

CONTRACT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made this 10 day of August, 2017, in the Territory of the Virgin Islands, by and between the Government of the Virgin Islands, **DEPARTMENT OF PROPERTY AND PROCUREMENT**, on behalf of the **DEPARTMENT OF HUMAN SERVICES**, Knud Hansen Complex-Building A, 1303 Hospital Ground, St. Thomas, Virgin Islands 00802, (hereinafter referred to as "Government") and **CONNECTICUT GENERAL LIFE INSURANCE COMPANY**, a **CIGNA COMPANY**, 900 Cottage Grove Road, Hartford, Connecticut 06152 (hereinafter referred to as "Contractor")

WITNESSETH:

WHEREAS, the Government is in need of the services of a Contractor to serve as the Pharmacy Benefit Manager (PBM) for eligible and enrolled members of the Virgin Islands Medicaid Program, which duties and responsibilities are more particularly described in *Addendum I (Scope of Services)* attached hereto and is incorporated into this Contract; and

WHEREAS, the Contractor represents that it is willing and capable of providing such services;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

1. SERVICES

The Contractor will provide the services described in *Addendum I (Scope of Services)* attached hereto and made a part of this contract.

2. TERM

Upon the execution of this Contract by the Governor of the U.S. Virgin Islands, the initial term of this Contract shall be effective from February 12, 2015 through February 28, 2018. After the initial term, this contract maybe renewed on the same terms and conditions for one (1) additional year at the sole discretion of the Government. Any such renewal or extension shall be contingent upon satisfactory performance evaluations of the Contractor by the Government and shall be subject to the availability of federal funds and U.S Virgin Islands Government funds that may be required as a match. Government shall give written notice to the Contractor of such extension and or renewal not less than sixty (60) days prior to the expiration of the Initial Term (hereinafter "Renewal Term").

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3. FEDERAL APPROVAL

This Contract and any amendments to said Contract, if any, may be contingent upon approval by the Centers for Medicare and Medicaid Services ("CMS").

4. COMPENSATION

The Government, in consideration of the satisfactory performance of the services described in *Addendum I (Scope of Services)*, agrees to pay to Contractor during the initial term of the contract \$2.50 (USD) multiplied by the number of pharmaceutical prescription claims processed by Contractor under the Pharmaceutical Program for a total amount not to exceed ONE MILLION DOLLARS (\$1,000,000.00) in accordance with the provisions set forth in *Addendum II (Terms of Compensation)* attached hereto and made a part of this contract. No additional expenses other than those authorized by *Addendum II (Terms of Compensation)* will be paid by the Government as compensation for Contractor's services hereunder.

5. TRAVEL EXPENSES

In addition to the compensation for services as specified in Paragraph 3 (Compensation) above, the Government agrees to pay documented transportation, subsistence, lodging and other travel expenses, while in travel status, for trips which have been authorized in writing, in advance, by the Government. These costs shall be advanced or reimbursed on the same basis as is applicable to non-contract employees of the Government, or as agreed to by an addendum to this Contract, however, said costs and expenses shall not exceed N/A (\$ N/A).

6. RECORDS

The Contractor, when applicable, will present documented, precise records of time and/or money expended under this Contract.

7. PROFESSIONAL STANDARDS

The Contractor agrees to maintain the professional standards applicable to its profession and to consultants doing business in the United States Virgin Islands and in the state/territory in which Contractor is duly licensed to provide the services described and agreed to herein.

8. DOCUMENTS, PRINTOUTS, ETC.

All documents, books, records, instructional materials, programs, printouts and memoranda of every description derived from and pertaining to this Contract

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shall become the property of the Government and shall be turned over to it at the termination of this Contract. The above described materials shall not be used by Contractor or by any other person or entity except upon the written permission of the Government.

In performance of this Agreement, and any Addenda hereunder, the Contractor acknowledges that certain Government Data to which the Contractor may have access may contain individual federal tax information, personal protected health information and other individually identifiable information protected by territorial or federal law. In addition to the provisions of this Section, the Contractor shall execute the **HIPAA Business Associate Agreement** incorporated into this Agreement at attached as *Addendum VI*.

9. LIABILITY OF OTHERS

Nothing in this Contract shall be construed to impose any liability upon the Government to persons, firms, associations, or corporations engaged by Contractor as servants, agents, or independent contractors, or in any other capacity whatsoever, or make Government liable to any such persons, firms, associations, or corporations for the acts, omissions, liabilities, obligations and taxes of Contractor of whatsoever nature, including but not limited to gross receipts, unemployment insurance and social security taxes for Contractor, its servants, agents or independent contractors.

10. INDEMNIFICATION

Contractor agrees to indemnify, defend and hold harmless Government from and against any and all non-plan benefit loss, damage, liability, claims, demands, detriments, cost, charges and expense (including attorney's fees) and causes of action of whatsoever character which Government may incur, sustain or be subjected to, arising out of Contractor's breach of this Contract, except to the extent attributable the sole negligence of Government.

11. LICENSURE, PERMITS, AND INSURANCE

The Contractor covenants that it has familiarized itself with the applicable provisions of Title 27 of the Virgin Islands Code pertaining to professions and occupations, and has obtained all of the applicable licenses or permits, temporary or otherwise, as may be required under said statute(s) for the conduct of the Contractor's business in the United States Virgin Islands. The Contractor shall also provide the Government with proof of civil liability malpractice insurance coverage of no less than **ONE HUNDRED THOUSAND 00/100 (\$100,000.00) DOLLARS** for the entire period of this contract. In the event that the Contractor's existing coverage will expire before the end of the term of this contract, the Contractor shall provide proof of the renewal of coverage within TEN (10) days after the beginning of the new period.

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12. INDEPENDENT CONTRACTOR

The Contractor shall perform this Contract as an independent contractor and nothing herein contained shall be construed to be inconsistent with this relationship or status. The Contractor will act in an independent capacity and not as an officer or employee of the Government of the U. S. Virgin Islands.

13. GOVERNING LAW

This Contract shall be governed by the laws of the United States Virgin Islands and jurisdiction shall remain in the United States Virgin Islands. Government does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. Government does not waive any right to a jury trial.

14. ASSIGNMENT

The Contractor shall not subcontract or assign any part of the services under this contract without the prior written consent of the Government. However, Contractor may utilize third parties to process pharmacy claims or contract with pharmacies. The Government acknowledges that, as of the effective date of this Agreement, Contractor utilizes Argus Health Systems, Inc. to process pharmacy claims.

15. WAIVERS AND AMENDMENTS

No waiver, modification or amendment of any term, condition, or provision of this contract shall be valid or of any force or effect unless made in writing, signed by the parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification, or amendment. Any such waiver, modification, or amendment in any instance or instances shall in no event be construed to be a general waiver, modification, or amendment of any of the terms, conditions, or provisions of this Contract, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings. In the event of that the parties agree that changes must be made to ensure the performance of work under this Contract, said changes in the scope of work must be made in writing to the other for an equitable adjustment in compensation or schedule caused by such material change.

16. ENTIRE AGREEMENT

This Agreement, including all Addenda, constitutes the entire agreement between the parties hereto. There are no understandings, agreements, or representations, oral or written, not specified within this Contract. This Contract

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may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

17. RIGHT TO WITHHOLD

If work under this Contract is not performed in accordance with the terms hereof, Government will have the right to withhold out of any payment due to Contractor, such sums as Government may deem ample to protect it against loss or to assure payment of claims arising therefrom, and, at its option, Government may apply such sums in such manner as Government may deem proper to secure itself or to satisfy such claims. Government will immediately notify the Contractor in writing in the event that it elects to exercise its right to withhold.

No such withholding or application shall be made by Government if and while Contractor gives satisfactory assurance to Government that such claims will be paid by Contractor or its insurance carrier, if applicable in the event that such contest is not successful.

The Government's right to withhold payments under this Section 17 shall not apply to its obligation to sufficiently fund the Bank Account at all times.

18. CONDITION PRECEDENT

This Contract shall be subject to the availability and appropriation of funds and to the approval of the Governor.

19. TERMINATION

Either party will have the right to terminate this Contract with or without cause on **THIRTY (30)** days' written notice to the other party specifying the date of termination.

20. PARTIAL TERMINATION

The performance of work under this Contract may be terminated by the Government, in part, whenever the Government shall deem such termination advisable. This partial termination shall be effected by delivering to the Contractor a Notice of Partial Termination specifying the extent to which the term and/or duties under this Contract are terminated and the date upon which such termination becomes effective. The Contractor shall be entitled to receive payment for services provided up to the date of termination, including payment for the period of the **THIRTY (30)** day notice, provided that the Contractor has performed work specified under the Contract during that thirty-day period.

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21. NON-DISCRIMINATION

No person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of this Contract on account of race, creed, color, sex, religion, disability or national origin.

22. CONFLICT OF INTEREST

(a) Contractor covenants that it has no interest and will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract.

(b) Contractor further covenants that it is:

(i) not a territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature, or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or contractual basis); or

(ii) a territorial officer or employee and, as such, has:

- a. familiarized itself with the provisions of Title 3, Chapter 37 of the Virgin Islands Code, pertaining to conflicts of interest, including the penalties provision set forth in section 1108 thereof;
- b. not made, negotiated or influenced this Contract, in its official capacity;
- c. no financial interest in the Contract as that term is defined in section 1101(1) of said Code chapter.

23. EFFECTIVE DATE

The effective date of this Contract shall be the day of execution of the Contract by the Governor.

24. NOTICE

Any notice required to be given by the Terms of this Contract shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

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GOVERNMENT

Commissioner
Department of Property and Procurement
Sub Base, Building No. 1, Third Floor
St. Thomas, VI 00802

Commissioner
Department of Human Services
Golden Rock Office
3011 Estate Golden Rock
Christiansted, St. Croix, Virgin Islands 00820

CONTRACTOR

Edward V. Stacey, Jr.
Vice President
Network Strategy and Contracting
CIGNA Pharmacy Management, B5PHR
900 Cottage Grove Road
Hartford, CT 06152

Rhonda Karlin
Senior Counsel
CIGNA, B6LPA
900 Cottage Grove Road
Hartford, CT 06152

25. PUBLICITY

No publicity, including press releases, interviews, bulletins, or articles in any public medium concerning this Contract, its terms, execution, implementation, or results, can be released without approval of the Government. Provided, however, upon the signing of this Contract by all parties hereto, the terms of the Contract become available to the public pursuant to Virgin Islands law. The parties hereto agree to allow public access to all documents, papers, letters, or other materials subject to the current Virgin Islands law on disclosure. It is expressly understood that substantial evidence of Contractor's refusal to comply with this provision shall constitute a material breach of this Contract.

All information received that is the subject of this Contract, including copyrighted material, is deemed public information and will be made available for public viewing and copying shortly after the signing of contracts. The sole exceptions to this are as follows: (1) trade secrets meeting the requirements of Federal Trade Secrets laws that have been properly marked, separated, and documented; and (2) any Contractor financial information requested by Government to determine Contractor's responsibility, unless prior written consent has been given by the Contractor. The parties acknowledge and agree that proprietary information, included, without limitation, negotiated reimbursement rates or compensation information, shall be considered trade secrets under applicable law and protected from public disclosure.

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26. WAIVER AGAINST LIENS

The Contractor shall provide waivers from all Sub-Contractors certifying that the Sub-Contractors have been paid in full for all services rendered hereunder.

27. DEBARMENT CERTIFICATION

By execution of this contract, the contractor certifies that it is eligible to receive contract awards using federally appropriated funds and that it has not been suspended or debarred from entering into contracts with any federal agency. The Contractor shall include this provision in each of its subcontracts hereunder and shall furnish its subcontractors with the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON PROCUREMENT". In the event the Contractor or any subcontractor misrepresents its eligibility to receive contract awards using federal funds, the Contractor or subcontractor agrees that it shall not be entitled to payment for any work performed under this contract or any subcontract and that the Contractor or subcontractor shall promptly reimburse the Government of the Virgin Islands for any progress payments heretofore made.

28. FALSE CLAIMS

Contractor warrants that it shall not, with respect to this Contract, make or present any claim upon or against the Government of the Virgin Islands, or any officer department, board, commission, or other agency thereof, knowing such claims to be false, fictitious or fraudulent. Contractor acknowledges that making such a false, fictitious or fraudulent claim is an offence under Virgin Islands law.

29. NOTICE OF FEDERAL FUNDING

Contractor acknowledges that this Contract is funded, in whole or in part, by federal funds. Contractor warrants that it shall not, with respect to this Contract, make or present any claim knowing such claim to be false, fictitious, or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is a federal offence.

30. OTHER PROVISIONS

Addendum I-III, V, VI and Addendum IV attached to this Contract are incorporated into and made part of this Contract. In the event of a conflict between terms and conditions of the general provisions of the Contract, as set out in Sections 1 through 29 of this Contract and Addendum IV attached hereto containing paragraphs 31 through 33, and the terms of provisions of any Addendum or Attachment to this Contract, the terms and conditions of said general provisions of the Contract shall prevail.

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Contractor's Initials: GM

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

[Signature]
[Signature]
[Signature]
[Signature]

GOVERNMENT OF THE VIRGIN ISLANDS

[Signature]
Felecia L. Blyden, Acting Commissioner
Department of Human Services

7 18
4/5/2017
Date

[Signature]
Lloyd T. Bough, Jr., Commissioner
Department of Property and Procurement

22 Jun 17
Date

CONTRACTOR

[Signature]
[Signature]

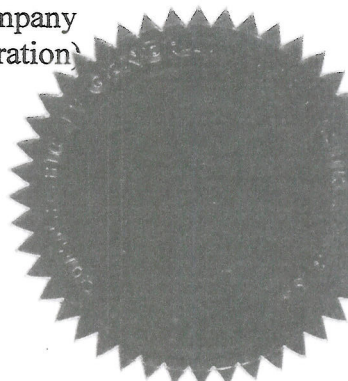
[Signature]
Edward V. Stacey, Jr., Vice President
Connecticut General Life Insurance Company
(Corporate seal, if Contractor is a corporation)

2/14/17
Date

APPROVED:

[Signature]
Kenneth E. Mapp
GOVERNOR OF THE VIRGIN ISLANDS

Date: 08-10-17



APPROVED AS TO LEGAL SUFFICIENCY

DEPARTMENT OF JUSTICE BY: [Signature] Date 7/27/17
AAG

CERTIFICATE OF APPROVAL

I hereby certify that this is a true and exact copy of
Contract No. _____ entered into between
the Department of Property and Procurement and
CONNECTICUT GENERAL LIFE INSURANCE COMPANY.

Lloyd T. Bough, Jr., Commissioner
Department of Property and Procurement

Contract No. P036 DITS C17

Contractor's Initials: ES