# Administrative Services Only ("ASO") Agreement

## By and Between

## City of Fort Lauderdale
## "Employer" or "City"

## And

## Cigna Health and Life Insurance Company
## "CHLIC" or "Contractor"

## Effective Date: January 1, 2017

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**THIS AGREEMENT**, effective January 1, 2017 (the "**Effective Date**") is by and between City of Fort Lauderdale ("**Employer**" or **"City"**) and Cigna Health and Life Insurance Company ("**CHLIC" or "Contractor"**).

**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 CHLIC 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 and Addenda.

**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 to 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 CHLIC; 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 CHLIC to make for health care services and/or products that CHLIC has determined are not covered under the Plan.

**Member** – a person eligible for and enrolled in the Plan as an employee or dependent.

**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 CHLIC 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 CHLIC, 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 CHLIC or are pending at or after the termination of this agreement.

**Subscriber -** the Member whose employment or participation is the basis for eligibility under the Plan.

**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 Employer or CHLIC provides written notice to the other of termination of this Agreement;

ii. The effective date of any Applicable Law or governmental action which prohibits performance of the activities required by this Agreement;

iii. Three (3) business days after CHLIC 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. contained in the first sentence of Section 3.a or fifteen (15) business days after CHLIC 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 4.a.

iv. Any other date mutually agreed upon by Employer and CHLIC.

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

a. While this Agreement is in effect, CHLIC 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 a Plan benefit option or (iii) termination of eligible Members, if the required fees have been paid in full, if any, CHLIC shall process Run-Out Claims for the applicable Run-Out Period (Refer to Schedule of Financial Charges for applicable fees and Run-Out Period). At the termination of any applicable Run-Out Period, CHLIC 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 reasonably available to Employer or Employer's designee. CHLIC is not required to provide information that is confidential pursuant to Florida law to Employer or any other party.

c. Employer hereby delegates to CHLIC 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, (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. CHLIC 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, CHLIC shall also perform the Plan-related administrative duties agreed upon by the Parties and specified in Exhibit B. All services identified in this Agreement shall be provided by CHLIC on an exclusive basis unless otherwise agreed to in writing by CHLIC.

**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 CHLIC; and (iii) amounts paid to CHLIC's affiliates and/or subcontractors for,

among other things, network access or in- and out-of network health care services/products provided to Members. CHLIC may credit the Bank Account with payments due Employer under its or an affiliate's stop loss policy.

b. CHLIC, 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, CHLIC shall notify Employer of the need for additional funding and if these are not received within three business days CHLIC 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. CHLIC will promptly adjust any underpayment of Plan Benefits by drawing additional funds due the claimant from the Bank Account. In the event CHLIC overpays a claim for Plan Benefits or pays Plan Benefits to the wrong party, it shall take all reasonable steps to recover the overpayments. CHLIC shall not be required to initiate court, mediation, arbitration or other administrative proceedings to recover any overpayment. CHLIC 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, CHLIC 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 CHLIC for any Bank Account Payments paid by CHLIC with its own funds and no such payment by CHLIC shall be construed as an assumption of any of Employer's liability.

This Section 3 shall survive termination of this Agreement.

**Section 4. Charges**

a. Charges. CHLIC shall provide to Employer a monthly statement of all administrative (ASO) charges Employer is obligated to pay 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 interest charges, from the due date at a rate calculated in accordance with the Florida Local Government Prompt Payment Act. For purposes of calculating interest charges, payments received will be applied first to the oldest outstanding amount due.

b. Changes – Additions and Terminations. If a Subscriber's effective date is on or before the fifteenth (15th) day of the month, full charges applicable to that Subscriber shall be due for that Subscriber for that month. If coverage does not start or ceases on or before the fifteenth (15th) day of the month for a Subscriber, no charges shall be due for that Subscriber for that month.

c. Retroactive Changes and Terminations. Employer shall remain responsible for all applicable charges and Bank Account Payments incurred or charged through the date Employer provides to CHLIC Employer's notice of a retroactive change or termination of Membership. However, if the change or termination would result in a reduction in charges, CHLIC shall credit to Employer the reduction in charges charged for the shorter of (a) the sixty (60) day period preceding the date CHLIC processes the notice, or (b) the period from the date of the change or termination to the date CHLIC processes the notice. This provision shall survive termination of this Agreement.

This Section 4 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, CHLIC 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 CHLIC in a form and with such other information as reasonably may be required by CHLIC 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 CHLIC with accurate enrollment and eligibility information, benefit design requirements, or other agreed-upon information in accordance with this Agreement, CHLIC shall have no liability under this Agreement for any act or omission by CHLIC, or its employees, affiliates, subcontractors, agents or representatives, directly caused by such failure.

c. Reconciliation of Eligibility and Information and Default Terminations. CHLIC will periodically (at least monthly) share potential discrepancies in eligibility information with Employer. CHLIC will review and reconcile any discrepancies within five (5) days of CHLIC's receipt. CHLIC 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 CHLIC's payment of Plan Benefits:

i. Employer, or its designee, shall provide CHLIC forty-five (45) days advance written request for audit from the latter of (i) receipt by CHLIC of the audit scope letter or (ii) the fully executed Claim Audit Agreement attached hereto as Exhibit C. Employer will designate with CHLIC's consent, such consent not to be unreasonably withheld, an independent, third party auditor to conduct the audit (the "**Auditor**). In addition, Employer and CHLIC will agree upon the date for the audit during regular business hours at CHLIC'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 CHLIC'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 CHLIC, CHLIC 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, CHLIC shall release copies of confidential claims and Plan Benefit payment information in CHLIC's claims system ("**Confidential Information**") and may release copies of proprietary information relating to the Plan in CHLIC'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 CHLIC to release any Confidential Information or Proprietary Information, CHLIC is not responsible to the Employer for the

consequences of any use, misuse, or disclosure of Confidential Information provided by CHLIC pursuant to this paragraph b.

ii. CHLIC will maintain the confidentiality of all Protected Health Information in its possession in accordance with the Business Associate Agreement between Employer and CHLIC 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. **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (954-828-5002, PRRCONTRACT@FORTLAUDERDALE.GOV, CITY CLERK'S OFFICE, 100 NORTH ANDREWS AVENUE, FORT LAUDERDALE, FLORIDA, 33301).**

Notwithstanding any provision contained in this Agreement to the contrary, Contractor shall:

1. Keep and maintain public records that ordinarily and necessarily would be required by the City in order to perform the service.

2. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes (2016), as may be amended or revised, or as otherwise provided by law.

3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of this contract if the Contractor does not transfer the records to the City.

4. Upon completion of the Contract, transfer, at no cost, to the City all public records in possession of the Contractor or keep and maintain public records required by the City to perform the service. If the Contractor transfers all public records to the City upon completion of this Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of this Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, 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, CHLIC 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. CHLIC shall reasonably cooperate with Employer, in its defense of such actions.

If CHLIC 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 CHLIC for any amounts CHLIC 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, CHLIC 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. CHLIC 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 CHLIC which, in the aggregate, constitute a failure on the part of CHLIC to perform its claim administration obligations under this Agreement in accordance with the standard set forth above.

The reimbursement obligations set forth in this Section 7 shall survive termination of this Agreement.

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

a. The Medical Administration Charges in effect from January 1, 2017 through and including December 31, 2019, shall be as set forth in the Schedule of Financial Charges attached hereto and CHLIC 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 CHLIC to calculate its charges under the Agreement, and/or (iii) upon any change in law or regulation that materially impacts CHLIC liabilities and/or responsibilities under this Agreement.

b. Employer shall provide CHLIC written notice of any modification or amendment to the Plan sufficiently in advance of any such change as to allow CHLIC to implement the modification or amendment. Employer and CHLIC shall agree upon the manner and timing of the implementation subject to CHLIC's system and operational capabilities.

c. Employer is solely responsible for communicating any Plan modification or amendment to Members or individuals considering enrolling in the Plan.

**Section 9. Modification of Agreement**

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**Section 10. Laws Governing Agreement**

a. This Agreement shall be governed by and 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 CHLIC Processing Systems**

CHLIC may retain and use all Plan-related claim and Plan Benefit payment information recorded for or otherwise integrated into CHLIC'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.b.). CHLIC 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 CHLIC. It shall not be construed to create any legal relationship between CHLIC and any other party.

**Section 14. Waivers**

No course of dealing or failure of any 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 by a court of competent jurisdiction, 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 CHLIC may subcontract specific obligations under the Agreement to an affiliate owned and controlled by CHLIC provided that CHLIC 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 CHLIC:
Cigna Health and Life Insurance Company
401 Chestnut Street
Chattanooga, TN 37402
Attention: Melinda Lefebvre, Financial Analysis Manager

To Employer:
City of Fort Lauderdale
100 North Andrews Avenue
Fort Lauderdale, FL 33301
Attention: Guy Hine, Risk Manager

The address to which notices or communications may be given by any 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 Financial Charges will be billed to Employer monthly in accordance with CHLIC's then standard billing practices. However, CHLIC is authorized to pay all fees and charges from the Bank Account unless otherwise specified in this Agreement.**

| | **MEDICAL ADMINISTRATION CHARGES** | |
|---|---|---|
| **Product** | **Description** | **Charge** |
| Medical | • Open Access Plus (OAP) with PHS Plus Medical Management | **$12.65/employee/month** |
| Medical | • HRA Open Access Plus (OAP) with PHS Plus Medical Management | **$12.65/employee/month** |
| Medical | • Open Access Plus In-Network (OAPIN) with PHS Plus Medical Management (All Plans) | **$12.65/employee/month** |
| **MEDICAL NETWORK ACCESS FEE, UTILIZATION MANAGEMENT FEE AND OPTIONAL PROGRAM FEE** | | |
| **Product** | **Description** | **Charge** |
| Medical | • OAP Access Fee | **$20.95/employee/month Includes $10.50 Base Access Fee, $5.25 Your Health First, $3.20 Health Advisor, $2.00 PHS+** |
| Medical | • HRA OAP Access Fee | **$17.75/employee/month Includes $10.50 Base Access Fee, $5.25 Your Health First, $0.00 Health Advisor, $2.00 PHS+** |
| Medical | • OAPIN Access Fee (All Plans) | **$20.95/employee/month Includes $10.50 Base Access Fee, $5.25 Your Health First, $3.20 Health Advisor, $2.00 PHS+** |
| **CIGNA CHOICE FUND AND OTHER CONSUMER DIRECTED ACCOUNT ADMINISTRATION SERVICES AND CHARGES** | | |
| | **Product** | **Charge** |

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|---|---|---|
| | • Cigna Choice Fund Health Reimbursement Account (HRA) Administration | **$4.50/employee/month** |
| Health Advisor – A | The Health Advisor program focuses on engaging targeted Members related to a variety of wellness and prevention topics, and is designed to facilitate healthy behaviors and promote achievement of health-related goals. The program includes the following components:<br>• Health and wellness coaching on high blood pressure, high cholesterol, healthy eating, physical activity and pre-diabetes using multiple coaching sessions, behavior modification techniques and other motivational interviewing and coaching styles to encourage behavior change that helps Participants reach established goals.<br>• Education and referral coaching on program topics with referral to appropriate internal and external resources available<br>• Access to educational materials and web based Member tools and resources<br>• Identification of gaps in care and outreach to Members to provide coaching for those identified with gaps for high cholesterol, high blood pressure<br>• Support of Participants identified through predictive modeling with certain preference sensitive care conditions by supplying impartial evidence based medical information, to empower Participants' to understand the potential benefits/ disadvantages of a specific course of action and make more informed care decisions.<br>• Answering health and medical related questions<br>• Counseling Participants on prevention and the benefits of compliance with prescribed medications and treatments | **For HRA OAP Only there is no additional charge for this program Included in Medical Access Fee** |
| **AMOUNTS OWED TO CHLIC** | | |
| Amounts paid by CHLIC with its own funds on behalf of Employer or the Plan with respect to charges for which Employer or the Plan is obligated to pay under this Agreement including Plan Benefits, Bank Account Payments (including fix per person payments and pay-for-performance payments to Participating Providers), governmental taxes or assessments. | | |
| **FEES FOR PROCESSING RUN-OUT CLAIMS** | | |
| OAP, HRA OAP, and OAPIN | Run-Out Period of twelve (12) months | **No Additional Cost** |
| **CREDITS** | | |
| | CHLIC agrees to provide the City with either (i) a four (4) month fee credit when the City renews Medical and Pharmacy ASO Administration services with CHLIC or (ii) a six (6) month fee credit for the renewal of Medical and Pharmacy ASO Administration services and stop-loss coverage being retained by CHLIC. | |
| **SUBROGATION** | | |

| | | |
|---|---|---|
| | Subrogation/Conditional Claim Payment. Identification, investigation and recovery of claim payments involving other party liability or where another entity is responsible for payment (including by way of example but not by limitation automobile insurance, homeowner insurance, commercial property insurance, worker's compensation). (This service is only provided with respect to Medical coverage). | **5% of recovery plus litigation costs if counsel is retained and an appearance is filed on behalf of CHLIC or Employer in any litigation, or a lawsuit is filed on their behalf;**<br><br>**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.** |

| CHLIC COST CONTAINMENT FEES |
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| CHLIC, 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, CHLIC contracts with vendors to perform program related services. Specific vendor fees are available upon request. CHLIC'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; CHLIC pays the applicable vendor fee) or (3) the "recovery" (i.e. the amount recovered) as applicable.<br><br>For charges for covered services received from a non-Participating Provider (including emergency/urgent care services that are covered at the in-network benefit level), CHLIC 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). CHLIC 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.<br><br>If no discount is available or negotiated, reimbursement will be based upon:<br>(i) If charges are not subject to CHLIC's benefit enhancement policy – the plan's maximum reimbursable charge (in which case the patient may be balance billed by the provider if the provider's charge exceeds the plan's maximum reimbursable charge); or<br>(ii) If charges are subject to CHLIC's benefit enhancement policy – depending upon the Employer's election:<br>a. the amount of provider's billed charge not exceeding the greater of a CHLIC determined percentage of the Medicare allowable amount (the 80th percentile of the reasonable and customary charge if there is no Medicare allowable charge) or the amount required by state or federal, law (in the case of emergency room services) for charges subject to CHLIC's benefit enhancement policy (patient may be balance billed by the provider if the provider's charge exceeds such amount), or<br>b. the provider's billed charge.<br>This administration of charges for covered services from non-Participating Providers is consistent with the claim administration practices with respect to CHLIC's own health care insurance business where applicable. |

| MEDICAL COST CONTAINMENT | | |
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| 1. | Network Savings Program | **29% of net savings** |
| 2. | Supplemental Network | **29% of net savings** |
| 3. | Medical Bill Review – (Pre-payment Cost Containment for Non-contracted claims): | |
| | **Inpatient Hospital Bill Review** | |
| | • Line Item Analysis | **Lesser of 5% of hospital bill or the savings achieved** |

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| | • Professional Fee Negotiation | **29% of net savings** |
| | **Outpatient Hospital Bill Review** | |
| | • Professional Fee Negotiation | **29% of net savings** |
| | • Line Item Analysis Re-pricing | **29% of net savings** |
| | **Physician/Professional Bill Review** | |
| | • Professional Fee Negotiation | **29% of net savings** |
| | • Line Item Analysis Re-pricing | **29% of net savings** |
| 4. | Medical Bill Review – (Pre or Post-payment Cost Containment for Non-contracted and Contracted claims): | |
| | • Bill Audit | **29% of the savings/recovery achieved plus hospital fees or expenses passed through** |
| | Diagnosis Related Grouping (DRG) Validation/Audits and Recovery. An overpayment audit and recovery program in which CHLIC or its vendors review paid claim data to identify overpayments based on inaccurate DRG coding. | **29% of recovery plus any fees or expenses passed through by the hospital or regulatory agency** |
| | Inpatient Admission Retrospective Review | **29% of recovery** |
| | Medical Implant Device Audits | **29% of recovery** |
| 5. | COB Vendor Recoveries [Exclusive of pharmacy programs where claims are adjudicated at time prescription is received.] | **29% of recovery** |
| 6. | Secondary Vendor Recovery Program | **29% of recovery** |
| 7. | Provider Credit Balance Recovery Program | **29% of recovery** |

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| **CARE MANAGEMENT/COST CONTAINMENT PROGRAM FEES** | | |
| | CHLIC arranges for third parties to provide care management services to:<br>(i) contain the cost of specified health care services/items overall with respect to all plans insured and/or administered by CHLIC, and/or<br>(ii) improve adherence to evidence based guidelines designed to promote patient safety and efficient patient care. | **Specific vendor fees and care management program services are available upon request.** |
| **ELIGIBILITY OVERPAYMENT RECOVERY FEES** | | |
| | Eligibility Overpayment Recovery Vendor Services. Identification and recovery of funds in situations where the overpayment is due to the late receipt of Member termination information. (This service is only provided with respect to Medical coverage). | **29% of recovery** |
| **EXTERNAL REVIEW AND CONSULTATIVE REVIEW FEES** | | |
| | When a Member elects an External Review (as that term is defined in ERISA) of a benefit determination by an independent third party, the cost of a specific third party review 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. Third party review charges will be commensurate with the number of reviewers (usually only one is used), as well as their level of expertise and time required to complete the review. | **$500-$4,000 Review** |
| **STRATEGIC ALLIANCES** | | |
| | CHLIC 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 CHLIC'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 may be paid from the Bank Account. Additional details regarding specific charges will be provided upon request. | **All Medical Products** |
| **OTHER VENDORS AND HEALTH CARE SERVICES PROVIDERS** | | |
| | Fixed per person per period 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. In addition, performance-based payments to Participating Providers will be charged to the Bank Account. Such payments will be at the payment rates 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. | **All Products** |

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| **NOTICE REGARDING PAYMENTS FROM THIRD PARTIES** | | |
| | Unless indicated otherwise in the Schedule of Financial Charges, CHLIC retains all payments it may receive from manufacturers of pharmaceutical products covered under the Plan. Information on the amount of such payments with respect to the Plan will be provided upon request. | **All Pharmacy Products** |
| | From time to time, CHLIC, directly or through its affiliates, arranges with third party parties (e.g., service vendors, provider network managers) to provide various services (e.g., cost-containment initiatives) in connection with the Plan. CHLIC and its affiliates may receive payments from such third parties to help defray CHLIC's expenses associated with the implementation and/or ongoing administration of these arrangements. CHLIC may also receive compensation from third-party vendors that Employer may retain based upon a referral from CHLIC or that Members may utilize following an introduction facilitated by CHLIC or an affiliate. | **All Products** |
| | **COMPLIANCE ASSISTANCE** | |
| | CHLIC shall provide the following services to assist Employer in meeting its compliance obligations under section 2715 of the Public Health Service Act as added by the Patient Protection and Affordable Care Act and applicable regulations with respect to the provision of the Summary of Benefits and Coverage (“SBC), translation notice and glossary. Applicable to all medical plans including HRA and FSA which are considered "group health plans" subject to the SBC requirements. | |
| 1. | Preparation of SBC, translation notice. CHLIC will not be responsible for any changes that Employer makes to the SBC. | **No charge** |
| 2. | Provide SBC, translation notices prepared by CHLIC to Employer electronically as well as any updates or material modifications. | **No charge** |
| 3. | Include in SBC a summary of benefits administered by carve-out vendor if Employer or carve-out vendor provides CHLIC with necessary carve-out benefit information at least twelve (12) weeks prior to the date the SBCs are to be delivered to Employer. | **$500 for each benefit option under the Plan for which carve-out vendor benefits are included in SBC** |

| ADDITIONAL SERVICES | | |
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| **Service** | **Description** | **Charge** |
| Behavioral Health | Behavioral Care Advocacy provides behavioral health services in which claims are funded on a fee-for service basis. It includes focused utilization review and case management for inpatient, in-network behavioral health services. This payment arrangement is with respect to the CA/NC Member population only. | **Included in Medical Access Fee** |
| Health Advisor – A | The Health Advisor program focuses on engaging targeted Members related to a variety of wellness and prevention topics, and is designed to facilitate healthy behaviors and promote achievement of health-related goals. The program includes the following components:<br>• Health and wellness coaching on high blood pressure, high cholesterol, healthy eating, physical activity and pre-diabetes using multiple coaching sessions, behavior modification techniques and other motivational interviewing and coaching styles to encourage behavior change that helps Participants reach established goals<br>• Education and referral coaching on program topics with referral to appropriate internal and external resources available<br>• Access to educational materials and web based Member tools and resources<br>• Identification of gaps in care and outreach to Members to provide coaching for those identified with gaps for high cholesterol, high blood pressure<br>• Support of Participants identified through predictive modeling with certain preference sensitive care conditions by supplying impartial evidence based medical information, to empower Participants' to understand the potential benefits/ disadvantages of a specific course of action and make more informed care decisions<br>• Answering health and medical related questions<br>• Counseling Participants on prevention and the benefits of compliance with prescribed medications and treatments | **For OAP and OAPIN Only $3.20/employee/month Included in Medical Access Fee** |
| Incentive Tracking for Management Wellness Plan | The City has a Management Wellness plan that provides management employees with a $500 incentive based on completion of the defined activities. Cigna agrees to track incentives for the City, however the City will indemnify Cigna and hold it harmless from and against all contractual or extra contractual claims, amounts, liabilities, reasonable costs and/or expenses (including attorney's fees and court costs) which Cigna or the City may incur in connection with such tracking or in connection with any judicial, quasi-judicial or administrative proceedings relating thereto. | |

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| Your Health First | A proactive health education and improvement program for Members 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.<br>The program targets a chronic population at high risk for near term and future high cost medical expenses. Members are identified as having a chronic condition through a variety of sources which may include: claims data, referrals, and self-identification. A variety of resources is provided to those with a chronic condition, including access to online tools, personalized support, and targeted materials.<br>The program includes the following components for those with a chronic condition:<br>• Chronic condition-specific coaching<br>• Pre- and post-discharge calls<br>• Lifestyle management coaching: stress, weight management and tobacco cessation<br>• Treatment decision support and coaching<br>In order to continuously assess the effectiveness of the program and/or test new ideas to further engage Members around their health, a small sample of Members may be placed in a comparison group which for a defined period of time receives alternative services or is suppressed from receiving proactive outreach, such as engagement letters and/or calls. This could affect a few Members targeted for outreach during this limited time period. | **For OAP, HRA OAP, and OAPIN Products: $5.25/employee/month Included in Medical Access Fee** |
| Medical Conversion Privilege | Converting Employee Does Not Reside in NY, CO, FL, TX∗<br>Comprehensive/Major Medical Plans<br>Base Plans (Limited Hospital/Surgical) | **$20,000/conversion policy** |
| | Converting Employee Resides in NY:<br>Comprehensive/Major Medical Plans<br>Base Plans (Limited Hospital/Surgical) | **$20,000/conversion policy** |
| | Converting Employee Resides in CO:<br>Comprehensive/Major Medical Plans<br>Base Plans (Limited Hospital/Surgical) | **$20,000/conversion policy** |
| | Converting Employee Resides in FL:<br>Comprehensive, Base Plan/Major Medical and PPO Plans | **$20,000/conversion policy** |

∗ CHLIC does not provide Medical Conversion coverage to Texas residents. Medical Conversion coverage for Texas residents is provided by the Texas Health Insurance Risk Pool.

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| Internet-Based Enrollment and Eligibility Management System | CHLIC, either directly or through its affiliate, Cigna Guided Solutions, will grant to Employer and Participants a nontransferable limited license to access Benefits Insight, CHLIC's Internet-Based Enrollment and Eligibility Management System for online enrollment and selection of benefits. Products and services are outlined in the Statement of Services provided to the Employer by Cigna Guided Solutions. More specific information about the products, services, charges, grant of license and applicable restrictions are available upon request. | **Included in Medical Administration Charge** |
| Employee Assistance Program Full Service STC 1-10 | CHLIC provides the Employee Assistance Program Services ("EAP") for EAP Participants through its affiliate experienced in establishing and administering an EAP, Cigna Behavioral Health, Inc. ("Cigna Behavioral").<br><br>The clinical component of the EAP provided to EAP Participants who reside in California and/or Nevada is covered under the short-term counseling policy(ies) issued to Employer by CHLIC and not by the terms of this Contract. All other EAP services for such EAP Participants who do not reside in California or Nevada are covered by the following terms.<br><br>**EAP Participant:** Any person who is eligible to receive Cigna Behavioral EAP Services provided pursuant to this Contract, including Employer's employees, their dependents and members of employees' households.<br><br>Employer Service Hours - 2 hours per 1000 employees or 5 actual hours per contract year;<br>10 service hours annually per 1,000 employees for orientations, seminars or training, onsite crisis intervention | **$2.24 PEPM** |

| Client Fund | | |
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| Wellness Fund | For clinical/wellness/behavioral programs offered by CHLIC that are purchased, CHLIC will establish a Wellness Fund in the amount of $87,000.00. This fund will be used to defray the cost of CHLIC designated and arranged health and wellness improvement programs (e.g. biometric screenings, flu shots) for employees of Employer and to reward participation in these programs.<br><br>The Wellness Fund is a one-time credit , however, unused funds can be rolled over each year. CHLIC must pre-approve use of the Wellness Fund.<br><br>The Wellness Fund shall be extinguished upon termination of this Agreement and any fund amount not used prior to termination of this Agreement shall only be available to Employer for the purpose of funding the cost of those reimbursable services provided prior to such termination. | |

# Exhibit A - Plan Booklet

A "Plan Booklet" that describes the Plan Benefits and Members' rights and responsibilities under the Plan will be provided by Employer to CHLIC for its use in administering the Plan including denials and appeals of denials of claims for Plan Benefits. If Employer has not provided CHLIC with a copy of its finalized Plan Booklet by the time this Agreement is effective, CHLIC will administer the Plan in accordance with the Plan Benefits described in the Plan Booklet draft provided by CHLIC to Employer and Section 2 of this Agreement. CHLIC will continue to administer the Plan in this manner until CHLIC receives the finalized Plan Booklet and follows CHLIC's preparation and review process. After that time CHLIC will administer the Plan in accordance with Plan Benefits described in the finalized Plan Booklet and Section 2 of this Agreement.

# Exhibit B – Services

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| **BANKING AND ADMINISTRATION** | | |
| **Products excluding Health Savings Account** | | |
| 1. | Furnishing CHLIC's standard Bank Account activity data reports to Employer as and when agreed upon. CHLIC'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. | **All Products** |
| 2. | Report to Employer the claim payment information required in connection with Section 6041of the Internal Revenue Code. | **All Products** |
| 3. | If Employer has elected, 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, CHLIC 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 CHLIC 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.<br><br>In addition, where permitted, CHLIC 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 CHLIC. | **All Products** |
| **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. | **All Products** |
| 2. | CHLIC's generic claim forms are made available to Employer for individuals eligible to enroll in the Plan. | **All Products** |
| 3. | Investigate claims, as necessary, by CHLIC's Special Investigations Unit. | **All Products** |
| 4. | Discuss claims, when appropriate, with providers of health services. | **All Products** |
| 5. | Perform, based on CHLIC's book of business internal audits of plan benefit payments on a random sample basis. | **All Products** |
| 6. | Claim control procedures reported annually in Statement on Standards for Attestation Engagements (SSAE) No. 16 Report (SAS70 successor report). | **All Products** |
| 7. | Respond to Insurance Department complaints. | **All Products** |

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| 8. | Dedicated toll-free telephone line for Member and Provider calls to CHLIC Service Centers. | **All Products** |
| 9. | Member Explanation of Benefit ("EOB") statements including, when applicable, notice of denied claims, denial reason(s) and appeal rights. | **All Products (excluding Pharmacy)** |
| 10. | Verify enrollment and eligibility using Member information submitted by Employer and/or its authorized agent. | **All Products** |
| | **Medical Only** | |
| 1. | CHLIC's generic enrollment form is made available to Employer for individuals eligible to enroll in the Plan. | **All Medical Products** |
| 2. | CHLIC's standard ID card with toll-free telephone number are prepared and mailed directly to Members. | **All Medical Products** |
| 3. | Administration of subrogation/conditional Claim Payment (terms described in Exhibit E). | **All Medical Products** |
| | **Health Reimbursement Account (HRA), Healthy Awards (HA) and Healthy Future (HF) Only** | |
| 1. | Providing reimbursement request forms to Employer. | **HRA Products** |
| 2. | Employer will make available specific funds to eligible employees enrolled in the HRA, HA and/or HF as applicable (**"Participating Members"**). At the end of each reimbursement period of the Plan Year, CHLIC shall issue payments to Participating Members (or their medical provider, if appropriate) to the extent of the maximum amount of payment allowed by Employer reduced by prior reimbursements for the same period of coverage, for the amount that is determined by it to be proper under the Plan. | **HRA Products** |
| 3. | Allowable expenses for reimbursement under a HRA, HA and/or HF, as applicable, include all allowable health-related expenses, pursuant to I.R.C. Section 213 except where payment for any such products is prohibited.<br><br>The Employer can further limit the allowable expenses as agreed to by the Employer during implementation. | **HRA Products** |
| 4. | Account balances for Participating Members active until the end of the Plan Year will remain open after conclusion of the Plan Year for a period of one year, (the "**Run Out Period**"), so that such Participating Members can submit any remaining expenses incurred during the Plan Year. | **HRA Products** |
| 5. | A Participating Member's request to terminate his/her enrollment in the HRA, HA, and/or HF, as applicable, will continue to be processed for 90 days following termination for any expenses incurred prior to his/her Participating Membership termination date up to the originally selected goal amount, minus prior reimbursements. | **HRA Products** |
| 6. | For reimbursement payments that are made as a result of automatic claim forwarding ("AutoPay") of medical claims from a medical plan administered by CHLIC or Direct Submit Request For Reimbursement, an explanation of payment will be mailed to the Participating Member at their home address. An explanation of payment is not issued for payments that are issued to a pharmacy at the point of service as a result of AutoPay from the employee's pharmacy Plan or for any Debit Card transactions. | **HRA Products** |
| 7. | Providing information on account balances and submitted claims to Participating Members calling the number on the ID card. In addition, Participating Members will have access to account information via Internet. | **HRA Products** |
| 8. | When automatic claim forwarding ("AutoPay") is turned on, medical claims processed but unpaid by CHLIC will be automatically submitted for reimbursement from the HRA and/or HA Participating Member's HRA and/or HA account. Such "rollover" claims will be processed without additional submissions by the Participating Member. | **HRA Products** |

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| 9. | When CHLIC takes over HRA, HA and/or HF administration mid-Plan Year, CHLIC will provide administrative services from the date the Plan information is received. | **HRA Products** |
| 10. | Pharmacy claims: Eligible pharmacy expenses, under the HRA and/or HA that are processed but unpaid by CHLIC may be automatically submitted ("rolled over") to the Reimbursement Accounts Claim Office for reimbursement from the Participating Member's HRA, HA and/or HF account if the AutoPay option is enabled. Such rollover claims will be processed without additional submissions by the Participating Member. When pharmacy is covered and Cigna Pharmacy is the pharmacy vendor, the HRA and/or HA will automatically pay the pharmacy through the HRA and/or HA at the point of sale for all Participating Member obligations under the pharmacy Plan including deductibles, copays, and/or coinsurance obligations. A Participating Member will not receive an Explanation of Benefits for these payments. | **HRA Products** |
| **PLAN BOOKLET** | | |
| **Products excluding Health Savings Account** | | |
| | Prepare and make accessible Member benefit booklet drafts to Employer. | **All Products** |
| **UNDERWRITING SERVICES** | | |
| 1. | 5500 Schedule C reporting. | **All Products** |
| 2. | 5500 Schedule A or Annual Reconciliation Disclosure reporting (when applicable) | **All Products** |
| 3. | CHLIC's standard Underwriting services: a) benefit design analysis-b) projected cost analysis. | **All Products** |
| **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. | CHLIC'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 CHLIC'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 CHLIC's standard cost containment results upon Employer's request. | **All Medical Products** |
| 7. | Pharmacy Vendor Recoveries. | **All Pharmacy Products** |

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| **CUSTOMER REPORTING** | | |
| 1. | Summary reports of medical and pharmacy cost and utilization experience are available through Cigna's web site, CignaAccess.com. | **All Medical and Pharmacy Products** |
| 2. | CHLIC's standard pharmacy utilization reports. | **Pharmacy Product Only** |
| 3. | Claim Reporting: CHLIC will provide standard banking and financial report information based upon paid claim data. CHLIC 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.<br><br>Stop Loss Reporting is an optional service provided at an additional fee to Employers who have stop loss through another entity other than CHLIC. CHLIC will provide its standard reporting only after the stop loss carrier and Employer have executed CHLIC's standard Hold Harmless/Confidentiality Agreement. | **All Medical Products** |
| 4. | CHLIC's standard Individual Summary Statements for applicable participating Members. | **HRA Products** |
| 5. | CHLIC's standard Health Reimbursement Account, Healthy Awards and/or Healthy Future activity report for Employer. | **HRA Products** |
| **COMPLIANCE** | | |
| | Employer directs CHLIC in administering the Health Care Flexible Spending Account, Healthy Awards, Healthy Futures and/or Health Reimbursement Account benefit to comply with COBRA as follows: | |
| 1. | The HRA, HA and/or HF of each HRA, HA and/or HF Participating Member who experiences a qualifying event and elects continuation of account coverage in accordance with COBRA will be maintained similar to the maintenance of an active employee. HF Participating Members that have not met their vesting requirements determined by the plan are not required to be offered COBRA for the HF. | **HRA Products** |
| **MEMBER EXTERNAL REVIEW PROGRAM** | | |
| | CHLIC contracts with three (3) independent review organizations that meet the Patient Protection and Affordable Care Act (PPACA) external review requirements. Members may appeal eligible claims to an external independent review organization which is selected by CHLIC on a random basis. 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** | | |
| | CHLIC 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 CHLIC's then applicable medical management and claims administration policies, practices and procedures. | **All Medical Products** |

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| 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. | **All Medical Products** |
| 3. | Assist providers with resources and tools to enable them to develop long term treatment plans in the management of chronic or catastrophic cases. | **All Medical Products** |
| 4. | The Cigna HealthCare Healthy Babies® Program is a one-time educational mailing which provides Participants with prenatal care education and resources to help them better manage their pregnancy. Other benefits of this program include the 24-Hour Health Information Line℠ and pregnancy information on myCigna.com. | **All Medical Products** |
| 5. | HealthCare Cost and Quality tools on myCigna.com | **All Medical Products** |
| 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. | **All Medical Products** |
| 7. | The 24-Hour Health Information Line℠ is a service that provides twenty-four (24) hour toll free access to nurses, who provide answers to healthcare questions, recommend appropriate settings for care and assist Participants in locating physicians. It also includes access to an extensive audio library on a wide range of medical topics. | **All Medical Products** |
| 8. | Cigna LifeSOURCE Transplant Network® contracts with over seven hundred fifty (750) transplant programs at more than one-hundred sixty (160**)** independent transplant facilities and provides access to solid organ and bone marrow/stem cell transplantation while improving cost containment and reducing financial risk. | **All Medical Products** |
| 9. | A health education program that delivers mailings to Members with certain conditions. | **All Medical Products Except Comprehensive and Indemnity** |
| 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. | **OAP, HRA OAP, and OAPIN Products Only CA/NC Members** |
| 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. | **OAP, HRA OAP, and OAPIN Products Only Non CA/NC Members** |
| 12. | Implement clinical quality measurements, track and validate performance and initiate continuous quality improvement. | **All Medical Products Except Comprehensive and Indemnity** |
| 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. | **All Medical Products Except Comprehensive and Indemnity** |

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| 14. | Focused utilization management of outpatient procedures and identification of appropriate alternatives. Administered in accordance with CHLIC's then applicable medical management and claims administration policies, practices and procedures. | **All Medical Products with PHS Plus** |
| **NETWORK MANAGEMENT SERVICES** | | |
| | CHLIC, and/or its affiliates or contracted vendors 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, fixed per person per period, 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; In addition, CHLIC may contract with Participating Providers and other parties for performance-based incentive payments to promote quality of care, patient safety and cost efficiency. | **All Medical and Pharmacy Products** |
| 2. | Credential and re-credential Participating Providers in accordance with CHLIC's credentialing requirements and ensure that third-party network vendors credential/re-credential Participating Providers in accordance with CHLIC's requirements; | **All Medical and Pharmacy Products** |
| 3. | Monitor Participating Provider compliance with protocols and procedures for quality, Member satisfaction, and grievance resolution; | **All Medical and Pharmacy Products** |
| 4. | Facilitate the identification of Participating Providers by Members; and | **All Medical and Pharmacy Products** |
| 5. | Dedicated toll-free telephone line for Member and Provider calls to CHLIC Service Centers. | **All Medical and Pharmacy Products** |

| BEHAVIORAL HEALTH | | |
|---|---|---|
| | CHLIC 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. 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, a cognitive behavioral modification program, a Complex Psychiatric Case Management program, and a Narcotics Therapy Management 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, a cognitive behavioral modification program a Complex Psychiatric Case Management program and a Narcotics Therapy Management program) will be paid from the Bank Account as claims and will appear in Employer's monthly reporting. | **These services are included in the following products: OAP, HRA OAP, and OAPIN** |

| 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). Plan 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.<br>Except as provided below, for covered services provided to Participants, CMG is paid at the rates in effect at the time of service (as may be revised from time to time). Representative rates for routinely performed services are attached. A complete copy of the rates is available on request under a mutually agreed nondisclosure agreement (NDA).<br>If the Plan requires Participants to select a primary care physician (PCP), Phoenix area Participants who do not select a PCP during open enrollment may be assigned to a CMG PCP. CMG is paid for PCP-required Plans at the rates in effect at the time of service.<br>Primary care services rendered to Participants in Open Access or LocalPlus Plans that do not provide for PCP assignment are paid at the rates then in effect, as described above.<br>CMG may also receive applicable performance-based incentive payments for its participation in programs designed to improve quality, patient safety and affordability. | **All Medical Products** |

## CIGNA HEALTHCARE OF ARIZONA - CIGNA MEDICAL GROUP (CMG)
## REPRESENTATIVE RATES FOR ROUTINELY PERFORMED MEDICAL SERVICES

### EFFECTIVE JUNE 1, 2016

(Applicable to all Open Access Plus Products)

| Department | CPT Code | Description | OAP Rate |
|---|---|---|---|
| All Departments | 99213 | OFFICE VISIT,EST EXP PROB FOC | $65.80 |
| Adult Medicine | 99396 | WELL EXAM, EST, 40-64 YEARS | $102.94 |
| Pediatrics | 99392 | WELL EXAM, EST, 1-4 YEARS | $85.77 |
| Ophthalmology | 66984 | REMOVE CATARACT, INSERT LEN- Professional Fee only, at a facility | $700.01 |
| Podiatry | 11721 | DEBRIDEMENT NAIL SIX OR MORE | $39.95 |
| Radiology | 71020 | CHEST X-RAY, PA & LAT | $30.38 |
| Radiology | G0202 + 77052 | SCREENING MAMMOGRAPHY DIGITAL | $141.02 |
| General Surgery | 47562 | LAPAROSCOPY;CHOLECYSTECTOMY-Professional Fee only, at a facility | $837.79 |
| Optometry | 92014 | EYE EXAM & TREATMENT | $109.35 |
| Lab | 80053 | COMPREHENSIVE METABOLIC PANEL | $14.87 |
| Lab | 80061 | LIPID PANEL | $18.85 |
| ASC (Ambulatory surgical center) / Endoscopy Suite | Grouper 2 | | $469.00 |
| ASC (Ambulatory surgical center) / Endoscopy Suite | Grouper 8 | | $1,104.00 |

** Medicare does not assign (or may not yet have assigned) relative value units (RVUs) for certain service codes. Codes not valued by Medicare are referred to as "gap codes." For example, Medicare does not assign values for wellness service codes (99381-99397). Cigna Medical Group refers to The Essential RBRVS (Annual) guide to obtain relative values for such gap codes for billing purposes. Typically, Cigna pays CMG for gap codes not valued by Medicare either at the discounted fee schedule referenced above or, for new codes not yet valued by Medicare, at the same rate it pays its IPA providers.*

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

CMG pharmacy rates (30-day supply):

Brand Name: AWP – 10.56% + $2.75 dispensing fee

Generic: AWP – 35% + $2.75 dispensing fee

# Exhibit C – Claim Audit Agreement (Sample)

A. WHEREAS, Cigna Health and Life Insurance Company ("CHLIC") desires to cooperate with requests by _____(" Employer") to permit an audit for the purposes set forth below and subject to Section 6 of the Administrative Services Only Agreement between CHLIC and Employer;

B. WHEREAS, _____("Auditor") has been retained by Employer for the purpose of performing an audit ("Audit") of claims administered by CHLIC;

C. WHEREAS, the Auditor and the Employer recognize CHLIC'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; and

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

1. Audit Specifications

The Auditor will specify to CHLIC 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

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

3. Access to Information

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

5. Comment on Audit Report

CHLIC 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 CHLIC 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 CHLIC;

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 CHLIC 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 CHLIC executed by an officer of CHLIC, 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 Auditor agrees to indemnify and to hold harmless CHLIC 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 CHLIC's provision of information to the Auditor. The Employer authorizes CHLIC 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

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

**Cigna Health and Life Insurance Company**

By: TO BE SIGNED AT TIME OF AUDIT
Duly Authorized

Print Name: _____

Title: _____

Date: _____

**Employer: _____**

By: TO BE SIGNED AT TIME OF AUDIT
Duly Authorized

Print Name: _____

Title: _____

Date: _____

**Auditor: _____**

By: TO BE SIGNED AT TIME OF AUDIT
Duly Authorized

Print Name: _____

Title: _____

Date: _____

## Exhibit D – [Reserved.]

# Exhibit E – Conditional Claim/Subrogation Recovery Services

**I. Plans Without CHLIC General Stop Loss Coverage**

If Employer has not purchased individual or aggregate stop loss coverage from CHLIC 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:
___ CHLIC and its subcontractor(s)

B. If Employer has designated CHLIC and its subcontractors to act as its recovery agent in paragraph I.A. above, then:

i. Employer hereby confers upon CHLIC 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, CHLIC and its subcontractors should seek settlement advice from:

Name:
Title:
Address:
Telephone:

iii. All amounts reimbursed to Employer's Bank Account shall be refunded at the gross amount. CHLIC's and it subcontractors' subrogation administration fee on cases where CHLIC and its subcontractors' have retained counsel and in cases where no counsel has been retained by CHLIC and its subcontractors are both reflected in the Schedule of Financial Charges**.**

C. Except where agreed to by CHLIC and Employer, CHLIC 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 CHLIC 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 CHLIC 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 CHLIC Stop Loss Coverage

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

A. CHLIC and its subcontractors shall have the right and responsibility to manage all conditional claim payment and/or subrogation recoveries under the Plan. CHLIC and its subcontractors shall reimburse to the Plan the recovery minus relevant individual and aggregate stop loss payments made by CHLIC.

B. All amounts reimbursed to Employer's Bank Account shall be refunded at the gross amount. CHLIC's and its subcontractors' subrogation administration fee on cases where CHLIC and its subcontractors' have retained counsel and in cases where no counsel has been retained by CHLIC and its subcontractors, are both reflected in the Schedule of Financial Charges.

C. CHLIC 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 CHLIC and its subcontractors may have as a result of its handling of any matter under this Agreement. Notwithstanding the foregoing, CHLIC and its subcontractors reserve to itself the right to retain counsel to represent CHLIC's own interests in any subrogation and/or conditional claim recovery action under the Plan.