SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

123

FROM: Human Resources Department

SUBMITTAL DATE: July 20, 2010

SUBJECT: 2010 Retiree Medical Plan Contract Renewal and Early Retiree Amendment with PacifiCare, dba United Healthcare Insurance Co.

RECOMMENDED MOTION: That the Board 1) ratify and approve the attached renewal contracts effective January 1, 2010 for medical plans offered to eligible County retirees through PacifiCare dba United Healthcare Insurance, Co.; 2) ratify and approve the attached amendment to the early retiree medical and hospital group subscriber agreement effective January 1, 2010 for the commercial plan offered to eligible early retirees; 3)authorize the Chairperson to sign four (4) copies of the renewal contracts and amendment; and 4) retain one (1) copy of the signed documents and return three (3) copies of the documents to Human Resources for distribution.

BACKGROUND: The attached renewal contracts are the official documents confirming the rates and benefits approved by the Board of Supervisors on October 20, 2009. There are approximately 275 retirees enrolled in the United Healthcare Secure Horizons Plan at an annual cost of $1,175,817. The attached Early Retiree Amendment amends the definition of Early Retiree and Eligible Retiree to align

Barbara A. Olivier
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 1,323,489	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	No
	Annual Net County Cost:	$ 0	For Fiscal Year:	2010/11

SOURCE OF FUNDS: 89% Retiree Contribution and 11% County's Post Retirement Medical Contribution.

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

FORM APPROVED COUNTY COUNSEL
BY: TAMMY W. LIEU DATE 7/29/2010

Department Concurrence

C.E.O. RECOMMENDATION:

APPROVE

BY: Karen L. Johnson

County Executive Office Signature

☒ Policy ☐ Consent — Dep't Recomm.:

☒ Policy ☐ Consent — Per Exec. Ofc.:

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 10, 2010
xc: HR

Kecia Harper-Ihem
Clerk of the Board
By: Deputy

Prev. Agn. Ref.: May 19, 2009, 3.27 | **District:** ALL | **Agenda Number:** 3.39

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

BACKGROUD continued:

with the requirements of Medicare Parts A and B. United Healthcare was not prepared to submit their contracts to all clients participating in a Medicare plan, including the County of Riverside, until this time. Contract terms have been honored since January 1, 2010. The County contribution toward retiree premiums ranges from $25 to $256 per month, and retirees pay the remainder of the premiums. There is no additional cost to the County.

PACIFICARE OF CALIFORNIA
MEDICAL AND HOSPITAL GROUP SUBSCRIBER AGREEMENT
COVER SHEET
(This Cover Sheet is an integral part of this Agreement)

****Revision to Eligibility-Minimum Hours**

GROUP NAME: COUNTY OF RIVERSIDE

GROUP CODES: 517961, 517962, 517963

GROUP COVERAGE EFFECTIVE DATE: January 1, 2010 through December 31, 2010

PLAN CODE: FSF, CG8, IBD, M2B, 3M2

PLAN DESCRIPTION: SignatureValue $10/100% Plan with ChiroCare $10/20 Visits, Infertility Basic Diagnosis and Treatment, PacifiCare Behavioral Health/SMI + Rider Flat OV and Managed Formulary $5 Generic/$15 Brand/$30 Non-Formulary Outpatient Prescription Drugs

HEALTH PLAN PREMIUMS:

517961	Retiree & Spouse, One Medicare:	$ 734.78
517962	Retiree & Spouse, One Medicare, Deps:	$1,168.63
517963	Retiree & Spouse, Two Medicare, Deps:	$ 433.85

BILLING CODE: 01*
* Charged entire month if eligible at least one day of the month.

PREMIUMS DUE ON OR BEFORE (refer to Section 3.06): The 1st of the month of coverage.
ANNUAL COPAY MAXIMUM PER INDIVIDUAL: $2000.00
ANNUAL COPAY MAXIMUM PER FAMILY: $6000.00
CONTINUATION OF BENEFITS ELECTIONS: No

ELIGIBILITY:
Group Eligibility
Minimum hours required per week: ****N/A**
Dependent Member Eligibility

Dependent children are Eligible through age: 22
Students are Eligible through age: 22

Start and End date of coverage: Coverage starts first of the month after retirement date.
To be eligible for enrollment, the County of Riverside requires that all of the following conditions must be met: Must retire within 120 days from the date of separation from employment with the County of Riverside; must receive a retirement allowance from CalPERS; and must have been eligible for enrollment on the date of separation from the County of Riverside. Coverage ends at the end of the month.

A new spouse, Domestic Partner or children are eligible as set forth in the PacifiCare Evidence of Coverage and Disclosure Form.

ATTACHMENTS: **(The following Attachments are an integral part of this Agreement)**
* Early Retiree Amendment
A - Schedule of Benefits, PacifiCare Combined Evidence of Coverage and Disclosure Form
D - Chiropractic Services
I - Infertility Basic Diagnosis and Treatment Supplement
L - PacifiCare Behavioral Health
R - Outpatient Prescription Drug Benefit

AUG 10 2010 2.39

EARLY RETIREE AMENDMENT TO THE MEDICAL AND HOSPITAL GROUP SUBSCRIBER AGREEMENT BETWEEN PACIFICARE ("PACIFICARE") AND COUNTY OF RIVERSIDE ("GROUP")

This **EARLY RETIREE AMENDMENT TO THE PACIFICARE OF CALIFORNIA, MEDICAL AND HOSPITAL GROUP SUBSCRIBER AGREEMENT** (this "Amendment"), dated as of January 1, 2010 is made and entered into by and between PacifiCare of California, a California corporation ("PacifiCare") and County of Riverside ("Group").

NOW THEREFORE, in consideration of the application of Group for the benefits provided under this Agreement, and in consideration of the periodic payment of Health Plan Premiums on behalf of Members in advance as they become due, PacifiCare agrees to arrange for or provide medical, surgical, hospital, and related health care benefits subject to all terms and conditions of this Medical and Hospital Group Subscriber Agreement, including the Cover Sheet and Attachments.

The Group Agreement shall be amended to read as follows:

[1]. SECTION [1.] DEFINITIONS

[1.] DEFINITIONS

1.06 Eligible Employee is deleted in its entirety and replaced with the following:

1.06 Early Retiree is a former Group employee who has met the minimum required Retiree participation conditions as determined by Group, who is not entitled to Medicare Parts A and B, who meets the Subscriber eligibility requirements of the PacifiCare Combined Evidence of Coverage and Disclosure Form, who is enrolled in the PacifiCare Early Retiree Health Plan, and for whom all applicable Health Plan Premiums are received by PacifiCare.

1.16 Subscriber shall be amended to read as follows:

1.16 Subscriber/Eligible Retiree is the individual enrolled in the Health Plan for whom the appropriate Health Plan Premium has been received by PacifiCare, and whose retirement or other status, except for family dependency, is the basis for enrollment eligibility.

2. Effect of this Amendment. The Amendment shall not be further amended, modified or revised and the Agreement shall continue in full force and effect and shall be enforced in accordance with its terms and conditions. **This amendment shall expire on December 31, 2010.**

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this Amendment for the County of Riverside.

ATTEST:
Clerk of the Board
Kecia Harper-Ihem
By: _____
Deputy
Date: AUG 10 2010

COUNTY OF RIVERSIDE:

By: _____
Chairman, Board of Supervisors MARION ASHLEY
Date: AUG 10 2010

Approved as to form:
Pamela J. Walls
County Counsel

By: _____
Deputy County Counsel

PACIFICARE OF CALIFORNIA
BY: _____
NAME: David Anderson
TITLE: Southern California, CEO
DATE: 7/14/10

AUG 10 2010 3.39

PACIFICARE OF CALIFORNIA

MEDICAL AND HOSPITAL GROUP SUBSCRIBER AGREEMENT

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MEDICAL AND HOSPITAL GROUP SUBSCRIBER AGREEMENT

This Medical and Hospital Group Subscriber Agreement (the "Agreement") is entered into between PACIFICARE OF CALIFORNIA, a California corporation, hereinafter called "PacifiCare," and the employer, association or other entity specified as "GROUP" on the Cover Sheet, hereinafter called "Group."

RECITAL OF FACTS

PacifiCare is a health care service plan which arranges for the provision of medical, hospital and preventive medical services to persons enrolled as Members through contracts with associations of licensed physicians, hospitals and other health care providers. Group is an employer, union, trust, organization, or association which desires to provide such health care for its eligible Subscribers and family Dependents. PacifiCare desires to contract with Group to arrange for the provision of such health care services to Subscribers and family Dependents of Group, and Group desires to contract with PacifiCare to arrange for the provision of such services to its Subscribers and family Dependents.

AGREEMENT

NOW THEREFORE, in consideration of the application of Group for the benefits provided under this Agreement, and in consideration of the periodic payment of Health Plan Premiums on behalf of Members in advance as they become due, PacifiCare agrees to arrange for or provide medical, surgical, hospital, and related health care benefits subject to all terms and conditions of this Medical and Hospital Group Subscriber Agreement, including the Cover Sheet and Attachments.

1. DEFINITIONS

1.01 Agreement is this Medical and Hospital Group Subscriber Agreement, including, but not limited to, the Cover Sheet, Attachments and any amendments thereto.

1.02 Combined Evidence of Coverage and Disclosure Form is the document issued to prospective and enrolled Subscribers disclosing and setting forth the benefits and terms and conditions of coverage to which Members of the Health Plan are entitled.

1.03 Copayments are fees payable to a health care provider by the Member at the time of provision of services which are in addition to the Health Plan Premiums paid by the Group. Such fees may be a specific dollar amount or a percentage of total fees as specified herein, depending on the type of services provided.

1.04 Cover Sheet is the Medical and Hospital Group Subscriber Agreement

Cover Sheet which is attached to and an integral part of this Agreement.

1.05 Dependent is any spouse, Domestic Partner or unmarried child (including a step-child, adopted child, child(ren) for whom the Subscriber, the Subscriber's spouse or Domestic Partner has assumed permanent guardianship or a child of a Domestic Partner) of a Subscriber who is enrolled hereunder, who meets all the eligibility requirements set forth in the PacifiCare Combined Evidence of Coverage and Disclosure Form attached to this Agreement and for whom applicable Health Plan Premiums are received by PacifiCare.

1.05(a) Domestic Partner is a person who meets the eligibility requirements, as defined by the Group, and the following:

(i) Is eighteen (18) years of age or older;
(ii) Is mentally competent to consent to contract;
(iii) Resides with the Subscriber and intends to do so indefinitely;
(iv) Is jointly responsible with the Subscriber for their common welfare and financial obligations;
(v) Is unmarried; and
(vi) Is not related by blood to the Subscriber to a degree of closeness that would prohibit marriage in the state of residence.

1.06 Eligible Employee is a Group employee who works a fixed number of hours per week as established by the Group, meets any applicable waiting period required by the Group, and meets the following additional criteria:

(a) Is defined as an employee under state and federal law;

(b) Is actively working or is able to return to active work and has certain rights pertaining to leaves of absence if his or her condition improves. Consultants, temporary labor, suppliers or contractors are not Eligible Employees.

1.07 Enrollment is the execution of a PacifiCare Enrollment form, or a non-standard Enrollment form approved by PacifiCare, by the Subscriber on behalf of the Subscriber and his or her Dependents, and acceptance thereof by PacifiCare, conditioned upon the execution of this Agreement by PacifiCare, and either the execution of this Agreement by Group or the timely payment of applicable Health Plan Premiums by Group. In its discretion and subject to specific protocols, PacifiCare may accept Enrollment through an electronic submission from Group.

1.08 Group is the single employer, labor union, trust, organization, or association identified on the Cover Sheet.

1.09 Group Contribution is the amount of the Health Plan Premium applicable

to each Subscriber which is paid solely by the Group or employer and which is not paid by the Subscriber either through payroll deduction or otherwise.

1.10 Group Participation is the number of individuals in the Group who are enrolled as Subscribers expressed as a percentage of the number of individuals in the Group who are eligible to enroll as Subscribers.

1.11 Health Plan is the health plan described in this PacifiCare Medical and Hospital Group Subscriber Agreement, Cover Sheet and Attachments, subject to modification pursuant to the terms of this Agreement.

1.12 Health Plan Premiums are amounts established by PacifiCare to be paid to PacifiCare by Group on behalf of Members in consideration of the benefits provided under this Health Plan; such amounts are set forth in the Cover Sheet of this Agreement.

1.13 Member is the Subscriber or any Dependent who is eligible, enrolled and covered by the PacifiCare.

1.14 Open Enrollment Period is the annual period of not less than thirty (30) days agreed upon by PacifiCare and Group, during which all eligible and prospective Group Subscribers and their Eligible Dependents may enroll in this Health Plan.

1.15 PacifiCare Enrollment Packet is the packet of information supplied by PacifiCare to prospective Members which discloses plan policy and procedure and provides information about Plan benefits and exclusions. The PacifiCare Enrollment Packet contains the PacifiCare Enrollment form or a non-standard Enrollment form approved by PacifiCare, and the PacifiCare Combined Evidence of Coverage and Disclosure Form.

1.16 Subscriber is the individual enrolled in the Health Plan for whom the appropriate Health Plan Premium has been received by PacifiCare, and whose employment or other status, except for family dependency, is the basis for enrollment eligibility.

2. ELIGIBILITY AND ENROLLMENT

2.01 Enrollment Procedure

2.01.01 Application Form. A properly completed, signed application for Enrollment on a form provided by PacifiCare, or on a non-standard form approved by PacifiCare, must be submitted to PacifiCare by Group for each eligible and/or prospective Subscriber, on behalf of the eligible and/or prospective Subscriber and any Eligible Dependents. PacifiCare may, in its discretion and subject to specific protocols, accept Enrollment through an electronic submission from Group.

2.01.02 Time of Enrollment. All applications for Enrollment shall be submitted by prospective Subscribers to the Group during Open Enrollment Periods, except that prospective Subscribers and their Eligible Dependents who were not eligible during the previous Open Enrollment Period may apply for Enrollment within sixty (60) days after becoming eligible. All applications for Enrollment which are not received by PacifiCare within the sixty (60) days from the first day the prospective Subscriber or Dependent becomes eligible shall be subject to rejection by PacifiCare. Prospective Subscribers and their Eligible Dependents may reapply at the next Open Enrollment Period in the event an application was not received by PacifiCare within such sixty (60) day period. Group shall provide notice to Members of the applicable Open Enrollment Periods.

2.01.03 Notice and Certification. Group shall provide a written notice and certification, prepared by PacifiCare, as part of the PacifiCare Enrollment Packet to Eligible Employees at the commencement of the initial Open Enrollment Period. The written notice and certification section of the PacifiCare application for Enrollment shall provide notice of the availability of coverage under the Health Plan and indicate that an Eligible Employee's failure to elect coverage, on his or her behalf or on behalf of his or her Eligible Dependents during the initial Open Enrollment Period, permits PacifiCare to exclude coverage for a period of up to twelve (12) months until the Employer's next open enrollment period. Group shall require any Eligible Employee declining coverage under the Health Plan on behalf of himself or herself or any Eligible Dependent, to certify on the written notice and certification prepared by PacifiCare, the reason for declining Enrollment in the Health Plan and that he or she has reviewed the notice and certification and understands the consequences of declining coverage under the Health Plan. Group agrees to submit all completed notices and certifications to PacifiCare for:

a. Each Eligible Employee and/or his or her Eligible Dependents who declined coverage at renewal of this Agreement; and

b. Each Eligible Employee and/or his or her Eligible Dependents who became eligible during the term of this Agreement specified on the Cover Sheet of this Agreement and who have declined coverage.

2.01.04 Late Enrollment. Please refer to the section of this Agreement entitled Combined Evidence of Coverage and Disclosure Form for a complete description of Late Enrollment procedures.

2.02 Commencement of Coverage. The commencement date of coverage under this Health Plan shall be effective in accordance with the terms of the Cover Sheet and this Agreement. PacifiCare's acceptance of each Member's Enrollment is contingent upon receipt of the applicable Health Plan Premium payment.

2.03 PacifiCare's Liability in the Event of Conversion from a Prior Carrier. In the event PacifiCare replaces a prior carrier responsible for the payment of benefits or provision of services under a group contract within a period of sixty (60) days from the date of discontinuation of the prior contract or policy, PacifiCare will immediately cover

all employees and dependents who were validly covered under the previous contract or policy at the date of discontinuation, and who are eligible for enrollment under this Agreement, without regard to health status or hospital confinement. Notwithstanding the foregoing, with respect to employees or dependents who were totally disabled on the date of discontinuation of the prior contract or policy, and entitled to an extension of benefits pursuant to Section 1399.62 of the California Health & Safety Code or Section 10128.2 of the California Insurance Code under the prior contract or policy, PacifiCare shall not be financially responsible for any payment of benefits or provision of services directly related to any condition which caused the total disability. In such a situation, the prior carrier shall continue to be financially responsible for all benefits or services directly related to any condition which caused the total disability until such extension of benefits is no longer required under California or federal law.

3. GROUP OBLIGATIONS, HEALTH PLAN PREMIUMS AND COPAYMENTS

3.01 Non-Discrimination. Group shall offer PacifiCare an opportunity to market this Health Plan to its employees and shall offer its employees an opportunity to enroll in this Health Plan under no less favorable terms or conditions than Group offers enrollment in other health care service plans or employee health benefit plans.

3.02 Notices to PacifiCare. Group shall forward all completed or amended Enrollment forms for each Member for receipt by PacifiCare within thirty-one (31) days of the Member's initial eligibility. Group acknowledges that any Enrollment applications not received by PacifiCare within such thirty-one (31) day period may be rejected by PacifiCare. Group further agrees to transmit to PacifiCare any Enrollment application amendments pursuant to the Administrative Manual described in Section 8.07 below.

Group shall forward all notices of termination to PacifiCare within thirty-one (31) days after Member loses eligibility or elects to terminate membership under this Agreement. Group agrees to pay any applicable Member Health Plan Premiums through the last day of the month in which notice of termination is received by PacifiCare.

3.03 Notices to Member. If Group or PacifiCare terminates this Agreement pursuant to Section 7 below, Group shall promptly notify all Members enrolled through Group of the termination of their coverage in this Health Plan. Group shall provide such notice by delivering to each Subscriber a true, legible copy of the notice of termination sent from PacifiCare to Group at the Subscriber's then current address. Group shall promptly provide PacifiCare 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 PacifiCare terminates this Agreement for non-payment of Health Plan Premiums, Members will receive notice of termination from PacifiCare.

If, pursuant to Sections 3.07.01 and 3.07.02 below, PacifiCare increases Health Plan Premiums payable by the Subscriber, or if PacifiCare increases Copayments or reduces covered services provided under this Agreement, Group shall promptly notify

all Members enrolled through Group of the increase or reduction. In addition, Group 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 Health Plan. Group shall provide such notice by delivering to each Subscriber a true, legible copy of the notice of the Health Plan Premium or Copayment increase or reduction in covered services sent from PacifiCare to Group at the Subscriber's then current address. Group shall promptly provide PacifiCare with a copy of the notice of Health Plan Premium or Copayment increase or reduction in covered services delivered to each Subscriber, along with evidence of the date the notice was provided. PacifiCare shall have no responsibility to Members in the event Group fails to provide the notices required by this Section 3.03.

3.04 Indemnification. Group agrees to indemnify, defend and hold PacifiCare harmless and accept all legal and financial responsibility for any liability arising out of Group's failure to perform its obligations as set forth in this Section 3.

3.05 Rates (Prepayment Fees). The Health Plan Premium rates are set forth in the Health Plan Premiums section of the Cover Sheet and supplemental Health Plan Premium notices.

3.06 Due Date . Health Plan Premiums are due in full on a monthly basis by check or electronic transfer and must be paid directly by Group to PacifiCare on or before the last business day of the month prior to the month for which the premium applies. Failure to provide payment on or before the due date may result in termination of Group, as set forth in Section 7.02.01 below. PacifiCare reserves the right to assess 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 PacifiCare's discretion. In the event that deposit of payments not made in a timely manner are received by PacifiCare after termination of Group, the depositing or applying of such funds does not constitute acceptance, and such funds shall be refunded by PacifiCare within twenty (20) business days of receipt if PacifiCare, in its sole discretion, does not reinstate Group.

3.07 Modification of Rates and Benefits.

3.07.01 Modification of Health Plan Premium Rates. The Health Plan Premium rates set forth on the Cover Sheet and the PacifiCare Enrollment Packet may be modified by PacifiCare upon thirty (30) days prior written notice mailed postage prepaid to Group, provided that PacifiCare obtains the prior written consent of Group for the modification. Any such modification shall take effect commencing the first full month following the expiration of the thirty (30)-day notice period.

Notwithstanding the above, if the State of California or any other taxing authority imposes upon PacifiCare a tax or license fee which is levied upon or measured by the monthly amount of Health Plan Premiums or by PacifiCare's gross receipts or any

portions of either, then upon thirty (30) days written notice to Group, Group shall remit to PacifiCare, with the appropriate payment, a pro rata amount sufficient to cover all such taxes and license fees, rounded to the nearest cent.

3.07.02 Modification of Benefits or Terms. The covered services set forth in the Combined Evidence of Coverage and Disclosure Form, the Schedule of Benefits, and the Schedule of Supplemental Benefits in the PacifiCare Enrollment Packet, as well as other terms of this Agreement, may be modified by PacifiCare 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.

3.08 Effect of Payment. Except as otherwise provided in this Agreement, only Members for whom Health Plan Premiums are received by PacifiCare are entitled to health care benefits as described in this Agreement, and then only for the period for which such payment is received. Group agrees to pay premium to PacifiCare for the first month of coverage for newborn or adopted children who become eligible as provided in the Combined Evidence of Coverage and Disclosure Form section of this Agreement.

3.09 Continuation of Benefits and Conversion Coverage.

3.09.01 Federal Continuation Coverage. With the exception of Domestic Partners and their Dependents, Group shall operate in accordance with the provision of the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended ("COBRA"), and the regulations promulgated thereunder (the "COBRA Regulations"). Accordingly, Group shall establish reasonable procedures for members to notify Group of certain qualifying events, as required by the COBRA Regulations, and shall be solely responsible for receiving such notices from Members. Group shall provide affected Members with written notice of available continuation coverage as required by and in accordance with COBRA and amendments thereto. Group shall be solely responsible for collecting Health Plan Premiums from Members who elect to continue benefits under COBRA and shall transmit such Health Plan Premiums to PacifiCare along with the Group's Health Plan Premiums otherwise due under this Agreement. Group shall maintain accurate records regarding Health Plan Premiums for Members who elect to continue benefits, including qualifying events, terminating events, and other information necessary to administer this continuation of benefits. The obligations to be performed by Group under this Subsection may be performed directly by Group, or wholly or in part through a subsidiary or affiliate of Group, or on behalf of Group by a third party, including but not limited to a COBRA coverage administrator; provided that Group will remain liable to PacifiCare for satisfaction of the obligations to be performed by Group under this Subsection. PacifiCare is not responsible for the acts or omissions of Group or designee and shall be held harmless for any failure by Group to fulfill its obligations, including but not limited to failure to provide proper notice or failure to forward premium payments to PacifiCare within applicable statutory time frames. Please refer to the Combined Evidence of Coverage and Disclosure form, which sets forth the terms and conditions under which COBRA will be provided to Members.

3.09.02 Notice of Individual Conversion Rights. Within fifteen (15) days after a Member's coverage terminates, Group shall notify the Subscriber on behalf of the Subscriber and his or her Dependents or, if no Subscriber is available, any terminated Dependent, including a Domestic Partner and his or her Dependents of the availability, terms, and individual conversion rights as set forth in the Combined Evidence of Coverage and Disclosure Form.

3.09.03 Uniformed Services Employment and Reemployment Rights Act. Continuation coverage under this Health Plan shall be available to Members through Group under the Uniform Services Employment and Reemployment Rights Act of 1994, as amended ("USERRA"). The continuation coverage under this section shall be equal to, and subject to the same limitations as, the benefits provided to other Members regularly enrolled in this Health Plan and shall be made available to eligible Members absent from employment by reason of service in the United States uniformed services. Such coverage, including but not limited to, the maximum 24-month period, will be provided to Members who meet the USERRA requirements. USERRA benefits run concurrently with any benefits that may be available through COBRA. Group is responsible for notifying affected Members of available USERRA continuation coverage and notifying PacifiCare of Members who elect to continue coverage under USERRA. Group is responsible for billing and collecting Health Plan Premiums and maintaining accurate records regarding Health Plan Premiums, qualifying events, terminating events, and any other information that may be necessary for PacifiCare to administer this continuation benefit.

4. BENEFITS AND CONDITIONS FOR COVERAGE

The attached PacifiCare Combined Evidence of Coverage and Disclosure Form, Schedule of Benefits, and additional related attachments included at the end of this Agreement, are an integral part of this Agreement, and include a complete description of the Benefits and Conditions of Coverage of this Health Plan.

5. PARTIES AFFECTED BY THIS AGREEMENT; RELATIONSHIPS BETWEEN PARTIES

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

5.02 Compliance with the Health Insurance Portability and Accountability Act of 1996. PacifiCare agrees to furnish written certification of prior creditable coverage ("Certificates") to all eligible Members, as required by the Health Insurance Portability

and Accountability Act of 1996 (HIPAA). PacifiCare and Group acknowledge that PacifiCare's agreement to issue Certificates to all eligible Members relieves Group of its obligation under HIPAA to furnish Certificates. Group acknowledges that PacifiCare must rely completely on eligibility information and data (including, but not limited to, Member's name and current address) furnished by Group in issuing Certificates to Members. Group agrees to notify PacifiCare of all terminations within thirty (30) days of the termination, and to provide PacifiCare with eligibility information and data within thirty (30) days of its receipt or change. Group agrees to indemnify, defend and hold PacifiCare harmless and accept all legal, financial and regulatory responsibility for any liability arising out of Group's failure to perform its obligations set forth in this Section 5.02.

6. TERM OF AGREEMENT; RENEWAL PROVISIONS

6.01 Term; Automatic Renewal. The term of this Agreement shall be one (1) year, commencing on the Group Coverage Effective Date set out in the Cover Sheet, unless otherwise indicated on the Cover Sheet or unless this Agreement is terminated as provided herein. This Agreement shall automatically renew for a one (1) year term on each anniversary of the date of commencement of this Agreement or as indicated on the Cover Sheet, 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 with or without cause by giving a minimum of thirty (30) days written notice of termination to PacifiCare. Group termination must always be effective on the first day of the month. Group shall continue to be liable for Health Plan Premiums for all Members enrolled in this Health Plan through Group until the date of termination.

7.02 Termination by PacifiCare.

7.02.01 For Nonpayment of Health Plan Premiums. PacifiCare may terminate this Agreement in the event Group or its designee fails to remit Health Plan Premiums in full by the required date to PacifiCare by giving written notice of termination of this Agreement via first class mail to Group. Nonpayment of Health Plan 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 Health Plan Premiums must be received by PacifiCare 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 Health Plan shall automatically be terminated effective at the end of the month for which Health Plan Premiums have been actually received by PacifiCare, subject to compliance with notice requirements. After the initial issuance of the notice to Group, PacifiCare will send a

HIPAA Certificate of Creditable Coverage to the Subscribers, notifying the Subscriber's that their health care coverage and their Dependent's health care coverage under this Plan has terminated effective the first of the month for which Health Plan Premiums were not received. Subscribers and eligible Dependents will be able to elect either PacifiCare's Individual Conversion Plan or HIPAA Guaranteed Issue product effective the first of the month in which the Member loses coverage.

7.02.01.01 Reinstatement Following Non-Payment of Premium. Notwithstanding Section 7.02.01, receipt by PacifiCare of all Health Plan Premium payments then due and owing on or before the succeeding Health Plan Premium payment due date will reinstate this Agreement as though it had never been terminated. However, PacifiCare may, in its discretion, elect not to reinstate this Agreement in any of the following circumstances: (1) the notice of termination states that, if Health Plan Premium payment is not received within fifteen (15) days of issuance of the notice of termination, a new application is required and identifies conditions under which a new agreement will be issued or this Agreement reinstated; (2) if payment of Health Plan Premiums is received by PacifiCare more than fifteen (15) days after the issuance of notice of termination, and the Plan refunds such payment within twenty (20) business days of receipt; or, (3) if payment of Health Plan Premiums is received more than fifteen (15) days after issuance of the notice of termination, and PacifiCare issues to Group, within twenty (20) business days of receipt of such Health Plan Premiums, a new Agreement accompanied by written notice stating clearly those respects in which the new Agreement differs from this Agreement in benefits, coverage or otherwise. In the event PacifiCare receives untimely payments after Group has been terminated, the deposit or application of such funds by PacifiCare does not constitute acceptance of such funds or reinstate group, and such funds may be refunded by PacifiCare at its sole discretion.

7.02.02 Termination for Breach of Material Term. PacifiCare 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 PacifiCare sends written notice of such breach. For purposes of this Section 7.02.02, material terms of this Agreement specifically include, but are not limited to, Sections 3.01 and 8.03. PacifiCare'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 PacifiCare's satisfaction within thirty (30) days after PacifiCare sends notice of the breach, PacifiCare may terminate this Agreement at the end of the thirty (30)-day notice period.

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

7.02.04 For Ceasing to Meet Group Eligibility Criteria. PacifiCare may terminate Group upon thirty (30) days written notice to Group if Group fails to meet any of the following Group eligibility requirements:

(a) Group fails to maintain active Group Participation percentage of seventy-five percent (75%);

(b) For Subscribers without Dependents, Group fails to maintain a Group Contribution equal to seventy-five percent (75%) of the Health Plan Premium;

(c) For Subscribers with Dependents, Group fails to maintain a Group Contribution equal to the dollar amount of the Group Contribution for Subscribers without Dependents;

(d) Group fails to abide by and enforce the conditions of Subscriber Enrollment set forth in this Agreement.

7.02.05 For Changing the Nature of Group's Business. PacifiCare may terminate this Agreement thirty (30) days after written notice to Group if Group materially alters the nature of its business. "Materially Alters," for the purposes of this Section 7.02.05, means a significant change in the business conducted by Group after the commencement of this Agreement.

7.02.06 For Loss of Group's Office Location within Geographic Area of Licensure. PacifiCare may terminate Group if Group no longer maintains an office location within the area in which PacifiCare is licensed as a health care service plan. PacifiCare shall provide Group with thirty (30) days written notice prior to such termination. Group must notify PacifiCare of changes of the Group's office location provided on the Group application within (30) thirty days of the change.

7.03 Return of Prepayment Premium Fees Following Termination. In the event of termination by either PacifiCare (except in the case of fraud or deception in the use of PacifiCare services or facilities, or knowingly permitting such fraud or deception by another) or Group, PacifiCare will, within thirty (30) days, return to Group the pro-rata portion of money paid to PacifiCare 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 PacifiCare.

8. MISCELLANEOUS PROVISIONS

8.01 Governing Law. This Agreement is subject to the laws of the State of California and the United States of America, including the Knox-Keene Health Care Service Plan Act of 1974, as amended, (codified at Chapter 2.2 of Division 2 of the California Health and Safety Code), and the regulations promulgated thereunder by the California Department of Managed Health Care (codified at Chapter 1 of Division 1 of Title 28 of the California Code of Regulations); the Health Maintenance Organization Act of 1973, as amended, (codified at Subchapter XI of Chapter 6A of Title 42 of the

United States Code), and the regulations promulgated thereunder by the Center for Medicare and Medicaid Services (codified at Part 417 of Chapter IV of Title 42 of the Code of Federal Regulations); and, the Employee Retirement Income Security Act of 1974, as amended, (codified at Chapter 18 of Title 29 of the United States Code, and the regulations promulgated thereunder by the United States Department of Labor (codified at Chapter XXV of Title 29 of the Code of Federal Regulations), and the Health Insurance Portability and Accountability Act of 1996, Public law 104-1910 (codified at Section 8.1, title II subtitle F section 261-264). Any provisions required to be in this Agreement by any of the above laws and regulations shall bind PacifiCare, Group and Member whether or not expressly provided in this Agreement.

8.02 PacifiCare Names, Logos and Service Marks. PacifiCare 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 PacifiCare's name, product names, symbols, logos, trademarks, or service marks without obtaining the prior written approval of PacifiCare.

8.03 Assignment. This Agreement and the rights, interests and benefits hereunder shall not be assigned, transferred, pledged, or hypothecated in any way by either party and shall not be subject to execution, attachment or similar process, nor shall the duties imposed herein be subcontracted or delegated without the approval of the other party. Notwithstanding the above, if PacifiCare assigns, sells or otherwise transfers substantially all of its assets and business to another corporation, firm or person, with or without recourse, this Agreement will continue in full force and effect as if such corporation, firm or person were a party to this Agreement, provided such corporation, firm or person continues to provide prepaid health services.

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

8.05 Confidentiality. PacifiCare agrees to maintain and preserve the confidentiality of any and all medical records of Member in accordance with all applicable state and federal laws. However, Member authorizes the release of information and access to any and all of Member's medical records for purposes of utilization review, quality review, processing of any claim, financial audit, coordination of benefits, or for any other purpose reasonably related to the provision of benefits under this Agreement to PacifiCare, its agents and employees, Member's participating medical group, and appropriate governmental agencies. PacifiCare shall not release any information to Group which would directly or indirectly indicate to the Group that a Member is receiving or has received covered services, unless authorized to do so by the Member.

8.06 Amendments. This Agreement may be modified by PacifiCare as set forth in Section 3.07, above, or it may be amended upon the mutual written consent of the parties.

8.07 Group Use of Administrative Manual. Group agrees to comply with and conform to policies and procedures in the Administrative Manual provided by PacifiCare. PacifiCare agrees to provide thirty (30) days notice to Group of any changes in the Administrative Manual. In the event of conflict between this Agreement and the Administrative Manual, the terms of this Agreement shall prevail.

8.08 Attachments. The Cover Sheet and 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.

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

8.10 Waiver of Default. The waiver by PacifiCare 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.

8.11 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 PacifiCare:
PacifiCare of California
Attention: President
P.O. Box 6006
Cypress, California 90630-0006

If to Group:
County of Riverside
Attention: Benefits Manager
P.O. Box 1569
Riverside, CA 92502-1569

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.

8.12 Acceptance of Agreement. Group may accept this Agreement either by execution of the Agreement or by making its initial payment to PacifiCare of Health Plan Premiums on or before the due date specified on the Cover Sheet. 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 PacifiCare, Group and Members.

8.13 Entire Agreement. This Agreement, including all exhibits, attachments and amendments, contains the entire understanding of Group and PacifiCare 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 PacifiCare with respect to the subject matter of this Agreement.

8.14 Contracting Provider Termination. PacifiCare will provide written notice to Group within a reasonable time if it receives notice that any contracting provider terminates or breaches its contract with PacifiCare, or is unable to perform such contract.

8.15 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.

8.16 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.

9. ARBITRATION

9.01 Disputes Between Group and PacifiCare. All disputes between Group and PacifiCare shall be resolved by binding arbitration before JAMS, a non-judicial arbitration and mediation service. If the amount at issue is less than $200,000, then the arbitrator will have no jurisdiction to award more than $200,000. The JAMS Comprehensive Arbitration Rules and Procedures ("Rules") in effect at the time a demand for arbitration is made will be applied to the arbitration. The parties will seek to mutually agree on the appointment of an arbitrator; however, if an agreement cannot be reached within thirty (30) days following the date demanding arbitration, the parties will use the arbitrator appointment procedures in the Rules. Arbitration hearings will be held at the neutral administrator's offices in Orange County, California or at another location agreed upon in writing by the parties. Civil discovery may be taken in such arbitration as provided by California law and civil procedure. The arbitrator(s) selected will have the power to control the timing, scope and manner of the taking of discovery and will have the same powers to enforce the parties' respective duties concerning discovery as would a Superior Court of California. This includes, but is not limited to, the imposition of sanctions. The arbitrator(s) will have the power to grant all remedies provided by California law. The arbitrator(s) will prepare in writing an award that includes the legal and factual reasons for the decision. The parties will divide equally the fees and expenses of the arbitrator(s) and the neutral administrator. The arbitrator(s) will not have the power to commit errors of law or legal reasoning, and the award may be vacated or

corrected pursuant to California law. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, will also apply to the arbitration.

9.02 Disputes Between Member and PacifiCare.

9.02.01 Member Appeals and Grievances. The attached PacifiCare Combined Evidence of Coverage and Disclosure Form includes a complete description of the PacifiCare appeals and grievance procedures and dispute resolution processes for Members.

9.02.02 Binding Arbitration. Any and all disputes of any kind whatsoever, including, but not limited to, claims for medical malpractice (that is as to whether any medical services rendered under the health plan were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered) between Member (including any heirs, successors, or assigns of Member) and PacifiCare except for claims subject to ERISA shall be submitted to binding arbitration. Any such dispute will not be resolved by a lawsuit or resort to court process, except as California law provides for judicial review of arbitration proceedings. Member and PacifiCare are giving up their constitutional rights to have any such dispute decided in a court of law before a jury, and are instead accepting the use of binding arbitration by a single arbitrator in accordance with the Comprehensive Rules of JAMS, and administration of the arbitration shall be performed by JAMS or such other arbitration service as the parties may agree in writing. The parties will endeavor to mutually agree to the appointment of the arbitrator, but if such agreement cannot be reached within thirty (30) days following the date demand for arbitration is made, the arbitrator appointment procedures in the Comprehensive Rules will be utilized.

Arbitration hearings shall be held in Orange County, California or at such other location as the parties may agree in writing. Civil discovery may be taken in such arbitration as provided by California law and the Code of Civil Procedure. The arbitrator selected shall have the power to control the timing, scope and manner of the taking of discovery and shall further have the same powers to enforce the parties' respective duties concerning discovery as would a Superior Court of California including, but not limited to, the imposition of sanctions. The arbitrator shall have the power to grant all remedies provided by California law. The parties shall divide equally the expenses of JAMS and the arbitrator. In cases of extreme hardship, PacifiCare may assume all or part of the Member's share of the fees and expenses of JAMS and the arbitrator, provided the Member submits a hardship application to JAMS. The approval or denial of the hardship application will be determined solely by JAMS.

The arbitrator shall prepare in writing an award that includes the legal and factual reasons for the decision. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, shall also apply to the arbitration.

9.03 Mandatory Arbitration. Group, Member and PacifiCare agree and understand that any and all disputes, including claims of medical malpractice (that is as to whether any medical services rendered under the health plan were unnecessary or unauthorized or were improperly, negligently, or incompetently rendered), except for

claims subject to ERISA, shall be determined by submission to binding arbitration in accordance with the terms of this Agreement. Any such dispute will not be resolved by a lawsuit or resort to court process, except as California law provides for judicial review of arbitration proceedings. Group, Member, and PacifiCare are giving up the constitutional right to have any such dispute decided in a court of law before a jury, and instead is accepting the use of binding arbitration.

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this Group Agreement for the County of Riverside.

ATTEST:
Clerk of the Board
Kecia Harper-Ihem

By: _____
Deputy

Date: AUG 10 2010

COUNTY OF RIVERSIDE:

By: _____
Chairman, Board of Supervisors
MARION ASHLEY

Date: AUG 10 2010

Approved as to form:

Pamela J. Walls
County Counsel

By: _____
Deputy County Counsel

PACIFICARE OF CALIFORNIA

BY: _____

NAME: David Anderson

TITLE: CEO, Southern California

DATE: 7-6-2010

MEDICARE ADVANTAGE WITH PRESCRIPTION

DRUG BENEFIT ("MA-PD")

GROUP AGREEMENT

COVERSHEET

(This Cover Sheet is attached to and made a part of this Agreement)

GROUP NAME: COUNTY OF RIVERSIDE

EFFECTIVE DATE OF COVERAGE: January 1, 2010 through December 31, 2010

PLAN CODE: WBH, C7E, CGV, FTL, HHE, NL8, VJL

PLAN DESCRIPTION: $10/100% Non-AARP Group Retiree Plan with ChiroCare $10/12 Visits, Hearing Aid $500 Allowance every 3 years, Managed Formulary $10 Generic/$20 Brand/$40 Non-Formulary Outpatient Prescription Drugs and Vision Care $10 copay/$70 Material Allowance every 2 years

BILLING CODE: 01*
Charged entire month if eligible at least one day of the month.

ELIGIBILITY:

Eligibility for dependent children: Dependent through age: N/A
Student through age: N/A

Start and End date of coverage: Coverage begins the first of the month following approval by CMS. Coverage ends at the end of the month.

HEALTH PLAN PREMIUMS/GROUP CODES:

Group Number	Classification	Premium
517960	Retiree Only:	$234.45
517960	Retiree & Spouse, Two Medicare	$468.90

AUG 10 2010 3.39

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 January 1, 2010 (the "Effective Date") between UNITEDHEALTHCARE INSURANCE COMPANY, a Connecticut corporation, on behalf of itself and United Affiliates, hereinafter collectively referred to as "United," and County of Riverside, hereinafter referred to as "Group."

RECITAL OF FACTS

United 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 United 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, United agrees to provide coverage for Covered Medical Services and Covered Part D Drugs to Group Plan participants enrolled as Members in the United Medicare Advantage with Part D Plan, subject to all terms and conditions of this Agreement, including the Evidence of Coverage and Disclosure Information, Summary of Benefits, Limitations and Exclusions and other Attachments.

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 the 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, who meets all the eligibility requirements of the 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 United and by CMS, the execution of this Agreement by United and by Group, and the receipt of MA-PD Plan Beneficiary Premium by United. In its discretion and subject to specific protocols (including but not limited to use of United's file format), United 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

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 the 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 United and approved by CMS to be paid to United 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 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 the 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 United.

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

1.25 United Enrollment Packet is the packet of information supplied by United 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 United'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 United in the past, the Member may continue to pay the amount for such plan to United 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. Enrollment forms must be received by the last 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 enrollee's signature can be no more than ninety (90) days old; forms with signatures more than ninety (90) days old will be rejected by United in accordance with applicable law. Enrollment in the MA-PD Plan is subject to

modification by United based upon acceptance or rejection of Enrollment by United and CMS.

2.02.01 Enrollment/Election. A properly completed Enrollment must be submitted to United by Group for each Eligible Retiree and eligible Dependent to be enrolled in the Plan. In its discretion, United 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 the Group to United 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 United 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, United 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 United). United'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, the Group and/or Member shall provide written notice to United of such Member's disenrollment from the MA-PD Plan or the 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 in accordance with applicable law. 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. To disenroll from the MA-PD Plan, each Member must submit a signed, written notice to United 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, United 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 United. Group shall forward all completed or amended Enrollment forms for each Member for receipt by United in accordance with Section 2.02. Group acknowledges that any Enrollment applications not received by United within the timeframes specified in Section 2.02, or with signatures more than ninety (90) days old, may be rejected by United or may result in a later effective date of change.

Group shall forward all notices of termination to United 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 United 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 United to Group, or from Group to United, at the Subscriber's then current address. Group shall promptly provide United 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 United terminates Member's enrollment in the MA-PD Plan for non-payment of MA-PD Plan Beneficiary Premium or United's non-renewal of this Agreement, Members will receive notice of termination from United.

If, pursuant to Sections 3.07.01 and 3.07.02 below, United or Group increases MA-PD Plan Beneficiary Premium payable by the Subscriber, or if United increases Copayments or reduces Covered Services and Covered Part D Drugs provided under this Agreement, United or Group, as applicable (whichever party promulgates the change) shall promptly notify all Members enrolled through Group of the increase or reduction. In addition, United 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 United 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 United to Group at the Subscriber's then current address. When required by CMS, Group shall promptly provide United 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. United 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 United 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 United 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 United by CMS upon confirmation of beneficiary enrollment by CMS. In the event a beneficiary is assessed a late enrollment penalty by CMS, United will pass on this premium penalty within the group billing. The Group may choose to pass on this penalty to or pay on behalf of Group

members. In the case where United bills members directly for premiums, United 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 United 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, United 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 United's discretion. In the event that deposit of payments not made in a timely manner are received by United after termination of Group, the depositing or applying of such funds does not constitute acceptance, and such funds shall be refunded by United within twenty (20) business days of receipt if United, 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 United Enrollment Packet or other applicable document, may be modified only by mutual written consent of both parties, unless a change is required by CMSm.

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 only by mutual written consent of both parties, unless a change is required by CMS.

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 United 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 United's records at the time United calculates and bills for MA-PD Plan Beneficiary Premiums.

Group must notify United 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 United 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 United's cost of operation shall result in an increase in the MA-PD Plan Beneficiary Premiums, in an amount to be determined by United, 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 United 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 United shall be subject to review and approval by United 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 United. Group shall assume all liabilities and damages arising from Group's unauthorized dissemination of Member and/or advertising materials.

3.11 ERISA. United 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. United 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. United 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 cover letter accompanying this a document, or as otherwise communicated to Group in writing. Each Member is responsible for paying to United 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. United 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.

Plan through Group until the date of termination or, if later, the termination date indicated by CMS.

7.02 Termination by United.

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 United'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 the Group reside, as applicable). If the contract between United 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 United. If either United or CMS decides not to renew the contract at the end of the year, United 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 United 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 United (including non-renewal with respect to a Service Area or a portion of a Service Area in which Enrollees of the 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 United decides not to renew the Agreement at the end of the year, United will send the Member a letter at least ninety (90) days before the end of the Agreement. In the event United 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. United 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 United 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 United 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 United, subject to compliance with notice requirements.

7.02.04 Termination for Breach of Material Term. United 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 United sends written notice of such breach. For purposes of this Section 7.02.04, material terms of this Agreement specifically include, but are not limited to, Sections 3.01 (Notices to United) and 8.02 (Assignment). United'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 United's satisfaction within thirty (30) days after United sends notice of the breach, United may terminate this Agreement at the end of the thirty (30)-day notice period.

7.02.05 For Providing Misleading or Fraudulent Information. United may terminate this Agreement thirty (30) days after United sends written notice to Group if Group provides materially misleading or fraudulent information to United in any Group questionnaires or is aware that materially misleading or fraudulent information has been provided on membership Enrollment forms and fails to notify United within a reasonable period of time

7.02.06 For Ceasing to Meet Group Eligibility Criteria. United 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. United may terminate this Agreement upon at least ninety (90) days' prior written notice to Group if United 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. United 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 United no longer issues group health benefit plans within the applicable market.

7.02.09 Minimum Requirements. United may terminate this Agreement upon 60 days' prior written notice to Group if Group no longer meets United'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, United and Group shall negotiate any changes requested by either United 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, United 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 United (except in the case of fraud or deception in the use of United services or facilities, or

knowingly permitting such fraud or deception by another) or Group, United will, within thirty (30) days, return to Group the pro-rata portion of money paid to United 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 United. United's exercise of its termination rights under Section 7.02 does not waive United's right to payment by Group for all coverage provided, including late fees as provided in Section 3.06.

8. MISCELLANEOUS PROVISIONS

8.01 United Names, Logos and Service Marks. United 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 United's name, product names, symbols, logos, trademarks, or service marks without obtaining the prior written approval of United.

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 or United and shall not be subject to execution, attachment or similar process, nor shall the duties imposed herein be subcontracted or delegated by Group or United without the approval of both parties. Notwithstanding the foregoing, United may make such an assignment to a United Affiliate.

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 United 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 United or the Group of any one or more defaults by Group, United 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 United: UnitedHealthcare Insurance Company
Attention: President
UnitedHealth Group Center
9900 Bren Road East
Minnetonka, MN 55343

If to Group: County of Riverside
Attention: Benefits Manager
P.O. Box 1569
Riverside, CA 92502-1569

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 by execution of the Agreement . 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 United and Group.

8.10 Entire Agreement. This Agreement, including all exhibits, attachments and amendments, contains the entire understanding of Group and United 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 United 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 United 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 United and Group.

8.14 Roles. United 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. United 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.

8.15 Indemnification. United shall indemnify, defend and hold harmless Group, its agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives and accept all legal and financial responsibility for any liability (including reasonable attorneys' fees) arising out of United's failure to perform its obligations under this Agreement.

8.16 Compliance with Applicable Law. The parties shall comply with all applicable federal, state and local laws and regulations now in force or which may hereafter be in force with regard to this Agreement, including but not limited to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, enacted August 21, 1996, the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, enacted February 19, 2009.

9. ARBITRATION

United 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 Riverside County, California. 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 caused their duly appointed representatives to execute this Medicare Advantage with Prescription Drug Benefit ("MA-PD") Group Agreement for the County of Riverside.

ATTEST:
Clerk of the Board
Kecia Harper-Ihem

By: _____
Deputy

Date: AUG 10 2010

COUNTY OF RIVERSIDE:

By: _____
Chairman, Board of Supervisors
MARION ASHLEY

Date: AUG 10 2010

Approved as to form:

Pamela J. Walls
County Counsel

By: _____
Deputy County Counsel

UNITEDHEALTHCARE INSURANCE COMPANY *

BY: _____

NAME: Scott E. Theisen

TITLE: Vice President
Group Retiree Services

DATE: 7-2-10

* PacifiCare and UnitedHealthcare Insurance Company came under common ownership on December 20, 2005.

AUG 10 2010 3.39