



State of New Hampshire

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

JBm
28

LINDA M. HODGDON
Commissioner
(603) 271-3201

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

August 22, 2013

Her Excellency, Governor Margaret Wood Hassan
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), One Express Way, Saint Louis, Missouri 63121 in the amount of \$174,167,696 for the administration of the prescription drug benefit provided to state employees and retirees pursuant to RSA 21-I:30 and 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, 2014 through December 31, 2016, with the option to renew for up to two additional years subject to the approval of the Governor and Executive Council. Approximately 40% General Funds, 16% Federal Funds, 26% Enterprise Funds, 16% Highway Funds, and 2% Turnpike Funds.

Funding is available in SFY 2014 and SFY 2015, and is anticipated to become available in SFY 2016 and SFY 2017 with the authority to adjust encumbrances between state fiscal years if necessary and justified through the Business Office, in the following accounts:

Pharmacy Claim Costs	<u>SFY2014</u>	<u>SFY2015</u>	<u>SFY2016</u>	<u>SFY2017</u>
01-14-14-140560-66000000 ACTIVES				
100-500641 Pharmacy Claims	\$14,722,343	\$29,444,685	\$29,444,685	\$14,722,343
01-14-14-140560-66600000 TROOPERS				
100-500641 Pharmacy Claims	\$217,430	\$434,860	\$434,860	\$217,430
01-14-14-140560-66500000 RETIREE				
100-500641 Pharmacy Claims	\$3,347,287	\$6,694,575	\$6,694,575	\$3,347,287
100-501658 Pharmacy Claims - Retirees O65	\$10,322,232	\$20,644,465	\$20,644,465	\$10,322,232
FISCAL YEAR TOTALS	\$28,609,292	\$57,218,585	\$57,218,585	\$28,609,292
Pharmacy Administrative Costs	<u>SFY2014</u>	<u>SFY2015</u>	<u>SFY2016</u>	<u>SFY2017</u>
01-14-14-140560-66000000 ACTIVES				
100-500642 Pharmacy Admin Fees	\$58,405	\$116,810	\$116,810	\$58,405
01-14-14-140560-66600000 TROOPERS				
100-500642 Pharmacy Admin Fees	\$1,784	\$3,569	\$3,569	\$1,784

01-14-14-140560-66500000 RETIREE				
100-500642 Pharmacy Admin Fees	\$13,888	\$27,775	\$27,775	\$13,888
102-500673 Pharmacy Adm Fee - Retirees O65	\$344,580	\$689,160	\$689,160	\$344,580
FISCAL YEAR TOTALS	\$418,657	\$837,314	\$837,314	\$418,657
FY Totals	\$29,027,949	\$58,055,899	\$58,055,899	\$29,027,949
Grand Total	\$174,167,696			

EXPLANATION

The State provides prescription drug coverage for state employees, retirees, spouses and eligible dependents in accordance with the provisions of RSA 21-l:30 and the Collective Bargaining Agreements. The current contract with the Local Government Center Health Trust, LLC is set to expire on December 31, 2013.

DAS, with the assistance of The Segal Company (Segal) issued a Request for Proposal (RFP) for pharmacy benefit management services on May 1, 2013. Fifteen firms received direct notification of this solicitation, public notice was provided through the New Hampshire Union Leader, and the proposal was posted on the Bureau of Purchase and Property website. On May 24, 2013, proposals were received from the following: Anthem, Catamaran, Envision Rx Options, Express Scripts, Inc., Local Government Center/CVS Caremark, New Jersey Hospital Association/Express Scripts, Inc., and OptumRx. All seven proposals were evaluated.

The scoring of the proposals was based upon the following areas and corresponding weights: Financial (50%), Requested Contractual Terms (15%), Organizational Stability & Experience, Administrative, Member & Claim Paying Services, Reporting, IT & Data Integration (10%), Formulary Management & Rebates, Drug Utilization Review (5%), Network Disruption (5%), Network Management & Quality Assessment, Mail Order & Specialty Pharmacy Program (5%), Medicare Part D RDS & EGWP Programs (5%), and Performance Guarantees (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: Lise Farrand (Pharmaceutical Services Specialist, Department of Health & Human Services), Linda Huard (Adjudicator, New Hampshire Employment Security and SEA and Health Benefit Committee member), Catherine Keane (Administrator, DAS, RMU), Matthew Newland (Manager of Employee Relations, DAS, Division of Personnel (DOP)), Joyce Pitman (Vendor Manager, DAS, RMU), Judy Shevlin (Retiree Health Program Specialist, DAS, DOP), and Robert Stowell (Administrator, DAS, Bureau of Purchase & Property).

As stated above and referenced in the attached Executive Summary of Overall Results, the financial score encompassed fifty (50) percent 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, 2014 to December 31, 2016. The lowest cost proposal received 100% of the 50 points allocated for the Financial Section of the RFP. All other financial proposals were scored on a linear sliding scale, with proposals losing 4 points of the 50 points allocated for every 1.0% more costly than the lowest cost proposal. Since the sliding scale was linear, proposals lost points for fractions of a percent such that a proposal 0.5% more costly than the lowest cost proposal lost 2 points and received a financial score of 48 points.

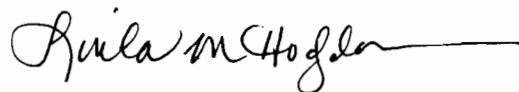
The remaining 50 percent of the allocated points were distributed amongst the Requested Contractual Terms and the Technical Questionnaire. In the categories listed above, scoring criteria were applied and bidder responses were evaluated as optimal, average, and below average on a scale of 100% to 0%. 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 seven proposals were competitive, making the financial section of the proposal the determining factor for recommendation by the evaluation team.

ESI's proposal earned the most competitive financial score and surpassed the next lowest bidder's financial score by 14 percentage points. Through negotiations, the State was able to reduce ESI's proposed price by an additional \$2.2 million dollars, furthering the gap between the top two bidders. ESI will provide the State with pharmacy benefit management services through its Advantage Utilization Management Package that includes prior authorization, quality management, and generic step therapy programs consistent with programs in effect under the collective bargaining agreements and retiree programs.

The services provided by ESI will have a direct bearing on the health and safety of approximately 40,000 employees, retirees, and their dependents. Accordingly, it is imperative that adequate time be provided to transition this pharmacy benefit plan to a new vendor. Best practice for a successful and near-seamless implementation is a minimum of ninety (90) days. In addition to verifying benefit plan design and systems interfaces and integration, special attention is given to provide the least amount of disruption for the 40,000 people we serve.

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

Respectfully submitted,



Linda M. Hodgdon
Commissioner

Attachment A: State Evaluation Team Biographies
Attachment B: PBM RFP Executive Summary Overall Results

LMH/CK

Executive Summary - Overall Results

RFP 1542-13

Total Score

Category	Allocated Points	Anthem		Catamaran		Envision		ESI		LGC/Caremark		NJHA / ESI		Optum Rx	
		Percent	Points	Percent	Points	Percent	Points	Percent	Points	Percent	Points	Percent	Points	Percent	Points
Financial - Gross Cost (Before Copays)	50	37%	18.6	56%	28.0	36%	18.0	100%	50.0	86%	43.2	47%	23.7	77%	38.7
Requested Contractual Terms	15	81%	12.2	94%	14.0	97%	14.5	90%	13.4	94%	14.1	75%	11.2	91%	13.7
Organizational Stability & Experience Administrative, Member, & Claim Paying Services Reporting, IT, & Data Integration	10	58%	5.8	84%	8.4	76%	7.6	84%	8.4	90%	9.0	84%	8.4	86%	8.6
Formulary Management & Rebates Drug Utilization Review	5	76%	3.8	71%	3.5	78%	3.9	76%	3.8	85%	4.2	76%	3.8	70%	3.5
Network Disruption	5	98%	4.9	100%	5.0	100%	5.0	98%	4.9	98%	4.9	98%	4.9	99%	5.0
Network Management & Quality Assessment Mail Order Specialty Pharmacy Program	5	84%	4.2	83%	4.2	89%	4.4	85%	4.2	87%	4.3	85%	4.2	83%	4.2
Medicare Part D RDS & EGWP Programs	5	97%	4.8	86%	4.3	90%	4.5	93%	4.6	93%	4.7	93%	4.6	84%	4.2
Performance Guarantees	5	43%	2.2	41%	2.0	33%	1.7	81%	4.0	90%	4.5	71%	3.5	29%	1.5
Total Score	100	56.4	69.4	59.6	93.4	89.0	64.3	79.3	[3]	[2]	[5]	[3]			
Total Rank		[7]	[4]	[6]	[1]	[2]	[5]	[3]							

Projected Costs - 1/1/2014 to 12/31/2016
(Based on Minimum Guaranteed Prescription Drug Pricing Terms)

Category	Anthem	Catamaran	Envision	ESI	LGC/Caremark	NJHA / ESI	Optum Rx
Total Projected Gross Cost ^{1,2,3}	\$208,207,987	\$203,661,975	\$208,478,058	\$193,056,793	\$196,315,496	\$205,762,454	\$198,509,004
Change from Lowest Cost - \$	\$15,151,194	\$10,605,182	\$15,421,265	\$0	\$3,256,703	\$12,705,661	\$5,452,211
Change from Lowest Cost - %	7.8%	5.5%	8.0%	0.0%	1.7%	6.6%	2.8%
Rank - Gross Cost	[6]	[4]	[7]	[1]	[2]	[5]	[3]

1. Reflects projected ingredient cost, plus dispensing fees, and less formulary rebates (before projected participant copays) for each PBM.
2. Based on the PBM submitting all required reporting to CMS. ESI and NJHA / ESI propose an additional fee per creditable coverage letter and these are not included in this estimate.
3. Does not reflect implementation or other credit allowances, if applicable.

BIDDERS LIST

RFP 1542-13 Pharmacy Benefit Management Services

Company Name	Contact Name	Title	Contact Phone Number	Contact E-Mail Address
1 CIGNA Healthcare	James Higgins	Regional Sales Manager	603-268-7218	james.higgins@cigna.com
2 Local Government Center	Wendy Parker	Asst. Executive Dir. For Risk Services	603-224-7447 X207	wparker@nhgac.org
3 Express Scripts, Inc.	Justin St. Clair	Sr. Proposal Writer	314-684-6832	RFP-Mailbox@express-scripts.com; istclair@express-scripts.com
4 Walgreens	Jill McCoy	Senior Manager, Proposal Services	847-964-6806	jill.mccoy@walgreens.com
5 Hamlin and Associates	Gale Hamlin	President	603-352-3608	ghamlin@hamlinandassoc.com
6 Caremark	Lee Shackelford	Director, Strategic Accounts	410-267-0259	Lee.Shackelford@caremark.com
7 Anthem BCBS	Andy Deselle	Account Management Executive	603-695-7798	andrew.deselle@anthem.com
8 MediImpact	Kristan Allen	Manager, Proposal Services	858-790-6144	kristan.allen@mediimpact.com
9 Benecard PBF	Britney Wallace	Sales Coordinator	407-583-1026	britney.wallace@benecardpbf.com
10 Envision Pharmaceutical Services	Chuck Gamsu	Regional, VP	203-647-7139	cgamsu@envisionrx.com
11 FutureScripts	Elise Freedman	Senior Marketing Communications	215-241-2346	elise.freedman@futurescripts.com
12 MedMetrics	Stephanie Gaffney	Proposal Manager	508-421-5998	stephanie_valerio@medmetricsnp.com
14 Catamaran (SXC Health Solutions/Informed RX)	Marco Torelli	Director, Sales	860-731-0778	marco.torelli@sxc.com
15 OPTUMRX	Peter Beerman	Regional Sales Director	212-216-6911	peter.beerman@optum.com

RFP 1542-13 – PHARMACY BENEFIT MANAGEMENT SERVICES

Evaluation Committee Members

MICHAEL CONNOR

Current Position: Deputy Commissioner, Department of Administrative Services

Background: Mike oversees the statewide procurement of goods and services through the Bureaus of Purchase and Property and Bureau of Graphic Services and design and construction services through the Bureau of Public Works Design and Construction. Mike has over 25 years of experience in procurement of goods and services, and has been employed by the State for 35 years. In April, Mike was confirmed Deputy Commissioner of Administrative Services.

LISE FARRAND, R. Ph.

Current Position: Pharmaceutical Services Specialist for NH Medicaid Program, Office of Medicaid Business and Policy

Background: Lise provides daily oversight of the New Hampshire Pharmacy program for the New Hampshire Medicaid Program. Lise has been an evaluator on all previous Medicaid PBM RFPs. Lise has 19 years state service in this role.

LINDA HUARD

Current Position: Adjudicator, New Hampshire Employment Security

Background: Linda has been employed with New Hampshire Employment Security for 11 years as an Adjudicator. Linda was formerly employed as Human Resources Generalist-DoD environment for 17+ years responsible for benefits, employee relations, compensation, training and development, recruitment and retention

Linda is a member of the SEA/Health Benefit Committee (2007 to present (since it was formed, a member of the SEA Chair/Health Benefit Committee (2011 to present) and a member of the SEA Master Bargaining Team (2007 to present (working on fourth SONH contract).

CATHERINE KEANE

Current Position: Administrator of Risk and Benefits, Risk Management Unit, Department of Administrative Services

Background: Catherine (Cassie) is an attorney and serves as the Administrator of the Risk Management Unit. Cassie worked in the NH Department of Justice as Counsel to the Health Benefit program. Before that she worked at the NH Department of Health and Human Services for 14 years. She served as Director of the Division of Elderly and Adult Services for 5 years where she managed a \$300 million budget and worked to promote long term care system change. She also served as Assistant Director to the Office of Family Services, Assistant to the Director for the Division of Human Services and in other roles in her 14 years with state government.

MATTHEW NEWLAND

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

Background: Matt has been in his current position for 1.5 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 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, Mr. Newland was employed by BAE Systems (defense contractor) as a Principal Contract Negotiator for 13 years.

JOYCE PITMAN

Current Position: Vendor Contract Manager, Risk Management Unit, Department of Administrative Services

Background: Joyce started her State service in the Risk Management Unit in March, 2013. She comes to us with a BS in Health Management and Policy and an MBA in Business Administration/HR Management. In her most recent position, Joyce served as the Benefits Manager at Concord Hospital and has over 12 years experience, to include managing pharmacy benefits. She has a wealth of knowledge in vendor relations and the contract management process as well as with employee communications concerning benefits.

JUDY SHEVLIN

Current Position: Retiree Health Program Specialist, Division of Personnel, Department of Administrative Services

Background: Judy has worked in State service for 8 years. In her current position of Retiree Health Program Specialist, she administers the State's retiree medical and pharmacy benefits customer service and enrollment for approximately 10,000 retirees. She also provides information regarding the retiree benefits and eligibility to those State employees who are exploring retirement. Prior to working for the State of NH, Ms. Shevlin was employed by Aavid Thermalloy in their Human Resources department and served as their Benefits Administrator.

ROBERT STOWELL

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

Background: Robert has worked for the State of New Hampshire for 10 years and is presently the Administrator of the Bureau of Purchase and Property. Additionally, Bob has 30 years of contract experience in the private sector as the Director of Materials, Director of Logistics and Sales Administration. Bob has an MBA from Rivier College.

proclamation at the time and date appointed for the adjourned sale date. Other terms to be announced at the time and place of said sale.

YOU ARE HEREBY NOTIFIED PURSUANT TO RSA 479:25 THAT YOU HAVE THE RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORTGAGED PREMISES ARE SITUATED, WITH SERVICE OF SAID PETITION UPON THE MORTGAGEE, AND UPON SUCH BOND AS THE COURT MAY REQUIRE, TO ENJOIN THE SCHEDULED FORECLOSURE SALE. FAILURE TO INSTITUTE SUCH PETITION AND COMPLETE SERVICE UPON THE FORECLOSING PARTY, OR HIS AGENT, CONDUCTING THE SALE PRIOR TO SALE SHALL HEREAFTER BAR ANY ACTION OR RIGHT OF ACTION OF THE MORTGAGOR BASED ON THE VALIDITY OF THE FORECLOSURE.

Capital One, National Association
 successor by merger to ING Bank, FSB
 Present Holder of said Mortgage
 By its attorneys,
 Portnoy & Greene, P.C.
 Suzanne Brunelle, Esq.
 PORTNOY & GREENE, P.C.
 687 Highland Avenue,
 Needham, MA 02494
 (781) 449-6767 or (603) 432-3803
 4/23, 4/30, 5/7
 [UL-April 23, 30; May 7]

Legal Notice

NOTICE OF FORECLOSURE SALE

Pursuant to a power of sale contained in a certain mortgage deed given by **HEATHER L. NELSON AND NELSON R. SILVA** to Merrimack County Savings Bank, its successors or assigns, as lender, dated December 29, 2006, recorded in the Hillsborough County Registry of Deeds at Book 7790, Page 628, assigned to NEW HAMPSHIRE HOUSING FINANCE AUTHORITY by assignment(s) recorded or to be recorded in said Registry, said assignee, in execution of said power, for mortgage conditions broken, will sell on the mortgaged premises (street address: 21 Williams Street) in Nashua, Hillsborough County, New Hampshire, at

PUBLIC AUCTION

on **May 21, 2013 at 9:30 a.m.**, local time, all of said holder's right, title and interest in and to the real estate described in said mortgage deed.

This foreclosure sale will be made for the purpose of foreclosure of all rights of redemption of the said mortgagor(s) therein possessed by them and any and all persons, firms, corporations or agencies claiming by, from, or under them.

Said premises will be sold "as is" in all respects, including, but not limited to, the physical condition of the premises and the rights, if any, of any occupants of the premises.

To the mortgagor(s) and any and all persons, firms, corporations or others claiming by, from or under them: YOU ARE HEREBY NOTIFIED THAT YOU HAVE THE RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORTGAGED PREMISES ARE SITUATED, WITH SERVICE UPON THE MORTGAGEE, AND UPON SUCH BOND AS THE COURT MAY REQUIRE, TO ENJOIN THE SCHEDULED FORECLOSURE SALE.

Terms of sale will be Five Thousand Dollars (\$5,000.00) cash or certified check satisfactory to the said holder, to be paid at the time of the sale, and the balance to be paid on delivery of foreclosure deed within forty-five (45) days thereafter. The said holder reserves the right to waive any of the above terms at its discretion. The said holder reserves the right to cancel or postpone the sale to such subsequent dates as the holder may deem necessary or desirable.

NEW HAMPSHIRE HOUSING

foreclosure deed, at the option of the Mortgagee. The deposits placed by unsuccessful bidders shall be returned to those bidders at the conclusion of the public auction. The successful bidder shall execute a Memorandum of Foreclosure Sale immediately after the close of bidding. If the successful bidder fails to complete the purchase of the Mortgaged Premises, the Mortgagee may, at its option, retain the deposit as liquidated damages.

RESERVATION OF RIGHTS: The Mortgagee reserves the right to (i) cancel or continue the foreclosure sale to such subsequent date or dates as the Mortgagee may deem necessary or desirable, (ii) bid upon and purchase the Mortgaged Premises at the foreclosure sale, (iii) reject any and all bids for the Mortgaged Premises and (iv) amend or change the terms of sale set forth herein by announcement, written or oral, made before or during the foreclosure sale. Such change(s) or amendment(s) shall be binding on all bidders.

Other terms to be announced at sale.

PHH Mortgage Corporation
 Present holder of said mortgage,
 by its Attorneys
 Susan W. Cody
 Korde & Associates, P.C.
 321 Billerica Road, Suite 210
 Chelmsford, MA 01824-4100
 (978) 256-1500

PHH 13-010986 Dictaks (April 23, 2013),
 (April 30, 2013), (May 7, 2013)
 [UL-April 23, 30; May 7]

Legal Notice

Public Notice

Great Bay Community College -
 Lead Grantee
 Request for Proposal
Third Party Evaluation Services
 Project GBC13-24

Seeking proposals for third party evaluation services to support the operation and implementation of the TAACCCT Grant for the 7-college CCSNH consortium. In broad terms, the evaluator will support the operation and implementation of the grant by 1) analyzing progress against strategy implementation 2) providing evaluation of deliverables produced under the grant to date 3) assessing student outcomes 4) developing an evaluation report that provides recommendations for adjustments and improvements to programs 5) ensuring CCSNH is in compliance with mandatory reporting requirements 6) attending meetings with the grant management and staff from each college and CCSNH systems and grant office personnel 7) participating in evaluator webinars including TAACCCT evaluator online community of practice 8) attending evaluation conferences offered by DOL in Washington, DC. Sealed Proposals will be accepted at Great Bay Community College, Portsmouth, NH, until Wednesday, May 22, 2013 at 4:00pm. Details can be found at the Community College System of NH website at www.ccsnh.edu/bidding/
 (UL - May 5, 6, 7)

Legal Notice

The State of New Hampshire, Department of Administrative Services, is seeking proposals from qualified vendors for the procurement of pharmacy benefit management services. Specifications may be obtained at <http://www.admin.state.nh.us/purchasing>, RFP1542-13. To qualify, proposals must be submitted to the Bureau of Purchase and Property no later than 2:00 p.m. on May 24, 2013.

Tammy Nelson
 Administrative Services

(UL - May 6, 7, 8)

immediately after the close of bidding, if the successful bidder fails to complete the purchase of the Mortgaged Premises, the Mortgagee may, at its option, retain the deposit as liquidated damages.

RESERVATION OF RIGHTS: The Mortgagee reserves the right to (i) cancel or continue the foreclosure sale to such subsequent date or dates as the Mortgagee may deem necessary or desirable, (ii) bid upon and purchase the Mortgaged Premises at the foreclosure sale, (iii) reject any and all bids for the Mortgaged Premises and (iv) amend or change the terms of sale set forth herein by announcement, written or oral, made before or during the foreclosure sale. Such change(s) or amendment(s) shall be binding on all bidders.

Other terms to be announced at sale.

PHH Mortgage Corporation
 Present holder of said mortgage, by its
 Attorneys
 Susan W. Cody
 Korde & Associates, P.C.
 321 Billerica Road, Suite 210
 Chelmsford, MA 01824-4100
 (978) 256-1500
 PHH 11-005352 King (May 7, 2013), (May
 14, 2013), (May 21, 2013)
 (UL - May 7, 14, 21)

Legal Notice

PUBLIC NOTICE

FOX STATE FOREST
 PROJECT FILE # P1-585
 Department of Resources
 and Economic Development
 Division of Forests and Lands

HILLSBOROUGH, NEW HAMPSHIRE
 By authority granted under RSA 227-G:3 and 227-H:2 the New Hampshire Division of Forests and Lands is planning a forest operation that includes a wildlife habitat improvement project on 62 acres of the Fox State Forest in the town of Hillsborough, New Hampshire. This is a public notice to solicit comments or questions as part of the planning process. THIS IS NOT A REQUEST FOR BIDS. The Division carries out forest operations as part of a multiple use forest and wildlife management program on State owned woodlands. Please address written comments or request for information by May 21, 2013 to Director, Division of Forests and Lands, P.O. Box 1856, Concord, New Hampshire 03302-1856, ATTN: Forest Management Bureau **P1-585**.
 (UL - May 7)

Legal Notice

TOWN OF DERRY

PUBLIC NOTICE

The Derry Town Council will hold public hearings on **Tuesday, May 21, 2013 at 7:30 PM** at the Derry Municipal Center, 14 Manning Street to:

Authorize Town Administrator to apply for and accept grant funds from the NH Highway Safety Agency for Pedestrian Patrols and Red Light Running Patrols

Acceptance of a pavilion structure for the Don Ball Park from the Derry Village Rotary

Barkland Acres Association Petition: Community Water System Acquisition

Supplemental Appropriation of \$450,000 to acquire downtown property for economic development and a \$50,000 related budget transfer

Amend the Code of the Town of Derry, Chapter 150, Traffic Ordinance Article 1, Section 150-5 (1) Limited Parking Highland Avenue

John P. Anderson
 Town Administrator

(UL - May 7)

State Court

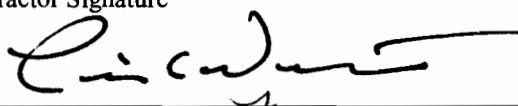
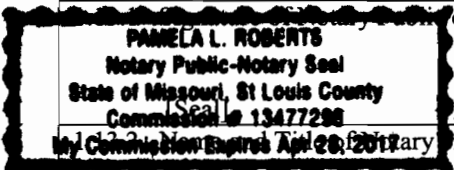
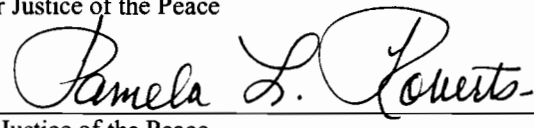
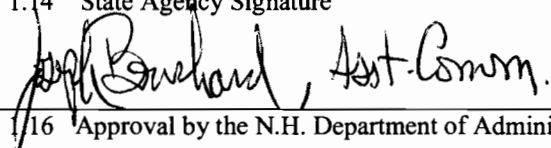
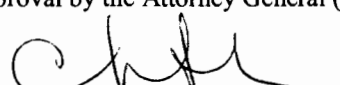
Subject:

PHARMACY BENEFIT MANAGEMENT SERVICES 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, 2016	1.8 Price Limitation \$174,167,696.00
1.9 Contracting Officer for State Agency Joyce I. Pitman, Vendor Contract Manager		1.10 State Agency Telephone Number (603) 271-3080	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Tim Wentworth, President, Sales and Account Management	
1.13 Acknowledgement: State of <u>Missouri</u> County of <u>St. Louis</u> On <u>Aug. 7, 2013</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.			
		Notary for Justice of the Peace 	
Commission Expires <u>Apr. 28, 2017</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Linda M. Hodgdon Commissioner, Department of Administrative Services	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>August 19, 2013</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement (“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.

Contractor's Initials: 
Date: 8/2/13
204932.6

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. 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 consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written 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 \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance 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 fifteen (15) 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 endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) 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.

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.

EXHIBIT A

Services

The Services to be performed by Contractor are described in **Exhibit D** and **Exhibit F** to this Agreement, both of which are incorporated by reference herein (the "PBM Services"). **Exhibit D** sets forth the obligations of the parties and the terms and conditions by which the PBM Services will be governed with respect to the enrollees in the State's prescription drug benefit plan (other than the EGWP benefits). **Exhibit F** sets forth the obligations of the parties and the terms and conditions by which the EGWP Benefits (as defined in **Exhibit F**) will be governed with respect to the enrollees in the EGWP benefit portion of the State's prescription drug benefit plan.

EXHIBIT B

Pricing Terms

The contract price, method of payment, and terms of payment are identified and more particularly described in Exhibit D and Exhibit F to this Agreement, both of which are incorporated herein.

EXHIBIT C

Special Provisions

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

1. The final sentence of Section 3.2 is hereby deleted.
2. 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;”

3. Section 9.3 is hereby deleted in its entirety and replaced with the following:

“9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A, the Business Associate Agreement between the parties, or other existing law. Disclosure of data requires prior written approval of the State. Contractor may use and disclose during and after the term of the Agreement anonymized claims data (de-identified in accordance with HIPAA) including drug and related medical data collected by Contractor or provided to Contractor by Sponsor for research; provider profiling; benchmarking, drug trend, and cost and other internal analyses and comparisons; clinical, safety and/or trend programs or other business purposes of Contractor, in all cases subject to applicable law.”

4. 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 consent of the N.H. Department of Administrative Services. Contractor may perform certain services hereunder (e.g., mail service pharmacy 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.”

5. The following is added immediately following the final sentence of Section 19.

“To the extent there is any conflict between the terms of this Agreement and the Addenda or Exhibits attached hereto, the terms of this Agreement shall control.”

6. A new Section 25 is added as follows:

“**25. LOBBYING.** Contractor shall not use State funds for any purpose involving lobbying or the attempt to influence the outcome or content of any State legislation or regulation.”

EXHIBIT D

General Prescription Benefit Management Services Addendum

THIS PHARMACY BENEFIT MANAGEMENT ADDENDUM ("Addendum") will be effective as of the date set forth in Section 6.1 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 Addendum 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

ARTICLE I - DEFINITIONS

"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, Mail Service 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 Addendum. 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 Addendum with no penalty.

"Brand/Generic Algorithm" or "BGA" means ESI's standard and proprietary brand/generic algorithm utilized by ESI for all of its clients, a copy of which may be made available for review by

Sponsor or its Auditor upon request. The purposes of the algorithm are to utilize a comprehensive and logical algorithm to determine the brand or generic status of products in the ESI master drug file using a combination of industry standard attributes, to stabilize products "flipping" between brand and generic status as may be the case when a single indicator is used from industry pricing sources, 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 used by ESI for all clients) on the basis of a standard Brand/Generic Algorithm utilized by ESI for all of its clients, a copy of which may be made available for review by Sponsor or its Auditor upon request.

"Copayment" means that portion of the charge for each Covered Drug dispensed to the Member that is the responsibility of the Member (e.g., copayment, coinsurance and/or deductible) as indicated on the Set-Up Forms. As set forth in Exhibit E-1, a Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, plan discounted price plus dispensing fee 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.

"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.¹

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

"Exclusive Home Delivery" or "EHD" means a benefit design adopted by Sponsor whereby Members are required, subject to the terms of the Collective Bargaining Agreements permitting a member to opt out of the mandatory mail order program, to obtain maintenance medications from the Mail Service Pharmacy.

"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

¹ The ESI National Plus Network was historically referred to as the "EN50 Network" in ESI's network provider agreements with Participating Pharmacies, and is subject to future name change.

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

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

"Mail Service Pharmacy" means a pharmacy wholly-owned or operated by ESI or one or more of its affiliates, other than an 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 pursuant to a contract between ESI and the manufacturer in connection with ESI's administering, 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" (DAW) 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 a Prescription Drug Claim, excluding a reversal or adjustment, made on behalf of a Member that results in a payment.

"Participating Pharmacy" means any licensed retail pharmacy with which ESI or one or more of its affiliates has executed an agreement to provide Covered Drugs to Members, but shall not include any mail order or specialty pharmacy affiliated with any such Participating Pharmacy. Participating Pharmacies are independent contractors of ESI.

"Pass-Through" means that ESI agrees to pass-through 100% of all Rebates and Manufacturer Administrative Fees received by ESI to the Sponsor.

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

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

"Rebates" mean retrospective formulary rebates that are paid to ESI pursuant to the terms of a formulary rebate contract negotiated independently by ESI with a pharmaceutical manufacturer and directly attributable to the utilization of certain Covered Drugs by Members. Rebates do not include Manufacturer Administrative Fees; product discounts or fees related to the procurement of prescription drug inventories by ESI Specialty Pharmacy or the Mail Service Pharmacy; fees received by ESI from pharmaceutical manufacturers for care management or other services provided in connection with the dispensing of products; or other fee-for-service arrangements whereby pharmaceutical manufacturers generally report the fees paid to ESI or its affiliates for services rendered as "bona fide service fees" pursuant to federal laws and regulations (collectively, "Other Pharma Revenue"). Such laws and regulations, as well as ESI's contracts with pharmaceutical manufacturers, generally prohibit ESI from

sharing any such "bona fide service fees" earned by ESI, whether wholly or in part, with any ESI client. ESI represents and warrants that it will not enter into any agreement with a pharmaceutical manufacturer for Other Pharma Revenue with the intent to reduce Rebates.

"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 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; intensive patient training and compliance assistance to facilitate therapeutic goals; limited or exclusive product availability and distribution; specialized product handling and/or administration requirements and/or cost in excess of \$500 for a 30-day supply.

"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 payor 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 2.3 (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.

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 E. 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 E, 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 E.

(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) Mail Service Pharmacy. Members may have prescriptions filled through the Mail Service Pharmacy. Subject to applicable law, ESI may communicate with Members regarding benefit design, cost savings, availability and use of the Mail Service Pharmacy, as well as provide supporting services. ESI may suspend Mail Service 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"). Specialty Products will be excluded from any price guarantees set forth in this Addendum. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing specified in this Addendum 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 Addendum 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, Mail Service 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 A, 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 table E-1.

2.3 Claims Processing.

(a) Claims Processing.

(i) ESI will perform claims processing services for Covered Drugs dispensed by Participating Pharmacies, Mail Service and ESI Specialty Pharmacy. The "per Rx" administrative fees set forth in Exhibit E shall be charged on all Paid Claims for all claims processing services, including initial, and rejected Prescription Drug Claim processing.

(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 Article III and Exhibit E. 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 E-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 E, 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 E, 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 E 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 E-2 sets forth certain available adherence, clinical, safety and/or trend programs that require additional fees hereunder. The parties understand that Exhibit E-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 E-2 will not change during the term of this Addendum. Any other changes to Exhibit E-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 Addendum, ESI will pay to Sponsor the amounts set forth on Exhibit E.

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 E.

(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 E, provided however that Sponsor shall be entitled to two retrievals of data beyond thirty (30) months during the term of this Addendum, or following termination of this Addendum, without charge.

(iii) De-Identified Claims Data. ESI or its affiliates may use and disclose both during and after the term of this Addendum 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 Addendum has been duly executed by Sponsor and Sponsor is current in the payment of invoices under this Addendum, 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 Addendum, on an annual basis consistent with the Audit Protocol set forth in Exhibit I. 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 E-4 hereto. The payments set forth in Exhibit E-4 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").

(a) ESI will provide up to \$8.00 per Member implemented as of the Effective Date, not to exceed \$296,000, 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 2.6. 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 Addendum.

(d) ESI intends to amortize the PMF over the Initial Term of this Addendum on a straight-line basis. In the event of a termination of this Addendum 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 Addendum, including monetary or other damages. PMF reimbursements shall not be paid prior to the Effective Date of this Addendum and are not payable until this Addendum 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.

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.

ARTICLE III - FEES; BILLING AND PAYMENT

3.1 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") pursuant to the terms set forth on Exhibit E ("Claims Reimbursements," "Administrative Fees" and any other charge or fee that is the responsibility of Sponsor as may be described elsewhere in this Addendum are hereinafter referred to collectively as "Fees").

3.2 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 for Claims Reimbursements and five (5) business days for Administrative Fees from the date of Sponsor's receipt of each ESI invoice. If Sponsor disputes any item on any invoice, Sponsor shall state the amount in dispute in writing within thirty (30) days of the date of the invoice. Sponsor shall pay the full amount invoiced and shall notify ESI of the disputed amount.

ARTICLE IV – HIPAA; CONFIDENTIAL INFORMATION

4.1 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 Exhibit L in the Agreement. Notwithstanding the foregoing, the parties acknowledge that in providing services to Members, ESI Specialty Pharmacy and the Mail Service 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 Mail Services Pharmacy shall abide by all HIPAA requirements applicable to covered entities and shall safeguard, use and disclose Member PHI accordingly.

4.2 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 Mail Service 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: Participating Pharmacy 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 or this Addendum to any third party (other than Sponsor attorneys and accountants), at any time during or after termination of this Addendum, except as specifically contemplated by this Addendum 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 Addendum, or is independently developed by the recipient under circumstances not involving a breach of this Addendum. 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 7.10.

(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.

ARTICLE V - COMPLIANCE WITH LAW; FIDUCIARY ACKNOWLEDGEMENTS; FINANCIAL DISCLOSURE

5.1 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 Addendum on thirty (30) days prior written notice to the other.

5.2 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 Addendum 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.

5.3 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 Exhibit J 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 Addendum. In negotiating any of the fees and revenues described in the Financial Disclosure or in this Addendum, 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 E.

ARTICLE VI - TERM AND TERMINATION; DEFAULT AND REMEDIES

6.1 Term.

(a) This Addendum will commence effective upon approval by Governor and Executive Council ("Effective Date"), and will continue until December 31, 2016 ("Initial Term"), and may be terminated earlier or extended in accordance with the terms of Section 6.2 below. The parties agree that the PBM Services will commence on January 1, 2014, even though the implementation services will

commence upon the Effective Date. Thereafter, this Addendum 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 Addendum either party may notify the other party in writing that it desires to terminate this Addendum effective as of the end of the then current term.

6.2 Termination.

(a) Breach or Default. Either party may give the other written notice of a material, substantial and continuing breach of this Addendum. If the breaching party has not cured said breach within thirty (30) days from the date such notice was sent, this Addendum may be terminated at the option of the non-breaching party. If the amount of time commercially reasonable for the breach to be cured is longer than thirty (30) days, this Addendum may not be terminated by the non-breaching party pursuant to this provision until such commercially reasonable period of time has elapsed; provided, however, that in no event will such period exceed sixty (60) days.

(b) Convenience of Sponsor. Sponsor may elect to terminate this Addendum upon 30 days prior written notice to ESI.

(c) 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 Addendum. ESI attempts collection through written and verbal communications with Sponsor prior to sending the notice described herein.

(d) Obligations Upon Termination. Upon notice of termination of this Addendum, 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 Mail Service 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 Addendum 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 Addendum 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.

6.3 Remedies.

(a) Remedies Not Exclusive. A party's right to terminate this Addendum under Article VI will not be exclusive of any other remedies available to the terminating party under this Addendum or otherwise, at law or in equity.

(b) Force Majeure. Neither party will lose any rights under this Addendum or be liable in any manner for any delay to perform its obligations under this Addendum 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 Addendum.

(c) Limitation of Liability. Except for the indemnification obligations set forth in Section 6.3(d), each party's liability to the other hereunder will in no event exceed the actual proximate losses or damages caused by breach of this Addendum. In no event will either party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence.

(d) Indemnification. ESI will indemnify and hold Sponsor harmless from and against any loss, cost, damage, expense or other liability, including, without limitation, reasonable costs and attorney fees ("Costs") incurred in connection with any and all third party claims, suits, investigations or enforcement actions ("Claims") which may be asserted against, imposed upon or incurred by Sponsor and arising as a result of (A) ESI's negligent acts or omissions or willful misconduct (including those of the Mail Service Pharmacy and ESI Specialty Pharmacy), or (B) ESI's breach of this Addendum. Nothing herein is intended to waive the sovereign or other immunity of the State of New Hampshire.

6.4 Survival. The parties' rights and obligations under the Sections 2.5, Articles III, IV and V; and Sections 6.2(c), 6.3, 6.4, 7.2, 7.3, and 7.5 will survive the termination of this Addendum for any reason.

ARTICLE VII – MISCELLANEOUS

7.1 Liability Insurance. Each party will maintain such policies of general liability, professional liability and other insurance of the types, or self insurance, and in amounts customarily carried by their respective businesses. Proof of such insurance will be available upon request. ESI agrees, at its sole expense, to maintain during the term of this Addendum or any renewal hereof, commercial general liability insurance, pharmacists professional liability insurance for the Mail Service and ESI Specialty Pharmacy pharmacies, and managed care liability with limits, excess of a self insured retention, in amounts of not less than \$5,000,000 per occurrence and in the aggregate. ESI does not maintain liability insurance on behalf of any Participating Pharmacy, but does contractually require such pharmacies to maintain a minimum amount of commercial liability insurance or, when deemed acceptable by ESI, to have in place a self-insurance program.

7.2 Notice. Any notice or document required or permitted to be delivered pursuant to this Addendum 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 Capital Street, Room 412
Concord, New Hampshire 03301

7.3 Independent Parties. No provision of this Addendum 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 Addendum. 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 Addendum or as otherwise authorized in writing by the party about which such representation is asserted.

7.4 Integration; Amendments. This Addendum 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. The Business Associate Agreement between the parties is incorporated herein for all applicable purposes. No modification, alteration, or waiver of any term, covenant, or condition of this Addendum will be valid unless in writing and signed by the parties or the agents of the parties who are authorized in writing, except as may be otherwise permitted pursuant to the terms and conditions of this Addendum or any Exhibit hereto.

7.5 Choice of Law. This Addendum will be construed and governed in all respects according to the laws in the State of New Hampshire, without regard to the rules of conflict of laws thereof.

7.6 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.

7.7 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.

7.8 Third Party Beneficiary Exclusion. This Addendum is not a third party beneficiary contract, nor will this Addendum create any rights on behalf of Members as against ESI. Sponsor and ESI reserve the right to amend, cancel or terminate this Addendum without notice to, or consent of, any Member.

7.9 Authority to Contract. Sponsor hereby represents and warrants that it has obtained due and proper authority to enter into this Addendum through its governing body.

7.10 Open Records Requests. 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 4.2 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 Addendum or any proposal related

hereto. This provision shall survive termination of this Addendum and is subject to NH RSA 91-A and other applicable State of New Hampshire and federal law.

EXHIBIT E

PHARMACY PROGRAM FEES

ESI shall be Sponsor's exclusive provider of PBM Services for Sponsor's Plans offering a prescription benefit. The financial terms set forth in Exhibit E are conditioned on such exclusive arrangement and all other specified conditions expressly incorporated in such exhibits, including, but not limited to the adoption by Sponsor of the specified network, qualifying co-payment structures, Formulary, a minimum of 29,000 Members implemented on the Effective Date of this Addendum, implementation of EHD and no Members in a 100% co-payment plan. In the event one or more of the following occurs (whether between the date of the Cost Proposal and the Effective Date, or during the Term), the parties shall agree, 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 material change in: (i) the conditions or assumptions stated in this Addendum; or (ii) the size, demographics or gender distribution of Sponsor's Membership compared to data provided by Sponsor; and/or

(b) Sponsor changes its Formulary, benefit designs, implements OTC plans, clinical or trend programs or otherwise takes an action that has the effect of lowering the amount of Rebates earned hereunder or materially impacting any guarantee; and/or

(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 on-line; and/or

(d) Rebate revenue is materially decreased because Brand Drugs move off-patent to generic status or due to a Change in Law.

Exhibit E includes the following:

Exhibit E-1

Pharmacy Reimbursement Rates

Exhibit E-2

Administrative and Clinical Program Fees

Exhibit E-3

Rebates

Exhibit E-1
Pharmacy Reimbursement Rates

Sponsor will pay to ESI the amounts set forth below, net of applicable Copayments. The application of brand and generic pricing below may be subject to certain "dispensed as written" (DAW) protocols and Sponsor defined plan design and coverage policies for adjudication and Member Copayment purposes. Sales or excise tax, if any, will be the responsibility of Sponsor. A Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, plan discounted price plus dispensing fee or U&C.

I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)

Network	ESI National Plus Network
Ingredient Cost - Brand	Year 1: Lesser of AWP – 17.10% or U&C Year 2: Lesser of AWP – 17.35% or U&C Year 3: Lesser of AWP – 17.60% or U&C
Ingredient Cost – Generic⁽¹⁾ (4)	Year 1: Lesser of AWP – 17.10%, MRA or U&C Year 2: Lesser of AWP – 17.35%, MRA or U&C Year 3: Lesser of AWP – 17.60%, MRA or U&C
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee
Brand Dispensing Fee/Rx	Year 1: \$0.85 Year 2: \$0.80 Year 3: \$0.75
Generic Dispensing Fee/Rx	Year 1: \$0.85 Year 2: \$0.80 Year 3: \$0.75
Administrative Fee/Rx⁽²⁾ (3)	\$0.00

- (1) Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below.
- (2) If Sponsor does not implement and/or maintain Exclusive Home Delivery, then the Administrative Fee will be increased by \$1.70/Rx.
- (3) If Sponsor does not implement and/or maintain ESI Specialty Pharmacy Exclusive, then the Administrative Fee will be increased by \$0.23/Rx.
- (4) ESI agrees that if a prescription is written for a Generic Drug, and a Brand Drug is dispensed because the generic is out of stock, the Sponsor and the Member will be charged the applicable Generic Drug rates and Copayments respectively.

II. Mail Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products).

Ingredient Cost - Brand Drugs	Year 1: AWP – 25.75% Year 2: AWP – 26.00% Year 3: AWP – 26.25%
Ingredient Cost – Generic Drugs⁽¹⁾ (4)	Year 1: AWP - 25.75% or, if lower, MRA Year 2: AWP - 26.00% or, if lower, MRA Year 3: AWP - 26.25% or, if lower, MRA
Ingredient Cost - Compound Drugs	Combined AWP plus applicable service fee
Brand Dispensing Fee/Rx	\$0.00
Generic Dispensing Fee/Rx	\$0.00
Administrative Fee/Rx⁽²⁾ (3)	\$0.00

- (1) Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below.
- (2) If Sponsor does not implement and/or maintain Exclusive Home Delivery, then the Administrative Fee will be increased by \$1.70/Rx.

- (3) If Sponsor does not implement and/or maintain ESI Specialty Pharmacy Exclusive, then the Administrative Fee will be increased by \$0.23/Rx.
- (4) ESI agrees that if a prescription is written for a Generic Drug, and a Brand Drug is dispensed because the generic is out of stock, the Sponsor and the Member will be charged the applicable Generic Drug rates and Copayments respectively.

III. Pricing Guarantees. ESI will guarantee an average aggregate annual discount as reflected below on Sponsor utilization to be calculated as follows:

[1-(total discounted AWP ingredient cost (excluding dispensing fees and claims with ancillary charges, and prior to application of Copayments) of applicable Prescription Drug Claims 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 MRA (as applicable), U&C or AWP discount adjudication methodology.

Notwithstanding anything herein to the contrary, a Prescription Drug Claim that processes at the Generic rates set forth in Section I (Participating Pharmacy Reimbursement Rates) and Section II (Mail Pharmacy Reimbursement Rates) above, as indicated on the ingredient cost field of the Prescription Drug Claim's data record, shall be reconciled as part of the Generic guarantee below. The only Prescription Drug Claims that shall be excluded from the reconciliation of the pricing guarantee are as identified in the "Claims Excluded" column of the table below. All other Prescription Drug Claims shall be included in the reconciliation of the guarantee.

Type of Guarantee	Participating Pharmacy	Mail Service Pharmacy	Claims Excluded
Generic Ingredient Cost			OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (if applicable)
Year 1	AWP – 75.15%	AWP – 81.55%	
Year 2	AWP – 75.65%	AWP – 82.05%	
Year 3	AWP – 76.05%	AWP – 82.45%	

Guarantees will be measured and reconciled on an annual basis within 90 days of the end of each contract year. The above guarantees are annual guarantees - if this Addendum is terminated prior to the completion of the then current contract year (hereinafter, a "Partial Contract Year"), then the above guarantees will not apply for such Partial Contract Year. To the extent Sponsor changes its benefit design or Formulary during the term of this Addendum, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. Subject to the remaining terms of this Addendum, ESI will pay the difference of Sponsor's net cost for any shortfall between the actual result and the guaranteed result.

IV. Generic Dispensing Rate Guarantee. ESI will guarantee that Generic Drugs will be dispensed from Participating Pharmacies and the Mail Service Pharmacy at the percentages reflected below:

Generic Drug Dispensing Rate Guarantee		
Contract Year	Participating Pharmacies	Mail Service Pharmacy
Year 1	82.75%	79.25%
Year 2	0.40% Increment over actual of preceding year	0.60% Increment over actual of preceding year
Year 3	0.25% Increment over actual of preceding year	0.40% Increment over actual of preceding year

The guarantees will be calculated as follows:

(a) The total Participating Pharmacy Generic Prescription Drug Claims divided by total Participating Pharmacy Generic and Brand Prescription Drug Claims (and the same for Mail Service Pharmacy Prescription Drug Claims).

(b) 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 Mail Service Pharmacy, respectively.

(c) ESI will pay a penalty for any shortfall between the actual percentage result and the guaranteed percentage for each of the Participating Pharmacy and Mail Service Pharmacy guarantees, not to exceed \$50,000, 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 Mail Service Pharmacy and for each contract year.

Payment Factor		
Contract Year	Participating Pharmacies	Mail Service Pharmacy
1	\$134.00	\$241.00
2	\$144.00	\$258.00
3	\$159.00	\$286.00

(d) Guarantees will be measured and reconciled separately for Participating Pharmacy and Mail Service 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 this Addendum, the guarantee will be equitably adjusted if there is a material impact on the Generic Drug dispensing percentage achieved.

V. Specialty Products

(a) Exclusive Care. ESI Specialty Pharmacy is the exclusive provider of Specialty Products for the reimbursement rates shown on the Exclusive ESI Specialty Pharmacy Specialty Product List. Any Specialty Product dispensed at a Participating Pharmacy (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be reimbursed at the standard Participating Pharmacy Specialty Product rates shown below. Upon ESI Specialty Pharmacy acquisition of limited distribution products, Members will obtain prescriptions through ESI Specialty Pharmacy.

	Ingredient Cost	Dispensing Fee
Exclusive ESI Specialty Pharmacy	See Exclusive Specialty Product List Lesser of AWP discount or MRA (as applicable)	\$0.00
Participating Pharmacy Specialty Products	Participating Pharmacy Specialty Product List Lesser of AWP discount, U&C or MRA (as applicable)	\$2.00

(b) Pricing for ASES is as follows:

(i) 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. Exceptions to the standard per diem and nursing rates are set forth in (ii), below, which list may be updated from time to

time by ESI. Pricing for home infusion supplies and services provided at Participating Pharmacies (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be pass through.

Standard Per Diem	\$65/dose
Standard Nursing Fee/ First 2 Hours	\$150
Standard Nursing Hourly	\$75

(ii) Additional exceptions to AWP Discount Rates and Standard Per Diem & Nursing Fees

Brand Name	AWP Discount	Per Diem
EPOPROSTENOL	1.0%	\$65/day
REMODULIN	5.0%	\$65/day

The AWP discount includes Phone Support Nursing, Supplies, Pump, first two training visits, and Coordination of In-Person Nursing. In-home nursing that is requested/needed beyond the first two training visits will be charged at a rate of \$150 for the first two hours and \$75 for every hour after.

(c) Specialty Products will be excluded from any price guarantees set forth in this Addendum. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing terms specified in this Addendum, including, but not limited to, the annual average ingredient cost discount guarantees, apply to Specialty Products.

(d) Unless otherwise set forth in an agreement directly between ESI Specialty Pharmacy and Sponsor, if a Specialty Product dispensed or ASES provided by ESI Specialty Pharmacy is billed to Sponsor directly by ESI Specialty Pharmacy instead of being processed through ESI, Sponsor agrees to timely pay ESI Specialty Pharmacy for such claim pursuant to the rates above and within thirty (30) days of Sponsor'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.

(e) Notwithstanding the Specialty Product pricing terms set forth above, ESI agrees to the following average aggregate annual ingredient cost discount guarantee for ESI Specialty Pharmacy:

Type of Guarantee	ESI Specialty Pharmacy	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	AWP - 14.50% ⁽¹⁾	All Prescription Drug Claims <u>except</u> Prescription Drug Claims dispensed through ESI Specialty Pharmacy (excluding Limited Distribution medications dispensed through ESI Specialty Pharmacy, which are also excluded)

⁽¹⁾This guarantee shall only apply if Sponsor elects the ESI Specialty Pharmacy "exclusive" option.

The above guarantee will be reconciled in accordance with the terms of Section III above.

VI. Influenza and Other Vaccinations

Vaccinations shall adjudicate at the lower of:

(a)

	Participating Pharmacy INFLUENZA	Participating Pharmacy OTHER VACCINES
Ingredient Cost +	Participating Pharmacy Ingredient Cost as set forth in this Addendum	Participating Pharmacy Ingredient Cost as set forth in this Addendum
Dispensing Fee +	Participating Pharmacy Dispensing Fee as set forth in this Addendum	Participating Pharmacy Dispensing Fee as set forth in this Addendum
Professional Service Fee (PSF); cost for pharmacist to inject the vaccine	Pass-Through (capped at \$15 per vaccine claim)	Pass-Through (capped at \$20 per vaccine claim)
Vaccine Program Administrative Fee *	\$2.50 per vaccine claim	\$2.50 per vaccine claim

* The Vaccine Program Administrative Fee will be manually billed to Sponsor on a monthly basis or at such other intervals as agreed between ESI and Sponsor. Manual billing is subject to change to electronic billing. ESI will provide Sponsor prior written notice of any change to electronic billing. This Vaccine Program Administrative Fee will apply to any vaccine claims, whether at contracted rates or U&C, and is in addition to any per Prescription Drug Claim administrative fee set forth in this Addendum.

or

(b) the combined ingredient cost, dispensing fee (if any) and professional service fee (if any) that the Participating Pharmacy generally charges an individual paying cash, without coverage for prescription drug benefits, plus the Vaccine Program Administrative Fee set forth above.

Coverage is subject to Plan provisions. No vaccine claims will be included in any guarantees set forth in this Addendum and/or amendments thereto.

Exhibit E-2

Administrative Services and Clinical Program Fees

I. Administrative Services

PBM Services – No Additional Fee	
Customer service for Members	Electronic claims processing
Customer Service for Sponsor questions	Plan setup
Electronic/on-line eligibility submission	Software training for access to our on-line system(s)
Standard coordination of benefits (COB) (reject for primary carrier)	Account Management Services
FSA eligibility feeds	
Network Pharmacy Services	
Pharmacy help desk	Pharmacy reimbursement
Pharmacy network management	Network development (upon request)
Network Pharmacy Audit Program	
Home Delivery Services	
Benefit education	Prescription delivery – standard
Reporting Services	
Web-based client reporting – produced by Sponsor	Annual Strategic Account Plan report
Ad-hoc desktop parametric reports	Billing reports
Claims detail extract file electronic (NCPDP format)	Inquiry access to claims processing system
Load 12 months claims history for clinical reports and reporting	
Website Services	
Express-Scripts.com for Sponsor — access to reporting tools, eligibility update capability, contact directory, sales and marketing information, and benefit and enrollment support secured through Risk Base Authentication	Express Preview SM enrollment option — available during open enrollment to enable members to evaluate prescription benefit plan options
Express-Scripts.com for Members — access to benefit, drug, health and wellness information; prescription ordering capability; and customer service	
Implementation Package and Member Communications	
New Member packets (includes two standard resin ID cards) Member replacement cards printed via web	Implementation support
Clinical	
Concurrent Drug Utilization Review (DUR) Prior Authorization – Administrative <ul style="list-style-type: none"> • Non-clinical Prior Authorization • Lost/stolen overrides • Vacation supplies 	

PBM Services	Fees
Manual/hardcopy eligibility submission	\$10.00/update (includes initial entry)
Member-submitted paper claims processing fee	\$2.50/claim
Medicaid subrogation claims fee	\$2.50/claim
Electronic Prescribing	Per electronic transaction Rx hub fees charged to Sponsor at ESI per electronic transaction cost
Network Pharmacy Services	
Network Pharmacy Reporting	\$500 per quarterly audit summary report upon request
Reporting Services	

PBM Services	Fees
Web-based client reporting – produced by ESI	\$100/report
Custom ad-hoc reporting	\$150/hour, with a minimum of \$500
Replacement Member Communication Packets	
Member requested replacement packets	\$1.50 + postage per packet
Sponsor requested re-carding	\$1.50 + postage per packet
Reviews and Appeals Management	
Initial Determinations (i.e. coverage reviews) and Level One Appeals for the Coverage Authorization Program, consisting of: <ul style="list-style-type: none"> • Prior Authorization • Step Therapy • Drug Quantity Management 	Included in the existing utilization management PMPM charge OR Included in the existing PA charge of \$55 per review
Initial Determinations and Level One Appeals for the Benefit Review Program, consisting of reviews known as: <ul style="list-style-type: none"> • Plan Design Related Requests • Plan Exclusion Reviews (clinical or administrative reviews of non-covered drugs) • Copay Reviews • Plan Limit Reviews (e.g. age, gender, days' supply limits) • Plan Rule/Administrative Reviews/Non-clinical Reviews • Clinical Benefit Reviews • Direct Claim Reject Reviews 	\$55 per review
Final and Binding Appeals – Level Two Appeals * and/or Urgent Appeals** <p>*Level One for clients with only one level of appeal ** Appeals can be urgent at Level One or Level Two and decisions are final and binding.</p>	\$10.00 per review* (incremental to PMPM fees or per review fees above) * this additional fee is applied to each initial determination.
External Reviews by Independent Review Organizations - for non-grandfathered plans	\$350 per review
Medicare Part D – Retiree Drug Subsidy (RDS)	
Part D subsidy enhanced service (ESI sends reports to CMS on behalf of Sponsor) <ul style="list-style-type: none"> • Notice of Creditable Coverage 	\$0.62 PMPM for Medicare-qualified Members with a minimum annual fee of \$7,500 \$0.75/letter + postage

II. **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.

The programs (and corresponding pricing and guarantees) outlined in this Exhibit, or the Clinical Addendum (executed separately by Sponsor) represent the programs currently offered as of the Effective Date. While ESI may add or delete programs from time to time, ESI agrees that during the term of this Addendum, so long as the relevant programs are offered, pricing for these programs will remain as set forth in this Exhibit. ESI also offers 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 on the applicable Set-Up Form. ESI will not implement any program in which Sponsor may incur an additional fee without Sponsor's prior written approval and election of such program.

Selected Services

Health Choices	
Concurrent DUR Concurrent DUR performs online, real-time drug utilization analysis at the point of prescription dispensing, whether the dispensing occurs at the retail pharmacy or at the Express Scripts Pharmacy. Each electronically transmitted claim is reviewed to identify the most pertinent clinical patient safety or utilization concerns and generates an alert to the dispensing pharmacist in real time before the member receives the prescription(s).	No charge (included in base offering)
Drug Choice Programs	
Formulary Notification Formulary Notification educates members about changes to their formulary. The program and its communications minimize disruption while encouraging members to use more cost-effective prescription drugs, provide a clinically sound prescription-drug benefit, and motivate members to take an active role in protecting their access to the prescription drugs they need.	No charge for standard
Drug Conversion Program at Home Delivery	No Charge (included in base offering)
My Rx Choices My Rx Choices is a best-in-class base solution that will increase home delivery utilization, deliver a high level of patient support, improve the patient experience, and increase savings for you and your members at no additional cost. Our outreach strategy targets traditional, Medicare, and specialty maintenance medication users who currently use a retail pharmacy but also have home delivery conversion opportunities available, engaging them to make choices that are clinically sound and cost-effective.	No Charge (included in base offering)
Advantage UM Package Everything in the Limited UM Package Plus: <u>Prior Authorization</u> Advantage Prior Authorization List ^{*(2)} Nonessential Therapy Prior Authorization List ^{*(3)} <u>Drug Quantity Management</u> Advantage Drug Quantity Management List ^{*(8)} <u>Step Therapy</u> Preferred Specialty Management Advantage Step Therapy List ^{*(6)}	\$0.60 PMPM Included in Advantage UM Package Included in Advantage UM Package Included in Advantage UM Package Included in Advantage UM Package Included in Advantage UM Package

Topical Tretinoin (Retin-A®, Retin-A® Micro® – Ortho; Avita® – Bertek Pharmaceuticals; Tretin-X™ – Triax; Atralin™ gel – Coria; other generic topical tretinoin products – various manufacturers) and clindamycin phosphate 1.2% and tretinoin 0.025% gel (Ziana® – Medicis; Veltin™ – Stiefel)

Viagra

GLP-1 Agonists (Byetta, Bydureon, Victoza)

Note: All prices are PMPM (per member per month)

*(4)

Proactive PA*
Ampyra*†
Arcalyst*†
Cinryze*†, Berinert*†
Chenodal*†
Firazyr*†
Ilaris*†
Kalbitor*†
Korlym*†
Krystexxa*†
Kuvan*†
Macular Degeneration (Eylea*†, Lucentis*†, Macugen*†)
Makena*
Nplate*†
Promacta*†
Samsca
Xenazine*†

Note: All prices are PMPM (per member per month)

*(5)

Limited Step Therapy List
COX-2
Hypnotics
Nasal Steroid
NSAID
Preferred PPI
Tetracyclines - Oral
Topical Acne
Topical Corticosteroids
Topical Immunomodulators

Note: All prices are PMPM (per member per month)

*(6)

Advantage Step Therapy List
ARB
Avodart

Pain - Narcotic
Pulmonary Hypertension
Wound Care

Note: All prices are PMPM (per member per month)

*(9)

Included Optional Step Therapy Programs
Alpha Blockers for BPH
Ophthalmic Prostaglandin
Alzheimer's**
Other Antidepressants**
SSRI**
Included Optional PA Programs
Pegasys*†, PegIntron*†

Exhibit E-3

Rebates

1. Rebate Amounts

A. Subject to the conditions set forth in Sections 2. – 4. below and elsewhere in this Addendum, ESI will pay to Sponsor an amount equal to the greater of:

- (i) 100% of the Rebates and Manufacturer Administrative Fees received by ESI on a Pass Through basis;

Or

- (ii) Subject to Sponsor meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

Formulary:	ESI National Preferred	
Copayment Design:	Minimum \$15 Copayment Differential	
	Participating Pharmacies and ESI Specialty Pharmacy	Mail Service Pharmacy
Per Brand Claim		
Year 1	\$35.99	\$107.97
Year 2	\$39.63	\$118.88
Year 3	\$45.61	\$136.84

B. If the Plan design conditions identified in the table in Section 1.A.(ii) above are not met, the “greater of” methodology and the guaranteed amounts shall not apply, and ESI will, subject to the remaining terms of this Addendum, pay Sponsor Rebate amounts pursuant to the percentage set forth in Section 1.A.(i) above.

2. Exclusions

Member Submitted Claims, Subrogation Claims, biosimilar products, OTC products, claims older than 180 days, claims through Sponsor-owned or 340b pharmacies, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 1.A.(ii) above.

3. Rebate Payment Terms

A. Subject to the conditions set forth herein, ESI shall pay Sponsor the guaranteed amounts set forth in Section 1.A.(ii) above for Rebates and Manufacturer Administrative Fees collected by ESI during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter. ESI shall also pay Sponsor the percentage amount set forth in Section 1.A.(i) above for residual Rebates and Manufacturer Administrative Fees collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

B. On an annual and aggregate basis, ESI shall reconcile the percentage amount set forth in Section 1.A.(i) above against the guaranteed amounts paid to Sponsor quarterly within one hundred eighty (180) days following the end of each calendar year and shall credit Sponsor

for any deficit on the next invoice immediately following the reconciliation.

4. Conditions

- A. ESI contracts with pharmaceutical manufacturers for Rebates and Manufacturer Administrative Fees 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 from manufacturers. 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.
- B. Sponsor acknowledges that it may be eligible for Rebate amounts and Manufacturer Administrative Fee amounts under this Addendum 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 this Addendum, without the prior written consent of ESI. In the event that Sponsor negotiates or arranges with a pharmaceutical manufacturer 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 by, but not yet paid to, Sponsor as necessary to prevent duplicative rebates on Covered Drugs. 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 Addendum, entitling ESI to suspend payment of Rebate amounts and Manufacturer Administrative Fee amounts hereunder and to renegotiate the terms and conditions of this Addendum.
- C. 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, upon written consent of Client, which shall not be unreasonably withheld.
- D. Reporting. Rebate and Manufacturer Administrative Fee amounts paid to Sponsor pursuant to this Addendum 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 E-4

PERFORMANCE STANDARDS

In the event that any failure by ESI to meet any performance standard is due to a "force majeure" as defined in this Addendum, failure of Sponsor to perform its obligations under this Addendum, 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 Addendum 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 \$1,110,000 for the implementation performance standard and \$13.50 per Member up to a maximum of \$500,000 per year for the annual performance standards.

The following performance standards are based on 29,000 Members as of the Effective Date and throughout the Term. Any material change below such number may result in a renegotiation of the standards and penalties set forth below.

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

Service Feature	Standard	Penalty
Implementation		
Implementation and Start-up	<p>ESI will guarantee the implementation of Sponsor to be completed in accordance within the mutually agreed upon timelines. Each of ESI's 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>Communications</p> <p>ESI's Implementation Project Manager (IPM) will provide regular updates to Sponsor tracking the status of the implementation.</p> <p>A completed implementation sign-off manual will be provided to Sponsor upon Sponsor's formal transition from the IPM to the Account Team. ESI's IPM will conduct a post-implementation review meeting with Sponsor within 30 days after the effective date.</p> <p>The implementation performance standard is a one-time only standard valid 90 days from Sponsor's effective date.</p>	<p>The following dollars will be paid to Sponsor if ESI does not complete the deliverables by the dates noted in set-up forms, assuming that Sponsor has provided the information necessary to complete these deliverables:</p> <p><i>Benefit Plan Design — \$222,000</i></p> <p><i>Group Structure and Eligibility Load — \$222,000</i></p> <p><i>ID Cards — \$222,000</i></p> <p><i>Toll-Free Telephone Number — \$222,000</i></p> <p><i>Communications — \$222,000</i></p> <p>The maximum implementation penalty will be \$1,110,000.</p>

Service Feature	Standard	Penalty
Implementation Timeline	Implementation team will be assigned and introduced to Sponsor within 5 business days of approval.	ESI will put \$16,800 as a total amount of penalty at risk.
Implementation Team	<p>Implementation team members will not change and will be responsible for the accurate installation of all administrative, clinical and financial parameters for Sponsor's program.</p> <p>Applicable to situations within ESI control. Does not apply when an employee is promoted, obtains a different position, or leaves the company.</p>	ESI will put \$16,800 as a total amount of penalty at risk.
Implementation Satisfaction	<p>ESI agrees to provide an Implementation satisfaction survey. The assessment will be comprised of specific implementation project plan milestone dates and any new solutions/business practices that were created by both parties throughout the process. A satisfaction rating of 1-5 will be used based on meeting the milestone dates and/or if the new solutions/business practices fulfilled the business requirement need. ESI guarantees an average rating of 4 or greater. This is dependent on the Sponsor providing the necessary information by the agreed upon dates.</p> <p>1 – Date missed by 14 or more business days due to fault of ESI and/or solution did not fulfill any part of business requirement</p> <p>2- Date missed by 7-business days or more, but less than 14 business days, due to fault of ESI and/or solution fulfilled partial business requirement</p> <p>3 - Date missed by 1 business day or more, but less than 7 business days, due to fault of ESI and/or solution fulfilled minimal business requirement</p> <p>4 – Date met with anticipated results and/or solution fulfilled business requirement need</p> <p>5 – Date met by 7 business days or more with anticipated results and/or solution better than business requirement need</p> <p>The implementation satisfaction survey is a one-time only standard valid 90 days from Sponsor's effective date.</p>	ESI will pay \$4,200 for an average rating less than 4. ESI will pay \$8,400 for an average rating less than or equal to 3. ESI will pay \$12,600 for an average rating less than or equal to 2. ESI will pay \$16,800 for an average rating less than or equal to 1. In no event shall the total penalty exceed \$16,800.
Data System		
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 such claims adjudicated by ESI in such contract year.	ESI will put \$16,800 as a total amount of penalty at risk.
System Downtime	<p>ESI guarantees an annual average 99.5% system availability of the point-of-sale adjudication system on a book-of-business basis.</p> <p>This standard excludes systems downtime attributed to regularly scheduled systems maintenance or systems downtime attributed to telecommunications failure or other circumstances outside the control of ESI.</p>	ESI will pay Sponsor \$8,400 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 \$16,800.
Contact Center		

Service Feature	Standard	Penalty
Average Speed of Answer	ESI guarantees that all calls will be answered within an average of 20 second or less per year. This standard includes IVRU and is predicated on the installation of a toll-free number unique to the Sponsor.	ESI will pay Sponsor \$8,400 for each full second above the standard 20 seconds on an annual basis. The maximum annual penalty will be \$16,800. The calculation will be based on the average speed of answer.
Percent of Calls Abandoned	100% of calls to Sponsor-specific toll free line shall be answered with an abandonment rate of 3% of less.	ESI will pay Sponsor \$8,400 for each full percentage point above the standard 3% on an annual basis. The maximum annual penalty will be \$16,800. The calculation will be based on the average percentage of calls abandoned.
Home Delivery Pharmacy		
Mail Service Non-Financial Accuracy	The mail service pharmacy shall guarantee dispensing accuracy of at least 99.95% (correct participant name, correct participant address, correct drug, correct dosage form, and correct strength). Measured at a client specific level.	ESI will pay Sponsor \$8,400 for each full percentage point below the standard of 99.95% on an annual basis. The maximum annual penalty will be \$16,800. The calculation will be based on the average prescription accuracy.
Turnaround Time for Routine (Clean) Prescriptions	ESI guarantees that 100% of prescriptions not requiring intervention will be dispensed within an average of 2 business days.	ESI will pay Sponsor \$8,400 for each full day above the standard two (2) business days on an annual basis. The maximum annual penalty will be \$16,800.
Turnaround Time for Prescriptions Subject to Intervention	ESI guarantees that 100% of prescriptions requiring intervention will be dispensed within an average of 4 business days.	ESI will pay Sponsor \$8,400 for each full day above the standard four (4) business days on an annual basis. The maximum annual penalty will be \$16,800.
Reporting		
Delivery of Standard Quarterly Reports	Standard reports will be delivered within 30 days of the end of reporting quarter.	ESI will put \$16,800 as a total amount of penalty at risk.
Ad-hoc Reports	A minimum of 90% of Ad-hoc reports will be delivered to State within 7 business days of the request. Ad-hoc reports are defined as reports that are not part of the vendor's standard reporting package	ESI will put \$16,800 as a total amount of penalty at risk.
Standard Reports	100% of standard online trend central suite reports will be provided to Sponsor online within 3 business days of the request or as mutually agreed upon.	ESI will put \$16,800 as a total amount of penalty at risk.
Eligibility		
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. This is measured on a per-file basis and reported annually.	Sponsor may assess a penalty against ESI in the amount of \$4,200 for each file not updated within this time period, subject to a maximum penalty of \$16,800 per contract year.

Service Feature	Standard	Penalty
Eligibility Data Error Reporting	Provided Sponsor has a secure connection, ESI shall provide a pre-edit report within two (2) business days once processable maintenance eligibility transactions have been uploaded into production each contract year.	Sponsor may assess a penalty against ESI in the amount of \$4,200 for each pre-edit report not provided within this time period, subject to a maximum penalty of \$16,800 per contract year.
Retail Pharmacy Network		
Pharmacy Audit Resolution	Pharmacy audit resolution within 6 months of identification and notification to ESI by Sponsor or its designee.	ESI will pay Sponsor \$16,800 if this standard is not met.
Account Management		
State Approval of Member Communications	100% of all member communications will be approved by Sponsor. Excluding situations of a drug recall, and other instances in which the immediate health and safety of a patient may be in question, and except for standard documents of an operational nature. The latter include documents that are included in almost all home delivery packages received by members, such as the explanation of benefits, literature describing the drug they have received, the purpose of the drug, and possible side effects of drugs (most of which are legal documents that cannot be customized).	ESI will put \$16,800 as a total amount of penalty at risk.
Account Team Performance	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 \$16,800 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 contact period excluding changes due to terminations and promotions.	ESI will put \$16,800 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, caused solely by ESI, the vendor shall pay a penalty per erroneous document.	ESI will put \$16,800 as a total amount of penalty at risk.
Customer Service		
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 \$8,400 for each full percentage point below 94%. The maximum annual penalty will be \$16,800.
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 twenty (20) business days.	ESI will put \$16,800 as a total amount of penalty at risk.
Client Services Administration		
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. Standard assumes survey response rate is statistically significant.	ESI will put \$16,800 as a total amount of penalty at risk.
Audits		

Service Feature	Standard	Penalty
Provide Data Extract requested	Within 30 days of request date or within 10 business days of executed confidentiality agreement (whichever occurs first).	ESI will put \$16,800 as a total amount of penalty at risk.
Provide Complete Response to Data Request	Provide complete response to data request within 30 days of request.	ESI will put \$16,800 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.	ESI will put \$16,800 as a total amount of penalty at risk.
Providing Initial Response to Audit Findings	Provide initial response to audit findings within 30 days of receipt of findings.	ESI will put \$16,800 as a total amount of penalty at risk.
Invoice		
Invoicing Errors	ESI shall make good faith efforts to credit all invoicing errors within mutually agreed upon time frames.	ESI shall pay a performance penalty of \$4,200 for each contract quarter that does not meet this standard, subject to a maximum of \$16,800 per contract year.
Subsidy		
Quarterly Claims File	Quarterly Claims file must be submitted to CMS by the last day of the month following the quarter end.	ESI will put \$16,800 as a total amount of penalty at risk.
Filing and Submission Responsibilities	All filing and submission responsibilities of the PBM must be submitted in accordance with both CMS guidelines and Sponsor's strategy	ESI will put \$16,800 as a total amount of penalty at risk.

EXHIBIT F

EGWP Services Addendum

THIS MEDICARE PART D EMPLOYER-ONLY SPONSORED GROUP WAIVER PLAN PRESCRIPTION DRUG SERVICES ADDENDUM ("Addendum"), made as of the date of execution as set forth on the signature page (the "Execution Date"), is entered into by and between Express Scripts, Inc., a Delaware corporation ("ESI"), and STATE OF NEW HAMPSHIRE, on its own behalf and on behalf of the Client Group Health Plan (as defined below) ("Client").

RECITALS

A. Client and ESI have entered into that certain Pharmacy Benefit Management Services Agreement effective upon approval by the Governor and Executive Council, to which this Addendum is attached (the "Agreement").

B. ESI 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 and regulations 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 ESI (collectively, the "Medicare Drug Rules").

C. Pursuant to the waivers granted by CMS under 42 U.S.C. §1395w-132(b), ESI 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.

D. Client 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 (the "Client Group Health Plan").

E. Client desires to contract with ESI to offer a prescription drug benefit to Client'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 as part of the Client Group Health Plan.

F. Provided that the EGWP Benefit meets the actuarial equivalence standards of the Medicare Drug Rules, as more fully described below, ESI desires to offer the EGWP Benefit to Client's Part D Eligible Retirees in accordance with the Medicare Drug Rules and pursuant to the terms and conditions of this Addendum.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants herein contained, and pursuant to the terms and subject to the conditions set forth below, ESI and Client hereby agree as follows:

TERMS AND CONDITIONS

ARTICLE I - DEFINITIONS

Terms not otherwise defined in this Addendum shall have the meanings ascribed to them as set forth below, in the Agreement, or as defined in the Medicare Drug Rules.

"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 Express Scripts Insurance Company ("ESIC").

"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 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, Mail Service 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 Addendum. 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 Addendum with no penalty.

"Brand Drugs" mean single-source and multisource drug products based on indicators set forth in various drug pricing sources recognized in the retail prescription drug industry, as reasonably determined by ESI consistent with its standard practice utilized for all clients. Notwithstanding the foregoing, certain prescription drug medications that are licensed and then currently marketed as brand name drugs, where there exists at least one (1) competing prescription medication that is a generic equivalent and interchangeable with the marketed brand name drug, may process as "Generic Drugs" for Prescription Drug Claim adjudication and EGWP Enrollee Copayment purposes.

"Copayment" or "Copay" means that portion of the charge for each Covered Product dispensed to an EGWP Enrollee that is the responsibility of such EGWP Enrollee (e.g., copayment, coinsurance, cost sharing, and/or deductibles under initial coverage limits and up to annual out-of-pocket thresholds) as provided under the EGWP Benefit, as shown in the Set-Up Forms. As set forth in Exhibit H-1, a Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, discounted price plus dispensing fee or U&C.

"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 CMS.

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

"Covered Product(s)" means those prescription drugs, supplies, and other items that are covered under the EGWP Benefit, or treated as covered pursuant to a coverage determination or appeal.

“Enrollee Submitted Claim” means (a) a claim submitted by an Enrollee for Covered Products dispensed by a pharmacy other than a Participating Pharmacy, (b) a claim submitted by a Enrollee for a vaccination, or (c) a claim for Covered Products filled at a Participating Pharmacy for which the Enrollee paid the entire cost of the Covered Product.

“Enrollment File” means the list made available by Client on Client’s secure FTP, in accordance with Article II, indicating the Part D Eligible Retirees that Client has submitted for enrollment in the EGWP Benefit, as verified by ESI through CMS eligibility files, which will be available to be accessed and downloaded by ESI. Client will use best efforts to ensure that all information it provides to ESI in the Enrollment File will be complete and correct.

“EGWP Benefit” means the prescription drug benefit to be administered by ESI under this Addendum, as defined in the Recitals above and as further described in the Client Group Health Plan document, its summary plan description, and its summary of benefits, the latter of which is attached hereto as Exhibit G, as may be amended from time to time in accordance with the terms of this Addendum.

“EGWP Enrollee” means each Part D Eligible Retiree who is enrolled in the EGWP Benefit in accordance with the terms of this Addendum.

“EGWP Plus Wrap” means a prescription drug benefit plan design that provides coverage beyond 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.

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

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

“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. For purposes of this Addendum, the Generic Drug determination is made using indicators from First Databank on the basis of a standard brand/generic algorithm utilized by ESI for all of its clients, a copy of which may be made available for review by Client upon request.

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

“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.

“Mail Service 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 EGWP Enrollees via mail delivery service.

“Manufacturer Administrative Fees” means those administrative fees paid by pharmaceutical manufacturers to, or otherwise retained by, ESI or its Affiliate pursuant to a contract between ESI or its Affiliate and the manufacturer and directly in connection with ESI or its Affiliate administering, invoicing, allocating and collecting the Rebates under the Medicare Rebate Program.

“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. ESI will inform the Client at least 60 days in advance of when a drug on the Medicare Formulary is targeted to be removed from the Medicare Formulary. ESI will provide a disruption and financial impact analysis at that time.

“Medicare Rebate Program” means ESI’s or its Affiliate’s manufacturer rebate program under which ESI or its Affiliate contracts with pharmaceutical manufacturers for Rebates payable on selected Covered Products that are reimbursed, in whole or in part, through Medicare Part D, as such program may change from time to time.

“Members” has the meaning as set forth in Addendum A of the Agreement.

“MRA” or “Maximum Reimbursement Amount” is the price charged to Client for a prescription drug product on the MAC List.

“Paid Claim” means a Prescription Drug Claim, excluding a reversal or adjustment, made on behalf of a Member that results in a payment.

“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 Client’s Current Benefit.

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

“Pass-Through” means that 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, Mail Service Pharmacy, or ESI Specialty Pharmacy as the context of the provision dictates.

“PHI” means protected health information as defined under HIPAA.

“PMPM” means, if applicable, per EGWP Enrollee, per month, as determined from the Enrollment Files for the applicable time period.

“Prescription Drug Claim” means an EGWP Enrollee Submitted Claim or claim for payment of a Covered Product submitted to ESI by a Pharmacy.

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

“Rebates” means retrospective rebates that are paid to ESI or its Affiliate, or otherwise retained by ESI or its Affiliate, pursuant to the terms of a rebate contract negotiated independently by ESI or its Affiliate with a pharmaceutical manufacturer, and directly attributable to the utilization of certain Covered Drugs by EGWP Enrollees under the EGWP Benefit. Rebates do not include Manufacturer Administrative Fees, product discounts or fees related to the procurement of prescription drug inventories by or on behalf of ESI or its Affiliates owned and operated specialty or mail order pharmacies, as more fully described in Exhibit J; fees received by ESI from manufacturers for care management or other services provided in connection with the dispensing of Specialty Products; or other fee-for-service arrangements whereby pharmaceutical manufacturers generally report the fees paid to ESI or its Affiliates for services rendered as “bona fide service fees” pursuant to federal laws and regulations, including, but not limited to the Medicaid “Best Price” rule (collectively, “Other Pharma Revenue”). Such laws and regulations, as well as

ESI's contracts with pharmaceutical manufacturers, generally prohibit ESI from sharing any such "bona fide service fees" earned by ESI, whether wholly or in part, with any ESI client. ESI represents and warrants that it will not enter into any agreement with a pharmaceutical manufacturer for Other Pharma Revenue in exchange for a reduction of Rebates.

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

"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 and/or typically having 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; intensive patient training and compliance assistance to facilitate therapeutic goals; limited or exclusive product availability and distribution; specialized product handling and/or administration requirements and/or cost in excess of \$500 for a 30 day supply.

"True Out-of-Pocket Costs" or "TrOOP" means costs incurred by an EGWP Enrollee or by another person on behalf of an EGWP Enrollee, such as a deductible or other cost-sharing amount, with respect to Covered Products, and shall include Coverage Gap Discount, as further defined in the Medicare Drug Rules.

"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 or its Affiliate by the Participating Pharmacy.

"Vaccine Claim" means (i) a Medicare Part D covered vaccine claim for reimbursement submitted by a Participating Pharmacy, ESI Mail Pharmacy, ESI Specialty Pharmacy, physician, or other entity and (ii) a Medicare Part B covered vaccine claim submitted by a Participating Pharmacy. Vaccine Claim is a Prescription Drug Claim for purposes of this Addendum.

ARTICLE II – PLAN STATUS UNDER APPLICABLE LAWS; ENROLLMENT AND DISENROLLMENT IN THE EGWP BENEFIT

2.1 Medicare Part D. Client and ESI acknowledge and agree as follows:

(a) Under the Medicare Drug Rules, the EGWP Benefit will be deemed to be an EGWP administered by ESI, and each EGWP Enrollee will be deemed to be a Part D enrollee of ESI who is covered by the EGWP Benefit.

(b) The design of and administration of the EGWP Benefit is subject to the applicable requirements of the Medicare Drug Rules. Client shall cooperate with ESI and, upon ESI's request, do, execute, acknowledge and deliver such further acts, reports and instruments as may be reasonably required or appropriate to administer the EGWP Benefit in compliance with the Medicare Drug Rules, applicable state insurance laws and other applicable laws.

2.2 ERISA. Client acknowledges and agrees that, in providing services under this Addendum and administering the EGWP Benefit, neither ESI nor any of ESI's Affiliates is acting as a fiduciary (as defined in Section 3.21(a) of ERISA) of the Client Group Health Plan, and Client shall not name ESI or any of ESI's Affiliates as a plan fiduciary. Neither ESI nor any of ESI's Affiliates have nor shall have any power to make any decisions as to the Client Group Health Plan's policy, interpretations, practices or procedures, but rather provides ministerial services within a framework of policies, guidelines, interpretations, rules, practices, and procedures chosen by Client. Client acknowledges that neither ESI

nor any of ESI's Affiliates have nor shall have any discretionary authority or control respecting management of the Client Group Health Plan, nor exercise any authority or control respecting management or disposition of the plan assets of the Client Group Health Plan, if any exist. Client further acknowledges that all such discretionary authority with respect to the Client Group Health Plan is retained by Client or some other person or entity as designated in writing by Client to act with such discretionary authority.

2.3 HIPAA. Each of Client, the Client Group Health Plan and ESI agrees to take reasonable and necessary actions to safeguard the privacy and security of information that identifies a particular EGWP Enrollee in accordance with state and federal privacy and security requirements, including HIPAA and the confidentiality and security provisions stated in 42 C.F.R. §423.136. Without limiting the generality of the foregoing, the parties acknowledge that, for the purposes of HIPAA compliance, each of ESIC and the Client Group Health Plan is a Covered Entity, and ESI is a business associate, and that, with respect to the EGWP Benefit, ESIC and the Client Group Health Plan shall be deemed to be an Organized Health Care Arrangement. ESIC and the Client Group Health Plan may transmit and receive PHI as necessary for the operation of the EGWP Benefit. ESI shall be responsible for distribution of the EGWP Benefit Notice of Privacy Practices to EGWP Enrollees. In addition, ESI may transmit PHI to the Client Group Health Plan for payment purposes and any other purpose permitted by HIPAA. Client hereby represents and warrants that: (i) the Client Group Health Plan's documents have been amended to meet the specification requirements set forth at 45 C.F.R. §164.504(f); (ii) Client will use and disclose PHI solely in accordance with these provisions; and (iii) accordingly, ESI, at the direction of the Client Group Health Plan, may disclose PHI to Client consistent with the terms of this Section 2.3. The parties shall take reasonable steps to ensure that all uses and disclosures of PHI by ESI, the Client Group Health Plan and Client only include information that is minimally necessary to accomplish the purpose(s) of the use or disclosure. Capitalized terms used in this Section 2.3 and not otherwise defined in this Addendum shall have the meaning set forth in HIPAA. ESI may use and disclose both during and after the term of this Addendum the anonymized claims data (de-identified in accordance with HIPAA) including drug and related medical data collected by ESI or provided to ESI by Client for research; provider profiling; benchmarking, drug trend, and cost and other internal analyses and comparisons; clinical, safety and/or trend programs; ASES; or other ESI business purposes, in all cases subject to applicable law.

2.4 Group Enrollment. Subject to each individual's right to opt out, as described below, Client 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. Client agrees that it will comply with all applicable requirements for group enrollment in EGWPs as set forth in the Medicare Drug Rules and related CMS guidance, and as described by ESI's policies, procedures and client handbook.

2.5 Enrollment File. No later than thirty (30) days prior to the Effective Date and the first day of each EGWP Benefit enrollment period thereafter, so long as this Addendum is in effect, Client shall provide an Enrollment File to ESI via the communication medium reasonably requested by ESI that lists those Part D Eligible Retirees for whom Client 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. Client will use best efforts to ensure that all information it provides to ESI in the Enrollment File will be complete and correct. Client 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 ESI. ESI agrees to process retroactive enrollment requests pursuant to the requirements of the Medicare Drug Rules.

2.6 Implementation.

(a) ESI's Responsibilities. ESI shall implement the Enrollment File following confirmation of the eligibility of the Part D Eligible Retirees listed on the Enrollment 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 Enrollment File submitted by Client and the CMS eligibility files. If an individual is listed on the Enrollment File provided by Client, but is not eligible for participation according to CMS eligibility files, then ESI shall

notify Client in a timely manner regarding such individual's ineligibility. ESI will work with Client to determine if such individual has been rejected due to an administrative or clerical error (e.g., data field standards errors, rejections related to information input by ESI related to the EGWP Benefit into the CMS system, etc.), or an error requiring individual retiree contact, and if so in either case, ESI will take appropriate action and attempt to correct such error and resubmit the individual through the CMS system. Client acknowledges and agrees that ESI may update in the Enrollment File any and all information concerning Part D Eligible Retirees upon receipt of corrected information from CMS, and ESI may use such corrected information to obtain a Part D Eligible Retiree's enrollment in the EGWP Benefit. For all Part D Eligible Retirees that have been included by Client in the Enrollment File, but who are ultimately determined to be ineligible for participation in the EGWP Benefit, ESI or its Affiliate shall notify the individual of his or her ineligibility in the EGWP Benefit and take all other action as required by applicable law. ESI shall communicate to Client any changes to a Part D Eligible Retiree's information in the Enrollment File based upon updates or corrections received from CMS.

(b) Incomplete Enrollment File Information. Client's submission to ESI of an inaccurate or incomplete Enrollment File (e.g., missing date of birth, last name, first name, etc.) or otherwise of 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. ESI will provide Client with regular reports providing the details of all such incomplete information needed to enroll Part D Eligible Retirees. Client acknowledges and agrees that ESI may contact Client's Part D Eligible Retirees to obtain the information required hereunder and that ESI will update the Enrollment File on Client's behalf to reflect additional information needed to complete enrollment of the Part D Eligible Retirees in the EGWP Benefit. If ESI, using reasonable efforts, is not able to obtain all missing information from a Part D Eligible Retiree within twenty-one (21) days after receiving Client's initial request for enrollment of the Part D Eligible Retiree in the EGWP Benefit, then Client's request shall be deemed cancelled and ESI or its Affiliate shall notify the individual of his or her non-enrollment in the EGWP Benefit and shall take all other action as required by applicable law.

(c) Effective Date of Application for Enrollment into EGWP Benefit. Notwithstanding any provision of this Addendum to the contrary, the effective date of the application for any Part D Eligible Retiree who ESI seeks to enroll in the EGWP Benefit hereunder shall be the date on which the application for enrollment is entered by ESI into its enrollment system, subject however to any adjustments that ESI may make for retroactive enrollments as necessary to enroll the Part D Eligible Retiree in the EGWP Benefit.

2.7 Individual Disenrollment. If Client or ESI determines that an EGWP Enrollee is no longer eligible to participate as an EGWP Enrollee in the EGWP Benefit (an "Ineligible Enrollee"), such Ineligible Enrollee shall be disenrolled in accordance with the Medicare Drug Rules.

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

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

(b) Information to ESI. Client shall provide all the information to ESI that is required for ESI to submit a complete disenrollment request transaction to CMS, as set forth in the Medicare Drug Rules.

2.9 Voluntary Disenrollment. If an EGWP Enrollee makes a voluntary request to be disenrolled from the EGWP Benefit (the "Voluntary Disenrollee") to Client, then Client shall notify ESI at least sixty (60) days prior to the effective date of such Voluntary Disenrollee's disenrollment, in a manner and format agreed upon by the parties. If Client does not timely notify ESI of such Voluntary Disenrollee's

disenrollment in the EGWP Benefit, then ESI shall submit a retroactive disenrollment request to CMS. Client 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 ESI, then ESI shall direct the Voluntary Disenrollee to initiate the disenrollment with the Client.

2.10 Responsibility for Claims After Loss of Eligibility or Disenrollment. Except for Prescription Drug Claims that are paid due to ESI's negligence, Client shall be responsible for reimbursing ESI pursuant to Section 5.1 for all Prescription Drug Claims processed by ESI: (a) with respect to an Ineligible Enrollee during any period in which the Enrollment File indicated that such Ineligible Enrollee was eligible; and (b) with respect to a Voluntary Disenrollee, in the event Client did not provide timely notice to ESI of such disenrollment as set forth in this Article II.

2.11 EGWP and Commercial Benefits. Notwithstanding anything in the Agreement to the contrary, the terms and conditions contained in this Addendum will govern and control ESI's provision of PBM Services and the obligations of the parties with respect to the prescription drug benefit offered to Client's Part D Eligible Retirees. In the event of a conflict between this Addendum and **Exhibit D**, this Addendum will control. Except as expressly provided in this Addendum, the parties acknowledge that ESI shall have no obligations under the **Exhibit D** Commercial Agreement with respect to the Client Group Health Plan, and that Client shall be solely responsible for determining the eligibility of Members covered by the EGWP Benefit and the Commercial Benefit ("Commercial Benefits means those benefits which are not a part of the EGWP Benefits described in this Addendum.) By requesting a Member's enrollment as an EGWP Enrollee in the EGWP Benefit, Client represents that such EGWP Enrollee's eligibility as a Member in the Commercial Benefit will immediately terminate. An EGWP Enrollee may not have dual coverage under the EGWP Benefit and the Commercial Benefit; and therefore, after any EGWP Enrollee's enrollment in the EGWP Benefit, all Prescription Drug Claims and Member Submitted Claims submitted to ESI under the Commercial Benefit shall be treated as Prescription Drug Claims under this Addendum and shall be processed by ESI in accordance with the EGWP Benefit.

2.12 Retroactive Payments / Enrollment and Disenrollment. ESI may receive or recoup payments from CMS based upon retroactive enrollments to the EGWP Benefit or retroactive disenrollments from the EGWP Benefit under this Addendum. To the extent ESI has agreed in this Addendum to pay Client amounts equal to such payments, ESI shall pay such amounts to Client within forty-five (45) days of ESI's receipt of payments from CMS; provided, further, that any related PMPM Fees (as defined in Section 5.2(b)) associated with the retroactive enrollment or disenrollment, as the case may be, shall be adjusted in accordance with the applicable terms of this Addendum.

2.13 Call Center. ESI will provide 24-hours a day, 7-days a week toll-free telephone, IVR and Internet support to assist Client, Client'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 Client's benefit design in order to assist Client, Client's agents, and Members.

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

2.15 Quarterly Meetings, Benefit Fairs, etc. ESI agrees to attend quarterly meetings with the Client to discuss plan performance and financial matters. ESI further agrees to attend open enrollment meetings and agency and benefit fairs as reasonable requested by the Client.

ARTICLE III – PRESCRIPTION DRUG SERVICES

3.1 Exclusivity. Client acknowledges and agrees that, in the event Client offers its Part D Eligible Retirees more than one Part D benefit option, the eligibility determinations, enrollment and disenrollment and other administration of such Part D options will require extensive coordination with the administration of the EGWP Benefit. For these reasons, Client agrees that Client shall use ESI as Client's exclusive

provider of all Medicare Part D services for its Part D Eligible Retirees during the term of this Addendum. The terms and conditions of Client's and ESI's arrangements for Part D options other than the EGWP Benefit shall be set forth in separate agreements.

3.2 Prescription Drug Services. In exchange for the fees set forth in Exhibit H, ESI will administer the EGWP Benefit for EGWP Enrollees in accordance with the terms and conditions of this Addendum. Such administrative services will include: pharmacy network contracting; Mail Service Pharmacy and Specialty Products services; Prescription Drug Claim processing; Formulary and Rebate administration; Medication Therapy Management; and related services (collectively, "Prescription Drug Services"), as further described in Sections 3.7 through 3.10. All Prescription Drug Services shall be provided by ESI in accordance with the Medicare Drug Rules and the terms of the EGWP Benefit. Client acknowledges and agrees that ESI may provide Prescription Drug Services under this Addendum through one or more of its Affiliates. ESI will have written agreements with each Affiliate that will perform services on behalf of ESI in connection with the EGWP Benefit that meet the requirements the Medicare Drug Rules for subcontractors of PDP Sponsors.

3.3 The EGWP Benefit. The EGWP Benefit will satisfy all actuarial equivalence standards set forth in the Medicare Drug Rules. Client hereby agrees to cooperate with ESI 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 ESI determines that the EGWP Benefit does not meet the actuarial equivalence standards, then Client shall cooperate with ESI to make necessary adjustments to the EGWP Benefit design to meet the actuarial equivalence standards.

3.4 Changes to the EGWP Benefit. Client shall have the right to request changes to the terms of the EGWP Benefit from time to time by providing written notice to ESI. ESI shall implement any such requested changes, subject to the following conditions: (a) all changes to the EGWP Benefit must be consistent with the Medicare Drug Rules; (b) the EGWP Benefit, after implementation of such changes, must continue to meet the actuarial equivalence standards referenced in Section 3.3 above; (c) EGWP Benefit changes may be implemented only at times and in the manner permitted by the Medicare Drug Rules; and (d) any requested change that would increase ESI's costs of administering the EGWP Benefit without an equivalent increase in reimbursement to ESI from Client shall not be implemented unless and until Client and ESI agree in writing upon a corresponding amendment to the reimbursement terms of this Addendum.

3.5 EGWP Enrollee Communications. All standard EGWP Enrollee communications concerning the EGWP Benefit (i.e., summary plan description, evidence of coverage, etc.) shall be mutually developed by ESI and the Client pursuant to the Medicare Drug Rules, including the CMS Marketing Guidelines contained therein. Client shall be responsible, with assistance from ESI, in completing the EGWP Enrollee communications and distributing them to EGWP Enrollees as appropriate. Pursuant to the Medicare Drug Rules, ESI must provide all such EGWP Enrollee communications to CMS for review. If CMS notifies ESI that any such EGWP Enrollee communication is deficient, Client agrees to assist ESI to make necessary revisions to such EGWP Enrollee communication to correct such deficiency.

3.6 Pharmacy Network. ESI shall develop and maintain a pharmacy network that, at a minimum, is sufficient to meet the needs of the EGWP Enrollees as required pursuant to the Medicare Drug Rules. Neither ESI nor its Affiliate 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 Client, any EGWP Enrollee or any other person or entity for any act or omission of any Participating Pharmacy or its agents or employees. Upon Client's written request, ESI will make good faith efforts to add any additional retail pharmacy to the Participating Pharmacy network for Client, provided that such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions. If ESI pays any such Participating Pharmacy a higher rate than ESI's standard network rate, the rate charged to Client for Prescription Drug Claims processed through such Participating 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 H.

3.7 Audits of Participating Pharmacies; Fraud and Abuse. ESI shall periodically audit Participating Pharmacies to determine compliance with their agreements with ESI or its Affiliate and in order to meet the anti-fraud provisions of the Medicare Drug Rules applicable to PDPs. ESI also shall perform fraud and abuse reviews of EGWP Enrollees and physicians as required under the Medicare Drug Rules for PDPs. The audits and reviews may be conducted by ESI's or its Affiliate's internal auditors or its outside auditors, and at the pharmacy or at ESI by a review of electronically transmitted claims. Any balance of recovered overpayments will be credited to Client on the next billing cycle after the correction. ESI shall attempt recovery of identified overpayments through offset, demand or other reasonable means. ESI shall not be required to institute litigation to collect any overpayments, but shall cooperate with Client in the event Client elects to pursue litigation.

3.8 Claims Processing. Subject to Sections 3.8(a)-(h), ESI will perform claims processing services for Covered Products dispensed to EGWP Enrollees by a Pharmacy consistent with the applicable standard transaction rules required under HIPAA. ESI also shall process EGWP Enrollee Submitted Claims.

(a) Application of Discounts. Prescription Drug Claims will be processed based on the rates set forth in Exhibit H, including Prescription Drug Claims for which no benefits are payable to the EGWP Enrollee for Covered Products because of the application of any deductible or 100% co-insurance requirement following satisfaction of any initial coverage limit consistent with the Medicare Drug Rules.

(b) COB. ESI will coordinate benefits with state pharmaceutical assistance programs and entities providing other prescription drug coverage consistent with the Medicare Drug Rules.

(c) Utilization Management. Consistent with the terms of the EGWP Benefit, ESI will establish a reasonable and appropriate drug management program that includes incentives to reduce costs when medically appropriate; maintains policies and systems to assist in preventing over-utilization and under-utilization of prescribed medications, according to guidelines specified by CMS and in accordance with the Medicare Drug Rules.

(d) Quality Assurance. Consistent with the terms of the EGWP Benefit, ESI will establish quality assurance measures and systems to reduce medication errors and adverse drug interactions and improve medication use in accordance with the Medicare Drug Rules.

(e) TrOOP. Consistent with the terms of the EGWP Benefit, ESI will establish and maintain a system to record EGWP Enrollees' TrOOP balances, and shall communicate TrOOP balances to EGWP Enrollees upon request.

(f) Coverage Determinations and Appeals.

(i) The parties acknowledge and agree that ESI is required under the Medicare Drug Rules to maintain oversight of coverage determinations under the EGWP Benefit, including prior authorizations and EGWP Enrollee Submitted Claims determinations, and to maintain an appeals process for EGWP Enrollees. Client acknowledges and agrees that ESI may conduct appeals through an independent, third party utilization management company with which ESI contracts to provide appeal services (the "UM Company"). In such instance, ESI shall require the UM Company to conduct appeals of denied "claims for benefits" in a manner consistent with the requirements of the Medicare Drug Rules and shall ensure that the contract with the UM Company complies with the applicable delegation requirements of the Medicare Drug Rules, including without limitation 42 C.F.R. §423.505.

(ii) In the event the appeals process being conducted by the UM Company is deemed by any court or governmental agency to be subject to applicable requirements of ERISA

in connection with the Client Group Health Plan, Client acknowledges and agrees that: (aa) the UM Company, and not ESI, will be conducting appeals on behalf of Client and the Client Group Health Plan; (bb) the UM Company is an independent contractor of ESI, and ESI does not in any way control or direct the UM Company with respect to appeals conducted by the UM Company; (cc) ESI is not acting as a fiduciary in connection with the appeals being conducted by the UM Company, and ESI shall not be named by Client as a fiduciary in connection with such appeals; (dd) ESI shall not be responsible for overseeing the UM Company's appeal process (except that ESI shall require the UM Company to contractually agree that it will conduct appeals in accordance with the Medicare Drug Rules and the EGWP Benefit), and ESI shall not be liable to Client or any EGWP Enrollee for any injury or damages arising as a result of the UM Company's negligence or otherwise; and (ee) the UM Company shall have full authority and full discretion to conduct appeals under the EGWP Benefit and shall have full authority and full discretion to interpret the terms of the Client Group Health Plan with respect to those appeals and to make all findings of fact with respect to those appeals and the UM Company's determination on appeal shall be final and legally binding on all parties.

(g) EOBs. ESI will furnish EGWP Enrollees, in a manner specified by CMS, a written explanation of benefits ("EOB") when prescription drug benefits are provided under qualified prescription drug coverage consistent with the requirements of the Medicare Drug Rules.

(h) EGWP Enrollee Services. ESI will provide 24-hours a day, 7-days a week toll-free telephone, IVR and Internet support to assist Client and EGWP Enrollees with EGWP Enrollee eligibility, benefits and TrOOP verification, location of Participating Pharmacies and other related EGWP Enrollee concerns.

3.9 Formulary and Medication Management.

(a) P&T Committee and Medicare Formulary. ESI or its Affiliate 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 Client for the EGWP Benefit consistent with the requirements of the Medicare Drug Rules. In accordance with the Medicare Drug Rules, all Covered Products on the Medicare Formulary shall be Part D drugs (within the meaning of the Medicare Drug Rules) or otherwise permitted to be covered by a PDP under the Medicare Drug Rules. Client acknowledges and agrees that the Medicare Formulary may not be modified by removing Covered Products, 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. To the extent permitted by the Medicare Drug Rules, Client may request enhancements to the Medicare Formulary such as adding additional drugs, removing utilization management restrictions, and improving the cost-sharing status of drugs; provided, however, that any such requested change shall be subject to the ultimate determination of the P&T Committee. Client further acknowledges and agrees that if any such enhancement has the effect of increasing the cost to ESI in offering the EGWP Benefit, then ESI shall have the right to make an equitable adjustment to the fees charged to Client under this Addendum and Client hereby agrees to pay any and all such fee adjustments.

(b) Medication Therapy Management. Consistent with the terms of the EGWP Benefit and for the fees identified on Exhibit H, ESI or its Affiliate will implement a Medication Therapy Management program that is designed to ensure that Covered Products prescribed to targeted EGWP Enrollees are appropriately used to optimize therapeutic outcomes through improved medication use; and reduce the risk of adverse events, including adverse drug interactions, in accordance with the Medicare Drug Rules.

3.10 Medicare Rebate Program.

(a) ESI or its Affiliate will negotiate with pharmaceutical manufacturers regarding the terms of the Medicare Rebate Program and will, on its own behalf, enter into agreements with such manufacturers for Rebates for certain Covered Products and Manufacturer Administrative Fees. ESI will pay to Client the amounts as set forth on Exhibit H-3, subject to the following:

(i) Client's election of, and conformance to, the Medicare Formulary identified on Exhibit H and applicable benefit designs;

(ii) ESI's distribution of the Medicare Formulary (or a summary thereof) to EGWP Enrollees and/or physicians, as applicable; and

(iii) Client's compliance with other reasonable, generally applicable requirements for participation in the Medicare Rebate Program for the EGWP Benefit.

(b) Rebates are not payable on enrollee Submitted Claims, subrogation claims, OTC products, claims older than 180 days, claims pursuant to a 100% Copayment plan, biosimilar products, reversed claims or claims through Client owned or operated not-for-profit pharmacies. ESI and Client each acknowledge and understand that market conditions, patent status and other factors may influence Medicare Formulary decisions from time to time. If such market conditions, patent status or other factors have the effect of lowering the amount of Rebates earned by Client (whether prior to the Execution Date, or at any other time during the term of this Addendum), ESI shall have the right to make an equitable adjustment to the Rebates as of the effective date of such event upon written consent to Client, which shall not be unreasonably withheld. Such adjustment will be made as of the date of the change provided that ESI provides Client with supporting information regarding the impact of the applicable changes(s).

(c) (i) Subject to the conditions set forth herein and in Exhibit H-3, ESI shall pay Client the guaranteed amount set forth in Section A.(ii) of Exhibit H-3 for Rebates and Manufacturer Administrative Fees collected by ESI during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter. ESI shall also pay Client the percentage amount set forth in Section A.(i) of Exhibit H-3 for residual Rebates and Manufacturer Administrative Fees collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

(ii) On an annual and aggregate basis, ESI shall reconcile the percentage amounts set forth in Section A.(i) of Exhibit H-3 against the guaranteed amount paid to Client quarterly) within one hundred eighty (180) days following the end of each calendar year and shall credit Client for any deficit on the next invoice immediately following the reconciliation

(iii) ESI and its Affiliate retain all right, title and interest to any and all actual Rebates received from manufacturers, except that ESI shall pay Client amounts equal to the Rebate amounts allocated to Client, as specified on Exhibit H, from ESI's or its Affiliate's general assets (neither Client nor its EGWP Enrollees retain any beneficial or proprietary interest in ESI's or its Affiliate's general assets). Client acknowledges and agrees that neither it nor its EGWP Enrollees shall have a right to interest on, or the time value of, any Rebate payments received by ESI or its Affiliates during the collection period or moneys payable under this Section. No Rebates shall be paid until this Addendum is executed by Client.

(d) Client acknowledges that it may be eligible for Rebate amounts and Manufacturer Administrative Fee amounts under this Addendum only so long as Client, 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 this Addendum, without the prior written consent of ESI. In the event that Client negotiates or arranges with a pharmaceutical manufacturer for Rebates or similar discounts for any Covered Products hereunder, but without limiting ESI's or its Affiliate's right to other remedies, ESI may immediately withhold any Rebate amounts or Manufacturer Administrative Fee amounts earned by, but not yet paid to, Client as necessary to prevent duplicative rebates on Covered Products. To the extent Client knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Products without prior written approval of ESI, such activity shall be deemed to be a material breach of this Addendum, entitling ESI to

suspend payment of Rebate amounts and Manufacturer Administrative Fee amounts hereunder and to renegotiate the terms and conditions of this Addendum.

(e) On at least an annual basis, and as otherwise required under the Medicare Drug Rules, ESI shall disclose to Client the amount of all Rebates and Manufacturer Administrative Fees received from Manufacturers or otherwise retained by ESI or its Affiliate with respect to the Rebate eligible EGWP Benefit utilization. Client and ESI shall coordinate disclosure to CMS of all Rebates and, if applicable, Manufacturer Administrative Fees, reported to Client by ESI in connection with any Medicare utilization to the extent required by the Medicare Drug Rules.

(f) 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 EGWP Enrollees, 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 Client 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, upon written consent of Client, which shall not be unreasonably withheld.

(g) Reporting. Rebate and Manufacturer Administrative Fee amounts paid to Client pursuant to this Addendum 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. Client 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 Client from meeting any such obligation.

3.11 Late Enrollment Penalty. Client agrees to comply with the applicable CMS requirements of the LEP and shall comply with ESI's LEP policy, including participating with ESI in the following process:

(a) Client has an option to: (i) provide an initial global attestation to ESI to attest to a creditable coverage for all of its EGWP Enrollees; or (ii) periodically provide an attestation to ESI to attest to a creditable coverage for its EGWP Enrollees listed on the LEP report periodically provided to Client by ESI.

(b) If Client elects to periodically attest to ESI under Section 3.11(a)(ii) above, then:

(i) Client's response shall be delivered to ESI within five (5) business days from the receipt of LEP report from ESI;

(ii) Client shall provide ESI with the file listing all EGWP Enrollees for whom Client was unable to attest; and

(iii) ESI shall also mail an attestation to each EGWP Enrollee that has gap in coverage as defined by CMS.

(c) Client will provide ESI with the attestation in the form attached as Exhibit K of this Addendum, and a file listing of all the EGWP Enrollees included in the attestation.

(d) ESI will collect responses to the attestations from Client or EGWP Enrollees and submits EGWP Enrollees information to CMS for processing and determination of applicable LEP.

(e) CMS calculates the LEP amount and transmits the LEP amount to ESI on the daily TRR file, which is communicated to Client. ESI shall invoice Client for payment of the LEP, which shall be due

and owing by the Client to ESI. Per the Medicare Drug Rules, Client may elect to either pay for the LEP on behalf of the EGWP Enrollee, or seek reimbursement of the LEP amount from the EGWP Enrollee. This election must be made prior to the beginning of the plan year and must be applied consistently by Client for all EGWP Enrollees throughout the plan year.

3.12. EGWP Plus Wrap Program. ESI will coordinate benefits with state pharmaceutical assistance programs and entities providing other prescription drug coverage consistent with the Medicare Drug Rules. If Client implements a self-funded EGWP Plus Wrap program under the Commercial Agreement in compliance with the Medicare Part D rules and regulations guidance, ESI will perform the following additional coordination of benefits with Client's self-funded EGWP Plus Wrap program: Coordination of benefits with Medicare Part D applicable drugs in the EGWP coverage gap benefit phase; single transaction for Members at POS utilizing Medicare Part D eligibility and a single ID card; Commercial wrap coverage management; utilize Member eligibility established under Medicare Part D plan; comprehensive Member communications package on the EGWP Plus Wrap benefit; all CMS required reporting; claims reporting detailing primary and secondary payments; and financial reporting detailing application of coverage gap discount program. If Client selects the EGWP Plus Wrap program described in Exhibit H-2, the Medicare Coverage Gap Discount will be coordinated with the Client Group Health Plan consistent with Medicare Part D Rules.

ARTICLE IV – PROGRAM OPERATIONS

4.1 Program Reporting. ESI or its Affiliate shall make available to Client ESI's or its Affiliate's standard management information reporting applications. At the request of Client, ESI or its Affiliate may develop special reporting packages at ESI's or its Affiliate's standard hourly rate for such services, as set forth on Exhibit H-2.

4.2 Regulatory Reporting. ESI also agrees to comply with the reporting requirements set forth in 42 C.F.R. §423.514, including reporting significant business transactions with parties in interest to CMS, notifying CMS of any loans or other financial arrangements that it makes with contractors, subcontractors, and related entities, and making such information available to EGWP Enrollees upon reasonable request.

4.3 Claims Data Retention. ESI will maintain claims data for Covered Products adjudicated by ESI during the term of this Addendum for a period of ten (10) years or such longer period as may be required under the Medicare Drug Rules; provided that, after expiration of the retention period, ESI shall dispose of such data in accordance with its standard policies and practices and applicable state and federal law.

4.4 Client Audits. Provided that this Addendum has been duly executed by Client and Client is current in the payment of invoices under this Addendum, Client 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 Addendum, on an annual basis consistent with the Audit Protocol set forth in Exhibit C. Client may use an independent third party auditor ("Auditor"), so long as such Auditor is not engaged in providing non-audit services for Client 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 Client's Auditor executes a mutually acceptable confidentiality agreement. Any request by Client to permit an Auditor to perform an audit will constitute Client's direction and authorization to ESI to disclose PHI to the Auditor.

4.5 Government Audits. ESI agrees to allow the United States Department of Health and Human Services ("DHHS") and the Comptroller General, or their designees, the right to audit, evaluate, inspect books, contracts, medical records, patient care documentation and other records of ESI or the Pharmacy, its subcontractors or transferees, as are reasonably necessary to verify the nature and extent of the costs of the services provided to EGWP Enrollees under this Addendum, for a period of up to ten (10) years from the final date of the applicable agreement, or the date of the audit completion, whichever is later.

4.6 Liability Insurance. Each party shall maintain such policies of general liability, professional liability and other insurance, or self insurance of the types and in amounts customarily carried by their

respective businesses. Proof of such insurance shall be available upon request. ESI agrees, at its sole expense, to maintain during the term of this Addendum or any renewal hereof, commercial general liability insurance, pharmacists professional liability insurance for the ESI Mail Service and ESI Specialty Pharmacies, and managed care liability with limits, excess of a self insured retention, in amounts of not less than \$5,000,000 per occurrence, and in the aggregate. ESI or its Affiliate does not maintain liability insurance on behalf of any Participating Pharmacy, but does contractually require such pharmacies to maintain a minimum amount of commercial liability insurance or, when deemed acceptable by ESI or its Affiliate, to have in place a self-insurance program.

ARTICLE V – MONTHLY PREMIUMS; FEES; BILLING AND PAYMENT

5.1 Monthly Premiums.

(a) Collection of Monthly Premium Amounts. In accordance with the Medicare Drug Rules, ESI hereby delegates the premium collection function to Client and hereby directs Client, on behalf of ESI, to collect all monthly premium payments due from EGWP Enrollees for participation in the EGWP Benefit. To the extent required by the Medicare Drug Rules, Client and ESI shall permit EGWP Enrollees at their option to pay their monthly premiums for the EGWP Benefit through deductions from their Social Security checks, Railroad Retirement checks or federal annuity checks. In connection with ESI's delegation of the premium collection function to Client under this Section 5.1(a), Client hereby agrees as follows:

(i) That in no event, including, but not limited to, nonpayment by ESI of any amounts due by ESI to Client pursuant to this Addendum, ESI's insolvency, or ESI's breach of this Addendum, will Client bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against an EGWP Enrollee or persons acting on his or her behalf for payments that are the financial responsibility of ESI under this Addendum. The foregoing is not intended to prohibit Client from collecting premium amounts due by EGWP Enrollees for participation in the EGWP Benefit;

(ii) That the DHHS, the Comptroller General, or their designees shall have the right to inspect, evaluate, and audit pertinent contracts, books, documents, papers and records of the Client involving Client's collection of premium amounts from EGWP Enrollees, and that DHHS', the Comptroller General's, or their designees' right to inspect, evaluate, and audit any such pertinent information will exist through ten (10) years from the date of termination or expiration of this Addendum, or from the date of completion of any audit, whichever is later;

(iii) That if ESI or CMS determines that Client is not performing the premium collection function in compliance with all applicable Medicare Drug Rules and Client is unable to cure such noncompliance within forty-five (45) days following notice from ESI or CMS, then ESI may, at its sole discretion, either: (i) upon prior written notice to Client, revoke all or a portion of such delegated function as ESI deems necessary to effectuate ESI's ultimate responsibility to CMS for the performance of such delegated function under ESI's contract with CMS; or (ii) negotiate an alternative remedy in lieu of revocation of delegation, so long as such remedy conforms to the requirements of the Medicare Drug Rules; and

(iv) That Client shall not further delegate or subcontract the performance of the premium collection function to a third party without ESI's prior written consent. If Client does further delegate or subcontract the performance of the premium collection function or any other delegated function under this Addendum, then Client agree that it shall: (i) amend its written agreement with such subcontractor or enter into a separate written agreement with such subcontractor that contains the terms, conditions, and provisions set forth in Schedule 5.1(a)(iv) attached hereto and incorporated herein by reference; and (ii) ensure that such subcontractor's

performance of the premium collection function or other delegate function complies with the provision set forth on Schedule 5.1(a)(iv).

(b) Determination of Monthly Premium Amounts (if any) to be Subsidized by Client. In determining the amount of the EGWP Enrollee's monthly premium for participation in the EGWP Benefit that Client will subsidize, if any, Client shall make such determination subject to the following restrictions and any other restrictions that may be imposed by CMS:

(i) Client may subsidize different amounts for different classes of EGWP Enrollees 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;

(ii) Client may not vary the premium subsidy for individuals within a given class of EGWP Enrollees;

(iii) Client may not charge an EGWP Enrollee 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;

(iv) Client shall directly refund to the EGWP Enrollee (or shall allow ESI to do so), 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 Enrollee; provided, however, that to the extent there are Low Income Subsidy premium amounts remaining after Client refunds the full monthly beneficiary premium amount to the EGWP Enrollee, then Client may apply that remaining portion of the Low Income Subsidy premium to the portion of the monthly premium paid by Client;

(v) If Client is not able to reduce the up-front monthly beneficiary premium as described in subsection (iv) above, Client shall directly refund to the EGWP Enrollee (or shall allow ESI to do so), 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 Enrollee;

(vi) If the Low Income Subsidy amount for which an EGWP Enrollee is eligible is less than the portion of the monthly beneficiary premium paid by the EGWP Enrollee, then Client must communicate to the EGWP Enrollee 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

(vii) In the event of a change in an EGWP Enrollee's Low Income Subsidy status or an EGWP Enrollee otherwise becomes ineligible to receive the Low Income Subsidy after payment of the Low Income Subsidy premium amount to the EGWP Enrollee, and upon ESI's receipt of notification from CMS that such Low Income Subsidy premium amount will be recovered from ESI or withheld from future payments to ESI, then ESI in its sole discretion will invoice Client or set off from amounts otherwise owed from ESI to Client, and in either case Client shall reimburse ESI for, all amounts deemed by CMS to be ineligible Low Income Subsidy premium payments with respect to the EGWP Enrollee.

(c) Reporting and Auditing of Premium Amounts; Non-Payment by EGWP Enrollees. Upon reasonable advance written notice, ESI or its Affiliate shall have access to Client's records in order to audit the monthly premium amounts collected from EGWP Enrollees 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 ESI or its Affiliate pursuant to this

Section 5.1(c) will be at ESI's expense. Client acknowledges and agrees that neither ESI nor its Affiliate shall be responsible to Client for non-payment by any EGWP Enrollee of any monthly premium amount due by such EGWP Enrollee for participation in the EGWP Benefit. Client further acknowledges and agrees that in the event that either Client or ESI (through any audit) determines that Client has collected a greater premium amount from an EGWP Enrollee than is due, that Client shall promptly refund any such overpayment to the EGWP Enrollee.

5.2 Billing. On a bi-weekly basis, ESI will bill Client for, and Client shall pay ESI, the Claims Reimbursement Amount (as defined below) for such billing period. In addition, on a monthly basis, ESI will bill Client for, and Client shall pay ESI, the sum of: (i) the PMPM Fees (as defined below) due for such period; and (ii) any Administrative Services Fees (as defined below) incurred by Client during the previous month (or earlier if not yet invoiced to Client) (Claims Reimbursement Amount, PMPM Fees, and Administrative Services Fees to be referred to collectively as "Fees"). For purposes of this Section 5.2:

(a) "Claims Reimbursement Amount" means, with respect to any period, the amount equal to:

(i) The aggregate amount of reimbursement due from Client to ESI for Covered Products dispensed to EGWP Enrollees by the Pharmacies, and, if applicable, for EGWP Enrollee 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 H;

minus

(ii) Monthly beneficiary premiums paid to ESI by EGWP Enrollees (but not including premiums collected by Client on ESI's behalf pursuant to Section 5.1(b) to the extent such premium funds are not transferred by Client to ESI), if any.

(b) "PMPM Fees" means, with respect to any period, all per EGWP Enrollee per month administrative fees ("PMPM Fees") as set forth on Exhibit H-2 for such period.

(c) "Administrative Services Fees" means the fees incurred by Client, if any, paid on Paid Claims only, for ESI's or its Affiliate's performance of the administrative services listed in the Administrative Fees table set forth on Exhibit H.

5.3 CMS Reimbursement.

(a) CMS Reimbursement Payment Terms. ESI will pay Client an amount equal to the total amount paid to ESI by CMS for the following: (1) advance monthly payments paid to ESI, if any, by CMS with respect to EGWP Enrollees, (2) reinsurance subsidy payments, if any, paid to ESI by CMS with respect to the EGWP Benefit, (3) low-income subsidy payments paid to ESI by CMS, if any, with respect to EGWP Enrollees and subject to the provisions of Section 5.1(b) of this Addendum, and (4) any other reimbursement payment by CMS to ESI, if any, for coverage provided to EGWP Enrollees under the EGWP Benefit for such period (each as further defined in the Medicare Drug Rules) (collectively, "CMS Reimbursement"). ESI will pay amounts representing CMS Reimbursement, allocated pursuant to the terms of this Addendum, on a monthly basis approximately forty-five (45) days after ESI's receipt of the CMS Reimbursement from CMS. ESI and its Affiliate retain all right, title and interest to any and all actual CMS Reimbursement received from CMS, except that ESI shall pay Client amounts equal to the CMS Reimbursement amounts allocated to Client, as specified in this Addendum, from ESI's or its Affiliate's general assets (neither Client nor its EGWP Enrollees retain any beneficial or proprietary interest in ESI's or its Affiliate's general assets). Client acknowledges and agrees that neither it nor its EGWP Enrollees shall have a right to interest on, or the time value of, any CMS Reimbursement payments received by ESI or its Affiliates during the collection period or moneys payable under this Section. No CMS Reimbursements shall be paid until this Addendum is executed by Client.

(b) CMS Reimbursement Reporting. At least annually, ESI will provide Client an accounting of all CMS Reimbursement received by ESI from CMS pursuant to the Medicare Drug Rules with respect to the EGWP Benefit.

5.4 CMS-Required Reconciliation / Reinsurance.

(a) End-of-Year Reconciliation. The parties acknowledge that pursuant to the Medicare Drug Rules, approximately eleven (11) months after the conclusion of each plan year, CMS will reconcile payment year disbursements, including, but not limited to, CMS Reimbursements (as defined above) and Coverage Gap Discount Payments (as defined below), with updated enrollment and health status data, actual low-income cost-sharing costs, actual allowable reinsurance costs, and other pertinent information. Upon any payment adjustments made by CMS as a result of such reconciliation the following shall occur: (i) if ESI receives any additional payments from CMS as a result of previous underpayments discovered during the reconciliation, ESI will pay amounts equal to such amounts to Client subject to the remaining terms of this Addendum; and (ii) with respect to any amounts requested, recovered or withheld by CMS as a result of previous overpayments discovered during the reconciliation, if ESI has paid amounts to Client pursuant to this Addendum for CMS Reimbursement received by ESI and CMS determines during the reconciliation process that such CMS Reimbursement has been overpaid to ESI, Client shall repay to ESI such amounts previously paid by ESI. All such payments resulting from a CMS reconciliation will be due and owing within forty-five (45) days from the date of ESI's receipt of the reconciliation results.

(b) End-of-Year Reinsurance Payments. The parties acknowledge that pursuant to the Medicare Drug Rules, approximately eleven (11) months after the conclusion of each plan year and after CMS' end-of-year reconciliation described in subsection (a) immediately above, CMS will make final payment to ESI for reinsurance for the immediately preceding coverage year based upon CMS obtaining all information necessary to determine the amount of the reinsurance payment. No later than forty five (45) days after ESI's receipt of such reinsurance payment, if any, ESI agrees to pay an amount equal to such reinsurance payment received by ESI to Client subject to the remaining terms of this Addendum; provided, however, that if CMS subsequently recovers any such reinsurance payments from ESI due to a CMS reconciliation or other process described in the Medicare Drug Rules, then Client shall be obligated to repay to ESI such amounts previously paid to Client.

(c) Plan-to-Plan Reconciliation. The parties acknowledge that the Medicare Drug Rules provide ESI with a process through which to coordinate EGWP Enrollees' prescription drug benefits with other providers of prescription drug coverage. ESI will perform such plan-to-plan coordination and any related reconciliation; provided, that within forty-five (45) days after completion of such coordination or reconciliation process, ESI shall pay to Client an amount equal to payments recovered for the EGWP Benefit, but at the same time ESI shall have a right to recoup from Client any amount which ESI is obligated to pay to any other prescription drug plan pursuant to a plan-to-plan reconciliation.

5.5 Payment. Client shall pay all Fees to ESI by wire or ACH transfer, debit or other electronic method within five (5) days from the date of Client's receipt of the ESI invoice. If Client disputes any item on any invoice, Client shall state the amount in dispute in writing within thirty (30) days of the date of the invoice. Client shall pay the full amount invoiced and shall notify ESI of the disputed amount.

5.6 Manufacturer Coverage Gap Discount.

(a) Pursuant to its CMS contract, ESI has agreed to administer for EGWP Enrollees 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 ESI, through a CMS contractor (the "Coverage Gap Discount Payments"). Subject to Section 5.4(a) above, ESI agrees to periodically remit to Client amounts equal to 100% of the Coverage Gap Discount Payments received by ESI within forty-five (45) days following ESI's receipt of such Coverage Gap Discount Payments. ESI and its Affiliate retain all right, title and interest to any and all actual Coverage Gap Discount Payments received from CMS, except that ESI shall pay Client amounts equal to the Coverage Gap Discount Payments amounts allocated to Client, as specified in this

Addendum, from ESI's or its Affiliate's general assets (neither Client nor its EGWP Enrollees retain any beneficial or proprietary interest in ESI's or its Affiliate's general assets). Client acknowledges and agrees that neither it nor its EGWP Enrollees shall have a right to interest on, or the time value of, any Coverage Gap Discount Payments received by ESI or its Affiliates during the collection period or moneys payable under this Section. No Coverage Gap Discount Payments shall be paid until this Addendum is executed by Client.

(b) If the EGWP Benefit administered by ESI under this Addendum for Client includes EGWP Plus Wrap design elements, then the Coverage Gap Discount will be coordinated with the Client Group Health Plan consistent with Medicare Part D Rules.

ARTICLE VI - CONFIDENTIALITY

6.1 Confidential Information. 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 Mail Service 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: Participating Pharmacy 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 or this Addendum to any third party (other than Sponsor attorneys and accountants), at any time during or after termination of this Addendum, except as specifically contemplated by this Addendum 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 Addendum, or is independently developed by the recipient under circumstances not involving a breach of this Addendum. 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 7.4.

6.2 Non-Access to ESI's or its Affiliate's Systems. Client will not, and will not permit any third party acting on Client's behalf to, access, attempt to access, test or audit ESI's or its Affiliate's systems or any other system or network connected to ESI's or its Affiliate's systems. Without limiting the foregoing, Client will not: (i) access or attempt to access any portion or feature of ESI's or its Affiliate's systems, by circumventing such systems' access control measures, either by hacking, password "mining" or any other means; or (ii) probe, scan, audit or test the vulnerability of such systems, nor breach the security or authentication measures of such systems.

ARTICLE VII - COMPLIANCE WITH LAW; FINANCIAL DISCLOSURE

7.1 Compliance with Law; Change in Law. ESI and Client hereby agree to perform their respective obligations under this Addendum in a manner that is consistent with and complies with the Medicare Drug Rules and with ESI's contractual obligations under its contract with CMS. In addition, each party shall be responsible for ensuring its compliance with all federal, state, and local laws and regulations applicable to its business, including maintaining any necessary licenses and permits. If the scope of ESI's duties under this Addendum is made materially more burdensome or expensive due to a change in federal, state or local laws or regulations or the interpretation thereof, including actions by CMS, the parties shall negotiate an appropriate modification of the services and/or an adjustment to the Fees paid to ESI. If the parties cannot agree on a modification or adjusted Fees, then either party may terminate this Addendum on thirty (30) days prior written notice to the other. In addition, if any change in Federal or applicable state law or regulation (including the interpretation of existing laws or regulations by a court or administrative agency) occurs during the term of this Addendum, and in consequence thereof ESI is required to increase payments for Covered Products to Participating Pharmacies in the applicable jurisdiction under its

provider agreements, the Pharmacy Reimbursement Rates set forth in Exhibit H-1 will be increased by the same amount upon prior notice to Client.

7.2 Pricing Benchmarks. The parties understand there are extra-market industry, legal, government and regulatory activities which may lead to changes relating to, or elimination of, the AWP pricing index that could alter the pricing intent under this Addendum. If the Pricing Source changes the methodology for calculating AWP or replaces AWP, or if, as a result of such change, ESI utilizes another recognized pricing benchmark other than AWP (e.g., to Wholesale Acquisition Cost), then Participating Pharmacy, ESI Specialty Pharmacy and Mail Service Pharmacy rates, rebates and guarantees, as applicable, will be modified as reasonably and equitably necessary to maintain the pricing intent under this Addendum. ESI shall provide Client with at least ninety (90) days notice of the change (or if such notice is not practicable, as much notice as is reasonable under the circumstances), and written illustration of the financial impact of the pricing source or index change (e.g., specific drug examples). If Client disputes the illustration or the financial impact of the pricing source, the parties agree to cooperate in good faith to resolve such disputes.

7.3 Disclosure of Certain Financial Matters. In addition to the administrative fees paid to ESI by Client, ESI and ESI's wholly-owned subsidiaries or Affiliates derive margin from fees and revenue in one or more of the ways as further described in the ESI Financial Disclosure to PBM Clients set forth in Exhibit J hereto ("Financial Disclosure"), as updated by ESI from time to time. In negotiating any of the fees and revenues described in the Financial Disclosure, ESI and ESI's wholly-owned subsidiaries and Affiliates act on their own behalf, and not for the benefit of or as agents for Client, EGWP Enrollees or the EGWP Benefit. Except for the Rebate amounts set forth in Exhibit H, if any, Client acknowledges and agrees that ESI and ESI's wholly-owned subsidiaries and Affiliates retain all interest, revenues, any or all Rebates and Manufacturer Administrative Fees not payable to Client, and all Participating Pharmacy discounts, if any, in addition to any administrative and other fees paid by Client. Client acknowledges for itself and its EGWP Enrollees that, except as may be expressly provided herein, neither it nor any EGWP Enrollee has a right to receive, or possesses any beneficial interest in, any such discounts or payments.

7.4 Open Records Requests. 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 4.2 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 Addendum or any proposal related hereto. This provision shall survive termination of this Addendum and is subject to NH RSA 91-A and other applicable State of New Hampshire and federal law.

ARTICLE VIII - TERM AND TERMINATION; DEFAULT AND REMEDIES

8.1 Term. The initial term of this Addendum (the "Initial Term") shall be effective upon approval by the Governor and Executive Council, and coverage of EGWP Enrollees under the EGWP Benefit shall begin as of January 1, 2015 (the "Effective Date"). Unless earlier terminated as provided herein, the Initial Term shall continue for two (2) years until December 31, 2016 (the "Initial Term"). Thereafter, this Addendum 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. This Addendum may be terminated earlier during the Initial Term or any renewal terms pursuant to Section 8.2 below. 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.

8.2 Termination.

(a) Breach or Default. Either party may give the other written notice of a material, substantial and continuing breach of this Addendum. If the breaching party has not cured said breach within thirty

(30) days from the date such notice was sent, this Addendum may be terminated at the option of the non-breaching party. If the amount of time commercially reasonable for the breach to be cured is longer than thirty (30) days, this Addendum may not be terminated by the non-breaching party pursuant to this provision until such commercially reasonable period of time has elapsed; provided, however, that in no event shall such period exceed sixty (60) days.

(b) Termination of ESI's Contract with CMS. If at any time throughout the term of this Addendum, CMS either does not renew its contract with ESI or terminates its contract with ESI such that ESI may no longer provide services as a PDP Sponsor under the Medicare Drug Rules, then this Addendum shall be automatically terminated conterminously with such CMS contract termination.

(c) Convenience of Client. Client may elect to terminate this Addendum upon 30 days prior written notice to ESI.

(d) Non-Payment. To the extent permitted by the Medicare Drug Rules and other applicable laws, ESI and its Affiliate may terminate or suspend their performance hereunder and cease providing or authorizing provision of Covered Products to EGWP Enrollees upon 30 days written notice if Client fails to pay ESI in accordance with the terms of this Addendum. ESI attempts collection through written and verbal communications with Client prior to sending the notice described herein. To the extent permitted by law, ESI may suspend Mail Service Pharmacy and/or ESI Specialty Pharmacy services to any EGWP Enrollee who is in default of payment of any Copayments or deductibles to the applicable Pharmacy.

(e) Insolvency; Regulatory Action. To the extent permitted by applicable law, ESI may terminate this Addendum, or suspend performance hereunder, upon the insolvency of Client, and Client may terminate this Addendum upon the insolvency of ESI. The "insolvency" of a party shall mean the filing of a petition commencing a voluntary or involuntary case (if such case is an involuntary case, then only if such case is not dismissed within sixty (60) days from the filing thereof) against such party under the United States Bankruptcy Code or applicable state law; a general assignment by such party for the benefit of creditors; the inability of such party to pay its debts as they become due; such party's seeking or consenting to, or acquiescence in, the appointment of any trustee, receiver or liquidation of it, or any material part of its property; or a proceeding under any state or federal agency declaration or imposition of receivership, composition, readjustment, liquidation, insolvency, dissolution, or like law or statute, which case or proceeding is not dismissed or vacated within sixty (60) days. Notwithstanding the preceding, in the event of Client's insolvency or other cessation of operations, ESI agrees to require Participating Pharmacies to continue to provide prescription drug services to EGWP Enrollees if required by the Medicare Drug Rules and all other applicable federal and state laws relating to insolvency or other cessation of operations or termination. Nothing herein shall be interpreted to require ESI or Pharmacies to provide services without being paid for Covered Products or Prescription Drug Services.

8.3 Remedies.

(a) Remedies Not Exclusive. A party's right to terminate this Addendum under Article VIII shall not be exclusive of any other remedies available to the terminating party under this Addendum or otherwise, at law or in equity.

(b) Force Majeure. Neither party shall lose any rights under this Addendum or be liable in any manner for any delay to perform its obligations under this Addendum that are beyond a party's reasonable control, including, without limitation, any delay or failure due to strikes, labor disputes, riots, earthquakes, storms, floods or other extreme weather conditions, fires, explosions, acts of terrorism, epidemics or pandemics, embargoes, war or other outbreak of hostilities, government acts or regulations, the failure or inability of carriers, suppliers, delivery services, 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.

(c) Limitation of Liability. Except for the indemnification obligations set forth in Section 8.3(d), each party's liability to the other hereunder shall in no event exceed the actual proximate losses or damages caused by breach of this Addendum. In no event shall either party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence.

(d) Indemnification. ESI will indemnify and hold Client harmless from and against any loss, cost, damage, expense or other liability, including, without limitation, reasonable costs and attorney fees ("Costs") incurred in connection with any and all third party claims, suits, investigations or enforcement actions, including claims of infringement of any intellectual property rights ("Claims") which may be asserted against, imposed upon or incurred by Client and arising as a result of (A) ESI's negligent acts or omissions or willful misconduct, (B) ESI's breach of this Addendum, (C) ESI's unauthorized use or disclosure of EGWP Enrollee PHI, or (D) ESI's breach of any representation or warranty made by ESI under this Addendum. Nothing herein is intended to waive the sovereign or other immunity of the State of New Hampshire.

8.4 Obligations Upon Termination. Client or its agent shall pay ESI in accordance with this Addendum for all claims for Covered Products dispensed and services provided to Client and EGWP Enrollees on or before the later of: (i) the effective date of termination, or (ii) the final date that all EGWP Enrollees have been transitioned to a new Part D plan, as applicable (the "Termination Date"). Claims submitted by Participating Pharmacies or EGWP Enrollee Submitted Claims filed with ESI after the Termination Date shall be processed and adjudicated in accordance with a mutually determined run-off plan. The parties shall cooperate regarding the transition of Client and its EGWP Enrollees to a successor PDP Sponsor in accordance with all applicable Medicare Drug Rules and ESI will take all reasonable steps to mitigate any disruption in service to EGWP Enrollees.

8.5 Survival. The parties' rights and obligations under Sections 3.7 and 3.8(f); Articles V, VI and VII; and Sections 8.3, 8.4, 8.5 and 9.6 of this Addendum shall survive the termination for any reason.

ARTICLE IX - MISCELLANEOUS

9.1 Notice. Any notice or document required or permitted to be delivered pursuant to this Addendum must be in writing and shall 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 shall specify from time to time by written notice delivered in accordance herewith:

ESI:	Express Scripts Insurance Co. Attn: President One Express Way St. Louis, Missouri 63121
with copy to:	General Counsel Fax: 800-417-8163
Client:	State of New Hampshire Risk Management Unit Attn: Contracting Officer 25 Capitol Street, Room 412 Concord, NH 03301

9.2 Independent Parties. No provision of this Addendum is intended to create or shall be construed to create any relationship between ESI or its Affiliate and Client other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Addendum. Neither party, nor any of their respective representatives, shall be construed to be the partner, agent, fiduciary, employee, or representative of the other and neither party shall 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 Addendum or as otherwise authorized in writing by the party about which such representation is asserted.

9.3 Assignment and Subcontracting. Client acknowledges and agrees that ESI may perform certain services hereunder (e.g., mail service pharmacy and specialty pharmacy services) through one or more ESI subsidiaries or Affiliates. ESI 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 ESI subcontracts any PBM Service under this Addendum to a third party, ESI is responsible and liable for the performance of any such third party. In addition, ESI may contract with third parties to provide information technology support services and other ancillary services, which services are not PBM Services hereunder, but rather are services that support ESI's conduct of its business operations. This Addendum will be binding upon, and inure to the benefit of and be enforceable by, the respective successors and permitted assigns of the parties hereto.

9.4 Amendments. No modification, alteration, or waiver of any term, covenant, or condition of this Addendum shall be valid unless in writing and signed by both parties or the agents of the parties who are authorized in writing.

9.5 Choice of Law. Unless governed by the Medicare Drug Rules or applicable state insurance laws, this Addendum shall be construed and governed in all respects according to the laws in the State of New Hampshire, without regard to the rules of conflict of laws thereof.

9.6 Severability. In the event that any provision of this Addendum is invalid or unenforceable, such invalid or unenforceable provision shall not invalidate or affect the other provisions of this Addendum which shall remain in effect and be construed as if such provision were not a part hereof; provided that if the invalidation or unenforceability of such provision shall, in the opinion of either party to the Addendum, have a material effect on such party's rights or obligations under this Addendum, then the Addendum may be terminated by such party upon thirty (30) days written notice by such party to the other party.

9.7 Third Party Beneficiary Exclusion. This Addendum is not a third party beneficiary contract, nor shall this Addendum create any rights on behalf of EGWP Enrollees as against ESI. Client and ESI reserve the right to amend, cancel or terminate this Addendum without notice to, or consent of, any EGWP Enrollee.

9.8 Trademarks. Each party acknowledges each other party's sole and exclusive ownership of its respective trade names, commercial symbols, trademarks, and service marks, 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.

9.9 Debarment. ESI or its Affiliate shall not knowingly employ, or subcontract with, an individual or an entity that employs or contracts with an individual, who is excluded from participation in Medicare under section 1128 or 1128A of the Act or from participation in a Federal health care program for the provision of health care, utilization review, medical social work, or administrative services.

9.10 Signatures. Any documents required to implement the terms of this Addendum shall be signed by a representative of each party with legal authority to bind the entity.

9.11 Federal Funds. The parties acknowledge that information provided in connection with this Addendum is used for purposes of obtaining federal funds and, as such, the parties are subject to certain laws that are applicable to individuals and entities receiving federal funds.

EXHIBIT G
EGWP BENEFIT

(See Attached)

SCHEDULE 5.1(a)(iv)

If Client engages a subcontractor ("Subcontractor") to perform any of the functions that ESI has delegated to Client to perform under this Addendum, Client shall do so pursuant to a written agreement that includes the following terms, conditions, and provisions:

1. The agreement between Client and Subcontractor (the "Subcontract") must clearly identify the parties to the Subcontract.
2. The Subcontract must describe the functions that are being delegated to and performed by the Subcontractor.
3. The Subcontract must describe the manner in which Client will monitor the performance of the Subcontractor on an ongoing basis; specifically to monitor compliance with the Medicare Drug Rules.
4. The Subcontract must describe any reporting requirements that the Subcontractor has to Client.
5. The Subcontract must describe the payment that the Subcontractor will receive for performance under the Subcontract.
6. The Subcontractor must agree that the United States Department of Health and Human Services ("DHHS"), the Comptroller General, or their designees have the right to inspect, evaluate, and audit any pertinent contracts, books, documents, papers and records (including medical records and documentation) of the Vendor involving transactions related to the Centers for Medicare and Medicaid Services' ("CMS") contract with ESI for a period of ten (10) years following the expiration or termination of the Subcontract or the date of any audit completion, whichever is later.
7. The Subcontractor must agree pursuant 42 CFR § 423.505(i)(3)(iv) to produce upon request by CMS, or its designees, any books, contracts, records, including medical records and documentation of the PDP Sponsor, relating to the Part D program, to either the PDP Sponsor to provide to CMS, or directly to CMS or its designees.
8. The Subcontractor must agree that in no event, including, but not limited to, nonpayment by Client, Client's insolvency, or breach of the Subcontract, will the Subcontractor bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a beneficiary of Client or persons acting on his or her behalf for services provided by the Subcontractor pursuant to the Subcontract.
9. The Subcontract must: (i) specify that the Subcontractor will perform all services under the Subcontract in a manner that is consistent with and that complies with ESI's contractual obligations under its contract with CMS; (ii) specify that the Subcontractor agrees to comply with all applicable federal laws, regulations, and CMS instructions; and (iii) provide for revocation of the Subcontractor's delegated activities and reporting responsibilities or specify other remedies in instances when CMS, Client, or ESI determine that the Subcontractor has not performed satisfactorily.
10. The Subcontract must require the Subcontractor to agree to comply with state and federal privacy and security requirements, including the confidentiality and security provisions stated in 42 CFR §423.136.
11. The Subcontract must include an acknowledgment by the parties that information provided in connection with the Subcontract is used for purposes of obtaining federal funds.

12. If the Subcontract permits the Subcontractor to use a subcontractor to perform any of the services delegated to it under the Subcontract, the Subcontract must require that the Subcontractor include all of the above provisions in a written agreement with such subcontractor.
13. The Subcontract must be signed by a representative of the Subcontractor with legal authority to bind the Subcontractor.
14. The Subcontract must contain a representation by Client and the Subcontractor that they shall not knowingly employ, or subcontract with, an individual or an entity that employs or contracts with an individual, who is excluded from participation in Medicare under section 1128 or 1128A of the Act or from participation in a Federal health care program for the provision of health care, utilization review, medical social work, or administrative services.
15. The Subcontract must contain language clearly indicating that the first tier, downstream, or related entity has agreed to participate in the PDP Sponsor's Medicare Prescription Drug Benefit program. This requirement is not applicable for a network pharmacy if the existing contract would allow participation in this program.
16. The Subcontract must be for a term of at least the one-year contract period for which the PDP Sponsor's Medicare Part D Application is submitted. However, where the Subcontract is for services or products to be used in preparation for the next contract year's Part D operations (marketing, enrollment), the initial term of such Subcontract must include this period of performance (e.g., contracts for enrollment-related services must have a term beginning no later than November 15 extending through the full contract year ending on December 31 of the next year).
17. Insofar as the Subcontractor establishes the pharmacy network or select pharmacies to be included in the network, the Subcontractor must agree: i) pursuant 42 CFR § 423.505(i)(5) that the PDP Sponsor retains the right to approve, suspend, or terminate any arrangement with a pharmacy; ii) pursuant 42 CFR §423.505(i)(3)(vi) and consistent with 42 CFR § 423.520 to issue, mail, or otherwise transmit payment of all clean claim to such pharmacies (excluding long-term care and mail order) submitted by or on behalf of pharmacies within 14 days for electronic claims and within 30 days for claims submitted otherwise; iii) pursuant 42 CFR § 423.505(i)(3)(viii)(B) and 42 CFR § 423.505(i)(3)(viii)(A) that if a prescription drug pricing standard is used for reimbursement, Subcontractor will identify the source used by the PDP Sponsor for the prescription drug pricing standard of reimbursement and agree to a contractual provision that updates to such a standard occur not less frequently than once every 7 (seven) days beginning with an initial update on January 1 of each year, to accurately reflect the market price of acquiring the drug.

EXHIBIT H

**PHARMACY REIMBURSEMENT RATES
ADMINISTRATIVE SERVICES AND FEES
STANDARD REPORTING
REBATES**

Client shall pay to ESI the amounts set forth below, net of applicable Copayments. Sales or excise taxes, if any, shall be the responsibility of Client. If ESI pays a particular Participating Pharmacy a higher rate because Client has requested such pharmacy be included in the network, the rate charged to Client shall be the net ingredient cost plus the dispensing fee paid by ESI to such pharmacy, plus applicable sales or excise taxes, if any.

In addition, the pricing terms set forth on this Exhibit H are conditioned upon a minimum of 7,700 EGWP Enrollees served under this Addendum and no 100% Copayment benefit plans.

The following are incorporated into Exhibit H:

Exhibit H-1

Pharmacy Reimbursement Rates

Exhibit H-2

Administrative and Clinical Program Fees

Exhibit H-3

Rebates

Exhibit H-1

Pharmacy Reimbursement Rates

Client will pay to ESI the amounts set forth below, net of applicable Copayments. The application of brand and generic pricing below may be subject to certain "dispensed as written" (DAW) protocols and Client defined plan design and coverage policies for adjudication and Member Copayment purposes. Sales or excise tax, if any, will be the responsibility of Client. A Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, discounted price plus dispensing fee or U&C.

I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)

Network	Medicare Network
Ingredient Cost - Brand	2015: Lesser of AWP – 17.00%, or U&C 2016: Lesser of AWP – 17.25%, or U&C
Ingredient Cost - Generic <i>single source Generic Drugs are priced as brands</i>	2015: Lesser of AWP – 17.00%, MRA or U&C 2016: Lesser of AWP – 17.25%, MRA or U&C
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee
Brand Dispensing Fee/Rx	2015: \$1.10 2016: \$1.05
Generic Dispensing Fee/Rx	2015: \$1.10 2016: \$1.05
Administrative Fee/Rx (paid on Paid Claims only)	\$0.00

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below. ESI agrees that if a prescription is written for a Generic Drug, and a Brand Drug is dispensed because the generic is out of stock, the Client and the Member will be charged the applicable Generic Drug rates and Copayments respectively. Extended (90 day) fills may be available at certain pharmacies within the Medicare Network in accordance with CMS rules and regulations.

II. Mail Service Pharmacy Pricing (Does Not Apply to Specialty Products)

Ingredient Cost - Brand Drugs	2015: AWP -26.00% 2016: AWP -26.25%
Ingredient Cost – Generic Drugs	AWP - 26.00% or, if lower, MRA AWP - 26.25% or, if lower, MRA
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee
Brand Dispensing Fee/Rx <i>Subject to change for changes in delivery rates</i>	\$0.00
Generic Dispensing Fee/Rx <i>Subject to change for changes in delivery rates</i>	\$0.00
Administrative Fee/Rx	\$0.00

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below. ESI agrees that if a prescription is written for a Generic Drug, and a Brand Drug is dispensed because the generic is out of stock, the Client and the Member will be charged the applicable Generic Drug rates and Copayments respectively.

III. Pricing Guarantees.

A. Ingredient Cost Guarantee. ESI will guarantee a minimum average discount as reflected below on Client utilization to be calculated as follows:

[1-(total discounted AWP ingredient cost (excluding dispensing fees and claims with ancillary charges, and prior to application of Copayments) of applicable Prescription Drug Claims 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 MRA, U&C or AWP discount adjudication methodology.

Type of Guarantee	Participating Pharmacy	Mail Service Pharmacy	Claims Included ⁽¹⁾	Claims Excluded ⁽¹⁾
Generic	2015: AWP – 75.15% 2016: AWP – 75.65%	2015: AWP – 80.25% 2016: AWP – 80.75%	MRA, AWP, U&C and zero balance due - discounted cost before copay	OTC, Compounds, and Specialty Products

⁽¹⁾As described in table above, the guarantees herein will be measured and reconciled in the aggregate with the corresponding guarantees in the Commercial Agreement, and as such, the same inclusions and exclusions shall apply with respect to the Commercial Agreement

Guarantees will be measured and reconciled in aggregate with the corresponding guarantees in the Commercial Agreement on an annual basis within ninety (90) days of the end of each contract year. The above guarantees are annual guarantees - if this Addendum is terminated prior to the completion of the then current contract year (hereinafter, a "Partial Contract Year"), then the above guarantees will not apply for such Partial Contract Year. To the extent Client changes its benefit design or Formulary during the term of this Addendum, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. Subject to the remaining terms of this Addendum, ESI will pay the difference of Client's net cost for any shortfall between the actual result and the guaranteed result

IV. Specialty Products

(a) Open. Specialty Products shall be available through ESI Specialty Pharmacy and at Participating Pharmacies for the Specialty Product List for ESI Specialty Pharmacy – Open, and Participating Pharmacy reimbursement rates.

	Ingredient Cost	Dispensing Fee
Open ESI Specialty Pharmacy	Open Specialty Product List Lesser of AWP discount or MRA	\$0.00
Participating Pharmacy Specialty Products	Participating Pharmacy Specialty Product List Lesser of AWP discount, U&C or MRA	\$2.00

(b) Specialty Products will be excluded from any price guarantees set forth in this Addendum. ESI Specialty Pharmacy or ESI will be entitled to charge a reasonable delivery fee in connection with the delivery of Specialty Products by ESI Specialty Pharmacy. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing specified in this Exhibit F apply to Specialty Products.

(c) ESI will notify Client no more frequently than monthly of new Specialty Products that are introduced to the market and added to the Specialty Product List on or after the Effective Date of this Addendum with their applicable Specialty Product List reimbursement rates ("Notice"). The parties agree as follows:

(i) If Client has expressly excluded a specific therapy class or product, Specialty Products in such excluded classes will automatically be deemed excluded from coverage and will reject as "NDC Not Covered" through Participating Pharmacies, Mail Service Pharmacy and ESI Specialty Pharmacy; otherwise, all other Specialty Products will be implemented as

Covered Drugs at the rate specified in the applicable Specialty Product List or Notice, and Client acknowledges and agrees to same. If Client desires to cover otherwise excluded Specialty Products, Client 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 Client such Specialty Product will be loaded thereafter as a Covered Drug at the applicable Specialty Product List reimbursement rate set forth in the Notice.

(ii) Client 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 the 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 Client will be responsible for the payment of such Prescription Drug Claims processed prior to the rejection of coverage.

(d) Specialty Products and ASES. EGWP Enrollees may have prescriptions filled through ESI Specialty Pharmacy and Participating Pharmacies. Subject to applicable law, ESI and ESI Specialty Pharmacy may communicate with EGWP Enrollees and physicians to advise EGWP Enrollees filling Specialty Products at Participating Pharmacies of the availability of filling prescriptions through ESI Specialty Pharmacy. Specialty Products will be excluded from any price guarantees set forth in the Addendum. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing specified in the Addendum apply to Specialty Products.

(i) For Specialty Products filled through ESI Specialty Pharmacy only, EGWP Enrollees 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).

(ii) Subject to Client's prior authorization requirements, if applicable, at the rates set forth in Exhibit H-1, ESI will provide or coordinate ASES for EGWP Enrollees 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.

(iii) Any ancillary supplies, equipment, and services provided or coordinated in connection with the dispensing of Specialty Products at a Participating Pharmacy will be billed to Client at the cost charged to ESI for such ancillary supplies, equipment, and services provided or coordinated, unless such ancillary supplies, equipment, and services provided or coordinated are included in the ingredient cost of the Specialty Product.

(iv) If Client elects the ESI Specialty Pharmacy - Open Care option, then any ancillary supplies, equipment, and services provided or coordinated in connection with the dispensing of Specialty Products at Participating Pharmacies will be billed to Client at the cost charged to ESI for such ancillary supplies, equipment, and services provided or coordinated, unless such ancillary supplies, equipment, and services provided or coordinated are included in the ingredient cost of the Specialty Product.

V. Influenza and Other Vaccinations

(a) Medicare Part D vaccinations

	Participating Pharmacies/Mail Service Pharmacy/ESI Specialty Pharmacy	Other than Participating Pharmacies/Mail Service Pharmacy/ESI Specialty Pharmacy⁽¹⁾
Vaccine Administration	\$20.00 per Part D covered vaccine	pass through Charge as Submitted
Ingredient Cost	Applicable discount rate as set forth in this Addendum	pass through Charge as Submitted
Administrative Fee/Vaccine Claim	Participating Pharmacy Administrative Fee per Prescription Drug Claim as set forth in this Addendum	Member Submitted Administrative Fee per Prescription Drug Claim as set forth in this Addendum

⁽¹⁾ Except for Vaccine Claims submitted electronically by physicians. Pricing for Vaccine Claims submitted electronically by physicians is set forth below.

	Vaccine Claims Submitted Electronically by Physicians
Vaccine Administration⁽¹⁾	\$20.00 per Part D covered vaccine
Ingredient Cost	Pass-Through
Administrative Fee/Vaccine Claim	Participating Pharmacy Administrative Fee per Prescription Drug Claim as set forth in this Addendum
Vendor Transaction Fee	pass through at \$3.75 ⁽¹⁾

⁽¹⁾ \$3.75 is the fee currently charged by DSI to ESI. This amount is subject to change. ESI will provide Client prior written notice of any change.

(b) Medicare Part B vaccinations

Medicare Part B Vaccinations shall adjudicate at the lower of:

(i)

	Participating Pharmacy INFLUENZA	Participating Pharmacy OTHER VACCINES
Ingredient Cost	Participating Pharmacy Ingredient Cost as set forth in this Addendum	Participating Pharmacy Ingredient Cost as set forth in this Addendum
+		
Dispensing Fee	Participating Pharmacy Dispensing Fee as set forth in this Addendum	Participating Pharmacy Dispensing Fee as set forth in this Addendum
+		
Professional Service Fee (PSF); cost for pharmacist to inject the	Pass-Through (capped at \$15 per vaccine claim)	Pass-Through (capped at \$20 per vaccine claim)

vaccine		
Vaccine Program Administrative Fee *	\$2.50 per vaccine claim	\$2.50 per vaccine claim

* The Vaccine Program Administrative Fee will be manually billed to Client on a monthly basis or at such other intervals as agreed between ESI and Client. Manual billing is subject to change to electronic billing. ESI will provide Client prior written notice of any change to electronic billing. This Vaccine Program Administrative Fee will apply to any vaccine claims, whether at contracted rates or U&C, and is in addition to any per Prescription Drug Claim administrative fee set forth in this Addendum.

or

(ii) the combined ingredient cost, dispensing fee (if any) and professional service fee (if any) that the Participating Pharmacy generally charges an individual paying cash, without coverage for prescription drug benefits, plus the Vaccine Program Administrative Fee set forth above.

Coverage is subject to Plan provisions. No vaccine claims will be included in any guarantees set forth in this Addendum and/or amendments thereto.

VI. Long Term Care; I/T/U and IHS; Home Infusion Pricing

LONG TERM CARE NETWORK PROVIDERS	Pricing
<i>Brand Discount</i>	Lower of AWP – 10.18% or U&C
<i>Generic Discount</i>	Lower of AWP – 10.18%, MRA, or U&C
<i>Brand Dispensing Fee Per Claim</i>	\$4.50
<i>Generic Dispensing Fee Per Claim</i>	\$4.50
<i>Administrative Fee Per Claim</i>	\$0.00
I/T/U and IHS PRESCRIPTION SERVICES	Medicaid Reimbursement Rate by State, as published by CMS (Available upon request).
HOME INFUSION PROVIDERS	Pricing
<i>Brand Discount</i>	Lower of AWP -10.18% or U&C
<i>Generic Discount</i>	Lower of AWP - 10.18%, MRA, or U&C
<i>Brand Dispensing Fee Per Claim</i>	\$0.00
<i>Generic Dispensing Fee Per Claim</i>	\$0.00
<i>Administrative Fee Per Claim</i>	\$0.00

* Immunoglobulin priced at AWP-0%

Exhibit H-2

Administrative and Clinical Program Fees

The parties understand that this Exhibit H-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 this Exhibit H-2 will not change during the term of this Addendum. Any other changes to Exhibit H-2, including pricing for new programs, will be promptly communicated to Client by ESI.

I. Administrative Fees

Selected PDP Services

PDP Services	
EGWP Plus Administrative Fee	\$8.95 PMPM

Express Scripts' EGWP Plus administrative fee includes the following services:

Claims Processing
Electronic Claims Processing
Enrollment Management
Electronic Eligibility submission Initial enrollment, age-in members, low-income management
Home Delivery Services
Benefit Education (Includes home delivery program) Prescription Delivery — Standard
Medicare Processing and Reporting Services
Interaction with CMS and federal agencies to ensure compliance and applicable laws
Manage contact with CMS
Evaluate actuarial equivalence and report to CMS as required CMS Direct Subsidy Processing, reconciliation, and reporting CMS Catastrophic Subsidy (Subject to plan design) Processing, reconciliation, and reporting CMS Low-Income Premium and Cost Sharing Processing, reconciliation, and reporting LIS Premium refunds directly to LIS members Coverage Gap Discount Payments Invoicing, coordination, processing, and reporting Client management and financial reporting Preparation of all data necessary to meet Medicare Part D Reporting Requirements Provide data to CMS in required format
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 — access to
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
Grievance management
Centralized administration for payment of claim and administrative fees
Training for online tools
Fraud, Waste, and Abuse Program
Care and Safety Management Education

Member Communications

Medicare required member communications, as applicable.
Opt Out Letters (Including benefit overview)
New Enrollee Packets
Member ID card and Evidence of Coverage (EOC)
Quick Reference Guide (QRG)
Abridged formulary
Pharmacy directory
HIPAA Notice
Home Delivery Order Form
On-Going
Transition 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
Other required notifications
Renewal Member Packet
Quick Reference Guide (QRG) & Annual Notice of Change (ANOC)
Evidence of Coverage (EOC)
Abridged Formulary
Home Delivery Order Form

Clinical Services

Concurrent Drug Utilization Reporting (DUR)
Retrospective DUR
Medication Therapy Management and reporting
Emerging Therapeutics
Fraud, Waste, and Abuse Program
Pharmacy, Physician, and Member Investigation Program

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

Optional PBM Services

Additional PBM Services	Fees
Claims Processing	
EGWP Enrollee Submit Fee	\$10.00 per claim
Medicaid subrogation claims	\$10.00 per claim
Claims Reverse and Reprocessing	\$5.00 per claim plus additional \$1.35 if check is required to be mailed to EGWP enrollee
Electronic Prescribing	\$0.50 per eRx transaction Fee
Custom Client Reporting	
Custom Ad Hoc Reports	\$150 per hour; minimum \$500 charge
Account and Member Services	
Member Requested Replacement Packets	\$1.50 + postage per packet
Client requested Re-carding	\$1.50 + postage per packet
Custom materials (And mailings over five pages in length)	Priced upon request
Notice of Creditable Coverage	\$.75/letter + postage
Appeals by MCMC	
• Clinical appeals	\$350/review
• Non-clinical appeals	\$160/review
Additional PBM Service	
Medicare Part B Services – Participating Pharmacy	\$0.05 PMPM

II. 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.

Selected Services

Health Choices	Fees
Concurrent DUR Concurrent DUR performs online, real-time drug utilization analysis at the point of prescription dispensing, whether the dispensing occurs at the retail pharmacy or at the Express Scripts Pharmacy. Each electronically transmitted claim is reviewed to identify the most pertinent clinical patient safety or utilization concerns and generates an alert to the dispensing pharmacist in real time before the member receives the prescription(s).	No charge (included in base offering)
Drug Choice Programs	Fee

<p>Formulary Notification</p> <p>Formulary Notification educates members about changes to their formulary. The program and its communications minimize disruption while encouraging members to use more cost-effective prescription drugs, provide a clinically sound prescription-drug benefit, and motivate members to take an active role in protecting their access to the prescription drugs they need.</p>	<p>No charge for standard</p>
<p>My Rx Choices</p> <p>My Rx Choices is a best-in-class base solution that will increase home delivery utilization, deliver a high level of patient support, improve the patient experience, and increase savings for you and your members at no additional cost. Our outreach strategy targets traditional, Medicare, and specialty maintenance medication users who currently use a retail pharmacy but also have home delivery conversion opportunities available, engaging them to make choices that are clinically sound and cost-effective.</p>	<p>No Charge (included in base offering)</p>
<p>Drug Choice Programs</p>	<p>Fees</p>
<p>2014 Utilization Management Package — Drug Quantity Management (Dispensing Quantity) Step Therapy Package(Limited, Advantage, Advantage Plus, and Optional programs) All Prior Authorization Lists (Limited PA, Advantage PA, Advantage Plus PA, Nonessential Therapy PA, Oncology, Pharmacogenomics PA, Proactive PA, Adjunctive Specialty PA, and Optional PA)</p>	<p>\$0.60 PMPM</p>
<p>Drug Quantity Management (Dispensing Quantity – quantity dispensed per prescription)</p> <p>Drug Quantity Management reduces wasteful spending in the pharmacy benefit by aligning the dispensed quantity of prescription medication with dosage guidelines approved by the Food and Drug Administration. This supports safe, effective, and efficient use of drugs while giving patients access to quality care. In addition, dosing consolidation ensures that the pharmacy dispenses the most cost-effective product strength.</p>	<p>Included in UM Package</p>
<p>Prior Authorization</p> <p>Express Scripts Prior Authorization drives plan savings and patient safety by monitoring the dispensing of high-cost medications and those with the potential for misuse. Our program ensures drug coverage consistent with your intent for the prescription benefit, while maintaining member and physician satisfaction.</p>	
<p>Prior Authorization — Limited List</p>	<p>Included in UM Package</p>
<p>Prior Authorization — Advantage List</p>	<p>Included in UM Package</p>
<p>Prior Authorization — Advantage Plus List</p>	<p>Included in UM Package</p>
<p>Prior Authorization — Non Essential Therapy List</p>	<p>Included in UM Package</p>
<p>Prior Authorization – Oncology Package</p>	<p>Included in UM Package</p>
<p>Prior Authorization – Pharmacogenomics List</p>	<p>Included in UM Package</p>
<p>Prior Authorization – Proactive List</p>	<p>Included in UM Package</p>

Prior Authorization – Adjunctive Specialty	Included in UM Package
Prior Authorization – Optional - Nuedexa	Included in UM Package
Prior Authorization – Optional - Vfend	Included in UM Package
Prior Authorization – Optional - Zetia	Included in UM Package
Prior Authorization – Optional - Zyvox	Included in UM Package
Prior Authorization — Other Clinical Overrides (e.g., nonstandard Prior Authorization medications, medical exceptions) Optional Prior Authorizations	Included in UM Package
All 2014 Step Therapy Package modules Individual Step Therapy Lists below Our Step Therapy program manages out prescription-drug waste within specific therapy classes by guiding patients to frontline medications before “stepping up” to more costly backup medications. Evidence-based clinical protocols for each step therapy module ensure patients receive cost-effective drug therapy that is clinically appropriate for their condition.	Included in UM Package
Step Therapy – Limited List	Included in UM Package
Step Therapy – Advantage List	Included in UM Package
Step Therapy – Advantage Plus List	Included in UM Package
Step Therapy – Optional – Alpha Blockers	Included in UM Package
Step Therapy – Optional – Bile Acid Sequestrants	Included in UM Package
Step Therapy – Optional - CCB - DIHYDROPYRIDINES	Included in UM Package
Step Therapy – Optional - CCB - VERAPAMIL	Included in UM Package
Step Therapy – Optional - HIGH RISK MEDICATIONS - LONG-ACTING SULFONYLUREAS	Included in UM Package
Step Therapy – Optional - HIGH RISK MEDICATIONS - SEDATIVE HYPNOTICS (NON-BENZO)	Included in UM Package
Step Therapy – Optional - INFLAMMATORY BOWEL	Included in UM Package
Step Therapy – Optional - METFORMIN	Included in UM Package
Step Therapy – Optional - ENHANCED OPHTHALMIC PROSTAGLANDINS	Included in UM Package
Step Therapy – Optional - THIAZOLIDINEDIONE	Included in UM Package

Optional Services

Health Choices	Fees
ScreenRx As the industry's first actionable adherence solution, ScreenRx® combines early detection with tailored interventions to improve member adherence and deliver healthcare savings. ScreenRx addresses potential adherence gaps prior to nonadherence becoming a significant issue by identifying those members at risk of becoming nonadherent in the future and offering them tailored, proactive interventions.	\$0.25 PMPM

Health Choices	Fees
<p>ExpressAlliance ExpressAlliance care coordination services are designed to enhance adherence, reduce drug errors, expose clinical waste, and coordinate care for patients with chronic and complex conditions. Patient-level and population views of actionable healthcare opportunities empower your authorized healthcare professionals with better data and insights to help them identify patient issues faster, prioritize patient outreach, and maximize the effectiveness of patient counseling.</p>	<p>Web Access: \$0.04 PMPM (No lives minimum) Secure, online access to real-time, patient eligibility, medication history, clinical gaps in care, and potential savings opportunities <u>Advantage: \$0.10 PMPM (15,000 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 <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 <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>
<p>RationalMed RationalMed integrates and analyzes prescription, medical, and lab data to identify actionable patient safety issues across your total population, not just for those with chronic and complex conditions. This clinical safety program helps prevent unnecessary and costly hospitalizations, adverse events, and addresses gaps in essential care — all with no disruption for your members and guaranteed savings for your plan.</p>	<p>Client specific, priced upon request (10,000 life minimum)</p>
<p>Pharmacogenomics Personalized Medicine puts Health Decision ScienceSM into action by applying actionable data and clinical specialization to improve health and financial outcomes for you and your members. By helping providers understand which drugs or dosages work best for individual patients, Personalized Medicine empowers providers and patients to make more informed and cost-effective decisions.</p>	<p>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</p>
<p>Emerging Therapeutic Intervention Program Our Emerging Therapeutic Interventions solution is an advanced Health Choices solution that improves patient safety and health outcomes by identifying significant safety-related drug recalls or market withdrawals and alerting plan sponsors, patients, and providers in a timely and efficient manner.</p>	<p>\$1.50 per intervention</p>
<p>Physician Report Card – Mailed Profiles Only Our physician report card program sends targeted physicians quarterly mailings to promote the prescribing of lowest-cost drugs, taking advantage of waste reduction opportunities and adhering to nationally recognized treatment guidelines. This tool helps our clients counter the impact of pharmaceutical companies' brand advertising and detailing programs.</p>	<p>Fixed Quarterly Fee: \$1,350 per quarter Cost per package mailed-enrolled: 1-4 pages: \$3.00 per package 5-8 pages: \$4.00 per package 9-12 pages: \$5.00 per package 12-14 pages: \$5.50 per package</p>

Health Choices	Fees
<p>Physician Consultation Express Scripts' Physician Consultation program uses direct communication with select prescribers to promote the use of clinically appropriate, cost-effective therapy. Academic detailing includes prescriber education about lower-cost medications, current clinical guidelines, and prescribing strategies.</p>	<p>Phone based consultation: \$100 per consulted physician/provider Face-to-face consultation: Client specific upon request</p>
Medicare	Fee
<p>eMTM (for clients with Medicare MTM) Express Scripts' Medication Therapy Management Program (MTMP) is designed to enhance targeted members' overall health and reduce wasteful healthcare spending. Through this program, we collect more than 100 data points (e.g., prescription and non-prescription medication, disease state counseling); document the outcome of each intervention; provide information to communicate to the primary care provider; ensure beneficiaries understand the information provided; and provide information directly to providers, case managers, and others as designated by the beneficiary to assist in therapy improvement.</p>	<p>Prescriber Outreach: \$0.26 PMPM Member and Prescriber Outreach: \$0.52 PMPM</p>

Exhibit H-3

REBATES

A. Subject to the terms and conditions set forth below and in Section 3.10 of this Addendum, ESI will remit to Client an amount equal to the greater of:

- (i) 100% of the Rebates and Manufacturer Administrative Fees received by ESI on a Pass Through basis;

Or

(ii) Subject to Client meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

	Minimum \$15.00 Copay Differential	
	Medicare National Preferred Formulary	
	Participating Pharmacies and ESI Specialty Pharmacy	Mail Service Pharmacy
Per Brand Claim	2015: \$28.61 2016: \$31.88	2015: \$85.83 2016: \$95.65

B. If the Plan design conditions identified in the table in Section A.(ii) above are not met, the “greater of” methodology and the guaranteed amounts shall not apply, and ESI will, subject to the remaining terms of this Addendum, pay Client Rebate amounts pursuant to the percentage set forth in Section A.(i) above.

C. Long Term Care and Home Infusion claims are not eligible for Rebates.

EXHIBIT I
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 Client'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.

ESI strongly encourages clients to have their auditors, without jeopardizing the independent nature of the audit, review the auditor's initial findings and reports with ESI prior to discussing with the client in order to avoid any unnecessary client confusion. We have found often times that items identified as issues during the initial audit turn out to be non-findings once a dialogue takes place between the auditor and ESI. In other words, we believe it is in everyone's interest to ensure that the auditor and ESI are not simply "missing each other" in the exchange of information prior to the auditor reviewing its findings with the client.

2. AUDIT PREREQUISITES

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

- Retrospective Claims
- Rebates
- Performance Guarantees
- 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, we encourage clients to audit all four components, as applicable, through a single annual audit. If you choose to audit the above components separately throughout the year, rather than combining all components into a single annual audit, you will be subject to ESI's standard charges for each additional audit. All such fees shall be reasonable and based on ESI's costs for supporting such additional audits.

B. ESI will provide all data reasonably necessary for Client to determine that ESI has performed in accordance with contractual terms.

C. ESI engages a national accounting firm, at its sole cost and expense, to conduct a SSAE 16 audit on behalf of its clients. Upon request, ESI will provide the results of its most recent SSAE 16 audit. Testing of the areas covered by the SSAE 16 is not within the scope of Client'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 16 audit process and findings to Client in order for Client to gain an understanding of the SSAE 16.

3. AUDITS

A. ESI recommends that the initial audit period for a claims 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 claims 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 claims 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. If the parties mutually determine, acting in good faith, that the initial audit demonstrates in any material respects that ESI has not administered the financial arrangement consistent with the contract terms of the Agreement, then ESI will support additional auditing beyond the Audit Period at no additional charge.

B. CMS modifies its requirements for administering the Medicare Part D on an annual basis. For this reason, ESI recommends that the initial audit period for a Medicare Part D compliance audit cover a timeframe 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, Client may perform an on-site review of the applicable components of manufacturer agreements, selected by Client, as reasonably necessary to audit the calculation of the Rebate payments made to Client 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, access to and audit of manufacturer agreements is restricted to a mutually agreed upon national 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. ESI recommends that Client select an initial number of manufacturer contracts to enable Client to audit fifty percent (50%) of the total Rebate payments due to Client for two (2) calendar quarters during the twelve (12) 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 statistically valid 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, you or your auditor may perform an on-site audit of the applicable Participating Pharmacy contract rate sheet(s).

4. AUDIT FINDINGS

- A. Following Client's initial audit, Client (or its Auditor) will provide ESI with a written report of suspected errors, if any. In order for ESI to evaluate Client's audit report, Client shall provide an electronic data file in a mutually agreed upon format containing up to 300 claims for further investigation by ESI.
- B. Following Client's initial audit of Medicare Part D compliance, Client (or its Auditor) will provide ESI with a written report of suspected non-compliant issues and payment reconciliation issues, if any. In order for ESI to evaluate Client's audit report, Client shall provide ESI with specific regulatory criteria and Medicare Part D program requirements used to cite each suspected non-compliant and payment reconciliation issue.
- C. ESI will use commercially reasonable best efforts to respond to the audit report in no more than sixty (60) days from ESI's receipt of the report. Please be aware, however, that audits that require evaluation of six (6) or more findings typically require additional time to respond due to the complex nature of such audits. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Client and/or its Auditor and ESI.
- D. Client 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 Client through credits to a future invoice(s). If we are unable to reprocess claims and issue corresponding credits to Client through this process, ESI will make adjustments to Client via a check or credit.

5. 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, Client (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 J

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 pay 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. ESI may charge pharmacies standard transaction fees to access ESI's pharmacy claims systems and for other related administrative purposes.

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. 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.

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 Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts for its own account with manufacturers 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 vary based on 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 retains the financial benefit of the use of any funds held until payment of formulary rebate amounts is made to the client. In addition, ESI provides administrative services to formulary rebate contracted manufacturers, which include, for example, maintenance and operation of the systems and other infrastructure necessary for managing and administering the PBM formulary rebate process and access to drug utilization data, as allowed by law, for purposes of verifying and evaluating the rebate 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 rebated 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 service fees from manufacturers as compensation for the performance of various services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, medical benefit management services, and the sale of non-

patient identifiable claim information. These service fees are not part of the formulary rebates or associated administrative fees.

Copies of ESI's standard formularies may be reviewed at www.express-scripts.com/services/clientsadvisors. 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/services/clientadvisors.

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 and wholesale distributors. 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. 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 or wholesalers 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, 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, a group purchasing organization, a medical benefit management company, and United BioSource Corporation ("UBC"). Compensation derived through these business arrangements is not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. Services related to these arrangements are provided to manufacturers irrespective of whether a drug is on one of ESI's national formularies. 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 patient public at large. Fees paid to UBC in connection with its services are unrelated to the ESI PBM formulary.

Third Party Data Sales – Consistent with any client contract limitations, ESI or its affiliates may sell non-patient identifiable claim 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. All such activities are conducted in compliance with applicable patient and pharmacy privacy laws and client contract restrictions.

January 1, 2013

THIS EXHIBIT REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS EXHIBIT 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 FOR CLIENTS & ADVISORS.

EXHIBIT K

**CERTIFICATION OF INFORMATION RELATING TO CREDITABLE
COVERAGE REQUIREMENT AND LATE ENROLLMENT PENALTY
FOR PART D EMPLOYER GROUP WAIVER PLAN**

Pursuant to the contract(s) between the Centers for Medicare & Medicaid Services ("CMS") and Express Scripts Insurance Co., **S7950** (collectively, the "PDP Organization"), governing the operation of the contract between the PDP Organization and _____ ("**CLIENT**"), an Employer Group Waiver Plan (EGWP), the PDP Organization hereby requests from CLIENT a certification concerning the creditable coverage maintained for the Part D beneficiaries enrolled under the contract with CLIENT ("Enrollees").

CMS REQUIREMENT - Under applicable CMS Part D regulations, 42 CFR 423, CMS Manual Chapter 4, and related guidance as may be amended from time to time: plans, "using the Batch Eligibility Query (BEQ), [must] determine whether the beneficiary was either enrolled in a Part D plan or was covered by an employer receiving the retiree drug subsidy (RDS) since the IEP end date. If the beneficiary was enrolled in a Part D Plan or by an employer receiving RDS or in an employer-sponsored plan providing coverage at least as good as the standard Medicare part D plan since the end of the IEP, such that there is no gap in creditable coverage of sixty-three (63) or more days, [the plan must] report to CMS that the beneficiary had zero (0) uncovered months." This coverage is deemed to be continuous "creditable coverage."

Under the same guidance, plans may secure an attestation from employers and unions such as CLIENT, who enroll groups of retirees into Medicare prescription drug coverage. The attestation must provide that employer/ CLIENT has been maintaining continuous creditable coverage for each applicable retiree for the time during which the retiree was enrolled through CLIENT.

ATTESTATION - CLIENT attests by affixing its signature below that all Enrollees submitted by the SPONOR to ESI for enrollment under an Enhanced Plan were either enrolled under another Prescription Drug Plan or had other creditable coverage as defined by the CMS applicable guidelines prior to their coverage under Enhanced Plan

ACCURACY - In providing said Certification, CLIENT acknowledges that the information directly affects the calculation of CMS payments to the PDP Organization and/or CLIENT or additional benefit obligations of the PDP Organization and that misrepresentations to CMS about the accuracy of such information may result in Federal civil action and/or criminal prosecution.

APPEAL - ESI shall not be responsible for appealing CMS' determination of Enrollees' creditable coverage status, however, ESI shall honor the final disposition of appeals that are filed by CLIENT.

AGREEMENT - This Attestation supplements and is made a part of the Agreement in effect between ESI and CLIENT.

Based on best knowledge, information, and belief, as of the date indicated below, CLIENT is attesting that all information submitted to PDP Organization in this report is accurate, complete, and truthful.

Name: _____

Title: _____
on behalf of CLIENT

Date: _____

Exhibit L

BUSINESS ASSOCIATE AGREEMENT

The State agrees to the provisions of this Exhibit L on behalf of the Plan both as its administrator and as the employer sponsor of the Plan. 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 Express Scripts, Inc. "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. Use and Disclosure of Protected Health Information (PHI)

- a. Business Associate shall not use, disclose, maintain or transmit PHI except as reasonably necessary to provide the services set forth in this Agreement, as permitted under HIPAA or as Required by Law.
- b. Business Associate agrees to take reasonable efforts to limit the uses and disclosures and requests for PHI to the minimum necessary to accomplish the intended use, disclosure or request.
- c. Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth below.
- d. Business Associate may use protected health information 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.
- e. Business Associate may provide Data Aggregation services on behalf of the Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B) relating to the health care operations of Covered Entity.
- f. 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 permitted by HIPAA. Uses and disclosures of the de-identified information shall be limited to those consistent with the provisions of this Agreement.

- g. 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. 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.
- h. Covered Entity may from time to time, pursuant to requests made by individuals under 45 CFR 164.522, agree to additional restrictions over and above those uses, disclosures and security safeguards of PHI outlined in the HIPAA Rules. Covered Entity shall notify Business Associate, in writing, of any such additional restrictions. Business Associate agrees to be bound by any such additional restrictions.

3. Obligations and Activities of Business Associate

- a. Business Associate shall use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement.
- b. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any Security Incident involving PHI, ePHI, or Unsecured PHI as required by 45 CFR 164.410.
- c. Business Associate shall report a Breach of Unsecured PHI to Covered Entity upon discovery of any such Breach. Business Associate will handle breach notification to individuals, United States Department of Health and Human Services, Office of Civil Rights, and where applicable, the media. Should it be necessary to notify the media of any such breach, Business Associate will ensure that covered entity will receive notice of the breach prior to such incident being reported to the media.
- d. Business Associate shall, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure, as evidenced in writing, that any subcontractors that create, receive, maintain or transmit PHI on behalf of Business Associate agree to at least the same restrictions, conditions and requirements that apply to Business Associate with respect to such information, including the duty to return or destroy PHI.
- e. To the extent Business Associate is to carry out one or more of Covered Entity's obligations under Subpart E of 45 CFR Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s).
- f. Business Associate shall make available all of its internal practices, policies and procedures, books and records to the Secretary for the purpose of determining Covered Entity's compliance with the HIPAA Rules.
- g. Within five (5) business days of receiving a written request from Covered Entity, Business Associate shall make available to the Covered Entity during normal business hours at Business Associate's offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI for the purpose of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

4. Individual Rights and PHI

- a. Access
 - i. Business Associate shall respond to an Individual's request for access to his or her PHI in a Designated Record Set 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 in a Designated Record Set 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 by performing the following functions:
 - 1. 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 in a Designated Record Set created or received for or from Covered Entity in Business Associate's custody or control (and/or the custody or control of 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
 - iii. Business Associate shall respond to an Individual's request to amend his or her PHI in a Designated Record Set 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 in a Designated Record Set Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
 - iv. 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 by performing the following functions:
 - 1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate shall amend any portion of the PHI in a Designated Record Set created or received for or from Covered Entity in Business Associate's custody or control (and/or the custody or control of its subcontractors), so that Covered Entity may meet its amendment obligations under 45 CFR 164.526.
- c. Disclosure Accounting
 - v. Business Associate shall respond to an Individual's request for an accounting of disclosures of his or her PHI in a Designated Record Set 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 in a Designated Record Set Business Associate and its subcontractors maintain in a manner and time frame consistent with requirements specified in the HIPAA Privacy Regulation.
 - vi. 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:
 - vii. Disclosure Tracking
 - 1. Business Associate shall record each disclosure that Business Associate makes of individuals' PHI, in accordance with 45 CFR 164.528, which is not excepted from disclosure accounting under Section II.C.2.b.
 - 2. 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.
3. 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.
- viii. Exceptions from Disclosure Tracking
1. Business Associate shall not be required to record Disclosure Information or otherwise account for disclosures of Individuals' PHI (a) for Treatment, Payment or Health Care Operations, (except where required by the HITECH Act, as of the effective dates of such requirements) (b) to the individual who is the subject of the PHI, to that Individual's personal representative, or to another person or entity authorized by the individual (c) to persons involved in that individual's health care or payment for health care as provided by 45 Code of Federal Regulations § 164.510, (d) for notification for disaster relief purposes as provided by 45 Code of Federal Regulations § 164.510, (e) for national security or intelligence purposes, (f) to law enforcement officials or correctional institutions regarding inmates, (g) that are incident to a use or disclosure that is permitted by this Agreement or the ASO Agreement, (h) as part of a limited data set in accordance with 45 CFR 164.514(e), or (i) that occurred prior to Covered Entity's compliance date.
- ix. Disclosure Tracking Time Periods
1. 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 this Section for the six (6) years immediately preceding the date of Covered Entity's request for the Disclosure Information.
- x. Provision of Disclosure Accounting
1. Upon receipt of written notice (including fax and email) from Covered Entity, Business Associate will make available to Covered Entity, or at Covered Entity's direction to the Individual (or the Individual's personal representative), the Disclosure Information regarding the Individual, so Covered Entity may meet its disclosure accounting obligations under 45 CFR 164.528 and the HITECH Act.
- d. Confidential Communications
- xi. 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.
 - xii. 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 by performing the following functions:

1. 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**
- xiii. 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.
 - xiv. 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.

5. **Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR § 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by Individuals to use or disclose his or her PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

6. **Term and Termination**

- a. The term of this Agreement shall be effective upon approval by the Governor and Executive Council, and shall terminate on December 31, 2016 or on 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 standard provision #10 of this Agreement, either party may immediately terminate this Agreement upon knowledge of a material breach by the other party of the Business Associate Agreement set forth herein as Appendix C. The non-breaching party may either immediately terminate the Agreement or provide an opportunity for the breaching party to cure the alleged breach within a timeframe specified. If neither termination nor cure is feasible, the violation shall be reported 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. Return to Covered Entity or destroy the remaining PHI that Business Associate still maintains in any form. If return or destruction is infeasible, Business Associate shall continue to limit the use or disclosure of such information to such purposes that make the return or destruction of the PHI infeasible for as long as said PHI is in Business Associate's possession;


- iii. 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;
- iv. 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
- d. The obligations of Business Associate under this Section 5 shall survive the termination of this Agreement.

7. 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 negotiate in good faith to take such action as is necessary to amend the Agreement, from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law. If the parties are unable to reach an agreement on an amendment, either party may terminate this agreement upon ninety (90) days notice to the other party.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be interpreted to permit compliance with the HIPAA Rules.
- e. Segregation. If any term or condition of this Exhibit L 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 Exhibit L are declared severable.
- f. Survival. Provisions in this Exhibit L regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in the defense and indemnification provisions of section (3)d and provision #13 of the standard contract P-37, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit L.

The State of New Hampshire Employee
and Retiree Health Benefit Program



Signature of Authorized Representative

Joseph Bouchard

Name of Authorized Representative

Assistant Commissioner

Title of Authorized Representative

Aug. 14, 2013

Date

Express Scripts, Inc.



Signature of Authorized Representative

Tim Wentworth

Name of Authorized Representative

President, Sales and Account Management

Title of Authorized Representative

8/7/13

Date

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. a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on March 11, 2005. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 26th day of July, A.D. 2013

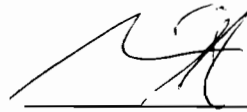
A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF THE SECRETARY
EXPRESS SCRIPTS, INC.

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, Tim Wentworth is authorized to execute contracts, amendments to contracts and other related documents with any client or potential client for pharmacy benefit management or related services.

Certified to this 7th day of August, 2013.



Martin P. Akins, Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/25/2013

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 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).

PRODUCER Marsh USA Inc. 701 Market Street, Suite 1100 St. Louis, MO 63101 Attn: healthcare.accounts@marsh.com Fax: 212-948-1307 532662-Std-Multi-13-14	CONTACT NAME: _____ PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____																					
	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A :</td> <td>National Union Fire Ins Co Pittsburgh PA</td> <td>19445</td> </tr> <tr> <td>INSURER B :</td> <td>Columbia Casualty Company</td> <td>31127</td> </tr> <tr> <td>INSURER C :</td> <td></td> <td></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> </table>		INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A :	National Union Fire Ins Co Pittsburgh PA	19445	INSURER B :	Columbia Casualty Company	31127	INSURER C :			INSURER D :			INSURER E :			INSURER F :	
INSURER(S) AFFORDING COVERAGE		NAIC #																				
INSURER A :	National Union Fire Ins Co Pittsburgh PA	19445																				
INSURER B :	Columbia Casualty Company	31127																				
INSURER C :																						
INSURER D :																						
INSURER E :																						
INSURER F :																						

COVERAGES	CERTIFICATE NUMBER: CHI-004719625-01	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 SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS								
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <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 GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC.		HAZ 1064377608-7	05/01/2013	05/01/2014	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								
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$								
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$								
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A			<table border="1"> <tr> <td>WC STATU-TORY LIMITS</td> <td>OTH-ER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATU-TORY LIMITS	OTH-ER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$
WC STATU-TORY LIMITS	OTH-ER													
E.L. EACH ACCIDENT	\$													
E.L. DISEASE - EA EMPLOYEE	\$													
E.L. DISEASE - POLICY LIMIT	\$													
A	Crime		01-424-14-60	12/01/2012	12/01/2013	Per Loss \$2,000,000								

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

CERTIFICATE HOLDER State of NH/Risk Management Unit Attn: Tammy Nelson 25 Capitol Street Concord, NH 03301	CANCELLATION 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>
---	--



ADDITIONAL REMARKS SCHEDULE

AGENCY Marsh USA Inc.		NAMED INSURED Express Scripts Holding Company and its wholly owned subsidiaries including Express Scripts, Inc. & Medco Health Solutions, Inc. 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

Policy No. HAZ 1064377608-7 includes coverage for Products Liability. Policy No. HAZ 1064377608-7 includes coverage for Privacy Liability \$1,000,000 Each Claim/Aggregate.

Additional Named Insureds:

- Airport Holdings, LLC
- Byfield Drug, Inc.
- Care Continuum, Inc.
- Centric Health, LLC
- Chesapeake Infusion, Inc.
- CFI of New Jersey, Inc.
- CuraScript, Inc.
- CuraScript Infusion Pharmacy, Inc.
- CuraScript PBM Services, Inc.
- Custom Medical Products, Inc.
- Diversified NY IPA, Inc.
- Diversified Pharmaceutical Services, Inc.
- Diversified Pharmaceutical Services(Puerto Rico), inc.
- Econdisc Contracting Solutions, LLC
- Ehong General Medical and Technical Service (Beijing) Co., Ltd
- ESI Acquisition
- ESI Canada
- ESI Enterprises, LLC
- ESI- GP Canada ULC
- ESI GP2 Canada ULC
- ESI Information Technical Services (Beijing) Co., Ltd.
- ESI Singapore Pte. Ltd
- ESI Singapore II Pte. Ltd
- ESI Mail Order Processing, Inc.
- ESI Mail Pharmacy Service, Inc.
- ESI Claims, Inc.
- ESI GP-Holdings, Inc.
- ESI Partnership (ESP)
- ESI Realty, LLC
- Express Reinsurance Company
- ESI Resources, Inc
- Express Scripts Canada Holding Co.
- Express Scripts Canada Holding, LLC
- Express Scripts Canada Co.
- Express Scripts Canada Services
- Express Scripts Insurance Company
- Express Scripts MSA, LLC
- Express Scripts Pharmaceutical Procurement, LLC
- Express Scripts Pharmacy Atlantic LTD
- Express Scripts Pharmacy Central LTD
- Express Scripts Pharmacy Ontario LTD
- Express Scripts Pharmacy West LTD
- Express Scripts Senior Care, Inc.
- Express Scripts Senior Care Holdings, Inc.
- Express Scripts Services Co.



ADDITIONAL REMARKS SCHEDULE

AGENCY Marsh USA Inc.		NAMED INSURED Express Scripts Holding Company and its wholly owned subsidiaries including Express Scripts, Inc. & Medco Health Solutions, Inc. 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

- Express Scripts Specialty Distribution Services, Inc.
- Express Scripts Utilization Management Co.
- Express Scripts WC, Inc.
- Express Scripts, Inc.
- First RX, Inc.
- Freco, Inc.
- Freedom Service Company, LLC
- Healthbridge, Inc.
- Healthbridge Reimbursement and Product Support, Inc.
- iBIOLogic, Inc.
- IVTx, Inc.
- Lynnfield Compounding Center, Inc.
- Lynnfield Drug, Inc.
- Matrix GPO LLC
- Mooresville On-Site Pharmacy LLC
- National Prescription Administrators, Inc.
- NPA of New York IPA Inc.
- Priority Healthcare Corporation
- Priority Healthcare Corporation West
- Priority Healthcare Distribution, Inc.
- Priority Healthcare Pharmacy, Inc.
- Sinuspharmacy, Inc.
- Specialty Infusion Pharmacy, Inc.
- Spectracare, Inc.
- Spectracare Healthcare Ventures, Inc.
- Spectracare of Indiana
- Spectracare Management Services, Inc
- Spectracare Infusion Pharmacy, Inc.
- Value Health, Inc.
- Value Health International Pte. Ltd
- YourPharmacy.com, Inc.

- Medco Health Solutions, Inc.
- Accredo Care Network, Inc.
- Accredo Health Group, Inc.
- Accredo Health, Incorporated
- AHG of New York, Inc.
- BioPartners In Care, Inc.
- Bracket Global Limited
- Bracket Global LLC
- Bracket Global, s.r.o.
- CCS Infusion Management, LLC
- CCSI Holding 3, LLC
- CDR Limited
- Critical Care Systems of New York, Inc.
- Critical Care Systems, Inc.
- Envision Pharma Inc.
- Envision Pharma Limited
- Europa Apotheek Service Venlo B.V.
- Europa Apotheek Venlo B.V.



ADDITIONAL REMARKS SCHEDULE

AGENCY Marsh USA Inc.		NAMED INSURED Express Scripts Holding Company and its wholly owned subsidiaries including Express Scripts, Inc. & Medco Health Solutions, Inc. 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

- Evidence Scientific Solutions Limited
- Evidence Scientific Solutions, Inc.
- GHK Beleggingsmaatschappij Venlo B.V.
- Hidden River, L.L.C.
- Home Healthcare Resources, Inc.
- Infinity Infusion Care, Ltd.
- Infinity Infusion II, LLC
- Infinity Infusion, LLC
- Institute for Medical Education & Research, Inc.
- MAH Pharmacy, L.L.C.
- MAH Processing, Inc.
- Medco [Shellco] Limited
- Medco at Home, L.L.C.
- Medco CDUR, L.L.C.
- Medco Celasio Limited
- Medco CHP, L.L.C.
- Medco Containment Insurance Company of New York
- Medco Containment Life Insurance Company
- Medco Continuation Health, L.L.C.
- Medco Europe II, L.L.C.
- Medco Europe, L.L.C.
- Medco Health New York Independent Practice Association, L.L.C.
- Medco Health Puerto Rico, L.L.C.
- Medco Health Receivables, L.L.C.
- Medco Health Services, Inc.
- Medco Health Solutions [Ireland] Ltd.
- Medco Health Solutions GmbH
- Medco Health Solutions Ltd.
- Medco Health Solutions of Columbus North, Ltd.
- Medco Health Solutions of Columbus West, Ltd.
- Medco Health Solutions of Fairfield, L.L.C.
- Medco Health Solutions of Franklin Lakes, L.L.C.
- Medco Health Solutions of Henderson, Nevada, L.L.C.
- Medco Health Solutions of Hidden River, L.C.
- Medco Health Solutions of Illinois, L.L.C.
- Medco Health Solutions of Indiana, L.L.C.
- Medco Health Solutions of Irving, L.L.C.
- Medco Health Solutions of Las Vegas, L.L.C.
- Medco Health Solutions of Netpark, L.L.C.
- Medco Health Solutions of North Versailles, L.L.C.
- Medco Health Solutions of Richmond, L.L.C.
- Medco Health Solutions of Spokane, L.L.C.
- Medco Health Solutions of Texas, L.L.C.
- Medco Health Solutions of Willingboro, L.L.C.
- Medco Health Solutions Services Ltd.
- Medco Health, L.L.C.
- Medco International B.V.
- Medco International GmbH (Germany)
- Medco International Holdings B.V.
- Medco International SARL



ADDITIONAL REMARKS SCHEDULE

AGENCY Marsh USA Inc.		NAMED INSURED Express Scripts Holding Company and its wholly owned subsidiaries including Express Scripts, Inc. & Medco Health Solutions, Inc. 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

- Medco of Willingboro Urban Renewal, L.L.C.
- Medco Research Institute, L.L.C.
- medcohealth.com, L.L.C.
- MHS Holdings, C.V.
- MWD Insurance Company
- National Diabetic Medical Supply, L.L.C.
- National Rx Services No. 3, Inc. of Ohio
- P-Star Acquisition Co., Inc.
- Quality Diabetes Care Coalition, LLC (42.42%)
- Systemed, L.L.C.
- The Vaccine Consortium, LLC
- TherapEase Cuisine, Inc.
- TVC Acquisition Co., Inc.
- UBC Clinical Technologies Limited
- UBC Health Care Analytics, Inc.
- UBC Japan K.K.
- UBC Late Stage (UK) Limited
- UBC Late Stage, Inc.
- UBC Market Access Limited
- UBC Scientific Solutions, Inc.
- UBC Scientific Solutions, Limited
- United BioSource (Germany) GmbH
- United BioSource (HCA Canada) Company
- United BioSource (London) Limited
- United BioSource (Suisse) SA
- United BioSource Corporation
- United BioSource Corporation, S.L.
- United BioSource Holding (Canada) Company
- United BioSource Holding (EU) B.V.
- United BioSource Holding (UK) Limited
- United BioSource Patient Solutions, Inc.



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
07/26/2013

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 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).

PRODUCER Aon Risk Services Central, Inc. St. Louis MO Office 8182 Maryland Avenue St Louis MO 63105 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): 800-363-0105	
	E-MAIL ADDRESS:	
INSURED Express Scripts, Inc. and its wholly owned subsidiaries One Express way, HQ2N01 St. Louis MO 63121 USA	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Travelers Property Cas Co of America	25674
	INSURER B: The Travelers Indemnity Co.	25658
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES	CERTIFICATE NUMBER: 570050840344	REVISION NUMBER:
------------------	---	-------------------------

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. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <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						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			TC2J-CAP-118D0428-TIL-12	10/01/2012	10/01/2013	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	\$1,000,000
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION						EACH OCCURRENCE AGGREGATE	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	TC2JUB118D039712 WC (AOS) TRKUB1180041612 WC (MA, WI)	10/01/2012	10/01/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
B					10/01/2012	10/01/2013	E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT	\$1,000,000 \$1,000,000 \$1,000,000
A	Bus Auto Damage			TJ-CAP-118D4440-TIL-12	10/01/2012	10/01/2013	Comprehensive Deductible Collision Deductible	\$1,000 \$1,000

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

CERTIFICATE HOLDER State of NH/Risk Management Unit 25 Capitol Street Concord NH 03301 USA	CANCELLATION 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 <i>Aon Risk Services Central Inc.</i>
--	---

Holder Identifier :

Certificate No : 570050840344





ADDITIONAL REMARKS SCHEDULE

AGENCY Aon Risk Services Central, Inc.		NAMED INSURED Express Scripts, Inc.	
POLICY NUMBER See Certificate Number: 570050840344		EFFECTIVE DATE:	
CARRIER See Certificate Number: 570050840344	NAIC CODE		

ADDITIONAL REMARKS

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

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER	
INSURER	
INSURER	
INSURER	

ADDITIONAL POLICIES

If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
	WORKERS COMPENSATION						
	<input checked="" type="checkbox"/> SIR: \$500,000						



ADDITIONAL REMARKS SCHEDULE

AGENCY Aon Risk Services Central, Inc.		NAMED INSURED Express Scripts, Inc.	
POLICY NUMBER See Certificate Number: 570050840344			
CARRIER See Certificate Number: 570050840344	NAIC CODE	EFFECTIVE DATE	

ADDITIONAL REMARKS

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

Additional Named Insureds:

- Airport Holdings, LLC
- Byfield Drug, Inc.
- Care Continuum, Inc.
- Chesapeake Infusion, Inc.
- CFI of New Jersey, Inc.
- Connectyourcare Company, LLC
- Connectyourcare, LLC
- Connect YourCare, Inc.
- CuraScript, Inc.
- CuraScript PBM Services, Inc.
- Diversified NY IPA, Inc.
- Diversified Pharmaceutical Services, Inc.
- Diversified Pharmaceutical Services (Puerto Rico), Inc.
- Econdisc Contracting Solutions, LLC
- ESI Canada
- ESI Enterprises, LLC
- ESI-GP Canada ULC
- ESI Singapore Pte. Ltd.
- ESI Singapore II Pte. Ltd.
- ESI Mail Order Processing, Inc.
- ESI Mail Pharmacy Service, Inc.
- ESI Claims, Inc.
- ESI-GP Holdings, Inc.
- ESI Partnership (ESP)
- ESI Realty, LLC
- Express Reinsurance Company
- ESI Resources, Inc.
- Express Scripts Canada Holding Co.
- Express Scripts Canada Holding, LLC
- Express Scripts Canada Co.
- Express Scripts Holding Company
- Express Scripts Insurance Company
- Express Scripts MSA, LLC
- Express Scripts Pharmaceutical Procurement, LLC
- Express Scripts Sales Development Co.
- Express Scripts Senior Care, Inc.
- Express Scripts Senior Care Holdings, Inc.
- Express Scripts Specialty Distribution Services, Inc.
- Express Scripts Utilization Management Co.
- Express Scripts WC, Inc.
- Express Scripts, Inc.
- Freco, Inc.
- Freedom Service Company, LLC
- Healthbridge, Inc.
- Healthbridge Reimbursement and Product Support, Inc.
- Intecare Pharmacies, Ltd.
- Lynnfield Compounding Center, Inc.
- Lynnfield Drug, Inc.
- Matrix GPO LLC
- Mooresville On-Site Pharmacy LLC
- National Prescription Administrators, Inc.
- NexRx, Inc.
- NexRx Services, Inc.
- NexRx, LLC
- NPA of New York IPA, Inc.
- Priorityhealthcare.com, Inc.
- Priority Healthcare Corporation
- Priority Healthcare Corporation West
- Priority Healthcare Distribution, Inc.
- Priority Healthcare Pharmacy, Inc.
- Priority Healthcarecom, Inc.
- Sinuspharmacy, Inc.
- Specialty Infusion Pharmacy, Inc.
- Spectracare, Inc.
- Spectracare Healthcare Ventures, Inc.
- Spectracare of Indiana



ADDITIONAL REMARKS SCHEDULE

AGENCY Aon Risk Services Central, Inc.		NAMED INSURED Express Scripts, Inc.	
POLICY NUMBER See Certificate Number: 570050840344			
CARRIER See Certificate Number: 570050840344	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

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

Additional Named Insureds:

Spectracare Management Services, Inc.
Spectracare Infusion Pharmacy, Inc.
Value Health, Inc.
Value Health International Pte. Ltd.