NOTICE OF AWARD OF CONTRACT

TO: CONNECTICUT GENERAL LIFE INSURANCE COMPANY  
900 COTTAGE GROVE ROAD  
BLOOMFIELD, CT 06152

DATE ISSUED: JUNE 7, 2011
CURRENT REFERENCE NO: 170-11-1

CONTRACT TITLE: HEALTH PLANS
PRIOR REFERENCE NO: 240-10-1

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

The contract term covered by this Notice of Award is effective JULY 1, 2011 and expires on JUNE 30, 2012.

This is the FIVE year award notice of a possible SEVEN year contract.

The contract documents consist of the terms and conditions of Agreement No. 285-06-1, including any exhibits, attachments or amendments thereto.

CONTRACT PRICING:

REFER TO AMENDMENT NO. 7 TO AGREEMENT 285-06-1

EMPLOYEES NOT TO BENEFIT:

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

VENDOR CONTACT: GREG PRUSSING  
VENDOR TEL. NO.: 410-884-2588
VENDOR PAYMENT TERMS: NET 30 DAYS  
VENDOR FAX. NO.: 800-657-3073
TAX IDENTIFICATION NUMBER (EIN/SSN): 06-0303370
EMAIL ADDRESS: gregg.pruising@cigna.com
COUNTY CONTACT: AMY ROZIER  
COUNTY TEL. NO.: 703-228-3489

CONTRACT AUTHORIZATION

SUSAN GONZALEZ  
PROCURMENT OFFICER

DISTRIBUTION

DATE: 6/14  
FOLDER: 1
ARLINGTON COUNTY, VIRGINIA
AGREEMENT NO. 285-06-1
AMENDMENT NUMBER 7

NEW REFERENCE NUMBER 170-11-1

This Amendment Number 7 ("Amendment") is made on the date of execution of the Amendment by the County and amends Agreement Number 285-06-1 dated June 30, 2008, as amended by Amendments No. 1 through 6 ("Main Agreement as Amended") and made between Connecticut General Life Insurance Company ("Contractor" or "Connecticut General") and the County Board of Arlington County, Virginia ("County" or "Group").

Whereas the County and the Contractor desire to amend the Contract Term of the Main Agreement, the Contractor and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

UPDATE THE "CONTRACT PRICING" OF EXHIBIT B TO READ:

Monthly contract rates for the fourth year (from July 1, 2011 to June 30, 2012) are as follows:

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<td>Network Access</td>
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Terms and Conditions
The work and payment called for under this Amendment shall be subject to all terms and conditions of the Agreement. All terms and conditions of the Agreement shall remain in full force and effect for the work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE:
NAME AND TITLE: RICHARD D. WARREN, JR. PURCHASING AGENT
DATE: 5/26/11

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

AUTHORIZED SIGNATURE: John M. Huggins
NAME AND TITLE: John M. Huggins, Vice President
DATE: 4/26/11
ARLINGTON COUNTY, VIRGINIA
AMENDMENT NO. 285-06-1
AMENDMENT NUMBER 6
REFERENCE NUMBER 240-10-1

This Amendment Number 6A ("Amendment") is made on the date of execution of the Amendment by the County and amends Agreement Number 285-06-1 as amended by Amendments No. 1 through 5 ("Main Agreement"); and made between Connecticut General Life Insurance Company ("Contractor" or "Connecticut General") and the County Board of Arlington County, Virginia ("County" or "Sponsor").

Whereas the County and the Contractor desire to amend the Main Agreement, the Contractor and the County, in consideration of the promises and other good and valuable consideration specified in this Amendment, amend the Main Agreement as follows.

ADD TO THE SCOPE OF WORK SERVICES FOR AN EARLY RETIREE REIMBURSEMENT PROGRAM AS PER ATTACHED EXHIBIT A:

Definitions

A. The term "Affiliate" means, with respect to Contractor, (a) any Entity five percent (5%) or more of the beneficial ownership of which is owned by the Entity in question, (b) any Entity which owns more than five percent (5%) of the beneficial interests of the Entity in question, or (c) any Entity which managerially controls, or is managerially controlled by, or is under common managerial control with, the Entity in question.

B. The term "Application" or "Apply" shall mean application to the Early Retiree Reinsurance Program for reimbursement for the costs of health care benefits for eligible early retirees and their spouses.

C. The terms "Certified," "Claim," "Employment-Based Plan," and "Health Benefits" shall have the same meanings as in 45 C.F.R. § 149.2.

D. The term "Chronic and High-Cost Condition" means any condition for which $15,000 or more in Health Benefits claims are likely to be incurred during a plan year by one Employment-Based Plan participant.

E. The term "Connecticut Life General" includes CIGNA Corporation and related operating subsidiaries of CIGNA Corporation, including but not limited to Connecticut Life General Insurance Company, CIGNA Vision Care, Inc., Tel-Drug Inc., and its affiliates, CIGNA Behavioral Health, Inc., IntraCorp. And HMO or service company subsidiaries of CIGNA Health Corporation and CIGNA Dental Health Inc. (collectively referred to as "Connecticut Life General" or "Contractor.").
F. The term "HHS" means the United States Department of Health and Human Services, and references to HHS include the Secretary of HHS or the Secretary’s designee.

G. The term "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended.

H. The terms "Program" and "ERRE" mean the Early Retiree Reinsurance Program established in Section 1102 of the Patient Protection and Affordable Care Act and implementing HHS interim final rule at 45 C.F.R. Part 149.

I. The term "Program-Eligible Individual" means an individual who is age 55 or older, enrolled for Health Benefits in a Certified Employment-Based Plan, not eligible for coverage under Medicare (Title XVIII of the Social Security Act), and not an active employee of County, as well as such individual’s enrolled spouse, surviving spouse, and dependents (if applicable).

J. The term "Program Requirements" means the requirements of 45 C.F.R. Part 149, and any administrative guidance there issued.

K. The term "Negotiated Price Concession" means any direct or indirect remuneration (including discounts, direct or indirect subsidies, charge backs or rebates, cash discounts, free goods contingent on a purchase Amendment, up-front payments, coupons, goods in kind, free or reduced-price services, grants, or other price concessions or similar benefits), received by the County or Contractor, that would serve to decrease the costs incurred under the Employment-Based Plan.

1. Scope of Work
Exhibit A is incorporated herein as if set forth in full text.

2. Regulatory Change.
If either party believes that subsequent guidance or requirements from HHS have materially altered the scope of services or manner in which the services contemplated by this Amendment are to be provided, or that any provision of this Amendment is inconsistent with Program Requirements, that party shall promptly notify the other party in writing, and the parties shall negotiate to amend this Amendment. If the parties cannot reach agreement as to an amendment, this Amendment shall terminate pursuant to Section 3(D).

3. Term and Termination
This Amendment shall take effect on the date of execution by the County and shall remain in effect for one year from the date of execution ("Term").

This Amendment shall automatically renew each year, unless terminated upon the first to occur of any of the following events:
A. County for any reasons fails to maintain Certification to participate in the Program or for any reason ceases to participate in the Program;

B. In the event the Secretary cease to satisfy County’s reimbursement requests under the Program, or funding for the Program is not appropriated, available or otherwise being disbursed to the Program;

C. The County’s Main Amendment is terminated;

D. County and Contractor are unable to agree to an amendment to this Amendment 6a to address subsequent guidance or requirements from HHS;

E. The parties mutually agree in writing to terminate this Amendment;

F. Contractor recognizes and agrees that this is a requirements contract. County will have no obligation to Contractor if no services under this Amendment are required.

4. Transition Requirement.

If this Amendment is terminated under Section 3(D) then the parties agree to take the following specific actions to minimize disruption:

A. Transition plan. The parties will develop and implement a detailed plan for transitioning the services, and both parties will cooperate fully to arrange for the transfer of services to County’s designee.

B. Transition period. Contractor will continue to provide services in accordance with this Amendment for a reasonable transition period. Unless the parties mutually agree otherwise, the transition period will not exceed 180 days from the date of notice of termination. Except as otherwise provided in this Amendment, the terms and conditions of this Amendment will apply during the transition period.

C. Cooperation. Contractor agrees to cooperate with County’s designee and timely provide all data in the type, manner and form reasonably requested by the County or other vendor.

5. Program application.

A. Responsibility for preparing and submitting Program application. County will be responsible for preparing and submitting the Program application. Contractor agrees to provide to County the services outlined in Exhibit A, as well as any data in its possession that County requires in order to complete its application.

B. Projection of claims. County shall be responsible for preparing and submitting to HHS the projection of amounts to be received by County under the Program for the first two plan
year cycles following the Effective Date of this Amendment, as described in 45 C.F.R. § 149.40. Contractor will assist County with preparation of this projection as outlined in Exhibit A.

C. Fraud, waste, and abuse policies. Contractor has implemented policies and procedures to detect and reduce fraud, waste, and abuse in connection with the Employment-Based Plan, in accordance with 45 C.F.R. § 149.40. Contractor shall provide a summary of such policies and procedures to County.

D. Programs that generate savings for Chronic and High-Cost Conditions. Contractor shall provide County with a summary explanation describing the procedures or programs it has in place that have generated or have the potential to generate cost savings with respect to Employment-Based Plan participants with Chronic and High-Cost Conditions.

6. Claims submission.

A. Responsibility for compiling and submitting data. Contractor shall compile and submit Claims data to County on a monthly basis as outlined in Exhibit A.

B. Post point of Sale. If Contractor receives any post-point-of-sale price concessions with respect to Health Benefits for which Claims data has previously been submitted to County, Contractor shall promptly disclose the amount of such post-point-of-sale price concessions to County in the file format required by the Program and in compliance with all Program eligibility requirements, so that County may submit this information to HHS' ERRP Center with minimal or no further editing of data.

If County receives any post-point-of-sale price concessions with respect to Health Benefits for which Claims data has previously been provided to Contractor, County shall, in a time frame consistent with 45 C.F.R. § 149.110(b), notify HHS of such post-point-of-sale price concessions in accordance with 45 C.F.R. § 149.110(b).

C. Duty to monitor. Before submitting Claims data to County, Contractor will perform a data comparison to seek to identify claims that may have been re-adjudicated after Contractor submitted the previous batch of Claims data. With regard to any adjustments that are identified, Contractor will submit the updates to County with its next Claims submission, or at such other time as may be required pursuant to 45 CFR 149.110(b).

7. Corrections and modifications. Should Contractor learn that any data provided by either party to this Amendment or by any third party is or was inaccurate, that County is or has received Program overpayments, or that County's Program application, reimbursement data, or any submissions to HHS fail to comply with Program Requirements, Contractor shall notify County and submit to County the necessary
corrections and communications in the file format required by the Program and in compliance with all Program eligibility requirements so that County may submit this correction to HHS’ ERRF Center with minimal or no further editing of data.

8. **Program Data Disclosure.** Contractor agrees to disclose to the Secretary the information, data, documents and records (collectively “Program Data”) required by the Program as set forth in the statute, implementing regulations at 45 C.F.R. Part 149 (“Program Regulations”) and such guidance as may be issued by the Secretary (“Program Guidance”), as may be requested by County. In carrying out these services, Contractor agrees to use reasonable business efforts to collect, store and transmit data that becomes used or requested as Program Data. At the request of either party, any Program requirements published in the Program Regulations or Program Guidance shall be reduced to a mutually agreed upon writing signed by both parties hereto and attached as an amendment to this Amendment. Identification of Claims, Incurred Dates, Negotiated Price Concessions and other required elements of Program Data, other than identification of Early Retirees, shall be made based only on information acquired by Contractor in the normal course of conducting business according to the Main Amendment.

9. **Program Participation Fees.** County shall pay to Contractor the amount of $7,500 per Term for the services provided by Contractor under this Amendment.

10. **Records.** Contractor shall maintain copies of the records submitted under the Program on behalf of County for 6 years after expiration of the plan year in which costs were incurred or longer if required by law, and in accordance with the requirements at 45 C.F.R. 149.350. Such records shall be furnished to the Secretary upon request.

11. **Defined Terms.** Capitalized terms not specifically defined in this Amendment shall have the meaning ascribed to them in the Program Regulations or Program Guidance, as applicable.

12. **Privacy.** The parties acknowledge and agree that the Program Data covered by this Amendment includes protected health information (“PHI”) covered by HIPAA, that the Secretary has asserted its authority to authorize disclosure of the PHI for Program purposes in accordance with HIPAA in the Program Regulations at 75 Fed. Reg. 24450 (May 5, 2010) at p. 24454, and that County hereby is specifically requesting that Contractor furnish the Program Data to the Secretary as contemplated by this Amendment. The Parties’ Business Associate Agreement remains in full force and effect and all data transmittals under this Amendment by the Contractor should be done in a secure manner.
13. **Government Audits.** The parties shall cooperate and comply with government audits under the Program.

14. **Federal Funds.** Contractor and County acknowledge that the Program Data is being submitted for County’s purposes or obtaining federal funds under the Program.

15. **Compliance with Law and Requirements.** Both parties shall comply with all present and future regulations promulgated by HHS or the Program, and all applicable state and federal law and regulations related to the parties’ obligations under this Amendment.

16. **Arbitration**
It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract.

17. **Miscellaneous.**

17.1. **Headings.** The headings used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

17.2. **Governing Law.** Except as preempted by federal law, this Amendment will be governed in accordance with the law of the Commonwealth of Virginia and any provision that is required to be in this Amendment by state or federal law shall bind County and Contractor whether or not set forth in this Amendment.

17.3. **Waiver.** Either party’s failure to enforce any provision of this Amendment will not constitute a waiver of that or any other provision, or impair that party’s right thereafter to require strict performance of any provision.

17.4. **Notices.** Notices must be sent to the addresses referenced in the Main Agreement.

17.5. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, and counterpart signature pages may be assembled to form a single original document.

17.6. **Integration.** This Amendment sets forth the entire understanding of the parties relating to the transactions it contemplates, and supersedes all prior understandings relating to them, whether written or oral. There are no obligations, commitments, representations or warranties relating to them except those expressly set forth in this Amendment.
17.7. Waiver/Modification/Amendment. No amendment of, supplement to or waiver of any obligations under this Amendment will be enforceable or admissible unless set forth in a writing signed by the party against which enforcement or admission is sought. No delay or failure to require performance of any provision of this Amendment shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated.

17.8. Severability. The sections, paragraphs, sentences, clauses and phrases of this Amendment are severable, and if any phrase, clause, sentence, paragraph or section of this Amendment shall be declared invalid by the valid judgment or decree of a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Amendment.

17.9. Precedence. The Work and Payment called for under this Amendment shall be subject to all terms and conditions of the Main Agreement as Amended. All terms and conditions of the Main Agreement as Amended shall remain in full force and effect for the Work covered by this Amendment unless specifically changed by the terms and conditions of this Amendment. The balance of the Main Agreement remains unchanged.

18. Limitation of Liability.

Connecticut General's total aggregate liability to Sponsor for any and all losses, damages (including any disapproval by HHS in whole or in part of any request for reimbursement to Sponsor under the Program or Sponsor's application to participate in the Program), and expenses (including attorneys' fees and costs) from any claim, however alleged or arising, in connection with any service performed by Connecticut General under this Amendment shall not exceed the total compensation paid by Sponsor to Connecticut General under this Amendment as of the date of the performance of such service.
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

[WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: [Signature]
NAME AND TITLE: RICHARD D. WARREN, JR. PURCHASING AGENT
DATE: [Signature]

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

AUTHORIZED SIGNATURE: [Signature]
NAME AND TITLE: Jessica Sheroff, Contractual Agreement Unit Manager
DATE: May 11, 2011

240-10-1AG
EXHIBIT A

EARLY RETIREE REIMBURSEMENT PROGRAM.

Connecticut General administers or insures claims for Health Benefits (defined herein) to Early Retirees (defined herein) in accordance with the terms of County’s Employment-Based Plan (defined herein) (the “Plan”);

WHEREAS, County and Connecticut General desire that Connecticut General perform certain services described herein on County’s behalf to facilitate County’s receipt of reimbursements under the Early Retiree Insurance Program (the “Program”), which was established by Section 1102 of the Patient Protection and Affordable Care Act (the “Act”) and administered by the U.S. Department of Health and Human Services (“HHS”).

Contractor will provide the following services to Arlington County:

1. Collect and timely transmit the Early Retiree List to County in the file format required by the Program and in compliance with all Program eligibility requirements, so that County may submit the Early Retiree List to HHS’ EERP Center with minimal or no further editing of data.

2. Prepare a projection of amount expected to be received by County under Program, in the file format required by the Program and in compliance with all Program eligibility requirements, so that County may submit the projection as part of its application to Program with minimal or no further editing of data.

3. On a monthly basis, collect and compile required data and complete all paperwork, forms and documentation required by the Program in the file format required by the Program and in compliance with all Program eligibility requirements, so that County may submit requests for reimbursement to HHS’ EERP Center with minimal or no further editing of data.

4. Prepare a monthly report to County detailing:
   a) Number of request for reimbursement
   b) Number and amounts of reimbursements
   c) Number of claims eligible for reimbursement

5. Report any data inaccuracies or change in data directly to HHS in the file format and in compliance with the process outlined by HSS and/or the Program.

6. Assist County in appeals of reimbursement denials.

7. In preparing data for transmittal to HHS’ EERP Center pursuant to the Program, Contractor shall follow all Program Regulations and shall not submit claims for items and services excluded by EERP, nor submit claims for Subscribers not eligible for EERP under the Program Regulations.

8. Contractor shall handle all audit requests by HHS, EERP, or any other state or federal agency requesting an audit in connection with the Program in the same manner set forth in the Main Agreement.

9. One-on-one consultation on County’s:
   a) Application to participate in the Program;
   b) Submission of reimbursement requests; and
c) Ongoing participation in the Program.

10. Invitations to Program information sessions presented or arranged by Contractor, and distribution of Program-related materials.

11. Delivery of reminders of upcoming Program events and deadlines.

12. Evaluation and assistance regarding documentation of County satisfaction of Program requirements for the establishment of procedures and programs with respect to cost savings on chronic and high-cost conditions.

13. Personalized strategy session to review available options for appropriate use by County of the reimbursement amounts.

14. Documentation of Contractor’s fraud, waste and abuse policies and procedures applicable to the Plan, and helping County gather such documentation and related data in the event of an audit or other request by HHS or Office of the Inspector General to substantiate such policies and procedures and their effectiveness.

15. Retention of records in Contractor’s possession related to County’s participation in the Program for at least six years after expiration of the then-applicable Plan year.

16. In addition to the services outlined above, Contractor shall assist County in responding to requests by HHS or Office of the Inspector General for records in Contractor’s possession, custody or control with respect to information contained in County’s application for Program participation or claims in support of a request for reimbursement submitted by County under the Program.

Compensation:

The compensation payable to Contractor for the services described on this Exhibit A shall be $7,500 per Term, subject to the following:

(i) Contractor shall bill $3,500 within 60 days following the submission of application by County to HHS and $334 monthly with the delivery of each monthly report for a total of 12 monthly reports;

(ii) County shall pay within 30 days following receipt of the invoice;

(iii) County shall make no payment for any services provided under the Amendment until Contractor delivers to County all information and documents needed to complete the application to participate in the Program;

(iv) No compensation shall be due to Contractor pursuant to this Amendment for any period after termination of this Amendment pursuant to Section 3 above; and

(v) Contractor shall not provide monthly report or bill for monthly reporting amount after HHS has stopped accepting claim data for reinsurance purposes and in such event this Amendment shall automatically terminate.