

Cindy



Cigna HealthCare

Financial Proposal

for

City of High Point

211 S. Hamilton Street P.O. Box 230

High Point, NC 27261

SIC Code: 9199

Account Number: 3319524

Total Eligible Employees:	1500	Participating Subscribers:	1426
Employer Contributions - Employee:	Multiple	Employer Contributions - Dependent:	Multiple
Waiting Period:	Coverage effective on 1st day		
Eligibility Definition:	Active Employees working 30 hrs		

Effective Date: January 01, 2020

Note: The Quoted rates are subject to final Underwriting approval and, as noted below, are subject to change in the event of changes in benefits selected or changes in the risk factors upon which the Quoted Rates are based. In addition, state law may require regulatory approval of rates. If required regulatory approval has not been obtained on the proposed effective date, the healthplan shall use rates that are consistent with its then currently approved rating methodology and the quoted rates shall be effective immediately on the date for which they are approved for use. The Quoted Rates are guaranteed while the Group Service Agreement remains in effect until the next anniversary date, unless enrollment changes by 10% in which case Cigna HealthCare may change the Quoted Rate.

Date: July 01, 2019

Pre65 Retirees and Dual Option

Plan Name	Open Access Plus Single Option Pre65 Retirees Sold 2019 Plan (8840142)	Open Access Plus Active / Cobra Single Option Actives Sold 2019 Plan (8840143)
Plan Offering		
Plan Name		
Medical Management Model	Preferred Care	Preferred Care
Health Advocacy	Included	Included
Situs	NC	NC
Funding	Fully Insured	Fully Insured
Cigna MEDICAL BENEFITS		
Collective Deductible	NO	NO
Collective OOP	NO	NO
Combined Medical/Pharmacy Ded/OOP	Combined OOP Only	Combined OOP Only
Deductible/OOP Max Accumulator	One Way Accumulation	One Way Accumulation
Variable Coinsurance Applies	YES	YES
Plan Deductible Order of Applicability	Benefit Copay, Plan Deductible, Coinsurance	Benefit Copay, Plan Deductible, Coinsurance
In-Network:		
Office Copay - PCP	\$35	\$35
Office Copay - SPC	\$60	\$60
Inpatient Deductible - Per Admit	NA	NA
Inpatient Deductible - Per Day	NA	NA
Outpatient Facility Copay	None	None
Emergency Room Copay	\$150	\$150
Urgent Care Copay	\$75	\$75
Advanced Radiology Imaging Copay - Office	None	None
Advanced Radiology Imaging Copay - Outpatient	None	None
Deductible - Individual	\$1,000	\$1,000
Deductible - Family	\$2,000	\$2,000
Out-of-Pocket - Individual	\$4,500	\$4,500
Out-of-Pocket - Family	\$9,000	\$9,000
Out-of-Pocket - Family - Individual Amount	\$4,500	\$4,500
Out-of-Pocket Max Deductibles	Ded Accumulates	Ded Accumulates
Out-of-Pocket Max Copays	All Copays Accumulate	All Copays Accumulate
Coinsurance	Variable	Variable
PCP Office Visits	100%	100%
Specialist Office Visits	100%	100%
Inpatient Hospital Facility	80%	80%
Outpatient Hospital Facility	80%	80%
Inpatient Professional Services	80%	80%
Outpatient Professional Services	80%	80%
Emergency Room	100%	100%
Urgent Care	100%	100%
Laboratory Services at an Outpatient Facility	100%	100%
Laboratory Services at an Independent Lab Facility	100%	100%
Radiology Services at an Outpatient Facility	100%	100%
Medical Specialty Drugs at an Outpatient Facility	80%	80%
Medical Specialty Drugs at a Physician's Office	100%	100%
Medical Specialty Drugs at Home Setting	80%	80%
Out of Network:		
Deductible - Individual	\$2,000	\$2,000
Deductible - Family	\$4,000	\$4,000
Out-of-Pocket - Individual	\$9,000	\$9,000
Out-of-Pocket - Family	\$18,000	\$18,000
Out-of-Pocket - Family - Individual Amount	\$9,000	\$9,000
Out-of-Pocket Max Deductibles	Ded Accumulates	Ded Accumulates
Out-of-Pocket Max Copays	All Copays Accumulate	All Copays Accumulate
Coinsurance	Variable	Variable
PCP Office Visits	70%	70%
Specialist Office Visits	70%	70%
Inpatient Hospital Facility	70%	70%
Outpatient Hospital Facility	70%	70%
Inpatient Professional Services	70%	70%
Outpatient Professional Services	70%	70%
Emergency Room	100%	100%
Urgent Care	100%	100%
Laboratory Services at an Outpatient Facility	70%	70%
Laboratory Services at an Independent Lab Facility	70%	70%
Radiology Services at an Outpatient Facility	70%	70%
Medical Specialty Drugs at an Outpatient Facility	70%	70%
Medical Specialty Drugs at a Physician's Office	70%	70%
Medical Specialty Drugs at Home Setting	70%	70%
Maximum Reimbursable Charge	Option 2	Option 2
Inpatient Deductible - Per Admit	NA	NA
Inpatient Deductible - Per Day	NA	NA
Outpatient Facility Deductible	None	None
MRC Fee Schedule Percentage (Professional)	110%	110%
MRC Fee Schedule Percentage (Facility/Ancillary)	110%	110%
Pharmacy Benefits (G/B/NPB/4th Tier)		
Pharmacy Network	Focused 90 - CVS	Focused 90 - CVS
Formulary/PDL	Standard	Standard
Retail Copay	\$15/\$35/\$60	\$15/\$35/\$60
Retail Copay (90 Days)	\$30/\$70/\$120	\$30/\$70/\$120
Home Delivery Drug Copay	\$30/\$70/\$120	\$30/\$70/\$120
Deductible	None (\$0)	None (\$0)
Out-of-Pocket Max	Combined With Medical	Combined With Medical
Mental Health/Substance Use Disorder (Yes/No)	Yes	Yes
Vision Rider (Yes/No)	No	No

**High level benefit summary. Please see your plan summary for a more detailed benefit description. If this proposal includes Cigna Care Network, the level of in-network benefits applicable may vary from what is shown above.*

City of High Point

Effective Date: January 01, 2020

**Pre65 Retirees and Dual Option****Cigna PLAN OFFERED**

Plan Offering

Plan Name

Medical Management Model

Health Advocacy

Situation

Funding

CIGNA HealthCare - Choice Fund HSA Open Access Plus

Dual Option

Proposed HSA GC (8840146)

Preferred Care

Excluded

NC

Fully Insured

Cigna MEDICAL BENEFITS*

Collective Deductible

YES

Collective OOP

NO

Combined Medical / Pharmacy Ded / OOP

Combined Ded & OOP

Deductible/OOP Max Accumulator

No Cross Accumulation

Variable Coinsurance Applies

NO

Plan Deductible Order of Applicability

Plan Deductible, Benefit Copay, Coinsurance

In-Network:

Office Copay - PCP

None

Office Copay - SPC

None

Deductible - Individual

\$1,500

Deductible - Family

\$3,000

Out-of-Pocket - Individual

\$3,500

Out-of-Pocket - Family

\$5,000

Out-of-Pocket - Family - Individual Amount

\$3,500

Out-of-Pocket Max Deductible

Ded Accumulates

Out-of-Pocket Max Copays

All Copays Accumulate

Coinsurance

80%

Adult Preventive Care

100%, No Ded

Out of Network:

Deductible - Individual

\$3,000

Deductible - Family

\$6,000

Out-of-Pocket - Individual

\$7,000

Out-of-Pocket - Family

\$10,000

Out-of-Pocket - Family - Individual Amount

\$7,000

Out-of-Pocket Max Deductibles

Ded Accumulates

Out-of-Pocket Max Copays

All Copays Accumulate

Coinsurance

60%

MRC Fee Schedule Percentage (Professional)

110%

MRC Fee Schedule Percentage (Facility/Ancillary)

110%

Pharmacy Benefits (G/B/NPB/4th Tier)

Pharmacy Network

Focused 90 - CVS

Formulary/PDL

Standard

Retail Copay

\$15/\$35/\$60

Retail Copay (90 Days)

\$30/\$70/\$120

Home Delivery Drug Copay

\$30/\$70/\$120

Deductible

Combined With Medical

Out-of-Pocket Max

Combined With Medical

Mental Health/Substance Use Disorder (Yes/No)

Yes

Vision Rider (Yes/No)

No

Employer Fund Contribution

Fund Amount - Individual

\$750

Fund Amount - Family

\$750

Eligible Expense

Included

*High level benefit summary. Please see your plan summary for a more detailed benefit description. If this proposal includes Cigna Care Network, the level of in-network benefits applicable may vary from what is shown above.

Cigna Healthcare Financial Exhibit for:
City of High Point
 Effective Date: January 01, 2020

Cigna PLAN OFFERED			
Plan Offering Plan Name Situs	Open Access Plus Pre65 Retirees Single Option OAP - Pre65 Retirees NC		
	Pre65 Retirees (GAOAPI, KSOAPF, NCOAPB, NCOAPC,		
	Subscribers	Total Rate	Monthly Billed Amount
Employee	46	\$713.13	\$32,803.98
Emp + Spouse	13	\$1,556.78	\$20,238.14
Emp + Child(ren)	4	\$1,493.30	\$5,973.20
Emp + Family	8	\$2,031.73	\$16,253.84
Monthly Billed Amount	71		\$75,269.16
Cigna PLAN OFFERED			
Plan Offering Plan Name Situs	Open Access Plus Active / Cobra Single Option OAP - Actives NC		
	Actives OAP (NCOAPA, NCOAPB, NCOAPC, NCOAPE,		
	Subscribers	Total Rate	Monthly Billed Amount
Employee	665	\$599.58	\$398,720.70
Emp + Spouse	100	\$1,308.29	\$130,829.00
Emp + Child(ren)	259	\$1,254.32	\$324,868.88
Emp + Family	195	\$1,707.00	\$332,865.00
Monthly Billed Amount	1219		\$1,187,283.58
Cigna PLAN OFFERED			
Plan Offering Plan Name Situs	CIGNA HealthCare - Choice Fund HSA Open Access Plus Dual Option Proposed HSA Actives NC		
	Actives HSA (NCOAPA, NCOAPB, NCOAPC, NCOAPE,		
	Subscribers	Total Rate	Monthly Billed Amount
Employee	74	\$567.78	\$42,015.72
Emp + Spouse	11	\$1,238.90	\$13,627.90
Emp + Child(ren)	29	\$1,187.81	\$34,446.49
Emp + Family	22	\$1,616.49	\$35,562.78
Monthly Billed Amount	136		\$125,652.89

Note: The fee associated with the administration of the HRA and/or HSA product is excluded from the Rates.

Above rates do not reflect employer liability for fund contributions

Included in the proposed Monthly Billed Amount is the Benefit Advisor Fee which is not part of the monthly premium.

Cigna Healthcare Financial Exhibit for:
City of High Point
Effective Date: January 01, 2020



Program Administrative Fees

	<u>Fee Type</u>	<u>Enrollment</u>
CIGNA HealthCare - Choice Fund HSA Open Access Plus	HSA Administrative Fee	136
Open Access Plus	Incentive Program - Motivate Me	1,426
Open Access Plus	Healthy Awards Account	1,426

Total Program Administrative Monthly Fees

For Cigna Healthcare HSA products, the Fees above include the Cigna Healthcare Administrative Fee plus any A Options selected.

Cigna Healthcare Financial Exhibit for:
City of High Point
Effective Date: January 01, 2020



Program Administrative Fees

	<u>PEPM Fee</u>
CIGNA HealthCare - Choice Fund HSA Open Access Plus	\$4.50
Open Access Plus	\$1.45
Open Access Plus	\$1.44

Total Program Administrative Monthly Fees **\$4,733.14**

For Cigna Healthcare HSA products, the Fees above include thdditional
Options selected.

PROPOSAL TERMS AND CONDITIONS for Proposal: Pre65 Retirees and Dual Option

A. General Terms of this Proposal

Cigna HealthCare is pleased to present this Proposal for a Fully Insured Non-Participating group medical and pharmacy benefit plan (the "Plan") sponsored by City of High Point. This proposal is valid for 60 days from its original date of release, 07/01/2019. Any revisions or updates to this proposal will not renew this valid offering unless expressly communicated by Cigna HealthCare.

Proposal Cancellations

Cigna HealthCare may revise or withdraw this Proposal if:

- 1 there is a change to the effective date of the quote.
- 2 the policy period length is different than 12 months.
- 3 the policy will not be allowed in NC.
- 4 the Plan benefits are different than shown in the RFP or benefit modifications are requested.
- 5 there is a change in any law, regulation, or required assessment or tax that changes Cigna HealthCare's costs in offering the plan.
- 6 enrollment increases or decreases by 10% or more, by product or for the total account, from the enrollment assumptions used in establishing the rates and/or fees set forth herein.
- 7 the final enrollment deviates from the quoted enrollment such that it results in a needed change in premium rates. Rates are based on final enrollment factors, including total number of enrollees, their age, sex, demographics, location and the distribution of enrollees by product or by customer tier.
- 8 enrollment in the Cigna HealthCare administered plan is less than 50% of the total eligible population identified as 1500
- 9 any of the information upon which these rates or benefits were based (including Medical History Information) changes or is inaccurate.
- 10 it is not the exclusive provider of Medical / Pharmacy Value or the products for all of City of High Point's employees in all workstates.
- 11 the employer contributes less than 50% toward the total cost of the coverage elected by each enrolled employee.
- 12 the employer changes its level of contribution toward the cost of the coverage.
- 13 either one or more of the quoted rates withdrawn prior to the effective date or terminates during the contract term, or at any time following enrollment.
- 14 the current waiting period is different than One.
- 15 Federal, State or Local action impacts the benefit levels quoted herein or affects our ability to meet our obligations to you, to your covered employees, our customers or to our contracted providers. By way of illustration, such legislation or executive actions which impose controls or requirements that affect our ability to determine rates; covered medical expenses or services benefits; providers' delivery of care or the fees they charge; or our contracts with providers, may be deemed to so affect our contractual obligations. Should this happen, Cigna HealthCare will make a good faith effort to work to reach a new agreement that equitably reflects the circumstances as shared by government action.
- 16 there is any reimbursement arrangement ("gap" cards, etc.) that substitutes or reduces the out-of-pocket obligation of covered persons under the policy.
- 17 Client confirmation of employee counts reveal the group to be a Small Employer as defined under the Patient Protection and Affordable Care Act and accordingly Cigna HealthCare is not able to offer a PPACA compliant plan.

B. Scope and Application of this Proposal

- Unless otherwise indicated, this Proposal:
- 1 supersedes and renders null and void any prior Cigna HealthCare offer or proposal with respect to the Plan.
 - 2 or policy may be canceled as of any First Premium Due Date if the number of insured Employees fails to meet the minimum required per group participation rules; or for failure to comply with any other material plan provision relating to Employer contributions or group participation rules.
 - 3 includes fixed charges for behavioral care services arranged by Cigna Behavioral Health, Inc. However, this may not apply in certain states
 - 4 includes capitated charges for the provision of Hi-Tech Radiology services by eMedica (formerly known as MedSolutions, Inc.). However, this may not apply in certain states.
 - 5 includes charges made by third parties for case management programs to contain the cost of specific health services/visits and/or improve adherence to evidence-based guidelines to promote patient safety and efficient care (e.g., charges for management of diagnostic cardiology, radiation therapy, non-oncological procedures and medical oncology when applicable).
 - 6 includes Cigna's One Guide digital and customer guidance solution.
 - 7 requires a separate benefit option due to state regulations. If you have purchased any product with Cigna HealthCare Behavioral Advantage and you have customers residing in NC or CA.
 - 8 does not apply to part-time or seasonal employees for any plan.
 - 9 Medicare eligible retirees are not included in this plan unless mandated by state statute.
 - 10 includes the Healthcare Savings Program (HSP) and other Cost Containment programs designed to contain costs with respect to charges for health care services/supplies that are covered by the Plan. For administering these programs, Cigna retains a portion of the savings or recoveries generated.
 - 11 excludes charges for converting a qualified customer of a group plan to an individual plan.
 - 12 includes a maximum reimbursable charge for out-of-network coverage equal to 115% of a fee schedule developed by Cigna HealthCare based upon a methodology similar to that used by Medicare to determine the allowable fee for similar services in the geographic market OR 60th percentile of charges made by providers of such service or supply in the geographic area where the service is received.
 - 13 excludes all fund amounts for Cigna Choice Fund products (HRA/HSA) from projected claims and premium, as those amounts are strictly the liability of City of High Point.
 - 14 assumes all employees are located in the network area, and that all employees are only eligible for the Cigna HealthCare or any other affiliated company product offerings specified.
 - 15 requires you notify us within 30 days if any information set forth in this form changes at any time while coverage is provided to you by Cigna HealthCare.
 - 16 may require regulatory approval of rates. If, as of their proposed effective date, regulatory approval is not obtained, the healthplan shall use rates consistent with its then currently approved rates and the foregoing rates shall be effective automatically. If a product is new and has never had approved rates, the effective date of coverage will be postponed until regulatory approval is received.
 - 17 allows covenants and conditions set forth in this document to survive execution of any final contract and/or insurance by Cigna HealthCare of any policy and/or Group Service Agreement.
 - 18 assumes that Cigna HealthCare's standard insurance policy form approved for use in the applicable state by the state insurance regulator will be issued. Because the insurance policy and certificate forms require regulatory approval, there is very little flexibility to change the provisions. The provisions of the insurance policy and certificate will control in the event of a conflict with the terms of the request for proposal and the Proposal.
 - 19 is a high-level summary of the covered coverage. It does not identify all the categories of health care services that are covered or excluded.
 - 20 may include state required coordination rates which will match the rates for the underlying plan. For Nebraska and New York Over Age Dependents the rates will match the employee rate for the underlying plan.
 - 21 Cigna HealthCare assumes that the group health plan or health insurance coverage to which this proposal applies will not be a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "Act") and that it will be subject to all requirements of the Act applicable to a group health plan or health insurance coverage unless otherwise specified in writing.
 - 22 includes applicable Patient Protection and Affordable Care Act fees and assessments imposed upon health insurers including the Comparative Effectiveness Research Fee and the Health Insurance Industry Fee.
 - 23 Assumes a non-Cigna HealthCare Pharmacy Benefit Manager administers oral or other self-administered anti-cancer prescription medication claims at a copay/coinsurance level that is no less favorable than that for intravenous or injected anti-cancer medication prescribed for the same purpose and covered under employer's Cigna HealthCare plan. This assumption is applicable only if: (a) employer has contracted with a PBM (not Cigna HealthCare); (b) employer's plan is either insured, or, if self-funded, not subject to ERISA (i.e., is a church, government or association plan); and (c) employer's Cigna HealthCare plan is situated in AL, HI, MD, OR, NJ, NE, VA, NC, NV, FL, ME, GA or a state with similar chemotherapy coverage law, or covers one or more individuals residing in CO, OK, VT, WA, TX, LA, MO or OH or in a state with similar subcutaneous chemotherapy coverage mandate.
 - 24 establishes a Wellness/Health Improvement Fund (the "Fund") in the amount of \$15000.00 for clinical/wellness/behavioral programs offered by Cigna HealthCare. These funds shall be used to defray the cost of Cigna HealthCare designated and arranged health and wellness improvement programs for employees (e.g., biometric screenings, flu shots, etc.) and to reward participation in these programs. The Fund may be accessed during this period from 07/01/2020 - 12/31/2020. The Fund may not be accessed following notice of termination of the Cigna HealthCare agreement. Unused funds cannot be rolled over and Cigna HealthCare must pre-approve use of the Fund.
 - 25 Important Notice Regarding Benefit Advisor Compensation - The premiums for this guaranteed issue (i.e., non-Shared Return) policy may not include compensation payable to your benefit advisor. Check with your Cigna Sales representative to confirm whether this is the case. When that is the case, the proposed benefit amount includes both premium and benefit advisor fees, which are not part of the monthly premium and Cigna will include any benefit advisor fees agreed to by the client and benefit advisor on claim invoices and forward payments received to the benefit advisor if both the client and the benefit advisor authorize Cigna to do so by signing Cigna's Client and Benefit Advisor Acknowledgment Form. When required, this form must be signed before the date when the new rates take effect. If the form is not signed, the benefit advisor will be responsible for billing the client directly for any benefit advisor fees.

- 26 This proposal made by Cigna HealthCare is contingent upon: Cigna HealthCare's receipt of the following information: Completed medical history questionnaire prior to the policy effective date.
- 27 assumes that any nonvoluntary vision benefit that is included in the medical plan and not provided through a separate policy is subject to ACA requirements.
- 28 does not apply to individuals unless employed by the policyholder or an entity that participates in an association or trust that is the policyholder.
- 29 The information contained in this Proposal by Cigna HealthCare is proprietary and highly confidential. It is being provided with the understanding that it will not be used by the employer, its representatives or consultants for any purpose other than the evaluation of the Proposal. Under no circumstances is any of the information contained herein (including excerpts, summaries, extracts, and evaluation thereof) to be used, disseminated, disclosed or otherwise communicated to any person or entity other than the employer, its representatives and consultants, and their respective employees who are directly involved in the evaluation process.

C. Additional Representations & Disclosures

- 1 Each plan presented in this proposal has an actuarial value, determined by Cigna HealthCare, of 60% or greater. This determination was made using Cigna HealthCare's manual rating application which may produce an actuarial value slightly different than the official HHS calculator. Although we would expect any deviation to be small, you will have to consult with your actuarial consultant for a more precise determination of the plan's actuarial value. Cigna HealthCare does not provide actuarial certifications.
- 2 In order to implement the requested benefit design, different funding arrangements (i.e., insured, self-insured and/or RMO) involving affiliated Cigna companies may be required with respect to plan participants residing in certain states.
- 3 Cigna HealthCare may have an agreement with your benefit advisor, under which the benefit advisor may be paid for providing marketplace intelligence or for the performance of administrative services. The specific plan for and amount of this payment may be based upon overall business growth and/or retention levels. Any such payment is funded through Cigna HealthCare's general overhead.
- 4 the benefit advisor may qualify for incentive payment (monetary or non-monetary) from Cigna HealthCare. For example, the benefit advisor may receive payment based upon new sales, new customer growth or retention. This incentive payment is funded from Cigna HealthCare's general overhead.
- 5 Cigna HealthCare sponsors programs to inform benefit advisors about Cigna HealthCare's plan coverage and services (including producer advisory councils). The cost of these events is funded through Cigna HealthCare's general overhead.



Gap Fund Acknowledgement

Are your employees reimbursed for their co-payments, co-insurance cost, deductibles or out of pocket expenses?

If so, please let us know the details below. If not, please still confirm and sign below.

We assume NO subsidization or reimbursement for any portion of the employees' cost-sharing responsibilities. And that's how we set the premium rates/charges for all benefit plans insured and/or administered for you by Cigna HealthCare companies ("Cigna HealthCare, we, us").

Subsidization/reimbursement is also known as "Gap Funding". That is because employees receive money to fund the gap between their cost-share responsibility and Cigna HealthCare's payments.

Do you offer any of these plans? ☒ YES ☐ NO

- Health Savings Account (HSA)
- Health Reimbursement Account (HRA)
- Other means to reimburse employees for health plan expenses

City copay reimbursement for HTN, cholesterol and diabetic prescriptions (up to \$15 per script)

If YES, please confirm the following:

- How much is the employer funding amount? _HSA \$750 annually beginning 2020 plan year and HRA up to \$360 annually_____
- What is the reimbursement order? Does the HSA and/or HRA fund pay first, or something else? _The Healthy Awards Account pays first_____
- Is there an annual rollover provision for the fund? ☐ YES ☐ NO
- Any changes in employer funding in the past year or future year? ☒ YES ☐ NO
 - If YES, please provide details: _ City HSA contribution \$750 annually beginning 2020 plan year

Please notify Cigna HealthCare prior to implementing any "Gap Funding" program. Cigna HealthCare will determine if we need to change the premium rates/charges both now and in the future based on the information you provide.

Please affirm that the above information is true and complete. Thanks!

City of High Point

Date: 9/16/2019

By: _____

Greg Demko

Title: City Manager

