




Memorandum

Memorandum No 24-025

Date: February 5, 2024

To: Honorable Mayor, Vice Mayor, and Commissioners

From: Greg Chavarria, City Manager 
Greg Chavarria (Feb 6, 2024 11:01 EST)

Re: **CIGNA Provider Negotiations**

The City is self-insured for employee health insurance and contracts with Cigna Health and Life Insurance Company (CIGNA) for Third-Party Administration (TPA) services for Group Health, Pharmacy, and Benefit Management (PBM). The three-year agreement with CIGNA was approved with an effective date of January 1, 2023. Included in the services provided are network/provider management, which includes contracts with providers. When provider contracts are expiring, we are notified by CIGNA if there are any issues relating to contract renewal.

Below are status updates on two contracts that are currently under negotiation.

Holy Cross

Cigna's network contract with Holy Cross terminated on August 15, 2023. Cigna has been negotiating with Trinity, the parent company of Holy Cross, for an agreement with all of their hospitals across the country. These negotiations started well before the termination date and have continued since that time. Cigna's chief negotiator advised, during a webinar late last week, that the finalization of the contract was "imminent," but he could not pinpoint a date. He feels confident that there will be an agreement as "providers don't want to be out-of-network any more than Cigna wants them to be."

Broward Health

Cigna's network contract with Broward Health is scheduled to terminate on April 1, 2024. They are currently in negotiations to come to an agreement on rates that each party can accept. Broward Health is negotiating higher rates for their services, while Cigna is attempting to keep the rates from increasing exponentially to protect both their self-insured clients and fully insured policyholders. As with Cigna's other providers in the network, they will continue to negotiate and try to come to a resolution acceptable to all parties.

If you have any questions, please contact Guy Hine, Risk Manager by emailing ghine@fortlauderdale.gov or call 954-828-5494.

c: Anthony G. Fajardo, Assistant City Manager
Susan Grant, Assistant City Manager
Thomas J. Ansbro, City Attorney
David Soloman, City Clerk
Patrick Reilly, City Auditor
Department Directors
CMO Managers