

ARLINGTON COUNTY, VIRGINIA  
OFFICE OF THE PURCHASING AGENT  
2100 CLARENDON BOULEVARD, SUITE 500  
ARLINGTON, VIRGINIA 22201

CONTRACT AMENDMENT

|  |   |
|--|---|
| <b>TO:</b> CIGNA HEALTH AND LIFE INSURANCE COMPANY<br>900 COTTAGE GROVE ROAD<br>BLOOMFIELD, CT 06152 | ORIGINAL DATE ISSUED: SEPTEMBER 17, 2014<br>CONTRACT NO: 719-13-1<br>CONTRACT TITLE: HEALTH PLANS |
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**THIS IS A CONTRACT AMENDMENT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.**

The contract documents consist of the terms and conditions of AGREEMENT No. **719-13-1** including any attachments or amendments thereto.

**EFFECTIVE DATE:** JULY 1, 2021  
**EXPIRES:** JUNE 30, 2022  
**RENEWALS: NO REMAINING RENEWALS**  
**COMMODITY CODE(S):** 94800

**EMPLOYEES NOT TO BENEFIT:**  
**NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.**

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|  |   |
|--|---|
| <b><u>VENDOR CONTACT:</u></b> SHEILA HEAPHY  | <b><u>VENDOR TEL. NO.:</u></b> (410) 864-1399 |
| <b><u>EMAIL ADDRESS:</u></b> SHEILA.HEAPHY@CIGNA.COM   |   |
| <b><u>COUNTY CONTACT:</u></b> COLLEEN DONNELLY (HRD)   | <b><u>COUNTY TEL. NO.:</u></b> (703) 228-3447 |
| <b><u>COUNTY CONTACT EMAIL:</u></b> <a href="mailto:CDONNELLY@ARLINGTONVA.US">CDONNELLY@ARLINGTONVA.US</a> |   |

**CONTRACT AUTHORIZATION**

NAME: SHARON LEWIS TITLE: PURCHASING AGENT DATE:

**ARLINGTON COUNTY, VIRGINIA**

**AGREEMENT NO. 719-13-1  
AMENDMENT NUMBER 6**

This Amendment Number 6 is made on the date of execution by the County and amends Agreement Number 719-13-1, dated September 17, 2014, ("Main Agreement") between Cigna Health and Life Insurance Company, 900 Cottage Grove Road, Bloomfield, Connecticut 06152 ("Contractor") and the County Board of Arlington County, Virginia ("County").

The County and the Contractor amend the CONTRACT TERM and CONTRACT RATES called for under the Main Agreement as follows:

- The contract term is hereby extended for the period beginning July 1, 2021 and ending June 30, 2022.
- Fiscal Year 2022 Rates (Exhibit A).
- Pharmacy Discounts for Fiscal Year 2022 (Exhibit B).
- On-Site Clinic Rates for Fiscal Year 2022 (Exhibit C).

All other terms and conditions of the Main Agreement remain in effect.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON  
COUNTY, VIRGINIA

CIGNA HEALTH AND LIFE  
INSURANCE COMPANY

AUTHORIZED  
SIGNATURE: Sharon Lewis

AUTHORIZED  
SIGNATURE: Monica L. Schmu

NAME: SHARON LEWIS  
TITLE: PURCHASING AGENT

NAME: MONICA L. SCHMUDE  
TITLE: VICE PRESIDENT OF CHLIC

DATE: Purchasing Division Chief

DATE: February 23, 2021

## EXHIBIT A

### Cigna Fiscal Year 2022 Rates

Per Employee Per Month ASO monthly fee remain flat:

|                             | 7/1/2021 | to | 6/30/2022 | OAP             | H.S.A.          |
|-----------------------------|----------|----|-----------|-----------------|-----------------|
| Administrative Service Fees |          |    |           | \$ 13.12        | \$ 13.12        |
| Network Access Fees         |          |    |           | \$ 24.59        | \$ 24.59        |
| HSA Fee                     |          |    |           | \$ -            | \$ 1.85         |
| <b>Total PEPM ASO Fee</b>   |          |    |           | <b>\$ 37.71</b> | <b>\$ 39.56</b> |

Onsite Clinic: \$198,000 (decrease in cost for the County of \$38,000)

Prescription Drug Discount: New schedule attached.

**EXHIBIT B**

Arlington County Government  
7/1/2021



**Pharmacy Pricing Summary**

|                       |   |  |  | Current          |                |
|-----------------------|---|--|--|------------------|----------------|
|                       |   |  |  | 7/1/2020         | 7/1/2021       |
|                       | <b>Subscribers</b>  |  |  | 2,777            | 2,777          |
|                       | <b>Customers</b>  |  |  | 6,033            | 6,033          |
| <b>Admin</b>          | <b>Per Script Administrative Fee (Retail and HD)</b>  | Per paid script                          |  | \$0.00           | \$0.00         |
|                       | <b>PEPM Administrative Fee</b>  | PEPM                                     |  | \$0.00           | \$0.00         |
|                       | <b>Clinical Program Fee</b>   | PEPM                                     |  | \$0.00           | \$0.00         |
| <b>Please note:</b>   |   | Single Source Generics are priced in the |  | Generic          | Generic        |
| <b>Retail</b>         | <b>Retail 30 day Network:</b>   |  |  |                  |                |
|                       | Retail Brand Discount   | AWP -                                    |  | 17.80%           | 18.00%         |
|                       | Retail Generic Discount*  | AWP -                                    |  | 75.75%           | 81.00%         |
|                       | Retail Dispensing Fee Brand   | Per script                               |  | \$0.80           | \$0.75         |
|                       | Retail Dispensing Fee Generic   | Per script                               |  | \$0.80           | \$0.75         |
|                       | <b>Retail 90 day Network</b>  |  |  |                  |                |
|                       | Retail Brand Discount   | AWP -                                    |  | 26.00%           | 26.00%         |
|                       | Retail Generic Discount*  | AWP -                                    |  | 83.25%           | 84.00%         |
|                       | Retail Dispensing Fee Brand   | Per script                               |  | \$0.00           | \$0.00         |
|                       | Retail Dispensing Fee Generic   | Per script                               |  | \$0.00           | \$0.00         |
| <b>Mail Order</b>     | <b>Cigna Home Delivery</b>  |  |  |                  |                |
|                       | Cigna Home Delivery Brand Discount  | AWP -                                    |  | 26.00%           | 26.00%         |
|                       | Cigna Home Delivery Generic Discount*   | AWP -                                    |  | 83.25%           | 84.00%         |
|                       | Cigna Home Delivery Dispensing Fee (including specialty)  | Per script                               |  | \$0.00           | \$0.00         |
| <b>Specialty</b>      |   |  |  |                  |                |
|                       | Specialty discounts on a combined basis (retail, home delivery, brand, and generic) will average an aggregate discount of 17.75%. |  |  |                  |                |
| <b>Drug List</b>      |   |  |  | Standard         | Standard       |
|                       |   |  |  | Per Brand        | Per Brand      |
| <b>Rebate Sharing</b> |   | Retail 30                                |  | \$83.02          | \$168.28       |
|                       |   | Retail 90                                |  | \$335.23         | \$385.48       |
|                       |   | Home Delivery                            |  | \$752.55         | \$471.90       |
|                       |   | Home Delivery Specialty Rebates          |  | Included in Base | \$2,147.37     |
|                       |   |  |  | 100% to Client   | 100% to Client |

\*Discounts include non-specialty generic drugs.

## EXHIBIT B

### PRESCRIPTION FINANCIAL UNDERWRITING CAVEATS

#### Arlington County Government

##### General

- The effective date for this quotation is 7/1/2021 and the policy term will run for 12 months. Fees and rates represented within this quotation are valid for the policy term.
- This quotation assumes a total in-force of 2,777 employees covered under the pharmacy plan. Should actual enrollment vary by +/- 15 percent or, at any time after the effective date, Cigna's prescription drug rates, administrative fees, dispensing fees, and manufacturer consideration sharing guarantees included in this proposal will be subject to change.
- Our discount and dispensing fee guarantees are offered pursuant to the language provided in our ASO contract or amendment, and will only be reconciled and payment issued according to the terms offered and agreed upon in a signed document between CHLIC and the client.
- Employee contribution percentages will be the same as the current arrangement.
- Quotation assumes Cigna standards of implementation, financials, edits, banking, plan operations, formulary, programming, reporting, systems capabilities, online functionality and consulting. Any non-standards may result in fees billable to the client.
- Quotation assumes Cigna is the exclusive provider of mail order, retail and specialty benefits.
- Quotation assumes no client specific network, in-house pharmacy, or onsite pharmacy.
- Quotation assumes exclusive home delivery for specialty medication.
- Quotation assumes a (90) day fill at home delivery for specialty medication. If client elects a 30 day supply for specialty at home delivery Cigna reserves the right to adjust rebates accordingly.
- Quotation assumes up to a ninety (90) day fill at retail pharmacies through Cigna's 90 Now retail 90 network. Retail 90 discount, dispensing fee, and rebate will apply to a minimum 83 day supply.
- Quotation assumes Cigna's 90 Now retail pharmacy network.
- Quotation assumes Cigna's Standard prescription drug list.
- Quotation assumes aggregate specialty discount is based on client's specific drug mix.
- Remittance of rebates will be provided within ninety (90) days after the close of each applicable calendar quarter.
- Brand claims for purposes of rebate reconciliation exclude 340B, Run-Out, Reversals, Medical Specialty drugs, Compounds, Vaccines.
- Unless otherwise indicated, this proposal assumes applicable requirements of the Patient Protection and Affordable Care Act will be implemented on the effective date/renewal date unless you direct otherwise.
- Cigna reserves the right to revisit and revise the fees if any of the following occur:
  - Additional optional services are requested or client structure requirements change significantly
  - Modifications to proposed benefit options are requested

##### Government Regulations

- At Cigna's option, this quotation, and any rate, fee, trend, or other guarantee included in this quotation, or agreements arising from this quotation, shall be void in the event of federal, state or local action impacting the benefit levels quoted herein or affecting our ability to meet our obligations to you, to your employees/our members or to our contracted providers. Should this happen, Cigna will make a good faith effort to work with the Employer to reach a new agreement that equitably reflects the circumstances as altered by government action.

##### Exclusivity

- This quotation assumes Cigna will be the exclusive pharmacy carrier for all employer worksites. Other competitors "like" products will not be offered in conjunction with the products noted above.

##### Optional Services

- Additional charges may apply if Cigna is requested to interface with a non-Cigna network, utilization management, third party mental health, prescription drug, or other third party vendor sample.

##### Average Wholesale Price (AWP)

- References in this proposal to the average wholesale price, or "AWP," of pharmaceutical products are based on the AWP's as published by Medi-Span or other alternative industry-accepted publication reasonably designated by Cigna. In the event of any change in the markup, methodologies, processes, or algorithms underlying the published AWP(s), or if Cigna chooses a benchmark different than AWP or chooses a different source for the AWP, Cigna may adjust any or all of the AWP-based charges to reflect the economics of this proposal prior to such change.

"Cigna HealthCare" refers to various operating subsidiaries of Cigna Corporation. Products and services are provided by these subsidiaries and not by Cigna Corporation. These subsidiaries include Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company, and HMO or service company subsidiaries of Cigna Health Corporation and Cigna Dental Health, Inc.

Private and confidential property of Cigna. Do not duplicate or distribute.

**CIGNA Onsite Health  
Cost Projection Estimates Prepared for: Arlington County**



| Description  |                    | 7/1/21 - 6/30/22 |
|--|--------------------|------------------|
| Participants - Eligible for Access                   |                    | 3,039            |
| Potential Visits                                     |                    | 7,598            |
| Penetration Rate                                     |                    | 30.0%            |
| Projected Preventive/Acute Care Visits               |                    | 2,279            |
| Prevention/Health Promotion Visits                   |                    | 686              |
| FTE's  | Nurse Practitioner | 0.83             |
|  | Medical Assistant  | 0.83             |
|  | <b>Total FTE's</b> | <b>1.66</b>      |
| Salaries & Benefits                                  |                    | 255,000          |
| Supplies   |                    | 22,000           |
| Other Direct Expenses                                |                    | 8,000            |
| System Expenses                                      |                    | 38,000           |
| <b>Sub-Total Operational Expenses Est.</b>           |                    | <b>323,000</b>   |
| Infrastructure Costs                                 |                    | 98,000           |
| Management Fee                                       |                    | 27,000           |
| <b>Sub-Total Infrastructure Costs &amp; Fee Est.</b> |                    | <b>125,000</b>   |
| <b>Total Onsite Health Center Estimate</b>           |                    | <b>448,000</b>   |
| <b>Cigna Contribution</b>                            |                    | <b>250,000</b>   |
| <b>Client Cost AFTER Cigna Contribution</b>          |                    | <b>198,000</b>   |

**Assumptions**

- 1) The facility is staffed as indicated in the FTE section above
- 2) Full-time is considered to be 40 hours per week and represented by 1.00 FTE
- 3) Cost for cash collection at the site are not included
- 4) Penetration is modeled to increase at 7.5% per year up to 60%
- 5) Operating costs include system licensure based on the number of professional staff
- 6) Marketing for communications to those eligible for access to the site is planned at \$3500 in year one and \$3500 the following years
- 7) Recruitment cost for staff is projected at \$0 per year (Marketing & Recruitment are pass thru expenses, only charged if incurred)
- 8) Does not include the cost of facility buildout
- 9) Does not include the cost of lease
- 10) Assumes 50% of participants are eligible to receive a flu shot, and 80% of those are captured in the clinic.
- 11) Visits include medical and health promotion (estimate 2.5 visits per participant per year)
- 12) External lab vendor will submit a claim.
- 13) Prepackaged medicine is excluded from this cost projection. Provider will e-prescribe to the patient's pharmacy of choice.
- 14) Does not include data conversion.
- 15) Corporate Practice of Medicine law will need to be reviewed. Additional charges may apply for compliance.  
The cost to contract for a practitioner to deliver service within the law may be higher or lower than projected, actual costs are passed through.
- 16) High Speed Internet must be available to the building and extended to demark within vendor service distance requirements. Additional connectivity charges for Internet/DSL/Telephone svcs could apply if clinic cannot use client's existing service providers.