DATE: July 24, 2012

TO: All Benefit Eligible RPS Employee and Retirees

FROM:

SUBJECT: Notice of Health Insurance Premium Rebate

As reported nationally in the news, the Supreme Court recently ruled in favor of the federal Affordable Care Act. This resulted in certain requirements and deadlines that healthcare providers and employers are required to comply with. One of the requirements resulted in an insurance premium rebate (a refund to Richmond Public Schools that will result in a refund to all employees and retirees currently enrolled in the healthcare plan). You will receive a letter from our Medical Provider (CIGNA) in the coming days informing you of the future insurance premium rebate. The letter from CIGNA will provide further details of the program under Healthcare Reform, and list the options for how such funds must be handled. CIGNA is sending letters to members who were covered during the plan year ending 6/30/2011.

The purpose of this letter is to inform you that Richmond Public Schools will provide a one-time payment to employees and retirees who are currently covered under the RPS Medical Plan in FY 2013. The rebate that RPS will receive from CIGNA is a total of $14,039.37. This equates to a projected employee rebate of $3.55 per covered employee/retiree. Please note that the rebate is a result of the Richmond Public Schools plan from the fully insured FY 2011 health care plan. Our current self-insured plan will not be impacted. The Benefits & Risk Management Department is developing a report to provide all employees with a comprehensive review of how the legislation will further impact our current healthcare plan (if at all).

If you have any questions about the rebate program, please contact CIGNA toll-free at 1.800.844.3854 or email them at MLRRebates@CIGNA.com. If you have any additional questions concerning the Richmond Public Schools healthcare plan, please contact Benefits & Risk Management at 804-819-4400.

Please note: The projected rebate will be included on a future payroll cycle yet to be determined.