Empower Results®

August 1, 2020

Leona Olson
Assistant Superintendent, Chief Human Resources Officer
Newport Mesa Unified School District
2985-A Bear Street
Costa Mesa, CA 92626

Dear Leona,

Subject: Medicare Part D – Retiree Drug Subsidy Program Engagement

The purpose of this letter agreement ("Agreement") is to confirm the continuation of services Aon Consulting, Inc. ("Aon") provides for Newport Mesa Unified School District (NMUSC) for Medicare Part D – Retiree Drug Subsidy Program consulting services. Thank you for giving Aon the opportunity to continue to work with you.

As of the effectiveness of this Agreement, the parties agree that the certain letter agreement made by and between the parties for Medicare Part D—Retiree Drug Subsidy Program services dated August 26, 2008 (the "Prior Agreement") shall terminate and be of no further force and effect.

Services

This Agreement documents our services and related charges, which are more fully set forth in Exhibit A. With the expertise of our Health Solutions team and Retirement team we will deliver a unique service advantage by coordinating workflow between your Health Insurance provider(s), and the Center for Medicare and Medicaid Services (CMS) in order to maximize the Retiree Drug Subsidy program (RDS). The services detailed herein, including any attached exhibits, may be performed by us or through us or through one of our agents of affiliates.

Compensation

For completing the assignment outlined in this Agreement, NMUSD will pay Aon on a fixed fee basis in the amount of $18,000 annually. Our actual fees will include:

- Amount of time we spend on the project multiplied by the hourly billing rates for the staff assigned to complete the project; and
- Associated out-of-pocket expenses

In order to meet critical completing dates and adhere to CMS reporting standards, we will need your support at various intervals. For example, we will need you to:

- Assign a representative that can legally bind Newport-Mesa USD to sign off on the subsidy application and subsequent requests for payment from CMS

- Provide basic information needed to complete the subsidy application
- Work with Aon to resolve data issues
- Send an authorization letter (if needed) to health insurance carrier(s) to release pharmacy claims and rebate data to Aon

NUMSD agrees provide Aon with the assistance or information required in order to complete the Services.

Change in Scope

Please be aware that requested changes in the scope of services provided by Aon could result in an increase in fees and charges. Changes in scope could include, but are not limited to the following:

- Assignment of additional roles, responsibilities, or functions related to the plan; or
- Other factors that were not anticipated and increase the complexity or timing of plan operations or which affect our responsibilities or duties.

If your operations or your insurance programs substantially change by expansion, or other material change in scope and nature of exposures, you will inform Aon, and you and Aon will negotiate in good faith to revise this Agreement as appropriate.

Terms & Conditions

The initial term of our Agreement will begin on October 1, 2020 to September 30, 2021. Aon's obligation to render services will terminate at the end of the Agreement.

The services may be terminated for convenience by either party by providing ninety (90) days prior written notice. If this Agreement is terminated prior to its initial end date, NMUSD will be responsible for any properly incurred fees and expenses through the date of termination. For services performed before or after the effective dates of this Agreement, Aon will be entitled to receive compensation for services performed and related out-of-pocket expenses at the billing rates set forth in this Agreement or as otherwise agreed to in writing between the parties.

We will invoice you bi-annually based on the progress of the work and the fees for other projects. Fees are due within thirty (30) days of the invoice date. You will promptly notify Aon of any questions regarding invoices so that we can expect timely payments. Interest on late payments will be assessed at 9% per annum.

With respect to any project, we retain all ownership rights to our existing and developed intellectual property, and any derivatives thereof. You may internally use our intellectual property for the intended purpose during the term of our engagement. Each party agrees to treat the other's information as

confidential. You agree that we may use your name on our client list and related materials, and acknowledge that we may de-identify and aggregate your information with other client data for statistical analysis in our services provided to third parties. You agree to only provide data (e.g., names of plan participants or beneficiaries) to Aon that is in compliance with U.S. trade statutes, rules and regulations (e.g., OFAC).

Our professional services do not in any case include legal, investment, or accounting services, and we are not a fiduciary to your plans. The services and work product provided by Aon hereunder are provided solely for your internal use; they are not intended to be used or relied upon by third parties.

Should any errors in our work occur, we will correct our work product without any additional charge. In addition, to the extent we have failed to satisfy our obligations under this Agreement, our liability to you will not exceed the amount of fees you paid for the work. As our sole responsibility under this Agreement is to you, you will be responsible for any third-party claims against you or us arising out of or in connection with the services. Third parties include your affiliates, the plans, any trustees and any employees, participants or their representatives. If it is determined that any damages to such third parties resulted from our error, we will reimburse you for up to the amount set forth in this Agreement.

Any disputes under this Agreement will be governed by the internal laws of Illinois.

Please acknowledge your consent to these arrangements for this engagement by signing below. Please contact us with any questions or comments. We look forward to continuing to work with you and your team.

Sincerely,



Aon Consulting, Inc.

Salvador Lona
Vice President

cc: Mary Ann Hilado, Aon

Accepted this ___ day of _____, 20___

Newport Mesa Unified School District	Aon Consulting, Inc.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

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Exhibit A—Services to Be Provided

Retiree Drug Subsidy

Aon understands and agrees to provide the general consulting services outlined in points 1 through 12 as stated below, with one exception. Under item 6, please note that we will prepare the notices of Creditable coverage but will ask that the District do the distribution of those notices. Almost without exception, our clients distribute these notices once per year as part of open enrollment. This approach saves money by eliminating postage costs and a separate distribution process. If the District desires that Aon perform the distribution, we would be glad to do so, but there will be an additional cost.

1. Providing professional, customary services to the District regarding the CMS Retiree Drug Subsidy Program.

2. Providing liaison services between the District, health insurance vendors and actuarial vendors.

3. Participate in CMS and RDS training programs.

4. Communicating CMS Retiree Drug Subsidy updates and revisions with the District. Assisting the District in adherence to the government mandated requirements and state and federal laws and regulations.

5. Application and Actuarial-Assist the Account Manager with the following application steps: Define Benefit Options, assign actuaries, view attestation summary, define payment frequency, choose retiree list submission method, view/send/receive retiree data, submit and view payment data, withdraw an application, delete an application, request an extension, and submit an appeal. Create census data for actuarial. The qualified Actuary must be a member of the American Academy of Actuaries (AAA). The Actuary must sign the attestation of the plan's actuarial equivalence to the standard Medicare Part D benefit. A qualified actuary must attest to both the Gross and Net Values of each Benefit Option.

6. Manage Retiree files and submission-eligibility, communicate with vendor to coordinate download of retiree response files, download weekly notification files to review and report changes to Vendor and prepare notices of Creditable coverage to be distributed by the District.

7. Payment Request –. Coordinate with vendor for submission of cost data. Review cost data and provide Account Manager direction on requesting payment.

8. Annual Reconciliation to include submitting added/update/deleted retiree files to ensure that the retiree list reflects the most current data regarding qualifying covered retirees. Work with Account Manager to process all retiree response files and retiree notification files sent from CMS' RDS Center. Verify that all retiree and final cost data have been processed by communicating with all the retiree data reporters and cost reporters (e.g., Vendors and Pharmacy Benefit Managers). All actual cost adjustments (e.g., discounts, charge backs, rebates, and similar price concessions) for the final costs reported must be calculated. Also

coordinate each individual retiree's cost data for purpose of calculating each retiree's cost threshold and cost limit across the application.

9. A designee, as applicable, must maintain and furnish to CMS or the Office of Inspector General (OIG) upon request, the records enumerated in Federal regulations at 42 CFR 423.888(d). The records must be maintained for 6 years, or any other period as specified by CMS or OIG, after the expiration of the plan year in which the costs were incurred for the purposes of audits and other oversight activities conducted by CMS to assure the accuracy of the actuarial attestation and the accuracy of payments.

10. Guidance and assistance in completing active RDS plans

11. Statement of work may adjust should CMS update processes and regulation changes for Designee assignments.

12. Meeting and conferring at the district, as requested by the District, with key staff members, and if required, consulting with the Board of Trustees.

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