u>	<u>Family</u>	<u>Totals</u>
Current Census	41	7	7	18	66	139
Monthly Program Charges	217.55	532.61	532.61	435.14	826.78	
24-Months Program Cost Based on Current Census						1,890,626

Over Age Dependent Program Charge for 1/1/2020 - 12/31/2021 **\$173.53**

Should the proposed program charges change at any point during the 2020/2021 contract period the overage dependent program charge will be changed accordingly.

Benecard Client ID# **1625** – Group #'s **7100/7198/8100/9100**

Retail Co-pay: \$21 Preferred Brand / \$9 Generic / \$41 Non-Preferred Brand

Retail Day Supply Limitations: 1-30 day supply 1x co-pay, 31-60 2x co-pay, 61-90 3x co-pay

Mail Order Co-pay: \$31 Preferred Brand / \$10 Generic / \$52 Non-Preferred Brand

Mail Order Day Supply Limitation: up to 90 days

¹Out of Pocket Limit (separate): \$1,222 for individual and \$7,800 for family

Census Coverage	<u>Single</u>	<u>Parent/Child</u>	<u>Parent/Children</u>	<u>Member/Spouse</u>	<u>Family</u>	<u>Totals</u>
Current Census	131	6	3	132	72	344
Monthly Program Charges	280.22	685.94	685.94	560.41	1,064.78	
24-Months Program Cost Based on Current Census						4,644,493

Over Age Dependent Program Charge for 1/1/2020 - 12/31/2021 **\$223.52**

Should the proposed program charges change at any point during the 2020/2021 contract period the overage dependent program charge will be changed accordingly.

¹ The Affordable Care Act requires the Township of West Orange's health benefits program implement an out-of-pocket (OOP) limit to protect individuals from excessive OOP expenses on all essential health benefits on or after January 1, 2015. The OOP limits represented above are based on the Township of West Orange's request to have a separate prescription OOP and at these required dollar limits effective January 1, 2020. It is our understanding that the Township of West Orange's acceptance of this proposal is based on their request to have a separate OOP limit combined with all other essential health benefit OOP limits that does not exceed the annual limitation on the OOP's for that year as outlined by the Department of Labor. The Rx OOP limits are subject to change if the ACA OOP limits are modified. Benecard reserves the right to revise the Township of West Orange's prescription benefit program charges if the client modifies or implements a different copayment level, coinsurance, deductible or any other benefit design change, including a change to the OOP amount that differs from what was used for underwriting purposes to develop for the program charges provided herein or enacts a change after inception of the new contract start date.

We look forward to continuing to provide the highest quality of client and participant services during the coming plan year, and to continue our longstanding relationship based on quality of service and careful program cost management. Do feel free to contact me should any questions arise regarding this renewal proposal.

Very truly yours,

Barbara Seifert
Client Relations Manager

cc: Kelly Monahan, Client Services Director

Enclosure