




## Memorandum

### Memorandum No 24-057

**Date:** April 1, 2024

**To:** Honorable Mayor, Vice Mayor, and Commissioners

**From:** Greg Chavarria, City Manager   
Greg Chavarria (Apr 1, 2024 14:57 EDT)

**Re:** **CIGNA Provider Negotiations**

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The City of Fort Lauderdale (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 and 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.

Cigna's network contract with Broward Health terminated 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. In addition, Cigna has indicated that all impacted employees have received letters from them providing information on continuity of care.

If you have any questions, please contact Guy Hine at [ghine@fortlauderdale.gov](mailto:ghine@fortlauderdale.gov) or 954-828-5494.

c: Anthony G. Fajardo, Assistant City Manager  
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Patrick Reilly, City Auditor  
Department Directors  
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