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September 6, 2022

Jennifer Poirrier  
Human Resources Director  
City of Clearwater  
100 South Myrtle Avenue  
Clearwater, FL 33756

Re: Administrative Services Only Agreement by and between Cigna Health and Life Insurance Company (“**CHLIC**”) and City of Clearwater (“**Employer**”)

Dear Jennifer Poirrier:

Enclosed is an Administrative Services Only Agreement (the “**Agreement**”) that CHLIC has prepared to establish the terms under which it will administer a self-funded benefit plan on behalf of Employer beginning January 1, 2023 (the “**Effective Date**”).

Employer may signify its acceptance of the terms of the Agreement by:

- Executing (i) this letter (where indicated below), or (ii) the signature page in the Agreement, and returning the executed page to me at the above address, or
- Taking no action, in which case the Agreement shall become binding upon Employer and CHLIC sixty (60) days following the date of this letter.

If Employer does not accept all the terms of the enclosed Agreement, it must so notify CHLIC either electronically or in writing (at the address indicated above) within sixty (60) days of the date of this letter. In that case, CHLIC shall cooperate to negotiate mutually agreeable terms with Employer. Once a subsequent agreement is executed, it will apply retroactively to the Effective Date. Until then, however, the enclosed Agreement, which may periodically be amended by CHLIC, will govern the relationship between Employer and CHLIC.

As indicated in the enclosed Agreement, Employer is solely responsible for communicating any Plan modification or amendment to Members or individuals considering enrolling in the Plan.

*Cigna Health and Life Insurance Company*

*City of Clearwater*

By:

A handwritten signature in blue ink that reads "Aimee E. Burnham".

By:

Authorized Representative: Aimee E. Burnham

Authorized Representative:

Title: Contractual Agreement Unit Manager

Title:

Date: September 6, 2022

Date: \_\_\_\_\_

**Administrative Services Only Agreement**

**By and Between**

**City of Clearwater  
“Employer”**

**And**

**Cigna Health and Life Insurance Company  
“CHLIC”**

**Effective Date: January 1, 2023**

EXCEPT AS PROVIDED BY APPLICABLE LAW, THIS AGREEMENT AND ITS TERMS ARE  
PROPRIETARY AND CANNOT BE DISCLOSED WITHOUT THE PERMISSION OF EACH OF THE  
PARTIES

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## Administrative Services Only Agreement for City of Clearwater

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THIS AGREEMENT, effective January 1, 2023 (the “Effective Date”) is by and between City of Clearwater (“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 that CHLIC provide certain administration services in connection with the Plan (for its own internal purposes, CHLIC identifies Employer’s account by the following number(s) 2499162).

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

### Definitions

**Agreement** means this entire document including the Schedule of Financial Charges and all Exhibits and Addenda, as attached hereto, as well as any subsequent amendments.

**Applicable Law** means the state, federal and/or international law and/or regulation that apply to a Party or the Plan.

**Bank Account** means a benefit plan account with a bank designated by CHLIC; established and maintained by Employer in its or a nominee’s name.

**ERISA** means the Employee Retirement Income Security Act of 1974, as amended and related regulations. CHLIC acknowledges that Employer's Plan may not be subject to ERISA.

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

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

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

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

**Party/Parties** means Employer and CHLIC, each a “Party” and collectively, the “Parties”.

**Plan Benefits** means amounts payable under the terms of the Plan for expenses incurred by Members for services/items covered under the Plan.

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

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**Run-Out Claims** means 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 termination of Member eligibility, as applicable.

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

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

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

- i. The date which is at least sixty (60) days from the date that either Employer or CHLIC provides written notice to the other of termination of this Agreement;
- ii. The effective date of any Applicable Law or governmental action which prohibits performance of the activities required by this Agreement;
- iii. The date upon which Employer fails to fund the Bank Account as required by this Agreement provided CHLIC notifies Employer of its election to terminate;
- iv. The date upon which Employer fails to pay CHLIC any charges identified in this Agreement when due provided CHLIC notifies Employer of its election to terminate; or
- v. Any other date mutually agreed upon by Employer and CHLIC.
- vi. Notwithstanding the foregoing, all provisions in this Agreement reasonably related to CHLIC's administration of the Plan's Pharmacy Benefit (as such term is defined in Appendix A) (the "Pharmacy Benefit Provisions"), shall continue in effect for no less than thirty six (36) months commencing on the Effective Date, except that, if any of the following dates occurs, the Pharmacy Benefit Provisions set forth in the Schedule of Financial Charges and Appendix A will cease being in effect as of such date:
  - a. The effective date of any Applicable Law or governmental action which prohibits performance of the activities in connection with the Pharmacy Benefit required by this Agreement;
  - b. The date upon which Employer fails to fund the Bank Account as required by this Agreement for claims under the Pharmacy Benefit provided CHLIC notifies Employer of its election to terminate the Pharmacy Benefit Provisions;
  - c. The date upon which Employer fails to pay CHLIC any charges in connection with the Pharmacy Benefit identified in this Agreement when due, provided CHLIC notifies Employer of its election to terminate the Pharmacy Benefit Provisions; or
  - d. The date that is sixty (60) days after written notice by either Employer or CHLIC ("non-defaulting party") of the material breach by the other (the "defaulting party") of a material obligation of the defaulting party related to the Pharmacy Benefit (other than failure to fund the Bank Account or failure to pay any charges when due pursuant to Sections 1.vi.b and 1.vi.c above) that is not cured to the reasonable satisfaction of the non-defaulting party within a reasonable time following the initial notice of breach.

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During such thirty six (36) month period (or shorter period, as applicable under (a), (b), (c) or (d) above), CHLIC will continue to be the exclusive provider of Pharmacy Benefit administration services for the Plan's Pharmacy Benefit.

In the event that Employer purports to terminate such arrangement or enters into an agreement with another pharmacy benefit manager ("PBM") or other third party to provide any or all pharmacy benefit management services for Employer's benefit plan prior to the end of such thirty six (36) month period, then, within thirty (30) days of CHLIC's written request, Employer shall pay CHLIC the amount of \$1.50 per the average monthly number of Members who were enrolled in the Plan's Pharmacy Benefit from the beginning of the thirty six (36) month period to the effective date of such purported termination or other agreement multiplied by the number of months remaining until the end of the thirty six (36) month period. However, if Employer terminates its CHLIC medical coverage under this Agreement, no such fee shall apply.

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

- a. While this Agreement is in effect, CHLIC shall, consistent with, the claim administration policies and procedures then applicable to its own health care insurance business (i) receive and review claims for Plan Benefits; (ii) determine the Plan Benefits, if any, payable for such claims; (iii) disburse payments of Plan Benefits to claimants; and (iv) provide in the manner and within the time limits required by Applicable Law, notification to claimants of (a) the coverage determination or (b) any anticipated delay in making a coverage determination beyond the time required by Applicable Law.
- b. Following (i) termination of this Agreement, except pursuant to Section 1.iii and 1.iv; (ii) termination of a Plan benefit option or (iii) termination of eligible Members, if any required fees have been paid in full, CHLIC shall process Run-Out Claims for the applicable Run-Out Period (Refer to Schedule of Financial Charges for applicable fees and Run-Out Period). At the termination of any applicable Run-Out Period, CHLIC shall cease processing Run-Out Claims and, subject to the requirements of Section 21.a, make all relevant records in its possession relating to such claims, other than CHLIC's proprietary information, reasonably available to Employer or Employer's designee. CHLIC is not required to provide proprietary information to Employer or any other party.
- 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 defined by ERISA), (iii) conduct level one of internal appeals of "Urgent Care Claims," "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 the delegation of discretionary authority outlined above.

If the Plan provides a level two internal appeal, Employer shall conduct and retain full responsibility and discretionary authority for such appeals including notification to the Member and/or the Member's authorized representative of its decision. Employer will ensure that the summary plan description materials provided to Members properly outline the internal appeal process and Employer's responsibility for level two internal appeals.

- 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. Unless

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otherwise agreed to in writing by CHLIC, all services identified in this Agreement shall be provided by CHLIC on an exclusive basis with respect to that portion of the Plan administered by CHLIC pursuant to this Agreement.

- 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 the Schedule of Financial Charges and Appendix A as attached hereto, 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. Employer shall establish a Bank Account, and maintain in the Bank Account an amount sufficient at all times to fund payments from it for the following (collectively "**Bank Account Payments**"): (i) Plan Benefits; (ii) those charges and fees identified in the applicable Schedule of Financial Charges as payable through the Bank Account and (iii) any sales tax, or similar benefit- or Plan-related charge, surcharge or assessment however denominated, which may be imposed by any governmental authority. Bank Account Payments may include without limitation: (a) fixed per person payments and pay-for-performance payments to Participating Providers; (b) amounts owed to CHLIC which are not billed to Employer in accordance with Section 4 of this Agreement; and (c) amounts paid to CHLIC's affiliates and/or subcontractors for, among other things, network access or in- and out-of network health care services/products provided to Members. CHLIC may credit the Bank Account with payments due Employer under 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 cease to process and issue payment for claims for Plan Benefits including Run-Out Claims and CHLIC may notify claimants and Members regarding such insufficient funding.
- d. CHLIC will promptly adjust any underpayment of Plan Benefits or pay-for-performance payments by drawing additional funds due the claimant from the Bank Account. In the event CHLIC determines that it has overpaid a claim for Plan Benefits or paid Plan Benefits to the wrong party, it shall take all reasonable steps consistent with the policies and procedures applicable to its own health care insurance business to recover the overpayments of Plan Benefits. CHLIC shall also take all reasonable steps consistent with the policies and procedures applicable to its own health care insurance business to collect pay-for-performance payments due to Employer or to recover pay-for-performance overpayments (collectively "Pay-for-Performance Recoveries"). CHLIC shall not be required to initiate court, mediation, arbitration or other administrative proceedings to recover any overpayment of Plan Benefits or to collect or recover Pay-for-Performance Recovery. However, when it elects to do so, CHLIC is expressly authorized by Employer to take all actions on behalf of the Employer and/or the Plan to pursue overpayment recovery of Plan Benefits or to collect or recover Pay-for-Performance Recovery including, but not limited to, retaining counsel, settling and compromising claims or Pay-for-Performance Recoveries, in which case CHLIC shall be responsible for the attorney fees, court costs or arbitration fees incurred by CHLIC in the specific overpayment recovery action of Plan Benefits (not applicable to subrogation or conditional claim payment recoveries) or to collect or recover Pay-for-Performance Recovery, but not any indirect, associated third party costs absent consent of CHLIC. CHLIC shall not be responsible for reimbursing any

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unrecovered payments of Plan Benefits or Pay-for-Performance Recoveries unless made as a result of its gross negligence or intentional wrongdoing.

- e. Employer shall promptly reimburse CHLIC for any Bank Account Payments paid by CHLIC with its own funds on behalf of the Employer or the Plan and no such payment by CHLIC shall be construed as an assumption of any of Employer's liability for such Bank Account Payments.
- f. Following termination of this Agreement, Employer shall remain liable for payment of all Plan Benefits and other due Bank Account Payments and for all reimbursements due Members under the Plan.

The obligations set forth in this Section 3 shall survive termination of this Agreement.

### **Section 4. Charges**

- a. Charges. CHLIC shall provide to Employer a monthly statement of all charges Employer is obligated to pay, in full, under this Agreement that are not paid as Bank Account Payments. Payment of all billed charges shall be due on the first day of the month, as indicated on the monthly statement. Payments received after the last day of the month in which they are due, shall be subject to late payment charges, from the due date at a rate calculated as follows: the one (1) year Treasury constant maturities rate for the first week ending in January plus five percent (5%). For purposes of calculating late payment charges, payments received will be applied first to the oldest outstanding amount due. CHLIC may reasonably revise the methodology for calculating late payment charges upon thirty (30) days' advance written notice to Employer.
- b. Changes - Additions and Terminations. If a Subscriber's effective date is on or before the fifteenth (15th) day of the month, full charges applicable to that Subscriber shall be due for that Subscriber for that month. If coverage does not start or ceases on or before the fifteenth (15th) day of the month for a Subscriber, no charges shall be due for that Subscriber for that month.
- c. Retroactive Changes and Terminations. Employer shall remain responsible for payment of all applicable 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. 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.

The obligations set forth in 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 and CHLIC shall have no liability for administering the Plan in reliance upon enrollment and eligibility information provided by Employer. Such eligibility information shall identify the effective date of eligibility and the termination date of eligibility and shall be provided promptly to CHLIC on at least a monthly basis (unless otherwise agreed to in writing by CHLIC) using a method and with such other information as reasonably may be required by CHLIC for the proper administration of the Plan.

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- 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 a CHLIC 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, caused by such failure.
- c. Reconciliation of Eligibility Information and Default Terminations. CHLIC will periodically share potential discrepancies in eligibility information with Employer. Employer will review and reconcile any discrepancies within thirty (30) days of receipt and provide CHLIC corrected eligibility information. 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. Audit Rights

- a. Employer may audit CHLIC's administration of Plan Benefits in accordance with the following requirements:
  - i. Except for clinical audits, Employer shall provide to CHLIC a scope of audit letter and the fully executed Audit Agreement, a sample of which is attached hereto as Exhibit C, together with a forty-five (45) day advance written request for audit. For a clinical audit, Employer shall provide to CHLIC a ninety (90) day advance written request to audit, together with a scope of audit letter, which scope shall be mutually agreed upon between the parties. CHLIC will provide the Auditor and Employer, if Employer is participating in the audit, with a draft Clinical Audit Agreement, sample of which is attached hereto as Exhibit C1, within a week of receiving the request to audit and scope of audit letter.
  - ii. Employer may designate with CHLIC's consent (which consent shall not to be unreasonably withheld) an independent, third-party auditor to conduct the audit (the "**Auditor**").
  - iii. Employer and CHLIC will agree upon the date for the audit during regular business hours in a virtual/remote audit environment or at CHLIC's office(s), as business needs require.
  - iv. 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 Audit Agreement attached hereto as Exhibit C and/or Exhibit C1, as applicable, which would hereby be agreed to by Employer and which shall be signed by the Auditor prior to the start of the audit.
  - v. If the audit identifies any errors requiring adjustments, such adjustments will be made in accordance with this Agreement and based upon the actual claims and fees reviewed and not upon statistical projections or extrapolations.
  - vi. Employer shall be responsible for its Auditor's costs.
  - vii. 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).
  - viii. In no event shall any audit involve Plan benefit payments or administration prior to the most recent two (2) plan years, (unless otherwise noted) or involve Plan benefit payment or

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administration that has been previously audited.

- ix. New audits shall not be initiated until all parties have agreed that the prior audit is closed.

In the event Employer requests to alter the scope of the audit, CHLIC will endeavor to reasonably accommodate the Employer's request, which may be subject to additional charges to be mutually agreed upon by the Employer and CHLIC prior to the start of the audit.

Employer may (as determined by CHLIC based upon the resources required by the audit requested) be responsible for CHLIC's reasonable costs with respect to the audit, except that while this Agreement is in effect there shall be no additional cost to Employer for an audit of the following:

- **Claims:** Payment documents relating to a random, statistically valid sample of two-hundred twenty-five (225) claims paid.
  - Requests to review provider contracts will be subject to CHLIC's current criteria and contrary terms in Participating Provider Agreements.
- **Appeals:** Documents, including payment documents as appropriate, relating to a random sample of up to thirty-five (35) appeals.
- **Customer Service:** Documentation and review of call recordings relating to a random sample of up to thirty-five (35) Member calls.
  - CHLIC maintains call recordings for up to twelve (12) months, and any customer service audit is limited to the availability of the call recordings.
- **Accumulator/Combined Deductible:** Audits are allowed based on mutually agreed-upon scope of up to thirty (30) cases.
- **Benefit Implementation:** Audits are allowed based on mutually agreed-upon scope and timing. CHLIC will support the benefit implementation audits for review of benefit set up related to claim processing.
- **Clinical Cases/Calls:** The standard annual allowable number of cases/calls for audit and standard number of days allowed to conduct the audit is as follows, based on number of Employer Subscribers during the time period covered by the audit:

Number of Subscribers	# Cases	# Calls	# Days*
5,000 & under	10	3	1
>5,000 & < 25,000	15	4	1
>25,000 & < 75,000	20	5	1.5
>75,000	25	6	2

All cases and calls related to case selection will be prepared and presented in compliance with all Applicable Laws, Privacy Addendum in Exhibit D, including but not limited to the HIPAA Privacy and Security Rules and 42 C.F.R. Part 2.. Cases selected will have been managed during the rolling twelve

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(12) month period prior to the date of the written request to conduct an audit and not previously audited for the current audit scope.

- **Medical Cost Containment Program Fees (MCCP):** MCCP audits are limited to confirmation of fees paid by the Employer related to the programs in place. The audits will not include review of documentation that is not applicable to claim administration. In addition, Auditor agrees that it will not outreach to Participating Providers or Members for claim or medical record information.

MCCP fee audits are based on the following criteria:

- Random samples selected by CHLIC based on the following:
  - Twenty-five (25) claims in which fees were paid for the Non-Participating Provider Cost Containment Programs which include Network Savings Program; Supplemental Network and Medical Bill Review (Pre-payment Cost Containment for Non-contracted claims)
  - One-hundred (100) claims related to Other Cost Containment Programs which include Medical Bill Review (Bill Audit; DRG Validation Audits and Recovery; Medical Implant Device Audits); COB Vendor Recoveries; Secondary Vendor Recovery Program; Provider Credit Balance Program; High Cost Specialty Pharmaceutical Audits; Eligibility Overpayment Recovery Vendor Services; Class Action Recoveries and Subrogation/Conditional Claim Payment.

b. **Pharmacy Audits.** The rights and obligations regarding pharmacy audits are set forth in Appendix A.

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

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

If Employer directs CHLIC in writing to pay Extra-Contractual Benefits, Employer is responsible for funding the payment and such payments shall not be considered in determining reimbursements or payments under stop loss insurance provided by CHLIC or CHLIC affiliate or in determining any CHLIC or CHLIC affiliate risk-sharing or performance guarantee reimbursements. Employer shall reimburse CHLIC for any liability or expenses (including reasonable attorneys' fees) CHLIC may incur in connection with making such payments.

- b. **Employer Liability for Plan-Related Expenses.** Employer shall reimburse CHLIC for any amounts CHLIC may be required to pay (i) any sales tax or similar benefit- or Plan-related 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.

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

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

- a. Except as may be otherwise provided in the Schedule of Financial Charges, CHLIC shall have the right to revise the charges identified in this Agreement (i) by giving Employer at least sixty (60) days'

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prior written notice, (ii) upon any modification or amendment of the benefits under the Plan, (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, and/or (iv) upon any change in law or regulation that materially impacts CHLIC's liabilities and/or responsibilities under this Agreement.

- b. Employer shall provide CHLIC written notice of any modification or amendment to the Plan sufficiently in advance of any such change as to allow CHLIC to implement the modification or amendment. Employer and CHLIC shall agree upon the manner and timing of the implementation of such modification or amendment subject to CHLIC's system and operational capabilities.
- c. Employer is solely responsible for communicating any Plan modification or amendment to Members or individuals considering enrolling in the Plan.

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

Except as otherwise provided for in this Agreement, no modification or amendment hereto shall be valid unless in writing and agreed to by an authorized person of each of the Parties. The charges identified in this Agreement may be revised in accordance with Section 8 by CHLIC providing written notice to Employer and Employer indicating its acceptance of the modification either by paying the revised charges or failing to object to such revised charges in writing to CHLIC within fifteen (15) business days of receipt of such notice from CHLIC. The revised charges will be effective on the date indicated in CHLIC's written notice to Employer unless otherwise agreed to by CHLIC and Employer.

### **Section 10. Choice of Law**

- a. This Agreement shall be interpreted and construed in accordance with the laws of the State of Florida. Any and all claims, controversies, and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, shall be governed by the laws of the State of Florida, including its statutes of limitations, without regard to any conflict-of-laws or other rule that would result in the application of the law of a different jurisdiction.
- b. The Parties shall perform their obligations under this Agreement in conformance with all Applicable Laws and regulatory requirements.

### **Section 11. Information in CHLIC Processing Systems**

CHLIC may retain and use all Plan-related claim/payment information recorded/integrated into CHLIC's business records (including claim processing systems) in the ordinary course of business. Such information will be available to Employer pursuant to Section 21. CHLIC will retain such Plan-related claim/payment information in accordance with its record retention policy and Applicable Law.

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

It is understood and agreed that 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 initiate Executive Review by giving the other Party written notice of the Controversy and shall specifically request Executive Review of said Controversy in such

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notice. Within twenty (20) calendar days of any Party's written request for Executive Review, the receiving Party shall submit a written response. Both the notice and response shall include a statement of each Party's position and a summary of the evidence and arguments supporting its position. Within thirty (30) calendar days of any Party's request for Executive Review, an executive level employee of each Party shall be designated by the Party to meet and confer with his/her counterpart to attempt to resolve the dispute. Each representative shall have full authority to resolve the dispute.

- b. In the event that a Controversy has not been resolved within thirty-five (35) calendar days of the request for Executive Review under Section 12.a, above, either Party may initiate mediation by providing written notice to the other Party, which shall be conducted in Hartford, Connecticut, in accordance with the American Arbitration Association commercial mediation rules ("**Mediation**"), and using American Arbitration Association mediators. Each Party shall assume its own costs and attorneys' fees, and the compensation and expenses of the mediator and any administrative fees or costs associated with the mediation proceeding shall be borne equally by the Parties. The Parties shall not, however, be required to mediate the Controversy.
- c. In the event that a 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 Arbitration Association commercial arbitration rules. The arbitration, shall be binding not only on all Parties to this Agreement but on any other affiliated entity controlled by, in control of or under common control with the Party to the extent that such affiliated entity joins in the arbitration. 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, and the compensation and expenses of the arbitrator and any administrative fees or costs associated with the arbitration proceeding shall be borne equally by the Parties. The decision of the arbitrator shall be final, conclusive and binding, and no action at law or in equity regarding the Controversy may be instituted by any Party other than to enforce the award of the arbitrator.
- d. The Parties intend the dispute resolution procedure described above to be a private undertaking. The Parties agree that an arbitration conducted under this provision will not be consolidated with an arbitration involving third parties not parties to this Agreement, including other plans administered in whole or in part by CHLIC or other affiliates of Cigna Corporation. The arbitrator will be without power to conduct arbitration on a class or representative basis. The Parties waive their rights to participate in a class action or representative proceeding regarding the Controversy that would otherwise be resolved through the process outlined in this Section 12. The arbitrator may award declaratory or injunctive relief only in favor of the individual Party seeking relief and only to the extent necessary to provide relief warranted by that Party's individual claim. All disputed issues in a Controversy are for the arbitrator to decide, except the courts will decide those issues relating to the scope and enforceability of the arbitration provision.

The obligations set forth in this Section 12 shall survive termination of this Agreement.

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

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

### **Section 14. No Waivers**

No waiver by any party of a breach or default of any provision of this Agreement, failure by any party, on one or more occasions, to enforce any of the provisions of this Agreement, or failure by any party to

## **Administrative Services Only Agreement for City of Clearwater**

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exercise any right or privilege hereunder shall be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of such rights or privileges hereunder, unless and solely to the extent waived by the party against whom the waiver is sought in writing and signed.

### **Section 15. Headings**

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

### **Section 16. Severability**

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

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

CHLIC shall not be liable for any failure to meet any of its obligations under this Agreement where such failure to perform is due to any contingency beyond the reasonable control of CHLIC or its affiliates or subcontractors, its employees, officers, or directors. Such contingencies include, but are not limited to, acts of God, fires, wars, accidents, labor disputes or shortages, and governmental actions, laws, ordinances, rules or regulations.

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

No 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 their 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.

### **Section 19. Notices**

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

To CHLIC:  
Cigna Health and Life Insurance Company  
900 Cottage Grove Road  
Bloomfield, CT 06152  
Attention: Kevin McCloskey, Risk & Underwriting Director

To Employer:  
City of Clearwater  
100 South Myrtle Avenue  
Clearwater, FL 33756  
Attention: Jennifer Poirrier, Human Resources Director

## **Administrative Services Only Agreement for City of Clearwater**

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

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

Each Party reserves all right, title, and interest in and to its respective trademarks, service marks, trade names, trade dress, logos, and other proprietary trade designations, whether presently existing or hereafter authored, developed, established, or acquired (collectively, "Marks"). Except as necessary in the performance of their duties under this Agreement or as separately agreed to in writing, no Party shall use the other Party's Marks in advertising or promotional materials or otherwise. All use of a Party's Marks shall remain subject to such Party's reasonable quality control and brand usage guidelines. Additionally, no Party shall establish a link to the other's World Wide Web site, without the owner's prior written consent. All goodwill arising from use of a Party's Marks shall inure exclusively to such Party's benefit.

The obligations set forth in this Section 20 shall survive termination of this Agreement.

### **Section 21. Confidentiality**

- a. 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(s), and a signed Confidentiality Agreement between CHLIC and applicable designee(s), 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 designee(s). Employer will keep Confidential Information and Proprietary Information confidential and will use Confidential Information and Proprietary Information solely for the purpose of administering the Plan or as otherwise required by law. Employer is solely responsible for any unauthorized use or disclosure of Confidential Information and/or Proprietary Information provided by CHLIC pursuant to this Section 21 whether by Employer or its designee and the consequences thereof.
- b. CHLIC and any of its affiliates or subsidiaries which have any Protected Health Information in their possession will maintain the confidentiality of such Protected Health Information in accordance with the Privacy Addendum in Exhibit D and any applicable state privacy laws, including, without limitation, 201 CMR 17.00: Massachusetts Standards for the Protection of Personal Information of Residents of the Commonwealth.
- c. Upon termination of this Agreement and subject to the provisions of Section 21.a above, CHLIC shall make information available to a third party such as a "successor administrator" as requested by Employer, to the extent administratively feasible, if the Parties agree upon the charge to be paid by Employer.

The obligations set forth in this Section 21, shall survive termination of this Agreement.

### **Section 22. Independent Contractors**

The Parties' relationship with respect to each other is that of independent contractors and nothing in this Agreement is intended, and nothing shall be construed to, create an employer/employee, partnership, principal-agent, or joint venture relationship, or to exercise control or direction over the manner or method by which CHLIC performs services hereunder. No Party shall make any statement or take any action that might cause a third party to believe such Party has the authority to transact any business, enter

## **Administrative Services Only Agreement for City of Clearwater**

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into any agreement, or in any way bind or make any commitment on behalf of the other Party, unless set forth in this Agreement or expressly authorized in writing by a duly authorized officer of the other Party. For the avoidance of doubt, CHLIC is authorized to perform certain services on behalf of Employer under this Agreement and this provision is not intended to in any way diminish that authorization.

### **Section 23. Reservation of Intellectual Property Rights**

Each Party reserves all right, title, and interest in and to its respective copyrights, patents, trade secrets, trademarks, and other intellectual property, whether presently existing or hereafter authored, invented, developed, or acquired. Without limiting the foregoing, as between the Parties, CHLIC shall solely and exclusively own the systems, methodologies, and technology used to provide the services, all modifications, enhancements, and improvements thereto, and all associated intellectual property rights. No rights or licenses are granted to Employer other than the limited right to receive and use the services under and in accordance with this Agreement. CHLIC shall own and be free to use and incorporate without payment or other consideration to Employer any ideas, suggestions, recommendations, or other feedback provided to CHLIC in connection with its provision of the services. Nothing in this Agreement is intended or shall be construed to create any joint authorship, joint inventorship, or similar relationship or endeavor between the Parties.

The obligations set forth in this Section 23 shall survive termination of this Agreement.

### **Section 24. Entire Agreement**

As of the Effective Date, this Agreement constitutes the entire agreement between the Parties regarding the subject matter herein and supersedes all previous and contemporaneous agreements, understandings, inducements or conditions expressed or implied, oral or written, between the Parties, except as herein contained. Further, this Agreement shall not be modified by any shrink-wrap, click-wrap, browse-wrap, click-through, web-site based, online or use agreements (“Click-Wrap”) that purport to be accepted or deemed accepted by download or online acknowledgment and to the extent of any conflict between this Agreement and the Click-Wrap, this Agreement shall control. Each Party acknowledges that in entering into this Agreement, it is not relying on any statement, representation, or warranty, other than those expressly set forth herein. Except as otherwise provided herein the provisions of this Agreement shall control in the event of a conflict with the terms of any other agreement regarding the subject matter herein.

**Administrative Services Only Agreement for City of Clearwater**

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**SIGNATURES**

**IN WITNESS WHEREOF**, the Parties have caused 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 \_\_\_\_\_, \_\_\_\_\_

**City of Clearwater**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name:

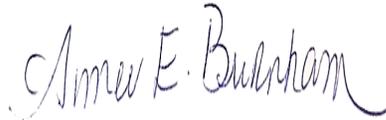
Its

Duly Authorized

Dated at Hartford, Connecticut

**CIGNA HEALTH AND LIFE INSURANCE COMPANY**

Dated: September 6, 2022



By:

Name: Aimee E. Burnham

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.

<b>MEDICAL ADMINISTRATION CHARGES</b>		
<b>Product</b>	<b>Description</b>	<b>Charge</b>
Medical	Open Access Plus (OAP) with Care Management Preferred (ALL)	\$42.35/employee/month
<b>MEDICAL NETWORK ACCESS FEE, UTILIZATION MANAGEMENT FEE AND OPTIONAL PROGRAM FEE</b>		
<b>Product</b>	<b>Description</b>	<b>Charge</b>
Medical	OAP Access Fee (ALL)	\$28.58/employee/month Included in Medical Administration Charge
<b>MULTI-YEAR CHARGE/FEE GUARANTEES</b>		
	<p>The maximum increase for the Medical Administration Charge(s) and Network Access Fee(s) for the 2024 Plan Year will be 0.00% over the 2023 Plan Year charges/fees.</p> <p>The maximum increase for the Medical Administration Charge(s) and Network Access Fee(s) for the 2025 Plan Year will be 0.00% over the 2024 Plan Year charges/fees.</p> <p>The maximum increase for the Medical Administration Charge(s) and Network Access Fee(s) for the 2026 Plan Year will be 0.00% over the 2025 Plan Year charges/fees.</p> <p>The maximum increase for the Medical Administration Charge(s) and Network Access Fee(s) for the 2027 Plan Year will be 0.00% over the 2026 Plan Year charges/fees.</p> <p>The above fee guarantees are not applicable to Pharmacy Administration Fee.</p> <p>The above charges/fees are guaranteed for the time periods identified above, provided, however, that CHLIC may revise the above charges/fees pursuant to Section 8 of this Agreement.</p>	

**Administrative Services Only Agreement for City of Clearwater**

AMOUNTS OWED TO CHLIC
<p>CHLIC may pay amounts with its own funds on behalf of Employer or the Plan for charges which Employer or the Plan is obligated to pay under the Agreement including Plan Benefits, Bank Account Payments (including fixed per person payments and pay-for-performance payments to Participating Providers), governmental taxes or assessments and those amounts paid by CHLIC shall be the Employer’s financial responsibility. CHLIC is authorized to recover all such amounts from the Bank Account.</p>
CIGNA PHARMACY BENEFIT MANAGEMENT SERVICES CHARGES AND RELATED PROVISIONS
PHARMACY ADMINISTRATION FEE
<p>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.</p>
FINANCIAL GUARANTEES FOR DRUGS COVERED UNDER THE PLAN’S PHARMACY BENEFIT
<p><b>Covered Drugs Dispensed by Cigna Home Delivery Pharmacy:</b> 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”:</p>
<p><b>Brand Drug Claims:</b> For all Cigna Home Delivery Pharmacy Brand Drug Claims, the Employer’s guaranteed annual average discount will be AWP minus 24.50%.</p>
<p><b>Generic Drug Claims:</b> For all Cigna Home Delivery Pharmacy Generic Drug Claims, the Employer’s guaranteed annual average discount will be AWP minus 82.25%.</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 annual average 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><b>*A 30-day supply means any Covered Drug dispensed by a Retail Pharmacy in an amount less than an 83-day supply.</b></p>
<p><b>Brand Drug Claims:</b> For all Retail Pharmacy Brand Drug Claims, the Employer’s guaranteed annual average discount will be AWP minus 17.50%.</p>
<p><b>Generic Drug Claims:</b> For all Retail Pharmacy Generic Drug Claims, the Employer’s guaranteed annual average discount will be AWP minus 78.75%.</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 annual average Dispensing Fee will be \$0.75.</p>

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**Covered Drugs Dispensed by Retail Pharmacies in 90-day\*\* supplies:** 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”:

**\*\*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.**

**Brand Drug Claims:** For all Retail Pharmacy Brand Drug Claims, the Employer’s guaranteed annual average discount will be AWP minus 24.50%.

**Generic Drug Claims:** For all Retail Pharmacy Generic Drug Claims, the Employer’s guaranteed annual average discount will be AWP minus 82.25%.

**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 annual average Dispensing Fee will be \$0.00.

**AGGREGATE SPECIALTY DRUG DISCOUNT**

CHLIC shall guarantee an aggregate annual average discount of AWP minus 18.70% 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.

**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:

$$1 - \left[ \frac{\text{(the total ingredient cost charged to the Employer prior to application of the Plan’s Member cost-share requirements)}}{\text{(the total AWP) for all Covered Drugs}} \right]$$

For the purposes of the pricing guarantee calculation, and notwithstanding anything herein to the contrary, the total ingredient cost shall also include the ingredient cost for a Covered Drug for which a Member pays 100% in the form of cost-share. The application of brand and generic pricing may be subject to certain “dispensed as written” (“DAW”) protocols and Employer defined plan design and coverage policies for adjudication and Member Copayment purposes. For example, DAW 5 (House Generic) claims will be considered a Generic Drug claim for pricing purposes.

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

- Specialty Drugs, unless otherwise noted in this Schedule of Financial Charges.

## Administrative Services Only Agreement for City of Clearwater

- Workers' Compensation Claims.
- Claims for Supplies.
- Non-standard facility Claims (Indian Tribal, Veterans Administration, or Dep. of Defense facilities).
- Limited Distribution Drugs and Exclusive Distribution Drugs.
- Subrogation Claims.
- Repackaged products.
- 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).
- Over-the-counter (OTC) products.
- Secondary Payer Claims.
- Direct Member Reimbursement Claims.
- Compound Drugs.
- Claim reversals.
- Outlier Claims.
- Products identified as prescriptions covered under the federal 340B drug pricing program.
- Claims for Covered Drugs paid at the Retail Pharmacy's U&C Charge shall be included in the calculation of any Retail Pharmacy pricing guarantee set forth in this Agreement.

### **RECONCILIATION AND OFFSETS REGARDING FINANCIAL GUARANTEES**

CHLIC will report on the guaranteed amounts within one-hundred eighty (180) days following the end of each contract year. Upon reconciliation, CHLIC's performance with respect to each ingredient cost discount or Dispensing Fee guarantee offered under this Agreement will be individually measured and then reconciled in the aggregate across all ingredient cost discount or Dispensing Fee guarantees.

### **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.
- For a specific Claim for a Covered Drug dispensed by a Retail Pharmacy or Cigna Home Delivery Pharmacy, and after application of any Plan cost-share requirements, CHLIC shall charge the Employer the lowest of the following amounts:
  - (1) The Prescription Drug Charge; or
  - (2) The pharmacy's submitted U&C Charge, if any.
- For a specific Claim for a Covered Drug dispensed by a Retail Pharmacy or Cigna Home Delivery Pharmacy, CHLIC shall charge the Member in accordance with the terms of the Pharmacy Benefit. For example, for a Covered Drug subject to a fixed dollar copayment

## Administrative Services Only Agreement for City of Clearwater

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requirement, CHLIC shall charge the Member the lowest of the following amounts:

- (1) The fixed dollar copayment for the Covered Drug, if any;
  - (2) The Prescription Drug Charge; and
  - (3) The pharmacy's submitted U&C Charge, if any.
- Home Delivery Pharmacy Dispensing Fees and Dispensing Fee Guarantees are inclusive of shipping and handling. If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Home Delivery Pharmacy Dispensing Fee and Home Delivery Pharmacy Dispensing Fee Guarantee will be increased to reflect such increase(s).
  - 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's fees, Rebates (if any), discounts or guarantees (if any) are, among other conditions communicated in this Agreement or otherwise in writing to Employer, contingent on, and assume, adoption by Employer of a specific Formulary, Retail Pharmacy network, and Plan design features (e.g. cost-share structure, utilization/cost management programs).
  - Notwithstanding any other provision of this Agreement, CHLIC may, effective 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 to CHLIC 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 there is a change in or to the pharmacy network reflected in the pharmacy pricing summary; 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; (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, an unexpected introduction of a new drug (e.g. authorized generic), or similar market event occurs; (f) the Pharmacy Benefit enrollment decreases by equal to or greater than ten (10)% from the enrollment on which CHLIC's financial offer is based; or (g) Employer fails to disclose a material feature of the Plan or the Plan's Pharmacy Benefit or there is

## Administrative Services Only Agreement for City of Clearwater

a change to the Plan's Pharmacy Benefit including but not limited to the Formulary, benefit designs, OTC plans, clinical or trend programs or otherwise that has the effect of lowering the amount of Rebates earned hereunder or materially impacting any guarantee.

### DRUG MANUFACTURER-PAYMENT SHARING

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

#### **For All Products:**

The greater of: 100.00% of Rebates and Manufacturer Administrative Fees on such utilization dispensed in the full calendar year immediately preceding CHLIC's remittance, or the sum of \$321.83 multiplied by the number of Retail Pharmacy Brand Claims dispensed in 30-day\* supplies plus \$871.00 multiplied by the number of Retail Pharmacy Brand Claims dispensed in 90-day\*\* supplies plus \$2,235.01 multiplied by the number of Cigna Home Delivery Pharmacy Brand Claims processed in such full calendar year.

#### Caveats:

- (1) CHLIC or its agents contract with drug manufacturers on CHLIC's own behalf, and not as agent of the Employer or the Plan. Rebates are paid based on the contractual terms set forth in this Agreement.
- (2) Should Employer terminate this Agreement before completion of the then-current Plan Year, no Rebates shall be due and owing with respect to that Plan Year, and any Rebate minimum or fixed dollar guarantees shall be null and void, as the payment of Rebates is conditioned on CHLIC exclusively administering the Pharmacy Benefits for the entire Plan Year.
- (3) For percentage-based sharing arrangements, Rebate payout amounts may differ slightly from the stated percentage when payout occurs before manufacturers' final reconciliations and payments are made to CHLIC. For purposes of clarity, CHLIC shall reconcile its performance with respect to any Rebate payment guarantees, including, without limitation, any minimum or fixed dollar guarantees, in the aggregate. Moreover, any amount directly or indirectly provided by a manufacturer or other third party that is allocated to reduce and/or wholly or partially satisfy a Member's cost-sharing obligation for a Covered Drug shall not be considered a "Rebate" for the purposes of Rebate payments to Employer but may be included when reconciling CHLIC's performance against any Rebate minimum guarantee set forth in this Agreement.
- (4) For percentage-based sharing arrangements, the percentage share payment of Rebates shall not include the payment of any Rebates received, if any, for Run-Out Claims, 340b Claims, Medical Specialty Claims, Direct Member Reimbursement Claims, Reversed Claims, and Compound Claims.

## Administrative Services Only Agreement for City of Clearwater

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- (5) CHLIC may use Rebates otherwise payable to Employer to offset payable Bank Account Payments or other payable fees or charges identified in this Agreement.
- (6) The Rebate payment commitments, including any minimum or fixed dollar 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 the availability of Rebates to CHLIC and Employer's Pharmacy Benefit applying a 90-day supply limit for Specialty Drugs, and standard days' supply limits. In the event that Employer has adopted, or adopts, a 30-day supply limit for Specialty Drugs, or participates in the Clinical Day Supply Program, CHLIC may revise on an equitable basis the stated Rebate minimum or fixed dollar guarantees, if any, to the extent necessary to reflect CHLIC's revised estimate of Rebates it may collect on a plan design having adopted a days' supply limit for Specialty Drug of less than 90 days or the Clinical Day Supply Program.

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

### REBATE PAYMENT EXCLUSIONS

The Rebate Guarantee payment obligations set forth in this Schedule of Financial Charges shall exclude the following types of claims and/or products:

- Claims paid pursuant to a Dispense as Written (DAW) 5 code.
- Direct Member Reimbursement Claims.
- Repackaged products.
- Pharmaceutical supplies.
- Biosimilar Claims.
- Multi-source Brand Drugs.
- Limited Distribution Drugs and Exclusive Distribution Drugs.
- Vaccines.
- Compound Drugs.
- Claim reversals.
- Products identified as prescriptions covered under the federal 340B drug pricing program. Employer shall be solely responsible for ensuring that any pharmacy affiliated with or operated by Employer or its affiliate, such as an in-house pharmacy, systematically identifies 340B prescriptions on Claim transactions administered by CHLIC. If such pharmacy fails to systematically identify 340B prescriptions on Claim transactions submitted to CHLIC, then CHLIC may withhold all Rebates, or modify any minimum or fixed dollar Rebate guarantee, otherwise attributable to utilization at such pharmacy.
- Run-Out Claims.

Rebate guarantee reconciliation calculations will not include member-submitted coupon copay assistance.

**Administrative Services Only Agreement for City of Clearwater**

**PHARMACY VACCINE PROGRAM**

Notwithstanding anything to the contrary in this Agreement or otherwise, the following terms and conditions shall apply to the administration of vaccines by CHLIC under the Cigna Pharmacy Program.

Vaccine Claims will adjudicate at the lower of the U&C Charge or the amounts shown in the Vaccine Pricing Schedule below. For Vaccine Claims, the U&C Charge shall be the retail price charged by an in-network participating retail pharmacy for the particular vaccine, including administration and dispensing fees, in a cash transaction on the date the vaccine is dispensed as reported to CHLIC by the in-network participating pharmacy.

“Vaccine Claim” means a claim for a Covered Drug which is a vaccine.

Notwithstanding anything to the contrary in this Agreement or otherwise, all Vaccine Claims shall be excluded from the calculation, measurement, and payment of any and all financial guarantees, including but not limited to rebate guarantees, ingredient cost guarantees, and dispensing fee guarantees set forth in this Agreement.

CHLIC reserves the right to revise and modify the Vaccine Pricing Schedule below, including but not limited to revising or adding an additional Pharmacy Vaccine Administration Fee or Vaccine Program Fee, based on changing market dynamics, the entrant of new vaccines, or changes in law or interpretation of law.

**Vaccine Pricing Schedule**

\* To the extent, if any, Employer’s Schedule of Financial Charges includes a Pharmacy Administrative Fee charged on a per prescription basis, then such fee shall apply for Vaccine Claims.

	<b>Retail Pharmacy INFLUENZA</b>	<b>Retail Pharmacy ALL OTHER VACCINES</b>	<b>Member Submitted Vaccine Claims</b>
<b>Pharmacy Vaccine Administration Fee</b>	Pass-Through (Capped at \$15 per in-network Vaccine Claim)	Pass-Through (capped at \$20 per in-network Vaccine Claim)	Submitted amount
<b>Ingredient Cost</b>	Retail Pharmacy Ingredient Cost as set forth in this Agreement	Retail Pharmacy Ingredient Cost as set forth in this Agreement	Submitted amount
<b>Dispensing Fee</b>	Retail Pharmacy Dispensing Fee as set forth in this Agreement	Retail Pharmacy Dispensing Fee as set forth in this Agreement	Submitted amount
<b>Vaccine Program Fee</b>	\$2.50 per vaccine claim		N/A

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<b>CIGNA HOME DELIVERY PHARMACY DISCLOSURE</b>		
	<b>Product</b>	<b>Charge</b>
Cigna Home Delivery Pharmacy (a CHLIC affiliated company(ies))	<p>Specialty drugs dispensed by Cigna Home Delivery Pharmacy and administered under the Plan’s medical benefit.</p> <p>“Cigna Home Delivery Pharmacy” means a duly licensed pharmacy operated by CHLIC or its affiliates, where prescriptions are filled and delivered via the mail service. Cigna Home Delivery Pharmacy may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers and wholesale distributors. Cigna Home Delivery Pharmacy 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 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>	<b>The drug's charge under a national specialty drug discount schedule that generates a 19.00% 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.</b>
<b>FEES FOR PROCESSING RUN-OUT CLAIMS</b>		
OAP	Run-Out Period of twelve (12) months	<b>No Additional Cost</b>
Pharmacy	Run-Out Period of three (3) months for all pharmacy claims	<b>No Additional Cost</b>
<b>CHLIC MEDICAL COST CONTAINMENT FEES</b>		
<p>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 tasks related to the Cost Containment Programs. These Cost Containment Programs include services that are performed on claims that are subject to the federal No Surprises Act and are not otherwise subject to state law (“NSA Services”).</p> <p>CHLIC’s charge for administering a Cost Containment Program is the applicable percentage indicated in the table below of the:</p> <ol style="list-style-type: none"> <li>1) “gross savings” (i.e., the difference between the charge the provider made and the allowable amount resulting from the Cost-Containment Program);</li> <li>2) “net savings” (i.e., the gross savings less the applicable vendor charge); or</li> </ol>		

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3) "gross recovery" (i.e., the amount recovered as a result of the Cost-Containment Program).

CHLIC will make a per claim charge to the Bank Account that includes both CHLIC's applicable Cost Containment Program charge, as shown in the Sections A through C of the table below, and the applicable vendor charge. CHLIC will pay the vendor its charge.

For charges for covered services received from a non-Participating Provider (including NSA Services and 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 non-Participating Provider's charges whether on a claim-by-claim basis or in advance of services being rendered ("Discounts"). The programs for obtaining the Discounts are identified in Section A and Section B of the table below.

CHLIC's per claim charge for administering the programs listed in Section A and Section B of the table below plus any per claim vendor charges associated with those programs shall not exceed \$30,000.00 per claim. Vendor charges for the programs listed in Section A and Section B of the table generally range from 5-11% of gross savings. Specific rates charged by vendors for the programs in Section A and Section B of the table are available upon request, subject to execution of a mutually agreed upon non-disclosure agreement to protect the proprietary vendor information from unauthorized use/disclosure. The administration of charges for covered services from non-Participating Providers described above and in Section A and Section B of the table below is consistent with the claim administration practices with respect to CHLIC's own health care insurance business, unless state law requires otherwise.

### **A. Cost Containment for Services/Supplies that are not NSA Services**

For services/supplies that are not NSA Services, applying the 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 the Discounts may avoid balance billing and substantially reduce 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 non-Participating 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 the non-Participating Provider's billed charge not exceeding the greater of a CHLIC determined percentage of the Medicare allowable amount (the 80th percentile of the reasonable and customary charge if there is no Medicare allowable charge) or the amount required by state or federal law (in some instances, the patient may be balance billed by the non-Participating Provider if

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the provider’s charge exceeds such amount), or		
b. the provider’s billed charge.		
<b>Non-Participating Provider Cost Containment Programs for Services/Supplies that are not NSA Services</b>		
1.	Network Savings Program	<b>29% of net savings</b>
2.	Supplemental Network	<b>29% of net savings</b>
3.	Medical Bill Review – (Pre-payment Cost Containment for Non-contracted claims):	
	<b>Inpatient Hospital Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
	• Line Item Analysis Re-pricing	<b>Lesser of 5% of hospital bill or the gross savings achieved</b>
	<b>Outpatient Hospital Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
	• Line Item Analysis Re-pricing	<b>29% of net savings</b>
	<b>Physician/Professional Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
	• Line Item Analysis Re-pricing	<b>29% of net savings</b>
4.	For employers that are subject to state laws providing protections from surprise bills: Payment based on amounts other than Network Savings Program, Supplemental Network, and Medical Bill Review. These payments include amounts determined through negotiation or independent dispute resolution under state law. (The charges indicated in the column to the right include the fees charged by government departments or agencies for administering the independent dispute resolution process and the fees charged by entities conducting independent dispute resolution.)	<b>29% of net savings</b>

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**B. Cost Containment for NSA Services**

For NSA Services, CHLIC will issue initial payments at amounts determined by CHLIC or its vendors (“Initial Allowed Amount”). The Initial Allowed Amount may be based on Discounts and may be higher than, equal to, or lower than the qualifying payment amount, as calculated by CHLIC (“QPA”). Patient cost-share will be based on the lower of the QPA, the non-Participating Provider’s billed charges, the amount determined by CHLIC to be required by state law (if applicable), or the Initial Allowed Amount. Patient cost-share will not increase as a result of negotiations or independent dispute resolution determinations under the No Surprises Act. If additional payment above the Initial Allowed Amount is owed as a result of negotiations or independent dispute resolution under the No Surprises Act, CHLIC, as agent for the Employer, shall make Bank Account Payments from the Bank Account in the amount of such additional payment.

**Non-Participating Provider Cost Containment Programs for NSA Services**

1.	Network Savings Program	<b>29% of net savings</b>
2.	Supplemental Network	<b>29% of net savings</b>
3.	Medical Bill Review – (Pre-payment Cost Containment for Non-contracted claims):	
	<b>Inpatient Hospital Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
	• Line Item Analysis Re-pricing	<b>Lesser of 5% of hospital bill or the gross savings achieved</b>
	<b>Outpatient Hospital Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
	• Line Item Analysis Re-pricing	<b>29% of net savings</b>
	<b>Physician/Professional Bill Review</b>	
	• Professional Fee Negotiation	<b>29% of net savings</b>
	• Line Item Analysis Re-pricing	<b>29% of net savings</b>
4.	Payment based on amounts other than Network Savings Program, Supplemental Network, and Medical Bill Review. These payments include amounts determined through	<b>29% of net savings</b>

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	negotiation or independent dispute resolution under the No Surprises Act. (The charges indicated in the column to the right include the fees charged by government departments or agencies for administering the independent dispute resolution process and the fees charged by entities conducting independent dispute resolution.)	
<b>C. Other Cost Containment Programs</b>		
1.	Clinical Complex Claim Review – (Pre- or Post-payment Cost Containment for Non-contracted and Contracted claims):	
	<ul style="list-style-type: none"> <li>• Bill Audit</li> </ul>	<b>29% of the gross savings/gross recovery achieved plus hospital fees or expenses passed through</b>
	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.	<b>29% of gross savings/gross recovery plus any fees or expenses passed through by the hospital or regulatory agency</b>
	<ul style="list-style-type: none"> <li>• Medical Implant Device Audits</li> </ul>	<b>29% of the gross savings/gross recovery</b>
2.	COB Vendor Recoveries [Exclusive of pharmacy programs where claims are adjudicated at time prescription is received.]	<b>29% of the gross recovery</b>
3.	Secondary Vendor Recovery Program	<b>29% of the gross recovery</b>
4.	Provider Credit Balance Recovery Program	<b>29% of the gross recovery</b>
5.	High Cost Specialty Pharmaceutical Audits (this service is only provided with respect to Medical coverage)	<b>29% of the gross recovery</b>
6.	Eligibility Overpayment Recovery Vendor Services. Identification and recovery of funds in situations where the overpayment is due to the late receipt of Member termination	<b>29% of the gross recovery</b>

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	information. (This service is only provided with respect to Medical coverage).	
7.	Class Action Recoveries	<b>35% of the gross recovery</b>
8.	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.)	<b>5% of the gross 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;</b>  <b>29% of the gross recovery if no counsel is retained and in all other instances, including cases where state law requires that employee benefit plans be named as party defendants or involuntary plaintiffs.</b>
<b>CHLIC PHARMACY COST CONTAINMENT FEES</b>		
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 the Bank Account the balance collected from the recovery vendor, less the recovery fee set forth herein.	<b>30.00% of recovery</b>

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2.	<p>Class Action Recoveries. CHLIC identifies, monitors and may (but is not required to) participate, on behalf of Employer, in class action lawsuits or similar legal proceedings against pharmaceutical manufacturers, including, without limitation, lawsuits alleging legal or equitable claims like fraud, anti-trust violations, or unfair trade practices by a manufacturer. As part of this authority, CHLIC may participate in a settlement, exclude Employer from a settlement and/or otherwise represent Employer’s interests outside the settlement. CHLIC collects and retains as a recovery fee set forth herein of any recovery (net of attorneys' fees) attributable to Employer's Plan.</p>	<b>35.00% of recovery</b>
<b>EMBARC BENEFIT PROTECTION® A NETWORK SOLUTION FOR CERTAIN HIGH-COST GENE THERAPY DRUGS</b>		
Embarc Benefit Protection	<p>To provide financial protection from the high cost, CHLIC has contracted with an affiliate, eviCore (“eviCore” refers to eviCore healthcare MSI, LLC d/b/a/ eviCore healthcare and certain of its affiliates), to arrange for the provision of the following gene therapy drugs for Members when both drugs are covered by the Plan administered by CHLIC, and medically necessary (as determined by CHLIC) to treat the conditions indicated:</p> <ul style="list-style-type: none"> <li>i. Luxturna® to treat inherited form of progressive blindness</li> <li>ii. Zolgensma® to treat children under 2 years old with spinal muscular dystrophy</li> </ul> <p>Additional drugs are continually being evaluated and may be added to the network solution after FDA approval. The complete list of included drugs can be found at Cigna.com.</p> <p>(Luxturna is the registered trademark of Spark Therapeutics, Inc. and Zolgensma is the registered trademark of Novartis, Inc.)</p> <p>As a result of this network contracting arrangement, eviCore is in most cases the exclusive, in-network Participating Provider of these drugs. eviCore arranges for the provision of these drugs through its network of specialty pharmacies (including its affiliate, Accredo), and certain facilities authorized to administer the gene therapies by the drug manufacturers. eviCore will reimburse these specialty pharmacies and facilities at negotiated reimbursement rates. This network solution is called Embarc Benefit Protection.</p> <p>For arranging for the provision of these drugs, eviCore will be reimbursed by CHLIC on a fixed Per Member Per Month (PMPM) basis. eviCore’s PMPM fee (which is subject to change) will be charged to the Bank Account one month in arrears. (e.g., eviCore’s charges</p>	<p><b>\$0.99 per Member/per month.</b></p> <p>If, across eviCore’s entire Embarc Benefit Protection book of business (Cigna and non-Cigna clients), eviCore’s cost for the two (2) drugs provided in a given calendar year is lower than a predetermined percentage of the PMPM charges received, eviCore will refund the difference pro rata, after having fully recovered the outstanding balance created by any prior year deficits. The refund, in any, will be determined on an eviCore Embarc benefit Protection book-of-business basis. The refund will be provided</p>

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	<p>for January will be made in February.) These Bank Account Payments will appear in Employer’s monthly reporting. Embarc Benefit Protection does not provide financial protection from the cost of administering the two drugs. These costs are small in comparison to the drug costs.</p> <p>When covered under the Plan and determined by CHLIC to be medically necessary for the treatment of the specified conditions, Members will not incur any out-of-pocket costs for the two drugs and the Plan will not be required to reimburse any expenses for the two drugs with two exceptions:</p> <p><u>Exceptions:</u></p> <ol style="list-style-type: none"> <li>1. For Members born before the date that Embarc Benefit Protection is effective for the Plan and receiving Zolgensma®, the Plan’s in-network reimbursement and the Member’s in-network cost-sharing apply to either (as applicable): <ul style="list-style-type: none"> <li>• eviCore’s fee-for-service charge for Zolgensma® when provided through Accredo: Average Wholesale Price (AWP) minus 15.8% AWP (based on Medispan) = \$2,550,000, or</li> <li>• the reimbursement rate of the participating facility or specialty pharmacy.</li> </ul> </li> <li>2. Members with an HSA must have met the applicable minimum deductible required for a high deductible health plan.</li> </ol> <p><b>eviCore’s Embarc Benefit Protection and PMPM charge do not apply to a plan that:</b></p> <ol style="list-style-type: none"> <li>i. does not cover either or both drugs;</li> <li>ii. covers both drugs exclusively under its pharmacy benefits which are not administered by CHLIC, or</li> <li>iii. does not utilize an eviCore participating provider.</li> </ol> <p>Upon Employer’s request on or after the Effective Date, CHLIC shall provide to Employer an updated drug list, if applicable.</p>	<p>by March 31st of the following year.</p> <p>Assuring Transparency: After the refund is made for a particular calendar year, eviCore will, upon request, provide Embarc Benefit Protection book-of-business information for that calendar year.</p>
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	CHLIC may revise charges/fees by giving Employer at least thirty (30) days' prior written notice.	
<b>CARE MANAGEMENT/COST CONTAINMENT PROGRAM FEES</b>		
	<p>CHLIC arranges for third parties to provide care management services to:</p> <ul style="list-style-type: none"> <li>(i) contain the cost of specified health care services/items overall with respect to all plans insured and/or administered by CHLIC, and/or</li> <li>(ii) improve adherence to evidence based guidelines designed to promote patient safety and efficient patient care.</li> </ul> <p>Charges for these services will be processed through the Bank Account.</p>	<b>Specific vendor fees and care management program services are available upon request.</b>
	Medical Management (inclusive of Medical Necessity Review) of Chiropractic services.	<b>National Average is \$0.16 PMPM; rates vary by market and are available upon request.</b>
	<p>Care coordination of in-home hospital level care (acute and post-acute Plan Benefits) provided by Participating Providers.</p> <p>The per episode charge is subject to adjustment based on vendor achieving or not achieving total cost of care savings, upon post-episode reconciliation. Vendor's fee is distinct from payment for Plan Benefits.</p>	<b>Per episode charge may vary by market. Vendor, program information, and agreed upon rates available upon request.</b>
	In addition to such third parties, CHLIC has arranged for an affiliate, eviCore, to provide the following care management/cost-containment programs:	
	Pre-certification of coverage of radiation therapy services.	<b>\$912.00 per episode of care (EOC)</b>
	Pre-certification of coverage of diagnostic cardiology services. <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i>	<b>\$0.19 PMPM</b>

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	Pre-certification of coverage of medical oncology services.	<b>\$1,050.00 per episode of care (EOC)</b>
	Pre-certification of coverage of musculoskeletal therapy services. <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i>	<b>\$0.40 PMPM</b>
	<p>Services related to the coverage of high tech radiology which may include pre-certification.</p> <p>In certain instances, the Plan will pay eviCore a fee on a per member/per month basis for pre-certification, arranging care, and other services that eviCore may render. Such reimbursement will be in addition to the amount that the Plan pays to reimburse the provider through which eviCore arranged for the provision of the service or supply, which will be based on eviCore’s contracted rate with that provider. In such instances, Plan Benefits and member cost-share will be determined based on the rate that eviCore contracted to pay the provider for the provision of the service or supply.</p> <p><i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and a charge is not applicable to that membership).</i></p> <p>eviCore may also charge for services related to the provision of high tech radiology as described below in “Other Vendors and Health Care Services Providers.”</p>	<b>Fee reimbursement method and rates may vary by market and are available upon request.</b>
	Pre-certification of coverage of gastroenterology services. <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i>	<b>\$0.09 PMPM</b>
	Pre-certification of coverage for appropriate setting of care/service for high tech radiology services <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i>	<b>No more than \$0.20 PMPM. Billing method may vary by market and is available upon request.</b>
	Pre-certification of coverage for appropriate setting of care/service for certain medical oncology drugs (redirection may be to Accredo, a CHLIC affiliate).	<b>30.00% of shared savings (where savings is derived from the</b>

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		<b>difference between drug dose cost at higher cost provider initially requested and drug dose cost at lower cost provider). Fee shall not exceed \$5,000.00 per dose for a maximum of three doses resulting in a maximum total of \$15,000.00. Note: CHLIC may retain a portion of the shared savings fee before reimbursing eviCore.</b>
	Pre-certification of coverage of sleep management services. <i>(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).</i>	<b>\$0.11 PMPM</b>
	Network management and care coordination of coverage of home health, durable medical equipment and home infusion services.	<b>\$0.31 PMPM</b>
	CHLIC may revise charges/fees by giving Employer at least sixty (60) days' prior written notice.	
<b>EXTERNAL REVIEW AND CONSULTATIVE REVIEW FEES</b>		
	When a Member elects an External Review (as that term is defined in the Patient Protection and Affordable Care Act (PPACA)) 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. Third party review charges will be commensurate with the level of expertise necessary and the time required to complete the review.	<b>\$500-\$1,500 Review</b>
<b>STRATEGIC ALLIANCES</b>		
	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 a network access fee, which is included in CHLIC's monthly charges, as a result of	<b>All Medical Products</b>

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	the application of their discounts. Additional details regarding specific charges will be provided upon request.	
<b>OTHER VENDORS AND HEALTH CARE SERVICES PROVIDERS</b>		
	<p>The fixed per person per period and/or fee-for-service charges that CHLIC has directly or indirectly negotiated with Participating Providers for in-network health care services and/or supplies will be charged to the Bank Account and will be used in calculating any applicable Member cost-sharing. 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.</p> <p>For certain types of specialty care, including, but not limited to, home health care, durable medical equipment, sleep management, high tech radiology, chiropractic care, acupuncture, physical medicine (such as physical and occupational therapy), speech therapy, orthotics and prosthetics, implants, and hearing, in certain markets CHLIC may contract with various third parties and/or affiliated companies, including eviCore, (“Specialty Vendors”) to arrange for the provision of care through their own networks of health care providers on a fee-for-service basis. In addition to arranging for care through their own networks of providers, these Specialty Vendors may also provide additional services, including utilization management services and case management services designed to (i) improve adherence to coverage guidelines; and (ii) contain overall healthcare costs to the Plan. Specialty Vendors are included within the definition of “Participating Provider” set forth in this Agreement and in any benefit booklet covering the Plan.</p> <p>When care is arranged through a Specialty Vendor’s network of providers, the form of reimbursement to the Specialty Vendor will be through one of the following methods:</p> <ul style="list-style-type: none"> <li>• <u>Fee-For-Service Payment</u>: In certain instances, the Plan will pay the Specialty Vendor rather than the treating provider on a fee-for-service basis as a claim for Plan Benefits. The Specialty Vendors’ fee-for-service charges may be higher than the amounts that the Specialty Vendor contracts to pay the provider for the provision of any particular service or supply, and some portion of the Specialty Vendor’s charges may be attributable to the services that the Specialty Vendor provides in addition to those services or supplies provided by the Specialty Vendor’s network of providers, including any utilization management services and case management services. In such instances, Plan Benefits and member cost-share will be determined based on the Specialty</li> </ul>	<b>All Products</b>

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	<p>Vendor’s charges according to Plan terms.</p> <ul style="list-style-type: none"> <li>• <u>Administration Capitation Payment</u>: In certain instances, the Plan will pay the Specialty Vendor a fee on a per member/per month basis for arranging care and other services that the Specialty Vendor may render. Such reimbursement will be in addition to the amount that the Plan pays to reimburse the provider through which the Specialty Vendor arranged for the provision of the service or supply, which will be based on the Specialty Vendor’s contracted rate with that provider. In such instances, Plan Benefits and member cost-share will be determined based on the rate that the Specialty Vendor contracted to pay the provider for the provision of the service or supply.</li> <li>• <u>All-Inclusive Capitation Payment</u>: In certain instances, the Plan will pay the Specialty Vendor a fee on a per member/per month basis that covers (i) the services that the Specialty Vendor may render, including arranging care, and (ii) the fees charged by the provider through which the Specialty Vendor arranged for the provision of the service or supply. In such instances, Plan Benefits and member cost-share will be determined based on the rate that the Specialty Vendor contracted to pay the provider for the provision of the service or supply.</li> </ul> <p>CHLIC’s arrangements with Specialty Vendors are subject to change at any time, and upon request, additional information can be provided that identifies current Specialty Vendors, their area of specialty(ies), whether they are CHLIC affiliates, and the form of payment that they currently receive.</p>	
	<p>Notwithstanding the terms of the Plan, CHLIC shall not administer Member cost-sharing with respect to charges made by Cricket Health, Inc. for its personalized, evidence-based approach to managing chronic kidney disease and end-stage renal disease for clinically eligible Members in CA and such cost-sharing expenses shall, instead, be reimbursed by the Plan (not applicable if Employer has opted out).</p>	<p><b>All Products (excluding HSA Products)</b></p>
<p><b>NOTICE REGARDING PAYMENTS FROM THIRD PARTIES</b></p>		
<p>Rebate and Other Remuneration Disclosure (Pharmacy)</p>	<p>CHLIC or its affiliates may contract with pharmaceutical manufacturers or other third parties for Rebates, Manufacturer Administrative Fees, and other remuneration on its or their own behalf and for its and their own benefit, and not on behalf of Employer or the Plan. Accordingly, unless otherwise specified in this Schedule of Financial Charges, CHLIC and its affiliates retain all right, title and interest to any and all actual Rebates, Manufacturer Administrative Fees, and other remuneration received from manufacturers or</p>	<p><b>All Pharmacy Products</b></p>

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	<p>other third parties; 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 and its affiliates. As an example of the remuneration other than Rebates or Manufacturer Administrative Fees that CHLIC or its affiliates may earn, CHLIC or its affiliates may also directly or indirectly earn from pharmaceutical manufacturers remuneration in connection with value payments and/or services that CHLIC provides to Employer (“Value-Based Payments”). Notwithstanding anything in this Agreement to the contrary, any Value-Based Payments earned by CHLIC or its affiliates are separate and apart from any Rebates or Manufacturer Administrative Fees that CHLIC or its affiliates directly or indirectly earn from pharmaceutical manufacturers, and CHLIC and its affiliates may retain any Value-Based Payments it earns. As examples of the value payments and/or services that CHLIC may provide to Employer in connection with Value-Based Payments that CHLIC or its affiliates may earn, CHLIC may provide care management or related services to Employer and/or remit to Employer monetary credits if Members discontinue therapy on certain pharmaceutical products. Information regarding any services, and/or monetary credits or other financial value, for which Employer may be eligible with respect to specific pharmaceutical products or therapeutic classes/conditions, including the products for which monetary credits or other financial value may be available to Employer, the amount of that value, and other payment terms, is available upon request. Any value payments and/or services provided by CHLIC to Employer are subject to change or termination by CHLIC as the value program(s), if any, offered by CHLIC change(s) or terminate(s).</p> <p>Information on the projected aggregate amount of such Rebates with respect to the Plan Pharmacy Benefit will be provided upon request.</p> <p>This provision shall survive termination or expiration of the Agreement.</p>	
<p>Rebate and Other Remuneration Disclosure (Medical)</p>	<p>CHLIC may directly or indirectly receive and retain payments under contracts with pharmaceutical manufacturers or third parties with respect to Members' utilization of the manufacturer’s products covered under the Employer's Plan medical benefit. These payments may include rebates, service fees (e.g. administrative fees), or other remuneration. CHLIC directly or indirectly contracts with pharmaceutical manufacturers or other third parties for any remuneration on its own behalf, based on its book of business, and for its own benefit, and not on behalf of Employer or the Plan. Accordingly, CHLIC</p>	<p><b>All Medical Products</b></p>

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	<p>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.</p> <p>This provision shall survive termination or expiration of the Agreement.</p>	
Implementation/Referral Fee Disclosure	<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 Employer 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>		
	<p>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.</p>	
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>

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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. When applicable, only to Members in CA/VI.	<b>For OAP Products: Included in Medical Access Fee</b>
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, and additional coaching on other gaps in care will also occur.</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. This feature is only available when claim data is provided.</li> <li>• Answering health and medical related questions.</li> </ul>	<b>For OAP Products: Included in Medical Access Fee</b>

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	<ul style="list-style-type: none"> <li>• Counseling Participants on prevention and the benefits of compliance with prescribed medications and treatments.</li> </ul>	
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. Expectant mothers can enroll using either the Cigna Pregnancy App (no additional cost for both Apple and Android platforms), or call to speak with a HPHB team member over the phone. 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.</p> <p><u>Incentives Elected:</u></p>	
	Option 3 (Low): \$150 – 1st Trimester/\$ 75 – 2nd Trimester	<b>For OAP Products: Included in Medical Access Fee</b>
Comprehensive Oncology Program	<p><b><u>The Cigna Cancer Support Program</u></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.</p>	<b>For OAP Products: Included in Medical Access Fee</b>

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<p>Pharmacy Clinical Program(s)</p>	<p><b>inMynd</b> - is a clinically-based Member and provider comprehensive behavioral health program that includes regular retrospective review of pharmacy and medical claim data to identify certain "at risk" (i.e., members with complex psychiatric conditions using multiple psychotropic medications) member utilization patterns to help both members and providers better recognize, treat and support mental and behavioral health conditions.</p> <p><b>Narcotics Therapy Management</b> - is a clinically-based provider program that consists of a quarterly, retrospective review of pharmacy and medical claims data which helps to identify those individuals with utilization patterns that may be indicative of risk of substance abuse, overdose, or diversion.</p>	<p><b>Included at No Additional Cost</b></p>
<p>Pharmacy Utilization Management Program</p>	<p><b>Custom/Non-Standard Package</b> - In administering the Pharmacy Benefit, CHLIC shall administer the standard utilization management package elected by Employer, with custom removals, additions, or modifications of prior authorization, step therapy or quantity limit edits from certain therapeutic classes or pharmaceutical products that are identified by Employer and which CHLIC has agreed to administer.</p>	<p><b>Included in Pharmacy Administration Fee</b></p>
<p>Clinical Program</p>	<p>A targeted condition medication therapy management program in which CHLIC provides support for Members using specialty medications for certain chronic conditions and that are obtained or administered at retail pharmacies or outpatient, office or home health care settings. As part of the program, Members are counseled on their condition, medication side effects, and importance of adherence. For the sake of clarity, if a specialty pharmacy affiliate of CHLIC provides therapy management for specialty medications the pharmacy dispenses to Members, then it does so in its capacity as a specialty pharmacy and not on behalf of CHLIC; CHLIC does not exert direction or control over the pharmacists at any specialty pharmacy affiliate.</p>	<p><b>Included at No Additional Cost</b></p>
<p>SafeGuardRx Program</p>	<p>A medication therapy management and cost containment program for select therapeutic conditions such as but not limited to oncology, inflammatory conditions, and multiple sclerosis and select drugs within therapeutic categories. This program seeks to help reduce drug therapy costs through its program offerings. For example, employers may qualify for the payment of discontinuation drug therapy credits and/or the reimbursement of drug therapy through drug cost caps, on select medications and therapeutic conditions. This program may also provide for Member outreach or counseling on select medications. CHLIC reserves the right to revise, modify, or terminate this program, in whole or in part,</p>	<p><b>Included at No Additional Cost</b></p>

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	at any time. Additional and specific program information is available upon request.	
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 and moderate 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>	<b>For OAP Products: Included in Medical Access Fee</b>
MotivateMe <sup>®</sup> Incentives Program	<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>	
	<b>Value Package</b> - includes administration of Employer selected CHLIC standard Incentives Program which provides Participating Members with Employer's pre-determined rewards. Activity to trigger incentives may include, but is not limited to, participation in the	<b>For OAP Products: \$1.45/employee/month Included in Medical</b>

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	<p>following available programs: Personal Health Analysis (CHLIC's health assessment), Social Health and Wellness, Wellness Screening (biometric), Online Health Coaching, Pre-Diabetes Digital Coaching, Self-Reported Activities, Steerage (Cigna Home Delivery, Cigna Care Designation, Cigna's Center of Excellence facility steerage), Health Coaching by Phone for chronic conditions, Case Management, Preventive Care (claim verified), and Employer specific programs.</p>	<p><b>Administration Charge</b></p>
<p>Transparency in Coverage and Consolidated Appropriations Act, 2021</p>	<p>CHLIC will make available an internet-based self-service tool for use by Members, as well as certain data in machine-readable file format on a public website, as required under the Transparency in Coverage rule. Members can access the cost estimator tool on myCigna.com. Updated machine-readable files can be found on Cigna.com and/or CignaForEmployers.com on a monthly basis.</p> <p>Pursuant to Consolidated Appropriations Act (CAA), Section 106, CHLIC will submit certain air ambulance claim information to the Department of Health and Human Services (HHS) in accordance with guidance issued by HHS.</p> <p>Subject to change based on government guidance for CAA Section 204, CHLIC will submit certain prescription drug and health care spending information to HHS through Plan Lists Files (P1-P3) and Data Files (D1-D8) (D1-D2 for employers without integrated pharmacy product) aggregated at the Market Segment and State level, as outlined in guidance.</p>	<p><b>Included in Medical Administration Fee</b></p>
<p><b>CHLIC Well-Being Coordinator</b></p>		
<p>Well-Being Coordinator</p>	<p><b><u>Well-Being Coordinator</u></b></p> <p>CHLIC shall provide to Employer (sometimes alternatively referred to as "Client") Well Being Coordinator Services ("Well-Being Coordinator") as described herein. Services will be restricted to health and wellness promotion topics and will exclude disease management. The following Services may be modified in the professional judgment of the Health Promotion Manager, as necessary to meet the specific needs of the Client and its employees.</p> <p>The Well-Being Coordinator will work closely with CHLIC's Account Management Team and Client's Health and Wellness team in executing the organizations health management goals. The primary focus of the Well-Being Coordinator is health promotion.</p>	<p>The cost of Well-Being Coordinator is included in the Medical Administration Charge.</p>

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	<p>In collaboration, with the CHLIC account team, the Well-Being Coordinator executes the appropriate delivery and coordination of wellness programs including event scheduling and appointment coordination, community and vendor programs, and monitors effectiveness of the programs. The focus of the Well-Being Coordinator is the working well population of employees in aggregate. A core objective of this position is to facilitate wellness programs that educate and influence employees at the worksite to lead healthy lifestyles.</p> <p>If different from the Effective Date of this Agreement/Amendment/Disclosure, the effective date of Well Being Services will be: January 1, 2023</p> <p>Number of Well-Being Coordinators: 1</p> <p>Number of hours per week: 40 hours</p> <p>Days per week: Monday - Friday</p> <p>Location of Services (Client work site locations):</p> <p>FL</p> <p>*Note: Services may at times be performed virtually, especially if requested or required due to Covid-related issues such as Covid exposure, limitations on in-person gatherings, need for quarantine or other government action or regulation.</p> <p>Client shall allow Well-Being Coordinator eight (8) hours per week for resource planning, scheduling and development at a CHLIC worksite.</p> <p>As a CHLIC employee the Well-Being Coordinator participates in regular CHLIC meetings trainings and development opportunities with the Health Promotion and Account Management Team. Client shall allow Well-Being Coordinator time for these activities each week.</p> <p><b><u>Well-Being Coordinator Services</u></b></p> <p><u>Wellness Promotion</u></p>	
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	<ol style="list-style-type: none"> <li>1. Collaborate and facilitate with the Client Wellness Committee</li> <li>2. Wellness Education Courses</li> <li>3. Wellness Education Seminars</li> <li>4. Wellness Campaigns</li> <li>5. Wellness Event/Fair</li> <li>6. Wellness Resources</li> </ol>	
	<p><b>General Responsibilities</b></p> <ol style="list-style-type: none"> <li>1. Workplace strategy in partnership with customer Human Resources team and/or Benefits team.             <ol style="list-style-type: none"> <li>a. Partner with Client for development of overall planning and strategy</li> <li>b. Identify organizational goals and workforce risk</li> <li>c. Collaborate on tactics to bring the strategy alive</li> <li>d. Maintain activity calendar of events and activities</li> </ol> </li> <li>2. Lead Client Wellness Committee             <ol style="list-style-type: none"> <li>a. Collaborate with the Client on the formation of a wellness committee if one has not already been established and include different levels of Client leadership and employees from the worksite</li> <li>b. Ongoing collaboration and facilitation of Client Wellness Committee</li> <li>c. Review the proposed health promotion strategy with the wellness committee, partnering with CHLIC lead for health and wellness as appropriate. The strategy will be developed by the CHLIC account team lead for health and wellness.</li> </ol> </li> <li>3. Collaborate in development and delivery of promotion campaigns             <ol style="list-style-type: none"> <li>a. Partner in overall promotion development and deployment</li> <li>b. Identify ways to embed wellbeing into the environment</li> </ol> </li> </ol>	

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	<ul style="list-style-type: none"> <li>c. Identify or craft health promotion communications</li> <li>d. Create awareness and visibility for wellness</li> </ul> <p>4. Health Education Courses</p> <ul style="list-style-type: none"> <li>a. End to end coordination of educational courses</li> <li>b. Deliver single or multi-session workshops on a group basis (lunch and learn)</li> <li>c. Develop or pull from defined list of wellness topics; may be tailored to population, season, etc.</li> <li>d. Education for various health related topics (nutrition/healthy eating, physical activity, etc.)</li> </ul> <p>5. Wellness Campaigns</p> <ul style="list-style-type: none"> <li>a. Facilitate health related group activities among population over a defined time period (walking groups, weight loss support groups etc.)</li> <li>b. Focus campaigns and challenges on lifestyle habit change/improvement</li> <li>c. Coordinate with a variety of vendors to bring services onsite on a routine basis who provide health related products and services to engage associates.</li> </ul> <p>6. Wellness Event/Fair</p> <ul style="list-style-type: none"> <li>a. Facilitate coordination of wellbeing event/fair</li> <li>b. Assist with coordination of activities, biometrics, online Health Assessment, individual and team challenges, guest speakers, mammogram screening, open enrollment, family wellness event, etc.</li> </ul> <p>7. Wellness Resources</p> <ul style="list-style-type: none"> <li>a. Manage wellness bulletin board and electronic media board</li> </ul>	
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	<p>b. Share health and wellness related educational materials</p> <p>8. Travel</p> <p>a. Occasional travel expectation to identified locations within the organization for well-being purposes</p>	
	<p><b>Qualifications</b></p> <p>The Well-Being Coordinator will have:</p> <ol style="list-style-type: none"> <li>1. Minimum of 2-5 years of experience in health and wellness field</li> <li>2. Industry Certification such as CHES worksite wellness certificate or other relevant certification</li> <li>3. Bachelors’ degree in health education, health promotion, or related field</li> <li>4. Experience with workplace well-being strategy and implementation</li> <li>5. Experience with design of workplace infrastructure and engagement solutions</li> <li>6. Experience with direct member communication development (written and verbal)</li> <li>7. Experience conducting educational presentations</li> <li>8. Experience working with wellness and health data to identify trends, risks and program results</li> <li>9. Strong organizational and project management skills</li> </ol>	
	<p><b>Paid Time Off and Leave</b></p> <p>The Well-Being Coordinator 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)</p>	

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	<p>disability leave; and (d) other leave in accordance with applicable law and current CHLIC Policies.</p> <p>CHLIC shall not be required to make any adjustments to Fees for PTO and Leave granted to the Well-Being Coordinator.</p> <p>In the event that Well-Being Coordinator is absent for an extended period of time due to military leave, FMLA, disability leave or any other Leave as defined under the current CHLIC policies and practices, the Parties shall discuss and mutually determine if CHLIC should reasonably attempt to find a temporary substitute. In the event that no substitute is placed, CHLIC shall prorate the fees for the Well-Being Coordinator. However, if a temporary substitute is placed, Client shall be responsible for the payment of any temporary labor fees, and recruitment costs. CHLIC shall not be required to find a temporary substitute or prorate the fees for a Well-Being Coordinator due to any of the following:</p> <ol style="list-style-type: none"> <li>1. PTO;</li> <li>2. Sick time not considered as short term disability under the current CHLIC policies;</li> <li>3. Closure of the Client's work site(s) within which the Well-Being Coordinator provides services under this Agreement, due to inclement weather, acts of nature, or acts of the public enemy; and</li> <li>4. Short term disability or caregiver leave for which the Well-Being Coordinator <u>is</u> paid.</li> </ol>	
	<p style="text-align: center;"><b>Equipment</b></p> <p>CHLIC's obligation is specifically conditioned upon Client providing the following equipment and supplies necessary for the Well-Being Coordinator</p> <ol style="list-style-type: none"> <li>1. Office space or cubicle with electrical outlet</li> <li>2. Standard office furnishings (desk, chair, etc.).</li> <li>3. Locking file cabinet.</li> <li>4. Telephone land line within Client network</li> <li>5. High Speed Internet Access equipment and services necessary for effective and</li> </ol>	

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	<p>efficient CHLIC vpn and wireless telephone connectivity.</p> <ol style="list-style-type: none"> <li>6. Dedicated Client DSL line OR Open DSL line</li> <li>7. Client desktop computer connected to Client network, if Client required</li> <li>8. Client printer connected to Client network, if Client required</li> </ol> <p>CHLIC will provide the following equipment and supplies necessary for Well-Being Coordinator</p> <ol style="list-style-type: none"> <li>1. CHLIC laptop and vpn for connectivity to CHLIC network</li> <li>2. CHLIC printer and supplies</li> <li>3. CHLIC cell-phone</li> </ol>	
	<p style="text-align: center;"><b>Termination</b></p> <p>Either Party may terminate the services of the Well-Being Coordinator for cause by giving the other Party ninety (90) days advance written notice. Either Party may terminate the Agreement upon ten (10) days' written notice to the other Party upon the other Party's financial insolvency.</p>	
	<p style="text-align: center;"><b>Non-Solicitation and Confidentiality of Information</b></p> <p>During the term of the Agreement, and for a period of one (1) year after termination of the Agreement for any reason, Client shall not directly or indirectly, alone or in concert with others, solicit or entice the employee or independent contractor engaged by CHLIC to provide services under this Agreement, to leave the employment or engagement of CHLIC in order to provide substantially similar services as those provided in the Agreement, to or on behalf of Client, or to otherwise work in competition with CHLIC.</p> <p>The Client agrees and acknowledges that the Well-Being Coordinator will have access to proprietary and confidential information of CHLIC. The Client agrees that any proprietary and/or confidential information of CHLIC that is utilized by the Well-Being Coordinator in</p>	

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	<p>these services shall only be used for the purpose of performing these services, and for no other purpose. The Client agrees that such proprietary and/or confidential information will not be shared internally by Client with any employee who does not have a need-to-know such information for the performance of these services. This shall include a prohibition on Client cooperating with or allowing a third party to hire a CHLIC employee to work for the third party to provide substantially similar services as those provided in the Agreement.</p>	
	<p><b>No Co-Employment</b></p> <p>The services of the Well-Being Coordinator are those of an independent contractor and/or employee and/or agent engaged by CHLIC. Well-Being Coordinator shall not in any sense whatsoever be deemed an employee or agent of Client or authorized to commit Client to any liability or obligation whatsoever. The Well-Being Coordinator shall not look to Client for health or life insurance, vacation pay, sick leave, retirement benefits, social security, worker’s compensation, disability or unemployment insurance benefits or any other benefits. Client will not withhold taxes from the compensation paid to Well-Being Coordinator hereunder and shall not be responsible for any employer portion of taxes on any compensation paid to the Well-Being Coordinator.</p>	
	<p><b>CHLIC Staffing</b></p> <p>CHLIC shall recruit, interview, engage, hire, supervise and discharge any provided Well-Being Coordinator. All employment related decisions, including but not limited to hiring, firing, and performance management, shall be at the sole discretion of CHLIC and not Client. Well-Being Coordinators shall in all events, and for all purposes, be employees of CHLIC and not Client. CHLIC shall comply with all federal, state and local laws regulations and requirements relating to such employees. CHLIC, and not Client, shall be fully responsible for the payment of all salaries, wages, payroll and other compensation, taxes, fees, workers compensation insurance and other charges or insurance levied or required by any federal, state, or local law, regulation or ordinance relating to the employment of the Well-Being Coordinator. CHLIC, and not Client, shall be solely responsible for determining salaries, bonuses, and other compensation of Well-Being</p>	

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	Coordinator.	
	<p style="text-align: center;"><b>Performance Management</b></p> <p>In the event that Client is dissatisfied with the performance of any Well-Being Coordinator providing Well-Being Coordinator Services hereunder, or asserts that any Well-Being Coordinator has engaged in misconduct as defined by Client or has materially failed to perform the Services in accordance with the Agreement, Client shall so advise CHLIC immediately and provide in writing the facts necessary to validate the concern or complaint. CHLIC shall promptly consult with Client as to the nature of the conduct complained of and the severity of Client’s dissatisfaction, and shall endeavor to resolve such issues to the satisfaction of Client provided such resolution is not unlawful or discriminatory. Client acknowledges and agrees that the policies and procedures of CHLIC or its parent company as to the performance of Well-Being Coordinator Services shall govern, including any confidentiality requirements contained therein. Client 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 Well-Being Coordinator misconduct or failure to perform.</p>	
	<p style="text-align: center;"><b>Force Majeure</b></p> <p>Neither CHLIC and/or Client will be in default or otherwise liable for any delay or failure of its performance under this CHLIC Well-Being Coordinator section to the extent such delay or failure is due to causes beyond the reasonable control of CHLIC and/or Client, such as, but not limited to, acts of God, acts of public enemy, the elements, adverse weather conditions, fire, floods, riots, strikes, accidents, disease, pandemic, war, governmental requirement, order or shutdown, act of civil or military authority, manufacturer delays, labor or transportation difficulties, acts or omissions of transportation common carriers, or other cause beyond the reasonable control and without the fault or negligence of affected CHLIC and/or Client (“Force Majeure Event”). Additionally, Client understands that in the event of a Force Majeure Event CHLICs ability to perform in part or in total, or ability to perform onsite, may be limited to the extent required by CHLIC HR minimal standards</p>	

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	policies for the protection of CHLIC employees.	
<b>Health Improvement Fund</b>		
Health Improvement Fund	<p>For clinical/wellness/behavioral programs offered by CHLIC that are purchased, CHLIC will establish a Health Improvement Fund in the amount of \$50,000.00. This fund will be used to defray the cost of CHLIC designated and arranged health and wellness improvement programs (e.g. biometric screenings, flu shots) for Employees of Employer and to reward participation in these programs.</p> <p>The Health Improvement Fund is a one-time credit to be used from January 1, 2023-December 31, 2023. Unused funds cannot be rolled over and CHLIC must pre-approve use of the Health Improvement Fund.</p> <p>The Health Improvement Fund shall be extinguished upon notice of termination of the Agreement and any fund amount not used prior to the notice of termination of the Agreement shall only be available to Employer for the purpose of funding the cost of those reimbursable services provided prior to such notice of termination.</p>	

## **Exhibit A - Plan Booklet**

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

**Exhibit B – Services**

<b>BANKING AND ADMINISTRATION</b>		
<b>Excluding Health Savings Account</b>		
	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.	<b>All Products</b>
	<p>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 surcharge and 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 sufficiently fund the Bank Account.</p> <p>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 Employer and/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 the Bank Account will be charged for any such payments made by CHLIC. CHLIC’s obligation to pay on behalf of Employer shall end immediately upon Employer’s failure to sufficiently fund the Bank Account.</p>	<b>All Medical and Pharmacy Products</b>
<b>CLAIM ADMINISTRATION</b>		
<b>Excluding Health Savings Account</b>		
	Calculate benefits, check and/or electronic payments disbursed from the Bank Account. Bank Account payments will appear in Employer’s standard Bank Account activity data reports.	<b>All Products</b>
	CHLIC’s generic claim forms are made available to Employer and eligible individuals.	<b>All Products</b>
	CHLIC’s Special Investigations Unit will investigate, pend, recommend denial of claims in whole or in part, and/or reprocess claims, as appropriate.	<b>All Products</b>
	Discuss claims, when appropriate, with providers of health services.	<b>All Products</b>
	Perform, based on CHLIC’s book of business internal audits of plan benefit payments on a random	<b>All Products</b>

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	sample basis.	
	Claim control procedures reported annually in Statement on Standards for Attestation Engagements (SSAE) No. 18 Report (or any applicable successor thereto).	<b>All Products</b>
	Respond to Insurance Department complaints.	<b>All Products</b>
	Designated toll-free telephone line for Member and Provider calls to CHLIC Service Centers.	<b>All Products</b>
	Member Explanation of Benefit (“EOB”) statements including, when applicable, notice of denied claims, denial reason(s) and appeal rights.	<b>All Products (excluding Pharmacy)</b>
	Verify enrollment and eligibility using Member information submitted by Employer and/or its authorized agent.	<b>All Products</b>
<b>Medical Only</b>		
	CHLIC’s generic enrollment form is made available to Employer and eligible individuals.	<b>All Medical Products</b>
	CHLIC’s standard ID card with toll-free telephone number are prepared and delivered to Members.	<b>All Medical Products</b>
	Administration of subrogation/conditional Claim Payment (terms described in Exhibit E).	<b>All Medical Products</b>
<b>PLAN BOOKLET</b>		
	Prepare and make accessible Member benefit booklet drafts to Employer.	<b>All Products</b>
<b>UNDERWRITING SERVICES</b>		
	5500 Schedule C reporting.	<b>All Products</b>
	5500 Schedule A or Annual Reconciliation Disclosure reporting (when applicable)	<b>All Products</b>
	CHLIC’s standard Underwriting services: a) benefit design analysis b) projected cost analysis.	<b>All Products</b>
<b>HIPAA INDIVIDUAL RIGHTS</b>		
	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.	<b>All Products</b>
<b>COST CONTAINMENT</b>		
	Maximum reimbursable charge determinations of non-Participating Provider charges for covered services.	<b>All Medical Products (with out-of-network benefits)</b>
	CHLIC’s standard cost containment controls: Application of non-duplication and coordination of benefits rules and coordination with Medicare.	<b>All Medical Products</b>

**Administrative Services Only Agreement for City of Clearwater**

	Delivery of information, as necessary, regarding standard application of non-duplication or coordination of benefits.	<b>All Medical Products</b>
	Review of medical bills in accordance with CHLIC's then current Medical Bill Review program.	<b>All Medical Products</b>
	Medical Cost Containment, as described in the Schedule of Financial Charges.	<b>All Medical Products</b>
	Annual reporting of CHLIC's standard cost containment results upon Employer's request.	<b>All Medical Products</b>
	Pharmacy Cost Containment, as described in the Schedule of Financial Charges.	<b>All Pharmacy Products</b>
<b>REPORTING</b>		
	Summary reports of medical and pharmacy cost and utilization experience (where applicable), upon completion of internal report generation, are available through Cigna's web site, CignaforEmployers.com.	<b>All Medical and Pharmacy Products</b>
	CHLIC's standard pharmacy utilization reports.	<b>Pharmacy Product Only</b>
	Claim Reporting: CHLIC will provide standard banking and financial report information based upon paid claim data. CHLIC will not provide information on incurred-but-not reported claims, projected claims, pre-certifications of coverage, case management information or information on a Member's prognosis or course of treatment.	<b>All Medical and Pharmacy Products</b>
	Individual Stop Loss Reporting is an optional service provided at an additional fee to employers who have individual stop loss through another entity other than CHLIC. CHLIC will provide its standard Individual stop loss reporting package, which includes banking and financial information based upon paid claims data, only after the stop loss carrier and Employer have executed CHLIC's standard Hold Harmless/Confidentiality Agreement. Aggregate Stop Loss Reporting is not included as part of the standard reporting package and is not provided. CHLIC will not provide documentation and information, including but not limited to, incurred-but-not-paid claims, projected claims, pre-certifications of coverage, case management records and notes, course of treatment or prognosis, and internal audits. CHLIC does not allow stop loss carriers to audit CHLIC's claims administration under the medical benefit plan, however, the Employer's audit rights are set forth in the Agreement. For the sake of clarity, as it is possible that certain information, documentation, data and/or reports that are required by the stop loss carrier prior to reimbursement under Employer's stop loss policy will not be available for stop loss policy administration, Employer is responsible for verifying any such required information with its stop	<b>All Medical Products</b>

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	loss carrier.	
<b>MEMBER EXTERNAL REVIEW PROGRAM</b>		
	CHLIC contracts with a minimum of 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.	
	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>
	Case Management, 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>
	Assist 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>
	The Cigna HealthCare Healthy Babies Program is an educational program which provides Member with prenatal care education and resources to help them better manage their pregnancy. Other benefits of this program include the Health Information Line, high risk maternity and pregnancy information on myCigna.com.	<b>All Medical Products</b>
	HealthCare Cost and Quality tools available on myCigna.com and myCigna mobile app.	<b>All Medical Products</b>
	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>
	Health Information Line is a service that provides twenty-four (24) hour toll free access to nurses who provide convenient and confidential services. Health Information Line nurses can help guide Members in finding the right care, make informed decisions about symptom-based health issues the Member is experiencing when they call the Health Information Line and recommend appropriate settings for care. Health Information Line nurses can help inform and educate	<b>All Medical Products</b>

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	Members about a wide variety of health and medical information, including access to a library of English and Spanish podcasts.	
	Cigna LifeSOURCE Transplant Network <sup>®</sup> contracts with more than one hundred seventy (170) independent transplant facilities which includes over eight hundred (800) 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>
	A health education program that delivers mailings to Members with certain conditions.	<b>All Medical Products</b>
	Behavioral health services are provided/arranged by a CHLIC affiliate (details available upon request), including utilization review and case management for both inpatient and outpatient, in-network behavioral health services.	<b>OAP Products: (All Members)</b>
	Implement a quality oversight process that includes monitoring of utilization management performance measurements and a continuous quality improvement process when warranted.	<b>All Medical Products</b>
	Transition of care services to allow Members with defined conditions to continue treatment with non-Participating Providers after enrollment for continued uninterrupted care for a limited time.	<b>All Medical Products Except Comprehensive and Indemnity</b>
	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.	<b>All Medical Products with Care Management Preferred</b>
<b>NETWORK MANAGEMENT SERVICES</b>		
	CHLIC, and/or its affiliates or contracted vendors shall:	
	Provide or arrange access to the applicable network of Participating Providers to furnish health care services/products to Members at negotiated rates and methods of reimbursement (e.g. fee-for-service, fixed per person per period, per diem charges, incentive bonuses, case rates, withholds etc.). The amount and type of negotiated reimbursement may vary depending upon the type of plan. For example, a hospital may accept less for patients enrolled in certain types of plans than others. In addition, CHLIC may contract with Participating Providers and other parties (for example Independent Practice Associations) for performance-based incentive payments to promote quality of care, patient safety and cost efficiency.	<b>All Medical and Pharmacy Products</b>
	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;	<b>All Medical and Pharmacy Products</b>

**Administrative Services Only Agreement for City of Clearwater**

	Monitor Participating Provider compliance with protocols and procedures for quality, Member satisfaction, and grievance resolution;	<b>All Medical and Pharmacy Products</b>
	Facilitate the identification of Participating Providers by Members; and	<b>All Medical and Pharmacy Products</b>
	Designated toll-free telephone line for Member and Provider calls to CHLIC Service Centers.	<b>All Medical and Pharmacy Products</b>
	Access to online and/or on demand medical and health-related consultations via secure telecommunications technologies, telephones and internet are permitted and may include MDLIVE, a CHLIC affiliate (see details on myCigna.com).	<b>All Medical Products</b>
<b>BEHAVIORAL HEALTH</b>		
	CHLIC has contracted with an affiliate (details available upon request) to provide or arrange for the provision of managed in-network behavioral health services, the affiliate is a Participating Provider, and is reimbursed primarily on a monthly fixed fee basis This fixed fee for behavioral health services will be paid as claims and will appear in Employer’s monthly reporting and on financial documents. Such payments will be at the relevant monthly rates then in effect. The monthly rates paid to the affiliate 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 applicable lifestyle management programs . 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 behavioral health administrative fee (including the applicable lifestyle management programs) will be paid from the Bank Account as claims and will appear in Employer’s monthly reporting.	<b>These services are included in the following products: OAP Products</b>
<b>CIGNA STAFF MODEL HEALTHPLAN SERVICES</b>		
	The Cigna HealthCare of Arizona, Inc. staff model (“ <b>Cigna Medical Group</b> ” or " <b>CMG</b> ") is a multispecialty participating provider group located in metropolitan Phoenix, Arizona. CMG's integrated care delivery model and population health management team work together to facilitate the way in which patients and doctors communicate and interact in order to increase patient satisfaction and improve health outcomes.  Plan Participants may at some time receive treatment from a 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	<b>All Medical Products</b>

**Administrative Services Only Agreement for City of Clearwater**

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	<p>imaging and urgent care services) through the CMG system.</p> <p>For covered services provided to Participants, CMG is paid at the rates in effect at the time of service (as may be revised from time to time). Representative rates for routinely performed services are attached to the Schedule of Financial Charges herein. A complete copy of the rates is available on request under a mutually agreed nondisclosure agreement (“NDA”).</p> <p>If the Plan requires or allows 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 participating provider networks, which includes affiliated entities.</p> <p>CMG may also receive applicable performance-based incentive payments for its participation in programs designed to improve quality, patient safety and affordability. The incentive payments that CMG may receive will be determined using the same performance measures and reward formula as used in determining the incentive payments made to similarly situated non-Cigna affiliated provider entities. The amount of the incentive payments made to CMG and attributable to the plan will be provided upon request.</p>	
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**Administrative Services Only Agreement for City of Clearwater**

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

**EFFECTIVE JANUARY 1, 2020**  
(Applicable to Open Access Plus Products)

<b>Department</b>	<b>CPT Code*</b>	<b>Description</b>	<b>Rate</b>
All Departments	99213	OFFICE VISIT,EST EXP PROB FOC	\$73.81
Adult Medicine	99396	WELL EXAM, EST, 40-64 YEARS	\$126.72
Pediatrics	99392	WELL EXAM, EST, 1-4 YEARS	\$106.46
Ophthalmology	66984	REMOVE CATARACT, INSERT LENS- Professional Fee only, at a facility	\$641.43
Podiatry	11721	DEBRIDEMENT NAIL SIX OR MORE	\$45.51
Radiology	71046	CHEST X-RAY, PA & LAT	\$31.28
Radiology	77067 & 77063	SCREENING MAMMOGRAPHY DIGITAL	\$189.64
General Surgery	47562	LAPAROSCOPY;CHOLECYSTECTOMY- Professional Fee only, at a facility	\$666.13
Optometry	92014	EYE EXAM & TREATMENT	\$126.12
ASC (Ambulatory surgical center) / Endoscopy Suite	Group 2		\$469.00
ASC Endoscopy Suite	Group 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). CMG 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 \$135.

## Exhibit C – Audit Agreement (Sample)

- A. WHEREAS, Cigna Health and Life Insurance Company ("CHLIC") desires to cooperate with requests by \_\_\_\_\_ ("Employer") to permit an audit for the purposes set forth below and subject to Section 6 of the Administrative Services Only Agreement between CHLIC and Employer;
- B. WHEREAS, \_\_\_\_\_ ("Auditor") has been retained by Employer for the purpose of performing an audit ("Audit") of claims administered by CHLIC; and
- C. WHEREAS, the Auditor and the Employer recognize CHLIC's legitimate interests in maintaining the confidentiality of its information, protecting its business reputation, avoiding unnecessary disruption of its claim and customer service 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 objectives;
- c. the scope of the Audit (time period, lines of coverage and number of claims/calls);
- d. the process by which the sample will be selected for audit;
- 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 to require any changes in, or conditions on, the Audit Specifications which are necessary to protect CHLIC's legal and business interests identified in paragraph C above.

3. Access to Information

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

4. Audit Report

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

## Administrative Services Only Agreement for City of Clearwater

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### 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 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 copy, print, photograph or otherwise duplicate or remove any of the Information without the express written consent of CHLIC;
- b. The Auditor shall not record any virtual session that includes Protected Health Information as defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”); and
- c. The Auditor shall not take any screenshots during any virtual session.

### 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. 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.

**Administrative Services Only Agreement for City of Clearwater**

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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 C1 – Clinical Audit Agreement (Sample)

- A. WHEREAS, Cigna Health and Life Insurance Company ("CHLIC") desires to cooperate with a request by ("Employer") to permit a clinical audit for the purposes set forth below and subject to Section 6 of the Administrative Services Only Agreement between CHLIC and Employer;
- B. WHEREAS, \_\_\_\_\_ ("Auditor") has been retained by Employer for the purpose of performing an audit ("Audit") of clinical services administered by CHLIC;
- C. WHEREAS, in the course of conducting the Audit, Auditor will come into possession of certain confidential and proprietary information relating to individuals who are recipients of CHLIC's services, medical providers who provide health services, and trade secrets of CHLIC (the "Information"); and
- D. WHEREAS, the Auditor and the Employer recognize CHLIC's legitimate interests in maintaining the confidentiality of its Information, protecting its business reputation, avoiding unnecessary disruption of its service 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 ninety (90) days prior to the commencement of the Audit the following "Audit Specifications":

- a. the name, title and professional qualifications of individual Auditors;
- b. the date(s), the length of time contemplated as necessary to complete the Audit, and clinical operations location, if any to be audited; or, if the Audit is to be performed virtually, the Internet Protocol (IP) address and physical location from the individual auditors will remotely access the records/information required for the purposes of the Audit;
- c. the Audit period;
- d. the Audit objectives;
- e. the scope of the Audit (time period, diagnosis, enrollee participation in programs and number of claims/calls);
  - i. Standard number of cases/calls is as follows;

Number of Subscribers	# Cases	# Calls	# Days*
5,000 & under	10	3	1
>5,000 & < 25,000	15	4	1

## Administrative Services Only Agreement for City of Clearwater

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>25,000 & < 75,000	20	5	1.5
>75,000	25	6	2

*\*Takes into consideration length of time to complete the standard # cases and calls based on an one (1) year lookback scope period.*

- f. the process by which cases and calls will be selected for audit; and
  - g. the records/information required by the Auditor for purposes of the Audit.
2. Review of Specifications

CHLIC will have the right to review the Audit Specifications and to require any changes in, or conditions on, the Audit Specifications which are necessary to protect CHLIC's legal and business interests identified in paragraph D above. Any additional costs incurred by CHLIC to accommodate unusual audit specifications will be reimbursed as mutually agreed upon by the parties.

3. Access to Information

For onsite Audits, CHLIC will make the Information called for in the Audit Specifications available to the Auditor at a mutually acceptable time and place.

For virtual audits performed from a remote access point, CHLIC will make the Information called for in the Audit Specifications available to Auditor at a mutual acceptable time via connection to a secure service. Access is subject to CHLIC's verification that each individual auditor meets and complies with CHLIC's remote access standards and other security requirements.

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 before the Audit findings and the Audit Report are submitted to the Employer to allow CHLIC the opportunity to review and respond to Audit findings and Report prior to Auditor sending finalized versions to 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 Information solely for purposes of the Audit. Accordingly, the Auditor will ensure that all Information will be kept confidential in accordance with all with all Applicable Laws, Privacy Addendum in Exhibit D, including but not limited to the HIPAA Privacy and Security Rules and 42 C.F.R. Part 2. Without limiting the generality of the foregoing, the Auditor specifically agrees to adhere to the following conditions:

## Administrative Services Only Agreement for City of Clearwater

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- a. The Auditor shall not copy, print, photograph or otherwise duplicate or remove any of the Information without the express written consent of CHLIC;
- b. The Auditor shall not record any virtual session that includes Protected Health Information as defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”); and
- c. The Auditor shall not take any screenshots during any virtual session; and
- d. The Auditor agrees that it’s Audit Report or any other summary prepared in connection with the Audit shall contain no individually identifiable information.
- e. Notwithstanding anything to the contrary stated herein, it is understood and agreed by the parties that the Auditor may include and retain the statistical results of the Audit (performance measures expressed as percentages) in its comparative database for the purpose of comparing the results of the Audit with other audits performed by the Auditor. In no event will the results of the Audit included in the comparative database be used or disclosed in any way that identifies Cigna, Employer, or any individual; and
- f. Except with regard to Protected Health Information (solely with regard to (i)-(iv) below), this Agreement does not apply or restrict the Auditor from using or disclosing information:
  - i. Which is or becomes public other than through a breach of this Agreement;
  - ii. Already known to Auditor prior to the date of this Agreement and with respect to which the Auditor does not have an obligation of confidentiality;
  - iii. Which is disclosed to the Auditor by a person or entity not party to this Agreement and who is entitled to disclose such information without breaching an obligation of confidentiality;
  - iv. To Auditor’s legal counsel, subject to the confidentiality obligations in this Agreement; or
  - v. Required to be disclosed by law, whether under an order of a court, government tribunal or other legal process, except that if required by law, Auditor will disclose only the minimum information required to comply with legal mandate.

### 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

## Administrative Services Only Agreement for City of Clearwater

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paragraphs 6 and 7 of this Agreement or from CHLIC's provision of Information to the Auditor. The Employer authorizes CHLIC to provide to the designated Auditor the necessary Information to perform the audit in a manner consistent with all Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Privacy Standards and in compliance with the signed Business Associate Agreement ("BAA").

### 8. Termination

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

**Administrative Services Only Agreement for City of Clearwater**

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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

## Administrative Services Only Agreement for City of Clearwater

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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.

**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, including a Breach or Security Incident. 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. The parties agree 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 6. 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 thirty (30) business days after CHLIC's discovery of same. This notification will include, to the extent known:

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- 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, 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 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 45 C.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

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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.

**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;

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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 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. A reference in this Addendum to a section in the HIPAA Privacy Rule, or HIPAA Security Rule 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

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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 the American Recovery and Reinvestment Act of 2009.

## **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 affiliate with respect to its self-funded employee welfare benefit plan:

- (A) All conditional claim payment and/or subrogation recoveries under the Plan will be handled by CHLIC unless CHLIC is otherwise notified by the Employer.
- (B) CHLIC and its subcontractors acting as Employer's recovery shall have the discretionary authority:
  - i. 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. Any modification to this percentage shall be communicated by Employer to CHLIC and will be effective upon Employer's next renewal date, unless otherwise agreed to by CHLIC.
  - ii. In the event a settlement offer represents a reduction greater than the percentage identified above, CHLIC and its subcontractors shall seek settlement advice from the Employer.
  - iii. All amounts reimbursed to the 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 the 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 the 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 the 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.

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- B. All amounts reimbursed to the 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 the 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 the 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.

## 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.
- "Authorized Generic" shall mean a pharmaceutical product sold, licensed, or marketed under a new drug application (NDA) approved by the Food and Drug Administration (FDA) under section 505(c) of the Federal Food, Drug and Cosmetic Act (FFDCA) that is marketed, sold or distributed under a different labeler code, product code, trade name, trademark, or packaging (other than repackaging the listed drug for use in institutions) than the innovator brand name drug.
- "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 CHLIC 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 CHLIC as it existed immediately prior to such replacement or immediately prior to the event(s) giving rise to such replacement, as the

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case may be.

- "Biosimilar" shall mean a biological product that is licensed by the FDA as a biosimilar pursuant to Section 351(k) of the Public Health Service Act, 42 U.S.C. 262(k), based upon a showing that it is highly similar to a single FDA-licensed biological product, known as a reference product, and has no clinically meaningful differences compared to the reference product in terms of safety, purity, and potency. A biosimilar biological product may be licensed by the FDA as biosimilar or interchangeable, and in either case such biological product is a Biosimilar for the purposes of this Agreement.
- "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.
- "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, for example, Accredo Health Group, Inc., ESI Mail Pharmacy Service, Inc., Express Scripts Pharmacy Inc., Express Scripts Specialty Distribution Services, Inc. and Lynnfield Drug, Inc. (dba Freedom Fertility Pharmacy).
- "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.

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- "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, subject to Employer's discretion to elect not to implement any such addition or deletion through the set-up process, any such election shall be considered an Employer change to the Formulary.
- "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 excludes a Covered Drug that is either marketed under one (1) Abbreviated New Drug Application pursuant to 21 U.S.C. §355, and its implementing regulations, or cannot be purchased by the pharmaceutical industry at large from more than one (1) pharmaceutical wholesaler. For pricing purposes, a Generic Drug also excludes a Biosimilar.
- "Limited Distribution Drug" or "Exclusive Distribution Drug" shall mean a Specialty Drug that is not generally available from most or all pharmacies but is restricted to select pharmacies as determined by a pharmaceutical manufacturer. The list of Limited Distribution Drugs and Exclusive Distribution Drugs will be maintained by CHLIC.
- "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.
- "Manufacturer Administrative Fees" shall mean administrative fees paid by pharmaceutical manufacturers to CHLIC or its affiliate or subcontractor directly in connection with administering, invoicing, allocating and collecting Rebates.

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- "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 clinicians 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 CHLIC. 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.
- "Prescription Drug Charge" shall mean the amount that, prior to application of the Plan's cost-share requirement(s), Employer is obligated to pay for a Covered Drug dispensed at a Retail Pharmacy or Cigna Home Delivery Pharmacy, including any ingredient cost, applicable Dispensing Fee, service fee, and tax. The ingredient cost charged to Employer may be expressed as, for example, a discount off of AWP or other benchmark price, or a MAC.
- "Rebate" shall mean retrospective formulary rebates received by CHLIC pursuant to the terms of a formulary rebate contract negotiated independently and directly attributable to or arising from the utilization by Members of certain Covered Drugs manufactured, sold, marketed, or distributed by a manufacturer.

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) Manufacturer Administrative Fees; (v) Value-Based Payments; (vi) any rebates or other amounts that are allocated to reduce and/or partially or wholly satisfy a Member's cost-sharing obligation for a Covered Drug; and (vii) 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.

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- "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.
- "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. 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 review 100% of all claims, with each claim to be reviewed by either desk audit or field audit as determined through the use of random risk based predictive model to ensure that each Retail Pharmacy

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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 as such CHLIC does not direct or exercise any control over the pharmacists at Retail Pharmacies or the professional judgement exercised by any pharmacies in the dispensing or filling of prescriptions or performing other pharmaceutical services. Neither CHLIC nor any CHLIC affiliate shall have any liability to Employer, any Member or any other person or entity for any act or omission of any Retail Pharmacy or its agents or employees.
- (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 communication with Members regarding the availability and use of the Cigna Home Delivery Pharmacy, and potential cost savings associated therewith, and the provision of supporting services (e.g. pharmacist consultation) in connection with any prescription dispensed by 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 the 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.
- (b) Affiliation with CHLIC. Accredo Health Group, Inc., ESI Mail Pharmacy Service, Inc., Express Scripts Pharmacy Inc., Express Scripts Specialty Distribution Services, Inc. and Lynnfield Drug, Inc. (dba Freedom Fertility Pharmacy) are licensed pharmacy affiliates of CHLIC that fill and deliver Covered Drugs via the mail service.

### 3. Claims Processing.

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- (a) General. CHLIC, in accordance with Section 2 of the Agreement, 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 may apply for the submission of any paper claim form, whether in-network or out-of-network. CHLIC is not required to provide coordination of benefits (COB) services for Claims for drugs dispensed, and electronically processed, at a pharmacy; Claims may 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. Such DUR Analysis may include, for example: (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. DUR processes shall not override 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 otherwise be 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 in 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.

## Administrative Services Only Agreement for City of Clearwater

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- (2) A list of Specialty Drugs available via the Specialty Pharmacy and the pricing for those Specialty Drugs shall be made available as in effect on the Effective Date, as 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 the 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 the 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.

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CHLIC shall provide Formulary management services, which shall include implementing Formulary placement decisions and determinations to apply utilization management requirements made by CHLIC. CHLIC 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. Employer acknowledges that the Formulary, utilization management requirements, and coverage policies used by CHLIC to perform coverage reviews, including any changes made thereto, are adopted by Employer. When considering a drug for Formulary placement or other coverage conditions, CHLIC reviews clinical and economic factors regarding enrollees as a general population across its relevant book-of-business. CHLIC may also provide the clinical, safety and/or trend programs, or other programs and services to Employer, some of which may require payment of additional fees by Employer. If additional fees are required for such a program or service, CHLIC shall include the fee in the Schedule of Financial Charges or otherwise communicate the same in writing to by Employer.

### 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.**

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- (a) Retention. CHLIC shall retain data with respect to Claims for at least ten (10) 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 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. Pharmacy Claims Processing Audits**

- (a) Employer may, to the extent specified below and at no additional charge, conduct a claims processing audit of CHLIC's administration of Plan Benefits, once every Plan Year provided that the Agreement has been duly executed by Employer and Employer is current in the payment of all pharmacy claims under the Agreement. New audits shall not be initiated until all parties have agreed that any and all prior pharmacy-related audits are closed. In order to balance the need to adequately support the audit process for all CHLIC clients, with an efficient allocation of resources, employers who choose to audit one or more components of the pharmacy arrangement must do so through a single annual audit.
- (b) Claims processing audits shall be subject to the following conditions: (1) the audit may take place while the Agreement is in effect or within one (1) year after the termination or expiration of the Agreement; (2) the initial audit period for a retrospective claims audit shall not exceed the twenty-four (24) months period immediately preceding CHLIC's receipt of the request to audit; (3) Employer shall be responsible for its incurred costs regarding the audit; (4) Employer shall designate, with CHLIC's consent, such consent not to be unreasonably withheld, an independent, third party auditor to conduct the audit (the "Auditor") so long as such Auditor is not engaged in providing services for Employer (including, but not limited to the Auditor's engagement as an expert witness in litigation against CHLIC or its affiliates), or otherwise, that conflict with the scope or independent nature of the

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audit (as determined by CHLIC acting reasonably and in good faith), and provided that Employer's Auditor executes a mutually acceptable confidentiality agreement; (5) Employer shall provide to CHLIC at least thirty (30) days prior written notice of its intent to audit, and any request by Employer to permit an Auditor to perform an audit will constitute Employer's direction and authorization to CHLIC to disclose PHI to the Auditor; (6) CHLIC will provide all data as reasonably necessary for Auditor to perform the claims processing audit within thirty (30) days following the latter of the audit kick-off call and the Audit Agreement being fully executed or, when applicable, as otherwise agreed upon by the Parties; (7) following Auditor's initial review of the claims, Auditor will provide CHLIC in writing with all suspected categories of claim errors, if any, together with an electronic data file, in a mutually agreed upon format, containing up to three-hundred (300) claims, so that CHLIC may evaluate and investigate Auditor's suspected errors; (8) CHLIC will respond to the suspected errors within sixty (60) days from CHLIC's receipt of such written findings; (9) upon receipt and review of CHLIC's responses, Auditor will provide CHLIC with a written report of Auditor's findings and recommendations before or at the same time such audit report is provided to Employer; (10) CHLIC will respond to the audit report within thirty (30) days of the issuance of Auditor's report; (11) once both Parties have accepted the audit results, the audit shall be considered closed and final; (12) to the extent the mutually accepted audit results demonstrate claims errors, CHLIC will reprocess the claims and make corresponding adjustments to Employer; (13) CHLIC's obligations to respond within the designated periods above is conditioned upon a good faith and cooperative working relationship between Employer and/or its Auditor and CHLIC, including but not limited to no new or additional issues that appear in the final report that were not otherwise provided to CHLIC during the preliminary review of suspected errors.

This provision shall survive termination or expiration of the Agreement.

### **6. Pharmacy Rebate Audits.**

- (a) Employer may, to the extent specified below, in accordance with the following requirements, and at no additional charge, audit CHLIC's payment of Rebates provided that the Agreement has been duly executed by Employer and Employer is current in the payment of all pharmacy claims under the Agreement. Any Rebate audit shall occur following CHLIC's issuance of the annual financial reconciliation to Employer once in each twelve (12) month period. New audits shall not be initiated until all parties have agreed that all prior pharmacy-related audits are closed. In order to balance the need to adequately support the audit process for all CHLIC clients, with an efficient allocation of resources, employers who desire to audit one or more components of the pharmacy arrangement must do so through a single annual audit.
- (b) Rebate audits shall be subject to the following conditions: (1) Employer and CHLIC shall agree on a mutually acceptable, independent, third-party auditor to conduct the audit, including the individual(s) employed or contracted to perform the audit to ensure that they shall not have a conflict of interest that could reasonably diminish their impartiality (the "Auditor"); (2) Employer shall be responsible for its incurred costs regarding the audit; (3) Employer shall provide CHLIC with at least forty-five (45) days prior written notice of its intent to audit; (4) a mutually agreed upon nondisclosure/nonuse agreement for rebate audits

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shall be executed by Employer, the Auditor and CHLIC; (5) the scope of records to be audited as being necessary to determine CHLIC's compliance with its contractual Rebate payment obligations under the Agreement shall be as mutually agreed upon by the Auditor and CHLIC; (6) the Auditor may select for audit purposes the records of up to five (5) manufacturers for two (2) calendar quarters from the last reconciled plan year immediately preceding the written request to audit; (7) the audit shall be conducted at a mutually acceptable time during regular business hours at CHLIC's offices where such records are located; (8) records shall not be removed or photocopied without CHLIC's express written consent; (9) for the sole purpose of confirming compliance with the audit Confidentiality Agreement, Auditor will first submit in draft to CHLIC, and prior to submission to Employer, its Rebate audit report, so that CHLIC can confirm that no terms of the applicable rebate agreements which are confidential, are disclosed in the audit report; (10) the Auditor shall provide its final audit report to CHLIC and Employer at the same time; and (11) the Auditor may disclose the aggregate amount of Rebates due Employer but no other details of CHLIC's rebate contracts of which the Auditor is apprised, if any.

This provision shall survive termination or expiration of the Agreement.

### **7. Pharmacy Financial Guarantee Reconciliation Audits.**

- (a) Employer may, to the extent specified below and at no additional charge, conduct a Financial Guarantee Reconciliation audit once every Plan Year following CHLIC's issuance of the annual financial reconciliation to Employer, provided that the Agreement has been duly executed by Employer and Employer is current in the payment of all pharmacy claims under the Agreement. New audits shall not be initiated until all parties have agreed that all prior pharmacy-related audits are closed. In order to balance the need to adequately support the audit process for all CHLIC clients, with an efficient allocation of resources, employers who choose to audit one or more components of the pharmacy arrangement must do so through a single annual audit.
- (b) Financial Guarantee audits shall be subject to the following conditions: (1) the audit may take place while the Agreement is in effect or within one (1) year after the termination or expiration of the 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 be responsible for its incurred costs regarding the audit; (4) Employer shall designate with CHLIC's consent, such consent not to be unreasonably withheld, an independent, third party auditor to conduct the audit (the "Auditor") so long as such Auditor is not engaged in providing services for Employer (including, but not limited to the Auditor's engagement as an expert witness in litigation against CHLIC or its affiliates), or otherwise, that conflict with the scope or independent nature of the audit (as determined by CHLIC acting reasonably and in good faith), and provided that Employer's Auditor executes a mutually acceptable confidentiality agreement; (5) Employer shall provide CHLIC with at least thirty (30) days' prior written request for the audit, and any request by Employer to permit an Auditor to perform an audit will constitute Employer's direction and authorization to CHLIC to disclose PHI to the Auditor; (6) CHLIC will provide all data as reasonably necessary for Auditor to determine that CHLIC has performed

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in accordance with its contractual obligations regarding the financial guarantees, and CHLIC will provide such data within thirty (30) days following the latter of the audit kick-off call and the confidentiality agreement being fully executed or, when applicable, as otherwise agreed upon by the Parties; (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) following Auditor's initial review and prior to the submission of its written audit report, the Auditor will provide CHLIC in writing with all of the suspected errors, if any, and CHLIC will respond to such suspected errors within sixty (60) days from CHLIC's receipt of such preliminary findings; (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. CHLIC's obligations to respond within the designated periods above is conditioned upon a good faith and cooperative working relationship between Employer and/or its Auditor and CHLIC, including but not limited to no new or additional issues that appear in the final report that were not otherwise provided to CHLIC during the preliminary review of suspected errors.

This provision shall survive termination or expiration 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. Except to the extent CHLIC conducts the final level of internal appeal as set forth in Section 2.c of the Agreement, 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 or any of its affiliates 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

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(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 with its PBM affiliate for the provision of pharmacy benefit services and financial arrangements. As such, CHLIC or its PBM affiliate, directly or indirectly contract on their own accounts with Retail Pharmacies and Cigna Home Delivery Pharmacy 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 or its PBM affiliate earns under an arrangement with a Retail Pharmacy or Cigna Home Delivery Pharmacy are obtained for, and inure to, the sole and exclusive benefit of CHLIC or its PBM affiliate, and not the Employer or the Plan. Amounts paid by CHLIC or its PBM affiliate or by the PBM affiliate for Retail Pharmacy or Cigna Home Delivery 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 or its PBM affiliate or by the PBM affiliate to a particular pharmacy, CHLIC and its PBM affiliate will absorb or retain such difference. CHLIC may directly or indirectly contract for Rebates, Manufacturer Administrative Fees, and other remuneration on its own behalf and for its own benefit, and not on behalf of Employer or the Plan. As an example of other remuneration other than Rebates or Manufacturer Administrative Fees that CHLIC may earn, CHLIC may also directly or indirectly earn from pharmaceutical manufacturers remuneration in connection with value payments and/or services that CHLIC provides to Employer ("Value-Based Payments"). Notwithstanding anything in this Agreement to the contrary, any Value-Based Payments earned by CHLIC are separate and apart from any Rebates or Manufacturer Administrative Fees that CHLIC directly or indirectly earns from pharmaceutical manufacturers, and CHLIC may retain any Value-Based Payments it earns. As examples of the value payments and/or services that CHLIC may provide to Employer in connection with Value-Based Payments that CHLIC may earn, CHLIC may provide care management or other services to Employer and/or remit to Employer monetary credits if Members discontinue therapy on certain pharmaceutical products. Information regarding any services, and/or monetary credits or other financial value, for which Employer may be eligible with respect to specific pharmaceutical products or therapeutic classes/conditions, including the products for which monetary credits or other financial value may be available to Employer, the amount of that value, and other payment terms, is available upon request. Any value payments and/or services provided by CHLIC to Employer are subject to change or termination by CHLIC as the value program(s), if any, offered by CHLIC change(s) or terminate(s). Accordingly, CHLIC retains all right, title and interest to any and all actual Rebates, Manufacturer Administrative Fees, Value-Based Payments, and other remuneration directly or indirectly received from manufacturers. CHLIC may provide Employer amounts equal to all or some portion of the Rebate and Manufacturer Administrative Fee amounts, or other financial value generated in connection with any value program(s), allocated to Employer, if any, and as specified on the Schedule of Financial

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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 and Manufacturer Administrative Fee 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, and Claims volume. 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, Manufacturer Administrative Fee or other payments received by CHLIC during the collection period of moneys payable under this section, if any, and that CHLIC shall retain any such remuneration. For purposes of this provision, the term CHLIC shall also include and mean CHLIC's PBM affiliate, Express Scripts, Inc.

2. **Affiliates.** Cigna Home Delivery Pharmacy 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 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 or the Plan. Accordingly, Cigna Home Delivery Pharmacy 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 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

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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.vi 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 contrary, 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.

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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.

- 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, direct member reimbursement (DMR) Claims, and drugs adjudicated under the medical benefit.
- 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; (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 or (f) 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.

New-to-Market Specialty Products. Specialty Drug Claims, excluding Limited Distribution Drugs and

## **Administrative Services Only Agreement for City of Clearwater**

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Exclusive Distribution Drugs, that are for new-to-market drugs will have a minimum market-introduction guaranteed discount of 11.45% off the drug's AWP.

“Limited Distribution Drug” or “Exclusive Distribution Drug” shall mean a Specialty Drug that is not generally available from most or all pharmacies and is restricted to select pharmacies as determined by a pharmaceutical manufacturer. The list of Limited Distribution Drugs and Exclusive Distribution Drugs will be maintained by CHLIC.