

**AN ORDINANCE TO AUTHORIZE A PROFESSIONAL
SERVICES AGREEMENT WITH EXPRESS SCRIPTS, INC.,
FOR A PRESCRIPTION DRUG PROGRAM.**

#4216

Sponsors:

Council
President
Gregory

Council
Member
Freel

WHEREAS, pursuant to Section 2-308 and Section 8-200 of the City Charter, the City of Wilmington is authorized to enter into contracts for the supply of property or the rendering of services for more than a period of one year if approved by City Council by Ordinance; and

WHEREAS, the City desires to obtain professional services to administer and provide a prescription drug program for City employees, their dependents, and City retirees; and

WHEREAS, the City, after requesting proposals for such services through its insurance broker, USI Insurance Services, has negotiated an agreement with Express Scripts, Inc. ("the City Agreement"), which submitted the best overall proposal; and

WHEREAS, the term of the City Agreement, a copy of which, in substantial form, is attached hereto as Exhibit "A," is for a period of three (3) years beginning July 1, 2016, with successive renewals of one (1) year each until terminated by either party upon ninety days written notice, at an estimated cost based on current cost trends as follows:

- a) Fiscal Year 2017 -- \$5.6 Million;
- b) Fiscal Year 2018 -- \$6.3 Million;
- c) Fiscal Year 2019 -- \$7.0 Million; and

WHEREAS, Express Scripts shall provide its services to the City in

conjunction with and as part of an existing agreement (denoted as Exhibit A-1 thereto) between Express Scripts and Performance Pharmacy Solutions, LLC ("PPS"), dated on or about March 4, 2015 ("the Master Agreement"), a copy of which is attached hereto as Exhibit "B"; and

WHEREAS, under the Master Agreement, PPS shall either directly or through the City Agreement, provide the City with financial and auditing benefits and services which will result in substantial savings to the City through a system of discounts and rebates in connection with the cost of the prescription drugs; and

WHEREAS, it is the recommendation of the Department of Human Resources that the City enter into the City Agreement with Express Scripts, as provided herein.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. The agreement between the City and Express Scripts, Inc., copy of which, in substantial form, is attached hereto, as Exhibit "A," to administer and provide a prescription drug program for City employees, their dependents, and City retirees, for a period of three (3) years beginning July 1, 2016, at an estimated cost based on current cost trends of Five Million Six Hundred Thousand Dollars (\$5,600,000.00) for Fiscal Year 2017, Six Million Three Hundred Thousand Dollars (\$6,300,000.00) for Fiscal Year 2018, and Seven Million Dollars (\$7,000,000.00) for Fiscal Year 2019, with successive renewals of one year each until terminated by either party on ninety days

written notice, is hereby approved and the Mayor or his designee and the City Clerk are hereby authorized to execute as many copies of said agreement, as well as all additional undertakings related thereto, as may be necessary.

SECTION 2. This Ordinance shall be effective upon its passage by City Council and approval of the Mayor.


First Reading May 19, 2016
Second Reading. . . May 19, 2016
Third Reading . . . June 16, 2016

Passed by City Council,
June 16, 2016



President of City Council

ATTEST:



City Clerk

Approved as to form this
18th day of May 2016



First Assistant City Solicitor

Approved this 22 day of
June, 2016



Mayor

SYNOPSIS: This Ordinance authorizes the City to enter into an agreement with Express Scripts, Inc., to administer and provide a prescription drug program for City employees, their dependents, and City retirees, for a period of three (3) years beginning July 1, 2016, at an estimated cost based on current cost trends of Five Million Six Hundred Thousand Dollars (\$5,600,000.00) for Fiscal Year 2017, Six Million Three Hundred Thousand Dollars (\$6,300,000.00) for Fiscal Year 2018, and Seven Million Dollars (\$7,000,000.00) for Fiscal Year 2019, with successive renewals of one (1) year each until terminated by either party upon ninety days written notice.

IMPACT STATEMENT

#4216

This Ordinance authorizes the City to enter into an agreement with Express Scripts, Inc., to administer and provide a prescription drug program for City employees, their dependents, and City retirees, for a period of three (3) years beginning July 1, 2016, at an estimated cost based on current cost trends of Five Million Six Hundred Thousand Dollars (\$5,600,000.00) for Fiscal Year 2017, Six Million Three Hundred Thousand Dollars (\$6,300,000.00) for Fiscal Year 2018, and Seven Million Dollars (\$7,000,000.00) for Fiscal Year 2019, with successive renewals of one (1) year each until terminated by either party upon ninety days written notice.

EXHIBIT "A"

AGREEMENT BETWEEN CITY OF WILMINGTON AND EXPRESS SCRIPTS, INC.

EXHIBIT A-1

PERFORMANCE PHARMACY SOLUTIONS CLIENT AGREEMENT

(For Express Scripts
Internal Use)

DIV# _____
RPI _____

Client Name: City of Wilmington
Client Tax ID Number: 51-0176414
Producer Name: USI
Effective Date: 7/01/2016
Initial Term of Client Agreement: 36 Months

Contact Information:	Client Information	Producer Information	Third Party Administrator Information
Contact Person: (Name & Title)	James A. Robb, Acting Benefits Director	Mischelle Lindsay, Account Executive	
Company Name:	City of Wilmington	USI	
Street Address:	800 N. French Street	222 DE Avenue, #1000	
City/State/Zip Code:	Wilmington, DE 19801	Wilmington, DE 19801	
Phone Number:	(302) 576-2470	(302) 397-0181	
Fax Number:	(302) 573-5656	(302) 571-1876	

Management Reporting: Party to receive Management Reports? ☒ PPS ☐ Client ☒ Producer - Person's Name: Mischelle Lindsay

Percentage of Rebates to be retained by PPS: 0 %

Payor: The party that will be responsible for payments to ESI under the Prescription Drug Program will be: ☒ Client ☐ Payor
If no party is selected, Client shall be deemed "Payor" by default

Provide Payor Name:

Payor shall pay all Fees as outlined in the Agreement, depending on the form of payment selected below:

- ☐ Payor wire transfer to a bank account designated by ESI within 2 business days for Claims Reimbursements and 15 calendar days for Administrative Fees, of receipt of ESI's bill (First Chicago NBD, A Bank One Company, One First National Plaza, Chicago, IL 60670-0196, Bank ABA#071000013, Account Name: Express Scripts, Inc., Account No. 10-16856).
- ☐ Payor ACH transfer based on its written authorization, initiated by ESI within 2 business days for Claims Reimbursements and 15 calendar days for Administrative Fees, of receipt of ESI's bill.

Do you want Member names to appear on Billing Statement? ☒ Yes ☐ No

Pricing Option to be implemented? ☒ Open ☐ Managed

Pricing Network to be implemented? ☐ ESI National Network ☒ ESI National Plus Network

Included Producer Commissions? ☒ No;

- ☐ Yes, on Per Member per Month basis in the Amount of : \$ _____ PMPM, OR
☐ Yes, on Per Employee per Month basis in the Amount of : \$ _____ PEPM, OR
☐ Yes, on Per Rx in the Amount of : \$ _____ per Rx,

ESI and PPS have entered into that certain Prescription Drug Program Agreement ("PBM Agreement"), which sets forth certain terms and conditions associated with ESI's, either directly or through its subsidiaries or affiliates, provision of pharmacy benefit management services (which, under this Client Agreement shall be exclusive for all of Client's self-funded welfare benefit plans that offer a prescription benefit, including, but not limited to, pharmacy network contracting; pharmacy claims processing; mail and specialty drug pharmacy; cost containment, clinical, safety, adherence and other like programs; and formulary and rebate administration ("PBM Services"). A summary of various pricing components, including ingredient cost guarantees, dispensing fee guarantees, Rebate guarantees, and Administrative Service Fees is attached to this Client Agreement as Attachment 2 to Client Agreement. The PBM Agreement is incorporated herein for all purposes. To the extent not defined herein, capitalized terms shall have the meaning ascribed to them in the PBM Agreement.

1. Plan Design; Commencement of Services. Client

agrees that the PBM Services should be provided in accordance with the PBM Agreement, this Client Agreement, and the specific benefit design reflected on the ESI Set-Up Forms adopted by Client (if ESI assists Client with completion of the Set-Up Forms, it will send Client the completed Set-Up Forms for review and Client agrees that such documentation will constitute the governing Set-Up Forms for Client unless Client notifies ESI in writing within thirty days of receipt of the completed documentation of any discrepancies therein, in which case the parties shall work together in an expeditious manner to correct such discrepancies and issue a revised Set-Up Forms). If Client already has on file with ESI any Set-Up Forms or similar set-up documentation as of the date Client executes this Client Agreement, Client adopts and directs ESI to use such Set-Up Forms until ESI is otherwise directed in writing by Client.

2. Eligibility of Members. Client shall provide ESI with an initial Eligibility File under a mutually agreeable time frame prior to the effective date of Client's Prescription Drug Program, and updates thereto shall be provided to ESI on a mutually determined basis. All Eligibility Files shall be submitted on-line, or on tape or disk in a format that is acceptable to ESI. Eligibility performed manually by ESI for Client, or material changes to the Eligibility File processes requested by Client during the term may be subject to additional charges as set forth in Exhibit B of the PBM Agreement. Client will be responsible for all Prescription Claims during the period of the Member's eligibility as indicated on the Eligibility File including for retroactively termed Members, except in the event of ESI's negligence.

3. Pharmacy Network.

(a) Mail Service Pharmacy. Members may have prescriptions filled through the Mail Service Pharmacy. Subject to applicable law and unless Client requests otherwise, ESI may communicate with Members regarding benefit design, cost savings, availability and use of the Mail Service Pharmacy, as well as provide supporting services. ESI may suspend Mail Service Pharmacy services to a Member who is in default of any Copayment amount due ESI. Client will be responsible for any unpaid Member Copayment amounts if payment has not been received from the Member within one hundred twenty (120) days following dispensing. Client will be billed following the one hundred twenty (120) day collection period, with payment due in accordance with the payment terms set forth in Section 8 of this Agreement.

(b) Specialty Products and ASES. As elected by Client on the Set-Up Forms, Members may have prescriptions filled through ESI Specialty Pharmacy on an exclusive basis (i.e., "ESI Specialty Pharmacy - Exclusive Care") or at Participating Pharmacies and through ESI Specialty Pharmacy (i.e., "ESI Specialty Pharmacy - Open Care"). Subject to applicable law and unless Client requests otherwise, ESI and ESI Specialty Pharmacy may communicate with Members and physicians to advise Members filling Specialty Products at Participating Pharmacies of the availability of filling prescriptions through ESI Specialty Pharmacy. Specialty Products will be excluded from any non-Specialty price guarantees set forth in the PBM Agreement. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing specified in the PBM Agreement apply to Specialty Products.

(i) ESI will notify Client of all new Specialty Products that are introduced to the market on or after the Effective Date of this Agreement with their applicable reimbursement rates, but not more frequently than monthly ("Notice"). The parties agree as follows:

(A) If Client has expressly excluded a specific therapy class or product on a Set-Up Form, Specialty Products in such excluded classes will automatically be deemed excluded from coverage and will reject as "NDC Not Covered" through Participating Pharmacies, Mail Service Pharmacy and ESI Specialty Pharmacy; otherwise, subject to (B) below, all other Specialty Products will be implemented as Covered Drugs at the rate specified in the applicable Specialty Product list or Notice. If Client desires to cover otherwise excluded Specialty Products, Client must notify ESI in writing that it desires to cover the Specialty Product before ESI will adjudicate as a Covered Drug, and if ESI receives such confirmation of coverage from Client such Specialty Product will be loaded thereafter as a Covered Drug at the applicable reimbursement rate set forth in the Notice.

(B) Client must notify ESI in writing if it wants to exclude the Specialty Product from coverage. The exclusion will be implemented within seven (7) business days after the date of ESI's receipt of such notification. There will not be any retroactive denials for Prescription Claims processed prior to ESI's receipt of the rejection notice and implementation of the exclusion as

provided above and Client will be responsible for the payment of such Prescription Claims processed prior to the rejection of coverage.

(ii) For Specialty Products filled through ESI Specialty Pharmacy only, Members may receive the following services from ESI Specialty Pharmacy, depending on the particular therapy class or disease state: ASES; patient intake services; pharmacy dispensing services and/or social services (patient advocacy, hardship reimbursement support, and indigent and patient assistance programs).

(iii) Subject to Client's prior authorization requirements, if applicable, at the rates set forth in Exhibit B, ESI will provide or coordinate ASES for Members through ESI Specialty Pharmacy or through other specialty pharmacies or other independent third party providers of ASES when ASES is required. If ESI or ESI Specialty Pharmacy engages a third party provider of ASES, ESI or ESI Specialty Pharmacy shall contractually obligate such third party provider of ASES to comply with all applicable laws, including, without limitation, all applicable laws relating to professional licensure. ESI does not direct or exercise any control over any third party provider of ASES in administering Specialty Products or otherwise providing ASES.

(iv) If Client elects the ESI Specialty Pharmacy - Open Care option, then any ancillary supplies, equipment, and services provided or coordinated in connection with the dispensing of Specialty Products at Participating Pharmacies (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be billed to Payor at the cost charged to ESI for such ancillary supplies, equipment, and services provided or coordinated, unless such ancillary supplies, equipment, and services provided or coordinated are included in the ingredient cost of the Specialty Product.

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

(i) ESI will require each Participating Pharmacy to meet ESI's network participation requirements, including but not limited to licensure, insurance and provider agreement requirements. ESI also performs audits (i.e., electronic or on-site) of Participating Pharmacies to determine compliance with their provider agreement billing requirements. ESI will attempt recovery of identified overpayments through offset, demand or other reasonable means; provided that ESI will not be required to institute litigation. Recovered overpayments are credited to Payor. To compensate ESI for the cost of conducting audits and audit-related services, ESI charges a standard fee in the amount set forth in Exhibit B upon recovery of overpayments. Copies of participation requirements and auditing processes are available upon request.

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

4. Claims Processing.

(a) Claims Processing.

(i) ESI will perform claims processing services for Covered Drugs dispensed by Participating Pharmacies, Mail Service and ESI Specialty Pharmacy.

(ii) In connection with each prescription submitted for processing on-line by a Participating Pharmacy, ESI will perform standard drug utilization review ("DUR") in order to assist the dispensing pharmacist and prescribing physician in identifying potential drug interactions, incorrect prescriptions or dosages, and certain other circumstances that may be indicative of inappropriate prescription drug usage. ESI's DUR processes are not intended to substitute for the professional judgment of the prescriber, the dispensing pharmacist or any other health care professional providing services to the Member.

(iii) If elected by Client, ESI will process Member Submitted Claims in accordance with the rules in the Set-Up Forms and ESI's standard procedures.

(iv) If authorized by Client on the Set-Up Forms, ESI will process Subrogation Claims in accordance with applicable federal and state laws, in which case Payor will pay such Subrogation Claims in accordance with Article IV of the PBM Agreement, Section 8 of this Client Agreement and Exhibit B. If Client does not authorize ESI to process Subrogation Claims, ESI will reject the claim and refer claimants to Client regarding such claims, in accordance with applicable federal and state laws. ESI is not legally responsible to pay Subrogation Claims to the extent Payor is not timely paying ESI with respect to such Subrogation Claims.

(v) Client will have the final responsibility for all decisions with respect to coverage of a Prescription Claim and the benefits allowable under the Plan, including determining whether any rejected or disputed claim will be allowed.

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

(c) Claims for Benefits. ESI will process initial "claims for benefits" for Member Submitted Claims and PA requests consistent with the ERISA claims rules set forth in 29 CFR Part 2560 (or applicable state law if a non-ERISA plan) ("Claims Rules"). Client may elect to have ESI perform appeals services in connection with denied "claims for benefits" for the fees set forth in Exhibit B, or facilitate such services through Client or a third party of Client's choice. If Client elects to conduct its own appeals or facilitate through a third party of Client's choice, ESI will route Member appeals to Client or other Client designated entity. If Client elects to have ESI perform appeals services, Client agrees that ESI may perform such services through the UM Company. Through its contract with ESI, the UM Company has agreed to be, and will serve as, the named fiduciary for its performance of such appeals. ESI also agrees to accept fiduciary status solely with respect to its performance of any appeal.

(d) UM Company. In the event ESI performs appeals services, or facilitates the performance of appeals services through the UM Company, ESI or the UM Company, as applicable, will be responsible for conducting the appeal on behalf of Client in accordance with the Claims Rules. ESI represents to Client that UM Company has contractually agreed that: (A) UM Company will conduct appeals in accordance with the Claims Rules and Client's plan, (B) Client is a third party beneficiary of UM Company's agreement with ESI (a copy of which is available upon request) and the remedies set forth therein, and (C) UM Company will indemnify Client for third party claims caused by the UM Company's negligence or willful misconduct in providing the appeal services.

(e) External Review Services.

(i) ESI will not conduct any external review services (as defined in the Patient Protection and Affordable Care Act of 2010 and its implementing regulations ("PPACA")); provided, however, Client may elect to have UM Company facilitate the provision of external review services through UM Company contracted IROs (as such term is defined

in PPACA), for the fees set forth on Exhibit B below (if applicable). Client must execute a standard ESI "External Appeals Services" Set-Up Form, which may be requested through ESI Account Management, in order to receive such services from UM Company.

(ii) In the event that Client elects to utilize UM Company to facilitate the provision of external review services through UM Company contracted IROs, UM Company will be responsible for facilitating all such appeals (and the IROs will be responsible for providing all such appeals) in accordance with PPACA and all other applicable federal and state laws, and Client hereby acknowledges and agrees that:

(A) UM Company (with respect to facilitating the external reviews) and the IROs (with respect to performing the external reviews), and not ESI, will be providing external review services; UM Company is an independent contractor of ESI; the IROs are independent contractors of UM Company and not ESI; and ESI does not in any way control or direct either UM Company or the IROs with respect to facilitation or performance of external review services provided by each respectively.

(B) ESI represents to Client that UM Company has contractually agreed that: (1) UM Company will facilitate all external review services in accordance with PPACA and all other applicable federal and state laws; (2) UM Company will contractually require its contracted IROs to perform all external reviews in accordance with PPACA and all other applicable federal and state laws; (3) to the extent not prohibited by law, UM Company will indemnify, defend and hold Client harmless from and against any and all losses, damages, injuries, causes of action, claims, demands and expenses (including reasonable attorney's fees, costs and expenses), arising out of, resulting from, or related to any act, omission or default by the IROs in their performance of the external reviews; and (4) Client has third party beneficiary rights to enforce the preceding indemnification and hold harmless provision.

5. Formulary Adherence and Clinical Programs. Provided Client's prior written approval, ESI may provide clinical, safety, adherence and other like programs as appropriate. The Clinical Addendum described in Exhibit B-2 sets forth certain available adherence, clinical, safety and/or trend programs that require additional fees hereunder.

6. Rebates. PPS may not retain Rebates.

7. Medicare (QRDP) Services. If Client establishes a qualified retiree prescription drug plan ("QRDP") under Medicare for the purpose of applying for subsidy payments as defined under 42 CFR §423.886 it may request ESI to provide the supporting services to such QRDP under the terms and conditions of such services by executing ESI's standard subsidy election form and agreeing to the fees set forth in Exhibit B of the PBM Agreement.

8. Billing and Payments.

(a) Payor shall be responsible to ESI for timely payment of all Fees under one of the payment methods selected on the first page of this Client Agreement. ESI will bill Payor bi-weekly for all applicable claims reimbursement amounts ("Claims Reimbursements") and every four (4) weeks for other administrative fees ("Administrative Fees") pursuant to the terms specified in the PBM Agreement relating to the program selected by Client (as communicated to ESI by Client or PPS) ("Claims Reimbursements," "Administrative Fees" and any other charge or fee that is the responsibility of Payor as may be described elsewhere in the PBM Agreement or this Client Agreement are hereinafter referred to collectively as "Fees").

(b) Payor shall pay all Fees within the time period depending on the form of payment as outlined on the first page of this Client Agreement.

(c) Any Fees not paid by Payor on the due date set forth above shall bear interest at the rate of 1.5% per month or, if lower, the highest interest rate permitted by law, and the Payor shall be liable for payment of the interest to ESI. The Payor shall promptly reimburse ESI for all collection costs and expenses incurred by ESI, including but not limited to attorneys' fees, in connection with attempting to recover overdue Fee payments.

(d) In the event Payor is delinquent in payment of Fees for two consecutive billing cycles, or ESI has reasonable grounds (as determined in good faith) for insecurity as to the ability of Client to meet its financial commitments hereunder, ESI shall have the option to require that Payor provide ESI with a deposit in an amount equal to the average monthly invoice amount for the previous three (3) months, or if there is less than three (3) months billing history, then such deposit shall be based on the average monthly invoice of the actual billing history.

ESI shall retain the deposit until the earlier of: (i) termination of the Client Agreement (following any run-off period), or (ii) six consecutive months of timely payments of all Fees following submission of the deposit, and may apply the deposit to unpaid balances of Fees until return of the deposit. Upon 48 hours written notice to Client and PPS, ESI (and its wholly owned subsidiaries) shall be entitled to immediately suspend performance under this Client Agreement if Payor fails to pay ESI in accordance with the terms of this Client Agreement or fails to promptly provide a deposit required by this Section (or such deposit becomes insufficient to cover delinquent Fees and the responsible party does not promptly replenish such deposit upon notice).

(e) Client shall be responsible for and Payor shall pay ESI in accordance with this Agreement for all claims for Covered Drugs dispensed and services provided to Clients and Members on or before the effective date of termination ("Termination Date"). Claims submitted by Participating Pharmacies or Member Submitted Claims filed with ESI after the Termination Date shall be processed and adjudicated in accordance with a mutually determined run-off plan. Upon termination of this Agreement, ESI agrees to remit to PPS (or Client, if applicable) after the Termination Date all outstanding Rebate amounts earned and collected as a result of prescriptions utilized by Members on or before the Termination Date. Rebates will be paid to the PPS (or Client, if applicable) under the regularly established payment process outlined in Exhibit B of the PBM Agreement. Notwithstanding the preceding, ESI may (i) delay payment of any final Rebates or other amounts due PPS (or Client, if applicable), if any, to allow for final reconciliation of any outstanding amounts owed by PPS or Client to ESI, or (ii) request that Client pay a reasonable deposit in the event ESI is requested to process after the Termination Date claims incurred on or prior to such date. Upon request of Client, ESI shall provide at no cost open refill files and standard claims data for transition to the successor pharmacy vendor in accordance with current industry protocol. Notwithstanding anything in this Agreement to the contrary, ESI shall not be obligated to provide post-transition services following the transition to the successor pharmacy benefit manager and conclusion of the run-off period, including, but not limited to, the provision of continued data reporting, reporting, consultation, or analysis.

9. Use of Records; HIPAA and Business Associate Agreement Terms. Subject to applicable law, ESI may communicate with Members regarding benefit design cost savings, availability, use of the Mail Service and ESI Specialty Pharmacies, and related items as necessary to conduct applicable clinical and/or trend programs. ESI or its affiliates may use and disclose both during and after the term of this Agreement the anonymized claims data (de-identified in accordance with HIPAA) including drug and related medical data collected by ESI or provided to ESI by Client or PPS for research; provider profiling; benchmarking, drug trend, and cost and other internal analyses and comparisons; clinical, safety and/or trend programs; ASERs; or other business purposes of ESI or its affiliates, in all cases subject to applicable law. ESI agrees to comply with the business associate provisions of HIPAA, and the Business Associate Agreement attached hereto as Attachment 3 to Client Agreement, the terms and conditions of which are incorporated herein by reference. Notwithstanding the foregoing, the parties acknowledge that in providing services to Members, ESI Specialty Pharmacy and the Mail Service Pharmacy are acting as separate health care provider covered entities under HIPAA and not as business associates to the Plan covered by the Business Associate Agreement. In providing services, ESI Specialty Pharmacy and the Mail Services Pharmacy shall abide by all HIPAA requirements applicable to covered entities and shall safeguard, use and disclose Member PHI accordingly.

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

PPS has audited the prescription drug program on behalf of its clients, Client may not audit ESI for the same time frame or claims.

11. Compliance with Law; Change in Law.

(a) Each party shall be responsible for ensuring its compliance with any laws and regulations applicable to its business, including maintaining any necessary licenses and permits. Payor shall be responsible for any governmental or regulatory charges and taxes imposed upon or related to the services provided under the PBM Agreement or this Client Agreement. If there is a new or change in federal, state or local law, court decisions, or regulations or the interpretation thereof, or any government, judicial or legal action that, among other things, materially burdens ESI, requires ESI to increase payments or shorten payment times for Covered Drugs to Participating Pharmacies, or materially changes the scope of services hereunder (a "Change in Law"), then there may be an appropriate modification of the services, reimbursement rates, Administrative Fees and/or Rebates hereunder. If the parties cannot agree on an adjusted fee, then either party may terminate this Client Agreement upon thirty (30) days prior written notice to the non-terminating party.

(b) Client shall be responsible for disclosing, or shall direct PPS to disclose, to Members any and all information relating to the Prescription Drug Program to the extent required by law. It shall be Client's obligation to communicate the terms of the Prescription Drug Program to Members and to provide Members with any documents required under ERISA (e.g., SPD) or other applicable law. Client agrees that, except for the limited purpose set forth in Section 4, ESI is not a fiduciary and Client will not name ESI or any of ESI's wholly-owned subsidiaries or affiliates as a fiduciary (as defined under ERISA or state law) of its plan. Client agrees that neither ESI nor any of ESI's wholly-owned subsidiaries or affiliates have any power to make any decisions as to plan policy, interpretations, practices or procedures, but rather provides administrative services within a framework of policies, guidelines, rules, practices and procedures chosen by Client or PPS. Neither ESI nor any of ESI's wholly-owned subsidiaries or affiliates have discretionary authority or control respecting management of Client's plan except as set forth in Section 4 and do not exercise any authority or control respecting the management or disposition of the assets of Client's plan, if any exist.

12. Third Party Fees. As authorized by Client for services rendered to Client by PPS or Producer, ESI will facilitate the payment of Third Party Fees as follows:

Third Party Program Management ("TPPM") Fees to PPS: Client hereby directs and authorizes ESI to facilitate the payment of monthly TPPM fees in the amount of 1% of Total AWP (excluding any Medicare Part D EGWP utilization) plus a one-time data analytics fee of \$12.00 per Member implemented on Client's Effective Date.

Commissions to Producer: As indicated on page 1 of this Client Agreement, Client hereby directs and authorizes ESI to facilitate the payment of monthly commissions in the amount indicated on page 1. Client understands that ESI will invoice a separate Administrative Fee in an amount equal to the Commissions to Producer (PMPM or per Rx) as set forth on Page 1 of this Client Agreement.

ESI agrees to facilitate the foregoing fees and commissions on behalf of Client subject to the following: (a) Client has executed this Client Agreement, and Client is current in its payment obligations to ESI. ESI understands that Client may direct ESI to cease paying fees and commissions, and Client shall hold ESI harmless with respect to any dispute between Client and PPS regarding the commissions if ESI has paid such fees and commission in accordance with the terms above; (b) Client hereby confirms that the above fees and commissions are fair and reasonable, commensurate with other standard fees and commissions in the industry and not in violation of any law or regulation; and (c) ESI agrees, in event Client so directs ESI to cease facilitating the payment of such commissions to PPS, that ESI will require Client to execute a new Client Agreement between ESI and Client. Such new agreement will contain different terms, conditions and pricing than those in the then-current Client Agreement. Such terms, conditions and pricing will reflect the purchasing power of the individual Client in the open market and not of PPS's aggregate leverage.

Client represents that the commissions represent fair and reasonable compensation for actual services rendered or to be rendered to Client. Commissions shall be paid from ESI's general assets and client agrees that commissions do not constitute "plan assets" of the Client. If the commission amount changes following an amendment of Exhibit B of the PBM Agreement, PPS and Client agree that PPS shall notify Client of such change in writing without the need to amend this Client

agreement, and that unless client objects to the change, ESI may rely on PPS's confirmation of notice as Client approval. Commissions for any QR-PDP (Part D subsidy) Prescription Claims shall be a PMPM amount. To the extent additional commission information necessary for Client to satisfy its duties under ERISA or other applicable law cannot be obtained by client from PPS, ESI will provide such information to Client upon written request.

ESI will provide up to \$5.00 per Member implemented as of the Effective Date ("PMF"), to reimburse Client the actual, fair market value of: (i) expense items and services related to transitioning, administering, and implementing the pharmacy benefit initially and throughout the term, such as, custom ID Cards, IT programming, custom formulary letters, member communications, and benefit set-up quality assurance; and/or (ii) mutually agreed upon expense items and services related to implementation of additional clinical or other similar programs provided by ESI throughout the Term; in either case subject to submission of adequate documentation to support reimbursement within 180 days of incurring the applicable expense. Both Client and ESI (upon agreement from Client) may use the PMF to cover the fair market value of expenses for projects requiring joint resources. All reimbursement under the PMF is subject to ESI's standard PMF business practices for all clients.

Client represents and warrants that: (i) it will only request reimbursement under the PMF for its actual expenses incurred in transitioning, administering, and implementing the pharmacy benefit managed by ESI hereunder, and/or the additional clinical or other similar program provided by ESI throughout the Term; (ii) that the applicable service, item or program was actually performed or provided; (iii) the amount of the reimbursement is equal to or less than the reasonable fair market value of the actual expenses incurred by Client; (iv) it will notify and disclose the amount and the terms of any PMF reimbursements to Members and other third parties to the extent required by applicable laws and regulations. In addition, if the Client and the Plan are subject to ERISA, Client represents and warrants that it will only request reimbursement under the PMF for items or services for which Client, in the absence of the PMF, would be allowed reimbursement from the Plan (i.e., not "settlor functions").

Client shall comply with all applicable federal and state requirements, including, but not limited to, all applicable federal and state reporting requirements with respect to any expense, item or service reimbursed under this Section 12. ESI reserves the right to periodically audit the books and records of Client on-site, during normal business hours and after giving reasonable advance notice, for the purposes of verifying Client's compliance with the PMF requirements set forth in this Client Agreement.

ESI intends to amortize the PMF over the Initial Term of the Client Agreement on a straight-line basis. In the event of a termination of this Client Agreement for any reason other than ESI's uncured material breach prior to the expiration of the Initial Term, Client will reimburse ESI an amount equal to any paid but unamortized portion of the PMF. Reimbursement to ESI by Client pursuant to this Section will not be in lieu of any other rights or remedies ESI may have in connection with the termination of this Client Agreement, including monetary or other damages. PMF reimbursements shall not be paid prior to the Effective Date of this Client Agreement and are not payable until this Client Agreement is executed. Client will have no right to interest on, or the time value of, any PMF, and unused funds shall be retained by ESI.

Third Party Fees, Commissions, PMF and Rebates are not payable until this Client Agreement is executed.

13. Disclosure of Certain Financial Matters. In addition to the Administrative Fees paid to ESI by Client, ESI and ESI's wholly-owned subsidiaries or affiliates derive revenue in one or more of the ways described in the ESI Financial Disclosure to PBM Clients set forth in Attachment 1 hereto ("Financial Disclosure"), as updated by ESI from time to time. Unlike the Administrative Fees, the revenues described in the Financial Disclosure are not direct or indirect compensation to ESI from Client for services rendered to Client or the Plan under this Client Agreement. In negotiating any of the fees and revenues described in the Financial Disclosure or in this Agreement, ESI and ESI's wholly-owned subsidiaries and affiliates act on their own behalf, and not for the benefit of or as agents for PPS, Client, Members or the Plan. ESI and ESI's wholly-owned subsidiaries and affiliates retain all proprietary rights and beneficial interest in such fees and revenues described in the Financial Disclosure and, accordingly, Client acknowledges that neither it, nor the PPS,

nor any Member, nor the Plan, has a right to receive, or possesses any beneficial interest in, any such fees or revenues.

14. Term; Termination. (a) The initial term of this Client Agreement shall commence on the Effective Date and shall continue for the duration of the initial term as specified on the first page of this Client Agreement (the "Initial Term"). Thereafter, this Client Agreement shall automatically renew for successive 12 month renewal terms unless either ESI or Client gives notice to the other of its intention not to renew this Client Agreement at least ninety (90) days prior to the end of the then current term of this Client Agreement, with such termination of this Client Agreement upon notice effective the last day of such then current term. Notwithstanding the foregoing, a party hereto may terminate this Client Agreement at any time in the event the other party materially breaches this Client Agreement and the breaching party does not reasonably cure such breach within thirty days following receipt of written notice from the non-breaching party sufficiently describing and evidencing the actual breach and the non-breaching party's intention to terminate as a result thereof. A party's right to terminate this Client Agreement shall not be exclusive of any other remedy available to the terminating party under this Client Agreement or otherwise. ESI shall have the right to immediately terminate PBM Services to Client (or, if applicable, Members) located in a state requiring a pharmacy benefit manager to be a fiduciary to PPS, Client, a Member or other third party relating to this Agreement.

(b) Following the initial twelve (12) months of this Agreement (but not before), either party may terminate this Agreement for any reason or for no reason upon ninety (90) days prior written notice of such termination to the other party.

15. Force Majeure. Neither party shall lose any rights under this Agreement or be liable in any manner for any delay to perform its obligations under this Client Agreement that are beyond a party's reasonable control, including, without limitation, any delay or failure due to labor disputes, riots, earthquakes, storms, floods or other extreme weather conditions, fires, explosions, acts of terrorism, epidemics, embargoes, war or other outbreak of hostilities, government acts or regulations, the failure or inability of carriers, suppliers, delivery services, or telecommunications providers to provide services necessary to enable a party to perform its obligations hereunder, or any other reason where failure to perform is beyond the party's reasonable control, and is not caused by the negligence, intentional conduct or misconduct of the defaulting party; provided, however, that this clause may not be invoked to excuse a party's payment obligations hereunder.

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

Express Scripts, Inc.
Attn: President
One Express Way
St. Louis, MO 63121
With copy to Legal Department
Fax No. (800) 417-8163

Client
Attn: Charlotte B. Barnes
City of Wilmington, Dept. of Human Resources
Louis L. Redding City/County Building
800 N. French Street, 4th Floor
Wilmington, DE 19801

17. Assignment and Subcontracting. Client may assign this Agreement upon first obtaining ESI's written consent, which consent will not be unreasonably withheld following a standard credit review of the proposed assignee. Client acknowledges and agrees that ESI may perform certain services hereunder (e.g., mail service pharmacy and specialty pharmacy services) through one or more ESI subsidiaries, affiliates or designees. ESI is responsible and liable for the performance of its subsidiaries and affiliates in the course of their performance of any such service. To the extent that ESI subcontracts any PBM Service under this Agreement to a third party, ESI is responsible and liable for the performance of any such third party. In addition, ESI may contract with third party vendors to provide information technology support services and other ancillary services, which services are not PBM Services hereunder, but rather are services that support ESI's conduct of its business operations. This Agreement will be binding upon, and inure to the benefit of and be enforceable by, the respective successors and permitted assigns of the parties hereto.

18. Proprietary Information. Information of the other party, including, but not limited to, the following, shall constitute confidential and proprietary information ("Proprietary Information") unless otherwise public: (a) with respect to ESI: ESI's reporting and other web-based applications, eligibility and adjudication systems, system formats and databanks (collectively, "ESI's Systems"), clinical or formulary management operations or programs, fraud, waste and abuse tools and programs, anonymized claims data (de-identified in accordance with HIPAA): ESI Specialty Pharmacy and Mail Service Pharmacy data; information concerning Rebates, prescription drug evaluation criteria, drug pricing information, and Participating Pharmacy agreements; and (b) with respect to Client: Participating Pharmacy Client and Member identifiable health information and data, Eligibility Files, Set-Up Form information, business operations and strategies, are confidential and proprietary. Neither party shall use a party's Proprietary Information, or disclose it or this Client Agreement to any third party, at any time during or after termination of this Client Agreement, except as specifically contemplated by this Client Agreement, upon prior written consent or as otherwise required by law. Upon termination of this Client Agreement, each party shall cease using the other's Proprietary Information, and all such information shall be returned or destroyed at the owner's direction.

Notwithstanding the foregoing, ESI acknowledges that the Client has the right to use their information, which includes but not limited to: Member ID, NDC, Drug Name, Days Supply, Units Dispensed, Ingredient Cost, U&C Price, Dispensing Fee, Member Copayment, Net Cost, Fill Date, Pharmacy Type, Pharmacy ID (NABP, NCPDP, and NPI), DAW Code, Specialty Indicator, and Formulary Indicator.

19. Indemnification. Each party agrees to indemnify and hold the other party, and its officers, directors, and employees, harmless from and against any and all third party claims, actions, demands, liabilities, losses, damages, judgments, costs or expenses (including reasonable attorneys' fees) incurred by the indemnified party and arising from any negligent act, negligent omission, or breach of this Agreement by the indemnifying party. Indemnification is conditioned upon the indemnified party notifying the indemnifying party in writing promptly upon learning of any claim for which indemnification may be sought hereunder, and offering of the defense of such claim to the indemnifying party. Neither party will be obligated to indemnify the other party with respect to any claim settled without the mutual written consent of both parties hereto, which consent will not be unreasonably withheld.

20. Independent Parties. No provision of this Client Agreement is intended to create or shall be construed to create any relationship between ESI

and Client other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Client Agreement. Neither party, nor any of their respective representatives, shall be construed to be the partner, agent, fiduciary, employee, or representative of the other and neither party shall have the right to make any representations concerning the duties, obligations or services of the other except as consistent with the express terms of this Client Agreement or as otherwise authorized in writing by the party about which such representation is asserted.

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

22. Miscellaneous. ESI may amend the Terms and Conditions (the "T&C") of this Client Agreement at any time upon written notice to Client (the "Notice"). If, however, Client objects to such amendment, Client shall have the right to object to such amendment by submitting a written objection within thirty (30) days of Client's receipt of ESI's Notice. In such event, the parties agree to negotiate in good faith a mutually acceptable amendment to the T&C and, if the parties cannot agree on such an amendment, then either party may terminate this Client Agreement upon sixty (60) days prior written notice to the other party. This Client Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware. This Client Agreement supersedes any agreements between the parties hereto. **Sections 2, 7 (last sentence), 8, 9, 11, 15, 17, 16, 18, 19, 20 and 22 of this Client Agreement shall survive termination for any reason.**

23. Severability. Should any provision of this Agreement be found to be illegal or against public policy or otherwise not enforceable, the remaining provisions shall survive notwithstanding as if standing alone.

THE UNDERSIGNED AGREE THAT THIS CLIENT AGREEMENT ACCURATELY DESCRIBES THE PRESCRIPTION DRUG PROGRAM TO BE PROVIDED TO CLIENT. CLIENT FURTHER EXPRESSLY AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THIS CLIENT AGREEMENT AND THE PBM AGREEMENT. CLIENT SHALL RECEIVE A COPY OF THE PBM AGREEMENT BETWEEN PPS AND ESI UPON REQUEST.

NAME OF CLIENT (PRINT): City of Wilmington Date: _____

By: _____ Name: _____ Title: _____
SIGNATURE (PRINT NAME)

EXPRESS SCRIPTS, INC.

By: _____ Name: _____ Title: _____
SIGNATURE (PRINTED NAME)

IMPLEMENTATION OF THE PRESCRIPTION DRUG PROGRAM DETAILED HEREIN INCLUDING PAYMENT OF REBATES AND/OR COMMISSIONS, IF ANY, SHALL NOT BE INITIATED UNTIL THIS CLIENT AGREEMENT IS EXECUTED BY CLIENT AND ESI

ATTACHMENT 1 TO CLIENT AGREEMENT

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.

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. Associated with 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 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 retains the financial benefit of the use of any funds held until payment of formulary rebate amounts is made to the client. 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 services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, medical benefit management services, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees.

Copies of ESI's standard formularies may be reviewed at 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/.

ESI Subsidiary Pharmacies – ESI has several licensed pharmacy subsidiaries, including our specialty pharmacies. These entities may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers and wholesale distributors. These subsidiary pharmacies contract for these arrangements on their own account in support of their various pharmacy operations. Many of these subsidiary arrangements relate to services provided outside of PBM arrangements, and may be entered into irrespective of whether the particular drug is on one of ESI's national formularies. Discounts and fee-for-service payments received by ESI's subsidiary pharmacies are not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. 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 or wholesalers in conjunction with various programs or services, including, for example, patient assistance programs for indigent patients, dispensing prescription medications to patients enrolled in clinical trials, various therapy adherence and fertility programs, administering FDA compliance requirements related to the drug, product reimbursement support services, and various other clinical or pharmacy programs or services. As a condition to having access to certain products, and sometimes related to certain therapy adherence criteria or FDA requirements, a pharmaceutical manufacturer may require a pharmacy to report selected information to the manufacturer regarding the pharmacy's service levels and other dispensing-related data with respect to patients who receive that manufacturer's product. A portion of the discounts or other fee-for-service payments made available to our pharmacies may represent compensation for such reporting.

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business, 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.

December 1, 2014

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/.

ATTACHMENT 2 TO CLIENT AGREEMENT

Open Channel Discount Guarantees:

Open Channel Pricing – National Network

Type of Guarantee	Participating Pharmacy 1- 83- Days' Supply	Participating Pharmacy 84-90 Days' Supply ⁽¹⁾	Mail Service Pharmacy	Claims Excluded
Generic Claims	AWP – 77.00%		AWP – 81.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)
Brand Claims	AWP – 17.65%	AWP – 21.15%	AWP – 25.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)

Open Channel Pricing – National Plus Network

Type of Guarantee	Participating Pharmacy 1- 83- Days' Supply	Participating Pharmacy 84-90 Days' Supply ⁽¹⁾	Mail Service Pharmacy	Claims Excluded
Generic Claims	AWP – 77.00%		AWP – 81.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)
Brand Claims	AWP – 17.25%	AWP – 20.75%	AWP – 25.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)

⁽¹⁾ Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 – 90 Days' Supply column in the table set forth above is applicable only if Sponsor implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill 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). If no such plan design is implemented, the pricing for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and pricing for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Managed Channel Discount Guarantees: Requires Exclusive Home Delivery and ESI Specialty Pharmacy Exclusive

Managed Channel Pricing – National Network:

Type of Guarantee	Participating Pharmacy 1- 83- Days' Supply	Participating Pharmacy 84-90 Days' Supply ⁽¹⁾	Mail Service Pharmacy	Claims Excluded
Generic Claims	AWP – 77.00%		AWP – 82.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)

Brand Claims	AWP – 17.65%	AWP – 21.15%	Year 1: AWP – 25.00% Year 2: AWP – 25.50% Year 3: AWP – 25.75%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)
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Managed Channel Pricing – National Plus Network:

Type of Guarantee	Participating Pharmacy 1- 83- Days' Supply	Participating Pharmacy 84-90 Days' Supply ⁽¹⁾	Mail Service Pharmacy	Claims Excluded
Generic Claims	AWP – 77.00%		AWP – 82.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)
Brand Claims	AWP – 17.25%	AWP – 20.75%	Year 1: AWP – 25.00% Year 2: AWP – 25.50% Year 3: AWP – 25.75%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)

⁽¹⁾ Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 – 90 Days' Supply column in the table set forth above is applicable only if Sponsor implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill 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). If no such plan design is implemented, the pricing for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and pricing for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Open and Managed Channel Dispensing Fee Guarantees

Open Channel Pricing and Managed Channel Pricing:						
Type of Guarantee	Participating Pharmacy ESI National Network		Participating Pharmacy ESI National Plus Network		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply ⁽¹⁾	1-83 Days' Supply	84-90 Days' Supply ⁽¹⁾		
Generic Claims Dispensing Fee/Claim*	\$0.55	\$0.25	\$0.90	\$0.60	\$0.00	OTC, compounds, Specialty Products, and biosimilar products
Brand Claims Dispensing Fee/Claim*	\$0.55	\$0.25	\$0.90	\$0.60	\$0.00	OTC, compounds, Specialty Products, and biosimilar products
Specialty Products	\$0.55		\$0.90		\$0.00	OTC, compounds, and biosimilar products

⁽¹⁾ Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 – 90 Days' Supply column in the table set forth above is applicable only if Sponsor implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill 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). If no such plan design is implemented, the pricing for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and pricing for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and pricing for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Specialty Net Effective Discount Guarantee

Type of Pricing Guarantee	ESI Specialty Pharmacy – Exclusive Care	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	AWP – 15.00%	All Specialty Product Claims not dispensed through ESI Specialty Pharmacy and limited distribution Specialty Products dispensed through ESI Specialty Pharmacy

Rebate Guarantees – (ESI will pay an amount equal to the greater of 85% of Rebates received by ESI or the guaranteed amounts below)

Open Channel and Managed Channel

Formulary:	ESI National Preferred Formulary						
Copayment Design	3 Tier Minimum \$15 Copayment differential			2 Tier/3 Tier Less than \$15 Copayment differential			Both Copayment Designs
	Participating Pharmacy 1- 83- Days' Supply	Participating Pharmacy 84-90 Days' Supply ⁽¹⁾	Mail Service Pharmacy	Participating Pharmacy 1- 83- Days' Supply	Participating Pharmacy 84-90 Days' Supply ⁽¹⁾	Mail Service Pharmacy	ESI Specialty Pharmacy
Per Brand Claim							
Year 1:	\$50.00	\$140.00	\$140.00	\$47.21	\$132.18	\$132.18	\$150.00
Year 2:	\$55.00	\$145.00	\$145.00	\$52.29	\$137.85	\$137.85	\$150.00
Year 3:	\$60.00	\$150.00	\$150.00	\$57.06	\$142.65	\$142.65	\$150.00

⁽¹⁾ Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 – 90 Days' Supply column in the table set forth above is applicable only if Sponsor implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Sponsor must implement a plan design whereby Members who fill 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). If no such plan design is implemented, the Rebates for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and Rebates for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

For all HDHP starting at 20% of the Client's overall claims, ESI will charge a per-claim administrative fee \$0.15 to cover the cost of processing high deductible health plan claims. For every additional increase of 5% of total claims, the per-claim administrative fee will increase by \$0.15.

This pricing summary is a summary of the high level guarantees negotiated by PPS with ESI. Complete pricing, Rebate and Administrative Fee details including but not limited to program requirements, assumptions, administrative & clinical Program fees, definitions, and calculation methodologies are included in Exhibits B through B-4 of the Agreement between PPS and ESI and will be provided upon request and execution of a confidentiality agreement with PPS.

PBM Services
Customer service for members Electronic/online eligibility submission Standard coordination of benefits (COB) (reject for primary carrier) Electronic claims processing Plan setup Software training for access to our online system(s) FSA eligibility needs
Network Pharmacy Services
Pharmacy help desk Pharmacy network management Pharmacy reimbursement Network development (upon request) Network Pharmacy Reporting Network Pharmacy Audit Program
Home Delivery Services
Benefit education Prescription delivery — standard
Reporting Services
Web-based client reporting — produced by Express Scripts Web-based client reporting — produced by client Ad hoc desktop parametric reports Claims detail extract file electronic (NCPDP) Load 12 months claims history for clinical reports and reporting Annual Strategic Account Plan report Billing reports Inquiry access to claims processing system
Website Services
Client Website — Eservice Delivery (Eligibility, Claims, and Benefit Administration), Coverage Management and Appeals, Eligibility File Transfer, Reporting Solutions and Resources Area. My Rx Choices – helps members make informed medication choices based on cost, health and safety. Member website portion only. Express-Scripts.com for Members — access to benefit, drug, health, and wellness information; prescription ordering capability; and customer service. Online Benefit Management – eService web-based application with Claims History, Eligibility Maintenance, and Prior Authorization Add. Mobile App for Members – includes My Rx Choices, My Medicine Cabinet, Pharmacy Care Alerts, Refills and Renewals, and virtual prescription ID card.
Implementation Package and Member Communications
Member replacement cards printed via web Implementation support New member packets (includes two standard resin ID cards)
Clinical

PBM Services

Concurrent Drug Utilization Review (DUR)

Prior Authorization — Administrative

- Non-clinical Prior Authorization
- Lost/stolen overrides
- Vacation supplies
- Pharmacogenomics Prior Authorization List

Administrative Service Fees

PBM Services	Fees
Manual Submissions	
Manual/hardcopy eligibility submission	\$10.00/update (includes initial entry)
Member Submit Fee (includes Medicaid subrogation claims)	\$2.50/claim
Electronic Prescribing	
Electronic Prescribing	Pass through charge for ePrescribing Eligibility and Formulary transaction fees charged to PPS Client at Express Scripts' preferred rate with data switch such as Surescripts.
Reporting Services	
Custom ad hoc reporting – applies for reporting outside of self services reporting tool	\$150/hour, with a minimum of \$500
Replacement Member Communication Packets	
Member-requested replacement packets	\$1.50 + postage per packet
Client-requested re-carding	\$1.50 + postage per packet
Communication Fee	
Smart90 and Select Home Delivery Programs	\$2.50 per employee upon implementation of program (one-time charge)
Reviews and Appeals Management	
<u>Initial Determinations (i.e. coverage reviews) and Level One Appeals for the Coverage Authorization Program</u> , consisting of: <ul style="list-style-type: none">• Prior Authorization• Step Therapy• Drug Quantity Management	Included in the existing UM PMPM charge

PBM Services	Fees
<u>Initial Determinations and Level One Appeals</u> for the <u>Benefit Review Program</u> , consisting of reviews known as: <ul style="list-style-type: none"> • Plan Design Related Requests • Plan Exclusion Reviews (clinical or administrative reviews of non-covered drugs) • Copay Reviews • Plan Limit Reviews (e.g. age, gender, days' supply limits) • Plan Rule/Administrative Reviews/Non-clinical Reviews • Clinical Benefit Reviews • Direct Claim Reject Reviews 	\$55 per review
<u>Final and Binding Appeals</u> – Level Two Appeals * and/or Urgent Appeals** *Level One for clients with only one level of appeal ** Appeals can be urgent at Level One or Level Two and decisions are final and binding.	\$10.00 per review* (incremental to PMPM fees or per the review fees above) * This additional fee is applied to each initial determination.
<u>External Reviews by Independent Review Organizations</u> - for non-grandfathered plans	\$800 per review
Retiree Drug Subsidy (RDS)	
RDS enhanced service (Express Scripts sends reports to CMS on behalf of client) <ul style="list-style-type: none"> • Notice of Creditable Coverage RDS standard service (Express Scripts sends reports to client) <ul style="list-style-type: none"> • Notice of Creditable Coverage 	\$1.12 PMPM for Medicare-qualified members with a minimum annual fee of \$7,500 \$1.35/letter + postage \$0.62 PMPM for Medicare-qualified members with a minimum annual fee of \$5,000 \$1.35/letter + postage
Required Services and Fee for all CDH Enrollees	
Foundational Services <ul style="list-style-type: none"> • Technical Bi-directional data exchange; dedicated operations; 24-hour a day, seven-days a week monitoring and quality control; performance reporting; and analytics <ul style="list-style-type: none"> • Member Advocacy Dedicated CDH member services, open enrollment tools and member communications library, robust online features, and preventive care	Technical and Member Advocacy: \$0.35 PMPM <i>Additional services will be quoted upon request. Postage charges are not included and will be billed to Client.</i>
Optional Service and Fee for all non-CDH Enrollees	

PBM Services	Fees
Comprehensive Member Engagement Services <ul style="list-style-type: none"> • Health Choices Medication Adherence Monitoring and Outreach and proactive, personalized member communications <ul style="list-style-type: none"> • Drug Choices Benefit Coaching, Prescription Benefit Review Statements, proactive, personalized member communications	Comprehensive Services: \$0.30 PMPM All Services (Foundational & Comprehensive): \$0.65 PMPM <i>Additional services will be quoted upon request.</i> <i>Postage charges are not included and will be billed to Client.</i>
<u>If Sharing Data Only</u> - Required Service and Fee for all Non-CDH Enrollees	
Combined Benefit Management Services to manage combined medical-pharmacy benefits that are not a consumer-directed health (CDH) plan. Services include ongoing management of the data exchange platform with the medical vendor/PPS, production monitoring and quality control, and dedicated operations team. Combined benefit types may include deductible, out of pocket, spending account, and lifetime maximum.	\$0.10 PMPM per combined accumulator up to maximum of \$0.20 PMPM for existing connection with medical carrier or PPS. Fees to establish connection with new medical carrier or PPS are quoted upon request. <i>Additional services will be quoted upon request.</i> <i>Postage charges are not included and will be billed to Client.</i>

ATTACHMENT 3 TO CLIENT AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

Express Scripts, Inc. and one or more of its subsidiaries ("ESI"), and Client or one of its affiliates ("Client"), are parties to an agreement ("PBM Agreement") whereby ESI provides certain pharmacy benefit management services to the Client's prescription drug plan (Client and Client'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 Client 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.

CITY OF WILMINGTON
GENERAL TERMS AND CONDITIONS

1. **Insurance Coverage.** Express Scripts, Inc. ("Contractor") shall provide insurance coverage for itself and all of its employees, if any, used in connection with the Agreement as follows: workers' compensation as required by law; comprehensive general liability coverage for personal injury, including death, and property damage in the minimum amount of One Million Dollars (\$1,000,000.00). Such policies shall be issued by a financially sound carrier and/or carriers and shall be subject to the reasonable approval of the City of Wilmington ("City"). Contractor shall provide the City with a certificate of insurance evidencing the above-stated coverage.

2. **Discrimination.** In the performance of this Agreement, the parties agree that they shall not discriminate, or permit discrimination, against any person because of age, sex, marital status, race, religion, color, or national origin.

3. **Business License.** If applicable, Contractor shall obtain and/or maintain an appropriate business license from the City of Wilmington Department of Finance.

4. **Taxes.** Contractor shall withhold, if applicable, City of Wilmington wage taxes from the compensation of its officers, agents and employees as required by the City of Wilmington wage tax law.

5. **Findings Confidential.** Any plans, designs, reports, analyses, specifications, information, examinations, proposals, illustrations, copy, maps, graphics, slides, and documents prepared, assembled, drafted or generated by Contractor under this Agreement are confidential, and Contractor agrees that such documents shall not be made available to anyone, without the prior written approval of the City.

6. **Applicable Law and Dispute Resolution.** The laws of the State of Delaware shall govern this Agreement. All disputes in connection with this Agreement shall be resolved by the courts of the State of Delaware. Contractor agrees to submit exclusively to the jurisdiction and venue of said courts.

EXHIBIT "B"

EXPRESS SCRIPTS, INC. PRESCRIPTION DRUG PROGRAM AGREEMENT

THIS PRESCRIPTION DRUG PROGRAM AGREEMENT ("Agreement") will be effective as of the date set forth in Section 7.1 and is entered into by and between EXPRESS SCRIPTS, INC., a Delaware corporation, ("ESI"), and PERFORMANCE PHARMACY SOLUTIONS LLC, organized under the laws of the state of Maryland ("PPS"), for the purpose of setting forth the terms on which ESI will provide prescription drug benefit management services to PPS and its Clients.

ARTICLE I - DEFINITIONS

The following terms shall have the meanings set forth below:

"Client" means any client of PPS participating in a Prescription Drug Program.

"Client Agreement" means the contract in the form set forth in Exhibit A-1 that, when completed and executed by Client and ESI, will describe the essential elements of a Client's pharmacy benefit plan, including clinical programs, and confirm the Client's agreement to the provision of services, confidentiality, indemnification and similar rights and obligations set forth therein.

"Copayment" means that portion of the charge for each Covered Drug dispensed to the Member that is the responsibility of the Member (e.g., copayment, coinsurance and/or deductible) as indicated on the Set-Up Forms.

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

"Eligibility Files" means the list submitted by PPS or Client to ESI in reasonably acceptable electronic format indicating persons eligible for drug benefit coverage services under the Client's Plan.

"ESI National Plus Network" means ESI's broadest Participating Pharmacy network which as of the effective date of this agreement includes over 60,000 participating pharmacy locations.¹

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

"Fees" means, with respect to each Client, all the fees specified on the applicable Exhibits attached hereto and all other amounts due by Client hereunder, which Payor is required to pay ESI pursuant to the terms and conditions hereof and under the Client Agreement. In the event ESI and PPS agree upon a modification of the Fees from time to time, PPS shall be responsible for timely communicating such changes to Clients and for obtaining the necessary consents, if any, required from Clients in order to implement the new pricing.

"Formulary" means the list of FDA-approved prescription drugs and supplies developed by ESI's Pharmacy and Therapeutics Committee and/or customized by PPS, and which is selected and/or adopted by Client. The drugs and supplies included on the Formulary will be modified by ESI from time to time as a result of factors, including, but not limited to, medical appropriateness, manufacturer Rebate arrangements, and patent expirations. Additions and/or deletions to the Formulary are hereby adopted by PPS on behalf of each Client, subject to Client's discretion to elect not to implement any such addition or

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

deletion through the Set-Up Form process, which such election shall be considered a Client change to the Formulary.

"High-Deductible Health Plan(s)" means those health plans or policies that have higher deductibles and lower premiums than traditional PPO or HMO plans and that are qualified to be used in conjunction with a health savings account, a medical savings account, or other similar programs. For 2014 the minimum annual deductible across both medical and pharmacy benefits of \$1,250 for a single member or \$2,500 for a family.

"Mail Service Pharmacy" means a pharmacy wholly-owned or operated by ESI or one or more of its affiliates, other than an ESI Specialty Pharmacy, where prescriptions are filled and delivered to Members via mail delivery service.

"Manufacturer Administrative Fees" means those administrative fees paid by manufacturers to, ESI pursuant to a contract between ESI and the manufacturer in connection with ESI's administering, invoicing, allocating and collecting the Rebates under the Rebate program.

"Member" means each person who is eligible to receive prescription drug benefits as indicated by or on behalf of a Client to ESI in the Eligibility Files.

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

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

"Payor" means, with respect to each Client, the entity designated by Client as "Payor" on the first page of the Client Agreement. If "Payor" is not designated in the Client Agreement, the Client shall be deemed "Payor" by default.

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

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

"Prescription Drug Program" means the specific pharmacy benefit management services and benefit design adopted by, and applicable to, each Client under this Agreement and the applicable Client Agreement.

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

"Set-Up Forms" means any standard ESI document or form, which when completed and signed by PPS or Client (electronic communications from PPS or Client indicating PPS/Client's approval of a Set-Up Form shall satisfy the foregoing), will describe the essential elements adopted by Client for its Prescription Drug Program, including implementation rules, coverage and benefit designs, and clinical and trend programs, as may be amended by PPS or Client from time to time.

"Specialty Product List" means the standard list of Specialty Products and their reimbursement rates applicable to PPS under the applicable (exclusive or open) option, maintained and updated by ESI from time to time. The Specialty Product List will be provided to PPS within thirty (30) days of any change and to Client upon request.

"Specialty Products" means those injectable and non-injectable drugs on the Specialty Product List. Specialty Products, which may be administered by any route of administration, are typically used to treat chronic or complex conditions, and typically have one or more of several key characteristics, including frequent dosing adjustments and intensive clinical monitoring to decrease the potential for drug toxicity and increase the probability for beneficial treatment outcomes; intensive patient training and compliance assistance to facilitate therapeutic goals; limited or exclusive product availability and distribution (if a drug is only available through limited specialty pharmacy distribution it is always considered a Specialty Product); specialized product handling and/or administration requirements.

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

"Total AWP" means the total AWP of all Prescription Claims paid by Payor during the monthly period, prior to any AWP discount, as set forth in Exhibit B. For purposes of this Agreement, a paid claim includes a zero balance due claim as well.

"UM Company" means MCMC, LLC or other independent third party utilization management company contracted by ESI, subject to and as further described in Section 4 of the Client Agreement.

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

ARTICLE II - ESTABLISHMENT OF THE PRESCRIPTION DRUG PROGRAM

2.1 Eligibility/Set Up. (a) ESI shall implement the Eligibility Files and Client's set up in accordance with the Set-Up Forms. Any changes to the Set-Up Forms must be documented on ESI's form of amendment to Set-Up Forms and signed by Client prior to the effective date of these changes. Material changes to eligibility set-up and processes during the term may be subject to additional hourly programming fees set forth on Exhibit B. ESI shall not be responsible for Prescription Claims for retroactively termed Members. Payor shall be responsible for all Prescription Claims during the period of the Member's eligibility as indicated on the Eligibility File, except in the event of ESI's negligence.

(b) Set-Up Forms. Prior to the provision of any services for a Client under this Agreement, Client must submit to ESI a completed and signed Client Agreement and Set-Up Form. With respect to each Client, PPS acknowledges and agrees that ESI's services will be provided subject to the terms and conditions set forth herein and in Client Agreements and Set-Up Forms, and PPS will not act contrary to the terms and conditions set forth herein and therein. PPS shall be responsible for accurately describing to Clients the Prescription Drug Program to be implemented by Client, including, but not limited to, pricing, plan design and the applicable limitations.

(c) Changes to Set-Up. If a Client elects to change certain benefit design features of its Prescription Drug Program after initial setup, including, but not limited to, changes in Copayments, Covered Drugs, clinical programs, or otherwise, such change shall be communicated in writing to ESI by

notifying the ESI account service manager and submitting a new Set-Up Form or revisions through an applicable form. ESI will acknowledge the request in writing and notify Client of the proposed implementation date of the benefit design change. ESI shall not be responsible for notifying Members of the change.

2.2 Pharmacy Management Funds ("PMF")

(a) ESI will provide up to \$5.00 per Member implemented as of the Effective Date, ("PMF"), to reimburse Client the actual, fair market value of: (i) expense items and services related to transitioning, administering, and implementing the pharmacy benefit initially and throughout the term, such as, custom ID Cards, IT programming, custom formulary letters, member communications, and benefit set-up quality assurance; and/or (ii) mutually agreed upon expense items and services related to implementation of additional clinical or other similar programs provided by ESI throughout the Term; in either case subject to submission of adequate documentation to support reimbursement within 180 days of incurring the applicable expense. Both Client and ESI (upon agreement from Client) may use the PMF to cover the fair market value of expenses for projects requiring joint resources. All reimbursement under the PMF is subject to ESI's standard PMF business practices for all clients.

(b) Client represents and warrants that: (i) it will only request reimbursement under the PMF for its actual expenses incurred in transitioning, administering, and implementing the pharmacy benefit managed by ESI hereunder, and/or the additional clinical or other similar program provided by ESI throughout the Term; (ii) that the applicable service, item or program was actually performed or provided; (iii) the amount of the reimbursement is equal to or less than the reasonable fair market value of the actual expenses incurred by Client; (iv) it will notify and disclose the amount and the terms of any PMF reimbursements to Members and other third parties to the extent required by applicable laws and regulations. In addition, if the Client and the Plan are subject to ERISA, Client represents and warrants that it will only request reimbursement under the PMF for items or services for which Client, in the absence of the PMF, would be allowed reimbursement from the Plan (i.e., not "settlor functions").

(c) Client shall comply with all applicable federal and state requirements, including, but not limited to, all applicable federal and state reporting requirements with respect to any expense, item or service reimbursed under this Section 12. ESI reserves the right to periodically audit the books and records of Client on-site, during normal business hours and after giving reasonable advance notice, for the purposes of verifying Client's compliance with the PMF requirements set forth in this Client Agreement.

(d) ESI intends to amortize the PMF over the Initial Term of the Client Agreement on a straight-line basis. In the event of a termination of this Client Agreement for any reason other than ESI's uncured material breach prior to the expiration of the Initial Term, Client will reimburse ESI an amount equal to any paid but unamortized portion of the PMF. Reimbursement to ESI by Client pursuant to this Section will not be in lieu of any other rights or remedies ESI may have in connection with the termination of this Client Agreement, including monetary or other damages. PMF reimbursements shall not be paid prior to the Effective Date of this Client Agreement and are not payable until this Client Agreement is executed. Client will have no right to interest on, or the time value of, any PMF, and unused funds shall be retained by ESI.

(e) In addition to any fees TPPM Fees payable to PPS set forth in this Agreement, ESI has agreed to pay PPS a payment of \$12.00 per Member implemented in connection with the expenses incurred relating to transitioning Client to ESI and/or providing pharmacy programs and services to Client. PPS hereby represents that such expenses are properly the expenses of PPS and not the Client's, and Client hereby consents to the payment

ARTICLE III - PBM SERVICES

3.1 General PBM Services. ESI, either directly or through its subsidiaries or affiliates, will provide certain pharmacy benefit management services, including, among other things, pharmacy network contracting and management; pharmacy claims processing; mail and specialty drug pharmacy; cost containment, clinical, safety, adherence and other like programs; and formulary and rebate administration ("PBM Services") for Clients. PBM Services shall be provided pursuant to the terms and conditions set forth in the applicable Client Agreement and Set-Up Forms, and PPS acknowledges and agrees to the same.

(a) Program Reporting. ESI shall make available ESI's on-line standard management information reporting applications to the person(s) indicated in the Client Agreement. Upon request, ESI may perform ad hoc programming for any special reporting at ESI's standard hourly rate, as set forth in Exhibit B.

(b) Clinical Programs. ESI may provide clinical, safety, adherence and other like programs as appropriate. The Clinical Addendum described in Exhibit B-2 sets forth certain available adherence, clinical, safety and/or trend programs that require additional fees hereunder. ESI will not implement any program for which PPS or Client may incur an additional fee without PPS's or Client's prior written approval and election of such program.

(c) Claims for Benefits. ESI will process initial claims for benefits for Member Submitted Claims and prior authorization requests consistent with the ERISA claims rules set forth in 29 CFR Part 2560 (or applicable state law if a non-ERISA plan) ("Claims Rules"), except that Client shall be responsible for ensuring compliance with any aspect of the requirements relating to functions performed, or materials prepared, by PPS, Client or any other third party. Client may elect to have ESI, as more fully described in and subject to the terms of the Client Agreement, perform appeals services in connection with denied "claims for benefits" for the fees set forth in Exhibit B, or facilitate such services through Client or a third party of Client's choice. If Client elects to conduct its own appeals or facilitate through a third party of Client's choice, ESI will route Member appeals to Client or other Client designated entity. If Client elects to have ESI perform appeals services, Client agrees that ESI may perform such services through the UM Company.

(d) Data Files to PPS. Recognizing the PPS needs the following electronic data files to effectively market ESI and accurately convey to clients and prospects ESI programs and services, ESI agrees to provide the following data files to PPS at no additional charge, in agreed upon format and on an agreed upon regular schedule. Unless stated otherwise, lists below shall be provided as soon as possible after a change is known using all reasonable commercial efforts or at a minimum quarterly.

- Formulary List: List to include the NDC and formulary status (formulary, nonformulary, excluded) of each product.
- Specialty & Biosimilar Drug Price List: List to include the NDC, discount and dispensing fee for all products at both participating pharmacies and ESI Specialty Pharmacies.
- Pharmacy Listing: List to include the NABP/NCPDP and NPI of each participating pharmacy, ESI Mail Service Pharmacies and ESI Specialty Pharmacies. This list shall only be provided on a quarterly basis or upon request by PPS
- Paid Claims Files: ESI will deliver to PPS its standard CDL files for all PPS clients to be delivered on a regular monthly schedule. Such files must be requested during the implementation process to ensure delivery.

(e) Account Management: ESI will provide a single multidisciplinary account team for PPS and all PPS clients to include but not be limited to the following:

- Designated account manager for all PPS clients unless otherwise agreed to by the parties on a client by client basis.
- Designated account executive for all PPS clients unless otherwise agreed to by the parties on a client by client basis.
- Designated clinical pharmacist for all PPS clients unless otherwise agreed to by the parties on a client by client basis.
- Designated sales person for all PPS new business opportunities regardless of geographic location, industry or client type unless otherwise agreed to by the parties on a client by client basis.

(f) Performance Standards. ESI will conform to the performance standards set forth on Exhibit D hereto. The payments set forth in Exhibit D will be Client's sole monetary remedy for any failure

by ESI to meet a performance standard in addition to any correction or reimbursement associated with payment or billing errors.

3.2 Rebates. Subject to the remaining terms of this Agreement, ESI will pay to PPS an amount equal to the Rebates specified on Exhibit B, subject to Clients meeting the terms and conditions set forth on Exhibit B. PPS represents and warrants that it will pass through any Rebates to its Clients that it receives from ESI unless it is expressly authorized to retain such Rebates under its arrangements with its Clients. ESI will pay such Rebate amounts directly to Clients if instructed in writing by PPS. References in this Agreement (including Exhibits) to payment of Rebate amounts to PPS shall include payment of Rebate amounts to Client as applicable, if and when so instructed by PPS in writing to pay such amounts directly to Client.

ARTICLE IV - FEES AND AUDITS

4.1 Fees. (a) With respect to each Client, Fees shall be billed by ESI to Payor and paid by Payor in accordance with the applicable Client Agreement. Client shall comply with, and be bound by, all relevant payment provisions set forth therein. In the event a Client has not executed a Client Agreement prior to the provision of services by ESI for such Client, all of the billing terms and conditions set forth in the form Client Agreement attached hereto are incorporated herein by reference and shall apply with respect to such Client's account (including, but not limited to, the payment due dates described in the form Client Agreement), and Client shall pay ESI all amounts due in accordance with all such payment terms and provisions set forth in such form Client Agreement.

(b) PPS represents and warrants that it shall accurately convey to Clients the pricing set forth in the attached Exhibits and sufficiently document and timely communicate to ESI which pricing package each Client has adopted. If multiple pricing options are made available hereunder, PPS is responsible for marketing such pricing options to its clients in accordance with applicable law and for disclosing any and all aspects relating to the pricing as required by, or appropriate under, applicable law.

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

ARTICLE V - CONFIDENTIALITY

5.1 Use and Disclosure of PHI. PPS represents and warrants that it has entered into a business associate agreement with Clients and has authority to disclose to, and receive from, ESI PHI in connection with the services to be provided hereunder. PPS and ESI shall maintain the confidentiality and security of PHI in accordance with applicable laws and regulations. Each party acknowledges and agrees that all PHI provided by ESI to PPS or PPS's Auditor under this Agreement is solely for the treatment, payment and health care operation functions associated with Clients' health benefit plans. If PPS desires that ESI disclose a Client's PHI to a third party, PPS shall obtain written authorization from the Client authorizing ESI to provide the PHI to such third party, and PPS represents and warrants that it has Clients' permission to authorize such disclosure of PHI. ESI and PPS each agree to protect the integrity and confidentiality of any PHI electronically exchanged between them and other appropriate business associates, if any.

5.2 Proprietary Information.

(a) Each party agrees that the terms of this Agreement and information of the other party, including, but not limited to, the following shall constitute confidential and proprietary information ("Proprietary Information") unless otherwise public: (i) with respect to ESI: ESI's reporting and other web-based applications, eligibility and adjudication systems, system formats and databanks (collectively, "ESI's Systems"), clinical or formulary management operations or programs, fraud, waste and abuse tools and programs, anonymized claims data (de-identified in accordance with HIPAA); ESI Specialty Pharmacy and Mail Service Pharmacy data; information concerning Rebates and Manufacturer Administrative Fees, prescription drug evaluation criteria, drug pricing information, and Participating Pharmacy agreements; and (ii) with respect to PPS: PPS's and/or its affiliates' business, employees, affairs, reports, capabilities, strategies, products, services, recipients, suppliers, cost structure, pricing, intellectual property, technology, security measures/policies, and any other items which are generally considered proprietary and confidential. Neither party shall use the other party's Proprietary Information, or disclose it or this Agreement to any third party, at any time during or after termination of this Agreement, except as specifically contemplated by this Agreement, upon prior written consent or as otherwise required by law. Upon termination of this Agreement, each party shall cease using the other's Proprietary Information, and all such information shall be returned or destroyed upon the owner's direction.

(b) Notwithstanding the foregoing, ESI acknowledges that the Client has the right to use their information, which includes but not limited to: Member ID, NDC, Drug Name, Days Supply, Units Dispensed, Ingredient Cost, U&C Price, Dispensing Fee, Member Copayment, Net Cost, Fill Date, Pharmacy Type, Pharmacy ID (NABP, NCPDP, or NPI), DAW Code, Specialty Indicator, and Formulary Indicator.

(c) Unless PPS has received the prior, written permission of ESI, PPS will not, and will not permit any Client or third party acting on PPS's or a Client's behalf to, access, attempt to access, test or audit ESI's Systems or any other system or network connected to ESI's Systems. Without limiting the foregoing, neither PPS nor Client will: (i) access or attempt to access any portion or feature of ESI Systems, by circumventing the ESI Systems' access control measures, either by hacking, password "mining" or any other means; or (ii) probe, scan, audit or test the vulnerability of ESI's Systems, nor breach the security or authentication measures of ESI's System.

ARTICLE VI - COMPLIANCE WITH LAW

6.1 Change in Law. Each party shall be responsible for ensuring its compliance with any laws and regulations applicable to its business, including maintaining any necessary licenses and permits. Payor shall be responsible for any governmental or regulatory charges imposed upon or related to this Prescription Drug Program. If there is a new or change in federal, state or local laws, court decisions, or regulations or the interpretation thereof, or a regulatory, judicial or legal action that, among other things, materially burdens ESI, requires ESI to increase payments or shorten payment times for Covered Drugs to Participating Pharmacies, or materially changes the scope of services hereunder (a "Change in Law"), then there shall be an appropriate modification of the services, reimbursement rates, Administrative Fees and/or Rebates. The parties shall negotiate an appropriate adjustment to the fees paid to ESI. If the parties cannot agree on an adjusted fee, then either party may terminate this Agreement upon thirty (30) days prior written notice to the non-terminating party.

6.2 Fiduciary Acknowledgements.

(a) ERISA. PPS acknowledges and agrees that it is responsible for disclosing any and all information relating to the Prescription Drug Program as appropriate or required under applicable law to be disclosed by PPS, including, but not limited, any information relating to commissions, administrative fees (including those it receives, if any), implementation credits, TPPM Fees and Rebates. Except for the limited purpose set forth in Section 4 of the Client Agreement, in providing services under this Agreement, ESI nor any of ESI's wholly owned subsidiaries or affiliates do not act on behalf of any Client, any

employee welfare benefit plan (as defined in Section 3(1) of ERISA) sponsored by a Client, or participants in such plans, as a fiduciary (as defined in Section 3.21(a) of ERISA), and PPS represents and warrants that PPS shall not name or characterize ESI or any of ESI's wholly-owned subsidiaries or affiliates as a plan fiduciary. Neither ESI nor any of ESI's wholly-owned subsidiaries or affiliates exercises any control or management of the Client's plan, except for the limited purpose set forth in Section 4 of the Client Agreement, or plan assets, if any. Upon reasonable notice, ESI will have the right to terminate PBM Services to any Plan (or, if applicable, Members) located in a state requiring a pharmacy benefit manager to be a fiduciary to PPS, Client, a Plan, or a Member in any capacity.

6.3 Disclosure of Certain Financial Matters. PPS acknowledges that it has read, and agrees to, the "Disclosure of Certain Financial Matters" section in the attached form Client Agreement, and Attachment 1 to the Client Agreement.

ARTICLE VII - TERM AND TERMINATION; DEFAULT AND REMEDIES

7.1 Term. (a) This Agreement will commence effective as of January 1, 2015 ("Effective Date"), and shall continue for a period of three (3) years ("Initial Term"). Thereafter, this Agreement shall automatically renew with the same terms and conditions as set forth herein for successive one (1) year terms, subject to the right of termination as otherwise provided herein. No Client Agreement shall be terminated or otherwise affected, and no Client shall be discharged from its obligations under its Client Agreement, by termination of this Agreement.

(b) ESI agrees offer updated pricing, effective January 1, 2017, to apply to business that is new to PPS. Such updated pricing will be competitive in the then current market conditions, accounting for the size and utilization characteristics of PPS' target market.

7.2 Termination.

(a) Non-Renewal Upon Notice. Not less than sixty (60) days prior to the end of the Initial Term or any renewal term of this Agreement, either party may notify the other party in writing that it desires to terminate this Agreement, effective as of the end of the then current term.

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

(c) Non-Payment. Notwithstanding anything to the contrary herein, ESI (and its wholly-owned subsidiaries) may terminate or suspend their performance hereunder and cease providing or authorizing provision of Covered Drugs to Members upon forty-eight (48) hours written notice if Payor fails to pay ESI or provide a deposit, if required, in accordance with the terms of this Agreement and the applicable Client Agreement. ESI also may apply Rebates to any unpaid Fees.

(e) Obligations on Termination. Clients shall pay ESI in accordance with this Agreement for all claims for Covered Drugs dispensed and services provided to Clients and Members on or before the effective date of termination ("Termination Date") of the applicable Client Agreement. Claims submitted by Participating Pharmacies or Member Submitted Claims filed with ESI after the Termination Date shall be processed and adjudicated in accordance with a mutually determined run-off plan. Upon termination of the applicable Client Agreement with Client and ESI, either at the end of the Initial Term or subsequent renewal term, ESI agrees to remit to PPS (or Client, if applicable) after the Termination Date all outstanding Rebate amounts earned and collected as a result of prescriptions utilized by Members on or before the Termination Date. Rebates will be paid to PPS (or the Client, if applicable) under the regularly established payment process outlined in Exhibit B. Notwithstanding the preceding, ESI may (i) delay

payment of any final Rebates or other amounts due PPS (or the Client, if applicable), if any, to allow for final reconciliation of any outstanding amounts owed by PPS or Client to ESI, or (ii) request that Client pay a reasonable deposit in the event ESI is requested to process after the Termination Date claims incurred on or prior to such date. Upon request of Client, ESI shall provide at no cost open refill files and standard claims data for transition to the successor pharmacy vendor in accordance with current industry protocol. Notwithstanding anything in this Agreement to the contrary, ESI shall not be obligated to provide post-transition services following the transition to the successor pharmacy benefit manager and conclusion of the run-off period, including, but not limited to, the provision of continued data reporting, reporting, consultation, or analysis. Post-transition services include transition files which are provided after the transition date. All transition files will be provided free of charge.

7.3 Remedies.

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

(b) Neither party shall lose any rights under this Agreement or be liable in any manner for any delay to perform its obligations under this Agreement that are beyond a party's reasonable control, including, without limitation, any delay or failure due to strikes, labor disputes, riots, earthquakes, storms, floods or other extreme weather conditions, fires, explosions, acts of terrorism, epidemics, embargoes, war or other outbreak of hostilities, government acts or regulations, the failure or inability of carriers, suppliers, delivery services, or telecommunications providers to provide services necessary to enable a party to perform its obligations hereunder, or any other reason where failure to perform is beyond the party's reasonable control, and is not caused by the negligence, intentional conduct or misconduct of the defaulting party; *provided, however*, that this clause may not be invoked to excuse a party's payment obligations hereunder.

(c) Except for the indemnification provisions set forth in Section 7.4 below, each party's liability to the other hereunder shall in no event exceed the actual proximate losses or damages caused by breach of this Agreement. In no event shall either party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence.

7.4 Indemnification.

(a) Each party shall indemnify, defend and hold the other harmless from and against any loss, cost, damage, expense or other liability, including, without limitation, reasonable costs and attorney fees ("Costs") incurred in connection with any and all third party claims, suits, investigations or enforcement actions ("Claims") which may be asserted against, imposed upon or incurred by the indemnified party and arising as a result of the indemnifying party's (i) negligent acts or omissions or willful misconduct, or (ii) breach of this Agreement.

(b) As a condition of indemnification, the indemnified party shall notify the indemnifying party in writing promptly upon learning of any Claim for which indemnification may be sought hereunder, and shall tender the defense of such claim to the indemnifying party and give the indemnifying party a reasonable opportunity to comment on such defense. No party shall indemnify the other with respect to any claim settled without the indemnified party's written consent, which shall not be unreasonably withheld.

7.5 Survival. The parties' rights and obligations under Section 4.1, Article V, and Sections 6.2, 7.3, 7.4 and 7.5 shall survive the termination of this Agreement for any reason.

ARTICLE VIII - MISCELLANEOUS

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

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

Express Scripts, Inc.
Attn: President
One Express Way
St. Louis, Missouri 63121
With copy to Legal Department
Fax No. (800) 417-8163

Performance Pharmacy Solutions
Attn: Cory Easton
502 Washington Avenue
Suite 725
Towson, Maryland 21204

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

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

8.5 Integration; Amendments. This Agreement and any Exhibits hereto constitute the entire understanding of the parties hereto as this Agreement applies to the Services provided to Client. No modification, alteration, or waiver of any term, covenant, or condition of this Agreement shall be valid unless in writing and signed by both parties or the agents of the parties who are authorized in writing,

except as may be otherwise permitted pursuant to the terms and conditions of this Agreement or any Exhibit hereto.

8.6 Choice of Law. This Agreement shall be construed and governed in all respects according to the laws in the State of Maryland, without regard to the rules of conflict of laws thereof.

8.7 Waiver. The failure of either party to insist upon the strict observation or performance of this Agreement or to exercise any right or remedy shall not be construed as a waiver of any subsequent breach of this Agreement or impair or waive any available right or remedy.

8.8 Third Party Beneficiary Exclusion. This Agreement is not a third party beneficiary contract, nor shall this Agreement create any rights on behalf of Members as against ESI. PPS and ESI reserve the right to amend, cancel or terminate this Agreement in accordance with the terms hereof without notice to, or consent of, any Member or any Client.

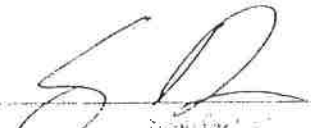
8.9 Authority to Contract. PPS hereby represents and warrants that it has obtained due and proper authority to enter into this Agreement.

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

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

IN WITNESS WHEREOF, the undersigned have executed this Prescription Drug Program Agreement as of the day and year below set forth.

EXPRESS SCRIPTS, INC.

By: 
Printed Name: Scott R. Smith
Title: President - Commercial Division
Date: 3.4.15

PERFORMANCE PHARMACY SOLUTIONS LLC

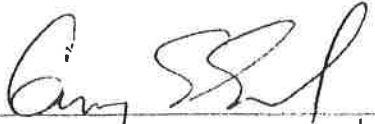
By: 
Printed Name: AMY EASTON
Title: PRINCIPAL
Federal ID Number: 47-1826755
Date: 2/25/15

EXHIBIT A-1

PERFORMANCE PHARMACY SOLUTIONS CLIENT AGREEMENT

(For Express Scripts Internal Use)

DIV# _____
BPL _____
GROUP #: _____
SALES DIRECTOR: _____
INDUSTRY TYPE: _____

Client Name: _____
Client Tax ID Number: _____

Producer Name: _____
Effective Date: _____
Initial Term of Client Agreement: _____ Months

Contact Information:	Client Information	Producer Information	Third Party Administrator Information
Contact Person: (Name & Title)			
Company Name:			
Street Address:			
City/State/Zip Code:			
Phone Number:			
Fax Number:			

Management Reporting: Party to receive Management Reports? ☐ PPS ☐ Client ☐ Producer - Person's Name: _____

Percentage of Rebates to be retained by PPS: _____ %

Payor: The party that will be responsible for payments to ESI under the Prescription Drug Program will be: ☐ Client ☐ Payor
If no party is selected, Client shall be deemed "Payor" by default

Provide Payor Name: _____

Payor shall pay all Fees as outlined in the Agreement, depending on the form of payment selected below:

- ☐ Payor wire transfer to a bank account designated by ESI within 5 calendar days of receipt of ESI's bill (First Chicago NBD, A Bank One Company, One First National Plaza, Chicago, IL 60670-0196, Bank ABA#071000013, Account Name: Express Scripts, Inc., Account No. 10-16856).
- ☐ Payor ACH transfer based on its written authorization, initiated by ESI within 5 calendar days of receipt of ESI's bill.

Medium on which Invoice is to be sent (check one or two): ☐ Hard Copy (and) ☐ Magnetic Tape (or) ☐ Diskette

Do you want Member names to appear on Billing Statement? ☐ Yes ☐ No

Pricing Option to be implemented? ☐ Open ☐ Managed

Included Producer Commissions? ☐ No;
☐ Yes, on Per Member per Month basis in the Amount of : \$ _____ PMPM, OR
☐ Yes, on Per Rx in the Amount of : \$ _____ per Rx

ESI and PPS have entered into that certain Prescription Drug Program Agreement ("PBM Agreement"), which sets forth certain terms and conditions associated with ESI's, either directly or through its subsidiaries or affiliates, provision of pharmacy benefit management services (which, under this Client Agreement shall be exclusive for all of Client's self-funded welfare benefit plans that offer a prescription benefit, including, but not limited to, pharmacy network contracting; pharmacy claims processing; mail and specialty drug pharmacy; cost containment, clinical, safety, adherence and other like programs; and formulary and rebate administration ("PBM Services"). A summary of various pricing components, including ingredient cost guarantees, dispensing fee guarantees, Rebate guarantees, and Administrative Service Fees is attached to this Client Agreement as Attachment 2 to Client Agreement. The PBM Agreement is incorporated herein for all purposes. To the extent not defined herein, capitalized terms shall have the meaning ascribed to them in the PBM Agreement.

1. Plan Design; Commencement of Services. Client agrees that the PBM Services should be provided in accordance with the PBM Agreement, this Client Agreement, and the specific benefit design reflected on the ESI Set-Up Forms adopted by Client (if ESI assists Client with completion

of the Set-Up Forms, it will send Client the completed Set-Up Forms for review and Client agrees that such documentation will constitute the governing Set-Up Forms for Client unless Client notifies ESI in writing within thirty days of receipt of the

completed documentation of any discrepancies therein, in which case the parties shall work together in an expeditious manner to correct such discrepancies and issue a revised Set-Up Forms. If Client already has on file with ESI any Set-Up Forms or similar set-up documentation as of the date Client executes this Client Agreement, Client adopts and directs ESI to use such Set-Up Forms until ESI is otherwise directed in writing by Client.

2. Eligibility of Members. Client shall provide ESI with an initial Eligibility File under a mutually agreeable time frame prior to the effective date of Client's Prescription Drug Program, and updates thereto shall be provided to ESI on a mutually determined basis. All Eligibility Files shall be submitted on-line, or on tape or disk in a format that is acceptable to ESI. Eligibility performed manually by ESI for Client, or material changes to the Eligibility File processes requested by Client during the term may be subject to additional charges as set forth in Exhibit B of the PBM Agreement. Client will be responsible for all Prescription Claims during the period of the Member's eligibility as indicated on the Eligibility File including for retroactively termed Members, except in the event of ESI's negligence.

3. Pharmacy Network.

(a) Mail Service Pharmacy. Members may have prescriptions filled through the Mail Service Pharmacy. Subject to applicable law and unless Client requests otherwise, ESI may communicate with Members regarding benefit design, cost savings, availability and use of the Mail Service Pharmacy, as well as provide supporting services. ESI may suspend Mail Service Pharmacy services to a Member who is in default of any Copayment amount due ESI. Client will be responsible for any unpaid Member Copayment amounts if payment has not been received from the Member within one hundred twenty (120) days following dispensing. Client will be billed following the one hundred twenty (120) day collection period, with payment due in accordance with the payment terms set forth in Section 8 of this Agreement.

(b) Specialty Products and ASES. As elected by Client on the Set-Up Forms, Members may have prescriptions filled through ESI Specialty Pharmacy on an exclusive basis (i.e., "ESI Specialty Pharmacy - Exclusive Care") or at Participating Pharmacies and through ESI Specialty Pharmacy (i.e., "ESI Specialty Pharmacy - Open Care"). Subject to applicable law and unless Client requests otherwise, ESI and ESI Specialty Pharmacy may communicate with Members and physicians to advise Members filling Specialty Products at Participating Pharmacies of the availability of filling prescriptions through ESI Specialty Pharmacy. Specialty Products will be excluded from any non-Specialty price guarantees set forth in the PBM Agreement. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing specified in the PBM Agreement apply to Specialty Products.

(i) ESI will notify Client of all new Specialty Products that are introduced to the market on or after the Effective Date of this Agreement with their applicable reimbursement rates, but not more frequently than monthly ("Notice"). The parties agree as follows:

(A) If Client has expressly excluded a specific therapy class or product on a Set-Up Form, Specialty Products in such excluded classes will automatically be deemed excluded from coverage and will reject as "NDC Not Covered" through Participating Pharmacies, Mail Service Pharmacy and ESI Specialty Pharmacy; otherwise, subject to (B) below, all other Specialty Products will be implemented as Covered Drugs at the rate specified in the applicable Specialty Product list or Notice. If Client desires to cover otherwise excluded Specialty Products, Client must notify ESI in writing that it desires to cover the Specialty Product before ESI will adjudicate as a Covered Drug, and if ESI receives such confirmation of coverage from Client such Specialty Product will be loaded thereafter as a Covered Drug at the applicable reimbursement rate set forth in the Notice.

(B) Client must notify ESI in writing if it wants to exclude the Specialty Product from coverage. The exclusion will be implemented within seven (7) business days after the date of ESI's receipt of such notification. There will not be any retroactive denials for Prescription Claims processed prior to ESI's receipt of the rejection notice and implementation of the exclusion as provided above and Client will be responsible for the payment of such Prescription Claims processed prior to the rejection of coverage.

(ii) For Specialty Products filled through ESI Specialty Pharmacy only, Members may receive the following services from ESI Specialty Pharmacy, depending on the particular therapy class or

disease state: ASES; patient intake services; pharmacy dispensing services and/or social services (patient advocacy, hardship reimbursement support, and indigent and patient assistance programs).

(iii) Subject to Client's prior authorization requirements, if applicable, at the rates set forth in Exhibit B, ESI will provide or coordinate ASES for Members through ESI Specialty Pharmacy or through other specialty pharmacies or other independent third party providers of ASES when ASES is required. If ESI or ESI Specialty Pharmacy engages a third party provider of ASES, ESI or ESI Specialty Pharmacy shall contractually obligate such third party provider of ASES to comply with all applicable laws, including, without limitation, all applicable laws relating to professional licensure. ESI does not direct or exercise any control over any third party provider of ASES in administering Specialty Products or otherwise providing ASES.

(iv) If Client elects the ESI Specialty Pharmacy - Open Care option, then any ancillary supplies, equipment, and services provided or coordinated in connection with the dispensing of Specialty Products at Participating Pharmacies (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be billed to Payor at the cost charged to ESI for such ancillary supplies, equipment, and services provided or coordinated, unless such ancillary supplies, equipment, and services provided or coordinated are included in the ingredient cost of the Specialty Product.

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

(i) ESI will require each Participating Pharmacy to meet ESI's network participation requirements, including but not limited to licensure, insurance and provider agreement requirements. ESI also performs audits (i.e., electronic or on-site) of Participating Pharmacies to determine compliance with their provider agreement billing requirements. ESI will attempt recovery of identified overpayments through offset, demand or other reasonable means; provided that ESI will not be required to institute litigation. Recovered overpayments are credited to Payor. To compensate ESI for the cost of conducting audits and audit-related services, ESI charges a standard fee in the amount set forth in Exhibit B upon recovery of overpayments. Copies of participation requirements and auditing processes are available upon request.

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

4. Claims Processing.

(a) Claims Processing.

(i) ESI will perform claims processing services for Covered Drugs dispensed by Participating Pharmacies, Mail Service and ESI Specialty Pharmacy.

(ii) In connection with each prescription submitted for processing on-line by a Participating Pharmacy, ESI will perform standard drug

utilization review ("DUR") in order to assist the dispensing pharmacist and prescribing physician in identifying potential drug interactions, incorrect prescriptions or dosages, and certain other circumstances that may be indicative of inappropriate prescription drug usage. ESI's DUR processes are not intended to substitute for the professional judgment of the prescriber, the dispensing pharmacist or any other health care professional providing services to the Member.

(iii) If elected by Client, ESI will process Member Submitted Claims in accordance with the rules in the Set-Up Forms and ESI's standard procedures.

(iv) If authorized by Client on the Set-Up Forms, ESI will process Subrogation Claims in accordance with applicable federal and state laws, in which case Payor will pay such Subrogation Claims in accordance with Article IV of the PBM Agreement, Section 8 of this Client Agreement and Exhibit B. If Client does not authorize ESI to process Subrogation Claims, ESI will reject the claim and refer claimants to Client regarding such claims, in accordance with applicable federal and state laws. ESI is not legally responsible to pay Subrogation Claims to the extent Payor is not timely paying ESI with respect to such Subrogation Claims.

(v) Client will have the final responsibility for all decisions with respect to coverage of a Prescription Claim and the benefits allowable under the Plan, including determining whether any rejected or disputed claim will be allowed.

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

(c) Claims for Benefits. ESI will process initial "claims for benefits" for Member Submitted Claims and PA requests consistent with the ERISA claims rules set forth in 29 CFR Part 2560 (or applicable state law if a non-ERISA plan) ("Claims Rules"). ESI may elect to have ESI perform appeals services in connection with denied "claims for benefits" for the fees set forth in Exhibit B, or facilitate such services through Client or a third party of Client's choice. If Client elects to conduct its own appeals or facilitate through a third party of Client's choice, ESI will route Member appeals to Client or other Client designated entity. If Client elects to have ESI perform appeals services, Client agrees that ESI may perform such services through the UM Company. Through its contract with ESI, the UM Company has agreed to be, and will serve as, the named fiduciary for its performance of such appeals. ESI also agrees to accept fiduciary status solely with respect to its performance of any appeal.

(d) UM Company. In the event ESI performs appeals services, or facilitates the performance of appeals services through the UM Company, ESI or the UM Company, as applicable, will be responsible for conducting the appeal on behalf of Client in accordance with the Claims Rules. ESI represents to Client that UM Company has contractually agreed that: (A) UM Company will conduct appeals in accordance with the Claims Rules and Client's plan, (B) Client is a third party beneficiary of UM Company's agreement with ESI (a copy of which is available upon request) and the remedies set forth therein, and (C) UM Company will indemnify Client for third party claims caused by the UM Company's negligence or willful misconduct in providing the appeal services.

(e) External Review Services.

(i) ESI will not conduct any external review services (as defined in the Patient Protection and Affordable Care Act of 2010 and its implementing regulations ("PPACA")); provided, however, Client may elect to have UM Company facilitate the provision of external review services through UM Company contracted IROs (as such term is defined in PPACA), for the fees set forth on Exhibit B below (if applicable). Client must execute a standard ESI "External Appeals Services" Set-Up Form, which may be requested through ESI Account Management, in order to receive such services from UM Company.

(ii) In the event that Client elects to utilize UM Company to facilitate the provision of external review services through UM Company contracted IROs, UM Company will be responsible for facilitating all such appeals (and the IROs will be responsible for providing all such appeals) in accordance with PPACA and all other applicable federal and state laws, and Client hereby acknowledges and agrees that:

(A) UM Company (with respect to facilitating the external reviews) and the IROs (with respect to performing the external reviews), and not ESI, will be providing external review services; UM Company is an independent contractor of ESI; the IROs are independent contractors of UM Company and not ESI; and ESI does not in any way control or direct either UM Company or the IROs with respect to facilitation or performance of external review services provided by each respectively.

(B) ESI represents to Client that UM Company has contractually agreed that: (1) UM Company will facilitate all external review services in accordance with PPACA and all other applicable federal and state laws; (2) UM Company will contractually require its contracted IROs to perform all external reviews in accordance with PPACA and all other applicable federal and state laws; (3) to the extent not prohibited by law, UM Company will indemnify, defend and hold Client harmless from and against any and all losses, damages, injuries, causes of action, claims, demands and expenses (including reasonable attorney's fees, costs and expenses), arising out of, resulting from, or related to any act, omission or default by the IROs in their performance of the external reviews; and (4) Client has third party beneficiary rights to enforce the preceding indemnification and hold harmless provision.

5. Formulary Adherence and Clinical Programs. Provided Client's prior written approval, ESI may provide clinical, safety, adherence and other like programs as appropriate. The Clinical Addendum described in Exhibit B-2 sets forth certain available adherence, clinical, safety and/or trend programs that require additional fees hereunder.

6. Rebates. PPS may have negotiated Rebate sharing with ESI; and PPS may be retaining such Rebates. Client acknowledges and consents to the same. Information regarding such Rebate sharing, if any, is set forth in the PBM Agreement or the related pricing exhibit.

7. Medicare (QRPDP) Services. If Client establishes a qualified retiree prescription drug plan ("QRPDP") under Medicare for the purpose of applying for subsidy payments as defined under 42 CFR §423.886 it may request ESI to provide the supporting services to such QRPDP under the terms and conditions of such services by executing ESI's standard subsidy election form and agreeing to the fees set forth in Exhibit B of the PBM Agreement.

8. Billing and Payments.

(a) Payor shall be responsible to ESI for timely payment of all Fees under one of the payment methods below specified. ESI will bill Payor weekly for all applicable claims reimbursement amounts ("Claims Reimbursements") and other administrative fees ("Administrative Fees") pursuant to the terms specified in the PBM Agreement relating to the program selected by Client (as communicated to ESI by Client or PPS) ("Claims Reimbursements," "Administrative Fees" and any other charge or fee that is the responsibility of Payor as may be described elsewhere in the PBM Agreement or this Client Agreement are hereinafter referred to collectively as "Fees").

(b) Payor shall pay all Fees within the time period depending on the form of payment as outlined on the first page of this Client Agreement.

(c) Any Fees not paid by Payor on the due date set forth above shall bear interest at the rate of 1.5% per month or, if lower, the highest interest rate permitted by law, and the Payor shall be liable for payment of the interest to ESI. The Payor shall promptly reimburse ESI for all collection costs and expenses incurred by ESI, including but not limited to attorneys' fees, in connection with attempting to recover overdue Fee payments.

(d) In the event Payor is delinquent in payment of Fees for two consecutive billing cycles, or ESI has reasonable grounds (as determined in good faith) for insecurity as to the ability of Client to meet its financial commitments hereunder, ESI shall have the option to require that Payor provide ESI with a deposit in an amount equal to the average monthly invoice amount for the previous three (3) months, or if there is less than three (3) months billing history, then such deposit shall be based on the average monthly invoice of the actual billing history. ESI shall retain the deposit until the earlier of: (i) termination of the Client Agreement (following any run-off period), or (ii) six consecutive months of timely payments of all

Fees following submission of the deposit, and may apply the deposit to unpaid balances of Fees until return of the deposit. Upon 48 hours written notice to Client and PPS, ESI (and its wholly owned subsidiaries) shall be entitled to immediately suspend performance under this Client Agreement if Payor fails to pay ESI in accordance with the terms of this Client Agreement or fails to promptly provide a deposit required by this Section (or such deposit becomes insufficient to cover delinquent Fees and the responsible party does not promptly replenish such deposit upon notice).

(e) Client shall be responsible for and Payor shall pay ESI in accordance with this Agreement for all claims for Covered Drugs dispensed and services provided to Clients and Members on or before the effective date of termination ("Termination Date"). Claims submitted by Participating Pharmacies or Member Submitted Claims filed with ESI after the Termination Date shall be processed and adjudicated in accordance with a mutually determined run-off plan. Upon termination of this Agreement, ESI agrees to remit to PPS (or Client, if applicable) after the Termination Date all outstanding Rebate amounts earned and collected as a result of prescriptions utilized by Members on or before the Termination Date. Rebates will be paid to the PPS (or Client, if applicable) under the regularly established payment process outlined in Exhibit B of the PBM Agreement. Notwithstanding the preceding, ESI may (i) delay payment of any final Rebates or other amounts due PPS (or Client, if applicable), if any, to allow for final reconciliation of any outstanding amounts owed by PPS or Client to ESI, or (ii) request that Client pay a reasonable deposit in the event ESI is requested to process after the Termination Date claims incurred on or prior to such date. Upon request of Client, ESI shall provide at no cost open refill files and standard claims data for transition to the successor pharmacy vendor in accordance with current industry protocol. Notwithstanding anything in this Agreement to the contrary, ESI shall not be obligated to provide post-transition services following the transition to the successor pharmacy benefit manager and conclusion of the run-off period, including, but not limited to, the provision of continued data reporting, reporting, consultation, or analysis.

9. Use of Records; HIPAA and Business Associate Agreement Terms. Subject to applicable law, ESI may communicate with Members regarding benefit design cost savings, availability, use of the Mail Service and ESI Specialty Pharmacies, and related items as necessary to conduct applicable clinical and/or trend programs. ESI or its affiliates may use and disclose both during and after the term of this Agreement the anonymized claims data (de-identified in accordance with HIPAA) including drug and related medical data collected by ESI or provided to ESI by Client or PPS for research; provider profiling; benchmarking, drug trend, and cost and other internal analyses and comparisons; clinical, safety and/or trend programs; ASES; or other business purposes of ESI or its affiliates, in all cases subject to applicable law. ESI agrees to comply with the business associate provisions of HIPAA, and the Business Associate Agreement posted at <http://www.express-scripts.com/hipaa/baa/>, the terms and conditions of which are incorporated herein by reference. Notwithstanding the foregoing, the parties acknowledge that in providing services to Members, ESI Specialty Pharmacy and the Mail Service Pharmacy are acting as separate health care provider covered entities under HIPAA and not as business associates to the Plan covered by the Business Associate Agreement. In providing services, ESI Specialty Pharmacy and the Mail Services Pharmacy shall abide by all HIPAA requirements applicable to covered entities and shall safeguard, use and disclose Member PHI accordingly.

10. Client Audits. Provided that this Client Agreement has been duly executed by Client and Payor is current in the payment of invoices under this Client Agreement, Client may, upon no less than thirty (30) days prior written request, audit ESI's provision of services hereunder, the scope of which shall be to verify regulatory compliance and/or compliance with the financial terms of this Client Agreement and ESI's accurate administration of the Plan pursuant to Set-Up Forms, on an annual basis consistent with the Audit Protocol set forth in Exhibit C of the PBM Agreement. Client may use an independent third party auditor ("Auditor"), so long as such Auditor is not engaged in providing services for Client or otherwise that conflict with the scope or independent nature of the audit (as determined by ESI acting reasonably and in good faith), and provided that Client's Auditor executes a mutually acceptable confidentiality agreement. Any request by Client to permit an Auditor to perform an audit will constitute Client's direction and authorization to ESI to disclose PHI to the Auditor. If PPS has audited the prescription drug program on behalf of its clients, Client may not audit ESI for the same time frame or claims.

11. Compliance with Law; Change in Law.

(a) Each party shall be responsible for ensuring its compliance with any laws and regulations applicable to its business, including maintaining any necessary licenses and permits. Payor shall be responsible for any governmental or regulatory charges and taxes imposed upon or related to the services provided under the PBM Agreement or this Client Agreement. If there is a new or change in federal, state or local law, court decisions, or regulations or the interpretation thereof, or any government, judicial or legal action that, among other things, materially burdens ESI, requires ESI to increase payments or shorten payment times for Covered Drugs to Participating Pharmacies, or materially changes the scope of services hereunder (a "Change in Law"), then there shall be an appropriate modification of the services, reimbursement rates, Administrative Fees and/or Rebates hereunder. If the parties cannot agree on an adjusted fee, then either party may terminate this Client Agreement upon thirty (30) days prior written notice to the non-terminating party.

(b) Client shall be responsible for disclosing, or shall direct PPS to disclose, to Members any and all information relating to the Prescription Drug Program to the extent required by law. It shall be Client's obligation to communicate the terms of the Prescription Drug Program to Members and to provide Members with any documents required under ERISA (e.g., SPD) or other applicable law. Client agrees that, except for the limited purpose set forth in Section 4, ESI is not a fiduciary and Client will not name ESI or any of ESI's wholly-owned subsidiaries or affiliates as a fiduciary (as defined under ERISA or state law) of its plan. Client agrees that neither ESI nor any of ESI's wholly-owned subsidiaries or affiliates have any power to make any decisions as to plan policy, interpretations, practices or procedures, but rather provides administrative services within a framework of policies, guidelines, rules, practices and procedures chosen by Client or PPS. Neither ESI nor any of ESI's wholly-owned subsidiaries or affiliates have discretionary authority or control respecting management of Client's plan except as set forth in Section 4 and do not exercise any authority or control respecting the management or disposition of the assets of Client's plan, if any exist.

12. Third Party Fees. As authorized by Client for services rendered to Client by PPS or Producer, ESI will facilitate the payment of Third Party Fees as follows:

Third Party Program Management ("TPPM") Fees to PPS: Client hereby directs and authorizes ESI to facilitate the payment of monthly TPPM fees in the amount of 1% of Total AWP (excluding any Medicare Part D EGWP utilization) plus a one-time data analytics fee of \$12.00 per Member implemented on Client's Effective Date.

Client further acknowledges that ESI has agreed to pay a percentage of Rebates as set forth on Exhibit B-2 of the PBM Agreement. To the extent that the Percentage of Rebates Retained by PPS (as set forth on page 1 of this Client Agreement) is greater than 0.00%, client acknowledges and directs ESI to pay to PPS such percentage as additional compensation to PPS for services provided by PPS to Client.

Commissions to Producer: As indicated on page 1 of this Client Agreement, Client hereby directs and authorizes ESI to facilitate the payment of monthly commissions in the amount indicated on page 1. Client understands that ESI will invoice a separate Administrative Fee in an amount equal to the Commissions to Producer (MPM or per Rx) as set forth on Page 1 of this Client Agreement.

ESI agrees to facilitate the foregoing fees and commissions on behalf of Client subject to the following: (a) Client has executed this Client Agreement, and Client is current in its payment obligations to ESI. ESI understands that Client may direct ESI to cease paying fees and commissions, and Client shall hold ESI harmless with respect to any dispute between Client and PPS regarding the commissions if ESI has paid such fees and commission in accordance with the terms above; (b) Client hereby confirms that the above fees and commissions are fair and reasonable, commensurate with other standard fees and commissions in the industry and not in violation of any law or regulation; and (c) ESI agrees, in event Client so directs ESI to cease facilitating the payment of such commissions to PPS, that ESI will require Client to execute a new Client Agreement between ESI and Client. Such new agreement will contain different terms, conditions and pricing than those in the then-current Client Agreement. Such terms, conditions and pricing will reflect the purchasing power of the individual Client in the open market and not of PPS's aggregate leverage.

Client represents that the commissions represent fair and reasonable compensation for actual services rendered or to be rendered to Client. Commissions shall be paid

from ESI's general assets and client agrees that commissions do not constitute "plan assets" of the Client. If the commission amount changes following an amendment of Exhibit B of the PBM Agreement, PPS and Client agree that PPS shall notify Client of such change in writing without the need to amend this Client agreement, and that unless client objects to the change, ESI may rely on PPS's confirmation of notice as Client approval. Commissions for any QR-PDP (Part D subsidy) Prescription Claims shall be a PMPM amount. To the extent additional commission information necessary for Client to satisfy its duties under ERISA or other applicable law cannot be obtained by client from PPS, ESI will provide such information to Client upon written request.

ESI will provide up to \$5.00 per Member implemented as of the Effective Date ("PMF"), to reimburse Client the actual, fair market value of: (i) expense items and services related to transitioning, administering, and implementing the pharmacy benefit initially and throughout the term, such as, custom ID Cards, IT programming, custom formulary letters, member communications, and benefit set-up quality assurance; and/or (ii) mutually agreed upon expense items and services related to implementation of additional clinical or other similar programs provided by ESI throughout the Term; in either case subject to submission of adequate documentation to support reimbursement within 180 days of incurring the applicable expense. Both Client and ESI (upon agreement from Client) may use the PMF to cover the fair market value of expenses for projects requiring joint resources. All reimbursement under the PMF is subject to ESI's standard PMF business practices for all clients.

Client represents and warrants that: (i) it will only request reimbursement under the PMF for its actual expenses incurred in transitioning, administering, and implementing the pharmacy benefit managed by ESI hereunder, and/or the additional clinical or other similar program provided by ESI throughout the Term; (ii) that the applicable service, item or program was actually performed or provided; (iii) the amount of the reimbursement is equal to or less than the reasonable fair market value of the actual expenses incurred by Client; (iv) it will notify and disclose the amount and the terms of any PMF reimbursements to Members and other third parties to the extent required by applicable laws and regulations. In addition, if the Client and the Plan are subject to ERISA, Client represents and warrants that it will only request reimbursement under the PMF for items or services for which Client, in the absence of the PMF, would be allowed reimbursement from the Plan (i.e., not "settlement functions").

Client shall comply with all applicable federal and state requirements, including, but not limited to, all applicable federal and state reporting requirements with respect to any expense, item or service reimbursed under this Section 12. ESI reserves the right to periodically audit the books and records of Client on-site, during normal business hours and after giving reasonable advance notice, for the purposes of verifying Client's compliance with the PMF requirements set forth in this Client Agreement.

ESI intends to amortize the PMF over the Initial Term of the Client Agreement on a straight-line basis. In the event of a termination of this Client Agreement for any reason other than ESI's uncured material breach prior to the expiration of the Initial Term, Client will reimburse ESI an amount equal to any paid but unamortized portion of the PMF. Reimbursement to ESI by Client pursuant to this Section will not be in lieu of any other rights or remedies ESI may have in connection with the termination of this Client Agreement, including monetary or other damages. PMF reimbursements shall not be paid prior to the Effective Date of this Client Agreement and are not payable until this Client Agreement is executed. Client will have no right to interest on, or the time value of, any PMF, and unused funds shall be retained by ESI.

Third Party Fees, Commissions, PMF and Rebates are not payable until this Client Agreement is executed.

13. Disclosure of Certain Financial Matters. In addition to the Administrative Fees paid to ESI by Client, ESI and ESI's wholly-owned subsidiaries or affiliates derive revenue in one or more of the ways described in the ESI Financial Disclosure to PBM Clients set forth in Attachment 1 hereto ("Financial Disclosure"), as updated by ESI from time to time. Unlike the Administrative Fees, the revenues described in the Financial Disclosure are not direct or indirect compensation to ESI from Client for services rendered to Client or the Plan under this Client Agreement. In negotiating any of the fees and revenues described in the Financial Disclosure or in this Agreement, ESI and ESI's wholly-owned subsidiaries and affiliates act on their own behalf, and not for the benefit of or as agents for PPS, Client, Members or the Plan. ESI

and ESI's wholly-owned subsidiaries and affiliates retain all proprietary rights and beneficial interest in such fees and revenues described in the Financial Disclosure and, accordingly, Client acknowledges that neither it, nor the PPS, nor any Member, nor the Plan, has a right to receive, or possesses any beneficial interest in, any such fees or revenues.

14. Term; Termination. The initial term of this Client Agreement shall commence on the Effective Date and shall continue for the duration of the initial term as specified on the first page of this Client Agreement (the "Initial Term"). Thereafter, this Client Agreement shall automatically renew for successive 12 month renewal terms unless either ESI or Client gives notice to the other of its intention not to renew this Client Agreement at least thirty (30) days prior to the end of the then current term of this Client Agreement, with such termination of this Client Agreement upon notice effective the last day of such then current term. Notwithstanding the foregoing, a party hereto may terminate this Client Agreement at any time in the event the other party materially breaches this Client Agreement and the breaching party does not reasonably cure such breach within thirty days following receipt of written notice from the non-breaching party sufficiently describing and evidencing the actual breach and the non-breaching party's intention to terminate as a result thereof. A party's right to terminate this Client Agreement shall not be exclusive of any other remedy available to the terminating party under this Client Agreement or otherwise. ESI shall have the right to immediately terminate PBM Services to Client (or, if applicable, Members) located in a state requiring a pharmacy benefit manager to be a fiduciary to PPS, Client, a Member or other third party relating to this Agreement.

15. Force Majeure. Neither party shall lose any rights under this Agreement or be liable in any manner for any delay to perform its obligations under this Client Agreement that are beyond a party's reasonable control, including, without limitation, any delay or failure due to labor disputes, riots, earthquakes, storms, floods or other extreme weather conditions, fires, explosions, acts of terrorism, epidemics, embargoes, war or other outbreak of hostilities, government acts or regulations, the failure or inability of carriers, suppliers, delivery services, or telecommunications providers to provide services necessary to enable a party to perform its obligations hereunder, or any other reason where failure to perform is beyond the party's reasonable control, and is not caused by the negligence, intentional conduct or misconduct of the defaulting party; *provided, however*, that this clause may not be invoked to excuse a party's payment obligations hereunder.

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

Express Scripts, Inc.	Client
Attn: President	Attn: President
One Express Way	Address on Client Agreement
St. Louis, MO 63121	
With copy to Legal Department	
Fax No: (800) 417-8163	

17. Assignment and Subcontracting. Client may assign this Agreement upon first obtaining ESI's written consent, which consent will not be unreasonably withheld following a standard credit review of the proposed assignee. Client acknowledges and agrees that ESI may perform certain services hereunder (e.g., mail service pharmacy and specialty pharmacy services) through one or more ESI subsidiaries, affiliates or designees. ESI is responsible and liable for the performance of its subsidiaries and affiliates in the course of their performance of any such service. To the extent that ESI subcontracts any PBM Service under this Agreement to a third party, ESI is responsible and liable for the performance of any such third party. In addition, ESI may contract with third party vendors to provide information technology support services and other ancillary services, which services are not PBM Services hereunder, but rather are services that support ESI's conduct of its business operations. This Agreement will be binding upon, and inure to the benefit of and be enforceable by, the respective successors and permitted assigns of the parties hereto.

18. Proprietary Information. Information of the other party, including, but not limited to, the following, shall constitute confidential and proprietary information

("Proprietary Information") unless otherwise public: (a) with respect to ESI: ESI's reporting and other web-based applications, eligibility and adjudication systems, system formats and databanks (collectively, "ESI's Systems"), clinical or formulary management operations or programs, fraud, waste and abuse tools and programs, anonymized claims data (de-identified in accordance with HIPAA); ESI Specialty Pharmacy and Mail Service Pharmacy data; information concerning Rebates, prescription drug evaluation criteria, drug pricing information, and Participating Pharmacy agreements; and (b) with respect to Client: Participating Pharmacy Client and Member identifiable health information and data, Eligibility Files, Set-Up Form information, business operations and strategies, are confidential and proprietary. Neither party shall use a party's Proprietary Information, or disclose it or this Client Agreement to any third party, at any time during or after termination of this Client Agreement, except as specifically contemplated by this Client Agreement, upon prior written consent or as otherwise required by law. Upon termination of this Client Agreement, each party shall cease using the other's Proprietary Information, and all such information shall be returned or destroyed at the owner's direction.

Notwithstanding the foregoing, ESI acknowledges that the Client has the right to use their information, which includes but not limited to: Member ID, NDC, Drug Name, Days Supply, Units Dispensed, Ingredient Cost, U&C Price, Dispensing Fee, Member Copayment, Net Cost, Fill Date, Pharmacy Type, Pharmacy ID (NABP, NCPDP, and NPI), DAW Code, Specialty Indicator, and Formulary Indicator.

19. Indemnification. Each party agrees to indemnify and hold the other party, and its officers, directors, and employees, harmless from and against any and all third party claims, actions, demands, liabilities, losses, damages, judgments, costs or expenses (including reasonable attorneys' fees) incurred by the indemnified party and arising from any negligent act, negligent omission, or breach of this Agreement by the indemnifying party. Indemnification is conditioned upon the indemnified party notifying the indemnifying party in writing promptly upon learning of any claim for which indemnification may be sought hereunder, and tendering of the defense of such claim to the indemnifying party. Neither party will be obligated to indemnify the other party with respect to any claim settled without the mutual written consent of both parties hereto, which consent will not be unreasonably withheld.

THE UNDERSIGNED AGREE THAT THIS CLIENT AGREEMENT ACCURATELY DESCRIBES THE PRESCRIPTION DRUG PROGRAM TO BE PROVIDED TO CLIENT. CLIENT FURTHER EXPRESSLY AGREES TO THE TERMS AND CONDITIONS SET FORTH IN THIS CLIENT AGREEMENT AND THE PBM AGREEMENT. CLIENT SHALL RECEIVE A COPY OF THE PBM AGREEMENT BETWEEN PPS AND ESI UPON REQUEST.

NAME OF CLIENT (PRINT): _____ Date: _____

By: _____ Name: _____ Title: _____
SIGNATURE (PRINT NAME)

EXPRESS SCRIPTS, INC.

By: _____ Name: _____ Title: _____
SIGNATURE (PRINTED NAME)

IMPLEMENTATION OF THE PRESCRIPTION DRUG PROGRAM DETAILED HEREIN INCLUDING PAYMENT OF REBATES AND/OR COMMISSIONS, IF ANY, SHALL NOT BE INITIATED UNTIL THIS CLIENT AGREEMENT IS EXECUTED BY CLIENT AND ESI.

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

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

22. Miscellaneous. ESI may amend the Terms and Conditions (the "T&C") of this Client Agreement at any time upon written notice to Client (the "Notice"). If, however, Client objects to such amendment, Client shall have the right to object to such amendment by submitting a written objection within thirty (30) days of Client's receipt of ESI's Notice. In such event, the parties agree to negotiate in good faith a mutually acceptable amendment to the T&C and, if the parties cannot agree on such an amendment, then either party may terminate this Client Agreement upon sixty (60) days prior written notice to the other party. This Client Agreement shall be governed by and construed in accordance with the internal laws of the State of Missouri. This Client Agreement supersedes any agreements between the parties hereto. Sections 2, 7 (last sentence), 8, 9, 11, 15, 17, 16, 18, 19, 20 and 22 of this Client Agreement shall survive termination for any reason.

ATTACHMENT 1 TO CLIENT AGREEMENT

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.

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. Associated with 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 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 retains the financial benefit of the use of any funds held until payment of formulary rebate amounts is made to the client. 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 services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, medical benefit management services, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees.

Copies of ESI's standard formularies may be reviewed at 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/.

ESI Subsidiary Pharmacies – ESI has several licensed pharmacy subsidiaries, including our specialty pharmacies. These entities may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers and wholesale distributors. These subsidiary pharmacies contract for these arrangements on their own account in support of their various pharmacy operations. Many of these subsidiary arrangements relate to services provided outside of PBM arrangements, and may be entered into irrespective of whether the particular drug is on one of ESI's national formularies. Discounts and fee-for-service payments received by ESI's subsidiary pharmacies are not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. 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 or wholesalers in conjunction with various programs or services, including, for example, patient assistance programs for indigent patients, dispensing prescription medications to patients enrolled in clinical trials, various therapy adherence and fertility programs, administering FDA compliance requirements related to the drug, product reimbursement support services, and various other clinical or pharmacy programs or services. As a condition to having access to certain products, and sometimes related to certain therapy adherence criteria or FDA requirements, a pharmaceutical manufacturer may require a pharmacy to report selected information to the manufacturer regarding the pharmacy's service levels and other dispensing-related data with respect to patients who receive that manufacturer's product. A portion of the discounts or other fee-for-service payments made available to our pharmacies may represent compensation for such reporting.

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business; 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.

December 1, 2014

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/.

ATTACHMENT 2 TO CLIENT AGREEMENT

Open Channel Discount Guarantees

Type of Guarantee	National Plus Network	Mail Service Pharmacy	Claims Excluded
Generic Claims	AWP – 77.00%	AWP – 81.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through 340b pharmacies (if applicable)
Brand Claims	AWP – 17.25%	AWP – 25.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through 340b pharmacies (if applicable)

Managed Channel Discount Guarantees: Requires Exclusive Home Delivery

Type of Guarantee	National Plus Network	Mail Service Pharmacy	Claims Excluded
Generic Claims	AWP – 77.00%	AWP – 82.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through 340b pharmacies (if applicable)
Brand Claims	AWP – 17.25%	Year 1: AWP – 25.00% Year 2: AWP – 25.50% Year 3: AWP – 25.75%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through 340b pharmacies (if applicable)

Open and Managed Channel Dispensing Fee Guarantees

Type of Guarantee	National Plus Network	Mail Service Pharmacy	Claims Excluded
Generic Claims	\$0.90	\$0.00	OTC, compounds, Specialty Products, and biosimilar products
Brand Claims	\$0.90	\$0.00	OTC, compounds, Specialty Products, and biosimilar products

Specialty Net Effective Discount Guarantee

Type of Pricing Guarantee	ESI Specialty Pharmacy – Exclusive Care	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	AWP – 15.00%	All Specialty Product Claims not dispensed through ESI Specialty Pharmacy and limited distribution Specialty Products dispensed through ESI Specialty Pharmacy

Rebate Guarantees – (ESI will pay an amount equal to the greater of 85% of Rebates received by ESI or the guaranteed amounts below)

Formulary:	ESI National Preferred Formulary					
	Minimum \$15 Copayment differential			Less than \$15 Copayment differential		
	Participating Pharmacies	ESI Specialty Pharmacy	Mail Service Pharmacy	Participating Pharmacies	ESI Specialty Pharmacy	Mail Service Pharmacy
Per Brand Claim	Year 1: \$35.79 Year 2: \$40.54 Year 3: \$40.83	\$150.00	Year 1: \$107.38 Year 2: \$121.62 Year 3: \$122.49	Year 1: \$33.79 Year 2: \$38.54 Year 3: \$38.83	\$150.00	Year 1: \$101.38 Year 2: \$115.62 Year 3: \$116.49

For all HDHP starting at 20% of the Client's overall claims, ESI will charge a per-claim administrative fee \$0.15 to cover the cost of processing high deductible health plan claims. For every additional increase of 5% of total claims, the per-claim administrative fee will increase by \$0.15.

This pricing summary is a summary of the high level guarantees negotiated by PPS with ESI. Complete pricing, Rebate and Administrative Fee details including but not limited to program requirements, assumptions, administrative & clinical Program fees, definitions, and calculation methodologies are included in Exhibits B through B-4 of the Agreement between PPS and ESI and will be provided upon request and execution of a confidentiality agreement with PPS.

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

Administrative Service Fees

PBM Services	Fees
Manual Submissions	
Manual/hardcopy eligibility submission	\$10.00/update (includes initial entry)
Member Submit Fee (includes Medicaid subrogation claims)	\$2.50/claim
Electronic Prescribing	
Electronic Prescribing	Pass through charge for ePrescribing Eligibility and Formulary transaction fees charged to PPS Client at Express Scripts' preferred rate with data switch such as Surescripts.
Reporting Services	
Custom ad hoc reporting – applies for reporting outside of self services reporting tool	\$150/hour, with a minimum of \$500
Replacement Member Communication Packets	
Member-requested replacement packets	\$1.50 + postage per packet
Client-requested re-carding	\$1.50 + postage per packet
Communication Fee	
Smart90 and Select Home Delivery Programs	\$2.50 per employee upon implementation of program (one-time charge)
Reviews and Appeals Management	
<u>Initial Determinations (i.e. coverage reviews) and Level One Appeals for the Coverage Authorization Program</u> , consisting of: <ul style="list-style-type: none"> • Prior Authorization • Step Therapy • Drug Quantity Management 	Included in the existing UM PMPM charge
<u>Initial Determinations and Level One Appeals for the Benefit Review Program</u> , consisting of reviews known as: <ul style="list-style-type: none"> • Plan Design Related Requests • Plan Exclusion Reviews (clinical or administrative reviews of non-covered drugs) • Copay Reviews • Plan Limit Reviews (e.g. age, gender, days' supply limits) • Plan Rule/Administrative Reviews/Non-clinical Reviews • Clinical Benefit Reviews • Direct Claim Reject Reviews 	\$55 per review
<u>Final and Binding Appeals – Level Two Appeals *</u> and/or Urgent Appeals** *Level One for clients with only one level of appeal ** Appeals can be urgent at Level One or Level Two and decisions are final and binding.	\$10.00 per review* (incremental to PMPM fees or per the review fees above) * This additional fee is applied to each initial determination.
<u>External Reviews by Independent Review Organizations - for non-grandfathered plans</u>	\$800 per review
Retiree Drug Subsidy (RDS)	

PBM Services	Fees
<p>RDS enhanced service (Express Scripts sends reports to CMS on behalf of client)</p> <ul style="list-style-type: none"> • Notice of Creditable Coverage <p>RDS standard service (Express Scripts sends reports to client)</p> <ul style="list-style-type: none"> • Notice of Creditable Coverage 	<p>\$1.12 PMPM for Medicare-qualified members with a minimum annual fee of \$7,500</p> <p>\$1.35/letter + postage</p> <p>\$0.62 PMPM for Medicare-qualified members with a minimum annual fee of \$5,000</p> <p>\$1.35/letter + postage</p>
Required Services and Fee for all CDH Enrollees	
<p>Foundational Services</p> <ul style="list-style-type: none"> • Technical <p>Bi-directional data exchange; dedicated operations; 24-hour a day, seven-days a week monitoring and quality control; performance reporting; and analytics</p> <ul style="list-style-type: none"> • Member Advocacy <p>Dedicated CDH member services, open enrollment tools and member communications library, robust online features, and preventive care</p>	<p>Technical and Member Advocacy: \$0.35 PMPM</p> <p><i>Additional services will be quoted upon request.</i></p> <p><i>Postage charges are not included and will be billed to Client.</i></p>
Optional Service and Fee for all non-CDH Enrollees	
<p>Comprehensive Member Engagement Services</p> <ul style="list-style-type: none"> • Health Choices <p>Medication Adherence Monitoring and Outreach and proactive, personalized member communications</p> <ul style="list-style-type: none"> • Drug Choices <p>Benefit Coaching, Prescription Benefit Review Statements, proactive, personalized member communications</p>	<p>Comprehensive Services: \$0.30 PMPM</p> <p>All Services (Foundational & Comprehensive): \$0.65 PMPM</p> <p><i>Additional services will be quoted upon request.</i></p> <p><i>Postage charges are not included and will be billed to Client.</i></p>
<u>If Sharing Data Only</u> - Required Service and Fee for all Non-CDH Enrollees	
<p>Combined Benefit Management</p> <p>Services to manage combined medical-pharmacy benefits that are not a consumer-directed health (CDH) plan.</p> <p>Services Include ongoing management of the data exchange platform with the medical vendor/PPS, production monitoring and quality control, and dedicated operations team. Combined benefit types may include deductible, out of pocket, spending account, and lifetime maximum.</p>	<p>\$0.10 PMPM per combined accumulator up to maximum of \$0.20 PMPM for existing connection with medical carrier or PPS.</p> <p>Fees to establish connection with new medical carrier or PPS are quoted upon request.</p> <p><i>Additional services will be quoted upon request.</i></p> <p><i>Postage charges are not included and will be billed to Client.</i></p>

EXHIBIT B

PROGRAM FEES

ESI is making available to PPS the following pricing/plan design options to be marketed by PPS to its Clients. PPS represents and warrants that it will accurately convey to Clients the applicable pricing/plan design and sufficiently document and timely communicate to ESI which pricing/plan design option each Client has adopted. In addition, PPS represents and warrants that it is responsible for marketing such pricing/plan design options to its Clients in accordance with applicable law and is responsible to timely disclosing any and all aspects relating thereto as required by, or appropriate under, applicable law.

Payor shall pay to ESI the amounts set forth below (net of applicable Copayments), for Prescription Claims, plus all applicable sales or excise tax, or other governmental surcharges.

A Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment or the Adjudicated Gross Cost.

If, due to an access concern, PPS or Client requests that ESI attempt to add a particular retail pharmacy to the network of Participating Pharmacies serving PPS, its Clients and its Members hereunder, ESI will make commercially reasonable efforts to add any such pharmacy to the Participating Pharmacy network for PPS or Client, provided that such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions. If any such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions except for ESI's standard network rates (i.e., the particular pharmacy will only agree to higher than standard reimbursement rates), and PPS or Client nevertheless requests that ESI add such pharmacy, the rate charged to Payor for Prescription Claims processed through such pharmacy (assuming ESI agrees to contract with such pharmacy) will be the net ingredient cost plus the dispensing fee paid by ESI to such Participating Pharmacy (plus applicable sales or excise tax or other governmental surcharge, if any). All such Prescription Claims will be excluded from the pricing guarantees set forth in this Exhibit B.

ESI maintains multiple networks, and periodically consolidates networks, or migrates clients to other networks, in order to capitalize on certain operational efficiencies and other benefits associated with a streamlined network offering. Existing networks may fluctuate from time to time. ESI will notify PPS of any changes that would materially affect Member's and work with PPS and the Client in good faith to mitigate any such affects.

The financial terms set forth in Exhibit B are conditioned upon no 100% copayment benefit plans, and adoption by Clients of the specified network, qualifying co-payment structures, formulary, the Mail Service Pharmacy program, and ESI Specialty Pharmacy specified on Exhibit B that pertain to the pricing package selected by Client. In the event one or more of the following occurs (whether between the date of the cost proposal and the Effective Date, or during the Term), ESI will have the right to request an equitable adjustment to the rates, administrative fees and/or Rebates. PPS shall notify ESI of its disagreement with the adjustment within thirty (30) days after such notice by ESI. The parties agree to negotiate in good faith the proposed adjustment. If the parties are unable to agree on the adjustment, ESI may make such adjustment as originally proposed. However, in the event of such adjustment in which the parties haven't agreed, either party may terminate this Agreement after the first contract year upon ninety (90) days' written notice:

- (a) There is a material change in: (i) the conditions or assumptions stated in this Agreement; and/or
- (b) Clients changes its Formulary, benefit designs, implements OTC plans, clinical or trend programs or otherwise takes an action that has the effect of lowering the amount of Rebates earned hereunder or materially impacting another financial guarantee. In the event a non-rebate guarantee is impacted by more than 2% of overall drug spend and PPS does not agree with the methodology used to quantify the guarantee adjustment, PPS will be able to terminate this agreement with 90 days written notice; and/or
- (c) Clients elect to use on-site clinics or pharmacies to dispense prescription drugs to Members which materially reduces Rebates and/or the number of Covered Drug claims submitted on-line; and/or
- (d) More than 5% of claims are incurred in Massachusetts, Hawaii, Alaska, or Puerto Rico; and/or

- (e) Rebate revenue is materially decreased due to a Change in Law.
- (f) ESI pharmacy networks change in a way that would materially affect Members.

Further, ESI and PPS each understand that market conditions, patent status and other factors may influence Formulary decisions from time to time, and eligibility to receive payments for Rebates may change over time due to changes in laws governing prescription drug pricing (including Rebates, or changes in ESI's contracts with pharmaceutical manufacturers, or due to changes in the interpretation of existing laws).

For purposes of this Exhibit B:

"Adjudicated Gross Cost" means the gross drug cost prior to the application of plan design which is the lesser of: i) AWP less the discount plus the dispensing fee, ii) MRA (if applicable) plus the dispensing fee or iii) U&C.

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

"Average Wholesale Price" or "AWP" means the average wholesale price of a prescription drug as identified by Medi-Span (the "Pricing Source"). The applicable AWP shall be the 11-digit NDC for the product dispensed as of the date dispensed. If the Pricing Source discontinues the reporting of AWP or materially changes the manner in which AWP is calculated, then ESI reserves the right to make an equitable adjustment as necessary to maintain the parties' relative economics and the pricing intent of this Agreement.

"Biosimilar Drug" means a drug that is approved by the Food and Drug Administration as a "biosimilar" product, as such term is defined at 42 U.S.C. §262(i)(2), pursuant to the provisions of 42 U.S.C. §262(k), or pursuant to any successor legislative provision relating to expedited approval of biological products which are highly similar to a reference biological product.

"Brand Claim" a Prescription Claim where the NDC-11 for the product was identified by Medi-Span as having a Multi-Source Indicator code of "M", "N", or "O" on the date adjudicated.

"Brand/Generic Algorithm" or "BGA" means ESI's standard and proprietary brand/generic algorithm utilized by ESI for all of its clients, a copy of which may be made available for review by PPS, Client, or its Auditor upon request. The purposes of the algorithm are to utilize a comprehensive and logical algorithm to determine the brand or generic status of products in the ESI master drug file using a combination of industry standard attributes, to stabilize products "flipping" between brand and generic status as may be the case when a single indicator is used from industry pricing sources, and to reduce Client, Member and provider confusion due to fluctuations in brand/generic status. PPS, Client or its Auditor may audit ESI's application of its BGA to confirm that ESI is making brand and generic drug determinations consistent with such algorithm. If a product is determined by ESI, in accordance with the BGA, to be either a Brand or Generic Product, ESI will process the Prescription Claim in accordance with that initial determination for purposes of the adjudication and guarantee rates as set forth in Exhibit B-1 and for purposes of the Rebate amounts set forth in Exhibits B-2 and B-3.

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

"Exclusive Home Delivery" means a benefit design adopted by Client whereby Members are required to obtain maintenance medications from the Mail Service Pharmacy.

"Generic Claim" a Prescription Claim where the NDC-11 for the product was identified by Medi-Span as having a Multi-Source Indicator code of "Y" on the date adjudicated.

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

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

"Managed Channel Pricing" requires a Plan design which includes Exclusive Home Delivery and ESI Specialty Pharmacy – Exclusive Care.

"Open Channel Pricing" means a Plan design which does not include Exclusive Home Delivery and ESI Specialty Pharmacy – Exclusive Care.

"PMPM" means per Member per month fee, if applicable, as determined by ESI from the Eligibility Files.

"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.

Exhibit B Includes The Following:

Exhibit B-1

Pharmacy Reimbursement Rates

Exhibit B-2

Rebates – Non-Specialty Products and Commission

Exhibit B-3

Rebates – Specialty Products and Commission

Exhibit B-4

Administrative and Clinical Program Fees

Exhibit B-1

Pharmacy Reimbursement Rates

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

Open Channel Pricing:

Network	ESI National Plus Network
Guaranteed Ingredient Cost - Brand Product	Lesser of AWP – 17.25% or U&C
Guaranteed Ingredient Cost - Generic Product	Lesser of AWP – 17.25%, MRA or U&C
Ingredient Cost – Compound Drugs	Lesser of U&C or discounted ingredient cost for each ingredient plus pass through professional service fee
Guaranteed Brand Product Dispensing Fee/Rx	\$0.90*
Guaranteed Generic Product Dispensing Fee/Rx	\$0.90*
Administrative Fee/Rx†	\$0.00

*U & C claims will incur a \$0.00 dispensing fee

† For all HDHP starting at 20% of the Client's overall claims, ESI will charge a per-claim administrative fee \$0.15 to cover the cost of processing high deductible health plan claims. For every additional increase of 5% of total claims, the per-claim administrative fee will increase by \$0.15 as follows:

Percentage of claims in the HDHP	Administrative Fee Amount
0.00-19.99%	\$0.00/claim
20.00-24.99%	\$0.15/claim
25.00-29.99%	\$0.30/claim
30.00-34.99%	\$0.45/claim
35.00-39.99%	\$0.60/claim
Every 5% thereafter	Additional \$0.15/claim, not to exceed \$3.00/claim

Managed Channel Pricing:

Network	ESI National Plus Network
Guaranteed Ingredient Cost - Brand Product	Lesser of AWP – 17.25% or U&C
Guaranteed Ingredient Cost - Generic Product	Lesser of AWP – 17.25%, MRA or U&C
Ingredient Cost – Compound Drugs	Lesser of U&C or discounted ingredient cost for each ingredient plus pass through professional service fee
Guaranteed Brand Product Dispensing Fee/Rx	\$0.90*
Guaranteed Generic Product Dispensing Fee/Rx	\$0.90*
Administrative Fee/Rx†	\$0.00

*U & C claims will incur a \$0.00 dispensing fee

† For all HDHP starting at 20% of the Client's overall claims, ESI will charge a per-claim administrative fee \$0.15 to cover the cost of processing high deductible health plan claims. For every additional increase of 5% of total claims, the per-claim administrative fee will increase by \$0.15 as follows:

Percentage of claims in the HDHP	Administrative Fee Amount
0.00-19.99%	\$0.00/claim
20.00-24.99%	\$0.15/claim
25.00-29.99%	\$0.30/claim
30.00-34.99%	\$0.45/claim
35.00-39.99%	\$0.60/claim
Every 5% thereafter	Additional \$0.15/claim, not to exceed \$2.40/claim

Notwithstanding the preceding, ESI will guarantee an average annual discount for Brand Products and Generic Products and Dispensing Fees as set forth in the table in Section III below.

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

Open Channel Pricing:

Guaranteed Ingredient Cost - Brand Product	AWP – 25.00%
Guaranteed Ingredient Cost - Generic Product	AWP - 25.00% or, if lower, MRA
Guaranteed Brand Product Dispensing Fee/Rx*	\$0.00
Guaranteed Generic Product Dispensing Fee/Rx*	\$0.00
Administrative Fee/Rx†	\$0.00

* Dispensing Fees are inclusive of shipping and handling. If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee will be increased to reflect such increase(s).

† For all high deductible health plan (HDHP)/health savings account (HSA) claims, starting at 20% of the sponsor's overall claims, ESI will charge a per-claim administrative fee \$0.15 to cover the cost of processing high deductible health plan claims. For every additional increase of 5% of total claims, the per-claim administrative fee will increase by \$0.15 as follows:

Percentage of claims in the HDHP	Administrative Fee Amount
0.00-19.99%	\$0.00/claim
20.00-24.99%	\$0.15/claim
25.00-29.99%	\$0.30/claim
30.00-34.99%	\$0.45/claim
35.00-39.99%	\$0.60/claim
Every 5% thereafter	Additional \$0.15/claim, not to exceed \$2.40/claim

Managed Channel Pricing:

Guaranteed Ingredient Cost - Brand Product	Year 1: AWP – 25.00% Year 2: AWP – 25.50% Year 3: AWP – 25.75%
Guaranteed Ingredient Cost - Generic Product	AWP - 25.00% or, if lower, MRA
Guaranteed Brand Product Dispensing Fee/Rx*	\$0.00
Guaranteed Generic Product Dispensing Fee/Rx*	\$0.00
Administrative Fee/Rx†	\$0.00

* Dispensing Fees are inclusive of shipping and handling. If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee will be increased to reflect such increase(s).

† For all HDHP starting at 20% of the Client's overall claims, ESI will charge a per-claim administrative fee \$0.15 to cover the cost of processing high deductible health plan claims. For every additional increase of 5% of total claims, the per-claim administrative fee will increase by \$0.15 as follows:

Percentage of claims in the HDHP	Administrative Fee Amount
0.00-19.99%	\$0.00/claim
20.00-24.99%	\$0.15/claim
25.00-29.99%	\$0.30/claim
30.00-34.99%	\$0.45/claim
35.00-39.99%	\$0.60/claim
Every 5% thereafter	Additional \$0.15/claim, not to exceed \$2.40/claim

Notwithstanding the preceding, ESI will guarantee an average annual discount for Brand Products and Generic Products and Dispensing Fees as set forth in the table in Section III below.

III. Pricing Guarantees.

A. Ingredient Cost Guarantee. ESI will guarantee an average annual discount for each Client to be calculated as follows:

Actual Average AWP Discount: $[1 - (\text{total Adjudicated Gross Cost (excluding dispensing fees and prior to application of Copayments) of applicable Prescription Claims for the annual period} / \text{total undiscounted AWP (both amounts will be calculated as of the date of adjudication) for the annual period})]$.

Open Channel Pricing:

Type of Guarantee	Participating Pharmacy	Mail Service Pharmacy	Claims Excluded
Generic Claims	AWP – 77.00%	AWP – 81.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)
Brand Claims	AWP – 17.25%	AWP – 25.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)

Managed Channel Pricing:

Type of Guarantee	Participating Pharmacy	Mail Service Pharmacy	Claims Excluded
Generic Claims	AWP – 77.00%	AWP – 82.00%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)
Brand Claims	AWP – 17.25%	Year 1: AWP – 25.00% Year 2: AWP – 25.50% Year 3: AWP – 25.75%	OTC, compounds, Member Submitted Claims, Subrogation Claims, vaccines, Specialty Products, biosimilar products, and products filled through in-house or 340b pharmacies (where such pharmacies are not Participating Pharmacies on a standard ESI network contract)

Specialty Product Guarantees. Notwithstanding the Specialty Product pricing terms set forth in Section IV of this Agreement, ESI agrees to the following average annual ingredient cost discount guarantee for ESI Specialty Pharmacy:

Type of Pricing Guarantee	ESI Specialty Pharmacy – Exclusive Care	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	AWP – 15.00%	All Specialty Product Claims not dispensed through ESI Specialty Pharmacy and limited distribution Specialty Products dispensed through ESI Specialty Pharmacy

B. Dispensing Fee Guarantee. ESI will guarantee a maximum average annual per claim dispensing fee for each Client to be calculated as follows:

[total dispensing fee of applicable claims for the annual period divided by total claims for the annual period].

Open Channel Pricing and Managed Channel Pricing:

Type of Guarantee	Participating Pharmacy	Mail Service Pharmacy	Claims Excluded
Generic Claims Dispensing Fee/Claim*	\$0.90	\$0.00	OTC, compounds, Specialty Products, and biosimilar products
Brand Claims Dispensing Fee/Claim*	\$0.90	\$0.00	OTC, compounds, Specialty Products, and biosimilar products
Specialty Products	\$0.90	\$0.00	OTC, compounds, and biosimilar products

*Dispensing Fees are inclusive of shipping and handling. If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee guarantees will be increased to reflect such increase(s).

Note: U & C claims will incur a \$0.00 dispensing fee.

The guarantees in sections A and B above will be measured and reconciled on an annual basis within 90 days of the end of each contract year. The above guarantees are annual guarantees - if this 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. In the event the result of the reconciliation calculations result in underperformance compared to the Guarantee, ESI will pay Client for any deficit within ninety (90) days following reconciliation.

Pricing Guarantees (Ingredient Cost Guarantee and Dispensing Fee Guarantees) will be measured independent of Rebate guarantees such that under-performance on one Rebate Guarantee will not be offset with over-performance on a Pricing Guarantee.

Pricing Guarantees (Ingredient Cost Guarantee and Dispensing Fee Guarantees) will be measured in aggregate such that under-performance Pricing Guarantee may be used to offset with over-performance on another Pricing Guarantee.

IV. Specialty Products

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

Specialty Product rates shown below. Upon ESI Specialty Pharmacy acquisition of limited distribution products, Members will obtain prescriptions through ESI Specialty Pharmacy.

(b) Open Care. Specialty Products shall be available through ESI Specialty Pharmacy and at Participating Pharmacies for the Participating Pharmacy Specialty Product reimbursement rates.

	Ingredient Cost	Dispensing Fee
Exclusive ESI Specialty Pharmacy	See Exclusive Specialty Product List Lesser of AWP discount or MRA (as applicable)	\$0.00
Open ESI Specialty Pharmacy	Open Specialty Product List Lesser of AWP discount or MRA (as applicable)	\$0.00
Participating Pharmacy Specialty Products	Participating Pharmacy Specialty Product List Lesser of AWP discount, U&C or MRA (as applicable)	\$0.90

(c) Pricing for ASES is as follows:

- (i) For Specialty Products needing an additional charge to cover costs of all ASES required to administer the Specialty Products, the following standard per diem and nursing fee rates shall apply. Exceptions to the standard per diem and nursing rates are set forth in (ii), below, which list may be updated from time to time by ESI. Pricing for home infusion supplies and services provided at Participating Pharmacies (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be pass through.

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

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

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

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

(d) In no event will the Mail Service Pharmacy or Participating Pharmacy pricing terms specified in the Agreement, including, but not limited to, the annual average ingredient cost discount guarantees, apply to Specialty Products.

(e) Unless otherwise set forth in an agreement directly between ESI Specialty Pharmacy and Client, if a Specialty Product dispensed or ASES provided by ESI Specialty Pharmacy is billed to Client, or its designee directly by ESI Specialty Pharmacy instead of being processed through ESI, Client agrees to timely pay ESI Specialty Pharmacy for such claim pursuant to the rates above and within thirty (30) days of Client's, or its designee's, receipt of such electronic or paper claim from ESI Specialty Pharmacy. ESI Specialty Pharmacy shall have 360 days from the date of service to submit such electronic or paper claim.

V. Influenza and Other Vaccinations

Vaccinations shall adjudicate at the lower of:

(a)

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

* The Vaccine Program Fee will be billed separately to Client as part of the administrative invoice according to the billing frequency set forth in the Agreement. This Vaccine Program Fee will apply to any vaccine claims, whether at contracted rates or U&C, and is in addition to any per Prescription Claim administrative fee set forth in the Agreement.

or

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

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

EXHIBIT B-2

Rebates and Commissions

I. Rebates

1. Rebate Amounts

A. Subject to the conditions set forth in Sections 2. – 4. below and elsewhere in this Agreement, ESI will pay to PPS (or Client, if instructed in writing by PPS) an amount equal to the greater of:

(i) 85% of the Rebates received by ESI;

Or

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

Formulary:	ESI National Preferred Formulary					
	Minimum \$15 Copayment differential			Less than \$15 Copayment differential		
	Participating Pharmacies	ESI Specialty Pharmacy	Mail Service Pharmacy	Participating Pharmacies	ESI Specialty Pharmacy	Mail Service Pharmacy
Per Brand Claim	Year 1: \$35.79 Year 2: \$40.54 Year 3: \$40.83	\$150.00	Year 1: \$107.38 Year 2: \$121.62 Year 3: \$122.49	Year 1: \$33.79 Year 2: \$38.54 Year 3: \$38.83	\$150.00	Year 1: \$101.38 Year 2: \$115.62 Year 3: \$116.49

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

2. Exclusions

Member Submitted Claims, Subrogation Claims, biosimilar products, OTC products, claims older than 180 days, claims through Client-owned or 340b pharmacies for which Client has negotiated their own arrangements with pharmaceutical manufacturers for rebates or consideration in lieu of rebates, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 1.A.(ii) above. Claims paid for benefit plans where Client pays less than 51% of the total plan or policy of health coverage, including Pharmacy cost, will be ineligible for Rebates.

3. Rebate Payment Terms

A. Subject to the conditions set forth herein, ESI shall pay PPS the percentage amount set forth in Section 1.A.(i) above for Rebates 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 PPS the percentage amount set forth in Section 1.A.(i) above for residual Rebates collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

- B. On an annual basis for each Client, ESI shall reconcile the guaranteed amounts set forth in Section 1.A.(ii) above against the percentage amount paid to PPS quarterly within two hundred and forty (240) days following the end of each calendar year. The reconciliation amount will be calculated as follows:

Reconciliation Excess/(Deficit):

Total of all rebates paid to PPS for the calendar year (which equals 85% of total rebates received by ESI)] – [(Participating Pharmacy Brand Claim Volume * Applicable Participating Pharmacy Minimum Guarantee) + (ESI Mail Brand Claim Volume * Applicable ESI Mail Minimum Guarantee) + (ESI Specialty Pharmacy Brand Claim Volume * Applicable ESI Specialty Pharmacy Minimum Guarantee)]

In the event the result of the reconciliation calculation is greater than zero, such excess shall be retained by PPS. In the event the result of the reconciliation calculation is less than zero, ESI shall pay PPS for any deficit within thirty (30) days following the reconciliation.

- C. Except as set forth elsewhere in this Agreement, should Client terminate this Agreement, ESI will continue to pay Rebates to PPS for all claims incurred prior to the termination date and in a timeframe consistent with historical payments to PPS.

4. Conditions

- A. ESI contracts with pharmaceutical manufacturers for Rebates on its own behalf and for its own benefit, and not on behalf of PPS or Clients. Accordingly, ESI retains all right, title and interest to any and all actual Rebates received from manufacturers. ESI will pay PPS amounts equal to the Rebate amounts allocated to PPS or Clients, as specified above, from ESI's general assets (neither PPS, Clients, their Members, nor Client's plan retains any beneficial or proprietary interest in ESI's general assets). PPS acknowledges and agrees that neither it, its Clients, their Members, nor Clients' plan will 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 amounts for Rebates will be paid until this Agreement is executed by PPS and the applicable Client Agreement executed by Client. ESI will have the right to apply allocated Rebate amount to unpaid Fees.
- B. PPS acknowledges that it may be eligible for Rebate amounts under this Agreement only so long as PPS, Clients their affiliates, or their 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 PPS any Client, or any of PPS's or Client's affiliates or agents negotiates or arranges with a pharmaceutical manufacturer for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Rebate amounts earned by, but not yet paid to, PPS as necessary to prevent duplicative rebates on Covered Drugs. To the extent PPS or any Client knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts hereunder and to renegotiate the terms and conditions of this Agreement.
- C. Under its Rebate program, ESI may implement ESI's Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. ESI reserves the right to modify or replace such programs from time to time. If any government action, change in law or regulation, change in the interpretation of any law or regulation, or any action by a pharmaceutical manufacturer has an adverse effect on the availability of Rebates, then ESI may make an equitable adjustment to the Rebate terms and guaranteed Rebate amounts, if any, hereunder.
- D. Rebate amounts paid to PPS or Client pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations. PPS or Client is obligated if requested by the Secretary of the United

States Department of Health and Human Services, or as otherwise required by applicable law, to report the Rebate amounts and to provide a copy of this notice. ESI will refrain from doing anything that would impede PPS or Client from meeting any such obligation.

II. PPS Commission Payments:

As authorized by Client for services rendered to Client by PPS or Producer, ESI will facilitate the payment of Third Party Fees as follows:

Third Party Program Management ("TPPM") Fees to PPS: ESI will facilitate the payment of monthly TPPM fees in the amount of 1% of Total AWP (excluding any Medicare Part D EGWP utilization) plus a one-time data analytics fee of \$12.00 per Member implemented on Client's Effective Date. The TPPM fees will be remitted within 30 days after the close of each month. The one-time data analytics fee will be remitted to PPS within 30 days after ESI received a Client's executed Client Agreement. Any fees not paid by ESI on the due date set forth above shall bear interest at the rate of 1.5% per month or, if lower, the highest interest rate permitted by law. ESI shall promptly reimburse PPS for all collection costs and expenses incurred by PPS, including but not limited to attorneys' fees, in connection with attempting to recover overdue fee payments.

ESI has agreed to pay a percentage of Rebates as set forth on Exhibit B-2. To the extent that the Percentage of Rebates Retained by PPS (as set forth on page 1 of this Client Agreement) is greater than 0.00%, ESI will pay to PPS such percentage as additional compensation to PPS for services provided by PPS to Client.

Commissions to Producer: As indicated on page 1 of the Client Agreement, ESI will facilitate the payment of monthly commissions in the amount indicated in the Client Agreement.

ESI agrees to facilitate the foregoing fees and commissions on behalf of Client subject to the following: Client has executed the Client Agreement, and Client is current in its payment obligations to ESI.

Exhibit B-4

Administrative and Clinical Program Fees

I. Administrative Fees

PBM Services
Customer service for members Electronic/online eligibility submission Standard coordination of benefits (COB) (reject for primary carrier) Electronic claims processing Plan setup Software training for access to our online system(s) FSA eligibility needs
Network Pharmacy Services
Pharmacy help desk Pharmacy network management Pharmacy reimbursement Network development (upon request) Network Pharmacy Reporting Network Pharmacy Audit Program
Home Delivery Services
Benefit education Prescription delivery — standard
Reporting Services
Web-based client reporting — produced by Express Scripts Web-based client reporting — produced by client Ad hoc desktop parametric reports Claims detail extract file electronic (NCPDP) Load 12 months claims history for clinical reports and reporting Annual Strategic Account Plan report Billing reports Inquiry access to claims processing system
Website Services
Client Website — Eservice Delivery (Eligibility, Claims, and Benefit Administration), Coverage Management and Appeals, Eligibility File Transfer, Reporting Solutions and Resources Area. My Rx Choices — helps members make informed medication choices based on cost, health and safety. Member website portion only. Express-Scripts.com for Members — access to benefit, drug, health, and wellness information; prescription ordering capability; and customer service. Online Benefit Management — eService web-based application with Claims History, Eligibility Maintenance, and Prior Authorization Add. Mobile App for Members — includes My Rx Choices, My Medicine Cabinet, Pharmacy Care Alerts, Refills and Renewals, and virtual prescription ID card.

PBM Services
Implementation Package and Member Communications
Member replacement cards printed via web Implementation support New member packets (includes two standard resin ID cards)
Clinical
Concurrent Drug Utilization Review (DUR) Prior Authorization — Administrative <ul style="list-style-type: none"> • Non-clinical Prior Authorization • Lost/stolen overrides • Vacation supplies • Pharmacogenomics Prior Authorization List

PBM Services	Fees
Manual Submissions	
Manual/hardcopy eligibility submission Member Submit Fee (includes Medicaid subrogation claims)	\$10.00/update (includes initial entry) \$2.50/claim
Electronic Prescribing	
Electronic Prescribing	Pass through charge for ePrescribing Eligibility and Formulary transaction fees charged to PPS Client at Express Scripts' preferred rate with data switch such as Surescripts.
Reporting Services	
Custom ad hoc reporting – applies for reporting outside of self services reporting tool that require significant IT programming resources	\$150/hour, with a minimum of \$500
Replacement Member Communication Packets	
Member-requested replacement packets	\$1.50 + postage per packet
Client-requested re-carding	\$1.50 + postage per packet
Communication Fee	
Smart90 and Select Home Delivery Programs	\$2.50 per employee upon implementation of program (one-time charge)
Reviews and Appeals Management	
<u>Initial Determinations (i.e. coverage reviews) and Level One Appeals for the Coverage Authorization Program</u> , consisting of: <ul style="list-style-type: none"> • Prior Authorization • Step Therapy • Drug Quantity Management 	Included in the existing UM PMPM charge

PBM Services	Fees
<u>If Sharing Data Only</u> - Required Service and Fee for all Non-CDH Enrollees	
Combined Benefit Management Services to manage combined medical-pharmacy benefits that are not a consumer-directed health (CDH) plan. Services include ongoing management of the data exchange platform with the medical vendor/PPS, production monitoring and quality control, and dedicated operations team. Combined benefit types may include deductible, out of pocket, spending account, and lifetime maximum.	\$0.10 PMPM per combined accumulator up to maximum of \$0.20 PMPM for existing connection with medical carrier or PPS. Fees to establish connection with new medical carrier or PPS are quoted upon request. <i>Additional services will be quoted upon request.</i> <i>Postage charges are not included and will be billed to Client.</i>

II. Clinical Programs.

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

The programs (and corresponding pricing and guarantees) outlined in the Clinical Addendum (executed separately by PPS) represent the programs currently adopted by PPS as of the Effective Date. ESI also offers additional programs, as well as savings guarantees, under certain conditions. Information concerning such programs, guarantees, and fees, if applicable, is available on request. In addition, the ESI Account Management Team will periodically discuss new programs, guarantees, and fees with PPS, which PPS may adopt through ESI's standard Set-Up Form process.

PPS will select clinical/trend programs during implementation by checking selected options on the Clinical Addendum and on the applicable Set-Up Form. Such Set-Up Forms are incorporated herein by reference as and when executed by the parties.

Please refer to the Clinical Addendum for a listing of PPS's programs.

EXHIBIT C

AUDIT PROTOCOL

1. AUDIT PREREQUISITES

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

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

PPS (or Client) is allowed one annual audit at no cost. If you choose to audit the above components separately throughout the year, rather than combining all components into a single annual audit, you will be subject to ESI's standard charges for each additional audit. All such fees shall be reasonable and based on ESI's costs for supporting such additional audits.

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

C. ESI engages a national accounting firm, at its sole cost and expense, to conduct a SSAE 16 audit on behalf of its clients. Upon request, ESI will provide the results of its most recent SSAE 16 audit. Testing of the areas covered by the SSAE 16 is not within the scope of Client or PPS's audit rights (i.e., to confirm the financial aspects of the Agreement) and is therefore not permitted. However, if requested, ESI will explain the SSAE 16 audit process and findings to Client or PPS in order for Client or PPS to gain an understanding of the SSAE 16.

3. AUDITS

A. ESI recommends that the initial audit period for a claims audit cover a timeframe not to exceed twenty-four (24) months immediately preceding the request to audit (the "Audit Period"). This Audit Period allows a reasonable amount of time for both parties to conclude the audit before claims data is archived off the adjudication system. ESI will accommodate reasonable requests to extend the Audit Period, but this may delay ESI's response time to audit findings due to the age of the claims. Due to the additional resources necessary to pull claims data older than twenty-four (24) months, if you request to extend the Audit Period, you will be subject to ESI's standard charges for such additional data pulls. All such fees shall be reasonable and based on ESI's additional costs associated with retrieval and reporting of such data. If the parties mutually determine, acting reasonably and in good faith, that the initial audit demonstrates in any material respects that ESI has not administered the financial arrangement or plan design consistent with the contract terms or Set-Up Forms of the Agreement, then ESI will support additional auditing beyond the Audit Period and audit components at no additional charge. Should ESI provide data or information that both parties agree is not consistent with the audit data request or incorrect and such data or information requires Client or PPS or their designated Auditor to redo previously performed work, ESI will reimburse Client or PPS for the costs of redoing the previously performed work at Client or PPS's or designated Auditor's standard hourly rate.

B. CMS generally modifies its requirements for administering the Medicare Part D annually. For this reason, ESI recommends that the initial audit period for a Medicare Part D compliance audit cover a timeframe not to exceed the twelve (12) months immediately preceding the request to audit (collectively, the "Medicare Part D Audit Period"). This Medicare Part D Audit Period is intended to assist our clients with the CMS annual oversight requirements.

C. When performing a Rebate audit, Client or PPS may perform an on-site review of the applicable components of manufacturer agreements, selected by Client or PPS, as reasonably necessary to audit the calculation of the Rebate payments made to Client or PPS by ESI. Our ability to drive value through the supply chain and in our negotiations with manufacturers is dependent upon the strict confidentiality and use of these agreements. Providing access to these agreements to third parties that perform services in the industry beyond traditional financial auditing jeopardizes our ability to competitively drive value. For this reason, access to and audit of manufacturer agreements is restricted to a mutually agreed upon firm, which carries liability insurance of at least Two Million Dollars (\$2,000,000).

D. ESI recommends that Client or PPS select an initial number of manufacturer contracts to enable Client or PPS to audit sixty-five percent (65%) of the total Rebate payments due to Client or PPS for two (2) calendar quarters during the twelve (12) month period immediately preceding the audit (the "Rebate Audit Scope and Timeframe").

ESI will accommodate reasonable requests to extend this Rebate Audit Scope and Timeframe, but this may delay ESI's on-site preparation time as well as response time to audit findings. Due to the additional resources necessary to support a Rebate audit beyond the Rebate Audit Scope and Timeframe, if you request to extend the Rebate Audit Scope and Timeframe, you will be subject to ESI's standard charges for such additional audit support. All such fees shall be reasonable and based on ESI's additional costs. If the parties mutually determine, acting reasonably and in good faith, that the initial Rebate audit demonstrates in any material respects that ESI has not administered Rebates consistent with the contract terms of the Agreement, then ESI will support additional auditing beyond the Rebate Audit Scope and Timeframe at no additional charge.

4. AUDIT FINDINGS

- A. Following Client or PPS's initial audit, Client or PPS (or its Auditor) will provide ESI with a written report of suspected errors, if any. In order for ESI to evaluate Client or PPS's audit report, Client or PPS shall provide an electronic data file in a mutually agreed upon format containing a mutually agreed upon number of claims for further investigation by ESI.
- B. Following Client or PPS's initial audit of Medicare Part D compliance, Client or PPS (or its Auditor) will provide ESI with a written report of suspected non-compliant issues and payment reconciliation issues, if any. In order for ESI to evaluate Client or PPS's audit report, Client or PPS shall provide ESI with specific regulatory criteria and Medicare Part D program requirements used to cite each suspected non-compliant and payment reconciliation issue.
- C. ESI will respond to the audit report in no more than sixty (60) days from ESI's receipt of the report. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Client or PPS and/or its Auditor and ESI.
- D. Client or PPS agrees that once audit results are accepted by both parties, the audit shall be considered closed and final. To the extent the mutually accepted audit results demonstrate claims errors, ESI will reprocess the claims and make corresponding adjustments to Client or PPS through credits to a future invoice(s). If we are unable to reprocess claims and issue corresponding credits to Client or PPS through this process, ESI will make adjustments to Client or PPS via a check or credit.

5. CONFIDENTIALITY

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

EXHIBIT D

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 Client to perform its obligations under the agreement, or actions or inactions of Client that adversely impact ESI's ability to maintain the subject standard (e.g., faulty eligibility, changes in benefit design not adequately communicated to members and benefit designs that substantially change the members' rights under the plan), ESI will be excused from compliance with such performance standards until such circumstances have been resolved and any existing backlogs or other related effects have been eliminated.

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

No performance penalties, if any, will be paid until this agreement is executed by Client. In no event will the sum of the payments to Client, as a result of ESI's failure to meet the performance standards exceed \$20 per Member implemented for the implementation performance standard and \$10 per Member per year for the annual operational performance standards.

Home Delivery Turnaround Time Performance standards for the ESI Pharmacy assume a minimum of 1,000 home delivery prescriptions submitted annually.

ESI will guarantee the implementation of Client to be completed in accordance within the mutually agreed upon timelines. Each of ESI's standards is dependent upon receiving specific information from Client. Loading of eligibility and production of ID cards are dependent upon receiving group structure and benefit plan design sign off from Client. A delay in receipt of data or information from Client may require rescheduling of all subsequent deliverable dates.

ESI's Implementation Project Manager (IPM) will provide regular updates to Client tracking the status of the implementation.

A completed implementation sign-off manual will be provided to Client upon Client's formal transition from the IPM to the Account Team. ESI's IPM will conduct a post-implementation review meeting with Client within 30 days after the effective date.

The implementation performance guarantee is a one-time only guarantee.

Service Feature	Guarantee	Penalty Amount if Guarantee is Missed
Implementation		
Benefit Plan Design	ESI guarantees that benefits will be set up and active pursuant to Client Set-Up Forms as of Clients effective date.	ESI will pay Client \$5 per Member
Group Structure and Eligibility Load	ESI guarantees that the group structure will be set up pursuant to Client Set-up Forms and that eligibility will be accurately loaded	ESI will pay Client \$5 per Member
ID Cards	ESI guarantees that ID Cards will contain accurate information and will be mailed to members at least 7 business day prior to the effective date	ESI will pay Client \$3 per Member
Toll-Free Telephone Number	ESI guarantees that Client specific toll-free number is set up and active on Clients effective date	ESI will pay Client \$2 per Member
Communications	ESI guarantees that all member communications will be mailed to members pursuant to the agreed upon project plan and that communication materials will contain accurate information.	ESI will pay Client \$5 per Member
Operational Performance: Contact Center		
Average Speed of Answer	ESI guarantees that calls will be answered in an average of 30 seconds or less. This guarantee is predicated on the installation of a toll-free telephone number unique to Client.	ESI will pay Client \$1 per member.
Blockage Rate (Busy Signal)	ESI will guarantee a blockage rate of 1% or less. Blockage is defined as a caller receiving a busy signal. This guarantee is predicated on the installation of a toll-free number unique to Client.	ESI will pay Client \$1 per member.
Percent of Calls Abandoned	The Telephone Abandonment Rate of the Member Service Telephone Line will be 3% or less of all incoming calls received during each Contract Year.	ESI will pay Client \$1 per member.
First Call Resolution	ESI guarantees that 94% or greater of patient calls will be resolved on the first call.	ESI will pay Client \$1 per member.
Operational Performance: Home Delivery Pharmacy		
Dispensing Accuracy	The Dispensing Accuracy Rate for each Contract Year will be 99.996% or greater	ESI will pay Client \$1 per member.
Turnaround Time for Routine (Clean) Prescriptions	ESI guarantees to dispense prescriptions not subject to intervention within an average of two (2) business days.	ESI will pay Client \$1 per member.
Turnaround Time for Prescriptions Subject to Intervention	ESI guarantees to dispense prescriptions subject to intervention within an average of four (4) business days.	ESI will pay Client \$1 per member.
Operational Performance: Client Services Administration		
Satisfaction Survey	One random sample member survey will be completed annually across Client' book of business. ESI guarantees a patient satisfaction rate of 90% or greater. This standard will be measured and reported annually.	ESI will pay \$2 per member.

Service Feature	Guarantee	Penalty Amount if Guarantee is Missed
Operational Performance: Eligibility		
Eligibility — Timeliness of Installations	Accurate and complete eligibility files electronically transmitted by 10:00 A.M. EST, via secured processes acceptable to ESI, will be updated within two (2) business days of receipt.	ESI will pay \$1 per member.