



September 25, 2017

Lee R. Feldman, City Manager
City of Fort Lauderdale
100 North Andrews Avenue
Fort Lauderdale, FL 33301

Subject: Dental RFP 17-0756 – Letter of Agreement

Dear Mr. Feldman:

This Letter of Agreement (“LOA”) is ancillary to the additional Cigna Dental Health Group Contract/s (“Policies”) entered into by the City of Fort Lauderdale and (“City” or “Employer”) and Cigna Health and Life Insurance Company and its affiliates (collectively “Cigna Dental”) (all collectively referred to herein as the “Parties”). As Cigna Dental is unable to make revisions to previously filed and approved policies and plan documents, this LOA is intended to document the additional terms agreed to by the Parties in addition to those set forth in the Policies and shall have the same Term as agreed to in the RFP.

The Parties do hereby agree to the following and that to the extent any of these additional terms conflict with the provisions of the Policies or any other terms or conditions set forth in provisions contained in other documents supplementing or referenced in the Policies, this Letter of Agreement shall supersede the provisions of the Policies with regards to the terms herein:

ERISA Language:

- It is understood that all references to requirements applicable to ERISA plans shall be removed from City’s final documents. These are not filed and approved pages so may be removed without a need to refile the document.

Premium Fees:

- It is understood that the City has elected self-billing for its premium fees payments. Under this arrangement, Cigna Dental will generate an invoice by the 20th of each month for the next month’s membership based on the City’s eligibility however this invoice will not be mailed unless the City requests it. The City shall remit payment by 20th of each month for the next month’s membership based on the City’s eligibility. The City shall also provide census level reporting for all product types that includes benefits, rates and member information in order for Cigna Dental to confirm that the payment amounts are accurate. Payment is typically due by the first of the next month and would be considered late if not received by the end of that month. However, with the additional deferral period provided to the City, the Grace Period (as noted below), has been extended to a total of 60 days.

Explanation of Cigna Dental Care (“DHMO”) Group Contracts:

- Several states have required Cigna Dental to issue its DHMO product through a service entity in that state. For example, in Florida all Florida residents would be covered under a policy issued through Cigna Dental Health of Florida, Inc. We refer to these states as the Service States.
- In the other states, Cigna Dental is licensed to offer the DHMO product through Cigna Health and Life Insurance Company (CHLIC which is domiciled in CT). We refer to these states as the Insurance States.
- As a result, the City will get two contract documents based on the licensing requirements noted above that will be issued through multiple Cigna Dental entities as required. The administration of the DHMO product will be the same except for any state specific variations such as perhaps dependent age requirements, etc.

DHMO CHLIC Insurance State Policy and Certificate (employees in AL, GA, & WA)

POLICY DOCUMENT: (File Name: *DHMO CHLIC Policy Sample –Insurance States.doc*)

1. CHANGES IN PREMIUM RATES SECTION:

“CHANGES IN PREMIUM RATES. Any premium rate may be changed by the Insurance Company from time to time with at least 31 days advance written notice. No such change will be made until 12 months after the Effective Date. An increase will not be made more often than once in a 12 month period. If an increase in premium rates takes place on a date that is not a Premium Due Date, a pro rata premium will be due on the date of the increase. The pro rata premium will apply for the increase from the date of the increase to the next Premium Due Date. If a decrease in premium rates takes place on a date that is not a Premium Due Date, a pro rata credit will be granted. The pro rata credit will apply for the decrease from the date of the decrease to the next Premium Due Date.

The Insurance Company may change rates immediately if, following the latter of the effective date or renewal date, the enrolled population either increases or decreases by 10% or more.”

With respect to the above policy provision:

- Subject to the RFP, it is understood that no such rate change will be made until thirty-six (36) months after the Effective Date pursuant to the three (3) year rate guarantee and that Cigna is providing a rate cap that will not exceed a +7% increase on the 4th and 5th year of the Agreement.
- In lieu of Cigna Dental’s standard thirty-one (31) day prior notice of a premium rate change, it is understood that, Cigna Dental shall notify the City in writing of any premium rate change by July 1st of the year preceding the effective date of such change. This notification requirement shall also apply to the fourth (4th) and fifth (5th) year of this agreement.
- It is understood that Cigna shall be waive its ability to change rates immediately due to an increase or decrease in the enrolled population by 10% or more during the Term of this Agreement.

CERTIFICATE/PLAN DOCUMENT: (File Name: *DHMO CHLIC Certificate Sample – Insurance States.doc*)

1. SECTION III. ELIGIBILITY (page 48)

“Cigna Dental may require evidence of good dental health at your expense if you or your Dependents enroll after the first period of eligibility (except during open enrollment) or after disenrollment because of nonpayment of Premiums.”

With respect to the above certificate provision:

- It is understood that Cigna Dental shall not request “evidence of good dental health” from City enrollees and dependents enrolling after the first period of eligibility for the Term of this Agreement.

DHMO Service State Policy and Plan Documents (employees in FL, NC, NJ & OH):

(File Name: DHMO CDH-FL, CDH-NC, CDH-NJ, CDH-OH Policy & Plan Doc Samples – Service States)

POLICY DOCUMENT:

1. SECTION C. PREMIUMS/PREPAYMENT FEES (page 4)

In consideration of the services to be rendered and made available by Cigna Dental pursuant to this Contract, the Group shall remit to Cigna Dental the Premium/Prepayment Fee for the initial month of coverage on or before the first day of said month accompanied by a list of persons to be covered under the Dental Plan. On or before the twelfth (12th) day of each month during the term of this Contract, Cigna Dental will send the Group an alphabetized list of Subscribers and a statement of Premiums/Prepayment Fees due for that month of coverage. On or before the twenty-fifth (25th) day of each month during the term of this Contract, the Group shall remit the Premium/Prepayment Fee to Cigna Dental with an updated list indicating Covered Persons to be added to or deleted from the Dental Plan and any changes in type of coverage. Alternative payment mechanisms developed for the Group by Cigna Dental shall supersede the terms of this Paragraph.

Premiums/Prepayment Fees are guaranteed for an initial period of twelve (12) months (unless otherwise extended in the Pre-Contract). However, Premiums/Prepayment Fees may be adjusted by Cigna Dental upon 30 days' notice to the Group if, in Cigna Dental's sole opinion, its liability is altered by any state or federal law.

With respect to the above policy provision:

- In lieu of the standard Premium/Prepayment Fee provision above, Cigna Dental shall bill the City based on the clarification set forth under the general Premium Fees provision at the beginning of this LOA.
- Subject to the RFP, it is understood that no such rate change will be made until thirty-six (36) months after the Effective Date pursuant to the three (3) year rate guarantee and that Cigna is providing a rate cap that will not exceed a +7% increase on the 4th and 5th year of the Agreement.

2. SECTION D. GRACE PERIOD/REINSTATEMENT (page 4)

“1. Cigna Dental shall provide written notice of non-receipt of payment on or before the twelfth (12th) day of the month following the month for which Premiums/Prepayment Fees remain due and owing. Group shall have an additional thirty-one (31) days for the payment of any Premium/Prepayment Fee except the first.”

With respect to the above policy provision:

- With regard to the Premium/Prepayment Fees provision (Section C above) and the Grace Period/Reinstatement provision (Section D immediately above), in lieu of Cigna Dental’s standard additional thirty-one (31) days for the payment of any Premium/Prepayment Fee, it is understood that Cigna Dental shall allow City an additional thirty (30) days deferral for a total of sixty (60) days from the billing effective date.

3. SECTION E. EFFECTIVE DATE/TERM & RENEWAL (page 5)

“The Premium/Prepayment Fee and Patient Charge Schedule shall be reviewed and may be adjusted on an annual basis at the anniversary of the Renewal Date upon sixty (60) days’ notice from Cigna Dental.”

With respect to the above policy provision:

- Subject to the RFP, it is understood that no such rate change will be made until thirty-six (36) months after the Effective Date pursuant to the three (3) year rate guarantee and that Cigna is providing a rate cap that will not exceed a +7% increase on the 4th and 5th year of the Agreement.
- In lieu of Cigna Dental’s standard thirty-one (31) day prior notice of a premium rate change, it is understood that, Cigna Dental shall notify the City in writing of any premium rate change by July 1st of the year preceding the effective date of such change. This notification requirement shall also apply to the fourth (4th) and fifth (5th) year of this agreement.
- It is understood that Cigna shall be waive its ability to change rates immediately due to an increase or decrease in the enrolled population by 10% or more during the Term of this Agreement.

4. SECTION I. TERMINATION OF CONTRACT (page 9)

“In addition to termination for nonpayment of Premium/Prepayment Fees as set out in Section D hereinabove, either the Group or Cigna Dental may terminate this Contract for any reason,, effective as of any Renewal Date by providing a minimum of sixty (60) days’ prior written notice to the other party.”

With respect to the above policy provision:

- In lieu of Cigna Dental’s standard sixty (60) days’ prior written notice for any termination, it is understood that Cigna Dental shall provide City with a minimum of one hundred and eighty (180) days’ prior written notice of its intention to terminate the Agreement.

- It is understood that Cigna shall be waive its ability to terminate this agreement for low population during the Term of this Agreement.

5. SECTION L. AMENDMENTS TO CONTRACT (page 9)

“Except as otherwise provided herein, Cigna Dental may amend this Contract by giving the Group sixty (60) days' prior written notice of the proposed amendment. Failure of the Group to object in writing to any such proposed amendment within such notice period shall constitute the Group's acceptance of the amendment as of its effective date. Except as otherwise provided herein, changes in the Premium/Prepayment Fees or Patient Charge Schedule shall be effective as of the Renewal Date following proper notice.

In the event that federal, state, or municipal laws or regulations should change, alter or modify the present services, levels of premiums to Cigna Dental, standards of eligibility of Covered Persons, or any operations of Cigna Dental such that the terms, benefits and conditions of this Contract must be modified accordingly, Cigna Dental shall have the right to amend this Contract upon 30 days' written notice to the Group.”

With respect to the above policy provision:

- In lieu of Cigna Dental’s standard sixty (60) days’ prior written notice to amend the Agreement, it is understood that Cigna Dental shall provide City with a minimum of one hundred and eighty (180) days’ prior written notice of its intention to amend except in the cases of amendment (s) needed due to a change in federal, state or municipal laws or regulations wherein the standard thirty (30) days’ notice shall remain.

PLAN DOCUMENTS:

1. SECTION III. ELIGIBILITY/WHEN COVERAGE BEGINS

“Cigna Dental may require evidence of good dental health at your expense if you or your Dependents enroll after the first period of eligibility (except during open enrollment) or after disenrollment because of nonpayment of Premiums”.

With respect to the above plan document provisions:

- In all plan documents (CDH/FL, CDH/NC, CDH/NJ and CDH/OH), it is understood that the requirement to provide “evidence of good dental health” will not be applied during the Term of this Agreement.

DPPO Policy (CHLIC):

POLICY DOCUMENTS: (File Name: DPPO CHLIC Policy Sample.doc)

1. CHANGES IN PREMIUM RATES (Page 7)

“CHANGES IN PREMIUM RATES. Any premium rate may be changed by the Insurance Company from time to time with at least 45 days advance written notice. No such change will be

made until 12 months after the Effective Date. An increase will not be made more often than once in a 12 month period. If an increase in premium rates takes place on a date that is not a Premium Due Date, a pro rata premium will be due on the date of the increase. The pro rata premium will apply for the increase from the date of the increase to the next Premium Due Date. If a decrease in premium rates takes place on a date that is not a Premium Due Date, a pro rata credit will be granted. The pro rata credit will apply for the decrease from the date of the decrease to the next Premium Due Date.

The Insurance Company may change rates immediately if, following the latter of the effective date or renewal date, the enrolled population either increases or decreases by 10% or more.”

With respect to the above policy provision:

- Subject to the RFP, it is understood that no such rate change will be made until thirty-six (36) months after the Effective Date pursuant to the three (3) year rate guarantee and that Cigna is providing a rate cap that will not exceed a +7% increase on the 4th and 5th year of the Agreement.
- In lieu of Cigna Dental’s standard forty-five (45) day prior notice of a premium rate change, it is understood that, Cigna Dental will notify the City in writing of any premium rate change by July 1st of the year preceding the effective date of such change.
- It is understood that Cigna shall be waive its ability to change rates immediately due to an increase or decrease in the enrolled population by 10% or more during the Term of this Agreement.

The Parties understand and acknowledge that this Letter of Agreement is a legally binding document which is valid and enforceable in a court of law.

If the terms of this Letter of Agreement are acceptable to you, please countersign below.

Very truly yours,

Scott Evelyn

Vice President, CHLIC
President Cigna South Florida

Read, Understood, Agreed and Accepted by:

CITY OF FORT LAUDERDALE

By: _____

Name: _____

Title: _____

Executed this ____ day of _____, in the year _____.

Cigna Health and Life Insurance Company and its Affiliates

By: _____

Name: _____

Title: _____

Executed this ____ day of _____, in the year _____.