



Fairfax County Government – Cigna Rx Medicare (PDP)  
SUMMARY OF BENEFITS

This is a summary of benefits for your Cigna Rx Medicare (PDP) Plan. Cigna Enhanced Medicare Formulary applies.  
The Cigna Enhanced Medicare Formulary is different than the Cigna commercial plan formulary.

Plan Type	Cigna Rx Medicare (PDP)
Effective Dates	January 1, 2021 - December 31, 2021
ASO Admin Fee	\$25.25
Number of Medicare Beneficiaries	3003
Funding Type	ASO
Situs State	VA
Benefit Option Code	PDP
Rx Formulary	Enhanced
Pharmacy Accumulation Period	Calendar Year
Benefit Description	What the Member pays
<b>Deductible Phase</b>	
Individual Deductible	\$75
Individual Deductible Applies to	All Drugs
<b>Initial Coverage Level</b>	
<b>Initial Coverage Level (Total Drug Spend)</b>	\$4,130
<b>Retail (1-30 Day Supply)</b>	Tier 1 Preferred Generic Drugs \$7 Tier 2 Preferred Brand Drugs 20% (\$50 max) Tier 3 Non Preferred Brand and Generic Drugs 30% (\$100 max) Tier 4 Brand Name and Generic High Cost Specialty Drugs 30% (\$100 max)
<b>Retail (31-60 Day Supply)</b>	Tier 1 Preferred Generic Drugs \$14 Tier 2 Preferred Brand Drugs 20% (\$100 max) Tier 3 Non Preferred Brand and Generic Drugs 30% (\$200 max) Tier 4 Brand Name and Generic High Cost Specialty Drugs Not Available - Specialty drugs only available up to 30-day
<b>Retail (61-90 Day Supply)</b>	Tier 1 Preferred Generic Drugs \$21 Tier 2 Preferred Brand Drugs 20% (\$150 max) Tier 3 Non Preferred Brand and Generic Drugs 30% (\$300 max) Tier 4 Brand Name and Generic High Cost Specialty Drugs Not Available - Specialty drugs only available up to 30-day
<b>Long-Term Care (1-31 Day Supply)</b>	Tier 1 Preferred Generic Drugs \$7 Tier 2 Preferred Brand Drugs 20% (\$50 max) Tier 3 Non Preferred Brand and Generic Drugs 30% (\$100 max) Tier 4 Brand Name and Generic High Cost Specialty Drugs 30% (\$100 max)
<b>Mail Order (1-30 Day Supply)</b>	Tier 1 Preferred Generic Drugs \$7 Tier 2 Preferred Brand Drugs 20% (\$50 max) Tier 3 Non Preferred Brand and Generic Drugs 30% (\$100 max) Tier 4 Brand Name and Generic High Cost Specialty Drugs 30% (\$100 max)
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<b>Out of Network Coverage (Member Liability) (30 Day Supply)</b>	Same as In-Network
<b>Member Out of Pocket Maximum</b>	\$2,000
<b>Coverage Gap (from \$4130 in Drug Spend up to True Out-of-Pocket of \$6550)</b>	
<b>Retail (1-30 Day Supply)</b>	Tier 1 Preferred Generic Drugs \$7 Tier 2 Preferred Brand Drugs 20% (\$50 max) Tier 3 Non Preferred Brand and Generic Drugs 25% (\$100 max) Tier 4 Brand Name and Generic High Cost Specialty Drugs 25% (\$100 max)
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<b>Catastrophic Phase (True Out-of-Pocket)</b>	<b>\$6,550</b>
<b>Generic Drugs</b>	Lesser of Standard Part D or Gap Coverage
<b>Brand Drugs</b>	Lesser of Standard Part D or Gap Coverage

Plan Type	Cigna Rx Medicare (PDP)
<b>Clinical Management</b>	
<b>Are the following clinical programs included or waived?</b>	
Step Therapy	Included
Prior Authorizations	Included
Quantity Limits	Included
<b>Opioids</b>	
Opioids (all tiers)	Limited to one month supply
<b>Non-Part D Supplemental Coverage</b>	
<b>Are the following non-formulary drugs covered?</b>	
Fertility Drugs	No
Prescription Vitamins	Yes
Cold & Cough Preps	Yes
Weight Loss/Weight Gain	No
Erectile Dysfunction	Yes
<b>Formulary Enhancements</b>	
<b>Are the following formulary enhancements covered?</b>	
Select Preventive Drugs and Diabetic Drugs and Supplies at \$0 Copay Package	Preventive Generic Drugs and Diabetic Drugs and Supplies
Other Approved Non-Standard Benefits	N/A

**See next page for Caveats and Exclusions**  
Quote created by model version 20.1 on Jul 15, 2020

**Fairfax County Government – Cigna Rx Medicare (PDP)**  
**CAVEATS, EXCLUSIONS and DEFINITIONS**

The Employer Part D program does not integrate with medical plan deductibles, out-of-pocket maximums, or annual maximums.

Only retirees and their dependents who are entitled to Medicare Part A and/or enrolled in Part B are included in this quote. If a retiree or dependent is not entitled to Medicare Part A and/or not enrolled in Part B, then they are not eligible to join a Medicare Part D plan.

Billing for this product is on a Per Medicare Beneficiary Per Month basis. Each enrollee will be set up on their own eligibility record/ID and the employer group will be charged a single per Medicare beneficiary per month premium rate.

Cigna companies reserve the right to adjust the benefits and/or premiums in this proposal if such adjustments are necessary to comply with current Centers for Medicare & Medicaid Services (CMS) rules and regulations.

**Drug Exclusions:**

A Medicare Prescription Drug Plan can't cover a drug that would be covered under Medicare Part A or Part B. Also, while a Medicare Prescription Drug Plan can cover off-label uses (meaning for uses other than those indicated on a drug's label as approved by the Food and Drug Administration) of a prescription drug, we cover the off-label use only in cases where the use is supported by certain reference book citations. Congress specifically listed the reference books that list whether the off-label use would be permitted (these reference books are: (1) American Hospital Formulary Service Drug Information, (2) the DRUGDEX Information System).

By law, certain types of drugs, or categories of drugs, are not covered by Medicare Prescription Drug Plans. These drugs are not considered Part D drugs and may be referred to as "exclusions" or "non-Part D drugs." These drugs include:

- Non-prescription drugs (or over-the counter drugs).
- Drugs when used for anorexia, weight loss, or weight gain.
- Drugs when used to promote fertility.
- Drugs when used for cosmetic purposes or hair growth.
- Drugs when used for the symptomatic relief of cough or colds.

In addition, the following exclusions apply to any service that is a Covered Expense under this plan, but is not covered by Medicare:

- Charges which you are not obligated to pay or for which you are not billed or for which you would not have been billed except that they were covered under this plan.

**Definitions**

**1-30 Day Supply for Retail and 1-31 Day Supply for Long-Term Care Facilities (Proration):**

Usually, the amount for a covered prescription drug is a one-month supply. However, if the amount is less than a one-month supply for oral solid prescriptions, then the amount paid is prorated based on the actual amount received.

**Retail Example:** Plan has a \$10 copay for a 30 day supply. Actual day supply filled is 10 day supply. Copay is prorated as follows: \$10 divided by 30 or \$.3333 per day, rounded to \$.33, times the day supply of 10, equals \$3.30 copay owed by member.

**Long-Term Care Facility Example:** Plan has a \$10 copay for a 31 day supply. Actual day supply filled is 10 day supply. Copay is prorated as follows: \$10 divided by 31 or \$.3226 per day, rounded to \$.32, times the day supply of 10, equals \$3.20 copay owed by member.

**Coverage Gap:**

During the coverage gap stage, Cigna will pay the better of the plan or Medicare Part D Defined Standard.

**Employer Group Waiver Plans (EGWP)** facilitate the offering of PDP plans to employer/union group health plan sponsors. Employer/union plan sponsors can contract with an insurer or directly with CMS to provide coverage for medical and/or prescription drug benefits. CMS grants certain program waivers and/or modifications for EGWP plans that do not apply to enrollee plans.

**Non-Part D Drugs automatically included in the Standard and Enhanced Formulary options:**

- **Courtesy Drugs:** refers to drugs normally covered under commercial pharmacy plans but are excluded by CMS.
- **DESI (Drug Efficacy Study Implementation) Drugs:** refers to drugs that were introduced between 1938-1962 and approved for safety but not effectiveness. DESI drugs are not "grandfathered" or generally recognized as safe and effective (GRAS/E).

**Non Part D Eligible Drug Optional Buy-ups:**

- **Fertility Drugs** - drugs used to promote fertility
- **Prescription Vitamins** - drugs used for prescription vitamins and mineral products, except prenatal vitamins and fluoride preparations.
- **Cold & Cough Preps** - drugs used for symptomatic relief of cough and colds
- **Weight Loss/Weight Gain** - drugs used for anorexia, weight loss, weight gain
- **Erectile Dysfunction** - drugs used for erectile dysfunction

**Opioid drugs**

Limited to 30 day supply at Retail and Mail Order Pharmacies and 31 day supply at Long Term Care Facilities.

**Out-of-Network Coverage:**

Generally, we cover drugs filled at an out-of-network pharmacy only when the plan participant is not able to use a network pharmacy. Here are the circumstances when we would cover prescriptions filled at an out-of-network pharmacy:

- If the plan participant is unable to obtain a covered drug in a timely manner within our service area because there is no network pharmacy within a reasonable driving distances that provides 24-hour service.
- If the plan participant is trying to fill a covered prescription drug that is not regularly stocked at an accessible network retail or mail-order pharmacy (these drugs include orphan drugs or other specialty pharmaceuticals).
- If a covered Part D drug is dispensed by an out-of-network, institution-based pharmacy to a patient who is in the emergency department, provider based clinic, outpatient surgery or other outpatient surgery or other outpatient settings.
- When the plan participant is away from our service area for an extended period of time (for example, during travel), they may use a participating mail order pharmacy. This will ensure they have a sufficient supply of medication with them at all times.

Prescriptions purchased out-of-network are limited to a one-month supply.

**Preventive Drugs at \$0 Copay:**

The Cigna Preventive Drug List includes select preventive medications on Tier 1 and Tier 2 from the Standard Medicare Part D formulary in the following usage categories: high blood pressure, high cholesterol, diabetes, asthma, osteoporosis, stroke blood thinners, and prenatal nutrient deficiency. These selected drugs are not subject to the Deductible (if applicable), Copay, or Coinsurance.

**Tier Labeling:**

Cigna Rx Medicare is not always able to keep all generic medications in the Preferred Generic (Tier 1) and Non-Preferred Brand and Generic (Tier 3) drug tiers. Some generic medications may be in the Preferred Brand (Tier 2) and Specialty Drug (Tier 4) tiers. Keep in mind that the name of the tier is just a description of the majority of the drugs in the tier. It does not mean that there are only generic or only brand drugs in that tier. Cost share shown is for all drugs in the Tier unless otherwise noted.

All Cigna products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company. The Cigna name, logos, and other Cigna marks are owned by Cigna Intellectual Property, Inc. Cigna is contracted with Medicare for PDP plans, HMO and PPO plans in select states, and with select State Medicaid programs. Enrollment in Cigna depends on contract renewal.



**Exhibit B**  
**Fairfax County Government – Cigna Rx Medicare (PDP)**  
**Terms and Conditions**

**General**

- The effective date for this quotation is 01/01/2021 and the policy term will run for 12 months. Fees and pricing represented within this quotation are valid for the agreement term.
- This quotation assumes a total in-force of 3003 individuals covered under the pharmacy plan. Should actual enrollment vary by +/- 10 percent at any time, pricing and fees (including, but not limited to the discounts prescription drug rates, administrative fees, dispensing fees, and manufacturer consideration sharing targets) included in this proposal will be subject to change.
- This proposal may change if the Employer changes its level of contribution toward the cost of coverage.
- Quotation assumes Cigna standards of implementation, financials, edits, banking, plan operations, Cigna standard Medicare formulary and available buy-up options, programming, reporting, systems capabilities, online functionality and consulting. Any additional or non-standard services may result in fees billable to the client.
- Quotation assumes up to a ninety (90) day supply at retail pharmacies.
- Cigna reserves the right to revisit and revise the pricing and/or fees if any of the following occur:
  - Additional optional services are requested or Employer name structure requirements change significantly
  - Modifications to proposed benefit options are requested

**Government Regulations**

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

**Exclusivity**

- This quotation assumes Cigna will be the exclusive provider of Pharmacy Benefit (mail order, retail and specialty drug) services for all Company name "like" products will not be offered in conjunction with the services included in this proposal.

**Average Wholesale Price (AWP)**

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

**Drug Manufacturer-Payment Sharing**

- Subject to the caveats below, CHLIC will remit to Employer the following portion of Rebates that CHLIC collects with respect to utilization under the Plan's Pharmacy Benefit:  
100% of such Rebates

**Caveats:**

- (1) Upon termination of this Agreement, CHLIC may apply Rebates otherwise payable to offset Bank Account or other deficits of charges identified in this Agreement.
- (2) Should Employer terminate this Agreement before completion of a Plan Year, no Rebates shall be due with respect to that Plan Year as Rebates are based on completion of an entire Plan Year.
- (3) For percentage-based sharing arrangements, payout amount may differ slightly from the stated percentage when payout occurs before manufacturers' final reconciliations and payments are made to CHLIC.
- (4) Rebates are not paid out on Run-Out Claims or on claims for drugs covered under the federal 340B drug pricing program.
- (5) CHLIC or its agent contracts with drug manufacturers on CHLIC's own behalf, and not as agent of the Employer or the Plan.

**Timing of Rebate Pay-Out:**

Remittance will be provided within ninety (90) days after the close of each applicable calendar year for the portion of such calendar year that coincides with the Plan Year.

**Charges for Drugs**

- **Drug Dispensed by Mail Service Pharmacy:** CHLIC will charge Employer the following for claims covered under the Plan's Pharmacy Benefit and dispensed by the Mail Service Pharmacy:
  - Brand Drug Claims:** AWP minus an average discount of 19.8% plus an average dispensing fee of \$0.00.
  - Generic Drug Claims:** AWP minus an average discount of 85.40% plus an average dispensing fee of \$0.00.
  - Specialty Brand Drug Claims:** The drug's charge under a national discount schedule that generates a 18.8% annual average aggregate discount off AWP for Specialty Drug Claims dispensed at a Mail Service Pharmacy across CHLIC's group-client book of business (only for drugs covered under group-clients' Cigna Pharmacy Benefit).
- **Drugs Dispensed by Retail Pharmacies:** CHLIC will charge Employer the following for drugs covered under the Plan's Pharmacy Benefit and dispensed by a Retail Pharmacy to the Plan Members, subject to the "Drug Charges – Additional Provisions" below:
  - Retail Brand Drug Claims:** The lesser of (i) AWP minus an average discount of 16.00% plus an average dispensing fee of \$1.83 or (ii) the Retail Pharmacy's usual and customary charge.
  - Retail Generic Drug Claims** (other than those to which the above brand discount applies): The lesser of: (i) the drug's charge on a CHLIC generic Maximum Allowable Charge schedule that generates an annual average aggregate discount across Generic Drug Claims dispensed at Retail Pharmacies to CHLIC group-client book of business of AWP minus 84.0% (Plan-specific results may vary based on drug mix), plus an average dispensing fee of no more than \$1.83; or (ii) the Retail Pharmacy's usual and customary charge.
  - Retail Specialty Drug Claims:** The lesser of (i) AWP minus an annual average aggregate discount of 15.53%, plus an average dispensing fee of no more than \$1.83; or (ii) the Retail Pharmacy's usual and customary charge.

**PBM PRICING – ADDITIONAL PROVISIONS**

- Cigna owned Home Delivery Pharmacy's discounts are applied to the manufacturer average wholesale price (AWP) for the dispensed size (or to the AWP for the manufacturer-packaged quantity closest to the dispensed size, if there is no AWP for the dispensed size).
- Unless specifically noted herein, the discounts to Employer for Covered Drugs set forth in this Agreement are not guaranteed to result in an average aggregate discount off the aggregate AWP of all such Covered Drugs.
- CHLIC may, upon written notice to Employer, adjust any or all of the fees, Rebates (if any), discounts or guarantees (if any) in the Agreement to the extent reasonably necessary to preserve the economic value of the Agreement as it existed immediately prior to any of the following events or changes: (a) there are any significant changes in the composition of the CHLIC pharmacy network utilized by Employer hereunder or in such pharmacy network's contract compensation rates, or the structure of the pharmacy stores/chains/vendors that are contracted with CHLIC, including but not limited to disruption in the retail pharmacy delivery model, or bankruptcy of a chain pharmacy; or (b) there is a change in government laws or regulations which has a significant impact on pharmacy claim costs; or (c) any material manufacturer-rebate contracts with, or for the benefit of, CHLIC are terminated or modified in whole or in part; or (d) there is any legal action or law that materially affects or could materially affect the manner in which CHLIC's rebate program is administered or an existing law is interpreted so as to materially affect or potentially have a material effect on CHLIC's administration of the Plan; (e) a major change in market conditions affecting the pharmaceutical or pharmacy benefit management market, a drug shortage in the market, an issue involving the safety of the drug supply, or similar market event occurs; or (f) there is a material change in the Plan that is initiated by Employer (and which CHLIC agrees to administer) which impacts CHLIC's costs, or Employer fails to disclose a material feature of the Plan or the Plan's Pharmacy Benefit.

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