

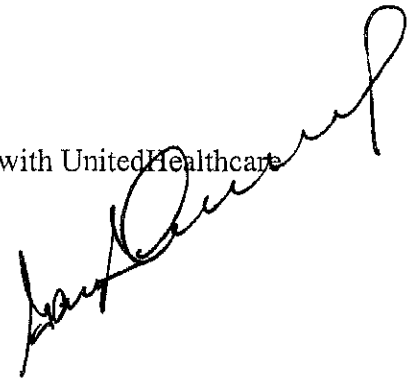
MEMORANDUM
City of St. Petersburg

To: City of St. Petersburg Employees and Retirees with UnitedHealthcare Insurance

From: Gary G. Cornwell, Director, Human Resources

Date: November 28, 2012

Subject: Recent Contract Dispute between BayCare and UnitedHealthcare



You may be aware the provider services contract between BayCare Health Systems and UnitedHealthcare expired on November 26, 2012. This means that all BayCare physicians and facilities are no longer United providers. This change not only affects many of the City's employees and retirees but also thousands of other patients in the Tampa Bay area, including the employees of Pinellas County and the City of Tampa, among others.

The City became aware of the possible termination of this contract in late October. Since that time the City, up to and including Mayor Foster, and our consulting partners have been in contact with both BayCare and United urging a quick resolution to this contractual issue between these private entities. Similar contractual issues have also occurred between BayCare and Blue Cross and Aetna and Bayfront, to cite some examples. In those cases, the contract issues were resolved by the parties after a period of time when services were not covered.

We are aware that this disruption in the provider network affects many of our employees, retirees and their family members. If you are immediately impacted by the change, you should already have received a letter from BayCare, UnitedHealthcare, or both. Although we are still hopeful that this issue between BayCare and United will be resolved in the near future, we have been and are continuing to review all of our available options, up to and including changing or adding carriers for the plan year which begins on April 1, 2013. More immediate solutions are also being researched.

While changing to a carrier who contracts with BayCare may be possible, keep in mind that any time we change carriers other currently covered providers may not be in the new carrier's network. Also, since the fees negotiated between providers and carriers differ our future costs for services could increase, resulting in higher premiums for our health coverage. We are seeking a solution that minimizes disruption to our employees,

dependents and retirees, but also does not have a significant cost impact for them or the City's taxpayers.

We anticipate providing you with an update on the status of this issue within the next week or two, or sooner if the situation changes. If you have immediate questions concerning your health care coverage or services, please contact your medical provider directly, or UnitedHealthcare at 1-800-377-5154, or visit www.myuhc.com. The City's United Representative, is also available at 727-893-7911.

Thank you for your patience as we work to mitigate the impact of this unfortunate dispute.