

Victoria A. Sirica  
Contractual Agreement Unit Manager  
Cigna



Routing B2CAU  
900 Cottage Grove Road  
Hartford, CT 06152  
Telephone 860.226.2785  
Facsimile 860.730.3944  
Victoria.sirica@cigna.com

August 6, 2018

Deborah Hope  
HR Manager  
City of North Port  
4970 City Hall Boulevard  
North Port, FL 34286

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

Dear Ms. Hope:

Enclosed is an Administrative Services Only Agreement (the “**Agreement**”) that CHLIC has prepared to establish the terms under which it will administer a self-funded benefit plan on behalf of Employer beginning October 1, 2018 (the “**Effective Date**”).

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

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

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

The following information is required to implement the New York Public Goods Pool (New York Health Care Reform Act of 1996). Without receipt of this election information by the 15<sup>th</sup> day of the month PRIOR to the effective date claims will be adjudicated as non-elect and will not be re-adjudicated upon the subsequent receipt of the required information.

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

*CIGNA Health and Life Insurance Company*

*City of North Port*

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

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

Authorized Representative: Victoria A. Sirica

Authorized Representative: \_\_\_\_\_

Title: Contractual Agreement Unit Manager

Title: \_\_\_\_\_

Date: August 6, 2018

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

“Cigna” is a registered service mark and the “Tree of Life” logo is a service mark of Cigna Intellectual Property, Inc., licensed for use by Cigna Corporation and its operating subsidiaries. All products and services are provided by or through such operating subsidiaries and not by Cigna Corporation. Such operating subsidiaries include Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company, Cigna Behavioral Health, Inc., Cigna Health Management, Inc., and HMO or service company subsidiaries of Cigna Health Corporation and Cigna Dental Health, Inc.



5. the Department's website posting of the above entity's FEIN in accordance with Public Health Law Section 2807-j(5)(a)(iii)(D).

By signature below, the above entity also agrees to make public goods covered lives payments directly to the Department's Office of Pool Administration in instances where it provides inpatient coverage as a corporation organized and operating in accordance with Article 43 of the Insurance Law, an organization operating in accordance with Article 44 of the Public Health Law, a self-insured fund, or an HMO or insurer licensed outside New York State and authorized to write accident and health insurance and whose policy provides inpatient coverage on an expense incurred basis. In such instances the above entity agrees to:

1. remit to the Department's Office of Pool Administration within 30 days after the end of each month one-twelfth of both the individual and family unit annual assessment amounts for each of the individuals and family units residing in the state which were included on the payor's membership rolls for all or a portion of the prior month and for which the payor covered general hospital inpatient care, including retroactive additions and deletions;
2. provide the Department with data certification and access to individual and family unit data, upon request, for audit verification purposes; and
3. the jurisdiction of the state to maintain an action in the courts of the State of New York to enforce any provision of section 2807-t of the Public Health Law. *Note: Payors making an election are only agreeing to the jurisdiction of NYS courts for purposes of enforcing payments required under 2807-j and 2807-t. This does not, in any way, preclude a payor from litigating other issues in Federal court such as ERISA based challenges, etc.*

**Currently non-elect and chooses to continue that non-elect status.**

**Currently elect, but CHLIC will not administer NYHCRA liability.**

Please sign below to indicate your acknowledgement of this arrangement.

**SIGNATURE:**

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Date**

**HEALTH CARE REFORM ACT – PUBLIC GOODS POOL  
INSTRUCTIONS**

All electing payors/third party administrators (TPA)/administrative services only (ASO) organizations and designated providers are required to file Public Goods Pool reports electronically. This also applies to the 1% Statewide Assessment report filed by hospitals. To file electronically, you must establish an electronic filing account and be assigned a secure password. A website has been established at [www.hcrapools.org](http://www.hcrapools.org) to facilitate this process.

While electronic filing is designed to be user friendly, a help desk has been established to aid those users requiring assistance. If you need general assistance or assistance in obtaining copies of the electronic filing screens and the electronic reporting certification forms, please contact the help desk at (315) 671-3800 or via email at [webpools@hcrapools.org](mailto:webpools@hcrapools.org).

Upon receipt of a fully completed Electronic Filing User ID Application (DOH-4264), the Office of Pool Administration will assign a secure electronic filing user ID and password to your organization, which you will receive via return mail.

**New Request/Revision to Existing Account:** Check the appropriate box. An entity requesting an initial account/password should check the *New Request* box; an entity that has an existing account and is advising the Department of a change to that account should check the *Revision to Existing Account* box.

**Payor/TPA/ASO/Provider Name:** Enter name of entity that will be submitting the reports electronically.

**Federal Employer Identification Number (FEIN):** Enter FEIN assigned to the entity named above.

**Operating Certificate #: (For providers only):** Enter Operating Certificate number assigned by the Department of Health to the entity named above.

**Report(s) being filed electronically (check ALL applicable types):** Check all applicable types of reports that your entity will be filing electronically – Public Goods Pool and/or Statewide Assessment.

**Signature:** Must be signed by the Chief Executive/Financial Officer and/or Administrator of the entity named above.

**Name/Title/Phone Number (Please Print):** Enter name, title and phone number of the person signing above.

**Address/City/State/Zip Code:** Enter address of the person signing above.

**E-mail Address:** Enter e-mail address of the person signing above.

**Date:** Enter date this form is signed.

NEW YORK STATE DEPARTMENT OF HEALTH  
Division of Health Care Financing

## Electronic Filing User ID Application

### HEALTH CARE REFORM ACT – PUBLIC GOODS POOL

New Request

Revision to Existing Account

**Payor/Third Party Administrator/Administrative Services Only Organization/Provider Name:**

City of North Port

**Federal Employer Identification # (FEIN):** 56-6072227

**Operating Certificate # (FOR PROVIDERS ONLY):** N/A

**Report(s) being filed electronically (check ALL that apply):**

Public Goods Pool

1% Statewide Assessment (for hospitals only)

By signature below, the Chief Financial Officer or other duly authorized individual of the above named entity authorizes the Office of Pool Administration to assign a secure electronic filing user ID and password to the entity. This information will be mailed directly to the attention of the signer and must remain secured. It is the responsibility of the above named entity to ensure that this information is released only to those individuals requiring knowledge thereof.

**Signature** \_\_\_\_\_

**Name (Please Print)** \_\_\_\_\_

**Title** \_\_\_\_\_

**Phone Number** \_\_\_\_\_

**Address** 4970 City Hall Blvd.

**City** North Port **State** FL **Zip Code** 34286

**E-mail Address** \_\_\_\_\_

**Date** \_\_\_\_\_

**Note: All fields on this form are required to be accurately completed in order for your request to be processed.**

**Please mail completed form to:**  
Mr. Jerome Alaimo, Pool Administrator  
Office of Pool Administration  
Excellus BlueCross BlueShield, Central New York Region  
P.O. Box 4757  
Syracuse, New York 13221-4757

**NEW YORK HEALTHCARE REFORM ACT (NYHCRA)**  
**SURCHARGE & ASSESSMENTS**

**NYHCRA BASIC INFORMATION:**

The New York Health Care Reform Act (NYHCRA) establishes a system of surcharges and covered lives assessments in order to fund uncompensated care, professional medical education, and other health care initiatives. The amount of liability is determined by the election status of the payor. A payor is either "Elect" or "Non-Elect." Insured clients are automatically 'Elect'. Administrative Services Only (ASO) clients must decide whether to 'Elect' and allow Cigna to pay the surcharge liability directly to the New York Public Goods Pool during claim payment or to pay it themselves at a higher cost.

**EMPLOYER RESPONSIBILITY & CIGNA RECOMMENDATION**

It is ultimately the Employer's responsibility to ensure they understand NYHCRA and complete the appropriate election paperwork. Employers must register with the State of New York a NYHCRA election status of either 'Elect' or 'Non-Elect'. There are two components to each of the status choices:

- Elect employers pay to the State of New York Public Goods Pool a patient services charge per affected claim plus a covered lives assessment.
- Non-Elect employers pay a surcharge directly to the New York provider of services per claim plus an additional percentage of the inpatient facility claim amount for Graduate Medical Education (GME).

Cigna, as the Third Party Administrator (TPA) payor for your claims, recommends that all of our ASO clients register as 'Elect' and pay the surcharge to the Public Goods Pool. **There are significant financial savings for an 'Elect' client.**

- Effective 4/1/2009, the patient services surcharge for an elect payor is 9.63%. Covered Lives Assessment amounts vary by region, depending on the employee's residence, and they also vary by whether the employee has individual or family coverage. Surcharge and covered lives assessments are calculated and paid monthly by Cigna to the Public Goods Pool on behalf of the employer.
- Non-Electors do not pay to the Public Goods Pool and their liability is based solely on affected claims incurred with a New York provider. They pay a surcharge of 37.90% to the provider of services and instead of paying a Covered Lives Assessment, they also pay an additional Graduate Medical Education (GME) Tax on inpatient facility claims. The GME amount varies from 2.25% to 27.28% depending on the region. As a result of the GME, the surcharge on an inpatient claim may be as high as 65%.

**Due to the significant savings, we have indicated your status as "elect" on the attached Letter of Intent.**

If you choose not to 'Elect', a waiver form must be signed. The waiver indicates that you have been advised of NYHCRA requirements but choose to remain 'Non-Elect'. Please contact your Sales representative if you would like to change the status which has been pre-selected for you.