

SERVICES AGREEMENT

THIS SERVICES AGREEMENT ("Agreement") is made as of this first day of January 1, 2022 ("Effective Date"), by and between Pinellas County, a political subdivision of the State of Florida ("County"), and Express_Scripts, Inc., St. Louis, MO ("Contractor") (individually, "Party," collectively, "Parties").

WITNESSETH:

WHEREAS, the County requested proposals pursuant to 21-0180-P(LN) "RFP" for Prescription Drug Benefits – Personnel Services ; And

WHEREAS, based upon the County's assessment of Contractor's proposal, the County selected the Contractor to provide the Services as defined herein; and

WHEREAS, Contractor represents that it has the experience and expertise to perform the Services as set forth in this Agreement.

NOW, THEREFORE, in consideration of the above recitals, the mutual covenants, agreements, terms and conditions herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree as follows:

1. Definitions.

A. "Agreement" means this Agreement, including all Exhibits, which are expressly incorporated herein by reference, and any amendments thereto.

B. "County Confidential Information" means any County information deemed confidential and/or exempt from Section 119.07, Florida Statutes, and Section 24(a), Article 1 of the Florida Constitution, or other applicable law, including, but not limited to, data or information referenced in HIPAA/HITECH, and any other information designated in writing by the County as County Confidential Information.

C. "Contractor Confidential Information" means any Contractor information that is designated as confidential and/or exempt by Florida's public records law, including information that constitutes a trade secret pursuant to Chapter 688, Florida Statutes, and is designated in this Agreement or in writing as a trade secret by Contractor (unless otherwise determined to be a public record by applicable Florida law). Notwithstanding the foregoing, Contractor Confidential Information does not include information that: (i) becomes public other than as a result of a disclosure by the County in breach of the Agreement; (ii) becomes available to the County on a non-confidential basis from a source other than Contractor, which is not prohibited from disclosing such information by obligation to Contractor; (iii) is known by the County prior to its receipt from Contractor without any obligation or confidentiality with respect thereto; or (iv) is developed by the County independently of any disclosures made by Contractor.

D. "Contractor Personnel" means all employees of Contractor, and all employees of subcontractors of Contractor, including, but not limited to temporary and/or leased employees, who are providing the Services at any time during the project term.

E. "Force Majeure Event" means any act or event that (i) prevents a Party (the "Nonperforming Party") from performing its obligations or satisfying a condition to the other Party's (the "Performing Party") obligations under this Agreement, (ii) is beyond the reasonable control of and not the fault of the Nonperforming Party, and (iii) the Nonperforming Party has not, through commercially reasonable efforts, been able to avoid or overcome. Force Majeure Event(s) do not include economic hardship, changes in market conditions or insufficiency of funds. If a Force Majeure Event occurs, the Nonperforming Party is excused from the performance thereby prevented and from satisfying any conditions precedent to the Performing Party's performance that cannot be satisfied, in each case to the extent limited or prevented by the Force Majeure

Event; provided, however, that this clause may not be invoked to excuse a party's payment obligations, including refunds or payments of performance guarantees, hereunder. The Nonperforming Party must promptly notify the Performing Party upon the occurrence of a Force Majeure Event. When the Nonperforming Party is able to resume its performance or satisfy the conditions precedent to the Performing Party's obligations, the Nonperforming Party will resume performance under this Agreement without undue delay. Each Party will use commercially reasonable efforts to mitigate the effect of a Force Majeure Event.

F. "Services" means the work, duties and obligations to be carried out and performed safely by Contractor under this Agreement, as described throughout this Agreement and as specifically described in Exhibit A ("Statement of Work") attached hereto and incorporated herein by reference. As used in this Agreement, Services shall include any component task, subtask, service, or function inherent, necessary, or a customary part of the Services, but not specifically described in this Agreement, and shall include the provision of all standard day-to-day administrative, overhead, and internal expenses, including costs of bonds and insurance as required herein, labor, materials, equipment, safety equipment, products, office supplies, consumables, tools, postage, computer hardware/software, telephone charges, copier usage, fax charges, travel, lodging, and per diem and all other costs required to perform Services except as otherwise specifically provided in this Agreement.

2. Conditions Precedent. This Agreement, and the Parties' rights and obligations herein, are contingent upon and subject to the Contractor securing and/or providing the performance security, if required in Section 3, and the insurance coverage(s) required in Section 13, within ten (10) days of the Effective Date. No Services shall be performed by the Contractor and the County shall not incur any obligations of any type until Contractor satisfies these conditions. Unless waived in writing by the County, in the event the Contractor fails to satisfy the conditions precedent within the time required herein, the Agreement shall be deemed not to have been entered into and shall be null and void.

3. Services.

A. Services. The County retains Contractor, and Contractor agrees to provide the Services. All Services shall be performed to the satisfaction of the County and shall be subject to the provisions and terms contained herein and the Exhibits attached hereto.

B. Services Requiring Prior Approval. Contractor shall not commence work on any Services requiring prior written authorization in the Statement of Work without approval from Human Resources Director.

C. Additional Services. From the Effective Date and for the duration of the project, the County may elect to have Contractor perform Services that are not specifically described in the Statement of Work attached hereto but are related to the Services ("Additional Services"), in which event Contractor shall perform such Additional Services for the compensation specified in the Statement of Work attached hereto. Contractor shall commence performing the applicable Additional Services promptly upon receipt of written approval as provided herein.

D. Independent Party Status and Compliance with the Immigration Reform and Control Act. No provision of this Agreement is intended to create or will be construed to create any relationship between ESI and Sponsor other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Contractor is and shall remain an independent contractor and is neither agent, employee, partner, nor joint venturer of County. Contractor acknowledges that it is responsible for complying with the provisions of the Immigration Reform and Control Act of 1986 located at 8 U.S.C. 1324, et seq, and regulations relating thereto, as either may be amended from time to time. Failure to comply with the above provisions shall be considered a material breach of the Agreement.

E. Exclusive Services. During the term of this Agreement, and any extensions thereof, Contractor will be the County's exclusive provider for similar services offering a prescription benefit for active employee plans. The financial terms in Exhibit A Schedule 1 are conditioned on that exclusivity.

F. Project Monitoring. During the term of the Agreement and as set forth in the Audit Protocol, Contractor shall cooperate with the County, either directly or through its representatives, in monitoring Contractor's progress and performance of this Agreement.

4. Term of Agreement.

A. Initial Term. The term of this Agreement shall commence on:

☐ the Effective Date; or

☒ January 1, 2022, and shall remain in full force and for sixty (60) months, or until termination of the Agreement, whichever occurs first.

B. Term Extension.

☐ The term of this Agreement may not be extended. All Services shall be completed by the expiration of the initial term as defined in 4.A.

☒ The Parties may extend the term of this Agreement for two (2) additional twelve (12) month period(s) pursuant to the same terms, conditions, and pricing set forth in the Agreement by mutually executing an amendment to this Agreement, as provided herein.

5. Compensation and Method of Payment.

A. Services Fee. As total compensation for the Services, the County shall pay the Contractor the sums as provided in this Section 5 ("Services Fee"), pursuant to the terms and conditions as provided in this Agreement. It is acknowledged and agreed by Contractor that this compensation constitutes a limitation upon County's obligation to compensate Contractor for such Services required by this Agreement but does not constitute a limitation upon Contractor's obligation to perform all of the Services required by this Agreement. In no event will the Services Fee paid exceed the not-to-exceed sums set out in subsections 5.B. and C., unless the Parties agree to increase this sum by written amendment as authorized in Section 21 of the Agreement.

B. The County agrees to pay the Contractor in accordance with the administration fees as described in Exhibit A Schedule 1 during each County fiscal year for which the Agreement is in effect.

C. The County agrees to pay the Contractor the not-to-exceed sum of \$2,000,000.00 for Administrative Services completed and accepted as provided in Section 16 herein if applicable, payable on a fixed-fee basis for the deliverables as set out in this Agreement, payable upon submittal of an invoice as required herein. If the amount owed by the County to ESI for compensation under this Agreement exceeds \$2,000,000.00, and the County ceases to pay ESI, ESI shall not be obligated to perform under this Agreement. Amounts due from the County to ESI for Claims Reimbursement are not subject to any limitation.]

OR (DESCRIBE PAYMENT TERMS)

D. Travel Expenses.

☒ The Services Fee includes all travel, lodging and per diem expenses incurred by Contractor in performing the Services.

☐ The County shall reimburse the Contractor the sum of not-to-exceed \$_____ for the travel expenses incurred in accordance with Section 112.061, Florida Statutes, and/or County Travel Policy, and as approved in writing in advance by _____.

E. Taxes. Contractor acknowledges that the County is not subject to any state or federal sales, use, transportation and certain excise taxes.

F. Payments. Contractor shall submit invoices for payments due as provided herein and authorized reimbursable expenses incurred with such documentation as required by County. Invoices shall be submitted to:

☐ the designated person as set out in Section 18 herein;

☒ as provided in Exhibit C attached hereto.

All payments shall be made in accordance with the requirements of Section 218.70 et seq., Florida Statutes, "The Local Government Prompt Payment Act." The County may dispute any payments invoiced by Contractor in accordance with the County's Invoice Payments Dispute Resolution Process established in accordance with Section 218.76, Florida Statutes, and any such disputes shall be resolved in accordance with the County's Dispute Resolution Process.

6. Personnel.

A. E-Verify. The Contractor and Subcontractor must register with and use the E-verify system in accordance with Florida Statute 448.095. The County will verify the work authorization of the Contractor and Subcontractor. A Contractor and Subcontractor may not enter into a contract with the County unless each party registers with and uses the E-verify system.

If a Contractor enters a contract with a Subcontractor, the Subcontractor must provide the Contractor with an affidavit stating that the Subcontractor does not employ, contract with, or subcontract with unauthorized aliens. The Contractor must maintain a copy of the affidavit for the duration of the contract.

If the County, Contractor, or Subcontract has a good faith belief that a person or entity with which it is contracting has knowingly violated Florida Statute 448.09(1) shall immediately terminate the contract with the person or entity.

If the County has a good faith belief that a Subcontractor knowingly violated this provision, but the Contractor otherwise complied with this provision, the County will notify the Contractor and order that the Contractor immediately terminate the contract with the Subcontractor.

A contract terminated under the provisions of this section is not a breach of contract and may not considered such. Any contract termination under the provisions of this section may be challenged to Section 448.095(2)(d), Florida Statute. Contractor acknowledges upon termination of this agreement by the County for violation of this section by Contractor, Contractor may not be awarded a public contract for at least one (1) year. Contractor acknowledges that Contractor is liable for any additional costs incurred by the County as a result of termination of any contract for a violation of this section.

B. Qualified Personnel. Contractor agrees that each person performing Services in connection with this Agreement shall have the qualifications and shall fulfill the requirements set forth in this Agreement.

7. Termination.

A. Contractor Default Provisions and Remedies of County.

1. Events of Default. Any of the following shall constitute a "Contractor Event of Default" hereunder: (i) Contractor fails to maintain the staffing necessary to perform the Services as required in the Agreement, fails to perform the Services as specified in the Agreement, or fails to complete the Services within the completion dates as specified in the Agreement; (ii) Contractor breaches Section 9 (Confidential Information); or (iii) Contractor fails to perform or observe any of the other material provisions of this Agreement.
2. Cure Provisions. Upon the occurrence of a Contractor Event of Default as set out above, the County shall provide written notice of such Contractor Event of Default to Contractor ("Notice to Cure"), and Contractor shall have thirty (30) calendar days after the date of a Notice to Cure to correct, cure, and/or remedy the Contractor Event of Default described in the written notice.
3. Termination for Cause by the County. In the event that Contractor fails to cure a Contractor Event of Default as authorized herein, the County may terminate this Agreement in whole or in part, effective upon receipt by Contractor of written notice of termination pursuant to this provision, and may pursue such remedies at law or in equity as may be available to the County.

B. County Default Provisions and Remedies of Contractor.

1. Events of Default. Any of the following shall constitute a "County Event of Default" hereunder: (i) the County fails to make timely undisputed payments as described in this Agreement; (ii) the County breaches Section 9 (Confidential Information); or (iii) the County fails to perform any of the other material provisions of this Agreement.
2. Cure Provisions. Upon the occurrence of a County Event of Default as set out above, Contractor shall provide written notice of such County Event of Default to the County ("Notice to Cure"), and the County shall have thirty (30) calendar days after the date of a Notice to Cure to correct, cure, and/or remedy the County Event of Default described in the written notice, except in the event of non-payment, the County shall have forty-eight (48) hours to cure. Notwithstanding anything to the contrary herein, Contractor (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 County fails to pay Contractor amounts the parties agree are due and owing. For disputed amounts, the parties agree to cooperate in good faith to rectify the dispute and Contractor agrees not to suspend performance hereunder while such good faith discussions are ongoing, or for at least 14 days, whichever is longer. In all events, Contractor will attempt collection through written and verbal communications with County prior to sending the notice described herein.
3. Termination for Cause by Contractor. In the event the County fails to cure a County Event of Default as authorized herein, Contractor may terminate this Agreement in whole or in part effective on receipt by the County of written notice of termination pursuant to this provision, and may pursue such remedies at law or in equity as may be available to the Contractor.

C. Termination for Convenience. Notwithstanding any other provision herein, the County may terminate this Agreement, without cause, by giving ninety (90) days advance written notice to the Contractor of its election to terminate this Agreement pursuant to this provision.

D. Obligations Upon Termination. Upon notice of termination of this Agreement, the parties will mutually develop a run-off plan providing for: (i) County notification to Members of the timing of any transition to a successor pharmacy benefit manager at least thirty (30) days prior to the effective date of such termination; (ii) Contractor's provision of open ESI Mail Pharmacy refill files and standard claims data and PA files for

transition to the successor pharmacy benefit manager in accordance with then existing industry protocol; and (iii) whether County elects for Contractor to process Participating Pharmacy or Member Submitted Claims for prescriptions filled during the Term but filed with Contractor after the effective date of termination ("Termination Date"). County will continue to pay Contractor in accordance with this Agreement for any Fees for PBM Services provided during the term and a twelve (12) month run-off period. Contractor will continue filing for Rebates for claims incurred prior to the Termination Date and will, subject to final reconciliation of any outstanding amounts owed by County to Contractor, pay County Rebates for such claims in accordance with the Rebate payment schedule set out herein. Notwithstanding anything in this Agreement to the contrary, Contractor 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.

8. **Time is of the Essence.** Time is of the essence with respect to all provisions of this Agreement that specify a time for performance, including the Services as described in Exhibits attached hereto; provided, however, that the foregoing shall not be construed to limit a Party's cure period allowed in the Agreement.

9. **Confidential Information and Public Records.**

A. County Confidential Information. Contractor shall not disclose to any third party County Confidential Information that Contractor, through its Contractor Personnel, has access to or has received from the County pursuant to its performance of Services pursuant to the Agreement, unless approved in writing by the County Contract Manager. All such County Confidential Information will be held in trust and confidence from the date of disclosure by the County, and discussions involving such County Confidential Information shall be limited to Contractor Personnel as is necessary to complete the Services.

B. Contractor Confidential Information. With respect to Contractor, Contractor Confidential Information includes, but is not limited to: Contractor's reporting and other web-based applications, eligibility and adjudication systems, system formats and databanks (collectively, "ESI's Systems"), clinical or formulary management operations or programs, fraud, waste and abuse tools and programs, anonymized claims data (de-identified in accordance with HIPAA); ESI Specialty Pharmacy and Mail Service Pharmacy data; information and contracts relating to Rebates and Manufacturer Administrative Fees, prescription drug evaluation criteria, drug pricing information, and Participating Pharmacy agreements. All Contractor Confidential Information specifically identified by Contractor received by the County from Contractor will be held in trust and confidence from the date of disclosure by Contractor and discussions involving such Contractor Confidential Information shall be limited to the members of the County's staff and the County's subcontractors who require such information in the performance of this Agreement. The County acknowledges and agrees to respect the copyrights, registrations, trade secrets and other proprietary rights of Contractor in the Contractor Confidential Information during and after the term of the Agreement and shall at all times maintain the confidentiality of the Contractor Confidential Information provided to the County, subject to federal law and the laws of the State of Florida related to public records disclosure. Contractor shall be solely responsible for taking any and all action it deems necessary to protect its Contractor Confidential Information except as provided herein. Contractor acknowledges that the County is subject to public records legislation, including but not limited to Chapter 119, Florida Statutes, and the Florida Rules of Judicial Administration, and that any of the County's obligations under this Section may be superseded by its obligations under any requirements of said laws.

C. County will not, and will not permit any third party acting on County's behalf to, access, attempt to access, test or audit Contractor's Systems or any other system or network connected to Contractor's Systems unless County receives prior permission from Contractor. Without limiting the foregoing, County will not: access or attempt to access any portion or feature of Contractor's Systems, by circumventing Contractor's Systems access control measures, either by hacking, password "mining" or any other means; or probe, scan, audit or test the vulnerability of Contractor's Systems, nor breach the security or authentication measures of Contractor's Systems.

D. HIPAA. The parties agree that (a) as relates to use and disclosure of PHI, electronic transaction standards and security of electronic PHI under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended, the Business Associate Agreement entered into by the Parties on October 29, 2016 will be extended through the term of this Agreement, and (b) ESI Specialty Pharmacy and ESI Mail Pharmacy are acting as covered entities under HIPAA and not as business associates to the County and shall abide by all HIPAA requirements accordingly.

E. Public Records. Contractor acknowledges that information and data it manages as part of the services may be public records in accordance with Chapter 119, Florida Statutes and Pinellas County public records policies. Contractor agrees that prior to providing services it will implement policies and procedures to maintain, produce, secure, and retain public records in accordance with applicable laws, regulations, and County policies, including but not limited to the Section 119.0701, Florida Statutes. Contractor shall be solely responsible for taking any and all action it deems necessary to protect its Confidential Information, including taking action promptly, and no later than 5 business days after receiving notice from County of a request for records claimed to be confidential by Contractor, to secure a protective order. Pursuant to this section 9B hereof, County acknowledges that certain information contained herein or subject to this Agreement, which is specifically identified in writing by CONTRACTOR prior to being provided to COUNTY is proprietary and confidential to Contractor and it shall treat it as exempt from disclosure to the fullest extent permitted by law. County agrees to give Contractor notice so that Contractor may, at its sole cost and discretion, oppose, request redactions or limitations on any disclosures under a third party freedom of information or open records request pertaining to this Agreement or any proposal related hereto. This provision shall survive termination of the Agreement. Notwithstanding any other provision of this Agreement relating to compensation, the Contractor agrees to charge the County, and/or any third parties requesting public records only such fees allowed by Section 119.07, Florida Statutes, and County policy for locating and producing public records during the term of this Agreement.

If the Contractor has questions regarding the application of Chapter 119, Florida Statutes, to the Contractor's duty to provide public records relating to this contract, contact the Pinellas County Board of County Commissioners, Purchasing and Risk Management Department, Operations Manager custodian of public records at 727-464-3311, purchase@pinellascounty.org, Pinellas County Government, Purchasing and Risk Management Department, Operations Manager, 400 S. Ft. Harrison Ave, 6th Floor, Clearwater, FL 33756.

10. Audit. Contractor shall retain all records relating to this Agreement for a period of at least five (5) years after final payment is made. All records shall be kept in such a way as will permit their inspection pursuant to Chapter 119, Florida Statutes. In addition, County reserves the right to examine and/or audit such records pursuant to the terms of the Audit Protocol in Exhibit A.

11. Compliance with Laws.

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. The County shall be responsible for any governmental or regulatory charges and taxes imposed upon or related to the services provided hereunder. With respect to any Plan that is subject to the provisions of ERISA, Sponsor (or the plan sponsor if a party other than Sponsor) shall ensure that its activities in regard to such program are in compliance with ERISA, and shall be responsible for disclosing to Members any and all information relating to the Plan and this Agreement as required by law to be disclosed, including any information relating to Plan coverage and eligibility requirements, commissions, rebates, discounts, or provider discounts. If there is a new or change in federal or state laws or regulations or the interpretation thereof, or any government, judicial or legal action that, among other things, materially burdens ESI (imposes a performance obligation or 10% impact or greater on costs that was not contemplated at the time of contracting), 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 the parties shall mutually negotiate an appropriate modification of the services, reimbursement rates, Administrative Fees and/or Rebates hereunder. If the parties cannot agree on a modification or adjusted fee or rates, then either party may terminate the Agreement on ninety (90) days prior written notice to the other.

12. Digital Accessibility

Contractor acknowledges and warrants that all digital content and services provided under this contract substantially conforms and shall continue to substantially conform during the Term of this Agreement to the W3C Web Content Accessibility Guidelines, version 2.0 ("WCAG 2.0") at conformance Level A and AA. If all digital content and services does not substantially conform to WCAG 2.0 A and AA, Contractor shall advise Pinellas County in writing of the nonconformance prior to execution of this Agreement and shall provide Pinellas County a plan to achieve conformance to WCAG 2.0 A and AA, including but not limited to, an intended timeline for conformance. Failure to achieve conformance, as determined in Pinellas County's sole discretion, on its intended timeline shall be considered a material breach of this Agreement and grounds for termination by Pinellas County.

If during the Term of this Agreement, Contractor fails to maintain substantial compliance with WCAG 2.0 A and AA or Pinellas County otherwise identifies an issue related to accessibility of the product (the "Accessibility Issue") that renders the product inaccessible, then Pinellas County shall notify Contractor of non-compliance. Within 30 days of Contractor's receipt of a non-compliance notice ("Notice"), Contractor and Pinellas County shall meet and mutually agree upon an appropriate timeline for resolution of the Accessibility Issue(s) ("Initial Meeting"). Contractor will in good faith timely acknowledge receipt of any such non-compliance notice.

Should Contractor if after receipt of notice is acknowledged:

- i. unreasonably and solely withhold agreement regarding a timeline for resolution for more than 30 days following the Initial Meeting; or
- ii. fail to materially resolve the Accessibility Issue(s) within the agreed-upon timeline,

Failure to comply with the requirements of this section shall constitute a material breach of this Agreement and shall be grounds for termination of this Agreement by Pinellas County and subject Contractor to section 14(c) of this Agreement, "Indemnification."

13. Public Entities Crimes.

Contractor is directed to the Florida Public Entities Crime Act, Section 287.133, Florida Statutes, as well as Florida Statute 287.135 regarding Scrutinized Companies, and represents to County that Contractor is qualified to transact business with public entities in Florida, and to enter into and fully perform this Agreement subject to the provisions state therein. Failure to comply with any of the above provisions shall be considered a material breach of the Agreement.

14. Liability and Insurance.

- A. Insurance. Contractor shall comply with the insurance requirements set out in Exhibit B, attached hereto and incorporated herein by reference.
- B. Remedies Not Exclusive. A party's right to terminate this Agreement will not be exclusive of any other remedies available to the terminating party under this Agreement or otherwise, at law or in equity.
- C. Indemnification. In addition to any indemnification obligations set forth in the Business Associate Agreement, Contractor will indemnify, defend, and hold County 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 Client and arising as a result of (A) Contractor's negligent acts or omissions or willful misconduct (including those of the Mail Service Pharmacy and ESI Specialty Pharmacy), or (B) Contractor's breach of this Agreement.

As a condition of indemnification, the party seeking indemnification will notify the indemnifying party in writing promptly upon learning of any Claim for which indemnification may be sought hereunder, and will tender the defense of such claim to the indemnifying party. No party will be obligated to indemnify the other with respect to any claim settled without the written consent of the other.

- D. **Liability.** Except for the indemnification obligations set forth in Section 13(C), each party's liability to the other hereunder will not exceed the actual proximate losses or damages caused by breach of this Agreement. In no event will either party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence. Neither the County nor Contractor shall make any express or implied agreements, guaranties or representations, or incur any debt, in the name of or on behalf of the other Party. The County shall have no liability or obligation for any damages to any person or property directly or indirectly arising out of the operation by Contractor of its business, whether caused by Contractor's negligence or willful action or failure to act.
- E. **Contractor's Taxes.** 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 (it is not the intent to collect tax on any of ESI's income tax, payroll tax, property tax or capital tax), or any other taxes or assessments Contractor or one or more of its subsidiaries or affiliates incurs or is legally required to pay arising directly from or relating directly to Contractor's or its subsidiaries' or affiliates' performance of services for County as its pharmacy benefit manager, third-party administrator, or otherwise in any jurisdiction, will be the sole responsibility of County or the Member. If Contractor 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 Contractor becomes aware of such obligation or as such obligation becomes due. Contractor reserves the right to charge a reasonable administrative fee for collection and remittance services provided on behalf of the County.

15. County's Funding. The Agreement is not a general obligation of the County. It is understood that neither this Agreement nor any representation by any County employee or officer creates any obligation to appropriate or make monies available for the purpose of the Agreement beyond the fiscal year in which this Agreement is executed. No liability shall be incurred by the County, or any department, beyond the monies budgeted and available for this purpose. If funds are not appropriated by the County for any or all of this Agreement, the County shall not be obligated to pay any sums provided pursuant to this Agreement beyond the portion for which funds are appropriated, nor shall the Contractor be obligated to perform services under this Agreement beyond those for which it is paid. The County agrees to promptly notify Contractor in writing of such failure of appropriation, and upon receipt of such notice, this Agreement, and all rights and obligations contained herein, shall terminate without liability or penalty to the County.

16. Disputed Invoice Resolution. Contractor is committed to working with County to ensure accurate administration of your benefit plan and design, including billing. If County in good faith believes there to be a discrepancy in the amount invoiced, County must pay the invoiced amount it accepts as accurate within the required payment time frame and then notify Contractor of any disputed amount(s) within 30 days of the invoice date. At that point, County's account management team will work with Contractor's financial and account management staff to verify billing accuracy. Should Contractor's team agree with the disputed amount, Contractor will acknowledge that in writing. If the parties agree the amount in question is due, County will make payment in a timely manner. County and Contractor will commit to resolving such issues as expeditiously as possible under the given circumstances.

17. Subcontracting/Assignment.

A. Subcontracting. The County acknowledges and agrees that Contractor may perform certain services hereunder (e.g., mail service pharmacy and specialty pharmacy services) through one or more Contractor subsidiaries, affiliates, or designees. Contractor is responsible and liable for the performance of its subsidiaries and affiliates in the course of their performance of any such service. To the extent that Contractor subcontracts any PBM Service under this Agreement to a third party, Contractor is responsible and liable for the performance of any such third party. In addition, Contractor may contract with third party vendors to provide information technology support services and other ancillary services, which services are not PBM Services hereunder, but rather are services that support Contractor's conduct of its business operations.

B. Assignment.

☐ This Agreement, and any rights or obligations hereunder, shall not be assigned, transferred or delegated to any other person or entity. Any purported assignment in violation of this section shall be null and void.

☒ County may assign this Agreement upon first obtaining Contractor's written consent, which consent will not be unreasonably withheld following a standard credit review of the proposed assignee. County acknowledges and agrees that Contractor may perform certain services hereunder (e.g., mail service pharmacy and specialty pharmacy services) through one or more Contractor subsidiaries, affiliates, or designees. Contractor is responsible and liable for the performance of its subsidiaries and affiliates in the course of their performance of any such service. To the extent that Contractor subcontracts any PBM Service under this Agreement to a third party, Contractor is responsible and liable for the performance of any such third party. In addition, Contractor may contract with third party vendors to provide information technology support services and other ancillary services, which services are not PBM Services hereunder, but rather are services that support Contractor's conduct of its business operations. 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. Survival. The following provisions shall survive the expiration or termination of the Term of this Agreement: 3D, 7, 9, 10, 11, 13, 19, 22, 24, 28, Exhibit A Section 3, Exhibit A 5.2, Exhibit A 5.3, and any other which by their nature would survive termination.

19. Notices. All notices, authorizations, and requests in connection with this Agreement shall be deemed given on the day they are: (1) deposited in the U.S. mail, postage prepaid, certified or registered, return receipt requested; or (2) sent by air express courier (e.g., Federal Express, Airborne, etc.), charges prepaid, return receipt requested; or (iii) sent via email and addressed as set forth below, which designated person(s) may be amended by either Party by giving written notice to the other Party:

For County:

Attn: Kimberly Crum, Director
Pinellas County Human Resources
400 South Fort Harrison Avenue
Clearwater, FL 33756

For Contractor:

Attn: Mr. Michael Donnelly, VP & GM Account
Management, Government Markets
1 Express Way
St. Louis, MO 63121

with a copy to:

Merry Celeste
Purchasing Division Director
Pinellas County Purchasing Department
400 South Fort Harrison Avenue
Clearwater, FL 33756

20. Conflict of Interest.

- A. The Contractor represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of the Services required hereunder, and that no person having any such interest shall be employed by Contractor during the agreement term and any extensions.
- B. The Contractor shall promptly notify the County in writing of any business association, interest, or other circumstance which constitutes a conflict of interest as provided herein. If the Contractor is in doubt as to whether a prospective business association, interest, or other circumstance constitutes a conflict of interest, the Contractor may identify the prospective business association, interest or circumstance, the nature of work that the Contractor may undertake and request an opinion as to whether the business association, interest or circumstance constitutes a conflict of interest if entered into by the Contractor. The County agrees to notify the Contractor of its opinion within (10) calendar days of receipt of notification by the Contractor, which shall be binding on the Contractor.

21. Right to Ownership. Each party will retain all right, title, and interest in its data, which is considered confidential and proprietary information. Contractor will not furnish any County-identifiable data without the County's written consent, except as necessary to implement and provide the Services outlined in this Agreement, or as required or allowed by applicable law. These restrictions do not apply to de-identified information, which is not identifiable on a County-specific basis. Any County or Member identifiable data, information or other materials furnished by the County for use by Contractor under this Agreement shall remain the sole property of the County.

22. Amendment. This Agreement may be amended by mutual written agreement of the Parties hereto.

23. Severability. The terms and conditions of this Agreement shall be deemed to be severable. Consequently, if any clause, term, or condition hereof shall be held to be illegal or void, such determination shall not affect the validity or legality of the remaining terms and conditions, and notwithstanding any such determination, this Agreement shall continue in full force and effect unless the particular clause, term, or condition held to be illegal or void renders the balance of the Agreement impossible to perform.

24. Applicable Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without regard to principles of conflicts of laws). The Parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a Party elects to file an action in federal court) courts located in or for Pinellas County, Florida. This choice of venue is intended by the Parties to be mandatory and not permissive in nature, and to preclude the possibility of litigation between the Parties with respect to, or arising out of, this Agreement in any jurisdiction other than that specified in this section. Each Party waives any right it may have to assert the doctrine of *forum non conveniens* or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this section.

25. Waiver. No waiver by either Party of any breach or violation of any covenant, term, condition, or provision of this Agreement or of the provisions of any ordinance or law, shall be construed to waive any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same.

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

27. Due Authority. Each Party to this Agreement represents and warrants that: (i) it has the full right and authority and has obtained all necessary approvals to enter into this Agreement; (ii) each person executing this Agreement on behalf of the Party is authorized to do so; (iii) this Agreement constitutes a valid and legally binding obligation of the Party, enforceable in accordance with its terms.

28. No Third-Party Beneficiary. The Parties hereto acknowledge and agree that there are no third-party beneficiaries to this Agreement. Persons or entities not a party to this Agreement may not claim any benefit from this Agreement or as third-party beneficiaries hereto.

29. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties and supersedes all prior negotiations, representations or agreements either oral or written. If there is a separate Business Associate Agreement between the parties, such an agreement will be incorporated herein for all applicable purposes.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first written.

PINELLAS COUNTY, FLORIDA

By and through its

Board of County Commissioners



By: Dave Eggers, Chairman

October 12, 2021

ATTEST:

Ken Burke,

Clerk of the Circuit Court

By: 

Deputy Clerk

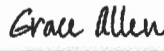


Express Scripts, Inc.

Name of Firm

DocuSigned by:

By:



BOAEBAB3027940E...

Signature

Grace Allen

Print Name

VP Account Management

Title

Approved as to Form

By: 

Carole Sanzeri (Sep 28, 2021 09:26 EDT)

Office of the County Attorney

EXHIBIT A

STATEMENT OF WORK
EXPRESS SCRIPTS, INC.

1. DEFINITIONS

- 1.1. "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.
- 1.2. "Average Wholesale Price" or "AWP" means the average wholesale price of a prescription drug as identified by drug pricing services such as Medi-Span, the drug manufacturer or other source recognized in the retail prescription drug industry (the "Pricing Source"). The applicable AWP shall be the 11-digit national drug code (NDC) for the product on the date dispensed, and for prescriptions filled in Participating Pharmacies, Mail Service Pharmacy, and ESI Specialty Pharmacy will be the AWP for the package size from which the prescription drug was dispensed. If the Pricing Source discontinues the reporting of AWP or materially changes the manner in which AWP is calculated or reported, 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.
- 1.3. "Biosimilar Products" means a "biosimilar" biological product as defined in the Biologics Price Competition and Innovation Act of 2009 at 42 U.S.C. §262(i)(2) and approved under Section 351(k) of the Public Health Services Act.
- 1.4. "Brand/Generic Algorithm" or "BGA" means ESI's standard and proprietary brand/generic algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request. The purposes of the algorithm are to stabilize products "flipping" between brand and generic status and to reduce Sponsor, Member and provider confusion due to fluctuations in brand/generic status. Sponsor or its Auditor may audit ESI's application of its BGA to confirm that ESI is making brand and generic drug determinations consistent with such algorithm.
- 1.5. "Brand Drug" means a prescription drug identified as such in ESI's master drug file using indicators from First Databank (or other source nationally recognized in the prescription drug industry) on the basis of a standard Brand/Generic Algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request.
- 1.6. "Compound" means a prescription that meets the following criteria: two or more solid, semi-solid, or liquid ingredients, at least one of which is a covered drug that are weighed or measured then prepared according to the Prescriber's order and the pharmacist's art.
- 1.7. "Copayment" means that portion of the charge for each Covered Drug dispensed to the Member that is paid by the Member (e.g., copayment, coinsurance and/or deductible). Sponsor will communicate the applicable Copayment on the Set-Up Forms. A Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, AWP discount (e.g. MAC price for Generic Drugs), or U&C.
- 1.8. "Covered Drug(s)" means those prescription drugs, supplies, Specialty Products and other items that are covered under the Plan, each as indicated on the Set-Up Forms.
- 1.9. "Eligibility Files" means the list submitted by Sponsor to ESI in reasonably acceptable electronic format indicating persons eligible for drug benefit coverage services under the Plan.
- 1.10. "ESI National Plus Network" means ESI's broadest Participating Pharmacy network.

- 1.11. "ESI Mail Pharmacy" means a pharmacy 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.
- 1.12. "ESI Specialty Pharmacy" means Accredo Health Group, Inc., Express Scripts Specialty Distribution Services, Inc., or another pharmacy or home health agency owned or operated by ESI or its affiliates that primarily dispenses Specialty Products. When the ESI Mail Pharmacy dispenses a Specialty Product, it shall be considered an ESI Specialty Pharmacy hereunder.
- 1.13. "Exclusive or Limited Distribution Product" means a Specialty Product that is not generally available from most or all pharmacies but is restricted to select pharmacies as determined by a pharmaceutical manufacturer.
- 1.14. "Formulary" means the list of FDA-approved prescription drugs and supplies developed by ESI's Pharmacy and Therapeutics Committee and/or customized by Sponsor, and which is selected and/or adopted by Sponsor. The drugs and supplies included on the Formulary will be modified by ESI from time to time as a result of factors, including, but not limited to, medical appropriateness, manufacturer Rebate arrangements, and patent expirations. Additions and/or deletions to the Formulary are hereby adopted by Sponsor, subject to Sponsor's discretion to elect not to implement any such addition or deletion through the Set-Up Form process, any such election shall be considered a Sponsor change to the Formulary.
- 1.15. "Generic Drug" means a prescription drug, whether identified by its chemical, proprietary, or non-proprietary name, that is therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and approved by the FDA, and which is identified as such in ESI's master drug file using indicators from First Databank (or other source nationally recognized in the prescription drug industry) on the basis of a standard Brand/Generic Algorithm, a copy of which may be made available for review by Sponsor or its Auditor upon request.
- 1.16. "House Generic" means those Brand Drugs submitted with DAW 5 code in place of their generic equivalent(s) and for which, therefore, pharmacies are reimbursed at Generic Drug rates, including MAC, as applicable, for these drugs (e.g., Amoxil v. amoxicillin).
- 1.17. "MAC" means the Maximum Allowable Cost for a drug. This will be the amount of the ingredient cost charged to the plan/member and also be the amount paid to the pharmacy (MAC spread is not allowed).
- 1.18. "MAC List" means a list of drugs designated from lists established by ESI for which reimbursement to a pharmacy shall be paid according to the MAC price established by ESI for such list.
- 1.19. "Manufacturer Administrative Fees" means those administrative fees paid to ESI in connection with invoicing, allocating and collecting the Rebates under the Rebate program.
- 1.20. "Maximum Reimbursement Amount" or "MRA" means the maximum unit ingredient cost payable by Sponsor for a drug on the MAC List based on maximum reimbursement payment schedule(s) developed or selected by ESI. The application of MRA pricing may be subject to certain "dispensed as written" (DAW) protocols and Sponsor defined plan design and coverage policies.
- 1.21. "Member" means each person who Sponsor determines is eligible to receive prescription drug benefits as indicated in the Eligibility Files.
- 1.22. "Member Submitted Claim" means a paper claim submitted by a Member for Covered Drugs dispensed by a pharmacy for which the Member paid cash.
- 1.23. "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.
- 1.24. "Pass-Through" means the actual ingredient cost and dispensing fee amount paid by ESI for the Prescription Drug Claim when the claim is adjudicated to the Participating Pharmacy, as set forth in the specific Participating Pharmacy remittances related to Sponsor's claims.

- 1.25. "PEPM" means per employee per month, if applicable, as determined by ESI from the Eligibility Files.
- 1.26. "PMPM" means per Member per month fee, if applicable, as determined by ESI from the Eligibility Files.
- 1.27. "Plan" means any plan of insurance or self-insurance, including an administrative services only arrangement, sponsored or administered by Sponsor or a subsidiary or affiliate of Sponsor which offers or provides a prescription drug benefit.
- 1.28. "Prescription Drug Claim" means a Member Submitted Claim, Subrogation Claim or claim for payment submitted to ESI by a Participating Pharmacy, ESI Mail Pharmacy, or ESI Specialty Pharmacy as a result of dispensing Covered Drugs to a Member.
- 1.29. "Rebates" means formulary rebates, Manufacturer Administrative Fees for non-specialty products and inflation protection amounts, that are paid to ESI pursuant to the terms of a formulary rebate contract negotiated independently by ESI and directly attributable to the utilization of certain Covered Drugs by Members. For sake of clarity, Rebates do not include, for example; product discounts or fees related to the procurement of prescription drug inventories by the ESI Specialty Pharmacy or the ESI Mail 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 wholly-owned subsidiaries 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.
- 1.30. "Set-Up Forms" means any standard ESI document or form, which when completed by Sponsor (electronic communications from Sponsor indicating Sponsor's approval of a Set-Up Form shall satisfy the foregoing), will describe the essential benefit elements and coverage rules adopted by Sponsor for its Plan.
- 1.31. "Specialty Product List" means the list of Specialty Products applicable to Sponsor and maintained and updated by ESI from time to time. The Specialty Product List is available to Sponsor upon request.
- 1.32. "Specialty Products" means those injectable and non-injectable drugs on the Specialty Product List. Specialty Products, which may be administered by any route of administration, are typically used to treat chronic or complex conditions, and typically have one or more of several key characteristics, including frequent dosing adjustments and intensive clinical monitoring to decrease the potential for drug toxicity and increase the probability for beneficial treatment outcomes; patient training and compliance assistance to facilitate therapeutic goals; limited or exclusive product availability and distribution (if a drug is only available through limited specialty pharmacy distribution it is always considered a Specialty Product); specialized product handling and/or administration requirements.
- 1.33. "Subrogation Claim" means subrogation claims submitted by any state or a person or entity acting on behalf of a state under Medicaid or similar United States or state government health care programs, for which Sponsor is deemed to be the primary payor by operation of applicable federal or state laws.
- 1.34. "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.

2. PBM SERVICES

- 2.1. Eligibility/Set Up. Sponsor will submit completed Set-Up Forms and Eligibility Files (initial and updated) on a mutually determined basis, which ESI will accurately implement. Changes to the Set-Up Forms must be communicated to ESI in writing on ESI's standard forms or other mutually agreed upon method. Eligibility performed manually by ESI for Sponsor, or material changes to the Eligibility File processes requested by Sponsor during the term may be subject to additional fees. Sponsor will be responsible for all Prescription Drug Claims during the period of the Member's eligibility as indicated on the Eligibility File including for retroactively termed Members, except in the event that ESI does not accurately implement the Eligibility File.

2.2. Pharmacy Network.

- a. Participating Pharmacies. ESI will maintain a network(s) of Participating Pharmacies. ESI maintains multiple networks and subnetworks, and periodically consolidates networks or migrates clients to other networks and subnetworks. Participating Pharmacies are independent contractors of ESI and as such ESI does not direct or exercise any control over the Participating Pharmacies or the professional judgment exercised by any pharmacist in dispensing prescriptions or otherwise providing pharmaceutical related services at a Participating Pharmacy. ESI shall have no liability to Sponsor, any Member or any other person or entity for any act or omission of any Participating Pharmacy or its agents or employees. If, due to an access concern, Sponsor requests that ESI attempt to add a particular retail pharmacy to the network of Participating Pharmacies serving Sponsor and its Members hereunder, ESI will make commercially reasonable efforts to add any such pharmacy to the Participating Pharmacy network for Sponsor, provided that such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions. If any such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions except for ESI's standard network rates (i.e., the particular pharmacy will only agree to higher than standard reimbursement rates), and Sponsor nevertheless requests that ESI add such pharmacy, the rate charged to Sponsor for Prescription Drug Claims processed through such pharmacy (assuming ESI agrees to contract with such pharmacy) will be the net ingredient cost plus the dispensing fee paid by ESI to such Participating Pharmacy (plus applicable sales or excise tax or other governmental surcharge, if any). All such Prescription Drug Claims will be excluded from the pricing guarantees set forth in Exhibit A.
- b. ESI Mail Pharmacy. Subject to applicable law, ESI will make Members aware of the ability to fill their prescriptions through the ESI Mail Pharmacy, communicate any applicable cost savings, and provide supporting services (e.g. pharmacist consultation) in connection with any prescription dispensed by the ESI Mail Pharmacy. ESI may suspend ESI Mail Pharmacy services to a Member who is in default of any Copayment amount due ESI.
- c. Specialty Products and ASES. Subject to applicable law, ESI will make Members aware of the ability to fill their prescriptions through the ESI Specialty Pharmacy, communicate any applicable cost savings, and provide supporting services (e.g. pharmacist consultation) in connection with any prescription dispensed by the ESI Specialty Pharmacy. The ESI Specialty Pharmacy will be Sponsor's exclusive specialty pharmacy for select Specialty Products included on the Specialty Product List. Products included on the Specialty Product List that are deemed to be exclusive Specialty Products must be dispensed by the ESI Specialty Pharmacy. Specialty Products not deemed as exclusive on the Specialty Product List may be dispensed by Participating Pharmacies and will be excluded from any Exclusive Specialty guarantees set forth in the Agreement. In no event will the ESI Mail Pharmacy or Participating Pharmacy pricing specified in the Agreement apply to Specialty Products.
 - i. ESI will notify Sponsor monthly of any new Specialty Products that are introduced to the market on or after the Effective Date of this Agreement with their applicable reimbursement rates. If Sponsor has expressly excluded a specific therapy class or product, Specialty Products in those classes will automatically be excluded from coverage and will reject as "NDC Not Covered". If Sponsor later desires to cover otherwise excluded Specialty Products, Sponsor must notify ESI in writing that it desires to cover the Specialty Product before ESI may adjudicate the Specialty Product as a Covered Drug. Sponsor must notify ESI in writing if it wants to exclude any Specialty Product from coverage. The exclusion will be implemented within seven (7) business days after the date of ESI's receipt of such notification. ESI will not retroactively deny Prescription Drug Claims processed prior to ESI's implementation of the exclusion as provided above and Sponsor will be responsible for the payment of such Prescription Drug Claims processed prior to the rejection of coverage.
 - ii. ESI may provide ASES that is necessary for the proper administration of a Specialty Product. Sponsor will be billed for such ASES as set forth in Schedule 1.

2.3. Claims Processing.

a. Claims Processing

- i. ESI will perform claims processing services for Covered Drugs dispensed by Participating Pharmacies, ESI Mail Pharmacy and ESI Specialty Pharmacy.
- ii. If elected by Sponsor, ESI will, for an applicable fee, process Member Submitted Claims in accordance with the rules in the Set-Up Forms and ESI's standard procedures.
- iii. If authorized by Sponsor on the Set-Up Forms, ESI will, for an applicable fee, process Subrogation Claims in accordance with applicable federal and state laws. If Sponsor does not authorize ESI to process Subrogation Claims, ESI will reject any Subrogation Claims and refer claimants to Sponsor, in accordance with applicable federal and state laws.
- iv. ESI will defer to Sponsor or its third party designee (as applicable) regarding the coverage of any claim under a Plan. In other words, the Sponsor will have the final responsibility for all decisions with respect to coverage of a Prescription Drug Claim and the benefits allowable under the Plan, including determining whether any rejected or disputed claim will be allowed.

- b. Prior Authorization. ESI will, for an applicable fee as outlined in section 1-4 of this Exhibit A, provide prior authorization ("PA") services as specified and directed by Sponsor for drugs designated on the Set-Up Forms. Prior authorized drugs must meet Sponsor-approved coverage criteria ("Guidelines") before they are deemed to be Covered Drugs. In determining whether to authorize coverage of such drug under the PA program, ESI will apply only the Guidelines and will rely upon information about the Member and the diagnosis of the Member's condition provided by the prescriber. If prior authorization for a medication is not immediately available, a 72-hour emergency supply may be dispensed when the pharmacist on duty recommends it as clinically appropriate and when the medication is needed without delay. ESI will not make a determination of medical necessity, make diagnoses or substitute ESI's judgment for the professional judgment and responsibility of the prescriber.

2.4. Claims for Benefits. If applicable, ESI will process Member Submitted Claims and prior authorization ("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"). Sponsor elects to have ESI perform appeals services in connection with denied claims for benefits in exchange for a not to exceed sum of \$800 applicable fee set forth in Schedule 1-4 of Exhibit A, or facilitate such services through Sponsor or a third party of Sponsor's choice. PA appeals fees are set forth in Schedule 1-4 of Exhibit A. If Sponsor elects to conduct its own appeals or facilitate appeals through a third party, ESI will route Member appeals to Sponsor or other Sponsor designated entity. If Sponsor elects to have ESI perform appeals services, Sponsor agrees that ESI may perform such services through a third-party contracted with ESI for the performance of appeals (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.

- a. UM Company. In the event ESI performs appeals services, or facilitates the performance of appeals services through a UM Company, ESI or the UM Company, as applicable, will be responsible for conducting the appeal on behalf of Sponsor in accordance with the Claims Rules. ESI represents to Sponsor that UM Company has contractually agreed that: (A) UM Company will conduct appeals in accordance with the Claims Rules and Sponsor's plan, (B) Sponsor is a third party beneficiary of UM Company's agreement with ESI (a copy of which is available upon request) and the remedies set forth therein, and (C) UM Company will indemnify Sponsor for third party claims caused by the UM Company's negligence, willful misconduct, or breach of the UM Company's agreement with ESI in providing the appeal services.
- b. External Review Services. ESI will not conduct any external review services (as defined in the Patient Protection and Affordable Care Act of 2010 and its implementing regulations (the "ACA")); provided, however, Sponsor may elect to have UM Company facilitate the provision of external review services through UM company contracted independent review organizations ("IROs") (as such term is defined in the ACA), for the applicable

fees as outlined in section 1-4 of this Exhibit A. Sponsor must execute a standard ESI External Appeals Services Set-Up Form, which may be requested through ESI Account Management, in order to receive such services from UM Company.

2.5 Account Management.

- a. Account Team. ESI will provide account team support for Sponsor. The account team will be Sponsor's primary point of contact with ESI.
- b. Sponsor/Member Call Center. ESI will provide 24-hours a day, 7-days a week toll-free telephone, IVR and Internet support to assist Sponsor, Sponsor's agents and Members with Member eligibility and benefits verification, location of Participating Pharmacies or other related Member concerns.

2.6 Formulary Support and Rebate Management.

- a. Formulary Adherence and Clinical Programs. ESI may provide clinical, safety, adherence, and other like programs as appropriate. ESI will not implement any program for which Sponsor may incur an additional fee without Sponsor's prior written approval and election of such program.
- b. Rebates. Subject to the remaining terms of this Agreement, ESI will pay to Sponsor the amounts set forth on Schedule 1.

2.7 Exclusivity. During the Term, ESI will be Sponsor's exclusive provider of PBM Services for Sponsor's active employee Plans offering a prescription benefit. The financial terms set forth in Schedule 1 are conditioned on that exclusivity.

2.8 Program Operations.

- a. Reporting. ESI will make available to Sponsor ESI's on-line standard management information reporting applications. Upon Sponsor's request, ESI may develop special reporting packages or perform custom programming at ESI's standard hourly rate for such services, as set forth in Exhibit A.
- b. Claims Data.
 - i. Claims Data Retention. ESI will retain Sponsor's claims data for a total of ten (10) years from the date the prescription is filled, or in accordance with applicable law. Thereafter ESI will dispose of such data in accordance with its standard policies and practices and applicable state and federal law. Disposition of PHI shall be in accordance with the Business Associate Agreement.
 - ii. Claims Data to Vendors. Upon Sponsor's written request and at no additional charge, ESI will provide regular prescription claims data in ESI's standard format(s) to Sponsor's vendors ("Vendors") for disease management, flexible savings account and other "payment," "treatment" and "healthcare operations" purposes (as defined under HIPAA). Requests for retrieval of data beyond thirty (30) months are subject to the hourly custom programming charge set forth in Exhibit A.
 - iii. De-Identified Claims Data. ESI or its affiliates may use and disclose both during and after the term of this Agreement the anonymized claims data (de-identified in accordance with HIPAA) including drug and related medical data collected by ESI or provided to ESI by Sponsor for research; provider profiling; benchmarking, drug trend, and cost and other internal analyses and comparisons; clinical, safety and/or trend programs; ASEs; or other business purposes of ESI or its affiliates, in all cases subject to applicable law.

2.9 Sponsor Audits. Provided that this Agreement has been executed and Sponsor is current in the payment of invoices under this Agreement, Sponsor may, upon no less than thirty (30) days prior written request, audit ESI's provision of services hereunder, the scope of which shall be to verify compliance with the financial terms of this Agreement, on an annual basis consistent with the Audit Protocol set forth in Schedule 2. Sponsor may use an independent third party auditor ("Auditor"), so long as such Auditor is not engaged in providing services for Sponsor or otherwise that conflict with the scope or independent

nature of the audit (as determined by ESI acting reasonably and in good faith), and provided that Sponsor's Auditor executes a mutually acceptable confidentiality agreement. Any request by Sponsor to permit an Auditor to perform an audit will constitute Sponsor's direction and authorization to ESI to disclose PHI to the Auditor.

2.10 Performance Standards. ESI will conform to the performance standards set forth on Schedule 5 hereto. The payments set forth in Schedule 5 will be Sponsor's sole monetary remedy for any failure by ESI to meet a performance standard in addition to any correction or reimbursement associated with payment or billing errors.

3 FEES, BILLING AND PAYMENT

3.1 Fees. In consideration of the PBM Services provided by ESI, Sponsor will pay the applicable claims reimbursement amounts ("Claims Reimbursements") and other administrative fees ("Administrative Fees") pursuant to the terms set forth on Schedule 1 ("Claims Reimbursements," "Administrative Fees" and any other charge or fee that is the responsibility of Sponsor as may be described elsewhere in this Agreement are hereinafter referred to collectively as "Fees").

3.2 Billing and Payment. Sponsor will pay ESI as set forth in Schedule 1.

Deposit. If, at any time: (i) Sponsor has two or more invoices past due and outstanding, or (ii) ESI has reasonable grounds to believe Sponsor may be delinquent in payment of fees based on Sponsor's financial data (e.g., persistent negative cash flow, bankruptcy or insolvency), ESI may require that the Sponsor provide to ESI a deposit in an amount equal to the average of the last three (3) months of billing history as the basis for determining the one (1) month deposit amount or, if three (3) months billing history is not available, the most recent month of billing history as the basis. ESI will retain the deposit until the earlier of termination of this Agreement (following any run-off period), or six (6) consecutive months of timely payments of all Fees following submission of the deposit, and may apply the deposit to delinquent fees until return of the deposit.

4. COMPLIANCE WITH LAW, FIDUCIARY ACKNOWLEDGMENTS, FINANCIAL DISCLOSURE

4.1 Fiduciary Acknowledgements. ESI offers pharmacy benefit management services, products and programs for consideration by all clients, including Sponsor. The general parameters of these products and the systems that support these products, have been developed by ESI as part of ESI's administration of its business as a PBM. The parties agree that they have negotiated the financial terms of this Agreement in an arm's-length fashion. Sponsor acknowledges and agrees that, except for the limited purpose set forth in Section 2.4, neither it nor the Plan intends for ESI to be a fiduciary (as defined under ERISA or state law) of the Plan, and, except for the limited purpose as set forth in Section 2.4, neither will name ESI or any of ESI's wholly-owned subsidiaries or affiliates as a "plan fiduciary." Sponsor further acknowledges and agrees that neither ESI nor any of ESI's wholly-owned subsidiaries or affiliates: (a) have any discretionary authority or control respecting management of the Plan's prescription benefit program, or (b) exercise any authority or control respecting management or disposition of the assets of the Plan or Sponsor. Sponsor further acknowledges that all such discretionary authority and control with respect to the management of the Plan and plan assets is retained by Sponsor or the Plan. Upon 90 days' 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 Sponsor, a Plan, or a Member in any capacity.

4.2 Disclosure of Certain Financial Matters. In addition to the Fees paid to ESI by Sponsor, ESI and ESI's wholly-owned subsidiaries or affiliates derive revenue in one or more of the ways as further described in the Financial Disclosure to ESI PBM Clients set forth in Schedule 4 hereto ("Financial Disclosure"), as updated by ESI from time to time. The revenues described in the Financial Disclosure are not direct or indirect compensation to ESI from Sponsor for services rendered to Sponsor or the Plan under this Agreement. In negotiating any of the fees and revenues described in the Financial Disclosure or in this Agreement, ESI and ESI's wholly-owned subsidiaries and affiliates act on their own behalf, and not for the benefit of or as agents for Sponsor, Members or the Plan. ESI and ESI's wholly-owned subsidiaries and affiliates retain all proprietary rights and beneficial interest in such fees and revenues described in the Financial Disclosure and, accordingly, Sponsor acknowledges that neither it, any Member, nor the Plan, has a right to receive, or possesses any beneficial interest in, any such fees or revenues; provided, that ESI will pay Sponsor amounts equal to the amounts expressly set forth on Schedule 1.

SCHEDULE 1

PRICING TERMS AND PHARMACY PROGRAM FEES

Schedule 1-1

Billing, Payment, and Miscellaneous Pricing Terms

Schedule 1-2

Claims Reimbursement Rates

Schedule 1-3

Rebates

Schedule 1-4

Administrative Services and Clinical Program Fees

Schedule 1-1

Term, Billing, Payment, and Miscellaneous Pricing Terms

1. **TERM.** This Agreement will commence as of January 1, 2022 and will continue for a period of five (5) years ("Initial Term"). The Initial Term plus any renewal terms will be known as the Term ("Term"). Not less than ninety (90) days prior to the end of the Initial Term or any renewal term of this Agreement ESI may notify the Sponsor in writing that they desire to terminate this Agreement effective as of the end of the then current term.
2. **BILLING AND PAYMENT.**
 - a. **Billing.** ESI will invoice Sponsor: (i) bi-weekly for Claims Reimbursements; and (ii) on a monthly basis for the Administrative Fees.
 - b. **Payment.** Sponsor will pay ESI by wire, ACH transfer or pre-authorized debit within five (5) days from the date of Sponsor's receipt of each ESI invoice. Sponsor will be responsible for all costs of collection, and agrees to reimburse ESI for such costs and expenses, including reasonable attorneys' fees. All amounts not paid in accordance with Section 218.76, Florida Statutes, by the due date thereof will bear interest at the rate of 1.5% per month or, if lower, the highest interest rate permitted by law. ESI may apply amounts otherwise owed to Sponsor against any unpaid Fees.
3. **Administrative Services Not-to-Exceed Amount.** The County agrees to pay the Contractor the not-to-exceed sum of \$2,000,000.00 for Administrative Services completed and accepted as provided in Section 15 herein if applicable, payable on a fixed-fee basis for the deliverables as set out in this Agreement, payable upon submittal of an invoice as required herein. If the amount owed by the County to ESI for compensation under this Agreement exceeds \$2,000,000.00, and the County ceases to pay ESI, ESI shall not be obligated to perform under this Agreement. Amounts due from the County to ESI for Claims Reimbursement are not subject to any limitation.
4. **PHARMACY MANAGEMENT FUND ("PMF")**
 - a. ESI will provide up to \$20.00 per Member implemented as of the Effective Date, to reimburse the actual, fair market value of: (i) expense items and services related to transitioning, administering, and implementing the pharmacy benefit with ESI initially and throughout the term, such as, custom ID Cards, IT programming, custom formulary letters, member communications, and benefit set-up quality assurance; and/or (ii) mutually agreed upon expense items and services related to implementation of additional clinical or other similar programs provided by ESI throughout the Term; in either case subject to submission of adequate documentation to support reimbursement within 180 days of incurring the applicable expense. Both Sponsor and ESI (upon agreement from Sponsor) may use the PMF to cover the fair market value of expenses for projects requiring joint resources. All reimbursement under the PMF is subject to ESI's standard PMF business practices for all clients.
 - b. Sponsor represents and warrants that: (i) it will only request reimbursement under the PMF for its actual expenses incurred in transitioning, administering, and implementing the pharmacy benefit managed by ESI hereunder, and/or the additional clinical or other similar program provided by ESI throughout the Term; (ii) that the applicable service, item or program was actually performed or provided; (iii) the amount of the reimbursement is equal to or less than the reasonable fair market value of the actual expenses incurred by Sponsor; (iv) it will notify and disclose the amount and the terms of any PMF reimbursements to Members and other third parties to the extent required by applicable laws and regulations. In addition, if the Sponsor and the Plan are subject to ERISA, Sponsor represents and warrants that it will only request reimbursement under the PMF for items or services for which Sponsor, in the absence of the PMF, would be allowed reimbursement from the Plan (i.e., not "settlor functions").
 - c. Sponsor shall comply with all applicable federal and state requirements, including, but not limited to, all applicable federal and state reporting requirements with respect to any expense, item or service reimbursed under this section. ESI reserves the right to periodically audit the books and records of Sponsor on-site, during

normal business hours and after giving reasonable advance notice, for the purposes of verifying Sponsor's compliance with the PMF requirements set forth in this Agreement.

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

5. **MARKET CHECK.** On an annual basis, Sponsor or its designee may provide ESI with a written comparison, prepared by an independent pharmacy benefit management consultant, for pharmacy benefit management services offered by a third party PBM provider which includes and takes into account similar plan design, formulary exclusions, clinical and trend programs, retail pharmacy, mail pharmacy, and specialty pharmacy mix and utilization, size, demographics, and other relevant factors necessary to provide an appropriate comparison ("Sponsor's Current Market Price"). In evaluating whether Sponsor's Current Market Price is comparable to pricing ESI offers Sponsor under the terms of this Agreement, ESI will validate that, at a minimum, price points used in determining Sponsor's Current Market Price were selected from benchmark plans that satisfy the comparable Sponsor Current Market Price factors listed herein. Sponsor's Current Market Price shall be evaluated on the basis of a total, aggregate comparison of the pricing terms offered by a single vendor to a single plan, and not on the basis of individual or best price points available from multiple vendors to a single plan or a single vendor to multiple plans. A copy Sponsor's Current Market Price analysis prepared by the consultant will be submitted to both Sponsor and to ESI. The consultant will also provide a reasonably detailed description of the methods and assumptions used in the analysis including the methods and assumptions related to the calculation of the individual pricing components and the Net Plan Costs, as defined below. ESI shall have a reasonable opportunity (i.e., not less than twenty (20) business days after all information necessary to perform the analysis is received) to evaluate Sponsor's Current Market Price. In a format specified by ESI, Sponsor, or its designee, shall provide any information necessary for ESI to validate Sponsor's compliance with the terms of this Section including, but not limited to, relevant details about any benchmark plans Sponsor relied upon in selecting any price point(s)/financial guarantees used to determine Sponsor's Current Market Price or Net Plan Cost. If the parties agree that the comparison analysis concludes that Sponsor's Current Market Price would yield an annual one percent (1%) or more savings of "Net Plan Costs" (with Net Plan Costs defined as the sum of the cost of Covered Drugs, dispensing fees, and claims Administrative Fees, less Rebates received by Sponsor) under the Agreement, then the parties shall negotiate in good faith a modification of the pricing terms herein. The revised pricing terms will become effective on the first day of the contract year following the issuance of the report or sixty (60) days following a fully executed amendment or agreement memorializing the revised pricing terms, whichever is later. The market check shall be at Sponsor's expense, except that ESI shall be responsible for its costs related to responding to the market check. If the parties are unable to agree upon revised pricing terms and conditions, then Sponsor may terminate this Agreement without cause upon ninety (90) days prior written notice to ESI.
6. **PRICING CONDITIONS.** In the event one or more of the following occurs (whether between the date of the proposal and the Effective Date, or during the Term), ESI will have the right, upon notice, to make an equitable adjustment to the rates, Administrative Fees and/or Rebates, solely as necessary to return ESI to its contracted economic position as of the effective date of such event:
 - a. Sponsor's Membership falls below 5,425 Members;
 - b. Sponsor has Members enrolled in a 100% co-payment plan (plans where Sponsor has no liability for the payment of pharmacy claims);
 - c. Sponsor has greater than 10% of total utilization for all Plans attributable to a consumer driven health plan (CDHP);
 - d. There is a mutually agreed material change in the demographics of Sponsor's Membership, or in the Sponsor's pharmacy or drug mix, compared to data provided by Sponsor;

- e. Sponsor changes its Formulary, benefit designs, implements OTC plans, clinical or trend programs or otherwise takes an action that has the effect of lowering the amount of Rebates earned hereunder or materially impacting any guarantee;
- f. Sponsor elects to use on-site clinics or pharmacies to dispense prescription drugs to Members which materially reduces Rebates and/or the number of Covered Drug claims submitted to ESI;
- g. There is a material change to the manner in which AWP is calculated or reported for Brand Drugs and/or Generic Drugs.

Further, if ESI's ability to provide the financial terms herein are adversely affected due to Brand Drugs unexpectedly moving off-patent to generic status, due to another action by a manufacturer, due to any other industry or market condition, or due to a Change in Law, an appropriate adjustment will be made to the reimbursement rates, financial guarantees, Administrative Fees, and/or Rebates hereunder.

Schedule 1-2**Claims Reimbursement Rates**

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

1. BASE ADMINISTRATIVE FEES.

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

Per Employee Per Month
\$1.70

2. PARTICIPATING PHARMACY AND ESI MAIL PHARMACY AVERAGE AGGREGATE ANNUAL INGREDIENT COST AND DISPENSING FEE GUARANTEES (DOES NOT APPLY TO SPECIALTY PRODUCTS).**2.1. Participating Pharmacy Commercial Ingredient Cost and Dispensing Fee Guarantees****a. ESI National Plus Network**

National Plus Network Smart90 Walgreens Exclusive		1-83 Days' Supply	84-90 Days' Supply
Brands	Average Annual Ingredient Cost Guarantee	AWP-19.25%	AWP-24.50%
	Dispensing Fee/Rx Guarantee	\$0.65	\$0.00
Generics	Average Annual Ingredient Cost Guarantee	Year 1: AWP-83.00% Year 2: AWP-83.25% Year 3: AWP-83.50% Year 4: AWP-83.60% Year 5: AWP-83.70%	Year 1: AWP-87.15% Year 2: AWP-87.25% Year 3: AWP-87.35% Year 4: AWP-87.45% Year 5: AWP-87.55%
	Dispensing Fee/Rx Guarantee	\$0.65	\$0.00

2.2. ESI Mail Pharmacy Ingredient Cost and Dispensing Fee Guarantees**a. Commercial Ingredient Cost and Dispensing Fee Guarantees (Does not apply to Specialty Products)**

ESI Mail Pharmacy		
Brands	Average Annual Ingredient Cost Guarantee	AWP-24.50%
	Dispensing Fee/Rx Guarantee ¹	\$0.00
Generics	Average Annual Ingredient Cost Guarantee	Year 1: AWP-87.15% Year 2: AWP-87.25% Year 3: AWP-87.35% Year 4: AWP-87.45% Year 5: AWP-87.55%
	Dispensing Fee/Rx Guarantee ¹	\$0.00

¹Dispensing Fee Guarantees 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 Guarantee will not be increased to reflect such increase(s).

3. SPECIALTY PRODUCT PRICING

- 3.1. Dispensing Fee for Specialty Products dispensed at Participating Pharmacy and ESI Specialty Pharmacy. There will be a Pass-Through dispensing fee for Specialty Products dispensed through Participating Pharmacies. There will be a dispensing fee of \$0.00 for Specialty Products dispensed through ESI Specialty Pharmacy. 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 not be increased to reflect such increase(s).
- 3.2. Average Annual Ingredient Cost and Dispensing Fee Guarantees. The following pricing guarantees shall apply to Specialty Products.

ESI Specialty Pharmacy ¹	Exclusive ²
Average Annual Ingredient Cost Guarantee	Year 1: AWP-18.05% Year 2: AWP-18.10% Year 3: AWP-18.15% Year 4: AWP-18.20% Year 5: AWP-18.25%
Dispensing Fee/Rx Guarantee	\$0.00

¹In addition to the general exclusions identified in this Agreement, all non-Specialty Products are excluded from this guarantee. Claims not dispensed through the ESI Specialty Pharmacy, and all Exclusive or Limited Distribution Products are also excluded from this guarantee.

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

Limited Distribution Guarantee (ESI Specialty Pharmacy)	
Average Annual Limited Distribution Guarantee	AWP-13.00%

- 3.3. The Specialty Pricing offered assumes a days' supply consistent with the ESI Specialty Pharmacy Clinical Days' Supply Program.
- 3.4. ASES. For Specialty Products needing an additional charge to cover costs of all ASES required to administer the Specialty Products, ESI or ESI Specialty Pharmacy will bill, at ESI's option, either the Sponsor's medical plan or the Sponsor directly at the following standard per diem and nursing fee rates set forth below, maintained and updated by ESI from time to time. If ESI elects to bill Sponsor's medical plan for ASES, Sponsor will work with ESI to coordinate the invoicing and payment of ASES through Sponsor's medical plan. If Sponsor's medical plan will not cover the cost of ASES billed through ESI or ESI Specialty Pharmacy, Sponsor shall be responsible for the costs of all ASES. Unless otherwise set forth in an agreement directly between ESI Specialty Pharmacy and Sponsor or a Plan, if a Specialty Product dispensed or ASES provided by ESI Specialty Pharmacy is billed to Sponsor or a Plan directly by ESI Specialty Pharmacy instead of being processed through ESI, Sponsor or Plan will timely pay ESI Specialty Pharmacy for such claim pursuant to the rates below and within thirty (30) days of Sponsor's, Plan's, or its designee's, receipt of such electronic or paper claim from ESI Specialty Pharmacy. ESI Specialty Pharmacy shall have 360 days from the date of service to submit such electronic or paper claim.

Therapeutic Class	Brand Name	Nursing & Per Diem
ALPHA 1 DEFICIENCY	All Alpha 1 Deficiency Drugs requiring Per Diem	\$55.00 / Infusion

ENZYME DEFICIENCY	All Enzyme Deficiency Drugs required Per Diem	\$60.00 / Infusion
IMMUNE DEFICIENCY	All Immune Deficiency Drugs requiring Per Diem	\$60.00 / Infusion
INFLAMMATORY CONDITIONS	Remicade, Renflexis, Inflectra	\$60.00 / Infusion
MISCELLANEOUS SPECIALTY CONDITIONS	Soliris	\$60.00 / Infusion
MISCELLANEOUS SPECIALTY CONDITIONS	Duopa	\$65.00 / Day
PAH	Tyvaso	\$30.00 / Day
PAH	Flolan , Veletri, Epoprostenol Sodium (generic-Flolan/Veletri), Remodulin, Treprostenol Sodium (generic-Remodulin).	\$65.00 / Day
PAH	Ventavis	\$65.00 / Day
Cystic Fibrosis	Causton (Replacement Nebulizer)	\$975.00
Nursing Rates	All drugs / therapies requiring nursing	\$150.00 per Initial Visit up to two (2) hours / \$75.00 per additional hour or a fraction thereof

4. **COMPOUND DRUG PRICING.**

	ALL YEARS
Compounds (not listed elsewhere)	Pass-Through

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

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

[1-(total discounted AWP ingredient cost but excluding dispensing fees and ancillary charges, and prior to application of Copayments) of applicable Prescription Drug Claims for the annual period divided by total undiscounted AWP ingredient cost (both amounts will be calculated as of the date of adjudication) for the annual period)]. Discounted ingredient cost will be the lesser of MAC (as applicable), U&C or AWP discount.

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

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

- 5.3. **MNOY Guarantee Methodology.** Notwithstanding anything in this Agreement to the contrary, the generic guarantees will include only those Prescription Drug Claims that processed to Sponsor for payment purposes under Sections 2 and 3 above where the underlying prescription drug product was identified by Medi-Span as having a Multi-Source Indicator code identifier of "Y" on the date dispensed (or was identified by Medi-Span as having a Multi-Source Indicator identifier of an "O" on the date dispensed, but was substituted and dispensed by the ESI Mail Pharmacy as its "house generic"), unless such Prescription Drug Claim is identified in the "Exclusions" section. The brand guarantees will include only those Prescription Drug Claims that processed to Sponsor for payment purposes under Sections 2 and 3 above where the underlying prescription drug product was identified by Medi-Span as having a Multi-Source Indicator code identifier of "M", "N", or "O" on the date dispensed (except in cases where the underlying prescription drug product was substituted and dispensed by the pharmacy as its "house generic"), unless such Prescription Drug Claim is identified in the "Exclusions" section. The application of

brand and generic pricing may be subject to certain “dispensed as written” (DAW) protocols and Sponsor or Plan defined plan design and coverage policies for adjudication and Member Copayment purposes. If Medi-Span discontinues reporting Multi-Source Indicator identifiers, ESI reserves the right to make an equitable adjustment as necessary to maintain the parties’ relative economics and the pricing intent of this Agreement. Notwithstanding anything in this Agreement to the contrary, any rebate guarantees set forth in this Agreement will be reconciled using ESI’s BGA.

- 5.4. Guarantee Reconciliation Period. The ingredient cost and dispensing fee guarantees under this Agreement will be measured and reconciled on an annual basis within ninety (90) days of the end of each contract year. The guarantees are annual guarantees - if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a “Partial Contract Year”), then the guarantees will not apply for such Partial Contract Year. To the extent Sponsor changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. Subject to the remaining terms of this Agreement, ESI will pay the difference attributable to any shortfall between the actual result and the guaranteed result; provided, however, that ESI may use an excess achieved in one or more of the guarantees within a channel (with the channels being retail and mail, Specialty Products will be included in the channel from which they were dispensed) under this Agreement to make up for, and offset, a shortfall in any other guarantee within the same channel, excluding any Rebate guarantees, which will be reconciled and offset only against other Rebate guarantees.
- 5.5. Exclusions. The following will be excluded from the listed ingredient cost and dispensing fee guarantees under this Agreement:

Exclusions
Specialty Products (other than specialty guarantee, if any)
coordination of benefit claims
Claims through 340B pharmacies
Subrogation Claims
claims dispensed from an on-site or Sponsor or Plan owned pharmacy
long term care pharmacy claims
Member Submitted Claims
compounds
OTCs
vaccines
Veteran and Military claims

- 5.6. Adjudication Rates. If no adjudication rates are specified herein, individual claims dispensed at Participating Pharmacies will be billed on a Pass-Through basis. Claims dispensed at ESI Mail Pharmacy will be adjudicated to Sponsor at the applicable ingredient cost, and will be reconciled to the applicable guarantee as set forth herein.
- 5.7. Conditions Applicable to Extended Days’ Supply Pricing. The Extended Days’ Supply pricing set forth in this Agreement shall be subject to certain requirements, as set forth in this Section. Extended Days’ Supply shall mean; for all lines of business other than Medicare or EGWP, any supply of a covered drug of 84 days or greater.
- 5.8. Extended Days Supply
- a. Walgreens Smart90 (Exclusive). Certain Participating Pharmacies have agreed to participate, together with the ESI Mail Pharmacy, in the ESI “Smart90 Walgreens Network” extended 84-90 days’ supply network for maintenance drugs (such Participating Pharmacies and the ESI Mail Pharmacy are hereinafter collectively referred to as “ESI’s Smart90 Walgreens Network”). Pricing in the 84-90 days’ supply column set forth in this Agreement is applicable only if Sponsor implements a plan design that requires Members: (i) to fill maintenance drugs (based on ESI’s standard list of identified maintenance drugs) in extended 84 -90 days’ supply quantities only (i.e., no 30 day fills except for initial courtesy fill(s)); and (ii) to fill such extended days’ supply at either the ESI Mail Pharmacy or a Participating Pharmacy in the ESI Smart90 Walgreens Network (i.e., Sponsor must implement a plan design whereby Members who fill maintenance drugs for less than an extended 84-90 days’

supply or who fill an extended 84-90 days' supply at a Participating Pharmacy other than an ESI Smart90 Walgreens 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 as set forth in this Agreement shall not apply, even if an ESI Smart90 Walgreens Network Participating Pharmacy is used. The co-payment amount must also be level between the ESI Smart90 Walgreens Network and the ESI Mail Pharmacy. For coinsurance/percentage co-payments, co-payments could be different at ESI Smart90 Walgreens Network Participating Pharmacy vs. ESI Mail Pharmacy. If a regulatory body enacts a law, regulation, or other guidance that prohibits the Walgreens Smart90 Program, ESI will adjust Sponsor's rates accordingly.

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

6.1. General Terms applicable to Vaccine Claims

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

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

	Participating Pharmacy INFLUENZA	Participating Pharmacy ALL OTHER VACCINES	Member Submitted Vaccine Claims (excluding foreign claims)
Vaccine Administration Fee	Pass-Through (capped at \$15 per vaccine claim)	Pass-Through (capped at \$20 per vaccine claim)	Submitted amount
Ingredient Cost	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Submitted amount
Dispensing Fee	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Submitted amount
Administrative Fee/Vaccine Claim	Administrative Fee per Prescription Drug Claim as set forth in the Agreement		Administrative Fee per Prescription Drug Claim (plus manual claim administrative fee) as set forth in the Agreement
Vaccine Program	\$2.50 per vaccine claim		N/A

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

Generic Drug Dispensing Rate Guarantee		
Contract Year	Participating Pharmacies	ESI Mail Pharmacy
1	85.50%	84.50%
2	+0.10% Increment over actual of preceding year	+0.10% Increment over actual of preceding year
3	+0.10% Increment over actual of preceding year	+0.10% Increment over actual of preceding year
4	+0.10% Increment over actual of preceding year	+0.10% Increment over actual of preceding year
5	+0.10% Increment over actual of preceding year	+0.10% Increment over actual of preceding year

7.1. The guarantees will be calculated as follows:

- a. The total Participating Pharmacy Generic Prescription Drug Claims divided by total Participating Pharmacy Generic and Brand Prescription Drug Claims (and the same for ESI Mail Pharmacy Prescription Drug Claims). Claims dispensed with a DAW 9 code will be excluded from the generic drug dispensing rate guarantee calculation.
- b. The Generic Drug dispensing guaranteed percentage baseline in contract years two and three will be set to the preceding year's actual Generic Drug dispensing percentage plus the increment guaranteed for Participating Pharmacies and ESI Mail Pharmacy, respectively.
- c. ESI will pay a penalty for any shortfall between the actual percentage result and the guaranteed percentage for each of the Participating Pharmacy and ESI Mail Pharmacy guarantees, respectively. If the actual Generic Drug dispensing percentage for a contract year is below the guaranteed percentage, the penalty will be calculated as the guaranteed Generic Drug dispensing percentage for the contract year minus the actual Generic Drug dispensing percentage for the contract year times the actual claims volume times the applicable Payment Factor below. Separate calculations will be performed for Participating Pharmacies and ESI Mail Pharmacy and for each contract year.

Payment Factor		
Contract Year	Participating Pharmacies	ESI Mail Pharmacy
1	\$254.68	\$420.51
2	\$260.35	\$436.62
3	\$267.82	\$451.51
4	\$271.82	\$474.21
5	\$286.90	\$499.79

- d. Guarantees will be measured and reconciled separately for Participating Pharmacy and ESI Mail Pharmacy on an annual basis within ninety (90) days of the end of each contract year. Any excess achieved in either the Participating Pharmacies or ESI Mail Pharmacy guarantee will be used to offset a shortfall in the other guarantee, if any. To the extent Sponsor changes its utilization management programs, benefit design or Formulary, or there are material changes to the demographics and geography of the Members during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the Generic Drug dispensing percentage achieved.

- e. The maximum Generic Dispensing Rate Guarantee penalty that will be paid by ESI in any year will be \$50,000 for the Participating Pharmacy Generic Dispensing Rate Guarantee and \$50,000 for the ESI Mail Pharmacy Generic Dispensing Rate Guarantee.
 - f. Specialty Products shall not be included in the calculation of the Generic Dispensing Rate Guarantee.
8. **SaveOnSP Program Performance Guarantee.** ESI shall provide Sponsor with a "SaveOnSP Guarantee," as defined below, in the amount of \$11.78 PMPM per year during the Initial Term. The SaveOnSP Guarantee requires that Sponsor meet program requirements for, and enrolls in, the SaveOnSP Program. Standard program implementation is ninety (90) days. The SaveOnSP Guarantee shall be reconciled as follows: (i) the actual amount of copay assistance dollars applied to Members' Copayments through the SaveOnSP program (ii) minus the amount of the benefit design copayment prior to Sponsor's enrollment in the SaveOnSP Program, (iii) net of SaveOnSP program fees. The SaveOnSP Guarantee applies only for groups enrolled in the SaveOnSP program. In addition to any other pricing conditions included herein, ESI reserves the right to adjust the SaveOnSP Guarantee if: (a) manufacturer(s) change or alter their copay assistance program(s), (b) "Sponsor disenrolls from the SaveOn SP program; or (c) ESI's ability to provide the SaveOnSP Guarantee is adversely affected due to (i) Brand Drugs moving off-patent to generic status, (ii) action by a manufacturer, (iii) any industry or market condition, (iv) due to a Change in Law; or (v) due to any other action or occurrence that has a material effect on ESI's ability achieve the SaveOnSP Guarantee. ESI shall calculate the SaveOnSP Guarantee on an annual basis. ESI shall pay to Sponsor the net shortfall, if any, between the SaveOnSP Guarantee and the actual amount of copay assistance dollars applied to Members' Copayments through the SaveOnSP program within ninety (90) days after the end of the applicable calendar year. Any over performance will be retained by the Sponsor. If Sponsor's participation in the SaveOnSP program is less than a full calendar year, ESI shall prorate the SaveOnSP Guarantee. The SaveOnSP Guarantee is an annual guarantee. If this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a "Partial Contract Year"), then the guarantees will not apply for such Partial Contract Year. To the extent Sponsor changes its benefit design or Formulary during the term of the Agreement ESI may adjust the SaveOnSP Guarantee.

Schedule 1-3**Rebates****1. NON-SPECIALTY REBATE AMOUNTS**

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

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

Formulary:	National Preferred Formulary		
	Participating Pharmacies		ESI Mail Pharmacy
Days' Supply	1-83	84-90	
Per Brand Drug Claim (non-Specialty Products)	Year 1: \$ 175.00	Year 1: \$685.00	Year 1: \$685.00
	Year 2: \$ 185.00	Year 2: \$735.00	Year 2: \$735.00
	Year 3: \$ 195.00	Year 3: \$775.00	Year 3: \$775.00
	Year 4: \$205.00	Year 4: \$800.00	Year 4: \$800.00
	Year 5: \$215.00	Year 5: \$825.00	Year 5: \$825.00

1.2. REBATE PAYMENT TERMS

- a. Subject to the conditions set forth herein, ESI shall pay Sponsor the percentage amounts set forth above during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter.
- b. On an annual basis, ESI shall reconcile the guaranteed amounts set forth above (against the percentage amount paid to Sponsor quarterly including any amounts applied at the point of sale) within one hundred and eighty (180) days following the end of each contract year and shall credit Sponsor for any deficit on the next invoice immediately following the reconciliation. If, upon reconciliation, the annual aggregate percentage amount paid to Sponsor for the contract year is greater than the guaranteed aggregate amounts, ESI shall be entitled to make up for, and offset, a shortfall in other Rebate guarantee(s) set forth in this Agreement with such excess annual aggregate percentage amount, and such excess amount shall be applied either directly to the other shortfall guarantee(s) or applied as a credit against future Rebate payments and Manufacturer Administrative Fee payments (or as a direct invoice amount to be paid by Sponsor, if a credit is not feasible).

2. SPECIALTY REBATE AMOUNTS

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

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

Formulary:	National Preferred Formulary	
	Participating Pharmacies	ESI Specialty Pharmacy
Per Brand Drug Claim (Specialty Products)	Year 1: \$2,200.00	Year 1: \$2,200.00
	Year 2: \$2,400.00	Year 2: \$2,400.00
	Year 3: \$2,600.00	Year 3: \$2,600.00
	Year 4: \$2,800.00	Year 4: \$2,800.00
	Year 5: \$3,000.00	Year 5: \$3,000.00

2.2 REBATE PAYMENT TERMS

- a. Subject to the conditions set forth herein, ESI shall pay Sponsor the percentage amounts set forth above for during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter.
- b. On an annual basis, ESI shall reconcile the guaranteed amounts set forth above (against the percentage amount paid to Sponsor quarterly including any amounts applied at the point of sale) within one hundred and eighty (180) days following the end of each contract year and shall credit Sponsor for any deficit on the next invoice immediately following the reconciliation. If, upon reconciliation, the annual aggregate percentage amount paid to Sponsor for the contract year is greater than the guaranteed aggregate amounts, ESI shall be entitled to make up for, and offset, a shortfall in other Rebate guarantee(s) set forth in this Agreement with such excess annual aggregate percentage amount, and such excess amount shall be applied either directly to the other shortfall guarantee(s) or applied as a credit against future Rebate payments and Manufacturer Administrative Fee payments (or as a direct invoice amount to be paid by Sponsor, if a credit is not feasible).

3 CONDITIONS (APPLIES TO ALL REBATES)

- 3.1 ESI contracts for Rebates and Manufacturer Administrative Fees, if indicated to be paid above, on its own behalf and for its own benefit, and not on behalf of Sponsor. Accordingly, ESI retains all right, title and interest to any and all actual Rebates and Manufacturer Administrative Fees received. ESI will pay Sponsor amounts equal to the Rebate and Manufacturer Administrative Fees amounts allocated to Sponsor, as specified above, from ESI's general assets (neither Sponsor, its Members, nor Sponsor's plan retains any beneficial or proprietary interest in ESI's general assets). Sponsor acknowledges and agrees that neither it, its Members, nor its Plan will have a right to interest on, or the time value of, any Rebate payments or Manufacturer Administrative Fee payments received by ESI during the collection period or moneys payable under this Section. No amounts for Rebates or Manufacturer Administrative Fees will be paid until this Agreement is executed by Sponsor. ESI will have the right to apply Sponsor's allocated Rebate amount and Manufacturer Administrative Fees amount to unpaid Fees. ESI will retain Manufacturer Administrative Fees on Specialty Products.
- 3.2 Guarantee Exclusions: Specialty Products (other than Specialty guarantees, if any), Member Submitted Claims, Subrogation Claims, biosimilar products, Exclusive or Limited Distribution Products, vaccines, OTC products, claims older than 180 days, claims through Sponsor-owned, in-house, or on-site pharmacies, Claims through 340B pharmacies, coordination of benefit claims, and claims pursuant to a 100% Member Copayment plan are not eligible for guaranteed Rebate amounts (if any).

Guarantee Exclusions
Specialty Products (other than Specialty guarantees, if any)
Member Submitted Claims
Subrogation Claims
biosimilar products
Exclusive or Limited Distribution Products
Vaccines
OTC products
claims older than 180 days
claims through Sponsor-owned, in-house, or on-site pharmacies

Claims through 340B pharmacies
coordination of benefit claims
claims pursuant to a 100% Member Copayment plan are not eligible for guaranteed Rebate amounts (if any)

- 3.3** ESI reserves the right to adjust the Rebate guarantees if Rebate revenue is materially decreased because Brand Drugs unexpectedly move off-patent to generic status or due to a Change in Law.
- 3.4** Sponsor acknowledges that it may be eligible for Rebate amounts and Manufacturer Administrative Fee amounts under this Agreement only so long as Sponsor, its affiliates, or its agents do not contract directly or indirectly with anyone else for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Sponsor negotiates or arranges for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Rebate amounts or Manufacturer Administrative Fee amounts earned but not yet paid to Sponsor. To the extent Sponsor knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts and Manufacturer Administrative Fee amounts hereunder and to renegotiate the terms and conditions of this Agreement.
- 3.5** The Rebate guarantees are conditioned upon Sponsor's enrollment in the Advantage Plus Utilization Management Package.
- 3.6** Under its Rebate program, ESI may implement ESI's Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. ESI reserves the right to modify or replace such programs from time to time. Guaranteed Rebate amounts, if any, set forth herein, are conditioned on adherence to various Formulary management controls, benefit design requirements, claims volume, and other factors stated in the applicable rebate agreements, as communicated by ESI to Sponsor from time to time. If any government action, change in law or regulation, change in the interpretation of any law or regulation, or any action by a pharmaceutical manufacturer has an adverse effect on the availability of Rebates, then ESI may make an adjustment to the Rebate terms and guaranteed Rebate amounts, if any, hereunder.
- 3.7** Rebate and Manufacturer Administrative Fee amounts paid to Sponsor pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations. Sponsor is obligated if requested by the Secretary of the United States Department of Health and Human Services, or as otherwise required by applicable law, to report the Rebate amounts and to provide a copy of this notice. ESI will refrain from doing anything that would impede Sponsor from meeting any such obligation.

Schedule 1-4**Administrative Services and Clinical Program Fees****I. Administrative Services**

PBM Services
Customer service for members Electronic/online eligibility submission Primary claim avoidance for secondary payers based on eligibility file (i.e. reject claims submitted as primary) Electronic claims processing Plan set-up Software training for access to our online system(s) FSA eligibility feeds
Network Pharmacy Services
Pharmacy help desk Pharmacy network management Pharmacy reimbursement Network development (upon request)
Home Delivery Services
Benefit education Prescription delivery — standard
Reporting Services
Web-based Sponsor reporting — produced by ESI Web-based Sponsor reporting — produced by SponsorAd 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
Sponsor Website — eService Delivery (Eligibility, Claims, and Benefit Administration), Coverage Management and Appeals, Eligibility File Transfer, Reporting Solutions and Resources Area. My Pharmacy Options — 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 Pharmacy Options, 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) Overrides • Sponsor requested overrides • Lost/stolen overrides • Vacation supplies

Optional PBM Services

PBM Services	Fee
Manual Submissions	
Member Submit Fee	\$3.00 per claim
Medicaid Subrogation Claims	\$3.00 per paid claim
Medicare Subrogation Claims	\$3.00 per paid claim
Communication with physicians and/or members (e.g., program descriptions, notifications, formulary compliance, non-Medicare EOBs, etc.)	\$1.35/letter plus postage
Medicare Explanation of Benefits (EOB) Custom non-standard materials	\$1.75/letter plus postage
Claims reverse and reprocessing (due to Sponsor driven errors including but not limited to incorrect benefit set-up and eligibility feed errors, or Sponsor decision to change benefit and reprocess claims)	Priced upon request Quoted upon request
Coordination of Benefits (COB)	
- Custom reimbursement formula - Setup and ongoing maintenance - Product support	\$0.01 PMPM
Electronic Medicare Part D EOB	
Electronic Medicare EOB is an e-mail notification to the member informing them at the time of EOB production that their Medicare Part D Explanation of Benefits is available for viewing. Members can opt in/opt out at any time. Electronic EOB includes: - Email notification to the member - Solicitation e-mail sent to registered members - Prominent Web messaging	\$0.95/EOB
Reporting Services	
Custom ad hoc reporting – applies for reporting outside of self-services reporting tool	\$150/hour, with a minimum of \$500
Account and Member Services	
Customer service for Members	\$0.00
Replacement Member Communication Packets	
Member-requested replacement packets	\$1.50 per packet
Sponsor-requested re-carding	\$1.50 per packet
Cost Exceeds Maximum	
Cost Exceeds Maximum (CEM) edit (For non-compound drugs)	\$10,000 CEM limit – included in pricing Custom CEM limit less than \$10,000 - \$0.01 PMPM fee
Cost Exceeds Maximum (CEM) edit (For compound drugs)	Included in pricing
Reviews and Appeals Management	
Initial Determinations and Level 1 Non-urgent Appeals under the UM Program. Examples: prior authorization, step therapy, quantity reviews	UM PMPM charge OR \$55 per initial determination* UM charge
Initial Determinations and Level 1 Non-urgent Appeals for benefit reviews. Examples: copay review, plan excluded drug coverage review, administrative plan design review	\$55 per initial determination*
Initial Determinations and Level 1 Non-urgent Appeals <u>with Level 2 and Urgent Appeal Service</u> for UM, formulary, and benefit reviews - final internal appeals	If Sponsor elects to have ESI perform Level 2 and Urgent Appeals, Sponsor will pay an additional \$10 per initial determination (e.g. UM PMPM charge plus \$10 per initial determination* OR \$65 per initial determination*) to cover the costs of performing the Level 2 and Urgent Appeals services.

Level 2 and Urgent Appeal Service for UM, formulary, and benefit reviews - final internal appeals	\$10 per initial determination*
External Reviews - facilitated by UM company, reviewed by independent review organizations	\$800 per review
PBM Services	Fee
Medicare Part B Solution	
Integrated Retail & Mail Program	\$0.42 PMPM
Retail Only Program	\$0.20 PMPM
Program Introductory Letter	\$1.35 / letter + postage
Electronic Pharmacy Benefit Eligibility Verification	
Eligibility confirmation of Pharmacy Benefit Coverage shared with prescribers and other healthcare professionals through their Electronic Medical Records (EMR) or other Digital Channels. Pass-through charge to Sponsor at Express Scripts preferred rate with data switch such as Surescripts.	
Custom Laser Messaging	
Each custom laser messaging campaign will run for 3 months and will consist of member targeting based on the Sponsor's pain point, Consumerology messaging consultation by the Express Scripts Lab, launch of a 90-day custom campaign, to the agreed upon targeted members, and reporting on any key insights or operational metrics from the campaign. The fee is \$40,000 per custom message. A 20% discount will be provided for subsequent 3 month extensions of an active campaign.	
Member Grievances	
Includes: (i) researching grievances related to the Part D benefit, (ii) communicating resolution back to the member, (iii) providing oversight reporting services to Sponsor, and (iv) providing data required for CMS reporting.	\$0.15 PMPM
Retiree Drug Subsidy (RDS)	
RDS enhanced service (ESI sends reports to CMS on behalf of Sponsor)	\$1.12 PMPM for Medicare-qualified members with a minimum annual fee of \$7,500
RDS standard service (ESI sends reports to Sponsor)	\$0.62 PMPM for Medicare-qualified members with a minimum annual fee of \$5,000
• Notice of Creditable Coverage	\$1.35/letter + postage
Enhanced Pharmacy Audit Program	Enhanced Plus Network Pharmacy Audit: Fee: \$0.04/paid claim Basic Network Pharmacy Audit: No additional fee. 30-60 day historical review of paid claim only (no next day review) and higher thresholds.

* Initial determination – this is the first review of drug coverage based on the plan's conditions of coverage. Initial determinations are also referred to as initial reviews, coverage reviews, prior authorization reviews, UM reviews, or benefit reviews.

- The Level 2 and Urgent Appeal Service is an optional service for Sponsors to enroll in and there is an incremental fee of \$10 per initial determination.
- Level 2 and Urgent Appeals are not included in the UM package fees.
- The Level 2 and Urgent Appeal Service fee is not charged per appeal. It is charged for each initial review. This allows Sponsor to better estimate their appeal costs since it is based on the number of initial determinations. The fees cover the legal and operational costs involved with handling final and binding appeal reviews, which includes, but is not limited to: staffing of clinical professionals and supportive personnel, notifications to patients and prescribers, and maintaining a process aligned with state and Federal regulations
- Charges for the Level 2 and Urgent Appeal Service are billed on the monthly admin invoice for completed initial determination for UM, formulary, and benefit reviews. No subsequent charges are incurred when cases are appealed.
- Appeals can be deemed urgent at Level 1 or Level 2. Urgent appeal decisions are final and binding. If a Level 1 Appeal is processed as urgent, there is no Level 2 appeal.

Comprehensive Consumer Directed Health (CDH) Solution

PBM Services	Fee
Required Services and Fee for all CDH Enrollees	
Services • Technical Bi-directional data exchange; dedicated operations; 24 - hour-a-day, seven-day-a-week monitoring and quality control; performance reporting; and analytics • Decision Support Dedicated CDH member services, Prescription Benefit Review Statements, Retail Pricing Transparency • Member Adherence ScreenRx Preventive Medications • Member Education Proactive, personalized member communications open enrollment tools and member communications library, robust online features, and preventive care proactive, personalized member communications	Advanced Data Integration, Member Decision Support, Member Adherence and Member Education \$0.48 PMPM
If Sharing Data Only - 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/TPA, production monitoring and quality control, and designated operations team. Combined benefit types may include deductible, out of pocket, spending account, and lifetime maximum.	\$0.10 PMPM per combined accumulator up to maximum of \$0.20 PMPM for existing connection with medical carrier or TPA. Fees to establish connection with new medical carrier or TPA are quoted upon request.

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

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

White Label PDP Services	
Enrollment Services Enrollment Vendor Implementation and Coordination Enrollment and Disenrollment Processing and Reconciliation Enrollment Call Center Premium Billing Coordination of Benefits PDE Error Resolution Data Management AMS/Hosting Services Performance Oversight and Reporting CMS Account Team Support	<15K lives = \$4.30 PMPM15-30K lives = \$2.60 PMPM 30-45K lives = \$2.00 PMPM 45-60K lives = \$1.80 PMPM 60-75K lives = \$1.70 PMPM 75-100K lives = \$1.65 PMPM >100K lives = \$1.60 PMPM \$500k one time vendor implementation fee <i>Broker support not included and additional costs apply in the event Sponsor does not launch PDP with ESI, implementation fee is payable in full.</i>
Bid Consultation and Support Actuarial Support Strategic Bid Consultation and Coordination Annual Bid Completion and Submission CMS Audit Support Formulary Support Formulary Consultation and CMS formulary maintenance CMS file validation and stage reviews Marketing Support for formulary communications	Pricing upon request based on client's intended plan designs and formulary considerations \$25k annual fee if using ESI P&T Committee <i>Client intent needed by December preceding the bid submission deadline in June</i>
CMS Required Clinical Services Opioid Case Management Opioid Overutilization Management System (OMS)	\$0.02 PMPM for both programs \$10,000 per OMS report submitted to CMS <i>Dependent upon enrollment in the Medicare Drug Management Program</i>
Complaint Tracking Module (CTM) Manage complaints filed with CMS (1-800-Medicare) and resolve within CMS required timeframes	\$0.15 PMPM
Member Communications Welcome Kit – standard Annual Notice of Change (ANOC) – standard Enrollment/Disenrollment letters Billing Documents	\$3.75 + postage \$2.50 + postage \$1.35 + postage \$1.35 + postage
Other Services Translation and Language Line Custom IT Development and Reporting	Pass through vendor pricing Pricing upon request

II. Clinical/Trend Programs.

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

The programs (and corresponding pricing and guarantees) outlined in this section represent a sampling of the programs currently offered by ESI to its clients. ESI may offer additional programs, as well as savings guarantees, under certain conditions. Information concerning such programs, guarantees, and fees, if applicable, is available on request. In addition, the ESI Account Management Team will periodically discuss new programs, guarantees, and fees with Sponsor, which Sponsor may adopt through ESI's standard Set-Up Form process.

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

Health Choices and Drug Choices

All Inclusive Clinical Options	Fee	Guarantee
Option 1: Existing clinical in place today (Advantage Plus AUM Package, Advanced Opioid Management and RationalMed)	\$1.82 PMPM	\$4.80 PMPM
Option 2: Health Connect Flex with UnlimitedAUM	\$2.74 PMPM	\$8.00 PMPM* *Includes pharmacy and healthcare savings
Option 3: Health Connect 360	\$4.00 PMPM	\$12.00 PMPM* *Includes pharmacy and healthcare savings

***A la carte solution fees are listed below.

Health Choices	Fee
Concurrent DUR	No charge (included in base offering)
ScreenRx: medication adherence solution	\$0.25 PMPM
RationalMed: An advanced patient safety solution integrating medical, prescription, and laboratory data	5,000 – 500,000 lives \$0.25 PMPM year 1, \$0.35 PMPM all years following* *Sponsors with 5-10K lives may incur a one-time medical/lab data onboarding fee dependent on vendors.
Retrospective DUR (RDUR): A patient safety solution integrating prescription data	Basic RDUR Module: \$0.05 PMPM - Includes the highest severity clinical concerns for adverse drug disease and adverse drug interaction, as well as rules to address drug therapy duplication, excessive dosing and misuse/abuse. Advanced RDUR Module: \$0.10 PMPM - Builds upon the Basic module to include an expanded rule set for adverse drug disease and adverse drug interaction and also includes drug pregnancy rules. Seniors RDUR Module: \$0.04 PMPM - Addresses the drug issues most likely to compromise the health and safety of seniors. Retrospective DUR Bundle: \$0.11 PMPM Includes the expanded rule set for adverse drug disease and adverse drug interaction, as well as rules to address drug therapy duplication, excessive dosing, misuse/abuse, drug pregnancy, drug age consideration, and polypharmacy over 65.

Health Choices	Fee
MediCUBE/Academic Detailing	A. MediCUBE with clinical pharmacist support \$0.10 PMPM (>100k Lives) or a minimum of \$125,000 per year (<100k Lives) - Sponsor provided access for up to 5 MediCUBE users - Each additional MediCUBE user will cost Sponsor \$10,000 per year - Includes a designated, virtual pharmacist to support Sponsor from a data analytics/MediCUBE perspective (providing insights, assisting the Sponsor using the MediCUBE tool, etc) and/or making telephonic physician outreaches on a limited basis B. MediCUBE with dedicated academic detailing pharmacist \$0.10 PMPM (>100k Lives) or a minimum of \$125,000 per year (<100k Lives) +\$300,000/year Sponsor would have a dedicated on-site pharmacist as part of the MediCUBE offering. Examples of activities of the dedicated pharmacist include but are not limited to: face -to-face consultations with targeted prescribers to achieve Sponsor clinical and financial goals, supporting Accountable Care Organizations (ACOs), collaborating with medical plan care management teams, and MediCUBE data analytics support. - Sponsor provided access for up to 5 MediCUBE users - Each additional MediCUBE user will cost Sponsor \$10,000 per year
Physician Care Alerts	Adherence Module: \$0.03 PMPM • <i>This module identifies patients and alerts providers who are late to fill their diabetes, hypertension, and/or cholesterol medications.</i> Omission Module: \$0.03 PMPM • <i>This module identifies and alerts providers to diabetic patients that have not been prescribed a recommended statin; patients with either a risk of repeated overdose or receiving opioid use treatment disorder that have not been prescribed recommended naloxone; and patients with an omission of opioid use disorder medication in pregnancy.</i> High-Risk Medication Module: \$0.03 PMPM • <i>This module targets patients 65 years and older taking a medication that has been identified by the Centers for Medicare & Medicaid Services (CMS) as a high-risk medication for elderly patients.</i> HEDIS Module: \$0.03 PMPM • <i>This module identifies patients late to fill their asthma/COPD, osteoporosis, depression, schizophrenia/antipsychotic and rheumatoid arthritis medications. Identifies potentially harmful drug-disease interactions in older adults. Identifies patients with multiple medications and safety risks specific to opioids. A clinical alert is sent to the prescribing physician(s).</i> Physician Care Alert Package: \$0.07 PMPM • <i>Select any 3 modules: Adherence Module, Omission Module, High-Risk Medication Module, or HEDIS Module.</i> HEDIS Bundle: \$0.10 PMPM <i>The HEDIS Bundle includes the full spectrum of HEDIS supported modules outlined above – Adherence Module, Omission Module, High Risk Medication Module, and HEDIS Module.</i>

Health Choices	Fee
Advanced Opioid Management	\$0.39 PMPM - Proactive Opioid Member Education Letter - Prescriber Education & Peer Comparison - Opioid Neuroscience Pharmacist Outreach (TRC) - Opioid and Opioid Adjacent (benzodiazepine, gabapentin & select muscle relaxants) Physician Care Alerts - Drug Deactivation Disposal Bags - Enhanced FWA with auto Lock-in - Enhanced Prior Authorization for Long Acting Opioids and Fentanyl TIRF - First Fill: 7 Days' Supply Limit for adults (Short Acting Opioids) on the first 4 fill s; not to exceed a 28-days' supply in a 60-day period - First Fill: 3 Days' Supply Limit for pediatric patients (Short Acting Opioids) for the first 4fills; not to exceed a 12-days' supply in a 60-day period - Morphine Equivalent Dose Edit (MEQD): 90 MME for new starts and 200 MME for existing utilizer Drug Quantity Management (DQM) for Fentanyl patches, Benzodiazepines, Gabapentin and Select Muscle Relaxants
Livongo - - Diabetes Remote Monitoring	\$67 per participating patient per month with 6 months minimum billing per activation
Livongo – Hypertension Remote Monitoring	\$39 per participating patient per month with 6 months minimum billing per activation
Livongo – StepIn weight-loss remote monitoring	\$50 per participating patient per month for months 1-12; \$25 per participating patient per month for months 13+; 12 months minimum billing per activation
LifeScan – One Touch Reveal Diabetes Remote Monitoring	\$45 per participating patient per month with 6 months minimum billing per activation
Omada - - Diabetes Remote Monitoring	\$82 per participating patient per month with 3 months minimum billing per activation
Omada – Hypertension Remote Monitoring	\$53 per participating patient per month with 3 months minimum billing per activation
Omada – StepIn weight-loss remote monitoring	\$50 per participating patient per month for months 1-12; \$28 per participating patient per month for months 13+; 3 months minimum billing per activation
Omada – Diabetes + Hypertension remote monitoring	\$91 per participating patient per month with 3 months minimum billing per activation
Propeller - Pulmonary Remote Monitoring	\$4.50 per targeted patient per month with 6-months minimum billing
inMynd Behavioral Health Solution	\$0.29 PMPM
SilverCloud Digital Cognitive Behavioral Therapy – for depression, anxiety or insomnia	\$0.15 PMPM
LifeScan OneTouch Reveal Plus	\$60 per participating patient per month for a minimum of 6 months
Buoy Back with Care	\$1.25 per utilizer per month A “Utilizer” is defined as a user who completes at least one instance of symptom tracking and clearance within a given calendar month.

Hinge Health – Digital Musculoskeletal Care	\$82.92 per participating patient per month for a minimum of 12 months
Health Choices	Fee
Omada Musculoskeletalby Physera – Digital Musculoskeletal Care	\$44.58 per participating patient per month for a minimum of 12 months
RecoveryOne – Digital Musculoskeletal Care	\$97.50 per participating patient per month for a minimum of 12 months
Quit Genius – Tobacco & Vaping Cessation	\$35.00 per participating patient per month for a minimum of 12 months
Drug Choice Programs	Fee
Formulary Notification	No charge for standard
Drug Conversion Program at Home Delivery	No charge (included in base offering)
My Pharmacy Options	No charge (included in base offering)
Enhanced Fraud, Waste, & Abuse	<u>Commercial</u> \$10,000 annual fee or \$4,000 annual fee (no quarterly consultations/reports)
Value Based Insurance Design (VBID)	<u>Members enrolled using automated file</u> Standard file layout/clinical rules Install set up: \$15,000 per vendor Maintenance: \$500 per month (\$750/month if quarterly eligibility reporting is requested) Custom file layout/custom rules: Sponsor specific, priced upon request Eligibility Reporting: \$1,000 per ad hoc report <u>Manual set up</u> Standard Clinical Rules Install set up: \$5,000 per vendor/client Maintenance: \$500 per month (\$750/month if quarterly eligibility reporting is requested) Custom Rules: Sponsor specific, priced upon request Eligibility Reporting: \$1,000 per ad hoc report <u>Changes after go-live:</u> Vendor add: \$10,000 Program add: \$5,000 New carrier: \$5,000 Customization: client specific, priced upon request
ACA Statin Trend Management Solution	\$0.03 PMPM
Emerging Therapeutic Issues Program (ETIP): Alerts members and healthcare professionals about significant safety-related drug recalls and market withdrawals for scripts filled at retail pharmacies.	\$0.05 PMPM * <i>*standard mailed letter fees as outlined in Sponsor's PBM Contract also apply</i>

SERVICES AGREEMENT

EXHIBIT A

STATEMENT OF WORK

Drug Choice Programs		
Drug Choice Programs — UM Packages Our UM Package building-block approach aggregates medications into lists and packages <i>Limited UM Package</i> — delivers plan savings with minimal member impact <i>Advantage UM Package</i> — same as Limited, adding chronic disease states and a broad specialty offering <i>Advantage Plus UM Package</i> — same as Advantage, adding undermanaged medication classes for select chronic diseases <i>Unlimited UM Option</i> — allows implementation of any current and/or future UM program Lists can be purchased individually and packages can be tailored to meet client needs. Some modules are available on an ala carte basis. <i>Please note: UM Bundle pricing and per review pricing are no longer offered</i>		
Standard Pricing		
Client specific recommended programs	Fee	Guarantee
Limited UM Package	\$0.32 PMPM	\$1.28 PMPM
<u>Prior Authorization</u>		
Limited Prior Authorization List	\$0.06 PMPM	\$0.18 PMPM
Proactive Prior Authorization List	\$0.05 PMPM	N/A
<u>Drug Quantity Management</u>		
Limited Drug Quantity Management List	\$0.10 PMPM	\$0.30 PMPM
<u>Step Therapy</u>		
Limited Step Therapy List	\$0.20 PMPM	\$0.60 PMPM
Advantage UM Package	\$0.80 PMPM	\$3.20 PMPM
Everything in the Limited UM Package Plus:		
<u>Prior Authorization</u>		
Advantage Prior Authorization List	\$0.20 PMPM	\$0.60 PMPM
Nonessential Therapy Prior Authorization List	\$0.10 PMPM	\$0.30 PMPM
<u>Drug Quantity Management</u>		
Advantage Drug Quantity Management List	\$0.10 PMPM	\$0.30 PMPM
<u>Step Therapy</u>		
Preferred Specialty Management	\$0.12 PMPM	N/A
Advantage Step Therapy List	\$0.06 PMPM	\$0.18 PMPM
Advantage Plus UM Package	\$1.20 PMPM	\$4.80 PMPM
Everything in the Advantage UM Package Plus:		
<u>Prior Authorization</u>		
Advantage Plus Prior Authorization List	\$0.06 PMPM	\$0.18 PMPM
Pharmacogenomics Prior Authorization List	\$0.10 PMPM	N/A
Oncology Package	\$0.15 PMPM	N/A
<u>Drug Quantity Management</u>		
Advantage Plus Drug Quantity Management List	\$0.03 PMPM	\$0.09 PMPM
<u>Step Therapy</u>		
Advantage Plus Step Therapy List	\$0.06 PMPM	\$0.18 PMPM
Unlimited UM Option	\$1.45 PMPM	N/A
Everything in the Advantage Plus UM Package Plus:		
<u>Prior Authorization</u>		
Adjunctive Specialty PA List	\$0.05 PMPM	N/A

SERVICES AGREEMENT

EXHIBIT A

STATEMENT OF WORK

Optional Prior Authorization <u>Step Therapy</u>	Varies by individual module	N/A
<u>Rare Medications Step Therapy List</u>	\$0.06 PMPM	N/A
Optional Step Therapy Modules	Varies by individual module	N/A

*Guarantees (packages only): <1,000 lives – no guarantee, 1,001 – 2,500 – 1:1 guarantee, 2,501 – 5,000 – 2:1 guarantee, >5,000 lives 4:1 guarantee. Note: Closed formulary or 100% tier 3 copay clients do not qualify for guarantees

Guarantees (lists) apply to clients with 10,000+ lives. Unlimited option fee allows clients to implement any available UM program over the life of their contract. Individual list guarantees still apply for clients with 10,000+ lives. If client chooses Unlimited option and implements all elements of the Advantage Plus Package, The Advantage Plus guarantee applies.

Please note: Prior Authorization must be implemented without grandfathering to receive guarantee. Some programs may impact Rebates. Development and maintenance of customized rules and/or criteria may incur additional fees.

SERVICES AGREEMENT

EXHIBIT A

STATEMENT OF WORK

SCHEDULE 2

AUDIT PROTOCOL

1. AUDIT PRINCIPLES

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

2. AUDIT PREREQUISITES

A. There are four components of your arrangement with ESI eligible for audit on an annual basis (calendar year) from February through October, with the exception of the Medicare Part D oversight component which is available on an annual basis from March through November:

- Retrospective Claims
- Rebates (subsequent to true up)
- Performance Guarantees (subsequent to true up)
- Compliance with Regulatory Requirements (i.e. Medicare Part D) Note: If ESI is supporting a government initiated audit on behalf of Sponsor concurrently with the Sponsor initiated oversight audit, ESI resources will primarily be utilized to address the government audit requests. As such, ESI's response to Sponsor initiated audits may be delayed.

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

- B. ESI will provide all data reasonably necessary for Sponsor to determine that ESI has performed in accordance with contractual terms. ESI will provide the retrospective claims and benefit information in no more than thirty (30) days from audit kickoff call and having an executed confidentiality agreement. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.
- C. ESI engages a national accounting firm, at its sole cost and expense, to conduct a SSAE 18, SOC 1 audit on behalf of its clients. Upon request, ESI will provide the results of its most recent SSAE 18, SOC 1 audit. Testing of the areas covered by the SSAE 18, SOC 1 is not within the scope of Sponsor's audit rights (i.e., to confirm the financial aspects of the Agreement) and is therefore not permitted. However, if requested, ESI will explain the SSAE 18, SOC 1 audit process and findings to Sponsor in order for Sponsor to gain an understanding of the SSAE 18, SOC 1.

3. AUDITS

- A. The initial audit period for a retrospective claims, rebates and performance guarantee audit covers a timeframe not to exceed twenty-four (24) months immediately preceding the request to audit (the "Audit Period"). This Audit Period allows a reasonable amount of time for both parties to conclude the audit before data is archived off the adjudication system. ESI will accommodate reasonable requests to extend the Audit Period, but this may delay ESI's response time to audit findings due to the age of the claims. Due to the additional resources necessary to pull claims data older than twenty-four (24) months, if you request to extend the Audit Period, you will be subject to ESI's standard charges for such additional data pulls. All such fees shall be reasonable and based on ESI's additional costs associated with retrieval and reporting of such data. If the parties mutually determine, acting in good faith, that the initial audit demonstrates in any material respects that ESI has not administered the financial arrangement consistent with the contract terms of the Agreement, then ESI will support additional auditing beyond the Audit Period at no additional charge.
- B. CMS generally modifies its requirements for administering the Medicare Part D annually. For this reason, the initial audit period for a Medicare Part D compliance audit cover a timeframe is not to exceed the twelve (12) months immediately preceding the request to audit (collectively, the "Medicare Part D Audit Period"). This Medicare Part D Audit Period is intended to assist our clients with the CMS annual oversight requirements. ESI will be responsible for

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support of all services delegated to ESI. Mock audits intended to simulate a CMS Program Audit shall not exceed a one (1) day webinar to review three (3) samples per each data universe review. ESI will provide data universes within ten (10) business days of Sponsor request and responses to webinar follow-up requests within fifteen (15) business days of Sponsor request. ESI shall not be required to provide data or responses in a more aggressive timeline than CMS requirements. If Sponsor has requested that ESI assist with findings related to services not delegated during an audit, ESI may accommodate such requests, which will be provided at ESI's standard audit charges.

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

4. AUDIT FINDINGS

- A. Following Sponsor's initial retrospective claims audit, Sponsor (or its Auditor) will provide ESI with suspected errors, if any. In order for ESI to evaluate Sponsor's suspected errors, Sponsor shall provide an electronic data file in a mutually agreed upon format containing up to 300 claims for further investigation by ESI. ESI will respond to the suspected errors in no more than sixty (60) days from ESI's receipt of such findings. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.
- B. Following Sponsor's initial rebate and performance guarantee audit, Sponsor's Auditor will provide ESI with suspected errors, if any. ESI will respond to the suspected errors in no more than sixty (60) days from ESI's receipt of such findings. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.
- C. Following Sponsor's initial audit of Medicare Part D compliance, Sponsor (or its Auditor) will provide ESI with suspected non-compliant issues, if any. In order for ESI to evaluate Sponsor's suspected errors, Sponsor shall provide ESI with specific regulatory criteria and Medicare Part D program requirements used to cite each suspected non-compliant issue. ESI will respond to the suspected errors in no more than thirty (30) days from ESI's receipt of the findings. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between Sponsor and/or its Auditor and ESI.

5. FINAL REPORT

- A. Upon receipt and review of ESI's responses to Sponsor (or its Auditor), Sponsor (or its Auditor) will provide ESI with a written report of findings and recommendations. ESI will respond to the audit report in no more than thirty (30) days

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from ESI's receipt of the report. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort (i.e., no new issues noted) between Sponsor and/or its Auditor and ESI.

- B. Sponsor agrees that once audit results are accepted by both parties, the audit shall be considered closed and final. Notwithstanding this agreement, Auditor's process for classification of closed and final audit is handled based on its procedures and adherence to law. To the extent the mutually accepted audit results demonstrate claims errors, ESI will reprocess the claims and make corresponding adjustments to Sponsor to a future invoice(s). If we are unable to reprocess claims and issue claim level adjustments to Sponsor through this process, ESI will make adjustments to Sponsor via a line item manual adjustment process. Adjustments for claim processing errors are made 30 business days after the setup is retroactively corrected, impact assessed, and both parties agree to impact.
- C. New audits cannot be initiated until all parties have agreed that the prior audit is closed.

6. AUDITS BY GOVERNMENT ENTITIES

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

7. CONFIDENTIALITY

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

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SCHEDULE 3

BUSINESS ASSOCIATE AGREEMENT

The parties agree that the BAA entered into on December 29, 2016 can be extended for the term of this contract.

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SCHEDULE 4**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.

Relationship with Cigna Corporation. On December 20, 2018, ESI’s parent company, Express Scripts Holding Company, was acquired by Cigna Corporation.

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

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

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

Manufacturer Programs Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts with manufacturers and/or group purchasing organizations (“GPOs”) for its own account to obtain formulary rebates attributable to the utilization of certain drugs and supplies. 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 pays formulary rebates it receives to a client based on the client’s PBM agreement.

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terms and may realize positive margin. In addition, ESI provide 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 directly from participating manufacturers and indirectly from GPOs. In its capacity as a PBM company, ESI may receive other compensation from manufacturers for the performance of various programs or services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, inflation protection programs, medical benefit management services, cost containment programs, discount programs, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees, and ESI may realize positive margin between amounts paid to clients and amounts received. ESI retains the financial benefit of the use of any funds held until payment is made to the client.

Copies of ESI's standard formularies may be reviewed at <https://client.medco.com/>. In addition to formulary considerations, other plan design elements are described in ESI's Plan Design Review Guide, which may be reviewed at <https://client.medco.com/>.

Third Party Offerings - ESI partners with multiple third party vendors to provide clinical programs and other product offerings to clients. ESI may have an ownership interest in certain third party vendors.

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

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

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

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

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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), and a medical benefit management company. Compensation derived through these business arrangements is not considered for PBM formulary placement, and is in addition to other amounts described herein. 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.

September 1, 2019

THIS EXHIBIT REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS SCHEDULE 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 [HTTPS://CLIENT.MEDCO.COM/](https://client.medco.com/).

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SCHEDULE 5**PERFORMANCE STANDARDS**

In the event that any failure by ESI to meet any performance standard is due to a “force majeure” as defined in the Agreement, failure of Sponsor to perform its obligations under the Agreement, or actions or inactions of Sponsor that materially 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 contract year, ESI shall report to Sponsor ESI’s performance under each performance standard. Notwithstanding the foregoing, for purposes of determining whether ESI has met or failed to meet each performance standard, performance standards will be measured and reconciled on an annual basis and amounts due resulting from an ESI failure to meet any performance standard(s), if any, shall be calculated and paid to Sponsor within thirty (30) days following Sponsors receipt of reconciliation report.

No performance penalties, if any, will be paid until this Agreement is executed by Sponsor. In no event will the sum of the payments to Sponsor, as a result of ESI’s failure to meet the performance standards exceed \$15.00 per Member up to a maximum total amount of \$90,420.00 per year for the annual performance standards. Sponsor may reallocate performance guarantee penalty amounts across each guarantee listed in this Exhibit provided, that (i) no greater than 20% of the total performance guarantee risk pool can be allocated to an individual guarantee, (ii) any reallocation is provided in writing to ESI no later than 30 days prior to the start of each contract year, and (iii) the sum of all penalty allocations equal 100% of the total performance guarantee risk pool.

The following performance standards are based on 6,028 Members as of the Effective Date and throughout the Term. Any material change below such number may result in a renegotiation of the standards and penalties set forth below.

Performance standards for ESI Mail Pharmacy assume a minimum of 1,000 ESI Mail Pharmacy prescriptions submitted annually. Unless otherwise specified, the performance standards set forth in this exhibit will not apply to ESI Specialty Pharmacy.

Service Feature	Standard	Penalty
Account Management Satisfaction	Sponsor may assess a penalty on ESI if ESI’s account team performance rating, by members of Sponsor’s benefits staff, does not meet Sponsor’s expectations. All members of Sponsor’s account team will be reviewed as part of this standard measurement. Please define how Account Management Satisfaction is measured. Final measurement of client’s satisfaction with their account team will be subjective and will be defined by Sponsor and mutually agreed upon with ESI.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.

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Service Feature	Standard	Penalty
Account Management Issue Resolution	ESI guarantees that if any issue cannot be resolved within two (2) Business Days, ESI will, within one (1) Business Day of receipt by the account manager, agree to a resolution timeline via electronic or verbal communication with the requestor. ESI account manager will maintain an issue log to track these items. "Issue" may be a complaint by a member, an adjudication error, or any other item that is being tracked on the issue log.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.
Eligibility	ESI guarantees that accurate and complete eligibility files electronically transmitted by 10:00 A.M. EST, via secured processes acceptable to ESI, will be updated within one (1) business day of receipt.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.
Change Management. Plan Administration Accuracy	ESI guarantees a 99.0% set up accuracy based upon the receipt of complete information on a signed benefit add/change form from the client.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.
Reporting Timeliness and Accuracy	ESI guarantees access to the online Trend Central reporting suite will be available within an annual average of fifteen (15) business days after the billing cycle that contains the last day of the month.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.
Post Adjudication Layout File Turnaround Time	ESI shall provide a Post Adjudication Layout (PAL) file to PCG within 7 days after the end of ESI' billing cycle.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.

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Service Feature	Standard	Penalty
Claims Adjudication Accuracy Rate	ESI guarantees that the Claims Adjudication Accuracy Rate for each Contract Year will be 99% or greater. "Claims Adjudication Accuracy Rate" means (i) the total number of point of sale claims adjudicated and paid accurately by ESI in a contract year that do not contain a material adjudication error divided by (ii) the total number of point of sale claims adjudicated and paid during the measurement period. Measured BoB.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.
Open Enrollment Readiness	ESI will guarantee to provide Sponsor open enrollment readiness support each contract year, provided Sponsor has submitted final requirements at least three months prior to open enrollment. Such support shall include training ESI customer service on the changes, implementing plan design changes, accurate set up of open enrollment website, including pricing, plan design, network and formulary look up, and any additional Sponsor-specific culture changes as reasonably requested by Sponsor and providing accurate member communications (printed materials) (as requested by Sponsor). ESI will perform testing of customer service calls to measure accuracy of responses. ESI will perform testing of the open enrollment website to measure accuracy of plan design and functionality of the website. All test results will be documented, reviewed and sent to Sponsor prior to open enrollment. This support will be set up and functioning accurately by the Sponsor's first day of open enrollment. This is measured on a client specific basis.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.
Member Satisfaction	Satisfaction surveys will be conducted during the plan year with a random sampling among Sponsor's base of prescription drug plan participants. ESI guarantees a member satisfaction rate of 95% or greater. Please note that this standard will only be valid if a 30% response rate is achieved.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.

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Service Feature	Standard	Penalty
First Call Resolution	ESI guarantees that 95% or greater of patient calls will be resolved on the first call within a five (5) calendar day period.	Sponsor may allocate up to twenty percent (20%) of the annual amount at risk to any standard, with the total adding up to one hundred percent (100%) of the amount at risk.

1. **LIMITATIONS ON LIABILITY.** Except for the indemnification obligations set forth in Section 6.3(d) of the PBM contract, each party's liability to the other hereunder will in no event exceed the actual proximate losses or damages caused by breach of this Agreement. In no event will either party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence.
2. **INDEMNIFICATION.** In addition to any indemnification obligations set forth in the Business Associate Agreement, ESI will indemnify and hold Sponsor harmless from and against any loss, cost, damage, expense or other liability, including, without limitation, reasonable costs and attorney fees ("Costs") incurred in connection with any and all third party claims, suits, investigations or enforcement actions ("Claims") which may be asserted against, imposed upon or incurred by Sponsor and arising as a result of (A) ESI's negligent acts or omissions or willful misconduct (including those of the Mail Service Pharmacy and ESI Specialty Pharmacy), or (B) ESI's breach of this Agreement. As a condition of indemnification, the party seeking indemnification will notify the indemnifying party in writing promptly upon learning of any Claim for which indemnification may be sought hereunder, and will tender the defense of such claim to the indemnifying party. No party will be obligated to indemnify the other with respect to any claim settled without the written consent of the other.
3. **INSURANCE:**

Proposer must provide a certificate of insurance and endorsement in accordance with the insurance requirements listed below, prior to award of contract. Failure to provide the required insurance within the requested timeframe may result in your submittal being deemed non-responsive.

The contracted Proposer shall obtain and maintain at all times during its performance of the Agreement, insurance of the types and in the amounts set forth. For projects with a Completed Operations exposure, Contractor shall maintain coverage and provide evidence of insurance for two (2) years beyond final acceptance. All insurance policies shall be from responsible companies duly authorized to do business in the State of Florida and have an AM Best rating of A- VIII or better at the time of each policy inception.

- a) Proposal submittals should include, the Proposer's current Certificate(s) of Insurance in accordance with the insurance requirements listed below. If Proposer does not currently meet insurance requirements, Proposer shall also include verification from their broker or agent that any required insurance not provided at that time of submittal will be in place prior to the award of contract.

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INSURANCE REQUIREMENTS

- b) Proposer shall email certificate that is compliant with the insurance requirements to Lucy Nowacki at lnowacki@pinellascounty.org. If certificate received with bid was a compliant certificate no further action may be necessary. The Certificate(s) of Insurance shall be signed by authorized representatives of the insurance companies shown on the Certificate(s). **A copy of the endorsement(s) referenced in paragraph d) for Additional Insured shall be attached to the certificate(s) referenced in this paragraph. Blanket additional insured endorsements are acceptable.** The certificate must name Pinellas County, a Political Subdivision of the State of Florida **400 S fort Harrison Avenue Clearwater, FL 33756**, as certificate holder. Certificate marked "Sample", or blank certificate holder information are not compliant.
- c) Approval by the County of any Certificate(s) of Insurance does not constitute verification by the County that the insurance requirements have been satisfied or that the insurance policy shown on the Certificate(s) of Insurance is in compliance with the requirements of the Agreement.
- d) All policies providing liability coverage(s), other than professional liability and workers compensation policies, obtained by the Proposer to meet the requirements of the Agreement shall be endorsed to include **Pinellas County a Political subdivision of the State of Florida** as an Additional Insured.
- e) If any insurance provided pursuant to the Agreement expires or cancels prior to the completion of the Work, you will be notified by CTrax, the authorized vendor of Pinellas County. Upon notification, renewal Certificate(s) of Insurance and endorsement(s) shall be furnished to Pinellas County Risk Management at InsuranceCerts@pinellascounty.org and to CTrax c/o JDi Data at PinellasSupport@jdidata.com by the Proposer or their agent prior to the expiration date.,
 - (1) Proposer shall also provide County a thirty (30) day notice of cancellation of any of the required insurance programs if any insurance policy(ies) is(are) cancelled or non-renewed and not immediately replaced by a substantially similar insurance program without a disruption in coverage while continuing to meet the requirements herein. Notice shall be given by email to Pinellas County Risk Management at InsuranceCerts@pinellascounty.org. Nothing contained herein shall absolve Proposer of this requirement to provide notice.
 - (2) Should the Proposer, at any time, not maintain the insurance coverages required herein, the County may terminate the Agreement.
- f) The County reserves the right, but not the duty, to review and request a copy of the Contractor's most recent annual report or audited financial statement when a self-insured retention (SIR) or deductible exceeds \$50,000.
- g) If subcontracting is allowed under this RFP, the Prime Proposer shall obtain and maintain, at all times during its performance of the Agreement, insurance of the types and in the amounts set forth; and require any subcontractors to obtain and maintain appropriate levels of insurance based on the specific services being provided by said subcontractor.
- h) Each insurance policy and/or certificate shall include the following terms and/or conditions:
 - (1) The Named Insured on the Certificate of Insurance and insurance policy must match the entity's name that responded to the solicitation and/or is signing the agreement with the County. If Proposer is a Joint Venture per Section A. titled Joint Venture of this RFP, Certificate of Insurance and Named Insured must show Joint Venture Legal Entity name and the Joint Venture must comply with the requirements of Section C with regard to limits, terms and conditions, including completed operations coverage.

SERVICES AGREEMENT

EXHIBIT B

INSURANCE REQUIREMENTS

- (2) Companies issuing the insurance policy, or policies, shall have no recourse against County for payment of premiums or assessments for any deductibles which all are at the sole responsibility and risk of Contractor.
- (3) The term "County" or "Pinellas County" shall include all Authorities, Boards, Bureaus, Commissions, Divisions, Departments and Constitutional offices of County and individual members, employees thereof in their official capacities, and/or while acting on behalf of Pinellas County.
- (4) The policy clause "Other Insurance" shall not apply to any insurance coverage currently held by County or any such future coverage, or to County's Self-Insured Retentions of whatever nature.
- (5) All policies shall be written on a primary, non-contributory basis.
- (6) Insurance policies, other than Professional Liability, shall include waivers of subrogation in favor of Pinellas County from the Proposer.

SERVICES AGREEMENT

EXHIBIT B

INSURANCE REQUIREMENTS

- i) The minimum insurance requirements and limits for this Agreement, which shall remain in effect throughout its duration and for two (2) years beyond final acceptance for projects with a Completed Operations exposure, are as follows:

(1) Workers' Compensation Insurance

Limit	Florida Statutory
Employers' Liability Limits	
Per Employee	\$ 500,000
Per Employee Disease	\$ 500,000
Policy Limit Disease	\$ 500,000

- (2) Commercial General Liability Insurance including, but not limited to, Independent Contractor, Contractual Liability Premises/Operations, Products/Completed Operations, and Personal Injury.

Limits	
Combined Single Limit Per Occurrence	\$ 1,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Personal Injury and Advertising Injury	\$ 1,000,000
General Aggregate	\$ 2,000,000

- (3) Professional Liability (Errors and Omissions) Insurance with at least minimum limits as follows. If "claims made" coverage is provided, "tail coverage" extending three (3) years beyond completion and acceptance of the project with proof of "tail coverage" to be submitted with the invoice for final payment. In lieu of "tail coverage", Proposer may submit annually to the County, for a three (3) year period, a current certificate of insurance providing "claims made" insurance with prior acts coverage in force with a retroactive date no later than commencement date of this contract.

Limits	
Each Policy	\$ 5,000,000
Aggregate	

For acceptance of Professional Liability coverage included within another policy required herein, a statement notifying the certificate holder must be included on the certificate of insurance and the total amount of said coverage per occurrence must be greater than or equal to the amount of Professional Liability and other coverage combined.

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EXHIBIT B
INSURANCE REQUIREMENTS

- (4) Cyber Risk Liability (Network Security/Privacy Liability) Insurance to cover liability arising out of loss of any data deemed confidential by any applicable or governing law, statute, or regulation with at least minimum limits as follows:

Limits

Each Policy	\$ 5,000,000
Aggregate	

For acceptance of Cyber Risk Liability coverage included within another policy required herein, a statement notifying the certificate holder must be included on the certificate of insurance and the total amount of said coverage per occurrence must be greater than or equal to the amount of Cyber Risk Liability and other coverage combined.

SERVICES AGREEMENT

EXHIBIT C

PAYMENT/INVOICES

PAYMENT/INVOICES:

SUPPLIER shall submit invoices for payment due as provided herein and in Schedule 1-1 of Exhibit A with such documentation as required by Pinellas County and all payments shall be made in accordance with the requirements of Section 218.70 *et. seq.*, Florida Statutes, "The Local Government Prompt Payment Act." Invoices shall be submitted to the address below unless instructed otherwise on the purchase order, or if no purchase order, by the ordering department:

Finance Division Accounts Payable
Pinellas County Board of County Commissioners
P. O. Box 2438
Clearwater, FL 33757

Each invoice shall include, at a minimum, the Supplier's name and contact information. In order to expedite payment, it is recommended the Supplier also include the information shown in below, as applicable to Supplier. The County may dispute any payments invoiced by SUPPLIER in accordance with the County's Dispute Resolution Process for Invoiced Payments, established in accordance with Section 218.76, Florida Statutes, and any such disputes shall be resolved in accordance with the County's Dispute Resolution Process.

INVOICE INFORMATION:

Supplier Information	Company name, mailing address, phone number, contact name and email address
Remit To	Billing address to which you are requesting payment be sent
Invoice Date	Creation date of the invoice
Invoice Number	Company tracking number
Shipping Address	Address where goods and/or services were delivered
Ordering Department	Name of ordering department, including name and phone number of contact person
PO Number	Standard purchase order number
Ship Date	Date the goods/services were sent/provided
Quantity	Quantity of goods or services billed
Description	Description of services or goods delivered
Unit Price	Unit price for the quantity of goods/services delivered
Line Total	Amount due by line item
Invoice Total	Sum of all of the line totals for the invoice

Pinellas County offers a credit card payment process (ePayables) through Bank of America. Pinellas County does not charge vendors to participate in the program; however, there may be a charge by the company that processes your credit card transactions. For more information please visit Pinellas County purchasing website at www.pinellascounty.org/purchase.

Payment of invoices for work performed for Pinellas County Board of County Commissioners (County) is made, by standard, in arrears in accordance with Section 218.70, et. seq., Florida Statutes, the Local Government Prompt Payment Act.

If a dispute should arise as a result of non-payment of a payment request or invoice the following Dispute Resolution process shall apply:

- A. Pinellas County shall notify a vendor in writing within ten (10) days after receipt of an improper invoice, that the invoice is improper. The notice should indicate what steps the vendor should undertake to correct the invoice and resubmit a proper invoice to the County. The steps taken by the vendor shall be that of initially contacting the requesting department to validate their invoice and receive a sign off from that entity that would indicate that the invoice in question is in keeping with the terms and conditions of the agreement. Once sign off is obtained, the vendor should then resubmit the invoice as a "Corrected Invoice" to the requesting department which will initiate the payment timeline.
 - 1.) Requesting department for this purpose is defined as the County department for whom the work is performed.
 - 2.) Proper invoice for this purpose is defined as an invoice submitted for work performed that meets prior agreed upon terms or conditions to the satisfaction of Pinellas County.
- B. Should a dispute result between the vendor and the County about payment of a payment request or an invoice then the vendor should submit their dissatisfaction in writing to the Requesting Department. Each Requesting Department shall assign a representative who shall act as a "Dispute Manager" to resolve the issue at departmental level.
- C. The Dispute Manager shall first initiate procedures to investigate the dispute and document the steps taken to resolve the issue in accordance with section 218.76 Florida Statutes. Such procedures shall be commenced no later than forty-five (45) days after the date on which the payment request or invoice was received by Pinellas County, and shall not extend beyond sixty (60) days after the date on which the payment request or invoice was received by Pinellas County.
- D. The Dispute Manager should investigate and ascertain that the work, for which the payment request or invoice has been submitted, was performed to Pinellas County's satisfaction and duly accepted by the Proper Authority. Proper Authority for this purpose is defined as the Pinellas County representative who is designated as the approving authority for the work performed in the contractual document. The Dispute Manager shall perform the required investigation and arrive at a solution before or at the sixty (60) days timeframe for resolution of the dispute, per section 218.76, Florida Statutes. The County Administrator or his or her designee shall be the final arbiter in resolving the issue before it becomes a legal matter. The County Administrator or his or her designee will issue their decision in writing.
- E. Pinellas County Dispute Resolution Procedures shall not be subject to Chapter 120 of the Florida Statutes. The procedures shall also, per section 218.76, Florida Statutes, not be intended as an administrative proceeding which would prohibit a court from ruling again on any action resulting from the dispute.
- F. Should the dispute be resolved in the County's favor interest charges begin to accrue fifteen (15) days after the final decision made by the County. Should the dispute be resolved in the vendor's favor the County shall pay interest as of the original date the payment was due.
- G. For any legal action to recover any fees due because of the application of sections 218.70 et. seq., Florida Statutes, an award shall be made to cover court costs and reasonable attorney fees, including those fees incurred as a result of an appeal, to the prevailing party If it is found that the non-prevailing party held back any payment that was the reason for the dispute without having any reasonable lawful basis or fact to dispute the prevailing party's claim to those amounts.