Monday, November 27, 2017

[Redacted]
[Redacted], [Redacted]
Seattle, Washington 98104
Personal & Confidential
Att: [Redacted], Manager Employee benefits

Regarding: [Redacted Plan Sponsor Name]

Dear Mr. [Redacted]

I have previously left you messages concerning the recovery of a significant underpayment on the Retiree Drug Subsidy that the [Redacted Plan Sponsor Name] are due. ←

This statement is misleading. There is no way to know for certain that a plan sponsor is "due" any additional subsidy without first completing a reopening.

As per my conversation with Mr. [Redacted] of the [Redacted Plan Sponsor Name] today, I am writing you in reference to a potential recovery of an **underpayment of funds** that [Redacted Plan Sponsor Name] currently is receiving from the Centers from Medicare and Medicaid Services Retiree Drug Subsidy program.

I advised the [Redacted Plan Sponsor Name] office that this potential recovery of funds existed on March 20, 2017. In my conversation on that date, I advised the manager of the [Redacted Plan Sponsor Name] department by phone and /or then again by e mail that there was a potential to recover an additional and substantial subsidy payment from the Center for Medicare and Medicaid Services Retiree Drug Subsidy program.

That the Federal Governments Retiree Drug Subsidy **reopening program** could yield an additional potential subsidy payment of approximately **$198,086** or more and that a few simple actions could preserve this opportunity to receive this additional payment. However, you should be aware that approximately $50,000

This figure is likely little more than an estimate based on a 10% boost of the plan sponsor's last four years of collected subsidy and is misleading without context or evidence.

This dollar amount is based on the assumption the above figure of $198k is accurate.

of the projected forecast is now in jeopardy due to the delay in responding the

programs submission deadlines.

[handwritten note: This is bit misleading. Plan sponsors have four years after the original reconciliation date to reopen old RDS applications. As the plan year ending 2012 application deadline is approaching for most plan sponsors in March 2018, one of the four available years is likely about to expire, roughly 1/4th of the assumed, currently available $198k (which is approximately $50,000) will expire. However, for plan sponsors who continue to participate in the RDS will have additional years available to reopen as new years are reconciled.]

This current P & L expense is completely convertible to a recovery of revenue opportunity with a few simple steps that [Redacted Company Name] administers through the Centers for Medicare and Medicaid Service Retiree Drug Subsidy program.

Moreover, that approximately 25% of the potential recovery would be forfeited within the next few weeks without some simple steps being taken to preserve [Redacted Plan Sponsor Name] right to the additional subsidy.

I would like to point out that [Redacted Company Name] is one of only a few firms in the nation that focuses exclusively on the Retiree Drug Subsidy program.

[handwritten note: The company that authored this letter shares both staff and resources with a health care consulting firm.]

[handwritten note: This is likely a reference to the publicly available RDS plan sponsor list that CMS publishes every year. No one has access to the CMS' data as it contains highly sensitive personal health information.]

Because [Redacted Company Name] reviews all CMS data files for potential shortages, we have determined that the potential exists. The shortage occurs as a result of many factors beyond the control of the plan sponsor. However, because [Redacted Company Name] focuses exclusively on Retiree Drug Subsidies administration and reopening we have the systems and expertise to recover these additional subsidies. We achieve these enhanced subsidy recoveries through our proprietary software and data aggregation systems that cannot be duplicated by any prescription benefit manager, employer group waiver plan provider or consultant firm.

[handwritten note: Again, there is no guarantee that a plan sponsor is "entitled" to additional subsidy without first conducting a reopening.]

The ability of [Redacted Company Name] to **"uncover and recover"** the full potential subsidy that [Redacted Plan Sponsor Name] is entitled to from the Retiree Drug Subsidy program is unmatched. As a registered submitter and administrator through the Centers for Medicare and Medicaid Service's RDS Service Center for all of our plan sponsors, they will attest to our ability to maximize the Retiree Drug Subsidy recovery.

[handwritten note: There is no such thing as an "registered submitter and/or administrator".]

As I am sure you understand, the maximum potential recovery from the Retiree Drug Subsidy program is in the best interest of the thousands of retirees who rely on the drug coverage that is so generously provided by the organization; the active members who support the Retiree benefits with their dues; and the management that decided to provide the drug benefits to retirees.

I apologize for putting this routine item in front of you, however, as a matter of prudent governance; I wanted to inform you and the Board of Directors of the potential "cash" recovery or loss that could result in the next few months without prompt action. I appreciate the significant intellectual capital and time you and all of the company's management invests in the effort to benefit all employees and shareholders alike. Therefore, I would like to meet with you directly to discuss how [Redacted Company Name] will identify any additional potential [Redacted Plan Sponsor Name] is due from the Retiree Drug Subsidy program. How [Redacted Company Name] will conduct the **reopening** process within your current management structure without any disruptions to internal workflows. Finally, how [Redacted Company Name] will recover these funds and the process to disperse them.

Even if you have internal departments or outsourced consultants that have administered the Retiree Drug Subsidy submissions, your subsidy shortage will probably still exist without the intervention of [Redacted Company Name].

Moreover, the RDS Services Center that the Centers for Medicare and Medicaid Services operates to administer the Subsidy program will not voluntarily identify a subsidy payment shortage. Your account must be "reopened" by a qualified submitter.

This is false. There is no such thing as a "qualified submitter" and a plan sponsor is absolutely able to pursue a reopening on their own should they see fit.

These are not state governments. They are city governments.

Like many of our other clients which include [Redacted Reference Name], State Governments to include the City of [Redacted Reference Name] and the City of

[Redacted Reference Name], major authorities like S[Redacted Reference Name], University System like [Redacted Reference Name] ~~and major industrial~~ and major industrial and manufacturing firms like [Redacted Reference Name] that have collective bargaining agreements and or legacy obligations that the Retiree Drug Subsidy helps to support.

There is one common item for all of these clients; they <u>all have recognized the significantly increased financial benefits of entrusting their firms Retiree Drug Subsidy administration to our proven proprietary technology and expertise.</u>

Part D Advisors has reopened the work of the organization who wrote this letter. A case study can be found <u>here</u>.

Please call me concerning this time sensitive matter at [Redacted] with your availability to discuss this important financial benefit. I will reach out to you as well via phone and I look forward to meeting with you to discuss the next steps to achieving the recovery of the subsidy funds you are due through the CMS Retiree Drug Subsidy Program.

Sincerely,

[Redacted], LUTCF
National Sales Manager
[Redacted]

Cc: Zoho

        [Redacted], President

        [Redacted]

Attachment: Forecast