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State of New Hampshire  
DEPARTMENT OF ADMINISTRATIVE SERVICES  
OFFICE OF THE COMMISSIONER  
25 Capitol Street – Room 120  
Concord, New Hampshire 03301

CHARLES M. ARLINGHAUS  
Commissioner  
(603)-271-3201

JOSEPH B. BOUCHARD  
Assistant Commissioner  
(603)-271-3204

July 31, 2018

His Excellency, Governor Christopher T. Sununu  
and the Honorable Executive Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Administrative Services (DAS), Risk Management Unit (RMU), to enter into a contract with Express Scripts, Inc., (ESI) (VC# 169747), Saint Louis, Missouri 63121 in the amount of \$212,449,000 for the administration of the prescription drug benefit provided to state employees and retirees pursuant to RSA 21-I:30 and, with respect to employees, consistent with state collective bargaining agreements for a period of thirty-six (36) months upon Governor and Executive Council approval for the period effective January 1, 2019 through December 31, 2021, with the option to renew for up to two additional years subject to the approval of the Governor and Executive Council. **Approximately 36% General Funds, 15% Federal Funds, 4% Enterprise Funds, 11% Highway Funds, 2% Turnpike Funds and 32% Other Funds.**

Funding is available in SFY 2019, and is anticipated to become available in SFY 2020, SFY 2021 and SFY 2022 with the authority to adjust encumbrances between state fiscal years if necessary and justified through the Budget Office, in the following accounts:

	<u>SFY2019</u>	<u>SFY2020</u>	<u>SFY2021</u>	<u>SFY2022</u>
<b>Pharmacy Claim Costs</b>				
01-14-14-140560-66000000 ACTIVES				
100-500641 Pharmacy Claims	\$17,182,000	\$35,407,000	\$37,623,000	\$19,398,000
01-14-14-140560-66600000 TROOPERS				
100-500641 Pharmacy Claims	\$264,000	\$543,000	\$577,000	\$298,000
01-14-14-140560-66500000 RETIREE				
100-500641 Pharmacy Claims	\$3,816,000	\$7,863,000	\$8,355,000	\$4,307,000
100-501658 Pharmacy Claims - Retirees O65	\$10,978,000	\$23,086,000	\$25,490,000	\$13,381,000
<b>FISCAL YEAR TOTALS</b>	<b>\$32,240,000</b>	<b>\$66,899,000</b>	<b>\$72,045,000</b>	<b>\$37,384,000</b>
<b>Pharmacy Administrative Costs</b>				
01-14-14-140560-66000000 ACTIVES				
100-500642 Pharmacy Admin Fees	\$101,000	\$203,000	\$203,000	\$101,000
01-14-14-140560-66600000 TROOPERS				

100-500642 Pharmacy Admin Fees	\$3,000	\$7,000	\$7,000	\$3,000
01-14-14-140560-66500000 RETIREE				
100-500642 Pharmacy Admin Fees	\$12,000	\$23,000	\$23,000	\$12,000
102-500673 Pharmacy Adm Fee - Retirees O65	\$500,000	\$1,040,000	\$1,081,000	\$562,000
<b>FISCAL YEAR TOTALS</b>	<b>\$616,000</b>	<b>\$1,273,000</b>	<b>\$1,314,000</b>	<b>\$678,000</b>
<b>FY Totals</b>	<b>\$32,856,000</b>	<b>\$68,172,000</b>	<b>\$73,359,000</b>	<b>\$38,062,000</b>
<b>Grand Total</b>	<b>\$212,449,000</b>			

### EXPLANATION

The State provides prescription drug coverage for state employees, retirees, spouses and eligible dependents in accordance with the provisions of RSA 21-I:30 and the Collective Bargaining Agreements. The current contract with Express Scripts, Inc. is set to expire on December 31, 2018.

DAS, with the assistance of The Segal Company (Segal), issued a Request for Proposal (RFP) for pharmacy benefit management services on 12/8/17. Approximately 240 individuals and/or firms received direct notification of this solicitation and the proposal was posted on the Bureau of Purchase and Property website. On January 19, 2018, proposals were received from the following: Anthem, CVS Health, Express Scripts, Inc., Magellan, MedImpact and OptumRx. All six proposals were evaluated.

The scoring of the proposals was based upon the following areas and corresponding weights: Financial (60%), Requested Contractual Terms (15%), Performance Guarantees (5%) and the Technical Questionnaire - Organizational Stability & Experience, Administrative, Member & Claim Paying Services, Reporting, IT & Data Integration (5%), Formulary Management & Rebates, Drug Utilization Review, Network Management & Quality Assessment, Mail Order (5%), Specialty Pharmacy Program (5%) and Medicare Part D & EGWP Programs (5%). Based on the foregoing, the proposal submitted by ESI received the highest ranking score and was recommended by a unanimous vote of the evaluation team. The evaluation team members were: Catherine Keane (Deputy Commissioner, DAS) Joyce Pitman (Director of Risk and Benefits, DAS, RMU), Margaret Clifford, R.Ph. (Medicaid Pharmacy Director, Department of Health & Human Services (DHHS)), Lise Farrand, R.Ph. (Pharmaceutical Services Specialist, DHHS), Linda Huard (Adjudicator, New Hampshire Employment Security and SEA and Health Benefit Committee member), Matthew Newland (Manager of Employee Relations, DAS, Division of Personnel (DOP)), Robin Berube (Financial Reporting Administrator, DAS, RMU), Margaret Blacker (Health Benefits Program Manager, DAS, RMU) Patricia Manning (Health Benefit Project Manager, DAS, RMU), and Gary Lunetta (Administrator IV, DAS, Bureau of Purchase & Property).

As stated above and referenced in the attached Executive Summary of Overall Results, the financial score encompassed sixty percent (60%) of the total proposal score. In accordance with the RFP, the financial proposals were scored on the projected costs as determined by the State for the three-year period from January 1, 2019 to December 31, 2021. The lowest cost proposal received 100% of the 60 points allocated for the Financial Section of the RFP. All other financial proposals were scored on a sliding scale, with proposals losing 2 points for every percentage point higher than the lowest cost proposal. As the scale is sliding, scores were adjusted for partial percentage differences.

The remaining forty percent (40%) of the allocated points were distributed amongst the Requested Contractual Terms, the Technical Questionnaire and Performance Guarantees. In these categories, scoring criteria were applied and bidder responses were evaluated based on the extent to which the bidder documents conformance with specifications, as well as the completeness, soundness, and creativity of the response, all as evaluated by the State. In accordance with the State's procurement rules, non-financial section scoring was based on the quality of each bidder's response and not based on any outside knowledge of the programs and/or services offered by each bidder. All six proposals were competitive, making the financial section of the proposal the determining factor for recommendation by the evaluation team.


ESI, the incumbent, submitted the most financially competitive proposal in terms of projected costs. ESI's projected costs were \$5.10 million or 2.4% lower than the second lowest cost proposal over the three-year contract. Through negotiations, the State was able to reduce ESI's original proposed price by 5.4% furthering the gap between the top two bidders. The final cost of the program was then adjusted by the DAS Risk Management Unit to accommodate for 5% margin for claims fluctuation over the course of the three (3) year contract.

The prescription drug benefit program covers active employees, retirees and their eligible spouses and dependents. There are approximately 24,800 active employees and dependents on the plan whose benefits are determined through the collective bargaining process. In addition, there are approximately 12,400 retirees and dependents on the prescription drug plan: 2,800 on the non-Medicare/Under 65 plan and 9,600 on the Medicare Part D Employer Group Waiver Program (EGWP).

In summary, ESI will continue to provide the State with pharmacy benefit management services through its Advantage Utilization Management Package which includes prior authorization, drug quantity management, and generic step therapy programs consistent with programs in effect under the collective bargaining agreements and retiree programs. In addition, over the past 4.5 years, ESI has proven to be a valued partner with DAS in both processing prescription drug claims as well as providing innovative cost containment strategies.

Based on the foregoing, I am respectfully recommending approval of the contract with Express Scripts, Inc.

Respectfully submitted,



Charles M. Arlinghaus  
Commissioner

**Total Score**

Category	Allocated Points	Anthem		CVS Health		Express Scripts		Magellan		MedImpact		OptumRx	
		Percent	Points	Percent	Points	Percent	Points	Percent	Points	Percent	Points	Percent	Points
Financial - Projected Costs	60	63%	37.7	92%	55.2	100%	60.0	61%	36.4	78%	46.9	87%	52.1
Requested Contractual Terms	15	85%	12.7	82%	12.4	92%	13.7	96%	14.4	95%	14.3	86%	12.9
Performance Guarantees	5	49%	2.4	63%	3.1	83%	4.1	56%	2.8	73%	3.6	68%	3.4
Organizational Stability & Experience Administrative, Member, & Claim Paying Services Reporting, IT, & Data Integration	5	81%	4.0	91%	4.5	88%	4.4	87%	4.4	87%	4.3	83%	4.1
Formulary Management & Rebates Drug Utilization Review Network Management & Quality Assessment Mail Order	5	88%	4.4	87%	4.3	92%	4.6	79%	4.0	88%	4.4	82%	4.1
Specialty Pharmacy Program	5	56%	2.8	80%	4.0	70%	3.5	83%	4.1	83%	4.1	67%	3.4
Medicare Part D - EGWP Program	5	92%	4.6	95%	4.7	95%	4.7	91%	4.5	92%	4.6	98%	4.9
<b>Total Score*</b>	100	<b>68.6</b>		<b>88.3</b>		<b>95.1</b>		<b>70.6</b>		<b>82.3</b>		<b>84.9</b>	
<b>Total Rank</b>		<b>[6]</b>		<b>[2]</b>		<b>[1]</b>		<b>[5]</b>		<b>[4]</b>		<b>[3]</b>	

\* The sum of category scores may not tie back to total score due to rounding.

**Financial Summary - 1/1/2019 to 12/31/2021**  
(Based on Minimum Guaranteed Prescription Drug Pricing Terms)

	Anthem	CVS Health	Express Scripts	Magellan	MedImpact	OptumRx
<b>Total Projected Cost**</b>	\$237,229,500	\$218,498,100	\$213,394,900	\$238,532,700	\$227,360,000	\$221,798,100
<b>Difference from Lowest Cost - \$</b>	\$23,834,600	\$5,103,200	\$0	\$25,137,800	\$13,965,100	\$8,403,200
<b>Difference from Lowest Cost - %</b>	11.2%	2.4%	0.0%	11.8%	6.5%	3.9%
<b>Financial Rank</b>	<b>[5]</b>	<b>[2]</b>	<b>[1]</b>	<b>[6]</b>	<b>[4]</b>	<b>[3]</b>

\*\* The projections are based on the data and assumptions from the Pharmacy Benefit Management Services proposal analysis dated March 13, 2018.

\*\* The projections are estimates of future costs and are based on information available to Segal Consulting at the time the projections were made. Segal Consulting has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from the new health care reform legislation or other recently passed state or federal regulations.

# RFP 2018-203–PHARMACY BENEFITS MANAGEMENT SERVICES

## Evaluation Committee Members

### **CATHERINE KEANE**

Current Position: Deputy Commissioner, Department of Administrative Services (DAS)

Background: Cassie Keane joined DAS in 2013 and began serving as the Deputy Commissioner in January, 2018. At DAS, Cassie served as the Director of Risk and Benefits for five years where she managed the Employee and Retiree Health Benefit Plan, the Workers Compensation Program, and the Property and Casualty programs. Cassie is a lawyer who worked previously as an attorney in the Department of Justice and also worked at the Department of Health and Human Services (DHHS) for 14 years. At DHHS, Cassie served as the Director of Elderly and Adult Services for five years where she managed a \$300 million budget and worked to promote long term care system change. She also worked in the Child Support and Medicaid programs.

### **JOYCE PITMAN**

Current Position: Director Risk & Benefits, Risk Management Unit (RMU), Department of Administrative Services

Background: Joyce Pitman joined DAS in the Risk Management Unit in 2013 and began serving as the Director in May 2018. As Director, Joyce oversees all HBP plan initiatives, including procurements and contract management. Joyce has a BS in Health Management and Policy from the University of New Hampshire and an MBA in Business Administration/HR Management from Southern NH University. Previously, Joyce worked for 15 years in Health Benefits Administration and Human Resources. She has a wealth of knowledge in vendor relations and the contract management process as well as with employee communications concerning benefits.

### **GARY LUNETTA**

Current Position: Director, Bureau of Purchase & Property, Department of Administrative Services

Background: Gary Lunetta joined DAS in the Bureau of Procurement and Support Services in 2017 and began serving as the Director in January 2018. Gary has over 30 years of procurement and contract experience in the private sector working for companies like AlliedBarton Security Services as the District Area Manager and Client Value Manager and Raytheon Engineers & Constructors, Inc. as a Regional Manager. Gary has a Bachelor's Degree in Business Management and Associate's Degree in Procurement from Northeastern University.

### **MATTHEW NEWLAND**

Current Position: Manager of Employee Relations, Division of Personnel, Department of Administrative Services

Background: Matt Newland has been in his current position for nearly 8 years. He has an additional 14 years of Full/Part-Time State Service. In his current position as Manager of Employee Relations, he conducts negotiations on behalf of the Governor with the unions, administers all collective bargaining agreements and represents the State in all grievance actions including the public employee labor relations board. Prior to working in this position, Matt was employed by BAE Systems (defense contractor) as a Principal Contract Negotiator for 13 years.

#### **LINDA HUARD**

Current Position: State Employees' Association of New Hampshire Chair and Health Benefits Committee (HBC) and Adjudicator, New Hampshire Employment Security

Background: Linda Huard has been employed with the New Hampshire Employment Security for 15 years as an Adjudicator. Linda was formerly employed as a Human Resources Generalist in a Department of Defense (DoD) environment for 17+ years responsible for benefits, employee relations, compensation, training and development, recruitment and retention.

Linda has been a member of the State Employees' Association of NH (SEA) Health Benefits Committee (HBC) since 2007 when the HBC was formed. Linda has been serving as the SEA Chair of the HBC since 2011 and a member of the SEA Master Bargaining Team since 2007, working on her sixth State of NH contract. Linda has also been a SEA member of State Labor Management Committee since 2011.

#### **ROBIN BERUBE**

Current Position: Financial Reporting Administrator I, Risk Management Unit, Department of Administrative Services

Background: Robin Berube has been employed with the State for the past thirteen years, most recently in the Risk Management Unit. In her role, Robin assists with the financial and accounting management of the health and dental program. Previously, Robin worked as a Program Assistant for the Department of Safety at the Division of Motor Vehicles before receiving a promotion to the Division of Administration and Grants Management Unit within the Department of Safety. Robin assisted with the day-to-day accounting of the Division of Administration, primarily focusing on Homeland Security Grants awarded to Department of Safety. Robin holds a Master's of Science in Accounting and Finance from Southern New Hampshire University.

#### **MARGARET BLACKER**

Current Position: Health Benefits Program Manager, Risk Management Unit, Department of Administrative Services

Background: Margaret Blacker started her State service in the Risk Management Unit in February 2016. As the Health Benefits Program Manager, Margaret oversees the active employee and retiree benefit program third party administrators to ensure benefits are administered in accordance with state contracts and processes and in compliance with current collective bargaining agreements, state and federal laws, rules and guidelines as well as evolving best practices in the industry. Prior to becoming employed by the State of

New Hampshire, Margaret was employed by Elliot Health System in Manchester, NH, most recently as the Director of Employee Benefits. Margaret earned a Bachelor's degree in Business Administration from the University of Southern New Hampshire.

**PATRICIA MANNING, MPH**

Current Position: Health Benefits Project Manager in the Risk Management Unit, for the State of NH, Department of Administrative Services

Background: As the Health Benefits Project Manager, Patricia Manning is responsible for leading projects related to employee and retiree health benefits. She holds a Bachelor's Degree in Behavioral Science and a Master's in Public Health from the University of NH. She has over 25 years of experience in the Health and Human Services field, including health education, physical and developmental disabilities, emergency services, infectious disease, and housing services.

**LISE FARRAND, R.Ph.**

Current Position: Pharmaceutical Services Specialist in the Office of Medicaid Services, for the State of NH, Department of Health and Human Services

Background: As the Pharmaceutical Services Specialist, Lise Farrand is responsible for overseeing the Medicaid Fee-for-Service Pharmacy Benefit Management Contract(s). Lise has been an evaluator on all prior Medicaid Pharmaceutical Benefits Management RFPs as well as the prior two Pharmaceutical Benefits Management RFPs for employee and retirees. She holds a Bachelor's Degree in Pharmacy from the Massachusetts College of Pharmacy. She has over 25 years of experience in the Pharmaceutical Field.

**MARGARET CLIFFORD, R.Ph.**

Current Position: Medicaid Pharmacy Director for the State of NH, Department of Health and Human Services

Background: Margaret Clifford directs the Pharmacy Services Unit for the Medicaid program. As the Pharmacy Director, she provides clinical oversight to the Drug Utilization Review Committee, collaborates with the Chief Medical Officer to provide clinical oversight to the Medicaid Care Management Program pharmacy services, directs the clinical and service utilization components of the vendor contract for the fee-for-service pharmacy benefit management, provides leadership to new pharmacy related initiatives and works in collaboration with other DHHS departments to address the needs of special Medicaid populations. Prior to becoming the Medicaid Pharmacy Director, Margaret was the Chief Compliance Officer for the NH Board of Pharmacy.

Margaret completed her pharmacy degree at The University of Rhode Island. Margaret's career as a pharmacist is primarily in the area of community based pharmacy with additional experience in both hospital pharmacy and long term care pharmacy.

# NIGP LIST

# RFP 2018-203

All email addresses that have a strike through are vendors that we received a failure to deliver message from when trying to solicit (invalid email address etc)					
218186	Allied Community Resources; In	ACRdevelopment@alliedgroup.org	(888) 337-2834	948-0000	HEALTH RELATED SERVICES (FOR H
230365	Sun Life Assurance Co of CA	adam.c.pratt@sunlife.com	(207) 771-5355	953-4800	Health/Hospitalization (Includ
230376	michael adams electric llc	adamsalarns@aol.com		948-4800	Health Care Services (Not Othe
216477	INS Consultants; Inc.	adingler@insconsultants.org	215 625 8323	953-0000	INSURANCE AND INSURANCE SERVIC
277140	PORT CITY CHIROPRACTIC	advocate@portcitychiro.com		948-7400	Professional Medical Services
277185	Aetna Inc	AetnaStudentHealthRFPrequests@aetna.com		953-5200	Insurance And Insurance Servic
282777	GrapeTree Medical Staffing Inc	alex.robinson@grapetree.org		948-4800	Health Care Services (Not Othe
223033	Health Plan Systems; Inc.	alisaw@2hps.com	732 582 0075	948-4800	Health Care Services (Not Othe
257305	North American Management	allison.francis@namgt.com		958-5600	Health Care Management Service
201036	Mann Staffing Services LLC	amandar@mannstaffing.com		948-4800	Health Care Services (Not Othe
208675	Spectra Laboratories Inc	andrew.eisman@fmc-na.com	866 795 2934	948-0000	HEALTH RELATED SERVICES (FOR H
278469	Mohawk 11 Inc	apmohawk11@gmail.com		948-0000	HEALTH RELATED SERVICES (FOR H
201881	JDF Solutions Inc	areb@jdfstaffing.com		958-5600	Health Care Management Service
262430	Cognitive	BD@cog-ps.com		958-5600	Health Care Management Service
170551	Magellan Behavioral Health Inc	bhsales@magellanhealth.com	860 507 1991	953-5200	Insurance And Insurance Servic
175034	Moore Medical LLC	bid@mooremedical.com		269-0000	DRUGS & PHARMACEUTICALS
177603	Henry Schein Inc	biddept@henryschein.com	(866) 738-8999	269-0000	DRUGS & PHARMACEUTICALS
174856	Conduent State&Local Solutions	biddesk.fc-llg@conduent.com	(602) 261-7991	948-0700	Administration Services, Healt
274212	hCentive	bidleads@hcentive.com		948-4800	Health Care Services (Not Othe
268101	CELL STAFF; LLC	bids@cellstaff.com		948-0700	Administration Services, Healt
220804	coVita	bids@covita.net		948-4800	Health Care Services (Not Othe
164136	HEALTH MANAGEMENT SYSTEM; INC	bids@hms.com		948-0700	Administration Services, Healt
246636	BI Incorporated	bidsvcs@bi.com		958-5600	Health Care Management Service
281759	CIVHC	billing@civhc.org		948-0700	Administration Services, Healt
231113	RELSAS	bob.elsas@gmail.com		953-4800	Health/Hospitalization (Includ
248425	Quest Diagnostics	brenda.m.kice@questdiagnostics.com		948-0700	Administration Services, Healt
222589	Stiefel Consulting	Brian@PraxisClaims.com	877 785 6001	953-5200	Insurance And Insurance Servic
229420	Nurtur Health; Inc.	brwilliams@nurturhealth.com	(800) 303-2467	958-5600	Health Care Management Service
170242	Candy Frances Alexander	candy@alexander-advisory.com		958-6100	Insurance And Risk Management
177639	Colonial Management Group; LP	cbass@cmglp.com		948-4800	Health Care Services (Not Othe
224259	Worldwide Travel Staffing; Ltd	ccunningham@worldwidetravelstaffing.com	877 375 2450	958-5600	Health Care Management Service
261332	CDR Strategies; LLC	CDRStrategies@comcast.net		953-4800	Health/Hospitalization (Includ
271534	Health Care Project Resources	chief@h-cpr.com		958-5600	Health Care Management Service
229631	Dissinger Reed	chowze@dissingerreed.com		953-4800	Health/Hospitalization (Includ
221967	Frontline National	chris@frontlinenational.com		948-0700	Administration Services, Healt
223659	Arthur J. Gallagher Risk MSI	chris_connelly@ajg.com	407 370 3057	953-5200	Insurance And Insurance Servic
249782	US Bioservices Corporation	christine.kruger@usbioservices.com	(888) 418-7246	269-0000	DRUGS & PHARMACEUTICALS
268353	Mostly Medicaid LLC	clay@mostlymedicaid.com		953-5200	Insurance And Insurance Servic
166042	Willowdale Counseling Center	cludwick@willowdalecounselingcenter.com		948-4800	Health Care Services (Not Othe
169834	CROSS INSURANCE - MANCHESTER	cmorgan@crossagency.com	(603) 645-4331	953-4800	Health/Hospitalization (Includ



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255042	G4S	cni.marketing@usa.g4s.com		953-5200	Insurance And Insurance Serv
278955	InGenesis	commercial@ingenesis.com		948-7400	Professional Medical Services
226657	AmediStaf LLC	contracts@therightsolutions.com		948-0700	Administration Services, Healt
174217	GARY COLE OD PC	cooseyecare@myfairpoint.net	603 752 6887	948-7400	Professional Medical Services
174839	Mckesson Drug	corporatesecretary@mckesson.com	978 975 1308	269-0000	DRUGS & PHARMACEUTICALS
258306	Correct Care Solutions LLC	ephifer@correctcaresolutions.com		948-4800	Health Care Services (Not Othe
278791	Conduent Incorporated	craig.vannice@conduent.com		958-5600	Health Care Management Service
176250	Sanofi Pasteur	customer.accounts@sanofipasteur.com	570 839 0940	269-0000	DRUGS & PHARMACEUTICALS
175792	General Injectables & Vaccines	customersfirst@giv.com	703 688 3452	269-0000	DRUGS & PHARMACEUTICALS
172603	Cerilliant Corp	custserv@cerilliant.com	918 006 5414	269-0000	DRUGS & PHARMACEUTICALS
283136	Mascoma Community Healthcare	d.ransmeier@mascomahealth.org		948-0700	Administration Services, Healt
270784	Daniel F. Jones; MD	Daniel.Jones.MD@gmail.com		948-0700	Administration Services, Healt
223908	Innovative Resource Group; LLC	development@apshealthcare.com		953-4800	Health/Hospitalization (Includ
276228	Lindsay Payne Gibson & Marette	dgibson@livingstongroupdc.com		953-4800	Health/Hospitalization (Includ
262425	Dentegra Insurance Company	dgillespie@dentegra.com		948-0700	Administration Services, Healt
257859	Next Medical Staffing	dhenry@nextmedicalstaffing.com	877.470.6398	948-7400	Professional Medical Services
259456	TRICAST; Inc.	diane.koenig@tricast.com		948-7200	Pharmaceutical Services
256760	Marshall & Stevens	dkoller@marshall-stevens.com		953-5200	Insurance And Insurance Serv
177121	HANNAFORD BROS CO	DMUOptions@dhhs.state.nh.us		269-0000	DRUGS & PHARMACEUTICALS
217850	GENEIA; LLC	donna.lencki@geneia.com		953-4800	Health/Hospitalization (Includ
265855	RSKM; LLC	eamedbill@yahoo.com		948-0700	Administration Services, Healt
169747	Express Scripts	EJRiggle@express-scripts.com		953-4800	Health/Hospitalization (Includ
250808	Cemer Corporation	eric.bales@cemer.com		948-0700	Administration Services, Healt
262029	Health Information Designs;LLC	erica.woody@hidesigns.com	(866) 418-8639	948-7200	Pharmaceutical Services
210886	DentaQuest	erik.montlack@dentquest.com		953-0000	INSURANCE AND INSURANCE SERVIC
280851	NEIGHBORHOOD INSURANCE	EVOZZELLA2@GMAIL.COM	(508) 520-1900	953-5200	Insurance And Insurance Serv
280509	Examination Resources; LLC	FatamehAadelvand@examresources.net	(404) 816-6197	953-5200	Insurance And Insurance Serv
265944	Global Empire; LLC	FBO@GLOBALHEALTHCAREGROUP.COM	(717) 303-3557	948-7200	Pharmaceutical Services
169733	Correctional Medical Svs	ffletcher@smsstl.com	314 919 8908	958-5600	Health Care Management Service
166893	JEVS Human Services	fmsvendor@jevs.org		948-0700	Administration Services, Healt
265021	Health First Technologies; Inc	gayle@renuamedical.com		948-7200	Pharmaceutical Services
217934	MED-TOX Health Services	GCarmean@med-tox.com		948-7400	Professional Medical Services
279683	Admera Health LLC	government@admerahealth.com	(908) 222-2729	948-4800	Health Care Services (Not Othe
280087	Jackson & Coker Locum Tenens LLC	government@jacksoncoker.com		948-7400	Professional Medical Services
175407	Knowledge Services	governmentbids@knowledgeservices.com		948-4800	Health Care Services (Not Othe
221752	Spectrum Services Group; Inc.	gweiss@spectrum-inc.net	916 923 3336	948-0700	Administration Services, Healt
210656	Fast Enterprises; LLC	harrison@fastenterprises.biz		953-5200	Insurance And Insurance Serv
275574	Regulatory Insurance Advisors	hblanchard@riaconsulting.net		953-0000	INSURANCE AND INSURANCE SERVIC
271918	Holly Blanchard	hblanchard@siadvisors.com		953-4800	Health/Hospitalization (Includ
279753	Heartfelt Accommod Services	heartfeltaccommodation@gmail.com		958-5600	Health Care Management Service
177728	3M Company	hisopportunities@mmm.com	(801) 263-3657	958-5600	Health Care Management Service
264527	Actuarial Group; Inc.	humphries@agiservices.net		953-5200	Insurance And Insurance Serv
281537	Institute for Community Health	ich@challiance.org	(781) 338-0340	948-0000	HEALTH RELATED SERVICES (FOR H
264284	ARAG Services; LLC	info@aragroup.com	(515) 246-8710	953-5200	Insurance And Insurance Serv
157163	NH Public Health Association	info@nhpha.org		948-4800	Health Care Services (Not Othe

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# RFP 2018-203

251902	Sensible Orthotics	info@sensibleorthotics.com	(603) 669-1601	948-4800	Health Care Services (Not Othe
216811	Center to Promote HealthCare	info@socialinterest.org	510 834 1301	953-4800	Health/Hospitalization (Includ
217940	The Center to Promote HealthCa	info@socialinterest.org		953-0000	INSURANCE AND INSURANCE SERVIC
222718	Wexford Health Sources; Inc.	info@wexfordhealth.com	412 937 8599	958-5600	Health Care Management Service
175219	INS Reg Insurance Svcs; Inc.	insris@aol.com	(215) 625-8323	953-5200	Insurance And Insurance Servic
177770	Maxim Healthcare Services	japassab@maxhealth.com		958-5600	Health Care Management Service
260814	Clinovations; Inc	jason@GovHealth.com		958-5600	Health Care Management Service
253771	Home Care Specialists; Inc.	jasonm@hcsme.com	(866) 372-0380	948-4800	Health Care Services (Not Othe
175497	Navigant Consulting; Inc.	jchang@navigant.com		958-5600	Health Care Management Service
219629	J CONRAD COFFEY INSURANCE	JCOFFEY@COFFEYINS.COM	603 882 0091	953-0000	INSURANCE AND INSURANCE SERVIC
279472	Strategic Cost Control Inc	jdubose@corporatocostcontrol.com		953-5200	Insurance And Insurance Servic
219169	Correctional Health Partners	jeff.archambeau@phpmcs.com	303 605 1545	948-4800	Health Care Services (Not Othe
227342	Advanced Concepts In Insurance	jennifer.richardson@advancedconceptsinsurance.com	(603) 782-0549	953-4800	Health/Hospitalization (Includ
271704	Towers Watson Delaware Inc	jill.nohai@willistowerswatson.com		953-4800	Health/Hospitalization (Includ
177560	Harvard Pilgrim Health Care	jim_tollner@harvardpilgrim.org	(603) 656-9560	953-4800	Health/Hospitalization (Includ
219193	Alliant Insurance Services; In	jjswarbrick@alliantinsurance.com		953-0000	INSURANCE AND INSURANCE SERVIC
219768	CorrectCare-Integrated Health	jjlytle@correctcare.com	859 226 0554	948-0700	Administration Services, Healt
217853	Pioneer Independence Inc.	john@pioneerindependence.com		948-4800	Health Care Services (Not Othe
210781	Crawford and Company	joseph_dibiasi@us-crawco.com		953-0000	INSURANCE AND INSURANCE SERVIC
265216	Independent Medical Evaluation	jparrich@imeinc.us		948-4800	Health Care Services (Not Othe
230313	Boston Brace International Inc	jsantos@bostonbrace.com	(508) 559-2750	948-7400	Professional Medical Services
220253	Centene Corporation	jswift@centene.com		953-4800	Health/Hospitalization (Includ
230792	Jude Currier	jude@parentcoach.org	(866) 579-5833	948-4800	Health Care Services (Not Othe
175665	Midwest Medical Supply LLC	Julia.Onesto@MMSMedical.com	314 291 2906	269-0000	DRUGS & PHARMACEUTICALS
173238	Global Medical Staffing Ltd	juliec@gmedical.com	801 262 4259	958-5600	Health Care Management Service
277907	MMS Analytics; Inc.	kanti@mymedicalshopper.com		953-4800	Health/Hospitalization (Includ
224588	LIMETREE RESEARCH LLC	karissa@limetreeresearch.com		948-7300	Physical Fitness Programs
221136	K. KIRKWOOD CONSULTING;LLC	kate@kkirkwood.com		948-0700	Administration Services, Healt
265522	Tufts Health Public Plans; Inc	kathleen_bare@tufts-health.com		953-4800	Health/Hospitalization (Includ
225009	COBRAGuard; Inc.	katy.avila@cobraguard.net		953-4800	Health/Hospitalization (Includ
209733	KBV Training & Coaching; Inc.	kbvconsult@cox.net	401 633 6173	948-0700	Administration Services, Healt
222750	NaphCare; Inc.	kenglish@naphcare.com		948-4800	Health Care Services (Not Othe
275734	Key Therapy Services; PLLC	kerry@keynh.com		948-7400	Professional Medical Services
274654	Catalyst for Payment Reform	kflock@catalyzepaymentreform.org		948-0700	Administration Services, Healt
274676	Innovent Global; Inc	kfortuna@innoventglobal.com		948-0700	Administration Services, Healt
230881	Cornerstone VNA	klandry-macbride@cornerstonevna.org	(603) 335-6569	948-4800	Health Care Services (Not Othe
217781	Redhills Ventures	kmellon@redhillsventures.com		948-0000	HEALTH RELATED SERVICES (FOR H
153389	Employee Benefit Mgmt	kolmsted@ebmi.net		953-4800	Health/Hospitalization (Includ
278393	ConnectYourCare	kristin.kwajewski@connectyourcare.com		948-0700	Administration Services, Healt
280246	Germain & Co.; Inc.	kvilamaa@germane-solutions.com		948-4800	Health Care Services (Not Othe
223167	Benefits Connection; LLC	kwalker@mybenefitspeople.com		953-5200	Insurance And Insurance Servic
262637	Laurie B. Slone	laurieslone@gmail.com		958-5600	Health Care Management Service
248802	NJHA Healthcare Business Solut	lfrusciano@njha.com		953-5200	Insurance And Insurance Servic
262324	Jeffrey S. Janofsky	linda.wright@judcouncil.state.nh.us		948-7400	Professional Medical Services
226208	Linda J. Thyne	Linda@statelinecprandfirstaid.com		948-4800	Health Care Services (Not Othe

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276053	Lisa Newell	lisajnewell@gmail.com		948-4800	Health Care Services (Not Othe
261924	PROMEDCARE; Inc	flamprecht@promedcareinc.com	(402) 727-7904	948-4800	Health Care Services (Not Othe
218881	Lewis & Ellis; Inc.	llanglitz@lewisellis.com	913 642 9777	953-4800	Health/Hospitalization (Includ
225090	American Homecare Federation;	lliberatore@ahfinfo.com	860 763 7022	269-0000	DRUGS & PHARMACEUTICALS
220615	CrossFit Inc.	lmarshall@h-co.pro	928 445 8639	948-7300	Physical Fitness Programs
267038	Medical Consultants Network LL	lmcfortand@mcn.com	(206) 287-1908	948-0700	Administration Services, Healt
221005	People's United Insurance	Louis.Levine@peoples.com		953-4800	Health/Hospitalization (Includ
225901	Fedcap Rehabilitation Services	lritchie@fedcap.org		958-5600	Health Care Management Service
223935	Eagleton School Inc.	lrosa@eagletonschool.com	413 528 6377	948-4800	Health Care Services (Not Othe
216601	Emdeon	lsavino@emdeon.com		958-5600	Health Care Management Service
229301	Tortolano & Company; LLC	ltortolano@tortolanoandco.com		948-0700	Administration Services, Healt
228248	KS Found for Med Care; Inc	lvaldivia@kfmc.org		948-7400	Professional Medical Services
226084	LB Comfort; LLC	lynnelb@lbccomfort.com		948-4800	Health Care Services (Not Othe
211347	MetLife	mabela@metlife.com		953-0000	INSURANCE AND INSURANCE SERVIC
168270	Asd Specialty Healthcare	marketing@asdhealthcare.com	800 547 9413	269-0000	DRUGS & PHARMACEUTICALS
175244	Diamond Drugs; Inc.	marketing@diamondpharmacy.com		269-0000	DRUGS & PHARMACEUTICALS
269260	Long International; Inc.	marketing@long-intl.com	(407) 445-0821	958-6100	Insurance And Risk Management
226608	Risk&Regulatory ConsultingLLC	marketing@riskreg.com		953-0000	INSURANCE AND INSURANCE SERVIC
264531	Workfit Medical; LLC	matt.huntington@delphihealthcare.com	(585) 235-4191	948-0700	Administration Services, Healt
230303	RGB Group; Inc.	mbg@rgbgroup.com	(786) 787-3146	948-7200	Pharmaceutical Services
266942	Aetna Medicaid Administrators	mburfp@aetna.com		953-4800	Health/Hospitalization (Includ
204331	Schaller Anderson an Aetna Co	mburfp@aetna.com		953-4800	Health/Hospitalization (Includ
249827	Medical Doctor Associates; LLC	MDAProcurement@mdainc.com	(770) 248-6728	948-0700	Administration Services, Healt
271442	Digital Collaboration Solution	mlevinger@thinkdcs.com		948-0700	Administration Services, Healt
223101	Seniorlink Inc.	mlockwoodmullaney@seniorlink.com		958-5600	Health Care Management Service
228727	MedUnison; LLC	mmikelk@medunison.com		948-0700	Administration Services, Healt
216906	Coordinated Transportation Sol	MMixon@ctstransit.com		958-5600	Health Care Management Service
281238	Ian McGarty MS CCC-SLP	monokollo@aol.com		948-4800	Health Care Services (Not Othe
227903	Heidi A Pelchat	mpelchat@tds.net		958-5600	Health Care Management Service
216608	Perry Johnson & Associates	ms-iramerica@pjats.com		948-4800	Health Care Services (Not Othe
221488	Kearsarge Healthcare Consultin	mtd@kearsargeconsulting.com	888 428 3413	953-4800	Health/Hospitalization (Includ
230525	Secova Inc	murali.krishnan@secova.com		948-0700	Administration Services, Healt
216174	Long Term Care Partners; LLC	myoung@LTCPartners.com		953-5200	Insurance And Insurance Servic
171730	Collegiate Risk Management	nancy@collegiaterisk.com		953-4800	Health/Hospitalization (Includ
209387	SHC Services; Inc.	NationalRFPs@supplementalhealthcare.com		948-0000	HEALTH RELATED SERVICES (FOR H
256759	Atlantic Imaging Group	Network@aignetwork.com	(973) 451-9541	953-5200	Insurance And Insurance Servic
228891	Medical Transportation Mgmt.	newbusiness@mtm-inc.net		948-0700	Administration Services, Healt
280852	Rescue Agency PBC	newbusiness@rescueagency.com		948-0700	Administration Services, Healt
264407	Wellable; Inc.	nick@wellable.co		948-0700	Administration Services, Healt
228910	Change Healthcare	PBA_BizDev@changehealthcare.com		269-0000	DRUGS & PHARMACEUTICALS
171213	Regency Nursing Care LLC	pdemers@regencynursingcare.com	603 665 9805	948-4800	Health Care Services (Not Othe
268629	CGI Federal Inc.	pdmcbpsgov@cgifederal.com		953-5200	Insurance And Insurance Servic
211358	Professional Group Plans	pgpbenefits@optonline.net		953-4800	Health/Hospitalization (Includ
262405	FCS; Inc.	phodges@fcspsy.com	(270) 782-1055	948-0700	Administration Services, Healt
248285	Patient Satisfaction Plus LLC	Pholland-riddle@theyerwsgroup.net		948-7200	Pharmaceutical Services

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225788	JONES LANG LASALLE AMERICAS	piregistrations@am.jll.com	(202) 719-5001	958-5600	Health Care Management Service
216346	CLASSIC OPTICAL LABORATORIES;	procurement@classicoptical.com	(888) 522-2022	953-4800	Health/Hospitalization (Includ
272035	Cognosante Consulting; LLC	procurement@cognosante.com		958-5600	Health Care Management Service
172068	Correct Care; LLC	procurement@correctcarers.com	(954) 354-8728	958-5600	Health Care Management Service
273023	Inovalon; Inc.	procurement@inovalon.com		948-0700	Administration Services, Healt
223832	Corrections Corporation of Ame	proposals@cca.com	615 263 3090	948-4800	Health Care Services (Not Othe
249806	Progressive Medical	proposals@progressive-medical.com		948-7200	Pharmaceutical Services
254650	MedSolutions; Inc.	proposals-MB@medsolutions.com		953-4800	Health/Hospitalization (Includ
168091	Nextix LLC	PRxSS-CustomerService@wellpoint.com	317 484 4446	269-0000	DRUGS & PHARMACEUTICALS
260794	Allied Government Solutions	raboody@alliedgov.com	(603) 772-1930	958-5600	Health Care Management Service
275072	Jordan Chausse; LLC	reachacim@gmail.com	(603) 443-9659	948-7400	Professional Medical Services
151035	Eric Bloomfield	rebdivm@aol.com		948-7200	Pharmaceutical Services
223418	Public Health Partners; LLC	rebecca@publichealthpartners.net		948-0700	Administration Services, Healt
210666	CHG Medical Staffing; Inc.	rfp@chghealthcare.com	(801) 930-4509	948-4800	Health Care Services (Not Othe
262451	Cross Country Staffing; Inc.	rfp@crosscountry.com	(561) 237-4760	948-0700	Administration Services, Healt
223522	First Hospital Laboratories	rfp@firstlab.com		948-0700	Administration Services, Healt
226207	Health Services Advisory Group	rfp@hsag.com		958-5600	Health Care Management Service
263338	MedExpert International; Inc	rfp@medexpert.com		948-0700	Administration Services, Healt
209545	PEPID; LLC	rfp@pepid.com	866 561 8152	948-4800	Health Care Services (Not Othe
168237	MedImpact HealthCare Systems	rfpdesk@medimpact.com		953-4800	Health/Hospitalization (Includ
175787	MAXIMUS	rfpinfo@maximus.com	(703) 251-8240	948-0000	HEALTH RELATED SERVICES (FOR H
273259	MAXIMUS Health Services; Inc.	rfpinfo@maximus.com	(703) 251-8240	948-4800	Health Care Services (Not Othe
275759	MAXIMUS Human Services; Inc.	rfpinfo@maximus.com	(703) 251-8240	948-0700	Administration Services, Healt
169747	Express Scripts	rfp-mailbox@express-scripts.com		953-4800	Health/Hospitalization (Includ
169741	Application Software; Inc.	rhall@asiflex.com		948-0700	Administration Services, Healt
259511	Heidi F. Rinehart	rinehartheidif@gmail.com		948-4800	Health Care Services (Not Othe
222868	Intuitive Technical Solutions	Ron.kubit@itscorp.com		958-5600	Health Care Management Service
208415	QuantumMark	sales@quantummark.com		958-5600	Health Care Management Service
175865	PharmaSource Healthcare; Inc.	sallie.osborne@omnicare.com		948-7200	Pharmaceutical Services
261972	NH WIC Directors' Association	sburke@scshelps.org	(603) 352-3618	948-0700	Administration Services, Healt
224358	HealthTran LLC	Scipro@healthtrans.com		953-4800	Health/Hospitalization (Includ
176105	Novis Pharmaceuticals LLC	service@novispharma.com	305 351 3001	269-0000	DRUGS & PHARMACEUTICALS
177576	University of Massachusetts	sgbd.procurement@umassmed.edu		948-0700	Administration Services, Healt
260389	Impact Research; LLC	share@impactresearchinc.com		948-4800	Health Care Services (Not Othe
216082	La Leche League International	smatthews@lilli.org	847 969 0460	948-4800	Health Care Services (Not Othe
260388	RightSourcing; Inc.	srichards@rightsourcingusa.com		958-5600	Health Care Management Service
170723	Natl Inst Of Stds & Techology	srminfo@nist.gov	301 948 3730	269-0000	DRUGS & PHARMACEUTICALS
228294	American Health Holding; Inc.	eschwartz@ahhinc.com		948-4800	Health Care Services (Not Othe
260046	Annashae Corporation	sscopano@annashae.com	(440) 449-2691	948-7400	Professional Medical Services
172320	Pd-Rx Pharmaceuticals Inc	sslattery@pdrx.com	800 370 3556	269-0000	DRUGS & PHARMACEUTICALS
275305	Michael Moharan; DPM MD	STARPODIATRY@GMAIL.COM		948-7400	Professional Medical Services
174778	Truven Health Analytics Inc.	statebiddesk@us.ibm.com	(540) 301-2166	958-5600	Health Care Management Service
248029	Pool Administrators Inc	statebusiness@pooladmin.com		953-4800	Health/Hospitalization (Includ
219828	Locumtenens.com	stsizemore@locumtenens.com		948-0000	HEALTH RELATED SERVICES (FOR H
175324	Bound Tree Medical; LLC	submitbids@boundtree.com	(877) 311-2437	269-0000	DRUGS & PHARMACEUTICALS

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267736	CYNET SYSTEMS INC	susan@cynetsystems.com		958-5600	Health Care Management Service
209928	Merlinos & Associates; Inc.	swellham@merlinosinc.com		953-0000	INSURANCE AND INSURANCE SERVIC
260563	US Medical Staffing; LLC	talessi@usmedicalstaffing.com	(631) 237-1217	958-5600	Health Care Management Service
276504	AvaCare Inc.	tammis@avacare.biz		948-4800	Health Care Services (Not Othe
257318	Oliver Wyman	tammy.tomczyk@oliverwyman.com		953-4800	Health/Hospitalization (Includ
251908	Next Street; LLC	tbarnette@nextstreet.com		958-5600	Health Care Management Service
169782	ERIC BAILEY	TBOOKER@EMEDMEDICAL.COM		269-0000	DRUGS & PHARMACEUTICALS
170538	Randox Laboratories US Ltd	tenders@randox.com		269-0000	DRUGS & PHARMACEUTICALS
227334	Correctional Healthcare Compan	terry.bower@correctioncare.com		948-0700	Administration Services, Healt
283094	ACCENTURE LLP	thomas.conroy@accenture.com		958-5600	Health Care Management Service
218188	The Healing Staff Inc	ths@thehealingstaff.com	210 579 1914	948-0000	HEALTH RELATED SERVICES (FOR H
247985	The Ripples Group	tom@ripplesgroup.com		958-5600	Health Care Management Service
228009	Westport Healthcare Management	tshultz@phpg.com		953-4800	Health/Hospitalization (Includ
268741	Pratt Anesthesiology Associate	vspektor@tuftsmedicalcenter.org	(617) 636-7495	948-7400	Professional Medical Services
268282	Pratt Ophthalmology Associates	vspektor@tuftsmedicalcenter.org		948-7400	Professional Medical Services
226922	Clairsol; Inc.	webmaster@clairsol.com		948-4800	Health Care Services (Not Othe
256771	WebMD Health Services Group	whs-govt-pt@webmd.net		953-4800	Health/Hospitalization (Includ
273258	Bell Tower Home Health LLC	yokasta@belltowerhhc.com	(603) 821-7474	948-4800	Health Care Services (Not Othe
267458	Corestream	zmalone@corestream.com		953-4800	Health/Hospitalization (Includ

Subject: PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT


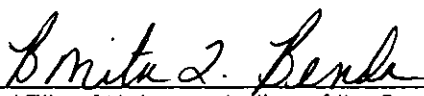
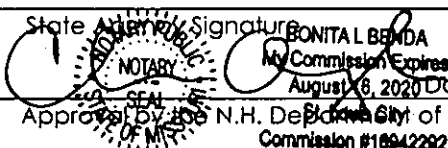

**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name Department of Administrative Services		1.2 State Agency Address 25 Capitol Street, Concord, NH 03301	
1.3 Contractor Name Express Scripts, Inc.		1.4 Contractor Address One Express Way, Saint Louis, MO 63121	
1.5 Contractor Phone Number 800-332-5455	1.6 Account Number	1.7 Completion Date December 31, 2021	1.8 Price Limitation \$212,449,000.00
1.9 Contracting Officer for State Agency Joyce I. Pitman		1.10 State Agency Telephone Number 603-271-3080	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory DAVID QUELLER SVP-SALES: ACCOUNT MANAGEMENT	
1.13 Acknowledgement: State of <u>MISSOURI</u> , County of <u>ST. LOUIS</u> On <u>July 25, 2018</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signatory  BONITA L. BENDER My Commission Expires August 6, 2020		1.15 Name and Title of State Agency Signatory Charles M. Arlinghaus, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____ Commission #16942292			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>8/2/18</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

APPROVED AS TO LEGAL FORM  
 N.G.F.  
 7-25-18  
 LEGAL DEPT.

**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the

Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any

person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

#### 8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

#### 9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon

demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

**13. INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

#### 14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and



14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

#### **15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

**EXPRESS SCRIPTS, INC.**  
**CERTIFICATE OF THE SECRETARY**

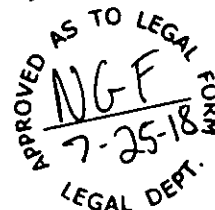
The undersigned duly elected Secretary of Express Scripts, Inc., a Delaware corporation (the "Company"), does hereby certify that, pursuant to resolutions adopted and updated from time to time by the Company's Board of Directors, Express Scripts, Inc. is authorized to enter into pharmacy benefit management contracts with its clients. In addition, the undersigned certifies that the Company's Senior Vice President is authorized to execute bids, responses to requests for proposals, contracts, amendments to contracts and other related documents with any client or potential client for pharmacy benefit management or related services.

The undersigned further certifies that, as of July 25, 2018, David Queller was and is qualified and presently holds the office of Senior Vice President of Sales and Account Management.

Certified to this 25th day of July, 2018.



\_\_\_\_\_  
Martin P. Akins, Secretary



**MISSOURI NOTARY ACKNOWLEDGMENT**

THE STATE OF MISSOURI  
COUNTY AND OR CITY OF ST. LOUIS

On this 25<sup>th</sup> day of July in the year 2018, before me, a Notary Public in and for said state, personally appeared Marty Akins (name of individual), known to me to be the person who executed the within Certificate of the Sec (type of document), and acknowledged to me that he/she executed the same for the purposes therein stated.

Bonita L. Benda  
\_\_\_\_\_  
Notary Public Signature



BONITA L BENDA  
My Commission Expires  
August 16, 2020  
St. Louis City  
Commission #16942292

Print Bonita L. Benda

BONITA L BENDA  
My Commission Expires  
August 16, 2020  
St. Louis City  
Commission #16942292



# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that EXPRESS SCRIPTS, INC. is a Delaware Profit Corporation registered to transact business in New Hampshire on March 11, 2005. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 532396

Certificate Number: 0004134912



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 19th day of July A.D. 2018.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

## TABLE OF CONTENTS

This Agreement and any Exhibits and Addenda hereto constitute the entire understanding of the parties hereto and supersedes any prior oral or written communication between the parties with respect to the subject matter hereof.

### **State of New Hampshire Terms and Conditions, General Provisions Form P-37**

**EXHIBIT A-1:** General Prescription Benefit Management Services Agreement

**EXHIBIT A-2:** Employer-Only Sponsored Group Waiver Plan (EGWP) Addendum

**EXHIBIT A-3:** Audit Protocol

**EXHIBIT B:** Pricing Terms and Pharmacy Program Fees

EXHIBIT B-1: Billing, Payment, and Miscellaneous Pricing Terms

EXHIBIT B-2: Claims Reimbursement Rates

EXHIBIT B-3: Rebates

EXHIBIT B-4: Administrative Services and Clinical Program Fees

EXHIBIT B-5: Inflation Protection Program

EXHIBIT B-6: Performance Standards

**EXHIBIT C:** Special Provisions

**EXHIBIT D:** RFP 2018-203

### **ADDENDA:**

Addendum A: Financial Disclosure to ESI PBM Clients

Addendum B: Express Scripts Manufacturer Payment Disclosure

Addendum C: Business Associate Agreement

## EXHIBIT A-1

### **General Prescription Benefit Management Services Agreement**

THIS PHARMACY BENEFIT MANAGEMENT AGREEMENT ("Agreement") will be effective as of the date set forth in Section 5.1 and is entered into by and between EXPRESS SCRIPTS, INC., a Delaware corporation ("ESI"), and STATE OF NEW HAMPSHIRE ("Sponsor").

#### **RECITALS**

- A. ESI, either directly or through its subsidiaries, engages in pharmacy benefit management services, including, among other things, pharmacy network contracting; pharmacy claims processing; mail and specialty drug pharmacy; cost containment, clinical, safety, adherence, and other like programs; and formulary and rebate administration ("PBM Services").
- B. Sponsor provides or arranges for the provision of health benefits, including a prescription drug benefit.
- C. Sponsor and ESI have entered into that certain Pharmacy Benefit Management Services Agreement effective upon approval by the Governor and Executive Council, to which this Agreement is attached (the "Agreement").
- D. ESI and Sponsor desire that ESI be the exclusive provider of PBM Services for Sponsor's Plan (as defined below), under the terms and conditions set forth herein.

THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

#### **TERMS OF AGREEMENT**

##### **I. ARTICLE I - DEFINITIONS**

"Affiliate" means, with respect to ESI, individually or collectively, any other individual, corporation, partnership, limited liability company, trust, joint venture or other enterprise or entity directly or indirectly controlling (including without limitation all directors and executive officers of such entity), controlled by or under direct or indirect common control of or with ESI, and shall expressly include Medco Containment Life Insurance Company ("MCLIC").

"Ancillary Supplies, Equipment, and Services" or "ASES" means ancillary supplies, equipment, and services provided or coordinated by ESI Specialty Pharmacy in connection with ESI Specialty Pharmacy's dispensing of Specialty Products. ASES may include all or some of the following: telephonic and/or in-person training, nursing/clinical services, in-home infusion and related support, patient monitoring, medication pumps, tubing, syringes, gauze pads, sharps containers, lancets, test strips, other supplies, and durable medical equipment. The aforementioned list is illustrative only (not exhaustive) and may include other supplies, equipment, and services based on the patient's needs, prescriber instructions, payer requirements, and/or the Specialty Product manufacturer's requirements.

"Average Wholesale Price" or "AWP" means the average wholesale price of a prescription drug as identified by drug pricing services such as Medi-Span or other source recognized in the retail prescription drug industry selected by ESI (the "Pricing Source"). The applicable AWP shall be the 11-digit NDC for the product on the date dispensed and for prescriptions filled in Participating Pharmacies, ESI Mail Pharmacy and ESI Specialty Pharmacy will be the AWP for the package size from which the prescription drug was dispensed. If the Pricing Source discontinues the reporting of AWP or materially changes the manner in which AWP is calculated, then ESI reserves the right to make an equitable adjustment as necessary to maintain the parties' relative economics and the pricing intent of this Agreement. ESI agrees to notify Sponsor of any switch in the AWP source at least one hundred eighty (180) days prior to the change. In the event that the AWP source change is not determined by an independent third party auditor to be price neutral for Sponsor, Sponsor will have the right to terminate this Agreement with no penalty.

"Brand/Generic Algorithm" or "BGA" means ESI's standard and proprietary brand/generic algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request. The purposes of the algorithm are to stabilize products "flipping" between brand and generic status and to reduce Sponsor, Member and provider confusion due to fluctuations in brand/generic status. Sponsor or its Auditor may audit ESI's application of its BGA to confirm that ESI is making brand and generic drug determinations consistent with such algorithm.

"Brand Drug" means a prescription drug identified as such in ESI's master drug file using indicators from First Databank (or other source nationally recognized in the prescription drug industry) on the basis of a standard Brand/Generic Algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request.

"Copayment" or "Copay" means that portion of the charge for each Covered Drug dispensed to the Member/EGWP Enrollee that is the responsibility of the Member/EGWP Enrollee (e.g., copayment, coinsurance, cost sharing and/or deductible under initial coverage limits and up to annual out-of-pocket thresholds) as indicated on the Set-Up Forms. As set forth in Exhibit B-2, a Member's/EGWP Enrollee's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, AWP discount (e.g. MAC price for Generic Drugs), or U&C.

"Covered Drug(s)" means those prescription drugs, supplies, Specialty Products and other items that are covered under the Plan, each as indicated on the Set-Up Forms.

"ERISA" means the Employee Retirement Income Security Act, as amended, 29 U.S.C. §1001 et seq.

"Eligibility Files" means the list made available by Sponsor on Sponsor's secure FTP site, in reasonably acceptable electronic format indicating persons eligible for drug benefit coverage services under the Plan, which will be available to be accessed and downloaded by ESI. Sponsor will use best efforts to ensure that all information it provides to ESI in the Eligibility File will be complete and correct.

"ESI National Plus Network" means ESI's broadest Participating Pharmacy network.

"ESI Specialty Pharmacy" means Accredo Health Group, Inc., Express Scripts Specialty Distribution Services, Inc., or another pharmacy or home health agency owned or operated by ESI or its affiliates that primarily dispenses Specialty Products or provides services related thereto; provided, however, that when the ESI Mail Pharmacy dispenses a Specialty Product, it shall be considered an ESI Specialty Pharmacy hereunder.

"Formulary" means the list of FDA-approved prescription drugs and supplies developed by ESI's Pharmacy and Therapeutics Committee and/or customized by Sponsor, and which is selected and/or adopted by Sponsor. The drugs and supplies included on the Formulary will be modified by ESI from time to time as a result of factors, including, but not limited to, medical appropriateness, manufacturer Rebate arrangements, and patent expirations. Additions and/or deletions to the Formulary are hereby adopted by Sponsor, subject to Sponsor's discretion to elect not to implement any such addition or deletion through the Set-Up Form process, which such election shall be considered a Sponsor change to the Formulary. ESI will inform the Sponsor at least 60 days in advance of when a drug on the Formulary is targeted to be removed from the Formulary. ESI will provide a disruption and financial impact analysis at that time.

"Generic Drug" means a prescription drug, whether identified by its chemical, proprietary, or non-proprietary name, that is therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and approved by the FDA, and which is identified as such in ESI's master drug file using indicators from First Databank (or other source nationally recognized in the prescription drug industry) on the basis of a standard Brand/Generic Algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder.

"Maximum Allowable Cost List" or "MAC List" means a list of prescription drugs or supplies subject to maximum reimbursement payment schedules developed or selected by ESI.

"ESI Mail Pharmacy" means a duly licensed pharmacy owned, operated or subcontracted by ESI or its Affiliate, other than ESI Specialty Pharmacy, where prescriptions are filled and delivered to Members via mail delivery service.

"Manufacturer Administrative Fees" means those administrative fees paid by manufacturers to ESI in connection with ESI invoicing, allocating and collecting the Rebates under the Rebate Program.

"Maximum Reimbursement Amount" or "MRA" means the maximum unit ingredient cost payable by Sponsor for a drug on the MAC List based on maximum reimbursement payment schedule(s) developed or selected by ESI. The application of MRA pricing may be subject to certain "dispensed as written" (i.e., DAW 5 and 9) protocols and Sponsor defined plan design and coverage policies.

"Member" means all eligible employees, retirees, and their eligible dependents enrolled under the State prescription benefit program. Each person who Sponsor determines is eligible to receive prescription drug benefits is indicated in the Eligibility Files.

"Member Submitted Claim" means a paper claim submitted by a Member for Covered Drugs dispensed by a pharmacy for which the Member paid cash.

"Paid Claim" means all transactions made on Members that result in payment to pharmacies or Members from Sponsor or Member Copayments. Paid Claim does not include reversals and adjustments. Each unique Prescription Drug Claim that results in payment shall be calculated separately as a Paid Claim.

"Participating Pharmacy" means any licensed retail pharmacy with which ESI or its Affiliate has executed an agreement to provide Covered Products to Members/EGWP Enrollees, but shall not include any mail order or specialty pharmacy affiliated with any such Participating Pharmacy.

"Pass-Through" means the actual ingredient cost and dispensing fee amount paid by ESI for the Prescription Drug Claim when the claim is adjudicated to the Participating Pharmacy, as set forth in the specific Participating Pharmacy remittances related to Sponsor's claims. ESI agrees to pass-through 100% of all Rebates and Manufacturer Administrative Fees received by ESI to the Sponsor.

"Pharmacy" or "Pharmacies" refers from time to time to any or all Participating Pharmacies, ESI Mail Pharmacy, or ESI Specialty Pharmacy as the context of the provision dictates.

"Plan" means the self-funded prescription drug benefit plan(s) administered and/or sponsored by Sponsor.

"PHI" means protected health information as defined under HIPAA.

"PMPM" means per Member per month fee, as determined from the Eligibility Files.

"Prescription Drug Claim" means a Member Submitted Claim, Subrogation Claim or claim for payment submitted to ESI by a Participating Pharmacy, ESI Mail Pharmacy, or ESI Specialty Pharmacy as a result of dispensing Covered Drugs to a Member.

"Rebates" mean compensation or remuneration of any kind received or recovered from a pharmaceutical manufacturer directly resulting from Plan's utilization attributable to the purchase or utilization of generic, brand, and specialty covered drugs by eligible persons, including, but not limited to, market share incentives; promotional allowances; commissions; educational grants; market share of utilization; drug pull-through programs; implementation allowances; rebate submission fees; and administrative or management fees. Rebates also include any fees that ESI receives from a pharmaceutical manufacturer for administrative costs, formulary placement, and/or access.

"Set-Up Forms" means any standard ESI document or form, which when completed and signed by Sponsor (electronic communications from Sponsor indicating Sponsor's approval of a Set-Up Form shall satisfy the foregoing), will describe the essential benefit elements and coverage rules or plan design adopted by Sponsor for its Plan.

"Specialty Product List" means the standard list of Specialty Products and their reimbursement rates maintained and updated by ESI from time to time. The Specialty Product List is available to Sponsor upon request.

"Specialty Products" means those injectable and non-injectable drugs on the Specialty Product List. Specialty Products, which may be administered by any route of administration, are typically used to treat chronic or complex conditions, and typically have one or more of several key characteristics, including frequent dosing adjustments and intensive clinical monitoring to decrease the potential for drug toxicity and increase the

probability for beneficial treatment outcomes; patient training and compliance assistance to facilitate therapeutic goals; limited or exclusive product availability and distribution (if a drug is only available through limited specialty pharmacy distribution it is always considered a Specialty Product); specialized product handling and/or administration requirements.

"Subrogation Claim" means subrogation claims submitted by any state or a person or entity acting on behalf of a state under Medicaid or similar United States or state government health care programs, for which Sponsor is deemed to be the primary payer by operation of applicable federal or state laws.

"UM Company" means MCMC, LLC or other independent third party utilization management company contracted by ESI, subject to and as further described in Sections 1.3 (d) and (e).

"Usual and Customary Price" or "U&C" means the retail price charged by a Participating Pharmacy for the particular drug in a cash transaction on the date the drug is dispensed as reported to ESI by the Participating Pharmacy.

## II. ARTICLE II - PBM SERVICES

### 2.1 Eligibility/Set Up

Sponsor will submit completed Set-Up Forms and Eligibility Files (initial and updated) on a mutually determined basis, which ESI will accurately implement. Changes to the Set-Up Forms must be documented on ESI's standard amendment forms. ESI will accommodate changes to Plan benefits, as shown on an amendment to the Set-Up Forms, due to changes agreed to by Sponsor through a collective bargaining process, or as otherwise required by the Sponsor. Eligibility performed manually by ESI for Sponsor, or material changes to the Eligibility File processes requested by Sponsor during the term may be subject to additional fees set forth on Exhibit B. Sponsor will be responsible for all Prescription Drug Claims during the period of the Member's eligibility as indicated on the Eligibility File including for retroactively termed Members, except in the event of ESI's negligence.

### 2.2 Pharmacy Network

#### (a) Participating Pharmacies

ESI will maintain a network(s) of Participating Pharmacies as identified in Exhibit B, and will make available an updated list of Participating Pharmacies on-line. ESI maintains multiple networks and subnetworks, and periodically consolidates networks or migrates clients to other networks and subnetworks. If, due to an access concern, Sponsor requests that ESI attempt to add a particular retail pharmacy to the network of Participating Pharmacies serving Sponsor and its Members hereunder, ESI will make commercially reasonable efforts to add any such pharmacy to the Participating Pharmacy network for Sponsor, provided that such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions. If any such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions except for ESI's standard network rates (i.e., the particular pharmacy will only agree to higher than standard reimbursement rates), and Sponsor nevertheless requests that ESI add such pharmacy, the rate charged to Sponsor for Prescription Drug Claims processed through such pharmacy (assuming ESI agrees to contract with such pharmacy) will be the net ingredient cost plus the dispensing fee paid by ESI to such Participating Pharmacy (plus applicable sales or excise tax or other governmental surcharge, if any). All such Prescription Drug Claims will be excluded from the pricing guarantees set forth in Exhibit B.

- (i) ESI will require each Participating Pharmacy to meet ESI's network participation requirements, including but not limited to licensure, insurance and provider agreement requirements. ESI also performs audits (i.e., electronic or on-site) of Participating Pharmacies to determine compliance with their provider agreement billing requirements. ESI will attempt recovery of identified overpayments through offset, demand or other reasonable means; provided that ESI will not be required to institute litigation. Recovered overpayments are disclosed and credited to Sponsor. Excess payment or copayment retention is not permitted. Copies of participation requirements and auditing processes are available upon request.



- (ii) ESI does not direct or exercise any control over the Participating Pharmacies or the professional judgment exercised by any pharmacist in dispensing prescriptions or otherwise providing pharmaceutical related services at a Participating Pharmacy. ESI shall have no liability to Sponsor, any Member or any other person or entity for any act or omission of any Participating Pharmacy or its agents or employees.

(b) ESI Mail Pharmacy

Members may have prescriptions filled through the ESI Mail Pharmacy. Subject to applicable law, ESI may communicate with Members regarding benefit design, cost savings, availability and use of the ESI Mail Pharmacy, as well as provide supporting services. ESI may suspend ESI Mail Pharmacy services to a Member who is in default of any Copayment amount due ESI.

(c) Specialty Products and ASES

As elected by Sponsor on the Set-Up Forms, Members shall have prescriptions filled through ESI Specialty Pharmacy on an exclusive basis (i.e., "ESI Specialty Pharmacy – Exclusive Care"). In no event will the ESI Mail Pharmacy or Participating Pharmacy pricing specified in this Agreement apply to Specialty Products.

- (i) ESI will notify Sponsor no more frequently than monthly of new Specialty Products that are introduced to the market on or after the Effective Date of this Agreement with their applicable reimbursement rates ("Notice"). The parties agree as follows:
  - A. If Sponsor has expressly excluded a specific therapy class or product on a Set-Up Form, Specialty Products in such excluded classes will automatically be deemed excluded from coverage and will reject as "NDC Not Covered" through Participating Pharmacies, ESI Mail Pharmacy and ESI Specialty Pharmacy; otherwise, subject to (B) below, all other Specialty Products will be implemented as Covered Drugs at the rate specified in the applicable Specialty Drug list or Notice. If Sponsor desires to cover otherwise excluded Specialty Products, Sponsor must notify ESI in writing that it desires to cover the Specialty Product before ESI will adjudicate as a Covered Drug, and if ESI receives such confirmation of coverage from Sponsor such Specialty Product will be loaded thereafter as a Covered Drug at the applicable reimbursement rate set forth in the Notice.
  - B. Sponsor must notify ESI in writing if it wants to exclude the Specialty Product from coverage. The exclusion will be implemented within seven (7) business days after the date of ESI's receipt of such notification. There will not be any retroactive denials for Prescription Drug Claims processed prior to ESI's receipt of the rejection notice and implementation of the exclusion as provided above and Sponsor will be responsible for the payment of such Prescription Drug Claims processed prior to the rejection of coverage.
- (ii) For Specialty Products filled through ESI Specialty Pharmacy only, Members may receive the following services from ESI Specialty Pharmacy, depending on the particular therapy class or disease state: ASES; patient intake services; pharmacy dispensing services and/or social services (patient advocacy, hardship reimbursement support, and indigent and patient assistance programs).
- (iii) Subject to Sponsor's prior authorization requirements, if applicable, at the rates set forth in Exhibit B, ESI will provide or coordinate ASES for Members through ESI Specialty Pharmacy or through other specialty pharmacies or other independent third party providers of ASES when ASES is required. If ESI or ESI Specialty Pharmacy engages a third party provider of ASES, ESI or ESI Specialty Pharmacy shall contractually obligate such third party provider of ASES to comply with all applicable laws, including, without limitation, all applicable laws relating to professional licensure. ESI does not direct or exercise any control over any third party provider of ASES in administering Specialty Products or otherwise providing ASES.
- (iv) Limited or exclusive distribution Specialty Products which are not available through the ESI Specialty Pharmacy will be reimbursed at the standard Participating Pharmacy Specialty Product rates shown on Exhibit B-2, Section 3.

## 2.3 Claims Processing

### (a) Claims Processing

- (i) ESI will perform claims processing services for Covered Drugs dispensed by Participating Pharmacies, ESI Mail and ESI Specialty Pharmacy. The "per Rx" administrative fees set forth in Exhibit B shall be charged on a net Paid Claim basis for all claims processing services.
- (ii) In connection with each prescription submitted for processing on-line by a Participating Pharmacy, ESI will perform standard drug utilization review ("DUR") in order to assist the dispensing pharmacist and prescribing physician in identifying potential drug interactions, incorrect prescriptions or dosages, and certain other circumstances that may be indicative of inappropriate prescription drug usage. ESI's DUR processes are not intended to substitute for the professional judgment of the prescriber, the dispensing pharmacist or any other health care professional providing services to the Member.
- (iii) ESI will process Member Submitted Claims in accordance with the rules in the Set-Up Forms and ESI's standard procedures.
- (iv) ESI will process Subrogation Claims in accordance with applicable federal and state laws, in which case Sponsor will pay such Subrogation Claims in accordance with Exhibit B. ESI is not legally responsible to pay Subrogation Claims to the extent Sponsor is not timely paying ESI with respect to such Subrogation Claims. Sponsor or its third party designee (as applicable) will have the final responsibility for all decisions with respect to coverage of a Prescription Drug Claim and the benefits allowable under the Plan, including determining whether any rejected or disputed claim will be allowed.

### (b) Prior Authorization

For the fees set forth in Exhibit B-2 (if applicable), ESI will provide prior authorization ("PA") services as specified and directed by Sponsor for drugs designated on the Set-Up Form. Prior authorized drugs must meet Sponsor-approved guidelines ("Guidelines") before they are deemed to be Covered Drugs. Unless Sponsor otherwise directs, Sponsor hereby authorizes coverage for an otherwise excluded use in the event of co-morbidities, complications and other factors not otherwise expressly set forth in the Guidelines. In determining whether to authorize coverage of such drug under the PA Program, ESI will apply only the Guidelines and may rely entirely upon information about the Member and the diagnosis of the Member's condition provided to it from the prescriber. ESI will not undertake to determine medical necessity, make diagnoses or substitute ESI's judgment for the professional judgment and responsibility of the prescriber.

### (c) Claims for Benefits

ESI will process initial "claims for benefits" for Member Submitted Claims and PA requests consistent with applicable state law ("Claims Rules"). At Sponsor's election, and for the fees set forth in Exhibit B, ESI will offer language translation services as required under the Claims Rules for certain initial "claims for benefits". Sponsor may elect to have ESI perform appeals services in connection with denied "claims for benefits" for the fees set forth in Exhibit B, or facilitate such services through Sponsor or a third party of Sponsor's choice. Sponsor elects to have ESI perform appeals services and Sponsor agrees that ESI may perform such services through the UM Company. Through its contract with ESI, the UM Company has agreed to be, and will serve as, the named fiduciary for its performance of such appeals. ESI also agrees to accept fiduciary status solely with respect to its performance of any appeal.

### (d) UM Company

ESI or the UM Company, as applicable, will be responsible for conducting the appeal on behalf of Sponsor in accordance with the Claims Rules. ESI represents to Sponsor that UM Company has contractually agreed that: (A) UM Company will conduct appeals in accordance with the Claims Rules and Sponsor's plan, (B) Sponsor is a third party beneficiary of UM Company's agreement with ESI (a copy of which is available upon request) and the remedies set forth therein, and (C) UM

Company will indemnify Sponsor for third party claims caused by the UM Company's negligence or willful misconduct in providing the appeal services.

(e) External Review Services.

Sponsor elects to utilize UM Company for the fees set forth on Exhibit B below to facilitate the provision of external review services through UM Company contracted Independent Review Organizations ("IROs") (as such term is defined in PPACA) IROs, UM Company will be responsible for facilitating all such appeals (and the IROs will be responsible for providing all such appeals) in accordance with Patient Protection and Affordable Care Act of 2010 and its implementing regulations ("PPACA") and all other applicable federal and state laws. Sponsor must execute a standard ESI "External Appeals Services" Set-Up Form, which may be requested through ESI Account Management, in order to receive such services from UM Company. Sponsor hereby acknowledges and agrees that:

- (i) UM Company (with respect to facilitating the external reviews) and the IROs (with respect to performing the external reviews), and not ESI, will be providing external review services; UM Company is an independent contractor of ESI; the IROs are independent contractors of UM Company and not ESI; and ESI does not in any way control or direct either UM Company or the IROs with respect to facilitation or performance of external review services provided by each respectively.
  - (ii) ESI represents to Sponsor that UM Company has contractually agreed that: (A) UM Company will facilitate all external review services in accordance with PPACA and all other applicable federal and state laws; (B) UM Company will contractually require its contracted IROs to perform all external reviews in accordance with PPACA and all other applicable federal and state laws; (C) to the extent not prohibited by law, UM Company will indemnify, defend and hold Sponsor harmless from and against any and all losses, damages, injuries, causes of action, claims, demands and expenses (including reasonable attorney's fees, costs and expenses), arising out of, resulting from, or related to any act, omission or default by the IROs in their performance of the external reviews; and (D) Sponsor has third party beneficiary rights to enforce the preceding indemnification and hold harmless provision.
- (f) Call Center. ESI will provide 24-hours a day, 7-days a week toll-free telephone, IVR and Internet support to assist Sponsor, Sponsor's agents and Members with Member eligibility and benefits verification, location of Participating Pharmacies or other related Member concerns. Designated call center staff will be trained and familiar with Sponsor's benefit design in order to assist Sponsor, Sponsor's agents, and Members.

## 2.4 Formulary Support and Rebate Management

(a) Formulary Adherence and Clinical Programs

ESI may provide clinical, safety, adherence, and other like programs as described in Exhibit B-2 sets forth certain available adherence, clinical, safety and/or trend programs that require additional fees hereunder. The parties understand that Exhibit B-2 sets forth those programs that are available as of the Effective Date. ESI may add or delete programs from time to time; however, ESI agrees that the pricing for those programs set forth on Exhibit B-2 will not change during the term of this Agreement. Any other changes to Exhibit B-2, including pricing for new programs, will be promptly communicated to Sponsor by ESI. ESI will not implement any program for which Sponsor may incur an additional fee without Sponsor's prior written approval and election of such program.

(b) Rebate Program.

Subject to the remaining terms of this Agreement, ESI will pay to Sponsor the amounts set forth on Exhibit B.

## 2.5 Program Operations

- (a) Reporting. ESI will make available to Sponsor ESI's on-line standard management information reporting applications. Upon Sponsor's request, ESI may develop special reporting packages or

perform custom programming at ESI's standard hourly rate for such services, as set forth in Exhibit B.

(b) Claims Data.

(i) Claims Data Retention. ESI will retain Sponsor's claims data for a total of ten (10) years from the date the prescription is filled. Thereafter ESI will dispose of such data in accordance with its standard policies and practices and applicable state and federal law. Disposition of PHI shall be in accordance with the Business Associate Agreement.

(ii) Claims Data to Vendors. Upon Sponsor's written request and at no additional charge, ESI will provide regular prescription claims data in ESI's standard format(s) to Sponsor's vendors ("Vendors") for disease management, flexible savings account and other "payment," "treatment" and "healthcare operations" purposes (as defined under HIPAA). Requests for retrieval of data beyond thirty (30) months are subject to the hourly custom programming charge set forth in Exhibit B, provided however that Sponsor shall be entitled to two retrievals of data beyond thirty (30) thirty months during the term of this Agreement, or following termination of this Agreement, without charge.

(iii) De-Identified Claims Data. ESI or its affiliates may use and disclose both during and after the term of this Agreement the anonymized claims data (de-identified in accordance with HIPAA) including drug and related medical data collected by ESI or provided to ESI by Sponsor for research; provider profiling; benchmarking, drug trend, and cost and other internal analyses and comparisons; clinical, safety and/or trend programs; ASES; or other business purposes of ESI or its affiliates, in all cases subject to applicable law.

(c) Sponsor Audits. Provided that this Agreement has been duly executed by Sponsor and Sponsor is current in the payment of invoices under this Agreement, Sponsor may, upon no less than thirty (30) days prior written request, audit ESI's provision of services hereunder, the scope of which shall be to verify regulatory compliance and/or compliance with the financial terms of this Agreement, on an annual basis consistent with the Audit Protocol set forth in Exhibit A-3. Sponsor may use an independent third party auditor ("Auditor"), so long as such Auditor is not engaged in providing services for Sponsor or otherwise that conflict with the scope or independent nature of the audit (as determined by ESI acting reasonably and in good faith), and provided that Sponsor's Auditor executes a mutually acceptable confidentiality agreement. Any request by Sponsor to permit an Auditor to perform an audit will constitute Sponsor's direction and authorization to ESI to disclose PHI to the Auditor.

(d) Performance Standards. ESI will conform to the performance standards set forth on Exhibit B-6 hereto. The payments set forth in Exhibit B-6 will be Sponsor's sole monetary remedy for any failure by ESI to meet a performance standard in addition to any correction or reimbursement associated with payment or billing errors.

2.6 Pharmacy Management Funds ("PMF").

See Exhibit B-1, Section 4

2.7 Account Management

ESI will provide designated account management services to Sponsor. The ESI account management team will be Sponsor's primary point of contact within ESI, and will assist Sponsor with matters regarding Sponsor's benefit design, eligibility, and all other matters relating to the PBM Services. The account management team will also assist Sponsor with modeling plan benefit changes.

2.8 Quarterly Meetings, Benefit Fairs, etc

ESI agrees to attend quarterly meetings with the Sponsor to discuss plan performance and financial matters. ESI further agrees to attend open enrollment meetings and agency and benefit fairs as reasonably requested by the Sponsor.

### III. ARTICLE III – HIPAA; CONFIDENTIAL INFORMATION

#### 3.1 HIPAA

The parties agree that as relates to use and disclosure of PHI, electronic transaction standards and security of electronic PHI under the Health Insurance Portability and Accountability Act of 1996, as amended, they are subject to the terms of the Business Associate Agreement set forth in Addendum C in the Agreement. Notwithstanding the foregoing, the parties acknowledge that in providing services to Members, ESI Specialty Pharmacy and the ESI Mail Pharmacy are acting as separate health care provider covered entities under HIPAA and not as business associates to the Plan covered by the Business Associate Agreement. In providing services, ESI Specialty Pharmacy and the ESI Mail Pharmacy shall abide by all HIPAA requirements applicable to covered entities and shall safeguard, use and disclose Member PHI accordingly. Upon notification to ESI of any Breach or successful Security Incident, as those terms are defined by HIPAA, at ESI Specialty Pharmacy or ESI Mail Pharmacy, ESI shall provide notice to Sponsor regarding such Breach or successful Security Incident.

#### 3.2 Confidential Information

- (a) The parties agree that it is ESI's position that the following constitutes confidential and proprietary information ("Confidential Information"): (i) ESI's reporting and other web-based applications, eligibility and adjudication systems, system formats and databanks (collectively, "ESI's Systems"), clinical or formulary management operations or programs, fraud, waste and abuse tools and programs, anonymized claims data (de-identified in accordance with HIPAA); ESI Specialty Pharmacy and ESI Mail Pharmacy data; information and contracts relating to Rebates and Manufacturer Administrative Fees, prescription drug evaluation criteria, drug pricing information, and Participating Pharmacy agreements; and (ii) with respect to Sponsor: Sponsor and Member identifiable health information and data, Eligibility Files, Set-Up Form information, and business operations and strategies. Neither party will use the other's Confidential Information, or disclose it to any third party (other than Sponsor attorneys and accountants or other third parties, including consultants, subject to appropriate confidentiality obligations), at any time during or after termination of this Agreement, except as specifically contemplated by this Agreement or upon prior written consent; which will not unreasonably be withheld. Confidential Information does not include information which is or becomes generally available to the public; was within the recipient's possession or knowledge prior to its being furnished to the recipient pursuant to this Agreement, or is independently developed by the recipient under circumstances not involving a breach of this Agreement. The determination of confidential information is subject to NH RSA 91-A and other applicable State of New Hampshire and federal law, as more fully addressed in Section 6.5.
- (b) Sponsor will not, and will not permit any third party acting on Sponsor's behalf, to access, attempt to access, test or audit ESI's Systems or any other system or network connected to ESI's Systems. Without limiting the foregoing, Sponsor will not: access or attempt to access any portion or feature of ESI's Systems, by circumventing ESI's Systems access control measures, either by hacking, password "mining" or any other means; or probe, scan, audit or test the vulnerability of ESI's Systems, nor breach the security or authentication measures of ESI's Systems.

### IV. ARTICLE IV - COMPLIANCE WITH LAW; FIDUCIARY ACKNOWLEDGEMENTS; FINANCIAL DISCLOSURE

#### 4.1 Compliance with Law; Change in Law

Each party shall be responsible for ensuring its compliance with any laws and regulations applicable to its business, including maintaining any necessary licenses and permits. Sponsor shall be responsible for any governmental or regulatory charges and taxes imposed upon or related to the services provided hereunder. If there is a new or change in federal or state laws or regulations or the interpretation thereof, or any government, judicial or legal action that, among other things, materially burdens either party or requires either party to increase payments or shorten payment times for any reason, or materially changes the scope of services hereunder (a "Change in Law"), then there shall be an appropriate modification of the services, reimbursement rates, Administrative Fees and/or Rebates

hereunder. If the parties cannot agree on a modification or adjusted fee or rates, then either party may terminate this Agreement on thirty (30) days prior written notice to the other.

#### 4.2 Fiduciary Acknowledgements

ESI offers pharmacy benefit management services, products and programs ("PBM Products") for consideration by all clients, including Sponsor. The general parameters of the PBM Products, and the systems that support these products, have been developed by ESI as part of ESI's administration of its business as a PBM. The parties agree that they have negotiated the financial terms of this Agreement in an arm's-length fashion. Sponsor acknowledges and agrees that, except for the limited purpose set forth in Section 2.3(c), neither it nor the Plan intends for ESI to be a fiduciary (as defined under ERISA or state law) of the Plan, and, except for the limited purpose as set forth in Section 2.3(c), neither will name ESI or any of ESI's wholly-owned subsidiaries or affiliates as a "plan fiduciary." Sponsor further acknowledges and agrees that neither ESI nor any of ESI's wholly-owned subsidiaries or affiliates: (a) have any discretionary authority or control respecting management of the Plan's prescription benefit program, except as set forth in Section 2.3(c), or (b) exercise any authority or control respecting management or disposition of the assets of the Plan or Sponsor. Sponsor further acknowledges that all such discretionary authority and control with respect to the management of the Plan and plan assets is retained by Sponsor or the Plan.

#### 4.3 Disclosure of Certain Financial Matters

In addition to the Administrative Fees paid to ESI by Sponsor, ESI and ESI's wholly-owned subsidiaries or affiliates derive revenue in one or more of the ways as further described in the Financial Disclosure to ESI PBM Clients set forth in Addendum A hereto ("Financial Disclosure"), as updated by ESI from time to time. Unlike the Administrative Fees, the revenues described in the Financial Disclosure are not direct or indirect compensation to ESI from Sponsor for services rendered to Sponsor or the Plan under this Agreement. In negotiating any of the fees and revenues described in the Financial Disclosure or in this Agreement, ESI and ESI's wholly-owned subsidiaries and affiliates act on their own behalf, and not for the benefit of or as agents for Sponsor, Members or the Plan. ESI and ESI's wholly-owned subsidiaries and affiliates retain all proprietary rights and beneficial interest in such fees and revenues described in the Financial Disclosure and, accordingly, Sponsor acknowledges that neither it, any Member, nor the Plan, has a right to receive, or possesses any beneficial interest in, any such fees or revenues; provided, that ESI will pay Sponsor amounts equal to the amounts expressly set forth on Exhibit B.

### **V. ARTICLE V - TERM AND TERMINATION; DEFAULT AND REMEDIES**

#### 5.1 Term

- (a) This Agreement will commence effective upon approval by Governor and Executive Council ("Effective Date"), and will continue until December 31, 2021 ("Initial Term"), and may be terminated earlier or extended in accordance with the terms of Section 5.2 below. The parties agree that the PBM Services will commence on January 1, 2019, even though the implementation services will commence upon the Effective Date. Thereafter, this Agreement may be renewed for up to two additional years upon terms and conditions as the parties may mutually agree and upon the approval of the Governor and Executive Council. Subject to the right of termination as otherwise provided herein. ESI shall provide notice of renewal rates for each additional term no later than one hundred twenty (120) days following expiration of the preceding term, which shall then be subject to negotiation and written agreement between the parties.
- (b) Not less than ninety (90) days prior to the end of the Initial Term or any renewal term of this Agreement either party may notify the other party in writing that it desires to terminate this Agreement effective as of the end of the then current term.

#### 5.2 Termination

- (a) Termination Without Cause. Sponsor may elect to terminate this Agreement upon thirty (30) days prior written notice of such termination to ESI.

- (b) Non-Payment. Notwithstanding anything to the contrary herein, ESI (and its wholly-owned subsidiaries) may terminate or suspend their performance hereunder and cease providing or authorizing provision of Covered Drugs to Members upon 30 days written notice if Sponsor fails to pay ESI in accordance with the terms of this Agreement. ESI attempts collection through written and verbal communications with Sponsor prior to sending the notice described herein.
- (c) Obligations Upon Termination. Upon notice of termination of this Agreement, the parties will mutually develop a run-off plan providing for: (i) Sponsor notification to Members of the timing of any transition to a successor pharmacy benefit manager at least thirty (30) days prior to the effective date of such termination; (ii) ESI provision of open ESI Mail Pharmacy refill files and standard claims data and PA files for transition to the successor pharmacy benefit manager in accordance with then existing industry protocol; and (iii) whether Sponsor elects for ESI to process Participating Pharmacy or Member Submitted Claims for prescriptions filled during the Term but filed with ESI after the effective date of termination ("Termination Date"). Sponsor will continue to pay ESI in accordance with this Agreement for any Fees for PBM Services provided during the term and any run-off period. ESI will continue filing for Rebates for claims incurred prior to the Termination Date and will pay Sponsor Rebates for such claims in accordance with the Rebate payment schedule set out herein. Notwithstanding anything in this Agreement to the contrary, ESI shall not be obligated to provide post-transition services following the transition to the successor pharmacy benefit manager and conclusion of the run-off period, including, but not limited to, the provision of continued data reporting, reporting, consultation, or analysis.

### 5.3 Remedies

- (a) Force Majeure. Neither party will lose any rights under this Agreement or be liable in any manner for any delay to perform its obligations under this Agreement that are beyond a party's reasonable control, including, without limitation, any delay or failure due to riots, earthquakes, storms, floods or other extreme weather conditions, fires, acts of terrorism, epidemics, embargoes, war or other outbreak of hostilities, government acts or regulations, the failure or inability of carriers, suppliers, or telecommunications providers to provide services necessary to enable a party to perform its obligations hereunder, or any other reason where failure to perform is beyond the party's reasonable control, and is not caused by the negligence, intentional conduct or misconduct of the defaulting party; *provided, however*, that this clause may not be invoked to excuse a party's payment obligations hereunder. ESI represents that it maintains and continually updates a business continuity plan designed to mitigate any disruption to the services provided by ESI under this Agreement.

### 5.4 Survival

The parties' rights and obligations under the Sections 2.5, Articles III, IV and V; and Sections 5.2(c), 5.3, 5.4, 6.2, and 6.3 will survive the termination of this Agreement for any reason.

## VI. ARTICLE VI – MISCELLANEOUS

### 6.1 Notice

Any notice or document required or permitted to be delivered pursuant to this Agreement must be in writing and will be deemed to be effective upon mailing and must be either (a) deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, or (b) sent by recognized overnight delivery service, in either case properly addressed to the other party at the address set forth below, or at such other address as such party will specify from time to time by written notice delivered in accordance herewith:

Express Scripts, Inc.  
Attn: President  
One Express Way  
St. Louis, Missouri 63121

With copy to Legal Department

Fax No. (800) 417-8163

State of New Hampshire  
Risk Management Unit  
Attn: Contracting Officer  
25 Capitol Street, Room 412  
Concord, New Hampshire 03301

## 6.2 Independent Parties

No provision of this Agreement is intended to create or will be construed to create any relationship between ESI and Sponsor other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither party, nor any of their respective representatives, will be construed to be the partner, agent, fiduciary, employee, or representative of the other and neither party will have the right to make any representations concerning the duties, obligations or services of the other except as consistent with the express terms of this Agreement or as otherwise authorized in writing by the party about which such representation is asserted.

## 6.3 Trademarks

Each party acknowledges each other party's sole and exclusive ownership of its respective trade names, commercial symbols, trademarks, and servicemarks, whether presently existing or later established (collectively "Marks"). No party shall use the other party's Marks in advertising or promotional materials or otherwise without the owner's prior written consent.

## 6.4 Taxes and Assessments

Any applicable sales, use, excise, or other similarly assessed and administered tax, or fee imposed on items dispensed, or services provided hereunder, or the fees or revenues generated by the items dispensed or services provided hereunder, or any other amounts ESI or one or more of its subsidiaries or affiliates may incur or be required to pay arising from or relating to ESI's or its subsidiaries' or affiliates' performance of services as a pharmacy benefit manager, third-party administrator, or otherwise in any jurisdiction, will be the sole responsibility of Sponsor or the Member. If ESI is legally obligated to collect and remit, or to incur or pay, any such sales, use, excise, or other similarly assessed and administered tax, or fee in a particular jurisdiction, such amount will be reflected on the applicable invoice or subsequently invoiced at such time as ESI becomes aware of such obligation or as such obligation becomes due. ESI reserves the right to charge a reasonable mutually agreed upon administrative fee for collection and remittance services provided on behalf of Sponsor.

## 6.5 Open Records Request

ESI acknowledges that Sponsor, as a government agency, may be subject to applicable freedom of information or open records laws and must, upon request, disclose such materials as are covered by and not exempted from such laws. Pursuant to Section 3.2 hereof, Sponsor acknowledges that it is ESI's position that certain information is proprietary and confidential and may be exempt from disclosure if permitted by law. Sponsor agrees to give ESI notice, if applicable, and the minimum period of time to oppose, request redactions or limitations on any disclosures under a third party freedom of information or open records request pertaining to this Agreement or any proposal related hereto. This provision shall survive termination of this Agreement and is subject to NH RSA 91-A and other applicable State of New Hampshire and federal law.



## EXHIBIT A-2

### Employer-Only Sponsored Group Waiver Plan (EGWP) Addendum

1. **Construction.** Unless otherwise stated herein, the terms and conditions of the Agreement shall apply to services provided by ESI by and through its affiliate, Medco Containment Life Insurance Company, a Pennsylvania corporation, ("MCLIC") only insofar as such services are provided to Sponsor's EGWP Members (as defined herein). In addition, the terms and conditions set forth in this EGWP Addendum shall apply to services provided by MCLIC to Sponsor's EGWP Members. In the event there is a conflict between the terms and conditions in the Agreement and in this EGWP Addendum, the terms and conditions in this EGWP Addendum shall control, but only as they relate to services provided to EGWP Members. Capitalized terms not otherwise defined in this EGWP Addendum shall have the meaning ascribed to them in the Agreement.
  
2. **Acknowledgements.** The parties agree and acknowledge as follows:
  - A. MCLIC is an approved CMS-contracted prescription drug plan ("PDP") sponsor for an Employer Group Waiver Plan PDP in accordance with CMS regulations and has received approval from the Centers for Medicare and Medicaid Services ("CMS") to serve as a Prescription Drug Plan Sponsor (a "PDP Sponsor") and to provide prescription drug coverage that meets the requirements of, and pursuant to, the Voluntary Prescription Drug Benefit Program set forth in Part D of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, 42 U.S.C. §1395w-101 through 42 U.S.C. §1395w-152 (the "Act") and all applicable and related rules, regulations, and guidance promulgated, issued or adopted by CMS or other governmental agencies with jurisdiction over enforcement of the Act, including, but not limited to, 42 C.F.R. §423.1 through 42 C.F.R. §423.910 (with the exception of Subparts Q, R, and S), and the terms of any PDP Sponsor contract between CMS and MCLIC (collectively, the "Medicare Drug Rules"); and
  - B. Pursuant to the waivers granted by CMS under 42 U.S.C. §1395w-132(b), MCLIC offers employer-only sponsored group waiver plans ("EGWPs") to employers that wish to provide prescription drug benefits to their Part D Eligible Retirees (as defined below) in accordance with the Medicare Drug Rules; and
  - C. MCLIC provides services hereunder through itself and its affiliates, including Express Scripts, Inc. ("ESI"); and
  - D. Sponsor currently provides a prescription drug benefit (the "Current Benefit") to its Part D Eligible Retirees (as defined below) pursuant to a non-Medicare, self-insured welfare benefit plan; and
  - E. Sponsor desires to utilize ESI's Affiliate, MCLIC's contract with CMS to offer a prescription drug benefit to Sponsor's Part D Eligible Retirees pursuant to an EGWP that is substantially similar in design to the Current Benefit (the "EGWP Benefit," as further defined below); and
  - F. Provided that the EGWP Benefit meets the actuarial equivalence standards of the Medicare Drug Rules, as more fully described below, ESI, through its affiliate, MCLIC, desires to offer the EGWP Benefit to Sponsor's Part D Eligible Retirees in accordance with the Medicare Drug Rules and pursuant to the terms and conditions of the Agreement and this EGWP Addendum.

3. **Definitions.**

"Commercial Benefit" means the prescription drug benefit covering Sponsor's Members and administered pursuant to the Agreement.

"Coverage Gap" means the stage of the benefit between the initial coverage limit and the catastrophic coverage threshold, as described in the Medicare Part D prescription drug program administered by the United States federal government.

"Coverage Gap Discount" means the manufacturer discounts available to eligible Medicare Part D beneficiaries receiving applicable, covered Medicare Part D drugs, while in the Coverage Gap.

"Coverage Gap Discount Program" means the Medicare program that makes manufacturer discounts available to eligible Medicare Part D beneficiaries receiving applicable, covered Medicare Part D drugs, while in the Coverage Gap.

"EGWP Eligibility File" means the list(s) submitted by Sponsor to MCLIC, in accordance with Section 2, indicating the Part D Eligible Retirees that Sponsor has submitted for enrollment in the EGWP Benefit, as verified by MCLIC through CMS eligibility files. For all other purposes under the Agreement, the "EGWP Eligibility File" shall also be considered an "Eligibility File."

"EGWP Benefit" means the prescription drug benefit to be administered by MCLIC under this EGWP Addendum, as defined in the Recitals above and as further described in the Sponsor plan document, its summary plan description, and its summary of benefits, as may be amended from time to time in accordance with the terms of this EGWP Addendum.

"EGWP Member" means each Part D Eligible Retiree who is enrolled in the EGWP Benefit in accordance with the terms of this EGWP Addendum. For all other purposes under the Agreement, every EGWP Member shall also be deemed to be a Member.

"EGWP Plus" means a prescription drug benefit plan design that provides non-Medicare EGWP coverage supplemental to the standard Part D benefit, and is defined by CMS as other health or prescription drug coverage, and as such, the Coverage Gap Discount is applied before any additional coverage beyond the standard Part D benefit.

"Late Enrollment Penalty" or "LEP" means the financial penalty incurred under the Medicare Drug Rules by Medicare Part D beneficiaries who have had a continued gap in creditable coverage of sixty-three (63) days or more after the end of the beneficiary's initial election period, adjusted from time to time by CMS.

"Medicare Formulary" means the list of prescription drugs and supplies developed, implemented and maintained in accordance with the Medicare Drug Rules for the EGWP Benefit.

"Medicare Rebate Program" means MCLIC's or its affiliates' manufacturer rebate program under which MCLIC or its affiliates contract with pharmaceutical manufacturers for Rebates payable on selected Covered Drugs that are reimbursed, in whole or in part, through Medicare Part D, as such program may change from time to time.

"Part D" or "Medicare Part D" means the Voluntary Prescription Drug Benefit Program set forth in Part D of the Act.

"Part D Eligible Retiree" means an individual who is (a) eligible for Part D in accordance with the Medicare Drug Rules, (b) not enrolled in a Part D plan (other than the EGWP Benefit), and (c) eligible to participate in Sponsor's Current Benefit.

"Prescription Drug Plan" or "PDP" shall have the meaning set forth in the Medicare Drug Rules.

"True Out-of-Pocket Costs" or "Troop" means costs incurred by an EGWP Member or by another person on behalf of an EGWP Member, such as a deductible or other cost-sharing amount, with respect to Covered Drugs, as further defined in the Medicare Drug Rules.

"Vaccine Claim" means a claim for a Covered Drug which is a vaccine.

**4. Plan Status Under Applicable Laws; Enrollment and Disenrollment in the EGWP Benefit.**

**A. Medicare Part D. Sponsor and MCLIC acknowledge and agree as follows:**

1. The design of and administration of the EGWP Benefit is subject to the applicable requirements of the Medicare Drug Rules. Sponsor shall provide all information and documents as may be reasonably required to administer the EGWP Benefit.
2. If the number of Sponsor's Part D Eligible Retirees is reduced or eliminated for any reason by 10% or more, MCLIC may communicate with those persons at MCLIC's expense regarding alternative Medicare Part D options, including alternative Medicare Part D services offered by MCLIC or one or more of its affiliates, and the program pricing terms hereunder may be equitably modified by MCLIC to reflect the reduction or elimination of the number of Part D Eligible Retirees.

**B. Group Enrollment. Subject to each individual's right to opt out, as described below, Sponsor shall enroll Part D Eligible Retirees in the EGWP Benefit through a group enrollment process, as further described in and permitted under the Medicare Drug Rules. Sponsor agrees that it will comply with all applicable requirements for group enrollment in EGWPs as set forth in the Medicare Drug Rules, and as described and required by MCLIC's policies and procedures.**

**C. EGWP Eligibility File. No later than sixty (60) days prior to the Effective Date and the first day of each EGWP Benefit enrollment period thereafter, so long as this EGWP Addendum is in effect, Sponsor shall provide an EGWP Eligibility File to MCLIC via the communication medium reasonably requested by MCLIC that lists those Part D Eligible Retirees for whom Sponsor intends to make application for enrollment in the EGWP Benefit (i.e., those Part D Eligible Retirees who have not opted out of the group enrollment process) for that contract year. Sponsor represents and warrants that all information it provides to MCLIC in the EGWP Eligibility File will be complete and correct. Sponsor shall communicate all new enrollments (i.e., individuals who become eligible to participate in the EGWP Benefit outside of an annual election period), requested retroactive enrollments of Part D Eligible Retirees, and disenrollments from the EGWP Benefit via the communication medium reasonably requested by MCLIC. MCLIC agrees to process retroactive enrollment requests pursuant to the requirements of the Medicare Drug Rules.**

**D. Implementation.**

1. **MCLIC's Responsibilities.** MCLIC shall implement the EGWP Eligibility File following confirmation of the Medicare Part D eligibility of the Part D Eligible Retirees listed on the EGWP Eligibility File with CMS eligibility files. A Part D Eligible Retiree will not be enrolled in the EGWP Benefit unless such individual is listed on both the EGWP Eligibility File submitted by Sponsor and the CMS eligibility files. Sponsor acknowledges and agrees that MCLIC may update in the EGWP Eligibility File any information concerning Part D Eligible Retirees upon receipt of corrected information from CMS, and MCLIC may use such corrected information to obtain a Part D Eligible Retiree's enrollment. For all Part D Eligible Retirees that have been included by Sponsor in the EGWP Eligibility File, but who are ultimately determined to be ineligible for participation in the EGWP Benefit, MCLIC or its affiliates shall notify the individual of his or her ineligibility in the EGWP Benefit and take all other action as required by applicable law. MCLIC shall communicate to Sponsor any changes to a Part D Eligible Retiree's information in the EGWP Eligibility File based upon updates or corrections received from CMS.

2. Incomplete EGWP Eligibility File Information. Sponsor's submission to MCLIC of an inaccurate or incomplete EGWP Eligibility File (e.g., missing Health Insurance Claim Number, date of birth, last name, first name, gender, address, etc.) or otherwise incomplete information with respect to any individual Part D Eligible Retiree may result in a rejection of the Part D Eligible Retiree's enrollment in the EGWP Benefit. Sponsor acknowledges and agrees that MCLIC may contact Sponsor's Part D Eligible Retirees to obtain the information required hereunder and that MCLIC will update the EGWP Eligibility File on Sponsor's behalf to reflect additional information needed to complete enrollment of the Part D Eligible Retirees. If MCLIC, using reasonable efforts, is not able to obtain all missing information from a Part D Eligible Retiree within twenty-one (21) days after receiving Sponsor's initial request for enrollment of the Part D Eligible Retiree in the EGWP Benefit, then Sponsor's request shall be deemed cancelled and MCLIC or its affiliates shall notify the individual of his or her enrollment denial and non-enrollment in the EGWP Benefit and shall take all other action as required by applicable law.

3. Effective Date of Enrollment into EGWP Benefit. Notwithstanding any provision of this EGWP Addendum to the contrary, the effective date of enrollment for any Part D Eligible Retiree who MCLIC seeks to enroll in the EGWP Benefit hereunder shall be the date of enrollment requested for that Part D Eligible Retiree by Sponsor on the EGWP Eligibility File, subject to any adjustments that MCLIC may make relating to eligibility verification or eligibility processing rules reasonably agreed upon by the parties.

E. Involuntary Disenrollment. If Sponsor determines that an EGWP Member is no longer eligible to participate as an EGWP Member in the EGWP Benefit for reasons such as loss of Sponsor's eligibility or residence outside of the service area (an "Ineligible Enrollee"), Sponsor shall notify MCLIC at least twenty-five (25) days before disenrollment effective date. Such Ineligible Enrollee shall be notified about involuntary disenrollment and disenrolled in accordance with the Medicare Drug Rules. If CMS determines that an EGWP Enrollee is no longer eligible to participate as an EGWP Enrollee in the EGWP Benefit (an "Ineligible Enrollee"), upon notification to MCLIC, such Ineligible Enrollee shall be notified and disenrolled in accordance with the Medicare Drug Rules.

F. Voluntary Disenrollment. If an EGWP Member makes a voluntary request to be disenrolled from the EGWP Benefit (the "Voluntary Disenrollee") to Sponsor, then Sponsor shall notify MCLIC within two (2) business days of its receipt of the request for disenrollment, in a manner and format agreed upon by the parties. If Sponsor does not timely notify MCLIC of such Voluntary Disenrollee's disenrollment in the EGWP Benefit, then MCLIC shall submit a retroactive disenrollment request to CMS. Sponsor acknowledges that CMS may only grant up to a ninety (90) day retroactive disenrollment in such instances. If the Voluntary Disenrollee makes his or her request directly to MCLIC, then MCLIC shall direct the Voluntary Disenrollee to initiate the disenrollment with the Sponsor.

G. Group Disenrollment. If, upon the expiration of the then current term of this EGWP Addendum, Sponsor plans to disenroll its EGWP Members from the EGWP Benefit using a group disenrollment process, then Sponsor shall implement the following procedures:

1. Notification to EGWP Members. Sponsor shall provide at least twenty-one (21) days (or such other minimum days' notice as required by the Medicare Drug Rules, if longer) prior written notice to each EGWP Member that Sponsor plans to disenroll him or her from the EGWP Benefit and shall include with such written notification an explanation as to how the EGWP Member may contact CMS for information on other Medicare Part D options that might be available to the EGWP Member; and

2. Information to MCLIC. Sponsor shall provide all the information to MCLIC that is required for MCLIC to submit a complete disenrollment request transaction to CMS, as set forth in the Medicare Drug Rules. Sponsor shall transmit the complete and accurate disenrollment file to

MCLIC: (i) no later than twenty-five (25) days prior to the group disenrollment effective date, and (ii) in the case of a group disenrollment with an effective date of January 1 of the applicable calendar year, by no later than the deadline communicated to Sponsor by MCLIC.

- H. Responsibility for Claims After Loss of Eligibility or Disenrollment. Sponsor shall be responsible for reimbursing MCLIC pursuant to the billing provisions of the Agreement for all Prescription Drug Claims processed by MCLIC, including those: (a) with respect to an Ineligible Enrollee during any period in which the EGWP Eligibility File indicated that such Ineligible Enrollee was eligible; and (b) with respect to a Voluntary Disenrollee, in the event Sponsor did not provide timely notice to MCLIC of such disenrollment as set forth herein.
- I. Effect On Commercial Benefit. By requesting a Member's enrollment as an EGWP Member in the EGWP Benefit, Sponsor represents that such EGWP Member's eligibility as a Member in the Commercial Benefit (except for EGWP supplemental coverage) will immediately terminate. Upon a Member's enrollment as an EGWP Member in the EGWP Benefit, Sponsor must communicate to MCLIC that the EGWP Member's eligibility as a Member in the Commercial Benefit has terminated through the Eligibility Files. Until Sponsor communicates to MCLIC that the Member's eligibility in the Commercial Benefit has terminated, coverage under the Commercial Benefit and the terms and conditions applicable thereto will remain in effect for that Member.
- J. Effect of Termination of Commercial Benefit. Termination of services with respect to the Commercial Benefit will not automatically terminate the provision of services with respect to the EGWP Benefit.
- K. Retroactive Payments / Enrollment and Disenrollment. MCLIC may receive or recoup payments from CMS based upon retroactive enrollments to the EGWP Benefit or retroactive disenrollments from the EGWP Benefit under this EGWP Addendum. To the extent MCLIC has agreed in this EGWP Addendum to pay Sponsor amounts equal to such payments, MCLIC shall pay such amounts to Sponsor within forty-five (45) days of MCLIC's receipt of payments from CMS; provided, further, that any related EGWP PMPM Fees (as defined below) associated with the retroactive enrollment or disenrollment shall be adjusted in accordance with the applicable terms of this EGWP Addendum.

5. **Prescription Drug Services.**

- A. Prescription Drug Services. In exchange for the fees set forth in Exhibit B of the Agreement, MCLIC will administer the EGWP Benefit for EGWP Members in accordance with the terms and conditions of this EGWP Addendum. All such administrative services shall be provided by MCLIC in accordance with the Medicare Drug Rules and the terms of the EGWP Benefit.
- B. Actuarial Equivalence. The EGWP Benefit must satisfy all actuarial equivalence standards set forth in the Medicare Drug Rules. If MCLIC performs a review, Sponsor hereby agrees to cooperate with MCLIC to perform the necessary actuarial equivalence calculations to determine whether the EGWP Benefit meets the foregoing actuarial equivalence standards prior to the Effective Date. If MCLIC determines that the EGWP Benefit does not meet the actuarial equivalence standards, then Sponsor shall cooperate with MCLIC to make necessary adjustments to the EGWP Benefit design to meet the actuarial equivalence standards.
- C. Changes to the EGWP Benefit. Sponsor shall have the right to request changes to the terms of the EGWP Benefit from time to time by providing written notice to MCLIC. MCLIC shall implement any such requested changes, subject to the following conditions: (a) all changes to the EGWP Benefit must be consistent with and implemented in the time and manner permitted by the Medicare Drug Rules; (b) the EGWP Benefit, after implementation of such changes, must continue to meet the actuarial equivalence standards referenced above; and (c) any requested change that would increase MCLIC's costs of administering the EGWP Benefit without an equivalent increase in reimbursement to MCLIC from

Sponsor shall not be implemented unless and until Sponsor and MCLIC agree in writing upon a corresponding amendment to the reimbursement terms of this EGWP Addendum.

- D. EGWP Member Communications. All standard EGWP Member communications concerning the EGWP Benefit (e.g., benefit overview document, formulary booklet, etc.) shall be mutually developed by MCLIC and Sponsor pursuant to the Medicare Drug Rules, including the CMS Marketing Guidelines contained therein. Pursuant to the Medicare Drug Rules, MCLIC must ensure all such EGWP Member communications, whether created and/or distributed by either Sponsor or MCLIC, are CMS compliant, and provide such to CMS upon request. If CMS notifies MCLIC that any such EGWP Member communication is deficient, Sponsor agrees to assist MCLIC to make necessary revisions to correct such deficiency.
- E. Claims Processing.
1. COB. MCLIC will coordinate benefits with state pharmaceutical assistance programs and entities providing other prescription drug coverage consistent with the Medicare Drug Rules.
  2. TrOOP. MCLIC will establish and maintain a system to record EGWP Members' TrOOP balances, and shall communicate TrOOP balances to EGWP Members upon request. MCLIC will provide 24-hours a day, 7-days a week toll-free telephone, IVR and Internet support to assist Sponsor and EGWP Members with TrOOP verification.
  3. EOBs. MCLIC will furnish EGWP Members, in a manner specified by CMS, a written or electronic explanation of benefits ("EOB") when prescription drug benefits are provided under qualified prescription drug coverage consistent with the requirements of the Medicare Drug Rules.
- F. Formulary and Medication Management. MCLIC or its affiliates will maintain a pharmacy and therapeutics committee ("P&T Committee") in accordance with the Medicare Drug Rules, which will develop a Medicare Formulary to be selected by Sponsor for the EGWP Benefit. All Covered Drugs on the Medicare Formulary shall be Part D drugs or otherwise permitted to be covered by a PDP under the Medicare Drug Rules. Sponsor acknowledges and agrees that the Medicare Formulary may not be modified by removing Covered Drugs, adding additional utilization management restrictions, making the cost-sharing status of a drug less beneficial or otherwise modified in a manner not consistent with the Medicare Drug Rules.
- G. Medication Therapy Management. For the fees identified on Exhibit B of the Agreement, MCLIC or its affiliates will implement a Medication Therapy Management program that is designed to ensure that Covered Drugs prescribed to targeted EGWP Members are appropriately used to optimize therapeutic outcomes through improved medication use; and reduce the risk of adverse events, including adverse drug interactions.
- H. Late Enrollment Penalty. Sponsor agrees to and attests that it shall comply with the applicable CMS requirements of the LEP and shall comply with MCLIC's LEP policy, including participating with MCLIC in the following process:
1. Sponsor has an option to: (i) provide an initial global attestation to MCLIC to attest to creditable coverage for all of its EGWP Members; or (ii) periodically provide an attestation to MCLIC to attest to creditable coverage for its EGWP Members listed on the LEP report provided to Sponsor by MCLIC.
  2. If Sponsor elects to periodically attest to MCLIC under the preceding subsection, then:

- a. Sponsor's response shall be delivered to MCLIC within five (5) business days from the receipt of LEP report from MCLIC;
- b. Sponsor shall provide MCLIC with the file listing all EGWP Members for whom Sponsor was unable to attest; and
- c. MCLIC shall also mail an attestation to each EGWP Member that has a gap in coverage as defined by CMS.

3. Sponsor will provide MCLIC with an attestation in MCLIC's standard form, which will be provided to Sponsor upon request, and a file listing of all the EGWP Members included in the attestation.

4. MCLIC will collect responses to the attestations from Sponsor or EGWP Members and submits EGWP Members information to CMS for processing and determination of applicable LEP.

5. CMS calculates the LEP amount and transmits the LEP amount to MCLIC on the daily TRR file, which is communicated to Sponsor. MCLIC shall invoice Sponsor for payment of the LEP. Sponsor may elect to either pay for the LEP on behalf of the EGWP Member, or seek reimbursement of the LEP amount from the EGWP Member. This election must be made prior to the beginning of each plan year and must be applied consistently by Sponsor for all EGWP Members throughout each plan year.

- I. Organized Health Care Arrangement. The parties agree that with respect to the EGWP Benefit, Sponsor and MCLIC are party to an Organized Health Care Arrangement under 45 C.F.R. § 160.103.

**6. Document Retention and Government Audit.**

- A. Document Retention. MCLIC and Sponsor will maintain, for a period of the then current plan year plus an additional ten (10) years, the applicable books, contracts, medical records, patient care documentation, and other records relating to covered services under this Amendment, including those relating to the collection of monthly premiums as set forth herein.
- B. Government Audit. MCLIC and Sponsor agree to allow the United States Department of Health and Human Services ("DHHS") and the Comptroller General, or their designees, the right to audit, evaluate, collect, and inspect books, contracts, medical records, patient care documentation and other records relating to covered services under this EGWP Addendum, as are reasonably necessary to verify the nature and extent of the costs of the services provided to EGWP Members under this EGWP Addendum, for a period of the then current plan year, plus an additional ten (10) years following termination or expiration of the EGWP Addendum for any reason, or until completion of any audit, whichever is later.

**7. Monthly Premiums; Fees; Billing and Payment.**

A. Monthly Premiums.

- 1. Collection of Monthly Premium Amounts. In accordance with the Medicare Drug Rules, MCLIC hereby delegates the premium collection function to Sponsor and hereby directs Sponsor, on behalf of MCLIC, to collect all monthly premium payments due from EGWP Members for participation in the EGWP Benefit. In connection with MCLIC's delegation of the premium collection function to Sponsor under this Section 7.A.1, Sponsor hereby agrees as follows:

- a. That in no event, including, but not limited to, nonpayment by MCLIC of any amounts due by MCLIC to Sponsor pursuant to this EGWP Addendum, MCLIC's insolvency, or MCLIC's breach of this EGWP Addendum, will Sponsor bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against an EGWP Member or persons acting on his or her behalf for payments that are the financial responsibility of MCLIC under this EGWP Addendum. The foregoing is not intended to prohibit Sponsor from collecting premium amounts due by EGWP Members for participation in the EGWP Benefit.
2. Determination of Monthly Premium Amounts (if any) to be Subsidized by Sponsor. In determining the amount of the EGWP Member's monthly premium for participation in the EGWP Benefit that Sponsor will subsidize, if any, Sponsor shall make such determination subject to the following restrictions and any other restrictions that may be imposed by CMS:
- a. Sponsor may subsidize different amounts for different classes of EGWP Members provided such classes are reasonable and based on objective business criteria, such as years of service, business location, job category, and nature of compensation (e.g., salaried vs. hourly). Different classes cannot be based on eligibility for the Low Income Subsidy;
  - b. Sponsor may not vary the premium subsidy for individuals within a given class of EGWP Members;
  - c. Sponsor may not charge an EGWP Member more than the sum of his or her monthly beneficiary premium attributable to basic prescription drug coverage and 100% of the monthly beneficiary premium attributable to his or her supplemental prescription drug coverage, if any;
  - d. MCLIC will, as directed by Sponsor, directly refund to the EGWP Member, within forty-five (45) days of original receipt from CMS of the Low Income Subsidy premium, the full premium subsidy amount up to the monthly beneficiary premium amount previously collected from the EGWP Member; provided, however, that to the extent there are Low Income Subsidy premium amounts remaining after MCLIC refunds the full monthly beneficiary premium amount to the EGWP Member, then that remaining portion of the Low Income Subsidy premium may be applied to the portion of the monthly premium paid by Sponsor;
  - e. If Sponsor is not able to reduce the up-front monthly beneficiary premium as described in subsection (d) above, MCLIC, as directed by Sponsor, shall directly refund to the EGWP Member, within forty-five (45) days of original receipt from CMS of the Low Income Subsidy premium, the full premium subsidy amount up to the monthly beneficiary premium amount previously collected from the EGWP Member;
  - f. If the Low Income Subsidy amount for which an EGWP Member is eligible is less than the portion of the monthly beneficiary premium paid by the EGWP Member, then MCLIC will communicate to the EGWP Member the financial consequences for the beneficiary of enrolling in the EGWP Benefit as compared to enrolling in another Medicare Part D plan with a monthly beneficiary premium equal to or below the Low Income Subsidy amount; and
  - g. In the event of a change in an EGWP Member's Low Income Subsidy status or an EGWP Member otherwise becomes ineligible to receive the Low Income Subsidy after payment of the Low Income Subsidy premium amount to the EGWP Member, and



upon MCLIC's receipt of notification from CMS that such Low Income Subsidy premium amount will be recovered from MCLIC or withheld from future payments to MCLIC, then MCLIC in its sole discretion will invoice Sponsor or set off from amounts otherwise owed from MCLIC to Sponsor, and in either case Sponsor shall reimburse MCLIC for, all amounts deemed by CMS to be ineligible Low Income Subsidy premium payments with respect to the EGWP Member.

3. Reporting and Auditing of Premium Amounts; Non-Payment by EGWP Members. Upon reasonable advance written notice, MCLIC or its affiliates shall have access to Sponsor's records, including evidence of Sponsor's calculations of monthly premium amounts, in order to audit the monthly premium amounts collected from EGWP Members for the purposes of fulfilling reporting requirements under the Medicare Drug Rules or applicable state insurance laws related to collection of such premium amounts or to otherwise assess compliance with the Medicare Drug Rules in connection with the collection of such premium amounts. Any audits performed by MCLIC or its affiliates pursuant to this Section 7.A.3 will be at MCLIC's expense. Sponsor acknowledges and agrees that neither MCLIC nor its affiliates shall be responsible to Sponsor for non-payment by any EGWP Member of any monthly premium amount due by such EGWP Member for participation in the EGWP Benefit. Sponsor further acknowledges and agrees that in the event that either Sponsor or MCLIC (through any audit) determines that Sponsor has collected a greater premium amount from an EGWP Member than is due, that Sponsor shall promptly refund any such overpayment to the EGWP Member.

- B. Billing. MCLIC or its affiliates will bill Sponsor for, and Sponsor shall pay MCLIC or its affiliates, (i) every two weeks for the EGWP Claims Reimbursement Amount (as defined below) for such billing period; and (ii) once per month for any EGWP Administrative Services Fees (as defined below) incurred by Sponsor during the previous month (or earlier if not yet invoiced to Sponsor) and EGWP PMPM Fees (as defined below) due for such period. The EGWP Claims Reimbursement Amount, EGWP PMPM Fees, and EGWP Administrative Services Fees shall be referred to collectively as "EGWP Fees". For purposes of this Section 7.B:

1. "EGWP Claims Reimbursement Amount" means, with respect to any period, the amount equal to the aggregate amount of reimbursement due from Sponsor to MCLIC for Covered Drugs dispensed to EGWP Members by the Pharmacies, and, if applicable, for Member Submitted Claims during such period, including dispensing fees and all associated claims processing administrative fees, based on the reimbursement rates and pricing terms set forth on Exhibit B of the Agreement;
2. "EGWP PMPM Fees" means, with respect to any period, all per EGWP Member per month administrative fees as set forth on Exhibit B-4 of the Agreement for such period.
3. "EGWP Administrative Services Fees" means the fees incurred by Sponsor, if any, for MCLIC's or its affiliates' performance of the administrative services listed in the EGWP Administrative Fees table set forth on Exhibit B of the Agreement.

C. CMS Reimbursement.

1. CMS Reimbursement Payment Terms.

- (a) CMS Reimbursement Payment Terms (Direct Subsidy/Low-Income Subsidy). MCLIC will pay Sponsor an amount equal to the total amount paid to MCLIC by CMS for the following: (1) advance direct subsidy monthly payments paid to MCLIC, if any, by CMS with respect to EGWP Members and (2) low-income subsidy payments paid to MCLIC by CMS, if any, with

respect to EGWP Members and subject to the provisions of Section 5.1(b) of this Agreement (collectively, "CMS Subsidy Reimbursement"). MCLIC will pay amounts equal to the CMS Subsidy Reimbursement, allocated pursuant to the terms of this Agreement, on a monthly basis approximately thirty (30) days after MCLIC's receipt of the CMS Subsidy Reimbursement from CMS. MCLIC and its affiliates retain all right, title and interest to any and all actual CMS Subsidy Reimbursement received from CMS, except that MCLIC shall pay Sponsor amounts equal to the CMS Subsidy Reimbursement amounts allocated to Sponsor, as specified in this Agreement, from MCLIC's or its affiliates' general assets (neither Sponsor nor its EGWP Member's retain any beneficial or proprietary interest in MCLIC's or its affiliates' general assets). Sponsor acknowledges and agrees that neither it nor its EGWP Members shall have a right to interest on, or the time value of, any CMS Subsidy Reimbursement payments received by MCLIC or its affiliates during the collection period or moneys payable under this Section. No CMS Subsidy Reimbursements shall be paid until this Agreement is executed by Sponsor. MCLIC shall have the right to retain or apply Sponsor's allocated CMS Subsidy Reimbursement amounts or Rebates with respect to EGWP Member utilization to unpaid Fees and shall have the right to delay payment of CMS Subsidy Reimbursement amounts to allow for final adjustments upon termination of this Agreement.

(b) CMS Reimbursement Payment Terms (Prospective Reinsurance). MCLIC will pay Sponsor prospective reinsurance payments based on the lesser of the CMS defined per member per month prospective reinsurance for the effective plan year or the Sponsor's per member per month reinsurance for the most recent plan year closed by CMS for reconciliation purposes. For Sponsor's first year as an EGWP administered by MCLIC, MCLIC will pay Sponsor prospective reinsurance payments based on the lesser of the CMS defined per member per month prospective reinsurance for the effective plan year or the Sponsor's projected per member per month reinsurance for the effective plan year based on claims experience of Sponsor's EGWP Members. MCLIC will pay amounts on a monthly basis approximately thirty (30) days after MCLIC's receipt of the prospective reinsurance reimbursement from CMS ("Prospective Reinsurance CMS Reimbursement"). MCLIC and its affiliates retain all right, title, and interest to any and all actual Prospective Reinsurance CMS Reimbursement amounts allocated to Sponsor, except that MCLIC shall pay Sponsor Prospective Reinsurance CMS Reimbursement amounts allocated to Sponsor, as specified in this Agreement, from MCLIC's or its affiliates' general assets (neither Sponsor nor its EGWP Members retain any beneficial or proprietary interest in MCLIC's or its affiliates' general assets). Sponsor acknowledges and agrees that neither it nor its EGWP Members shall have a right to interest on, or the time value of, any Prospective Reinsurance CMS Reimbursement payments received by MCLIC or its affiliates during the collection period or moneys payable under this Section. No Prospective Reinsurance CMS Reimbursements shall be paid until this Agreement is executed by Sponsor. MCLIC shall have the right to retain or apply Sponsor's allocated Prospective Reinsurance CMS Reimbursement amounts or Rebates with respect to EGWP Member utilization to unpaid Fees and shall have the right to delay payment of Prospective Reinsurance CMS Reimbursement amounts to allow for final adjustments upon termination of this Agreement.

2. CMS Reimbursement Reporting. At least annually, MCLIC will provide Sponsor an accounting of all CMS Subsidy Reimbursement and Prospective Reinsurance CMS Reimbursement received by MCLIC from CMS pursuant to the Medicare Drug Rules with respect to the EGWP Benefit.

D. CMS-Required Reconciliation / Reinsurance.

1. End-of-Year Reconciliation. The parties acknowledge that after the conclusion of each plan year, CMS will reconcile payment year disbursements with updated enrollment and health status data, actual low-income cost-sharing costs, actual allowable reinsurance costs, and

other pertinent information. Upon final CMS end-of-year reconciliation, the following shall occur: (i) in the event that the actual incurred reinsurance amount calculated during reconciliation exceeds the prospective amounts paid to Sponsor by MCLIC, MCLIC will pay such amounts to Sponsor subject to the remaining terms of this agreement, and (ii) in the event that the actual incurred reinsurance amount calculated during reconciliation is less than the prospective amounts paid to Sponsor by MCLIC, Sponsor shall repay to MCLIC such amounts previously paid by MCLIC in accordance with the payment terms of the Agreement. MCLIC shall have the right to retain or apply Sponsor's allocated CMS End of Year Reconciliation amounts with respect to EGWP Member utilization to unpaid Fees and shall have the right to delay payment of CMS End of Year Reconciliation amounts to allow for final adjustments upon termination of this Agreement. MCLIC shall have the right to apply reconciliation amounts owed from Sponsor to rebates, CMS Subsidy Reimbursements, Prospective Reinsurance CMS Reimbursements, or Manufacturer Coverage Gap Discount amounts. All such payments resulting from a CMS reconciliation will be paid to Sponsor no later than January 31 of the calendar year immediately following the date of MCLIC's receipt of the reconciliation payments from CMS. If CMS subsequently recovers any end of year reconciliation payments from MCLIC due to a CMS Plan Year reopening or other process described in the Medicare Drug Rules, then Sponsor shall be obligated to repay to MCLIC such amounts previously paid to Sponsor. If CMS subsequently reimburses MCLIC for end of year reconciliations payments due to a CMS Plan Year reopening or other process described in the Medicare Drug rules, then MCLIC will pay such amounts to Sponsor. MCLIC shall have the right to apply reconciliation amounts owed from Sponsor due to a CMS Plan Year reopening to rebates, CMS Subsidy Reimbursements, Prospective Reinsurance CMS Reimbursements, or Manufacturer Coverage Gap Discount amounts.

2. Plan-to-Plan Reconciliation. MCLIC will perform plan-to-plan coordination of EGWP Members' prescription drug benefits with other provider of prescription drug coverage as set forth in the Medicare Drug Rules and any related reconciliation; provided, that no later than January 31 of the calendar year immediately following completion of such coordination or reconciliation process, MCLIC shall pay to Sponsor an amount equal to payments recovered for the EGWP Benefit, but at the same time MCLIC shall have a right to recoup from Sponsor any amount which MCLIC is obligated to pay to any other prescription drug plan pursuant to a plan-to-plan reconciliation.

E. Manufacturer Coverage Gap Discount.

1. Pursuant to its CMS contract, MCLIC has agreed to administer for EGWP Members at point-of-sale the Coverage Gap Discount authorized by section 1860D-14A of the Social Security Act. In connection with the Coverage Gap Discount, CMS will coordinate the collection of discount payments from manufacturers, and payment to MCLIC, through a CMS contractor (the "Coverage Gap Discount Payments"). Subject to Section 5.4(a) above, MCLIC agrees to periodically remit to Sponsor amounts equal to 100% of the Coverage Gap Discount Payments received by MCLIC within forty-five (45) days of the CMS Manufacturer Payment Date. MCLIC and its affiliates retain all right, title and interest to any and all actual Coverage Gap Discount Payments received from CMS, except that MCLIC shall pay Sponsor amounts equal to the Coverage Gap Discount Payments amounts allocated to Sponsor, as specified in this Agreement, from MCLIC's or its affiliates' general assets (neither Sponsor nor its EGWP Members retain any beneficial or proprietary interest in MCLIC's or its affiliates' general assets). Sponsor acknowledges and agrees that neither it nor its EGWP Members shall have a right to interest on, or the time value of, any Coverage Gap Discount Payments received by MCLIC or its affiliates during the collection period or moneys payable under this Section. No Coverage Gap Discount Payments shall be paid until this Agreement is executed by Sponsor. MCLIC shall have the right to apply Sponsor's allocated Coverage Gap Discount Payments

amount to unpaid Fees and shall have the right to delay payment of Coverage Gap Discount Payments to allow for final adjustments upon termination of this Agreement. Notwithstanding anything contained in this Section 7, Sponsor shall retain all right, title, and interest to the amounts that MCLIC is contractually obligated to pay Sponsor hereunder, and failure by MCLIC to pay such amounts will constitute a breach of this Agreement.

2. If the EGWP Benefit administered by MCLIC under this EGWP Addendum for Sponsor includes EGWP Plus design elements, then the Coverage Gap Discount will be coordinated with the Commercial Benefit consistent with the Medicare Drug Rules.

**8. Term and Termination; Default and Remedies.**

- A. Termination of MCLIC's Contract with CMS. If at any time throughout the term of this EGWP Addendum, CMS either does not renew its contract with MCLIC or terminates its contract with MCLIC such that MCLIC may no longer provide services as a PDP Sponsor under the Medicare Drug Rules, then this EGWP Addendum shall be automatically terminated conterminously with such CMS contract termination.
- B. Obligations Upon Termination. Sponsor or its agent shall pay MCLIC, or its affiliate, in accordance with this Agreement for all claims for Covered Drugs dispensed and services provided to Sponsor and EGWP Members on or before the later of: (i) the effective date of termination, or (ii) the final date that all EGWP Members have been transitioned to a new Part D plan, as applicable (the "Termination Date"). Claims submitted by Participating Pharmacies or EGWP Member Submitted Claims filed with MCLIC after the Termination Date shall be processed and adjudicated in accordance with a mutually determined run-off plan, provided that, in any event, and subject to all applicable payment terms of the Agreement: (i) MCLIC shall re-process or re-adjudicate claims originally processed and adjudicated on or before the Termination date, as necessary, for a period of five (5) years from the end of the plan year in which the applicable claim was processed and adjudicated; (ii) MCLIC shall process and adjudicate EGWP Member Submitted Claims for Covered Drugs dispensed and services provided on or before the Termination Date for a period of three (3) years from the termination of this Agreement; and (iii) MCLIC shall process and adjudicate claims submitted by Participating Pharmacies for Covered Drugs dispensed and services provided on or before the Termination Date for a period of ninety (90) days from the termination of this Agreement. The parties shall cooperate regarding the transition of Sponsor and its EGWP Members to a successor PDP Sponsor in accordance with all applicable Medicare Drug Rules and MCLIC will take all reasonable steps to mitigate any disruption in service to EGWP Members. Notwithstanding the preceding, MCLIC may (a) delay payment of any final CMS reimbursement amounts, Rebate amounts or other amounts due Sponsor, if any, to allow for final reconciliation of any outstanding amount owed by Sponsor to MCLIC, or (b) request that Sponsor pay a reasonable deposit in the event MCLIC is requested to process after the Termination Date claims incurred on or prior to such date. If CMS subsequently recovers any end of year reconciliation payments from MCLIC due to a CMS Plan Year reopening or other process described in the Medicare Drug Rules after the effective date of termination, then Sponsor shall be obligated to repay to MCLIC such amounts previously paid to Sponsor. If CMS subsequently reimburses MCLIC for end of year reconciliations payments due to a CMS Plan Year reopening or other process described in the Medicare Drug rules after the effective date of termination, then MCLIC will pay such amounts to Sponsor.

## EXHIBIT A-3

### AUDIT PROTOCOL

#### 1. AUDIT PRINCIPLES

ESI recognizes the importance of its clients ensuring the integrity of their business relationship by engaging in annual audits of their financial arrangements with ESI, and, where applicable (i.e., Medicare Part D), by auditing compliance with applicable regulatory requirements. ESI provides this audit right to each and every client. In granting this right, ESI's primary interest is to facilitate a responsive and responsible audit process. In order to accomplish this goal, for all clients, ESI has established the following Protocol. Our intent is in no way to limit Sponsor's ability to determine that ESI has properly and accurately administered the financial aspects of the Agreement or complied with applicable regulatory requirements, but rather to create a manageable process in order to be responsive to our clients and the independent auditors that they may engage. If Client has any concern that this Protocol will prohibit Client from fully confirming its financial arrangement with ESI, we encourage Client to express such concern at the audit kick-off meeting.

#### 2. AUDIT PREREQUISITES

A. There are four components of your arrangement with ESI eligible for audit on an annual basis, with 90 days notice:

- Retrospective Claims
- Rebates (subsequent to true up)
- Performance Guarantees (subsequent to true up)
- Compliance with Regulatory Requirements (i.e., Medicare Part D)

Balancing the need to adequately support the audit process for all ESI clients, with an efficient allocation of resources, clients who choose to audit one or more components of the arrangement must do so for all lines of business, as applicable, through a single annual audit.

B. ESI will provide all data reasonably necessary for Sponsor to determine that ESI has performed in accordance with contractual terms. ESI will provide the retrospective claims and benefit information in no more than thirty (30) days from audit kickoff call and having an executed confidentiality agreement. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.

C. ESI engages a national accounting firm, at its sole cost and expense, to conduct a SSAE 18, SOC 1 audit on behalf of its clients. Upon request, ESI will provide the results of its most recent SSAE 18, SOC 1 audit. Testing of the areas covered by the SSAE 18, SOC 1 is not within the scope of Sponsor's audit rights (i.e., to confirm the financial aspects of the Agreement) and is therefore not permitted. However, if requested, ESI will explain the SSAE 18, SOC 1 audit process and findings to Sponsor in order for Sponsor to gain an understanding of the SSAE 18, SOC 1.

#### 3. AUDITS

A. ESI recommends that the initial audit period for a retrospective claims, rebates and performance guarantee audit cover a timeframe not to exceed twenty-four (24) months immediately preceding the request to audit (the "Audit Period"). This Audit Period allows a reasonable amount of time for both parties to conclude the audit before data is archived off the adjudication system. ESI will accommodate reasonable requests to extend the Audit Period, but this may delay ESI's response time to audit findings due to the age of the claims. Due to the additional resources necessary to pull data older than twenty-four (24) months, if you request to extend the Audit Period, you will be subject to ESI's standard charges for such additional data pulls. All such fees shall be reasonable and based on ESI's additional costs associated with retrieval and reporting of such data.

B. CMS generally modifies its requirements for administering the Medicare Part D annually. For this reason, the initial audit period for a Medicare Part D compliance audit cover a timeframe is not to exceed the twelve (12) months immediately preceding the request to audit (collectively, the "Medicare

Part D Audit Period"). This Medicare Part D Audit Period is intended to assist our clients with the CMS annual oversight requirements.

- C. When performing a Rebate audit, Sponsor may perform an on-site review of the applicable components of manufacturer agreements, selected by Sponsor, as reasonably necessary to audit the calculation of the Rebate payments made to Sponsor by ESI. Our ability to drive value through the supply chain and in our negotiations with manufacturers is dependent upon the strict confidentiality and use of these agreements. Providing access to these agreements to third parties that perform services in the industry beyond traditional financial auditing jeopardizes our ability to competitively drive value. For this reason, unless otherwise agreed by the Parties access to and audit of manufacturer agreements is restricted to a mutually agreed upon CPA accounting firm whose audit department is a separate stand-alone division of the business, which carries insurance for professional malpractice of at least Two Million Dollars (\$2,000,000).
- D. The Sponsor may select an initial number of manufacturer contracts to enable Sponsor to audit fifty percent (50%) of the total Rebate payments due to Sponsor for all calendar quarters during the twenty-four (24) month period immediately preceding the audit (the "Rebate Audit Scope and Timeframe"). ESI will accommodate reasonable requests to extend this Rebate Audit Scope and Timeframe, but this may delay ESI's on-site preparation time as well as response time to audit findings. Due to the additional resources necessary to support a Rebate audit beyond the Rebate Audit Scope and Timeframe, if you request to extend the Rebate Audit Scope and Timeframe, you will be subject to ESI's standard charges for such additional audit support. All such fees shall be reasonable and based on ESI's additional costs. If the parties mutually determine, acting in good faith, that the initial Rebate audit demonstrates in any material respects that ESI has not administered Rebates consistent with the contract terms of the Agreement, then ESI will support additional auditing beyond the Rebate Audit Scope and Timeframe at no additional charge.
- E. If you have a Pass-Through pricing arrangement for Participating Pharmacy claims, ESI will provide the billable and payable amount for a sampling of claims provided by you or your auditor (i.e., ESI will provide the actual documented claim record) during the audit to verify that ESI has administered such Pass-Through pricing arrangement consistent with the terms of the Agreement. If further documentation is required, ESI may provide a sample of claims remittances to the Participating Pharmacies to demonstrate ESI's administration of Pass-Through pricing. In any instance where the audit demonstrates that the amount billed to you does not equal the Pass-Through amount paid to the Participating Pharmacy, Sponsor's Auditor may perform an on-site audit of the applicable Participating Pharmacy contract rate sheet(s).

#### 4. AUDIT FINDINGS

- A. Following Sponsor's initial retrospective claims audit, Sponsor (or its Auditor) will provide ESI with suspected errors, if any. In order for ESI to evaluate Sponsor's suspected errors, Sponsor shall provide an electronic data file in a mutually agreed upon format containing up to 300 claims for further investigation by ESI. ESI will respond to the suspected errors in no more than sixty (60) days from ESI's receipt of such findings. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.
- B. Following Sponsor's initial rebate and performance guarantee audit, Sponsor's Auditor will provide ESI with suspected errors, if any. ESI will respond to the suspected errors in no more than sixty (60) days from ESI's receipt of such findings. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.
- C. Following Sponsor's initial audit of Medicare Part D compliance, Sponsor (or its Auditor) will provide ESI with suspected non-compliant issues, if any. In order for ESI to evaluate Sponsor's suspected errors, Sponsor shall provide ESI with specific regulatory criteria and Medicare Part D program requirements used to cite each suspected non-compliant issue. ESI will respond to the suspected errors in no more than sixty (60) days from ESI's receipt of such findings. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.

**5. FINAL REPORT**

- A. Upon receipt and review of ESI's responses to Sponsor (or its Auditor), Sponsor (or its Auditor) will provide ESI with a written report of findings and recommendations. ESI will respond to the audit report in no more than thirty (30) days from ESI's receipt of the report. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort (i.e., no new issues noted) between Sponsor and/or its Auditor and ESI.
- B. Sponsor agrees that once audit results are accepted by both parties, the audit shall be considered closed and final. To the extent the mutually accepted audit results demonstrate claims errors, ESI will reprocess the claims and make corresponding adjustments to Sponsor through credits to a future invoice(s). If we are unable to reprocess claims and issue corresponding credits to Sponsor through this process, ESI will make adjustments to Sponsor via a check or credit.

**6. AUDITS BY GOVERNMENT ENTITIES**

- A. In the event CMS, the OIG, MEDIC, or another government agency has engaged in an audit of Sponsor and/or its "first tier" and "downstream entities", Sponsor shall contact the ESI Account Management team and provide a written copy of the audit notice or request from the government agency promptly upon receipt.
- B. Sponsor agrees that CMS may have direct access to ESI's and any such "downstream entity's" pertinent contracts, books, documents, papers, records, premises and physical facilities, and that ESI and such "downstream entity" will provide requested information directly to CMS unless otherwise agreed upon by ESI and Sponsor.
- C. Following the government audit of Sponsor and its "first tier" and "downstream entities", Sponsor shall provide ESI with a written report of suspected non-compliant issues noted in the government audit that relate to services provided by ESI, if any. If there are such findings, ESI will work with Sponsor and/or government agency to respond to any suspected non-compliant issues.
- D. Support for all such audits by government entities will be subject to ESI's standard charges. All such fees shall be reasonable and based on ESI's costs for supporting such audits.

**7. CONFIDENTIALITY**

ESI's contracts are highly confidential and proprietary. For this reason, ESI only permits on-site review rather than provide copies to our clients. During on-site contract review, Sponsor (or its Auditor) may take and retain notes to the extent necessary to document any identified errors, but may not copy (through handwritten notes or otherwise) or retain any contracts (in part or in whole) or related documents provided or made available by ESI in connection with the audit. ESI will be entitled to review any notes to affirm compliance with this paragraph.

**EXHIBIT B**

**PRICING TERMS AND PHARMACY PROGRAM FEES**

**Exhibit B-1**

Billing, Payment, and Miscellaneous Pricing Terms

**Exhibit B-2**

Claims Reimbursement Rates

**Exhibit B-3**

Rebates

**Exhibit B-4**

Administrative Services and Clinical Program Fees

**Exhibit B-5**

Inflation Protection Program

**Exhibit B-6**

Performance Standards



## Exhibit B-1

### Term, Billing, Payment, and Miscellaneous Pricing Terms

#### 1. TERM

This Agreement will commence as of the Effective Date and will continue for a period of three (3) years ("Initial Term"). The Initial Term plus any renewal terms will be known as the Term ("Term"). Thereafter, this Agreement may be renewed with the same terms and conditions as set forth herein for up to two (2) successive one (1) year renewal terms, subject to the right of termination as otherwise provided herein. Not less than ninety (90) days prior to the end of the Initial Term or any renewal term of this Agreement either party may notify the other party in writing that it desires to terminate this Agreement effective as of the end of the then current term. ESI shall provide notice of renewal rates for each additional term no later than one hundred twenty (120) days following expiration of the preceding term, which shall then be subject to negotiation and written agreement between the parties.

- a. Termination Without Cause. Sponsor may elect to terminate this Agreement upon thirty (30) days prior written notice of such termination to ESI.

#### 2. FEES

In consideration of the PBM Services provided by ESI, Sponsor will pay the applicable claims reimbursement amounts ("Claims Reimbursements") and other administrative fees ("Administrative Fees"), any other charge or fee that is the responsibility of Sponsor as may be described elsewhere in this Agreement are hereinafter referred to collectively as "Fees".

#### 3. BILLING AND PAYMENT

- a. Billing. ESI will invoice Sponsor: (i) bi-weekly for Claims Reimbursements; and (ii) on a monthly basis for the Administrative Fees.
- b. Payment. Sponsor will pay ESI by wire, ACH transfer or pre-authorized debit within five (5) business days from the date of Sponsor's receipt of each ESI invoice. If Sponsor disputes any item on any invoice, Sponsor shall pay the invoice in full and shall notify ESI, in writing, of the specific reason and amount of any dispute. ESI and Sponsor will work together, in good faith, to resolve any dispute as soon as reasonably practicable, and ESI will refund promptly to Sponsor the amount, if any, as the parties agree based on the resolution.

#### 4. PHARMACY MANAGEMENT FUND ("PMF")

- a. ESI will provide up to \$9.26 per Member implemented as of the Effective Date, not to exceed \$335,000, to reimburse the actual, fair market value of: (i) expense items and services related to transitioning, administering, and implementing the pharmacy benefit initially and throughout the term, such as, custom ID Cards, IT programming, custom formulary letters, member communications, and benefit set-up quality assurance; and/or (ii) mutually agreed upon expense items and services related to implementation of additional clinical or other similar programs provided by ESI throughout the Term; in either case subject to submission of adequate documentation to support reimbursement within 180 days of incurring the applicable expense. Both Sponsor and ESI (upon agreement from Sponsor) may use the PMF to cover the fair market value of expenses for projects requiring joint resources. All reimbursement under the PMF is subject to ESI's standard PMF business practices for all clients.
- b. Sponsor represents and warrants that: (i) it will only request reimbursement under the PMF for its actual expenses incurred in transitioning, administering, and implementing the pharmacy benefit managed by ESI hereunder, and/or the additional clinical or other similar program provided by ESI throughout the Term; (ii) that the applicable service, item or program was actually performed or provided; (iii) the amount of the reimbursement is equal to or less than the reasonable fair market value of the actual expenses incurred by Sponsor; (iv) it will notify and disclose the amount and the terms of any PMF reimbursements to Members and other third parties to the extent required by

applicable laws and regulations. In addition, if the Sponsor and the Plan are subject to ERISA, Sponsor represents and warrants that it will only request reimbursement under the PMF for items or services for which Sponsor, in the absence of the PMF, would be allowed reimbursement from the Plan (i.e., not "settlor functions").

- c. Sponsor shall comply with all applicable federal and state requirements, including, but not limited to, all applicable federal and state reporting requirements with respect to any expense, item or service reimbursed under this section. ESI reserves the right to periodically audit the books and records of Sponsor on-site, during normal business hours and after giving reasonable advance notice, for the purposes of verifying Sponsor's compliance with the PMF requirements set forth in this Agreement.
- d. ESI intends to amortize the PMF over the Initial Term of the Agreement on a straight-line basis. In the event of a termination of this Agreement for any reason other than ESI's uncured material breach prior to the expiration of the Initial Term, Sponsor will reimburse ESI an amount equal to any paid but unamortized portion of the PMF. Reimbursement to ESI by Sponsor pursuant to this Section will not be in lieu of any other rights or remedies ESI may have in connection with the termination of this Agreement, including monetary or other damages. PMF reimbursements shall not be paid prior to the Effective Date of this Agreement and are not payable until this Agreement is executed. Sponsor will have no right to interest on, or the time value of, any PMF, and unused funds shall be retained by ESI.

#### 5. MARKET CHECK

Following the initial 18 months of this Agreement (but not before), Sponsor or its designee may provide ESI with a written comparison, prepared by an independent pharmacy benefit management consultant, for pharmacy benefit management services offered by a third party PBM provider which includes and takes into account similar plan design, Formulary, clinical and trend programs, retail pharmacy, mail pharmacy, and specialty pharmacy mix and utilization, demographics and other relevant factors necessary to provide an appropriate comparison ("Sponsor's Current Market Price"). Sponsor's Current Market Price will be measured on the basis of a total, aggregate comparison of the pricing terms offered by a single vendor to a single plan, and not on the basis of individual or best price points available from multiple vendors to a single plan or a single vendor to multiple plans. A copy Sponsor's Current Market Price analysis prepared by the consultant will be submitted to both Sponsor and to ESI. The consultant will also provide a reasonably detailed description of the methods and assumptions used in the analysis including the methods and assumptions related to the calculation of the individual pricing components and the Net Plan Costs, as defined below. ESI shall have a reasonable opportunity (i.e., not less than ten (10) business days) to evaluate Sponsor's Current Market Price. If the comparison analysis concludes that Sponsor's Current Market Price would yield an annual two percent (2%) or more savings of "Net Plan Costs" (with Net Plan Costs defined as the sum of the cost of Covered Drugs, dispensing fees, and claims Administrative Fees, less Rebates received by Sponsor) under the Agreement, then the parties shall negotiate in good faith a modification of the pricing terms herein. The revised pricing terms will become effective within ninety (90) days following completion of the market check or a fully executed amendment or agreement memorializing the revised pricing terms, whichever is later. The market check shall be at Sponsor's expense, except that ESI shall be responsible for its costs related to responding to the market check. If ESI is unable or unwilling to offer revised pricing terms and conditions that provide Sponsor the percentage of savings of Net Plan Costs as described above, then Sponsor may terminate this Agreement upon ninety (90) days prior written notice to ESI.

#### 6. PRICING CONDITIONS

The pricing terms contained in Exhibit B are conditioned upon:

- a. No Members in a 100% co-payment plan (plans where Sponsor has no liability for the payment of pharmacy claims); and
- b. No greater than 10% of total utilization for all Plans attributable to a consumer driven health plan (CDHP).

- c. In the event Sponsor removes all the retirees or the EGWP from the Agreement, alternate pricing is provided in the Alternate Pricing tables below.

7. **CERTAIN EVENTS.**

In the event one or more of the following occurs (whether between the date of the proposal and the Effective Date, or during the Term), ESI will have the right, upon notice, to make an equitable adjustment to the rates, Administrative Fees and/or Rebates, solely as necessary to return ESI to its contracted economic position as of the effective date of such event:

- a. There is a 10% or greater reduction in the number of persons included in the prescription drug program; or any material change in the benefit plan design from that which was presented to ESI and upon which this price quotation is based.
- b. Sponsor discontinues prescription drug plan coverage to the same groups of employees, retirees, and dependents and in the same manner as Sponsor offered at the date of the proposal;
- c. Sponsor elects to use on-site clinics or pharmacies to dispense prescription drugs to Members which materially reduces Rebates and/or the number of Covered Drug claims submitted to ESI;

**Exhibit B-2**

**Claims Reimbursement Rates**

Sponsor will pay to ESI for each Prescription Drug Claim dispensed or processed pursuant to the terms of this Agreement. Sales or excise tax or other governmental surcharge, if any, will be the responsibility of Sponsor.

**1. BASE ADMINISTRATIVE FEES.**

1.1. Sponsor will pay ESI the following base Administrative Fees on all claims processed by ESI under this Agreement. These shall be in addition to any other Administrative Fees set forth in this Agreement.

	<b>Per Paid Claim</b>
Commercial	\$0.00
Medicare (EGWP/Medicare Part D)	\$0.00

**2. PARTICIPATING PHARMACY AND ESI MAIL PHARMACY AVERAGE AGGREGATE ANNUAL INGREDIENT COST AND DISPENSING FEE GUARANTEES (DOES NOT APPLY TO SPECIALTY PRODUCTS).**

**2.1. Participating Pharmacy Commercial Ingredient Cost and Dispensing Fee Guarantees**

**a. ESI National Plus Network<sup>1</sup>**

<b>ESI National Plus Network</b>		
<b>Brands</b>	<b>Average Annual Ingredient Cost Guarantee</b>	Year 1: AWP-18.25% Year 2: AWP-18.35% Year 3: AWP-18.45%
	<b>Dispensing Fee/Rx Guarantee</b>	Year 1: \$0.50 Year 2: \$0.45 Year 3: \$0.40
<b>Generics</b>	<b>Average Annual Ingredient Cost Guarantee</b>	Year 1: AWP-82.50% Year 2: AWP-83.00% Year 3: AWP-83.50%
	<b>Dispensing Fee/Rx Guarantee</b>	Year 1: \$0.50 Year 2: \$0.45 Year 3: \$0.40

<sup>1</sup>Pricing applies if Sponsor has implemented both the Commercial Benefit and EGWP Benefit

**b. ESI National Plus Network – Alternate Pricing<sup>1</sup>**

<b>ESI National Plus Network</b>		
<b>Brands</b>	<b>Average Annual Ingredient Cost Guarantee</b>	Year 1: AWP-17.75% Year 2: AWP-17.85% Year 3: AWP-17.95%
	<b>Dispensing Fee/Rx Guarantee</b>	Year 1: \$0.50 Year 2: \$0.50 Year 3: \$0.50
<b>Generics</b>	<b>Average Annual Ingredient Cost Guarantee</b>	Year 1: AWP-81.25% Year 2: AWP-81.75% Year 3: AWP-82.25%
	<b>Dispensing Fee/Rx Guarantee</b>	Year 1: \$0.50 Year 2: \$0.50 Year 3: \$0.50

<sup>1</sup>Pricing applies if Sponsor has implemented the Commercial Benefit but not an EGWP Benefit.

2.2. Medicare Ingredient Cost and Dispensing Fee Guarantees (Does not apply to Specialty Products)

a. ESI Medicare Network

		ESI Medicare Preferred Network (1-34 Days' Supply)	EGWP Maintenance Network – CVS (35-90 Days' Supply)
Brands	Average Annual Ingredient Cost Guarantee	Year 1: AWP-18.25% Year 2: AWP-18.35% Year 3: AWP-18.45%	Year 1: AWP-22.50% Year 2: AWP-22.75% Year 3: AWP-23.25%
	Dispensing Fee/Rx Guarantee	Year 1: \$0.85 Year 2: \$0.80 Year 3: \$0.75	Year 1: \$0.85 Year 2: \$0.80 Year 3: \$0.75
Generics	Average Annual Ingredient Cost Guarantee	Year 1: AWP-82.50% Year 2: AWP-83.00% Year 3: AWP-83.50%	
	Dispensing Fee/Rx Guarantee	Year 1: \$0.85 Year 2: \$0.80 Year 3: \$0.75	Year 1: \$0.85 Year 2: \$0.80 Year 3: \$0.75

2.3. ESI MAIL PHARMACY PRICING (DOES NOT APPLY TO SPECIALTY PRODUCTS)

a. Commercial Ingredient Cost and Dispensing Fee Guarantees (Does not apply to Specialty Products)<sup>1</sup>

ESI Mail Pharmacy		
Brands	Average Annual Ingredient Cost Guarantee	Year 1: AWP-26.25% Year 2: AWP-26.25% Year 3: AWP-26.25%
	Dispensing Fee/Rx Guarantee <sup>2</sup>	\$0.00
Generics	Average Annual Ingredient Cost Guarantee	Year 1: AWP-86.25% Year 2: AWP-86.75% Year 3: AWP-87.25%
	Dispensing Fee/Rx Guarantee <sup>2</sup>	\$0.00

<sup>1</sup>Pricing applies if Sponsor has implemented both the Commercial Benefit and EGWP Benefit.

<sup>2</sup>Dispensing fee guarantees are inclusive of shipping and handling.

b. Commercial Ingredient Cost and Dispensing Fee Guarantees (Does not apply to Specialty Products) – Alternate Pricing<sup>1</sup>

ESI Mail Pharmacy		
Brands	Average Annual Ingredient Cost Guarantee	AWP-26.00%
	Dispensing Fee/Rx Guarantee <sup>2</sup>	\$0.00
Generics	Average Annual Ingredient Cost Guarantee	Year 1: AWP-85.50% Year 2: AWP-86.00% Year 3: AWP-86.50%
	Dispensing Fee/Rx Guarantee <sup>2</sup>	\$0.00

<sup>1</sup>Pricing applies if Sponsor has implemented the Commercial Benefit but not an EGWP Benefit.

<sup>2</sup>Dispensing fee guarantees are inclusive of shipping and handling.

c. Medicare Ingredient Cost and Dispensing Fee Guarantees (Does not apply to Specialty Products)

ESI Mail Pharmacy		
Brands	Average Annual Ingredient Cost Guarantee	Year 1: AWP-26.25% Year 2: AWP-26.25% Year 3: AWP-26.25%
	Dispensing Fee/Rx Guarantee <sup>1</sup>	\$0.00
Generics	Average Annual Ingredient Cost Guarantee	Year 1: AWP-86.25% Year 2: AWP-86.75% Year 3: AWP-87.25%
	Dispensing Fee/Rx Guarantee <sup>1</sup>	\$0.00

<sup>1</sup>Dispensing fee guarantees are inclusive of shipping and handling.

3. **SPECIALTY PRODUCT PRICING**

3.1. Adjudication Rates

Sponsor will be charged for Specialty Products at the rates and dispensing fees set forth on the Specialty Product List, a copy of which is available to Sponsor upon request. The Specialty Product List and the rates contained therein are subject to addition, deletion, or modification by ESI from time to time.

3.2. Dispensing Fee for Specialty Products dispensed at Participating Pharmacy

There will be a dispensing fee of \$0.65 for Specialty Products dispensed through Participating Pharmacies.

3.3. Average Annual Ingredient Cost and Dispensing Fee Guarantees

The following pricing guarantees shall apply to Specialty Products.

ESI Specialty Pharmacy (applies if Sponsor has implemented both Commercial and EGWP Benefit)		
	Open (EGWP)	Exclusive <sup>2</sup>
Average Annual Ingredient Cost Guarantee	AWP-16.00%	Year 1: AWP-18.75% Year 2: AWP-19.25% Year 3: AWP-19.75%
Dispensing Fee/Rx Guarantee	N/A	\$0.00

ESI Specialty Pharmacy Pricing - Alternate Pricing (applies if Sponsor has implemented Commercial Benefit but no EGWP)	
	Exclusive <sup>2</sup>
Average Annual Ingredient Cost Guarantee	Year 1: AWP-17.50% Year 2: AWP-17.50% Year 3: AWP-17.50%
Dispensing Fee/Rx Guarantee	\$0.00

<sup>1</sup>In addition to the general exclusions identified in this Agreement, all non-Specialty Products, Claims not dispensed through the ESI Specialty Pharmacy, and all Exclusive or Limited Distribution Products are excluded from this guarantee. Exclusive and Limited Distribution drugs filled at the ESI Specialty Pharmacy will be eligible for an annual average net effective discount of AWP-14.00%

<sup>2</sup>This guarantee shall only apply to Plans for which the ESI Specialty Pharmacy is the exclusive pharmacy that may fill Specialty Products for Members, other than Exclusive or Limited Distribution Products not available at the ESI Specialty Pharmacy.

Participating Pharmacy <sup>1</sup>	
Exclusive <sup>2</sup>	
Dispensing Fee/Rx Guarantee	Year 1: \$0.65
	Year 2: \$0.65
	Year 3: \$0.65

<sup>1</sup>In addition to the general exclusions identified in this Agreement, all non-Specialty Products and all Exclusive or Limited Distribution Products are excluded from this guarantee.

<sup>2</sup>This guarantee shall only apply to Plans for which the ESI Specialty Pharmacy is the exclusive pharmacy that may fill Specialty Products for Members, other than Exclusive or Limited Distribution Products not available at the ESI Specialty Pharmacy.

3.4. The Specialty Pricing offered assumes a days' supply consistent with the ESI Specialty Pharmacy Clinical Days' Supply Program.

3.5. ASES. For Specialty Products needing an additional charge to cover costs of all ASES required to administer the Specialty Products, the following standard per diem and nursing fee rates shall apply. Unless otherwise set forth in an agreement directly between ESI Specialty Pharmacy and Sponsor or a Plan, if a Specialty Product dispensed or ASES provided by ESI Specialty Pharmacy is billed to Sponsor or a Plan directly by ESI Specialty Pharmacy instead of being processed through ESI, Sponsor or Plan will timely pay ESI Specialty Pharmacy for such claim pursuant to the rates above and within thirty (30) days of Sponsor's, Plan's, or its designee's, receipt of such electronic or paper claim from ESI Specialty Pharmacy. ESI Specialty Pharmacy shall have 360 days from the date of service to submit such electronic or paper claim.

Therapeutic Class	Brand Name	Nursing & Per Diem
Immune Deficiency	All	-- \$65.00 / Infusion
Metabolic Disorder	All	\$65.00 / Infusion
PAH	Flolan, Veletri and Remodulin	\$65.00 / Day
PAH	Epoprostenol Sodium (Generic Flolan)	\$65.00 / Day
PAH	Ventavis	\$65.00 / Day
PAH	Tyvaso	\$30.00 / Day
Pulmonary	All	\$55.00 / Infusion
Nursing Rates	All drugs / therapies requiring nursing	\$150.00 per Initial Visit up to two(2) hours / \$75.00 per additional hour or a fraction thereof

4. COMPOUND DRUG PRICING.

	Commercial	EGWP
Compounds and Other Products (not listed elsewhere)	Lesser of U&C or combined AWP plus service fee	Pass-Through

5. GENERAL PRICING TERMS. The following terms are applicable to all pricing terms set forth in this Agreement.

5.1. Calculation of Ingredient Cost Guarantees. ESI will guarantee an average aggregate annual discounts to Sponsor to be calculated as follows:

[1-(total discounted AWP ingredient cost but excluding dispensing fees and ancillary charges, and prior to application of Copayments) of applicable Prescription Drug Claims

*Day*  
1/25/18

for the annual period divided by total undiscounted AWP ingredient cost (both amounts will be calculated as of the date of adjudication) for the annual period)). Discounted ingredient cost will be the lesser of MAC (as applicable), U&C or AWP discount.

The Ingredient Cost Guarantee Calculation shall exclude the savings impact from DUR programs, Formulary programs, utilization management programs, and/or other therapeutic interventions.

- 5.2. Calculation of Dispensing Fee Guarantees. ESI will guarantee an average aggregate annual per Prescription Drug Claim dispensing fee to Sponsor to be calculated as follows:

[total dispensing fee of applicable claims for the annual period divided by total claims for the annual period]. Dispensing fees will be calculated using the lesser of MRA (as applicable), U&C, or AWP discount adjudication methodology.

- 5.3. All-In Guarantees. Notwithstanding anything herein to the contrary: (i) a Prescription Drug Claim that processes as a brand at adjudication shall be reconciled as part of the brand guarantee; and (ii) a Prescription Drug Claim that processes as a generic at the time of adjudication shall be reconciled as part of the generic guarantee. The only Prescription Drug Claims that shall be excluded from the reconciliation of the pricing guarantees are as identified in the "Exclusions" section. All other Prescription Drug Claims shall be included in the reconciliation of the guarantees. The application of brand and generic pricing below may be subject to certain "dispensed as written" (DAW) protocols and Sponsor or Plan defined plan design and coverage policies for adjudication and Member Copayment purposes.

- 5.4. Guarantee Reconciliation Period. The ingredient cost and dispensing fee guarantees under this Agreement will be measured and reconciled on an annual basis within sixty (60) days of the end of each contract year. ESI will pay the shortfall, if any, between Sponsor's cost and the applicable guarantee. The guarantees are annual guarantees - if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a "Partial Contract Year"), then the guarantees will not apply for such Partial Contract Year. To the extent Sponsor changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. Subject to the remaining terms of this Agreement, ESI will pay the difference attributable to any shortfall between the actual result and the guaranteed result.

- 5.5. Exclusions. The following will be excluded from all ingredient cost and dispensing fee guarantees under this Agreement: Specialty Products (other than specialty guarantee, if any), coordination of benefit claims, 340B Claims, Subrogation Claims, claims dispensed from an on-site or Sponsor or Plan owned pharmacy, long term care pharmacy claims, home infusion claims, I/T/U claims, Member Submitted Claims, compounds, OTCs, vaccines, and biosimilar products (other than Specialty Product guarantee, if applicable).

- 5.6. Adjudication Rates. If no adjudication rates are specified herein, each claim will be adjudicated to Sponsor at the applicable ingredient cost, and will be reconciled to the applicable guarantee as set forth herein. The discounted ingredient cost will be the lesser of MAC (as applicable), U&C or the applicable AWP discount.

- 5.7. Conditions Applicable to Extended Days' Supply Pricing. The Extended Days' Supply pricing set forth in this Agreement shall be subject to certain requirements, as set forth in this Section. Extended Days' Supply shall mean; (1) for all lines of business other than Medicare or EGWP, any supply of a covered drug of 84 days or greater; and (2) for Medicare or EGWP, if applicable, any supply of a covered drug of 35 days or greater.

- a. EGWP Maintenance Network - CVS. Certain Participating Pharmacies have agreed to participate in the extended (35-90) days' supply network ("Maintenance Network") for maintenance drugs. The 35-90 days' supply pricing set forth in this Agreement is applicable only if Sponsor implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill 35-90 days' supply prescriptions at a Participating Pharmacy other



than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days' supply will be the same as the 1-34 days' supply pricing set forth in this Agreement, and pricing for an 35-90 days' supply as set forth in this Agreement shall not apply, even if a Maintenance Network Participating Pharmacy is used.

5.8. Member Liability At the ESI Mail Pharmacy and ESI Specialty Pharmacy, Sponsor will not be responsible for any unpaid Member Copayment amounts.

6. VACCINE CLAIMS (NO VACCINE CLAIMS WILL BE INCLUDED IN ANY PRICING OR REBATE GUARANTEE SET FORTH IN THE AGREEMENT).

6.1. General Terms applicable to Vaccine Claims

- a. "Vaccine Claim" means a claim for a Covered Drug which is a vaccine.
- b. "Vaccine Vendor Transaction Fee" means the data interchange fee that ESI is charged by its third party vendor to convert Vaccine Claims submitted electronically by physicians to NCPDP 5.1 format in order for ESI to process the claim.
- c. Vaccine Claims shall adjudicate at the lower of U&C or the amounts shown in the table below. In the case of Vaccine Claims, the U&C shall be the retail price charged by a Participating Pharmacy for the particular vaccine, including administration and dispensing fees, in a cash transaction on the date the vaccine is dispensed as reported to ESI by the Participating Pharmacy.
- d. The Vaccine Administration Fee for Vaccine Claims for Members enrolled in Sponsor's Medicaid programs, if any, will be capped at the maximum reimbursable amount under the state Medicaid program in which the Member is enrolled.
- e. All Vaccine Claims will be subject to any Administrative Fees set forth in the Agreement.
- f. Vaccine Claims will be charged a program fee of \$2.50 per Vaccine Claim (except for Medicare Part D covered Vaccine Claims, if applicable). The Vaccine Program Fee will be billed separately to Sponsor as part of the administrative invoice according to the billing frequency set forth in this Agreement.

6.2. Commercial (Including Medicaid and Exchange, if applicable)

	Participating Pharmacy INFLUENZA	Participating Pharmacy ALL OTHER VACCINES	Member Submitted Vaccine Claims (excluding foreign claims)
Vaccine Administration Fee	Pass-Through (capped at \$15 per vaccine claim)	Pass-Through (capped at \$20 per vaccine claim)	Submitted amount
Ingredient Cost	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Submitted amount
Dispensing Fee	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Submitted amount
Administrative Fee/Vaccine Claim	Administrative Fee per Prescription Drug Claim as set forth in the Agreement		Administrative Fee per Prescription Drug Claim (plus manual claim administrative fee) as set forth in the Agreement

<b>Vaccine Program Fee</b>	\$2.50 per vaccine claim	N/A
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6.3. Medicare Part D Covered Vaccine Claims

Medicare Part D Vaccine Claims shall adjudicate at the lower of U&C or the amounts shown in the table below.

	<b>Participating Pharmacies/ESI Mail Pharmacy/ESI Specialty Pharmacy</b>	<b>Member Submitted Vaccine Claims (excluding foreign claims)</b>	<b>Vaccine Claims Submitted Electronically by Physicians</b>
<b>Vaccine Administration Fee</b>	Pass-Through (capped at \$20 per Vaccine Claim)	Lower of submitted amount or pharmacy contracted rate (capped at \$20.00 if administered at a Participating Pharmacy)	Pass-Through (capped at \$20 per Vaccine Claim)
<b>Ingredient Cost</b>	Pass-Through	Lower of submitted amount or pharmacy contracted rate	Pass-Through
<b>Dispensing Fee</b>	Pass-Through	Lower of submitted amount or pharmacy contracted rate	Pass-Through
<b>Vendor Transaction Fee</b>	N/A	N/A	Pass through at ESI cost for Vendor Transaction Fee (currently \$3.75, subject to change)

6.4. Medicare Part B Covered Vaccine Claims

Medicare Part B covered Vaccine Claims shall adjudicate at the amounts shown in the table below.

	<b>Participating Pharmacy INFLUENZA</b>	<b>Participating Pharmacy PNEUMONIA</b>
<b>Vaccine Administration Fee</b>	Pass-Through (capped at \$15 per Vaccine Claim)	Pass-Through (capped at \$20 per Vaccine Claim)
<b>Ingredient Cost</b>	Pass-Through	Pass-Through
<b>Dispensing Fee</b>	Pass-Through	Pass-Through

7. OTHER PROVIDERS: I/T/U, IHS, LTC, AND HOME INFUSION.

<b>LONG TERM CARE NETWORK PROVIDERS</b>	<b>Pricing</b>
Brand Discount	Lower of AWP – 10.18% or U&C
Generic Discount	Lower of AWP – 10.18% or U&C
Brand Dispensing Fee Per Claim	\$4.50
Generic Dispensing Fee Per Claim	\$4.50
Administrative Fee Per Claim	\$0.00
<b>I/T/U and IHS PRESCRIPTION SERVICES</b>	<b>Pricing</b>
Brand Discount	Lower of AWP – 10.18% or U&C
Generic Discount	Lower of AWP – 10.18% or U&C
Brand Dispensing Fee Per Claim	\$4.50
Generic Dispensing Fee Per Claim	\$4.50

Administrative Fee Per Claim	\$0.00
<b>HOME INFUSION PROVIDERS</b>	<b>Pricing</b>
Brand Discount	Lower of AWP – 10.18% or U&C
Generic Discount	Lower of AWP – 10.18% or U&C
Brand Dispensing Fee Per Claim	\$0.00
Generic Dispensing Fee Per Claim	\$0.00
Administrative Fee Per Claim	\$0.00

8. **Generic Dispensing Rate Guarantee.** ESI will guarantee that Generic Drugs will be dispensed from Participating Pharmacies and the ESI Mail Pharmacy, on a combined basis for Commercial and EGWP, at the percentages reflected below:

<b>Generic Drug Dispensing Rate Guarantee</b>		
<b>Contract Year</b>	<b>Participating Pharmacies</b>	<b>ESI Mail Pharmacy</b>
1	89.25%	88.75%
2	0.10% Increment over actual of preceding year	0.10% Increment over actual of preceding year
3	0.10% Increment over actual of preceding year	0.10% Increment over actual of preceding year

8.1. The guarantees will be calculated as follows:

- The total Participating Pharmacy Generic Prescription Drug Claims divided by total Participating Pharmacy Generic and Brand Prescription Drug Claims (and the same for ESI Mail Pharmacy Prescription Drug Claims).
- The Generic Drug dispensing guaranteed percentage baseline in contract years two and three will be set to the preceding year's actual Generic Drug dispensing percentage plus the increment guaranteed for Participating Pharmacies and ESI Mail Pharmacy, respectively.
- ESI will pay a penalty for any shortfall between the actual percentage result and the guaranteed percentage for each of the Participating Pharmacy and ESI Mail Pharmacy guarantees, respectively. If the actual Generic Drug dispensing percentage for a contract year is below the guaranteed percentage, the penalty will be calculated as the guaranteed Generic Drug dispensing percentage for the contract year minus the actual Generic Drug dispensing percentage for the contract year times the actual claims volume times the applicable Payment Factor below. Separate calculations will be performed for Participating Pharmacies and ESI Mail Pharmacy and for each contract year.

<b>Payment Factor</b>		
<b>Contract Year</b>	<b>Participating Pharmacies</b>	<b>ESI Mail Pharmacy</b>
1	\$198.92	\$313.50
2	\$190.08	\$258.63
3	\$179.95	\$200.45

- Guarantees will be measured and reconciled separately for Participating Pharmacy and ESI Mail Pharmacy on an annual basis within ninety (90) days of the end of each contract year. To the extent Sponsor changes its utilization management programs, benefit design or Formulary, or there are material changes to the demographics and geography of the Members during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the Generic Drug dispensing percentage achieved.
- The maximum Generic Dispensing Rate Guarantee penalty that will be paid by ESI in any year will be \$50,000 for the Participating Pharmacy Generic Dispensing Rate Guarantee and \$50,000 for the ESI Mail Pharmacy Generic Dispensing Rate Guarantee.

- f. Specialty Products shall not be included in the calculation of the Generic Dispensing Rate Guarantee.

Contractor's Initials: *Dag*  
Date: *7/28/18*

**EXHIBIT B-3**

**Rebates**

**1. NON-SPECIALTY REBATE AMOUNTS**

1.1. Subject to the conditions set forth in this Agreement, ESI will pay to Sponsor an amount equal to the greater of:

a. 100% of the Rebates and Manufacturer Administrative Fees received by ESI; or subject to Sponsor meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

b. Commercial<sup>1</sup>

<b>Formulary:</b>	<b>National Preferred Formulary</b>	
<b>Copayment Design:</b>	<b>Minimum \$15 Copayment Differential</b>	
	<b>Participating Pharmacies</b>	<b>ESI Mail Pharmacy</b>
<b>Per Brand Claim (non-Specialty Products)</b>	Year 1: \$142.31 Year 2: \$177.11 Year 3: \$217.24	Year 1: \$583.04 Year 2: \$726.43 Year 3: \$891.39

<sup>1</sup>Pricing applies if Sponsor has implemented both the Commercial Benefit and EGWP Benefit.

c. Commercial – Alternate Pricing<sup>1</sup>

<b>Formulary:</b>	<b>National Preferred Formulary</b>	
<b>Copayment Design:</b>	<b>Minimum \$15 Copayment Differential</b>	
	<b>Participating Pharmacies</b>	<b>ESI Mail Pharmacy</b>
<b>Per Brand Claim (non-Specialty Products)</b>	Year 1: \$141.11 Year 2: \$175.82 Year 3: \$216.01	Year 1: \$560.56 Year 2: \$699.43 Year 3: \$859.45

<sup>1</sup>Pricing applies if Sponsor has implemented the Commercial Benefit but not an EGWP Benefit.

d. Medicare

<b>Formulary:</b>	<b>Premier Access</b>		
<b>Copayment Design:</b>	<b>Minimum \$15 Copayment Differential</b>		
	<b>Participating Pharmacies (1-34 Days Supply)</b>	<b>Participating Pharmacies (35-90 Days Supply)</b>	<b>ESI Mail Pharmacy</b>
<b>Per Brand Claim (non-Specialty Products)</b>	Year 1: \$111.04 Year 2: \$136.11 Year 3: \$165.45	Year 1: \$267.88 Year 2: \$328.54 Year 3: \$400.19	Year 1: \$441.22 Year 2: \$541.52 Year 3: \$658.51

**1.2. EXCLUSIONS**

Member Submitted Claims, Subrogation Claims, biosimilar products, Exclusive or Limited Distribution Products, vaccines, OTC products, claims older than 180 days, claims through Sponsor-owned, in-house, or on-site pharmacies, Specialty Products, 340b pharmacies, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 1.1 above.

**1.3. REBATE PAYMENT TERMS**

- a. Subject to the conditions set forth herein, ESI shall pay Sponsor the percentage amounts set forth above during each calendar quarter hereunder within approximately sixty (60) days following the end of such calendar quarter.
- b. On an annual basis, ESI shall reconcile the percentage amount set forth above (against the guaranteed amounts paid to Sponsor quarterly) within sixty (60) days following the end of each calendar year and shall credit Sponsor for any deficit on the next invoice immediately following the reconciliation.

**2. SPECIALTY REBATE AMOUNTS**

2.1. Subject to the conditions set forth in this Agreement, ESI will pay to Sponsor an amount equal to the greater of:

- a. 100% of the Rebates and Manufacturer Administrative Fees received by ESI; or subject to Sponsor meeting the Plan design conditions identified in the table below, the following guaranteed amounts:
- b. Commercial<sup>1</sup>

<b>Formulary:</b>	<b>National Preferred Formulary</b>	
<b>Copayment Design:</b>	<b>Minimum \$15 Copayment Differential</b>	
	<b>Participating Pharmacies</b>	<b>ESI Mail Pharmacy</b>
<b>Per Brand Claim (Specialty Products)</b>	Year 1: \$100.00 Year 2: \$100.00 Year 3: \$100.00	Year 1: \$3,000.00 Year 2: \$3,450.00 Year 3: \$4,200.00

<sup>1</sup>Pricing applies if Sponsor has implemented both the Commercial Benefit and EGWP Benefit.

- c. Commercial – Alternate Pricing<sup>1</sup>

<b>Formulary:</b>	<b>National Preferred Formulary</b>	
<b>Copayment Design:</b>	<b>Minimum \$15 Copayment Differential</b>	
	<b>Participating Pharmacies</b>	<b>ESI Mail Pharmacy</b>
<b>Per Brand Claim (Specialty Products)</b>	Year 1: \$75.00 Year 2: \$75.00 Year 3: \$75.00	Year 1: \$2,250.00 Year 2: \$2,500.00 Year 3: \$3,075.00

<sup>1</sup>Pricing applies if Sponsor has implemented the Commercial Benefit but not an EGWP Benefit.

- d. Medicare

<b>Formulary:</b>	<b>Premier Access</b>	
<b>Copayment Design:</b>	<b>Minimum \$15 Copayment Differential</b>	
	<b>Participating Pharmacies</b>	<b>ESI Mail Pharmacy</b>
<b>Per Brand Claim (Specialty Products)</b>	Year 1: \$100.00 Year 2: \$100.00 Year 3: \$100.00	Year 1: \$1,800.00 Year 2: \$1,875.00 Year 3: \$2,150.00

**2.2 EXCLUSIONS**

Member Submitted Claims, Subrogation Claims, Exclusive or Limited Distribution Products, vaccines, OTC products, claims older than 180 days, claims through Sponsor-owned, coordination of benefit claims, in-house, or on-site pharmacies, 340b pharmacies, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 2.1 above.

### **2.3 REBATE PAYMENT TERMS**

- a. Subject to the conditions set forth herein, ESI shall pay Sponsor the percentage amounts set forth above for during each calendar quarter hereunder within approximately sixty (60) days following the end of such calendar quarter.
- b. On an annual basis, ESI shall reconcile the percentage amount set forth above (against the guaranteed amounts paid to Sponsor quarterly) within sixty (60) days following the end of each calendar year and shall credit Sponsor for any deficit on the next invoice immediately following the reconciliation.

### **3. CONDITIONS (APPLIES TO ALL REBATES)**

- 3.1 ESI contracts for Rebates and Manufacturer Administrative Fees, if indicated to be paid above, on its own behalf and for its own benefit, and not on behalf of Sponsor. Accordingly, ESI retains all right, title and interest to any and all actual Rebates and Manufacturer Administrative Fees received. ESI will pay Sponsor amounts equal to the Rebate and Manufacturer Administrative Fees amounts allocated to Sponsor, as specified above, from ESI's general assets (neither Sponsor, its Members, nor Sponsor's plan retains any beneficial or proprietary interest in ESI's general assets). Sponsor acknowledges and agrees that neither it, its Members, nor its Plan will have a right to interest on, or the time value of, any Rebate payments or Manufacturer Administrative Fee payments received by ESI during the collection period or moneys payable under this Section. No amounts for Rebates or Manufacturer Administrative Fees will be paid until this Agreement is executed by Sponsor. ESI will have the right to apply Sponsor's allocated Rebate amount and Manufacturer Administrative Fees amount to unpaid Fees.
- 3.2 Sponsor acknowledges that it may be eligible for Rebate amounts and Manufacturer Administrative Fee amounts under this Agreement only so long as Sponsor, its affiliates, or its agents do not contract directly or indirectly with anyone else for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Sponsor negotiates or arranges for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Rebate amounts or Manufacturer Administrative Fee amounts earned but not yet paid to Sponsor. To the extent Sponsor knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts and Manufacturer Administrative Fee amounts hereunder and to renegotiate the terms and conditions of this Agreement.
- 3.3 Under its Rebate program, ESI may implement ESI's Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. ESI reserves the right to modify or replace such programs from time to time. Guaranteed Rebate amounts, if any, set forth herein, are conditioned on adherence to various Formulary management controls, benefit design requirements, claims volume, and other factors stated in the applicable pharmaceutical manufacturer agreements, as communicated by ESI to Sponsor from time to time. If any government action, change in law or regulation, change in the interpretation of any law or regulation, or any action by a pharmaceutical manufacturer has an adverse effect on the availability of Rebates, then ESI may make an adjustment to the Rebate terms and guaranteed Rebate amounts, if any, hereunder.
- 3.4 The Rebate guarantees set forth in this Agreement are based on current market share assumptions and benefit design.
- 3.5 Rebate and Manufacturer Administrative Fee amounts paid to Sponsor pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations. Sponsor is obligated if requested by the Secretary of the United States Department of Health and Human Services, or as otherwise required by applicable law, to report the Rebate amounts and to provide a copy of this notice. ESI will refrain from doing anything that would impede Sponsor from meeting any such obligation.

**Exhibit B-4**

**Administrative Services and Clinical Program Fees**

**1. Administrative Services**

<b>PBM Services</b>
Customer service for members Electronic/online eligibility submission Standard coordination of benefits (COB) (reject for primary carrier) Electronic claims processing Plan set-up Software training for access to our online system(s) FSA eligibility feeds
<b>Network Pharmacy Services</b>
Pharmacy help desk Pharmacy network management Pharmacy reimbursement Network development (upon request)
<b>Home Delivery Services</b>
Benefit education Prescription delivery — standard
<b>Reporting Services</b>
Web-based Sponsor reporting — produced by ESI Web-based Sponsor reporting — produced by Sponsor Ad hoc desktop parametric reports Claims detail extract file electronic (NCPDP) Load 12 months claims history for clinical reports and reporting Annual Strategic Account Plan report Billing reports Inquiry access to claims processing system
<b>Website Services</b>
Sponsor Website — eService Delivery (Eligibility, Claims, and Benefit Administration), Coverage Management and Appeals, Eligibility File Transfer, Reporting Solutions and Resources Area. My Rx Choices — Helps members make informed medication choices based on cost, health, and safety. Member website portion only. Express-Scripts.com for Members — Access to benefit, drug, health, and wellness information; prescription ordering capability; and customer service. Online Benefit Management — eService web-based application with Claims History, Eligibility Maintenance, and Prior Authorization Add. Mobile App for Members — Includes My Rx Choices, My Medicine Cabinet, Pharmacy Care Alerts, Refills and Renewals, and virtual prescription ID card.
<b>Implementation Package and Member Communications</b>
Member replacement cards printed via web Implementation support New member packets (includes two standard resin ID cards)
<b>Clinical</b>
Concurrent Drug Utilization Review (DUR) Overrides <ul style="list-style-type: none"><li>• Sponsor requested overrides</li><li>• Lost/stolen overrides</li><li>• Vacation supplies</li></ul>



**Optional PBM Services**

<b>PBM Services</b>	<b>Fees</b>
<b>Manual Submissions</b>	
Manual/hardcopy eligibility submission	\$10.00/update
Member Submit Fee	\$3.00 per claim
Medicaid Subrogation Claims	\$3.00 per Paid Claim
Medicare Subrogation Claims	\$3.00 per Paid Claim
Communication with physicians and/or members (e.g., program descriptions, notifications, formulary compliance, non-Medicare EOBs, etc.)	\$1.35/letter plus postage
Medicare Explanation of Benefits (EOB)	\$1.75/letter plus postage
<b>Reporting Services</b>	
Custom ad hoc reporting – applies for reporting outside of self-services reporting tool	\$150/hour, with a minimum of \$500
<b>Replacement Member Communication: Packets</b>	
Member-requested replacement packets	\$1.50 + postage per packet
Sponsor-requested re-carding	\$1.50 + postage per packet
<b>Communication Fee</b>	
Mail (EHD, SHD & HDE) Programs Announcement Letters and Communications after each Courtesy Fill	No charge for electronic communications Postage (on-going fee) for mailed communications
<b>Cost Exceeds Maximum</b>	
ESI-Managed Cost Exceeds Maximum (CEM) edit (For non-compound drugs)	\$10,000 CEM limit – included in pricing Custom CEM limit less than \$10,000 - \$0.01PMPM fee
ESI-Managed Cost Exceeds Maximum (CEM) edit (For compound drugs)	Included in pricing
Sponsor-Managed Cost Exceeds Maximum (CEM) edit (For non-compound and compound drugs)	Included in pricing
<b>Reviews and Appeals Management</b>	
<b>Initial Determinations and Level 1 Non-urgent Appeals</b> under the UM Program. Examples: prior authorization, step therapy, quantity reviews	UM PMPM charge
<b>Initial Determinations and Level 1 Non-urgent Appeals</b> for benefit reviews. Examples: copay review, plan excluded drug coverage review, administrative plan design review	Included
<b>Level 2 and Urgent Appeal Service</b> for UM, formulary, and benefit reviews - final internal appeals	Included
<b>External Reviews</b> - facilitated by UM company, reviewed by independent review organizations	\$800 per review
<b>Medicare Part B Solution</b>	
Integrated Retail & Mail Program	\$0.42 PMPM for Medicare B - qualified members
Retail Only Program	\$0.20 PMPM for Medicare B - qualified members
Program Introductory Letter	\$0.64 / letter + postage
<b>Electronic Prescribing</b>	
ePrescribing Eligibility and Formulary transaction fees	\$0.03 PMPM
<b>Custom Laser Messaging</b>	
Each custom laser messaging campaign will run for 3 months and will consist of member targeting based on the Sponsor's pain point, Consumerology messaging consultation by the Express Scripts Lab, launch of a 90-day custom campaign, to the agreed upon targeted members, and reporting on any key insights or operational metrics from the campaign. The fee is \$40,000 per custom message. A 20% discount will be provided for subsequent 3 month extensions of an active campaign.	

PBM Services	Fees
<b>Retiree Drug Subsidy (RDS)</b>	
RDS enhanced service (ESI sends reports to CMS on behalf of Sponsor)	\$1.12 PMPM for Medicare-qualified members with a minimum annual fee of \$7,500
RDS standard service (ESI sends reports to Sponsor)	\$0.62 PMPM for Medicare-qualified members with a minimum annual fee of \$5,000
<ul style="list-style-type: none"> <li>• Notice of Creditable Coverage</li> </ul>	\$1.35/letter + postage

### Comprehensive Consumer Directed Health (CDH) Solution

PBM Services	Fees
<b>Required Services and Fee for all CDH Enrollees</b>	
<b>Services</b> <ul style="list-style-type: none"> <li>• Technical Bi-directional data exchange; dedicated operations; 24-hour-a-day, seven-day-a-week monitoring and quality control; performance reporting; and analytics</li> <li>• Decision Support Dedicated CDH member services, Prescription Benefit Review Statements, Retail Pricing Transparency</li> <li>• Member Adherence ScreenRx Preventive Medications</li> <li>• Member Education Proactive, personalized member communications open enrollment tools and member communications library, robust online features, and preventive care proactive, personalized member communications</li> </ul>	Advanced Data Integration, Member Decision Support, Member Adherence and Member Education \$0.48 PMPM
<b>If Sharing Data Only - Required Service and Fee for all Non-CDH Enrollees</b>	
<b>Combined Benefit Management</b> Services to manage combined medical-pharmacy benefits that are not a consumer-directed health (CDH) plan. Services include ongoing management of the data exchange platform with the medical vendor/TPA, production monitoring and quality control, and designated operations team. Combined benefit types may include deductible, out of pocket, spending account, and lifetime maximum.	\$0.10 PMPM per combined accumulator up to maximum of \$0.20 PMPM for existing connection with medical carrier or TPA.  Fees to establish connection with new medical carrier or TPA are quoted upon request.

Charges would be in addition to any pricing adjustments if greater than 10 percent of Sponsor's total utilization for all Plans is attributable to a CDHC.

Additional services will be quoted upon request. Postage charges are not included and will be billed to Sponsor.

## 2. Clinical/Trend Programs

ESI offers a comprehensive suite of trend and integrated health management programs. These offerings may change or be discontinued from time to time as ESI updates its offerings to meet the needs of the marketplace.

The programs (and corresponding pricing and guarantees) outlined in this section represent a sampling of the programs currently offered by ESI to its clients. ESI may offer additional programs, as well as savings guarantees, under certain conditions. Information concerning such programs, guarantees, and fees, if applicable, is available on request. In addition, the ESI Account Management Team will periodically discuss

new programs, guarantees, and fees with Sponsor, which Sponsor may adopt through ESI's standard Set-Up Form process.

Sponsor will select clinical/trend programs during implementation by checking selected options on the Clinical Addendum and on the applicable Set-Up Form. Such Set-Up Forms and Clinical Addendum are incorporated herein by reference as and when executed by the parties. A complete list representing the programs adopted by Sponsor (and corresponding pricing and guarantees) as of the Effective Date is outlined in the Clinical Addendum (executed separately by Sponsor). The Clinical Addendum may be modified from time to time upon mutual agreement.

**Health Choices and Drug Choices**

<b>Health Choices</b>	<b>Fee</b>
Concurrent DUR	No charge (included in base offering)
ScreenRx	\$0.25 PMPM
ExpressAlliance	<p><u>Web Access: \$0.04 PMPM</u>            Secure, online access to real-time, patient eligibility, medication history, clinical gaps in care, and potential savings opportunities</p> <p><u>Advantage: \$0.10 PMPM</u>            Same as Web Access, plus high-value, flexible targeting options at population level with prioritized recommendations based on clinical severity, and continuous program monitoring and reporting</p> <p><u>Advantage Plus: \$0.15 PMPM</u>            All of the above, plus enhanced specialist pharmacist services for nurses, including weekly case screenings, educational services, and grand round case reviews</p> <p><u>Just Diagnosed (New to therapy) data feed: \$5,000 set up and \$500 per month</u>            Single sign on: Client specific priced upon request</p>
RationalMed	\$0.35 PMPM
Personal Medication Coach	Client-specific, priced upon request
Pharmacogenomics	2C9/ VKORC1 Warfarin Testing: \$450 per completed test 2C19 Clopidogrel (Plavix) Testing: \$480 per completed test HLA-B*5701 Abacavir Testing: \$625 per completed test CCR5 Maraviroc (Selzentry) Testing: \$2,800 per completed test BCR-ABL Gleevec, Sprycel, Tasigna Testing: \$660 per completed test Entire Pharmacogenomic Portfolio: \$0.04 PMPM
Basic Retrospective DUR	\$0.05 PMPM
Advanced Retrospective DUR: includes all rule categories within the Basic Module plus expanded rule sets.	\$0.10 PMPM
Seniors Retrospective DUR: Health and safety drug issues for members 65+ years of age.	\$0.04 PMPM

Health Choices	Fee																								
Retrospective Bundle: Advanced and Senior Modules	\$0.11 PMPM																								
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Health Choices	Fee
Advanced Opioid Management	Sponsor specific – priced on request Program Components: Proactive Opioid Member Education Letter (not available for Medicaid lives) Opioid Neuroscience Pharmacist Outreach (TRC) Opioid Physician Care Alerts Drug Deactivation Disposal Bags Enhanced FWA with auto Lock-in (Auto lock-in not available for Medicaid lives) Enhanced Prior Authorization (Long Acting Opioids) First Fill - 7 Days' Supply Limit (Short Acting Opioids) Morphine Equivalent Dose Edit (MEQD)
MediCube	<125k lives: \$125,000 per year >125k lives: \$1.25 per Member per year
Livongo for Diabetes	\$67 per participating patient per month

Drug Choice Programs	Fee
Formulary Notification	No charge for standard
Drug Conversion Program at Home Delivery	No charge (included in base offering)
My RxChoices	No charge (included in base offering)
Enhanced Fraud, Waste, & Abuse	<u>Commercial</u> \$0.05 PMPM <u>Medicaid</u> \$0.05 PMPM <u>Medicare Part D</u> \$0.04 per claim
Enhanced Pharmacy Audit Program	\$0.06/claim
Value Based Insurance Design (VBID)	<u>Members enrolled using automated file</u> Standard file layout/clinical rules Install set up: \$15,000 per vendor or vendor change Maintenance: \$500 per month (\$750/month if quarterly eligibility reporting is requested) Standard file layout/custom rules: Client specific, priced upon request Eligibility Reporting: \$1,000 per ad hoc report <u>Manual set up</u> Standard Clinical Rules Install set up: \$5,000 per vendor or vendor change Maintenance: \$500 per month (\$750/month if quarterly eligibility reporting is requested) Custom Rules: Client specific, priced upon request Eligibility Reporting: \$1,000 per ad hoc report
ACA Statin Trend Management Solution	\$0.03 PMPM

## Drug Choice Programs

### Drug Choice Programs — UM Packages

Our UM Package building-block approach aggregates medications into lists and packages

*Limited UM Package* — delivers plan savings with minimal member impact

*Advantage UM Package* — same as Limited, adding chronic disease states and a broad specialty offering

*Advantage Plus UM Package* — same as Advantage, adding undermanaged medication classes for select chronic diseases

*Unlimited UM Option* — allows implementation of any current and/or future UM program

Lists can be purchased individually and packages can be tailored to meet client needs.

Some modules are available on an ala carte basis.

*Please note: UM Bundle pricing and per review pricing are no longer offered*

Standard Pricing		
Client specific recommended programs	Fee	Guarantee
Unlimited UM Option	\$0.60 PMPM	N/A
Prior Authorization		
Adjunctive Specialty PA List		
Optional Prior Authorization		
Step Therapy		N/A
Optional Step Therapy Modules		N/A

Some programs may impact Rebates.

### 3. EGWP Administrative Fees

#### Optional PBM Services

Additional PBM Services	Fees
<b>Claims Processing</b>	
Member Submit Fee	\$10.00 per claim
Medicaid Subrogation Claims	\$10.00 per paid claim
Medicare Subrogation Claims	\$10.00 per paid claim
<b>Medicare Part B Solution</b>	
Integrated Retail & Mail Program	\$0.42 PMPM for Medicare B - qualified members
Retail Only Program	\$0.20 PMPM for Medicare B - qualified members
Program Introductory Letter	\$0.64 / letter + postage
<b>Premium Billing</b>	
EGWP Enrollee Premium Billing	Pricing available upon request
<b>Account and EGWP Enrollee Services</b>	
EGWP Enrollee Requested Materials	\$1.50 + postage per packet
Client requested Re-carding	\$1.50 + postage per packet
Custom materials	Priced upon request
Mailings over five pages in length	Priced upon request
<b>Reviews and Appeals Management</b>	
UM Program Initial Determinations and Redeterminations (Level One Appeals)	Included in EGWP Admin Fee
Benefit Review Initial Determinations and Level One Appeals for plan designed related requests not related to the UM program, such as: Medicare Part D Exclusive Reviews Tiering Exception Reviews Administrative Reviews	Included in EGWP Admin Fee

<b>EGWP Plus Services</b>	
<b>EGWP Plus Administrative Fee</b>	<b>\$8.35 PMPM</b>

ESI's EGWP Plus administrative fee includes the following services:

<b>Implementation</b>
Implementation and support for up to two plan design Incremental Cost for implementing multiple plan designs - \$5,000 per plan design per year
<b>Medicare Part D Formulary and Network Management</b>
Contracting of retail, long term care, and home infusion networks to conform to CMS access requirements Establishment of a CMS approved Formulary and P&T Committee support Formulary management and change notification communications Administration of manufacturer rebate contracts in compliance with CMS requirements
<b>Electronic Prescribing</b>
Electronic Prescribing – Core Services
<b>Claims Processing</b>
Electronic Claims Processing
<b>Enrollment Management</b>
Electronic Eligibility submission Initial enrollment, age-in members, low-income management Eligibility/Enrollment status reporting
<b>Home Delivery Services</b>
Processing and delivery of prescriptions received via Internet, fax, phone or mail Prescription Delivery - Standard Therapeutic Resource Center services where appropriate Mail Programs where appropriate Participation in Mail Marketing Programs where appropriate Refill orders received by phone or Internet 24 hours a day, 7 days a week Handling and postage expense of mail-order prescriptions. Braille prescription labels for visually impaired Communication/educational materials included in medication packages: <ul style="list-style-type: none"> <li>• Summary statement of benefit account</li> <li>• Drug Information Leaflet with each new prescription</li> <li>• Buck slips highlighting benefit components</li> <li>• Pre-addressed pharmacy order form/envelope</li> </ul> Refill or renewal form (when appropriate)



### **Specialty Pharmacy Services**

Clinical support, including:

- Patient tele-counseling from specially trained pharmacists and nurses
- Care management including information and support directly to the patient
- Coordination of care with the patient's case manager and/or home care agency
- Specialty drug educational materials and product information

Toll-free telephone line for members using specialty drugs

Ancillary supplies (such as needles and syringes) provided with self-inject able medications

Logistics coordination of delivery to patient's home or physician's office

Express delivery to physician's office or patient's home

- Standard two-day delivery.
- Overnight delivery if required by physician (excluding Sundays).

Comprehensive drug utilization management review applied to specialty pharmacy related medical and prescription claims

Enhanced physician services including communication materials, forms, informational hotline

Analysis of integrated pharmacy and medical claims databases to identify persons using specialty medications

Targeted communications, including:

- An initial mailing upon enrollment notifying members of the change in plan coverage
- Follow-up mailings and outbound phone calls notifying members of their eligibility for services from the specialty pharmacy

Additional services available

Mailings direct to members, physicians or plan location - Quoted Upon Request

### **Medicare Processing and Reporting Services**

Interaction with CMS and federal agencies to ensure compliance and applicable laws

### **Manage contact with CMS**

Evaluate actuarial equivalence upon request

Processing, reconciliation, and reporting of CMS Direct Subsidy, CMS Low-Income Premium and Cost-Sharing, Coverage Gap Discount Payments, and CMS Catastrophic Reinsurance (subject to plan design)

LIS Premium Refund Service

Subsidies will only be received on behalf of members approved by CMS as eligible for the PDP. Any member rejected by CMS will not be eligible for any of the subsidies outlined above. To the extent that CMS, for any reason, re-opens a reconciliation window with the PDP, the PDP has the right to re-open reconciliation with Sponsor for any of the above subsidies

Client management and financial reporting

Preparation of all data necessary to meet Medicare Part D Reporting Requirements

Development and transmission of applicable files to CMS as part of program administration

All CMS reporting requirements related to rebates, network access, TrOOP, clinical program management, claims administration, operational compliance, and other reports as required by CMS

Maintenance and support of CMS "Prescription Drug Event" (claim) process

- Maintenance and distribution of PDE files
- Process to manage CMS responses
- Resolution of PDE rejects

Support of up to one regulatory audit CMS might perform on behalf of Sponsor if applicable

### **Website**

Express-Scripts.com for Clients & Advisors — access to:

- Reporting tools
- Eligibility Member status reporting
- Contact directory
- Sales and marketing information
- Benefit and enrollment support secured through Risk Base Authentication Express-Scripts.com for Members
- Benefit, drug, health and wellness information
- Prescription ordering capability
- Customer service

**Account and Member Service**

Assigned account team  
 Annual pharmacy benefit strategic planning with quarterly review  
 Medicare Call-Center Services including support for Sponsor's open enrollment (open enrollment support is dependent on Sponsor submitting benefit information within the required timeframe for support)  
 Grievance management  
 Centralized administration for payment of claim and administrative fees  
 Training for online tools  
 Care and Safety Management Education

**EGWP Enrollee Communications**

Development of communication templates, customer service scripting, and other communication tools  
 Development of template language to be included in open enrollment materials  
 Providing Medicare required member communications, as applicable.

- Pre-notification Letters (Including benefit overview)

**New Enrollee Packets**

- EGWP Enrollee ID card
- Quick Reference Guide
- Welcome Letter
- Benefit Overview
- Evidence of Coverage (EOC)
- Formulary/Pharmacy Insert
- HIPAA Notice
- Home Delivery Order Form

**On-Going**

- Transition Supply Letters
- Explanation of Benefits (EOBs)
- Medication Therapy Management (MTM) Letters
- Coverage Determination Letters
- Grievance and Appeals Letters
- Low Income Subsidy (LIS) Riders
- Late Enrollment Penalty (LEP) Attestation Letters
- Enrollment/Disenrollment Letters
- 60 Day Formulary Notification Letters
- Other CMS required notifications

**Renewal EGWP Enrollee Packet**

- Annual Notice of Changes (ANOC)
- Evidence of Coverage (EOC)
- Formulary Guidebook
- Home Delivery Order Form

**Clinical Services**

Concurrent Drug Utilization Reporting (DUR)  
 Retrospective DUR  
 Medication Therapy Management and reporting  
 Fraud, Waste, and Abuse Program  
 CMS Approved Utilization Management Programs including Drug Quantity Management, Prior Authorization, and Step Therapy

**Participating Pharmacies**

Pharmacy Audit  
 Pharmacy Help Desk  
 Pharmacy Network Management  
 Network Development Upon Request  
 Pharmacy Reimbursement

**4. EGWP Clinical/Trend Programs.**

ESI offers a comprehensive suite of trend and integrated health management programs. With a 360-degree view of the patient, ESI promotes changes that maximize health outcomes and value – reducing prescription waste, enabling better overall health and value, enriching the care continuum and managing medication therapy and safety. These offerings may change or be discontinued from time to time as ESI updates its offerings to meet the needs of the marketplace.

Health Choices	Fee																								
Concurrent DUR	No charge (included in base offering)																								
ScreenRx	\$0.25 PMPM																								
ExpressAlliance	<p><u>Web Access: \$0.04 PMPM (8,000 life minimum)</u>                      Secure, online access to real-time, patient eligibility, medication history, clinical gaps in care, and potential savings opportunities</p> <p><u>Advantage: \$0.10 PMPM (8,000 life minimum)</u>                      Same as Web Access, plus high-value, flexible targeting options at population level with prioritized recommendations based on clinical severity, and continuous program monitoring and reporting</p> <p><u>Advantage Plus: \$0.15 PMPM (15,000 life minimum)</u>                      All of the above, plus enhanced specialist pharmacist services for nurses, including weekly case screenings, educational services, and grand round case reviews</p> <p><u>Just Diagnosed (New to therapy) data feed: \$5,000 set up per vendor and \$500 per month</u></p> <p>Single sign on: Client specific priced upon request</p>																								
RationalMed	Client-specific, priced upon request (5,000 life minimum)																								
Pharmacogenomics	2C9/ VKORC1 Warfarin Testing: \$450 per completed test 2C19 Clopidogrel (Plavix) Testing: \$480 per completed test HLA-B*5701 Abacavir Testing: \$625 per completed test CCR5 Maraviroc (Selzentry) Testing: \$2,800 per completed test BCR-ABL Gleevec, Sprycel, Tasigna Testing: \$660 per completed test																								
Retrospective DUR	Included in EGWP Admin Fee																								
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Health Choices	Fee:
Physician Care Alerts	Adherence (Diabetes, Hypertension, Cholesterol) \$0.03 PMPM Therapy omission \$0.03 PMPM High-Risk medications \$0.03 PMPM  Physician Care Alert Package: \$0.07 PMPM • Adherence (Diabetes, Hypertension, Cholesterol) • Therapy Omission • High-Risk Medications Please note if implemented with ScreenRx discount may apply on a client-by-client basis.
Mango Health Solution	<u>Enrolled Lives</u> 0 – 50,000 \$30 PPPM 50,000 – 250,000 \$27 PPPM 250,000+ \$25 PPPM "Enrolled Lives" is defined as the number of members in the entire enrolled population. "Participant" - AKA 'User' - is defined as (1) a member that takes a clear action in the Mango Health app during the month, or (2) a member who receives a Mango Health TRC Coach outbound call during the given month. There are no additional fees outside of this cost unless client customization of the app is requested.
Advanced Opioid Management	Client specific – priced on request Proactive Opioid Member Education Letter Opioid Neuroscience Pharmacist Outreach (TRC) Opioid Physician Care Alerts Drug Deactivation Disposal Bags Morphine Equivalent Dose Edit (MEQD) Enhanced FWA

Medicare	Fee:
Medicare Medication Therapy Management (MTM)	Included in EGWP Admin Fee
eMTM (for clients with Medicare MTM)	Prescriber Outreach: \$0.26 PMPM Member and Prescriber Outreach: \$0.52 PMPM

Drug Choice Programs	Fee
Formulary Notification	No charge for standard
Fraud, Waste, & Abuse	Included in EGWP Admin Fee
My RxChoices	No Charge (included in base offering)
<p>2017 Utilization Management</p> <p>Drug Quantity Management- quantity dispensed per prescription</p> <p>Prior Authorization – intervene to support appropriate use at the point of service through pre-established clinical criteria</p> <p>Step Therapy – intervene to support the use of less expensive and clinically appropriate medications at the point of sale</p>	<p>The following options are included in the Admin Fee:</p> <p>CMS minimum rules or required EGWP</p> <p>CMS minimum impacted rules</p> <p>Full Suite</p> <p>Custom Rules have a \$50,000 annual set-up fee</p>

Contractor's Initials: *Dag*  
Date: *7/25/18*

## Exhibit B-5

### Inflation Protection Program

1. Inflation Protection Program. Under the Inflation Protection Program, ESI will guarantee (the "Inflation Rate Guarantee") that Sponsor's Brand Drug AWP inflation will not exceed 12.4% for the commercial population and 11.38% for the self-insured EGWP population (will be determined based on prior year data) (the "Inflation Cap") for the initial contract year of this Agreement. The Inflation Cap for subsequent years shall be the greater of: (i) the preceding year's Inflation Cap or (ii) the actual CYIR of the preceding contract year; and may be adjusted up or down based on differences in Sponsor's individual mix and utilization. If the Inflation Rate Guarantee is not met, ESI will make a client inflation payment to Sponsor calculated as follows:  $(\text{Contract Year Inflation Rate} - \text{Inflation Cap}) * \text{Adjusted Base AWP} * \text{Effective Discount}$  (the "Inflation Guarantee Payment"). Any payment owed will be issued within 180 days following the end of the applicable contract year. To remain eligible for the inflation guarantee payment in a given contract year, Sponsor's plan's formulary compliance for Brand Drugs must average at least 84% for the commercial population and 80% for the self-insured EGWP population (will be determined based on prior year data) on total utilization for that contract year.
2. For the purposes of the Inflation Protection Program, the following definitions will apply:
  - 2.1. "Adjusted Base AWP" shall mean the PCYA adjusted to account for total quantity changes between the prior year and the current year. Adjusted Base AWP will be calculated as follows  $(\text{PCYA} / \text{Prior Year Brand Quantities}) * \text{Current Year Brand Quantities}$ .
  - 2.2. "Current Calendar Year AWP" or "CCYA" shall be equal to the aggregate weighted average Brand Drug AWP amount for the calendar year for which the Inflation Guarantee is being calculated, adjusted for the previous year's dispensed Brand Drug quantities. CCYA shall be calculated as the sum of the average unit AWP for each Brand Drug dispensed in the current calendar year multiplied by the quantities of each such Brand Drug dispensed in the preceding calendar year.
  - 2.3. "Current Year Brand Quantities" shall be equal to the aggregate quantities of each Brand Drug used in the calculation of CCYA dispensed during the calendar year for which the Inflation Guarantee Payment is being calculated.
  - 2.4. "Calendar Year Inflation Rate" or "CYIR" shall be expressed as a percentage, and calculated as  $(\text{CCYA}/\text{PCYA}) - 1$ .
  - 2.5. "Effective Discount" is the effective discount Sponsor has received (including the impact of Rebates and Manufacturer Administrative Fees (if applicable)) on Brand Drugs dispensed during the calendar year for which the Inflation Guarantee is being calculated. The Effective Discount will be expressed as a percentage and calculated as  $(\text{Net Ingredient Cost paid by Sponsor for all Brand Drugs in the applicable calendar year} - \text{Rebates received by Sponsor}) / \text{Aggregate AWP for all Brand Drugs dispensed in the applicable year}$ .
  - 2.6. "Prior Calendar Year AWP" or "PCYA" shall be equal to, for the same Brand Drug NDCs used for the "CCYA" calculation, the average Brand Drug AWP amount for such NDCs during the calendar year immediately preceding the calendar year for which the Inflation Guarantee payment is being calculated.
  - 2.7. "Prior Year Brand Quantities" shall be equal to the aggregate quantities of each Brand Drug used in the calculation of CCYA dispensed during the calendar year prior to the year for which the inflation guarantee is being calculated.
3. Terms and Conditions of the Inflation Protection Program
  - 3.1. In order to be eligible for the Inflation Rate Guarantee payment for a given calendar year, Sponsor must, on average, meet the specified formulary compliance percentage on its total utilization for the calendar year. If Sponsor makes material changes to its Formulary or benefit design that negatively impact ESI's ability to control inflation relative to Sponsor's Formulary drug mix, then ESI reserves the right to make an equitable adjustment to the Inflation Guarantee.

- 3.2. The following claims will be excluded from all calculations related to the Inflation Protection Program: Medicare claims, Medicaid claims, any other government health care program claims, OTCs, member submitted claims, subrogation claims, compounds, Generic Drugs, claims submitted by Sponsor owned, in-house, or on-site pharmacies, 340B claims, claims submitted through a 100% member cost-share program, biosimilar products, drugs where the quantity or packaging has been changed by the manufacturer from the past year, and drugs for which there was no utilization in the calendar year prior to the calendar year for which the Inflation Guarantee payment is being determined.
- 3.3. ESI's Inflation Protection Program, and the underlying economics, is separate and apart from, any Rebates/Total Rebates paid to Sponsor and the amounts described above will be paid to Sponsor in addition to any Rebate/Total Rebate payments to which Sponsor is entitled. ESI contracts for inflation payments from manufacturers for its own account and ESI may realize positive margin between amounts paid to Sponsors and amounts received from pharmaceutical manufacturers. Conversely, ESI may realize negative margin if inflation payments from manufacturers are less than payments due to Sponsor. Sponsor will not be entitled to receive any amounts related to drug price inflation or a related guarantee other than as set forth above.
- 3.4. No payments will be made to Sponsor unless Sponsor has an executed PBM agreement with ESI.
- 3.5. ESI has structured the terms of this program to comply with certain exceptions and safe harbors to the Federal Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)), including the discount exception (42 U.S.C. § 1320a-7b(b)(3)(A) and safe harbor (42 C.F.R. § 1001.952(h)). ESI will treat any reimbursement made to Sponsor hereunder as retrospective discounts on the price of the product paid by Sponsor. ESI will fully and accurately report such discounts on the payment advice submitted to Sponsor. ESI hereby informs Sponsor that it may be required by law to properly disclose and appropriately reflect (in any costs claimed or charges made) all such discounts. Further, ESI will refrain from taking any action that would impede or frustrate Sponsor in any such disclosure requirements. Sponsor may be required to provide information on the discount furnished to Sponsor to the Secretary of Health and Human Services, or any state or other governmental agency, upon request. ESI will comply with all applicable reporting and disclosure obligations.

**Exhibit B-6**

**Performance Standards**

In the event that any failure by ESI to meet any performance standard is due to a "force majeure" as defined in the Agreement, failure of Sponsor to perform its obligations under the Agreement, or actions or inactions of Sponsor that adversely impact ESI's ability to maintain the subject standard (e.g., faulty eligibility, changes in benefit design not adequately communicated to Members and benefit designs that substantially change the Members' rights under the Plan), ESI will be excused from compliance with such performance standards until such circumstances have been resolved and any existing backlogs or other related effects have been eliminated.

Within ninety (90) days after the end of each year, ESI shall report to Sponsor ESI's performance under each performance standard. Notwithstanding the foregoing, for purposes of determining whether ESI has met or failed to meet each performance standard, performance standards will be measured and reconciled on an annual basis and amounts due resulting from an ESI failure to meet any performance standard(s), if any, shall be calculated and paid to Sponsor within thirty (30) days following Sponsors receipt of reconciliation report.

No performance penalties, if any, will be paid until this Agreement is executed by Sponsor. In no event will the sum of the payments to Sponsor, as a result of ESI's failure to meet the performance standards exceed \$745,000 for the implementation performance standards and \$500,000 per year for the annual performance standards. Sponsor may reallocate performance guarantee penalty amounts across each guarantee listed in this Exhibit provided, that (i) no greater than 20% of the total performance guarantee risk pool can be allocated to an individual guarantee, (ii) any reallocation is provided in writing to ESI no later than 30 days prior to the start of each contract year, and (iii) the sum of all penalty allocations equal 100% of the total performance guarantee risk pool.

The following performance standards are based on 37,200 Members as of the Effective Date and throughout the Term. Any material change in membership, defined as a 20% reduction in members, may result in a renegotiation of the standards and penalties set forth below.

Performance standards for ESI Mail Pharmacy assume a minimum of 1,000 ESI Mail Pharmacy prescriptions submitted annually.



Name	Standard	Penalty
Implementation and Start-up	<p>Express Scripts will guarantee the implementation of Sponsor to be completed in accordance within the mutually agreed upon timelines. Each of Express Scripts' standards is dependent upon receiving specific information from Sponsor. Loading of eligibility and production of ID cards are dependent upon receiving group structure and benefit plan design sign-off from Sponsor. A delay in receipt of data or information from Sponsor may require rescheduling of all subsequent deliverable dates.</p> <p>The recommended implementation time frame is 90 days.</p> <p>The implementation performance guarantee is a one-time only guarantee valid 90 days from Sponsor's effective date. ESI shall provide a draft Implementation Guarantee Tracking Document at implementation kick off meeting.</p> <p>All ID cards will be mailed at least 10 days prior to the effective date and will be 100% accurate (provided that a valid eligibility file was received at least 15 days prior to the effective date)</p> <p>Implementation Performance Guarantees must be agreed to and documented within thirty (30) days of the kick off meeting or they will be considered void.</p>	<p>The following dollars will be paid to Sponsor if ESI does not complete the deliverables by the dates noted in the performance standard, assuming that Sponsor has provided the information necessary to complete these deliverables:</p> <p>Benefit Plan Design — \$106,430  Eligibility Load — \$106,430  ID Cards — \$106,430  Toll-Free Telephone Number — \$106,430  Initial File Loads: Claims History — \$106,430  Initial File Loads: Prior Authorization History — \$106,430  Initial File Loads: Open Refill Transfers - \$106,430</p> <p>The above reference our standard Implementation PGs.</p> <p>The maximum implementation penalty will be \$745,000.</p>

Contractor's Initials: *Day*  
Date: *1/25/18*

<b>Ongoing (Annual) Performance Guarantees</b>		
<b>Name</b>	<b>Standard</b>	<b>Penalty</b>
Eligibility Data Error Reporting	Eligibility file error reporting on all eligibility file updates will be provided to Sponsor within 2 business days	ESI will put \$12,820 as a total amount of penalty at risk.
Eligibility Error	Error rate identified through quarterly audits shall not exceed, on an average basis, 2% for errors caused by ESI. This is measured and reported on a quarterly basis.	ESI will put \$12,820 as a total amount of penalty at risk.
Approval of Member Communications	100% of all member communications will be approved by Sponsor – exceptions for drug recalls and urgent patient safety communications	ESI will put \$12,820 as a total amount of penalty at risk.
Member Communication mailing errors	100% of all member communications shall be accurate. Should a mailing be sent in error or contain erroneous information regarding any aspect of the plans administration the vendor shall pay a penalty per erroneous document.	ESI will put \$12,820 as a total amount of penalty at risk.
Pharmacy Audit Resolution	Within 6 months of identification and notification to PBM by Sponsor or its designee	ESI will put \$12,820 as a total amount of penalty at risk.
Client-Specific Member Satisfaction Survey	One random sample member survey will be completed annually specific to the Sponsor. ESI guarantees a patient satisfaction rate of 90% or greater based on overall satisfaction. Guarantee assumes the number of responses is statistically significant.	ESI will put \$12,820 as a total amount of penalty at risk.
Average Speed of Answer	ESI guarantees that calls will be answered in an average of 20 seconds or less. This guarantee is predicated on the installation of a toll-free number unique to the sponsor. Measurement includes calls routed to the IVR.	ESI will pay Sponsor \$6,410 for each full second above the standard 20 seconds on an annual basis. The maximum annual penalty will be \$12,820. The calculation will be based on the average speed of answer.
Ad-hoc Reports	A minimum of 90% of Ad-hoc reports will be delivered to State within 7 business days specific of the request. Ad-hoc reports are defined as reports that are not part of the vendor's standard reporting package	ESI will put \$12,820 as a total amount of penalty at risk.
Percent of Calls Abandoned	The Telephone Abandonment Rate of the Member Service Telephone Line will be 3% or less of all incoming calls received during each Contract Year.	ESI will pay Sponsor \$6,410 for each full percentage point above the standard 3% on an annual basis. The maximum annual penalty will be \$12,820. The calculation will be based on the average percentage of calls abandoned.
Customer Service – First Call Resolution	ESI guarantees that 94% or greater of patient calls will be resolved on the first call.	ESI will pay Sponsor \$6,410 for each full percentage point below 94%. The maximum annual penalty will be \$12,820.

Ongoing (Annual) Performance Guarantees		
Name	Standard	Penalty
Mail Service Dispensing Accuracy	The Dispensing Accuracy Rate for each Contract Year will be 99.997% or greater. Guarantee is measure at book of business.	ESI will pay Sponsor \$6,410 for each full percentage point below the standard of 99.997% on an annual basis. The maximum annual penalty will be \$12,820. The calculation will be based on the average prescription accuracy.
Mail Service Turnaround Time for Routine (Clean) Prescriptions	95% of prescriptions dispensed within average of 2 business days and 100% within average of 3 business days	ESI will pay Sponsor \$6,410 for each full day above the standard two (2) business days on an annual basis. The maximum annual penalty will be \$12,820.
Mail Service Turnaround Time for Prescriptions Subject to Intervention	95% of prescriptions dispensed within average of 4 business days and 100% within average of 5 business days	ESI will pay Sponsor \$6,410 for each full day above the standard four (4) business days on an annual basis. The maximum annual penalty will be \$12,820
Data Systems Availability and Adjudication	ESI guarantees an annual average 99.5% system availability of the point-of-sale adjudication system on a book of business basis. This guarantee excludes systems downtime attributed to regularly scheduled systems maintenance or systems downtime attributed to telecommunications failure or other circumstances outside the control of ESI.	ESI will pay Sponsor \$6,410 for each full percentage point which the yearly average of the online computer systems availability is below 99.5%. The maximum annual penalty for availability and adjudication will be \$12,820.
Timely Production of Management Reports-	ESI guarantees access to the online Trend Central reporting suite will be available within an annual average of fifteen (15) business days after the billing cycle that contains the last day of the month.	ESI will put \$12,820 as a total amount of penalty at risk.
Ad-hoc Reports	A minimum of 90% of Ad-hoc reports will be delivered to the State within 7 business days of the request. Ad-hoc reports are defined as reports that are not part of the standard reporting package.	Express Scripts will put \$12,820 as a total amount of penalty at risk.
Delivery of Standard Quarterly Reports	Standard reports will be delivered within 30 days of end of reporting quarter	Express Scripts will put \$12,820 as a total amount of penalty at risk.
Accuracy of Standard Reports	All standard reports provided will be 100% accurate. Information contained in Express Script's standard reports is to be considered fully accurate based upon data contained in Express Script's data systems at the time the reports are produced.	ESI will put \$12,820 as a total amount of penalty at risk.
Timely Production of Replacement ID Cards	ESI guarantees that standard replacement ID cards will be produced within an annual average of five (5) business days of the receipt and update of machine-readable eligibility information.	ESI will put \$12,820 as a total amount of penalty at risk.

Ongoing (Annual) Performance Guarantees		
Name	Standard	Penalty
Eligibility — Timeliness of Installations	Accurate and complete eligibility files electronically transmitted by 10:00 A.M. EST, via secured processes acceptable to ESI, will be updated within one (1) business day of receipt.	ESI will put \$12,820 as a total amount of penalty at risk.
Mailing Member Materials	<p>ESI provides our standard welcome kit prior to the effective date. The kit includes ID Cards, Welcome Letter, and Home Delivery Order Form.</p> <p>Home delivery order forms and claim forms can be downloaded from member web accounts or requested from member services after implementation effective date.</p> <p>ESI will provide ID cards in accordance within the mutually agreed upon timelines through the implementation process. The loading of eligibility and production of ID cards are dependent upon receiving group structure and benefit plan design sign off from Sponsor. A delay in receipt of data or information from Sponsor may require rescheduling of the deliverable date.</p> <p>For Commercial, the replacement of standard ID cards will be produced within an annual average of four (4) business days of the receipt of machine-readable and updated eligibility information. Medicare ID cards will be mailed with a 10 day TAT upon receipt of the eligibility file.</p> <p>ESI guarantees 99% of all card volume produced will be 100% accurate.</p>	ESI will pay Sponsor \$12,820 if this standard is not met.
Network Audits	<p>ESI guarantees that 100% of claims will be subject to automated review and that 20% of participating pharmacies will be subject to further audit (e.g., desk audits, on-site audits, etc.) as a result of the automated review.</p> <p>This standard will be measured and reported annually across ESI's book of business.</p>	ESI will pay Sponsor \$12,820 if this standard is not met.
Network Turnover	Retail Pharmacy Turnover - Less than 5% of retail pharmacies will leave the National Plus Network	ESI will pay Sponsor \$12,820, if this standard is not met.

Ongoing (Annual) Performance Guarantees		
Name	Standard	Penalty
Client Satisfaction Survey	Sponsor may assess a penalty per Contract Year if, after the first Contract Year and each successive Contract Year, Sponsor's benefits staff do not rate PBM account team's performance for such Contract Year an average of 3 or better on a scale of 1 to 5 (5 being the best based on a range of performance criteria agreed to between Sponsor and PBM at the beginning of such Contract Year).	ESI will put \$12,820 as a total amount of penalty at risk.
Account Management Turnover	Account team members will remain constant for at least the first 18 months of the contract period, unless a change in account management staff is requested by Sponsor. Or the team member is terminated or promoted.	ESI will put \$12,820 as a total amount of penalty at risk.
Benefit Additions or Changes — Accuracy	ESI guarantees a 100% set up accuracy based upon the receipt of complete information on a signed benefit add/change form from the client.	ESI will pay Sponsor \$6,410 per every full percentage point below the standard. Payment based on annual average with total maximum payout of \$12,820.
Paper Claims Requiring No Development Processing Time	95% of prescriptions reimbursed within average of 10 business days and 100% within average of 14 business days for commercial members.	ESI will put \$12,820 as the total amount of penalty at risk.
Claims Detail File	All claims detail files sent to external vendors will be provided within 8 days of request or scheduled delivery date.	ESI will put \$12,820 as the total amount of penalty at risk.
Provide Data Extract	Within 30 days of request date or within 10 business days of executed confidentiality agreement (whichever occurs first).	ESI will put \$12,820 as the total amount of penalty at risk.
Provide Complete Response to Data Request	Provide complete response to data request within 30 days of request.	Express Scripts will put \$12,820 as a total amount of penalty at risk.
Responding to Data Reconciliation Requests	Respond to data reconciliation requests within 10 business days of request as long as guarantee has been reconciled.	Express Scripts will put \$12,820 as a total amount of penalty at risk.
Providing Initial Response to Audit Findings	ESI will provide initial responses to audit findings within 60 days.	ESI will put \$12,820 as the total amount of penalty at risk.
Customer Service Response Time to Written Inquiries	ESI will guarantee that annually 95% or more of written inquiries will be responded to within five (5) business days and that annually 100% of written inquiries will be responded to within 20 business days.	ESI will put \$12,820 as the total amount of penalty at risk.

Ongoing (Annual) Performance Guarantees		
Name	Standard	Penalty
Issue Resolution: State Staff Involvement/ Escalation	Account Team Members will respond to electronic, verbal, and written notices of issues by the client within one business day. If the issue cannot be resolved within 48 hours, account team members will notify the client of the expected time of resolution. Non-compliance with these standards will be identified by Sponsor and verified by Express Scripts.	Express Scripts will put \$12,820 as a total amount of penalty at risk.
Claims Financial Accuracy	The Claims Financial Accuracy Rate for each Contract Year will be 99% or greater. "Claims Financial Accuracy Rate" means (i) the absolute dollar amount of retail claims, mail order claims and directly submitted paper claims adjudicated by ESI in a Contract Year that do not contain a material adjudication error, divided by (ii) the absolute dollar amount of all claims adjudicated by ESI in such Contract Year. Measured on a book of business basis.	ESI will put \$12,820 as the total amount of penalty at risk.
Contract Drafting Cooperation	ESI will Respond to recommended contract language changes within 10 business days.	ESI will put \$12,820 as the total amount of penalty at risk.
Price Change Accuracy	Implementation of all pricing changes will be 100% accurate.	ESI will put \$12,820 as the total amount of penalty at risk.
Invoicing Errors	ESI shall make good faith efforts to credit all invoicing errors to the State within mutually agreed upon time frame.	Express Scripts will put \$12,820 as a total amount of penalty at risk.

## EXHIBIT C

### SPECIAL PROVISIONS

The following modifications shall be made to the sections of the Agreement identified below:

1. Section 5.4 is hereby deleted in its entirety and replaced with the following:

"5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8. Contractor has no obligation to provide Services once the Price Limitation has been met, except as otherwise provided in this Agreement."

2. Section 6.3 is hereby deleted in its entirety and replaced with the following:

"6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with Executive Order No. 11246, as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations."

3. Section 7.2 is hereby deleted in its entirety and replaced with the following:

"7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement."

4. The following shall be added immediately following the final sentence of Section 8.2.2:

"provided, however, that after remediation of an Event of Default by Contractor, the State will pay the prescription drug ingredient costs incurred by the Contractor in providing services to the State's plan members during the period of the Event of Default;"

5. Section 9.1 is hereby deleted in its entirety and replaced with the following:

"9.1 As used in this Agreement, the word "data" shall mean all information and things required to be developed by Contractor or obtained during the performance of this Agreement, except for Protected Health Information, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

6. Section 12 is hereby deleted in its entirety and replaced with the following:

"12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. Contractor may perform certain services hereunder (e.g. mail service pharmacy, EGWP administration, and specialty pharmacy services) through one or more of its subsidiaries or affiliates. Contractor is responsible and liable for the performance of its subsidiaries and affiliates in the course of their performance of any such service. To the extent that Contractor subcontracts any PBM Service under this Agreement to a third party,

Contractor is responsible and liable for the performance of any such third party. In addition, Contractor may contract with third party vendors to provide information technology support services and other ancillary services, which services are not PBM Services hereunder, but rather are services that support Contractor's conduct of its business operations."

7. Section 14.1.2 is hereby deleted in its entirety and replaced with the following:

"Data Security & Cyber Insurance coverage for unauthorized access, use, acquisition, disclosure, failure of security, breach of confidential information, of privacy perils, in an amount not less than \$10 million per annual aggregate, covering all acts, errors, omissions."



**EXHIBIT D**

State of New Hampshire RFP# 2018-2013 is incorporated herein by reference.

Contractor's Initials: *Dag*  
Date: *7/5/18*

## ADDENDUM A

### FINANCIAL DISCLOSURE TO ESI PBM CLIENTS

This disclosure provides an overview of the principal revenue sources of Express Scripts, Inc. and Medco Health Solutions, Inc. (individually and collectively referred to herein as "ESI"), as well as ESI's affiliates. In addition to administrative and dispensing fees paid to ESI by our clients for pharmaceutical benefit management ("PBM") services, ESI and its affiliates derive revenue from other sources, including arrangements with pharmaceutical manufacturers, wholesale distributors, and retail pharmacies. Some of this revenue relates to utilization of prescription drugs by members of the clients receiving PBM services. ESI may pass through certain manufacturer payments to its clients or may retain those payments for itself, depending on the contract terms between ESI and the client.

Network Pharmacies – ESI contracts for its own account with retail pharmacies to dispense prescription drugs to client members. Rates paid by ESI to these pharmacies may differ among networks (e.g., Medicare, Worker's Comp, open and limited), and among pharmacies within a network, and by client arrangements. PBM agreements generally provide that a client pays ESI an ingredient cost, plus dispensing fee, for drug claims. If the rate paid by a client exceeds the rate contracted with a particular pharmacy, ESI will realize a positive margin on the applicable claim. The reverse also may be true, resulting in negative margin for ESI. ESI also enters into pass-through arrangements where the client pays ESI the actual ingredient cost and dispensing fee amount paid by ESI for the particular claim when the claim is adjudicated to the pharmacy. In addition, when ESI receives payment from a client before payment to a pharmacy, ESI retains the benefit of the use of the funds between these payments. ESI may maintain non-client specific aggregate guarantees with pharmacies and may realize positive margin. ESI may charge pharmacies standard transaction fees to access ESI's pharmacy claims systems and for other related administrative purposes. ESI may also maintain certain preferred value or quality networks; pharmacies participating in those networks may pay or receive aggregated payments related to these networks.

Brand/Generic Classifications – Prescription drugs may be classified as either a "brand" or "generic;" however, the reference to a drug by its chemical name does not necessarily mean that the product is recognized as a generic for adjudication, pricing or copay purposes. For the purposes of pharmacy reimbursement, ESI distinguishes brands and generics through a proprietary algorithm ("BGA") that uses certain published elements provided by First DataBank (FDB) including price indicators, Generic Indicator, Generic Manufacturer Indicator, Generic Name Drug Indicator, Innovator, Drug Class and ANDA. The BGA uses these data elements in a hierarchical process to categorize the products as brand or generic. The BGA also has processes to resolve discrepancies and prevent "flipping" between brand and generic status due to price fluctuations and marketplace availability changes. The elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the BGA are available upon request. Brand or generic classification for client reimbursement purposes is either based on the BGA or specific code indicators from Medi-Span or a combination of the two as reflected in the client's specific contract terms. Application of an alternative methodology based on specific client contract terms does not affect ESI's application of its BGA for ESI's other contracts.

Maximum Allowable Cost ("MAC")/Maximum Reimbursement Amount ("MRA") – As part of the administration of the PBM services, ESI maintains a MAC List of drug products identified as requiring pricing management due to the number of manufacturers, utilization and/or pricing volatility. The criteria for inclusion on the MAC List are based on whether the drug has readily available generic product(s), is generally equivalent to a brand drug, is cleared of any negative clinical implications, and has a cost basis that will allow for pricing below brand rates. ESI also maintains MRA price lists for drug products on the MAC List based on current price reference data provided by MediSpan or other nationally recognized pricing source, market pricing and availability information from generic manufacturers and on-line research of national wholesale drug company files, and client arrangements. Similar to the BGA, the elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the MAC methodology are available upon request.

Manufacturer Programs Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts for its own account to obtain formulary rebates attributable to the utilization of certain brand drugs and supplies (and possibly certain authorized generics marketed under a brand manufacturer's new drug

application). Formulary rebate amounts received vary based on client specific utilization, the volume of utilization as well as formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, claims volume, and other similar factors, and in certain instances also may vary based on the product's market-share. ESI often pays an amount equal to all or a portion of the formulary rebates it receives to a client based on the client's PBM agreement terms. ESI or its affiliates may maintain non-client specific aggregate guarantees and may realize positive margin. In addition, ESI provides administrative services to contracted manufacturers, which include, for example, maintenance and operation of systems and other infrastructure necessary for invoicing and processing rebates, pharmacy discount programs, access to drug utilization data, as allowed by law, for purposes of verifying and evaluating applicable payments, and for other purposes related to the manufacturer's products. ESI receives administrative fees from the participating manufacturers for these services. These administrative fees are calculated based on the price of the drug or supplies along with the volume of utilization and do not exceed the greater of (i) 4.58% of the average wholesale price, or (ii) 5.5% of the wholesale acquisition cost of the products. In its capacity as a PBM company, ESI also may receive other compensation from manufacturers for the performance of various programs or services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, inflation protection programs, medical benefit management services, cost containment programs, discount programs, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees, and ESI may realize positive margin between amounts paid to clients and amounts received from pharmaceutical manufacturers. ESI retains the financial benefit of the use of any funds held until payment is made to the client.

Copies of ESI's standard formularies may be reviewed at [www.express-scripts.com/wps/portal/](http://www.express-scripts.com/wps/portal/). In addition to formulary considerations, other plan design elements are described in ESI's Plan Design Review Guide, which may be reviewed at [www.express-scripts.com/wps/portal/](http://www.express-scripts.com/wps/portal/).

ESI Subsidiary Pharmacies – ESI has several licensed pharmacy subsidiaries, including our specialty pharmacies. These entities may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers, wholesale distributors, and other health care providers. These subsidiary pharmacies contract for these arrangements on their own account in support of their various pharmacy operations. Many of these subsidiary arrangements relate to services provided outside of PBM arrangements, and may be entered into irrespective of whether the particular drug is on one of ESI's national formularies. Discounts and fee-for-service payments received by ESI's subsidiary pharmacies are not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. However, certain purchase discounts received by ESI's subsidiary pharmacies, whether directly or through ESI, may be considered for formulary purposes if the value of such purchase discounts is used by ESI to supplement the discount on the ingredient cost of the drug to the client based on the client's PBM agreement terms. From time to time, ESI and its affiliates also may pursue and maintain for its own account other supply chain sourcing relationships not described below as beneficial to maximize ESI's drug purchasing capabilities and efficiencies, and ESI or affiliates may realize an overall positive margin with regard to these initiatives.

The following provides additional information regarding examples of ESI subsidiary discount arrangements and fee-for-service arrangements with pharmaceutical manufacturers, and wholesale distributors:

ESI Subsidiary Pharmacy Discount Arrangements – ESI subsidiary pharmacies purchase prescription drug inventories, either from manufacturers or wholesalers, for dispensing to patients. Often, purchase discounts off the acquisition cost of these products are made available by manufacturers and wholesalers in the form of either up-front discounts or retrospective discounts. These purchase discounts, obtained through separate purchase contracts, are not formulary rebates paid in connection with our PBM formulary rebate programs. Drug purchase discounts are based on a pharmacy's inventory needs and, at times, the performance of related patient care services and other performance requirements. When a subsidiary pharmacy dispenses a product from its inventory, the purchase price paid for the dispensed product, including applicable dispensing fees, may be greater or less than that pharmacy's acquisition cost for the product net of purchase discounts. In general, our pharmacies realize an overall positive margin between the net acquisition cost and the amounts paid for the dispensed drugs.

ESI Subsidiary Fee-For-Service Arrangements – One or more of ESI's subsidiaries, including, but not limited to, its subsidiary pharmacies also may receive fee-for-service payments from manufacturers,

wholesalers, or other health care providers in conjunction with various programs or services, including, for example, patient assistance programs for indigent patients, dispensing prescription medications to patients enrolled in clinical trials, various therapy adherence and fertility programs, administering FDA compliance requirements related to the drug, 340B contract pharmacy services, product reimbursement support services, and various other clinical or pharmacy programs or services. As a condition to having access to certain products, and sometimes related to certain therapy adherence criteria or FDA requirements, a pharmaceutical manufacturer may require a pharmacy to report selected information to the manufacturer regarding the pharmacy's service levels and other dispensing-related data with respect to patients who receive that manufacturer's product. A portion of the discounts or other fee-for-service payments made available to our pharmacies may represent compensation for such reporting.

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business, group purchasing organizations (and related group purchasing organization fees), a medical benefit management company, and United BioSource Corporation ("UBC"). Compensation derived through these business arrangements is not considered for PBM formulary placement, and is in addition to other amounts described herein. Of particular note, UBC partners with life sciences and pharmaceutical companies to develop, commercialize, and support safe, effective use and access to pharmaceutical products. UBC maintains a team of research scientists, biomedical experts, research operations professionals, technologists and clinicians who work with clients to conduct and support clinical trials, create, and validate and administer pre and post product safety and risk management programs. UBC also works on behalf of pharmaceutical manufacturers to provide product and disease state education programs, reimbursement assistance, and other support services to the public at large. These service fees are not part of the formulary rebates or associated administrative fees.

Third Party Data Sales – Consistent with any client contract limitations, ESI or its affiliates may sell HIPAA compliant information maintained in their capacity as a PBM, pharmacy, or otherwise to data aggregators, manufacturers, or other third parties on a fee-for-service basis or as a condition of discount eligibility. All such activities are conducted in compliance with applicable patient and pharmacy privacy laws and client contract restrictions.

October 1, 2015

**THIS ADDENDUM REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS ADDENDUM AND THE FINANCIAL DISCLOSURES CONTAINED HEREIN TO REFLECT CHANGES IN ITS BUSINESS PROCESSES; THE CURRENT FINANCIAL DISCLOSURE IS AVAILABLE UPON REQUEST AND ACCESSIBLE ON EXPRESS-SCRIPTS.COM AT WWW.EXPRESS-SCRIPTS.COM/WPS/PORTAL/.**

**ADDENDUM B**

**Express Scripts Manufacturer Payment Disclosure**

For the last publicly reported fiscal year (2016), Express Scripts Total Product Revenue exceeded \$100,287,500,000. For the same reporting period, Express Scripts Total Manufacturer Payments equaled \$14,139,737,630. Of that total, approximately 79% was attributable to Manufacturer Formulary Payments and approximately 21% was attributable to Manufacturer Additional Payments. Express Scripts reports this information on a quarterly and annual basis to clients that receive amounts through their contracted PBM arrangement with Express Scripts attributable to formulary rebates earned by Express Scripts.

Express Scripts Total Product Revenue	Express Scripts' total net revenue, which consists principally of sales of prescription drugs to clients, either through Express Scripts' network of contracted retail pharmacies or through the Express Scripts Pharmacy <sup>SM</sup> .
Express Scripts Total Manufacturer Payments	All compensation or remuneration earned by Express Scripts from pharmaceutical manufacturers, including, but not limited to, rebates, regardless of how characterized, and administrative or management fees.
Percentage of Manufacturer Payments that are Manufacturer Formulary Payments	Manufacturer payments earned by Express Scripts that are in return for or as part of formulary placement, or that are characterized as "formulary" or "base" rebates, divided by Express Scripts Total Manufacturer Payments.
Percentage of Manufacturer Payments that are Manufacturer Additional Payments	All manufacturer payments earned other than "formulary" or "base" rebates divided by Express Scripts Total Manufacturer Payments.

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**ADDENDUM C**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean Contractor. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this Agreement shall mean the State of New Hampshire Department of Administrative Services Employee and Retiree Health Benefit Program. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

**BUSINESS ASSOCIATE AGREEMENT**

1. Definitions

- a. The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.
- b. All terms not otherwise defined herein shall have the same meaning as those set forth in the HIPAA Rules.

2. Privacy and Security of Protected Health Information (PHI)

a. Permitted Uses and Disclosures

- i. Business Associate shall not use, disclose, maintain or transmit PHI except as reasonably necessary to provide the services set forth in this Agreement or any agreement between the parties, or as required by law.
- ii. Business Associate is authorized to use PHI to de-identify the information in accordance with 45 CFR 164.514(a)-(c). Business Associate shall de-identify the PHI in a manner consistent with HIPAA Rules. Uses and disclosures of the de-identified information shall be limited to those consistent with the provisions of this Agreement.
- iii. Business Associate may use PHI as necessary to perform data aggregation services, and to create Summary Health Information and/or Limited Data Sets. Contractor shall use appropriate safeguards to prevent use or disclosure of the information other than as provided for herein, shall ensure that any agents or subcontractors to whom it provides such information agree to the same restrictions and conditions that apply to Contractor, and not identify the Summary Health Information and/or Limited Data Sets or contact the individuals other than for the management, operation and administration of the Plan.
- iv. Business Associate may use and disclose PHI (a) for the management, operation and administration of the Plan, (b) for the services set forth in the Agreement, which include (but are not limited to) Treatment, Payment activities, and/or Pharmacy Benefit Management as these terms are defined in this Agreement and 45 C.F.R. § 164.501, and (c) as otherwise required to perform its obligations under this Agreement, or any other agreement between the parties provided that such use or disclosure would not violate the HIPAA Regulations.
- v. Business Associate may disclose, in conformance with the HIPAA Rules, PHI to make disclosures of De-identified Health Information, Limited Data Sets, and Summary Health Information. Contractor shall use appropriate safeguards to prevent use or disclosure of the information other than as provided for herein, ensure that any agents or subcontractors to whom it provides such information agree to the same restrictions and conditions that apply to Contractor, and not identify the De-identified Health Information., Summary Health Information

and/or Limited Data Sets or contact the individuals. Business Associate may also disclose, in conformance with the HIPAA Regulations, PHI to Health Care Providers for permitted purposes including health care operations.

- vi. Business Associate may use or disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate. To the extent Business Associate discloses PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (a) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (b) an agreement from such third party to notify Business Associate of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
  - vii. To the extent practicable, Business Associate shall not, unless such disclosure is reasonably necessary to provide services outlined in the Agreement, disclose any PHI in response to a request for disclosure on the basis it is required by law without first notifying Covered Entity unless such notification is prohibited by law. In the event Covered Entity objects to the disclosure it shall seek the appropriate relief and the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
- b. **Minimum Necessary.** Business Associate will, in its performance of the functions, activities, services, and operations specified above, make reasonable efforts to use, to disclose, and to request only the minimum amount of PHI reasonably necessary to accomplish the intended purpose of the use, disclosure, or request, except that Business Associate will not be obligated to comply with this minimum-necessary limitation if neither Business Associate or Covered Entity is required to limit its use, disclosure, or request to the minimum necessary under the HIPAA Rules. Business Associate and Covered Entity acknowledge that the phrase "minimum necessary" shall be interpreted in accordance with the HITECH Act and the HIPAA Rules.
  - c. **Prohibition on Unauthorized Use or Disclosure.** Business Associate may not use or disclose PHI except (1) as permitted or required by this Agreement, or any other agreement between the parties or as permitted by the HIPAA Rules, (2) as permitted in writing by Covered Entity, or (3) as authorized by the individual or (4) as Required by Law. This agreement does not authorize Business Associate to use or disclose Covered Entity's PHI in a manner that would violate the HIPAA Rules if done by Covered Entity, except as permitted for Business Associate's proper management and administration as described herein.

### 3. Information Safeguards

- a. **Privacy of Protected Health Information.** Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of PHI. The safeguards must reasonably protect PHI from any intentional or unintentional use or disclosure in violation of the Privacy Rule and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement. To the extent the parties agree that the Business Associate will carry out directly one or more of Covered Entity's obligations under the Privacy Rule, the Business Associate will comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligations.
- b. **Security of Covered Entity's Electronic Protected Health Information.** Business Associate will comply with the Security Rule and will use appropriate administrative, technical and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic PHI that Business Associate creates, receives, maintains or transmits on Covered Entity's behalf.
- c. **Subcontractors and Affiliates.** Business Associate will require each of its Subcontractors and Affiliates, unless such Affiliate is acting as a separate Covered Entity, to agree, in a written agreement with Business Associate, to comply with the provisions of the Security Rule; to appropriately safeguard PHI created, received, maintained; or transmitted on behalf of the Business Associate; and to apply the same restrictions and conditions that apply to the Business Associate with respect to such PHI.

- d. Prohibition on Sale of Protected Health Information. Business Associate shall not engage in any sale of PHI, except as permitted under 45 CFR § 164.502(a)(5)(ii).
  - e. Prohibition on Use or Disclosure of Genetic Information. Business Associate shall not use or disclose Genetic Information for underwriting purposes in violation of the HIPAA rules.
  - f. Penalties for Noncompliance. Business Associate acknowledges that it is subject to civil and criminal enforcement for failure to comply with the HIPAA Rules, to the extent provided with the HITECH Act and the HIPAA Rules.
4. Compliance With Electronic Transactions Rule
- a. If Business Associate conducts in whole or part electronic Transactions on behalf of Covered Entity for which HHS has established standards, Business Associate will comply, and will require any Subcontractor it involves with the conduct of such Transactions to comply, with each applicable requirement of the Electronic Transactions Rule and of any operating rules adopted by HHS with respect to Transactions.
5. Individual Rights and PHI
- a. Access
    - i. Business Associate shall respond to an individual's request for access to his or her PHI as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with regard to PHI that Business Associate and/or its Subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
    - ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity by individuals to invoke a right of access under the HIPAA Privacy Regulation. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate shall make available to Covered Entity, or at Covered Entity's direction to the individual (or the individual's personal representative), any PHI about the individual created or received for or from Covered Entity in the control of Business Associate's and/or its Subcontractors for inspection and obtaining copies so that Covered Entity may meet its access obligations under 45 CFR 164.524, and, where applicable, the HITECH Act. Business Associate shall make such information available in an electronic format where required by the HITECH Act.
  - b. Amendment
    - i. Business Associate shall respond to an individual's request to amend his or her PHI as part of Business Associate's normal customer service functions, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with respect to the PHI Business Associate and its Subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
    - ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity to invoke a right to amend under the HIPAA Privacy Regulation. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate shall amend any portion of the PHI created or received for or from Covered Entity in the custody or control of Business Associate and/or its Subcontractors so that Covered Entity may meet its amendment obligations under 45 CFR 164.526.
  - c. Disclosure Accounting
    - i. Business Associate shall respond to an individual's request for an accounting of disclosures of his or her PHI as part of Business Associate's normal customer service function, if the request is communicated to the Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to a request with respect to the PHI Business



Associate and its Subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.

- ii. In addition, Business Associate shall assist Covered Entity in responding to requests made to Covered Entity by individuals or their personal representatives to invoke a right to an accounting of disclosures under the HIPAA Privacy Regulation by performing the following functions so that Covered Entity may meet its disclosure accounting obligation under 45 CFR 164.528:
  - iii. Disclosure Tracking. Business Associate shall record each disclosure that Business Associate makes of individuals' PHI, which is not excepted from disclosure accounting under 45 CFR 164.528(a)(1).
  - iv. Disclosure Information. The information about each disclosure that Business Associate must record ("Disclosure Information") is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom Business Associate made the disclosure, (c) a brief description of the PHI disclosed, and (d) a brief statement of the purpose of the disclosure or a copy of any written request for disclosure under 45 Code of Federal Regulations §164.502(a)(2)(ii) or §164.512. Disclosure Information also includes any information required to be provided by the HITECH Act.
  - v. Repetitive Disclosures. For repetitive disclosures of individuals' PHI that Business Associate makes for a single purpose to the same person or entity (including to Covered Entity or Employer), Business Associate may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.
  - vi. Exceptions from Disclosure Tracking. Business Associate will not be obligated to record Disclosure Information or otherwise account for disclosures of PHI if Covered Entity need not account for such disclosures under the HIPAA Rules.
  - vii. Disclosure Tracking Time Periods. Unless otherwise provided by the HITECH Act and/or any accompanying regulations, Business Associate shall have available for Covered Entity the Disclosure Information required by Section 3.j.iii.2 above for the six (6) years immediately preceding the date of Covered Entity's request for the Disclosure Information.
- d. Confidential Communications
- i. Business Associate shall respond to an individual's request for a confidential communication as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual or the individual's personal representative. Business Associate shall respond to the request with respect to the PHI Business Associate and its Subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation. If an individual's request, made to Business Associate, extends beyond information held by Business Associate or Business Associate's Subcontractors, Business Associate shall refer individual to Covered Entity. Business Associate assumes no obligation to coordinate any request for a confidential communication of PHI maintained by other business associates of Covered Entity.
  - ii. In addition, Business Associate shall assist Covered Entity in responding to requests to it by individuals (or their personal representatives) to invoke a right of confidential communication under the HIPAA Privacy Regulation. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate will begin to send all communications of PHI directed to the individual to the identified alternate address so that Covered Entity may meet its access obligations under 45 CFR 164.524.
- e. Restrictions
- i. Business Associate shall respond to an individual's request for a restriction as part of Business Associate's normal customer service function, if the request is communicated to Business Associate directly by the individual (or the individual's personal representative). Business Associate shall respond to the request with respect to the PHI Business Associate and its

Subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.

- ii. In addition, Business Associate shall promptly, upon receipt of notice from Covered Entity, restrict the use or disclosure of individuals' PHI, provided the Business Associate has agreed to such a restriction. Covered Entity agrees that it will not commit Business Associate to any restriction on the use or disclosure of individuals' PHI for treatment, payment or health care operations without Business Associate's prior written approval.

6. Breach

- a. Business Associate shall report to Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement promptly upon discovery of such incident, including any Security Incident involving PHI, ePHI, or Unsecured PHI as required by 45 CFR 164.410. Such report shall not include instances where Business Associate inadvertently misroutes PHI to a provider, as long as the disclosure is not a Breach as defined under 45 CFR §164.402. The parties acknowledge and agree that attempted but Unsuccessful Security Incidents (as defined below) that occur on a daily basis will not be reported. "Unsuccessful Security Incidents" shall include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI.
- b. Business Associate shall report a Breach or a potential Breach to Covered Entity upon discovery of any such incident. Business Associate will treat a Breach or potential Breach as being discovered as of the first day on which such incident is known to Business Associate, or by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach or potential Breach if such incident is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer or other agent of Business Associate. If a delay is requested by a law-enforcement official in accordance with 45 CFR § 164.412, Business Associate may delay notifying Covered Entity for the applicable time period. Business Associate's report will include at least the following, provided that absence of any information will not be cause for Business Associate to delay the report:
  - i. Identify the nature of the Breach, which will include a brief description of what happened, including the date of any Breach and the date of the discovery of any Breach;
  - ii. Identify the scope of the Breach, including the number of Covered Entity members involved as well as the number of other individuals involved;
  - iii. Identify the types of PHI that were involved in the Breach (such as whether full name, Social Security number, date of birth, home address, account number, diagnosis, or other information were involved);
  - iv. Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;
  - v. Identify what corrective or investigational action Business Associate took or will take to prevent further non-permitted uses or disclosures, to mitigate harmful effects, and to protect against any further Breaches;
  - vi. Identify what steps the individuals who were subject to a Breach should take to protect themselves;
  - vii. Provide such other information as Covered Entity may reasonably request.
- c. Security Incident. Business Associate will promptly upon discovery of such incident report to Covered Entity any Security Incident of which Business Associate becomes aware. Business Associate will treat a Security Incident as being discovered as of the first day on which such incident is known to Business Associate, or by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Security Incident if such incident is known, or by exercising reasonable diligence would have been known, to any

person, other than the person committing the Security Incident, who is an employee, officer or other agent of Business Associate. If any such Security Incident resulted in a disclosure not permitted by this Agreement or Breach of Unsecured PHI, Business Associate will make the report in accordance with the provisions set forth above.

- d. Mitigation. Business Associate shall mitigate, to the extent practicable, any harmful effect known to the Business Associate resulting from a use or disclosure in violation of this Agreement.
- e. Breach Notification to Third Parties. Business Associate will handle breach notifications to individuals, the United States Department of Health and Human Services Office for Civil Rights, and, where applicable, the media. Should such notification be necessary, Business Associate will ensure that Covered Entity will receive notice of the breach prior to such incident being reported.

7. Term and Termination

- a. The term of this Agreement shall be effective as of Governor and Executive Council approval, and shall terminate on December 31, 2021 or such other date as authorized by the Governor and Executive Council, or on the date covered entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.
- b. In addition to general provision #10 of this Agreement the Covered Entity may, as soon as administratively feasible, terminate the Agreement upon Covered Entity's knowledge of a material breach by Business Associate of the Business Associate Agreement set forth herein as Addendum C. Prior to terminating the Agreement, the Covered Entity may provide an opportunity for Business Associate to cure the alleged breach within a reasonable timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity may report the violation to the Secretary.
- c. Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained or received by Business Associate on behalf of Covered Entity, shall:
  - i. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
  - ii. To the extent feasible, Business Associate shall, and shall cause any subcontractors and agents to, return or destroy and retain no copies of all PHI received from, or created or received by Business Associate on behalf of, Covered Entity. If Business Associate determines, in its sole discretion, that return or destruction of such information is not feasible, Business Associate shall continue to limit the use or disclosure of such information as set forth in this Agreement as if the Agreement had not been terminated. If and when it becomes feasible to destroy PHI Business Associate shall do so;
  - iii. To the extent feasible, destroy, in accordance with applicable law and Business Associate's record retention policy that it applies to similar records, the remaining PHI that Business Associate still maintains in any form;
  - iv. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
  - v. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out in this Agreement which applied prior to termination; and
  - vi. Destroy in accordance with applicable law and Business Associate's record retention policy that it applies to similar records, the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.
- d. The above provisions shall apply to PHI that is in the possession of any Subcontractors of Business Associate. Further Business Associate shall require any such Subcontractor to certify

to Business Associate that it has returned or destroyed all such information which could be returned or destroyed.

- e. Business Associate's obligations under this Section 7.c. shall survive the termination or other conclusion of this Agreement.

8. Covered Entity's Responsibilities

- a. Covered Entity shall be responsible for the preparation of its Notice of Privacy Practices ("NPP"). To facilitate this preparation, upon Covered Entity's request, Business Associate will provide Covered Entity with its NPP that Covered Entity may use as the basis for its own NPP. Covered Entity will be solely responsible for the review and approval of the content of its NPP, including whether its content accurately reflects Covered Entity's privacy policies and practices, as well as its compliance with the requirements of 45 C.F.R. § 164.520. Unless advance written approval is obtained from Business Associate, Covered Entity shall not create any NPP that imposes obligations on Business Associate that are in addition to or that are inconsistent with the HIPAA Rules.
b. Covered Entity shall bear full responsibility for distributing its own NPP.
c. Covered Entity shall notify Business Associate of any change(s) in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such change(s) may affect Business Associate's use or disclosure of such PHI.

9. Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the HIPAA Rules as in effect or as amended.
b. Amendment. Covered Entity and Business Associate agree to take action to amend the Agreement as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.
c. Business Associate shall make available all of its internal practices, policies and procedures, books, records and agreements relating to its use and disclosure of Protected Health Information to the United States Department of Health and Human Services as necessary, to determine compliance with the HIPAA Rules and with this Addendum C.
d. Interpretation. The parties agree that any ambiguity in the Agreement shall be interpreted to permit compliance with the HIPAA Rules.
e. Severability. If any term or condition of this Addendum C or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Addendum C are declared severable.
f. Survival. Provisions in this Addendum C regarding the use and disclosure of PHI, return or destruction of PHI, confidential communications and restrictions shall survive the termination of the Agreement.

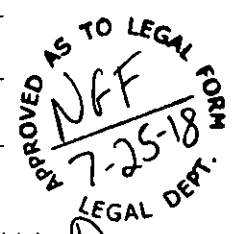
IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum C.

The State of New Hampshire Employee and Retiree Health Benefit Program

Express Scripts, Inc

Signature of Authorized Representative: Charles Arlinghaus
Name of Authorized Representative: Commissioner
Title of Authorized Representative:
Date: 7-31-18

Signature of Authorized Representative: David Queller
Name of Authorized Representative: SNP-SALES-ACCOUNT MANAGEMENT
Title of Authorized Representative:
Date: 7/25/18



Contractor's Initials: Dug
Date: 7/25/18



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)	10/1/2018	7/23/2018
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THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


<b>PRODUCER</b> Lockton Companies Three City Place Drive, Suite 900 St. Louis MO 63141-7081 (314) 432-0500	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____																					
	<table border="1"> <thead> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A:</td> <td>Travelers Property Casualty Co of America</td> <td>25674</td> </tr> <tr> <td>INSURER B:</td> <td>The Travelers Indemnity Company</td> <td>25658</td> </tr> <tr> <td>INSURER c:</td> <td>The Travelers Indemnity Co of America</td> <td>25666</td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Travelers Property Casualty Co of America	25674	INSURER B:	The Travelers Indemnity Company	25658	INSURER c:	The Travelers Indemnity Co of America	25666	INSURER D:			INSURER E:			INSURER F:	
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INSURER E:																						
INSURER F:																						
<b>INSURED</b> Express Scripts Holding Company Inc. & its wholly owned subsidiaries including Express Scripts, Inc. Medco Health Solutions, Inc. & CareCore National Group, LLC dba eviCore Healthcare One Express Way, HQ2N01 St. Louis MO 63121 1378526																						

**COVERAGES** CERTIFICATE NUMBER: 15507055 REVISION NUMBER: XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL	SUBR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX DAMAGE TO RENTED PREMISES (Ea occurrence) \$ XXXXXXXX MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ XXXXXXXX GENERAL AGGREGATE \$ XXXXXXXX PRODUCTS - COMP/POP AGG \$ XXXXXXXX \$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	N	N	TC2JCAP118D0428TIL17	10/1/2017	10/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$ XXXXXXXX
C B B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	TC2JUB118D039717 (AOS) TRKUB118D041617 (AZ MA WI)	10/1/2017 10/1/2017	10/1/2018 10/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Auto Physical Damage	N	N	TJ-BAP-118D4440-TIL-17	10/1/2017	10/1/2018	Comp Ded. \$1,000 Coll Ded. \$1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 THIS CERTIFICATE SUPERSEDES ALL PREVIOUSLY ISSUED CERTIFICATES FOR THIS HOLDER, APPLICABLE TO THE CARRIERS LISTED AND THE POLICY TERM(S) REFERENCED.  
 \*\*SEE ATTACHMENT FOR FULL NAMED INSURED LISTING\*\*

<b>CERTIFICATE HOLDER</b> 15507055 STATE OF NEW HAMPSHIRE DEPARTMENT OF ADMINISTRATIVE SERVICES BUREAU OF PURCHASE AND PROPERTY 25 CAPITOL STREET, RM 102 CONCORD NH 03301	<b>CANCELLATION</b> See Attachment  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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### Additional Named Insureds

Accredo Health Group, Inc.  
Accredo Health, Incorporated  
AHG of New York, Inc.  
Airport Holdings, LLC  
BioPartners In Care, Inc.  
Byfield Drug, Inc.  
CareCore National Group, LLC  
CareCore National, LLC  
Care Continuum, Inc.  
CFI of New Jersey, Inc.  
Chiro Alliance Corporation  
CuraScript, Inc.  
Diversified Pharmaceutical Services, Inc.  
Econdisc Contracting Solutions, LLC  
ESI Canada  
ESI GP2 Canada ULC  
ESI Mail Order Processing, Inc.  
ESI Mail Pharmacy Service, Inc.  
ESI Partnership (ESP)  
ESI Realty, LLC  
ESI Resources, Inc.  
ESI-GP Canada ULC  
ESI-GP Holdings, Inc.  
Express Reinsurance Company  
Express Scripts Administrators, LLC  
Express Scripts Canada Co.  
Express Scripts Canada Holding Co.  
Express Scripts Canada Holding, LLC  
Express Scripts Canada Services  
Express Scripts Canada Wholesale  
Express Scripts Foundation  
Express Scripts Pharmaceutical Procurement, LLC  
Express Scripts Pharmacy Atlantic, Ltd.  
Express Scripts Pharmacy Central, Ltd.  
Express Scripts Pharmacy, Inc.  
Express Scripts Pharmacy Ontario, Ltd.  
Express Scripts Pharmacy West, Ltd.  
Express Scripts Senior Care Holdings, Inc.  
Express Scripts Senior Care, Inc.  
Express Scripts Services Co.  
Express Scripts Specialty Distribution Services, Inc.  
Express Scripts Utilization Management Co.  
Express Scripts, Inc.  
Express Scripts, Inc. Political Fund  
Freco, Inc.  
Freedom Service Company, LLC  
Healthbridge Reimbursement and Product Support, Inc.  
Healthbridge, Inc.  
Inside RX, LLC  
L&C Investments, LLC  
Lynnfield Compounding Center, Inc.  
Lynnfield Drug, Inc.  
MAH Pharmacy, LLC  
Matrix GPO LLC  
Medco Containment Insurance Company of New York  
Medco Containment Life Insurance Company  
Medco Europe II, LLC  
Medco Europe, LLC  
Medco Health New York Independent Practice Association, LLC  
Medco Health Puerto Rico, LLC  
Medco Health Services, Inc.  
Medco Health Solutions [Ireland] Ltd.  
Medco Health Solutions, Inc.  
Medco International Holdings B.V.  
Medco of Willingboro Urban Renewal, LLC  
MHS Holdings, C.V.  
Mooresville On-Site Pharmacy LLC  
MWD Insurance Company  
myMatrixx Holdings, LLC  
Matrix Healthcare Services, Inc.  
MyM Technology Services, LLC  
myMatrixx-B, LLC  
National Prescription Administrators, Inc.  
Palladian Independent Practice Association  
Palladian Health of Florida  
Priority Healthcare Corporation  
Priority Healthcare Corporation West  
Priority Healthcare Distribution, Inc.  
Spectracare Healthcare Ventures, Inc.  
Spectracare Infusion Pharmacy, Inc.  
Spectracare, Inc.  
Strategic Pharmaceutical Investments, LLC  
Systemed, LLC  
The Vaccine Consortium, LLC



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/23/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh USA Inc. 701 Market Street, Suite 1100 St. Louis, MO 63101 Attn: healthcare.accounts@marsh.com Fax: 212-948-1307	<b>CONTACT NAME:</b>	
	<b>PHONE (A/C, No, Ext):</b>	<b>FAX (A/C, No):</b>
<b>E-MAIL ADDRESS:</b>		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
CN101191547-Stad-Multi-17-19	<b>INSURER A :</b> Columbia Casualty Company	31127
<b>INSURED</b> Express Scripts Holding Co. and its wholly owned subsidiaries including Express Scripts, Inc., Medco Health Solutions, Inc. and CareCore National Group, LLC dba eviCore healthcare One Express Way, HQ2N01 St. Louis, MO 63121	<b>INSURER B :</b> National Union Fire Ins Co Pittsburgh PA	19445
	<b>INSURER C :</b>	
	<b>INSURER D :</b>	
	<b>INSURER E :</b>	
	<b>INSURER F :</b>	

**COVERAGES**                      **CERTIFICATE NUMBER:** CHI-009028248-01                      **REVISION NUMBER:** 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Healthcare Prof. Liability <input checked="" type="checkbox"/> Managed Care E&O GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			HAZ 1064377608-12	06/01/2018	06/01/2019	EACH OCCURRENCE \$ 10,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ Managed Care E&O \$ 10,000,000
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	Crime / Third Party Fidelity			02-932-07-44	12/01/2017	12/01/2018	Per Loss \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b> State of New Hampshire Department of Administrative Services Bureau of Purchase and Property 25 Capitol Street RM 102 Concord, NH 03301	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Manashi Mukherjee <i>Manashi Mukherjee</i>
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**ADDITIONAL REMARKS SCHEDULE**

AGENCY Marsh USA Inc.		NAMED INSURED Express Scripts Holding Co. and its wholly owned subsidiaries including Express Scripts, Inc., Medco Health Solutions, Inc. and CareCore National Group, LLC dba eviCore healthcare One Express Way, HQ2N01 St. Louis, MO 63121
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Policy No. HAZ 1064377608-12 includes coverage for Products Liability. Policy No. HAZ 1064377608-12 includes coverage for Privacy Liability \$5,000,000 Each Claim/Aggregate.

Additional Named Insureds:

- Express Scripts Holding Company, Inc.
- Express Scripts, Inc.
- Express Scripts Services Co.
- Diversified Pharmaceutical Services, Inc.
- ESI Mail Pharmacy Service, Inc.
- Express Scripts Specialty Distribution Services, Inc.
- ESI Partnership
- ESI Resources, Inc.
- ESI GP Holdings, Inc.
- Express Scripts Utilization Management Company
- Express Scripts Strategic Development, Inc.
- Express Scripts Sales Operations, Inc.
- Airport Holdings, LLC
- CuraScript, Inc.
- Priority Healthcare Corporation
- Strategic Pharmaceutical Investments, LLC
- L&C Investments, LLC
- Matrix GPO, LLC
- Healthbridge Reimbursement & Product Support, Inc.
- Care Continuum, Inc.
- Express Scripts Senior Care Holdings, Inc.
- Express Scripts Pharmaceutical Procurement, LLC
- ESI Mail Order Processing, Inc.
- Express Reinsurance Company
- Econdisc Contracting Solutions, LLC
- Express Scripts Canada Holding, LLC
- Express Scripts Canada Holding Co.
- Accredo Health, Incorporated
- AHG of New York, Inc.
- Biopartners In Care, Inc.
- Accredo Health Group, Inc.
- MAH Pharmacy, LLC
- Express Scripts Pharmacy, Inc.
- Medco Containment Life Insurance Company
- Medco Containment Insurance Company of NY
- Medco Health Solutions, Inc.
- Medco Europe, LLC
- Medco Europe II, LLC
- Express Scripts Administrators LLC
- Medco Health Puerto Rico, LLC
- Systemed, LLC
- Medco Health Services, Inc.
- UBC Late Stage, Inc.
- United BioSource Patient Solutions, Inc.





**ADDITIONAL REMARKS SCHEDULE**

AGENCY Marsh USA Inc.		NAMED INSURED Express Scripts Holding Co. and its wholly owned subsidiaries including Express Scripts, Inc., Medco Health Solutions, Inc. and CareCore National Group, LLC dba eviCore healthcare One Express Way, HQ2N01 St. Louis, MO 63121
POLICY NUMBER		
CARRIER	NAIC CODE	
EFFECTIVE DATE:		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

- The Vaccine Consortium, LLC
- United BioSource LLC
- United BioSource Holdings, Inc.
- Priority Healthcare Distribution, Inc.
- Freco, Inc.
- Lynnfield Compounding Center, Inc.
- Freedom Service Company, LLC
- SpectraCare, Inc.
- SpectraCare Health Care Ventures, Inc.
- ESI Canada
- Express Scripts Canada Co.
- ESI GP Canada ULC
- ESI GP2 Canada ULC
- Express Scripts Canada Wholesale
- Express Scripts Canada Services
- Express Scripts Pharmacy Ontario, Ltd.
- Express Scripts Pharmacy West, Ltd.
- Express Scripts Pharmacy Central, Ltd.
- Express Scripts Pharmacy Atlantic, Ltd.
- United BioSource Holding (Canada) Company
- United BioSource (HCA Canada) Company
- United BioSource (Germany) GmbH
- United BioSource Corporation, S.L.
- United BioSource (Suisse) SA
- MHS Holdings, CV
- Medco International Holdings, BV
- United BioSource Holding (UK) Limited
- UBC Late Stage (UK) Limited
- Medco Health Solutions (Ireland) Limited
- Lynnfield Drug, Inc.
- Diversified NY IPA, Inc.
- Express Scripts Senior Care, Inc.
- Healthbridge, Inc.
- Inside RX, LLC
- myMatrix Holdings, LLC
- Matrix Healthcare Services, Inc.
- MyM Technology Services, LLC
- myMatrix-B, LLC
- Innovative Product Alignment, LLC
- CareCore National Group, LLC
- MedSolutions Holdings, Inc.
- MedSolutions, Inc. (dba eviCore healthcare)
- OPID Health, Inc.
- AS Acquisition Corp.
- HealthFortis, Inc.
- DNA Direct, Inc.
- Landmark Healthcare, Inc. (dba eviCore healthcare MSK)
- Landmark Healthcare Services, Inc. (dba eviCore healthcare MSK Services)
- Landmark Healthcare New Jersey, Inc.
- Landmark Healthcare New Mexico, Inc.



**ADDITIONAL REMARKS SCHEDULE**

AGENCY Marsh USA Inc.		NAMED INSURED Express Scripts Holding Co. and its wholly owned subsidiaries including Express Scripts, Inc., Medco Health Solutions, Inc. and CareCore National Group, LLC dba eviCore healthcare One Express Way, HQ2N01 St. Louis, MO 63121	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

- Landmark Healthcare Colorado, Inc. (dba eviCore healthcare MSK Colorado)
- Landmark Healthcare Arizona, Inc.
- Integricare Healthplan of Texas, Inc.
- CareCore NJ, LLC (dba eviCore healthcare NJ ODS)
- CCN-WYN IPA, LLC (dba eviCore healthcare IPA)
- CCN NMO, LLC (dba eviCore healthcare IPA)
- MedSolutions of Texas, Inc.
- MSI Health Organization of Texas, Inc.
- Premerus, Inc.
- Triad Healthcare, Inc. (dba eviCore healthcare MSK Services of Connecticut)
- eviCore healthcare MSI, LLC (dba eviCore healthcare)
- Palladian Health of Florida, LLC
- Palladian Independent Practice Association, LLC
- Chiro Alliance Corporation



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/23/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Marsh USA Inc. 701 Market Street, Suite 1100 St. Louis, MO 63101 Attn: healthcare.accountscss@marsh.com Fax: 212-948-1307	<b>CONTACT NAME:</b> PHONE (A/C No. Ext): _____ FAX (A/C No.): _____ E-MAIL ADDRESS: _____	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
CN101191547-STND-CYBER-18-19	<b>INSURER A :</b> Lexington Insurance Company	<b>NAIC #</b> 19437
<b>INSURED</b> Express Scripts Holding Co. and its wholly owned subsidiaries including Express Scripts, Inc., Medco Health Solutions, Inc. and CareCore National Group, LLC dba eviCore healthcare One Express Way, HQ2N01 St. Louis, MO 63121	<b>INSURER B :</b>	
	<b>INSURER C :</b>	
	<b>INSURER D :</b>	
	<b>INSURER E :</b>	
	<b>INSURER F :</b>	

**COVERAGES**                      **CERTIFICATE NUMBER:** CHI-009028246-01                      **REVISION NUMBER: 2**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			PER STATUTE    OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Cyber Liability			01-436-33-30 Network Security	06/01/2018	06/01/2019	LIMIT \$10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b> State of New Hampshire Department of Administrative Services Bureau of Purchase and Property 25 Capitol Street RM 102 Concord, NH 03301	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Manashi Mukherjee <i>Manashi Mukherjee</i>
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**ADDITIONAL REMARKS SCHEDULE**

<b>AGENCY</b> Marsh USA Inc.		<b>NAMED INSURED</b> Express Scripts Holding Co. and its wholly owned subsidiaries including Express Scripts, Inc., Medco Health Solutions, Inc. and CareCore National Group, LLC dba eviCore healthcare One Express Way, HQ2N01 St. Louis, MO 63121	
<b>POLICY NUMBER</b>		<b>EFFECTIVE DATE:</b>	
<b>CARRIER</b>	<b>NAIC CODE</b>		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
**FORM NUMBER:** 25 **FORM TITLE:** Certificate of Liability Insurance

SIR: \$5,000,000 Applies to policy #01-436-33-30

**Additional Named Insureds:**

- Express Scripts Holding Company, Inc.
- Express Scripts, Inc.
- Express Scripts Services Co.
- Diversified Pharmaceutical Services, Inc.
- ESI Mail Pharmacy Service, Inc.
- Express Scripts Specialty Distribution Services, Inc.
- ESI Partnership
- ESI Resources, Inc.
- ESI GP Holdings, Inc.
- Express Scripts Utilization Management Company
- Express Scripts Strategic Development, Inc.
- Express Scripts Sales Operations, Inc.
- Airport Holdings, LLC
- CuraScript, Inc.
- Priority Healthcare Corporation
- Strategic Pharmaceutical Investments, LLC
- L&C Investments, LLC
- Matrix GPO, LLC
- Healthbridge Reimbursement & Product Support, Inc.
- Care Continuum, Inc.
- Express Scripts Senior Care Holdings, Inc.
- Express Scripts Pharmaceutical Procurement, LLC
- ESI Mail Order Processing, Inc.
- Express Reinsurance Company
- Econdisc Contracting Solutions, LLC
- Express Scripts Canada Holding, LLC
- Express Scripts Canada Holding Co.
- Accredo Health, Incorporated
- AHG of New York, Inc.
- Biopartners in Care, Inc.
- Accredo Health Group, Inc.
- MAH Pharmacy, LLC
- Express Scripts Pharmacy, Inc.
- Medco Containment Life Insurance Company
- Medco Containment Insurance Company of NY
- Medco Health Solutions, Inc.
- Medco Europe, LLC
- Medco Europe II, LLC
- Express Scripts Administrators LLC
- Medco Health Puerto Rico, LLC
- Systemed, LLC
- Medco Health Services, Inc.
- UBC Late Stage, Inc.
- United BioSource Patient Solutions, Inc.



**ADDITIONAL REMARKS SCHEDULE**

<b>AGENCY</b> Marsh USA Inc.		<b>NAMED INSURED</b> Express Scripts Holding Co. and its wholly owned subsidiaries including Express Scripts, Inc., Medco Health Solutions, Inc. and CareCore National Group, LLC dba eviCore healthcare One Express Way, HQ2N01 St. Louis, MO 63121	
<b>POLICY NUMBER</b>		<b>EFFECTIVE DATE:</b>	
<b>CARRIER</b>	<b>NAIC CODE</b>		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

- The Vaccine Consortium, LLC
- United BioSource LLC
- United BioSource Holdings, Inc.
- Priority Healthcare Distribution, Inc.
- Freco, Inc.
- Lynnfield Compounding Center, Inc.
- Freedom Service Company, LLC
- SpectraCare, Inc.
- SpectraCare Health Care Ventures, Inc.
- ESI Canada
- Express Scripts Canada Co.
- ESI GP Canada ULC
- ESI GP2 Canada ULC
- Express Scripts Canada Wholesale
- Express Scripts Canada Services
- Express Scripts Pharmacy Ontario, Ltd.
- Express Scripts Pharmacy West, Ltd.
- Express Scripts Pharmacy Central, Ltd.
- Express Scripts Pharmacy Atlantic, Ltd.
- United BioSource Holding (Canada) Company
- United BioSource (HCA Canada) Company
- United BioSource (Germany) GmbH
- United BioSource Corporation, S.L.
- United BioSource (Suisse) SA
- MHS Holdings, CV
- Medco International Holdings, BV
- United BioSource Holding (UK) Limited
- UBC Late Stage (UK) Limited
- Medco Health Solutions (Ireland) Limited
- Lynnfield Drug, Inc.
- Diversified NY IPA, Inc.
- Express Scripts Senior Care, Inc.
- Healthbridge, Inc.
- Inside RX, LLC
- myMatrix Holdings, LLC
- Matrix Healthcare Services, Inc.
- MyM Technology Services, LLC
- myMatrix-B, LLC
- Innovative Product Alignment, LLC
- CareCore National Group, LLC
- MedSolutions Holdings, Inc.
- MedSolutions, Inc. (dba eviCore healthcare)
- OPID Health, Inc.
- AS Acquisition Corp.
- HealthFortis, Inc.
- DNA Direct, Inc.
- Landmark Healthcare, Inc. (dba eviCore healthcare MSK)
- Landmark Healthcare Services, Inc. (dba eviCore healthcare MSK Services)
- Landmark Healthcare New Jersey, Inc.
- Landmark Healthcare New Mexico, Inc.



**ADDITIONAL REMARKS SCHEDULE**

<b>AGENCY</b> Marsh USA Inc.		<b>NAMED INSURED</b> Express Scripts Holding Co. and its wholly owned subsidiaries including Express Scripts, Inc., Medco Health Solutions, Inc. and CareCore National Group, LLC dba eviCore healthcare One Express Way, HQ2N01 St. Louis, MO 63121	
<b>POLICY NUMBER</b>		<b>EFFECTIVE DATE:</b>	
<b>CARRIER</b>	<b>NAIC CODE</b>		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

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- Landmark Healthcare Arizona, Inc.
- Integricare Healthplan of Texas, Inc.
- CareCore NJ, LLC (dba eviCore healthcare NJ ODS)
- CCN-WYN IPA, LLC (dba eviCore healthcare IPA)
- CCN NMO, LLC (dba eviCore healthcare IPA)
- MedSolutions of Texas, Inc.
- MSI Health Organization of Texas, Inc.
- Primerus, Inc.
- Triad Healthcare, Inc. (dba eviCore healthcare MSK Services of Connecticut)
- eviCore healthcare MSI, LLC (dba eviCore healthcare)
- Palladian Health of Florida, LLC
- Palladian Independent Practice Association, LLC
- Chiro Alliance Corporation