



THE UNITED STATES VIRGIN ISLANDS

OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE

Charlotte Amalie, V.I. 00802
340-774-0001

VIA HAND DELIVERY

September 14, 2016

Honorable Neville James
Senate President
31st Legislature
Capitol Building
St. Thomas, V.I. 00802

Re: Agreement for Group Dental Health Insurance
Third Renewal of Group Medical Health Insurance Agreement

Dear Mr. President:

Enclosed are the renewal policies for the Group Health and Dental Insurance with CIGNA for the Virgin Islands Government Employees received in my Office on September 8, 2016.

The renewals provide no substantive changes and there are no increase in rates to government employees. I have approved the renewals for the Group Health and Dental Insurance Plans and are forwarding them to the Thirty First Legislature for consideration. I urge the Legislature to act expeditiously, as the expiration of its term is near, and I look forward to working with all Members of the Legislature to continue to find ways to reduce our health insurance costs and find alternative affordable health coverage for the Virgin Islands Government employees.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Mapp".

Kenneth E. Mapp
Governor

OFFICE OF THE
SENATE PRESIDENT
16 SEP 14 PM 4:11
SENATOR
NEVILLE A. JAMES

**THIRD RENEWAL OF
GROUP MEDICAL HEALTH INSURANCE AGREEMENT**

THIS AGREEMENT made and entered into this ____ day of _____, 2016 by and between the Government of the Virgin Islands, through the Health Insurance Board of Trustees, (the "Government") the Virgin Islands Port Authority (the "Authority"), the University of the Virgin Islands ("UVI"), the St. Thomas East End Medical Center ("East End Medical"), the Virgin Islands Housing Authority (the "Housing Authority"), Non-Profit Organizations defined as eligible by the Government, and Frederiksted Health Care, Inc. ("FHC") (the Government, the Authority, UVI, East End Medical, the Housing Authority, Non-Profit Organizations and FHC hereinafter individually referred to as, each, "Employer Entity" and collectively referred to as the "Employer") and Cigna Health and Life Insurance Company (hereinafter "Cigna"). For purposes of this Third Renewal of Group Medical Health Insurance Agreement (the "Third Renewal"), a Non-Profit Organization is an entity determined by the Government to satisfy the requirements under applicable U. S. Virgin Islands law for participation under this Third Renewal.

WITNESSETH:

WHEREAS, the Employer and Cigna entered into an Agreement for Group Medical Health Insurance (the "Agreement") approved by the Virgin Islands Legislature on September 20, 2013; and

WHEREAS, the Agreement was for a one (1) year term and provides that the parties may renegotiate and renew the Agreement for up to four (4) successive twelve (12) month terms; and

WHEREAS, the Employer and Cigna entered into a First Renewal of the Group Medical Health Insurance Agreement ("First Renewal") executed September 30, 2014; and

WHEREAS, the Employer and Cigna entered into a Second Renewal of the Group Medical Health Insurance Agreement (“Second Renewal”) executed September 8, 2015. The Second Renewal is due to expire, pursuant to its terms, on September 30, 2016; and

WHEREAS, the Employer and Cigna intend, pursuant to this Third Renewal, to renew the Agreement for an additional twelve (12) month term commencing October 1, 2016 and ending September 30, 2017, and amend the Agreement, as renewed, to provide for a rate pass as defined below.

NOW THEREFORE, for and in consideration of the mutual covenants and promises made herein, the parties agree as follows:

1. The Agreement, pursuant to the terms herein, is renewed for a twelve (12) month term commencing October 1, 2016 and ending September 30, 2017.
2. Commencing October 1, 2016, premium rates shall remain at the following monthly rates established in the Third Renewal (hereinafter referred to as the “rate pass”):

| <u>Category</u> | <u>Cost</u> |
|--------------------------------|-------------|
| Employee | \$735.99 |
| Employee & Family | \$1,286.93 |
| Retiree < 65 | \$954.23 |
| Disabled < 65 Medicare primary | \$953.17 |
| Retiree (<65) & Family (<65) | \$1,705.48 |
| Retiree (<65) & Family (> 65) | \$1,315.13 |
| Family (< 65) of Retiree (>65) | \$954.23 |

The rates set forth above include all administrative charges for the services agreed to be made available to the Employer.

3. The rate pass is contingent upon the Employer applying \$1,900,000 of the premium stabilization reserve ("PSR") to employee contributions and the remaining funds in the PSR being utilized by Cigna until the 2016 plan year accounting is completed in January, 2018.

4. Commencing October 1, 2016, Cigna shall continue to provide coverage for all of the present active employee and Pre-65 retiree enrollees and their dependents who are eligible under the Government Plan.

5. The Plan Document prepared by Cigna will describe the benefits provided under the group benefit policy, including but not limited to the benefits required by federal and territorial law, including those necessary to comply with the Affordable Care Act, and territorially mandated benefits such as autism and juvenile hearing aids. Cigna and Employer acknowledge that, as of October 1, 2016, the group health plan remains subject to those provisions of the Public Health Service Act that were enacted in the Affordable Care Act, including, *inter alia*, the prohibition on lifetime and annual limits (PHS Act section 2711), the prohibition on rescissions (PHS Act section 2712), coverage of preventive health services (PHS Act section 2713), and the revised internal and external appeals process (PHS Act section 2719).

6. Except as expressly amended by this Third Renewal, all terms and provisions of the original Agreement remain in full force and effect.

7. This Third Renewal is subject to the appropriation and availability of funds, the approval of the Governor of the U.S. Virgin Islands, and the approval of the Virgin Islands Legislature.

8. For purposes of this Third Renewal, a photocopy or facsimile copy of the document or a photocopy or facsimile copy of a signature to the document shall have the same effect as an original. Also, this Third Renewal may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties through their authorized representative set their signatures on the day and year indicated.

Witness:

Cigna

Elizabeth E. Quattrochi
Assistant Director

Date: _____

Edward P. Potanka
Assistant Secretary

Date: _____

Witness:

Government of the Virgin Islands Health Insurance
Board of Trustees

Beverly A. Joseph, Chairperson

Date: _____

Witness:

Virgin Islands Port Authority

_____ Date: _____
Carlton Dowe, Executive Director

Witness:

University of the Virgin Islands

_____ Date: _____
David Hall, President

Witness:

St. Thomas East End Community Health Center, Inc.

_____ Date: _____
Molito A. Smith, Chief Executive Officer

Virgin Islands Housing Authority

_____ Date: _____
Robert Graham, CPM

Frederiksted Health Care, Inc.

_____ Date: _____
Masserae Sprauve-Webster,
Chief Executive Officer

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IN WITNESS WHEREOF the parties through their authorized representative set their signatures on the day and year indicated.

Witness:

Cigna

Debra Brown

Elizabeth E. Quattrochi

Date: 9/17/2016

Elizabeth E. Quattrochi
Assistant Director

Debra Brown

Edward P. Potanku

Date: 9/17/16

Edward P. Potanku
Assistant Secretary

Witness:

Government of the Virgin Islands Health Insurance
Board of Trustees

Beverly A. Joseph

Date: 9/17/16

Beverly A. Joseph, Chairperson

Witness:

[Signature]

Virgin Islands Port Authority

[Signature]
Carlton Dowe, Executive Director

Date: 9/7/14

Witness:

University of the Virgin Islands

_____ Date: _____
David Hall, President

Witness:

St. Thomas East End Community Health Center, Inc.

_____ Date: _____
Molito A. Smith, Chief Executive Officer

Virgin Islands Housing Authority

_____ Date: _____
Robert Graham, CPM

Frederiksted Health Care, Inc.

_____ Date: _____
Massrae Sprauve-Webster,
Chief Executive Officer

[Handwritten initials]

Witness:

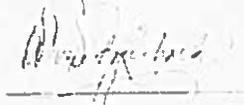
Virgin Islands Port Authority

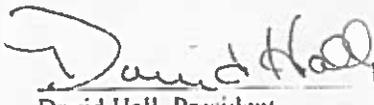
Date: _____

Carlton Dowe, Executive Director

Witness:

University of the Virgin Islands





Date: 9/7/16

David Hall, President

Witness:

St. Thomas East End Community Health Center, Inc.

Date: _____

Molito A. Smith, Chief Executive Officer

Virgin Islands Housing Authority

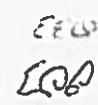
Date: _____

Robert Graham, CPM

Frederiksted Health Care, Inc.

Date: _____

Masserae Sprauve-Webster,
Chief Executive Officer



Witness:

Virgin Islands Port Authority

_____ Date: _____
Carlton Dowe, Executive Director

Witness:

University of the Virgin Islands

_____ Date: _____
David Hall, President

Witness:

~~St. Thomas East End Community Health Center, Inc.~~ ^{10/21/16}
St. Thomas East End Medical Center Corporation

Quincy Corneio

Moleto A. Smith Jr., Date: 07 Sept 2016
Moleto A. Smith, Chief Executive Officer ^{10/21/16}
Moleto A. Smith Jr., Executive Director

Virgin Islands Housing Authority

_____ Date: _____
Robert Graham, CPM

Frederiksted Health Care, Inc.

_____ Date: _____
Masserae Sprauve-Webster,
Chief Executive Officer

Handwritten initials and marks in the bottom right corner.

Witness:

Virgin Islands Port Authority

Date: _____

Carlton Dowe, Executive Director

Witness:

University of the Virgin Islands

Date: _____

David Hall, President

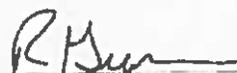
Witness:

St. Thomas East End Community Health Center, Inc.

Date: _____

Molto A. Smith, Chief Executive Officer

Virgin Islands Housing Authority



Date: _____

9/7/16

Robert Graham, CPM

Fredenksted Health Care, Inc

Date: _____

Masserae Sprauve-Webster,
Chief Executive Officer

Witness:

Virgin Islands Port Authority

_____ Date: _____
Carlton Dowe, Executive Director

Witness:

University of the Virgin Islands

_____ Date: _____
David Hall, President

Witness:

St. Thomas East End Community Health Center, Inc.

_____ Date: _____
Molito A. Smith, Chief Executive Officer

Virgin Islands Housing Authority

_____ Date: _____
Robert Graham, CPM

Frederiksted Health Care, Inc.

May 2016 Date: 9/7/2016
Massrac Sprauve-Webster,
Chief Executive Officer

CEW
[Signature]

GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES
OFFICE OF THE LIEUTENANT GOVERNOR
Division of Banking and Insurance

Certificate of Authority

This is to certify that in accordance with the Virgin Islands Code, which provides for the regulation of the business of Insurance in the Virgin Islands,

CIGNA Health and Life Insurance Company

900 Cottage Grove Road Bloomfield CT 06002

having filed all the documents required by law and having otherwise complied with the applicable insurance laws of the U.S. Virgin Islands is hereby authorized to transact the type(s) of insurance listed below.

Accident
Annuities
Health
Life
Endowment

NOW, THEREFORE, I **Osbert E. Potter** Lieutenant Governor and Commissioner of Insurance, pursuant to the authority vested in me in Section 209 of the Title 22 Virgin Islands Code, hereby issue this Certificate of Authority which authorizes said Company to transact the type(s) of insurance set forth above.

This certificate is valid from January 01, 2016 to December 31, 2016. Renewal of this Certificate is required annually upon expiration on the 31st day of December, and it may be suspended or revoked as provided in Section 212 of Title 22 Virgin Islands Code.

Given under the Seal of the Government of the Virgin Islands of the United States, at Charlotte Amalie, St. Thomas.



Osbert E. Potter
Lieutenant Governor/Commissioner of Insurance

