

AMENDMENT NO. 2

33582

This Amendment No. 2 ("Amendment"), effective January 1, 2016, amends the Prescription Benefit Services Agreement between CaremarkPCS Health, L.L.C., ("Caremark") and City of Long Beach ("Client") dated as of January 1, 2014, as amended, (the "Agreement").

The parties agree to amend the Agreement as set forth in this Amendment.

1. Section 2.6(a) of the Agreement is hereby amended by deleting such section in its entirety and inserting the following in its place:

"(a) Client hereby adopts, as part of the Plan design and as Client's formulary, the Caremark PDL as in effect from time to time."

2. Section 2.6 (Formulary Management) of the Agreement is hereby amended by inserting the following new subsections (f) and (g) at the end thereof:

"(f) With regards to any drugs Caremark may not identify as a Covered Drug, or remove from the PDL, Caremark may make such decisions based upon, among other things, new products, customer safety, clinical appropriateness, efficacy, cost effectiveness, changes in availability of products, new clinical information and other considerations, changes in the pharmaceutical industry, introduction of new Generic Drugs, new legislation and regulations. Caremark agrees, however, that (i) drugs shall be removed from the PDL once per calendar year; (ii) to provide such notice on or around July of each calendar year. In the event of a removal of a drug from the PDL Caremark agrees to provide targeted communications to Plan Participants prior to the date of removal.

(g) Advanced Control Formulary for Specialty Drugs: Client hereby adopts, as part of the Plan design and as Client's formulary, Caremark's Advanced Control Formulary for Specialty Drugs, as in effect from time to time. Caremark's Advanced Control Formulary for Specialty Drugs ("Advanced Specialty Formulary") is specific to Specialty Drugs and the process, as described below, shall be different than Caremark's PDL.

(i) Changes made by Caremark to Advanced Specialty Formulary, may be based upon, among other things, the introduction of new products, customer safety, clinical appropriateness, efficacy, cost effectiveness, changes in availability of products, new clinical information and other considerations, changes in the pharmaceutical industry or its practices, introduction of new Specialty Drugs, new legislation and regulations. Caremark may provide quarterly updates to Client regarding any additions, removals or movement within the tiers of the Advanced Control Formulary and use reasonable efforts to provide Client with thirty (30) days notice prior to the addition, removal or movement within tiers of a drug on the PDL, which may include but not limited to, movement of a drug from a preferred to a non-preferred tier, or vice versa. The parties acknowledge that Caremark may elect to add to the Advanced Specialty Formulary new drugs to the market, or line-extensions of certain drugs after Caremark's P&T Committee has evaluated such Specialty Drug and recommends such drug should be added to the Advanced Specialty Formulary. In the event safety concerns or regulatory action

require Caremark to remove a drug sooner, Caremark shall notify Client of the removal of a drug from the Advanced Specialty Formulary within five (5) business days.

(ii) With regards to any Specialty Drug Caremark may not identify as a Covered Drug, or remove from the Advanced Specialty Formulary, Caremark may make such decisions based upon, among other things, new products, customer safety, clinical appropriateness, efficacy, cost effectiveness, changes in availability of products, new clinical information and other considerations, changes in the pharmaceutical industry, introduction of new Specialty Drugs, new legislation and regulations. Client acknowledges and agrees, however, that Caremark (i) may remove or add drugs from or to the Advanced Specialty Formulary any Specialty Drug, from time to time; and (ii) will provide Client quarterly notification of any changes to the Advanced Control Formulary. In the event of a removal of a drug from the Advanced Specialty Formulary, Caremark agrees to provide targeted communications to Plan Participants prior to the date of removal."

3. Effective January 1, 2016, the Specialty Preferred Drug Plan Design Program of Section 1(a)(xii) of Exhibit A (Financial Terms) of the Agreement will no longer be provided to Client.

4. The terms and conditions of the Agreement remain in effect except as otherwise stated herein. With respect to the subject matter hereof, this Amendment constitutes the entire agreement between the parties, superseding all similar terms in any prior understandings, agreements, contracts or arrangements between the parties, whether oral or written.

5. All capitalized terms used in this Amendment and not otherwise defined shall have the meanings set forth in the Agreement. In the event that any provision of this Amendment conflicts with any of the provisions set forth in the Agreement, the provisions of this Amendment shall govern and control.

6. If any provision of this Amendment is held to be void or unenforceable, the remaining provisions are considered to be severable and their enforceability is not affected or impaired in any way by reason of such law or holding.

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment as of the date first written above.

CAREMARKPCS HEALTH, L.L.C.

By: Bruce C Lyons

Name: BRUCE C LYONS

Title: SVP

Date: 1/7/16

CITY OF LONG BEACH

Assistant City Manager

By: Patrick H. West

Name: Patrick H. West

Title: City Manager

Date: 4/3/16

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

APPROVED AS TO FORM
March 31, 2016

CHARLES PARKIN, City Attorney
By: Gary J. Anderson
GARY J. ANDERSON
PRINCIPAL DEPUTY CITY ATTORNEY

LEGAL REVIEW