

**Administrative Services Only “ASO” Agreement  
By and Between**

**City of Fort Lauderdale  
“Employer” or “City”**

**And**

**Connecticut General Life Insurance Company  
“Connecticut General” or “Contractor”**

**Effective Date: October 1, 2011**

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**THIS AGREEMENT**, effective **October 1, 2011** (the “**Effective Date**”) is by and between **City of Fort Lauderdale** (“**Employer**”) and Connecticut General Life Insurance Company (“**Connecticut General**”).

**RECITALS:**

**WHEREAS**, Employer, as Plan sponsor, has adopted the benefit described in Exhibit A, as may be amended, (“**Plan**”) for certain of its employees/members and their eligible dependents (collectively “**Members**”); and

**WHEREAS**, Employer has requested Connecticut General to furnish certain administration services in connection with the Plan **3335139**

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, it is hereby agreed as follows:

**Definitions**

**Agreement** – this entire document including the Schedule of Financial Charges and all Exhibits.

**Applicable Law** – means the State of Florida and any other state laws applicable to payment of claims to participating providers in such other states and federal laws and regulations that apply. Applicable Law includes but is not limited the Health Insurance Portability and Accountability Act of 1996, as amended, and the rules and regulations thereunder (“**HIPAA**”), the Foreign Corrupt Practices Act (“**FCPA**”) and any other anti-bribery or anti-corruption laws in the countries where the Parties conduct business.

**Bank Account** – a benefit plan account with a bank designated by Connecticut General; established and maintained by Employer in its name.

**ERISA** – the Employee Retirement Income Security Act of 1974, as amended and related regulations.

**Extra-Contractual Benefits** – Payments which Employer has instructed Connecticut General to make for health care services and/or products that Connecticut General has determined are not covered under the Plan.

**Member** – a person eligible for and enrolled in the Plan.

**Participant/Participating Members** – Member(s) who is (are) participating in a specific program and/or product available to Members under the Plan.

**Participating Providers** – providers of health care services and/or products, who/which contract directly or indirectly with Connecticut General to provide services and/or products to Members.

**Plan Benefits** – Amounts payable for covered health care services and products under the terms of the Plan.

**Party/Parties** – refers to Employer and Connecticut General, each a “Party” and collectively, the “Parties.”

**Plan Year** – the twelve (12) month period, beginning on the Effective Date and, thereafter, each subsequent twelve (12) month period.

**Run-Out Claims** – claims for Plan Benefits relating to health care services and products that are incurred prior to termination of this Agreement, but that are submitted to Connecticut General or are pending at the termination of this Agreement.

## **Section 1. Term and Termination of Agreement**

This Agreement is effective on the Effective Date and shall remain in effect until the earliest of the following dates:

- i. The date which is at least thirty (30) days from the date that either Party provides written notice to the other Party of termination of the Agreement;
- ii. The effective date of any Applicable Law or governmental action which prohibits performance of this Agreement;
- iii. Two (2) business days after Connecticut General notifies Employer of its election to terminate, which shall be triggered by the Employer failing to fund the Bank Account as required by this Agreement pursuant to Section 3.a.i. or fifteen (15) business days after Connecticut General notifies Employer of its election to terminate, which shall be triggered by the Employer failing to fund the Bank Account as required by this Agreement pursuant to Section 3.a.ii.
- iv. Any other date mutually agreed upon by the Parties.

## **Section 2. Claim Administration and Additional Services**

- a. While this Agreement is in effect, Connecticut General shall, consistent with, the claim administration policies and procedures then applicable to its own health care insurance business (i) receive and review claims for Plan Benefits; (ii) determine the Plan Benefits, if any, payable for such claims; (iii) disburse payments of Plan Benefits to claimants; and (iv) provide in the manner and within the time limits required by Applicable Law, notification to claimants of (a) the coverage determination or (b) any anticipated delay in making a coverage determination beyond the time required by Applicable Law.
- b. Following (i) termination of this Agreement, except pursuant to Section 1 (iii); (ii) termination of Plan benefit option or (iii) termination of eligible Members, if the required fees have been paid in full, Connecticut General shall process Run-Out Claims for the applicable Run-Out Period (See Schedule of Financial Charges for applicable fees and Run-Out Period). At the termination of any applicable Run-Out Period, Connecticut General shall cease processing Run-Out Claims and, subject to the requirements of Section 6.b, make all relevant records in its possession relating to such claims available to Employer or Employer's designee.
- c. Employer hereby delegates to Connecticut General the authority and responsibility to (i) determine eligibility and enrollment for coverage under the Plan according to the information provided by the Employer, (ii) make factual determinations and to interpret the provisions of the Plan to make coverage determinations on claims for Plan Benefits, (iii) conduct a full and fair review of each claim which has been denied as set forth in ERISA, (iv) decide level one mandatory appeals for claims and (v) notify the Member or the Member's authorized representative of its decision in accordance with applicable state and federal regulations. Connecticut General shall prepare and deliver Member draft summary plan description materials to Employer that are compliant with applicable state and federal laws and regulations. Employer will ensure that all summary plan description materials provided to Members reflect this delegation.
- d. In addition to the basic claim administrative duties described above, Connecticut General shall also perform the Plan-related administrative duties agreed upon by the Parties and specified in Exhibit B.

## **Section 3. Funding and Payment of Claims**

- a. Employer shall establish a Bank Account, and maintain in the Bank Account an amount sufficient at all times to fund claims for (i) Plan Benefits based upon checks cleared through the Bank Account; and (ii) those charges and fees identified in the Schedule of Financial Charges as payable through the Bank Account (collectively "**Bank Account Payments**");-or any similar benefit- or Plan-related charge or assessment however denominated, which may be imposed on the Employer by any governmental authority. Bank Account Payments may include without limitation: (i) capitated (i.e. fixed per Member) and pay-for-performance incentive payments to Participating Providers; (ii) amounts owed to Connecticut General; and (iii) amounts paid to Connecticut General's affiliates and/or subcontractors for, among other things, network access or in- and out-of network health care services/products provided to Members. Connecticut General may credit the Bank Account with payments due Employer under its or an affiliate's stop loss policy.

- b. Connecticut General, as agent for the Employer, shall make Bank Account Payments from the Bank Account in the amount that is proper under the Plan and/or under this Agreement.
- c. In the event that sufficient funds are not available in the Bank Account to pay all Bank Account Payments when due, Connecticut General shall notify Employer of the need for additional funding and if these are not received within three business days Connecticut General may cease to process claims for Plan Benefits including Run-Out Claims until such time as sufficient funds are available in the Bank Account to pay all Bank Account Payments when due.
- d. Connecticut General will promptly adjust any underpayment of Plan Benefits by drawing additional funds due the claimant from the Bank Account. In the event Connecticut General overpays a claim for Plan Benefits or pays Plan Benefits to the wrong party, it shall take all reasonable steps to recover the overpayment; however, Connecticut General shall not be required to initiate court, mediation, arbitration or other administrative proceedings to recover any overpayment. Connecticut General shall not be liable to the Employer for unrecovered claim overpayments that are the result of mistakes of judgment or other actions that are reasonable and taken in good faith. However, Connecticut General shall reimburse the Plan for unrecovered overpayments resulting from its failure, in the aggregate, to perform its duties with the degree of skill and judgment possessed by other third party administrators experienced in furnishing claim administration services to plans of similar size and characteristics as the Plan.
- e. Following termination of this Agreement, Employer shall remain liable for payment of all due Bank Account Payments and for all reimbursements due Members under the Plan. Except as otherwise provided in subsection 3.d., Employer shall promptly reimburse Connecticut General for any Bank Account Payments paid by Connecticut General with its own funds and no such payment by Connecticut General shall be construed as an assumption of any of Employer's liability.

This provision shall survive termination of this Agreement.

#### **Section 4. Charges**

- a. Charges. Connecticut General shall provide to Employer a weekly statement of all administrative (ASO) charges Employer is obligated to provide under this Agreement. ASO payments of all billed charges shall be due on the first day of the month, as indicated on the monthly statement. Payments received after the last day of the month in which they are due, shall be subject to late payment charges, from the due date at a rate calculated in accordance with the Florida Local Government Prompt Payment Act. For purposes of calculating late payment charges, payments received will be applied first to the oldest outstanding amount due.
- b. Member Changes – Additions and Terminations. If a Member's effective date is on or before the fifteenth (15th) day of the month, full charges applicable to that Member shall be due for that Member for that month. If coverage does not start or ceases on or before the fifteenth (15th) day of the month for a Member, no charges shall be due for that Member for that month.
- c. Retroactive Member Changes and Terminations. Employer shall remain responsible for all charges and Bank Account Payments incurred or charged through the date Employer provides to Connecticut General Employer's notice of a retroactive change or termination of Membership. However, if the change or termination would result in a reduction in charges, Connecticut General shall credit to Employer the reduction in charges charged for the shorter of (a) the sixty (60) day period preceding the date Connecticut General processes the notice, or (b) the period from the date of the change or termination to the date Connecticut General processes the notice. This provision shall survive termination of this Agreement.

#### **Section 5. Enrollment and Determination of Eligibility**

- a. Eligibility Determinations and Information. Employer is responsible for administering Plan enrollment. In determining any person's right to benefits under the Plan, Connecticut General shall rely upon enrollment and eligibility information provided by the Employer. Such information shall identify the effective date of eligibility and the termination date of eligibility and shall be provided promptly to Connecticut General in a form and with such other information as reasonably may be required by Connecticut General for the proper administration of the Plan.

- b. Release of Liability. Notwithstanding any inconsistent provision of this Agreement to the contrary, if Employer, fails to provide Connecticut General with accurate enrollment and eligibility information, benefit design requirements, or other agreed-upon information in accordance with this Agreement, Connecticut General shall have no liability under this Agreement for any act or omission by Connecticut General, or its employees, affiliates, subcontractors, agents or representatives, directly caused by such failure.
- c. Reconciliation of Eligibility and Information and Default Terminations. Connecticut General will periodically (at least monthly) share potential discrepancies in eligibility information with Employer. Connecticut General will review and reconcile any discrepancies within five (5) business days of Connecticut General's receipt. Connecticut General will terminate coverage for any Member not listed as eligible in Employer's submitted eligibility information.

#### **Section 6. Claim Audit and Confidentiality**

- a. Claim Audit. Employer or its designee, may, in accordance with the following requirements and at no additional charge while this Agreement is in effect, audit Connecticut General's payment of Plan Benefits:
  - i. Employer, or its designee, shall provide Connecticut General forty-five (45) days advance written request for audit from the latter of (i) receipt by Connecticut General of the audit scope letter or (ii) the fully executed Claim Audit Agreement attached hereto as Exhibit C. Employer will designate with Connecticut General's consent, such consent not to be unreasonably withheld, an independent, third party auditor to conduct the audit (the "**Auditor**"). In addition, Employer and Connecticut General will agree upon the date for the audit during regular business hours at Connecticut General's office(s). Employer shall be responsible for its Auditor's costs. Except as otherwise agreed to by the parties in writing prior to the commencement of the audit, the audit shall be conducted in accordance with the terms of Connecticut General's Claim Audit Agreement attached hereto as Exhibit C, which is hereby agreed to by Employer and which shall be signed by the Auditor prior to the start of the audit.
  - ii. If Employer has at least four thousand (4,000) Members, Employer may conduct one such audit every Plan Year (but not within six (6) months of a prior audit); otherwise, Employer may conduct one such audit every two (2) Plan Years (but not within eighteen (18) months of a prior audit).
  - iii. Auditor will review payment documents relating to a random, statistically valid sample of two-hundred twenty-five (225) claims paid during the two prior Plan years and not previously audited (the "**Audit**") subject to any contrary terms in Participating Provider agreements. With respect to the Audit, the scope may include types of claims prone to overpayments provided the types of claims prone to underpayments are equally included and will exclude electronic analysis. Any claim adjustments will be based upon the actual claims reviewed and not upon statistical projections or extrapolations.
  - iv. Should Employer or its designee need access to information or records that are held by a subcontractor of Connecticut General, Connecticut General shall cooperate with Employer or its designee to obtain such information or records in a timely manner.
- b. Confidentiality
  - i. Subject to the requirements of Applicable Law, the terms of this Agreement and, a signed Business Associate Agreement between Employer and designee, Connecticut General shall release copies of confidential claims and Plan Benefit payment information in Connecticut General's claims system ("**Confidential Information**") and may release copies of proprietary information relating to the Plan in Connecticut General's claims system ("**Proprietary Information**") to the Employer and/or its designees. Except as otherwise provided by Applicable Law, Employer agrees that Employer will keep Confidential Information and Proprietary Information confidential and will use Confidential Information and Proprietary Information solely for the purpose of administering the Plan or as otherwise required by law. If Employer directs Connecticut General to release any Confidential Information or Proprietary Information, Connecticut General is not responsible to the Employer for the consequences of any use,

misuse, or disclosure of Confidential Information provided by Connecticut General pursuant to this paragraph b.

- ii. Connecticut General will maintain the confidentiality of all Protected Health Information in its possession in accordance with the Business Associate Agreement between Employer and Connecticut General pursuant to the Health Insurance Portability and Accountability Act and any Applicable Laws.
  - iii. This Agreement and all documents generated pursuant to this Agreement, except to the extent they are exempt from disclosure or confidential pursuant to Florida law, are public records that are open to inspection and copying pursuant to Florida law.
  - iv. Notwithstanding any provision contained in this Agreement to the contrary, Contractor shall:
    - (a) Keep and maintain public records that ordinarily and necessarily would be required by the City in order to perform the service.
    - (b) Provide the public with access to public records on the same terms and conditions that the City would provide the records and at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes (2013), as may be amended or revised, or as otherwise provided by law.
    - (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
    - (d) Meet all requirements for retaining public records and transfer, at no cost, to the City, all public records in possession of the contractor upon termination of this contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the City in a format that is compatible with the information technology systems of the City.
- c. Upon termination of this Agreement and subject to the provisions of Section 6.b above, Connecticut General shall make information available to any subsequent administrator to the extent administratively feasible. The Parties will agree upon the charge to be paid by Employer at such time of transition.

The obligations set forth in this section, shall survive termination of the Agreement.

### **Section 7. Plan Benefit Liability**

- a. Employer Liability for Plan Benefits. Employer is responsible for all Plan Benefits including any Plan Benefits paid as a result of any legal action. Connecticut General shall reasonably cooperate with Employer in its defense of such actions.

If Connecticut General pays a claim for Extra-Contractual Benefits at Employer's direction, Employer is responsible for funding the payment.

- b. Employer Liability for Plan Related Expenses. Employer shall reimburse Connecticut General for any amounts Connecticut General may be required to pay (i) as state premium tax or any similar Plan-related tax, charge, surcharge or assessment, or (ii) under any unclaimed or abandoned property law, or escheat law, with respect to Plan Benefits and any penalties and/or interest thereon.
- c. Standard of Care/Indemnity: In performing its obligations under this Agreement, Connecticut General shall use reasonable diligence and that degree of skill and judgment possessed by one experienced in furnishing claim administration services to plans of similar size and characteristics as the Plan. Connecticut General shall not be liable to the Employer for mistakes of judgment or other actions taken in good faith (including benefits erroneously overpaid) but shall be liable to and indemnify the Employer for any non-benefit loss, cost or expense (including reasonable attorneys' fees and court costs) for which Employer may become liable in consequence of any acts or omissions of Connecticut General which, in the aggregate, constitute a failure on the part of Connecticut General to perform its claim administration obligations under this Agreement in accordance with the standard set forth above.

These reimbursement obligations shall survive termination of this Agreement.

## **Section 8. Modification of Plan and Charges**

- a. The Medical Administration Charges in effect from January 1, 2012 through and including December 31, 2014, shall be as set forth in the Schedule of Financial Charges attached hereto and Connecticut General may revise such Medical Administration Charges only (i) upon any modification or amendment of the benefits under the Plan, (ii) upon any variation of fifteen percent (15%) or more in the number of Members used by Connecticut General to calculate its charges under the Agreement, and/or (iii) upon any change in law or regulation that materially impacts Connecticut General liabilities and/or responsibilities under this Agreement.
- b. Employer shall provide Connecticut General written notice of any modification or amendment to the Plan sufficiently in advance of any such change as to allow Connecticut General to implement the modification or amendment. Employer and Connecticut General shall agree upon the manner and timing of the implementation subject to Connecticut General's system and operational capabilities.

## **Section 9. Modification of Agreement**

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## **Section 10. Laws Governing Contract**

- a. This Agreement shall be construed in accordance with the laws of the State of Florida without regard to conflict of law rules, and both Parties consent to the venue and jurisdiction of its courts. Venue for any lawsuit by one party against the other party or otherwise arising out of this Agreement, and for any other legal proceeding, shall be in Broward County, Florida, or in the event of federal jurisdiction, in the Southern District of Florida, Fort Lauderdale Division.
- b. The Parties shall perform their obligations under this Agreement in conformance with all Applicable Laws and regulatory requirements.

## **Section 11. Information in Connecticut General's Processing Systems**

Connecticut General may retain and use all Plan-related claim and Plan Benefit payment information recorded for or otherwise integrated into Connecticut General's business records including claim processing systems during the ordinary course of business (provided, however, that claim or payment information will be available to Employer pursuant to Section 6). Connecticut General will retain claim and payment information as required by Applicable Law and the Florida public records law and related public records retention schedules.

## **Section 12. Resolution of Disputes**

Any dispute between the Parties arising from or relating to the performance or interpretation of this Agreement ("**Controversy**") may be addressed pursuant to the following dispute resolution procedures:

- a. Any Controversy shall first be referred to an executive level employee of each Party who shall meet and confer with his/her counterpart to attempt to resolve the dispute ("**Executive Review**") as follows: The disputing Party shall give the other Party written notice of the Controversy and request Executive Review. Within twenty (20) days of such written request, the receiving Party shall respond to the other in writing. The notice and the response shall each include a summary of and support for the Party's position. Within thirty (30) days of the request for Executive Review, an employee of each Party shall meet and attempt to resolve the dispute. Resolution of disputes is subject to Section 2-151, Code of Ordinances of the City of Fort Lauderdale, Florida, as may be amended or revised, which provides, in pertinent part, as follows:

Claims or demands, including workers' compensation claims, brought against or on behalf of the city may be settled, adjusted and otherwise compromised without the approval of the city commission upon the following terms and conditions and when in the judgment of the risk manager, the director of finance, city manager and the city attorney or their designees such would be in the best interests of the city to do so:



- (1) For all claims or demands which do not exceed one thousand dollars (\$1,000.00), such claims or demands may be settled, adjusted or otherwise compromised by the risk manager.
- (2) For all claims or demands which exceed one thousand dollars (\$1,000.00) but do not exceed three thousand dollars (\$3,000.00), such claims or demands may be settled, adjusted or otherwise compromised by the joint approval of the risk manager and the director of finance.
- (3) For all claims and demands which exceed three thousand dollars (\$3,000.00), but do not exceed twenty thousand dollars (\$20,000.00), such claims or demands may be settled by joint approval of the risk manager, director of finance, the city manager and the city attorney.
- (4) ...
- (5) For all claims or demands which exceed twenty thousand dollars (\$20,000.00), such claims shall be submitted for settlement, adjustment or compromise to the city commission for approval.

b. If the Controversy has not been resolved within thirty-five (35) calendar days of the request of Executive Review under Section 12.a, above, the Parties agree to mediate the Controversy in accordance with the Florida Supreme Court Mediation Rules (“**Mediation**”). The mediation shall be conducted in Broward County, Florida. Each Party shall assume its own costs and attorneys’ fees. The mediator’s compensation and expenses and any administrative fees or costs associated with the mediation proceeding shall be borne equally by the Parties.

### **Section 13. Third Party Beneficiaries**

This Agreement is solely for the benefit of Employer and Connecticut General. It shall not be construed to create any legal relationship between Connecticut General and any other party.

### **Section 14. Waivers**

No course of dealing or failure of either Party to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition. Waiver by either Party of any default shall not be deemed a waiver of any other default.

### **Section 15. Headings**

Article, section, or paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

### **Section 16. Severability**

If any provision or any part of a provision of this Agreement is held invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable any other portion of this Agreement.

### **Section 17. Force Majeure**

Neither Party shall be liable for any failure to meet any of the obligations required under this Agreement where such failure to perform is due to any contingency beyond the reasonable control of such Party, its employees, officers, or directors. Such contingencies include, but are not limited to, acts of God, fires, wars, accidents, labor disputes or, governmental laws, ordinances, rules or regulations. Notwithstanding the foregoing, this section shall not in any way alter or release the Employer from its obligations to pay for Plan benefits.

### **Section 18. Assignment and Subcontracting**

Neither Party may assign any right, interest, or obligation hereunder without the express written consent of the other Party; provided, however that Connecticut General may subcontract specific obligations under the Agreement to an affiliate owned and controlled by Connecticut General provided that Connecticut General shall not be relieved of its obligations under the Agreement when doing so.

### **Section 19. Notices**

Except as otherwise provided, all notices or other communications hereunder shall be in writing and shall be deemed to have been duly made when (a) delivered in person, (b) delivered to an agent, such as an overnight or similar delivery service, (c) delivered electronically, or (d) deposited in the United States mail, postage prepaid, and addressed as follows:

To Connecticut General:  
Connecticut General Life Insurance Company  
401 Chestnut Street, Suite 110  
Chattanooga, TN 37402  
Attention: Jenny Wilson, Underwriting Director

To Employer:  
City of Fort Lauderdale  
100 N. Andrews Avenue, Third Floor  
Fort Lauderdale, FL 33301  
Attention: Averill Dorsett, Director of Human Resources

The address to which notices or communications may be given by either Party may be changed by written notice given by one Party to the other pursuant to this Section.

### **Section 20. Identifying Information and Internet Usage**

Except, as necessary in the performance of their duties under this Agreement, and except as otherwise provided by the Florida public records law, neither Party may use the other's name, logo, service marks, trademarks or other identifying information or to establish a link to the other's World Wide Web site without its prior written approval.

## Schedule of Financial Charges

Certain fees and charges identified in this Schedule of Charges will be billed to Employer Monthly in accordance with Connecticut General's then standard billing practices. However, Connecticut General is authorized to pay all fees and charges from the Bank Account unless otherwise specified in this Agreement.

<b>MEDICAL ADMINISTRATION CHARGES</b> <i>3 Year Rate Guarantee effective from 01-01-2012 to 12-31-2014; w/ 3% Fee increase in years 2015 &amp; 2016</i>		
Product	Description	Charge
Medical	<ul style="list-style-type: none"> <li>Open Access Plus (OAP) with PHS Plus Medical Management <i>{Applies to Management &amp; Non Management Benefit Options}</i></li> </ul>	<b>\$42.10/employee/month</b>
Medical	<ul style="list-style-type: none"> <li>Open Access Plus In-Network (OAPIN) with PHS Plus Medical Management <i>{Applies to Management &amp; Non Management Benefit Options}</i></li> </ul>	<b>\$42.10/employee/month</b>
Vision	<ul style="list-style-type: none"> <li>CIGNA Vision Care</li> </ul>	<b>\$0.98/employee/month</b>
<b>MEDICAL NETWORK ACCESS FEE</b> <i>3 Year Rate Guarantee effective from 01-01-2012 to 12-31-2014; w/ 3% Fee increase in years 2015 &amp; 2016</i>		
Product	Description	Charge
Medical	<ul style="list-style-type: none"> <li>OAP Access Fee~<i>{Applies to Management &amp; Non Management Benefit Options}</i></li> </ul>	<b>\$20.95/employee/month Included in Medical Administration Fee</b>
Medical	<ul style="list-style-type: none"> <li>OAPIN Access Fee~<i>{Applies to Management &amp; Non Management Benefit Options}</i></li> </ul>	<b>\$20.95/employee/month Included in Medical Administration Fee</b>

PHARMACY DISCLOSURES		
	Product	Charge
Explanatory Note Regarding “AWP”	Industry Changes to or Replacement of Average Wholesale Price (AWP). Notwithstanding any other provision in this Agreement, including in this Exhibit, in the event of any major change in market conditions affecting the pharmaceutical or pharmacy benefit management market, including, for example, any change in the markup, methodologies, processes or algorithms underlying the published AWP(s), Connecticut General may adjust any or all of the charges, rates, discounts, guarantees and/or fees in connection with Connecticut General’s administration of the Plan’s Pharmacy Benefit hereunder, including any that are based on AWP, as it reasonably deems necessary to preserve the economic value or benefit of this Agreement as it existed immediately prior to such change. Additionally, and notwithstanding any other provision in this Agreement, including in this Exhibit, Connecticut General may replace AWP as its pharmaceutical pricing benchmark with an alternative benchmark and/or may replace Medi-Span, or other such publication as its source for the AWP or alternative benchmark with a different pricing source, provided that Connecticut General adjusts any or all such AWP-Based Charges or such alternative benchmark-based charges as it reasonably deems necessary to preserve the economic value or benefit of this Agreement as it existed immediately prior to such replacement or immediately prior to the event(s) giving rise to such replacement, as the case may be.	
Cigna Home Delivery Pharmacy (a Connecticut General affiliated company)	Specialty Drugs dispensed by Cigna Home Delivery Pharmacy charged under the medical benefit.	<b>The drug’s charge under a national specialty drug discount schedule that generates a 12.5% annual average aggregate discount off AWP across Specialty Drug Claims dispensed at Cigna Home Delivery Pharmacy to Connecticut General’s group-client book of business.</b>
Cigna Home Delivery Pharmacy (a Connecticut General affiliated company)	Cigna Home Delivery Pharmacy’s discounts are applied to the manufacturer average wholesale price (AWP) for the dispensed size, (or to the AWP for the manufacturer-packaged quantity closest to the dispensed size, if there is no AWP for the dispensed size).	

Reimbursement to Cigna Home Delivery Pharmacy (a Connecticut General affiliated company) for Replacement Prescriptions	Cigna Home Delivery Pharmacy will be reimbursed through the Bank Account for the price (discounted as per this Schedule) for replacement prescriptions shipped by Cigna Home Delivery Pharmacy which are reported as lost or damaged despite Cigna Home Delivery Pharmacy's shipment to the Participant's correct name and address.	
<b>FEEES FOR PROCESSING RUN-OUT CLAIMS</b>		
OAP, OAPIN & CIGNA Vision Care	Run-Out Period of twelve (12) months	<b>At No Additional Cost</b>
<b>SUBROGATION</b>		
	Subrogation/Conditional Claim Payment (Medical Only)	<p><b>5% of recovery plus litigation costs if Counsel is retained and an appearance is filed on behalf of Connecticut General or Employer if any litigation, or a lawsuit is filed on their behalf;</b></p> <p><b>29% of recovery if no Counsel is retained and in all other instances, including cases where state law requires that employee benefit plans be named as party defendants or involuntary plaintiffs.</b></p>

### CONNECTICUT GENERAL COST CONTAINMENT FEES

Connecticut General, a Cigna company, administers the following programs to contain costs with respect to charges for health care service/supplies that are covered by the Plan. In administering these programs, Connecticut General contracts with vendors to perform program related services. Specific vendor fees are available upon request. Connecticut General's charge for administering these programs is the percentage (indicated below) of either (1) the "net savings" (i.e. the difference between the charge that the provider would have made absent the program savings and the charge made as a result of the program savings, less the applicable vendor fee which generally ranges from 7-11% of the program savings) or (2) the "gross savings" (i.e. the difference between the charge that the provider would have made absent the program savings and the charge made as a result of the program savings; Connecticut General pays the applicable vendor fee) or (3) the "recovery" (i.e. the amount recovered) as applicable.

For covered services received from non-Participating Providers, Connecticut General may apply discounts available under agreements with third parties or through negotiation of the billed charges. These programs are identified below as the Network Savings Program, Supplemental Network & Medical Bill Review (pre-payment). This is consistent with the claim administration practices applicable to Connecticut General's own health care insurance business when these programs are implemented. Connecticut General charges the percentage shown for administering these programs. Applying these discounts may result in higher payments than if the maximum reimbursable charge is applied. Whereas application of the maximum reimbursable charge may result in the patient being balance billed for the entire unreimbursed amount, applying these discounts avoids balance billing and substantially reduces the patient's out-of pocket cost.

#### MEDICAL COST CONTAINMENT

1.	Network Savings Program	<b>29% of net savings</b>
2.	Supplemental Network	<b>29% of net savings</b>
3.	Medical Bill Review – (Pre-payment Cost Containment for Non-contracted claims):	
	<b>Inpatient Hospital Bill Review</b>	
	• Line Item Analysis	<b>Lesser of 5% of hospital bill or the savings achieved</b>
	• Professional Fee Negotiation	<b>29% of net savings</b>
	<b>Outpatient Hospital Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
	• Line Item Analysis Re-pricing	<b>29% of net savings</b>
	<b>Physician/Professional Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
4.	Medical Bill Review – (Pre or Post-payment Cost Containment for Non-contracted and Contracted claims):	

	<ul style="list-style-type: none"> <li>Bill Audit</li> </ul>	<b>29% of the savings/recovery achieved plus hospital fees or expenses passed through</b>
	<b>DRG Validation and Appeals</b>	<b>29% of recovery plus any fees or expenses passed through by the hospital or regulatory agency</b>
	<b>Inpatient Admission Retrospective Review</b>	<b>29% of recovery</b>
	<b>Medical Implant Device Audits</b>	<b>29% of recovery</b>
5.	COB Vendor Recoveries [Exclusive of pharmacy programs where claims are adjudicated at time prescription is received.]	<b>29% of recovery</b>
6.	Secondary Vendor Recovery Program	<b>29% of recovery</b>
7.	Provider Credit Balance Recovery Program	<b>29% of recovery</b>
8.	High Cost Specialty Pharmaceutical Audits	<b>29% of recovery</b>
9.	Class Action Recoveries	<b>35% of recovery</b>
<b>CARE MANAGEMENT/COST CONTAINMENT PROGRAM FEES</b>		
	<p>Connecticut General arranges for third parties to provide care management services to:</p> <p>(i) contain the cost of specified health care services/items overall with respect to all plans insured and/or administered by Connecticut General, and/or</p> <p>(ii) improve adherence to evidence based guidelines designed to promote patient safety and efficient patient care.</p>	<b>Specific vendor fees and care management program services are available upon request.</b>
<b>ELIGIBILITY OVERPAYMENT RECOVERY FEES</b>		
	Eligibility Overpayment Recovery Vendor Services	<b>29% of recovery</b>
<b>EXTERNAL REVIEW FEES</b>		
	External expert reviews may be required on a consultative basis as part of the internal appeal process, or pursuant to a formal external review following exhaustion of the internal review process. The range of external review charges is dependent on the nature and complexity of the issue on appeal. In highly complex, non-routine cases or cases related to new technology or experimental-investigational treatment, as part of the internal appeal process a panel of reviewers may be necessary. External review charges will be commensurate with the number of reviewers, as well as their level of expertise and time required to complete the review.	<b>\$500-\$4,000 Review</b>

<b>VISION CARE</b>		
	<p>Capitation or fee-for-service charges for vision care services will be paid as claims and will appear in Employer's standard Bank Account activity data reports. Such payments will be at Connecticut General's applicable capitation or fee-for-service charges then in effect, which may be amended from time to time. Some Vision services are provided by Connecticut General and/or designated vendors. The applicable rates to Employer for this product and identity of the provider of vision services will be made available upon request.</p>	<b>All Vision Products</b>
<b>STRATEGIC ALLIANCES</b>		
	<p>Connecticut General contracts directly or indirectly with other managed care entities and third party network vendors for access to their provider networks and discounts. These third parties charge either a network access fee, which is included in Connecticut General's monthly charges, or a percentage of the savings realized on a claim by claim basis as a result of the application of their discounts. Charges based on percentage of savings are paid from the Bank Account. Additional details regarding specific charges will be provided upon request.</p>	<b>All Medical Products</b>
<b>OTHER VENDORS AND HEALTH CARE SERVICES PROVIDERS</b>		
	<p>Capitation and fee-for-service charges for various vendors and other providers/arrangers of health care services and/or supplies will be paid as claims for Plan Benefits and will appear in Employer's standard Bank Account activity data reports. Such payments will be at Connecticut General's applicable capitation or fee-for-service charges then in effect, which may be amended from time to time. Additional details regarding charges and the identity of the vendor or provider of health care services will be made available upon request.</p>	<b>All Products</b>
<b>NOTICE REGARDING PAYMENTS FROM THIRD PARTIES</b>		
	<p>From time to time, Connecticut General, either directly or through its affiliates, contracts with vendors, provider network managers and providers in connection with various cost containment programs. Connecticut General and its affiliates may receive payments from such parties that are intended to help defray expenses associated with implementing such programs.</p>	<b>All Products</b>



<b>ADDITIONAL SERVICES</b>		
<b>Service</b>	<b>Description</b>	<b>Charge</b>
<b>HIPAA Certificates</b>	Individual HIPAA certificates for Members who leave active coverage.  {Excludes OAPIN ~Non Management Benefit Option}	<b>\$0.15/employee/month</b> <b>Included in Medical Administration Charge</b>
<b>Third Party Stop Loss Interface Fee</b>	Connecticut General will provide its standard third party reporting package only after the stop loss carrier and Employer have executed Connecticut General's standard hold harmless/confidentiality agreement. Connecticut General's standard reporting package is based on paid claim data only (information on incurred-but-not-paid claims, projected claims, pre-certifications of coverage, case management, course of treatment or prognosis is not provided).	<b>\$0.69/employee/month</b>
<b>Incentive Points</b>	The Incentive Points Program allows employers to reward individuals for taking steps to improve their health. Eligible individuals earn points for active participation in Cigna health improvement programs and activities that focus on prevention, lifestyle and behavior modification and disease management. Employees track their incentive activity online and redeem points for a selection of rewards as applicable.  Reward types include: HRA/HSA deposits, healthcare premium reductions (if incentive participation file is sent to employer for administration of reward) in addition to gift cards/merchandise.	<b>Included in Medical Access Fee</b> <i>Excludes Non-Management Benefit Options</i>

<p><b>Your Health First</b></p>	<p>A proactive health education and improvement program for those with a chronic condition. The program involves services that span across the Member's health needs. Behavioral coaching principles and evidence based medicine guidelines are utilized to optimize self-management skills and foster sustained health improvements.</p> <p>Members are identified as having a chronic condition through a variety of sources including but not limited to: claim data, referrals, and self-identification. A variety of resources are provided to those with a chronic condition and based on severity and readiness to change. The program targets 60% of the chronic population for telephonic support. Identified Members work with a dedicated health advocate on improving their health.</p> <p>The program includes the following components:</p> <ul style="list-style-type: none"> <li>• Chronic Condition Specific Coaching</li> <li>• Pre and post discharge calls when CIGNA is the medical carrier</li> <li>• Life style management coaching: stress, weight management and tobacco cessation</li> <li>• Treatment decision support and coaching</li> </ul> <p>In order to continuously assess the effectiveness of our programs, some Members may be placed in a comparison group which receives alternative services, or even no services for a specified period. This will not affect the total number of Members targeted for outreach or any of the financial or clinical goals of the program.</p>	<p><b>Included in Medical Access Fee</b></p>
<p>Medical Conversion Privilege</p>	<p>Converting Employee Does Not Reside in NY, CO, FL, TX* Comprehensive/Major Medical Plans Base Plans (Limited Hospital/Surgical)</p>	<p><b>\$20,000/conversion policy</b></p>
	<p>Converting Employee Resides in NY: Comprehensive/Major Medical Plans Base Plans (Limited Hospital/Surgical)</p>	<p><b>\$20,000/conversion policy</b></p>
	<p>Converting Employee Resides in CO: Comprehensive/Major Medical Plans Base Plans (Limited Hospital/Surgical)</p>	<p><b>\$20,000/conversion policy</b></p>
	<p>Converting Employee Resides in FL: Comprehensive, Base Plan/Major Medical &amp; PPO Plans</p>	<p><b>\$20,000/conversion policy</b></p>

\* Connecticut General does not provide Medical Conversion coverage to Texas residents. Medical Conversion coverage for Texas residents is provided by the Texas Health Insurance Risk Pool.

## **Exhibit A - Plan Document**

A "Summary Plan Document" or "Plan Booklet" that includes Plan Benefits and Members' rights and responsibilities under the Plan will be provided by Employer to Connecticut General. If Employer has not provided Connecticut General with a copy of its finalized Plan Booklet by the time this Agreement is effective, Connecticut General will administer the Plan in accordance with the medical management and claims administration policies and procedures and/or practices then applicable to its own health insurance business and the definitions and other language contained in the draft version of the Plan Booklet provided by Connecticut General to Employer. Connecticut General will continue to administer the Plan in this manner until Connecticut General receives the finalized Plan Booklet and follows its preparation and review process. After that time Connecticut General will use the finalized Plan Booklet to administer Plan.

## Exhibit B – Services

BANKING AND ADMINISTRATION		
Products <u>excluding</u> Health Savings Account		
1.	Furnishing Connecticut General’s standard Bank Account activity data reports to Employer as and when agreed upon. Connecticut General’s administration of the Plan does not include performing obligations, if any, under state escheat or unclaimed property laws. It is Employer’s responsibility to determine the extent to which these laws may apply to the Plan and to comply with such laws.	<b>All Products</b>
2.	Report to Employer the claim payment information required in connection with Section 6041 of the Internal Revenue Code.	<b>All Products</b>
3.	<p>Pursuant to section 63 of the New York Health Care Reform Act of 1996 (section 2807-t of the Public Health Law) ("the Act"), to pay the assessment on covered lives set forth in section 63 and has consented to the conditions set forth in section 63, Connecticut General shall file such forms and pay such assessment on covered lives on behalf of Employer through the Bank Account to the extent set forth in section 63. Such obligation shall end immediately upon Employer's failure to provide any information required by Connecticut General to fulfill this obligation, the failure to comply with any requirement imposed upon Employer pursuant to the Act or the failure of Employer to properly fund the Bank Account.</p> <p>In addition, where permitted, Connecticut General will file applicable forms and pay on behalf of Employer and/or the Plan any assessment, surcharge, tax or other similar charge which is required to be made by you or the Plan based on covered lives and/or paid claims or otherwise in accordance with and as required by other applicable state and/or federal laws and regulations and your bank account will be charged for any such payments made by Connecticut General.</p>	<b>All Products</b>

**CLAIM ADMINISTRATION**

**Products excluding Health Savings Account**

1.	Calculate benefits, check and/or electronic payments disbursed from Employer's-Bank Account. Bank Account payments will appear in Employer's standard Bank Account activity data reports.	<b>All Products</b>
2.	Prepare and make available Connecticut General's standard claim forms.	<b>All Products</b>
3.	Investigate claims, as necessary, by Connecticut General's Special Investigations Unit.	<b>All Products</b>
4.	Discuss claims, when appropriate, with providers of health services.	<b>All Products</b>
5.	Perform internal audits of Plan Benefit payments on a random sample basis.	<b>All Products</b>
6.	Claim control procedures reported annually in Statement on Standards for Attestation Engagements (SSAE) No. 16 Report (SAS70 successor report).	<b>All Products (excluding Vision)</b>
7.	Respond to Insurance Department complaints.	<b>All Products</b>
8.	Dedicated toll-free telephone line for Member and Provider calls to Connecticut General Service Centers.	<b>All Products</b>
9.	Member Explanation of Benefit ("EOB") statements including, when applicable, notice of denied claims, denial reason(s) and appeal rights.	<b>All Products</b>
10.	Verify enrollment and eligibility using Member information submitted by Employer and/or its authorized agent.	<b>All Products</b>

**Medical Only**

1.	Connecticut General's standard enrollment forms are prepared and delivered to Employer for distribution to individuals eligible to enroll in the Plan.	<b>All Medical Products</b>
2.	Connecticut General's standard ID card with toll-free telephone number are prepared and mailed directly to Members.	<b>All Medical Products</b>
3.	Administration of subrogation/conditional Claim Payment (terms described in Exhibit E).	<b>All Medical Products</b>

**Medical (Specialty Drugs)**

1.	Connecticut General may receive and retain payments under contracts with drug manufacturers with respect to utilization covered under the Employer's medical benefit for the manufacturer's specialty drugs, which are drugs that typically are injected or infused and derived from living cells; target an underlying rare, chronic or costly condition; and/or require restricted access and/or close monitoring. If Connecticut General enters into any such contracts, it does so on its own behalf, and not as agent of the Employer or the Plan.	<b>All Pharmacy Products</b>
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**DOCUMENT PRODUCTION**

**Products excluding Health Savings Account**

	Prepare and deliver Member benefit booklet drafts to Employer.	<b>All Products</b>
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**UNDERWRITING SERVICES**

1.	5500 Schedule C reporting.	<b>All Products</b>
2.	5500 Schedule A or Annual Reconciliation Disclosure reporting (when applicable)	<b>All Products</b>
3.	Connecticut General's standard Underwriting services: a) benefit design analysis-b) projected cost analysis.	<b>All Products</b>

**HIPAA INDIVIDUAL RIGHTS****Products excluding Health Savings Account**

Handling of requests from Members for access to, amendment and accounting of protected health information, and requests for restrictions and alternative communications as required under federal HIPAA law and regulations, as set out in this Agreement and its Exhibits.

**All Products****COST CONTAINMENT**

1. Maximum reimbursable charge determinations of non-Participating Provider charges for covered services.

**All Medical Products (with out-of-network benefits)**

2. Connecticut General's standard cost containment controls: Application of non-duplication and coordination of benefits rules and coordination with Medicare.

**All Medical Products**

3. Delivery of information, as necessary, regarding standard application of non-duplication or coordination of benefits.

**All Medical Products**

4. Review of medical bills in accordance with Connecticut General's then current Medical Bill Review program.

**All Medical Products**

5. Network Savings Program, a national vendor network that provides discounted rates when a Member accesses care through a Network Savings Program contracted provider.

**All Medical Products**

6. Annual reporting of Connecticut General's standard cost containment results upon Employer's request.

**All Medical Products****CUSTOMER REPORTING**

1. Summary reports of medical cost and utilization experience available through Cigna web site.

**All Medical Products**

3. Claim Reporting: Connecticut General will provide its standard reports and information based upon paid claim data only. Connecticut General will not provide information on incurred-but-not reported claims, projected claims, pre-certifications of coverage, case management information or information on a Member's prognosis or course of treatment.

**All Medical Products**

Stop Loss Reporting is an optional service provided at an additional fee to Employers who have stop loss through another entity other than Connecticut General. Connecticut General will provide its standard reporting only after the stop loss carrier and Employer have executed Connecticut General's standard Hold Harmless/Confidentiality Agreement.

**MEMBER EXTERNAL REVIEW PROGRAM**

Connecticut General contracts with three (3) independent review organizations that meet the Patient Protection and Affordable Care Act (PPACA) external review requirements. Members may voluntarily appeal to a selected external independent review organization. If Employer has chosen not to participate in this program, the Employer may be responsible for making other arrangements to meet the Patient Protection and Affordable Care Act (PPACA) external review requirements.

**All Medical Products**

### MEDICAL MANAGEMENT SERVICES

	Connecticut General provides integrated medical management that includes (depending upon the terms of the Plan) the following core services.	
1.	Pre-Admission Certification and Continued Stay Review (PAC/CSR) services to certify coverage of acute and sub-acute inpatient admissions/stays or provides guidance to appropriate alternative settings. Administered in accordance with Connecticut General's then applicable medical management and claims administration policies, practices and procedures.	<b>All Medical Products</b>
2.	Case Management and Retrospective Review of Inpatient Care, a service designed to provide assistance to a Member who is at risk of developing medical complexities or for whom a health incident has precipitated a need for rehabilitation or additional health care support.	<b>All Medical Products</b>
3.	Assisting providers with resources and tools to enable them to develop Long Term Treatment Plans in the management of chronic or catastrophic cases.	<b>All Medical Products</b>
4.	The Cigna HealthCare Healthy Babies <sup>®</sup> Program, a no-cost to Member prenatal program that provides education and support for a healthy pregnancy and healthy baby.	<b>All Medical Products</b>
5.	HealthCare Cost and Quality tools on myCigna.com	<b>All Medical Products</b>
6.	A panel of physicians and other clinicians to assess the safety and effectiveness of new and emerging medical technologies. The panel meets monthly to review and update coverage policies.	<b>All Medical Products</b>
7.	The Cigna HealthCare 24-Hour Health Information Line <sup>SM</sup> , a service that provides 24 hour toll free access to registered nurses and an extensive audio health information library.	<b>All Medical Products</b>
8.	Cigna <i>LifeSOURCE</i> Transplant Network <sup>®</sup> contracts with over five-hundred (500) transplant programs at more than one-hundred thirty (130) independent transplant facilities. We provide access to solid organ and bone marrow/stem cell transplantation while improving cost containment and reducing financial risk.	<b>All Medical Products</b>
9.	A Health Education Program that delivers mailings to Members with certain conditions.	<b>All Medical Products Except Comprehensive and Indemnity</b>
10.	If behavioral health services are provided/arranged by Cigna Behavioral Health (CBH), CBH provides utilization review and case management for inpatient in-network behavioral health services.	<b>OAP &amp; OAPIN Products Only</b> <i>{Applies to CA/NC Members Only}</i>
11.	If behavioral health services are provided/arranged by Cigna Behavioral Health (CBH), CBH provides utilization review and case management for both inpatient and outpatient, in-network behavioral health services.	<b>OAP &amp; OAPIN Products Only</b> <i>{Excludes CA/NC Members}</i>
12.	Implementing clinical quality measurements, managing data, tracking and validating performance and initiating continuous quality improvement.	<b>All Medical Products Except Comprehensive and Indemnity</b>

13.	Transition of care services to allow Members with defined conditions to continue treatment with non-Participating Providers after enrollment for continued uninterrupted care for a limited time.	<b>All Medical Products Except Comprehensive and Indemnity</b>
14.	Focused utilization management of outpatient procedures and identification of appropriate alternatives. Administered in accordance with Connecticut General's then applicable medical management and claims administration policies, practices and procedures.	<b>All Medical Products with PHS Plus</b>
<b>NETWORK MANAGEMENT SERVICES</b>		
Connecticut General, and/or its affiliates shall:		
1.	Provide or arrange access to the applicable network of Participating Providers to furnish health care services/products to Members at negotiated rates and methods of reimbursement (e.g. fee-for service, capitation, per diem charges, incentive bonuses, case rates, withholds etc.). The amount and type of negotiated reimbursement may vary depending upon the type of plan. For example, a hospital may accept less for patients enrolled in certain types of plans than others;	<b>All Medical Products</b>
2.	Credential and re-credential Participating Providers in accordance with Connecticut General's credentialing requirements and ensure that third-party network vendors credential/re-credential Participating Providers in accordance with Connecticut General's requirements;	<b>All Medical Products</b>
3.	Review Participating Provider compliance with protocols and procedures for quality, Participant satisfaction, and grievance resolution;	<b>All Medical Products</b>
4.	Facilitate the identification of Participating Providers by Members; and	<b>All Medical Products</b>
5.	Dedicated toll-free telephone line for Member and Provider calls to Connecticut General Service Centers.	<b>All Medical Products</b>
<b>BEHAVIORAL HEALTH</b>		
	Connecticut General has contracted with an affiliate, CIGNA Behavioral Health ("CBH"), to provide or arrange for the provision of managed in-network behavioral health services, CBH is a Participating Provider, and is reimbursed primarily on a monthly fixed fee basis. This fixed fee for CBH services will be paid as claims and will appear in Employer's monthly reporting and on financial documents as capitation. Such payments will be at the relevant monthly rates then in effect. The monthly rates paid to CBH vary depending on geographic location of Members and on benefit design, and may be subject to change. The rates will be made available upon request. The fixed fee also includes lifestyle management programs and a cognitive behavioral modification program. Behavioral claims from a client specific network are not included in the behavioral monthly fixed fee and will be paid from the Bank Account. In some states, payment for behavioral health services must be paid on a fee-for-service basis. In these states, fee-for-service payments for behavioral health services and the CBH administrative fee (including the lifestyle management programs and a cognitive behavioral modification program) will be paid from the Bank Account as claims and will appear in Employer's monthly reporting.	<b>OAP &amp; OAPIN (Non-CA/NC Members)</b>



**CIGNA STAFF MODEL HEALTHPLAN SERVICES**

The Cigna HealthCare of Arizona, Inc. staff model (“Cigna Medical Group”) is a Participating Provider located in metropolitan Phoenix, Arizona. Plan Participants may at some time receive treatment from a Cigna Medical Group (“CMG”) facility or provider even if they do not reside in Arizona (as when traveling). Participants utilizing the IPA network will access certain specialty and/or ancillary services (including laboratory and urgent care services) through the CMG system. Lab services are not provided by CMG for Participants in PPO or EPO plans.

Except as provided below, for services provided to Participants, CMG is paid on a fee schedule basis at the rates in effect at the time of service (as may be amended from time to time). A representative CMG fee schedule of routinely performed services is attached. A copy of the full fee schedule is available on request and mutually agreed Non Disclosure Agreement (“NDA”).

If the Plan requires Participants to select a primary care physician (PCP), Phoenix area Participants who do not select a PCP during open enrollment are assigned to a CMG PCP. CMG is paid a monthly primary care capitation amount for those Phoenix area Participants who select or are assigned to a CMG PCP. Charges will appear in Employer’s standard Bank Account activity data reports at the rates in effect at the time of payment. Primary care capitation charges are age/sex adjusted and may be amended from time to time. A primary care capitation rate grid and a list of the services included in the capitation are available upon request and mutually agreed Non Disclosure Agreement (“NDA”).

Primary care services rendered to Participants in Open Access Plans that do not provide for PCP assignment are charged on a fee schedule basis, as described above.

**All Medical Products**

**CIGNA HEALTHCARE OF ARIZONA - CIGNA MEDICAL GROUP (CMG)  
 REPRESENTATIVE FEE SCHEDULE OF ROUTINELY PERFORMED MEDICAL SERVICES  
 EFFECTIVE OCTOBER 1, 2011**

(Applicable to all Open Access Plus Products)

<b>CPT Service Code</b>	<b>Service Description</b>	<b>Charge</b>
45330	Sigmoidoscopy, flexible; Diagnostic (combined rate, includes facility fee \$485.00)	\$557.97
45378	Diagnostic Colonoscopy (combined rate, includes facility fee \$650)	\$907.75
71020	Chest X-Ray, Pa & Lat	\$30.38
74000	Abdomen X-Ray (Kub)	\$24.57
77057	Mammogram, Screening (Bilateral)	\$78.64
80053	Comprehensive Metabolic Panel	\$21.95
80061	Cardiac Risk	\$27.83
82565	Creatinine; Blood	\$10.64
82947	Glucose, Serum	\$8.15
84075	Phosphatase, Alkaline,Blood	\$10.74
84443	Tsh, Assay	\$34.89
84450	Sgot (Ast) Transaminase	\$10.74
84520	Bun (Urea Nitrogen)Assay	\$8.19
85025	CBC and Differential	\$13.33
87086	Culture, Urine, Colony Ct	\$16.78
88164	Cytopathology, Slides	\$21.94
88305	Surg Path, Gross and Micro	\$147.76
92014	Eye Exam & Treatment	\$109.35
92567	Tympanometry	\$15.62
93000	Electrocardiogram, Complete	\$21.86
94760	Oximetry Single Determination	\$2.47
95115	Allergy Injection, Single	\$9.69
95117	Allergy Injection, Multiple	\$11.85
99211	Office Visit, Est Min (Md Or Non-Md)	\$19.21
99212	Office Visit, Est Prob Focused	\$39.18
99213	Office Visit, Est Exp Prob Foc	\$65.80
99214	Office Visit, Est Detailed	\$98.58
99231	Subsequent Hospital Care	\$38.26
99242	Office Consult, Exp Prob Focused, 30 Minutes	\$92.15
99395	Well Exam, Est, 18-39 Years	\$94.20
99396	Well Exam, Est, 40-64 Years	\$102.94

The Urgent Care case rate excluding radiology and laboratory services is \$115.

The CMG CareToday (CMG low acuity clinics) visit rate is \$59. Lab tests performed at the CMG CareToday facilities are \$10 per service. A complete CMG CareToday fee schedule is available on request.

ASC (Ambulatory surgical center) grouper rates based on 2006 Medicare for facility component of outpatient surgery services:

Group 1 - \$485  
Group 2 - \$650  
Group 3 - \$740  
Group 4 - \$900  
Group 5 - \$950  
Group 6 - \$1100  
Group 7 - \$1420  
Group 8 - \$1400  
Group 9 - \$1200  
Unlisted - \$740

CMG pharmacy fee schedule:

Brand Name:  $AWP - 10.56\% + \$2.75$  dispensing fee

Generic: If MAC pricing is available then  $MAC + \$2.75$

If no MAC price available then  $AWP - 15\% + \$2.75$  dispensing fee

Plan charges are reduced by any applicable copayment, coinsurance and/or deductible for service. Services not identified by CPT code or codes without established RVUs are billed at the 50<sup>th</sup> Percentile of the Arizona Regional Medicode Schedule.

## **Exhibit C – Claim Audit Agreement (Sample)**

- A. WHEREAS, Connecticut General Life Insurance Company ("Connecticut General") desires to cooperate with requests by \_\_\_\_\_ ("Employer") to permit an audit for the purposes set forth below; and
- B. WHEREAS, \_\_\_\_\_ ("Auditor") has been retained by Employer for the purpose of performing an audit ("Audit") of claims administered by Connecticut General.
- C. WHEREAS, the Auditor and the Employer recognize Connecticut General's legitimate interests in maintaining the confidentiality of its claim information, protecting its business reputation, avoiding unnecessary disruption of its claim administration, and protecting itself from legal liability;

NOW THEREFORE, IN CONSIDERATION of the premises and the mutual promises contained herein, Connecticut General, the Employer and the Auditor hereby agree as follows:

1. Audit Specifications

The Auditor will specify to Connecticut General in writing at least forty-five (45) days prior to the commencement of the Audit the following "Audit Specifications":

- a. the name, title and professional qualifications of individual Auditors;
- b. the Claim Office locations, if any, to be audited;
- c. the Audit objectives;
- d. the scope of the Audit (time period, lines of coverage and number of claims);
- e. the process by which claims will be selected for audit;
- f. the records/information required by the Auditor for purposes of the Audit; and
- g. the length of time contemplated as necessary to complete the Audit.

2. Review of Specifications

Connecticut General will have the right to review the Audit Specifications and to require any changes in, or conditions on, the Audit Specifications which may be necessary to protect Connecticut General's legal and business interests identified in paragraph C above.

3. Access to Information

Connecticut General will make the records/information called for in the Audit Specifications available to the Auditor at a mutually acceptable time and place.

4. Audit Report

The Auditor will provide Connecticut General with a true copy of the Audit's findings, as well as of the Audit Report, if any, that is submitted to the Employer. Such copies will be provided to Connecticut General at the same time that the Audit findings and the Audit Report are submitted to the Employer.

5. Comment on Audit Report

Connecticut General reserves the right to provide the Auditor and the Employer with its comments on the findings and, if applicable, the Audit Report.

6. Confidentiality

The Auditor understands that Connecticut General is permitting the Auditor to review the claim records/information solely for purposes of the Audit. Accordingly, the Auditor will ensure that all information pertaining to individual claimants will be kept confidential in accordance with all Applicable Laws and/or regulations. Without limiting the generality of the foregoing, the Auditor specifically agrees to adhere to the following conditions:

- a. The Auditor shall not make photocopies or remove any of the claim records/information without the express written consent of Connecticut General;
- b. The Auditor agrees that its Audit Report or any other summary prepared in connection with the Audit shall contain no individually identifiable information.

7. Restricted Use of the Audit Information

With respect to persons other than the Employer, the Auditor will hold and treat information obtained from Connecticut General during the Audit with the same degree and standard of confidentiality owed by the Auditor to its clients in accordance with all applicable legal and professional standards. The Auditor shall not, without the express written consent of Connecticut General executed by an officer of Connecticut General, disclose in any manner whatsoever, the results, conclusions, reports or information of whatever nature which it acquires or prepares in connection with the Audit to any party other than the Employer except as required by Applicable Law. The Employer and Auditor agree to indemnify and to hold harmless Connecticut General for any and all claims, costs, expenses and damages which may result from any breaches of the Auditor's obligations under paragraphs 6 and 7 of this Agreement or from Connecticut General's provision of information to the Auditor. The Employer authorizes Connecticut General to provide to the designated Auditor the necessary information to perform the audit in a manner consistent with all Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Privacy Standards and in compliance with the signed Business Associate Agreement ("BAA").

8. Termination

Connecticut General may terminate this agreement with prior written notice. The obligations set forth in Sections 4 through 7 shall survive termination of the Agreement.

## **Exhibit E – Conditional Claim/Subrogation Recovery Services**

### **I. Plans Without Connecticut General Stop Loss Coverage**

If Employer has not purchased individual or aggregate stop loss coverage from Connecticut General or an affiliate with respect to its self-funded employee welfare benefit plan:

- A. All conditional claim payment and/or subrogation recoveries under the Plan will be handled by the entity checked below;
- Employer  
 An independent recovery vendor whose name and address follow:  
 Connecticut General and its subcontractor(s)
- B. If Employer has designated Connecticut General and its subcontractors to act as its recovery agent in paragraph I.A. above, then:
- i. Employer hereby confers upon Connecticut General and its subcontractors' discretionary authority to reduce recovery amounts by as much as fifty percent (50%) of the total amount of benefits paid on Employer's behalf, and to enter into binding settlement agreements for such amounts.
- ii. In the event a settlement offer represents a reduction greater than the percentage identified above, Connecticut General and its subcontractors should seek settlement advice from:
- Name: Charles Borden  
Title: MGU, VISTA Underwriting Partners LLC  
Address: 1400 N. Providence Rd, Bldg 2, Ste 4050, Media, PA 19063  
Telephone: 305-940-1115
- iii. All amounts reimbursed to Employer's Bank Account shall be refunded at the gross amount. Connecticut General's and its subcontractors' subrogation administration fee on cases where Connecticut General and its subcontractors' have retained counsel and in cases where no counsel has been retained by Connecticut General and its subcontractors are both reflected in the Schedule of Financial Charges.
- C. Except where agreed to by Connecticut General and Employer, Connecticut General and its subcontractors shall have no duty or obligation to represent Employer in any litigation or court proceeding involving any matter which is the subject of this Agreement, but shall make available to Employer and/or Employer's counsel such information relevant to such action or proceeding as Connecticut General and its subcontractors may have as a result of its handling of any matter under this Agreement.
- D. In the event Employer purchases individual or aggregate stop loss coverage from Connecticut General or an affiliate with respect to its self-funded employee welfare benefit plan at any time during the life of this Agreement, the provisions of paragraph II., below, shall control.

## **II. Plans with Connecticut General Stop Loss Coverage**

If Employer has purchased individual or aggregate stop loss coverage from Connecticut General or an affiliate with respect to its self-funded employee welfare benefit plan:

- A. Connecticut General and its subcontractors shall have the right and responsibility to manage all conditional claim payment and/or subrogation recoveries under the Plan. Connecticut General and its subcontractors shall reimburse to the Plan the recovery minus relevant individual and aggregate stop loss payments made by Connecticut General.
- B. All amounts reimbursed to Employer's Bank Account shall be refunded at the gross amount. Connecticut General's and its subcontractors' subrogation administration fee on cases where Connecticut General and its subcontractors' have retained counsel and in cases where no counsel has been retained by Connecticut General and its subcontractors, are both reflected in the Schedule of Financial Charges.
- C. Connecticut General and its subcontractors shall have no duty or obligation to represent Employer in any litigation or court proceeding involving any matter which is the subject of this Agreement but shall make available to Employer and/or Employer's counsel such information relevant to such action or proceeding as Connecticut General and its subcontractors may have as a result of its handling of any matter under this Agreement. Notwithstanding the foregoing, Connecticut General and its subcontractors reserve to itself the right to retain counsel to represent Connecticut General's own interests in any subrogation and/or conditional claim recovery action under the Plan.