CITY OF PORT ST. LUCIE
EMPLOYEE HEALTH INSURANCE PROVIDER CONTRACT

This CONTRACT executed this 24th day of July, 2026, by and between the CITY OF PORT ST. LUCIE, FLORIDA, a municipal corporation, duly organized under the laws of the State of Florida, hereinafter called "City," and Cigna Health and Life Insurance Company, located at 900 Cottage Grove Road, Bloomfield, CT 06002, hereinafter called "Contractor" or "CHLIC." City and Contractor may be referred to herein individually as a "party" or collectively as the "parties."

SECTION I
RECITALS

In consideration of the below agreements and covenants set forth herein, the parties agree as follows:

WHEREAS, Contractor is licensed in the State of Florida; and

WHEREAS, the City wishes to contract with a contractor to provide services related to serving as the Employee Health Insurance Provider, based on the terms and subject to the conditions contained herein; and

WHEREAS, the City has established and currently sponsors a self-insured Employee Welfare Benefit Plan, to provide certain benefits (attached hereto as Exhibit "A" and hereinafter called the "Group Health Plan or "GHP") for covered group members and their covered dependents; and

WHEREAS, except as otherwise specifically provided herein, the City is to retain all liabilities under its Group Health Plan, and CHLIC is to provide the agreed upon services to the Group Health Plan without assuming any such liability; and

WHEREAS, the City desires that, with respect to the Group Health Plan, CHLIC furnish certain claims processing and administrative services.

WHEREAS, Contractor is qualified, willing and able to provide the Scope of Services and products / services specified on the terms and conditions set forth herein; and

WHEREAS, the City desires to enter into this Contract with Contractor to perform the Scope of Services and product / services specified and, with a commission amount to be paid as agreed upon below.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein name, the parties agree as follows:

The Recitals set forth above are hereby incorporated into this Contract and made a part of hereof for reference.

SECTION II
NOTICES

All notices or other communications hereunder shall be in writing and shall be deemed duly given if delivered in person, sent by certified mail with return receipt request, email, or fax and addressed as follows, unless written notice of a change of address is given pursuant to the provisions of this Contract.

Contractor:

Aimee Burnham, Contract Director
Cigna Health and Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002

City Project Manager:

Director of Human Resources or Designee
121 SW Port St. Lucie Blvd, Building A
Port St. Lucie, Florida 34984
Phone: (772) 344-4335
Fax: (772) 871-5274
Email: HRContracts@cityofpsl.com

SECTION III
DESCRIPTION OF SERVICES TO BE PROVIDED

Contractor shall provide Administrative Services Only ("ASO") services, including but not limited to: (i) receipt, review, and adjudication of claims; (ii) determination of Plan Benefits; (iii) disbursement of claim payments; (iv) enrollment and eligibility administration; (v) customer service and member communications; (vi) reporting and audit support; (vii) pharmacy benefit management services, if applicable. Contractor shall perform such services in accordance with its administrative services agreement and its schedule of financial charges ("ASO Agreement"), which is attached hereto and incorporated herein, its standard coverage policies and applicable law. Additionally, Contractor and City shall have the following rights, duties, and obligations:

1. Duties and Responsibilities of the City:
    a. Final Authority: The City retains all final authority and responsibility for the Group Health Plan including, but not limited to eligibility and enrollment for coverage under the Group Health Plan, the existence of coverage, the benefits structure of the Group Health Plan, claims payment decisions, cost containment program decisions, utilization benefits management, compliance with the requirements of COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985, as amended), compliance with the requirements of ERISA (Employee Retirement Income Security Act of 1974, as amended), compliance with reporting and remitting abandoned property funds, and compliance with any other state and federal law or regulation applicable to the City, the Group Health Plan, or the administration of the Group Health Plan.
    b. The City agrees to provide CHLIC with any information CHLIC reasonably requires in order to perform the administrative services set forth herein.
    c. Eligibility and Enrollment: As of the first day of the term of this Contract, the City will have delivered to CHLIC enrollment information regarding eligible and properly enrolled members, as determined

by the City. The City shall deliver to CHLIC all employee and dependent eligibility status changes on a monthly basis, or more frequently as mutually agreed by the parties. The City shall be responsible for providing each covered employee with a copy of the plan document which shall include the Group Health Plan.

d. Data Exchange between Employer (City) and CHLIC:
    1. Enrollment Data: CHLIC may disclose to City the minimum necessary information regarding whether an individual is a Covered Person participating in the Group Health Plan (GHP) or enrolled or disenrolled from coverage under the GHP. City may electronically exchange data with CHLIC regarding the enrollment and disenrollment of Covered Persons in accordance with 45 C.F.R. Part 162, Subpart O.

2. Duties and Responsibilities of CHLIC
    a. It is understood and agreed that CHLIC is empowered and required to act with respect to the Group Health Plan only as expressly stated herein. The City and CHLIC agree that CHLIC's role is to provide administrative claims payment services, that CHLIC does not assume any financial risk or obligation with respect to claims, that the services rendered by CHLLIC under this Contract shall not include the power to exercise control over the Group Health Plan's assets, if any, or discretionary authority over the Health Care Plan's operations, and that CHLIC will not for any purpose, under ERISA or otherwise, be deemed to be the "Plan Administrator" of the Group Health Plan or a "fiduciary" with respect to the Group Health Plan. CHLIC services hereunder are intended to and shall consist only of ministerial functions. The Group Health Plan's "Administrator" for purposes of ERISA is the City.
    b. Enrollment: Forms and I.D. Cards: CHLIC shall enroll those individuals who are identified by the City as eligible for benefits under the Group Health Plan on the effective date of this Contract, and subsequently during the continuance of this Contract. CHLIC shall be entitled to rely on the information furnished to it by the City regarding eligibility. CHLIC shall furnish to the City, for distribution to persons participating in the Group HealthPlan, a supply of identification cards, benefit plan descriptions, forms to be used for submission of claims and enrollment, and any other forms necessary for the administration of the Group Health Plan, as determined by CHLIC.
    c. Claims Processing: CHLIC shall provide claims processing services on behalf of the City for all properly submitted claims, in accordance with the benefits and procedures set forth herein, using funds solely supplied by the City, as set forth in Section VI – Compensation. CHLIC shall furnish each claimant with an explanation of each claim that is paid, rejected, suspended, or denied. For value-based reimbursement programs CHLIC enters into with participating providers, an applicable per member per month charge may be included in lieu of a claim level surcharge. For purposes of this Contract, the term "claim(s)" shall be defined as the amount paid or payable by CHLIC to providers of services and/or covered group members under this Contract and the Group Health Plan, and in conformity with any agreements CHLIC enters into with such providers of services, and includes capitation, physician incentives, pharmacy, physician, hospital and other fee-for-service claims expenditures.
    d. Program Administration: CHLIC shall administer its established cost containment programs and utilization of benefits management programs, as selected by the City and described in the Group Health Plan. CHLIC shall make available its Preferred Provider Organization Program(s) to covered group members and their covered dependents, as set forth in the Group Health Plan. Any agreements between providers of services and CHLIC are the sole property of CHLIC and CHLIC retains the right to the use and control thereof.

e. Inaccurate Payments: Whenever CHLIC becomes aware that the payment of a claim under the Group Health Plan to any person was, or may have been, made which was not in accordance with the terms of the Group Health Plan, whether or not such payment was CHLIC's fault, and whether or not such payment was more than or less than was appropriate under the terms of the Group Health Plan, CHLIC shall investigate such payment in accordance with its standard commercial insurance business practices and either 1) for a payment of $50.00 or more, make a diligent effort to recover any payment which was more than was appropriate under the Group Health Plan or 2) as the case may be, adjust any claim the payment of which was less than appropriate under the Group Health Plan. The City delegates to CHLIC the discretion and the authority to determine under what circumstances to compromise a claim or to settle for less than the full amount of the claim. In the event any part of an inaccurate payment is recovered, the City will receive a refund from CHLIC. Nothing herein shall require CHLIC to institute a legal action or suit to recover payments made by CHLIC. Additionally, the City delegates to CHLIC the discretion and authority to pursue recoveries for claims paid as a result of fraud, abuse or other inappropriate action by a third party, including the right to opt-out or opt-in the City from any class action. These claims include, but are not limited to, all legal claims the City can assert whether based on common law or statute such as RICO, antitrust, deceptive trade practices, consumer fraud, insurance fraud, unjust enrichment, breach of fiduciary duty, breach of contract, breach of covenant of good faith and fair dealing, torts (including fraud, negligence, and product liability), breach of warranty, medical monitoring, false claims and kickbacks. If CHLIC obtains a recovery from any of these efforts, CHLIC will reimburse the City the full amount of the refund. Cigna will charge the shared savings fee (pricing arrangement under which Cigna's compensation is based, in whole or in part, on a percentage of the savings or discounts generated through specified programs, rather than solely through fixed administrative fees) noted in the Schedule of Financial Charges only if recovery is achieve and based on the Gross Recovery amount post-payment. This fee will appear as a separate line item on City's check register. Reports: CHLIC agrees to establish, maintain and provide to the City, records and reports generated for the purposes of reporting claims experience and conducting audits of operations. CHLIC will provide claims information only in accordance with this Contract. CHLIC will not provide any information with regard to provider pricing agreements or any other information which is of a confidential or proprietary nature, as determined by CHLIC in compliance with applicable law.

f. Summary Health Information: Upon City's request, CHLIC will provide Summary Health Information regarding the Covered Persons participating in the GHP to City.

g. Confidential and Trade Secret Information: CHLIC maintains proprietary and confidential information and competitively sensitive trade secret information, which information may be disclosed to City for the purposes of analyzing such information in conjunction with the services performed under the Contract. City agrees to hold such confidential and/or trade secret information in confidence and only disclose such information to employees of City who have a need to know such information; provided however that such employees of City agree to maintain the confidentiality of the confidential and/or trade secret information and take all steps necessary to safeguard the confidential and/or trade secret information against unauthorized access, use, and disclosure to at least the extent City maintains the confidentiality of its most proprietary and confidential information. City shall not disclose such confidential and/or trade secret information to any third party without the express written permission of CHLIC. If CHLIC, in its sole discretion, approves release of confidential and/or

trade secret information to a third party, the third party and City will be required to execute an NDA, in a form agreed upon by all parties, prior to the release of the confidential information and/or trade secret information to the third party. For purposes of this paragraph, trade secret information is competitively sensitive information which is advantageous to CHLIC in the marketplace and CHLIC warrants and affirms such information to be a trade secret protected from public disclosure, including protection from disclosure in any meeting which is subject to Florida's Government in the Sunshine Law Section 286.01, Florida Statutes.

h. Pharmacy Rebates:

1. Pharmacy Rebates: In certain circumstances, CHLIC and/or its pharmacy benefit manager ("PBM") negotiate(s) and receive(s) formulary rebates, volume discounts, and/or fees from certain drug manufacturers as a result of the inclusion of such manufacturer's branded products on CHLIC's formularies ("Rebates"). The PBM generally passes Rebates through to CHLIC. At times, the PBM may pass through a guaranteed minimum amount per prescription that exceeds the Rebates otherwise payable to CHLIC. In either situation, CHLIC shall pass through 100% of the amounts it receives to the City. CHLIC may receive a portion of the Rebates on a prepaid, estimated basis, before any drug claims are filed and paid. To the extent that CHLIC receives prepaid, estimated rebate amounts, CHLIC retains, as part of its compensation, the interest earned on such amounts from the time it receives such prepayments until it forwards the City's Rebates. CHLIC shall pay the City its Rebates or guaranteed minimum amount after CHLIC is able to determine the share attributable to the drug claims actually made by City's group members. CHLIC will provide more specific information on the amounts retained by CHLIC or the PBM upon request by the City. Rebates shall be remitted to the City quarterly and within fifteen (15) days of calculation.

Definitions:

All capitalized terms in this Contract that are not defined herein will have the meaning ascribed by 45 C.F.R. Parts 160-164. The following terms have the following meanings when used in this Contract:

A. "Breach" - the unauthorized acquisition, access, use or disclosure of PHI which compromises the security or privacy of PHI.

B. "Covered Employee" - the person to whom coverage under GHP has been extended by City.

C. "Covered Person" - the Covered Employee and any other persons to whom coverage has been extended under GHP as specified by GHP's Plan Document.

D. "Creditable Coverage Certificate" - a certificate disclosing information relating to an individual's creditable coverage under a health care benefit program for purposes of reducing any preexisting condition limitation or exclusion imposed by any group health plan coverage.

E. "Disclose" and "disclosure" - with respect to PHI, the release, transfer, providing access to or divulging to a person or entity not within CHLIC.

F. "Electronic Protected Health Information" - PHI that is (1) transmitted by electronic media; or (2) maintained in electronic media format(s).

G. "Protected Health Information" - PHI, as the term is defined in 45 C.F.R. 160.103, that CHLIC creates or receives for, on behalf of, or from GHP (or from a GHP Business Associate) in the performance of CHLIC's duties under this Contract. For purposes of this Contract, PHI encompasses Electronic PHI.

H. "Plan Document" - GHP's written documentation that informs Covered Persons of the benefits to which they are entitled from GHP and describes the procedures for (1) establishing and carrying out funding of the benefits to which Covered Persons are entitled under GHP; (2) allocating and delegating responsibility for GHP's operation and

administration; and (3) amending the Plan Document. City and GHP represent and warrant that GHP's Plan Document provides for the allocation and delegation of the responsibilities assigned to CHLIC under the Contract.
I. "Unsecured PHI" - PHI that is not secured through the use of technology or methods approved by the Secretary of Health and Human Services to render the PHI unusable, unreadable or indecipherable to unauthorized individuals.
J. "Use" - With respect to PHI, utilization, employment, examination, analysis, or application within CHLIC.

SECTION IV
TIME OF PERFORMANCE

The Contract Period start date will be October 1, 2026 and will terminate three (3) years thereafter on September 30, 2029 ("Contract Time"). In the event all work required in the bid specifications has not been completed by the specified date, the Contractor agrees to provide work as authorized by the Project Manager until all work specified in the bid specifications has been rendered and accepted by the City.

Written requests shall be submitted to the Project Manager for consideration of extension of completion time due to strikes, unavailable materials, or other similar causes over which the Contractor feels he has no control. Requests for time extensions shall be submitted immediately, but in no event, more than two (2) weeks upon occurrence of conditions, which, in the opinion of the Contractor, warrant such an extension, with reasons clearly stated and a detailed explanation given as to why the delays are considered to be beyond the Contractor's control.

SECTION V
RENEWAL OPTION

The initial term of the Contract is for three (3) years. The City shall have one (1) additional one (1) year option to renew, which options shall be exercisable at the sole discretion of the City. Renewal will be accomplished through the issuance of a Contract Amendment. In the event that the Contract shall terminate or be likely to terminate prior to the making of an award for a new agreement for the identified products and/or services, the City may, with the written consent of Contractor, extend the Contract for such period of time as may be necessary to permit the City's continued supply of the identified products and/or services. The Contract may be amended in writing from time to time by mutual consent of the parties. Unless this Contract states otherwise, the resulting award of the Contract does not guarantee volume or a commitment of funds.

SECTION VI
COMPENSATION

Notwithstanding the fees set forth in the Schedule of Financial Charges set forth in ASO Agreement attached hereto as Exhibit B:

1. Claims Payment: The City is financially responsible for the payment of all claims paid under the Group Health Plan. Financial arrangements regarding the payment of such claims shall be as follows:
    a. Each month, CHLIC will notify the City of the amount due to satisfy the previous month's paid claims liability. CHLIC will also provide the City with a detailed printout of the previous month's claims payments. The City agrees to pay the full amount of the bill within thirty (30) days of receipt. If the payment is not received by CHLIC within thirty (30) days of receipt, the payment may be considered past due and subject to a late payment charge as set forth below. CHLIC may suspend claims until payment is received.

2. Administrative Fees: The City agrees to promptly pay all administrative fees as set forth herein. Administrative fees are not subject to change during the initial first two (2) years of the Contract Time. The City agrees to pay the full amount of the bill within thirty (30) days of receipt. If the payment is not received by CHLIC within thirty (30) days of receipt, the payment may be considered past due and subject to a late payment charge as set forth below.
    i. Administrative fees are guaranteed and cannot be increased during the first two (2) years of the Contract Time. Thereafter, starting on October 1, 2028, Contractor may increase the administrative fee by no more than three percent (3%) of the then-current rate per year (with the "year" aligning with the Contract Time, beginning on October 1). This three percent (3%) cap applies to each year after October 1, 2028, including any renewal years.
    ii. If the actual enrollment is materially different from this expected enrollment, CHLIC reserves the right to adjust the administrative fees as set forth in the Contract. Actual administrative fees will be charged based on actual enrollment. Materially different shall be defined as a 20% (or more) decrease in the number of plan participants since the date the then-current charges were effective. The change shall be preceded by (a) notice of the amount of the new monthly administrative fee; (b) the effective date of the change.
3. Wellness Program: CHLIC agrees to contribute the following amounts to the City's wellness program:
    a. $250,000 annually to the Annual Wellness Fund and Annual Discretionary Fund.
        i. City shall provide invoices for applicable services to CHLIC for reimbursement.
        ii. Consistent with CHLIC's Plan Administration Funds policy, CHLIC shall remit reimbursement to the City within thirty (30) days after the City provides its request for reimbursement and all supporting documentation.
4. Late Charges: In the event City fails to pay any amount owed in full by the due date, City shall pay CHLIC, in addition to the amount due, a late charge of one (1) percent.
5. Modifications: Any modifications to the fees outlined herein will require prior approval and acceptance by both parties, which acceptance shall be reduced to a signed writing. Any agreed upon changes (modification of the Group Health Plan or changes in enrollment exceeding twenty percent (20%)) to this Contract will be incorporated in the agreement document through an amendment and only after the City Council's approval. CHLIC will make reasonable best efforts to provide City with ninety (90) days' prior notice of any changes to the fees outlined herein.

SECTION VII
WORK CHANGES

From time to time, the parties may desire to agree to changes to the scope of the Contract. If the parties so agree, such changes, including all corresponding changes to Contract Time and Contract Compensation, shall be agreed to in writing signed by authorized representatives of each party.

SECTION VIII
CONFORMANCE WITH PROPOSAL

It is understood that the materials and/or work required herein are in accordance with this Contract, including all Exhibits, which will include Contractor's ASO Agreement, and Schedules, constitutes the governing agreement for services.

SECTION VIII
INDEMNIFICATION/HOLD HARMLESS

Contractor agrees to indemnify, defend, and hold harmless, the City, its officers, agents, and employees from, and against any and all non-Plan benefit claims, actions, liabilities, losses, and expenses, including, but not limited to, attorney's fees for personal, economic, or bodily injury, wrongful death, loss of or damage to property, at law or in equity, which may arise or may be alleged to have risen from the negligent acts, errors, omissions or other wrongful conduct of Contractor, agents, laborers, subcontractors or other personnel entity acting under Contractor control in connection with the Contractor's performance of services under this Contract. To that extent, Contractor shall pay any and all such claims and losses and shall pay any and all such costs and judgments which may issue from any lawsuit arising from such claims and losses including wrongful termination or allegations of discrimination or harassment, and shall pay all costs and attorney's fees expended by the City in defense of such claims and losses, including appeals. That the aforesaid hold-harmless agreement by Contractor shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations of Contractor or any agent laborers, subcontractors, or employee of Contractor regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages. Contractor shall be held responsible for any violation of laws, rules, regulations, or ordinances affecting in any way the conduct of all persons engaged in or the materials or methods used by Contractor on the work. This indemnification shall survive the termination of this Contract.

SECTION X
SOVEREIGN IMMUNITY

Nothing contained in this Contract shall be deemed or otherwise interpreted as waiving the City's sovereign immunity protections existing under the laws of the State of Florida, or as increasing the limits of liability as set forth in Section 768.28, Florida Statutes.

SECTION XI
INSURANCE

The Contractor shall, on a primary basis and at its sole expense, agree to maintain in full force and effect at all times during the life of this Contract, insurance coverage and limits, including endorsements, as described herein. The requirements contained herein, as well as City's review of insurance maintained by Contractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Contractor under the Contract.

The parties agree and recognize that it is not the intent of the City that any insurance policy/coverage that it may obtain pursuant to any provision of this Contract will provide insurance coverage to any entity, corporation, business, person, or organization, other than the City of Port St. Lucie and the City shall not be obligated to provide any insurance coverage other than for the City of Port St. Lucie or extend its sovereign immunity pursuant to Section 768.28, Florida Statutes, under its self-insured program. Any provision contained herein to the contrary shall be considered void and unenforceable by any party. This provision does not apply to any obligation imposed on any other party to obtain insurance coverage for this project and/or any obligation to include the City of Port St. Lucie as a blanket additional insured under any other insurance policy or otherwise protect the interests of the City as specified in this Contract.

Workers' Compensation Insurance & Employer's Liability: The Contractor shall agree to maintain Workers' Compensation Insurance & Employers' Liability in accordance with section 440, Florida Statutes. Employers' Liability must include limits of at least $100,000.00 each accident, $100,000.00 each disease/employee, $500,000.00 each disease/maximum. A blanket Waiver of Subrogation endorsement shall be provided. Coverage shall apply on a primary basis. Should scope of work performed by Contractor qualify its employee(s) for benefits under Federal Workers' Compensation Statute (for example, U.S. Longshore & Harbor Workers Act or Merchant Marine Act), proof of appropriate Federal Act coverage must be provided.

Commercial General Liability Insurance: The Contractor shall agree to maintain Commercial General Liability insurance issued under an Occurrence form basis, including broad-form contractual liability, , with limits of not less than:

Each occurrence	$1,000,000
Personal/advertising injury	$1,000,000
Products/completed operations aggregate	$2,000,000
General aggregate	$2,000,000
Fire damage	$100,000 any 1 fire
Medical expense	$5,000 any 1 person

Additional Insured: An Additional Insured blanket endorsement must be attached to the certificate of insurance under the Commercial General Liability policy. Coverage is to be written on an occurrence form basis and shall apply as primary and non-contributory on a blanket basis. Defense costs are to be in addition to the limit of liability. A waiver of subrogation is to be provided in favor of the City on a blanket basis. Coverage shall extend to Contractor's employees. Broad-form contractual Liability is to be included. Coverage is to include a cross liability or severability of interests provision as provided under the standard ISO form separation of insurers clause.

Except as to Workers' Compensation, Employers' Liability, and Professional Liability Errors & Omissions Insurance, Certificates of Insurance and policies shall clearly state that coverage required by the Contract has been endorsed to include the City of Port St. Lucie, a municipality of the State of Florida, its officers, agents, and employees as Additional Insured on a blanket basis for Commercial General Liability, Business Auto Liability, and Cyber Liability insurances. The name for the Additional Insured on a certificate of insurance shall read: **"City of Port St. Lucie, a municipality of the State of Florida, its officers, employees and agents shall be listed as additional insured and shall include the City of Port St. Lucie Employee Health Insurance Provider Contract."** Copies of the blanket Additional Insured endorsements shall be attached to the Certificate of Insurance. Contractor agrees to provide the City a 30-day notice of cancellation of any of its insurance programs if any insurance policy(ies) is(are) cancelled or non-renewed and not immediately replaced with a substantially similar insurance program.. Formal written notice shall be sent to City of Port St. Lucie, 121 SW Port St. Lucie Blvd., Port St. Lucie, FL 34984, Attn: Procurement. Copies of the blanket Additional Insured endorsement shall be attached to the Certificate of Insurance.

Business Automobile Liability Insurance: Contractor shall agree to maintain Business Automobile Liability at a combined single limit of liability not less than $1,000,000.00 covering any auto, owned, non-owned, and hired automobiles. In the event Contractor does not own any automobiles, the Business Auto Liability requirement shall be amended allowing Contractor to agree to maintain only Hired & Non-Owned Auto Liability. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto Coverage form. Certificate holder must be included as additional insured on a blanket basis. A blanket waiver of subrogation shall be provided. Coverage shall apply as primary and non-contributory on a blanket basis.

Cyber Liability Insurance: Contractor shall agree to maintain Cyber Liability in annual aggregate limits not less than $5,000,000 Per Occurrence for i) data breach, ii) unauthorized access to or use of computer systems (including personal handheld devices and laptops), iii) loss or disclosure of confidential or personal information, and iv) third-party liability arising out of any loss of data or information that is deemed confidential by any applicable law. The City of Port St. Lucie must be included as an additional insured on a blanket basis. A waiver of subrogation shall be provided in favor of the City on a blanket basis. Coverage shall contain blanket language to apply on a primary and non-contributory basis.

Professional Liability Errors & Omissions Insurance: Contractors shall agree to maintain Professional Liability Errors & Omissions Liability, with an annual aggregate limit of liability not less than $5,000,000. For policies written on a "Claims-

Made" basis, Contractor warrants that the retroactive date equals or precedes the effective date of the Contract. In the event the policy is canceled, non-renewed, switched to an Occurrence Form, retroactive date advanced, or any other event triggering the right to purchase a Supplemental Extended Reporting Period (SERP) during the life of the Contract, Contractor shall agree to purchase a SERP with a minimum reporting period not less than four( ) years. If the policy contains an exclusion for dishonest or criminal acts, defense coverage for the same shall be provided.

Waiver of Subrogation: By entering into this Contract, the Contractor agrees to a blanket Waiver of Subrogation for each required policy.

Deductibles: All deductible amounts shall be paid for and be the responsibility of the Contractor for any and all claims under this Contract.

Contractor shall ensure that any subcontractor performing services under this Agreement maintains insurance appropriate to the services performed. Contractor shall remain fully responsible for the acts, omissions, and performance of its subcontractors.
If Contractor maintains higher limits than the minimums listed above, the City requires and shall be entitled to coverage for the higher limits maintained by Contractor.

The Contractor may satisfy the minimum limits required above for either Commercial General Liability, Business Auto Liability, or Employers' Liability coverage in combination with Umbrella or Excess Liability insurance limits. The Umbrella or Excess Liability shall have an Aggregate limit not less than the highest "Each Occurrence" limit for either Commercial General Liability, Business Auto Liability, or Employers' Liability. When required by the insurer, or when Umbrella or Excess Liability is written on Non-Follow Form, the City shall be endorsed as an "Additional Insured" on a blanket basis

All insurance carriers must have an AM Best rating of at least A:VIII or better at the time of insurance placement or renewal, whichever is later. Upon request, Cigna shall provide copies of its certificates of insurance and blanket endorsements to the City for verification and review.

A failure on the part of the Contractor to execute the Contract and/or punctually deliver the required insurance, and other documentation may be cause for annulment of the award, where Cigna is acting reasonably.

SECTION XII
COMPLIANCE WITH LAWS

The Contractor shall give all notices required by and shall otherwise comply with all applicable laws, ordinances, and codes and shall, at his own expense, secure and pay the fees and charges for all permits required for the performance of the Contract. All materials furnished and works done are to comply with all federal, state, and local laws and regulations.

SECTION XIII
PROHIBITION AGAINST FILING OR MAINTAINING LIENS AND SUITS

Subject to the laws of the State of Florida and of the United States, neither Contractor nor any Sub-Contractor supplier of materials, laborer, or other person shall file or maintain any lien for labor or materials delivered in the performance of this Contract against the City. The right to maintain such lien for any or all of the above parties is hereby expressly waived.

SECTION XIV

PUBLIC RECORDS

Contractor and any subcontractors shall comply with section 119.0701, Florida Statutes. Contractor and any subcontractors are to allow public access to all documents, papers, letters, or other material made or received by Contractor in conjunction with the Contract, unless the records are exempt from Article I, § 24(a), Florida Constitution, and section 119.07(1)(a), Florida Statutes. Pursuant to section 119.10(2)(a), Florida Statutes, any person who willfully and knowingly violates any of the provisions of chapter 119, Florida Statutes, commits a misdemeanor of the first degree, punishable as provided in sections 775.082 and 775.083, Florida Statutes.

The City of Port St. Lucie is a public agency subject to chapter 119, Florida Statutes. Contractor shall comply with Florida's Public Records Law. CONTRACTOR'S RESPONSIBILITY FOR COMPLIANCE WITH CHAPTER 119, FLORIDA STATUTES. Pursuant to section 119.0701, Florida Statutes,

Contractor agrees to comply with all public records laws, specifically to:

Keep and maintain public records required by the City in order to perform the service;

1. The timeframes and classifications for records retention requirements must be in accordance with the General Records Schedule GS1-SL for State and Local Government Agencies.

2. During the term of the Contract, the Contractor shall maintain all books, reports, and records in accordance with generally accepted accounting practices and standards for records directly related to this Contract. The form of all records and reports shall be subject to the approval of the City.

3. Records include all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business with the City. Contractor's records under this Contract include, but are not limited to, supplier/subconsultant invoices and contracts, project documents, meeting notes, emails, and all other documentation generated during this Contract.

4. The Contractor agrees to make available to the City, during normal business hours all books of account, reports, and records relating to this Contract.

5. A contractor who fails to provide the public records to the City within a reasonable time may also be subject to penalties under section 119.10, Florida Statutes.

Upon request from the City's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

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

Upon completion of the Contract, transfer, at no cost to the City, all public records in possession of the Contractor, or keep and maintain public records required by the City to perform the service. If the Contractor transfers all public records to the City upon completion of the Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records in a format that is compatible with the information technology systems of the City.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

CITY CLERK
121 SW Port St. Lucie Blvd.
Port St. Lucie, FL 34984
(772) 871-5157
prr@cityofpsl.com

SECTION XV
TRADE SECRETS

Any material submitted to the City that Contractor contends constitutes or contains trade secrets or is otherwise exempt from production under Florida public records laws (including chapter 119, Florida Statutes) ("Trade Secret Materials"), must be separately submitted and conspicuously labeled: "EXEMPT FROM PUBLIC RECORD PRODUCTION – TRADE SECRET." In addition, simultaneous with the submission of any Trade Secret Materials, the Contractor shall provide a sworn affidavit from a person with personal knowledge attesting that the Trade Secret Materials constitute trade secrets under section 688.002, Florida Statutes, and stating the factual basis to support the attestation. If a third party submits a request to the City of records designated by the Contract as Trade Secret Materials, the City shall refrain from disclosing the Trade Secret Materials, unless otherwise ordered by a court of competent jurisdiction or authorized in writing by the Contractor. Contractor shall indemnify and defend the City, its employees, agents, assigns, successors, and subcontractors from any and all claims, causes of action, losses, fines, penalties, damages, judgments, and liabilities of any kind, including attorney's fees, litigation expenses, and court costs, relating to the nondisclosure of any Trade Secret Materials in response to a records request by a third party.

SECTION XVI
PERMITS, LICENSES, AND CERTIFICATIONS

The Contractor shall be responsible for obtaining all permits, licenses, certifications, etc., required by federal, state, county, and municipal laws, regulations, codes, and ordinances for the performance of the work required in these specifications and to conform with the requirements of said legislation. The Contractor shall be required to complete a **W-9 Taxpayer Identification Form,** provided with this Contract, and return it with the signed Contract and insurance documents.

SECTION XVII
TAXES

Contractor shall be responsible for all applicable federal, state, and local taxes and other charges related to the performance of this Contract.

SECTION XVIII
CONTRACTUAL RELATIONSHIP

Nothing in the Contract shall be construed as creating or constituting the relationship of a partnership, joint venture, or other association of any kind or agent and principal relationship, between the vested parties. Each party shall be

deemed to be an independent contractor contracting for the services and acting toward the mutual benefits expected to be derived from the mutually agreed upon Contract. Neither Contractor nor any of Contractor's agents, employees, subcontractors, or contractors shall become or be deemed to become agents, or employees of the City. Contractor shall therefore be responsible for compliance with all laws, rules, and regulations involving its employees and any subcontractors, including but not limited to, employment of labor, hours of labor, health, and safety, working conditions, workers' compensation insurance, and payment of wages. No party has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon, another party to the Contract.

SECTION XIX
SCRUTINIZED COMPANIES

By entering into this Contract with the City, Contractor certifies that it and those related entities of Contractor, as defined by Florida law, are not on the Scrutinized Companies that Boycott Israel List, created pursuant to section 215.4725, Florida Statutes, and are not engaged in a boycott of Israel. The City may terminate this Contract if Contractor or any of those related entities of Contractor, as defined by Florida law, are found to have submitted a false certification or any of the following occur with respect to the company or a related entity: (i) it has been placed on the Scrutinized Companies that Boycott Israel List, or is engaged in a boycott of Israel, or (ii) for any contract for goods or services of one million dollars or more, it has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or it is found to have been engaged in business operations in Cuba or Syria. Notwithstanding the preceding, the City reserves the right and may, in its sole discretion, on a case by case basis, permit a company on such lists or engaged in business operations in Cuba or Syria to be eligible for, bid on, submit a proposal for, or enter into or renew a contract for goods or services of one million dollars or more, or may permit a company on the Scrutinized Companies that Boycott Israel List to be eligible for, bid on, submit a proposal for, or enter into or renew a contract for goods or services of any amount, should the City determine that the conditions set forth in section 287.135(4), Florida Statutes, are met.

SECTION XX
DISCRIMINATORY, CONVICTED, AND ANTITRUST VIOLATOR VENDOR LISTS

Contractor certifies that neither it nor any of its affiliates, as defined in the relevant statutes, have been placed on the discriminatory vendor list under section 287.134, Florida Statutes; the convicted vendor list under section 287.133, Florida Statutes; or the antitrust violator vendor list under section 287.137, Florida Statutes. Absent certain conditions under these statutes, neither contractors nor their affiliates, as defined in the statutes, who have been placed on such lists may submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

SECTION XXI
COOPERATION WITH INSPECTOR GENERAL

Pursuant to section 20.055, Florida Statutes, it is the duty of every state officer, employee, agency, special district, board, commission, contractor, and subcontractor to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing pursuant to this section. Contractor understands and will comply with this statute.

SECTION XXII
E-VERIFY

In accordance with section 448.095, Florida Statutes, the Contractor agrees to comply with the following:

1. Contractor must register with and use the E-Verify system to verify the work authorization status of all new employees of the Contractor. Contractor must provide City with sufficient proof of compliance with this provision before beginning work under this Contract.
2. If Contractor enters into a contract with a subcontract Contractor must require each and every subcontractor to provide the Contractor with an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien. The Contractor shall maintain a copy of each and every such affidavit(s) for the duration of the Contract and any renewals thereafter.
3. The City shall terminate this Contract if it has a good faith belief that a person or an entity with which it is contracting has knowingly violated section 448.09(1), Florida Statutes.
4. Contractor shall immediately terminate any contract with any subcontractor if Contractor has, or develops, a good faith belief that the subcontractor has violated section 448.09(1), Florida Statutes. If City has or develops a good faith belief that any subcontractor of Contractor knowingly violated section 448.09(1), Florida Statutes, or any provision of section 448.095, Florida Statutes, the City shall promptly notify the Contractor and order the Contractor to immediately terminate the contract with the subcontractor.
5. The City shall terminate this Contract for violation of any provision in this section. If the Contract is terminated under this section, it is not a breach of contract and may not be considered as such. If the City terminates this Contract under this section, the Contractor may not be awarded a public contract for at least one (1) year after the date on which the Contract was terminated. A contractor is liable for any additional costs incurred by the City as a result of the termination of a contract.
6. The City, Contractor, or any subcontractor may file a cause of action with a circuit or county court to challenge a termination under section 448.095(5)(c), Florida Statutes, no later than twenty (20) calendar days after the date on which the Contract was terminated. The parties agree that such a cause of action must be filed in accordance with the Venue provision herein.

SECTION XXIII
LICENSING

The Contractor warrants that it, its agents, employees, independent contractors, and subcontractors, possess all licenses and certifications necessary to perform required work and are not in violation of any laws. The Contractor warrants that his license and certificates are current and will be maintained throughout the duration of the Contract.

SECTION XXIV
ASSIGNMENT

The Contractor shall not delegate, assign or subcontract any part of the work under this Contract or assign any monies due him hereunder without first obtaining the written consent of the City. If Contractor sells all or a majority of its shares, merges with, or otherwise is acquired by or unifies with a third party, it shall notify the City within ten (10) days. If after such notice, the City determines, in its sole discretion, it may terminate the Contract, without penalty.

SECTION XXV
TERMINATION AND DELAYS

Termination for Cause. The occurrence of any one or more of the following events shall constitute cause for the City to declare the Contractor in default of its obligations under the Contract:

I. The Contractor fails to deliver or has delivered nonconforming services or fails to perform, to the City's satisfaction, any material requirement of the Contract or is in violation of a material provision of the contract, including, but without limitation, the express warranties made by the Contractor;

II. The Contractor fails to make substantial and timely progress toward performance of the Contract;

III. In the event the Contractor is required to be certified or licensed as a condition precedent to providing the Services, the revocation or loss of such license or certification may result in immediate termination of the Contract, effective as of the date on which the license or certification is no longer in effect;

IV. The Contractor becomes subject to any bankruptcy or insolvency proceeding under federal or state law to the extent allowed by applicable federal or state law including bankruptcy laws; the Contractor terminates or suspends its business; or the City reasonably believes that the Contractor has become insolvent or unable to pay its obligations as they accrue consistent with applicable federal or state law;

V. The Contractor has failed to comply with applicable federal, state and local laws, rules, ordinances, regulations and orders when performing within the scope of the Contract;

VI. The Contractor has engaged in conduct that has or may expose the City to liability, as determined in the City's sole discretion;

VII. The Contractor furnished any statement, representation, or certification in connection with the Contract, which is materially false, deceptive, incorrect, or incomplete.

Notice of Default. If there is a default event caused by the Contractor, the City shall provide written notice to the Contractor requesting that the breach or noncompliance be remedied within the period of time specified in the City's written notice to the Contractor. If the breach or noncompliance is not remedied within the period of time specified in the written notice, the City may:

I. Immediately terminate the Contract without additional written notice(s); and/or
II. Enforce the terms and conditions of the Contract and seek any legal or reasonable remedies; and/or
III. Procure substitute services from another source and charge the difference between the Contract and the substitute contract to the defaulting Contractor. Such a charge, in the City's option, may be invoiced to the Contractor and/or may be deducted from payments due to the Contractor. Deductions thus made will not excuse the Contractor from other penalties and conditions contained in the Contract.

Termination for Convenience. The City, in its sole discretion, may terminate this Contract at any time without cause, by providing at least thirty (30) days' prior written notice to Contractor. Any such termination shall be accomplished by delivery in writing of a notice to Contractor. Following termination without cause, the Contractor shall be entitled to compensation upon submission of invoices and proper proof of claim, for services provided under the Contract to the City up to the time of termination, pursuant to Florida law. City shall not be assessed any penalty or early termination fee for termination without cause.

Termination for Non-Appropriation - The City is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. If the City reasonably determines that it does not have funds to meet its obligations under the Contract, the City will have the right to terminate the Contract, without penalty, on the last day of the fiscal period for which funds were legally available.

Contractor Allegation of City Default/Breach – if Contractor contends the City has defaulted or breached under the Contract, it shall provide notice to the City, as otherwise required herein, with a copy to: City of Port St. Lucie, Attn: City Attorney's Office, 121 SW Port St. Lucie Blvd., Port St. Lucie, FL 34984, specifying the exact nature of the alleged default/breach. The Contractor shall provide the notice required under this section at least thirty (30) days notice before declaring a default/breach. If after reviewing the notice, the City desires to have a meeting with Contractor to discuss a mutual resolution, Contractor shall attend such a meeting. If the City provides Contractor with a request for a meeting, such request shall toll the thirty (30) days period for Contractor to declare a default/breach. Contractor agrees that it much comply with this paragraph as a condition precedent to filing any lawsuit against the City.

ADMINISTRATION AFTER TERMINATION. The City is liable and responsible for all claims incurred under the Group Health Plan by its covered group members and their authorized dependents during the term of this Agreement. CHLIC will adjudicate all claims incurred during the term of this Agreement. For purposes of this Agreement, the date of an incurred claim shall be the date the particular service was rendered or the supply was furnished. After the effective date of termination of this Agreement, the City will continue to provide CHLIC with funds necessary to pay authorized claims incurred prior to the termination date.

SECTION XXVI
LAW, VENUE, AND WAIVER OF JURY TRIAL

This Contract is to be construed as though made in and to be performed in the State of Florida and is to be governed by the laws of Florida in all respects without reference to the laws of any other state or nation. The venue of any action taken to enforce this Contract, arising out of the Contract, or related to the Contract, shall be in St. Lucie County, Florida.

The parties to this Contract hereby freely, voluntarily, and expressly, waive their respective rights to trial by jury on any issues so triable after having the opportunity to consult with an attorney.

SECTION XXVII
ATTORNEY'S FEES

Each party is responsible for its own attorney's fees for any action arising out of or related to this Contract. Each party expressly waives any right to seek attorney's fees from the other party, regardless of the source of such right.

SECTION XXVIII
POLICY OF NON-DISCRIMINATION

The Contractor shall not discriminate against any person in its operations, activities, or delivery of services under this Contract. The Contractor shall affirmatively comply with all applicable provisions of federal, state, and local equal employment laws and shall not engage in or commit any discriminatory practice against any person based on race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation, or any other factor which cannot be lawfully used as a basis for service delivery.

SECTION XXIX
CODE OF ETHICS

Contractor warrants and represents that its employees will abide by any applicable provisions of the State of Florida Code of Ethics in Chapter 112.311 et seq., Florida Statutes, and Code of Ethics Ordinances in Section 9.14 of the City of Port St. Lucie Code.

SECTION XXX
AUDITS

Contractor shall support audits in accordance with the following terms: Upon 45 days' advance written request; documents relating to Plan Benefit administration services shall be made available to the City for its audit or inspection. The City may designate, with Contractor's consent, not to be unreasonably withheld (and if the City is audited, Contractor shall accept the City's auditor), an independent, third-party auditor to conduct the audit. In addition, the City and Contractor will agree upon the date for the audit during regular business hours in a virtual/remote audit environment. The City may audit Contractor's administration of plan benefits as follows:

- **Claims** - A random, statistically valid sample of 225 claims paid.
- **Appeals** - A random sample of up to 35 appeals.
- **Customer Service** - A random sample of up to 35 member calls.
- **Accumulator/Combined Deductible** - A mutually agreed upon scope of up to 30 cases.
- **Benefit Implementation** - Contractorwill support the audit for review of benefit setup related to claim processing, based on mutually agreed upon scope and timing.
- **Medical Cost Containment Program Fee (MCCP)** – Medical Cost Containment Program audits are limited to confirmation of fees paid by the client related to the programs in place and are based on a random sampling of up to 25 prepayment program fees and 100 postpayment program fees.
- **Clinical Cases/Calls –** subject to Contractor staff availability the number available::

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

*Takes into consideration lengthn of time to complete the standad number of cases and calls based on a one (1) year lookback scope period.

- .

If the audit(s) identify any claim adjustments, any such adjustments will be made in accordance with this agreement, and based on actual claims/fees reviewed, and not upon statistical projections or extrapolations. Such audits shall be conducted pursuant to the terms of Contractor's claim audit agreement executed by every party. The agreement forms must be signed before each audit.

Our standard provision allows an audit up to one year post termination.

In addition, the City may conduct one such audit every two plan years (but not within 18 months of a prior audit).

In no event shall any audit involve plan benefit payments or administration prior to the most recent two plan years. However, this limitation shall not apply if: (1) the City is audited; or (2) there are discrepancies discovered, in accordance with the Discrepancy Discovery section below.

Per the above terms, there will be no charge for Cigna Healthcare's costs related to the audit; however, the City will remain responsible for its auditor's costs. Audits whose scope, duration and process are outside those noted above, the Parties shall meet and confer to determine a mutually agreement process and charge. Both parties shall act in good faith in negotiating such a process and charge, and such process and charge shall not act as a deterrent.

The City may also elect to conduct additional audits beyond the audit described above, subject to Cigna's reasonable approval and payment of Cigna's applicable audit fees.

Audit rights will not extend to the stop loss policy, except where required to comply with applicable law.
The Contractor shall maintain complete and accurate books, records, documents, and other information directly relating to its performance under this Agreement, including records supporting invoices, fees, administrative charges, eligibility, enrollment, claims administration (excluding protected health information except as required by law), service guarantees, rebates, and other contractual obligations.

The Contractor shall retain such records for a period of at least five (5) years following expiration or termination of this Contract, or longer if required by applicable law.

Except as otherwise noted above in this Section, upon reasonable advance written notice and during normal business hours, the City or its authorized representatives, including the City's independent auditors, may inspect and audit those records that are directly related to the Contractor's performance under this Contract for the sole purpose of verifying compliance with the terms of this Contract and the accuracy of amounts billed to the City.

Nothing in this section shall require the Contractor to disclose:

- proprietary trade secrets or confidential business information unrelated to this Contract;
- records of other customers;
- protected health information except as permitted or required under HIPAA and other applicable law; or
- information restricted from disclosure by applicable law.

Any audit shall be conducted in a manner that minimizes disruption to the Contractor's normal business operations. Each party shall bear its own costs associated with any audit activity noted above unless the audit identifies material overpayments, underpayments, or material noncompliance, in which case the parties shall work in good faith to resolve the findings in accordance with this Contract. As noted herein, for any additional audits beyond the audits described above, the City shall be responsible for Cigna's applicable audit fees.

The Contractor shall require any subcontractors performing material services under this Contract to maintain records and provide audit access to the same extent applicable to the Contractor under this section.

Discrepancy Discovery - If there is a cost discrepancy that the City brings to Contractor or a discrepancy identified during an audit, Contractor shall cooperate with the City in resolving the discrepancy. Specifically, Contractor shall provide an explanation, with supporting documentation, demonstrating that there is no discrepancy or that the discrepancy has been resolved and how it was resolved. If Contractor fails to provide such explanation/documentation, at no cost to the City, Contractor shall permit the City to perform an audit of Contractor's records for the purpose of

resolving the discrepancy. If the discrepancy is caused by Contractor's error, Contractor shall correct the error, including, but not limited to, making an equitable payment.

SECTION XXXI
CONSTRUCTION

The title of the section and paragraph headings in this Contract are for reference only and shall not govern, suggest, or affect the interpretation of any of the terms or provisions within each section or this Contract as a whole. The use of the term "including" in this Contract shall be construed as "including, without limitation." Where specific examples are given to clarify a general statement, the specific language shall not be construed as limiting, modifying, restricting, or otherwise affecting the general statement. All singular words and terms shall also include the plural, and vice versa. Any gendered words or terms used shall include all genders. Where a rule, law, statute, or ordinance is referenced, it indicates the rule, law, statute, or ordinance in place at the time the Contract is executed, as well as may be amended from time to time, where application of the amended version is permitted by law.

The parties have participated jointly in the negotiation and drafting of this Contract, and agree that both have been represented by counsel and/or had sufficient time to consult counsel, before entering into this Contract. In the event an ambiguity, conflict, omission, or question of intent or interpretation arises, this Contract shall be construed as if drafted jointly by the parties, and no presumption or burden of proof or persuasion based on which party drafted a provision of the Contract.

The Contract shall be binding upon and inure to the benefit of the parties, their agents, servants, employees, successors, and assigns unless otherwise set forth herein or agreed to by the parties.

The rights and obligations of the parties as set forth herein shall survive the termination of this Contract to the extent necessary to effectuate the intent of the parties as expressed herein.

SECTION XXXII
SEVERABILITY

The parties to this Contract expressly agree that it is not their intention to violate any public policy, statutory, or common law rules, regulations, or decisions of any governmental or regulatory body. If any provision of this Contract is judicially or administratively interpreted or construed as being in violation of any such policy, rule, regulation, or decision, the provision, sections, sentence, word, clause, or combination thereof causing such violation will be inoperative (and in lieu thereof there will be inserted such provision, section, sentence, word, clause, or combination thereof as may be valid and consistent with the intent of the Parties under this Contract) and the remainder of this Contract, as amended, will remain binding upon the parties, unless the inoperative provision would cause enforcement of the remainder of this Contract to be inequitable under the circumstances. By way of example, but not limitation, if there is a statute that limits the applicability of a provision herein, then the provision shall be interpreted to apply to the extent permissible by said statute

SECTION XXXIII
NON-EXCLUSIVITY

Contractor acknowledges and agrees that this Contract is non-exclusive.

SECTION XXXIV
CONFLICT

In the event of any conflict between the terms within this Contract and any exhibits attached hereto, the terms of this Contract shall control. Unless expressly agreed to within the Contract, any reference to terms, conditions, requirements, or similar provisions, including those pointing to such provisions on a website or link, shall have no force or effect.

SECTION XXXV
FORCE MAJEURE

Any deadline provided for in this Contract may be extended, as provided in this paragraph, if the deadline is not met because of one of the following conditions occurring with respect to that particular project or parcel: fire, strike, explosion, power blackout, earthquake, volcanic action, flood, war, civil disturbances, terrorist acts, hurricanes, and Acts of God. When one of the foregoing conditions interferes with Contract performance, then the party affected may be excused from performance on a day-for-day basis to the extent such party's obligations relate to the performance so interfered with; provided, the party so affected shall use reasonable efforts to remedy or remove such causes of non-performance. The party so affected shall not be entitled to any additional compensation by reason of any day-for-day extension hereunder. Notwithstanding the forgoing, once the force majeure event/situation is resolved, the City will resume its obligation to properly fund the bank account to reimburse for claims incurred during the force majeure event and to pay appropriate fees for services rendered during such event.

SECTION XXXVI
ENTIRE AGREEMENT

This Contract sets forth the entire agreement between Contractor and City with respect to the subject matter of this Contract. This Contract supersedes all prior and contemporaneous negotiations, understandings, and agreements, written or oral, between the parties. This Contract may not be modified except by the parties' mutual agreement set forth in writing and signed by the parties.

(Balance of page left intentionally blank)

IN WITNESS WHEREOF, the parties have executed this Contract, the day and year first above written.

CITY OF PORT ST. LUCIE FLORIDA

By: _____
City Manager

CONTRACTOR

By:_____
Authorized Representative

NOTARIZATION AS TO AUTHORIZED REPRESENTATIVE'S EXECUTION

STATE OF FLORIDA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me by [ ] physical presence or [ ] online notarization, this _____ day of _____, 20___, by _____ who is [ ] personally known to me, or who has [ ] produced the following identification:
_____.

_____
Signature of Notary Public

_____
Print Name of Notary Public
Notary Public, State of Florida
My Commission expires:

NOTARY SEAL/STAMP

Administrative Services Only Agreement

By and Between

City of Port St. Lucie
"Employer"

And

Cigna Health and Life Insurance Company
"CHLIC"
Effective Date: October 1, 2026

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

Table of Contents

Administrative Services Only Agreement for City of Port St. Lucie

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THIS AGREEMENT, effective October 1, 2026 (the "**Effective Date**") is by and between City of Port St. Lucie ("**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) 3347430).

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 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.

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

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.

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.

Section 2. Claim Administration and Additional Services

a. CHLIC shall, consistent with, the claim administration policies and procedures then applicable to its own health care insurance business and the terms of this Agreement (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; (ii) termination of a Plan benefit option or (iii) termination of Member eligibility, 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 otherwise agreed to in writing by CHLIC, all services identified in this Agreement shall be provided by CHLIC to Employer and to Members covered by this Agreement 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, paid Plan Benefits to the wrong party, or overpaid a pay-for-performance payment ("Overpayment"), CHLIC or its affiliates shall take all reasonable steps consistent with the policies and procedures applicable to its own health care insurance business to recover such Overpayment ("Overpayment Recovery"). Overpayment Recovery efforts for services rendered by Participating Providers may include, subject to the terms of Participating Provider agreements, reasonable steps to wholly or partially offset any Overpayment against other payments owed to such Participating Providers for services provided under the Plan or other unrelated plans administered by CHLIC or its affiliates. Employer also authorizes CHLIC and its affiliates to recover Overpayment(s) made to Participating Providers for services provided under other, unrelated plans administered by CHLIC or its affiliates by offsetting the amount of any such Overpayment(s) against Plan Benefits and/or pay-for-performance payments otherwise payable to those Participating Providers for services provided to Members. Claims subject to Overpayment Recovery as part of any reasonable Overpayment Recovery efforts for the Plan, or Overpayment Recovery efforts for CHLIC's own health care insurance business shall be selected based on factors such as the age and amount of the Overpayment. 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 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

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. Employer shall provide CHLIC with all eligibility information necessary for CHLIC to comply with Applicable Law, including Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007. 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.

d. 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. Employer shall indemnify and hold CHLIC harmless from third party claims, suits, investigations, or enforcement actions resulting from Employer's failure to provide CHLIC with enrollment and eligibility information necessary for CHLIC to comply with Applicable Law.

e. 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

Intentionally Deleted

Section 7. Plan Benefit Liability

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 or in defense of its making such payments.

a. 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

Intentionally Deleted

Section 9. Modification of Agreement

Intentionally Deleted

Section 10. Choice of Law

Intentionally Deleted

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, including, but not limited to, Florida's Public Records 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 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.

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 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

Intentionally Deleted

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

Intentionally Deleted

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

For purposes of this Section 21 "Confidential Information":

a. **"Employer Confidential Information"** means Employer information provided by Employer to CHLIC, including but not limited to information related to business operations, benefit plans, plan design, and plan administration, as well as the processes, procedures, and practices used by Employer to administer the Plan.

b. **"CHLIC Confidential Information"** means non-public, trade secret, commercially valuable, or competitively sensitive information, or other material and information relating to the products, business, or activities of CHLIC or its affiliates, regardless of form or the manner in which it is furnished, including but not limited to:

- (i) Pricing, discounts, reimbursement terms, payment methodologies and processes, compensation arrangements, contract terms, and similar commercial information;
- (ii) Data, statistics, trade secrets, and information concerning business operations, costs, techniques, know-how, or intellectual property;
- (iii) Systems, procedures, methodologies, and practices used by CHLIC in performing services, including underwriting, claims processing, claims payment, and health care management activities;
- (iv) Non-public technical, operational, or financial information; security practices, controls, or procedures; audit reports, internal assessments, or risk analyses; and
- (v) Information that Cigna is obligated to protect under applicable law or contract.

The treatment of such information as Confidential Information does not alleviate any obligations of CHLIC to provide such information under Applicable Law.

Any material derived from or developed from Confidential Information shall be deemed Confidential Information for purposes of this Agreement, regardless of the party creating, disclosing, or making such material available. Any Confidential Information included in preparations, proposals, scope documents, discussions, findings, summaries, reports, or conclusions shall remain Confidential Information.

1. Ownership. Each Party retains ownership of its Confidential Information, and neither conveys ownership rights in its Confidential Information nor acquires ownership rights in the other Party's Confidential Information by entering into this Agreement or performing its obligations hereunder. Nothing in this Agreement shall impair or limit a Party's right to use and disclose its Confidential Information for its own lawful business purposes.

2. Use and Disclosure of CHLIC Confidential Information**.** Subject to Applicable Law, including, but not limited to, Florida's Public Record law, the terms of this Agreement, the Business Associate Agreement in Exhibit C, a signed Business Associate Agreement between Employer and its designee(s), a signed Directive and Authorization to Disclose PHI, and a signed Confidentiality Agreement between CHLIC and applicable designee(s), CHLIC shall release CHLIC Confidential Information that constitutes Plan benefit payment information in CHLIC's claims systems to Employer and/or its designee(s); provided, however, that CHLIC reserves the right to withhold competitively sensitive information. Subject to the same foregoing requirement and agreements, CHLIC at its discretion, may release other typers of CHLIC Confidential Information to Employer and/or its designee(s). Employer will keep CHLIC Confidential Information confidential, will use CHLIC Confidential Information solely for the purpose

of administering the Plan or as otherwise required by law, and shall institute commercially reasonable safeguards to protect it. Employer is solely responsible for any unauthorized use or disclosure of CHLIC Confidential Information provided CHLIC pursuant to this Section 21 whether by Employer or its designee and the consequences thereof.

3. Protected Health Information. 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 Business Associate Agreement in Exhibit C 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.

4. Successor Administrator. Upon termination of this Agreement and subject to the provisions of Section 21.1 above, CHLIC shall make CHLIC Confidential 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 and such third party enter into a Confidentiality Agreement with CHLIC.

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

Section 22. Independent Contractors

Intentionally Deleted

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

Intentionally Deleted

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 Business Associate Agreement to this Agreement.

City of Port St. Lucie

Dated: _____

By: _____
Printed Name:
Title: Its
Duly Authorized

CIGNA HEALTH AND LIFE INSURANCE COMPANY

Dated: July 24, 2026 July 24, 2026

By: Aimee E. Burnham
Printed Name: Aimee E. Burnham
Title: Contract Director
Duly Authorized

Schedule of Financial Charges

Certain fees and charges identified in this Schedule of Financial Charges will be billed to Employer monthly in accordance with CHLIC's then standard billing practices. However, CHLIC is authorized to pay all fees and charges from the Bank Account unless otherwise specified in this Agreement.

	MEDICAL ADMINISTRATION CHARGES	
Product	**Description**	**Charge**
Medical	Open Access Plus (OAP) with Care Management Basic Standard	**$20.00/employee/month**
	MEDICAL NETWORK ACCESS FEE, UTILIZATION MANAGEMENT FEE AND OPTIONAL PROGRAM FEE	
Product	**Description**	**Charge**
Medical	OAP Access Fee	**$19.70/employee/month**
MULTI-YEAR CHARGE/FEE GUARANTEES		
	The maximum increase for the Medical Administration Charge(s) and Network Access Fee(s) for the 2027 Plan Year will be 0% over the 2026 Plan Year charges/fees. The maximum increase for the Medical Administration Charge(s) and Network Access Fee(s) for the 2028 Plan Year will be 0% over the 2027 Plan Year charges/fees. The maximum increase for the Medical Administration Charge(s) and Network Access Fee(s) for the 2029 Plan Year will be 3% over the 2028 Plan Year charges/fees. The above fee guarantees are not applicable to Pharmacy Administration Fee. 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.a.ii, 8.a.iii and/or 8.a.iv of this Agreement.	
AMOUNTS OWED TO CHLIC		
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.

CIGNA PHARMACY BENEFIT MANAGEMENT SERVICES CHARGES AND RELATED PROVISIONS

PHARMACY ADMINISTRATION FEE

Cigna Pharmacy Product Administration Fee: $2.50 per script.

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

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

Brand Drug Claims: For all Cigna Home Delivery Pharmacy Brand Drug Claims, the Employer's guaranteed annual average discount will be [redacted]

Generic Drug Claims: For all Cigna Home Delivery Pharmacy Generic Drug Claims, the Employer's guaranteed annual average discount will be [redacted]

Dispensing Fees for Drug Claims: 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.

Covered Drugs Dispensed by Retail Pharmacies in 30-day* supplies: 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":

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

Brand Drug Claims: For all Retail Pharmacy Brand Drug Claims, the Employer's guaranteed annual average discount will be [redacted]

Generic Drug Claims: For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed annual average discount will be [redacted].

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 $0.55.

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 [redacted].

Generic Drug Claims: For all Retail Pharmacy Generic Drug Claims, the Employer's guaranteed annual average discount will be [redacted]

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 GUARANTEE

CHLIC shall guarantee an aggregate annual average ingredient cost discount of [redacted] for covered Specialty Generic 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 applicable contract year.

CHLIC shall guarantee an aggregate annual average ingredient cost discount of [redacted] for covered Specialty Brand 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 applicable contract year.

AGGREGATE LIMITED DISTRIBUTION DRUG AND EXCLUSIVE DISTRIBUTION DRUG DISCOUNT GUARANTEE

Limited Distribution Drug and Exclusive Distribution Drug Claims: For all covered Limited Distribution Drugs and Exclusive Distribution Drugs that are dispensed to Members by a Cigna Specialty Drug Pharmacy, the Employer's guaranteed annual average aggregate ingredient cost discount will be [redacted]. Notwithstanding anything to the contrary in this Agreement, Limited Distribution Drugs and Exclusive Distribution Drug claims shall be excluded from all other ingredient cost guarantees and dispensing fee guarantees set forth in this Agreement.

EnReachRx℠ Pharmacy Program (EnReachRx Program Pricing is Effective as of January 1, 2026)

The EnReachRx℠ Pharmacy Program is a Member support clinical program for certain, designated medications. The pricing for Covered Drugs dispensed under the EnReachRx℠ Program is stated below. Claims dispensed under the EnReachRx℠ Program will be excluded from the pharmacy pricing set forth above. Claims dispensed by the EnGuide Pharmacy℠ as part of dose optimization will be deemed a Retail 30 Claim for Rebate reconciliation purposes, as applicable.

	EnReachRx℠ Retail Pharmacies	EnGuide Pharmacy℠
	Injectable GLP-1s	
Ingredient Cost	[redacted]	[redacted]
Dispensing and Shipping Fee†	$0.00	$10.00
Professional Service Fee	$25.00	$25.00
	Oral GLP-1s	
Ingredient Cost	[redacted]	[redacted]
Effective upon inclusion of Oral GLP-1s in the EnReachRx℠ Pharmacy Program the following fees will apply.		
Dispensing and Shipping Fee†	$0.00	$0.00
Professional Service Fee	Up to $15.00	Up to $15.00
†Shipping Fees 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 Shipping Fee will be increased to reflect such increase(s).		

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:

[redacted]

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.
- Workers' Compensation Claims.
- Claims for Supplies.
- Non-standard facility Claims (Indian Tribal facilities).
- Non-standard facility Claims (Military facilities).
- Non-standard facility Claims (Veterans Administration).
- Non-standard facility Claims (Home Infusion).
- 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 (Brand Drug Claims with an AWP discount of >95% and AWP price >$10,000).
- 340B Claims.
- Claims paid at the Retail Pharmacy's U&C Charge or Submitted Cash Price.
- Claims dispensed in Puerto Rico, Guam, Northern Mariana Islands, Virgin Islands, Hawaii, Massachusetts, and Alaska.
- Claims where pharmacy reimbursement is determined or mandated by Applicable Law, not based on CHLIC's contracted rates with the Retail Pharmacy (applicable to Retail dispensing fee guarantees only).

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 offered under this Agreement will be individually measured and reconciled, and CHLIC's performance with respect to ingredient cost discount or Dispensing Fee shall not be reconciled in the aggregate.

PBM PRICING – ADDITIONAL PROVISIONS
• 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 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.
• CHLIC may apply, if available and based on price favorability to the Member, a discount card market price for certain non-specialty drug generic products (unless Employer opts out of program enrollment).
• 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).
• 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).
• MNOY Guarantee Methodology. Notwithstanding anything in this Agreement to the contrary, the generic ingredient cost discount and Dispensing Fee guarantees provided above will include those prescription drug Claims that processed to Employer for payment purposes where the underlying prescription drug product was identified by Medi-Span as having a Multi-Source Indicator code identifier of "Y"

on the date dispensed (or was substituted and dispensed by the pharmacy as its "house generic"), unless such prescription drug Claim is identified in the "Exclusions" section. The brand ingredient cost and Dispensing Fee guarantees will include only those prescription drug Claims that processed to Employer for payment purposes where the underlying prescription drug product was identified by Medi-Span as having a Multi-Source Indicator code identifier of "M", "N", or "O" on the date dispensed (except in cases where the underlying prescription drug product was substituted and dispensed by the pharmacy as its "house generic"), unless such prescription drug Claim is identified in the "Exclusions" section. If Medi-Span discontinues or materially modifies the reporting of the Multi-Source Indicator, or otherwise reclassifies any products, CHLIC reserves the right to make an equitable adjustment as necessary to maintain the Parties' relative economics and the pricing intent of this Agreement. In addition, if any third-party data source, pricing compendium, or governmental authority changes, redefines, or ceases to publish any pricing, classification, or reference data relied upon under this Agreement, CHLIC shall have the right to make adjustments to ensure consistency with the original financial intent and economic balance of the Agreement.

- 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 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 unexpected product offering decisions by drug manufacturers that result in an unexpected introduction of a lower cost alternative product that may replace an existing rebatable brand product; an unexpected launch of a generic product; or a branded product unexpectedly converted to OTC status, recalled or withdrawn from the market; 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, including a new Generic Drug or Biosimilar Drug, or similar market event occurs; (f) the Pharmacy Benefit enrollment decreases by equal to or greater than ten percent (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 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. The financial terms provided herein are based on CHLIC's underwriting assumptions; pricing is subject to adjustment for a material change in these assumptions.

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: (1) 100.00% of Rebates and Manufacturer Administrative Fees on such utilization dispensed in the full calendar year immediately preceding CHLIC's remittance; (2) or the sum of $400.00 multiplied by the number of Retail Pharmacy Brand Drug Claims (excluding Specialty Brand Drug Claims) dispensed in 30-day* supplies plus $1,000.00 multiplied by the number of Retail Pharmacy Brand Drug Claims (excluding Specialty Brand Drug Claims) dispensed in 90-day** supplies plus $1,000.00 multiplied by the number of Cigna Home Delivery Pharmacy Brand Drug Claims (excluding Specialty Brand Drug Claims) plus $4,150.00 multiplied by the number of Retail Pharmacy Specialty Brand Drug Claims plus $4,150.00 multiplied by the number of Cigna Home Delivery Pharmacy Specialty Brand Drug Claims processed in such full calendar year.

Caveats:

(1) CHLIC or its agents contract with drug manufacturers on CHLIC's own behalf, and not on behalf of or 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 under the Patient Assurance Program shall be included for purposes of 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, Medical Specialty Claims, Direct Member Reimbursement Claims, Reversed Claims, and Compound Claims.

(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) Employer acknowledges that it may be eligible for Rebate amounts and Manufacturer Administrative Fee amounts under this Agreement only so long as Employer, its affiliates, or its agents do not contract directly or indirectly with any person or entity for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for Claims processed by CHLIC pursuant to this Agreement, without the prior written consent of CHLIC. In the event that Employer negotiates or arranges for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting CHLIC's right to other remedies, CHLIC may immediately withhold any Rebate amounts or Manufacturer Administrative Fee amounts earned but not yet paid to Employer. To the extent Employer knowingly negotiates and/or contracts for discounts or rebates on Claims for Covered Drugs without prior written approval of CHLIC, such activity will be deemed to be a material breach of this Agreement, entitling CHLIC to suspend payment of Rebate amounts and Manufacturer Administrative Fee amounts hereunder and to renegotiate the terms and conditions of this Agreement.

(7) Rebate and Manufacturer Administrative Fee amounts paid to Employer pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations. Employer is obligated if requested by the Secretary of the United States Department of Health and Human Services, or as otherwise required by Applicable Law, to report the Rebate amounts and to provide a copy of this notice. CHLIC will refrain from doing anything that would impede Employer from meeting any such obligation.

(8) 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.

(9) The Rebate payment may be credited to reflect the introduction into the market of Rebate-eligible drugs that are therapeutically equivalent, lower Rebate alternatives to Brand Drugs, or to account for the reduction in a Brand Drug's list price. The Rebate credit will not exceed the aggregate Rebates for the applicable Brand Drugs.

(10) MNOY Rebate Guarantee Methodology. Notwithstanding anything in this Agreement to the contrary, for purposes of calculating the Rebate guarantees, Brand Drugs will include those prescription drug Claims that processed to Employer for payment purposes where the underlying prescription drug product was identified by Medi-Span as having a Multi-Source Indicator code identifier of "M", "N", or

"O" on the date dispensed (except in cases where the underlying prescription drug product was substituted and dispensed by the pharmacy as its "house generic"), unless such prescription drug Claim is identified in the "Exclusions" section. If Medi-Span discontinues or materially modifies the reporting of the Multi-Source Indicator, or otherwise reclassifies any products, CHLIC reserves the right to make an equitable adjustment as necessary to maintain the Parties' relative economics and the pricing intent of this Agreement. In addition, if any third-party data source, pricing compendium, or governmental authority changes, redefines, or ceases to publish any pricing, classification, or reference data relied upon under this Agreement, CHLIC shall have the right to make adjustments to ensure consistency with the original financial intent and economic balance of the Agreement.

Timing of Rebate Pay-Out: Remittance will be provided to the City quarterly and within fifteen (15) days of calculation.

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.
- Vaccines.
- Compound Drugs.
- Claim reversals.
- 340B Claims.
- Run-Out Claims.

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.

	Retail Pharmacy INFLUENZA	Retail Pharmacy COVID	Retail Pharmacy ALL OTHER VACCINES	Member Submitted Vaccine Claims
Pharmacy Vaccine Administration Fee	Pass-Through (Capped at $20 per in-network Vaccine Claim)	Pass-Through (capped at $40 per in-network Vaccine Claim)	Pass-Through (capped at $25 per in-network Vaccine Claim)	Submitted amount
Ingredient Cost	Retail Pharmacy Ingredient Cost as set forth in this Agreement	Retail Pharmacy Ingredient Cost as set forth in this Agreement	Retail Pharmacy Ingredient Cost as set forth in this Agreement	Submitted amount
Dispensing Fee	Retail Pharmacy Dispensing Fee as set forth in this Agreement	Retail Pharmacy Dispensing Fee as set forth in this Agreement	Retail Pharmacy Dispensing Fee as set forth in this Agreement	Submitted amount
Vaccine Program Fee	$2.50 Vaccine claim			N/A

CIGNA HOME DELIVERY PHARMACY DISCLOSURE		
	Product	**Charge**
Cigna Home Delivery Pharmacy (a CHLIC affiliated company(ies))	Medical specialty drugs dispensed by Cigna Home Delivery Pharmacy and administered under the Plan's medical benefit.	**Medical specialty drug's charge under a national**

	"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 contracts 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. This provision shall survive termination or expiration of the Agreement.	[redacted]
FEES FOR PROCESSING RUN-OUT CLAIMS		
OAP	Run-Out Period of twelve (12) months CHLIC shall not be required to process Run-Out Claims until it has received full payment of the required fees.	**The sum of the last four (4) months of billed fees applicable to the terminated (i) Agreement, (ii) Plan benefit option or (iii) Member eligibility.**
Pharmacy	Run-Out Period of three (3) months for all pharmacy claims CHLIC shall not be required to process Run-Out Claims until it has received full payment of the required fees.	**The sum of the last three (3) months of billed fees applicable to the terminated (i) Agreement, (ii) Plan benefit option or (iii) Member eligibility.**

CHLIC MEDICAL OUT-OF-NETWORK PROTECTION PROGRAM FEES

Employer agrees that CHLIC will use the programs listed in this section (the "**Out-of-Network Protection Programs**" or "OON Protection Programs") to contain costs with respect to charges for health care services and/or supplies that are covered by the Plan, as set forth in the applicable Plan Booklet. These services and/or supplies may include, but are not limited to, claims received from non-Participating Providers and claims that are subject to the federal No Surprises Act and are not otherwise subject to state law ("NSA Services"). OON Protection Programs may also apply to covered services and/or supplies received from providers that are not included in certain specialized or narrow networks but who are otherwise Participating Providers in CHLIC's broader networks (for example, OAP Participating Providers that are not included in specialized networks designed for gene therapy or advanced cell therapy, or that are not in the LocalPlus network). CHLIC may contract with vendors to provide or perform various services related to the OON Protection Programs.

CHLIC's per claim charges for administering the OON Protection Programs ("OON Protection Program Charges") are identified in the table below and are calculated based on a percentage of the Gross Savings achieved on each claim, i.e., the difference between the charge the provider made or would have made, and the allowable amount achieved by the OON Protection Programs. CHLIC will make OON Protection Program Charges to the Bank Account. OON Protection Program Charges will appear in reports available to Employer, including Employer's Bank Account activity data reports. OON Protection Program Charges shall not exceed $30,000 per claim (the "Per Claim Cap").

If applicable, CHLIC, or a vendor retained by CHLIC, may participate in negotiation or independent dispute resolution processes arising under: (i) state laws addressing reimbursement of non-Participating Providers or; (ii) the federal No Surprises Act, resulting in payments that are not based on the OON Protection Programs. If additional payment is owed as a result of these negotiations or independent dispute resolution processes, CHLIC, as agent for the Employer, shall make a charge to the Bank Account in the amount of such additional payment.

The administration of the OON Protection Programs is consistent with the claim administration practices with respect to CHLIC's own health care insurance business, unless otherwise required by law.

1. OON Protection Programs for Services/Supplies that are not NSA Services

OON Protection Programs seek a reduction of providers' charges to allowable amounts that CHLIC, in its discretion, determines are market competitive ("Discounts"). Discounts may be determined on a claim-by-claim basis before or after services are rendered.

In many cases, applying Discounts may substantially reduce the total cost of the claim and/or the patient's out-of-pocket cost and avoid the patient being balance-billed for amounts the Plan does not cover, but may result in payments higher than the Employer's applicable (a) Plan-/policyholder-selected percentile of provider charges for the same or similar service or supply in the geographic area based on a database selected by CHLIC, or (b) Plan-/policyholder-elected percentage of a fee schedule that CHLIC has developed based on a methodology similar to a methodology used by Medicare to determine the allowable reimbursement for the same or similar service within the geographic market.

If no Discount is applied through OON Protection Programs, allowable amounts will be based on the Maximum Reimbursable Charge as calculated without a Discount, unless required otherwise by law. Allowable amounts that are not based on the OON Protection Programs, may result in the patient being balance-billed for the entire unreimbursed amount. Applying the Discounts may avoid balance billing and substantially reduce the cost of the claim and/or the patient's out-of-pocket cost.

2. OON Protection Programs 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 recognized amount or qualifying payment amount (QPA), as calculated by CHLIC. Patient cost-share will be based on the lower of the QPA, the non-Participating Provider's billed charges, the Initial Allowed Amount, or the amount determined by CHLIC to be required by state law (if applicable).

Patients cannot be balance-billed for amounts the Plan does not cover. Patient cost-share will not increase as a result of negotiations or independent dispute resolution determinations under the No Surprises Act.

3. OON Protection Program Charges

1.	Network Savings Program *Provides access to a network of providers that are contracted through a third party to provide care at a discounted rate. The customer's ID Card must include an icon displaying the third party's network logo to be eligible for any available Discounts. CHLIC does not guarantee that the available Discount will be applied to every eligible claim and application will depend on the level of Discount available.*	[redacted]
2.	Bill Negotiation Services Programs	
	• *Supplemental Network* *Provides access to networks of providers that are contracted through a third party to provide care at a discounted rate. The customer's ID card need not include any third party network logo to be eligible for any available Discounts. CHLIC does not guarantee that the available Discount will be applied to every eligible claim..*	[redacted]
	• *Professional Fee Negotiation, including Single Case Agreements*	[redacted]

	CHLIC, or a vendor retained by CHLIC, negotiates an agreement with the provider that establishes the amount at which the provider agrees to accept as payment in full	
	• *Re-pricing* *CHLIC, or a vendor retained by CHLIC, determines the allowed amount based on a rate deemed to be market competitive, and the provider subsequently does not bill and/or obligate the patient the difference between the charged amount and the allowed amount.*	[redacted]
3.	State or Federal Compliance Pricing *Calculation and application of the recognized amount or QPA for NSA Services, and negotiation or independent dispute resolution under the federal No Surprises Act or state regulation, where payment is not based on the Network Savings Program or Bill Negotiation Services Programs. There are no additional fees charged to the Employer for handling the negotiation or independent dispute resolution process arising under state law or the federal No Surprises Act.*	[redacted]
4.	Independent Dispute Resolution Administration Fee under the federal No Surprises Act *Per dispute administration fee when a provider files a dispute. The Administration Fee is subject to change per any adjustments made by applicable law, rule, or regulation.*	**$115 Administration Fee per dispute**
5.	Independent Dispute Resolution Entity Fee under the federal No Surprises Act *Per dispute arbitration entity fee when a provider files a dispute.*	**$450 Entity Fee per dispute**

CHLIC MEDICAL PAYMENT INTEGRITY PROGRAM FEES

CHLIC administers the programs listed below to contain costs with respect to charges for non-Participating and Participating medical health care service/supplies that are covered by the Plan (the "**Payment Integrity Programs**"). In administering these Payment Integrity Programs, CHLIC may contract with vendors to perform various tasks related to the Payment Integrity Programs.

CHLIC's charge for administering the Payment Integrity Program is the applicable percentage indicated in the table below of the:

1 "Gross Savings" (i.e., the difference between the originally calculated allowable amount and the amount paid to the provider as a result of the Payment Integrity Program); and

2 "Gross Recovery" (i.e., the amount recovered as a result of the Payment Integrity Program).

CHLIC will make a per claim charge to the Bank Account that includes both CHLIC's applicable Payment Integrity Program charge, as shown in the table below, and the applicable vendor charge. CHLIC will pay the vendor its charge. Payment Integrity Program charges will appear in Employer's Bank Account activity data reports.

1.	Bill Review, Clinical coding validation and editing (Pre- and Post-payment) Includes: • Hospital Bill Review (Inpatient/Outpatient) • Medical Implant Device Review (Inpatient/Outpatient) • Clinical Waste and Abuse Claim Review (Facility & Professional) • High-Cost Specialty Pharmaceutical Review • Other Target Billing Accuracy Programs	[redacted]
2.	Diagnosis Related Grouping (DRG) Review (Pre- and Post-payment) to ensure coding is consistent with care rendered and coding standards.	[redacted]
3.	Coordination of Benefits (COB) Investigation and Recoveries to identify if Member has other insurance. Includes Medicare and other commercial health coverage.	[redacted]
4.	Secondary Vendor Recovery Program. Specialized vendor partners run proprietary queries to determine the reasonableness, appropriateness, accuracy, and applicability of select claim payments	[redacted]
5.	Provider Credit Balance Recovery Program. Audit/reconciliation of facility accounts which are in a negative balance, due to incorrect billing or payment made to a provider.	[redacted]

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 information.	[redacted]
7.	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).	[redacted]
8.	Medical Cost Class Action Recoveries. CHLIC identifies, monitors, and may (but is not required to) participate, on behalf of Employer, as a plaintiff in class action lawsuits or similar legal proceedings against third parties whose actions entitle Employer to recover damages for medical costs it paid as Plan Benefits (e.g. medical device product liability class actions, mass tort recovery class actions, etc.), including, without limitation, lawsuits alleging legal or	[redacted]

	equitable claims like product liability, fraud, anti-trust violations, or unfair trade practices. 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 a percentage any recovery (net of attorneys' fees) attributable to Employer's Plan as compensation for these services.	
CHLIC PHARMACY COST CONTAINMENT FEES		
CHLIC administers the following programs to contain costs with respect to charges for health care service/supplies that are covered by the Plan. In administering these programs, CHLIC contracts with vendors or a CHLIC affiliate to perform program related services. CHLIC's charge for administering these programs may be a percentage (indicated below) of the "recovery" (i.e. the amount recovered) or percentage of "program savings", as applicable.		
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.	[redacted]
Pharmacy Recoveries	CHLIC performs regular, ongoing review of 100% of Retail Pharmacy claims through desk audit and field audit based on a predictive model in order to determine the accuracy of payments for 100% of Retail Pharmacy claims. In the event that it is discovered that an overpayment has been made to a Retail Pharmacy, CHLIC shall take reasonable steps to recover and return 100% of the overpayment pursuant to the terms of this Agreement.	**Included at no Additional Cost**
SaveOnSP Program	A Member cost share savings program available when the Employer makes plan design changes to certain, designated covered prescription drugs as non-essential health benefits and establishes Member cost share at amounts that allow for receipt of manufacturer-supported patient cost share assistance. The program fee shall be measured and calculated based on the program's standard savings methodology. Payment of program fees shall be charged to the Bank Account and invoiced on a monthly, incurred basis. Additional terms and conditions of the SaveOnSP program are set forth in the attached SaveOnSP Appendix C.	[redacted]
Payer Precision Program	This program retrospectively identifies, validates, and recovers prior improper payments on behalf of the Employer. It focuses on claims that were paid incorrectly, including those paid	[redacted]

	out of order in relation to coordination of benefits, claims for which another party was responsible, or claims that should not have been paid at all. This program will be effective as of January 1, 2026 or on a later date corresponding to the Employer's implementation date. If Employer elects to opt-out of this program, Employer must provide CHLIC with written notice of its intent to be removed from the program. Removal from the program will take effect within a commercially reasonable period following receipt of such notice.	
CIGNA PATHWELL SPECIALTY SM		
Cigna Pathwell Specialty	Cigna Pathwell Specialty℠ is a benefit that manages certain injected and infused specialty medication costs by guiding Members to cost-effective and clinically appropriate designated Pathwell Specialty Providers[1], including specialty pharmacies (which may include CHLIC affiliates) and other treatment settings. It is supported by a high-touch Cigna Pathwell Specialty Care Management Team, which proactively guides Members using non-designated providers to designated providers benefits while also providing Members with education and referrals to other Cigna health programs, including those focused on wellness and behavioral health as appropriate. Additionally, both Members and providers have access to easy-to-use provider look-up tools with geolocation features that identify designated Pathwell Specialty Providers. [1] "Pathwell Specialty Providers" means designated specialty pharmacy the health care professional orders medication from or the place (location) where Participants are having their treatment done. Except as provided below, for designated medical claims covered under the Pathwell Specialty benefit, Employer shall pay CHLIC according to the following Average Sales Price (ASP) schedule whereby the category equates to the type of Pathwell Specialty Provider. ASP is used to the extent available. If ASP is not available, CHLIC may use a reasonable substitute. CHLIC follows a rational, reasonable, and auditable process to establish categories and ASP ranges by category. Subject to execution of a mutually agreed upon audit agreement, third party audits of the process used to categorize a type of provider or the assignment of ASP % on a select set of claims can be arranged upon Employer request. Pathwell Specialty Providers will be assigned to a tier based on their contracted rates. Pathwell Specialty Providers will not be moved between tiers mid-calendar year unless there is a change in their contracted Pathwell Specialty rates or a market event. Review of provider tiers outside of changes to the contracted rates will occur on	**All Medical Products Except Cigna SureFit, Comprehensive, Indemnity, Network, Network OA, Network POS, and Network POSOA**

an annual basis. The distribution and list of providers across tiers within the Cigna Pathwell Specialty℠ benefit, will be provided upon Employer request.

Category	ASP Range
Tier A: Office, Home, Free Standing Infusion Suites, and Specialty Pharmacies	[redacted]
Tier B: Office, Home, Free Standing Infusion Suites, and Specialty Pharmacies	[redacted]
Tier C: Office, Home, Free Standing Infusion Suites, and Specialty Pharmacies	[redacted]
Tier D: Outpatient Hospital	[redacted]
Tier E: Outpatient Hospital	
Tier F: Outpatient Hospital	
Tier G: Outpatient Hospital	

Employer understands and agrees that the amount paid by CHLIC to the Pathwell Specialty Provider for such claims may or may not be equal to the amount charged to Employer and CHLIC will absorb or retain any difference. Additional reporting available upon request.

In some instances, the charge for specialty medications from Pathwell Specialty Providers will be based upon their provider contract and not in accordance with the above ASP Schedule. In the event of contract or market changes, these Pathwell Specialty Providers may be added during a calendar year to a tier under the ASP Schedule and reimbursement would then be based upon the ASP Schedule. Similarly, a Pathwell Specialty Provider who began the calendar year in a tier under the ASP Schedule may be moved to charges for specialty medications based upon their provider contracts rather than the ASP Schedule in the event of a contract or market change.

To the extent a claim is submitted by a Pathwell Specialty Provider such that a data error is indicated, the claim would not be subject to the ASP schedule, above.

CIGNA PATHWELL BONE & JOINT ®		
Cigna Pathwell Bone & Joint	Cigna Pathwell Bone & Joint® (Pathwell) is a condition-specific care program that manages musculoskeletal (MSK) costs by incorporating clinical support, navigation, and benefit design	**All Medical Products**

into a digital-first experience guiding Members to cost-effective and clinically appropriate Participating Providers (Pathwell Providers) for specific surgical procedures, and helping Members get the non-surgical care and guidance they need. Pathwell is supported by clinical care advocates, who support Members through digital and/or telephonic modalities as they work on their care paths. Pathwell engages Members earlier through predictive analytics and proactive, targeted outreach to help Members understand their options and benefits and receive cost-effective, clinically appropriate care.

- For every Member that is engaged in the Pathwell program, the Employer agrees to pay a $500 fee to be charged to the Bank Account (amount subject to change on an annual basis) for each year the Member is engaged. Members are defined as "engaged" when a Member performs an action such as completing an assessment, interacting with the digital Pathwell experience or having a telephonic engagement with a clinical care advocate. Employer will not be charged more than once for the same Member in a twelve (12) month period.
- For the Pathwell surgery benefit, charges to the Bank Account are based on geographic markets[1] and cover a bundle of services related to the surgical procedure. Each available market is classified into one of the three categories listed below[2] and Market Average Costs are identified for each surgical procedure and site of service in each market[3]. For medical claims covered under the Pathwell program and performed by Pathwell Providers (for all Members, irrespective of whether a Member has completed the Pathwell welcome MSK assessment), the Bank Account shall be charged according to the Market Average Cost schedule set forth below. CHLIC follows a rational, reasonable, and auditable process to establish market averages by category. Market Average Costs and categorizations will not be changed mid-calendar year unless there is a change in Pathwell Provider participation, rates, or a market event. Subject to an appropriate audit agreement, third party audits of the process used by CHLIC to calculate Average Market Costs on a select set of claims can be arranged upon request.

Category	**Pricing vs Market Average Cost**
High Savings Market	[redacted] less than Market Average Cost
Medium Savings Market	[redacted] less than Market Average Cost
Low Savings Market	[redacted]ess than Market Average Cost

Except Cigna SureFit, Comprehensive, Indemnity, Network, Network OA, Network POS, and Network POSOA

<table>
<tr><td></td><td>Procedures covered by the Market Average Cost payment made by the Employer to CHLIC include all medical claims by the same Member at the same facility from admission to discharge related to a procedure covered under the Pathwell program with a Pathwell Provider.

Employer understands and agrees that the Bank Account will be charged by CHLIC a single amount for all surgical procedure components and that the amount paid by CHLIC to the Pathwell Provider for such claims may or may not be equal (individually or in the aggregate) to the amount charged to the Bank Account and CHLIC will absorb or retain any difference.

[1]Market geographies are defined by Cigna Referral Region, which Cigna uses to define geographies across a number of programs.

[2]Based on historical costs for Pathwell Providers versus Cigna's OAP rates for all providers in the market.

[3]Market Average Cost is defined as Cigna's average cost under its OAP contracts for the surgical procedure and site of service (ASC/out-patient vs in-patient) within the provider's geography, adjusted for credibility where appropriate, and trended to the policy period.</td><td></td></tr>
<tr><td></td><td><u>LIFESOURCE TRANSPLANT NETWORK</u></td><td></td></tr>
<tr><td>Cigna LifeSOURCE Transplant Network</td><td>The Cigna LifeSOURCE Transplant Network contracts with facilities that provide access to solid organ and bone marrow/stem cell transplantation while improving cost containment and reducing risk. Charges are based on the following Transplant Fee Schedule, per episode/per year/per transplant type. Transplant Fees are capped two years after engagement even if Participant is still undergoing transplant services. The Transplant Fee Schedule for future contract years is reviewed on an annual basis and may be subject to annual increases.

Transplant Fee Schedule
<table><tr><th>Transplant Type</th><th>Transplant Fee</th></tr></table>
Charges under the Transplant Fee Schedule will be applied when the Participant engages in transplant services. Engagement begins when the CHLIC case manager activates a case. If a Participant is engaged in transplant services at the time the Parties agree to utilize the Transplant Fee Schedule, charges under the Transplant Fee Schedule will be applied upon the anniversary of the Participants' engagement.</td><td>See Transplant Fee Schedule.
All Medical Products

Except Cigna SureFit, Comprehensive, Indemnity, Network, Network OA, Network POS, and Network POSOA</td></tr>
</table>

	The annual Transplant Fee will be charged to Employer's Bank Account when transplant management has been active for more than one (1) month. If transplant management is terminated in less than one (1) month after activation, there will be no Transplant Fee Schedule charge. If a Participant remains under transplant management for more than twelve (12) months, a charge under the Transplant Fee Schedule will be applied for the next twelve (12) month period, however no additional charge will be applied after twenty-four (24) months of transplant management. Transplant Fees for multi-organ and re-transplant under management will be charged to Employer's Bank Account based on the following: ❍ Multi-organ: For multi-organ transplant combinations not illustrated above the fee will be one-hundred percent (100%) of the highest cost organ, plus fifty percent (50%) of each additional organ. *For illustrative purposes only: Cord Blood ($16,000) and Pancreas ($6,000). Charge would be $16,000 for Cord Blood and $3,000 for Pancreas.* ❍ Re-transplant: For a re-transplant that occurs while the Participant is in Zone 3, the fee will be fifty (50%) of the transplant type illustrated in the fee schedule above. If the Participant is in Zone 4 or the re-transplant occurs after Zone 4 ends, the fee will be the full amount illustrated in the fee schedule above. Zone time lines are available on Cigna LifeSource.com.	**Charges are processed through the Bank Account**
EMBARC BENEFIT PROTECTION® A NETWORK SOLUTION FOR CERTAIN HIGH-COST GENE THERAPY DRUGS		
Embarc Benefit Protection	To provide financial protection from the high cost of certain gene therapy drugs, 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 gene therapy drugs listed on Cigna.com and Evernorth.com for Members when the indicated drugs are covered by the Plan administered by CHLIC, and medically necessary (as determined by CHLIC).	**$1.95 per Member/per month** If, across eviCore's entire Embarc Benefit Protection book of business

	Gene therapy drugs are continually being evaluated and may be added to the network solution after FDA approval. The complete list of included drugs and any associated contractual limitations can be found at both Cigna.com and Evernorth.com. 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. 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 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 these drugs. Under Embarc Benefit Protection, 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 gene therapy drugs covered under Embarc Benefit Protection (the "Embarc Drugs") and the Plan will not be required to reimburse any expenses for the Embarc Drug(s) with the following exceptions: Exceptions: • The monthly Embarc Benefit Protection fee was not paid for the applicable Member for the month of administration of the applicable Embarc Drug(s) and for all months prior to the administration in which both (i) the Member was enrolled in the Plan, and (ii) the Plan was enrolled in Embarc Benefit Protection. • Member leaves the Plan following a determination that the Embarc Criteria have been met, but prior to administration of the Embarc Drug(s) for such Member. For purposes of this section, "Embarc Criteria" shall mean the administrative and clinical criteria listed below.	(Cigna and non-Cigna clients), eviCore's cost for the covered 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, for both active and terminated clients, after having fully recovered the outstanding balance created by any prior year deficits. The refund, if any, will be determined on an eviCore Embarc benefit Protection book-of-business basis. The refund will be provided by March 31st of the following year. Assuring Transparency: After the refund is made for a particular

	• Employer terminates the Agreement and/or Embarc Benefit Protection prior to the administration of the Embarc Drug(s) for the Member (a "Termination Exception"). • Members with an HSA must have met the applicable minimum deductible required for a high deductible health plan. • As otherwise stated on Cigna.com or Evernorth.com. <u>Embarc Criteria</u>: • the clinical criteria within the Embarc Clinical Policies are met; • there is an approved prior authorization for the Embarc Drug(s); • the patient is a Member on the date of the prior authorization approval; • an Exception does not apply to the Member or Plan for the applicable Embarc Drug(s); and • the Embarc Drug(s) are provided by a Participating Provider (whether an existing Participating Provider or other Provider having executed an applicable Single-Case Agreement for the Embarc Drug(s)). **eviCore's Embarc Benefit Protection and PMPM charge do not apply to a plan that:** i. does not cover all drugs included in Embarc Benefit Protection; ii. covers any of the drugs exclusively under its pharmacy benefits which are not administered by CHLIC, or iii. does not utilize an eviCore participating provider. Upon Employer's request on or after the Effective Date, CHLIC shall provide to Employer an updated drug list, if applicable. If CHLIC desires to revise charges/fees, it must give Employer at least ninety (90) days prior written notice of the change. For any revision to apply, it must be mutually agreed upon by the parties, included in a written amendment to the Agreement, and approved by City Council.	calendar year, eviCore will, upon request, provide Embarc Benefit Protection book-of-business information for that calendar year.
ADVANCED CELLULAR THERAPY PROGRAM		

Advanced Cellular Therapy Program	The Advanced Cellular Therapy Program (ACT) is an enhanced network benefit solution designed to manage the high cost of advanced cellular therapies (e.g. CAR T-cell therapy). This program delivers predictability, clinically appropriate care and maximizes affordability by leveraging a specially selected provider network, with benefit language that includes a travel benefit and a dedicated care management team to support Participating Members receiving these therapies. For all in-network medical claims covered under the ACT Program at an existing ACT participating provider, Employer shall pay CHLIC (who in turn will pay the rendering ACT participating provider) a Guaranteed Price for the covered advanced cellular therapy. The Guaranteed Price shall equal the Average Wholesale Price (AWP) of the covered advanced cellular therapy minus 10% and will be charged to the Bank Account. Guaranteed Price for the covered advanced cellular therapy (ACT) [redacted] Employer understands and agrees that the amount paid by CHLIC for the therapy may or may not be equal to the Guaranteed Price charged to Employer and CHLIC will absorb or retain any difference. There are related costs for Participating Members receiving these therapies that will be paid as covered services according to the Plan.	
CARE MANAGEMENT/COST CONTAINMENT PROGRAM FEES		
	CHLIC provides or arranges for third parties to provide care management services to: (i) contain the cost of specified health care services/items overall with respect to all plans insured and/or administered by CHLIC, and/or (ii) improve adherence to evidence based guidelines designed to promote patient safety and efficient patient care. Unless otherwise specified in this Schedule of Financial Charges, charges for these services will be processed through the Bank Account.	**CHLIC and applicable third-party fees and care management program services are listed below, and additional details are available upon request.**

	Medical Management (inclusive of Medical Necessity Review) of Chiropractic services.	**National Average is $0.16 PMPM; rates vary by market and are available upon request.**
	In addition to such third parties, CHLIC will provide or has arranged for an affiliate, eviCore, to provide the following care management/cost-containment programs:	
	Pre-certification of coverage of radiation therapy services. *(If Employer has elected PHS or Basic Low Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).*	[redacted]
	Pre-certification of coverage of diagnostic cardiology services. *(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership)*	**$0.19 PMPM Effective January 1, 2027: $0.13 PMPM**
	Pre-certification of coverage of medical oncology services. *(If Employer has elected PHS or Basic Low Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).*	[redacted]
	Oncology Consult Service. Medical oncology cases submitted for prior authorization will be subject to additional review against certain clinical criteria, including the appropriate setting of	[redacted]

	care/service, to determine if the case would benefit from a physician-to-physician consult focused on the accuracy of the diagnosis and the optimal treatment plan. eviCore will engage a third party to facilitate the consultation, which will occur only upon acceptance by physician and the consent of the Participant.	**consultation Effective January 1, 2027: $4,400.00 per completed consultation** **(Billed Directly to Employer)**
	Pre-certification of coverage of musculoskeletal therapy services. *(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership)*	**$0.43 PMPM Effective January 1, 2027: $0.44 PMPM**
	Services related to the coverage of high-tech radiology which may include pre-certification. 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. *(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership)* 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."	**Fee reimbursement method and rates may vary by state and are available upon request**.
	Pre-certification of coverage of gastroenterology services. *(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership)*	**$0.13 PMPM Effective January 1, 2027:**

		$0.14 PMPM
	Pre-certification of coverage for appropriate setting of care/service for high-tech radiology services *(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership)*	**$0.17 PMPM**
	Pre-certification of coverage of sleep management services. *(If Employer has elected Basic Standard Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership)*	**$0.13 PMPM**
	Network management and care coordination of coverage of home health, durable medical equipment and home infusion services. *(If Employer has elected PHS or Basic Low Medical Management (see Administration Charges section above) this program and charge is not applicable to that membership).*	**$0.32 PMPM**
	CHLIC may revise charges/fees. CHLIC shall make best efforts to provide Employer with ninety (90) days' prior written notice however shall provide Employer with at least sixty (60) days' prior written notice.	
EXTERNAL REVIEW AND CONSULTATIVE REVIEW FEES		
	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.	[redacted]
STRATEGIC ALLIANCES		
	CHLIC contracts directly or indirectly with other managed care entities and third party network vendors for access to their provider networks and discounts. These third parties charge a network access fee, which is included in CHLIC's monthly charges, as a result of the application of their discounts.	**All Medical Products**
OTHER VENDORS AND HEALTH CARE SERVICES PROVIDERS		
	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	**All Products**

	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. CHLICwill charge a fee equal to a percent of performance-based payments, which will be added to these payments to support incremental costs associated with administering the programs. Additional reporting available upon request. 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. 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: • Fee-For-Service Payment: 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 Vendor's charges according to Plan terms. • Administration Capitation Payment: 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. • All-Inclusive Capitation Payment: 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. 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.	
	NOTICE REGARDING PAYMENTS FROM THIRD PARTIES	
Rebate and Other Remuneration Disclosure (Pharmacy)	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 other third parties; CHLIC will pay Employer amounts equal to the Rebates, Manufacturer Administrative Fees and other remuneration, as specified above, from CHLIC's general assets (neither Employer, its Members, nor Employer's Plan retains any beneficial or proprietary interest in CHLIC's general assets). 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 Rebates, or Manufacturer Administrative Fees or other remuneration received by CHLIC during the collection period or moneys payable under this Agreement. Rebates, Manufacturer Fees and other remuneration are paid based on the contractual terms set forth in this Agreement. As an example of the remuneration other than	**All Pharmacy Products**

	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). Information on the projected aggregate amount of such Rebates with respect to the Plan Pharmacy Benefit will be provided upon request. This provision shall survive termination or expiration of the Agreement.	
Rebate and Other Remuneration Disclosure (Medical)	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 retains all right, title and interest to any and all such remuneration received from manufacturer; neither Employer, its Members, nor Employer's Plan retains any beneficial or proprietary interest in any such remuneration, which shall be considered part of the general assets of CHLIC.	**All Medical Products**

	This provision shall survive termination or expiration of the Agreement.	
Implementation/Referral Fee Disclosure	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: • network administration fees from some providers participating in its provider network, • credits from banks on balances in accounts utilized to administer claims, • non-material incidental compensation/benefits from other source as a result of administering the Plan.	**All Products**
SBC COMPLIANCE ASSISTANCE		
	CHLIC shall provide the following services to assist Employer in meeting its compliance obligations under section 2715 of the Public Health Service Act as added by the Patient Protection and Affordable Care Act and applicable regulations with respect to the provision of the Summary of Benefits and Coverage ("**SBC**"), translation notice and glossary. Applicable to all medical plans including HRA and FSA which are considered "group health plans" subject to the SBC requirements.	
1.	Preparation of SBC, translation notices. CHLIC will not be responsible for any changes that Employer makes to the SBC.	**No charge**
2.	Provide SBC, translation notices prepared by CHLIC to Employer electronically as well as any updates or material modifications.	**No charge**
3.	Include in SBC a summary of benefits administered by carve-out vendor if Employer or carve-out vendor provides CHLIC with necessary carve-out benefit information at least twelve (12) weeks prior to the date the SBCs are to be delivered to Employer.	**$500 for each benefit option under the Plan for which carve-out**

		vendor benefits are included in SBC
ADDITIONAL SERVICES		
Service	**Description**	**Charge**
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.	**For OAP Products: Included in Medical Access Fee**
Comprehensive Maternity Program	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. Incentives Elected: Option 1 (High): $400 – 1st Trimester/$200 – 2nd Trimester	**For OAP Products: Included in Medical Access Fee**
Pharmacy Clinical Program(s)	**inMynd** - 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. **Integrated Opioid Management** – CHLIC's Integrated Opioid Management program is a clinically based program that uses integrated data and predictive analytics to identify Members who may benefit from the program, including first-time opioid users. The program offers counseling and other alternative means through the Plan's pharmacy benefit using	**Included at No Additional Cost**

	clinically based provider programs, and CHLIC behavioral experts to support interventions with identified Members.	
Pharmacy Utilization Management Program	**Limited Package** - a utilization management program under which some pharmaceutical products are subject to one or several coverage limitations, including prior authorization, and/or quantity limits. Under a prior authorization requirement, the requested drug is generally reviewed for clinical appropriateness based on the intended use in therapy. Includes all Members participating in a group whose benefit plan allows for participation in the Pharmacy Utilization Management Program.	**Included in Pharmacy Administration Fee**
Pharmacy Direct Member Reimbursement	The manual processing of pharmacy claims paid by the Member at the point of sale and submitted by a Member for reimbursement claim.	**$5.00 per claim** **Charges are processed through the Bank Account.**
Specialty Medication Support	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 assisted with any questions they may have around medication side effects, given explanation around their Plan benefits, informed of the importance of adherence, assisted with the prior authorization renewal coordination, and assisted with referrals to other Cigna coaching programs. CHLIC acts as the primary point of contact for Members enrolled in specialty condition counseling and works to ensure that Member needs are coordinated and referred appropriately. CHLIC conducts standardized assessments of Members to identify potential clinical issues and works in conjunction with nurses, pharmacists, and other parties to resolve. 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.	**Included at No Additional Cost**
SafeGuardRx Program	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	**Included at No Additional Cost**

	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, at any time. Additional and specific program information is available upon request.	
Your Health First	A proactive health education and improvement program for Members with a chronic condition. The program involves services that span across the Member's health needs. Behavioral coaching principles and evidence based medicine guidelines are utilized to optimize self-management skills and foster sustained health improvements. The program targets a chronic population at high risk for near term and future high cost medical expenses. Members are identified as having a chronic condition through a variety of sources which may include: claims data, referrals, and self-identification. A variety of resources is provided to those with a chronic condition, including access to online tools, personalized support, and targeted materials. The program includes the following components for those with a chronic condition: • Chronic condition-specific coaching • Pre- and post-discharge calls • Lifestyle management coaching: stress, weight management and tobacco cessation • Treatment decision support and coaching	**For OAP Products: Included in Medical Access Fee**
Well-Being Solution	Cigna uses affiliates (Evernorth) and third parties to provide Health and Well-Being solutions to: • Offer Employers best-in-class, personalized, digital-first experience to engage Members age 18+ in building healthier habits and enhance their vitality. • Allow Employers to reward Participating 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	**Included in Medical Access Fee**

	on prevention, lifestyle and behavior modification and disease management. Participating Members earn rewards as has been designated per the Employer's annual elections. Incentive Reward types may vary based on package and may include CHLIC HRA fund deposits, On Platform Rewards (gifts cards, charity donations or merchandise store) and Employer self-administered awards such as HSA Fund deposits, healthcare premium adjustment and payroll deposit. Employer understands and agrees that it is Employer's responsibility to fund the incentive awards earned by Participating Members. **Core Plus Package** – includes. • Health Assessment. • Device/App Integration. • Personalized online content and data-driven actions. • Social connections/challenges. • Rewards and Incentives Administration.	
Cigna One Guide®	The Cigna One Guide® advocacy solution utilizes a multimodal approach to support members and help them successfully navigate the health care system. members are serviced by personal guides that include frontline service staff, as well as clinicians and non-clinician support staff from our medical, behavioral and pharmacy programs. In addition to connecting with personal guides via telephone, members can also interact with personal guides via the click-to-chat feature on myCigna.com (web and app), enabling members to engage with CHLIC and One Guide in the way in which they prefer. One Guide helps simplify and strengthen the connection between members, their benefit plan, and their overall health and well-being. Through personalized and relevant messaging, One Guide proactively engages members with clear ways to save money, stay healthy, and improve health outcomes that lead to a healthy lifestyle. One Guide offers:	**For OAP Products: Included in Medical Access Fee**

	• education on health plan features, account balances and ways to maximize benefits and earn available incentives • guidance in finding the right doctor, lab, convenience care or pharmacy • immediate connection to health coaches and other resources The goal of One Guide is to help Members take care of what matters most- staying healthy, saving money, and improving health.	
Transparency in Coverage and Consolidated Appropriations Act, 2021	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. 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. 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.	**Included in Medical Administration Fee**

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 that 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. Employer is responsible for adopting the Plan and all Plan design decisions. To the extent there is a conflict between the terms in the Plan Booklet and this Agreement, the terms of this Agreement shall take precedence.

Exhibit B – Services

BANKING AND ADMINISTRATION		
Excluding Health Savings Account		
	Furnishing CHLIC's standard Bank Account activity data reports to Employer as and when agreed upon. CHLIC's administration of the Plan does not include performing obligations, if any, under state escheat or unclaimed property laws. It is Employer's responsibility to determine the extent to which these laws may apply to the Plan and to comply with such laws.	**All Products**
	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 surcharge on claims and assessment on covered lives directly to the New York Public Goods Pool as 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. For Employers with Dental or Dental and Pharmacy coverage only, CHLIC shall file such forms and pay such surcharge but not assessments 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. 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.	**All Products**
CLAIM ADMINISTRATION		
Excluding Health Savings Account		
	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.	**All Products**
	CHLIC's generic claim forms are made available to Employer and eligible individuals.	**All Products**

	CHLIC's Special Investigations Unit will investigate, pend, recommend denial of claims in whole or in part, and/or reprocess claims, as appropriate.	**All Products**
	Discuss claims, when appropriate, with providers of health services.	**All Products**
	Perform, based on CHLIC's book of business internal audits of plan benefit payments on a random sample basis.	**All Products (excluding Pharmacy)**
	Claim control procedures reported annually in Service Organization Controls (SOC) 1 Reports issued in accordance with American Institute of Certified Public Accountants Statement on Standards for Attestation Engagements (AICPA SSAE) No. 18 Report (or any applicable successor thereto).	**All Products (excluding Vision)**
	Respond to Insurance Department complaints.	**All Products**
	Designated toll-free telephone line for Member and Provider calls to CHLIC Service Centers.	**All Products**
	Member Explanation of Benefit ("**EOB**") statements including, when applicable, notice of denied claims, denial reason(s) and appeal rights.	**All Products (excluding Pharmacy)**
	Verify enrollment and eligibility using Member information submitted by Employer and/or its authorized agent.	**All Products**
Medical Only		
	CHLIC's enrollment methods are made available to Employer for enrolling individuals into the Plan.	**All Medical Products**
	CHLIC's standard ID card with toll-free telephone number are prepared for Members.	**All Medical Products**
	Administration of subrogation/conditional Claim Payment (terms described in Exhibit D).	**All Medical Products**
PLAN BOOKLET		
	Prepare and make accessible Member benefit booklet drafts to Employer.	**All Products**
UNDERWRITING SERVICES		
	5500 Schedule C reporting.	**All Products**
	5500 Schedule A or Annual Reconciliation Disclosure reporting (when applicable)	**All Products**
	CHLIC's standard Underwriting services: a) benefit design analysis b) projected cost analysis.	**All Products**
COST CONTAINMENT		
	CHLIC's standard cost containment controls: Application of non-duplication and coordination of benefits rules and coordination with Medicare.	**All Medical Products**

	Delivery of information, as necessary, regarding standard application of non-duplication or coordination of benefits.	**All Medical Products**
	Medical Cost Containment, as described in the Schedule of Financial Charges.	**All Medical Products**
	Annual reporting of CHLIC's standard cost containment results upon Employer's request.	**All Medical Products**
	Pharmacy Cost Containment, as described in the Schedule of Financial Charges.	**All Pharmacy Products**
REPORTING		
	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.	**All Medical and Pharmacy Products**
	CHLIC's standard pharmacy utilization reports.	**Pharmacy Product Only**
	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.	**All Medical and Pharmacy Products**
	Upon request from the Employer, 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 Non-Disclosure/Data Sharing Authorization Agreements. Aggregate Stop Loss Reporting is not provided as part of the standard reporting package as Employers can access claim and banking reports necessary to support aggregate stop loss administration via Cigna's web site, CignaforEmployers.com. 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	**All Medical Products**

	administration, Employer is responsible for verifying any such required information with its stop loss carrier.	
MEMBER EXTERNAL REVIEW PROGRAM		
	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.	**All Medical and Pharmacy Products**
MEDICAL MANAGEMENT SERVICES		
	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.	**All Medical Products**
	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.	**All Medical Products**
	Assist providers with resources and tools to enable them to develop long term treatment plans in the management of chronic or catastrophic cases.	**All Medical Products**
	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.	**All Medical Products**
	HealthCare Cost and Quality tools available on myCigna.com and myCigna mobile app.	**All Medical Products**
	A panel of physicians and other clinicians to assess the safety and effectiveness of new and emerging medical technologies. The panel meets monthly to review and update coverage policies.	**All Medical Products**
	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	**All Medical Products**

	appropriate settings for care. Health Information Line nurses can help inform and educate Members about a wide variety of health and medical information, including access to a library of English and Spanish podcasts.	
	Cigna LifeSOURCE Transplant Network® provides access to solid organ and bone marrow/stem cell transplantation while improving cost containment and reducing risk. There are over five hundred sixty (560) designated transplant programs in this network. These designated programs provide transplant services at facilities which must meet or exceed the Cigna LifeSOURCE Transplant Network® performance guidelines for quality and cost criteria inclusion. Based on Employer's Plan design, the Cigna LifeSOURCE Transplant Network® may or may not include supplement programs as listed in Cigna LifeSOURCE.com.	**All Medical Products Except Cigna SureFit, Comprehensive, Indemnity, Network, Network OA, Network POS, and Network POSOA**
	A health education program that delivers mailings to Members with certain conditions.	**All Medical Products**
	Behavioral health services are provided/arranged by a CHLIC affiliate, including utilization review and case management for both inpatient and outpatient, in-network behavioral health services.	**OAP Products:** **(All Members)**
	Implement a quality oversight process that includes monitoring of utilization management performance measurements and a continuous quality improvement process when warranted.	**All Medical Products**
	Transition of care services to allow Members with defined conditions to continue treatment with non-Participating Providers after enrollment for continued uninterrupted care for a limited time.	**All Medical Products Except Comprehensive and Indemnity**
	Focused utilization management of outpatient procedures and identification of appropriate alternatives. Administered in accordance with CHLIC's then applicable medical management and claims administration policies, practices and procedures.	**All Medical Products with Care Management Basic Standard**
NETWORK MANAGEMENT SERVICES		
	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	**All Medical Products**

	promote quality of care, patient safety and cost efficiency. Where CHLIC has contracted with an affiliate for the provision of services by certain health care providers, amounts paid for claims under this arrangement may include amounts to reimburse CHLIC's affiliate for its services, and the amounts paid for claims to the affiliate may be different than the amount paid to the rendering provider. CHLIC and/or its affiliates may retain or absorb any such difference;	
	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.	**All Pharmacy Products**
	Credential and re-credential Participating Providers in accordance with CHLIC's credentialing requirements and ensure that third-party network vendors credential/re-credential Participating Providers in accordance with CHLIC's requirements;	**All Medical and Pharmacy Products**
	Monitor Participating Provider compliance with protocols and procedures for quality, Member satisfaction, and grievance resolution;	**All Medical and Pharmacy Products**
	Facilitate the identification of Participating Providers by Members; and	**All Medical and Pharmacy Products**
	Designated toll-free telephone line for Member and Provider calls to CHLIC Service Centers.	**All Medical and Pharmacy Products**
	Access to virtual on-demand urgent care, scheduled primary care, and scheduled behavioral health visits via phone or video, and virtual dermatology visits via secure messaging. Members may access this service via myCigna.com or the myCigna app.	**All Medical Products**
BEHAVIORAL HEALTH		
	CHLIC has contracted with an affiliate, 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	**These services are included in the following products:** **OAP Products**

	lifestyle management program and a cognitive behavioral modification program, InMynd pharmacy program, and an Integrated Opioid Management pharmacy program. Behavioral claims from a client specific network are not included in the behavioral monthly fixed fee and will be paid from the Bank Account. CHLIC is paid by the affiliate for administrative services related to this program. 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, a cognitive behavioral modification program, InMynd pharmacy program, and Integrated Opioid Management pharmacy program) will be paid from the Bank Account as claims and will appear in Employer's monthly reporting.	

Exhibit C - Business Associate Agreement ("BAA")

I. GENERAL PROVISIONS

Section 1. Effect. CHLIC, on behalf of itself and its affiliates and subsidiaries that perform services under the Agreement (as defined herein) or other agreements (such entities collectively referred to as "Business Associate"), and Employer (also referred to as "Covered Entity"), acknowledge that this Business Associate Agreement ("BAA") is designed 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)("the HIPAA Rules"). Upon the first exchange, transmission, creation, or maintenance of Protected Health Information (as defined herein) by Business Associate on behalf of Covered Entity ("Effective Date"), the terms and provisions of this BAA are incorporated in and shall supersede any conflicting or inconsistent terms and provisions of (as applicable) the underlying services Agreement to which this BAA 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 BAA 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 BAA, this BAA shall control. Any ambiguity in this BAA resolves in favor of compliance with HIPAA's privacy, security, and breach notification rules.

Section 2. Amendment. Business Associate shall provide written notice to the Covered Entity to the extent that any regulation or amendment to regulations promulgated by the Secretary requires changes to this BAA. Such written notice shall include any additional amendment required by any such final regulation and this BAA shall be automatically amended to incorporate the changes set forth in such amendment provided by Business Associate to the Covered Entity, unless the Covered Entity objects to such amendment in writing within fifteen (15) days of receipt of such written notice. In the event that Covered Entity objects timely to such amendment, the Parties shall work in good faith to reach agreement on an amendment to this BAA that complies with the final regulations. If the Parties are unable to reach agreement regarding an amendment to this BAA within thirty (30) days of the date that Business Associate receives any written objection from Covered Entity, either Business Associate or Covered Entity may terminate this BAA upon ninety (90) days written notice to the other Party. Any other amendment to this BAA unrelated to compliance with applicable law and regulations shall be effective only upon execution of a written agreement between the Parties.

Section 3. Relationship of Parties. For the purposes of this BAA, the Parties intend that Business Associate is an independent contractor and not an agent of the Covered Entity.

II. PERMITTED USES AND DISCLOSURES BY CHLIC

Section 1. Uses and Disclosures Generally. Business Associate may use or disclose PHI to perform functions, activities or services for, or on behalf of, the Covered Entity as specified in the Agreement, provided that such use or disclosure would not violate the HIPAA Rules if done by the Covered Entity. Business Associate may also use or disclose PHI as permitted or required by law.

Section 2. To Carry Out Covered Entity Obligations. To the extent Business Associate is to carry out one or more of the Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164, Business

Associate agrees to comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligations.

Section 3. Management and Administration.

(A) Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

(B) Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are: (a) required by law; or (b) Business Associate 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 Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(C) Business Associate may use or disclose PHI to provide Data Aggregation and associated administrative services relating to the Health Care Operations, or to de-identify PHI provided that it does so in accordance with the HIPAA Rules.

Section 4. Research. Business Associate may create, use, and disclose a limited data set in accordance with 45 CFR 164.514(e) or create, use, or disclose PHI for research purposes as permitted by the HIPAA Rules provided that such use or disclosure would not violate the HIPAA Rules if done by the Covered Entity.

Section 5. 42 C.F.R. Part 2. To the extent Business Associate receives patient identifying information (if Covered Entity qualifies as a Part 2 Program under 42 C.F.R. Part 2), and Covered Entity has conspicuously identified the same ("Part 2 Data"), Business Associate shall implement reasonable and appropriate safeguards to prevent unauthorized uses and disclosures of Part 2 Data. Business Associate will only use or disclose Part 2 Data for Treatment, Payment, or Health Care Operations in accordance with the HIPAA Rules, and will not use or disclose Part 2 Data in any civil, criminal, administrative, or legislative proceeding against the individual who is the subject of such information.

III. OTHER OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

Section 1. Receiving Remuneration in Exchange for PHI Prohibited. Business Associate 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, or otherwise permitted under the HIPAA Rule.

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

Section 3. Security Standards. Business Associate 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, Business Associate shall:

(A) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that Business Associate creates, receives, maintains or transmits on behalf of the Covered Entity as required by the HIPAA Rules; and,

(B) Ensure that any agent or subcontractor to whom Business Associate provides Electronic PHI agrees to implement reasonable and appropriate safeguards to protect such information.

Section 5. Reporting of Violations. Business Associate shall report to the Covered Entity any confirmed Breach or successful Security Incident as determined by Business Associate, in accordance with the HIPAA Rules. Business Associate agrees to mitigate, to the extent practicable, any harmful effect from a use or disclosure of PHI in violation of this BAA of which it is aware. The parties agree that such reports are not required for unsuccessful, 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 that do not constitute a successful Security Incident. If law enforcement official state in writing to Business Associate that the notification to Covered Entity above would impede a criminal investigation or cause damage to national security, then Business Associate may delay the notification for any period of time set forth in the written statement of the law enforcement official.

Section 6. Breach Notification. Business Associate will notify the Covered Entity of a Breach without unreasonable delay, in accordance with 45 C.F.R. §164.410 after Business Associate's discovery of the same. This notification will include, to the extent known:

i. the names of the individuals whose PHI was involved in the Breach;

ii. the circumstances surrounding the Breach;

iii. the date of the Breach and the date of its discovery;

iv. the information Breached;

v. any steps the impacted individuals should take to protect themselves;

vi. the steps Business Associate 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, Business Associate is not the agent of the Covered Entity (as "agent" is defined under common law). Business Associate will investigate Breaches, and assess their impact under applicable state and federal law including whether notification is required by laws. Upon Covered Entity's written request, Business Associate will issue required notices to such impacted Individuals, state and federal regulators, and/or the media as directed by

Covered Entity. In the event of a Breach affecting multiple Business Associate clients where Business Associate believes notification to affected individuals is required in accordance with applicable law, Business Associate reserves the right to issue notifications to the affected individuals without Covered Entity direction to ensure timeliness.

Business Associate will pay the costs of issuing notices required by law. Business Associate will not be required to issue notifications that are not mandated by applicable law. Business Associate shall provide the Covered Entity with information necessary for the Covered Entity to fulfill its obligation to annually 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. Business Associate agrees to ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions and requirements that apply to Business Associate with respect to such information.

Section 8. Access to PHI. Business Associate 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. Business Associate 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. Business Associate 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. Business Associate shall not be obligated to agree to, or implement, any restriction, if such restriction would hinder Health Care Operations or the provision of the functions, activities or services, unless such restriction would otherwise be required by 45 C.F.R. § 164.522(a).

Section 11. Accounting of PHI Disclosures. Business Associate 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. Business Associate 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 Business Associate on behalf of the Covered Entity, available to the Secretary for purposes of determining compliance with the HIPAA Rules.

Section 13. Standard Transactions. Business Associate certifies that it conducts any applicable transactions that are subject to the HIPAA Standard Transaction rules (45 C.F.R. Parts 160-164) in accordance with such rules.

IV. TERMINATION OF AGREEMENT WITH BUSINESS ASSOCIATE

Section 1. Termination Upon Material Breach of Provisions Applicable to PHI. Any other provision of the Agreement notwithstanding, upon either Party's knowledge of a material breach by the other of this BAA, the non-breaching Party shall notify the breaching Party of such material breach and the

breaching Party shall have thirty (30) days to cure such material breach. In the event the breach is not cured, or the cure is infeasible, the non-breaching Party shall have the right to immediately terminate this BAA and the Agreement or, report the violation to the Secretary.

Section 2. Use and Disclosure of PHI upon Termination. The Parties hereto agree that it is not feasible for Business Associate to return or destroy PHI at termination of the Agreement; therefore, the protections of this BAA for PHI shall survive termination of the Agreement, and Business Associate 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 for so long as PHI remains in Business Associate's possession.

V. OBLIGATIONS OF THE COVERED ENTITY

Section 1. Disclosures Generally. Except as otherwise provided for in this BAA, the Covered Entity will not request that Business Associate use or disclose PHI in any manner that would not be permissible under the HIPAA Rules.

Section 2. Disclosures to the Covered Entity or Third Parties. To the extent the Covered Entity requests that Business Associate disclose PHI either to the Covered Entity or to another third party business associate acting for the Covered Entity, the Covered Entity 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 Rules;

(B) The information requested is the minimum necessary to achieve the purpose of the disclosure; and

(C) If the PHI is to be disclosed to a third party, the Covered Entity has a business associate agreement in place with the third party or there is another lawful basis supporting the disclosure.

Section 3. Limitations Affecting Business Associate's Use or Disclosure of PHI. Covered Entity shall notify Business Associate of any limitation in the Notice of Privacy Practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclose of PHI. Further, Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI. Covered Entity shall also notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

VII. DEFINITIONS FOR USE IN THIS BAA

Definitions. Certain capitalized terms used in this BAA shall have the meanings ascribed to them by the HIPAA Rules including their respective implementing regulations and guidance. If the meaning of any term defined herein is changed by regulatory or legislative amendment, then this BAA 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 the HIPAA Rules. A reference in this BAA to a section in the HIPAA Rules means the section then in effect, as amended.

"Breach" shall have the same meaning as the term “breach” in 45 C.F.R. § 164.402.

"Business Associate" means CHLIC.

"Covered Entity" means the Employer.

"Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.

"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 to the information created or received by Business Associate from or on behalf of Covered Entity.

"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 have the same meaning as the term “unsecured protected health information” in 45 C.F.R. § 164.402.

Exhibit D - Data Security Addendum

During the course of providing the services described in the Administrative Services Only Agreement to which this Addendum is attached, including all exhibits or other attachments to, and all documents incorporated by reference in (collectively, the "Agreement"), CHLIC may be provided access to or otherwise obtain City of Port St. Lucie Data ("Client Data") from or on behalf of City of Port St. Lucie ("Client"). CHLIC agrees to protect all City of Port St. Lucie Data as detailed in this Exhibit. To the extent there is a conflict between this Addendum and Exhibit C – The Business Associate Agreement ("BAA") to the Administrative Services Agreement, Exhibit C – The BAA shall control with respect to the portion of Client Data that constitutes PHI.

I. DEFINITIONS. For purposes of this Exhibit, the following definitions shall apply:

a) **"Controlled Access Area"** means a restricted space located within a facility housing computing resources utilized in storage of Client Data controlled by physical and logical security controls.

b) **"Client Data"** means any Protected Health Information, Personal Information or e-Payment Data that is provided to, or obtained from, used, accessed, maintained of Client's members by CHLIC in connection with Services provided.

c) **Cybersecurity Incident"** in connection with the Services, a confirmed event and/or activity that compromises the security, confidentiality and/or integrity of (i) an information system where Client Data is maintained, (ii) the Client Data, or (iii) any other breach of Client Data as defined under applicable Data Protection Requirements, applicable to the processing, storing, or transmitting of the Client Data. Final determination of a Cybersecurity Incident is at the discretion of CHLIC.

d) **"Data Protection Requirements"** means, collectively, all federal, state, and local laws, regulations, or other government standards applicable to CHLIC's handling of City of Port St. Lucie Data.

e) **"e-Payment Data"** includes credit card, charge card, debit card, purchase card, electronic funds transfer (EFT), and Automated Clearing House (ACH) account information, or any non-public personal financial information supplied as the means of payment.

f) **"Personal Information"** means any information that identifies or can be used to identify an individual, including PHI.

g) **"Protected Health Information (PHI)"** Protected Health Information (PHI) shall have the meaning provided by 45 CFR 164.103 with respect only to Client Data.

h) **"Removable Media"** means any information/data storage device/object that can be physically removed from its system, or is inherently designed to be portable, excluding company managed laptops and mobile devices.

i) **"Services"** means the services and other obligations of CHLIC set out in the Agreement.

II SECURITY REQUIREMENTS

Section 1. Information Security Policy. CHLIC must have a comprehensive information security policy that governs the Services being provided to Client. CHLIC shall review the policy on an annual basis and update it as necessary. The information security policy should provide management, direction, and support for information security in accordance with business requirements and applicable Data Protection Requirements. CHLIC must have a program in place to ensure employees attest to their understanding of CHLIC policies regarding security requirements on an annual basis.

Section 2. Access Control. CHLIC must maintain appropriate logical access control measures to protect system and application integrity to prevent unauthorized access to Client Data that are consistent with applicable industry standards. CHLIC must have a program to define roles and responsibilities which assign access and authority over Client Data. Access is established based on job role, job function, need-to-know-basis, and least privilege. Access controls requirements include, at a minimum, the following:

- Ensure individual accountability is maintained.
- Authenticate the identity of the user (e.g., passwords, pass phrases, digital certificates, smart cards, etc.).
- Process to revoke access, including a defined time frame for removal.
- Process to revalidate continued business need for access, including a defined time frame for review.
- Remote and administrative access to systems or applications must be performed using multi-factor authentication.
- User interfaces must be set to automatically time-out and lock the system/session after a set period of inactivity.

Section 3. Use of Subcontractors. CHLIC will cause its subcontractors to apply appropriate technical, physical, and organizational measures with at least the same level of care required by CHLIC's information security policy to protect Client Data from unauthorized loss, alteration, destruction, or disclosure.

Section 4. Business Continuity Management. CHLIC shall establish and maintain a comprehensive business continuity plan ("BCP") that covers the restoration of both technology and business operations in the event of an unplanned or other event disrupting the provision of the Services. Such BCP shall be consistent with industry standards and best practices. The planning process for the BCP will include risk analysis, business impact analysis, and recovery strategies for different scenarios including geographic/regional events, pandemics, and natural disasters (e.g., tornado, hurricane, flooding, fire, power outage). The BCP shall cover, among other things, CHLIC's operations associated with its activities under the Agreement.

Section 5. Removable Media. All ability to write to removable media must be disabled unless approved by management with a documented business case. Where permitted, non-public data must be encrypted and logged when stored on removable media.

Section 6. Encryption. All transmission of sensitive data over public or unsecure networks must be encrypted at all times. Data at rest must be encrypted at the hardware level. CHLIC will use industry standard encryption algorithms and strengths deemed adequate for protecting sensitive information at rest at all times.

Section 7. Physical and Environmental Security. CHLIC will implement appropriate physical controls to prevent unauthorized physical access, damage, or interruption of the Services.

Section 8. Malware Protections. CHLIC shall maintain industry standard methods for defense against malware/trojan/virus infection, including signature updates to safeguard devices from infections. Scans shall be periodically executed to ensure integrity and minimize the likelihood of infection.

Section 9. Logging and Monitoring. CHLIC will maintain logs to record activity of information systems that store, process, or display Client Data, in a level of detail sufficient to ascertain enough information about a suspicious activity to act upon it in a meaningful manner. Logs will capture user activity including privileged and administrative users' access to devices, systems, or applications. Relevant logs will be sent to a centralized Security Information and Event System (SIEM) for correlation, monitoring, and alerting. Logs must be retained in accordance with applicable law and regulations.

Section 10. Risk Assessment. CHLIC shall conduct periodic risk assessments that must include evaluating systems, applications, and processes that handle Client Data. CHLIC must implement corrective or mitigating measures for identified security risks.

Section 11. Vulnerability Scanning and Penetration Testing. Vulnerability scanning will be conducted regularly on systems supporting Client Data. CHLIC must ensure that corrective action is taken for identified vulnerabilities. Penetration testing will be performed at least annually on publicly accessible systems, as well as highly sensitive internal systems using a risk-based approach.

Section 12. Security Advisory Patches. CHLIC must have a process for receiving security advisories and assessing the threats against CHLIC systems, applications, and networks.

- CHLIC's process must include in the assessment of threats the severity assigned to the advisory and the risk of implementing the patch.
- CHLIC must install security advisory patches in a timely manner and ensure that corrective action is taken for advisories impacting systems storing, processing, or displaying Client Data.

Section 13. Disposal of Client Data. Client Data stored on media must be made unrecoverable prior to disposal or reuse. CHLIC data destruction requirements align with NIST SP800-88, Guidelines for Media Sanitization.

Section 14. Passwords. Reusable passwords on CHLIC's systems and applications used in identity verification challenges must adhere to, at a minimum, the following syntax rules:

- For internal systems and applications storing, processing, or displaying Client Data, controls must be enforced to create strong passwords of at least 15 characters with alpha and non-alpha characters.
- User must be required to change the password at least every 90 days.
- Systems and applications must prevent the reuse of the same password for at least 5 iterations.
- Systems and applications must have the ability to lockout the user after 5 unsuccessful logon attempts.
- Internet facing applications that present Client Data, but do not store or process Client Data does not have to enforce a 90-day password change if they also use other methods to verify the identity of the user (e.g., two step authentication, identification challenge / response).

Section 15. Architecture and Defense in Depth. When creating a network interconnection to the Internet or with other third parties, CHLIC will separate and segment systems and applications to create a "defense-in–depth" approach.

- CHLIC will use a well-known architecture such as demilitarized zone architecture, and three tier application architecture for systems storing, processing, or displaying Client Data.
- CHLIC shall procure and maintain the infrastructure (including hardware, software, networks, connectivity, tools and other resources) reasonably necessary to provide the Services in accordance with the requirements of this Agreement; and (b) ensure that Client Data is segregated from all other CHLIC and

third party data, including its other customer's data, and shall secure and restrict access to Client Data solely Client its authorized users.

Section 16. Information Systems Maintenance. CHLIC must ensure there is a process in place to manage changes to the production environment which includes necessary approvals, documentation, and security impact analysis.

Section 17. Training and Awareness. CHLIC personnel must upon hire and at least annually complete mandatory information security training which includes applicable requirements for the protection and secure handling of information.

Section 18. Cybersecurity Incident Management. CHLIC will have an information cybersecurity incident management program that includes a Cybersecurity Incident response and notification process that will be used to address Cybersecurity Incidents.

- CHLIC must identify an individual who will be responsible for contacting Client in case of a Cybersecurity Incident.
- Cybersecurity Incidents will be promptly reported to Client, in accordance with applicable Data Protection Requirements. Such notice shall summarize the Cybersecurity Incident in reasonable detail, if known, and the corrective action taken or to be taken by CHLIC. CHLIC shall promptly take and assist Client in taking reasonable remediation efforts required by (i) applicable Data Protection Requirements as a consequence of any Cybersecurity Incident and (ii) such other measures that the parties mutually agree are reasonable and commensurate with the nature and level of severity of the Cybersecurity Incident. Notwithstanding anything in this DSA to the contrary, should a Cybersecurity Incident be reportable to Client under the Privacy Addendum/Business Associate Agreement, reporting pursuant to the Privacy Addendum/Business Associate Agreement shall supersede reporting requirements under this Section 19, to avoid duplicative or inconsistent reporting obligations.
- For the purposes of this DSA and the subject matter addressed herein, CHLIC is not the agent of the Plan or the Client (as "agent" is used in federal common law).

Section 19. Cloud Computing. Information service/solutions hosted by a CHLIC third party cloud service provider (CSP) are subject to the information protection requirements of all CHLIC policies, standards, and procedures. Agreements include CHLIC security requirements specific to the CSP (such as physical security, logical security, data segregation, etc.) and Data Protection Requirements.

Section 20. Security Audit. Upon reasonable advance written notice, executed nondisclosure agreement and no more than annually, Client may audit, or may utilize a mutually agreed upon third-party vendor to audit CHLIC's security program. If the audit reveals that CHLIC does not meet the requirements of this Addendum or are otherwise subject to a security risk, as determined by Client and/or the third-party auditor and has been mutually agreed upon by CHLIC, CHLIC will undertake action to mitigate the described risk.

CHLIC reserves the right to withhold or redact information deemed confidential. Client or auditor will not be given access to CHLIC's network or infrastructure. Date and scope to be mutually agreed upon by all parties.

Section 21. Legal and Regulatory Compliance. CHLIC shall comply with all applicable Data Protection Requirements that are currently in effect, and as they may come into effect during the term of the Agreement.

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 agent 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 it subcontractors' subrogation administration fee on cases where CHLIC and its subcontractors' have retained counsel and in cases where no counsel has been retained by CHLIC and its subcontractors are both reflected in the Schedule of Financial Charges**.**

(C) Except where agreed to by CHLIC and Employer, CHLIC and its subcontractors shall have no duty or obligation to represent Employer in any litigation or court proceeding involving any matter which is the subject of 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.

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.

- "340B Claim" means (i) Claims submitted by 340B contracted pharmacies that adjudicate at a 340B price or are submitted with a submission clarification code of "20" or such equivalent codes for such participating network Pharmacies under the applicable NCPDP format (or any successor format); (ii) Claims submitted by a 340B covered entity-owned or 340B contracted pharmacies which are categorized as Type 39 (or such equivalent codes) in the NCPDP DataQ database or otherwise identified as a 340B Claim by the dispensing pharmacy; or (iii) Claims identified as a 340B Claim by a third party administrator; or (iv) Claims identified as a 340B Claim by a pharmaceutical manufacturer and in which CHLIC may reduce a subsequent Rebate payment (or Rebate reconciliation payment, if applicable) to account for any previously-paid Rebate amounts attributable to such claim.

- "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 case may be.

- "Biosimilar" shall mean a "biosimilar" biological product as defined in the Biologics Price Competition and Innovation Act of 2009 at 42 U.S.C. §262(i)(2) and approved under Section 351(k) of the Public Health Services Act.

- "Brand Drug" shall mean a prescription drug identified as such in CHLIC's master drug file using indicators from First Databank (or other source nationally recognized in the prescription drug industry) on the basis of a standard Brand/Generic Algorithm, a copy of which may be made available for review by Employer or its auditor upon request at the time of audit. Except if and where the language expressly states otherwise, a Brand Drug does not include a Specialty Brand Drug for ingredient cost discount purposes.

  For pharmacy pricing reconciliation purposes, CHLIC will classify drugs based on Medi-Span's "M", "N", "O", and "Y" drug classification system, as noted and set forth above in the Schedule of Financial Charges.

- "Brand /Generic Algorithm" or "BGA" shall mean the standard and proprietary brand/generic algorithm, a copy of which may be made available for review by Employer or its auditor upon request at the time of audit. The purposes of the algorithm are to stabilize products "flipping" between brand and generic status and to reduce Employer, Member and provider confusion due to fluctuations in brand/generic status. Employer or its auditor may audit CHLIC's application of its BGA to confirm that CHLIC is making brand and generic drug determinations consistent with such algorithm.

- "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) but excludes the EnGuide 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 those prescription drugs, supplies, and other items that are covered by the Plan under the Pharmacy Benefit.

- "Dispensing Fee" means an amount paid to a pharmacy for providing professional services necessary to dispense a Covered Drug to a Member.
- "EnGuide Pharmacy" means a duly licensed pharmacy operated by CHLIC or its affiliates, where prescriptions are filled and delivered via the mail service under the EnReachRx Program.
- "FDA" shall mean the U.S. Food and Drug Administration.
- "Formulary" shall mean the list of FDA-approved prescription drugs and supplies developed and managed by CHLIC for its self-funded 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" shall mean a prescription drug, whether identified by its chemical, proprietary, or non-proprietary name, that is therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and approved by the FDA, and which is identified as such in CHLIC's master drug file using indicators from First Databank (or other source nationally recognized in the prescription drug industry) on the basis of a standard Brand/Generic Algorithm, a copy of which may be made available for review by Employer or its auditor upon request at the time of audit. For pricing purposes, a Generic Drug includes a Covered Drug that is otherwise identified as therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and is within its exclusivity period or other period of limited competition. The foregoing sentence also includes an Authorized Generic notwithstanding how the Authorized Generic is classified for other purposes, including, for example, tier placement or copay purposes. For pricing purposes, a Generic Drug also excludes a Biosimilar. For pharmacy pricing reconciliation purposes, CHLIC will classify drugs based on Medi-Span's "M", "N", "O", and "Y" drug classification system, as noted and set forth above in the Schedule of Financial Charges.
- "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 and received by CHLIC directly in connection with administering, invoicing, allocating and collecting Rebates.
- "Participating Pharmacy" means any licensed retail pharmacy with which CHLIC or one or more of its affiliates has executed an agreement to provide Covered Drugs to Members, but shall not include any mail order or specialty pharmacy affiliated with any such Participating Pharmacy. Participating Pharmacies are independent contractors of CHLIC of its affiliates.
- "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.

- "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.

- “Retail Pass Through Pricing” means the actual ingredient cost and Dispensing Fee amount paid by CHLIC for the Claim when the claim is adjudicated to the Participating Pharmacy, as set forth in the specific Participating Pharmacy remittances related to Employer’s claims. For purposes of clarification, retail claims will be priced on a pass through basis.

- "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.
- "Submitted Cash Price" means the cash price submitted by the Participating Pharmacy as part of the adjudication for a pharmacy claim and included in the lesser of adjudication pricing logic.
- "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. A CHLIC affiliate shall conduct an automated review of 100% of all claims. Claims that are identified during an automated review as requiring additional review by CHLIC's auditor, will then select a subset of claims for validation to ensure that each Retail Pharmacy is complying with the terms of its contract with CHLIC. In the event that CHLIC discovers that an overpayment has been made to a Retail Pharmacy, CHLIC shall take reasonable steps to recover the overpayment pursuant to the terms of this Agreement.

(c) Independent Contractors. The Retail Pharmacies are independent contractors, and 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 it 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 exercise 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 the Cigna Home Delivery Pharmacy and the EnGuide Pharmacy for each prescription or prescription refill. Employer acknowledges that Cigna Home Delivery Pharmacy or the EnGuide Pharmacy may suspend services to a Member who is in default of any cost-sharing obligations, in accordance with the pharmacy's standard credit policy. If payment of such cost-sharing has not been received from the Member within one hundred twenty (120) days of dispensing of the product, the Plan will be billed for the outstanding amount following the one hundred twenty (120) day collection period.

(c) Affiliation with CHLIC. 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), and EnGuide Pharmacy are licensed pharmacy affiliates of CHLIC that fill and deliver Covered Drugs to Members via the mail service.

3. Claims Processing.

(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.

(2) A list of Specialty Drugs available via the Specialty Pharmacy 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. The Specialty Financial Guarantee Drug List is subject to change by CHLIC at its discretion and available upon request.

(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.

(c) Discount Card Program. To help reduce Member pharmacy costs, CHLIC may partner with pharmacy discount card providers and apply discount card pricing where available for certain Generic Drugs and Brand Drugs. As such, certain, eligible Claims may be processed through a pharmacy discount card provider when the Member receives a price advantage. These Claims will adjudicate at the discount card market price as a Cash claim and in accordance with the Employer's Plan design and clinical rules.Member-paid amounts may count toward deductible and out of pocket accumulators unless the Employer opts out of program enrollment. Member submitted direct Claims are excluded from this program. For Generic Drugs, Claims processed under this program will be included in rebate and pharmacy financial guarantees, where applicable. For Brand Drugs, rebate guarantees will not be adjusted due to Employer participation in the Discount Card Program, and such Claims will be excluded from existing rebate guarantees because they are not adjudicated by CHLIC. Program terms and conditions are subject to change with at least forty-five (45) days' prior notice.

7. Member Communications and Services.

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

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

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

8. Formulary Management; Clinical Programs; Other Services.

CHLIC shall provide Formulary management services, which shall include implementing Formulary placement decisions and determinations to apply utilization management requirements made by CHLIC. 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 a mutually 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 C, including, without limitation, HIPAA and state privacy laws.

4. **Claims Data**.

(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.

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. Audits may be initiated from February through October and 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 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 confidentiality 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. <u>Pharmacy Rebate Audits</u>.

(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. Audits may be initiated from February through October and 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 shall be responsible for its incurred costs regarding the audit; (2) 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 no 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; (3) Access to and audit of rebate agreements is restricted to a mutually agreed upon CPA accounting firm whose audit department is a separate stand-alone division of the business, which carries insurance for professional malpractice of at least Two Million Dollars ($2,000,000); (4) Employer shall provide CHLIC with 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; (5) the scope of records to be audited will include those records necessary to determine CHLIC's compliance

with its contractual Rebate payment obligations under the Agreement 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; (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) following Auditor's initial rebate audit, Auditor will provide CHLIC with suspected errors, if any, and CHLIC will respond to the suspected errors in no more than sixty (60) days from receipt of such findings; (9) records shall not be removed or photocopied without CHLIC's express written consent; (10) 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; (11) the Auditor shall provide its final audit report to CHLIC and Employer at the same time; (12) CHLIC will respond to the audit report within thirty (30) days of the issuance of Auditor's report; and (13) 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. <u>Pharmacy Financial Guarantee Reconciliation Audits</u>.

(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. Audits may be initiated from February through October and 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 reconciled 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 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 (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 the 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 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 received directly

or indirectly 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 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

a) Employer shall notify Members at least thirty (30) days prior to the termination of the Agreement becoming effective of any transition to a successor pharmacy benefit manager.

b) If mutually agreed upon by CHLIC and Employer, CHLIC shall provide services following termination of the Agreement at CHLIC's then-prevailing rate. Such services, if any, shall be determined by mutual agreement of CHLIC and Employer in advance of the termination of the Agreement becoming effective.

c) Upon request by Employer and subject to execution of a nondisclosure agreement acceptable to CHLIC, CHLIC shall transition Claims files and/or history to the pharmacy benefit manager or other third party specified by Employer and otherwise acceptable to CHLIC. Any disclosure of Claims files and/or history shall be limited to the information the successor pharmacy benefit manager or other third party needs to implement or administer Employer's pharmacy benefits. CHLIC shall not be required to directly or indirectly release, and Employer shall not release, PBM Proprietary Information to any such third party.

d) Upon termination of the Agreement for any reason, the Parties shall handle Confidential Information, PBM Proprietary Information and Protected Health Information (as defined in the Business Associate Agreement attached as Exhibit C) 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 mutually agreed-upon non-disclosure agreement specifically relating to the requested PBM Proprietary Information. In the event Employer receives a public disclosure request, Employer shall notify CHLIC as soon as reasonable possible so that CHLIC may identify to Employer which Proprietary Information should not be shared as protected Trade Secrets under F.S. Ch. 119. . 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 at CHLIC's sole expense.

3. **Return or Destruction of Information**. To the extent permitted by law, 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, if any, 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.

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

Appendix C - SaveOnSP Program

1. The SaveOnSP Program is a Member cost share savings program available when the Employer makes certain pharmacy benefit plan design changes such that program specialty prescription drugs are designated as non-essential health benefits with respect to federal PPACA essential health benefit requirements, and Employer establishes Member cost share at amounts that allow the receipt of manufacturer-supported patient cost share assistance in accordance with Program parameters ("Program"). Designated specialty drugs under the Program may be revised twice on a calendar year basis.

2. Employer will be responsible for the payment of Program fees which shall be 25% of program savings and for any applicable tertiary and residual cost share. The Program fees shall be measured and calculated based on the Program's standard savings and fee calculating methodology. Payment of Program fees shall be charged to the Bank Account and invoiced on a monthly, incurred basis.

3. In order to make available Program services, CHLIC is providing Employer's claims data to CHLIC's approved third-party vendor ("Vendor") on a periodic basis to facilitate such Vendor's provision of the Services. Members' claims data is being provided under an applicable business associate agreement with such Vendor and in accordance with HIPAA including, but not limited to, the minimum necessary standards. Vendor may communicate with Employer's Member in order to provide Program services.

4. Employer acknowledges and agrees that CHLIC and Vendor is not a legal advisor and do not render any legal counseling or advice regarding the provision of Program services or benefit designs adopted by Employer. Employer understands and agrees that it is implementing a third party specialty drug program administered by Vendor. Neither CHLIC nor Vendor is responsible for ensuring that Employer or Employer's employee benefit plans independent from or in conjunction with the Program services comply with any Applicable Law including but not limited to laws, regulations, rules, ordinances and/or other guidance related to or associated with relevant Federal and State Anti-kickback laws; IRS rules; ERISA; the Affordable Care Act, state insurance department regulations, state consumer protection requirements, or other federal state or local laws or regulations, including but not limited to laws, regulations, rules, ordinances and/or other guidance related HSA-eligible high deductible health plans (including but not limited to Code Section 223) notwithstanding anything to the contrary. CHLIC hereby advises Employer to seek legal advice and Employer acknowledges that it will consult with its own legal counsel regarding the operation, administration, and establishment of its plans and the appropriateness of the Program. Neither CHLIC nor Vendor shall be liable to Employer or any person if any plan fails to comply with any such requirement. Employer is solely responsible for determining whether to implement the Program for its HSA-eligible high deductible health plan and addressing any compliance issues related to such implementation.

5. In addition to other provisions set forth in this Agreement, it is understood and agreed that for purposes of the Program, Employer (or the relevant plan sponsor and/or plan administrator) have full and final authority and responsibility for the plans, plan assets, and plan operation. Neither CHLIC nor Vendor is a fiduciary (as defined under ERISA or state law) of CHLIC clients' plans. CHLIC, CHLIC Affiliates and Vendor do not: (a) have any discretionary authority or control respecting management of CHLIC clients' plans' prescription benefit programs or (b) exercise any authority or control respecting management or disposition of the assets of CHLIC clients' plans. All such

discretionary authority and control with respect to the management of CHLIC clients' plans and plans' assets are retained by CHLIC clients and/or CHLIC clients' plans.

6. If Employer fails to timely pay in full all applicable Program fees, CHLIC reserves the right to suspend or terminate the services under the Program, in addition to any other rights and remedies available to CHLIC under this Agreement and Applicable Law.

7. CHLIC reserves the right to modify, revise, or terminate the Program due to market conditions that have a material impact on the Program at any time.