

November 27, 2017  
02/22/2017 13:06

via: Email  
Certified Mail

[Redacted Plan Sponsor Name]  
[Redacted],  
[Redacted], [Redacted] [Redacted] US  
**Personal & Confidential**  
Attn: [Redacted], Health and Welfare Supervisor

Dear [Redacted],

**Please Take Notice.**

Greetings and best wishes. I wanted to follow up with you from my call to your office on May 20, 2017 concerning the potential Retiree Drug Subsidy recovery that was on the table at that time. As a provider of Retiree benefits and a recipient of Retiree Drug Subsidy payments from the Centers for Medicare and Medicaid Services, your Union is eligible for additional subsidy payments.

During our conversation in May, you referred me to Mr. [Redacted] at your consultants to discuss the recovery of the funds you would be owed. I am writing to you because as of the date of this letter, Mr. [Redacted] has not reached out to us to discuss the matter. Unfortunately, this inaction will result in a loss of approximately \$70,000 of the potential \$1,980,860.78 recovery on or about December of 2017.

As the authorized submitter for the Centers for Medicare and Medicaid Services Retiree Drug Subsidy program; [Redacted Company Name] annually reviews all subsidy payments made to retiree plan sponsors. During the review process, a benchmark analysis is conducted to determine if [Redacted Plan Sponsor Name] may be eligible for an additional subsidy from the more than 7 Billion dollars in funding the program is allocated.

The analytic process identifies millions of additional drug subsidy dollars each year for companies that sponsor retiree prescription benefit plans. On 02/22/2017 13:06 a review of your organizations Document Control number RDS-2872017 revealed a potential to recover a surplus subsidy payment from the Retiree Drug Subsidy program. The currently forecasted subsidy recovery amount is \$198,086.00 but could be higher.

I called your office on 5/05/2017 11:00 to discuss an additional subsidy payment from the Centers for Medicare and Medicaid Services Retiree Drug Subsidy program and left a message with [Redacted]. The time to recover additional funds is limited by the Retiree Drug Subsidy statute which I will explain to you during an initial meeting that I would like to schedule within the next few weeks.

I will be traveling in the area of your corporate offices at [Redacted] within the week of 01/30/2018. I would appreciate you scheduling an initial and brief meeting to discuss the recovery of these funds for your organization.

Headquarters locate at [Redacted], [Redacted], [Redacted]

East Coast offices located in [Redacted], [Redacted]

Phone: [Redacted] email: [Redacted]

*There is no way to know for certain that additional money is available or "owed" without conducting a reopening first.*

*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.*

*The date in the first letter references March 20th, 2017, not May.*

*The figure to be "lost" quoted in the first letter was only \$50,000, not \$70,000. Additionally, the \$1,980,860.78 shown as a "potential recovery" is actually just the plan sponsor's last four years of subsidy (which are available to reopen) combined. It is highly unlikely that the plan sponsor would collect over \$1,000,000 in additional subsidy given their size.*

*This is likely a reference to the publicly available RDS plan sponsor list that CMS publishes every year. While it may be a good starting point to assess the potential benefit of a reopening, it is hardly a formal or encompassing "analysis".*

*There is no guarantee that a reopening will result in any additional subsidy.*

My offices will be calling [Redacted] on 12/05/2017 11:00 to schedule a time to meet with you and your RDS Administrator to explain the benefits of the RDS recovery process and to move your RDS account forward in the subsidy recovery process.

If it is easier for you to schedule a date sooner than 01/30/2018, please call my office and we will advance the appointment date that we have scheduled.

I am looking forward to speaking with you within the coming days on this time sensitive and financially important matter.

Sincerely,

[Redacted], LUTCF  
National Sales Director