

Pharmacy 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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Client Name: City of Fort Lauderdale
Pharmacy Administrative Services Only Agreement

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 benefits for pharmacy claims 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 for pharmacy claims 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.

Extra-Contractual Benefits – Payments that 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.

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 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. 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 pay the charges as required under Section 4 a..
- iv. Any other date mutually agreed upon by the Parties.

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 overpayment; however, 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 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 interest 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. **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 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 and update its records accordingly. 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:

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.

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).

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.

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

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- 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 to 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 Pharmacy 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 Pharmacy 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 either 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

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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 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 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.

CIGNA PHARMACY BENEFIT MANAGEMENT SERVICES CHARGES AND RELATED PROVISIONS		
Definitions		
<ul style="list-style-type: none">• "Average Wholesale Price" or "AWP" is the Average Wholesale Price for a given pharmaceutical product in effect on the dispense date for the actual package size dispensed as published by Medi-Span or other alternative publication or benchmark reasonably designated by CHLIC.• "Brand Drug Claim" is a claim for a pharmaceutical product that is adjudicated as a brand drug as indicated on the claim record generated by the claim processing system used by CHLIC. For application of discounts and dispensing fees, a "Brand Drug Claim" includes a claim for a generic drug within its exclusivity period or other period of limited competition, as CHLIC reasonably determines under its standard policies. Except if and where the language expressly states otherwise, a Brand Drug Claim does not include a Specialty Brand Drug Claim.• "Dispensing Fee" means an amount paid to a pharmacy for providing professional services necessary to dispense medication to a Member.• "Drug Claim" is a claim for a pharmaceutical product.• "Generic Drug Claim" is a claim for a pharmaceutical product that is adjudicated as a generic drug as indicated on the claim record generated by the claim processing system used by CHLIC. For application of discounts and dispensing fees, a "Generic Drug Claim" excludes a claim for a generic drug within its exclusivity period or other period of limited competition, as CHLIC reasonably determines under its standard policies. Except if and where the language expressly states otherwise, a Generic Drug Claim does not include a Specialty Generic Drug Claim.• "Mail", when immediately preceding the term "Brand Drug Claim," "Generic Drug Claim," "Specialty Drug Claim," "Specialty Brand Drug Claim, or "Specialty Generic Drug Claim" means that the resulting term (e.g., "Mail Brand Drug Claim") refers to such claim as dispensed by a Mail Service Pharmacy.• "Mail Service Pharmacy" or "Cigna Tel-Drug" or "Cigna Home Delivery Pharmacy" is a pharmacy that is owned or operated by CHLIC or an affiliated company(ies) (currently, Tel-Drug, Inc. and Tel-Drug of Pennsylvania, LLC), which dispenses drugs covered under the Plan's Pharmacy Benefit by mail, and is not a Retail Pharmacy.• "Maximum Allowable Charge" means the list of drugs designated from lists established by CHLIC for which reimbursement to a pharmacy shall be paid according to the MAC price established by CHLIC for such list.• "Pharmacy Benefit" means the terms of the Plan that govern coverage and care/utilization management of drugs and related supplies dispensed to Members and charged to the Plan by the Mail Service Pharmacy or Retail Pharmacies through CHLIC's pharmacy claim processing system.		

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- “Rebates” or “Manufacturer Formulary Payments” means amounts that CHLIC collects under contracts with drug manufacturers that are based on utilization of certain of the manufacturers’ brand drugs under the Plan’s Pharmacy Benefit and the drug’s status on the Cigna drug formulary.
- “Retail”, when immediately preceding the term “Brand Drug Claim,” “Generic Drug Claim,” “Specialty Drug Claim,” “Specialty Brand Drug Claim, or “Specialty Generic Drug Claim” means that the resulting term (e.g., “Retail Brand Drug Claim”) refers to such claim as dispensed by a Retail Pharmacy.
- “Retail Pharmacy” is a pharmacy that is entitled to payment under the Plan for drugs it dispenses that are covered under the Plan’s Pharmacy Benefit, and is not a Mail Service Pharmacy.
- “Specialty Drug Claim” is a claim for a pharmaceutical product that is reasonably determined by CHLIC to be a specialty drug in accordance with industry practice. Specialty drugs generally are (i) injected or infused and derived from living cells, or are oral non-protein compounds (e.g., oral chemotherapy drugs); (ii) target the underlying condition, which is usually one of a relatively rare, chronic and costly nature; and/or (iii) require restricted access and/or close monitoring.
- “Specialty Brand Drug Claim” means a claim for a pharmaceutical product that is adjudicated, as indicated on the claim record generated by the claim processing system used by CHLIC, as a brand drug which is also a specialty drug.
- “Specialty Generic Drug Claim” means a claim for a pharmaceutical product that is adjudicated, as indicated on the claim record generated by the claim processing system used by CHLIC, as a generic drug which is also a specialty drug.

	PHARMACY ADMINISTRATION FEE	
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|--|--|--|
| | <ul style="list-style-type: none"> • Cigna Pharmacy Product Administration Fee: \$2.50 per paid script. | |
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	CHARGES FOR DRUGS COVERED UNDER THE PLAN’S PHARMACY BENEFIT	
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	<p>Drugs Dispensed by Mail Service Pharmacy: CHLIC will charge Employer the following for claims covered under the Plan’s Pharmacy Benefit and dispensed by the Mail Service Pharmacy, subject to the “Drug Charges – Additional Provisions” section:</p>	
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Brand Drug Claims: AWP minus an average discount of 25.00%.

Generic Drug Claims: The drug’s charge on a CHLIC generic Maximum Allowable Charge schedule that generates an annual average aggregate discount across Generic Drug Claims dispensed at Cigna Home Delivery Pharmacy to CHLIC group-client book of business of AWP minus 83.00%. This is guaranteed.

Specialty Drug Claims: The drug’s charge discounted as shown in the Cigna Home Delivery Pharmacy Specialty Drug List, attached as Appendix A hereto.

Home Delivery Drug Claims: An average dispensing fee of no more than \$0.00. This is guaranteed.

Drugs Dispensed by Retail Pharmacies in 30-day* supplies: CHLIC will charge Employer the following for drugs covered under the Plan's Pharmacy Benefit and dispensed by a Retail Pharmacy to the Plan Members, subject to the "Drug Charges – Additional Provisions" section:

**A 30-day supply includes any Covered Drug dispensed by a Retail Pharmacy in an amount less than an 83-day supply.*

Retail Brand Drug Claims: The lesser of (i) AWP minus an average discount of 18.59%; or (ii) the Retail Pharmacy's usual and customary charge. This is guaranteed.

Retail Generic Drug Claims (other than those to which the above brand discount applies): The lesser of: (i) the drug's charge on a CHLIC generic Maximum Allowable Charge schedule that generates an annual average aggregate discount across Generic Drug Claims dispensed at Retail Pharmacies to CHLIC group-client book of business of AWP minus 78.25% (Plan-specific results may vary based on drug mix); or (ii) the Retail Pharmacy's usual and customary charge. This is guaranteed.

Retail Specialty Generic Drug Claims: The drug's charge discounted as shown in the Specialty Drug List, attached as Appendix A hereto.

Retail Specialty Brand Drug Claims: The lesser of (i) AWP minus an annual average aggregate discount of 11.50%; or (ii) the Retail Pharmacy's usual and customary charge. This is guaranteed.

Retail Drug Claims: An average dispensing fee of no more than \$1.40, except in the case of usual and customary claims, for which no dispensing fee is charged. This is guaranteed.

Drugs Dispensed by Retail Pharmacies in 90-day* supplies: CHLIC will charge Employer the following for drugs covered under the Plan's Pharmacy Benefit and dispensed by a Retail Pharmacy to the Plan Members, subject to the "Drug Charges – Additional Provisions" section:

**A 90-day supply includes any Covered Drug dispensed by a Retail Pharmacy in an amount equal to or greater than an 83-day supply.*

Retail Brand Drug Claims: The lesser of (i) AWP minus an average discount of 21.04%; or (ii) the Retail Pharmacy's usual and customary charge. This is guaranteed.

Retail Generic Drug Claims (other than those to which the above brand discount applies): The lesser of: (i) the drug's charge on a CHLIC generic Maximum Allowable Charge schedule that generates an annual average aggregate discount across Generic Drug Claims dispensed at Retail Pharmacies to CHLIC group-client book of business of AWP minus 77.93% for contract years 2017 and 2018. Commencing with contract year 2019, for the duration of the agreement period, minimum Retail Generic Rate Discount shall be 78.91% (Plan-specific results may vary based on drug mix); or (ii) the Retail Pharmacy's usual and customary charge. This is guaranteed.

Retail Specialty Generic Drug Claims: The drug's charge discounted as shown in the Specialty Drug List, attached as Appendix A hereto.

Retail Specialty Brand Drug Claims: The lesser of (i) AWP minus an annual average aggregate discount of 11.50%; or (ii) the Retail Pharmacy's usual and customary charge. This is guaranteed.

Retail Drug Claims: An average dispensing fee of no more than \$0.00, except in the case of usual and customary claims, for which no dispensing fee is charged. This is guaranteed.

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DRUG CHARGES – ADDITIONAL PROVISIONS	
<ul style="list-style-type: none">• 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).• The amount paid to the Retail Pharmacy for Brand, Generic, or Specialty Drug Claims may or may not be equal to the amount charged to Employer, and CHLIC will absorb or retain any difference.• An excess achieved in any Plan-specific discount floor or dispensing fee cap offered under this Agreement will be used to offset a shortfall in any other Plan-specific discount floor or dispensing fee cap offered under this Agreement.• 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), CHLIC may adjust any or all of the charges, rates, discounts, guarantees and/or fees in connection with CHLIC’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, CHLIC 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 CHLIC 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.	
DRUG MANUFACTURER-PAYMENT SHARING	
<p>Subject to the caveats below, CHLIC will remit to Employer the following portion of Rebates that CHLIC collects with respect to utilization under the Plan’s Pharmacy Benefit:</p> <p>Insert rates from RFP reply: The greater of 100% of Rebates on such utilization dispensed in the full calendar year immediately preceding CHLIC’s remittance, or the sum of \$46.23 multiplied by the number of Retail 30 Pharmacy Brand Drug Claims. \$104.06 multiplied by number of Retail 90 Pharmacy Brand Claims, and \$233.26 multiplied by the number of Mail Service Pharmacy Brand Drug Claims dispensed in such full calendar year.</p>	

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Caveats:

- (1) Upon termination of this Agreement, CHLIC may apply Rebates otherwise payable to offset Bank Account or other deficits of charges identified in this Agreement.
- (2) Should Employer terminate this Agreement before completion of the then-current Plan Year, no Rebates shall be due with respect to that Plan Year as Rebates are based on completion of an entire Plan Year.
- (3) All applicable caveats communicated in writing by CHLIC in connection with its proposal made in connection with this Agreement are hereby incorporated by reference.
- (4) For percentage-based sharing arrangements, payout amount may differ slightly from the stated percentage when payout occurs before manufacturers' final reconciliations and payments are made to CHLIC.
- (5) Rebates are not paid out on Run-Out Claims or on claims for drugs covered under the federal 340B drug pricing program.
- (6) CHLIC or its agent contracts with drug manufacturers on CHLIC's own behalf, and not as agent of the Employer or the Plan.

Timing of Rebate Pay-Out: Remittance will be provided within ninety (90) days after the close of each applicable calendar year for the portion of such calendar year that coincides with the Plan Year.

	AUDIT RIGHTS RELATED TO MANUFACTURER PAYMENTS	
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	Employer's third party auditor may audit records directly related to CHLIC's performance of its obligations hereunder regarding sharing of manufacturer formulary payments (a/k/a "rebates") once in each twelve-month period upon the following conditions: Employer shall provide at least forty-five (45) days written notice to CHLIC; the auditor (including its individual auditors conducting the audit) shall be agreeable to Employer and CHLIC; a mutually agreed upon non-disclosure/non-use contract shall be executed by Employer, the auditor and CHLIC; the records to be audited shall be no more than two years old as of the date of the audit; the scope of records to be audited shall be as mutually agreed upon by Employer's third party auditor and CHLIC as those which are necessary to determine compliance with the rebate-sharing obligations under this Agreement; the audit shall be conducted at a mutually acceptable time during regular business hours at CHLIC's office where such records are located; records shall not be removed or photocopied without CHLIC's express written consent; the auditor shall provide its audit report to CHLIC and Employer at the same time; and the auditor may disclose the aggregate amount of manufacturer formulary payments due Employer but no other details of CHLIC's manufacturer contracts of which the auditor is apprised, if any.	
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FEES FOR PROCESSING RUN-OUT CLAIMS		
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Pharmacy	Run-Out Period of three (3) months for all pharmacy claims	No Additional Cost
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CHLIC COST CONTAINMENT FEES

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.

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.

If no discount is available or negotiated, reimbursement will be based upon:

- (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
- (ii) If charges are subject to CHLIC's benefit enhancement policy – depending upon the Employer's election:
 - 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
 - b. the provider's billed charge.

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.

PHARMACY COST CONTAINMENT

1.	High Cost Specialty Pharmaceutical Audits (this service is only provided with respect to Medical coverage)	29% of recovery
2.	Pharmacy Vendor Recoveries	30% of recovery
3.	Class Action Recoveries	35% of recovery

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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
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
ADDITIONAL SERVICES		
Service	Description	Charge
Clinical Program	<u>Cigna TheraCare® Program</u> – a targeted condition drug therapy management program that targets individuals using specialty medications for certain chronic conditions and helps them better understand their condition, medication side effects and importance of adherence.	Included at No Additional Cost

Exhibit A - Plan Booklet

A “Plan Booklet” that describes the Employer’s Plan Benefits and Members’ rights and responsibilities under the Plan for CHLIC to use in administering the Plan including denials and appeals of denials of claims for Plan Benefits will be provided by CHLIC for Employer to review 60 days prior to commencement of this Agreement. 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

BANKING AND ADMINISTRATION		
Products <u>excluding</u> 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 6041 of the Internal Revenue Code.	All Products
CLAIM ADMINISTRATION		
Products <u>excluding</u> 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
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
Pharmacy Only		
1.	CHLIC's standard ID cards with toll-free telephone number are prepared and mailed directly to Members.	All Pharmacy Products
2.	Pharmacy claims are adjudicated typically on-line at time of service without access to information on other coverage, and therefore coordination of benefits (COB) for pharmacy claims does not occur. Claims for Plan Benefits will be paid regardless of coverage under another plan.	All Pharmacy Products
3.	CHLIC's standard drug utilization review services.	All Pharmacy Products

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4.	CHLIC 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 CHLIC enters into any such contracts, it does so on its own behalf, and not as agent of the Employer or the Plan.	All Pharmacy Products
5.	<u>Pharmacy claims:</u> 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.	Pharmacy Vendor Recoveries.	All Pharmacy Products
CUSTOMER REPORTING		
1.	Summary reports of pharmacy cost and utilization experience are available through Cigna's web site, CignaAccess.com.	All Medical and Pharmacy Products
2.	CHLIC's pharmacy utilization reports.as stipulated in CHLIC's RFP response	Pharmacy Product Only

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.].

APPENDIX A

Cigna Home Delivery Pharmacy Specialty Drug List

TO THE EXTENT IT IS A TRADE SECRET PURSUANT TO FLORIDA LAW, THIS SPECIALTY DRUG LIST IS CONFIDENTIAL, PROPRIETARY INFORMATION OF CIGNA. IT IS PROVIDED SOLELY FOR EMPLOYER'S PLAN ADMINISTRATION PURPOSES. TO THE EXTENT THE SPECIALTY DRUG LIST IS A TRADE SECRET PURSUANT TO FLORIDA LAW, RE-DISCLOSURE IS STRICTLY PROHIBITED EXCEPT AS OTHERWISE PROVIDED BY APPLICABLE LAW. CIGNA RESERVES ALL LEGAL RIGHTS AND REMEDIES TO ENFORCE THESE PROHIBITIONS ON USE AND DISCLOSURE.

THE FULL LISTING IS AVAILABLE TO EMPLOYER UNDER SEPARATE COVER.

Currently Marketed Specialty Drugs on this Specialty Drug List. The discounts in this Specialty Drug List are the discounts that will be adjudicated in Cigna's claim processing system for the drug indicated when dispensed by Cigna Home Delivery Pharmacy, subject to all of the following.

- Any or all of the discounts in this Specialty Drug List may be adjusted by Cigna in the event of a major change in market conditions affecting the pharmaceutical or pharmacy benefit management market, a drug shortage in the market, an issue involving the safety of the drug supply, or similar market situation.
- The discounts in this Specialty Drug List are based on the terms and design of the Pharmacy Benefit that Employer has adopted and disclosed to Cigna. Accordingly, if Employer fails to disclose to Cigna, for example, that it uses or intends to use a consumer-driven health plan, a major cost-sharing program, or a utilization management program promoting generic or OTC drugs over brand drugs, Cigna may adjust the discounts.
- The discounts in this Specialty Drug List shall not apply to compound drug claims, claims that process at U&C, and direct member reimbursement (DMR) claims.
- Any or all of the discounts in this Specialty Drug List may be adjusted by Cigna if (a) there are any significant changes in the composition of Cigna's pharmacy network or in Cigna's pharmacy network contract compensation rates, or the structure of the pharmacy stores/chains/vendors that are contracted with Cigna, including but not limited to disruption in the retail pharmacy delivery model, or bankruptcy of a chain pharmacy; or (b) there is a change in government laws or regulations which has a significant impact on pharmacy claim costs; or (c) any material manufacturer-rebate contracts with or for the benefit of Cigna are terminated or modified in whole or in part; or (d) there is any legal action or Law that materially affects or could materially affect the manner in which Cigna's rebate program is administered or an existing Law is interpreted so as to materially affect or potentially have a material effect on Cigna's administration of the Pharmacy Benefit; or (e) there is a material change in the Plan or the Plan's Pharmacy Benefit that is initiated by Employer which impacts Cigna's costs.

New-to-Market Specialty Products. Specialty Drug Claims that are for new-to-market drugs will have a minimum market-introduction guaranteed discount of 11.45% off the drug's AWP.