



**Orange County Comptroller  
REQUEST FOR PROPOSAL  
SELF-INSURED HEALTHCARE CLAIMS AUDITING SERVICES  
RFP No. 2022-01-AUD**

**PURPOSE**

The Orange County Comptroller's Office, Orange County, Florida (Comptroller) is soliciting proposals from claims auditing firms to perform auditing services for the calendar year 2021 paid claims, with the option of providing services for each of the next four subsequent years. It is anticipated that the audit planning, fieldwork and the final report will be issued no later than December 31, 2022. The scope of these services would include auditing claims processed by Orange County's third party administrator. Other duties relating to claims administration auditing services may be requested from time-to-time.

**INSTRUCTIONS TO PROPOSERS**

It is recommended that submissions are sent via mail. In person drop-offs, other than express mail, are only accepted by appointment by calling the Clerk of the BCC at 407-836-7300.

Firms are not permitted to fax or email Proposals and as such these will be rejected as non-responsive.

Proposers desiring to provide services, as described in this Request for Proposal (RFP), must submit one (1) paper original and one (1) electronic copy (preferably as a pdf on a usb drive or similar device in one sealed package clearly labeled **RFP 2022-01-AUD Claims Auditing Services** no later than **3:00 p.m. Eastern Time on February 24, 2022**. Both copies must be received by the time stated. Proposals received after the specified time will not be considered. The time/date stamp clock located in the Comptroller's Clerk of the BCC Office will serve as the official authority to determine arrival of any proposal.

Proposals should be submitted to:

Orange County Comptroller  
c/o Comptroller's Clerk of the BCC Office  
201 S. Rosalind Avenue, 4th Floor  
Orlando, Florida 32801  
Telephone Number: 407-836-7300

All proposals will be opened publicly, and the names of all proposers will be read aloud. In an effort to help promote social distancing measures during the COVID-19 Public Health Emergency, the Comptroller's Office will hold a virtual WebEx meeting for the public opening of all responses received at 3:00 P.M. EST, Thursday February 24, 2022.

You will use the following meeting information when accessing the meeting via the WebEx application. The link has been provided for your convenience.

<https://ocfl.webex.com/ocfl/j.php?MTID=mc5bafbd7875a0611b0319500c979b00a>

**Meeting number (access code):** 2464 287 0093

**Meeting password:** nXb4tcFpm76

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## **SECTION 1 - GENERAL INFORMATION**

### **1.1 SUBMITTAL REQUIREMENTS**

Proposals must be sealed and proposers should indicate on their proposal the following:

**Request for Proposal (RFP) # 2022-01-AUD**  
**Date of Opening: February 24, 2022**  
**Name of Proposer**

Responses by telephone, telegram, e-mail or fax will not be accepted. Such responses will be rejected as non-responsive regardless of where such responses are received. The responses to the RFP must be received no later than **3:00 p.m. Eastern Time on February 24, 2022.**

It is the sole responsibility of the proposers to ensure their proposal reach the Comptroller's on the 4<sup>th</sup> floor of the Orange County Administration Building located at 201 South Rosalind Avenue on or before the closing date and time. The Comptroller will in no way be responsible for delays caused by any occurrence including deliveries made to any place other than the specified address.

All proposals, corrections, and changes must be signed by a designated signor having authority to bind the proposer (as noted in Appendix C).

### **1.2 GENERAL TERMS AND CONDITIONS**

- A. The Comptroller reserves the right to accept or reject any or all proposals, in whole or in part, with or without cause, to waive technicalities, or to accept the proposal which, in the Comptroller's sole judgment, best serves the interests of the Comptroller, or to award a contract to the next most qualified proposer if a successful proposer does not execute a contract within 30 working days after the award of the proposal.
- B. The Comptroller reserves the right to request clarification of information submitted, waive minor errors or omissions and to request additional information of one or more proposers.
- C. Any proposal may be withdrawn until the date and time set in 1.1 above. Any proposals not withdrawn will constitute an irrevocable offer for a period of 60 working days to provide the services set forth in this RFP to the Comptroller, unless released earlier by the Comptroller.
- D. Any contract resulting from the acceptance of a proposal must be in a form either supplied by or approved by the Comptroller and must contain, as a minimum, applicable provisions of the RFP and the proposer's response.

The Comptroller reserves the right to reject any contract that does not conform to the RFP and any Comptroller requirements for contracts.

- E. The winning proposer may not assign any interest in the contract and may not transfer any interest in the same without prior written consent of the Comptroller.
- F. The Comptroller will retain all proposals submitted and reserves the right to use any idea in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the proposer of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Comptroller and the proposer selected.
- G. Sub-contracting a portion of the work is not allowed.
- H. Costs for preparation of a response to this RFP are solely those of the proposer. The Comptroller assumes no responsibility for any such costs incurred by the proposer. All proposals become the property of the Comptroller and are subject to the Florida public records law.

### **1.3 QUESTIONS REGARDING THIS RFP**

- A. Except as specified below, the Proposer shall not direct any queries or statements concerning its proposal to the Comptroller or his staff during the selection process, from the time of release of this RFP until the execution of a contract, unless contact is initiated by an employee of the Comptroller. Failure to comply with this provision may result in the disqualification of the Proposer.
- B. All questions or concerns regarding this RFP must be submitted in writing to the Comptroller Clerk of the BCC, PO Box 38, Orlando, Florida 32802-0038, or by email to [ClerkofBCC@occompt.com](mailto:ClerkofBCC@occompt.com) by no later than Wednesday, February 16, 2022, referencing this RFP number.
- C. Answers to questions submitted will be posted on Thursday, February 10, 2022, and Friday, February 18, 2022. The questions and corresponding answers will be on the comptroller's website in the folder titled RFP No. 2022-01-AUD on the RFP page. The following link is provided for your convenience. [Request for Quote/Bid - Phil Diamond - Orange County Comptroller \(occompt.com\)](#).
- D. The Comptroller may issue an addendum to the RFP for distribution to all known prospective proposers, either by mail, email, or posting on our web site

- E. The Comptroller may provide clarifying information in response to questions or concerns regarding this RFP for distribution to all known prospective proposers, either by mail, email, or posting on our web site.
- F. The Comptroller is bound by statements made or information given during the procurement consideration and award ONLY when such statements or information are written and executed under the Comptroller or Chief Deputy of the Orange County Comptroller's Office. This provision exists solely for the convenience and administrative efficiency of the Comptroller. No proposer or other third party gains any rights by virtue of this provision or the application thereof, nor shall any proposer or third party have any standing to sue or cause of action arising from this section.

#### **1.4 INSURANCE COVERAGE**

The proposer will obtain or possess the following insurance coverage, and will provide Certificates of Insurance to the Comptroller to verify such coverage.

Commercial General Liability - The proposer must provide coverage for all operations including, but not limited to contractual, products and completed operations, and personal injury. The limits must be not less than \$1,000,000, per occurrence, combined single limits (CSL) or its equivalent. The general aggregate limit must either apply separately to this contract or must be at least twice the required occurrence limit. The Proposer agrees to endorse the COUNTY as an Additional Insured with a CG 20 26 Additional Insured -Designated Person or Organization endorsement, or its equivalent and a CG 24 04 Waiver of Transfer of Right of Recovery or its equivalent to all commercial general liability policies. The additional insured shall be listed in the name of Orange County Florida.

Professional Liability - with a limit not less than \$1,000,000 per occurrence/claim.

#### **1.5 INDEMNIFICATION**

To the fullest extent permitted by law, the Proposer shall defend, indemnify, and hold harmless the Comptroller, its officials, agents, and employees from and against any and all claims, suits, judgments, demands, liabilities, damages, cost and expenses including attorney's fees of any kind or nature whatsoever arising directly or indirectly out of or caused in whole or in part by any act or omission of the Proposer or its agents, anyone directly or indirectly employed by them, or anyone for whose acts any of them may be liable; excepting those acts or omissions arising out of the sole negligence of the Comptroller.

## **1.6 ACCESS AND AUDITS**

The proposer must maintain complete and accurate books, records, and documents to justify all services performed and all charges pursuant to the contract in accordance with standard and acceptable accounting practices. Such records and documents must be maintained for a minimum of five years after completion of all services under contract. The Comptroller and/or his authorized employees or designees must have reasonable access to such books, records, and documents of the proposer and its agents as needed in the opinion of the Comptroller for the purpose of inspection or audit during normal business hours at the proposer's facility.

## **1.7 PUBLIC RECORDS REQUESTS**

In accordance with Section 119.0701(2), Florida Statutes, the proposer must comply with Florida public records laws, specifically to:

1. Keep and maintain public records required by the public agency to perform the service.
2. Upon request from the public agency's custodian of public records, provide the public agency 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 this chapter or as otherwise provided by law.
  - a) A request to inspect or copy public records relating to a public agency's contract for services must be made directly to the public agency. If the public agency does not possess the requested records, the public agency shall immediately notify the contractor of the request, and the contractor must provide the records to the public agency or allow the records to be inspected or copied within a reasonable time.
  - b) If a contractor does not comply with the public agency's request for records, the public agency shall enforce the contract provisions in accordance with the contract.
  - c) A contractor who fails to provide the public records to the public agency within a reasonable time may be subject to penalties under §119.10.
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 the contract if the contractor does not transfer the records to the public agency.

Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of the contractor or keep and maintain public records required by the public agency to perform the service. If the contractor transfers all public records to the public agency upon completion of the 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 the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

**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:**

**Comptroller Deputy Clerk's Office of the Clerk of the Board  
Post Office Box 38  
Orlando, FL 32801  
[PR@occompt.com](mailto:PR@occompt.com)  
407-836-7300**

## **1.8 COMPLIANCE WITH HIPAA**

All contracts involving the disclosure or receipt of PHI to a third-party must include, as required, a Business Associate Agreement in accordance with §164.504(e)(1)-(5) and §164.314(a) of the HIPAA privacy and security rule, respectively.

## **1.9 CONVICTED VENDOR LIST**

In accordance with Florida Statute Section 287.133, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime: 1) may not submit a bid or proposal to provide any goods or services to a public entity; 2) may not submit a bid or proposal with a public entity for the construction or repair of a public building or public work; 3) may not submit bid or proposal on leases of real property to a public entity; 4) may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity; and 5) may not transact business with any public entity in excess of the threshold amount provided in Florida Statute Section 287.017, for CATEGORY TWO (\$35,000) for a period of 36 months from the date of being placed on the convicted vendor list,.

### **1.10 TOBACCO FREE CAMPUS**

Virtually all Orange County operations under the Comptroller and the Board of County Commissioners are designated as tobacco free. This policy applies to parking lots, parks, break areas and worksites. It is also applicable to contractors and their personnel during contract performance on Orange County-owned property. Tobacco is defined as tobacco products including, but not limited to, cigars, cigarettes, electronic cigarettes, pipes, chewing tobacco and snuff. Failure to abide by this policy may result in civil penalties levied under Chapter 386, Florida Statutes, and/or contract enforcement remedies.

### **1.11 DRUG FREE WORKPLACE**

Pursuant to Section 287.087, Florida Statutes, whenever two or more bids, proposals, or replies that are equal with respect to price, quality, and service are received by the state or by any political subdivision for the procurement of commodities or contractual services, a bid, proposal, or reply received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. The Drug-Free Workplace Form, Appendix A, must be executed by the proposer, if applicable, and submitted with this proposal.

### **1.12 PROPOSER'S WARRANTY**

The proposer is to complete and sign the Proposer's Warranty, Appendix B, as part of the proposal submitted.

### **1.13 EQUAL EMPLOYMENT OPPORTUNITY**

Section 2.13, of the Comptroller's personnel policies states that all personnel actions will be based on merit and fitness of the individual under consideration. There will be no discrimination against any person in recruitment, hiring, examination, appointment, training, promotion, retention, or any other personnel action based on race, color, sex, gender, age, religion, national origin, ancestry, marital status, political affiliation or belief, disability, sexual orientation or any other reason prohibited by law. The proposer must abide by these provisions as noted in Appendix D.

## **SECTION 2 - BACKGROUND**

### **2.1 DESCRIPTION OF REQUESTED SERVICES**

A firm is needed to perform healthcare claims (claims) auditing services for the Comptroller for the calendar year 2021 paid claims, with the option of providing services for each of the next four subsequent years. The scope of these services

would include auditing claims processed by Orange County's third party administrator. Other duties relating to claims administration auditing services (such as, hospital bill audits, fraud and abuse investigations, subrogation recoveries) may be requested from time-to-time.

## 2.2 OBJECTIVES

Since Orange County has a self-funded health plan and uses a claims administrator, part of the fiduciary responsibilities to plan members and other stakeholders includes performing an annual claims audit. The objective of this RFP is to select the best qualified firm that has the appropriate technical knowledge to select a sample of medical and pharmaceutical claims for review to ensure our claims administrator is adequately processing our claims.

## 2.3 BACKGROUND OF PLAN

Orange County and the participating agencies moved to a self-funded health insurance program in January of 2007. For the 2021 plan year<sup>1</sup> there were 7,762 employees (subscribers) plus 6411 dependents in the program. Cigna Health and Life Insurance Company (Cigna) is also contracted to be the claims fiduciary for Orange County. Cigna provides the Administrative Services Only (ASO) for medical and pharmaceutical coverage. Cigna offers the choice between either a high deductible health plan HSA (HDHP) or a low deductible health plan (LDHP) to participating employees and dependents.

The following table lists the participating agencies and enrollees under the Orange County contract:

Organization	Number of Subscribers	Number. of Dependents	Total Number of Members
Board of County Commissioners	6,692	5,594	12,286
Comptroller	190	159	349
Clerk of Court	380	289	669
Housing & Finance	10	6	16
IDMTID	9	6	15
Metroplan	19	17	36
OBT Development Board	3		3
Property Appraiser	137	110	247
Supervisor of Elections	47	41	88
Tax Collector	275	189	464
<b>TOTAL</b>	<b>7,762</b>	<b>6,411</b>	<b>14,173</b>

<sup>1</sup> Data as of September 30, 2021.

Separate eligibility is maintained for each agency and reported to Orange County. Orange County uploads an eligibility file bi-weekly. Each agency pays an equivalent premium to the County following each 2 week payroll cycle.

Approximately 197,000 medical claims and 166,000 pharmacy claims were processed for the 2020 plan year totaling approximately \$108,000,000. Descriptions of the two plans offered are noted below:

## Benefit Summaries

### Medical Plan Comparison Chart

*Note: Pharmacy Coverage is detailed in the next section of this booklet.*

Benefit	OrangePrime Plus Plan (HDHP)		OrangePrime Plan (LDHP)	
	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>DEDUCTIBLE</b> <i>Individual/Family</i>	\$1,500 / \$3,000	\$3,000 / \$6,000	\$750 / \$1,500	\$3,000 / \$6,000
<b>EMPLOYER CONTRIBUTION</b> <i>Individual/Family</i>	Up to \$750 / \$1,250 (proration apply)	Up to \$750 / \$1,250 (proration apply)	No employer contribution	No employer contribution
<b>OUT-OF-POCKET MAX</b> <i>Individual/Family</i>	\$3,000 / \$6,000	\$6,000 / \$12,000	\$2,100 / \$4,200	\$6,000 / \$12,000
Preventive Care	\$0	***40% after Deductible	\$0	***40% after Deductible
Telehealth	20% after Deductible	*40% after Deductible	**\$20 co-pay	*40% after Deductible
Primary Care	20% after Deductible	*40% after Deductible	**\$20 co-pay	*40% after Deductible
Specialist	20% after Deductible	*40% after Deductible	**\$35 co-pay	*40% after Deductible
Inpatient Hospital Admission	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Outpatient Surgery (Non-Hospital)	20% after Deductible	*40% after Deductible	**\$100 co-pay	*40% after Deductible
Outpatient Surgery	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
X-Rays, Lab, Diagnostics, CT, MRI, PET, Nuclear	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Urgent Care	20% after Deductible	*20% after Deductible	**\$40 co-pay	*\$40 co-pay
Emergency Room	20% after Deductible	*20% after Deductible	20% after Deductible	*20% after Deductible
Ambulance	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Home Healthcare	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Durable Medical Equipment	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Short-Term Rehabilitation/Therapy	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Mental Health/Substance Abuse (inpatient)	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Mental Health/Substance Abuse (outpatient)	20% after Deductible	*40% after Deductible	**\$35 co-pay	*40% after Deductible

\* Out-of-network benefits are subject to reasonable and customary limitations. Any amount over reasonable charges will not be calculated toward your out-of-pocket maximum or deductible.

\*\* OrangePrime plan copays do NOT apply to the deductible but are applied to the out-of-pocket maximum.

\*\*\* Out-of-network deductible does not apply to preventive care for dependents under the age of 16.

Details regarding specific eligibility, coverage exclusions, definitions, and other information are included in the full summary plan document.

## Prescription Drug Coverage



### What Prescription Drug Plan is available?

Anyone covered under either of the Cigna medical plans is also covered under a prescription drug plan administered by Cigna. There is no additional premium required for this coverage.

	OrangePrime Plus Plan			OrangePrime Plan		
<b>Retail – 30-day supply</b>	<b>Preventive* Drugs:</b> Before and after your deductible is met, you pay according to the 3-tier schedule below ( <i>does not count toward your deductible, but does count toward your out-of-pocket max</i> ).  <b>Treatment Drugs:</b> You pay full price until your deductible is met. AFTER your deductible is met, you pay according to the 3-tier schedule below.			<b>Preventive* and Treatment Drugs:</b> Before and after your deductible is met, you pay according to the 3-tier schedule below.  <i>(Note: Prescription copays do not count toward your deductible, but do count toward your out-of-pocket max on this plan.)</i>		
	Tier 1	Generic	\$10	Tier 1	Generic	\$10
	Tier 2	Preferred	10% + \$30	Tier 2	Preferred	10% + \$30
	Tier 3	Non-Preferred	10% + \$50	Tier 3	Non-Preferred	10% + \$50
<b>Home Delivery – 90-day supply</b>	<b>Preventive* Drugs:</b> Before and after your deductible is met, you pay according to the 3-tier schedule below ( <i>does not count toward your deductible, but does count toward your out-of-pocket max</i> ).  <b>Treatment Drugs:</b> You pay full price until your deductible is met. AFTER your deductible is met, you pay according to the 3-tier schedule below.			<b>Preventive* and Treatment Drugs:</b> Before and after your deductible is met, you pay according to the 3-tier schedule below.  <i>(Note: Prescription copays do not count toward your deductible, but do count toward your out-of-pocket max on this plan.)</i>		
	Tier 1	Generic	\$25	Tier 1	Generic	\$25
	Tier 2	Preferred	10% + \$75	Tier 2	Preferred	10% + \$75
	Tier 3	Non-Preferred	10% + \$125	Tier 3	Non-Preferred	10% + \$125

\* Preventive drugs are prescription medications used to prevent or treat any of the following medical conditions: asthma, depression, diabetes, high cholesterol, hypertension, osteoporosis, prenatal nutrient deficiency, smoking cessation, and stroke.

Orange County is permitted to audit Cigna on an annual basis. The Administrative Services Only Agreement (Contract) is included as Appendix G with language that specifically addresses the audit procedure on page 7 of the Contract. In the past, the Comptroller has performed focus audits and anticipates doing so in the future with sample size recommendations based on the results of the analysis of the claims data.

## **SECTION 3 - SCOPE OF WORK**

### **3.1 REQUIRED SERVICES**

#### **A. Medical and Pharmaceutical Claims Processing and Payments**

Provided is a list of areas that would be expected to be covered in the audit. The proposer may recommend additional areas as appropriate.

- Verify eligibility of claimants according to plan guidelines to ensure that the participant was covered under the plan on the date of service.
- Re-adjudicate sampled medical claims as appropriate. Tests should include a review of pricing and application of negotiated fees depending on whether provider is in network or out of network, verifying amounts charged are usual and customary industry standards, verifying that procedure codes on the date of service were for benefits covered under the plan, look for potential upcoding or unbundling, inappropriate CCI edits and OCE edits, mutually exclusive codes, sex inappropriate procedure codes, excessive billed quantities, etc. Review provider contracts as necessary. For non-participating providers, determine whether maximum reimbursable charge determinations for services billed was based on reasonable and customary limitations as required in the plan documents.
- Re-adjudicate sampled pharmaceutical claims according to provisions within the contract.
- Verify that sufficient documentation was provided to support the sampled claim payment and an adequate review was performed, taking into consideration the claim dollar amount.
- Determine whether the proper application of deductibles, co-insurance, co-payments and/or timely coordination of benefits and subrogation took place (integration with Medicare, third party liability, duplicate coverage, and worker's compensation), including retirees and active employees over the age of 65. For identified claims, where it is

applicable, determine if funds were received and applied to Orange County or were deducted from the bill accurately.

- Review discounts given on Brand Drug Claims and Specialty Drug Claims that are based on expected rebates and manufacture Formulary Payments as outlined in contract.
- Identify potential duplicate payments, including claims for the same services with different procedure codes.
- Identify common errors and determine the causes and effects and provide recommendations to correct the errors.
- Provide sufficient evidence (such as copies of billing errors, coding errors, etc.) to substantiate any errors.
- Review the results with Cigna, meet (conference call is acceptable) with the Audit Division to present the results of the audit and assist with securing any corrective action necessary.

**B. Communication and Collaboration with the Comptroller's Audit Division**

Audit Division staff may accompany the proposer to the audit site. The Audit Division will expect progress reports throughout the engagement. Also, it is expected that the Audit Division may consult with the proposer's staff as the need arises and after the audit has been performed. If requested, the selected proposer will provide a copy of all electronic data obtained during the course of the audit in a delimited text file (including the table definition that describes the data elements), as allowed per the Cigna contract.

**C. Deliverables**

A final report will be presented to the Audit Division which should include, although not be limited to the following:

- Methodology used in selecting the claims tested.
- A schedule of known errors with sufficient detail to determine if Cigna agrees to the amount per audit and should include the cause(s) of the error, if determinable. The dollar amount of the error should be presented in a format that will indicate a detailed description of the claim, the original amount paid, amount per audit, the difference between the original amount paid and amount per audit, and explanation of the error.

- Specific recommendations on processes and procedures to prevent and detect future errors.

## SECTION 4 - SELECTION PROCESS

### 4.1 PROPOSAL REQUIREMENTS

The following information, including forms listed in Section 5, must be submitted with your proposal. Proposer must respond to the information requests below, with each specification clearly identified. Failure to provide this information will negatively impact the evaluation of your proposal or may render your proposal non-responsive.

Each proposal should include an executive summary of not more than two (2) pages which highlights each key area listed below in 1 through 5 and which summarizes the proposer's case as to why the proposer should be selected to perform claims auditing services. Sample reports including the deliverables stated in Section 3.1C should be provided with the proposal. Alternatives to the deliverables stated may also be presented for consideration.

Firms must be able to begin the audit planning and field work during 2022 as soon as practically possible, but not later than July 2022. On-site visits should be scheduled as soon as practically possible after the contract is signed. The final report with responses from Cigna shall be issued no later than December 31, 2022. **The proposer will have up to ten business days on site at Cigna to complete the audit.** Additional time not on Cigna site is anticipated and allowed.

#### A. Firm Qualifications

1. The proposal should state the legal name and form of organization of the proposing firm, the number of the firm's claims audit staff, and the number and nature of the professional staff (including certifications and/or licenses) employed that has performed reviews as described in this RFP.
2. The proposer should identify the principal supervisory and management staff, including engagement partner, manager, other supervisors and specialists, and the auditor in-charge of fieldwork, as applicable, assigned to the engagement. The proposer also should provide information (dates, duration of audits, client names, and contacts) on the claims auditing experience of each person.
3. **Firms should list any prior work within the past five years where the firm either engaged in business with Cigna or any subsidiaries or organizations related to Cigna.** The firm should

detail the services performed and the fee received. This should be noted within the proposal in addition to the completion of the Conflict/Non-Conflict of Interest and Litigation Statement in Appendix E.

## **B. Similar Projects**

Proposers should list a minimum of three past projects. Including all relevant past engagements of healthcare claims auditing, hospital bill audits, fraud and abuse investigations, subrogation recoveries, and similar Claim Administration services with other entities. Particular emphasis should be placed on local government entities. Indicate any relevant past engagements with Cigna also. For each engagement, the proposer should indicate the scope of work, date of engagement, engagement manager, and the name and telephone number of the principal client contact. It is anticipated that some contacts given will be called for reference.

## **C. Price**

1. For the staff listed in A2 above, list hourly rates by level of personnel and the estimated time anticipated for each team member to complete the services described in Section 3.1. See Appendix F for format. Appendix F must be submitted with the response.
2. All professional fees and other non-travel expenses for the engagement.
3. Travel expenses for the proposer's team (i.e. transportation, lodging, and subsistence) will be reimbursed according to Section 112.061, Florida Statutes. All estimated travel expenses to be reimbursed shall be stated in the proposal and shall be included in the total maximum not to exceed amount.

It is anticipated a percentage of completion method for contract payments will be used with a percentage completion method similar to the one below:

Milestone	Percent of project completion
Audit Planning, Setup, Data Collection	10%
Data Analysis, Sample Selection	20%
TPA Onsite Audit, Status Report	75%
Administrator Feedback Final Reports*	90%
Upon Comptroller's Acceptance of Final Report	100%

**A final NOT-TO-EXCEED proposed contract amount should be included in Appendix F for the first year of the contract. Adjustments**

**to subsequent years is allowed based on the Consumer Price Index for All Urban Consumers.**

A price escalation/de-escalation will be considered at the time of each yearly Contract renewal period, provided the audit firm notifies the Comptroller, in writing, of the pending price escalation/de-escalation a minimum of sixty (60) days prior to the Contract renewal date. The price escalation/de-escalation will be based on the latest version of the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, all items, non-seasonal, as published by the U.S. Department of Labor, Bureau of Labor Statistics. This information is available at [www.bls.gov](http://www.bls.gov).

Price adjustment shall be calculated by applying the simple percentage model to the CPI data. This method is defined as subtracting the base period index value (for the purpose of this Contract, the percentages shall be calculated from June to May of each year prior to the Fiscal year renewal date) from the index value at time of calculation (latest version of the CPI published as of the date of request for price adjustment), divided by the base period index value to identify percentage of change, then multiplying the percentage of change by 100 to identify the percentage change. Formula is as follows:

$$\begin{aligned} \text{Current Index} - \text{Base Index} / \text{Base Index} &= \% \text{ of Change} \\ \% \text{ of Change} \times 100 &= \text{Percentage Change} \end{aligned}$$

**CPI-U Calculation Example**

CPI for current Period	232.945
Less CPI for base period	229.815
Equals index point change	3.130
Divided by base period CPI	229.815
Equals	0.136
Result multiplied by 100 equals	1.4%

A price increase may be requested only at each the time of each yearly renewal as specified above, using the methodology outlined in this section. To request a price increase, audit firm shall submit a letter stating the percentage amount of the requested increase and adjusted price to the Comptroller. The letter shall include the complete calculation utilizing the formula above, and a copy of the CPI-U index table used in the calculation. The maximum allowable increase shall not exceed 3%, unless authorized by the Comptroller. If approved, the price adjustment shall become effective on the Contract renewal date. All price adjustments must be accepted by the Comptroller and shall be memorialized by written amendment to this Contract. No retroactive Contract price adjustments will be allowed.

## 4.2 CRITERIA

The submitted proposals will be evaluated based on the weighted award criteria as follows:

Criteria	Weight
Firm Qualifications	40
Similar Projects	30
Price	30

## 4.3 PROPOSAL EVALUATION

An Evaluation Committee made up of representatives from the Comptroller's Office will evaluate all submitted proposals on the above criteria within approximately 30 working days. The Comptroller reserves the right to request clarification of information submitted and additional information of one or more proposers. To facilitate the evaluation process, proposers may be invited to make oral presentations to the Evaluation Committee; however, this is not initially expected. The award will be made to the highest rated proposer as determined by the Evaluation Committee in accordance with the award criteria.

## 4.4 NEGOTIATION

The Comptroller will appoint a negotiation representative(s) to enter into contract negotiations with the proposer selected by the Evaluation Committee. If a contract with the first ranked proposer cannot be executed, the Comptroller's representative(s) may enter into contract negotiations with the second ranked proposer and so forth. The Comptroller may reopen negotiations with any of the proposers or select additional proposers for negotiation. It is the intent of the Comptroller to negotiate a not to exceed contract. It is expected that hourly rates, by staff level, for claims auditing services will be part of the negotiation and listed in the contract for each proposer for any additional claims auditing services that may arise after the engagement is completed.

## 4.5 CONTRACT PERIOD

Healthcare claims auditing services for the Comptroller for the calendar year 2021 paid claims, with the option of providing services for each of the next four subsequent years.

The contract may be terminated by the contractor upon thirty (30) days prior written notice to the Comptroller. It may also be terminated, in whole or in part, by the Comptroller, with or without cause, immediately upon written notice to the contractor. In the event of termination by the Comptroller for any cause, the contractor will not have any claim against the Comptroller for lost profits or

compensation for lost opportunities. Unless the contractor is in breach of the contract, the contractor shall be paid for services rendered to the Comptroller's satisfaction through the date of termination. After receipt of a Termination Notice and except as otherwise directed by the Comptroller, the contractor shall stop work on the date and to the extent specified, terminate and settle all orders relating to the performance of the terminated work, and continue and complete all parts of that work that have not been terminated.

The annual renewals are subject to the availability of funds.

#### **4.6 CONFLICT OF INTEREST**

Proposer(s) must be free of any obligations and interests, which might conflict with the interests of Orange County and the Comptroller. In addition to listing in the proposal any prior work with Cigna or any subsidiaries or organizations related to Cigna in the Proposal Requirements section above, the Conflict/Non-Conflict of Interest and Litigation Statement, Appendix E, is to be executed and submitted with the proposal. Any conflict or potential conflict must be described in the proposal. This statement combined with the prior work performed listed in the proposal along with any additional due diligence review of the proposer's independence deemed appropriate by the Comptroller will be used to determine whether the proposer has a potential conflict of interest. This decision is solely the responsibility of the Comptroller. By submitting a proposal, the proposer(s) agrees to these terms.

## **SECTION 5 - APPENDICES TO RFP No. 2022-01-AUD**

### **5.1 REQUIRED FORMS**

The information in the appendices is a material part of this RFP. All associated forms must be completed and submitted as an Appendix to your proposal.

<b>APPENDIX A</b>	<b>DRUG FREE WORKPLACE FORM</b>
<b>APPENDIX B</b>	<b>PROPOSER'S WARRANTY</b>
<b>APPENDIX C</b>	<b>AUTHORIZED SIGNATORIES/NEGOTIATORS</b>
<b>APPENDIX D</b>	<b>EQUAL OPPORTUNITY CERTIFICATION</b>
<b>APPENDIX E</b>	<b>CONFLICT/NON-CONFLICT OF INTEREST STATEMENT AND LITIGATION STATEMENT</b>
<b>APPENDIX F</b>	<b>FEE SCHEDULE FORM</b>

---

**APPENDIX A - DRUG-FREE WORKPLACE FORM**

The undersigned proposer, in accordance with Section 287.087, Florida Statutes, hereby certifies that \_\_\_\_\_ does:  
(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in Paragraph 1.
4. In the statement specified in Paragraph 1, notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893, Florida Statutes, or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs 1 thru 5.

As the person authorized to sign this statement, I certify that this Proposal complies fully with above requirements.

\_\_\_\_\_  
Proposer's Signature

\_\_\_\_\_  
Date

**APPENDIX B - PROPOSER'S WARRANTY**

The undersigned person by his/her signature affixed hereon warrants that: (a) he/she is an officer of the firm submitting the proposal; (b) he/she has fully read and understands this RFP No. 2022-01-AUD and has full knowledge of the scope, nature, quantity, and quality of work to be performed; the detailed requirements of the services to be provided, and the conditions under which the services are to be performed; and (c) acknowledges that the firm has no objection to incorporating the Request for Proposal and its response to it as an attachment to any the contract entered into between proposer and the Orange Comptroller for the claims auditing services.

PROPOSER

---

Name of Firm

---

Signature

---

Name (Print or Type)

---

Date

---

Address

---

City, State, and Zip

---

Telephone

---

Fax Number

---

**APPENDIX C - AUTHORIZED SIGNATORIES/NEGOTIATORS**

The proposer represents that the following persons are authorized to sign and/or negotiate contracts and related documents to which the bidder or proposer will be duly bound:

Name	Title	Telephone Number

---

Signature

---

Title

---

Name of Business

The proposer must complete and submit the following information with the bid or proposal:

Type of Organization

☐ Sole Proprietorship      ☐ Partnership  
☐ Joint Venture      ☐ Corporation

State of Incorporation 

---

Federal Tax I.D. 

---

E-mail Address 

---

**APPENDIX D – EQUAL OPPORTUNITY CERTIFICATION**

Section 2.13, of the Comptroller's personnel policies states that all personnel actions will be based on merit and fitness of the individual under consideration. There will be no discrimination against any person in recruitment, hiring, examination, appointment, training, promotion, retention, or any other personnel action based on race, color, sex, gender, age, religion, national origin, ancestry, marital status, political affiliation or belief, disability, sexual orientation or any other reason prohibited by law. By affixing of the signature below, I am certifying the following:

1. The proposer represents that the proposer has adopted and will maintain a policy of nondiscrimination as defined above throughout the term of this contract.
2. The proposer will allow reasonable access to all business and employment records for the purpose of ascertaining compliance with the non-discrimination provision of the contract.

---

Signature

---

Title

---

Name of Business

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**APPENDIX E - CONFLICT/NON-CONFLICT OF INTEREST STATEMENT  
AND LITIGATION STATEMENT****CHECK ONE**

- ☐ To the best of our knowledge, the undersigned proposer has no potential conflict of interest due to any other clients, contracts, or property interest for this project.
- ☐ The undersigned proposer, by attachment to this form, submits information which may be a potential conflict of interest due to other clients, contracts, or property interest for this project.

**CHECK ONE**

- ☐ The undersigned proposer has had no litigation and/or judgments entered against it by any local, state or federal entity and has had no litigation and/or judgments entered against such entities during the past ten (10) years.
- ☐ The undersigned proposer, by attachment to this form, submits a summary and disposition of individual cases of litigation and/or judgments involving the proposer entered by or against any local, state or federal entity, by any state or federal court, during the past ten (10) years.

Failure to check the appropriate blocks above may result in disqualification of your proposal. Likewise, failure to provide documentation of a possible conflict of interest, or a summary of past litigation and/or judgments, may result in disqualification of your proposal.

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COMPANY NAME

---

AUTHORIZED SIGNATURE

---

NAME (PRINT OR TYPE)

---

TITLE

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**APPENDIX F - FEE SCHEDULE FORM RFP No. 2022-01-AUD**

The contractor shall provide all labor, equipment, manpower and other resources necessary to provide the services in strict accordance with the scope of services, defined in this solicitation for the amounts specified in this Fee Schedule Form. Contract payments will be based on the hourly rate and position classification/titles listed below. Payments made will be limited to the percentage completed as noted in Section 4.C.

**Fees**

- I. Contractor's not-to-exceed fee for professional services for first year of contract.

Contractor's not-to-exceed estimate of travel expenses (reimbursed in accordance with Section 112.061, Florida Statutes.

Total contractor's not-to-exceed fee for first year of contract.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- II. Schedule of hourly rates by classification:

Classification/Title	Rate
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**APPENDIX G - CIGNA CONTRACT**

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**Administrative Services Only Agreement**

**By and Between**

**Orange County Board of County Commissioners  
"Employer"**

**And**

**Cigna Health and Life Insurance Company  
"CHLIC"**

**Effective Date: January 1, 2019**

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**CONTRACT Y18-1000**

**THIS AGREEMENT**, effective January 1, 2019 (the “**Effective Date**”) is by and between Orange County Board of County Commissioners (“**Employer**”) and Cigna Health and Life Insurance Company (“**CHLIC**”).

**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 (for its own internal purposes, CHLIC identifies Employer’s account by the following number: 3337200.

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

**Definitions**

**Agreement** – this entire Administrative Services Agreement including the Schedule of Financial Charges and all Exhibits, and CHLIC's Proposal dated March 21, 2018 and submitted in response to Employer's Request for Proposal Y18-1000 (the “**Proposal**”), which is incorporated as if fully set forth herein.

**Applicable Law** – means the state, federal and international laws and regulations that apply. Applicable Law includes but is not limited to the Employee Retirement Income Security Act of 1974, as amended and the rules and regulations thereunder (“**ERISA**”), the Health Insurance Portability and Accountability Act of 1996, as amended and the rules and regulations thereunder (“**HIPAA**”), the Patient Protection and Affordable Care Act (“**PPACA**”), 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 CHLIC in its name on behalf of and for the benefit of the Employer.

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

**Medical Benefits Booklet (MBB)** – The document provided to Participants describing the terms and conditions of coverage offered under the plan.

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

**Most Favored Nation Status** – Payments which CHLIC makes for Plan Benefits are guaranteed to be as favorable as payments made for other CHLIC clients’ Plan Benefits, whether fully insured or self-insured, provided that such other clients are enrolled in CHLIC networks that are the same as Employer’s.

**Participating Employers** – Those employers who are parties to certain inter-local agreements with Employer and pursuant to which such employers participate 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.

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**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 but not processed prior to termination of this Agreement; termination of a Plan benefit option or eligible Members, as applicable.

**Standard of Care** - In providing all services set forth in this Agreement, CHLIC shall use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent claims administrator/fiduciary acting in a like capacity and familiar with such matters would use under similar circumstances.

**Zero Balance Due Claims** – Claims that are of no cost to Employer.

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

This Agreement is effective on the Effective Date and shall remain in effect for an initial term of sixty (60) months or until the earliest of the following dates:

- i. The date which is at least one hundred eighty (180) days from the date that either Party provides written notice to the other Party 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. Either party is in material breach of this Agreement and does not correct the breach within thirty (30) days after receipt of written notification by the other party; provided, however, that any insufficiency of funds in the Bank Account shall be cured by the Employer within three (3) business days of Employer’s receipt of CHLIC’s written notice of such insufficiency;
- iv. Any other date mutually agreed upon by the Parties.
- v. This Agreement may be renewed, by mutual agreement, for additional periods up to a cumulative total of ten (10) years. Any change in price, terms or conditions shall be accomplished by written amendment to this Agreement.
- vi. During the initial sixty (60) month term (or shorter period, as applicable under (i), (ii), (iii) or (iv) above), CHLIC will continue to be the exclusive provider of Pharmacy Benefit administration services for the Plan’s Pharmacy Benefit unless the County provides written notification to CHLIC otherwise. Upon such notification, CHLIC will have the right to negotiate adjustments to the rates, guarantees, administrative fees and/or rebates for pharmacy benefits.

This Agreement may be renewed after the initial term, with the consent of both parties, for five optional twelve (12) month terms.

**Section 2. Claim Administration, Pharmacy Benefit Administration, Health Savings Account Banking 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 and the County's MBB (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 in accordance with Most Favored Nation Status; 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. In addition, CHLIC shall provide other services as listed in this Agreement and all attachments including Exhibit B.
- b. Following (i) termination of this Agreement, except pursuant to Section 1 (iii); (ii) termination of Plan benefit option or (iii) termination of eligible Members, if the required fees have been paid in full, if any, CHLIC shall process Run-Out Claims for the applicable Run-Out Period (See Schedule of Financial Charges for applicable fees and Run-Out Period). At the termination of any applicable Run-Out Period, CHLIC shall cease processing Run-Out Claims and, subject to the requirements of Section 6.g, 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 proprietary information to Employer or any other party unless required by Applicable Law.
- c. Employer hereby delegates to CHLIC the authority, responsibility and discretion to determine coverage under the Plan based on the eligibility and enrollment information provided to CHLIC by Employer. Employer also hereby delegates to CHLIC the authority, responsibility and discretion to (i) make factual determinations and to interpret the provisions of the Plan to make coverage determinations on claims for Plan Benefits, (ii) conduct a full and fair review of each claim which has been denied as required by ERISA, (iii) decide level one mandatory appeals of "Urgent Care Claims" (as that term is defined in ERISA), and (iv) conduct both mandatory levels of appeal determinations for all "Concurrent", "Pre-service" and "Post-service" claims (as those terms are defined under ERISA) and notify the Member or the Member's authorized representative of its decision. 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.
- e. As part of the Plan Benefits provided under this Agreement, CHLIC and Employer agree that CHLIC will provide the Pharmacy Benefit (as defined in Appendix A) services described in Appendix A and the Schedule of Financial Charges, if any (the "Pharmacy Benefit Provisions"). In the event of any conflict between the terms set forth in the Pharmacy Benefit Provisions and any other terms set forth in this Agreement, including Exhibits hereto, the Pharmacy Benefit Provisions shall control solely with respect to the Pharmacy Benefit services.

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

- a. CHLIC, on behalf of Employer shall establish a Bank Account, and maintain in the Bank Account an amount sufficient at all times to fund checks written on it for the following (collectively "**Bank Account Payments**"): (i) Plan Benefits; (ii) those charges and fees identified in the Schedule of Financial Charges as payable through the Bank Account; and (iii) any sales or use taxes, or any similar benefit- or Plan-related charge or assessment however denominated, which may be imposed by any governmental authority. The mechanism and frequency of funding of the Bank Account shall be mutually agreed upon by Employer and CHLIC. Bank Account Payments may include without limitation: (i) capitated (i.e. fixed per person) payments to Participating Providers; (ii) amounts owed to CHLIC; and (iii) amounts paid to CHLIC's affiliates and/or subcontractors for,

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among other things, network access or in- and out- of network health care services/products provided to Members such payments are subject to detailed disclosure to Employer by payment category. CHLIC may credit the Bank Account with payments due Employer under a stop loss policy issued by CHLIC or an affiliate.

- b. CHLIC, as agent for the Employer, shall make Bank Account Payments from the Bank Account, in the amount CHLIC reasonably determines to be 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 such insufficiency and shall cease to process claims for Plan Benefits including Run-Out Claims until such time as the Employer cures the Bank Account insufficiency, subject to and in accordance with Section 1.iii of this Agreement.
- 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 responsible for reimbursing any unrecovered payments of Plan Benefits provided that CHLIC used the Standard of Care in making such payments. If the County becomes aware of such instances, the County can require CHLIC to provide evidence that reasonable steps were undertaken to recover the overpayment of benefits.
- 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. 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.
- f. The Employer's performance and obligation to pay under this Agreement is contingent upon an annual appropriation for its purpose by the Board of County Commissioners or other specified funding source for this procurement.

This Section 3 shall survive termination of this Agreement.

**Section 4. Charges**

- a. Charges. The Employer will generate a "Self-billed" Invoice monthly for all charges Employer is obligated to pay under this Agreement that are not paid as Bank Account Payments, in accordance with the Schedule of Financial Charges. Charges and fees for the Administration of the Medical and Pharmacy Plans under this Agreement shall be based on the snapshot method which is the total number of Participating Employee Members that are enrolled the prior month using the last weekly electronic eligibility file sent to CHLIC for any month. This includes the files sent for each of the Participating Employers', Participating Employee Members using their last weekly electronic eligibility files sent to CHLIC for any month. CHLIC will generate an invoice in its system based on the same eligibility files and dates. The Employer will send payments based on the "Self-billed" Invoice along with supporting documentation. Payments of all charges shall be due within sixty (60) days of the date of the "Self-billed" Invoice. Payments received after they are due, shall be subject to the provisions of Chapter 218 of the Florida Statutes. CHLIC will track any differences between the Employer's "Self-billed" Invoice and CHLIC's system generated invoice. The Employer and CHLIC agree that CHLIC will "write-off" any balance due or credit owed at the end of each policy year that is under \$1,000.

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- b. Retroactive Member Changes and Terminations. Employer shall remain responsible for all charges and Bank Account Payments incurred or charged through the date CHLIC processed 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 format 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 CHLIC's standard timeframe and format, CHLIC shall have no liability under this Agreement for any act or omission by CHLIC, or its employees, affiliates, subcontractors, agents or representatives, directly or indirectly caused by such failure. CHLIC will, however, process retroactive eligibility adjustments as described in Section 4.b. above.
- c. Reconciliation of Eligibility and Information and Default Terminations. CHLIC will weekly share potential discrepancies in eligibility information with Employer. Employer will review and reconcile any discrepancies within thirty (30) days of receipt. If Employer fails to timely do so, CHLIC may terminate coverage for any Member not listed as eligible in Employer's submitted eligibility information

**Section 6. Audits and Confidentiality**

- a. Claim Audit. Employer 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 shall provide CHLIC forty-five (45) days advance written request for audit from the later 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 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 five thousand (5,000) or more employees who are 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).

**Client Name: Orange County Board of County Commissioners**  
**Administrative Services Only Agreement**

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- iii. Auditor will review payment documents relating to a random, statistically valid sample of four hundred (400) 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. Any claim adjustments will be based upon the actual claims reviewed and not upon statistical projections or extrapolations.
  - iv. Auditor may review funding and payment of Plan Benefits as identified in Section 3.a.
- b. Focused Audit. In lieu of 6.a.iii above, Employer may annually conduct a risk-based or focused audit (“**Focused Audit**”), which shall be subject to the notice, Claim Audit Agreement and other provisions of Section 6.a.i. and ii. The scope of such Focused Audit may include payment documents relating to a focused, targeted or risk-based review of a sample of not more than four hundred (400) claims paid during the two prior Plan years and not previously audited (the “**Focused Audit**”). The Focused Audit may include claims prone to overpayments or other errors without regard to claims prone to underpayments.
- c. Audit of Contract Compliance. Employer may also annually conduct an audit of CHLIC and when applicable, its Affiliates, and require CHLIC to audit its applicable subcontractors, as provided for in CHLIC’s agreements with such applicable subcontractors, to determine compliance with the terms of this Agreement related to Hospital Bill Audits, fraud and abuse investigations, subrogation recoveries and similar Claim Administration services set forth in Exhibit B, Services (“**Audit of Contract Compliance**”), which shall be subject to the notice, Claim Audit Agreement and other provisions of Section 6.i. and ii. The scope of such Audit of Contract Compliance may include documents that are reasonably and directly related to the performance of such Services and related to claims paid during the two prior Plan years and not previously audited.
- d. Rebate Audits. Employer may, to the extent specified below, in accordance with the following requirements, and at no additional charge while this Agreement is in effect, audit CHLIC’s Rebate payments subject to the following conditions:
- (a) Employer shall designate with an independent, third party auditor to conduct the audit (the “**Auditor**”).
  - (b) The Auditor may audit records directly related to CHLIC’s performance of its obligations hereunder regarding Rebates once in each twelve (12)-month period upon the following conditions: (1) Employer shall provide at least forty-five (45) days written notice to CHLIC; (2) a mutually agreed upon nondisclosure/nonuse contract shall be executed by Employer, the Auditor and CHLIC; (3) the records to be audited shall be no more than two years old as of the date of the audit; (4) the scope of records to be audited shall be as mutually agreed upon by the Auditor and CHLIC as those which are necessary to determine compliance with the Rebate-sharing obligations under this Agreement; (5) the audit shall be conducted at a mutually acceptable time during regular business hours at CHLIC’s office where such records are located; (6) records shall not be removed or photocopied without CHLIC’s express written consent; (7) the Auditor shall provide its audit report to CHLIC and Employer at or about substantially the same time; and (8) the Auditor may disclose the aggregate amount of Rebates due Employer but no other details of CHLIC’s manufacturer contracts of which the Auditor is apprised, if any.
- e. Financial Guarantee Reconciliation Audits.
- (a) Employer may, to the extent specified below and at no additional charge, audit such information that is related to CHLIC’s pricing guarantees to determine whether CHLIC has met its contractual obligations hereunder once every Plan year (but not within six (6) months of a prior audit).

- (b) Any such audit shall be subject to the following conditions: (1) the audit may take place while this Agreement is in effect or within one (1) year after the termination or expiration of this Agreement; (2) such audit may cover up to two prior contract years to the extent such prior contract years have not previously been audited; (3) Employer shall provide CHLIC with forty-five (45) days' advance written request for the audit; (4) Employer shall select an independent, third party auditor to conduct the audit (the "Auditor"), and the individuals(s) employed or contracted to perform the audit shall not have a conflict of interest that could reasonably diminish their impartiality; (5) Employer shall be responsible for its Auditor's costs, and CHLIC will be responsible for its costs in connection with the audit; (6) the audit shall be conducted in accordance with the terms hereof and a pharmacy Claim Audit Agreement, a sample of which is attached hereto as Exhibit C2, which shall be signed by CHLIC, Employer, and the Auditor prior to the start of such audit; (7) any adjustments resulting from the audit will be based upon the actual Claims reviewed and not upon statistical projections or extrapolations, as the Auditor will be furnished with 100% of the paid Claims processed during the applicable contract period for purposes of the audit; (8) the Auditor shall provide the audit report to the Employer and CHLIC at or about substantially the same time; (9) CHLIC will respond to any audit report issued by the Auditor within thirty (30) days of the issuance of same; and (10) CHLIC will reconcile mutually agreed upon amounts due to Employer within a reasonable period of time following mutual agreement regarding any amount due to the Employer.
- f. If Employer designates a third party auditor (the "Auditor") to conduct the audit and CHLIC objects to the Auditor, CHLIC will communicate to Employer, to the extent permitted by law, the specific and valid concerns associated with the Auditor. Employer shall consult with CHLIC regarding the objection and shall not unreasonably refuse to respond to the concerns related to the Auditor. Employer agrees that CHLIC shall not be required to permit, on its premises, an Auditor that CHLIC has reasonably identified as a threat to the workplace safety or security or as a disruption to CHLIC's business operations.
- g. Confidentiality
- i. Subject to the requirements of Applicable Law, the terms of this Agreement and the Privacy Addendum in Exhibit D, a signed Business Associate agreement between Employer and its designee, and a signed Confidentiality Agreement by applicable 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. To the extent permitted by Florida law, Employer agrees that Employer and its designees 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. In the event Employer receives a request pursuant to Florida public records laws for any information related to this Agreement, Employer agrees to provide CHLIC written notice within five business days of receiving such a request, subject to the restrictions indicated in F.S. 119.
- ii. CHLIC will maintain the confidentiality of all Protected Health Information in its possession in accordance with the Privacy Addendum in Exhibit D and any applicable state privacy laws.
- h. Upon termination of this Agreement and subject to the provisions of Section 6.g above, CHLIC shall make information available to the extent administratively feasible if the Parties agree upon the charge to be paid by Employer.

This Section 6 shall survive termination of this 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. Except as provided in Section 7.c below, Employer is responsible for reimbursing CHLIC, its directors, officers and employees for any reasonable expense incurred (including reasonable attorneys' fees) by them in the defense of any action or proceeding involving a claim for Plan Benefits however, nothing contained herein shall be construed to constitute a waiver by Employer of sovereign immunity or the provisions of Section 768.28, Florida Statutes. CHLIC shall reasonably cooperate with Employer in its defense of such actions.
- 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, or escheat law, with respect to Plan Benefits and any penalties and/or interest thereon.
- c. **Alternative Litigation Management Option.** Prior to the beginning of each Plan Year, and contingent upon timely payment by Employer of the associated additional "Claim Litigation Charge" set forth in the Schedule of Financial Charges, Employer may elect to have CHLIC assume responsibility for the management of any claim-related legal action and bear the legal expenses associated with defending such action so long as CHLIC processed the claim(s) in dispute. Each Party will provide notice to the other of any action and will fully cooperate in the defense of the action unless a potential conflict of interest exists. Nothing in this paragraph (c) shall be read to contravene the explicit terms of 7(a) and 7(b). Employer shall remain responsible for payment of any benefits determined due under the Plan and any damages or penalties assessed in connection with the action.

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

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

- a. CHLIC shall notify Employer of any revisions of the charges identified in this Agreement (i) upon any modification or amendment of the benefits under the Plan, (ii) upon any change in law or regulation that materially impacts CHLIC's liabilities and/or responsibilities under this Agreement and/or (iii) upon any variation of ten percent (10%) or more in the number of Members used by CHLIC to calculate its charges under this Agreement. The Parties shall negotiate in good faith to reach agreement on revised charges to maintain the relative economic position of the Parties 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. All such changes shall be mutually agreed to in writing by the Parties.

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

This Agreement constitutes the entire contract between the Parties regarding the subject matter herein. In the event of an ambiguity in the provisions of this Agreement or a conflict between the provisions of the Administrative Services Agreement with the provisions of the Proposal, the following shall be the order of priority for resolving such ambiguity or conflict. To the extent that a service, product, duty or responsibility is described in the Administrative Services Agreement, the Administrative Services Agreement shall control; to the extent that a service, product, duty or responsibility is not described in the Administrative Services Agreement but is described in the Proposal, the Proposal shall control, except as otherwise provided herein, the provisions of this Agreement shall control in the event of a conflict with the terms of any other agreements. No modification or amendment hereto shall be valid unless in writing and signed by an authorized person of each of the Parties.

**Section 10. Laws Governing Contract**

- a. This Agreement shall be construed in accordance with the laws of the State of Florida without regard to conflict of law rules. Venue shall be in the Ninth District Court in and for Orange County, Florida.
- b. The Parties shall perform their obligations under this Agreement in conformance with all Applicable Laws and regulatory requirements.

**Section 11. Information in CHLIC's 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). CHLIC will retain claim and payment information as required by Applicable Law.

**Section 12. Resolution of Disputes**

Any dispute between the Parties arising from or relating to the performance or interpretation of this Agreement ("Controversy") shall be resolved exclusively pursuant to the following mandatory 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, with full authority to resolve the dispute, shall meet and attempt to resolve the dispute.
- 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 American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Mediation ("Mediation"). The mediation shall be conducted in Orlando, 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.
- c. If the Controversy has not been resolved by Executive Review or Mediation, the Controversy shall be settled exclusively by binding arbitration. The arbitration shall be conducted in the same location as noted in Section 12.b. above, in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The arbitration shall be binding on the Parties to this Agreement and on any respective affiliates which joined in the arbitration. The arbitrator's decision shall be final, conclusive and binding, and no action at law or in equity may be instituted by either Party other than to enforce the arbitrator's award. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Each Party shall assume its own costs and attorneys' fees. The arbitrator's compensation and expenses and any administrative fees or costs associated with the arbitration proceeding shall be borne equally by the Parties.

This Section 12 shall survive termination of this Agreement.

**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 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**

The provisions of this Agreement are declared by the parties to be severable. However, the material provisions of this Agreement are dependent upon one another, and such interdependence is a material inducement for the parties to enter into this Agreement. Therefore, should any material term, provision, covenant or condition of this Agreement be held invalid or unenforceable, the party protected or benefited by such term or provision may demand that the parties negotiate such reasonable alternate contract language or provisions as may be necessary either to restore the protected party to its previous position or otherwise mitigate the loss of protection or benefit resulting from such holding.

**Section 17. Force Majeure**

CHLIC shall not 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 CHLIC, their employees, officers, or directors. Such contingencies include, but are not limited to, acts or omissions of any person or entity not employed or reasonably controlled by CHLIC, their employees, officers, or directors, acts of God, fires, wars, accidents, labor disputes or shortages, and governmental laws, ordinances, rules or regulations.

**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 assign any right, interest, or responsibility under this Agreement to its affiliates and/or subcontract specific obligations under this Agreement provided that CHLIC shall not be relieved of its obligations under this Agreement when doing so. CHLIC shall provide Employer with notification of CHLIC's key subcontractors prior to the Effective Date of this Agreement. During the term of this Agreement, to the extent that CHLIC changes or adds to its key subcontractors, CHLIC shall provide Employer with prompt notice of such change or addition. For purposes of this Section, "key subcontractor" is defined as those subcontractors having direct contact with Members.

**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:

**Client Name: Orange County Board of County Commissioners  
Administrative Services Only Agreement**

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To CHLIC:

Cigna Health and Life Insurance Company  
8505 East Orchard Rd  
Greenwood Village, CO 80111  
Attention: Christopher Iseminger, Underwriter Director

To Employer:

Orange County Board of County Commissioners  
400 E. South Street  
Orlando, FL 32801  
Attention: Carrie Mathes, Manager, Purchasing, and Contracts Division

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

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

Except, as necessary in the performance of their duties under this Agreement, 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.

**Section 21. Insurance Requirements**

CHLIC agrees to maintain on a primary basis and at its sole expense, at all times throughout the duration of this contract the following types of insurance coverage with limits and on forms (including endorsements) as described herein. These requirements, as well as Employer's review or acceptance of insurance maintained by CHLIC is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by CHLIC under this contract.

CHLIC shall require and ensure that each of its sub-Vendors/sub-Contractors providing services hereunder (if any) procures and maintains until the completion of their respective services, insurance of the types and to the limits specified herein.

Insurance carriers providing coverage required herein must be licensed to conduct business in the State of Florida and must possess a current A.M. Best's Financial Strength Rating of A- Class VIII or better.

*(Note: State licenses can be checked via [www.floir.com/companysearch/](http://www.floir.com/companysearch/) and A.M. Best Ratings are available at [www.ambest.com](http://www.ambest.com))*

**Required Coverage:**

1. Workers' Compensation - CHLIC shall maintain coverage for its employees with statutory workers' compensation limits, and no less than \$100,000 each incident of bodily injury or disease for Employers' Liability. Said coverage shall include a waiver of subrogation in favor of the Employer. Elective exemptions as defined in Florida Statute 440 will be considered on a case-by-case basis. CHLIC using an employee leasing company shall complete the Leased Employee Affidavit.
2. Commercial General Liability - CHLIC shall maintain coverage issued on the most recent version of the ISO form as filed for use in Florida or its equivalent, with a limit of liability of not less than \$1,000,000 (one million dollars) per occurrence. CHLIC further agrees coverage shall not contain any endorsement(s) excluding or limiting Product/Completed Operations, Contractual Liability, or Separation of Insureds. The General Aggregate limit shall either apply separately to this contract or shall be at least twice the required occurrence limit

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3. Professional Liability (if applicable)- CHLIC shall maintain professional liability (errors and omissions or medical malpractice) coverage with limits of not less than \$1,000,000 (one million dollars) per occurrence.

When a self-insured retention or deductible exceeds \$100,000 the Employer reserves the right to request a copy of CHLIC most recent annual report or audited financial statement. For policies written on a "Claims-Made" basis CHLIC agrees to maintain a retroactive date prior to or equal to the effective date of this contract. In the event the policy is canceled, non-renewed, switched to occurrence form, or any other event which triggers the right to purchase a Supplemental Extended Reporting Period (SERP) during the life of this contract CHLIC agrees to purchase the SERP with a minimum reporting period of not less than two years. Purchase of the SERP shall not relieve CHLIC of the obligation to provide replacement coverage.

For continuing service contracts renewal certificates shall be submitted upon request by either the Employer or its certificate management representative within fifteen (15) days of said request. The certificates shall clearly indicate that CHLIC has obtained insurance of the type, amount and classification as required for strict compliance with this insurance section.

Certificates shall specifically reference the respective contract number. The certificate holder shall read:

Orange County Board of County Commissioners  
c/o Purchasing and Contracts Division  
400 E. South Street  
Orlando, Florida 32801

**Section 22. Indemnification - CHLIC**

To the fullest extent permitted by law, CHLIC shall defend, indemnify, and hold harmless the Employer, its officials, agents, and employees from and against any and all claims, suits, judgments, demands, liabilities, damages, cost and expenses (including attorney's fees) of any kind or nature whatsoever arising directly or indirectly out of or caused in whole or in part by any act or omission of CHLIC or its sub-Vendor/subcontractors (if any), anyone directly or indirectly employed by them, or anyone for whose acts any of them may be liable; excepting those acts or omissions arising out of the sole negligence of the Employer.

## SIGNATURES

IN WITNESS WHEREOF, the Parties have caused this Agreement, and all Exhibits and Addenda to this Agreement, to be executed in duplicate and signed by their respective officers duly authorized to do so as of the dates given below. Employer executes as the authorized representative of the Plan with respect to the Privacy Addendum to this Agreement.

Dated at Jan 1, 2019

ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS

This 19th day of December 2018

By: 

Name:

Its

Duly Authorized

**Zulay V. Millan, CPPO, CPPB**  
Assistant Manager | Procurement Division  
Orange County Board of County Commissioners

Dated at Hartford, Connecticut

CIGNA HEALTH AND LIFE INSURANCE COMPANY

This 25th day of October, 2018

By: 

Name: Victoria A. Sirica

Its Contractual Agreement Unit Manager

Duly Authorized

## 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		Charges for	
		2022	2023
Medical	• Open Access Plus (OAP) with Care Management Preferred (All Plans)	\$3.25/employee/month	\$3.25/employee/month
Medical	• HSA Open Access Plus (OAP) with Care Management Preferred (All Plans)	\$3.25/employee/month	\$3.25/employee/month
MEDICAL NETWORK ACCESS FEE, UTILIZATION MANAGEMENT FEE AND OPTIONAL PROGRAM FEES			
		Charges for	
	Description	2022	2023
Medical	• OAP Access Fee	\$23.56/employee/month	\$23.56/employee/month
Medical	• HSA OAP Access Fee	\$23.56/employee/month	\$23.56/employee/month
CIGNA CHOICE FUND AND OTHER CONSUMER DIRECTED ACCOUNT ADMINISTRATION SERVICES AND CHARGES			
		Charges for	
	Description	2022	2023
	• Cigna Choice Fund Health Savings Account (HSA) HDHP Plan Design Administration	\$3.09/employee/month	\$3.09/employee/month
	• HSA Banking Account Administration		
	Total Charge of \$3.09/employee/month for HSA Banking Fee includes \$1.85 Unaffiliated Account Holder fee below. Additional charge to personal account for paper statements (see Exhibit F).		
	* Active employees who are enrolled in the HSA HDHP plan and who subsequently dis-enroll from the HSA HDHP plan may continue to be eligible to be HSA Account Holders, but will be Unaffiliated HSA Account Holders.		
	• HSA Banking Account Administration	\$1.85/Unaffiliated Account Holder/month	\$1.85/Unaffiliated Account Holder/month

MULTI-YEAR CHARGES/FEEES		
For the "Medical Administration Charges", "Medical Network Access Fees, Utilization Management Fee and Optional Program Fees" and "Cigna Choice Fund and Other Consumer Directed Account Administration Services and Charges" sections identified above, the charges/fees identified therein are guaranteed for the contract year stated therein provided, however, that CHLIC may revise the above charges/fees pursuant to Section 8.a of this Agreement.		
ASO FEE CREDIT		
CHLIC shall make available to Employer a fund valued at two (2) months of ASO fees with the beginning of plan year 2019. The value of the fee credit shall not exceed \$450,000 and shall be applied against the billed Medical Administration Charges and Medical Network Access Fees beginning with the calendar month of January 2019.	The value	Included at No Additional Charge
The Employer acknowledges and agrees that CHLIC is making the fund available on the condition that Employer does not terminate the Agreement prior to December 31, 2019. In the event the Employer terminates the Agreement prior to December 31, 2019, Employer shall reimburse CHLIC the entire fund amount stated above.		
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 fixed per person payments and pay-for-performance payments to Participating Providers), governmental taxes or assessments.		
CIGNA PHARMACY BENEFIT MANAGEMENT SERVICES CHARGES AND RELATED PROVISIONS		
PHARMACY ADMINISTRATION FEE		
<ul style="list-style-type: none"> <li>Cigna Pharmacy Product Administration Fee, only if applicable, is separate from the Medical Administration Charge shown above, but included on same billing line as the Medical Administration Charge for billing purposes only.</li> </ul>		

**FINANCIAL GUARANTEES FOR DRUGS COVERED UNDER THE PLAN'S PHARMACY BENEFIT**

**Covered Drugs Dispensed by Cigna Home Delivery Pharmacy:** CHLIC will guarantee the following charges for Covered Drugs dispensed by Cigna Home Delivery Pharmacy, subject to the provisions in the section titled "PBM Pricing – Additional Provisions":

***Effective January 1, 2019 through December 31, 2019***

**Brand Drug Claims:** For all Cigna Home Delivery Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 28.00%.

**Generic Drug Claims:** For all Cigna Home Delivery Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 78.60%.

**Dispensing Fees for Drug Claims:** For all Cigna Home Delivery Pharmacy Brand Drug Claims and Generic Drug Claims the Employer's guaranteed average annual Dispensing Fee will be \$0.00.

***Effective January 1, 2020 through December 31, 2020***

**Brand Drug Claims:** For all Cigna Home Delivery Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 28.00%.

**Generic Drug Claims:** For all Cigna Home Delivery Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 79.50%.

**Dispensing Fees for Drug Claims:** For all Cigna Home Delivery Pharmacy Brand Drug Claims and Generic Drug Claims the Employer's guaranteed average annual Dispensing Fee will be \$0.00.

***Effective January 1, 2021 through December 31, 2021***

**Brand Drug Claims:** For all Cigna Home Delivery Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 28.00%.

**Generic Drug Claims:** For all Cigna Home Delivery Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 80.50%.

**Dispensing Fees for Drug Claims:** For all Cigna Home Delivery Pharmacy Brand Drug Claims and Generic Drug Claims the Employer's guaranteed average annual Dispensing Fee will be \$0.00.

***Effective January 1, 2022 through December 31, 2022***

**Brand Drug Claims:** For all Cigna Home Delivery Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 28.00%.

<p><b>Generic Drug Claims:</b> For all Cigna Home Delivery Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 80.5%.</p> <p><b>Dispensing Fees for Drug Claims:</b> For all Cigna Home Delivery Pharmacy Brand Drug Claims and Generic Drug Claims the Employer's guaranteed average annual Dispensing Fee will be \$0.00.</p> <p><i>Effective January 1, 2023 through December 31, 2023</i></p> <p><b>Brand Drug Claims:</b> For all Cigna Home Delivery Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 28.00%.</p> <p><b>Generic Drug Claims:</b> For all Cigna Home Delivery Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 80.50%.</p> <p><b>Dispensing Fees for Drug Claims:</b> For all Cigna Home Delivery Pharmacy Brand Drug Claims and Generic Drug Claims the Employer's guaranteed average annual Dispensing Fee will be \$0.00.</p>
<p><b>Covered Drugs Dispensed by Retail Pharmacies in 30-day* supplies:</b> CHLIC will guarantee the following charges for Covered Drugs dispensed by Retail Pharmacies in 30-day supplies, subject to the provisions in the section titled "PBM Pricing – Additional Provisions":</p> <p><i>*For the purposes of reconciliation, a 30-day supply means any Covered Drug dispensed by a Retail Pharmacy in an amount less than an 83-day supply.</i></p> <p><i>Effective January 1, 2019 through December 31, 2019</i></p> <p><b>Brand Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 21.75%.</p> <p><b>Generic Drug Claims:</b> For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 76.20%.</p> <p><b>Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual dispensing fee will be \$0.45.</p> <p><i>Effective January 1, 2020 through December 31, 2020</i></p> <p><b>Brand Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 21.75%.</p> <p><b>Generic Drug Claims:</b> For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 77.05%.</p> <p><b>Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual dispensing fee will be \$0.45.</p> <p><i>Effective January 1, 2021 through December 31, 2021</i></p>

<p><b>Brand Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 21.75%.</p> <p><b>Generic Drug Claims:</b> For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 77.80%.</p> <p><b>Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual dispensing fee will be \$0.45.</p> <p><i>Effective January 1, 2022 through December 31, 2022</i></p> <p><b>Brand Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 21.75%.</p> <p><b>Generic Drug Claims:</b> For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 77.80%.</p> <p><b>Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual dispensing fee will be \$0.45.</p> <p><i>Effective January 1, 2023 through December 31, 2023</i></p> <p><b>Brand Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 21.75%.</p> <p><b>Generic Drug Claims:</b> For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 77.80%.</p> <p><b>Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual dispensing fee will be \$0.45.</p>	<p><b>Covered Drugs Dispensed by Retail Pharmacies in 90-day** supplies:</b> CHLIC will guarantee the following charges for Covered Drugs dispensed by Retail Pharmacies in 90-day supplies, subject to the provisions in the section titled "PBM Pricing – Additional Provisions":</p> <p><b>*For the purposes of reconciliation, a 90-day supply means any Covered Drug dispensed by a Retail Pharmacy in an amount equal to or greater than an 83-day supply</b></p> <p><i>Effective January 1, 2019 through December 31, 2019</i></p> <p><b>Brand Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 23.00%.</p> <p><b>Generic Drug Claims:</b> For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 78.60%.</p> <p><b>Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual Dispensing Fee will be \$0.00.</p>
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***Effective January 1, 2020 through December 31, 2020***

**Brand Drug Claims:** For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 23.00%.

**Generic Drug Claims:** For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 79.50%.

**Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:** For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual Dispensing Fee will be \$0.00.

***Effective January 1, 2021 through December 31, 2021***

**Brand Drug Claims:** For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 23.00%.

**Generic Drug Claims:** For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 79.50%.

**Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:** For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual Dispensing Fee will be \$0.00.

***Effective January 1, 2022 through December 31, 2022***

**Brand Drug Claims:** For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 23.00%.

**Generic Drug Claims:** For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 80.50%.

**Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:** For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual Dispensing Fee will be \$0.00.

***Effective January 1, 2023 through December 31, 2023***

**Brand Drug Claims:** For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed average annual discount will be AWP minus 23.00%.

**Generic Drug Claims:** For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed average annual discount will be AWP minus an average discount of 80.50%.

**Dispensing Fees for Both Brand Drug Claims and Generic Drug Claims:** For all Retail Pharmacy Brand Drug Claims and Generic Drug Claims, the Employer's guaranteed average annual Dispensing Fee will be \$0.00.

**AGGREGATE SPECIALTY DRUG DISCOUNT**

CHLIC shall guarantee an aggregate annual average discount of 17.25%\* off AWP for covered Specialty Drug prescriptions dispensed by Retail Pharmacies and Cigna Home Delivery Pharmacy. CHLIC's performance will be measured based on analysis of Plan-specific utilization for the contract year.

Aggregate Specialty Drug Discount	Aggregate Annual Average Discount*
1/01/2019 – 12/31/2019	17.25%
1/01/2020 – 12/31/2020	17.25%
1/01/2021 – 12/31/2021	17.25%
1/01/2022 – 12/31/2022	17.25%
1/01/2023 – 12/31/2023	17.25%

## RECONCILIATION OF PHARMACY BENEFIT MANAGEMENT FINANCIAL GUARANTEES

**Pricing Guarantee Calculation.** The following calculation will be performed on an aggregated basis for all paid Claims for Covered Drugs processed during the applicable contract year in order to reconcile against the average annual ingredient cost discount guarantees set forth above:

1 – [(the total ingredient cost charged to the Employer prior to application of the Plan’s Member cost-share requirements)/(the total AWP) for all Covered Drugs]

For the purposes of the pricing guarantee calculation, the total ingredient cost shall include the ingredient cost for a Covered Drug for which a Member pays 100%.

**Pricing Guarantee Exclusions.** The following Claims or products shall be excluded from the calculation of any pricing guarantee set forth in this Agreement:

- Compound Drugs
- Specialty Drugs, unless otherwise noted in the Schedule of Financial Charges.
- Claim reversals
- Products identified as prescriptions covered under the federal 340B drug pricing program
- Products filled through Pharmacies not participating in the network accessed by Employer under this Agreement (including a contracted pharmacy that does not participate in a sub-network or preferred network tier).
- Claims paid at the Retail Pharmacy’s U&C Charge.
- Zero Balance Due Claims

## RECONCILIATION AND OFFSETS REGARDING FINANCIAL GUARANTEES

CHLIC will report on the guaranteed amounts within 180 days following the end of each contract year. Upon reconciliation, CHLIC’s performance with respect to each performance or discount guarantee offered under this Agreement will be individually measured and reconciled. CHLIC’s performance with respect to performance or discount guarantees shall not be reconciled in the aggregate.

## PBM PRICING – ADDITIONAL PROVISIONS

- The amount paid by CHLIC to the Retail Pharmacy for Claims for Covered Drugs may or may not be equal to the amount charged to Employer and/or Member, and CHLIC will absorb or retain any difference. This provision shall be consistent with Florida House Bill 351 (2018) as it relates to prescription drug pricing transparency.
- For a specific Claim for a Covered Drug, and after application of any Plan cost-share requirements, CHLIC shall charge the Employer the lowest of:
  - (1) Gross Drug Cost (whether calculated as a discount off of the Covered Drug’s AWP or a MAC); and
  - (2) U&C Charge, as applicable.
- For a specific Claim for a Covered Drug, CHLIC shall charge the Member the lowest of:

(1) Gross Drug Cost (whether calculated as a discount off of the Covered Drug's AWP or a MAC):

(2) U&C Charge, as applicable; and

(3) The applicable flat dollar Plan copayment for the Covered Drug, if any.

- Unless specifically noted herein, the discounts to Employer for Covered Drugs set forth in this Agreement are not guaranteed to result in an average aggregate discount off the aggregate AWP of all such Covered Drugs.
- Any pricing guarantees, including any ingredient cost discount or Dispensing Fee guarantee, set forth in this Agreement shall be rendered null and void in the event Employer terminates CHLIC's administration of the Pharmacy Benefit prior to completion of the then-current Plan Year.
- CHLIC may, upon written notice to Employer, adjust any or all of the fees, Rebates (if any), discounts or guarantees (if any) in this Agreement to the extent reasonably necessary to preserve the economic value of this Agreement as it existed immediately prior to any of the following events or changes: (a) there are any significant changes in the composition of the CHLIC pharmacy network utilized by Employer hereunder or in such pharmacy network's contract compensation rates, or the structure of the pharmacy stores/chains/vendors that are contracted with CHLIC, 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, CHLIC 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 CHLIC's rebate program is administered or an existing law is interpreted so as to materially affect or potentially have a material effect on CHLIC's administration of the Plan; or (e) 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 event occurs; or (f) there is a material change in the Plan that is initiated by Employer (and which CHLIC agrees to administer) such as a change in Formulary selection or network, or Employer fails to disclose a material feature of the Plan or the Plan's Pharmacy Benefit.

### DRUG MANUFACTURER-PAYMENT SHARING

Subject to the caveats below, CHLIC will remit to Employer the following portion of Rebates that CHLIC collects with respect to utilization of Covered Drugs under the Plan's Pharmacy Benefit:

The greater of: 100% of Rebates on such utilization dispensed in the full calendar year immediately preceding CHLIC's remittance; or the sum of \$156.36 multiplied by the number of Retail Pharmacy Brand Drug Claims dispensed in a 30-day supply\*, plus \$351.82 multiplied by the number of Retail Pharmacy Brand Drug Claims dispensed in a 90-day\*\* supply, plus \$1,414.15 multiplied by the number of Cigna Home Delivery Pharmacy Brand Drug Claims\*\*\* processed in such full calendar year.

	Retail Pharmacy Brand Drug Claims – 30 day supply*	Retail Pharmacy Brand Drug Claims – 90 day supply**	Cigna Home Delivery Pharmacy Brand Drug Claims***
1/01/2019 – 12/31/2019	\$156.36	\$351.82	\$1,414.15
1/01/2020 – 12/31/2020	\$175.24	\$394.30	\$1,599.15
1/01/2021 – 12/31/2021	\$196.60	\$441.90	\$1,882.17
1/01/2022 – 12/31/2022	\$196.60	\$441.90	\$1,882.17
1/01/2023 – 12/31/2023	\$196.60	\$441.90	\$1,882.17

#### Caveats:

- (1) Upon termination of this Agreement, CHLIC may use Rebates otherwise payable to Employer to offset payable Bank Account Payments or other payable fees or charges identified in this Agreement. CHLIC may also use Rebates otherwise payable to Employer to offset any stop-loss reimbursement payments payable by CHLIC or its affiliate to Employer under a stop-loss policy issued to Employer.
- (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, and any Rebate minimum guarantees shall be null and void, as payments of Rebates is conditioned on CHLIC exclusively administering the Pharmacy Benefits for the entire Plan Year.
- (3) 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.
- (4) Rebates are not paid out on Run-Out Claims, on Claims for pharmaceutical products covered under the federal 340B drug pricing program, on pharmaceutical products or supplies covered under the Plan's medical benefit or Compound Drugs.
- (5) CHLIC or its agent contracts with drug manufacturers on CHLIC's own behalf, and not as agent of the Employer or the Plan.
- (6) The Rebate minimum guarantees, if any, set forth in this Schedule of Financial Charges are, among any other conditions communicated in this Agreement or otherwise in writing to Employer, contingent on Employer's Pharmacy Benefit applying a 90-day supply limit for Specialty Drugs. In the event that Employer has adopted, or adopts, a 30-day supply limit for Specialty Drugs, CHLIC shall revise the stated Rebate minimum guarantees, if any, to the extent necessary to reflect CHLIC's revised estimate of Rebates it may collect on Specialty Drugs utilized under the Pharmacy Benefit.

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

GENERIC DISPENSING RATE		
Retail	<p>The number of covered Retail Equivalent Generic Drug Claims (including single-source generics notwithstanding any other provision herein) divided by the total number of all covered Retail Equivalent Brand Drug Claims and covered Retail Equivalent Generic Drug Claims dispensed to Members under the Plan's Pharmacy Benefit by CHLIC's contracted Retail Pharmacies during the applicable annual period, expressed as a percentage, will equal or exceed 89.10%* ("Target Retail GDR") during the applicable annual period. Supplies, such as diabetic testing supplies, dispense as written claims, over the counter products, vaccines, compounds, and Specialty Drug Claims, are not considered Retail Equivalent Generic Drug Claims or Retail Equivalent Brand Drug Claims and will be excluded from the calculation. If the actually achieved GDR with respect to covered Retail Equivalent Brand Drug Claims and covered Retail Equivalent Generic Drug Claims dispensed by CHLIC's contracted Retail Pharmacies falls below the applicable Target Retail GDR, CHLIC will pay Employer a dollar-for-dollar adjustment for each percentage point by which the actually achieved GDR falls below the applicable Target Retail GDR, up to an aggregate maximum payment of \$610,000.00**. A shortfall in achieving the Target Retail GDR will be offset by an overage in achieving the Target Mail GDR (assuming this Agreement includes a separate Target Mail GDR), before any penalty is determined with respect to the Target Retail GDR shortfall. "Retail Equivalent Claims" shall mean a method for counting claims, where claims with days' supply equal to or less than thirty-three (33) are counted as one claim and claims with days' supply equal to or greater than thirty-four (34) are counted as the number of days' supply divided by thirty (30).</p>	Included at No Additional Cost

Retail Generic Dispensing Rate	Target Retail GDR*	Aggregate Maximum**
1/01/2019 – 12/31/2019	89.10%	\$610,000.00
1/01/2020 – 12/31/2020	89.40%	\$610,000.00
1/01/2021 – 12/31/2021	89.70%	\$610,000.00
1/01/2022 – 12/31/2022	89.70%	\$610,000.00
1/01/2023 – 12/31/2023	89.70%	\$610,000.00

GENERIC DISPENSING RATE		
Mail	The number of covered Retail Equivalent Generic Drug Claims (including single-source generics notwithstanding any other provision herein) divided by the total number of all covered Retail Equivalent Brand Drug Claims and covered Retail Equivalent Generic Drug Claims dispensed to Members under the Plan's Pharmacy Benefit by CHLIC's Mail Service Pharmacy during the applicable annual period, expressed as a percentage, will equal or exceed 84.10%* ("Target Mail GDR") during the applicable annual period. Supplies, such as diabetic testing supplies, dispense as written claims, over the counter products, vaccines, compounds, and Specialty Drug Claims, are not considered Retail Equivalent Generic Drug Claims or Retail Equivalent Brand Drug Claims and will be excluded from the calculation. If the actually achieved GDR with respect to covered Retail Equivalent Brand Drug Claims and covered Retail Equivalent Generic Drug Claims dispensed by CHLIC's Mail Service Pharmacy falls below the applicable Target Mail GDR, CHLIC will pay Employer a dollar-for-dollar adjustment for each percentage point by which the actually achieved GDR falls below the applicable Target Mail GDR, up to an aggregate maximum payment of \$40,000.00**. A shortfall in achieving the Target Mail GDR will be offset by an overage in achieving the Target Retail GDR (assuming this Agreement includes a separate Target Retail GDR), before any penalty is determined with respect to the Target Mail GDR shortfall. "Retail Equivalent Claims" shall mean a method for counting claims, where claims with days' supply equal to or less than thirty-three (33) are counted as one claim and claims with days' supply equal to or greater than thirty-four (34) are counted as the number of days' supply divided by thirty (30).	Included at No Additional Cost

Mail Generic Dispensing Rate	Target Mail GDR*	Aggregate Maximum**
1/01/2019 – 12/31/2019	84.10%	\$40,000
1/01/2020 – 12/31/2020	84.80%	\$40,000
1/01/2021 – 12/31/2021	85.20%	\$40,000
1/01/2022 – 12/31/2022	85.20%	\$40,000
1/01/2023 – 12/31/2023	85.20%	\$40,000

CIGNA HOME DELIVERY PHARMACY DISCLOSURE		
	Product	Charge
Cigna Home Delivery Pharmacy (a CHLIC affiliated company)	<p>Specialty drugs dispensed by Cigna Home Delivery Pharmacy and administered under the Plan's medical benefit.</p> <p>Cigna Home Delivery Pharmacy and any other licensed pharmacy affiliate of CHLIC may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers and wholesale distributors. Cigna Home Delivery Pharmacy or any other licensed pharmacy affiliate of CHLIC contract for these arrangements on its own account in support of its pharmacy operations. These arrangements relate to services provided outside of this Agreement and other pharmacy benefit management arrangements and may be entered into without regard to whether a specific drug is on one of the formularies that CHLIC offers to entities like Employer that sponsor group health plans. Discounts and fee-for-service payments received by Cigna Home Delivery Pharmacy or any other licensed pharmacy affiliate of CHLIC are not part of the administrative fees or other charges paid to CHLIC in connection with CHLIC's services hereunder.</p> <p>This provision shall survive termination or expiration of the Agreement.</p>	The drug's charge under a national specialty drug discount schedule that generates a 12.5% annual average aggregate discount off AWP across specialty drug claims dispensed at Cigna Home Delivery Pharmacy to CHLIC's self-funded and insured group-client book of business.
FEES FOR PROCESSING RUN-OUT CLAIMS		
OAP and HSA OAP	Run-Out Period of twelve (12) months	No Additional Cost
Pharmacy Product	Run-Out Period of three (3) months for all pharmacy claims	No Additional Cost

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).	<p>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;</p> <p>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.</p>

### CHLIC MEDICAL COST CONTAINMENT FEES

CHLIC administers the programs listed below to contain costs with respect to charges for health care service/supplies that are covered by the Plan (the "Cost-Containment Programs"). In administering these Cost-Containment programs, CHLIC may contract with vendors to perform various Cost-Containment program related services. Vendor fees generally range from 7-11% of gross savings. Specific vendor fees are available upon request subject to execution of a mutually agreed upon non-disclosure agreement to protect the proprietary vendor fee information from unauthorized use/disclosure. CHLIC's charge for administering a Cost-Containment Program is the percentage indicated below of either: (1) the "gross savings" (i.e., the difference between the charge the provider would have made and the charge the provider actually made as a result of the Cost-Containment Program. Any applicable vendor fee is included in CHLIC's charge and paid to the vendor by CHLIC; or (2) the "net savings" (i.e., the gross savings less the applicable vendor fee). Any applicable vendor fee is included in CHLIC's charge and paid to the vendor by CHLIC; or (3) the "recovery" (i.e., the amount recovered as a result of the Cost-Containment Program). Any applicable vendor fee is included in CHLIC's charge and paid to the vendor by CHLIC.

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, and 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 80<sup>th</sup> 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.

1.	Network Savings Program	27% of net savings
2.	Supplemental Network	27% of net savings
3.	Medical Bill Review – (Pre-payment Cost Containment for Non-contracted claims):	
	<b>Inpatient Hospital Bill Review</b>	

	<ul style="list-style-type: none"> <li>Line Item Analysis</li> </ul>	Lesser of 5% of hospital bill or the gross savings achieved
	<ul style="list-style-type: none"> <li>Professional Fee Negotiation</li> </ul>	27% of net savings
	<b>Outpatient Hospital Bill Review</b>	
	<ul style="list-style-type: none"> <li>Professional Fee Negotiation</li> </ul>	27% of net savings
	<ul style="list-style-type: none"> <li>Line Item Analysis Re-pricing</li> </ul>	27% of net savings
	<b>Physician/Professional Bill Review</b>	
	<ul style="list-style-type: none"> <li>Professional Fee Negotiation</li> </ul>	27% of net savings
	<ul style="list-style-type: none"> <li>Line Item Analysis Re-pricing</li> </ul>	27% of net savings
4.	Medical Bill Review – (Pre or Post-payment Cost Containment for Non-contracted and Contracted claims):	
	<ul style="list-style-type: none"> <li>Bill Audit</li> </ul>	29% of the gross 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
	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
8.	High Cost Specialty Pharmaceutical Audits (this service is only provided with respect to Medical coverage)	29% of recovery
9.	Class Action Recoveries	35% of recovery
10.	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

CHLIC PHARMACY COST CONTAINMENT FEES	
CHLIC 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. CHLIC's charge for administering these programs is the percentage (indicated below) of the "recovery" (i.e. the amount recovered) as applicable.	
1. Pharmacy Vendor Recoveries. CHLIC performs periodic audits of contracted pharmacies in order to determine the accuracy of payments to the pharmacy(ies). CHLIC's recovery vendor collects and remits to CHLIC all overpayments to pharmacy(ies), and CHLIC remits to Employer's Bank Account the balance collected from the recovery vendor, less the recovery fee set forth herein.	30% of recovery
2. Class Action Recoveries. CHLIC identifies, monitors, and may participate, on behalf of Employer, in class action lawsuits or similar legal proceedings against pharmaceutical manufacturers. CHLIC collects and retains as a recovery fee set forth herein of any recovery (net of attorneys' fees) attributable to Employer's Plan.	35% of recovery
CARE MANAGEMENT/COST CONTAINMENT PROGRAM FEES	
CHLIC arranges for third parties to provide care management services to:	Specific vendor fees and care management program services are available upon request.
(i) contain the cost of specified health care services/items overall with respect to all plans insured and/or administered by CHLIC, and/or  (ii) improve adherence to evidence based guidelines designed to promote patient safety and efficient patient care.	
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 external 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
NOTICE REGARDING PAYMENTS FROM THIRD PARTIES	
Unless indicated otherwise in the Agreement or the Schedule of Financial Charges, CHLIC retains all Rebates (as defined in Appendix A) or other amounts it may receive from manufacturers of pharmaceutical products covered under the Plan Pharmacy Benefit. Information on the projected aggregate amount of such Rebates with respect to the Plan Pharmacy Benefit will be provided upon request.	All Pharmacy Products
This provision shall survive termination or expiration of the Agreement. CHLIC may receive and retain payments under contracts with pharmaceutical manufacturers with respect to Members' utilization of the manufacturer's drugs covered under the Employer's Plan medical benefit. If CHLIC enters into any such contracts, it does so on its own behalf, and not as agent of the Employer or the Plan. CHLIC contracts with pharmaceutical manufacturers for any remuneration on its own behalf and for its own benefit, and not on behalf of Employer or the Plan. Accordingly, CHLIC retains all right, title and interest to any and all such remuneration received from manufacturer; neither Employer, its Members, nor Employer's Plan retains any beneficial or proprietary interest in any such remuneration, which shall be considered part of the general assets of CHLIC.	All Medical Products
This provision shall survive termination or expiration of the Agreement.	

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	<p>From time to time, CHLIC, directly or through its affiliates, arranges with third parties (e.g., service vendors, provider network managers) to provide various services (e.g., cost-containment services or health care services) in connection with the Plan. CHLIC and its affiliates may receive payments from such third parties to help defray CHLIC's expenses associated with its implementation and/or ongoing administration of these arrangements or as a reimbursement for services or network access provided to such parties by CHLIC. CHLIC may also receive compensation from third-party vendors that Fund may retain based upon a referral from CHLIC or that Members may utilize following an introduction facilitated by CHLIC or an affiliate. CHLIC may also receive:</p> <ul style="list-style-type: none"> <li>• network administration fees from some providers participating in its provider network,</li> <li>• credits from banks on balances in accounts utilized to administer claims,</li> <li>• non-material incidental compensation/benefits from other source as a result of administering the Plan.</li> </ul>	<b>All Products</b>
<b>COMPLIANCE ASSISTANCE</b>		
	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.	<b>No charge</b>
2.	Provide SBC, translation notices prepared by CHLIC to Employer electronically as well as any updates or material modifications.	<b>No charge</b>
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.	<b>\$500 for each benefit option under the Plan for which carve-out vendor benefits are included in SBC</b>

<b>ADDITIONAL SERVICES</b>		
<b>Service</b>	<b>Description</b>	<b>Charge</b>
Behavioral Health	Access to inpatient and outpatient behavioral health services and focused utilization review and case management for both inpatient and outpatient, in-network behavioral health services. Applicable only to Members in CA/NC/VI.	<b>Included in Medical Access Fee</b>

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Health Advisor – A	<p>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:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Education and referral coaching on program topics with referral to appropriate internal and external resources available</li> <li>• Access to educational materials and web based Member tools and resources</li> <li>• Identification of gaps in care and outreach to Member to provide coaching for those identified with gaps for high cholesterol, high blood pressure</li> <li>• 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</li> <li>• Answering health and medical related questions</li> <li>• Counseling Participants on prevention and the benefits of compliance with prescribed medications and treatments</li> </ul>	<b>For OAP Products Only: Included in Medical Access Fee</b>
Comprehensive Maternity Program	<p>Cigna Healthy Pregnancies, Healthy Babies™ program is a comprehensive maternity management program. The goal of the program is to reduce the number of pre-term and underweight babies by promoting a healthy pregnancy. The program delivers education and telephonic support to pregnant women through the post-partum period. Nurses answer medical related questions and make suggestions for behavior changes and medical interventions aimed at improving the health of the mother and baby. Program support also covers preconception and infertility. Financial incentives may be awarded to women at the completion of this self-referral program based on the trimester enrolled. Members must enroll in the program by calling the phone number on the back of the Member identification card.</p> <p><u>Incentives Elected:</u> Option 1 (High): \$400 – 1st Trimester/\$200 – 2nd Trimester</p>	<b>Included in the Medical Access Fee</b>

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Comprehensive Oncology Program	<b>The Cigna Cancer Support Program</b> - A program designed to deliver comprehensive oncology support targeting Members through all stages of cancer; from those newly diagnosed, in post cancer care, in active treatment and with or without complications and/or end of life status. The program addresses cancer prevention through education; providing assistance to Members in active treatment, utilizing evidence based clinical resources, development of survivorship plans for cancer survivors, and supporting Members and their families with end-of-life decisions if appropriate.	Included in the Medical Access fee
Pharmacy Utilization Management Program	<b>Essential Package</b> – a utilization management program under which some pharmaceutical products are subject to one or several coverage limitations, including prior authorization, step therapy and/or quantity limits. Under a prior authorization requirement, the requested drug is generally reviewed for clinical appropriateness based on the intended use in therapy. Under a step therapy requirement, the Member generally must try one or more preferred products, or demonstrate why trying the preferred product(s) would be clinically inappropriate, in order to obtain coverage for the requested drug	Included in Pharmacy Administration Fee
Clinical Program	<b>Cigna TheraCare® Program</b> – a targeted condition drug therapy management program that supports 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

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Your Health First	<p>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.</p> <p>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.</p> <p>The program includes the following components for those with a chronic condition:</p> <ul style="list-style-type: none"> <li>• Chronic condition-specific coaching</li> <li>• Pre- and post-discharge calls</li> <li>• Lifestyle management coaching: stress, weight management and tobacco cessation</li> <li>• Treatment decision support and coaching</li> </ul> <p>In order to continuously assess the effectiveness of 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.</p>	<p><b>For OAP and HSA OAP Products: Included in Medical/RX Access Fee</b></p>
Claim Litigation	Claim Litigation Services	<p><b>Included in Medical/RX Access Fee</b></p>
Claim and Appeals	CHLIC will administer an optional second level of claim appeals	<p><b>Included in Medical/RX Access Fee</b></p>

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<p><b>MotivateMe® Incentives Program</b></p>	<p>The MotivateMe incentive program allows Employers to reward Members for taking steps to achieve health goals or make progress towards improving their health. Participating Members can earn rewards for active participation in CHLIC's health improvement programs and activities that focus on prevention, lifestyle and behavior modification and disease management. Participating Members track their incentive activity online and earn rewards as has been designated per the Employer's annual elections.</p> <p>Reward types include: HRA and Healthy Awards Account fund deposits, debit and/or gift cards, and Employer self-administered awards such as HSA fund deposits, healthcare premium adjustment and payroll deposit.</p> <p><b>Healthy Pregnancy, Healthy Babies® Package</b> - includes additional reward incentives for employees participating in the Healthy Pregnancy, Healthy Babies® clinical program.</p>	<p><b>Included at No Additional Cost</b></p>
<p><b>Cigna Onsite Health Services – Registered Dietitians and Health Coach</b></p>	<p>CHLIC will arrange through its affiliate, Cigna Onsite Health, LLC ("Cigna Onsite Health"), to provide to Employer's employees and their dependents ("Eligible Participants") Onsite Health Coach Services ("Services").</p> <p>Services are health and wellness coaching/promotion on the following topics:</p> <ul style="list-style-type: none"> <li>• <u>Onsite Health Coach Services</u> (80% coaching /20% promotion) Qualifications: Bachelor/Masters level in clinical sciences related to wellness promotion and/or certifications as defined by the Allied Health Leadership Council; Multi-Lingual</li> <li>• <u>Onsite Wellness Coaching (80%)</u> <ol style="list-style-type: none"> <li>1. Nutrition</li> <li>2. Physical Activity</li> <li>3. Wellness Education and Referral</li> <li>4. High Blood Pressure</li> <li>5. High Cholesterol</li> <li>6. Maternity</li> <li>7. Benefits Navigation</li> </ol> </li> <li>• <u>Onsite Wellness Promotion (20%)</u> <ol style="list-style-type: none"> <li>8. Support 1 Annual Biometric Event</li> <li>9. Support Health Risk Assessment Completion</li> <li>10. Deliver Onsite Group Seminars</li> <li>11. Deliver Annual Workshop</li> </ol> </li> </ul>	<p><b>Annual Fee for one (1) full-time Health Coach and three (3) full-time Registered Dietitians is included in the Medical Administration Charges paid to CHLIC.</b></p>

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	<ul style="list-style-type: none"> <li>• <b>Daily Activities</b> <ul style="list-style-type: none"> <li>a. Staff a monthly "Stop By" booth theme that is specific to each month; also at annual Wellness Fair</li> <li>b. Monitor and manage bulletin board topic of the month</li> <li>c. Engage employees to establish coaching referral</li> </ul> </li> <li>• Services may be modified in the professional judgment of the Health Coach to meet the specific needs of the Employer and Eligible Participants.</li> <li>• Services do not constitute the professional medical diagnosis or treatment of Employer's Eligible Participants who utilize the Services.</li> </ul> <p>Services do not include disease management, but the Health Coach will facilitate "warm transfer" referrals to disease management programs, as appropriate.</p>	
	<p><b>Onsite Health Coach</b></p> <ul style="list-style-type: none"> <li>• Effective date of Services: [may be different from the contract "Effective Date"] January 1, 2019</li> <li>• Number of Health Coaches: two (2) Full-time Health Coach</li> <li>• Number of hours per week: Forty (40) full-time (All scheduling must be approved in advance by Cigna Onsite)</li> <li>• Days per week: Monday-Friday (All scheduling must be approved in advance by Cigna Onsite)</li> <li>• Location of Services (Employer work site locations): Site One: (Primary Location) 450 E. South Street Orlando, FL 32801</li> </ul>	
	<p>Employer acknowledges and agrees that the Onsite Health Coach shall be entitled to paid time off (PTO) and other leave ("Leave") in accordance with CHLIC's standard policies and procedures ("Policies"). PTO shall include: (a.) vacation days; (b.) personal days; (c.) holidays; (d.) floating holidays; (e.) sick leave; and (f.) other PTO in accordance with applicable law and current CHLIC Policies. Leave shall include: (a.) military leave; (b.) Family Medical Leave (FMLA); (c.) disability leave; and (d.) other leave in accordance with applicable law and current CHLIC Policies CHLIC shall provide copies of Policies to Employer upon request. In the event that the Onsite Health Coach is absent due to PTO or Leave, CHLIC shall not be required to back-fill the position or provide a substitute during such absence to provide the Services hereunder. CHLIC shall not be required to make any adjustments to Fees (as defined in this Schedule of Charges) for any PTO or Leave granted to the Onsite Health Coach in accordance with CHLIC Policies, except as follows: CHLIC shall prorate Fees based on the portion of time the Onsite Health Coach is absent due to any "Extended Absence" defined as follows: absence granted to the Health Coach in accordance with CHLIC Policies for military, FMLA and/or long-term disability Leave (as defined in CHLIC Policies), except that "Extended Absences" shall not include: (a.) inability to perform Services due to weather conditions; (b.) inability to perform Services due to force majeure as defined in the Agreement; (c.) FMLA utilizing paid vacation days; or (d.) sick time not considered short term disability (STD) under CHLIC Policies.</p>	

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	<p>In the event that Employer is dissatisfied, for any reason, with the performance of any CHLIC employee providing Services hereunder, Employer shall so advise CHLIC in writing, including the facts necessary to validate the concern or complaint. CHLIC shall promptly consult with Employer as to the nature of the conduct complained of and the severity of Employer's dissatisfaction, and shall endeavor to resolve such issues to the satisfaction of Employer. Employer acknowledges and agrees that the policies and procedures of CHLIC or its parent company as to performance shall govern, including any confidentiality requirements contained therein.</p>
	<p>In addition, if Employer asserts that such CHLIC employee has engaged in misconduct as defined by Employer, or has materially failed to perform the Services in accordance with this Agreement, CHLIC shall immediately remove such employee from providing the Services hereunder, and shall as soon as practicable, provide a substitute employee. Employer agrees, where necessary, to cooperate with CHLIC in conducting any investigation or inquiry, and in providing documentation and testimonial support in event of litigation concerning such misconduct or failure to perform.</p> <p>During the term of this Agreement, and for a period of one (1) year after expiration or termination of this Agreement for any reason, Employer shall not directly or indirectly, alone or in concert with others, solicit or entice the employee or independent contractor engaged by CHLIC or Cigna Onsite Health to provide Services, to leave the employment or engagement of CHLIC or Cigna Onsite Health in order to provide substantially similar Services, to or on behalf of Employer, through direct employment by the Employer, or to otherwise work in competition with CHLIC or Cigna Onsite Health or their affiliates. The foregoing is not intended to prohibit the Employer from employing or otherwise hiring the Coach, if the Coach has responded to an advertisement (in print or online) for such employment, open to potential candidates from the public, and placed or posted by or on behalf of the Employer.</p> <p>Employer shall provide the following equipment and supplies necessary for Cigna Onsite Health to perform the Services under the Agreement at Employer's Primary Location identified above:</p> <ol style="list-style-type: none"> <li>Private office space of approximately 120-180 square feet with electrical outlet; (adequate for storage and use of body composition scale, height measuring device).</li> <li>Standard office furnishings (e.g., desk, chair, chairs for Eligible Participants).</li> <li>Locking file cabinet.</li> <li>Telephone land line within Employer network.</li> <li>Network services / network access necessary for effective and efficient wireless telephone connectivity.</li> <li>Dedicated, Open Employer DSL line.</li> <li>Employer desktop computer connected to Employer network.</li> <li>Employer printer connected to Employer network.</li> </ol> <p>Employer shall provide private conference room space for Cigna Onsite Health to provide coaching services at all other Employer locations listed above.</p>

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Onsite Customer Service Representative	<p>CHLIC shall provide to Employer 1.5 Full Time Equivalent ("FTE") Onsite Customer Service Representatives ("CSR").</p> <p><u>Location</u> The CSRs will perform services onsite at the Employer's location, the Orange County Administration Building in Orlando, Florida or at some other location as mutually agreed by CHLIC and Employer.</p> <p><u>Hours</u> The Full-Time CSR will work Mondays through Fridays with hours as mutually agreed upon between CHLIC and Employer for the administrative or operational needs of the Employer. The Part-Time CSR will work twenty (20) hours per week on a schedule to be mutually agreed upon by Employer and CHLIC. The CSRs shall be entitled to paid time off (PTO) and other leave ("Leave") in accordance with CHLIC's standard policies and procedures ("Policies"). PTO shall include: (a) vacation days; (b) personal days; (c) holidays; (d) floating holidays; (e) sick leave; and (f) other PTO in accordance with applicable law and current CHLIC policies. Leave shall include: (a) military leave; (b) Family Medical Leave (FMLA); (c) disability leave; and (d) other leave in accordance with applicable law and current CHLIC policies.</p> <p><u>Responsibilities</u> The CSRs will be responsible for responding to routine Member inquiries, solving problems, and ensuring Member and Employer satisfaction with CHLIC products and services.</p> <p><u>Workspace and Equipment</u> The Employer shall provide onsite workspace(s) for the CSRs, including desk, chair, telephone and internet service at the Employer's expense. CHLIC shall provide a fax machine, computer, printer and routine necessary office supplies such as paper, pens, notepads, file folders and other basic office supplies, at CHLIC's expense.</p> <p><u>Qualifications</u> The CSRs shall possess the following qualifications:</p> <ul style="list-style-type: none"> <li>• Proficient knowledge of healthcare benefits/managed care business and of administrative operations;</li> <li>• State of Florida Life/Health Insurance License preferred but not required;</li> <li>• Bachelor's degree highly preferred but not required;</li> <li>• Strong presentation skills and relationship-building skills</li> <li>• Demonstrated organizational and planning skills; ability to work on many issues at once and to prioritize tasks.</li> </ul> <p><u>Insurance/Worker's Compensation</u> In the event of an on-the-job injury to a CSR onsite at Employer's location, the CSR shall report such injury to CHLIC for coverage under CHLIC (Cigna) worker's compensation insurance.</p>
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**Included in Medical  
Administration fee**

## **Exhibit A - Plan Document**

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

## Exhibit B – Services

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.	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.  In addition, where permitted and agreed to by CHLIC, 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.	Prepare and make available CHLIC's standard claim forms.	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, 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. 18 Report (or any applicable successor thereto).	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

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9.	Member Explanation of Benefit ("EOB") statements including, when applicable, notice of denied claims, denial reason(s) and appeal rights.	<b>All Products</b>
10.	Verify enrollment and eligibility using Member information submitted by Employer and/or its authorized agent.	<b>All Products</b>
<b>Medical Only</b>		
1.	CHLIC's standard ID card with toll-free telephone number are prepared and mailed directly to Members.	<b>All Medical Products</b>
2.	Administration of subrogation/conditional Claim Payment (terms described in Exhibit E).	<b>All Medical Products</b>
<b>Pharmacy Only</b>		
1.	CHLIC's standard ID cards with toll-free telephone number are prepared and mailed directly to Members.	<b>All Pharmacy Products</b>
<b>HEALTH SAVINGS ACCOUNT</b>		
<b>Administration</b>		
1.	Provision of Health Savings Account: CHLIC shall provide to Employer enrollment materials for Health Savings Accounts ("HSA") at a bank or other authorized entity with which CHLIC contracts (the "Bank Vendor") for Employer's employees enrolled in an eligible High Deductible Health Plan ("HDHP"). CHLIC and/or the Bank Vendor shall provide to Employer's eligible employees who open an HSA ("HSA Account Holder") telephonic and Internet customer service, debit cards, HSA checks (option made available to HSA account holders from the bank) to access HSA funds, required IRS forms such as the 1099 and 5498 and access to Individual Summary Statements that reflect account activity. CHLIC shall provide to Employer its standard reports of aggregate non-identifiable information concerning the administration of the HSA.	<b>HSA Product</b>
2.	Claim Forwarding: Each HSA Account Holder may elect to have claims not payable under the HDHP paid from funds in the Account Holder's HSA, to the extent that funds are available in such account ("Claim Forwarding"), whether or not the expense is a qualified IRS medical expense. Claim Forwarding is only available for payments due medical providers. Claim Forwarding is not available for pharmacy expenses.	<b>HSA Product</b>
3.	Use of HSA: HSA Account Holders are solely responsible to use HSA funds as permitted by law, including Section 223(a) of the Internal Revenue Code, to qualify for applicable tax benefits.	<b>HSA Product</b>
4.	HSA Account Holder Website: HSA Account Holders with activated Cards will have access to the secure HSA website through a single sign on link accessible through the CHLIC website or by creating a User Id and password. CHLIC understands that certain functionality is restricted to the primary cardholder.	<b>HSA Product</b>
5.	Employer's authorized users may be assigned different levels of access. Some of the functions that Employer may access on the Portal are: (1) view HSA account statuses and posted contributions; (2) fund HSA accounts; (3) download various reports; and (4) use the links and tools for HSA education and additional information.	<b>HSA Products</b>

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<b>Employer Responsibilities</b>		<b>HSA Product</b>
1.	<u>HSA Contributions</u> - Employer will facilitate pre-tax payroll contributions by HSA Account Holders. Employer may elect to make its own contributions to HSA. Employer shall send HSA Account Holder contributions plus any Employer contributions directly to the Bank Vendor.	<b>HSA Product</b>
2.	<u>Eligibility and Enrollment</u> - Employer is responsible for distributing to eligible employees the HSA enrollment application and documents provided to Employer by CHLIC and the Bank Vendor. Employer will submit completed HSA enrollment applications to CHLIC and/or Bank Vendor, as indicated, in the established timeframe. It is understood and agreed that an eligible employee's HSA cannot be opened until the Bank Vendor has received and verified, using Bank Vendors' Attestation standards, all necessary documents and information and the Bank Vendor has determined the HSA can be established. Enrollment application and related documents may be distributed to eligible Employees through Employer's online enrollment system.	<b>HSA Product</b>
3.	<u>Information Verification</u> - Employer shall provide to CHLIC and Bank Vendor the information that is necessary for the establishment of the HSA.	<b>HSA Product</b>
4.	<u>Enrollment in High Deductible Health Plan</u> - Employer acknowledges that its prompt furnishing of complete and accurate HDHP eligibility and benefit information, including prompt depositing of contributions, is essential to the timely and efficient administration of its employees' health savings accounts and impacts bank ability to respond to employee account withdrawals or payments. It is understood that employee HDHP coverage terminations, including when so requested by CHLIC, could result in health savings account tax consequences for the employee and/or in interrupting the employee's eligibility to make health savings account contributions.	<b>HSA Product</b>
5.	<u>Access Codes</u> - Employer shall ensure that each authorized user establishes an Access Code for access to the Online Portal. Employer shall further ensure that authorized users safeguard all Access Codes and shall be responsible for all use of Access Codes.	<b>HSA Product</b>
6.	<u>Online Portal</u> - Access to the Online Portal shall be in accordance with such manuals, training materials, terms of use, administrative control procedures, terms and conditions, and other information as shall be provided to Employer from time to time and Employer shall ensure access to Online Portal complies with any such information and materials.	<b>HSA Product</b>
7.	Employer agrees that any access, transaction, or business conducted using the Online Portal is presumed by CHLIC to have been in compliance with HSA Plan Administration under Section 223(a) of the Internal Revenue Code. Any unauthorized use of the Online Portal or any Access Code shall be solely the responsibility of the Employer.	<b>HSA Product</b>

Bank Vendor Relationship		HSA Product
1.	<u>Employee Agreement with Bank</u> – Eligible employees wishing to enroll in an HSA may be required to execute certain bank documents including a custodial agreement. Approved eligible employees will become Account Holders and contract directly with the Bank Vendor for the establishment and maintenance of the HSA, including the issuance of debit cards and checks.	
2.	<u>Investment of Account Funds</u> – While Bank Vendor offers various investment options in connection with the funds in the HSA, the HSA Account Holder is solely responsible for selecting and approving the investment vehicles into which their HSA funds will be invested. HSA Account Holders exercise sole investment discretion over their HSA investments.	HSA Product
3.	<u>Bank Fees</u> – CHLIC pays Bank Vendor to administer the HSA Accounts. No bank administration fee is charged to Employer for HSA Account Holders.	HSA Product
4.	<u>Bank Fees to Accountholder</u> – It is understood and agreed that account fees, if any, charged to HSA Account Holders and Free Agents are as set forth in Exhibit F.	HSA Product \$0.00 per HSA Account Holder per Month
<b>Investments</b>		
1.	<p><u>Availability of Investments</u> - Bank Vendor will make available investment opportunities in conjunction with the HSA, selected exclusively by the Employer, attached hereto as Exhibit G (“Custom Fund List”). Bank Vendor will only make such HSA Investments available to an HSA Account Holder to the extent that such individual satisfies the eligibility criteria for making HSA Investments established by the Bank Vendor, in its sole discretion.</p> <p>Each HSA Account Holder has sole discretion whether to invest in one or more of the funds offered through the HSA investments program. Neither Bank Vendor nor its registered investment advisor will provide any investment advice to the HSA Account Holder and neither have any obligation to HSA Partner or to any HSA Account Holder to review or monitor the HSA Account Holder’s investment choices. Specific features of the investment arrangements are: (i) applications can be received by paper or can be initiated through the accountholder web site, (ii) investments are generally offered when an accountholder’s cash account balance equals or surpasses \$2,000, (iii) trade confirms will be sent as required by regulations, (iv) trades can be requested through the account holder web site or by phone, (v) the HSA Account Holder web site will allow sales and purchases, Inter-fund transfers, election designations, and access to transaction history, various investment tools, (vi) there are no investment minimums per investment fund and there is no minimum balance to be maintained in the cash account; (viii) once the investment account has been opened with the required initial cash transfer, there is no minimum amount that needs to be maintained in the investment account, nor is there a minimum for transfers to/from the investment account or to/from the HSA Account. Employer will</p>	HSA Product

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	be responsible for notification and execution of removing, adding or replacing mutual funds. Further details regarding the Custom Fund List are as set forth in "Operation Criteria" section of this Schedule.  Employer will be responsible for notification and execution of removing, adding or replacing mutual funds. Further details regarding the Custom Fund List are as set forth in "Operation Criteria for Custom Fund List" section of this Schedule.	
2.	<u>Management and Oversight of Custom Fund List</u> – CHLIC and Employer hereby agree that CHLIC's Bank Vendor will not utilize the services of a Registered Investment Advisor ("Advisor") for the selection of mutual funds available to Employees and shall implement and make available the additional or alternative mutual funds selected by the Employer. The parties hereto agree that the Employer is the fiduciary regarding selection of said funds, including any duty to determine whether Employees are afforded a reasonable choice of investment option, any duty to monitor the mutual funds, or any determination as to the suitability of said funds. No investment policy formulated by Bank Vendor shall apply to the selection of mutual funds added at the request of Employer.  Employer shall ensure that CHLIC and its Bank Vendor has the right to: (i) review and understand the level of expertise of the Investment Consultant that the Employer employs or hires to monitor and maintain investments; (ii) understand and agree to the selection criteria utilized by the investment consultant by obtaining detailed information on the investment plans, objectives, and fund selection criteria; (iii) be notified and informed of the on-going fund monitoring results; (iv) be notified of any changes in the selection criteria or changes to the investment consultant; and (v) withdraw from these arrangements should the Employer fail to meet any of the foregoing criteria, and any additional fund monitoring shall be at the expense of the Employer. In the event of withdrawal, investment funds will be offered upon such time as suitability of investment funds dictate.	<b>HSA Product</b>
3.	<u>Operational Criteria for Custom Fund List</u> The Custom Fund List will include funds that follow the criteria set forth below: Allow trades with no initial and subsequent minimums <ul style="list-style-type: none"> <li>• No front- or back-end sales loads</li> <li>• Trading conforms with Defined Contribution Clearance and Settlement (DCC&amp;S) trading windows</li> <li>• Must trade through National Securities Clearing Corporation NSCC</li> <li>• Must allow mandatory reinvestment of dividends, interest and capital gains distributions</li> <li>• Must allow trading through an omnibus account</li> </ul>	<b>HSA Product</b>
4.	<u>Custom Slate Implementation of New Investments:</u> If the Employer requests a new fund to the Custom Fund List, CHLIC Bank Vendor will conduct a review of the requested fund(s) based on the requirements previously described. Fund evaluation takes approximately 4 weeks for completion.	<b>HSA Product</b>

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	<p>Once Bank Vendor agrees to make a fund available in a custom slate, Bank Vendor will require approximately 24 weeks to perform the required set-up:</p> <ul style="list-style-type: none"> <li>• Establish distribution, networking and shareholder servicing agreements with the mutual fund manager and appropriate Bank parties.</li> <li>• Implement/Test new mutual fund on systems</li> <li>• Create or update Account Holder HSA Investments documentation (collateral, fact sheets, etc.)</li> </ul> <p>Fund implementation may take less than 24 weeks if the fund or the fund manager is on the list of available funds. The length of time for set up of new fund(s) is dependent on the fund manager's sales process and the complexity associated with mutual distribution and shareholder servicing agreements and may take longer than 24 weeks. Multiple new fund requests will typically take longer and could further delay implementation of a custom slate.</p>	
	<b>Termination</b>	
1.	<p>Termination of HSA Account Holder's Eligibility or of Services Under This Exhibit – Free Agents: In the event of the termination of an HSA Account Holder's employment with Employer the HSA Account Holder becomes a "Free Agent". Similarly, should CHLIC's HSA services under this Exhibit be terminated for any reason, for the Employer as a whole, the affected HSA Account Holders shall from that point on be Free Agents. For Free Agents: (1) CHLIC shall no longer provide HSA services; (2) Any terms of this Exhibit shall no longer be applicable; (3) HSA shall continue to be maintained by the Bank Vendor directly not in its role as a contractor to CHLIC; (4) Bank Vendor shall issue new account numbers, debit cards, checks etc. to Free Agents; and (5) Bank Vendor shall inform Free Agents of the new applicable schedule of bank fees.</p> <p>Even if HSA Account Holders continue HDHP coverage through COBRA, they are still considered Free Agents for purposes of HSA services hereunder.</p>	<b>HSA Product</b>
2.	<p><u>Retroactive Terminations:</u> It is understood and agreed that although this ASO Agreement contemplates instances in which an employee's HDHP coverage may be retroactively terminated there will be no retroactive terminations with respect to HSA services provided hereunder. Termination of an HSA shall result in the termination of services rendered under this Exhibit and the applicable fees, effective as of the end of the month that CHLIC receives notice of such termination.</p>	<b>HSA Product</b>
	<b>Effect of HSA Plan on ASO Agreement Terms</b>	
	<p>All applicable provisions of the ASO Agreement apply to the HSA Services described in this Exhibit. In the event of a conflict between any provision of the ASO Agreement and the terms of the Exhibit with respect to the HSA services, the terms of this Exhibit shall govern.</p>	<b>HSA Product</b>

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<b>DOCUMENT PRODUCTION</b>	
<b>Products excluding Health Savings Account</b>	
1. Prepare Member benefit booklet drafts to Employer.	All Products
<b>UNDERWRITING SERVICES</b>	
1. CHLIC's standard Underwriting services: a) benefit design analysis-b) projected cost analysis.	All Products
<b>HIPAA INDIVIDUAL RIGHTS</b>	
<b>Products excluding Health Savings Account</b>	
1. 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
<b>COST CONTAINMENT</b>	
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
<b>CUSTOMER REPORTING</b>	
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 its standard reports and information based upon paid claim data only. 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. Subject to applicable law and confidentiality requirements, pre-certifications and case management information will be made available upon termination to the Employer's AS services vendor to ensure continuity of patient care.  Comprehensive eligibility, claims and utilization data file on a monthly basis, including reported lab values for those Members whose lab values are reported to CHLIC by a CHLIC preferred lab vendor, and capitation claims detail that CHLIC has available.	All Medical Products

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	Stop Loss Reporting is an optional service provided at an additional fee to the Employer if the stop loss is provided 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.	
	<b>MEMBER EXTERNAL REVIEW PROGRAM</b>	
1.	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 requiring medical judgment 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.	<b>All Medical Products</b>
	<b>MEDICAL MANAGEMENT SERVICES</b>	
	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.	<b>All Medical Products</b>
2.	Case Management and Retrospective Review of Inpatient Care, a service designed to provide assistance to a Member who is at risk of developing medical complexities or for whom a health incident has precipitated a need for rehabilitation or additional health care support.	<b>All Medical Products</b>
3.	Assisting providers with resources and tools to enable them to develop long term treatment plans in the management of chronic or catastrophic cases.	<b>All Medical Products</b>
4.	The Cigna HealthCare Healthy Babies® Program is a one-time educational mailing which provides Participants with prenatal care education and resources to help them better manage their pregnancy.	<b>All Medical Products</b>
5.	HealthCare Cost and Quality tools available on myCigna.com and myCigna mobile app.	<b>All Medical Products</b>
6.	A panel of physicians and other clinicians to assess the safety and effectiveness of new and emerging medical technologies. The panel meets monthly to review and update coverage policies.	<b>All Medical Products</b>
7.	The Health Information Line <sup>SM</sup> a service that provides twenty-four (24) hour toll free access to registered 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.	<b>All Medical Products</b>
8.	Cigna LifeSOURCE Transplant Network® contracts with more than one hundred forty-five (145) independent transplant facilities which includes over six hundred (600) transplant programs and provides access to solid organ and bone marrow/stem cell transplantation while improving cost containment and reducing financial risk.	<b>All Medical Products</b>

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9.	A health education program that delivers mailings to Members with certain conditions.	All Medical Products
10.	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 and HSA OAP Products All Members
11.	Implementing clinical quality measurements, managing data, tracking and validating performance and initiating continuous quality improvement.	All Medical Products
12.	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
13.	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 Care Management Preferred
<b>NETWORK MANAGEMENT SERVICES</b>		
	CHLIC, and/or its affiliates shall:	
1.	Provide or arrange access to the applicable network of Participating Providers to furnish health care services/products to Members at negotiated rates and methods of reimbursement (e.g. fee-for service, capitation, per diem charges, incentive bonuses, case rates, withholds etc.). The amount and type of negotiated reimbursement may vary depending upon the type of plan. For example, a hospital may accept less for patients enrolled in certain types of plans than others;	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.	Review Participating Provider compliance with protocols and procedures for quality, Participant 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
6.	Access to online and/or on demand medical and health-related consultations via secure telecommunications technologies, telephones and internet where permitted only when delivered by a CHLIC contracted medical Telehealth network of providers (see details on myCigna.com).	All Medical Products

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<b>ADDITIONAL SERVICES</b>			
CHLIC and/ or its affiliates or subcontractors shall provide the following services:			
	<b>Service</b>	<b>Included</b>	<b>Limitation</b>
1.	Master accumulator for medical and pharmacy deductible and out of pocket maximums for the HDHP	Yes	
2.	On line capability for eligibility additions, changes and deletions	Yes	
3.	On-line network provider administrative tools	Yes	
4.	On-line access to plan information	Yes	
5.	Predictive modeling and management of members at risk	Yes	
6.	Health Fair participation	Yes	
7.	Wellness educational materials	Yes	
8.	Pharmacy clinical prior authorization program and review	Yes	
9.	Pharmacy step therapy program and review	Yes	
10.	Pharmacy retrospective utilization review	Yes	
11.	Pharmacy clinical review for medical necessity	Yes	
12.	Formulary disruption letters to impacted members	Yes	
13.	Targeted letters to members	Yes	
14.	Pharmacy patient safety audits at point of sale	Yes	
15.	Claims data request for GASB reporting	Yes	
16.	Attendance at monthly administrative and plan management meetings	Yes	
17.	Medical and Pharmacy Director attendance at quarterly utilization review meetings	Yes	
18.	Annual enrollment training and on-site enrollment meeting participation	Yes	
19.	Case management, disease management, step therapy and prior authorization, and mail order prescription open file transfer at termination	Yes	
20.	Annual member satisfaction survey specifically completed for the County	Yes	
21.	On-line Health Risk Assessments	Yes	
22.	On-site biometric screenings (Optional services)		\$42 per participant
23.	Health coaching (Optional services)	Yes	Health Advisor included in ASO fees
24.	Direct member claims reimbursement	Yes	
25.	Medicare Part D attestation and reporting assistance		\$7,000/ year
26.	Weight Management Program	Yes	Included in Your Health First
27.	Diabetes Management Program	Yes	Included in Your

ADDITIONAL SERVICES			
CHLIC and/ or its affiliates or subcontractors shall provide the following services:			
	Service	Included	Limitation
28.	Cardiology Management Program	Yes	Health First Included in Your Health First
29.	COPD Management Program	Yes	Included in Your Health First
30.	Flu shots		\$22.00 per participant/Member
31.	Implementation and Administration of Collaborative Accountable Care	Yes	Applicable claim expenses will be processed through the Bank Account

HEALTH SAVINGS ACCOUNT PEPM MONTHLY FEES					
	HSDHP Plan and HSA	2019	2020	2021	2022
1.	HSA Plan Administration (PEPM) if applicable	Included in Cigna Choice Fund Health Savings Account (HSA)HSDHP Plan Design Administration \$0.00	Included in Cigna Choice Fund Health Savings Account (HSA)HSDHP Plan Design Administration \$0.00	Included in Cigna Choice Fund Health Savings Account (HSA)HSDHP Plan Design Administration \$0.00	Included in Cigna Choice Fund Health Savings Account (HSA)HSDHP Plan Design Administration \$0.00
2.	HSA Individual Banking Account Administration Fee				
3.	HSA Debit Card Fee	\$0.00 however the Free Agent may be charged a fee by the Bank Vendor	\$0.00 however the Free Agent may be charged a fee by the Bank Vendor	\$0.00 however the Free Agent may be charged a fee by the Bank Vendor	\$0.00 however the Free Agent may be charged a fee by the Bank Vendor
4.	HSA Banking Account Withdrawal Fee	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor
5.	HSA Banking Account Transfer Fee	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor
6.	HSA Banking Account Termination Fee	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor	CHLIC does not charge a fee, however the Free Agent may be charged a fee by the Bank Vendor

	BEHAVIORAL HEALTH	These services are included in the following products: OAP and HSA OAP
	<p>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 as capitation. Such payments will be at the relevant monthly rates then in effect. The monthly rates paid to CBH vary depending on geographic location of Members and on benefit design, and may be subject to change. The rates will be made available upon request. The fixed fee also includes lifestyle management programs, 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.</p>	

CIGNA STAFF MODEL HEALTHPLAN SERVICES	
	<p>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 Cigna participating provider networks in Arizona may access certain specialty and/or ancillary services (such as imaging and urgent care services) through the CMG system.</p> <p>For 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).</p> <p>If the Plan requires Participants to select a primary care provider (PCP), Phoenix area Participants who do not select a PCP during open enrollment may be assigned to or otherwise encouraged to consider a CMG PCP. CMG has established collaborative referral relationships with specialty and ancillary providers in Cigna's broader participating provider network.</p> <p>CMG may also receive applicable performance-based incentive payments for its participation in programs designed to improve quality, patient safety and affordability.</p>
	<b>All Medical Products</b>

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**CIGNA HEALTHCARE OF ARIZONA - CIGNA MEDICAL GROUP (CMG)  
REPRESENTATIVE RATES FOR ROUTINELY PERFORMED MEDICAL SERVICES  
EFFECTIVE APRIL 1, 2018  
(Applicable to Open Access Plus Products)**

Department	CPT Code	Description	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 LENS- 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
ASC (Ambulatory surgical center) / Endoscopy Suite	Grouper 2		\$469.00
ASC 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 other participating providers.

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

**CMG pharmacy rates:**

Brand Name: 30-day supply: AWP – 10.56% + \$2.75 dispensing fee  
90-day supply: AWP – 17.91% + \$1.50 dispensing fee

Generic\*: 30-day supply: AWP – 35% + \$2.75 dispensing fee  
90-day supply: AWP – 21% + \$1.50 dispensing fee

\* If MAC pricing is available for generic medication, rate is MAC + 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
- 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;

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 request any changes in, or conditions on, the Audit Specifications which may be necessary to protect CHLIC's legal and business interests identified in paragraph C above. The parties agree to meet and confer in good faith to reach mutual agreement on any such requested changes.

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 timely, at or about substantially 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 Employer and Auditor agree 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. Notwithstanding the foregoing, nothing contained herein shall be construed to be a waiver of sovereign immunity beyond the limits set forth in Section 768.28, Florida Statutes. 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.

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**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 C2 – Pharmacy Financial Guarantee Audit Agreement (Sample)**

- A. WHEREAS, Cigna Health and Life Insurance Company ("CHLIC") desires to cooperate with requests by ("Employer") to permit a financial guarantee reconciliation audit for the purposes set forth below;
- B. WHEREAS, \_\_\_\_\_ ("Auditor") has been retained by Employer for the purpose of performing an audit ("Audit") of claims administered by CHLIC; and
- 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;

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 Audit's targeted objectives (which must be consistent with the overall objective to determine whether CHLIC has met its contractual obligations related to claims' payment);
- c. the date-of-service range for claims subject to the Audit;
- d. the data elements required to be audited for purposes of the Audit objective; and
- e. the records/information required by the Auditor for purposes of the Audit; and
- f. 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 request modifications to them as reasonably necessary to protect CHLIC's legal and business interests in maintaining the confidentiality of claim information, protecting its business reputation, avoiding unnecessary disruption, and protecting itself from legal liability. The parties agree to meet and confer in good faith to reach mutual agreement on any requested change.

3. 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 or about substantially the same time that the Audit findings and the Audit Report are submitted to the Employer.

4. Comment on Audit Report

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

5. Confidentiality of Individually Identifiable Information.

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 will not:

- a. make photocopies or remove any of the audited information without the express written consent of CHLIC; or
- b. include any individually identifiable information in its Audit Report or any other summary prepared in connection with the Audit.

6. Confidentiality and 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 shall not use such results, conclusions, reports or information of whatever nature which it acquires or prepares for any purpose other than to develop and report to Employer its Audit findings and Audit Report.

7. Indemnification and Hold Harmless

The Employer and Auditor agree 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 5 and 6 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 5 through 7 shall survive termination of this agreement.

**Client Name: Orange County Board of County Commissioners  
Administrative Services Only Agreement**

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**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 – Privacy Addendum**

(“Business Associate Agreement”)

### **I. GENERAL PROVISIONS**

**Section 1. Effect.** As of the Effective Date, the terms and provisions of this Addendum are incorporated in and shall supersede any conflicting or inconsistent terms and provisions of (as applicable) the Administrative Services Only Agreement and/or Flexible Spending Account or Reimbursement Accounts Administrative Services Agreement to which this Addendum is attached, including all exhibits or other attachments to, and all documents incorporated by reference in, any such applicable agreements (individually and collectively any such applicable agreements are referred to as the “**Agreement**”). This Addendum sets out terms and provisions relating to the use and disclosure of Protected Health Information (“**PHI**”) without written authorization from the Individual. To the extent there is a conflict between the Agreement and this Addendum, this Addendum shall control.

**Section 2. Amendment to Comply with Law.** CHLIC, on behalf of itself and its affiliates and subsidiaries that perform services under the Agreement (collectively referred to as “**CHLIC**”), Employer (also referred to as “**Plan Sponsor**”), and the group health plan that is the subject of the Agreement (also referred to as the “**Plan**”) agree to amend this Addendum to the extent necessary to allow either the Plan or CHLIC to comply with applicable laws and regulations including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160 to 164) (“**HIPAA Privacy and Security Rules**”).

**Section 3. Relationship of Parties.** The parties intend that CHLIC is an independent contractor and not an agent of the Plan or the Plan Sponsor.

### **II. PERMITTED USES AND DISCLOSURES BY CHLIC**

**Section 1. Uses and Disclosures Generally.** Except as otherwise provided in this Addendum, CHLIC may use or disclose PHI to perform functions, activities or services for, or on behalf of, the Plan as specified in the Agreement, provided that such use or disclosure would not violate the HIPAA Privacy & Security Rules if done by the Plan. CHLIC shall not further use or disclose PHI other than as permitted or required by this Addendum, or as required by law.

**Section 2. To Carry Out Plan Obligations.** To the extent CHLIC is to carry out one or more of the Plan’s obligations under Subpart E of 45 C.F.R. Part 164, CHLIC agrees to comply with the requirements of Subpart E that apply to the Plan in the performance of such obligations.

**Section 3. Management and Administration.**

- (A) CHLIC may use PHI for the proper management and administration of CHLIC or to carry out the legal responsibilities of CHLIC.
- (B) CHLIC may disclose PHI for the proper management and administration of CHLIC, provided that disclosures are: (a) required by law; or (b) CHLIC obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it is disclosed to the person, and the person notifies CHLIC of any instances of which it is aware in which the confidentiality of the information has been breached.

- (C) CHLIC may use or disclose PHI to provide Data Aggregation services relating to the Health Care Operations of the Plan, or to de-identify PHI. Once information is de-identified, this Addendum shall not apply.

**Section 4. Required or Permitted By Law.** CHLIC may use or disclose PHI as required by law or permitted by 45 C.F.R. §164.512.

### **III. OTHER OBLIGATIONS AND ACTIVITIES OF CHLIC**

**Section 1. Receiving Remuneration in Exchange for PHI Prohibited.** CHLIC shall not directly or indirectly receive remuneration in exchange for any PHI of an Individual, unless an authorization is obtained from the Individual, in accordance with 45 C.F.R. §164.508, that specifies whether PHI can be exchanged for remuneration by the entity receiving PHI of that individual, unless otherwise permitted under the HIPAA Privacy Rule.

**Section 2. Limited Data Set or Minimum Necessary Standard and Determination.** CHLIC shall, to the extent practicable, limit its use, disclosure or request of Individuals' PHI to the minimum necessary amount of Individuals' PHI to accomplish the intended purpose of such use, disclosure or request and to perform its obligations under the underlying Agreement and this Addendum. CHLIC shall determine what constitutes the minimum necessary to accomplish the intended purpose of such disclosure.

**Section 3. Security Standards.** CHLIC shall use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to Electronic PHI to prevent use or disclosure of PHI other than as provided for by the Agreement.

**Section 4. Protection of Electronic PHI.** With respect to Electronic PHI, CHLIC shall:

- (A) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that CHLIC creates, receives, maintains or transmits on behalf of the Plan as required by the Security Standards;
- (B) Ensure that any agent or subcontractor to whom CHLIC provides Electronic PHI agrees to implement reasonable and appropriate safeguards to protect such information; and,
- (C) Promptly report to the Plan any Security Incident with respect to Electronic PHI of which it becomes aware and which has compromised the protections set forth in the HIPAA Security Rule. In the event of a Security Incident, CHLIC shall report to the Plan in writing (i) any actual, successful Security Incident within ten (10) business days of the date on which CHLIC first becomes aware of such actual, successful Security Incident and (ii) to the extent commercially reasonable, the Plan may request CHLIC to report in writing attempted but unsuccessful Security Incidents involving PHI of which CHLIC becomes aware, provided however that such reports are not required for trivial and routine incidents such as port scans, attempts to log-in with an invalid password or user name, denial of service attacks that do not result in a server being taken off-line, malware and pings or other similar types of events.

**Section 5. Reporting of Violations.** CHLIC shall report to the Plan any use or disclosure of PHI not provided for by this Addendum of which it becomes aware. CHLIC agrees to mitigate, to the extent practicable, any harmful effect from a use or disclosure of PHI in violation of this Addendum of which it is aware.

**Section 6. Security Breach Notification.** CHLIC will notify the Plan of a Breach (including privacy related incidents that might, upon further investigation, be deemed to be a Breach) without unreasonable delay and, in any event, within ten (10) business days after CHLIC's discovery of same. This notification will include, to the extent known:

- i. the names of the individuals whose PHI was involved in the Breach;
- ii. the circumstances surrounding the Breach;
- iii. the date of the Breach and the date of its discovery;
- iv. the information Breached;
- v. any steps the impacted individuals should take to protect themselves;
- vi. the steps CHLIC is taking to investigate the Breach, mitigate losses, and protect against future Breaches; and,
- vii. a contact person who can provide additional information about the Breach.

For purposes of discovery and reporting of Breaches, CHLIC is not the agent of the Plan or the Employer (as "agent" is defined under common law). CHLIC will investigate Breaches, assess their impact under applicable state and federal law, including HITECH, and make a recommendation to the Plan as to whether notification is required pursuant to 45 C.F.R. §§164.404-408 and/or applicable state breach notification laws. With the Plan's prior approval, CHLIC will issue notices to such individuals, state and federal agencies – including the Department of Health and Human Services, and/or the media – as the Plan is required to notify pursuant to, and in accordance with the requirements of applicable law (including 45 C.F.R. §§164.404-408). In the event of a Breach affecting multiple CHLIC clients where CHLIC believes notification to affected individuals is required in accordance with applicable law, CHLIC reserves to the right to issue notifications to the affected individuals without Plan approval.

CHLIC will pay the costs of issuing notices required by law and other remediation and mitigation which, in CHLIC's discretion, are appropriate and necessary to address the Breach. CHLIC will not be required to issue notifications that are not mandated by applicable law. CHLIC shall provide the Plan with information necessary for the Plan to fulfill its obligation to report Breaches affecting fewer than 500 Individuals to the Secretary as required by 45 C.F.R. §164.408(c).

**Section 7. Disclosures to and Agreements with Third Parties.** CHLIC agrees to ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of CHLIC agree to the same restrictions, conditions and requirements that apply to CHLIC with respect to such information.

**Section 8. Access to PHI.** CHLIC shall provide an Individual with access to such Individual's PHI contained in a Designated Record Set in response to such Individual's request in the time and manner required in 45C.F.R. §164.524.

**Section 9. Availability of PHI for Amendment.** CHLIC shall respond to a request by an Individual for amendment to such Individual's PHI contained in a Designated Record Set in the time and manner required in 45 C.F.R. § 164.526.

**Section 10. Right to Confidential Communications and to Request Restriction of Disclosures of PHI.** CHLIC shall respond to a request by an Individual for confidential communications or to restrict the uses and disclosures of PHI contained in such Individual's Designated Record Set in the time and manner required by 45 C.F.R. § 164.522. CHLIC shall not be obligated to agree to, or implement, any restriction, if such restriction would hinder Health Care Operations or the provision of the functions, activities or services, unless such restriction would otherwise be required by 45 C.F.R. § 164.522(a).

**Section 11. Accounting of PHI Disclosures.** CHLIC shall provide an accounting of disclosures of PHI to an Individual who requests such accounting in the time and manner required in 45 C.F.R. § 164.528.

**Section 12. Availability of Books and Records.** CHLIC hereby agrees to make its internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by CHLIC on behalf of the Plan, available to the Secretary for purposes of determining the Plan's compliance with the Privacy Rule.

**Section 13. Standard Transactions.** CHLIC certifies that it conducts any applicable transactions that are subject to the HIPAA standard transaction rules (45 C.F.R. Parts 160-164) as required under such rules.

#### **IV. TERMINATION OF AGREEMENT WITH CHLIC**

**Section 1. Termination Upon Breach of Provisions Applicable to PHI.** Any other provision of the Agreement notwithstanding, the Agreement may be terminated by the Plan upon prior written notice to CHLIC in the event that CHLIC materially breaches any obligation of this Addendum and fails to cure the breach within such reasonable time as the Plan may provide for in such notice.

If CHLIC knows of a pattern of activity or practice of the Plan that constitutes a material breach or violation of the Plan's duties and obligations under this Addendum, CHLIC shall provide a reasonable period of time, as agreed upon by the parties, for the Plan to cure the material breach or violation. Provided, however, that, if the Plan does not cure the material breach or violation within such agreed upon time period, CHLIC may terminate the Agreement at the end of such period.

**Section 2. Use and Disclosure of PHI upon Termination.** The parties hereto agree that it is not feasible for CHLIC to return or destroy PHI at termination of the Agreement; therefore, the protections of this Addendum for PHI shall survive termination of the Agreement, and CHLIC shall limit any further uses and disclosures of such PHI to the purpose or purposes which make the return or destruction of such PHI infeasible.

#### **V. OBLIGATIONS OF THE PLAN AND PLAN SPONSOR**

**Section 1. Disclosures Generally.** Except as otherwise provided for in this Addendum, the Plan will not request that CHLIC use or disclose PHI in any manner that would not be permissible under HIPAA or HITECH if done by the Plan.

**Section 2. Disclosures to the Plan or Third Parties.** To the extent the Plan requests that CHLIC disclose PHI either to the Plan or to a third party business associate acting for the Plan, the Plan represents and warrants that:

- (A) It only will request PHI for the purposes of Treatment, Payment, or Health Care Operations, or another permitted purpose under the HIPAA Privacy Rule;
- (B) The information requested is the minimum necessary to achieve the purpose of the disclosure; and
- (C) If the PHI is to be disclosed to a third party, the Plan has a business associate agreement in place with the third party.

**Section 3. Disclosure to Plan Sponsor.** To the extent the Plan requests that CHLIC disclose PHI to the Plan Sponsor, the Plan and Plan Sponsor each represent and warrant that:

- (A) The information only will be used for one of the following purposes:
  - i. Plan Administration functions, as defined by the HIPAA Privacy Rule, and that the Plan Sponsor has executed the required plan amendment and certification allowing the disclosure, as set out in the HIPAA Privacy Rule;
  - ii. Enrollment functions, provided the information to be disclosed is limited to enrollment and disenrollment information; or
  - iii. To amend, modify, or terminate the Plan, or to obtain premium bids to provide health insurance coverage under the Plan, provided the information to be disclosed is limited to Summary Health Information, as defined in the HIPAA Privacy Rule; and
- (B) The information requested is the minimum necessary to achieve the purpose of the disclosure.

## **VI. DEFINITIONS FOR USE IN THIS ADDENDUM**

**Definitions.** Certain capitalized terms used in this Addendum shall have the meanings ascribed to them by HIPAA and HITECH including their respective implementing regulations and guidance. If the meaning of any term defined herein is changed by regulatory or legislative amendment, then this Addendum will be modified automatically to correspond to the amended definition. All capitalized terms used herein that are not otherwise defined have the meanings described in HIPAA and HITECH. A reference in this Addendum to a section in the HIPAA Privacy Rule, HIPAA Security Rule or HITECH means the section then in effect, as amended.

**“Breach”** means the unauthorized acquisition, access, use or disclosure of Unsecured Protected Health Information which compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information. A Breach does not include any unintentional acquisition, access or use of PHI by an employee or individual acting under the authority of CHLIC if such acquisition, access or use was made in good faith and within the course and scope of the employment or other professional relationship of such employee or individual with CHLIC; any inadvertent disclosure from an individual who is otherwise authorized to access PHI at a facility operated by CHLIC to another similarly situated individual at the same facility; and such information is not further acquired, accessed, used or disclosed without authorization by any person.

**“Business Associate”** means CHLIC.

**“Covered Entity”** means the Plan.

**“Designated Record Set”** shall have the same meaning as the term "designated record set" as set forth in the Privacy Rule, limited to the enrollment, payment, claims adjudication and case or medical management record systems maintained by CHLIC for the Plan, or used, in whole or in part, by CHLIC or the Plan to make decisions about Individuals.

**“Effective Date”** shall mean the earliest date by which CHLIC and the Plan must enter into a business associate agreement under 45 C.F.R. Part 164.

**“Electronic Protected Health Information”** shall mean PHI that is transmitted by, or maintained in, electronic media as that term is defined in 45 C.F.R. §160.103.

**“Limited Data Set”** shall have the same meaning as the term “limited data set” as set forth in 45 C.F.R. §164.514(e)(2).

**“Protected Health Information”** or **“PHI”** shall have the same meaning as set forth at 45 C.F.R. §160.103.

**“Secretary”** shall mean the Secretary of the United States Department of Health and Human Services.

**“Security Incident”** shall have the same meaning as the term "security incident" as set forth in 45 C.F.R. §164.304.

**“Unsecured Protected Health Information”** shall mean PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in the guidance issued under Section 13402(h)(2) of ARRA.

## Exhibit E – Conditional Claim/Subrogation Recovery Services

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

If Employer has not purchased individual or aggregate stop loss coverage from CHLIC or an affiliated Cigna company 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:  
    Name:  
    Address:  
— 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 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. 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.

## Exhibit F - HSA Account Holder Fee Schedule

Fee Description	Fee
Paper statement fee, if activated	\$1.25 per statement
ATM transactions (cash withdrawals, balance inquiries and denials)	No charge, without limitation when using a Webster Bank ATM <sup>2</sup>
Charge for order of 50 checks	\$10.65 per order of 50 checks
Checks returned for non-sufficient funds	No charge
Check stop payment service	No charge
Duplicate check	No charge
Debit card transactions at merchant locations	No charge, without limitation
Replacement card (lost or stolen)	\$6.00 per occurrence
Returned deposit check or EFT	\$10.00 per occurrence
Cash advance fee (teller-assisted cash withdrawal)	\$No charge at Webster Bank
Foreign currency conversion	2.5% of purchase amount may apply in those countries/territories where the card is used
Investment Account Fees	No Charge
Account Closing	No Charge

1. The monthly paper statement can be started or stopped after the account has been opened by visiting myCigna.com. The online statements are always free of charge.
2. ATM fees for using a non-Webster Bank ATM will apply.

The standard Monthly Account Maintenance Fee per HSA Account Holder, including HSA Unaffiliated Account Holders will be \$0.00 for the length of the Agreement. HSA Bank, a division of Webster Bank, NA, reserves the right to change any of the Account Holder fees described above as well as impose additional fees upon thirty (30) days prior written notice to Account Holder. If Account Holder employment status changes, Account Holder will be responsible for all of the above mentioned fees plus an HSA card issuance fee of \$6.00 per card and monthly account management fee of \$3.00.

### **Exhibit G - Custom Fund List**

<b>Fund Name</b>	<b>Ticker Symbol</b>	<b>Asset Class</b>
Vanguard Inflation-Protected Sec	VIPSX	Inflation-Protected Bond
Vanguard Intermediate Govt'	VFITX	Intermediate Government
Vanguard International Growth	VWIGX	Foreign Large Blend
Vanguard Extended Market Index	VEXMX	Mid-Cap Blend
Vanguard Growth Index	VIGRX	Large Growth
Vanguard Money Market Fund	VMMXX	Money Market
Vanguard Morgan Growth	VMRGX	Large Growth
Vanguard S&P 500 Index	VFINX	Indexed
Vanguard Small Cap Growth Index	VISGX	Indexed
Vanguard Small Cap Value Index	VISVX	Indexed
Vanguard Total International Stock Index Fund	VGTSX	International Equity
Vanguard Target Ret 2010	VTENX	Indexed
Vanguard Target Ret 2015	VTXVX	Indexed
Vanguard Target Ret 2020	VTWNX	Indexed
Vanguard Target Ret 2025	VTTVX	Indexed
Vanguard Target Ret 2030	VTHRXX	Indexed
Vanguard Target Ret 2035	VTTHX	Indexed
Vanguard Target Ret 2040	VFORX	Indexed
Vanguard Target Ret 2045	VTIVX	Indexed
Vanguard Target Ret 2050	VFIFX	Indexed
Vanguard Target Ret Income	VTINX	Indexed
Vanguard Total Bond Index	VBMFX	Fixed Income
Vanguard Total Stock Mkt	VTSMX	Indexed
Vanguard Value Index	VIVAX	Indexed

Interest rates are set on a monthly basis and are managed rates. Bank Vendor reviews a number of different economic indicators and the competitive environment to determine the rate. Management expertise is leveraged from within HSA Bank, a division of Webster Bank, NA, as well.

## Appendix A – Pharmacy Benefit Management Services

### PHARMACY BENEFIT MANAGEMENT - DEFINITIONS

#### Definitions

Any capitalized term not defined below shall have the meaning given to such term in the Agreement. Any capitalized term utilized in the Schedule of Financial Charges or Exhibit B shall have the meaning given to such term in the Agreement, including the meanings set forth below.

- “Actuarially Estimated” shall mean that the discount(s) listed in the Schedule of Financial Charges are estimated, but not guaranteed, to result in a particular average discount for Covered Drugs administered by CHLIC under this Agreement. Actuarially estimated discounts are calculated based on evaluation of an expected distribution of drug utilization across CHLIC’s aggregate group client book of business. As measured in the aggregate for Employer’s Pharmacy Benefit, Employer’s average discount results may vary based on the Plan-specific factors such as drug mix utilization.
- “Average Wholesale Price” or “AWP” shall mean the average wholesale price of a Covered Drug as established and reported by Medi-Span. The applied AWP of a Covered Drug shall be the AWP for the actual eleven (11) digit National Drug Code (“NDC”), Covered Drug specific, quantity appropriate actual package size (or the manufacturer-packaged quantity closest to the dispensed size), submitted by a Retail Pharmacy, Home Delivery Pharmacy, or Specialty Pharmacy at the time that the Covered Drug is adjudicated. Notwithstanding any other provision in this Agreement, 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 Rebates, charges, rates, discounts, guarantees and/or fees in connection with CHLIC’s administration of the 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 to the Parties as it existed immediately prior to such change. Additionally, and notwithstanding any other provision in this Agreement, 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 to the Parties 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.
- “Brand Drug” shall mean a pharmaceutical product, including a Covered Drug that is a prescription drug, including over-the-counter drugs dispensed pursuant to a prescription, medicine, agent, substance, device, supply or other therapeutic product that is not a Generic Drug. Except if and where the language expressly states otherwise, a Brand Drug does not include a Specialty Brand Drug for ingredient cost discount purposes.
- “Business Decision Team” shall mean a committee comprised of voting and non-voting representatives across various Cigna business units such as clinical, medical and business leadership that is duly authorized by Cigna to make decisions regarding coverage treatment of pharmaceutical products based on clinical findings provided by the P&T Committee, including, but not limited to, decisions regarding tier placement and application of utilization management to pharmaceutical products.
- “Cigna Home Delivery Pharmacy” shall mean a duly licensed pharmacy operated by CHLIC or its affiliates, where prescriptions are filled and delivered via the mail service, which may include Tel-Drug of Pennsylvania LLC and Tel-Drug, Inc. “Claim”, for purposes of this Appendix A, is a claim or request for coverage under the Pharmacy Benefit.
- “Compound Drug” shall mean a medication that (a) is comprised of two or more gaseous, solid, semi-solid, or liquid ingredients (other than water or

flavoring added to any preparation) that are weighed or measured at a pharmacy and then prepared according to the prescriber's order and the pharmacist's art; (b) contains at least one FDA-approved federal legend drug as an active ingredient; (c) is not otherwise generally available in its compound form; and (d) is not a compound preparation administered by infusion or injection.

- "Covered Drugs" shall mean prescription drugs, including over-the-counter drugs dispensed pursuant to a prescription, biologics, medicines, agents, substances, devices, supplies, and other therapeutic products that are prescribed for Members and are covered under the Pharmacy Benefit and shall include all associated standard services usually and customarily rendered by a pharmacy or provider in the normal course of business, including dispensing, administration, counseling and product consultation.
- "Dispensing Fee" means an amount paid to a pharmacy for providing professional services necessary to dispense a Covered Drug to a Member.
- "FDA" shall mean the U.S. Food and Drug Administration.
- "Formulary" shall mean the list of FDA-approved prescription drugs and supplies developed and managed by CHLIC across its self-funded and insured group book of business and that is selected and adopted by Employer. The drugs and supplies included on the Formulary will be modified by CHLIC from time to time as a result of factors including, but not limited to, economic and clinical factors like clinical appropriateness, manufacturer Rebate arrangements and patent expirations. Any changes CHLIC makes to the Formulary are hereby adopted by Employer.
- "Generic Drug" means a pharmaceutical product, including a Covered Drug, whether identified by its chemical, proprietary, or non-proprietary name, that is accepted by the FDA as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s), and which is identified as such in CHLIC's master drug file using indicators from First Databank, Medi-Span, or other nationally recognized source as used by CHLIC across its book of business on the basis of a proprietary algorithm, a summary of which may be made available for review by Employer or, subject to CHLIC's consent, its auditor upon request in accordance with the terms set forth in this Appendix A. Employer and, as applicable, its auditor shall sign a confidentiality agreement acceptable to CHLIC relating specifically to such summary. The reference to a drug by its chemical name does not necessarily mean that the product is recognized as a generic for adjudication, pricing or copay purposes. Except if and where the language expressly states otherwise, a Generic Drug does not include a Specialty Generic Drug for ingredient cost discount purposes. For pricing purposes, a Generic Drug includes a Covered Drug that is otherwise identified as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and is within its exclusivity period or other period of limited competition.
- "Gross Drug Cost" shall mean the sum of the total discounted cost to Employer and/or a Member for a Covered Drug plus any applicable Dispensing Fee, plus and sales tax or other tax applied thereto.
- "Maximum Allowable Charge" shall mean the maximum unit price for a Covered Drug included on the applicable MAC List as set forth on such MAC List.
- "MAC List" shall mean a then-current list maintained by CHLIC of prescription drugs, devices, supplies and over-the-counter drugs identified as readily available as a Generic Drug or generally equivalent to a Brand Drug (in which case it may also be on a MAC List) and that, in each case, are deemed to require or are otherwise capable of pricing management due to the number of manufacturers, utilization and/or pricing volatility.
- "Pharmacy Benefits" shall mean amounts payable for covered pharmacy benefit services and products under the terms of the Plan; Pharmacy Benefits shall

be considered Plan Benefits for purposes of this Agreement.

- “P&T Committee” shall mean a committee comprised of both voting and non-voting Cigna-employed clinicians, Medical Directors and Pharmacy Directors and non-employees such as Participating Providers that represent a range of clinical specialties. The committee regularly reviews pharmaceutical products, new pharmaceutical products, for safety and efficacy, the findings of which clinical reviews inform coverage status decisions made by the Business Decision Team. The P&T Committee’s review may be based on consideration of, without limitation, FDA-approved labeling, standard medical reference compendia, or scientific studies published in peer-reviewed English-language bio-medical journals.

- “PBM Proprietary Information” shall mean information relating to CHLIC’s pharmacy benefit management products and services, including, without limitation, CHLIC’s reporting and web-based applications, eligibility and adjudication systems and coding methodologies, system formats and databanks, clinical or formulary management operations or programs, information and agreements relating to Rebates and other financial information, prescription drug evaluation criteria and coverage policies, drug pricing information, including MAC List and Specialty Drug pricing, paid Claims information integrated into CHLIC’s adjudication systems, and pharmaceutical manufacturer, vendor or pharmacy network agreements.

- “Rebate” shall mean the following payments or other consideration paid or payable to CHLIC from manufacturers to the extent arising from or as a result of Covered Drugs dispensed to Members and/or the performance of any pharmacy benefit management services provided under the Agreement.

(a) Payments, rebates and other consideration paid to CHLIC from any manufacturer arising from or as a result of the inclusion or exclusion on any Formulary of Covered Drugs manufactured, sold, marketed, or distributed by any manufacturer;

(b) Rebates, discounts, service fees and other consideration paid to CHLIC from any manufacturer arising from or as a result of any arrangements, commitments, programs or activities involving or relating to utilization (e.g., market share, growth, etc.) of certain prescription drugs within their respective therapeutic categories; and

(c) Rebates, discounts, service fees and other consideration paid to CHLIC from any manufacturer arising from or as a result of any arrangements, commitments, programs or activities involving or relating to services performed by CHLIC for Employer where CHLIC is paid or is entitled to fees or other compensation on the basis of the volume or value of prescription drugs or other products that are prescribed or dispensed to CHLIC customers.

However, “Rebates” shall exclude: (i) pricing adjustments, payments and credits made in the ordinary course by any manufacturer on account of product returns, delivery errors or shipping damage or losses arising from drugs and other products purchased from such manufacturer by or on behalf of CHLIC; (ii) pricing discounts paid or credited by a manufacturer to pharmacies affiliated with CHLIC for prescription drugs and other products purchased from such manufacturer; (iii) any fees or other compensation paid by any manufacturer in consideration of any services, products, activities or programs performed, provided or implemented by CHLIC or any of its affiliates for such manufacturer; (iv) payments, rebates or other compensation paid to CHLIC for or by reason of any administrative or other services provided by CHLIC to or for any manufacturer, in connection with administering, computing, invoicing, allocating and/or collecting amounts otherwise constituting Rebates; and (v) rebates or other amounts paid to CHLIC for prescription drugs that are administered or otherwise provided to Members in providers’ offices, home health care settings or outpatient clinics.

- “Retail Pharmacy” shall mean any licensed retail pharmacy with which CHLIC has contracted directly or indirectly with a third party, to provide Covered Drugs to Members, and is not a mail order pharmacy. A mail order pharmacy is a pharmacy that primarily fills and delivers pharmaceutical

products via the mail service. The term "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.

- "Specialty Drug" shall mean a pharmaceutical product, including a Covered Drug, considered by CHLIC to be a Specialty Drug based on consideration of the following factors: (i) whether the pharmaceutical product is prescribed and used for the treatment of a complex, chronic or rare condition; (ii) whether the pharmaceutical product has a high acquisition cost; and, (iii) whether the pharmaceutical product is subject to limited or restricted distribution, requires special handling and/or requires enhanced patient education, provider coordination or clinical oversight. A Specialty Drug may not possess all or most of the foregoing characteristics, and the presence of any one such characteristic does not guarantee that a pharmaceutical product will be considered a Specialty Drug. The term "Specialty," when immediately preceding the terms "Generic Drug" or "Brand Drug", means that the resulting term (e.g. "Specialty Generic Drug") refers to a Generic Drug or Brand Drug that is considered a Specialty Drug, respectively. For the purposes of reconciling CHLIC's performance with respect to any pricing guarantees set forth in the Schedule of Financial Charges, and notwithstanding how the Specialty Drug is processed for adjudication or coverage purposes, the term Specialty Drug shall exclude pharmaceutical products, including certain HIV/AIDS products and transplant products, that are not listed on the Specialty Drug List that is incorporated by reference in Appendix B. A pharmaceutical product excluded from any Specialty Drug pricing guarantee pursuant to the preceding sentence shall be considered a Generic Drug or Brand Drug, as applicable, for discount or, as applicable, pricing guarantee purposes.

- "Specialty Pharmacy" shall mean a duly licensed pharmacy designated by or operated by CHLIC or its affiliates that primarily dispenses Specialty Drugs or provides services related thereto; provided, however, that when the Cigna Home Delivery Pharmacy dispenses a Specialty Drug, it shall be considered a Specialty Pharmacy hereunder.

- "U&C Charge" shall mean the price the applicable Retail Pharmacy would charge a regular cash-paying customer for a Covered Drug (and any services related to the dispensing thereof) on the day on which the Covered Drug is dispensed.

#### **PHARMACY BENEFIT MANAGEMENT – SERVICES TO BE PROVIDED**

##### **1. Retail Pharmacy Network.**

(a) General. CHLIC shall maintain a Retail Pharmacy network. Retail Pharmacies included in the network shall provide Covered Drugs to which the Retail Pharmacies have access to Members during their normal business hours in all applicable locations. A list of the Retail Pharmacies included in the network, as updated from time to time, shall be made available to Members online. CHLIC maintains multiple networks and/or sub-networks and may periodically consolidate networks and/or migrate clients, including Employer, between networks and sub-networks. CHLIC shall require each Retail Pharmacy included in the network to meet its requirements for participation in the Retail Pharmacy network, which include, but are not limited to, satisfaction of licensing and insurance requirements.

(b) Retail Pharmacy Audits and Overpayments. CHLIC shall perform desktop and on-site audits of each Retail Pharmacy to ensure that each Retail Pharmacy is complying with the terms of its contract with CHLIC. In the event that CHLIC discovers that an overpayment has been made to a Retail Pharmacy, CHLIC shall take reasonable steps to recover the overpayment pursuant to the terms of this Agreement.

(c) Independent Contractors. The Retail Pharmacies are independent contractors, and CHLIC does not exert direction or control over the pharmacists at Retail Pharmacies in filling prescriptions or performing other pharmaceutical services.

(d) Collection of Cost Sharing. CHLIC shall require Retail Pharmacies to collect all applicable Plan cost-shares from Members.

**2. Cigna Home Delivery Pharmacy.**

(a) General. Members may submit new or refill prescription orders for fulfillment through Cigna Home Delivery Pharmacy or such other mail service pharmacy that CHLIC in its sole discretion may select from time to time. Such orders may be placed via mail, telephone, or electronic means. Subject to Applicable Law, Employer shall permit CHLIC to communicate with Members regarding availability and use of the Cigna Home Delivery Pharmacy and potential cost savings associated therewith. In addition, CHLIC may provide supporting services with respect to the Cigna Home Delivery Pharmacy. Cigna Home Delivery Pharmacy shall deliver all drugs to Members in accordance with its standard procedures. For the purposes of clarity, CHLIC does not exert direction or control over the pharmacists at Cigna Home Delivery Pharmacy in filling prescriptions or performing other pharmaceutical services.

(b) Cost Sharing. Members are responsible for payment of the applicable cost sharing to Cigna Home Delivery Pharmacy for each prescription or prescription refill. Employer acknowledges that Cigna Home Delivery Pharmacy may suspend services to a Member who is in default of any cost-sharing obligations, in accordance with Cigna Home Delivery Pharmacy's standard credit policy. If payment of such cost-sharing has not been received from the Member within one hundred twenty (120) days of dispensing of the product, the Plan will be billed for the outstanding amount following the one hundred twenty (120) day collection period.

(c) Affiliation with CHLIC. Tel-Drug of Pennsylvania LLC and Tel-Drug, Inc. are licensed pharmacy affiliates of CHLIC that fill and deliver Covered Drugs via the mail service.

**3. Claims Processing.**

(a) General. CHLIC shall perform claims processing services for Covered Drugs dispensed by Retail Pharmacies or Cigna Home Delivery Pharmacy. In-network Claims shall be submitted via paper or electronically. Members using out-of-network covered services are required to submit a paper claim form. A separate charge shall apply for submission of any paper claim form, whether in-network or out-of-network. CHLIC does not provide coordination of benefits (COB) services for Claims for drugs dispensed, and electronically processed, at a pharmacy; Claims will be processed without consideration of a Member's coverage under another plan.

(b) Drug Utilization Review. CHLIC shall perform a concurrent Drug Utilization Review ("DUR") analysis of each prescription submitted for processing, which may include: (1) prescribed dosage within a safe range; (2) drug-to-drug interaction; (3) drug-to-allergy interaction; (4) age-to-drug interaction; (5) duplicate therapy; (6) quantity limitations; and (7) days' supply. CHLIC's DUR processes shall not override or substitute for the prescriber's, the pharmacist's or other health care provider's professional judgment.

**4. Utilization Management Program.** CHLIC shall, in accordance with Section 2 of the Agreement, administer the Pharmacy Benefit utilization management program(s) identified in this Agreement. Employer acknowledges that CHLIC's coverage policies and claims administration procedures, which are utilized across CHLIC's self-funded and insured book-of-business to adjudicate claims and administer appeals, may change periodically. As an example of the coverage criteria that may apply to a pharmaceutical product, a Member may have to try one or more preferred pharmaceutical products, or demonstrate why trying the preferred pharmaceutical product(s) would be clinically inappropriate, in order to obtain coverage under the Plan for a given pharmaceutical product. Employer further authorizes CHLIC to allow coverage for a use that would be otherwise excluded in the event of co-morbidities, complications and other factors not expressly addressed by the coverage policies utilized by CHLIC in reviewing Claims for coverage. CHLIC may rely

wholly upon information about the Member and the prescriber's diagnosis of the Member's condition. CHLIC shall not substitute its judgment for the judgment of the prescribing physician, nor shall it determine medical necessity or make other medical determinations other than for coverage purposes.

5. **Rebate Management.** CHLIC shall pay Employer amounts equal to the Rebate amounts specified on the Schedule of Financial Charges.

6. **Drug-Related Services.**

(a) **Specialty Drugs.** CHLIC shall process Claims regarding Specialty Drugs subject to the following provisions:

(1) The Specialty Pharmacy shall fill prescriptions for Specialty Drugs based on the professional judgment of the dispensing pharmacist, accepted pharmacy practices and product guidelines.

(2) A list of Specialty Drugs available via the Specialty Pharmacy and pricing with respect thereto shall be made available as in effect on the Effective Date, are set forth in Appendix B. After the Effective Date, Employer may request that CHLIC provide it with an updated list of Specialty Drugs available via the Specialty Pharmacy and pricing with respect thereto.

(3) To the extent acting in the capacity as a mail order pharmacy, the Specialty Pharmacy shall ship Specialty Drugs to Members in accordance with its standard procedures.

(4) Members are responsible for payment of the applicable cost sharing to the Specialty Pharmacy for each prescription or prescription refill. Employer acknowledges that the Specialty Pharmacy may suspend services to a Member who is in default of any cost-sharing obligations, in accordance with the Specialty Pharmacy's standard credit policy. If payment has not been received from the Member within one hundred twenty (120) days of dispensing, the Plan will be billed following the one hundred twenty (120) day collection period.

(5) For the purposes of clarity, CHLIC does not exert direction or control over the pharmacists at the Specialty Pharmacy in filling prescriptions or performing other pharmaceutical services.

(b) **Compound Drugs.** CHLIC shall process prescribed Compound Drugs to the extent covered under the Plan. CHLIC shall treat as Covered Drugs only those components of a Compound Drug that would otherwise be treated as Covered Drugs were they not part of a Compound Drug.

7. **Member Communications and Services.**

(a) **Member Communication.** CHLIC shall provide to Members an ID card and instructions to access Member materials online, including the Formulary, the Retail Pharmacy directory, Cigna Home Delivery Pharmacy information, and an out-of-network Claim reimbursement form.

(b) **Rx Savings Messenger.** CHLIC may send personalized mailings to Members regarding the Generic Drugs and preferred Brand Drugs and savings available from Cigna Home Delivery Pharmacy.

(c) **Call Center.** CHLIC shall maintain toll-free customer service lines twenty-four (24) hours per day, seven (7) days per week for the purpose of responding to inquiries from Members regarding Retail Pharmacy, Cigna Home Delivery Pharmacy or Claims issues.

8. **Formulary Management; Clinical Programs; Other Services.**

CHLIC shall provide Formulary management services, which shall include implementing Formulary placement decisions and determinations to apply utilization management requirements made by CHLIC's Business Decision Team. The Business Decision Team makes Formulary determinations based on consideration of clinical and economic factors. Clinical factors may include, but are not limited to, the CHLIC P&T Committee's evaluation of the place in therapy, relative safety or relative efficacy of the drug, as well as whether certain supply limits or other utilization management requirements should apply. Economic factors may include, but are not limited to, the drug's acquisition cost including, but not limited to, assessments on the cost effectiveness of the drug and available Rebates. When considering a drug for Formulary placement or other coverage conditions, CHLIC's Business Decision Team reviews clinical and economic factors regarding enrollees as a general population across its relevant book-of-business. CHLIC shall also provide the clinical, safety and/or trend programs, or other programs and services selected by Employer as indicated on the Schedule of Financial Charges or otherwise agreed upon by Employer and CHLIC, some of which may require payment of additional fees.

## **PHARMACY BENEFIT MANAGEMENT – PROGRAM OPERATIONS**

### **1. Implementation of Agreement.**

(a) Project Plan. Employer and CHLIC shall develop an agreed upon implementation project plan with respect to the Agreement prior to the Effective Date or prior to the implementation with respect to any new Pharmacy Benefit under this Agreement following the Effective Date.

(b) Initial Data and Commencement of Pharmacy Benefit Management Services. Prior to the Effective Date, Employer shall provide CHLIC with all data and/or documentation necessary for CHLIC to provide the services specified in this Agreement. Such data and/or documentation shall include, but is not necessarily limited to, claims history and Member prior authorization history. Assuming all data specified in the preceding sentence is received sufficiently in advance of the Effective Date, CHLIC shall commence providing services under this Agreement as of the Effective Date.

2. Timely Provision of Data by Employer. Employer acknowledges that CHLIC shall not be held responsible for, and shall be released from, fulfilling any obligation or performing any service under this Agreement if Employer or its designee does not provide accurate information in a timely manner.

3. Reporting. CHLIC shall make available to Employer CHLIC's standard reporting applications, subject to Applicable Law and Exhibit D, including, without limitation, HIPAA and state privacy laws.

### **4. Claims Data.**

(a) Retention. CHLIC shall retain data with respect to Claims for at least seven (7) years from the date the prescription is filled. Following the close of such retention period, CHLIC shall retain and dispose of such Claims data pursuant to its then-current standard policies and procedures, Applicable Law and the Business Associate Agreement described in the Agreement.

(b) Disclosure to Vendor. Upon Employer's written request and subject to execution of a non-disclosure agreement acceptable to CHLIC, CHLIC shall provide prescription Claims data in its standard format to a vendor contracted with Employer's vendor and otherwise acceptable to CHLIC solely for the purposes of such vendor's support of Plan administration functions. Employer agrees that its vendors may not utilize Claims data for any other purpose, including, without limitation, developing products and services, analyzing the Claims data against market benchmarks or CHLIC competitors or adding to a normative database (even if de-identified and/or blinded as to Member and PBM/carrier) for the Employer's or vendor's commercial use. Employer shall be responsible for any use or disclosure of Claims data, or any services provided, by the vendor. Notwithstanding the foregoing, all audits of any pricing guarantees, Rebate-sharing obligations or Claims processing accuracy shall be conducted in accordance with the terms in this Agreement specifically relating to such audits

(c) De-Identified Data. During and after the term of this Agreement, CHLIC may use Claims, drug, and medical data that has been de-identified in accordance with HIPAA for research, provider evaluation, database maintenance, and other commercial purposes.

This provision shall survive termination or expiration of the Agreement.

**5. Claims Processing Audits.** Employer may, in accordance with the requirements set forth in Section 6 of the Agreement and at no additional charge while this Agreement is in effect, audit CHLIC's payment of Plan Benefits subject to the conditions set forth in Section 6 of the Agreement.

**6. Rebate Audits.** Refer to Section 6(a)(d) of the Agreement.

**7. Financial Guarantee Reconciliation Audits.**

Refer to Section 6(a)(e) of the Agreement.

#### **PHARMACY BENEFIT MANAGEMENT – FUNDING AND PAYMENT OF CLAIMS; CHARGES**

**1. Funding and Payment of Claims.** With respect to Pharmacy Benefits, (1) CHLIC may withdraw funds from the Bank Account for the purposes specified in Section 3 of the Agreement five times per month, and (2) any recovered overpayments shall be credited to Employer via a line item on its invoice, less the fee set forth on the Schedule of Financial Charges.

**2. Retroactive Member Changes and Terminations.** Notwithstanding anything in the Agreement to the contrary, Employer shall remain responsible for all charges and Bank Account Payments incurred or charged through the date CHLIC processed Employer's notice of a retroactive change or termination of a Member's enrollment in the Plan. Notwithstanding anything to the contrary in Section 4.c. of the Agreement, with respect to Pharmacy Benefits, CHLIC generally will implement eligibility updates received from Employer that adhere to CHLIC's standard electronic format as soon as reasonably practicable following receipt of such updates.

#### **PHARMACY BENEFIT MANAGEMENT – FIDUCIARY ACKNOWLEDGMENTS**

CHLIC offers pharmacy benefit management services for consideration by Employer and other entities. The general parameters of such services and the supporting systems have been developed by CHLIC as part of CHLIC's administration of its general business as a pharmacy benefit manager for entities that sponsor group health plans. The Parties have negotiated the terms of this Agreement in an arm's-length fashion. The Parties assert that neither Party intends that CHLIC shall be a fiduciary with respect to Pharmacy Benefits for either ERISA (if applicable) or state law purposes, and neither Party shall name CHLIC as a "plan fiduciary" with respect to its management of Pharmacy Benefits. Employer acknowledges and agrees that CHLIC (i) does not have discretionary authority or control respecting management of the Pharmacy Benefits, and (ii) does not exercise any authority or control respecting management or disposition of the assets relating to Pharmacy Benefits or of Employer. Rather, Employer retains all such authority and control. The Parties agree that, upon reasonable notice, CHLIC shall have the right to terminate its Pharmacy Benefit services under this Agreement to any Plan and/or Members located in a state that requires a pharmacy benefit manager to be a fiduciary to Employer, the Plan or a Member.

This provision shall survive termination or expiration of the Agreement.

### PHARMACY BENEFIT MANAGEMENT – FINANCIAL ARRANGEMENTS

1. **General.** CHLIC contracts on its own account with Retail Pharmacies to dispense covered pharmaceutical products to Employer's Members, and not on behalf of, or for the benefit of, Employer or the Plan; accordingly, any discounts or other remuneration CHLIC earns under an arrangement with a Retail Pharmacy are obtained for, and inure to, the sole and exclusive benefit of CHLIC, and not the Employer or the Plan. Amounts paid to the Retail Pharmacy for Brand Drug, Generic Drug, or Specialty Drug Claims may or may not be equal to the amount charged to Employer and/or Member. If the amount paid by Employer and/or Member does not equal the amount paid by CHLIC to a particular pharmacy, CHLIC will absorb or retain such difference. CHLIC contracts with pharmaceutical manufacturers for Rebates and other remuneration on its own behalf and for its own benefit, and not on behalf of Employer or the Plan. Accordingly, CHLIC retains all right, title and interest to any and all actual Rebates and other remuneration received from manufacturers. CHLIC will pay Employer amounts equal to all or some portion of the Rebate amounts allocated to Employer, if any, and as specified on the Schedule of Financial Charges, from CHLIC's general assets (neither Employer, its Members, nor Employer's Plan retains any beneficial or proprietary interest in CHLIC's general assets). Rebate amounts received vary based on factors including, without limitation, Employer-specific utilization, the volume of utilization as well as Formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, Claims volume, and in certain instances also may vary based on the product market share. Employer acknowledges and agrees that neither it, its Members nor its Plan will have a right to interest on, or the time value of, any Claim payments charged by CHLIC to Employer or any Rebate payments received by CHLIC during the collection period of moneys payable under this section, and that CHLIC shall retain any such remuneration.

2. **Affiliates.** Cigna Home Delivery Pharmacy and any other licensed pharmacy affiliate of CHLIC may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers and wholesale distributors in its capacity as a mail service and/or specialty pharmacy. Cigna Home Delivery Pharmacy or any other licensed pharmacy affiliate of CHLIC may contract for these arrangements on its own account in support of its pharmacy operations, and not on behalf of, or for the benefit of, Employer of the Plan. Accordingly, Cigna Home Delivery Pharmacy and any other licensed pharmacy affiliate of CHLIC retains the sole and exclusive benefit of any difference between its acquisition cost for a pharmaceutical product and the amount charged to Employer under this Agreement. Further these arrangements relate to services provided outside of this Agreement and other pharmacy benefit management arrangements and may be entered into without regard to whether a specific drug is on one of the formularies that CHLIC offers to entities that sponsor group health plans. Discounts and fee-for-service payments received by Cigna Home Delivery Pharmacy or any other licensed pharmacy affiliate of CHLIC are not part of the pharmacy benefit management formulary rebates or associated administrative fees or charges paid to CHLIC in connection with CHLIC's pharmacy benefit management formulary rebate programs.

This provision shall survive termination or expiration of the Agreement.

### PHARMACY BENEFIT MANAGEMENT – OBLIGATIONS UPON TERMINATION

Upon notice of termination of this Agreement, the following provisions shall apply with respect to Pharmacy Benefits:

- (a) Employer shall notify Members at least thirty (30) days prior to the termination of the Agreement becoming effective of any transition to a successor pharmacy benefit manager.
- (b) If mutually agreed upon by CHLIC and Employer, CHLIC shall provide services following termination of the Agreement at CHLIC's then-prevailing rate. Such services, if any, shall be determined by mutual agreement of CHLIC and Employer in advance of the termination of the Agreement becoming effective.
- (c) Upon request by Employer and subject to execution of a nondisclosure agreement acceptable to CHLIC, CHLIC shall transition Claims files and/or history to the pharmacy benefit manager or other third party specified by Employer and otherwise acceptable to CHLIC. Any disclosure of Claims files and/or

history shall be limited to the information the successor pharmacy benefit manager or other third party needs to implement or administer Employer's pharmacy benefits. CHLIC shall not be required to directly or indirectly release, and Employer shall not release, PBM Proprietary Information to any such third party.

(d) Upon termination of the Agreement for any reason, the Parties shall handle Confidential Information, PBM Proprietary Information and Protected Health Information (as defined in the Business Associate Agreement attached as Exhibit D) pursuant to the terms of the Agreement.

(e) In the event that CHLIC terminates the Agreement pursuant to Section 1(ii) or 1(iii) of the Agreement, CHLIC shall have no further obligation following the date of such termination to pay Employer any Rebates, or any other amount that may otherwise be payable by CHLIC to Employer.

This provision shall survive termination or expiration of the Agreement.

#### **PHARMACY BENEFIT MANAGEMENT – CONFIDENTIALITY**

**1. General.** Employer acknowledges and agrees that CHLIC's PBM Proprietary Information constitutes competitively sensitive trade secrets, and that its misuse or mis-disclosure could result in material financial and legal loss or liability to CHLIC, its affiliates and their respective subcontractors. CHLIC shall not be required to disclose PBM Proprietary Information to Employer except to the extent necessary for Employer to exercise any audit rights expressly provided hereunder or perform other Plan administration functions. If CHLIC discloses PBM Proprietary Information to Employer, or, if CHLIC consents, to the Employer's vendor or designee, CHLIC may require Employer, or its vendor or designee, to execute a non-disclosure agreement specifically relating to the requested PBM Proprietary Information. Employer agrees that it and its vendors may not utilize PBM Proprietary Information for any purpose other than performing Plan administration functions, including, without limitation, developing products and services, de-identifying, blinding or analyzing the PBM Proprietary Information against market benchmarks or CHLIC competitors or adding to a normative database for the Employer's, or vendor's or designee's, commercial use. For the purposes of clarity, information shall not cease to qualify as PBM Proprietary Information if Employer or its vendor or designee de-identifies and/or blinds the PBM Proprietary Information such that the information cannot be traced or identified to a Member or CHLIC, its affiliates or their respective subcontractors. Employer shall be solely responsible for any disclosure of PBM Proprietary Information by CHLIC to Employer or its vendor or designee, or any subsequent use or disclosure by Employer or its vendor or designee, or services provided by the same. Notwithstanding anything herein to the contract, in no event will CHLIC be required to disclose to Employer, or its vendor or designee, information related to, or including, its pharmacy network agreements, vendor agreements or pharmaceutical manufacturer agreements.

**2. Compelled Disclosures.** If at any time Employer, or its vendor or designee, is required by law, court order or other valid legal process to disclose any Confidential Information, it will promptly notify CHLIC prior to any such compelled disclosure and, upon request, cooperate with CHLIC in seeking a protective order or other available relief to contest or limit the scope of such compelled disclosure.

**3. Return or Destruction of Information.** At any time upon CHLIC's request or upon expiration or termination of this Appendix A or the Agreement, whichever occurs first, Employer will, at CHLIC's option, promptly deliver, or, as the case may be, compel its vendor or designee to deliver, to CHLIC all PBM Proprietary Information or other Confidential Information (or such portion thereof as requested) and not retain any copies in whole or in part of such PBM Proprietary Information or other Confidential Information, or securely destroy or dispose, or, as the case may be, compel its vendor or designee to destroy or dispose, of those portions of documents and other materials in any form, including electronic form, prepared by or received by the Employer or its vendor or designee, that contain or reflect such PBM Proprietary Information or other Confidential Information. Employer, or its vendor or designee, shall certify such return and destruction, as the case may be, to CHLIC.

## Appendix B - Cigna Home Delivery Pharmacy Specialty Drug List

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

The Specialty Drug List shall be provided separately to Employer, and is hereby incorporated into the Agreement by reference, inclusive of any changes made subsequent to CHLIC's initial issuance of the Specialty Drug List to Employer to the pharmaceutical products included on the Specialty Drug List or the discounts pertaining to such pharmaceutical products. Upon Employer's request on or after the Effective Date, CHLIC shall provide to Employer an updated Specialty Drug List.

Currently Marketed Specialty Drugs on this Specialty Drug List. The discounts in this Specialty Drug List are the discounts that will be adjudicated in CHLIC'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 CHLIC to the extent reasonably necessary to preserve the economic value of this Agreement as it existed immediately prior to the occurrence of any of the following events: 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 CHLIC. Accordingly, if Employer fails to disclose to CHLIC, 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, CHLIC may adjust the discounts as it reasonably deems necessary to preserve the economic value or benefit of this Agreement as CHLIC anticipated based on the terms and design of the Pharmacy Benefit previously disclosed to CHLIC and prior to CHLIC's discovery of the Pharmacy Benefit design feature that materially impacts CHLIC's discounts in this Specialty Drug List.
- 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 CHLIC to the extent reasonably necessary to preserve the economic value of this Agreement as it existed immediately prior to the occurrence of any of the following events: (a) there are any significant changes in the composition of CHLIC's pharmacy network or in CHLIC's pharmacy network contract compensation rates, or the structure of the pharmacy stores/chains/vendors that are contracted with CHLIC, 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 CHLIC 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 CHLIC's rebate program is administered or an existing Law is interpreted so as to materially affect or potentially have a material effect on CHLIC'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 CHLIC'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.