

2018 AMENDMENT TO EXPRESS SCRIPTS, INC.  
EMPLOYER GROUP PHARMACY BENEFIT MANAGEMENT AGREEMENT

This AMENDMENT to the PHARMACY BENEFIT MANAGEMENT AGREEMENT (the "Amendment") is entered into as of the Effective Date, by and between EXPRESS SCRIPTS, INC., a Delaware corporation ("ESI"), and CITY OF ANN ARBOR ("Employer Group").

RECITALS

A. ESI and Employer Group are parties to an Employer Group Agreement dated July 1, 2010, (the "Agreement"), pursuant to which ESI agrees to provide prescription drug benefit management services to Employer Group.

B. Employer Group and ESI desire to amend the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other conditions contained herein, the parties hereto hereby agree as follows:

TERMS OF AMENDMENT

1. Definitions. For purposes of this Amendment, any capitalized term not otherwise defined herein shall have the meaning set forth in the Agreement.

2. The definition "KPPC Member Services Agreement" is hereby deleted in its entirety and replaced with the following:

"Keenan Member Services Agreement" means the agreement between the Employer Group and Keenan.

3. Program Operations. Sections 3.4 (b) and (e) of the Agreement are hereby in their entirety deleted and replaced with the following:

(b) Claims Data Feeds. ESI maintains claims data on-line in a data warehouse for up to thirty (30) months from the date the prescription is filled ("On-Line Storage Period"). Unless instructed by Employer Group otherwise, Employer Group authorizes ESI to release data, including PHI, to Keenan and Independent Advisor, provided such Independent Advisors have met the requirements of an Auditor under Section 3.4(e). ESI shall provide monthly prescription claims data in ESI's standard format(s) for no additional charge to Keenan, Independent Advisor or other Employer Group designated 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 the On-Line Storage Period are subject to the hourly charge as set forth in Exhibit A-2. ESI disclaims any liability or responsibility related to the disclosure to and uses of such claims data by Keenan, Independent Advisor and any other Vendor.

(e) Employer Group Audits. Provided that this Agreement has been duly executed, Employer Group, Keenan and Independent Advisor may audit the prescription management services provided under this Agreement consistent with the Audit Protocol set forth in Exhibit B. Employer Group and Keenan may use an independent auditor ("Auditor"), including the Independent Advisor, if such Auditor does not have a conflict of interest with ESI, (e.g., Auditor serves as expert witness in litigation against ESI, or routinely requests information outside the reasonable scope of the audit) and/or Keenan. If Employer Group selects PricewaterhouseCoopers or such other Auditor that also has been appointed by ESI's shareholders to conduct the independent audit of ESI, then such firm must provide to ESI a letter stating that such engagement performed on behalf of Employer Group shall in no way infringe upon said firm's independence with respect to ESI's audit. Such letter must be signed by the audit firm and approved by the engagement audit partner performing the ESI audit. Auditors must execute a mutually acceptable standard confidentiality agreement with ESI prior to commencement of the audit.

Any requests by Employer Group to permit an auditor to perform an audit shall constitute Employer Group's direction and authorization to ESI to disclose PHI to the Auditor.

4. Liability Insurance. Section 3.5 is hereby deleted in its entirety and replaced with the following:

3.5 Liability Insurance. Each party shall maintain such policies of general liability, professional liability and other insurance of the types and in amounts customarily carried by their respective businesses; provided that Employer Groups that are governmental entities governed by statutory provisions relating to liability coverage shall comply with such provisions. Proof of such insurance shall be available upon request. ESI agrees, at its sole expense, to maintain during the term of this Agreement 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 \$10,000,000 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.

5. Financial Terms. Section 4.1 is hereby deleted in its entirety and replaced with the following:

4.1 Financial Terms. The rates and financial terms set forth in Exhibit A are conditioned on ESI's exclusive arrangement for PBM services as set forth in Section 2.1 and any specified conditions expressly incorporated in such exhibits, including the adoption by Employer Group of the specified network, Copayment structure and Formulary. In the event Employer Group changes its Formulary, benefit designs (including changing to a 100% copayment benefit plan), implements clinical programs or otherwise takes an action that has the effect of lowering the amount of Rebates earned by Employer Group, ESI shall have the right to make an equitable adjustment to the rates, administrative fees and/or Rebates, as appropriate, as of the effective date of such event upon prior written notice to Employer Group. Such written notice to Keenan, on behalf of Employer Group, shall be as soon as practicable and will include evidence and rationale to support the adjustment. ESI agrees to participate in reasonable discussions with Keenan concerning any equitable adjustment before any changes are made.

6. Billing and Payment. Section 4.2(a) is hereby deleted in its entirety and replaced with the following:

(a) Billing and Payment. ESI will bill Employer Group, and Employer Group agrees to pay ESI, under the applicable option selected below for all applicable claims reimbursements and fees and other amounts due hereunder as specified herein and the attached Exhibits (collectively "Fees"). Only one billing/payment option may be selected; if no option is selected by checking one of (a)(i)-(vii) below, option (a)(i) shall be the default option.

(i) ESI will bill Employer Group two (2) times per month. Employer Group will pay ESI by wire, ACH transfer or pre-authorized debit within two (2) business days from the date of Employer Group's receipt of the ESI invoice.

(ii) ESI will bill Employer Group weekly. Employer Group will pay ESI by wire, ACH transfer or pre-authorized debit within seven (7) business days from the date of Employer Group's receipt of the ESI invoice.

(iii) ESI will bill Employer Group (2) two times a month. Employer Group will pay ESI by wire, ACH transfer or pre-authorized debit within three (3) business days from the date of Employer Group's receipt of the ESI invoice. ESI will add a charge of, and Employer Group agrees to pay, \$0.04 per submitted claim for this payment option in addition to any applicable claims administrative fee.

(iv) ESI will bill Employer Group (2) two times a month. Employer Group will pay ESI by wire, ACH transfer or pre-authorized debit within four (4) business days from the date of Employer

Group's receipt of the ESI invoice. ESI will add a charge of, and Employer Group agrees to pay, \$0.08 per submitted claim for this payment option in addition to any applicable claims administrative fee.

(v) ESI will bill Employer Group (2) two times a month. Employer Group will pay ESI by wire, ACH transfer or pre-authorized debit within five (5) business days from the date of Employer Group's receipt of the ESI invoice. ESI will add a charge of, and Employer Group agrees to pay, \$0.12 per submitted claim for this payment option in addition to any applicable claims administrative fee.

(vi) ESI will bill Employer Group (2) two times a month. Employer Group will pay ESI by wire, ACH transfer or pre-authorized debit within six (6) business days from the date of Employer Group's receipt of the ESI invoice. ESI will add a charge of, and Employer Group agrees to pay, \$0.16 per submitted claim for this payment option in addition to any applicable claims administrative fee.

(vii) ESI will bill Employer Group (2) two times a month. Employer Group will pay ESI by wire, ACH transfer or pre-authorized debit within seven (7) business days from the date of Employer Group's receipt of the ESI invoice. ESI will add a charge of, and Employer Group agrees to pay, \$0.20 per submitted claim for this payment option in addition to any applicable claims administrative fee.

Notwithstanding the billing/payment option selected, Employer Group shall be responsible for all costs of collection, and agrees to reimburse ESI for such costs and expenses, including reasonable attorneys' fees. Any amounts not paid by the due date thereof shall, if permitted by law, interest at the rate of one point five percent (1.5%) per Month or, if lower, the highest interest rate permitted by law. In addition to any rights under Section 7.2, ESI may apply Rebates otherwise owed to Employer Group against any unpaid Fees.

7. Independent Advisor Fees. Section 4.2(c) is hereby deleted in its entirety and replaced with the following:

(c) Independent Advisor Fees. Employer Group hereby directs ESI to forward payment of an Independent Advisor Fees in the amounts and in the manner identified on Exhibit A-3, to Solid Benefit Guidance (hereinafter referred to as "Independent Advisor"). Employer Group hereby represents and warrants that (1) the Independent Advisor Fees represent the fair market value of the auditing services provided and to be provided by the Independent Advisor to Employer Group during the Term hereof; (2) such Independent Advisor Fees were negotiated at arm's length between Keenan, the national coalition, on behalf of Employer Group and the Independent Advisor and (3) the terms of the Independent Advisor Fees and auditing services are consistent with and do not violate the applicable requirements of ERISA, or any state or federal laws and regulations. Employer Group shall hold ESI harmless from any disputes, claims or actions arising between Employer Group and the Independent Advisor with respect to the Independent Advisor Fees. Employer Group acknowledges the following:

8. Independent Advisor Fees. Section 4.2(c)(ii) is hereby deleted in its entirety and replaced with the following:

(ii) Employer Group acknowledges that Keenan requires Employer Group to agree that Employer Group may not refuse the services provided by the Independent Advisor in exchange for a refund or discount of any fee due to ESI.

9. Term. Section 7.1 is hereby deleted in its entirety and replaced with the following:

7.1 Term. This Agreement will commence as of the Commencement Date and shall continue for a period of 2 years (the "Initial Term"), Thereafter, this Agreement will automatically renew with the same terms and conditions as set forth herein for successive one (1) year terms (each a "Renewal Term"), subject to the right of termination as otherwise provided herein. ESI and Employer Group agree to cooperate prior to the Commencement Date to establish Employer Group in ESI's eligibility and adjudication systems through a standard implementation process in accordance with the implementation performance standard set forth in Exhibit A-4.

10. Termination. Sections 7.2(a) and (b) are hereby deleted in its entirety and replaced with the following:

(initial) (a) Early Termination. This Agreement may only be terminated before the expiration of the Initial Term, or any subsequent renewal term, pursuant to the terms of this Agreement, including Sections 3.1(a)(iii) and 7.2. Employer Group shall give at least thirty (30) days written notice of its intent to terminate, subject to such Employer Group paying a termination fee equal to \$1.00 per Enrollee multiplied by the number of months remaining in the Term (the "Termination Fee"). The Termination Fee shall only apply if exercised within the Initial Term of the Agreement and not to any subsequent Renewal Term. Any Termination Fee payable by Employer Group shall be offset and reduced by any unamortized PMF payment reimbursement by Employer Group pursuant to Section 7.2(f). The Termination Fee is to compensate ESI as consideration for early termination, and neither Keenan nor the KPPC collects any proceeds. ESI may retain any Rebate amounts earned, but not yet paid to Employer Group to offset the Termination Fee, in whole or in part, otherwise owed by Employer Group to ESI.

(b) Termination of Keenan Member Services Agreement. The terms of this Agreement, including without limitation, the special pricing and rebates, are available exclusively to KPPC Employer Groups who are parties to a Keenan Member Services Agreement. Termination of the Keenan Member Services Agreement for any reason shall cause immediate termination of this Agreement upon written notice from Keenan. If the termination occurs before the expiration of the Initial Term of this Agreement, Employer Group shall be subject to the Termination Fee as set forth in Section 7.2(a). Employer Group may elect to continue to be contracted with ESI provided that the financial terms of the PBM Services shall be the market rate that ESI offers similarly situated clients. Except as otherwise stated in Section 7.2(d), if Employer Group retains ESI as its PBM following termination of the Keenan Agreement, the Termination Fee shall not be required to be paid.

11. Section 11(G) is hereby added to the Agreement to read as follows: "Notwithstanding anything to the contrary in this Agreement or any exhibit to this Agreement, nothing in this Agreement or any related exhibit shall be interpreted to require Employer Group to indemnify ESI or hold ESI harmless in any way."

12. Pharmacy Program Fees and Rebates. The financial terms for the PBM services ESI provides to Sponsor shall consist of the terms specified on Exhibits A through A-4 of this Amendment, which shall replace the existing financial terms of the Agreement.

13. Audit Protocol. Exhibit B of the Agreement is hereby replaced and updated with the Audit Protocol attached as Exhibit B hereto.

14. Business Associate Agreement. Exhibit C of the Agreement is hereby replaced and updated with the Business Associate Agreement attached as Exhibit C hereto.

15. Financial Disclosure Statement. Exhibit D of the Agreement is hereby replaced and updated with the Financial Disclosure to PBM Clients attached as Exhibit D hereto.

16. Effective Date. This Amendment shall be effective as of January 1, 2018.

17. Effect of Amendment. Except as expressly provided herein, the terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between this Amendment and the Agreement, the terms of this Amendment shall prevail.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year set forth above.

EXPRESS SCRIPTS, INC.

CITY OF ANN ARBOR

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT A**

### **PHARMACY PROGRAM FEES**

Employer Group shall pay to ESI the amounts set forth below, net of applicable Copayments. Sales or excise tax or other governmental surcharge, if any, shall be the responsibility of Employer Group.

Exhibit A is not conditioned upon the adoption of any other ancillary services. Other clinical programs are available as shown in Master List of Clinical Programs set forth in the Master Agreement, a copy of which shall be made available to Employer Group by Keenan upon request. An Employer Group may choose one of the pricing options shown below on an annual basis. Employer Group may elect to implement different pricing options for individual plans or groups within Employer Group.

With respect to pharmacy rate adjudication, the brand AWP discount is an adjudicated minimum discount. All non-Specialty Product Participating Pharmacy Brand prescription drug claims will adjudicate at the lower of the applicable AWP discount (e.g., AWP– 18.00%) or U&C. Per prescription administrative fees are based on Participating Pharmacy paid claims.

With respect to Rebates, the per prescription guarantee applies to all Participating Pharmacy, Mail Service Pharmacy, ESI Specialty Pharmacy claims and claims for Specialty Products dispensed at a Participating Pharmacy, with the exception of claims through non-eligible pharmacies (e.g., certain hospital pharmacies that receive rebates through drug purchasing or 340b clinic pharmacies).

For purposes of this Exhibit A (including A-1 through A-4), the terms:

“Average Wholesale Price” or “AWP” means the average wholesale price of a prescription drug as identified by drug pricing services such as MediSpan or other source recognized in the retail prescription drug industry selected by ESI for all of its clients (the “Pricing Source”). The applicable AWP for prescriptions filled shall be the 11 digit NDC for the specific package size from which the prescription drug was dispensed. ESI shall notify Keenan ninety (90) days in advance prior to making a Pricing Source change. If changing pricing sources results in material changes to the reported AWP, on a macro basis, as compared to the AWP as reported by the Pricing Source utilized by ESI as of the Effective Date of this Agreement (which served as the basis for the offered and agreed to discount rates), then the parties agree to work in good faith to make equitable adjustments to the discount rates as necessary to preserve the pricing intent of the parties as bargained for when entering into this Agreement.

“Brand Drug” means a prescription drug not designated as generic. The designation of a product as “brand” is determined by ESI using data elements provided by First Data Bank or other source recognized in the retail prescription drug industry selected by ESI for all clients.

“Brand/Generic Algorithm” or “BGA” means ESI’s standard and proprietary brand/generic algorithm, a copy of which may be made available for review by Employer Group, Keenan and Independent Advisor or 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 Employer Group, Member and provider confusion due to fluctuations in brand/generic status. Employer Group, Keenan and Independent Advisor or Auditor may audit ESI’s application of its BGA to confirm that ESI is making brand and generic drug determinations consistent with such algorithm.

“Compound Drugs” means a customized medication derived from two or more raw chemicals, powders and devices, of which at least one ingredient is a federal legend drug, prepared by a pharmacist according to a doctor’s specifications.

“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. The designation of a product as “generic” and/or subject to MAC (“Maximum Allowable Cost”) is determined by ESI using data elements provided by First DataBank or other source recognized in the retail drug industry.

“House Generic” means a Brand Drug submitted with a Dispense As Written (DAW) 5 code in place of their generic equivalent and where the pharmacy is reimbursed at a Generic Drug rate, including MAC, as applicable. For the purposes of all pricing and guarantees in Exhibit A, House Generics are treated as Generics. 100% of Rebates earned on House Generics, if any, are paid to Employer Group, in accordance with the terms of Exhibit A-3.

“Maximum Reimbursement Amount” or “MRA” means the maximum price for the particular Generic Drug, as specified on ESI’s MAC list. ESI periodically updates the MAC list and MRA to reflect changes in Generic Drug availability and prices.

“Pass Through” means the actual ingredient cost and dispensing fee paid by ESI to the Participating Pharmacy, as set forth in the specific Participating Pharmacy remittances related to Employer Group’s claims.

“Patent Action” means any unresolved legal action relating to a brand and/or generic drug or manufacturer(s) that restricts or limits marketplace generic availability, or that results in marketplace generic introduction at financial risk to the generic manufacturer. ESI shall provide Keenan and Independent Advisor with an updated list quarterly.

“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.

The following are incorporated into Exhibit A:

**Exhibit A-1**

Pharmacy Reimbursement Rates

**Exhibit A-2**

Administrative Fees; Pharmacy Management Fund

**Exhibit A-3**

Rebates and Independent Advisor Fees

**Exhibit A-4**

Performance Standards

**Exhibit A-1**  
**Pharmacy Reimbursement Rates**

(initial)

**A. Option 1 – Traditional Pricing**

**I. Participating Pharmacy Reimbursement Rates (Excludes Specialty Products)**

ESI National Plus Network <sup>(1)</sup>	2-Tier/3-Tier Plan Design		
	1-83 days' supply	Retail 90 Maintenance Network <sup>(2)</sup> 84 or greater days' supply	In-House Pharmacy <sup>(3)</sup>
Ingredient Cost - Brand <sup>(4)</sup>	The lower of U&C or, AWP -18.00%	The lower of U&C or, AWP -22.50%	Pass Through
Generic Ingredient Cost <sup>(4)</sup>	The lower of MRA, U&C or AWP – 25.00%	The lower of MRA, U&C or AWP – 40.00%	Pass Through
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	Lesser of U&C or combined AWP plus applicable service fee	Pass Through
Dispensing Fee/Rx	\$0.60	\$0.60	Pass Through
Administrative Fee/Rx	\$0.00	\$0.00	\$1.00

<sup>(1)</sup> Pricing under the ESI National Network is available with an additional 0.5% AWP discount on Brand Drugs. Pricing under the Express Advantage Exclusive Network is available with an additional 1% AWP discount on Brand Drugs, 0.5% AWP discount on Generic Drugs and a \$0.15 discount on the dispensing fee. Pricing under the Express Advantage Select Network is available with an additional 1% AWP discount on Brand Drugs and a \$0.15 discount on the dispensing fee.

<sup>(2)</sup> Certain Participating Pharmacies have agreed to participate in the extended 84 or greater day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 or greater Days' Supply column in the table set forth above is applicable only if Employer Group implements the Retail 90 Maintenance Network. With this Retail 90 Maintenance Network, Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription.

<sup>(3)</sup> This pricing is available for hospitals and health care centers with in-house pharmacies and is applicable only to claims processed through such in-house pharmacies.

<sup>(4)</sup> Notwithstanding the preceding, ESI will guarantee a minimum average discount for Brand Drugs and Generic Drugs, as set forth in the table in Section III below.

**II. Mail Service Pharmacy Pricing (Excludes Specialty Products)**

	Standard Home Delivery	Home Delivery: EHD, PHD or SHD <sup>(2)</sup>
	Any Day Supply	Any Day Supply
Brand Ingredient Cost <sup>(1)</sup>	AWP -26.00%	AWP -26.50%
Generic Ingredient Cost <sup>(1)</sup>	AWP -40.00% or, if lower, MRA	AWP -40.00% or, if lower, MRA
Compound Drug Ingredient Cost	Combined AWP plus applicable service fee	Combined AWP plus applicable service fee
Dispensing Fee / Rx	\$0.00	\$0.00
Minimum Rate / Rx	\$0.00	\$0.00
Administrative Fee	\$0.00	\$0.00

<sup>(1)</sup> Notwithstanding the preceding, ESI will guarantee a minimum average discount for Brand Drugs and Generic Drugs, as set forth in the table in Section III below.

<sup>(2)</sup> Exclusive Home Delivery (EHD), Preferred Home Delivery (PHD) and Select Home Delivery (SHD) receive additional AWP discount.

**III. Ingredient Cost Guarantees:** ESI will guarantee a minimum average discount as reflected below to be calculated as follows:

[1-(total discounted AWP ingredient cost (excluding dispensing fees 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)]. Member copayments will not be included in any of the calculations.

Notwithstanding anything herein to the contrary: (i) a Prescription Drug Claim that processes at the brand 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 brand guarantee below; and (ii) 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 Any days' supply	Claims Included	Claims Excluded
Generic AWP Guarantee	(1-83 days' supply): AWP -82.75%  Maintenance Network <sup>(1)</sup> (84 or greater days' supply): AWP -83.50%	AWP -86.75%	MRA, AWP, U&C, House Generics	OTC, Compounds, Vaccines, Member Submitted Claims, Claims with ancillary charges, Specialty Products, In-House Pharmacy claims as described in Section I above.
Brand AWP Guarantee	(1-83 days' supply): AWP -18.00%  Maintenance Network <sup>(1)</sup> (84 or greater days' supply): AWP - 22.50%	Standard Home Delivery: AWP -26.00%  Home Delivery: EHD, PHD or SHD: AWP - 26.50%	MRA, AWP, U&C	OTC, Compounds, Vaccines, Member Submitted Claims, Claims with ancillary charges, Specialty Products, In-House Pharmacy claims as described in Section I above.

<sup>(1)</sup>Certain Participating Pharmacies have agreed to participate in the extended 84 or greater day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 or greater Days' Supply column in the table set forth above is applicable only if Employer Group implements the Retail 90 Maintenance Network. With this Retail 90 Maintenance Network, Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription.

**Guarantee Reconciliation.**

Guarantees will be measured and reconciled on an annual basis within 90 days of the end of each contract year (the "Reconciliation Period"). The above guarantees are annual guarantees – if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a "Partial contract Year"), then the above guarantees will not apply for such Partial Contract Year. To the extent Employer Group changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the generic discount achieved. ESI will pay the full value of the financial shortfall to Employer Group for any shortfall between the actual result and the guaranteed result. Each guarantee (Participating Pharmacy Generic 1-83 days' supply, Participating Pharmacy Generic 84 or greater days' supply, Participating Pharmacy Brand 1-83 days' supply, Participating Pharmacy Brand 84 or greater days' supply, Mail

Service Pharmacy Generic, Mail Service Pharmacy Brand) stands on its own and surpluses cannot be used to offset deficits.

          (initial) □      B.      Option 2 – Pass Through Pricing.

**I.      Participating Pharmacy Reimbursement Rates (Excludes Specialty Products)**

	This pricing is available to all KPPC Clients that select pass through pricing
Pass-Through Pricing	2-Tier/3 Tier Plan Design
Network	Pass Through ESI National Plus Network
Ingredient Cost - Brand and Generic	Pass Through
Ingredient Cost - Compound Drugs	Pass Through
Dispensing Fee/Rx	Pass Through
Brand Administrative Fee/Rx	\$1.75
Generic Administrative Fee/Rx	\$1.75

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

	Standard Home Delivery	Home Delivery: EHD, PHD or SHD <sup>(1)</sup>
	Any Day Supply	Any Day Supply
Brand Ingredient Cost	AWP -26.00%	AWP -26.50%
Generic Ingredient Cost	AWP -40.00% or, if lower, MRA	AWP -40.00% or, if lower, MRA
Compound Drug Ingredient Cost	Combined AWP plus applicable service fee	Combined AWP plus applicable service fee
Dispensing Fee / Rx	\$0.00	\$0.00
Minimum Rate / Rx	\$0.00	\$0.00
Administrative Fee	\$0.00	\$0.00

<sup>(1)</sup> Exclusive Home Delivery (EHD), Preferred Home Delivery (PHD) and Select Home Delivery (SHD) receive additional AWP discount.

          (initial) □      C.      Option 3 – Applied Rebate Pricing

**I.      Participating Pharmacy Reimbursement Rates Retail (Excludes Specialty Products)**

ESI National Plus Network <sup>(1)</sup>	2-Tier/3-Tier Plan Design ESI National Preferred Formulary	2-Tier Plan Design Basic Formulary	3-Tier Plan Design Basic Formulary
Ingredient Cost – Brand Only <sup>(2) (4)</sup> 1-83 days' supply	The lower of AWP - 35.90% or U&C	The lower of AWP - 29.00% or U&C	The lower of AWP - 31.40% or U&C
Maintenance Network <sup>(3)</sup> 84 or greater day's supply	The lower of AWP - 41.40% or U&C	The lower of AWP - 36.25% or U&C	The lower of AWP - 36.60% or U&C

Generic Ingredient Cost <sup>(4)</sup> 1-83 days' supply	The lower of AWP, MRA, or U&C Retail AWP – 25.00%	The lower of AWP, MRA, or U&C Retail AWP – 25.00%	The lower of AWP, MRA, or U&C Retail AWP – 25.00%
84 or greater days' supply	The lower of AWP, MRA, or U&C Retail AWP – 40.00%	The lower of AWP, MRA, or U&C Retail AWP – 40.00%	The lower of AWP, MRA, or U&C Retail AWP – 40.00%
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	Lesser of U&C or combined AWP plus applicable service fee	Lesser of U&C or combined AWP plus applicable service fee
Dispensing Fee/Rx	\$0.60	\$0.60	\$0.60
Administrative Fee/Rx	\$0.00	\$0.00	\$0.00

<sup>(1)</sup> Pricing under the ESI National Network is available with an additional 0.5% AWP discount on Brand Drugs. Pricing under the Express Advantage Exclusive Network is available with an additional 1.0% AWP discount on Brand Drugs, 0.5% AWP discount on Generic Drugs and a \$0.15 discount on the dispensing fee. Pricing under the Express Advantage Select Network is available with an additional 1.0% AWP discount on Brand Drugs and a \$0.15 discount on the dispensing fee.

<sup>(2)</sup> Subject to the terms of Exhibit A-3, Participating Pharmacy brand ingredient cost above reflects the adjustment of application of Rebates as set forth on such exhibit.

<sup>(3)</sup> Certain Participating Pharmacies have agreed to participate in the extended 84 or greater day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 or greater Days' Supply column in the table set forth above is applicable only if Employer Group implements the Retail 90 Maintenance Network. With this Retail 90 Maintenance Network, Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription.

<sup>(4)</sup> Notwithstanding the preceding, ESI will guarantee a minimum average discount for Brand Drugs and Generic Drugs as set forth in the table in Section III below.

## II. Mail Service Pharmacy Pricing (Excludes Specialty Products)

Applied Rebate	ESI National Preferred Formulary	Basic Formulary	
	2-Tier / 3-Tier Plan Design	2-Tier Plan Design	3-Tier Plan Design
Standard Home Delivery <sup>(1)</sup>	Any Day Supply	Any Day Supply	Any Day Supply
Brand Ingredient Cost <sup>(2)</sup>	AWP -51.20%	AWP – 39.00%	AWP -44.90%
Generic Ingredient Cost <sup>(2) (3)</sup>	AWP -40.00% or, if lower, MRA	AWP -40.00% or, if lower, MRA	AWP -40.00% or, if lower, MRA
Compound Drug Ingredient Cost	Combined AWP plus applicable service fee	Combined AWP plus applicable service fee	Combined AWP plus applicable service fee
Dispensing Fee / Rx	\$0.00	\$0.00	\$0.00
Minimum Rate / Rx	\$0.00	\$0.00	\$0.00
Administrative Fee	\$0.00	\$0.00	\$0.00

<sup>(1)</sup> If Employer Group implements EHD, SHD, or PHD there will be an additional 0.5% AWP discount on Brand Drugs.

<sup>(2)</sup> Subject to the terms of Exhibit A-3, Participating Pharmacy brand ingredient cost above reflects the adjustment of application of Rebates as set forth on such exhibit.

<sup>(3)</sup> Notwithstanding the preceding, ESI will guarantee a minimum average discount for Brand Drugs and Generic Drugs, as set forth in the table in Section III below.

## III. Ingredient Cost Discount Guarantees: ESI will guarantee a minimum average discount as reflected below to be calculated as follows:

[1-(total discounted AWP ingredient cost (excluding dispensing fees 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)]. Member copayments will not be included in any of the calculations.

Notwithstanding anything herein to the contrary: (i) a Prescription Drug Claim that processes at the brand 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 brand guarantee below; and (ii) 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 Retail	Mail Service Pharmacy Any days' supply	Claims Included	Claims Excluded
Generic AWP Guarantee	1-83 days' supply: AWP –82.75%  Maintenance Network <sup>(1)</sup> 84 or greater days' supply: AWP –83.50%	AWP –86.75%	MRA, AWP, U&C; House Generics	OTC, Compounds, Vaccines, Member Submitted Claims, Claims with ancillary charges, Specialty Products, In-house Pharmacy claims as described in Section I above
Brand AWP Guarantee ESI National Preferred Formulary	1-83 days' supply: AWP –35.90%  Maintenance Network <sup>(1)</sup> 84 or greater days' supply: AWP –41.40%	Standard Home Delivery: AWP –51.20%  Home Delivery: EHD, PHD or SHD: AWP –51.70%	MRA, AWP, U&C	OTC, Compounds, Vaccines, Member Submitted Claims, Claims with ancillary charges, Specialty Products, In-house Pharmacy claims as described in Section I above
Brand AWP Guarantee 2-Tier Plan Design Basic Formulary	1-83 days' supply: AWP – 29.00%  Maintenance Network <sup>(1)</sup> 84 or greater days' supply: AWP – 36.25%	Standard Home Delivery: AWP – 39.00%  Home Delivery: EHD, PHD or SHD: AWP – 39.50%	MRA, AWP, U&C	OTC, Compounds, Vaccines, Member Submitted Claims, Claims with ancillary charges, Specialty Products, In-house Pharmacy claims as described in Section I above
Brand AWP Guarantee 3-Tier Plan Design Basic Formulary	1-83 days' supply: AWP –31.40%  Maintenance Network <sup>(1)</sup> 84 or greater days' supply: AWP –36.60%	Standard Home Delivery: AWP –44.90%  Home Delivery: EHD, PHD or SHD: AWP –45.40%	MRA, AWP, U&C	OTC, Compounds, Vaccines, Member Submitted Claims, Claims with ancillary charges, Specialty Products, In-house Pharmacy claims as described in Section I above

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended 84 or greater day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 or greater Days' Supply column in the table set forth above is applicable only if Employer Group implements the Retail 90 Maintenance Network. With this Retail 90 Maintenance Network, Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription.

Guarantees will be measured and reconciled on an annual basis within 90 days of the end of each contract year (the "Reconciliation Period"). The above guarantees are annual guarantees – if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a "Partial contract Year"), then the above guarantees will not apply for such Partial Contract Year. To the extent Employer Group changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a

material impact on the generic discount achieved. ESI will pay the full value of the financial shortfall to Employer Group for any shortfall between the actual result and the guaranteed result. Each guarantee (Participating Pharmacy Generic 1-83 days' supply, Participating Pharmacy Generic 84 or greater days' supply, Participating Pharmacy Brand 1-83 days' supply, Participating Pharmacy Brand 84 or greater days' supply, Mail Service Pharmacy Generic, Mail Service Pharmacy Brand) stands on its own and surpluses cannot be used to offset deficits.

**D. Specialty Products.** Employer Group shall elect Specialty as set forth below.

1. ESI Specialty Pharmacy shall be the provider of Specialty Products for the reimbursement rates shown in the table below. Any Specialty Product dispensed from a pharmacy other than ESI Specialty Pharmacy (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) shall be reimbursed at the Specialty Participating Pharmacy rate shown below. Upon ESI Specialty Pharmacy acquisition of limited distribution products, Members shall obtain prescriptions through ESI Specialty Pharmacy.

Specialty	Ingredient Cost	Dispensing Fee
ESI Specialty Pharmacy	Specialty Drug List (reconciled annually)	\$0.00
ESI Specialty Pharmacy Applied Rebate <sup>(1)</sup>	Specialty Drug List (reconciled annually)	\$0.00
Participating Pharmacy	Specialty Drug List (reconciled annually)	\$0.60

(1) Option 3, Applied Rebates. Subject to the terms of Exhibit A-3, ESI Specialty Pharmacy Brand ingredient cost above reflects the adjustment of application of Rebates as set forth on such exhibit.

**Specialty Drug List Point of Sale Guarantee Reconciliation – Traditional/Applied Rebates**

Guarantees will be measured and reconciled on an annual basis within 90 days of the end of each contract year (the "Reconciliation Period"). The above guarantees are annual guarantees – if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a "Partial contract Year"), then the above guarantees will not apply for such Partial Contract Year. ESI will pay the full value of the financial shortfall to Employer Group for any shortfall between the actual result and the guaranteed result. Each guarantee (Participating Pharmacy, ESI Specialty Pharmacy) stands on its own and surpluses cannot be used to offset deficits.

2. Specialty Products priced at U&C or MRA shall be excluded from price guarantees for Participating Pharmacies and Mail Service Pharmacy set forth in this Exhibit. In no event shall the Mail Service Pharmacy or Participating Pharmacy pricing specified in the Agreement apply to Specialty Products.

3. ESI shall notify Keenan, Independent Advisor and Employer Groups no more frequently than monthly of new Specialty Products that are introduced to the market and added to the Specialty Drug List on or after the Effective Date of this Agreement with their applicable Specialty Drug List reimbursement rates ("Notice"). ESI shall provide an electronic file of the Specialty Drug List to Keenan and Independent Advisor on a quarterly basis. Employer Group and ESI agree as follows:

(i) If Employer Group 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, all other Specialty Products shall be implemented as Covered Drugs at the rate specified in the applicable Specialty Drug List or Notice, and Employer Group acknowledges and agrees to same. If Employer Group desires to cover otherwise excluded Specialty Products, Employer Group 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 Employer Group such Specialty Product will be loaded thereafter as a Covered Drug at the applicable Specialty Drug List reimbursement rate set forth in the Notice.

(ii) Employer Group 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 Claim processed prior to ESI's receipt of the rejection notice and implementation of the exclusion as provided above and Employer

Group shall be responsible for the payment of such Prescription Drug Claims processed prior to the rejection of coverage.

(iii) Notwithstanding the Specialty Product pricing terms set forth above, ESI will guarantee an average aggregate annual ingredient cost discount for Specialty Products dispensed through ESI Specialty Pharmacy and Participating Pharmacy Retail as follows:

Type of Guarantee	ESI Specialty Pharmacy	Participating Pharmacy Retail	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee <sup>(1)</sup>	AWP – 18.75%	AWP – 16.50%	None

<sup>(1)</sup>Option 1, Traditional. If the Specialty Drug List is adopted in full and not customized by Employer Group (coverage of all products and no exclusions upon implementation or during the term), ESI shall guarantee an ESI Specialty Pharmacy minimum average discount listed in the table above.

**Specialty Average Aggregate Annual Discount Reconciliation – Traditional**

Guarantees will be measured and reconciled on an annual basis within 90 days of the end of each contract year (the “Reconciliation Period”). The above guarantees are annual guarantees – if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a “Partial contract Year”), then the above guarantees will not apply for such Partial Contract Year. ESI will pay the full value of the financial shortfall to Employer Group for any shortfall between the actual result and the guaranteed result. Each guarantee (Participating Pharmacy, ESI Specialty Pharmacy) stands on its own and surpluses cannot be used to offset deficits.

Type of Guarantee	ESI Specialty Pharmacy	Participating Pharmacy Retail	Claims Excluded
ESI National Preferred Formulary Average Aggregate Annual Ingredient Cost Discount Guarantee <sup>(1)</sup>	AWP – 29.20%	AWP – 22.40%	None
Basic Formulary Average Aggregate Annual Ingredient Cost Discount Guarantee <sup>(1)</sup>	AWP – 21.90%	AWP – 19.00%	None

<sup>(1)</sup>Option 3, Applied Rebates. If the Specialty Drug List is adopted in full and not customized by Employer Group (coverage of all products and no exclusions upon implementation or during the term), ESI shall guarantee a ESI Specialty Pharmacy minimum average discount listed in the table above.

**Specialty Average Aggregate Annual Discount Reconciliation – Applied Rebates**

Guarantees will be measured and reconciled on an annual basis within 90 days of the end of each contract year (the “Reconciliation Period”). The above guarantees are annual guarantees – if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a “Partial contract Year”), then the above guarantees will not apply for such Partial Contract Year. ESI will pay the full value of the financial shortfall to Employer Group for any shortfall between the actual result and the guaranteed result. Each guarantee (Participating Pharmacy, ESI Specialty Pharmacy) stands on its own and surpluses cannot be used to offset deficits.

Specialty Products will be adjudicated according to the Specialty Products List. The above Specialty Product average aggregate annual guarantee will be reconciled in accordance with the terms of Section (iii) above.

ESI will pay the full value of the financial shortfall to Employer Group for any shortfall between the actual result and the guaranteed result. Each guarantee stands on its own and surpluses cannot be used to offset deficits.

4. Pricing for ASES is as follows:

(i) For Specialty Products needing an additional charge to cover costs of all supplies, equipment (e.g., pumps), nursing and clinical monitoring 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 and based on the provider's rates.

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 TYVASO 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.

**E. Vaccine Claims (No vaccine claims will be included in any pricing or rebate guarantee set forth in the Agreement). For clarity, Rebates collected, if any, for a Vaccine Claim will be included in the 100% Rebate pass back in Exhibit A-3,**

(a) General Terms applicable to Vaccine Claims

(i) Vaccine Claims shall adjudicate at the lower of U&C or the amounts shown in the table below. In the case of Vaccine Claims, the U&C shall be the retail price charged by a Participating Pharmacy for the particular vaccine, plus administration and dispensing fees, in a cash transaction on the date the vaccine is dispensed as reported to ESI by the Participating Pharmacy.

(ii) The Vaccine Administration Fee for Vaccine Claims for Members enrolled in Employer Group's Medicaid programs, if any, will be capped at the maximum reimbursable amount under the state Medicaid program in which the Member is enrolled.

(iii) All Vaccine Claims will be subject to any Administrative Fees set forth in the Agreement.

(iv) Vaccine Claims will be charged a program fee of \$2.50 per Vaccine Claim. The Vaccine Program Fee will be billed separately to Employer Group as part of the administrative invoice according to the billing frequency set forth in this Agreement.

(b) Vaccine Claim Pricing

	<b>Participating Pharmacy INFLUENZA</b>	<b>Participating Pharmacy ALL OTHER VACCINES</b>	<b>Member Submitted Vaccine Claims (excluding foreign claims)</b>
<b>Vaccine Administration Fee</b>	Pass-Through (capped at \$15 per vaccine claim)	Pass-Through (capped at \$20 per vaccine claim)	Submitted amount
<b>Ingredient Cost</b>	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Submitted amount

<b>Dispensing Fee</b>	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Submitted amount
<b>Administrative Fee/Vaccine Claim</b>	Administrative Fee per Prescription Drug Claim as set forth in the Agreement		Administrative Fee per Prescription Drug Claim (plus manual claim administrative fee) as set forth in the Agreement
<b>Vaccine Program Fee</b>	\$2.50 per vaccine claim		

**Exhibit A-2**

**Administrative Fees; Pharmacy Management Fund**

**I. Administrative Fees**

<b>PBM Services – No Additional Fee (Unless Otherwise Noted)</b>	
◆ Customer service for Members	◆ Electronic claims processing
◆ Electronic/on-line eligibility submission	◆ Plan setup
◆ Standard coordination of benefits (COB) (reject for primary carrier)	◆ Software training for access to our on-line system(s)
◆ FSA eligibility feeds	
◆ COB (coordination of benefits) <ul style="list-style-type: none"> <li>• Standard process (reject for primary carrier)</li> <li>• Medicare coordination (65+)</li> </ul>	No additional charge \$0.06/claim
<b>Network Pharmacy Services</b>	
◆ Pharmacy help desk	◆ Pharmacy reimbursement
◆ Pharmacy network management	◆ Network development (upon request)
<b>Home Delivery Services</b>	
◆ Benefit education	◆ Prescription delivery – standard
<b>Reporting Services</b>	
◆ Web-based client reporting – produced by Employer Group	◆ 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	
◆ Custom ad-hoc reporting	◆ No charge
◆ Web-based client reporting – produced by Express Scripts	◆ No charge
<b>Website Services</b>	
◆ Express-Scripts.com for Employer Group — 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 <sup>SM</sup> 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	
◆ Digital Certificates ◆ Up to 10certificates ◆ More than 10certificates	No additional charge Up to \$150 for additional users
<b>Implementation Package and Member Communications</b>	
◆ Member packets (includes 2 standard resin ID cards) <ul style="list-style-type: none"> <li>• Mailed to client</li> <li>• Mailed directly to members</li> <li>• Replacement cards</li> </ul>	No additional charge No additional charge \$0.25/card Priced upon request
◆ Customized materials	

<b>PBM Services</b>	<b>Fees</b>
◆ Manual/hardcopy eligibility submission	\$1.00/update (includes initial entry)
◆ Member-submitted paper claims processing fee	\$2.50/claim
◆ Medicaid subrogation claims fee	\$2.50/claim
<b>Network Pharmacy Services</b>	
◆ Pharmacy Audit Recoveries	No additional charge, 100% of recoveries to client
<b>Appeals</b>	
◆ Clinical appeals	\$350/review
◆ Non-clinical appeals	\$160/review
◆ External review for non-grandfathered plans	\$800/review * Plans subject to state law (non-ERISA plans) will be charged a retainer fee of \$1,000 per month for appeals handled by MCMC
<b>Medicare Part D</b>	
◆ Part D subsidy enhanced service (ESI sends reports to CMS on behalf of Employer Group) • Notice of Creditable Coverage	\$1.12 PMPM for Medicare-qualified Members with a minimum annual fee of \$3,500 \$1.30/letter + postage
◆ Part D Subsidy standard service (ESI sends reports to Employer Group) • Notice of Creditable Coverage	\$0.62 PMPM for Medicare-qualified Members with a minimum annual fee of \$2,500 \$1.30/letter + postage
◆ Package Option – Part D subsidy Enhanced Service (ESI sends reports to CMS on behalf of Employer Group) Plus Part B package • Notice of Creditable Coverage	\$1.50 PMPM for Medicare-qualified Members with a minimum annual fee of \$3,500 \$1.30/letter + postage
• Using Outside Cost Reporter/Vendor (ESI provide final rebate figures)	\$0.42 PMPM for Medicare-qualified Members with a minimum annual fee of \$1,500
• Medicare Part D Fraud, Waste and Abuse Program – includes quarterly reporting and Audit Compliance	\$0.05/claim
<b>Medicare Part B</b>	
• Part B Services (Participating Pharmacy and Mail Benefit)	\$0.42 PMPM for Medicare qualified Members
◆ Consumer Driven Healthcare Plans • Dedicated CDH Operations Team • 24/7 Production Monitoring and Quality Control • Real-time bi-directional data integration with pharmacy benefit and real-time or batch with medical plan • Plan design consultation and optimization • Identification of business requirements, technical specifications, implementation, and quality assurance • Dedicated CDH Customer Service Team • First dollar coverage for preventive medications • Newsletter articles and educational videos • Open enrollment services including online plan cost estimator • Prescription Benefit Review statements – semi-annual member “report card” on outstanding savings opportunities and benefit usage • Adherence screening – ScreenRx® combines early detection with tailored interventions to increase patient adherence and healthcare savings	\$0.40 PMP (CDH Members Only) \$0.30 without ScreenRx (CDH Members Only)

PBM Services	Fees
<ul style="list-style-type: none"> <li>◆ HCR Aggregated Accumulator Feeds               <ul style="list-style-type: none"> <li>• Sharing pharmacy and medical dollars solely for accumulation for HCR</li> <li>• No additional services</li> </ul> </li> </ul>	\$0.09 PMPM (HCR OOP Max Members Only)
◆ Mango Health: Mobile Health Platform	Priced upon request due to program variables
◆ Livongo Health: Diabetes Remote Modeling	\$67 PPPM (Per participating patient per month)

**II. Pharmacy Management Fund.**

The cost of followings services and programs shall be eligible for reimbursement through the Pharmacy Management Fund:

- RFP costs
- Member ID cards
- Pre-implementation assessment
- Physician intervention programs
- Formulary printing and mailing expenses
- Pharmacy Outreach programs
- Member mailings to promote mail, generics, benefit design changes, other member education materials expense of on-site pharmacist, implementation expenses such as consulting fees, eligibility transfer files, member communications, etc.

**Exhibit A-3**

**A. Rebates.**

\_\_\_\_\_ (initial)  **Option 1 – Traditional Pricing:**

A. Subject to the Rebate conditions 1. – 5. set forth below and elsewhere in this Agreement, ESI will pay to Employer Group an amount equal to the greater of:

- (i) 100% of the Rebates received by ESI; (including rebates earned on House Generics, OTCs, Compounds, and Vaccines, if any)

**Or**

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

Formulary <sup>(1)</sup>	ESI National Preferred 2-Tier/3-Tier Plan Designs	
ESI National Plus Network ESI National Network Express Advantage Network	Participating Pharmacies and In-House Pharmacies (if applicable)	Mail Service Pharmacy & ESI Specialty Pharmacy Any days' supply
Per Non-Specialty Product Brand Claim	1 to 83 days' supply: \$90.00 Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): \$225.00	\$350.00
Per Specialty Product Brand Claim	\$375.00	\$900.00

<sup>(1)</sup> If Employer Group adopts the ESI High Performance Formulary, subject to the terms and conditions set forth below, ESI will remit to Employer Group an amount equal to 100% of the Rebates received by ESI from pharmaceutical manufacturers, rather than the Rebate guarantee amounts set forth in the table above. In such case, ESI will provide Employer Group with standard ESI Rebate reporting specific to Employer Group's actual claims experience confirming that Employer Group received an amount equal to 100% of the Rebates collected by ESI.

<sup>(2)</sup> Certain Participating Pharmacies have agreed to participate in the extended 84 or greater day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 or greater Days' Supply column in the table set forth above is applicable only if Employer Group implements the Retail 90 Maintenance Network. With this Retail 90 Maintenance Network, Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription.

Formulary <sup>(1)</sup>	Basic 2-Tier Plan Designs		Basic 3-Tier Plan Designs	
ESI National Plus Network ESI National Network Express Advantage Network	Participating Pharmacies and In-House Pharmacies (if applicable)	Mail Service Pharmacy & ESI Specialty Pharmacy Any days' supply	Participating Pharmacies and In-House Pharmacies (if applicable)	Mail Service Pharmacy & ESI Specialty Pharmacy Any days' supply
Per Non-Specialty Product Brand Claim	1 to 83 days' supply: \$45.00 Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): \$112.50	\$175.00	1 to 83 days' supply: \$67.50 Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): \$168.75	\$262.50
Per Specialty Product Brand Claim	\$275.00	\$275.00	\$275.00	\$275.00

<sup>(1)</sup> If Employer Group adopts the ESI High Performance Formulary, subject to the terms and conditions set forth below, ESI will remit to Employer Group an amount equal to 100% of the Rebates received by ESI from pharmaceutical manufacturers, rather

than the Rebate guarantee amounts set forth in the table above. In such case, ESI will provide Employer Group with standard ESI Rebate reporting specific to Employer Group's actual claims experience confirming that Employer Group received an amount equal to 100% of the Rebates collected by ESI.

(2) Certain Participating Pharmacies have agreed to participate in the extended 84 or greater day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 or greater Days' Supply column in the table set forth above is applicable only if Employer Group implements the Retail 90 Maintenance Network. With this Retail 90 Maintenance Network, Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription.

Subject to the conditions set forth herein, ESI shall pay Employer Group the percentage amount set forth above for Rebates actually 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 Employer Group the percentage amount set forth above for residual Rebates collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

On an annual and aggregate basis, ESI shall reconcile the guaranteed amounts set forth in Section A.(ii) above (against the percentage amount paid to Employer Group quarterly) within one hundred and eighty (150) days following the end of each calendar year and shall pay Employer Group for any deficit by check immediately following the reconciliation.

Each Rebate guarantee (Participating Pharmacy and In-House Pharmacy Brand 1-83 days' supply, Participating Pharmacy and In-House Pharmacy Brand 84 or greater days' supply, Participating Pharmacy Specialty Brand, ESI Specialty Pharmacy Brand, Mail Service Pharmacy Brand) stands on its own and surpluses cannot be used to offset deficits.

\_\_\_\_\_ (initial)  **Option 2 – Pass Through Pricing (If Applicable)**

A. Subject to the Rebate conditions 1. – 5. set forth below and elsewhere in this Agreement, ESI will pay to Employer Group an amount equal to the greater of:

(i) 100% of the Rebates received by ESI; (including rebates earned on House Generics, OTCs, Compounds, and Vaccines, if any)

**Or**

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

Formulary <sup>(1)</sup>	ESI National Preferred 2-Tier/3-Tier Plan Designs	
ESI National Plus Network ESI National Network Express Advantage Network	Participating Pharmacies and In-House Pharmacies (if applicable)	Mail Service Pharmacy & ESI Specialty Pharmacy Any days' supply
Per Non-Specialty Product Brand Claim	1 to 83 days' supply: \$90.00 Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): \$225.00	\$350.00
Per Specialty Product Brand Claim	\$375.00	\$900.00

<sup>(1)</sup> If Employer Group adopts the ESI High Performance Formulary, subject to the terms and conditions set forth below, ESI will remit to Employer Group an amount equal to 100% of the Rebates received by ESI from pharmaceutical manufacturers, rather than the Rebate guarantee amounts set forth in the table above. In such case, ESI will provide Employer Group with standard ESI Rebate reporting specific to Employer Group's actual claims experience confirming that Employer Group received an amount equal to 100% of the Rebates collected by ESI.

<sup>(2)</sup> Certain Participating Pharmacies have agreed to participate in the extended 84 or greater day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 or greater Days' Supply column in the table set forth above is applicable only if Employer Group implements the Retail 90 Maintenance Network. With this Retail 90 Maintenance Network, Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do

not receive benefit coverage under the Plan for such prescription.

Formulary <sup>(1)</sup>	Basic 2-Tier Plan Designs		Basic 3-Tier Plan Designs	
	Participating Pharmacies and In-House Pharmacies (if applicable)	Mail Service Pharmacy & ESI Specialty Pharmacy Any days' supply	Participating Pharmacies and In-House Pharmacies (if applicable)	Mail Service Pharmacy & ESI Specialty Pharmacy Any days' supply
ESI National Plus Network ESI National Network Express Advantage Network				
Per Non-Specialty Product Brand Claim	1 to 83 days' supply: \$45.00 Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): \$112.50	\$175.00	1 to 83 days' supply: \$67.50 Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): \$168.75	\$262.50
Per Specialty Product Brand Claim	\$275.00	\$275.00	\$275.00	\$275.00

<sup>(1)</sup> If Employer Group adopts the ESI High Performance Formulary, subject to the terms and conditions set forth below, ESI will remit to Employer Group an amount equal to 100% of the Rebates received by ESI from pharmaceutical manufacturers, rather than the Rebate guarantee amounts set forth in the table above. In such case, ESI will provide Employer Group with standard ESI Rebate reporting specific to Employer Group's actual claims experience confirming that Employer Group received an amount equal to 100% of the Rebates collected by ESI.

<sup>(2)</sup> Certain Participating Pharmacies have agreed to participate in the extended 84 or greater day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 or greater Days' Supply column in the table set forth above is applicable only if Employer Group implements the Retail 90 Maintenance Network. With this Retail 90 Maintenance Network, Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such [prescription](#).

Subject to the conditions set forth herein, ESI shall pay Employer Group the percentage amount set forth above for Rebates actually 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 Employer Group the percentage amount set forth above for residual Rebates collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

On an annual and aggregate basis, ESI shall reconcile the guaranteed amounts set forth in Section A.(ii) above (against the percentage amount paid to Employer Group quarterly) within one hundred and fifty (150) days following the end of each calendar year and shall pay Employer Group for any deficit by check immediately following the reconciliation.

Each Rebate guarantee (Participating Pharmacy and In-House Pharmacy Brand 1-83 days' supply, Participating Pharmacy and In-House Pharmacy Brand 84 or greater days' supply, Participating Pharmacy Specialty Brand, ESI Specialty Pharmacy Brand, Mail Service Pharmacy Brand) stands on its own and surpluses cannot be used to offset deficits.

**(initial)  Option 3 – Applied Rebate Pricing: Subject to the terms and conditions below:**

Applied Rebate (Rebates applied to reduce rates on Exhibit A-1, Section C, as shown below)	ESI National Preferred Formulary			
ESI National Plus Network ESI National Network Express Advantage Network	Participating Pharmacies*	ESI Specialty Pharmacy	Participating Pharmacies Specialty	Mail Service Pharmacy

Brand Ingredient Cost Additional Discount	1 to 83 days' supply: AWP - 17.90% Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): AWP - 18.90%	AWP -10.45%	AWP - 5.90%	AWP-25.20.%
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Applied Rebate (Rebates applied to reduce rates on Exhibit A-1, Section C, as shown below)	Basic Formulary							
ESI National Plus Network ESI National Network Express Advantage Network	2-Tier Plan Design				3-Tier Plan Design			
	Participating Pharmacies	Retail Specialty Pharmacy	ESI Specialty Pharmacy	Mail Service Pharmacy	Participating Pharmacies	Retail Specialty Pharmacy	ESI Specialty Pharmacy	Mail Service Pharmacy
Brand Ingredient Cost Additional Discount	1 to 83 days' supply: AWP -11.00% Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): AWP - 13.75%	AWP - 2.50%	AWP -3.15%	AWP-13.00%	1 to 83 days' supply: AWP - 13.40% Maintenance Network (84 or greater days' supply <sup>(2)</sup> ): AWP - 14.10%	AWP - 2.50%	AWP - 3.15%	AWP-18.90%

**Applicable only to Option 3 – Applied Rebate Pricing:** Subject to all the terms and conditions set forth in the Employer Group Agreement, the reimbursement rates for brand drug ingredient costs for Participating Pharmacy, Mail Service Pharmacy and ESI Specialty Pharmacy Prescription Drug Claims set forth in Exhibit A-1, Sections C and D incorporate a reduction by the applicable Rebate credit amount set forth above (“Applied Rebate”). ESI shall retain all actual Rebates collected by it as its fee for developing, implementing and managing the Formulary. Employer Group acknowledges that pharmaceutical manufacturers may discontinue payment of Rebates, that laws governing prescription drug pricing (including Rebates) may change, that the interpretation of existing laws may change, that Rebates are affected by physician prescribing and other factors, and that Rebate revenue may materially decrease because of brand products moving off-patent to generic status. Upon the occurrence of such an event, at ESI’s discretion, the Applied Rebate amount(s) may be reduced or eliminated upon discussion with and prior written notice to Keenan on behalf of the Employer Group, and the respective ingredient cost discounts set forth in Exhibit A-1, Sections C and D shall be decreased by an amount not to exceed the amount of the respective Applied Rebate amount. Further, ESI reserves the right to discontinue Applied Rebates in the event Employer Group is delinquent on the payment of any fees.

Applied Rebate program includes a year-end true up provision as follows:

ESI will perform an annual reconciliation of Rebates for Employer Group, comparing the financial value of the Applied Rebate option and the Traditional Pricing option. In the Applied Rebate option, ESI includes at the point of sale the implied rebate values as shown in Option 3 above (additional AWP discounts) for Brand Drugs dispensed through Participating Pharmacies (Retail Brand AWP), for Brand Drugs dispensed by the ESI Mail Service (Mail Brand AWP) and for Brand Drugs

dispensed by ESI Specialty Pharmacy, the ESI Specialty service.

ESI will perform a year-end reconciliation as shown in Exhibit A-3(a) comparing the total value provided through the additional AWP discounts to the greater of the guaranteed Rebates or 100% rebate value that the client would receive under Traditional Pricing (less a time value of money factor). Any amount owed to the Employer Group resulting from this reconciliation will be paid within 90 days after the end of the plan year. Under no circumstance will Employer Group owe any monies to ESI for this guarantee.

Each Rebate guarantee (Participating Pharmacy and In-House Pharmacy Brand 1-83 days' supply, Participating Pharmacy and In-House Pharmacy Brand 84 or greater days' supply, Participating Pharmacy Specialty Brand, ESI Specialty Pharmacy Brand, Mail Service Pharmacy Brand) stands on its own and surpluses cannot be used to offset deficits.

### Conditions of the Rebate Program (Options 1, 2, and 3)

1. Rebates are conditioned upon (a) Employer Group's election of, and conformance to, the identified Formulary and qualifying Copayment and Coinsurance benefit designs; (b) distribution of the Formulary (or a summary thereof) to Members and/or physicians, as applicable; (c) 100% of an Employer Group's Members enrolled in the applicable benefit plan design(s), and (d) Employer Group's compliance with other reasonable, generally applicable requirements for participation by all clients in the Rebate Program, as are communicated by ESI to Keenan and Employer Group from time to time. Any proposed changes to the Rebate Program must be discussed between ESI and Keenan.

2. The following are excluded from all Rebate Guarantees: Member Submitted Claims, OTC products, Vaccines, claims older than 180 days, claims through Sponsor-owned, in-house, or on-site pharmacies, 340B pharmacies, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section A above.

3. ESI retains all right, title and interest to any and all actual Rebates received from manufacturers, except that ESI shall pay Employer Group amounts equal to the Rebate amounts allocated to Employer Group, as specified above, from ESI's general assets (neither Employer Group, its Members, nor Employer Group's plan retains any beneficial or proprietary interest in ESI's general assets). Employer Group acknowledges and agrees that neither it, its Members, nor its Plan shall have a right to interest on, or the time value of, any Rebate payments received by ESI during the collection period or moneys payable under this Section. **No Rebates shall be paid (or applied as an additional AWP discount if Option 3, Applied Rebates, is chosen) until this Agreement is executed by Employer Group.** ESI shall have the right to apply Employer Group's allocated Rebate amount to unpaid Fees and shall have the right to delay payment of Rebates to allow for final adjustments upon termination of this Agreement.

4. Employer Group acknowledges that it may be eligible for Rebates under this Agreement only so long as Employer Group, any in-house pharmacy, its affiliates, or its agents do not contract directly or indirectly with anyone else for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Employer Group 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 Rebates earned by, but not yet paid to, Employer Group as necessary to prevent duplicative rebates on Covered Drugs. To the extent Employer Group knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity shall be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebates hereunder and to renegotiate the terms and conditions of this Agreement.

5. Subject to the Audit Protocol, ESI acknowledges that on an annual schedule no less than thirty (30) days following the end of the calendar year, that Keenan and the Keenan designated Independent Advisor, subject to the requirements stated below, has full audit rights of ESI Pharmacy Manufacturer Rebate contracts to verify the Employer Group 100% Rebates paid under this Agreement. Keenan and the Keenan

designated Independent Advisor will be allowed to conduct the audits on-site at ESI Corporate Offices in St. Louis MO or Franklin Lakes, NJ. For the avoidance of doubt, Keenan will be present and participate on-site (in the same room where the review is being conducted) during an on-site review of the applicable components of manufacturer agreements, as described herein. Any unpaid ESI rebates to Employer Group will be paid within sixty (60) days of mutual agreement of any deficiency findings in such audit.

Pursuant to the Audit Protocol, when performing a Rebate audit, Employer Group or its auditor may perform an on-site review of the applicable components of manufacturer agreements, selected by Employer Group, as reasonably necessary to audit the calculation of the Rebate payments made to Employer Group by ESI. Access to and audit of manufacturer agreements is restricted to a firm that has been mutually agreed upon by ESI and Keenan, which carries insurance for professional malpractice of at least Ten Million Dollars (\$10,000,000).

**B. Independent Advisor Fees**

Employer Group directs and authorizes ESI to pay Independent Advisor the applicable Independent Advisor Fees based upon the payment schedule below (1) for Non-Medicare Members -- number Prescription Drug Claims filled by Participating Pharmacies, Mail Service Pharmacy and ESI Specialty Pharmacy as shown below for the auditing services the Independent Advisor shall provide to Employer Group and (2) for Medicare Subsidy Members – a flat Per Member Per Month (PMPM) fee. **Neither Keenan nor KPPC is receiving a commission from ESI.** Employer Group represents and warrants that the Independent Advisor Fees below are fair and reasonable, commensurate with other standard advisory or auditing fees in the industry relating to similar accounts and services, and that the variation in Independent Advisor Fees below is reflective of the marketplace. ESI shall pay the Independent Advisor Fees from its general assets, and Employer Group understands and agrees that the Independent Advisor Fees are not “plan assets” as defined under ERISA. Independent Advisor Fees shall be payable monthly, within 45 days from the end of each calendar month. Finally, the Independent Advisor Fees shall be paid only if (i) Employer Group has executed this Agreement, and (ii) Employer Group is current in its payment obligations to ESI. Employer Group shall hold ESI harmless with respect to any dispute between Employer Group and Independent Advisor and/or Keenan regarding the Independent Advisor Fee if ESI has paid such Independent Advisor Fee in accordance with the terms above.

Non-Medicare Members	Aggregate KPPC Members
Independent Advisor Fees per Prescription Drug Claim	\$0.35

Medicare Subsidy Members	Aggregate KPPC Members
Independent Advisor Fees Per Member Per Month	\$0.80

The formula for this calculation is provided as an example:

**EXHIBIT A-3(a)**

**APPLIED REBATE RECONCILIATION ILLUSTRATIVE EXAMPLE**

<b>METHOD 1: Additional AWP Discount Applied at Point-of-Sale:</b>		
	<b><u>Brand AWP Amounts <sup>(1)</sup></u></b>	
A	\$1,000,000	Retail
B	\$500,000	Mail
C	\$400,000	Retail Specialty
D	\$100,000	ESI Specialty Pharmacy
	<b><u>Additional Brand AWP Discounts</u></b>	
E	17.90%	Retail
F	25.20%	Mail
G	5.90%	Retail Specialty
H	10.45%	ESI Specialty Pharmacy
$J = (A \times E) + (B \times F) + (C \times G) + (D \times H)$	<b>\$339,050</b>	Total Additional AWP Discount
<b>METHOD 2: Traditional Rebate Payments:</b>		
K	\$450,000	Total Guaranteed Rebates based on Exhibit A-3
L	<u>\$500,000</u>	100% of Rebates Earned
M	\$500,000	Rebates Due to Client (Greater of K or L)
N	<u>8.81%</u>	Time value of money factor
$O = M \times N$	\$44,050	Time value of money adjustment
$P = M - O$	<b>\$455,950</b>	Rebate Value after TVM adjustment
<b>Reconciliation of Method 1 versus Method 2:</b>		
$P - J$	<b>\$116,900</b>	Owed to Employer (only if $P > J$ )

<sup>(1)</sup> Applied Rebate Reconciliation to exclude Paper Claims, Compounds and U&C claims

**Exhibit A-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 the Agreement, failure of Employer Group to perform its obligations under the Agreement, or actions or inactions of Employer Group 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 shall 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 90 days after the end of each measurement period, ESI shall provide Keenan with reports (i) assessing ESI’s performance under each performance standard, and (ii) if ESI did not meet a performance standard, calculating the applicable amount due to Employer Group. Amounts due, if any, shall be paid to Employer Group on an annual basis within 150 days of each anniversary of the Agreement. No performance penalties, if any, shall be paid until this Agreement is executed by Employer Group. With the exception of the implementation standard, which shall be measured on an individual Employer Group basis, measurement of standards shall be calculated as follows: (i) with respect to Employer Groups with less than 750 Members, on an aggregate basis for all KPPC Employer Groups; (ii) with respect to Employer Groups with 751 or more Members, on an individual Employer Group basis. Penalties for aggregated Employer Groups, if any, shall be allocated to Employer Groups on a pro-rata basis. In no event shall the sum of the payments to Employer Group (or the aggregated group) as a result of ESI’s failure to meet the performance standards exceed: (i) \$12.50 per average annual Member, exclusive of the implementation standard, for “Group A” performance standards set forth below; and (ii) \$12.50 per average annual Member, exclusive of the implementation standard, for “Group B” performance standards set forth below. For purposes of this Exhibit A-4, “Average Annual Member” shall be calculated as the sum of the aggregate number of Employer Group Members for each month of the contract year period divided by twelve (12). This calculation will take place at the end of each contract year. Any material change below such number may result in a renegotiation of the standards and penalties set forth below. If directed by Employer Group in writing, ESI shall remit an Employer Group’s penalties, if any, to Keenan, with the understanding that Keenan will forward payment to Employer Group.

**Implementation Standards**

<b>Service Feature</b>
Implementation and Start-up
<b>Standards</b>
ESI will guarantee the implementation of Employer Group to be completed in accordance within the mutually agreed upon timelines. Each of the ESI standards are dependent upon receiving specific information from Employer Group. All Implementations are a 90 day implementation project. Loading of eligibility and production of ID cards are dependent upon receiving group structure and benefit plan design sign off from Employer Group. A delay in receipt of data or information from Employer Group may require rescheduling of all subsequent deliverable dates.
<b>Communications</b>
The ESI Implementation Project Manager will provide regular updates to Employer Group tracking the status of the implementation.
A completed Employer Group implementation sign-off manual will be provided to Employer Group five business days prior to the effective date.
The ESI Implementation Project Manager will conduct a post-implementation review meeting with Employer Group within 30 days after the effective date.
<b>Penalty</b>
The following dollars will be paid to each Employer Group as they implement if ESI does not complete the ESI deliverables for that Employer Group by the dates noted in the performance standard for that Employer Group, assuming that the Employer Group has provided the information necessary to complete these deliverables:

	Employer Groups with <10,000 Lives	Employer Groups with >= 10,000 Lives
Group Structure, Benefit Plan Design	\$15,000	\$20,000
Data Transmission or Eligibility Load	\$15,000	\$20,000
ID Cards	\$15,000	\$20,000
Toll Free Number	\$15,000	\$20,000
Communications	\$15,000	\$20,000
Accuracy	\$15,000	\$20,000

(ESI will set up the program in accordance with formal documentation of Employer Group's intent. The implementation performance standards are one time only standards to be based on Employer Group effective date. The maximum implementation penalty for an Employer Group with less than 10,000 lives will be \$90,000. The maximum implementation penalty for an Employer Group with greater than or equal to 10,000 lives will be \$120,000.

## **GROUP A PERFORMANCE STANDARDS**

### **Account Management**

<b>Service Feature – Group A</b>
Account Management – Satisfaction
<b>Standard</b>
ESI guarantees that satisfaction with the Account Management Services is rated as satisfactory. In the 9 <sup>th</sup> month of the contract year, ESI will provide Employer Group a survey to assess the level of satisfaction in the following areas:
<ul style="list-style-type: none"> <li>• Timely issues resolution by the account management team (e.g. issues resolvable by account management are acknowledged, responded to and closed within a reasonable period of time). (20% of total amount of penalty at risk)</li> <li>• Consultative services (20% of total amount of penalty at risk)</li> <li>• Timeliness of reporting and annual reviews (20% of total amount of penalty at risk)</li> <li>• Frequency of meetings/plan updates (20% of total amount of penalty at risk)</li> <li>• Overall satisfaction with level of account management service (20% of total amount of penalty at risk)</li> </ul>
Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group. If Employer Group does not respond to the survey within 30 days of the survey being sent, the PG will be considered met.
<b>Penalty</b>
ESI will put \$4.00 per average annual Member as a total amount of penalty at risk.
Penalties are paid annually.

<b>Service Feature</b>
Benefit Set-up Accuracy
<b>Standard</b>
Express Scripts guarantees a 98.5% set up accuracy based upon the receipt of formal documentation of Employer Group's intent.
<b>Penalty</b>
Express Scripts will pay Employer Group \$0.50 per average annual member per every full percentage point below the standard. Payment based on annual average with total maximum payout of \$2.00 per average annual member.
This standard will be monitored and reported annually. Penalties are paid annually.
<b>Service Feature</b>
Post Implementation Pricing Set-up Accuracy
<b>Standard</b>
For pricing changes post- initial implementation, Express Scripts guarantees a 100% set up accuracy on the agreed upon effective date. Set-up accuracy is based on specific price points included in executed contracts, contract amendments, or other set-up forms approved by Employer Group; or other formal documentation of Employer Group's intent. This PG is exclusive of

any financial annual reconciliation guarantees.
<b>Penalty</b>
Express Scripts will pay Employer Group \$2.00 per average annual member.
This standard will be monitored and reported annually. Penalties are paid annually.

**Call Center**

<b>Service Feature – Group A</b>										
Customer Service Call - Average Speed of Answer										
<b>Standard</b>										
ESI guarantees that the customer service average annual call response time will be 30 seconds or less with the exception of a failure in a third party communication system.										
ESI Member Choice Center calls will be excluded from this standard.										
This standard is predicated on the installation of a toll-free number unique to Employer Group.										
Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.										
<b>Penalty</b>										
The maximum annual penalty will be \$2.50 per average annual Member. Based on the annual average speed of answer result, ESI will pay a penalty according to the following penalty scale:										
<table border="0"> <thead> <tr> <th><u>Avg. Speed</u></th> <th><u>Penalty</u></th> </tr> </thead> <tbody> <tr> <td>0-30</td> <td>0</td> </tr> <tr> <td>31-40</td> <td>\$1.00 per average annual Member</td> </tr> <tr> <td>41-45</td> <td>\$1.75 per average annual Member</td> </tr> <tr> <td>46+</td> <td>\$2.50 per average annual Member</td> </tr> </tbody> </table>	<u>Avg. Speed</u>	<u>Penalty</u>	0-30	0	31-40	\$1.00 per average annual Member	41-45	\$1.75 per average annual Member	46+	\$2.50 per average annual Member
<u>Avg. Speed</u>	<u>Penalty</u>									
0-30	0									
31-40	\$1.00 per average annual Member									
41-45	\$1.75 per average annual Member									
46+	\$2.50 per average annual Member									
This standard will be monitored and reported quarterly . Any applicable penalties will be paid annually based on the annual average.										

**Call Center**

<b>Service Feature – Group A</b>				
Customer Service Response Time – Blockage Rate (Busies)				
<b>Standard</b>				
ESI will guarantee a blockage rate of 3% or less with the exception of a failure in a third party communication system. Blockage is defined as a caller receiving a busy signal.				
ESI Member Choice Center calls will be excluded from this standard.				
This standard is predicated on the installation of a toll-free number unique to Employer Group.				
Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.				
<b>Penalty</b>				
The maximum annual penalty will be \$2.50 per average annual member. Based on the annual blockage percentage result, ESI will pay a penalty according to the following penalty scale:				
<table border="0"> <thead> <tr> <th><u>Avg. Speed</u></th> <th><u>Penalty</u></th> </tr> </thead> <tbody> <tr> <td>&lt;3%</td> <td>0</td> </tr> </tbody> </table>	<u>Avg. Speed</u>	<u>Penalty</u>	<3%	0
<u>Avg. Speed</u>	<u>Penalty</u>			
<3%	0			

4%	\$1.00 per average annual member
5%	\$1.75 per average annual member
>6%	\$2.50 per average annual member

This standard will be monitored and reported quarterly. Any applicable penalties will be paid annually based on the annual average.

Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.

<b>Service Feature – Group A</b>											
Customer Service Response Time - Percent of Calls Abandoned											
<b>Standard</b>											
<p>ESI guarantees that the call abandonment rate will be 5% or less unless the failure is due to a failure in a third-party telecommunication system. The abandonment rate does not include calls terminated by members in less than 30 seconds.</p> <p>This standard is predicated on the installation of a toll-free number unique to Employer Group.</p> <p>ESI Member Choice Center calls will be excluded from this standard.</p> <p>Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.</p>											
<b>Penalty</b>											
<p>The maximum annual penalty will be \$2.50 per average annual Member. Based on the annual percentage of calls abandoned, ESI will pay a penalty according to the following penalty scale:</p> <table border="1"> <thead> <tr> <th><u>Avg. Speed</u></th> <th><u>Penalty</u></th> </tr> </thead> <tbody> <tr> <td>0-5%</td> <td>0</td> </tr> <tr> <td>6-9%</td> <td>\$1.00 per average annual Member</td> </tr> <tr> <td>10-14%</td> <td>\$1.75 per average annual Member</td> </tr> <tr> <td>&gt;15%</td> <td>\$2.50 per average annual Member</td> </tr> </tbody> </table> <p>This standard will be monitored and reported quarterly. Any applicable penalties will be paid annually based on the annual average.</p>		<u>Avg. Speed</u>	<u>Penalty</u>	0-5%	0	6-9%	\$1.00 per average annual Member	10-14%	\$1.75 per average annual Member	>15%	\$2.50 per average annual Member
<u>Avg. Speed</u>	<u>Penalty</u>										
0-5%	0										
6-9%	\$1.00 per average annual Member										
10-14%	\$1.75 per average annual Member										
>15%	\$2.50 per average annual Member										

<b>Service Feature – Group A</b>	
First Call Resolution	
<b>Standard</b>	
<p>ESI guarantees that 94% or greater of patient calls will be resolved on the first call.</p> <p>“First Call Resolution Rate” means (i) the total number of telephone calls made by a Member and resolved by a ESI Member service representative on the first call as measured by the Member not calling back the ESI Member service call center within five (5) calendar days regarding the same inquiry, divided by (ii) the total number of telephone calls made by Members and received by ESI’s Member Service Call Center. This standard excludes calls to the toll-free telephone line separately established for Specialty Products.</p> <p>Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.</p>	
<b>Penalty</b>	
<p>ESI will pay Employer Group \$0.05 per average annual member for each 0.05 percentage point below 94%. The maximum annual penalty will be \$3.50 per average annual member</p> <p>This standard will be monitored and reported quarterly. Any applicable penalties will be paid annually based on the annual</p>	

average.

**Mail Service**

<b>Service Feature – Group A</b>
Dispensing Accuracy
<b>Standard</b>
Whereas ESI strives for 100% accuracy, ESI guarantees 99.9% accuracy in dispensing the correct drug, strength, and dosage, unless the error is a prescriber error. Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.
<b>Penalty</b>
ESI will pay \$1.00 per average annual Member for each full percentage point in which the annual dispensing accuracy is below 100%. The maximum annual penalty will be \$2.50 per average annual Member.  This standard will be monitored and reported quarterly. Any applicable penalties will be paid annually based on the annual average.

**Mail Service**

<b>Service Feature – Group A</b>
Turnaround Time for Routine Mail Service Prescriptions
<b>Standard</b>
ESI guarantees dispensing and shipping (or return) of prescriptions not subject to intervention with an annual average of 3 business days of receipt of the order at the Mail Service Pharmacy. “Interventions” include calls to members or prescribers to clarify the prescriber’s direction, to obtain consent for formulary programs, generic or therapeutic substitution, or otherwise. Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.
<b>Penalty</b>
ESI will pay \$1.00 per average annual member for each full day the annual average turnaround time for Mail Service Pharmacy prescriptions exceeds 3 business days. The maximum annual penalty will be \$2.50 per average annual Member.  This standard will be monitored and reported quarterly. Any applicable penalties will be paid annually based on the annual average.

**Mail Service**

<b>Service Feature – Group A</b>
Turnaround Time for Mail Service Prescriptions Subject to Intervention
<b>Standard</b>
ESI guarantees dispensing and shipping (or return) of prescriptions subject to intervention within an average of 5 business days of receipt of the order at the Mail Service Pharmacy. Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.
<b>Penalty</b>
ESI will pay \$1.00 per average annual member for each full day the annual average turnaround time for mail service prescriptions exceeds 5 business days. The maximum annual penalty will be \$2.50 per average annual member.  This standard will be monitored and reported quarterly. Any applicable penalties will be paid annually based on the annual average.

**Data Systems**

<b>Service Feature – Group A</b>
Data Systems Availability & Adjudication
<b>Standard</b>
ESI guarantees 99% availability of the point of sale adjudication system, except for daily scheduled maintenance and telecommunications failure. Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.
<b>Penalty</b>
For each full percentage point which the yearly average of the on-line computer systems availability is below 99%, ESI will pay \$1.00 per average annual Member.  The maximum annual penalty for availability and adjudication will be \$2.50 per average annual Member.  This standard will be monitored and reported quarterly. Any applicable penalties will be paid annually based on the annual average.

<b>Service Feature – Group A</b>
Data Files (Post Implementation)
<b>Standard</b>
ESI guarantees that within 45 days of request, ESI will produce historical and/or ongoing standard (not custom) data files for claims, and transmit to designated vendor as directed, provided all requirements are fully gathered and necessary agreements for each file are signed (i.e. PHI releases, NDAs). Additionally, ongoing data files will be delivered on time, according to the schedule agreed upon by Employer Group and ESI.
<b>Penalty</b>
ESI will put \$2.50 per average annual Member as a total amount of penalty at risk.

<b>Service Feature – Group A</b>
Eligibility Data Files
<b>Standard</b>
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.
<b>Penalty</b>
ESI will put \$2.50 per average annual Member as a total amount of penalty at risk.

**GROUP B PERFORMANCE STANDARDS**

<b>Service Feature – Group B</b>
Financial and Operational Reconciliations
<b>Standard</b>
ESI guarantees that AWP, , Revenue Neutrality, financial and operational performance guarantee reporting to Independent Advisor and Keenan will be completed within 90 days of the end of the contract year. Payments will be completed within 150 days of the end of the contract year. The delivery of auditable claim data files to the Independent Advisor and Keenan will be at 150 days of the end of the contract year.  For operational performance guarantees, Employer Groups of 750 or fewer Members shall be measured in the aggregate with other Employer Groups of 750 or less. Penalties shall be allocated to such groups based on the number of Members in that group.
<b>Penalty</b>
ESI will put \$4.00 per average annual Member as a total amount of penalty at risk  Penalties are paid annually.

<b>Service Feature – Group B</b>
Implementation Guarantee Reconciliation
<b>Standard</b>
ESI guarantees that implementation guarantee reconciliation amounts due will be paid within 90 days applicable group's effective date.
<b>Penalty</b>
ESI will put \$4.00 per average annual Member as a total amount of penalty at risk.
Penalties are paid annually.

<b>Service Feature – Group B</b>
Contracting Timeframe for Prospective and current KPPC Clients
<b>Standard</b>
ESI guarantees that contracts will be provided to Keenan no later than 60 days in advance of the group's effective date. ESI must receive at least 90 days' notice prior to the effective date.
<b>Penalty</b>
ESI will put \$4.00 per average annual Member as a total amount of penalty at risk.
Penalties are paid annually.

<b>Service Feature-Group B</b>
Contracting Amendment Timeframe for KPPC Clients
<b>Standard</b>
ESI guarantees that contract amendments will be provided to Keenan no later than 30 days before the amendment effective date. ESI must receive at least 90 days' notice prior to the client's effective date.
<b>Penalty</b>
ESI will put \$4.00 per annual Member as a total amount of penalty at risk. Penalties are paid annually.

## **EXHIBIT B**

### **AUDIT PROTOCOL**

#### **1. AUDIT PRINCIPLES**

ESI recognizes the importance of its clients ensuring the integrity of their business relationship by engaging in periodic 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 Employer Group'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 Employer Group has any concern that this Protocol will prohibit Employer Group from fully confirming its financial arrangement with ESI, we encourage Employer Group to express such concern at the audit kick-off meeting.

#### **2. AUDIT PREREQUISITES**

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

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

At Keenan, Independent Advisor and Employer Group's discretion, Keenan, Independent Advisor and Employer Group may conduct an audit of each component separately, or may combine all four components in one audit. In addition to the above audit rights, Keenan, Independent Advisor and Employer Group may address general claim inquiries, which do not require an audit, by contacting Keenan and Employer Group's ESI Account Management team at any time. For the avoidance of doubt, audit of any component occurring more than once annually, regardless of which entity initiates the audit, shall be subject to ESI's standard fees.

B. ESI will provide all data reasonably necessary for Keenan, Independent Advisor and Employer Group 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 Keenan, Independent Advisor and Employer Group'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 Keenan, Independent Advisor and Employer Group in order for Employer Group 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. Any requests for audit beyond 24 months will be mutually agreed upon. In addition, a data retrieval fee may apply for information that is archived.

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, Independent Advisor, subject to the terms of this section, and Employer Group may perform an on-site review of the applicable components of manufacturer agreements, selected by Independent Advisor or Employer Group, as reasonably necessary to audit the calculation of the Rebate payments made to Employer Group by ESI. For the avoidance of doubt, Keenan may be present and participate on-site (in the same room where the review is being conducted) during an on-site review of the applicable components of manufacturer agreements, as described herein. 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 firms having been mutually agreed upon by ESI and Keenan, which carry insurance for professional malpractice of at least Two Million Dollars (\$2,000,000).

- D. ESI recommends that Independent Advisor, Employer Group or Keenan select an initial number of manufacturer contracts to enable Independent Advisor or Employer Group to audit fifty percent (50%) of the total Rebate payments due to Employer Group 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. Any requests for audit beyond 2 quarters or more than fifty percent (50%) of the total rebates will be mutually agreed upon. In addition, a data retrieval fee may apply for information that is archived.
- 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 Keenan, Independent Advisor and Employer Group (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, Keenan, Independent Advisor and Employer Group may perform an on-site audit of the applicable Participating Pharmacy contract rate sheet(s).

#### **4. AUDIT FINDINGS**

- A. Following Employer Group's initial audit, Employer Group (and/or its Auditor, Keenan, Independent Advisor) will provide ESI with a written report of suspected errors, if any. In order for ESI to evaluate Employer Group's audit report, Employer Group shall provide an electronic data file in a mutually agreed upon format containing up to 300 claims for further investigation by ESI. For sake of clarity, Employer Group and /or Auditors may review 100% of its claims under the annual audit right. ESI will review up to 300 claims which Employer Group and/or Auditors believes to be incorrect (which may represent any number of issues). For any claims verified as being incorrect, ESI will conduct a root cause analysis and determine full impact. Employer Group will be made whole through the adjustment process
- B. Following Employer Group's and/or Auditor's initial audit of Medicare Part D compliance, Employer Group and/or its Auditor's will provide ESI with a written report of suspected non-compliant issues and payment reconciliation issues, if any. In order for ESI to evaluate Employer Group's audit report, Employer Group and/or Auditor's 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. Following ESI's evaluation of Employer Group's and/or its Auditor's audit report, if the audit findings warrant an increase in the Audit Period or the number of contracts reviewed, then ESI and Employer Group and/or Auditors will mutually determine the scope of further analysis.
- D. ESI will use commercially reasonable best efforts to respond to the audit report in no more than thirty (30) 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 Employer Group and/or its Auditor and ESI.
- E. Employer Group 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 Employer Group through credits to a future invoice(s). If we are unable to reprocess claims and issue corresponding credits to Employer Group through this process, ESI will make adjustments to Employer Group via payment by check.

#### **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, Employer Group and/or its Auditor's 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 C

### **BUSINESS ASSOCIATE AGREEMENT**

Express Scripts, Inc. and one or more of its subsidiaries ("ESI"), and Employer Group or one of its affiliates ("Employer Group"), are parties to an agreement ("PBM Agreement") whereby ESI provides certain pharmacy benefit management services to the Employer Group's prescription drug plan (Employer Group and Employer Group's prescription drug plan collectively referred to hereinafter as "Plan"). The PBM Agreement addresses the parties' rights and obligations concerning the use and disclosure of patients' protected health information. The HIPAA Rules (as defined below) require ESI and Plan to enter into a "business associate agreement" to comply with applicable sections of the HIPAA Rules.

#### **1. Definitions.**

- (a) "Breach" shall have the same meaning as the term "breach" in 45 C.F.R. § 164.402.
- (b) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.
- (c) "Electronic Health Record" shall mean an electronic record of health-related information on an Individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.
- (d) "Electronic PHI" shall have the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103.
- (e) "HIPAA Rules" means the collective privacy, transaction and code sets, and security regulations promulgated pursuant to the Health Insurance Portability and Accountability Act, as codified at 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.
- (f) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- (g) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and 45 C.F.R. Part 164, Subpart A and Subpart E, as amended from time to time.
- (h) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by ESI from or on behalf of Plan.
- (i) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
- (j) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- (k) "Security Incident" shall have the same meaning as "security incident" in 45 C.F.R. § 164.304
- (l) "Security Standards" shall mean the Security Standards, 45 C.F.R. Part 164, Subpart C, as amended from time to time.
- (m) "Transactions Standards" shall mean the Standards for Electronic Transactions, 45 C.F.R. Part 162, Subpart I, as amended from time to time.
- (n) "Unsecured PHI" shall have the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402.

Capitalized terms used, but not otherwise defined, in this Business Associate Agreement shall have the same meaning as those terms in the HIPAA Rules.

#### **2. General Use and Disclosure Provisions.** ESI and Plan acknowledge and agree as follows:

- (a) *Use or Disclosure.* ESI agrees not to use or further disclose PHI other than as expressly permitted or required by this Business Associate Agreement or the HIPAA Rules or as Required by Law.

(b) *Minimum Necessary.* ESI will take reasonable efforts to limit requests for, use and disclosure of PHI to the minimum necessary to accomplish the intended request, use or disclosure.

(c) *Specific Use or Disclosure Provisions.* Except as otherwise limited in this Business Associate Agreement, ESI may use and disclose PHI to properly provide, manage and administer the services required under the PBM Agreement and consistent with applicable law to assist Plan in its operations, as long as such use or disclosure would not violate the HIPAA Rules if done by Plan, or such use or disclosure is expressly permitted in (i) through (iii) below:

- (i) ESI may use PHI for the proper management and administration of ESI or to carry out ESI's legal responsibilities.
- (ii) ESI may disclose PHI to third parties for the proper management and administration of ESI or to carry out the legal responsibilities of ESI provided that the disclosures are Required by Law, or ESI obtains reasonable assurances from the person to whom the information is disclosed that: (A) the information will remain confidential, (B) the information will be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and (C) the person notifies ESI of any instances of which it is aware in which the confidentiality of the information has been breached.
- (iii) ESI may use PHI to perform Data Aggregation services on behalf of Plan as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(d) *Reporting.* ESI agrees to promptly notify the Plan if ESI has knowledge that PHI has been used or disclosed by ESI in a manner that violates this Business Associate Agreement. To the extent that ESI creates, receives, maintains or transmits Electronic PHI, ESI agrees to report promptly to the Plan any Security Incident, as determined by ESI, involving PHI of which ESI becomes aware. ESI shall comply with 45 C.F.R. § 164.402 and shall, following the discovery of a Breach of Unsecured PHI, notify the Plan of such Breach, in accordance with 45 C.F.R. § 164.410.

(e) *Safeguards.* ESI agrees to use appropriate safeguards, consistent with applicable law, to prevent use or disclosure of PHI in a manner that would violate this Business Associate Agreement. ESI shall provide Plan with such information concerning such safeguards as Plan may reasonably request from time to time. To the extent that ESI creates, receives, maintains or transmits Electronic PHI, ESI agrees to use appropriate administrative, physical and technical safeguards, and comply with the Security Standards, to protect the confidentiality, integrity and availability of the Electronic PHI that ESI creates, receives, maintains or transmits on behalf of Plan.

(f) *Mitigation.* ESI agrees to mitigate, to the extent practicable, any harmful effect that is known to ESI of a use or disclosure of PHI by ESI in violation of this Business Associate Agreement or the PBM Agreement.

(g) *Subcontractors and Agents.* ESI agrees to ensure that any agent, including a Subcontractor, to whom it provides PHI received from, or created or received by ESI on behalf of Plan, agrees, in writing, to the same restrictions, terms and conditions that apply through this Agreement to ESI with respect to such information, including the requirement that it implement reasonable and appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164, to protect any Electronic PHI that is disclosed to it by ESI.

(h) *Access.* Within fifteen (15) business days of a request by Plan, ESI shall provide access to Plan to PHI in a Designated Record Set in order to meet the requirements under 45 C.F.R. § 164.524. If ESI receives a request directly from an Individual, or if requested by Plan that access be provided to the Individual, ESI shall provide access to the Individual to PHI in a Designated Record Set within thirty (30) days in order to meet the requirements under 45 C.F.R. § 164.524.

(i) *Amendment.* Within sixty (60) days of a request by Plan or subject Individual, ESI agrees to make any appropriate amendment(s) to PHI in a Designated Record Set that Plan directs or agrees to pursuant to 45 C.F.R. § 164.526.

(j) *Accounting.* Within thirty (30) days of a proper request by Plan, ESI agrees to document and make available to Plan, for a reasonable cost-based fee (under conditions permitted by HIPAA if an Individual requests an accounting more than once during a twelve month period), such disclosures of PHI and information related to such disclosures necessary to respond to such request for an accounting of disclosures of PHI, in accordance with 45 C.F.R. § 164.528. Within sixty (60) days of proper request by subject Individual, ESI agrees to make available to the Individual the information described above. ESI shall retain copies of any accountings for a period of six (6) years from the date the accounting was created.

(k) *Restrictions on Use or Disclosure.* Within fifteen (15) business days of a request of Plan, ESI agrees to consider restrictions on the use or disclosure of PHI agreed to by Plan on behalf of an Individual in accordance with 45 C.F.R. § 164.522.

(l) *Audit and Inspection.* ESI agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by ESI on behalf of Plan, available to Plan within ten (10) business days, or at the request of Plan or the Secretary, to the Secretary in a time and manner directed by the Secretary, for purposes of the Secretary determining Plan's compliance with the HIPAA Rules. Any release of information regarding ESI's practices, books and records is proprietary to ESI and shall be treated as confidential and shall not be further disclosed without the written permission of ESI, except as necessary to comply with the HIPAA Rules.

(m) *Privacy of Individually Identifiable Health Information.* To the extent ESI is to carry out one or more of Plan's obligations under Subpart E of 45 C.F.R. Part 164, ESI agrees to comply with the requirements of subpart E that apply to the covered entity in the performance of such obligations.

### **3. Plan Obligations.**

(a) Plan shall notify ESI of any limitation(s) in the notice of privacy practices of Plan in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect ESI's use or disclosure of PHI.

(b) Plan shall notify ESI of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect ESI's use or disclosure of PHI.

(c) Plan shall notify ESI of any restriction to the use or disclosure of PHI that Plan has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect ESI's use or disclosure of PHI.

(d) Plan shall not request that ESI use or disclose PHI in any manner that would exceed that which is minimally necessary under the HIPAA Rules or that would not be permitted by a Covered Entity.

(e) Plan agrees that it will have entered into "Business Associate Agreements" with any third parties (e.g., case managers, brokers or third party administrators) to which Plan directs and authorizes ESI to disclose PHI.

**4. Transactions Standards.** The HIPAA Rules provide for certain Transactions Standards for transfer of data between trading partners. While certain of the standards may or may not be adopted by Plan (e.g., for eligibility), ESI will be prepared to accept the following in accordance with 45 C.F.R. Part 162.1502: ASC X12N 834 – Benefit Enrollment and Maintenance. In addition, to the extent applicable, ESI shall comply with other applicable transactions standards for claims processing functions between ESI and provider pharmacies. Each party hereby agrees that it shall not change any definition, data condition or use of a data element or segment in a standard, add any data elements or segment to the maximum defined data set, use any code or data elements that are either marked "not used" in the standard's implementation specification or are not in the implementation specification, or change the meaning or intent of the implementation specification.

### **5. Material Breach of Business Associate Agreement; Termination.**

(a) Without limiting the termination rights of the parties pursuant to the PBM Agreement, upon either party's knowledge of a material breach by the other of this Business Associate Agreement, the non-breaching party shall notify the breaching party of such material breach and the breaching party shall have thirty (30) days to cure such material breach. In the event the breach is not cured, or cure is infeasible, the non-breaching party shall have the right to immediately terminate this Business Associate Agreement and the PBM Agreement or if cure of the material breach is infeasible, report the violation to the Secretary.

(b) To the extent feasible, upon termination of the PBM Agreement for any reason, ESI shall, and shall cause any subcontractors and agents to, return or destroy and retain no copies of all PHI received from, or created or received by ESI on behalf of, Plan. If ESI determines, in its sole discretion, that return or destruction of such information is not feasible, ESI shall continue to limit the use or disclosure of such information as set forth in this Agreement as if the PBM Agreement had not been terminated.

**6. Indemnification.** Each party (the "Indemnifying Party") shall indemnify and hold the other party and its officers, directors, employees and agents (each an "Indemnified Party") harmless from and against any claim, cause of action,

liability, damage, cost or expense ("Liabilities") to which the Indemnified Party becomes subject to as a result of third party claims (including reasonable attorneys' fees and court or proceeding costs) brought against the Indemnified Party, which arise as a result of: (i) the material breach of this Business Associate Agreement by the Indemnifying Party; or (ii) the gross negligence or willful misconduct of the Indemnifying Party, except to the extent such Liabilities were caused by the Indemnified Party. A party entitled to indemnification under this Section 6 shall give prompt written notification to the Indemnifying Party of the commencement of any action, suit or proceeding relating to a third party claim for which indemnification is sought, subject to applicable confidentiality constraints. The Indemnifying Party shall be entitled to assume control of the defense of such action, suit, proceeding or claim with competent counsel of its choosing. Indemnification shall not be required if any claim is settled without the Indemnifying Party's consent, which such consent shall not be unreasonably withheld. **NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 6, IN NO EVENT WILL AN INDEMNIFYING PARTY BE LIABLE TO AN INDEMNIFIED PARTY UNDER CONTRACT, TORT, OR ANY OTHER LEGAL THEORY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL LOSSES OR DAMAGES OF ANY KIND.**

## **7. Miscellaneous.**

(a) **Amendment.** The parties acknowledge that the foregoing provisions are designed to comply with the mandates of the HIPAA Rules. ESI shall provide written notice to Plan to the extent that any regulation or amendment to regulations promulgated by the Secretary requires changes to this Business Associate Agreement. Such written notice shall include any additional amendment required by any such final regulation and the Business Associate Agreement shall be automatically amended to incorporate the changes set forth in such amendment provided by ESI to Plan, unless Plan objects to such amendment in writing within fifteen (15) days of receipt of such written notice. In the event that Plan objects timely to such amendment, the parties shall work in good faith to reach agreement on an amendment to the Business Associate Agreement that complies with the final regulations. If the parties are unable to reach agreement regarding an amendment to the Business Associate Agreement within thirty (30) days of the date that ESI receives any written objection from Plan, either ESI or Employer Group may terminate this Business Associate Agreement upon ninety (90) days written notice to the other party. Any other amendment to this Business Associate Agreement unrelated to compliance with applicable law and regulations shall be effective only upon execution of a written agreement between the parties.

(b) **Effect on PBM Agreement.** Except as relates to the use, security and disclosure of PHI and electronic transactions, this Business Associate Agreement is not intended to change the terms and conditions of, or the rights and obligations of the parties under, the PBM Agreement.

(c) **No Third-Party Beneficiaries.** Nothing express or implied in the PBM Agreement or in this Business Associate Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations or liabilities whatsoever.

(d) **Interpretation.** Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits both parties to comply with the HIPAA Rules.

(e) **Effective Date.** This Business Associate Agreement shall be effective as of the effective date of the PBM Agreement.

## EXHIBIT D

### **FINANCIAL DISCLOSURE TO ESI PBM CLIENTS**

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

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

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

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

Manufacturer Programs Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts for its own account to obtain formulary rebates attributable to the utilization of certain brand drugs and supplies (and possibly certain authorized generics marketed under a brand manufacturer’s new drug application). Formulary rebate amounts received vary based on client specific utilization, the volume of utilization as well as formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, claims volume, and other similar factors, and in certain instances also may vary based on the product’s market-share. ESI often pays an amount equal to all or a portion of the formulary rebates it receives to a client based on the client’s PBM agreement terms. ESI or its affiliates may maintain non-client specific aggregate guarantees and may realize positive margin. In addition, ESI provides administrative services to contracted manufacturers, which include, for example, maintenance and operation of systems and other infrastructure necessary for invoicing and processing rebates, pharmacy discount programs, access to drug utilization data, as allowed by law, for purposes of verifying and evaluating applicable payments, and for other purposes related to the manufacturer’s products. ESI receives administrative fees from the participating manufacturers for these services. These administrative fees are calculated based on the price of the drug or supplies along with the volume of

utilization and do not exceed the greater of (i) 4.58% of the average wholesale price, or (ii) 5.5% of the wholesale acquisition cost of the products. In its capacity as a PBM company, ESI also may receive other compensation from manufacturers for the performance of various programs or services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, inflation protection programs, medical benefit management services, cost containment programs, discount programs, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees, and ESI may realize positive margin between amounts paid to clients and amounts received from pharmaceutical manufacturers. ESI retains the financial benefit of the use of any funds held until payment is made to the client.

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

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

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

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

ESI Subsidiary Fee-For-Service Arrangements – One or more of ESI's subsidiaries, including, but not limited to, its subsidiary pharmacies also may receive fee-for-service payments from manufacturers, wholesalers, or other health care providers in conjunction with various programs or services, including, for example, patient assistance programs for indigent patients, dispensing prescription medications to patients enrolled in clinical trials, various therapy adherence and fertility programs, administering FDA compliance requirements related to the drug, 340B contract pharmacy services, product reimbursement support services, and various other clinical or pharmacy programs or services. As a condition to having access to certain products, and sometimes related to certain therapy adherence criteria or FDA requirements, a pharmaceutical manufacturer may require a pharmacy to report selected information to the manufacturer regarding the pharmacy's service levels and other dispensing-related data with respect to patients who receive that manufacturer's product. A portion of the discounts or other fee-for-service payments made available to our pharmacies may represent compensation for such reporting.

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

disease state education programs, reimbursement assistance, and other support services to the public at large. These service fees are not part of the formulary rebates or associated administrative fees.

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

**October 1, 2015**

**THIS 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 AT WWW. EXPRESS-SCRIPTS.COM/WPS/PORTAL/.**