

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: October 16, 2007

Consent

Regular

Department

Submitted By: Risk Management

Motion and Title: Staff recommends motion to approve:

- A) First annual option to automatically renew the Amended and Restated Administrative Services Only Agreement (R2006 2287); dated October 17, 2006, with Connecticut General Life Insurance Company (CIGNA) for claims administration services for the County's self-funded triple option (HMO, POS, PPO) health insurance plan for the period January 1, 2008 through December 31, 2008; and
- B) CIGNA's proposed administrative fees and specific stop loss premiums for plan year 2008; and
- C) Changes to employee/member rate contributions to the plan; and
- D) CIGNA HealthCare Clinical Performance Guarantee Agreement; and
- E) CIGNA HealthCare Discount Guarantee Agreement; and
- F) CIGNA HealthCare Service Performance Guarantee Agreement

Summary: Staff is recommending Board approval for the first annual option to renew the Administrative Services Only Agreement with CIGNA for the period January 1 through December 31, 2008. For plan year 2008, following several months of higher than expected claims experience, it will be necessary to pass on a 15% increase to employees with dependent coverage. Additionally, staff is recommending an individual monthly employee contribution, including CWA bargaining unit employees (subject to ratification) of \$10 to the individual HMO tier of coverage. This has been fully paid by the Board in prior years. No benefit changes are being recommended. Staff is also recommending Board approval of Clinical, Discount, and Performance Guarantee Agreements, which will set a penalty amount for failure to meet negotiated performance targets, and will make a measurable impact on CIGNA's health plan accountability. As in prior years, employees of Solid Waste Authority, Palm Tran, Inc. and the Supervisor of Elections will participate in the group health insurance plan. The total plan cost projected for all three entities is \$57,659,045. Sufficient funds have been budgeted to fund the program. Countywide (TKF)

Background and Policy Issues: (Continued on Page 3).

Attachments:

- 1. Letter from CIGNA confirming new fees and stop loss premiums for plan year 2008.
- 2. Letter and attachment from Gallagher Benefits Services illustrating Plan year 2008 cost projections and recommended actuarial rates for each plan and associated tier of coverage.
- 3. CIGNA HealthCare Clinical Performance Guarantee Agreement
- 4. CIGNA HealthCare Discount Guarantee Agreement
- 5. CIGNA HealthCare Service Performance Agreement

Recommended by: Nancy L. Bolton 10/4/07
Department Director Date

Approved by: [Signature] 10/4/07
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	47,147,943	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	-----	-----	-----	-----	-----
In Kind Match (County)	-----	-----	-----	-----	-----
NET FISCAL IMPACT	\$ _____	47,147,943=	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	-0---	-----0-----	-----	-----	-----

Is Item Included In Current Budget? Yes X No. _____
 Budget Account No.: Fund 5012 Agency 700 Org. 7300 Object 4511
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Contributions from the BCC	\$47,147,943
BCC/Palm Tran Employee Deductions/Retiree Premiums	\$ 6,223,473
Solid Waste Authority Premiums	\$ 5,113,305
Supervisor of Elections Premiums	\$ 355,363

C. Departmental Fiscal Review: Gary Kapulka

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

Jim Dahl 10.5.07
 OFMB CN
 10/4/07

Dr. J. J. J. J. 10/9/07
 Contract Administration
 10/9/07

B. Legal Sufficiency:

[Signature] 10/10/07
 Assistant County Attorney

The Agreements in parts D, E & F
 of the motion have an
 effective date of 1/1/07.

C. Other Department Review:

Nancy L. Belton
 Department Director

Background and Policy Issues:

Beginning in plan year 2005, the Board adopted a new strategy to cap the Board's annual increase in contributions to the plan to a maximum of 10% for each plan year of the five year period ending December 31, 2009, which included adopting true actuarial rates for each plan. The strategy involved an increase in employee (and retiree) rates for a majority of the triple option plans for plan year 2005. The strategy also included a premium funding arrangement in which the Board would pay no more than 90% of the total cost of the plan.

In concurrence with the proposed rate increases for plan year 2005, benefit changes were made that increased co-payment for physician office visits and emergency room visits, the addition of a new per-admission co-payment for hospitalization, and the adoption of a three-tier drug formulary. These recommended changes targeted the most significant cost drivers of the plan, and contributed to a favorable renewal for 2006 by reducing the County's overall cost per member for these targeted services during plan year 2005. Claims for plan years 2006 and 2007 have not continued the favorable trend of 2005. It is therefore necessary to pass on a premium increase to employees/members enrolled in all plans.

A review of Board action over the past several years indicates that the Board has continually agreed to absorb the full cost of the individual HMO plan for Board employees. Staff is recommending that individual employees contribute \$10 per month for the individual HMO plan in order to offset the rising costs of the plans. A review of local public employers and the County's constitutional officers has shown that individual contributions for HMO and other provided insurance plans are common.

Staff also recommends that the specific excess insurance cap (stop loss insurance) remain at \$500,000 in claims for any one claimant annually before recovery of any insurance proceeds. To date, one claim has reached and exceeded this threshold.

Staff further recommends the execution and adoption of the attached Clinical, Service and Discount Performance Agreements. By negotiating performance targets with health plans, employers have made measurable impacts on health plan accountability. Increasingly, large American employers are requiring health plans to document their performance in the areas of member service, satisfaction, and quality of care so that purchasers can determine the value that plans provide. The agreements serve to hold the health plans accountable, with financial penalties for unsatisfactory performance.

As in prior years, employees of the Solid Waste Authority, Supervisor of Elections, and Palm Tran, Inc. will participate in the program under the authority of the Interlocal Agreement (R2006 2288), which expires December 31, 2011. The total funding recommended for all three entities is \$58,840,085, which includes a margin of error to protect the County against higher than expected claims. The employees' estimated total contribution (including all three entities) to the plan's cost for 2008 will be \$6,223,473 and the Board's estimated total cost (including Palm Tran) will be \$47,147,943. Sufficient funds have been budgeted to fund the anticipated cost of the health insurance program.

ATTACHMENT #1

Leanne Jacone
Senior Client Manager



September 14, 2007

1571 Sawgrass Corporate Parkway
Suite 140
Sunrise, Florida 33323
Telephone 954-514-6869
leanne.jacone@cigna.com

Nancy Bolton
Director, Risk Management
Palm Beach County Board of County Commissioners
160 Australian Way, Suite 140
West Palm Beach, FL 33406

Dear Nancy,

This letter will serve to confirm the renewal rates for the Palm Beach County Board of County Commissioners for the period January 1 2008- December 31, 2008. The rates will be as follows:

Administrative Fee	
Network	\$21.85 per employee per month
Network Point of Service	\$21.85 per employee per month
PPO	\$21.85 per employee per month
Access Fee	
Network	\$12.50 per employee per month
Network Point of Service	\$12.50 per employee per month
PPO	\$9.90 per employee per month
Specific Stop Loss @\$500,000	
Network	\$7.87 per employee per month
Network Point of Service	\$7.87 per employee per month
PPO	\$7.87 per employee per month

Thank you for your continued partnership and if you need any additional assistance please feel free to contact me.

Sincerely,

Leanne Jacone
Senior Client Manager

RISK MGMT.
Received
SEP 19 2007
DEPT.

ATTACHMENT #2



Gallagher Benefit Services, Inc.

A Subsidiary of Arthur J. Gallagher & Co.

October 4, 2007

Ms. Nancy Bolton
Director, Risk Management
Palm Beach County
160 Australian Ave., Ste 401
West Palm Beach, FL 33406

Re: 2008 Health Plan Projections

Dear Nancy:

I have reviewed the County's most recent claim experience under your health plan. I project the total 2008 expense, based on the current plan design and an average enrollment of 5,495 employees, to be as follows:

Expected Claims	\$54,735,881
ASO/Access Fees	\$2,409,848
Reinsurance Premiums	\$513,316
Total 2008 Expense	\$57,659,045

The funding rates on the attached exhibit generate expected revenue of just over \$58.8 million. The difference between the projected funding and the expense figures is a provision for adverse claim experience. The claims have been higher this year than we expected, and it is prudent to build in this provision to protect against plan losses if claims continue to trend at higher than expected levels. The total projected 2008 expense is 13.4% higher than the projected 2007 funding of \$50.8 million.

Note that the projected 2008 expense assumes an increase of 4%, or just over 200 employees, over the projected average 2007 covered population. The funding increase consists of a combination of the increased enrollment compounded by an increase in per capita funding.

For your reference, I have attached a copy of the funding rates that we developed. Even with the unfavorable experience of the last few months, to the best of my knowledge and judgment, these rates will adequately fund the health plan in 2008.

One Boca Place
2255 Glades Road, Suite 400 E
Boca Raton, FL 33431
561.995.6708
Fax 561.995.6708
www.ajg.com



Nancy, please let me know if you have any questions about this or need any additional information.

Sincerely,

Glen R. Volk, FSA, MAAA
Vice President & Consulting Actuary

cc: Jeff Angello

**Palm Beach County Board of County Commissioners
2008 Health Plan Funding Rates Assuming No Benefit Changes and 4% Increase in Enrollment**

Assumes 11.3% Overall Funding Increase

Plan	Tier	Enrollees	2007		2008	
			Total	Employee	Total	Employee
HMO	EE	2,148	\$ 462.00	-	\$ 514.14	10.00
	EE + 1	1,055	\$ 942.65	100.07	\$ 1,049.03	115.08
	Family	1,485	\$ 1,286.13	177.28	\$ 1,431.27	203.87
POS	EE	499	\$ 505.43	20.00	\$ 562.47	30.00
	EE + 1	107	\$ 1,033.34	190.76	\$ 1,149.95	219.37
	Family	48	\$ 1,409.99	292.11	\$ 1,569.11	335.93
PPO	EE	33	\$ 1,261.96	192.19	\$ 1,404.37	221.02
	EE + 1	9	\$ 2,576.96	620.77	\$ 2,867.77	713.89
	Family	4	\$ 3,512.02	1,021.85	\$ 3,908.35	1,175.13
Totals		5,388	\$ 52,873,400	\$ 5,151,166	\$ 58,840,085	\$ 6,223,473

ATTACHMENT #3

**CIGNA HealthCare
Clinical Performance Guarantee Agreement**

By and Between

**Palm Beach County Board of County Commissioners
"Employer"**

And

**Connecticut General Life Insurance Company
"Connecticut General"**

Effective Date: January 1, 2007

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Exhibit A – Medical Benefits Plan Clinical Performance Guarantees and Penalties

<i>Performance Category</i>	<i>Performance Guarantee</i>	<i>Results Measured At</i>	<i>Penalty Amount</i>
CASE MANAGEMENT METRICS			
Member Satisfaction Guarantee	At least 85% of survey responses received from individuals participating in a CIGNA HealthCare Case Management Program will indicate satisfaction with their case management experience. One year Guarantee Period starting 01/01/2007.	CIGNA BoB ("Book of Business")	25% of Case Management Fees
ROI Guarantee	ROI Ratio of Savings to Case Management Fees Spent: 1:1 One year Guarantee Period starting 01/01/2007	Client Specific	Lesser of 25% of Case Management Fees or difference between the savings guaranteed and the savings achieved.
Products Included: PPO, POS, Network Retirees Included: Yes			
HEDIS METRICS (only available for Network/FlexCare Plans)			
Sites Included: Florida			
Beta Blocker Use After Heart Attack	If the rate of Beta Blocker use is 90% or more for the Baseline period, the rate for the Guarantee Period will be maintained at no less than 90% If the rate of Beta Blocker use is less than 90% for the Baseline Period, the rate for the Guarantee Period will go up by at least one percentage point.	Per healthplan site; see above list of sites included	\$780 per site subject to HEDIS Maximum
Prenatal Care in First Trimester	If the rate of pregnant Participants receiving prenatal care during the first trimester is 90% or more for the Baseline Period, the rate for the Guarantee Period will be maintained at no less than 90%. If the rate of pregnant Participants receiving prenatal care during the first trimester is less than 90% for the Baseline Period, the rate for the Guarantee Period will go up by at least one percentage point.	Per healthplan site; see above list of sites included	\$780 per site subject to HEDIS Maximum

CIGNA HealthCare Clinical Performance Guarantee Agreement
 Customer: Palm Beach County Board of County Commissioners
 Effective Date: January 1, 2007
 Account Number(s) involved in Clinical Performance Guarantee(s): 3212040



Colorectal Cancer Screening	If the rate of Colorectal Cancer Screening is fifty percent (50%) or more for the Baseline Period, the rate for the Guarantee Period shall be maintained at no less than fifty percent (50%). If the rate of Colorectal Cancer Screening is less than fifty percent (50%) for the Baseline Period, the rate for the Guarantee Period shall be improved by at least one percentage point.	Per healthplan site; see above list of sites included	\$780 per site subject to HEDIS Maximum
Diabetes Care – HgbA1c Testing	If the Diabetes Care – HgbA1c Testing rate is eighty percent (80%) or more for the Baseline period, the rate for the Guarantee Period shall be maintained at no less than eighty percent (80%) If the Diabetes Care – HgbA1c Testing rate is less than eighty percent (80%) during the Baseline period, the rate for the Guarantee Period shall be improved by at least one percentage point.	Per healthplan site; see above list of sites included	\$780 per site subject to HEDIS Maximum
Products Included: PPO, POS, Network	One year guarantee; penalties only apply for Guarantee Period. Baseline Period: 2007 scores Guarantee Period: 2008 scores		HEDIS Maximum = \$3120

CIGNA HealthCare Clinical Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Clinical Performance Guarantee(s): 3212040

This Agreement is between Connecticut General Life Insurance Company (“Connecticut General”) and Palm Beach County Board of County Commissioners “Employer” and is effective January 1, 2007, “Effective Date.”

WHEREAS, Employer has engaged Connecticut General to provide administrative services in connection with certain of Employer’s CIGNA HealthCare benefit plan(s) (the “Plan(s)”) under an Administrative Services Only arrangement, and

WHEREAS, Employer has asked Connecticut General to make available to Participants (as herein defined) certain medical management and/or wellness programs that are intended to improve the health and medical outcomes of individuals with specified conditions through Participant education and support services that reinforce and promote behavioral changes and employer Participants to gain greater control over their health and thereby reduce Employer’s cost of care for these Participants, and

WHEREAS, Employer has asked Connecticut General to warrant the effectiveness of certain of these medical management and/or wellness programs in improving the health outcomes for Participants with the specified conditions, reducing the cost of care for these Participants and promoting their satisfaction; and

WHEREAS, Connecticut General is willing to enter into such an arrangement.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, Connecticut General and Employer hereby agree as follows:

CIGNA HealthCare Clinical Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Clinical Performance Guarantee(s): 3212040

Section 1. – Definitions

- 1.1. Benefit Profile – the benefits offered under the Plan(s), including plan design and structure.
- 1.2. CIGNA Book of Business (BoB) – all individuals enrolled in the CIGNA HealthCare program being measured, regardless of plan design, for the designated period.
- 1.3. Client Specific – results are measured based on Employer’s own population.
- 1.4. Clinical Performance Guarantees – are defined in Section 4 and in the Exhibits.
- 1.5. Effective Date – the date that the Term of this Agreement begins, as defined in the opening paragraph above.
- 1.6. ERISA – Employee Retirement Income Security Act of 1974, as amended.
- 1.7. Guarantee Period – The Guarantee Period is the ONLY period for which penalty payments will be made. See Exhibits for the specific definitions of Guarantee Period for each Clinical Performance Guarantee.
- 1.8. Implementation Date – for new Plan(s), the first date that Plan benefits are payable. For renewing Plan(s), the Implementation Date is the renewal date. For the purposes of this Agreement, that date is 01/01/2007.
- 1.9. Participants – generally speaking, Participants are eligible persons enrolled in a Plan. The term “Participant” is defined in Exhibit B for each category of Clinical Performance Guarantee because the term may or may not include retirees for that category of Clinical Performance Guarantee, or may be restricted to a certain plan type (e.g. to Network/FlexCare only).
- 1.10. Penalty Amount – the amount payable by Connecticut General to Employer if Connecticut General’s Clinical Performance

Guarantee is not met. The Penalty Amounts for each Clinical Performance Guarantee are provided in the Exhibits.

- 1.11. Plan(s) – this term is limited to Employer’s CIGNA HealthCare plans in opening paragraph above. The specific Plan(s) included in each Performance Guarantee are specified in Exhibit A. The term includes each Benefit Profile change, as of its effective date, which has been approved in writing, by an officer of each of the parties.
- 1.12. Projected Population – the number of employees that Employer estimated would be enrolled on the Implementation Date.
- 1.13. ROI – Return on Investment measures dollars saved by a specified program against dollars spent by Employer on that specified program. See measurement methodology in Exhibit B for each ROI Clinical Performance Guarantee.
- 1.14. Savings Target – Measures claim dollars saved by a specific program. See specific measurement methodology in Exhibit B for each Clinical Performance Guarantee with a Savings Target.
- 1.15. Service Termination Date – date on which the Plan(s) end, not counting any runout services.

Section 2. – Term

- 2.1. The term of this Agreement shall be for one year from the Effective Date through the last day of the twelfth (12th) consecutive calendar month following the Effective Date, unless earlier terminated in accordance with Section 9 below (“Term”).
- 2.2. This Agreement shall not renew automatically or otherwise after the Term ends.
- 2.3. At least thirty (30) days prior to the expiration of the Term of this Agreement, Connecticut General shall present to

CIGNA HealthCare Clinical Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Clinical Performance Guarantee(s): 3212040

Employer a new performance guarantee agreement, which shall replace in its entirety and supersede the provisions of this Agreement (the Replacement PG Agreement"). The Replacement PG Agreement shall incorporate Connecticut General's then current standard CLINICAL performance Guarantees. Connecticut General and Employer hereby acknowledge and agree that the Replacement PG Agreement shall automatically become effective, without further notice or signature required, on the first calendar day following the expiration of the Term of this Agreement, unless this Agreement is earlier terminated in accordance with Section 9 below. It is the express desire, intention, and purpose of Connecticut General and Employer that their respective signatures on the Signature Page of this Agreement (i.e., the 2007 CLINICAL Performance Guarantees) shall survive the expiration of the Term of this Agreement and shall constitute both parties' acceptance and execution of the Replacement PG Agreement, without further signature required. Consistent with the foregoing, in order to ensure clarity, the parties will append a facsimile copy of the Signature Page of this Agreement to the Replacement PG Agreement.

Section 3. – Conditions Precedent

Connecticut General shall not be obligated to provide the Clinical Performance Guarantees if any one or more of the following happens:

- 3.1. If this Agreement is not signed by both parties by October 31, 2007.
- 3.2. If the Benefit Profile is not finalized and approved by Employer and Connecticut General prior to the Implementation Date.
- 3.3. (If Employer or a third party is responsible for providing eligibility information or data of any kind to Connecticut General, including but not limited to electronic data, tapes or software), if the data is not accurate,

accessible and received by Connecticut General within the specified timelines.

- 3.4. If the actual number of employees enrolled on the Implementation Date is greater than one hundred and ten percent (110%) of the Projected Population, or if the actual number of employees enrolled on the Implementation Date is less than ninety percent (90%) of the Projected Population.
- 3.5. If there is a 20% or greater turnover in Participants either as a result of the open enrollment period immediately prior to the Implementation Date or during the Term.
- 3.6. If there is a material change in Benefit Profile during the Term that, as determined by Connecticut General, may affect the performance guaranteed.
- 3.7. If Connecticut General determines that less than seventy percent (70%) of the telephone numbers of Participants that are provided to Connecticut General by Employer (or by Employer's agent) are accurate.
- 3.8. If any of the contract(s) with Employer under which Connecticut General administers the Plan(s) or any of the medical management programs terminates during the Term of this Agreement.
- 3.9. If this Agreement is terminated less than twelve (12) months from the Effective Date.

There are additional Conditions Precedent that apply to some of the Clinical Performance Guarantees. They are specified in the Exhibits.

Section 4. – Clinical Performance Guarantees

Connecticut General's Clinical Performance Guarantees, measurement methodology and corresponding penalty amounts for failure to meet the performance targets are specified in the Exhibits. If there is any perceived conflict between Exhibit A and Exhibit B, Exhibit B controls.

Section 5. – Evaluation of Performance and Payment of Penalties

- 5.1. Any dispute concerning the amount Connecticut General determines to be owed under this Agreement must be received by Connecticut General in writing within sixty (60) days of the date that Connecticut General notifies Employer in writing of Connecticut General's determination.
- 5.2. If Connecticut General fails to meet any of the Clinical Performance Guarantees specified in the Exhibits, Connecticut General shall pay to or credit the Employer the appropriate amount as set forth in the Exhibits, subject to the offset provisions of Section 7 below.

Section 6. – Change in Reporting Format or Measurement

- 6.1. All CPT, ICD-9 and NDC codes are subject to change and all updates or changes to such codes that occur subsequent to the execution of this Agreement will not require contract revisions.
- 6.2. Notwithstanding anything to the contrary contained in Section 8 (Agreement Modification), Connecticut General reserves the right to replace or modify any Clinical Performance Guarantee if necessitated by a change in the way Connecticut General tracks or measures the applicable performance metric. In formulating any such substitute Clinical Performance Guarantee, Connecticut General shall, to the extent possible, attempt to reflect the same performance level reflected in the original guarantee, consistent with its new measurement/tracking methodology. Connecticut General shall explain the reasons for the change of any Clinical Performance Guarantee pursuant to this Section 6 when it notifies Employer of the substitute Clinical Performance Guarantee. Connecticut General shall provide no less than thirty (30) days' advance notice of such

modification.

Section 7. – Offset

Connecticut General shall be entitled to offset any amount owed by Connecticut General to Employer under this Agreement against any amount owed by Employer to Connecticut General (including but not limited to amounts required to fund the claim bank account), whether now existing or hereafter arising.

Section 8. – Agreement Modification

This Agreement constitutes the entire contract between the parties relating to the subject matter herein and no modification or amendment hereto shall be valid unless it is in writing and signed by an officer of Employer and by Connecticut General's Regional Financial Officer.

Section 9. – Termination

This Agreement will terminate upon the earliest of the following dates:

- 9.1. The end of the Term
- 9.2. The date on which any state or other applicable jurisdiction prohibits the activities of the parties under this Agreement
- 9.3. The date upon which Employer fails to meet its obligation to sufficiently fund the bank account from which claims are paid, or fails to pay any administrative charges, fees or other payments within the time frame specified in the applicable contract
- 9.4. The Service Termination Date
- 9.5. The date upon which any condition set forth in Section 3 occurs
- 9.6. At the option of either party, on the date specified in a written notice to the other of its intention to terminate this Agreement, said notice to be given at least thirty (30) days prior to the specified termination date, or

CIGNA HealthCare Clinical Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Clinical Performance Guarantee(s): 3212040

9.7. Any other date mutually agreed to by Employer and Connecticut General.

Specific Clinical Performance Guarantees may be terminated if their conditions precedent are not met, as described in Exhibit B.

Section 10. – Laws Governing Contract

This Agreement shall be construed in accordance with the laws of the State of Connecticut without regard to conflict of law rules, and both parties consent to the venue and jurisdiction of its courts.

Section 11. Resolution of Disputes

11.1 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:

11.1.3. Any Controversy shall first be referred for “**Executive Review**”. The disputing party shall give the other party written notice of the Controversy and request Executive Review. Within twenty (20) days of such written request, the receiving Party shall respond to the other in writing. The notice and the response shall each include a summary of and support for the Party’s position. Within thirty (30) days of the request for Executive Review, an employee of each party, with full authority to resolve the dispute, shall meet and attempt to resolve the dispute.

11.1.3. If the Controversy has not been resolved within thirty-five (35) calendar days of the request of Executive Review under Section 11.1.1 above, the parties agree to mediate Controversy in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Mediation (“**Mediation**”). The mediation shall be conducted in West Palm Beach, Florida. Each party shall assume its own costs and attorneys fees. The Mediator’s compensation and expenses of the

mediator and any administrative fees or costs associated with the mediation proceeding shall be borne equally by the parties.

11.1.3. If the Controversy has not been resolved by Executive Review or Mediation, the Controversy shall be settled exclusively by binding arbitration. The arbitration shall be conducted in the same location as noted in Section 11.1.2 above, in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The arbitration shall be binding on the Parties to the Agreement and on any respective affiliates which joined the arbitration. The arbitrator’s decision shall be final, conclusive and binding, and no action at law or in equity may be instituted by either Party other than to enforce the arbitrator’s award. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Each party shall assume its own costs and attorneys fees. The arbitrator’s compensation and expenses and any administrative fees or costs associated with the arbitration proceeding shall be borne equally by the Parties.

11.2 This provision shall survive the termination of this Agreement.

Section 12. – Third Party Beneficiaries

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

Section 13. – Assignment and Subcontracting

No assignment of rights or interests hereunder shall be binding unless approved in writing by a duly authorized officer of each of the parties hereto.

CIGNA HealthCare Clinical Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Clinical Performance Guarantee(s): 3212040

Section 14. – Waivers

No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition. Waiver by either party of any default shall not be deemed a waiver of any other default.

Section 15. – Headings

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

Section 16. – Survival

Provisions contained in this Agreement that by their sense and context are intended to survive completion of performance, termination or cancellation of this Agreement shall so survive.

Section 17. – Force Majeure

Connecticut General shall not be liable for any failure to meet any of the obligations required under this Agreement where such failure to perform is due to any contingency beyond the reasonable control of Connecticut General, its employees, officers, or directors. Such contingencies include, but are not limited to, acts or omissions of any person or entity not employed or reasonably controlled by Connecticut General, its employees, officers, or directors, acts of God, fires, wars, accidents, labor disputes or shortages, and governmental laws, ordinances, rules or regulations.

Section 18. – Notices

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

To Connecticut General:

Connecticut General Life Insurance
Company
1111 Market Street
Chattanooga, TN 37402
Attention: Jenny R. Wilson, Regional
Director

To Employer:

Palm Beach County Board of County
Commissioners
160 Australian Avenue
Suite 401
West Palm Beach, FL 33406
Attention: Nancy Bolton, Director, Risk
Management

The address to which notices or communications may be given by either party may be changed by written notice given by such party to the other pursuant to this paragraph entitled "Notices."

Section 19. – Entire Agreement

This Agreement constitutes the entire agreement between the parties on the subject matter herein. Any and all other clinical performance guarantee agreements, if not already terminated, are terminated as of the Effective Date of this Agreement.

CIGNA HealthCare Clinical Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Clinical Performance Guarantee(s): 3212040

Signatures

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in triplicate and signed by their respective officers duly authorized to do so as of the dates given below.

Witnesses:
Abel Varela
Witness
Vangel Dyzl
Witness

CIGNA HEALTHCARE
Renee A. Clark
Renee A. Clark, Contractual Agreements Unit Manager
9-7-07
Date

ATTEST:
Sharon R. Bock, Clerk & Comptroller

PALM BEACH COUNTY, FLORIDA

By: _____
Addie L. Greene, Chairperson
Board of County Commissioners

By: _____
Clerk

[SEAL]

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS & CONDITIONS

County Attorney

Nancy L. Bock
Department Representative

CIGNA HealthCare Clinical Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Clinical Performance Guarantee(s): 3212040

Exhibit B – Performance Metrics, Definitions, and Applicable Conditions Precedent

In connection with the services Connecticut General will provide to Employer with respect to the Plan(s), Connecticut General guarantees its performance as stated below. (A summary of all performance guarantees and their associated penalties is attached as Exhibit A).

Clinical Performance Guarantees

20. Case Management

20.1. Additional Definitions

20.1.1. Case Management Fees – The “Case Management Fees” figure for the purpose of this Guarantee is determined by Connecticut General using Employer’s average annual membership for the Guarantee Period multiplied by \$1.00 per employee per month.

20.1.2. Guarantee Period – The Guarantee Period(s) are specified in Exhibit A.

20.1.3. Participant – means the employees and dependents enrolled in the Plan(s) identified in Exhibit A. Retirees, if any, and their dependents are included unless Exhibit A contains an entry that says that retirees are not included.

20.2. Additional Conditions and Exclusions Applicable to Case Management Performance Guarantees

20.2.1. At all times during the Guarantee Period, Employer must have in effect a Plan that incorporates core medical management services administered by Connecticut General and/or its affiliates including, at a minimum, pre-certification requirements,

continued stay review services and case management services; the Case Management guarantees will not apply to a plan which does not meet these requirements;

20.2.2. At all times during the Guarantee Period, the Plan(s) participating in the Case Management Performance Guarantee(s) must include a minimum of **5000** employees exclusive of any Participants residing in New Mexico and utilizing the Lovelace Health Systems, Inc. participating provider network.; and

20.2.3. If Exhibit A contains a Case Management ROI Guarantee that extends for more than one year, then at all times during that multi-year Guarantee Period, there must be a Clinical Performance Guarantee Agreement in effect that includes that Case Management ROI Guarantee.

20.3. Member Satisfaction Guarantee

20.3.1. Goal – To achieve a high level of satisfaction among those individuals involved in a CIGNA HealthCare Case Management Program, based on national results.

20.3.2. Guarantee – Connecticut General guarantees that at least 85% of survey responses received from individuals participating in a CIGNA HealthCare Case

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Management Program, based on CIGNA Book of Business will indicate satisfaction with their case management experience. If this goal is not met, Connecticut General will pay to Employer 25% of the Case Management Fees.

20.3.3. Methodology – Connecticut General mails/provides a national survey instrument to all individuals who were involved in a CIGNA HealthCare Case Management Program (exclusive of discharge planning and outreach cases) at closure of their case. Each calendar year Connecticut General determines the percentage of individuals responding to the national survey instrument that expressed overall satisfaction with their case management experience based upon their answer to the following (or a similarly phrased) question on the survey instrument: “Overall, are/were you satisfied with the case management program?” To determine the percentage of favorable responses, the number of “Yes” responses is divided by the total number of responses. Within ninety (90) days following the end of the Guarantee Period (or ninety [90] days following the end of the calendar year, whichever comes later), Connecticut General will report to Employer the applicable calendar year CIGNA Book of Business satisfaction survey results.

20.4. ROI Guarantee

20.4.1. Goal – The Case Management Society of America defines case management as “a collaborative process which assesses plans, implements, coordinates, monitors and evaluates options to meet an

individual’s health needs through communication and available resources to promote quality cost-effective outcomes.” CIGNA HealthCare case managers promote quality cost-effective outcomes by working directly with members and their health care providers in attempting to ensure they get the care they need, when they need it in the most appropriate setting. The case management satisfaction guarantee demonstrates the commitment of the CIGNA HealthCare Case Management Program to ensuring quality outcomes for patients. An additional goal of the CIGNA HealthCare Case Management Program is to reduce unnecessary health care related expenses through case management interventions that:

- Avert medical complications
- Identify alternate means of obtaining needed equipment/supplies
- Avert historically demonstrated utilization of emergency room services, inpatient and other health care services/equipment and supplies
- Obtain discounts with providers of health care services/equipment and supplies
- Arrange for care in appropriate, but more cost-effective settings/levels
- Avert medically unnecessary hospital stays

20.4.2. Guarantee – Connecticut General guarantees that the total of health care expenses avoided or reduced with respect to Participants as a

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result of case management interventions (inclusive of discharge planning, outreach, short term, specialty and catastrophic case management) during the Guarantee Period will at least have a ratio of 1:1 to the Case Management Fees for that same period. If this target is not met, Connecticut General will pay or credit to Employer an amount that is no greater than 25% of the Case Management Fees for the Guarantee Period.

20.4.3. Methodology – Within one hundred-eighty (180) days following the end of the Guarantee Period, Connecticut General will calculate and report to Employer the Employer specific Savings Amount using Connecticut General’s Medical Expense Avoidance Methodology (which is available upon request) and the medical expense reductions recorded in the CIGNA HealthCare case management reporting system(s). Any changes to savings methodology during the contract year will result in a reevaluation of the calculated ROI for the entire contract year. Any changes to methodology that accelerate savings will be communicated to the client. If the guarantee is not met, Connecticut General shall pay or credit to Employer the lesser of (a) 25% of the Case Management Fees or (b) the amount by which the savings achieved fell short of the savings guaranteed.

20.5. Time of Payments

Any Case Management Clinical Performance Guarantee amounts due will be paid or credited to Employer by Connecticut General within one-hundred-eighty (180) days of the close of the Guarantee Period and such payment or

credit will release the paying party from any liability to the recipient to the extent of any payment made.

21. HEDIS

21.1. Additional Definitions

21.1.1. Baseline Period – uses the HEDIS scores published by NCQA during 2007.

21.1.2. Guarantee Period – uses the HEDIS scores published by NCQA during 2008.

21.1.3. HEDIS – Stands for “Healthplan Employer Data and Information Set.” It is a set of measures designed by NCQA to measure healthplan quality. NCQA publishes healthplan HEDIS scores every year in its Quality Compass.

21.1.4. NCQA – The National Committee for Quality Assurance is a private, not-for-profit organization dedicated to improving health care quality.

21.1.5. Plan(s) – The Employer Plan(s) and sites that are included in the HEDIS Performance Guarantee are specified in Exhibit A. HEDIS Performance Guarantees are only available on Network/FlexCare plans.

21.1.6. Rotation of Measures – a.k.a. “Measure Rotation” shall be defined as Connecticut General’s use of the audited and reportable rate from the prior year’s data collection in lieu of collecting the measure for the Guarantee Period.

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**21.2. Additional Conditions and Exclusions
Applicable to HEDIS Performance
Guarantees**

21.2.1. To be eligible for the HEDIS Performance Guarantees in this Agreement, Employer must have a minimum of 1,500 employees in a single type of managed care plan (i.e., Network/FlexCare) administered by Connecticut General for the entire Term of this Agreement.

21.2.2. If circumstances beyond Connecticut General's control contribute to a general decline in one or more measures industry-wide, the performance guarantee for the affected measure(s) will be voided for the applicable Guarantee Period. Examples of such circumstances would include changes in medical guidelines for providing health care services, vaccine shortages, media/public information related to the effectiveness of health care services and a change(s) in HEDIS measure specifications which would not allow valid year to year comparisons.

21.2.3. In the event that one or more of the measures set forth below is eligible for rotation pursuant to NCQA Guidelines for Data Collection and Reporting, Connecticut General may, in its sole discretion, rotate said measure(s).

21.3. HEDIS Performance Guarantees
Subject to the HEDIS Performance Guarantee Conditions identified above, Connecticut General makes the following HEDIS Performance Guarantees for the healthplan sites identified in Exhibit A:

**21.3.1. Beta Blocker Use After Heart
Attack**

21.3.1.1. If the rate of Beta-Blocker use by Participants following a heart attack is ninety percent (90%) or more for the Baseline Period, the rate for the Guarantee Period shall be maintained at no less than ninety percent (90%).

21.3.1.2. If the rate of Beta-Blocker use by Participants following a heart attack is less than ninety percent (90%) for the Baseline Period, the rate for the Guarantee Period shall be improved by at least one percentage point.

**21.3.2. Prenatal Care in First
Trimester**

21.3.2.1. If the rate of pregnant Participants receiving prenatal care during the first trimester of pregnancy is ninety percent (90%) or more for the Baseline Period, the rate for the Guarantee Period shall be maintained at no less than ninety percent (90%).

21.3.2.2. If the rate of pregnant Participants receiving prenatal care during the first trimester of pregnancy is less than ninety percent (90%) for the Baseline Period, the rate for the Guarantee period shall be improved by at least one percentage point.

21.3.3. Colorectal Cancer Screening

21.3.3.1. If the rate of Colorectal Cancer Screening is fifty percent (50%) or more for the

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Baseline Period, the rate for the Guarantee Period shall be maintained at no less than fifty percent (50%).

- 21.3.3.2. If the rate of Colorectal Cancer Screening is less than fifty percent (50%) for the Baseline Period, the rate for the Guarantee Period shall be improved by at least one percentage point.

21.3.4. Diabetes Care – HgbA1c Testing

- 21.3.4.1. If the Diabetes Care – HgbA1c Testing rate is eighty percent (80%) or more for the Baseline period, the rate for the Guarantee Period shall be maintained at no less than eighty percent (80%).

- 21.3.4.2. If the Diabetes Care – HgbA1c Testing rate for the Baseline Period is less than eighty percent (80%), the rate for the Guarantee Period shall be improved by at least one percentage point.

21.4. Reporting of HEDIS Performance

Using standard HEDIS measures, Connecticut General shall prepare for Employer a written report on its performance with respect to the guarantees under this Agreement within ninety (90) days following release of NCQA Quality Compass HEDIS scores for the Guarantee Period. Connecticut General will use the HEDIS scores reported on the NCQA Quality Compass report for the healthplan sites included in this guarantee.

21.5. Guarantee Amounts

If, as determined solely by Connecticut General using standard HEDIS measures, one or more of the four performance guarantees identified in this HEDIS Performance Guarantee Section are not met by a healthplan site identified in Exhibit A, the maximum Connecticut General might be obligated to refund to the Employer for all HEDIS Performance Guarantees under this Agreement is \$3,120.

21.6. Time of Payments

Any penalties due under the HEDIS Performance Guarantee terms of this Agreement will be paid or credited by Connecticut General within ninety (90) days following release of NCQA Quality Compass HEDIS scores for the Guarantee Period and will release the paying party from liability to the recipient to the extent of any payment made.

ATTACHMENT #4

**CIGNA HealthCare
Discount Guarantee Agreement**

By and Between

**Palm Beach County Board of County Commissioners
"Employer"**

And

**Connecticut General Life Insurance Company
"Connecticut General"**

Effective Date: January 1, 2007

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Exhibit A – Products, Networks, Discount Targets and Fees at Risk

Fees at Risk: \$5.00 Per Employee Per Month

Total Products Included: Network, Network POS

Product: Network, Network POS

Rating Area Name	Network ID	Discount
CT, HARTFORD - FlexCare	CT801A	46.5%
FL, OCALA - FlexCare	FL413	47.5%
FL, COCOA BEACH - FlexCare	FL419	54.7%
FL, FORT MYERS - FlexCare	FL420	54.5%
FL, PANAMA CITY - FlexCare	FL422	46.5%
FL, TAMPA BAY EXPANSION - FlexCare	FL802B	57.5%
FL, TAMPA IPA - FlexCare	FL802P	59.8%
FL, ORLANDO PROPER - FlexCare	FL815A	58.2%
FL, LAKE/VOLUSIA - FlexCare	FL815B	55.4%
FL, BROWARD - FlexCare	FL816A	63.2%
FL, DADE - FlexCare	FL816B	64.3%
FL, PALM BEACH - FlexCare	FL816C	66.1%
FL, MARTIN - FlexCare	FL816D	61.6%
VA, ROANOKE - FlexCare	MD802J	36.1%
ME, NORTHERN - FlexCare	ME401F	24.3%
MO, ST. LOUIS - FlexCare	MO801	56.5%
TN, KNOXVILLE - FlexCare	TN404A	53.2%

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Effective Date: January 1, 2007
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This Agreement, effective January 1, 2007 (“Effective Date”), is between Connecticut General Life Insurance Company (“Connecticut General”) and Palm Beach County Board of County Commissioners “Employer.”

WITNESSETH

WHEREAS, Connecticut General administers Employer’s medical benefit Plan (as hereinafter defined) for its eligible employees, retirees and dependents (the “Plan Participants”); and

WHEREAS, the Plan includes benefit incentives (e.g. lower coinsurance or co-payments) which encourage Plan Participants to utilize those health care providers that participate in Connecticut General’s network of participating providers (the providers are referred to as “Participating Providers” and the Covered Services provided by these providers are referred to as “In-Network Services”); and

WHEREAS, the Participating Providers have contracted to discount their fee-for-service charges for Covered Services (as defined herein) provided to Plan Participants (the “Discounts”) under agreements with Connecticut General, an affiliate of Connecticut General or another party (the “Participating Provider Agreements”); and

WHEREAS, Employer has asked Connecticut General to guarantee the level of discounts available under Participating Provider Agreements in various locations, and

WHEREAS, Connecticut General is willing to offer such a guarantee,

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, Connecticut General and Employer hereby agree as follows:



Section 1. – Definitions

- 1.1. Benefit Profile – the benefits offered under the Plan, including plan design and structure.
- 1.2. Covered Charges – means the fee-for-service charges submitted for reimbursement under the Plan by Participating Providers for Covered Services, calculated as if there were no Discounts. “Covered Charges,” for the purpose of this Agreement, shall not include duplicate charges or pended claims.
- 1.3. Covered Services – means health care services and supplies that are covered under the in-network coverage of the Plan.
- 1.4. Eligible Charges – means Covered Charges minus Discounts.
- 1.5. Employee – a person who is employed by Employer and covered under the Plan.
- 1.6. ERISA – Employee Retirement Income Security Act of 1974, as amended.
- 1.7. Fees at Risk – means the portion of network access fees identified in Exhibit A that will be used to calculate the amount that Connecticut General may be required to pay the County under this Agreement.
- 1.8. Guarantee Period – The Guarantee Period is the ONLY period for which penalty payments will be made. “Guarantee Period” means the Term of this Agreement, unless this Agreement is terminated less than twelve (12) months from the Effective Date, in which case there is no Guarantee Period.
- 1.9. Plan – means the program of medical welfare benefits which Employer has adopted for its Plan Participants and which is administered by Connecticut General. The term “Plan” shall include each change, as of its effective date, which has been adopted by Employer and accepted by Connecticut General as compatible with its guarantee obligations hereunder. Such adoption and acceptance shall be documented in a writing executed by an authorized officer of each of the parties.
- 1.10. Service Area – means a location, listed in Exhibit A, where In-Network Services are available under the Plan.
- 1.11. Service Area Discount – the discount that is calculated by dividing the Eligible Charges by the Covered Charges and subtracting the result from one (1). [Example – if Covered Charges are \$100 and Eligible Charges are \$75, then 75 divided by 100 is .75; one minus .75 is .25, or a 25% discount.]
- 1.12. Service Area Discount Target – means the percentage discount from Covered Charges that Connecticut General expects to achieve through its Participating Provider Agreements during the Guarantee Period for all Covered Services in a given Service Area. The Service Area Discount Target for each Service Area is identified in Exhibit A.
- 1.13. Service Termination Date – the date on which the Connecticut General administrative services agreement with respect to the Plan ends (not counting any run-out periods).

Section 2. – Term

- 2.1. The term of this Agreement shall be for one year from the Effective Date through the last day of the twelfth (12th) consecutive calendar month following the Effective Date, unless earlier terminated in accordance with Section 9 below (“Term”).
- 2.2. This Agreement shall not renew automatically or otherwise after the Term ends.
- 2.3. At least thirty (30) days prior to the expiration of the Term of this Agreement, Connecticut General shall present to Employer a new performance guarantee agreement, which shall replace in its entirety



and supersede the provisions of this Agreement (the Replacement PG Agreement"). The Replacement PG Agreement shall incorporate Connecticut General's then current standard DISCOUNT performance Guarantees. Connecticut General and Employer hereby acknowledge and agree that the Replacement PG Agreement shall automatically become effective, without further notice or signature required, on the first calendar day following the expiration of the Term of this Agreement, unless this Agreement is earlier terminated in accordance with Section 9 below. It is the express desire, intention, and purpose of Connecticut General and Employer that their respective signatures on the Signature Page of this Agreement (i.e., the 2007 DISCOUNT Performance Guarantees) shall survive the expiration of the Term of this Agreement and shall constitute both parties' acceptance and execution of the Replacement PG Agreement, without further signature required. Consistent with the foregoing, in order to ensure clarity, the parties will append a facsimile copy of the Signature Page of this Agreement to the Replacement PG Agreement.

Section 3. – Conditions Precedent

Connecticut General shall not be obligated to provide the Guarantee under this Agreement if any one or more of the following happens:

- 3.1. If this Agreement is not signed by both parties by October 31, 2007.
- 3.2. If the Benefit Profile is not finalized and approved by Employer and Connecticut General prior to the Effective Date.
- 3.3. If there is a material change in Benefit Profile during the Term that, as determined by Connecticut General, may affect the performance guaranteed.
- 3.4. If this Agreement is terminated less than twelve (12) months from the Effective Date.

Section 4. – Conditions of Guarantee

- 4.1. The guarantee applies only to Service Areas approved by Connecticut General and identified in Exhibit A.
- 4.2. This Discount Performance Guarantee agreement and the calculations herein do not apply to:
 - 4.2.1. Charges that are not fee-for service charges (e.g. capitation payments);
 - 4.2.2. Charges for services/supplies that are not Covered Services;
 - 4.2.3. Charges made by providers that are not Participating Providers in a Service Area;
 - 4.2.4. Services provided under an agreement with Gentiva (home health vendor) or any replacement vendor; and
 - 4.2.5. Charges made by any CIGNA company (e.g., including but not limited to Tel-Drug, Inc., Tel-Drug of Pennsylvania, Inc., CIGNA Behavioral Health and CIGNA HealthCare of Arizona, Inc.'s staff model).
- 4.3. In the event any federal, state or local legislation or regulation (a) impacts Connecticut General's ability to enter into Participating Provider Agreements in one or more Service Areas, or (b) affects the Eligible Charges in one or more Service Areas, Connecticut General reserves the right to revise the Service Area Discount Targets to account for such changes.
- 4.4. To provide protection from the statistical anomaly of a significantly adverse fluctuation in catastrophic claims, all hospital inpatient claims that exceed \$100,000 will be removed in their entirety from the calculations in Section 5.



4.5. The parties contemplate that Covered Charges (including, for example, hospital charge masters) will increase during the term of this Agreement. In the event that Covered Charges remain flat or decrease in any Service Area during the Guarantee Period, the Service Area Discount Target for that Service Area will be adjusted accordingly.

Section 5. – Calculation of the Discount Target and Actual Discount

5.1. Discount Target – Prior to the Guarantee Period, Connecticut General will identify the Service Area Discount Target(s) to be achieved during the Guarantee Period in each Service Area. These Service Area Discount Targets are identified in Exhibit A. After the end of the Guarantee Period, Connecticut General shall calculate the weighted average of all Service Area Discount Targets for the Guarantee Period. In calculating the weighted average of all Service Area Discount Targets, the proportional relevance assigned to each Service Area Discount Target will be determined by dividing the total of all Covered Charges for that Service Area during the Guarantee Period by the total Covered Charges for all Service Areas within the same period. The weighted average of the Service Area Discount Targets is the “Discount Target.”

5.2. Actual Discount – Within five months after the end of the Guarantee Period, Connecticut General shall determine the Service Area Discount(s) actually achieved during the Guarantee Period in each Service Area. Connecticut General shall then calculate the weighted average of all the Service Area Discounts during the Guarantee Period. In calculating the weighted average of the Service Area Discounts, the proportional relevance assigned to each Service Area Discount will be determined by dividing the total Covered Charges for that Service Area during the

Guarantee Period by the total Covered Charges for all Service Areas during the same period. The resulting weighted average of all Service Area Discounts is the “Actual Discount.”

Section 6. – Risk-Sharing Guarantees

6.1. If the Actual Discount is within 0% - that is, that number of percentage points plus or minus of the Discount Target (the “Risk Free Corridor”), no amounts will be owed by Connecticut General under this Agreement.

6.2. If the Actual Discount is less than the Discount Target and not within the Risk Free Corridor, Connecticut General will pay or credit to Employer:

6.2.1. \$0.50 PEPM if the Actual Discount is within 0.0% - 2.0% percentage points below the Discount Target,

6.2.2. \$0.75 PEPM if the Actual Discount is within 2.1% - 4.0% percentage points below the Discount Target,

6.2.3. \$1.00 PEPM if the Actual Discount is within 4.1% - 6% percentage points below the Discount Target,

6.2.4. \$2.00 PEPM if the Actual Discount is within 6.1% - 8.0% percentage points below the Discount Target,

6.2.5. \$3.00 PEPM if the Actual Discount is within 8.1% - 10.0% percentage points below the Discount Target, or

6.2.6. \$5.00 if the Actual Discount is greater than 10.0% percentage points below the Discount Target.

Section 7. – Timing and Offset

7.1. Connecticut General shall report to Employer the results of its calculations described in Section 6 within one hundred and twenty (120) days following the end of



the Guarantee Period.

- 7.2. Any dispute with the amount Connecticut General determines is owed under this Agreement must be raised in writing within sixty (60) days of the date Connecticut General delivers this report.
- 7.3. Connecticut General shall pay or credit to Employer any amounts due from Connecticut General under this Agreement within sixty (60) days following delivery by Connecticut General of the report in paragraph 7.1 above.
- 7.4. Connecticut General shall be entitled to offset any amount owed by Connecticut General to Employer under this Agreement against any amount owed by Employer to Connecticut General (including but not limited to amounts required to fund the claim bank account), whether now existing or hereafter arising.

Section 8. – Agreement Modification

This Agreement constitutes the entire contract between the parties relating to the subject matter herein and no modification or amendment hereto shall be valid unless it is in writing and signed by an officer of Employer and by Connecticut General's Regional Director.

Section 9. – Termination

This Agreement will terminate upon the earliest of the following dates:

- 9.1. The end of the Term
- 9.2. The date on which any state or other applicable jurisdiction prohibits the activities of the parties under this Agreement
- 9.3. The date upon which Employer fails to meet its obligation to sufficiently fund the bank account from which claims are paid, or fails to pay any administrative charges, fees or other payments within the time frame specified in the applicable contract

- 9.4. The Service Termination Date
- 9.5. The date of appointment by Employer of a new claims administrator
- 9.6. The date upon which any condition set forth in Section 3 occurs
- 9.7. At the option of either party, on the date specified in a written notice to the other of its intention to terminate this Agreement, said notice to be given at least thirty (30) days prior to the specified termination date, or
- 9.8. Any other date mutually agreed to by Employer and Connecticut General.

Section 10. – Governing Law

This Agreement shall be construed in accordance with the laws of the State of Florida without regard to conflict of law, rules, and both parties consent to the venue and jurisdiction of its courts.

Section 11. – Resolution of Disputes

- 11.1 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:
 - 11.1.1. Any Controversy shall first be referred for “**Executive Review**”. The disputing party shall give the other party written notice of the Controversy and request Executive Review. Within twenty (20) days of such written request, the receiving Party shall respond to the other in writing. The notice and the response shall each include a summary of and support for the Party's position. Within thirty (30) days of the request for Executive Review, an employee of each party, with full authority to resolve the dispute, shall meet and attempt to resolve the dispute.
 - 11.1.2. If the Controversy has not been resolved within thirty-five (35) calendar days of the



request of Executive Review under Section 11.1.1 above, the parties agree to mediate Controversy in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Mediation (“**Mediation**”). The mediation shall be conducted in West Palm Beach, Florida. Each party shall assume its own costs and attorneys fees. The Mediator’s compensation and expenses of the mediator and any administrative fees or costs associated with the mediation proceeding shall be borne equally by the parties.

11.1.3. If the Controversy has not been resolved by Executive Review or Mediation, the Controversy shall be settled exclusively by binding arbitration. The arbitration shall be conducted in the same location as noted in Section 11.1.2 above, in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The arbitration shall be binding on the Parties to the Agreement and on any respective affiliates which joined the arbitration. The arbitrator’s decision shall be final, conclusive and binding, and no action at law or in equity may be instituted by either Party other than to enforce the arbitrator’s award Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Each party shall assume its own costs and attorneys fees. The arbitrator’s compensation and expenses and any administrative fees or costs associated with the arbitration proceeding shall be borne equally by the Parties.

11.2. This provision shall survive the termination of this Agreement.

Section 12. – Third Party Beneficiaries

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

Section 13. – Assignment and Subcontracting

No assignment of rights or interests hereunder shall be binding unless approved in writing by a duly authorized officer of each of the parties hereto.

Section 14. – Nondisclosure

This Agreement and the information that Connecticut General reports to Employer in connection with this Agreement are proprietary and confidential. Employer shall maintain the confidentiality of this Agreement and any information provided to Employer pursuant to this Agreement and shall not disclose either this Agreement nor said information to any other party without the express written consent of Connecticut General.

Section 15. – Waivers

No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition. Waiver by either party of any default shall not be deemed a waiver of any other default.

Section 16. – 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.

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Effective Date: January 1, 2007
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Section 17. – Survival

Provisions contained in this Agreement that by their sense and context are intended to survive completion of performance, termination or cancellation of this Agreement shall so survive.

Section 18. – Force Majeure

Connecticut General shall not be liable for any failure to meet any of the obligations required under this Agreement where such failure to perform is due to any contingency beyond the reasonable control of Connecticut General, its employees, officers, or directors. Such contingencies include, but are not limited to, acts or omissions of any person or entity not employed or reasonably controlled by Connecticut General, its employees, officers, or directors, acts of God, fires, wars, accidents, labor disputes or shortages, and governmental laws, ordinances, rules or regulations.

Section 19. – Notices

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

To Connecticut General:

Connecticut General Life Insurance Company
1111 Market Street
Chattanooga, TN 37402
Attention: Jenny R. Wilson, Regional Director
To the Employer:

Palm Beach County Board of County
Commissioners
160 Australian Avenue
Suite 401
West Palm Beach, FL 33406
Attention: Nancy Bolton, Director, Risk
Management

The address to which notices or communications may be given by either party may be changed by written notice given by such party to the other pursuant to this paragraph entitled "Notices."

Section 20. – Entire Agreement

This Agreement constitutes the entire agreement between the parties on the subject matter herein. Any and all other discount or total savings performance guarantee agreements, if not already terminated, are terminated as of the Effective Date of this Agreement.

CIGNA HealthCare Discount Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number: 3212040



Signatures

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in triplicate and signed by their respective officers duly authorized to do so as of the dates given below.

Witnesses:

Halil Navrat

Witness

Vangh D

Witness

CIGNA HEALTHCARE

Renee A. Clark

Renee A. Clark, Contractual Agreements Unit Manager

Date

9-7-07

ATTEST:

PALM BEACH COUNTY, FLORIDA

Sharon R. Bock, Clerk & Comptroller

By: _____

Addie L. Greene, Chairperson
Board of County Commissioners

By: _____
Clerk

[SEAL]

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS & CONDITIONS

County Attorney

Nancy L. Bolin
Department Representative

ATTACHMENT #5

**CIGNA HealthCare
Service Performance Guarantee Agreement**

By and Between

**Palm Beach County Board of County Commissioners
"Employer"**

And

**Connecticut General Life Insurance Company
"Connecticut General"**

Effective Date: January 1, 2007

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CIGNA HealthCare Service Performance Guarantee Agreement
 Customer: Palm Beach County Board of County Commissioners
 Effective Date: January 1, 2007
 Account Number(s) involved in Service Performance Guarantee(s): 3212040



Exhibit A – Performance Commitments and Penalties – Medical Benefits Plan

Products Included: Network, POS, PPO

Projected Enrollment as of Effective Date: 5,000 enrolled employees

<i>Performance Category</i>	<i>Performance Commitment</i>	<i>Results Measured At</i>	<i>Penalty Amount</i>
Claim Time-to-Process (TTP)			
Type of Plan: Medical	Measured for the Term of the Agreement, results will meet or exceed: • 90% of Claims processed w/in 14 Calendar Days	Account Level	\$10,000
Claim Quality			
Financial Accuracy			
Type of Plan: Medical	Measured for the Term of the Agreement, results will meet or exceed: • 99% of total audited Claim/claim dollars are correctly paid	Account Level	\$10,000
Processing Accuracy			
Type of Plan: Medical	Measured for the Term of the Agreement, results will meet or exceed: • 95% of total audited Claims/claims are correctly processed	Account Level	\$10,000
Inquiry			
Average Speed of Answer (ASA)			
Type of Plan: Medical	Measured for the Term of the Agreement, results will not exceed: • 30 seconds to answer a phone call	Special Account Queue	\$10,000
Call Abandonment Rate			
Type of Plan: Medical	Measured for the Term of the Agreement, results will not exceed: • 3% of calls received by Call Center(s) terminated	Special Account Queue	\$10,000
First Call Resolution			
Type of Plan: Medical	• 85% of calls resolved on first call, 45 day look back/forward	Account Level	\$10,000
Account Management			
Type of Plan: Medical	Account Management Composite Score (all categories) of 3.0 or better on the Account Management Report Card based on four (4) quarterly assessments.	Account Level	\$25,000
Maximum Penalty Amount – \$85,000			

CIGNA HealthCare Service Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Service Performance Guarantee(s): 3212040



THIS AGREEMENT is between Connecticut General Life Insurance Company, a CIGNA Company ("Connecticut General"), and Palm Beach County Board of County Commissioners ("Employer").

In connection with the services Connecticut General will provide to the Employer with respect to the employee welfare benefit plan(s) sponsored by the Employer (the "Plan(s)"), Connecticut General and the Employer desire to implement service performance guarantees according to the terms set forth below, for the products listed in Exhibit A.

Section 1. Definitions

1.1 **Account Level** – the performance commitment is measured with respect to Claims (that is, Employer's claims; see definition below) processed during the Guarantee Period. Claim Quality performance commitments are measured at either the Account Level or the Office Level.

1.2 **Benefit Profile** – the benefits offered under Plan(s), including plan design and structure.

1.3 **Business Days** – mean the days of the week that Service Centers and Call Centers are open to the public for conducting business, which excludes Saturdays, Sundays and holidays observed by Connecticut General.

1.4 **Call Center** – member service center of Connecticut General that receives and responds to Plan Participant telephone calls.

1.5 **Claim** – refers to claims received by Connecticut General under the Plan(s). If the term "claim" is used without a capital c, it refers to claims received by Connecticut General, whether under the Employer's Plan(s) or under other plans.

1.6 **Customer Service Representative** – or "CSA" is a person responding to callers at a Call Center.

1.7 **Effective Date** – for new Plan(s), the first date that Plan benefits are payable. For renewing Plan(s), the Effective Date is the renewal date. For the purposes of this Agreement, that date is January 1, 2007.

1.8 **Employee** – a person who is employed by Employer and covered under the Plan.

1.9 **ERISA** – Employee Retirement Income Security Act of 1974, as amended.

1.10 **Guarantee Period** – the Guarantee Period is the ONLY period for which penalty payments will be made. The Guarantee Period is twelve months or less; see Section 2 below for the factors determining the length of the Guarantee Period under this Agreement.

1.11 **Inquiry** – an answered call, received at a Call Center, about the services Connecticut General provides to the Plan(s).

1.12 **Maintenance Eligibility** – means additions, deletions and changes in eligibility that are processed during the Guarantee Period. Maintenance Eligibility does not include any eligibility loads that are done at or before the beginning of the plan year to prepare for Plan administration.

1.13 **Maintenance ID Cards** – means ID Cards issued during the Guarantee Period for changes in member address, changes in enrollment, etc. Maintenance ID Cards does not include the initial issuance of ID cards at the beginning of the Plan year.

1.14 **Maximum Penalty Amount** – the maximum amount that Connecticut General shall be obligated to pay Employer under this Agreement. This Maximum Penalty Amount is given in Exhibit A, is subject to adjustment under Section 5 and is subject to offset under Section 7. Because the Maximum Penalty Amount is set with reference to the total



amount of fees expected to be paid by Employer to Connecticut General for administration of the Plan(s), the Maximum Penalty Amount is also subject to change by Connecticut General if the total amount of administrative fees to be paid by Employer during the Term changes.

- 1.15 Office Level – the performance commitment is measured using a random sample of all the claims processed at the Service Center(s) on the same claim engine that processes Employer’s Claims.
- 1.16 Plan Participants – employees, retirees (if any), and dependents enrolled in the Plan(s).
- 1.17 Processed – A Claim/claim shall be considered “processed” when Connecticut General has made a determination as to whether the billed services are covered and, if covered, determined the amount of reimbursement.
- 1.18 Service Center – a claim processing office of Connecticut General that processes Claims.
- 1.19 Service Termination Date – the date on which Connecticut General ceases to administer the Plan(s), not including any run-out periods or the date in which the Administrative Service Agreement and/or Policy is terminated, whichever is earliest.
- 1.20 Signature Date – the date this Agreement is executed by Employer.

Section 2. Term and Guarantee Period

- 2.1 The term of this Agreement shall be from the Effective Date through the last day of the twelfth (12th) consecutive month following the Effective Date (the “Term”) unless earlier terminated in accordance with Section 9 (Termination of Agreement) below.
- 2.2 This Agreement shall not renew automatically or otherwise after the Term ends.

2.3 At least thirty (30) days prior to the expiration of the Term of this Agreement, Connecticut General shall present to Employer a new performance guarantee agreement, which shall replace in its entirety and supersede the provisions of this Agreement (the Replacement PG Agreement”). The Replacement PG Agreement shall incorporate Connecticut General’s then current standard SERVICE performance Guarantees. Connecticut General and Employer hereby acknowledge and agree that the Replacement PG Agreement shall automatically become effective, without further notice or signature required, on the first calendar day following the expiration of the Term of this Agreement, unless this Agreement is earlier terminated in accordance with Section 9 below. It is the express desire, intention, and purpose of Connecticut General and Employer that their respective signatures on the Signature Page of this Agreement (i.e., the 2007 SERVICE Performance Guarantees) shall survive the expiration of the Term of this Agreement and shall constitute both parties’ acceptance and execution of the Replacement PG Agreement, without further signature required. Consistent with the foregoing, in order to ensure clarity, the parties will append a facsimile copy of the Signature Page of this Agreement to the Replacement PG Agreement.

2.4 If this Agreement is fully executed prior to the Effective Date, the Guarantee Period shall be equal to the Term, except:

2.4.1 If this Agreement is terminated sooner than twelve (12) months from the Effective Date in accordance with Section 9 (Termination of Agreement), there is no Guarantee Period under this Agreement and no payment of penalties shall be due pursuant to this Agreement.

2.5 If this Agreement is executed on or after the Effective Date, Connecticut General’s performance will be measured from the effective date, except:

CIGNA HealthCare Service Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Service Performance Guarantee(s): 3212040



- 2.5.1 If this Agreement is executed after October 31, 2007, there is no Guarantee Period under this Agreement.
- 2.5.2 If this Agreement is terminated sooner than twelve (12) months from the Effective Date in accordance with Section 9 (Termination of Agreement), there is no Guarantee Period under this Agreement and no payment of penalties shall be due pursuant to this Agreement.

Section 3. Conditions Precedent

- 3.1 The Employer acknowledges and agrees that the conditions precedent to the effectiveness of this Agreement are as follows:
- 3.2 Both parties must sign this Agreement no later than October 31, 2007.
- 3.3 The Benefit Profile must be finalized and agreed to by both parties before the Effective Date.
- 3.4 Where the Employer or a third party is responsible for providing eligibility information or data of any kind to Connecticut General, including but not limited to electronic data, tapes or software, the data is accurate, accessible and received by Connecticut General within the predetermined timelines.
- 3.5 Connecticut General must continue to administer the Plan(s) (not counting any run-out period) throughout the Term of this Agreement.
- 3.6 There can be conditions precedent related to specific Performance Guarantees; these are described in Exhibit B.

Section 4. Performance Commitments and Penalty Amounts

- 4.1 In connection with the services Connecticut General will provide to the Employer with respect to the Plan(s), Connecticut General guarantees its performance as summarized in the attached Exhibit A, including

corresponding penalty amounts. A more detailed description of the service performance guarantees is provided in the attached Exhibit B. If there is any perceived conflict between Exhibit A and Exhibit B, Exhibit B controls.

Section 5. Evaluation of Services and Payment of Penalties

- 5.1 Within four (4) months after the end of the Term, Connecticut General shall compile the necessary documentation and perform the necessary calculations to evaluate its fulfillment of each performance commitment set forth in this Agreement and make this information available to Employer.
- 5.2 Any dispute concerning the amount Connecticut General determines to be owed under this Agreement must be raised in writing within sixty (60) days of the date that Connecticut General notifies Employer in writing of its determination.
- 5.3 If Connecticut General fails to meet any of the performance commitments set forth in Exhibit A, Connecticut General shall pay or credit to Employer the appropriate penalty set forth in Exhibit A. Such amounts are subject to adjustment under this Section 5 and are subject to the offset provisions of Section 7.
- 5.4 In the event that, in accordance with Section 2, the Guarantee Period is less than twelve (12) consecutive months, the penalty amounts set forth in Exhibit A shall be pro-rated to correspond to the length of the Guarantee Period unless this Agreement is terminated in accordance with Section 9 (Termination of Agreement), in which case there is no Guarantee Period under this Agreement and no payment of penalties shall be due pursuant to this Agreement.
- 5.5 The penalty amounts in Exhibit A have been established in relationship to the number of employees that the Employer has projected will be enrolled on the Effective Date. That number is stated in Exhibit A. In the event

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that the actual number of employees enrolled on the Effective Date is greater than one-hundred and fifteen percent (115%) of the projected number, the Employer reserves the right to increase the penalty amounts in proportion to the variation between the actual and projected number of enrolled employees. Correspondingly, Connecticut General reserves the right to decrease the penalty amounts in proportion to the variation between the actual and projected number of enrolled employees in the event that the actual number of employees enrolled on the Effective Date is less than eighty-five percent (85%) of the projected number.

- 5.6 The total amount payable by Connecticut General during the Term for failure to meet the performance commitments set forth in this Agreement shall not exceed the Maximum Penalty Amount.
- 5.7 No third party audit results will be used to measure Connecticut General's performance under this Agreement.
- 5.8 Connecticut General's obligation to pay any amount to Employer pursuant to this Agreement is conditioned upon the Administrative Services Agreement and/or Policy to which this Agreement relates in full force and effect at the time a penalty payment is due. No amount, otherwise payable to Employer, shall be payable to Employer pursuant to this Agreement following termination of the Administrative Services Agreement and/or Policy to which this Agreement relates regardless of whether the Guarantee Period specified herein ended prior to or at the same time as termination of such Administrative Services Agreement and/or Policy.

Section 6. Change in Reporting Format or Measurement

- 6.1 Notwithstanding anything to the contrary contained in Section 8, Connecticut General reserves the right to replace or modify any

performance commitment if necessitated by a change in the way Connecticut General tracks or measures the applicable performance metric. In formulating any such substitute commitment, Connecticut General shall, to the extent possible, attempt to reflect the same performance level reflected in the original commitment, consistent with its new measurement/tracking methodology. Connecticut General shall explain the reasons for the change of any performance commitment pursuant to this Section 6 when it notifies the Employer of the substitute commitment. Connecticut General shall provide no less than thirty (30) days advance notice of such modification.

Section 7. Offset

- 7.1 Connecticut General shall be entitled to offset any amount owed by Connecticut General to the Employer under this Agreement against any debt owed by the Employer to Connecticut General (including but not limited to amounts required to fund the claim bank account, if any, or deficits), whether now existing or hereafter arising.

Section 8. Modification of Agreement

- 8.1 This Agreement constitutes the entire contract between the parties relating to the subject matter herein, and no modification or amendment hereto shall be valid unless in writing and signed by an officer of the Employer and Connecticut General's Regional Financial Officer.

Section 9. Termination of Agreement

- 9.1 This Agreement shall terminate upon the earliest of the following dates:
- 9.1.1 the end of the Term;
- 9.1.2 the effective date on which any state or other applicable jurisdiction prohibits the activities of the parties under this Agreement;



- 9.1.3 the date upon which Employer either fails to meet its obligation to sufficiently fund the bank account from which claims are paid (if applicable), or fails to pay any premium charges, fees or other charges within the time frame specified in the applicable contract in which case no payment of penalties shall be due pursuant to this Agreement;
- 9.1.4 the Service Termination Date in which case no payment of penalties shall be due pursuant to this Agreement;
- 9.1.5 the date upon which any condition precedent set forth in Section 3 is not fulfilled in which case no payment of penalties shall be due pursuant to this Agreement, or
- 9.1.6 at the option of either party, on the date specified in a written notice to the other of its intention to terminate this Agreement, said notice to be given at least thirty (30) days prior to the specified termination date in which case no payment of penalties shall be due pursuant to this Agreement, or
- 9.1.7 any other date mutually agreeable to Employer and to Connecticut General.

Section 10. Laws Governing Contract

- 10.1 This Agreement shall be construed in accordance with the laws of the State of Florida without regard to conflict of law rules, and both parties consent to the venue and jurisdiction of its courts.

Section 11. Resolution of Disputes

- 11.1 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:
 - 11.1.1 Any Controversy shall first be referred for “**Executive Review**”. The disputing party

shall give the other party written notice of the Controversy and request Executive Review. Within twenty (20) days of such written request, the receiving Party shall respond to the other in writing. The notice and the response shall each include a summary of and support for the Party’s position. Within thirty (30) days of the request for Executive Review, an employee of each party, with full authority to resolve the dispute, shall meet and attempt to resolve the dispute.

- 11.1.2 If the Controversy has not been resolved within thirty-five (35) calendar days of the request of Executive Review under Section 11.1.1 above, the parties agree to mediate Controversy in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Mediation (“**Mediation**”). The mediation shall be conducted in West Palm Beach, Florida. Each party shall assume its own costs and attorneys fees. The Mediator’s compensation and expenses of the mediator and any administrative fees or costs associated with the mediation proceeding shall be borne equally by the parties.

- 11.1.3 If the Controversy has not been resolved by Executive Review or Mediation, the Controversy shall be settled exclusively by binding arbitration. The arbitration shall be conducted in the same location as noted in Section 11.1.2 above, in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration. The arbitration shall be binding on the Parties to the Agreement and on any respective affiliates which joined the arbitration. The arbitrator’s decision shall be final, conclusive and binding, and no action at law or in equity may be instituted by either Party other than to enforce the arbitrator’s award Judgment on the award rendered by the



arbitrator may be entered in any court having jurisdiction thereof. Each party shall assume its own costs and attorneys fees. The arbitrator's compensation and expenses and any administrative fees or costs associated with the arbitration proceeding shall be borne equally by the Parties.

11.2 This provision shall survive the termination of this Agreement.

Section 12. Third Party Beneficiaries

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

Section 13. Assignment and Subcontracting

13.1 No assignment of rights or interests hereunder shall be binding unless approved in writing by a duly authorized officer of each of the parties hereto.

Section 14. Waivers

14.1 No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition. Waiver by either party of any default shall not be deemed a waiver of any other default.

Section 15. Headings

15.1 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. Survival

16.1 Provisions contained in this Agreement that by their sense and context are intended to survive completion of performance, termination or cancellation of this Agreement shall so survive.

Section 17. Force Majeure

17.1 Connecticut General shall not be liable for any failure to meet any of the obligations required under this Agreement where such failure to perform is due to any contingency beyond the reasonable control of Connecticut General, its employees, officers, or directors. Such contingencies include, but are not limited to, acts or omissions of any person or entity not employed or reasonably controlled by Connecticut General, its employees, officers, or directors, acts of God, fires, wars, accidents, labor disputes or shortages, and governmental laws, ordinances, rules or regulations.

Section 18. Notices

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

To Connecticut General:

Connecticut General Life Insurance Company
1111 Market Street
Chattanooga, TN 37402
Attention: Jenny R. Wilson, Regional Director

To the Employer:

Palm Beach County Board of County
Commissioners
160 Australian Avenue
Suite 401
West Palm Beach, FL 33406
Attention: Nancy Bolton, Director, Risk
Management

The address to which notices or communications may be given by either party may be changed by written notice given by such party to the other pursuant to this section titled "Notices."

CIGNA HealthCare Service Performance Guarantee Agreement
Customer: Palm Beach County Board of County Commissioners
Effective Date: January 1, 2007
Account Number(s) involved in Service Performance Guarantee(s): 3212040



Section 19. Entire Agreement

This Agreement constitutes the entire agreement between the parties on the subject matter herein. Any and all other service performance guarantee agreements between the parties (if any), if not already terminated, are terminated as of the Effective Date of this Agreement.

Signatures

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in triplicate and signed by their respective officers duly authorized to do so as of the dates given below.

Witnesses:

Hail Varek

Witness

Vayl Dp

Witness

CIGNA HEALTHCARE

Renee A. Clark

Renee A. Clark, Contractual Agreements Unit Manager

9-7-07

Date

ATTEST:

PALM BEACH COUNTY, FLORIDA

Sharon R. Bock, Clerk & Comptroller

By: _____

Addie L. Greene, Chairperson
Board of County Commissioners

By: _____

Clerk

[SEAL]

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS & CONDITIONS

County Attorney

Nancy L. Belton
Department Representative



Exhibit B – Service Performance Metric Descriptions

Claim Time-to-Process (TTP)

- 20.1.1 Claim Time-to-Process Performance Commitment – Connecticut General shall process a designated percentage of Claims received during the Guarantee Period within the specified calendar days or Business Days. The designated percentage and the unit of measure (calendar days or Business Days) are shown in Exhibit A.
- 20.1.2 Time-to-Process Measurement - The calculation of the time to process (“Time-to-Process”) will be based on Claims processed (Account Level) or claims processed in the Service Center(s) (Office Level) during the Guarantee Period. The level of measurement is listed in Exhibit A.

Time-to-Process will be calculated by counting the number of Business Days or calendar days (as appropriate) from the day that a Claim/claim is received by Connecticut General to and including the day the Claim/claim is processed. The day that the Claim/claim is received will not be included in this calculation.

Claim Quality

21.1 Financial Accuracy

- 21.1.1 Financial Accuracy Commitment – “Financial Accuracy” measures accuracy of total claim dollars paid. If measured at the Account Level, the service performance commitment is that a designated percentage of total audited dollars paid under the Plan(s) will be paid correctly during the Guarantee Period. If measured at the Office Level, the service performance commitment is that a designated percentage of total audited

dollars paid by the Service Center(s) shall be paid correctly during the Guarantee Period. The designated percentage and the level of measurement for Employer are given in Exhibit A.

- 21.1.2 Financial Accuracy Measurement - The fulfillment of the Financial Accuracy Performance Commitment set forth above will be determined by applying Connecticut General’s standard quality assurance audit methodology to a statistically valid sample of Claims (Account Level) or claims (Office Level) processed during the Guarantee Period. *No third party audit results will be used to measure Connecticut General’s performance under this Agreement.*

Financial Accuracy represents the sum of the absolute value of total dollars overpaid and the total dollars underpaid subtracted from the total dollars paid, divided by the total dollars paid, expressed as a percent. Overpayments and underpayments are determined from auditing a statistically valid sample of claims paid during the period.

- 21.1.3 Administration Charge - In the event that a) Connecticut General has agreed to an Account Level Financial Accuracy Performance Commitment under this Agreement and b) Employer has fewer than 5,000 Employees enrolled in the Plan(s) on the Effective Date, Connecticut General reserves the right to charge Employer a fee in an amount determined by Connecticut General to cover the cost of administering said performance commitment.
- 21.1.4. If the amount of claims (processed/paid) by a service center comprises five (5%)



per cent or less of the total amount of claims (process/paid), then those claims shall not be included in measuring performance under this section.

21.2 Claim Processing Accuracy

21.2.1 Claim Processing Accuracy Performance Commitment – “Claim Processing Accuracy” measures accuracy of total claims processed. If measured at the Account Level, the service performance commitment is that a designated percentage of total audited Claims processed under Employer’s Plan(s) will be correctly processed during the Guarantee Period. If measured at the Office Level, the service performance commitment is that a designated percentage of total audited claims processed by the Service Center(s) will be correctly processed during the Guarantee Period. The designated percentage and the level of measurement for Employer are given in Exhibit A.

21.2.2 Claim Processing Accuracy Measurement - Fulfillment of the Claim Processing Accuracy Performance Commitment set forth in Exhibit A will be determined by applying Connecticut General’s standard quality assurance audit methodology to a statistically valid sample of Claims (Account Level) or claims (Office Level) processed during the Guarantee Period. *No third party audit results will be used to measure Connecticut General’s performance under this Agreement.*

Claim Processing Accuracy represents the total number of claims processed without any errors divided by the total claims processed, expressed as a percent. The calculation of claims paid with error is determined from auditing a statistically valid sample of claims paid during the period.

21.2.3 Administration Charge – In the event that a) Connecticut General has agreed to an Account Level Claim Processing Accuracy Performance Commitment under this Agreement and b) Employer has fewer than 5,000 Employees enrolled in the Plan(s) on the Effective Date, Connecticut General reserves the right to charge Employer a fee in an amount determined by Connecticut General to cover the cost of administering said performance commitment.

21.2.4 If the amount of claims (processed/paid) by a service center comprises five (5%) per cent or less of the total amount of claims (process/paid), then those claims shall not be included in measuring performance under this section.

Inquiry

22.1 Average Speed of Answer (ASA)

22.1.1 Average Speed of Answer Commitment – The average speed of answer for a phone call to the Call Center(s) during the Guarantee Period (“ASA”) shall be no longer than the number of seconds designed in Exhibit A.

22.1.2 ASA Measurement - The ASA will be determined by measuring the sum of the total elapsed time between the moment when a telephone call is queued to the Call Center(s) and the time the call is responded to for all answered calls to the Call Center(s), and then dividing that number by the total number of telephone calls answered in the Call Center(s) during the Guarantee Period.

The calculation of ASA is either based on all Inquiries (Account Level) or on all calls received by the Call Center(s) that are serviced in the Special Account Queue (“Special Account Queue”). The level of measurement under this Agreement is specified in Exhibit A.



22.2 Call Abandonment Rate

22.2.1 Call Abandonment Rate Commitment – The percentage of calls received by the Call Center(s) resulting in the caller terminating the call before speaking with a CSA (“Abandonment Rate”) shall, on average, be no greater than the percentage designated in Exhibit A.

22.2.2 Call Abandonment Rate Measurement - The Abandonment Rate will be calculated using the total number of calls received during the Guarantee Period that result in the caller terminating the call after it is queued to a CSA, divided by the total number of telephone calls received by the Call Center(s) during the Guarantee Period, expressed as a percent.

The calculation of Abandonment Rate is based on all Inquiries (Account Level) or on all calls received by the Call Center(s) during the Guarantee Period that are serviced in the Special Account Queue (“Special Account Queue”). The level of measurement under this Agreement is specified in Exhibit A.

22.3 First Call Resolution

22.3.1 First Call Resolution Commitment – The percentage of Inquiries that are closed on first inquiry shall be no lower than the percentage given in Exhibit A.

22.3.2 First Call Resolution Measurement - An Inquiry will be considered closed on first inquiry when Connecticut General gives it a closed status on the Inquiry Tracking System(s) and no Inquiries involving the same matter are received during the 45 day period prior to the Inquiry or during the 45 day period following the Inquiry.

The First Call Resolution rate will be calculated by dividing the number of Inquiries that were closed on first inquiry during the Guarantee Period by the total

number of Inquiries received during the Guarantee Period, expressed as a percent.

Account Management

23.1 Account Management Commitment – Connecticut General’s Account Management Sales Team commits to providing services to Employer of such quality as will result in Connecticut General’s achieving, on the Account Management Report Card, the Account Management Composite Score designated in Exhibit A.

23.2 Account Management Condition Precedent – This commitment is contingent on Employer completing its obligations in the “Evaluation of Account Management” subsection below, on a quarterly basis.

23.3 Reservation of Right – Connecticut General reserves the right to make changes during the Term in its staff/personnel assigned to provide Account Management services to Employer.

23.4 Evaluation of Account Management - At the beginning of the term, Employer shall designate individuals on its benefits staff who will receive and complete the Account Management Report Card on a quarterly basis.

The Account Management Report Card will be distributed to Employer’s designated staff members on a quarterly basis, shall be completed, signed and dated by them, and all returned to Connecticut General by Employer within three (3) weeks of the distribution date. Failure of Employer to meet its obligations in this subparagraph and the subparagraph above shall nullify the Account Management Commitment.

Following the end of the Term and receipt of the fourth (4th) quarterly survey from Employer, Connecticut General will calculate the Composite Score in each performance assessment category by averaging the scores for the four (4) quarters of the Term. The assessments of each of the designated staff

CIGNA HealthCare Service Performance Guarantee Agreement
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members and each of the performance assessment categories will be weighted equally. The Account Management Commitment will be deemed fulfilled if the average of the composite scores in each category ("Account Management Composite Score") is equal to or greater than the Account Management Composite Score indicated on Exhibit A.

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Account Number(s) involved in Service Performance Guarantee(s): 3212040



Exhibit C – Account Management Report Card

ACCOUNT MANAGEMENT REPORT CARD

Rating Methodology:

- 5 = Completely Satisfied
- 4 = Very Satisfied
- 3 = Satisfied
- 2 = Somewhat Satisfied
- 1 = Dissatisfied

Client/Company Name: Palm Beach County Board of County Commissioners
 Completed By (please print): _____
 Client Signature: _____
 Date completed: _____
 Telephone #: _____

At the end of each quarterly period, please complete the box with the score that most closely reflects your level of satisfaction with the local account management team with respect to the following service categories. A separate quarterly report card must be completed, signed and dated each quarter.

Measurable Need	1 st Q	2 nd Q	3 rd Q	4 th Q	Composite to be completed by PG Unit
1. Provides effective support in preparing for, and conducting open enrollment events/sessions.					
2. Provides client with timely notification of issues impacting members.					
3. Responds to client's issues & questions in a timely, comprehensive manner.					
4. Develops, follows through on action plans; effective coordination to resolve open issues.					
5. Is accessible and attends scheduled meetings.					
6. Delivers agreed upon reports and communication of CIGNA results on time.					
Account Management Composite Score (All Categories)	N/A	N/A	N/A	N/A	

Fill in for each quarterly period:

Date Sent to Palm Beach County Board of County Commissioners: // // // // // // // //

Date Returned by Palm Beach County Board of County Commissioners: // // // // // // // //

If you rated any of the above categories less than "Satisfied" (3), please tell us why:

X 1st Q:

X 2nd Q:

X 3rd Q:

End of Year Comments:

Please return this form to: _____