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PRESCRIPTION BENEFIT SERVICES AGREEMENT

This Prescription Benefit Services Agreement (the "Agreement"), is entered into as of January 1, 2014 (the "Effective Date"), between CaremarkPCS Health, L.L.C., a Delaware limited liability company ("Caremark") and City of Long Beach ("Client"), the sponsor of the health benefit plan.

Client has established a health benefit plan(s) for its Plan Participants and hereby retains Caremark to provide certain prescription benefit management, disease management and specialty pharmacy services with respect to Client's health benefit plan(s).

Caremark agrees to provide such services pursuant to the terms and conditions of this Agreement.

Now, therefore, in consideration of the mutual promises set forth herein, the parties hereto agree as follows:

1. **Definitions.** Capitalized terms shall have the meaning provided in this Section 1.
 - 1.1 **"AWP"** means the "average wholesale price" for any product as determined by the dispense date of the fill, the actual 11-digit National Drug Code ("NDC") of the product dispensed, and referencing the most current published pricing for the Price Type of the same name on the date of dispense and based upon the most current published Medi-Span Master Drug Data Base, with supplements ("Medi-Span"), or following notice to Client, any other nationally available reporting service of pharmaceutical prices as utilized by Caremark as a pricing source for prescription drug pricing. The actual 11-digit National Drug Code ("NDC") of the product dispensed applicable to a Participating Pharmacy shall be the actual 11-digit National Drug Code ("NDC") of the product dispensed as reported by such Participating Pharmacy to Caremark.
 - 1.2 **"Brand Drug"** shall mean a drug or non-drug product, whether identified by its chemical, proprietary, or non-proprietary name, that is approved by the Food and Drug Administration ("FDA") and identified by Caremark using Medi-Span indicators, and their associated files per Section 2.13 of this Agreement, or such indicators provided by another nationally available reporting service of pharmaceutical drug information. Once a drug Claim identified as a Brand Drug Claim, it shall be considered a Brand Drug Claim for purposes of all financial measurements, including, but not limited to, pricing guarantees and rebate sharing arrangements.
 - 1.3 **"Claims"** means a Member's submitted claim for prescription benefit under Client's Plan; and/or any other prescription drug claims processed through Caremark's claims adjudication system or otherwise transmitted or processed in accordance with the terms of this Agreement in connection with Client's Plan. **"Paid Claim"** means a Claim that has been paid (net of any adjustments) and not reversed, denied or voided; and which includes zero balance Claims not reversed, denied, or voided.
 - 1.4 **"Contract Year"** means the full twelve (12) month period commencing on the Effective Date and each full consecutive twelve (12) month period thereafter that this Agreement remains in effect.
 - 1.5 **"Cost Share"** means that portion of the charge for each prescription or refill of a Covered Drug (which amount may also be characterized as coinsurance or other similar term) dispensed to a Member that is the responsibility of the Member as indicated in the applicable PDD.

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- 1.6 **“Covered Drug”** means a drug, supply or other non-drug product which, under applicable law, requires a prescription and which is covered under the formulary adopted by the Plan pursuant to Section 2.6 of this Agreement.
- 1.7 **“Drug Interchange”** means any substitution initiated by Caremark of a Covered Drug for a clinically comparable Covered Drug that is not a preferred Brand Drug. Drug Interchange shall not include any substitution initiated by Caremark that is (i) due to a drug utilization review; (ii) due to Plan Participant safety reasons; (iii) due to market unavailability of the originally prescribed drug; (iv) a substitution of a Generic Drug for a Brand Drug; or (v) due to the originally prescribed drug not being Covered Drug.
- 1.8 **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.
- 1.9 **“Generic Drug”** shall mean a drug or non-drug product as identified by Caremark using Medi-Span indicators and their associated files per Section 2.13 of this Agreement, or such indicators provided by another nationally available reporting service of pharmaceutical drug information. Each Claim priced with a DAW value of five (“5”), shall be adjudicated as a Generic Drug. Once a drug Claim is identified as a Generic Drug Claim, it shall be considered a Generic Drug Claim for purposes of all financial measurements, including, but not limited to, pricing guarantees and rebate sharing arrangements.
- 1.10 **“HIPAA”** means the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder.
- 1.11 **“Losses”** means all claims, liabilities, demands, damages, losses, costs or expenses of any kind, including, without limitation, reasonable attorneys’ fees and expenses.
- 1.12 **“Maximum Allowable Cost”** or **“MAC”** means the unit price that has been established by Caremark for a multi-source Covered Drug (i.e., a Covered Drug with more than two sources) included on the MAC drug list applicable to Client, which list may be amended from time to time by Caremark in maintaining its generic pricing program. Client acknowledges that the MAC list applicable to Client is not the same as the MAC list published by the Centers for Medicare and Medicaid Services (formerly known as the Health Care Financing Administration, or “HCFA MAC”). A copy of such MAC drug list shall be provided to Client prior to execution of this Agreement and thereafter upon Client’s reasonable request.
- 1.13 **“Participating Pharmacy”** means a retail pharmacy that participates in a retail network established by Caremark.
- 1.14 **“PDL”**, which is Caremark’s formulary and includes the **“Performance Drug List”** and the **“Prescribing Guide”**, and is a ranking of Covered Drugs into preferred and non-preferred tiers, as created, maintained and amended by Caremark from time to time, which (a) has been approved by Caremark’s pharmacy and therapeutics committee and (b) the PDL represents the formulary that Caremark recommends that its client adopt as the Plan formulary.
- 1.15 **“Plan”** means the health benefit plan(s) sponsored by Client that includes the prescription drug benefit.
- 1.16 **“PDD”** or **“Plan Design Document”** means various documents or forms, including implementation forms, clinical management forms, clinical utilization or other documents, prepared by Caremark and approved by Client, as may be modified by Client from time to time in accordance with Section 6.3 of this Agreement, which documents detail the relevant parts of the Plan for prescription drug benefits and clinical programs adopted by Client and which are used by Caremark to provide Services under this Agreement.

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- 1.17 **“Plan Participant” or “Member”** means each individual identified by Client to be eligible for prescription drug benefits under the Plan, as set forth in Client’s eligibility file or otherwise communicated by Client in a format acceptable to Caremark.
- 1.18 **“PPACA”** means the Patient Protection and Affordable Care Act, as amended and the regulations promulgated thereunder.
- 1.19 **“Prescriber”** means a health care practitioner licensed or authorized by law to issue an order for a prescription drug.
- 1.20 **“Prescribing Guide”** means the Caremark Prescribing Guide, as modified and published from time to time, which has been approved by Caremark’s pharmacy and therapeutics committee.
- 1.21 **“Protected Health Information” or “PHI”** shall have the meaning given such term by HIPAA, but limited to that information created or received by Caremark in its capacity as a business associate to the Plan.
- 1.22 **“Rebates”** means the formulary rebates, including base and market share rebates, collected by Caremark in its capacity as a group purchasing organization for the Plan from various pharmaceutical companies that are attributable to the utilization of [REDACTED] brand, prescription drugs by Plan Participants.
- 1.23 **“Services”** means the prescription drugs and all related products and services as provided by Caremark pursuant to this Agreement.
- 1.24 **“Specialty Drugs”** means certain pharmaceuticals, biotech or biological drugs, that are Covered Drugs and that are used by Caremark, that are used in the management of chronic or genetic disease, including but not limited to, injectible, infused, or oral medications, or products that otherwise require special handling, including without limitation those listed in Attachment 1 of Exhibit A (which Caremark may amend from time to time). Caremark shall provide Client with a copy of the current Specialty Drug List from time to time upon the reasonable request of Client.
- 1.25 **“Term”** shall mean the time period between the Effective Date and termination of this Agreement, including the Initial Term, as extended by any Renewal Term (as such terms are defined in Section 9.1).
- 1.26 **“Usual and Customary” or “U&C”** means the actual retail price charged by a Participating Pharmacy for a specified drug, if purchased in a cash transaction on the date the drug is dispensed, as reported to Caremark by the Participating Pharmacy.

2. **Caremark Services.** Caremark shall provide the Services in a manner consistent with the PDD, and the terms of this Agreement, and Client hereby authorizes Caremark to provide the Services in such manner.

2.1 **Claims Processing.**

- (a) **On-Line Claims Processing.** Caremark will perform Claims processing services for products dispensed by Participating Pharmacies and Caremark’s mail and specialty pharmacies. Caremark will perform standard drug utilization services, as described in Section 2.8 of this Agreement, for each Claim submitted by Participating Pharmacies, and Caremark’s mail and specialty pharmacies.
- (b) **Submitted Paper Claims.** To the extent authorized by the PDD, Caremark will process Claims submitted by Plan Participants directly to Caremark consistent with Caremark’s standard procedures and for the fees set forth in Exhibit A.

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2.2 **Mail Service Pharmacy.** Caremark's mail service pharmacies shall provide the following products and services:

- (a) Dispense new or refill prescriptions following receipt from a Plan Participant and/or Prescriber of (i) a prescription and a completed order or refill order, and (ii) any applicable Cost Share;
- (b) Fill prescriptions subject to the professional judgment of the dispensing pharmacist, good pharmacy practices in accordance with local community standards, and product labeling guidelines;
- (c) Ship all drugs to Plan Participants via United States postal service or other appropriate carriers consistent with Caremark's standard policies to the address provided by Client and/or the Plan Participant. In the event non-standard shipping is requested by Client and/or Plan Participant, additional charges may apply;
- (d) Comply with Caremark's terms and conditions applicable to mail pharmacy services in effect as may be amended from time to time; and
- (e) Upon request, Caremark will provide automatic delivery of refill prescriptions through mail order upon either Client or Member request, as permitted by applicable law.
- (f) Members will be able to track the status of mail service pharmacy orders.

2.3 **Retail Pharmacy Network.** Caremark contracts with Participating Pharmacies, which are independent contractors, to provide prescription drugs and related products and services with respect to the Plan. Caremark shall:

- (a) Require Participating Pharmacies to service Plan Participants during their normal business hours, in all applicable geographic areas;
- (b) Include in its standard retail network agreements that Participating Pharmacies must comply with Caremark's terms and conditions applicable to participation in the retail pharmacy network in effect as may be amended from time to time;
- (c) Provide information to Participating Pharmacies concerning drug interaction, safety edits, and generic substitution and therapeutic intervention programs;
- (d) Direct Participating Pharmacies to collect all applicable Cost Shares or the lesser of Cost Share or U&C from Plan Participants;
- (e) Provide and maintain toll free telephone access for Participating Pharmacies to address Claim submission and clinical drug utilization review issues;
- (f) Maintain a database of Participating Pharmacies so that Plan Participants and Client may locate a Participating Pharmacy using Caremark's Web site;
- (g) Be solely responsible for payment to the Participating Pharmacies for prescriptions dispensed (exclusive of Cost Shares), provided that the foregoing shall not release Client from any payment obligation to Caremark; and
- (h) Conduct Participating Pharmacy audits as follows:
 - (i) Caremark shall conduct [REDACTED] on-site and off-site audits of certain Participating Pharmacies as selected by Caremark to help verify such Participating Pharmacies' compliance with their respective pharmacy network agreements with Caremark ("Periodic Audits"). Caremark shall have the sole right to audit Participating Pharmacies. Such audits shall include a daily review of Claims greater than [REDACTED] and
 - (ii) To the extent Caremark determines, as the result of its Periodic Audits, that amounts have not been billed in accordance with Caremark's pharmacy network agreements ("Audit Discrepancies"), Caremark shall make reasonable attempts to reconcile such Audit

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Discrepancies. In the event an Audit Discrepancy has a financial impact to Client, Caremark shall reconcile Client's invoice, or credit Client, based upon such recovered Audit Discrepancy. Caremark shall notify Client of any Audit Discrepancy that has impacted Client's financial obligation to Caremark by greater than [REDACTED] that Caremark determines to be reasonably uncollectible by Caremark. Client acknowledges and agrees that Caremark may, but is not required to, initiate any collection action to collect any Audit Discrepancies. In the event Caremark does initiate a collection action against a Participating Pharmacy for any Audit Discrepancy, Caremark may offset any reasonable costs, including reasonable attorneys' fees and expenses, arising from any such action, provided such costs shall in no event exceed the amount recovered. Such expenses will be allocated among Caremark's affected or impacted clients on a prorated basis against the amount of the recovery. Caremark's obligation to conduct Periodic Audits and to attempt collection and reconciliation, as described, shall be Caremark's sole obligation with respect to remedying Audit Discrepancies.

2.4 **Implementation.**

- (a) In consultation with Client, Caremark shall develop a mutually agreeable implementation project plan prior to the Effective Date, or prior to the implementation of any new group or Plan during the Term.
- (b) Client or Client's designee shall provide to Caremark prior to the Effective Date, or prior to the implementation of any new group or Plan during the Term: (i) the initial eligibility test data and the initial full eligibility data; (ii) the governing Plan documents, a summary plan description, and an executed PDD; and (iii) a refill file (if available) in a format acceptable to Caremark. Any delays by Client or its designee in providing this information may delay the implementation of Services by Caremark
- (c) Subject to timely receipt of a refill file or prescription, Caremark will begin filling prescriptions through its mail service pharmacies as of the Effective Date.
- (d) Caremark will make available implementation information to Plan Participants which may include the following materials: (i) introductory cover letter; (ii) standard identification cards for use within the retail network which shall include Caremark's name and toll free number; (iii) a standard client benefit brochure; (iv) mail service order form; (v) paper Claim reimbursement form, if applicable; and (vi) PDL brochure, if applicable. At Client's expense and election, Caremark may prepare envelopes for mailing such information to Plan Participants. Caremark will use Plan Participant address information provided as part of the Eligibility Information submitted in accordance with Section 2.5.
- (e) Any reprints or customization of any communication materials requested by Client shall be at Client's expense.

2.5 **Eligibility Data.** Client, or Client's designee, at Client's sole expense, will provide Caremark all information concerning its Plan and Plan Participants needed to perform the Services, including any updates thereto ("Eligibility Information"). This Eligibility Information must be complete and accurate, provided timely, and in a mutually agreeable format and media. Client acknowledges and agrees that Caremark will not use Social Security Numbers on Plan Participants' identification cards and will instead use alternate identification numbers assigned and provided by Client. Client acknowledges that Caremark, Plan Participant's Prescriber or Participating Pharmacy shall be able to rely on the Eligibility Information provided by Client.

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2.6 **Formulary Management.**

- (a) Client hereby adopts, as part of the Plan design and as Client's formulary, Caremark PDL as in effect from time to time; provided, however, that Client has elected to not adopt any formulary drug exclusions contained in the PDL, and the pricing terms in Exhibit A of this Agreement reflect such election.
- (b) Changes made by Caremark to PDL, 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 Generic Drugs, new legislation and regulations. Caremark shall 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 PDL new drugs to the market, or line-extensions of certain drugs. 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 PDL within five (5) business days.
- (c) Caremark may implement Drug Interchange program(s), which has been approved by Caremark's pharmacy and therapeutics committee for selected prescriptions, under which Caremark's mail service pharmacy shall contact Prescribers, as appropriate, to obtain approval for the Drug Interchange. In accordance with its standard policies, Caremark shall credit Client or Plan Participant, as appropriate, for any mail prescription returned to Caremark upon rejection by the Plan Participant of the Drug Interchange. Client acknowledges that the adoption of therapeutic interventions may result in an increase of Rebates payable by pharmaceutical manufacturers pursuant to their agreements with Caremark.
- (d) Client acknowledges the Prescriber shall have final authority over the drug prescribed to a Plan Participant, regardless of benefit coverage.
- (e) Caremark may implement Drug Interchange programs, as approved by its pharmacy and therapeutics committee, for Participating Pharmacies to promote the use of the PDL by encouraging Participating Pharmacies to: (i) identify appropriate opportunities for converting a prescription for a non-preferred Covered Drug, to a clinically comparable preferred Brand Drug or Generic Drug, and (ii) contact the Plan Participant and the Prescriber to request that the prescription be changed to a clinically comparable preferred Brand Drug or Generic drug.

2.7 **Generic Substitution Program.**

- (a) Generic substitution may be conducted through Caremark's mail service pharmacies and Participating Pharmacies under a program which substitutes Brand Drugs with Generic Drugs, where available and clinically appropriate, unless (i) the Prescriber requires the prescription to be dispensed as written and does not authorize generic substitution, or (ii) the Plan Participant has notified the dispensing pharmacy to dispense the Brand Drug only.
- (b) Caremark will provide generic messaging to Participating Pharmacies, which is intended to promote point-of-sale generic substitution of multi-source brand drugs. Client acknowledges that a pharmacist may override such messaging if the Prescriber or the Plan Participant has notified the dispensing Participating Pharmacy to dispense the brand name drug only.

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2.8 Drug Utilization Review (“DUR”) Services.

- (a) Caremark will provide its automated concurrent DUR Services including but not limited to: (i) drug to drug interactions; (ii) therapeutic duplications; (iii) known drug sensitivity; (iv) over-utilization; (v) insufficient or excessive drug usage; and (vi) early or late refills.
- (b) Providers are individually responsible for acting or not acting upon information generated and transmitted through the DUR Services, and for performing services in each jurisdiction consistent with the scope of their licenses. The DUR Services are necessarily limited by the amount, type and accuracy of Plan Participant information made available to Caremark.

2.9 Plan Participant and Account Management Services.

- (a) Caremark shall operate toll-free customer service lines twenty-four (24) hours a day, seven (7) days a week for the purpose of responding to inquiries from Plan Participants. Caremark shall also provide telephonic emergency pharmacist services twenty-four (24) hours a day, seven (7) days a week. The toll-free customer service lines will be equipped to assist Members with limited English language proficiency and those with hearing impairments.
- (b) Caremark staff shall attend, as necessary and requested, monthly teleconferences and in person quarterly and annual program reviews on site as requested at Client’s home office to review Plan benefit performance, clinical issue, new therapeutic options, programs, financial results and servicing of account.
- (c) Caremark shall assign Client a designated account manager as primary point-of-contact for day-to-day communications with Client; as well as a designated clinical pharmacist manager to provide analytical assistance, clinical advice, and other clinical support to Client.

2.10 Communication Materials. In addition to materials provided under Section 2.4(d), Caremark shall produce and provide the following communication materials:

- (a) Caremark will provide an Internet Web site where Plan Participants can access information with respect to Plan specific drug information, the PDL, Cost Shares, current Participating Pharmacy listings and prescriptions. Caremark will make a paper Claim reimbursement form available on its Internet Website. The Website shall also include a Member drug inquiry function, which will display both the actual Member and Client cost based on actual claims adjudication logic, and costs comparisons among Participating Pharmacies and for Caremark’s mail service pharmacy. Certain core Website functions shall also be available through a mobile device application.
- (b) Caremark may provide communications to Plan Participants and/or Client regarding drug recalls or withdrawals. Client acknowledges that it shall look solely to pharmaceutical companies and not to Caremark for any refunds or reimbursements associated with such drug recalls or withdrawals.
- (c) Caremark may also communicate to Plan Participants about health-related products or services that would be offered on behalf of Client through Caremark as a value-added item or service that is not part of the Plan benefit.
- (d) Caremark shall permit Client customization of standard Member communications, when applicable, [REDACTED]

2.11 Reports, Claims Data and SSAE 16. Caremark shall provide reports and detailed Claims data to Client as follows:

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- (a) Caremark shall prepare and provide Client with Caremark's standard management and utilization reports.
- (b) At Client's expense, Caremark may prepare and provide non-standard management and utilization reports and ad hoc reports within an agreed-upon time and format, at Caremark's prevailing rate.
- (c) With the issuance of each Claims invoice, Caremark shall provide Client with up to [REDACTED] sets of complete Claims data in Caremark's standard format [REDACTED]. At Client's request and direction [REDACTED] Caremark shall provide Alliant Employee Benefits with [REDACTED] detailed electronic Claims file or Claim detail report, subject to such third party's execution of Caremark's form confidentiality agreement, and Caremark shall also provide detailed electronic Claims files or Claim detail reports to up to [REDACTED] of Client's designated third party service provider(s), subject to such third party's execution of Caremark's form confidentiality agreement. Additional files may be provided at Client's expense. Except as otherwise set forth in Section 10 of this Agreement, Client shall not release or provide any Claims data including pricing and other Confidential Information, to a third party.
- (d) If requested, Caremark shall provide Client with a copy of its most recent SSAE 16 (SOC 1) report, or a copy of the successor to such report, in accordance with the terms and conditions of such report.

2.12 **Plan Enhancements for Non-Covered Drugs.** If elected by Client, Caremark may provide to Plan Participants filling prescriptions at Participating Pharmacies discounts on prescription drugs that are not Covered Drugs. Claims that process with such discounts are excluded from any and all commitments Caremark may have to Client under this Agreement, including those relating to pricing, rates, or Rebates. Client acknowledges that Caremark will retain Rebates, if any, and charge Plan Participant fees that may be part of a Plan Participant's prescription price for Claims processed through this program to assist Caremark in funding this program.

2.13 **Drug Classification.** Caremark shall use Medi-Span Master Drug Database (Medi-Span) indicators, and their associated files, or indicators provided by another nationally available reporting service of pharmaceutical drug information in helping to determine the classification of drugs (e.g., prescription vs. over the counter, brand vs. generic, single-source vs. multi-source) for purposes of this Agreement. Caremark shall notify Client within [REDACTED] days if it changes to a different source of drug classification indicators.

2.14 **Specialty Pharmacy.** Caremark's specialty pharmacies shall provide specialty pharmacy products and services as follows:

- (a) Dispense new or refill prescription orders for Specialty Drugs upon receipt from a Plan Participant of (i) a prescription and a completed order or refill order form, and (ii) the applicable Cost Share;
- (b) Fill prescriptions for Specialty Drugs subject to the professional judgment of the dispensing pharmacist, good pharmacy practices in accordance with local community standards, and product labeling and guidelines;
- (c) Ship Specialty Drugs to Plan Participants via the United States postal service or other appropriate carriers consistent with Caremark's standard policies to the address provided by

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Client and/or Plan Participant. In the event non-standard shipping is requested by Client and/or Plan Participant, additional charges may apply;

- (d) Bill Client's medical benefits provider when appropriate, and pursuant to instructions from Client's medical benefits provider; and
- (e) Comply with, and include in its standard retail network agreements that any Participating Pharmacy providing Specialty Drugs to Plan Participants must comply with, Caremark's terms and conditions applicable to specialty pharmacy services in effect from time to time.

2.15 **Government Agency Submitted Claims.** Client acknowledges that government agencies, or their agents may seek eligibility or similar data from Caremark regarding Plan Participants. Additionally, government agencies, or their agents, may submit to Caremark claims for reimbursement for prescription drug benefits provided by such government agencies, or their agents, to Plan Participants ("Government Claims"). Client authorizes Caremark to provide such data as requested by government agencies or their agents and further authorizes Caremark to process such Government Claims. Client acknowledges that Caremark may advance payment for Government Claims on behalf of Client. Client will reimburse Caremark, in accordance with Client's payment obligations under this Agreement, for all amounts advanced by Caremark for payment of Government Claims. Client acknowledges that Government Claims submitted by or on behalf of a state Medicaid agency shall be paid if submitted within three (3) years from the original date of fill unless a longer period is required by applicable law. In addition, Government Claims submitted by or on behalf of a state Medicaid agency may not be denied on the basis of the format of the Government Claim or failure to present proper documentation at the point-of-sale. Client shall also reimburse Caremark for any adjustments or reconciliations to previously processed Government Claims that may be payable to government agencies in accordance with applicable laws and regulations. The administrative fee for processing Government Claims will be invoiced at [REDACTED] stated in Exhibit A or as otherwise agreed in writing by Caremark and Client. Caremark reserves the right to (i) to terminate these services upon ninety (90) days prior notice to Client, or (ii) to delegate these services to a third party claims processor.

2.16 **Clinical Programs.**

- (a) Caremark shall provide the clinical programs identified in the PDD and elected by Client for the fees set forth in Exhibit A.
- (b) As identified in the PDD, Client may authorize Caremark to perform services or programs (collectively referred to herein as "Additional Health-Related Services") that including Prescriber education programs, health research, compliance and persistency, and health education or management programs for Plan Participants. If elected by Client, Caremark shall provide such Additional Health-Related Services in accordance with applicable law, including HIPAA. Client and Caremark acknowledge and agree that: (i) although the Additional Health-Related Services may be of benefit to Client and its Plan Participants, Caremark [REDACTED] Additional Health-Related Services; (ii) the performance of such Additional Health-Related Services may utilize PHI; (iii) the performance and scope of such Additional Health-Related Services shall be determined by Caremark, and Caremark shall have no obligation to perform Additional Health-Related Services; and (iv) [REDACTED]

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4. **Use of Deidentified Data.** Claims, as well as eligibility information which is deidentified in accordance with HIPAA and other applicable law, and which is not identifiable on a Client or Plan Participant basis, may be used, disclosed, reproduced, adapted [REDACTED] by Caremark. Such deidentified data may be provided to nationally recognized data integration firms to support appropriate administration of Caremark's drug management programs. This benchmarking data enables Caremark to compare against other drug population sets and improve programs and Services for clients.
5. **Audit Rights.**
 - 5.1 **Claims Audits.** Client, or a mutually acceptable independent third party retained by Client, may conduct an annual Claims audit and such audit shall be limited to [REDACTED] of Caremark data that directly relates to Claims billings. Caremark shall provide necessary Claims history files and related records for up to the full Contract Year prior to the Claims Audit [REDACTED], however, Client shall be liable for the [REDACTED] for provision of any records prior to the [REDACTED]. Any mutually agreed upon third party auditor engaged by Client shall execute Caremark's form confidentiality agreement prior to conducting a Claims audit ensuring that all information reviewed during such audit and all details will be treated as confidential and will not be revealed in any manner or form by or to any third party. The scope and procedures of the Claims audit shall be in accordance with the procedures set forth in Exhibit C. Client acknowledges that it shall not be entitled to audit agreements with vendors, pharmaceutical companies, Participating Pharmacies or other providers of products or services to Caremark as part of a Claims Audit.
 - 5.2 **Rebate Audits.**
 - (a) Client, through a mutually agreeable independent third party retained by Client, may conduct an annual Rebate audit [REDACTED]. Such audit shall be limited to a review of pharmaceutical company contracts directly related to Client's Rebates as selected by Client. Caremark shall support the audit of up to [REDACTED] pharmaceutical company contracts selected by Client [REDACTED] and Client shall be liable for Caremark's [REDACTED] [REDACTED] related to the review of any additional pharmaceutical company contracts [REDACTED]. Such review of pharmaceutical company contracts may include formulary and Rebate provisions to the extent permitted by such contracts and shall be limited to information necessary for validating the accuracy of the Rebate amounts remitted to Client by Caremark. The scope and procedures of the Rebate audit shall be in accordance with the procedures set forth in Exhibit C.
 - (b) Any mutually agreed upon third party auditor engaged by Client shall execute Caremark's form confidentiality agreement prior to conducting a Rebate audit ensuring that all information reviewed during such audit and all details and terms of any pharmaceutical company contract reviewed will be treated as confidential and will not be revealed in any manner or form by or to any third party, including Client.
6. **Obligations of Client.**
 - 6.1 **Plan Participant Authorizations.** Client represents and warrants that it has obtained from Plan Participants all consents and/or authorizations required, if any, for Caremark to perform the

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Services and for the use and disclosure of information, including PHI, as permitted under this Agreement.

- 6.2 **Control of Plan.** Client represents that the Plan is not governed by ERISA. Unless otherwise stated in this Agreement, Client and/or plan administrator retain the sole and absolute authority to design, amend, terminate or modify, in whole or in part, all or any portion of the Plan, including the sole authority to control and administer the Plan and any assets of the Plan. Client and/or Plan administrator shall also have complete discretionary, binding and final authority to construe the terms of the Plan, to interpret ambiguous Plan language, to make factual determinations regarding the payment of Claims or provision of benefits, to review denied Claims and to resolve complaints by Plan Participants. Caremark agrees to be a fiduciary solely for the purpose of initial claim adjudication and appeals relating to the coverage of prescription drug benefits, as further described in Exhibit E. Caremark and Client acknowledge and agree that, except with respect to its fiduciary obligations as specifically delegated and accepted by Caremark pursuant to this Agreement, Caremark shall not be (i) the administrator of the Plan for any purpose; (ii) a named fiduciary with respect to the Plan for purposes of ERISA or any applicable state law; (iii) delegated discretionary authority or responsibility, or exercise discretionary authority or control, with respect to the Plan or its administration; or (iv) deemed a fiduciary with respect to the Plan for purposes of ERISA or any applicable state law.
- 6.3 **PDD.**
- (a) Client represents and warrants that the PDD accurately reflects the applicable terms of the Plan for purposes of this Agreement.
 - (b) Client shall provide Caremark with [REDACTED] days prior written notice of any proposed changes to the PDD, or other material Plan amendments that may impact prescription drug coverage under the Plan, which changes shall be consistent with the scope and nature of the Services to be performed by Caremark under this Agreement; provided, however, for changes to the PDD to be implemented between October 15 and January 15, Client shall provide Caremark with [REDACTED] days prior written notice. Client agrees that it is responsible for Losses resulting from (i) any failure to implement Plan design changes which are not communicated in a written format acceptable to Caremark, or (ii) Caremark's implementation of Client's verbal or written direction regarding exception or overrides to the PDD. Client shall notify Plan Participants of any Plan design changes prior to the effective date of any such changes as required by PPACA or other applicable law.
- 6.4 **Government Programs.** To the extent required by applicable law or contractual commitment, Client agrees to fully and accurately disclose and report to Medicare, Medicaid or other government health care programs any discount or rebate or other credit received by Client under this Agreement, whether reflected in the fees for the products and services or otherwise provided hereunder, as discounts against the price of the drugs under all applicable state or federal programs that provide reimbursement to Client for products or services provided by Caremark. It is the intention of the parties, that for purposes of the Federal Anti-kickback Statute, any discount, rebate or other Client credit, shall constitute and be treated as discount against the price of drugs within the meaning of 42 U.S.C. §1320a-7b(b)(3)(A).
- 6.5 **Plan Participant Cost Share.** Caremark may, but shall not be obligated to, dispense a prescription even if the prescription is not accompanied by the Cost Share. Caremark will credit

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any amount submitted by Plan Participant in excess of the Plan Participant's Cost Share. In the event a Plan Participant submits to Caremark an insufficient Cost Share and the Plan Participant fails to remit the balance of the Cost Share amount to Caremark within thirty (30) days of Caremark's request, then Caremark shall have the right to invoice Client for, and Client shall have an obligation to pay Caremark, the amount of the uncollected Cost Share(s). Shipping of prescriptions submitted without the appropriate Cost Share may be delayed and these delayed shipments shall not be included in the measurement of any applicable performance guarantees.

7. **Invoicing and Payment.**

7.1 **Invoicing.** Caremark shall invoice Client in accordance with the terms set forth in Exhibit A according to the following schedule:

- (a) **Claims.** Caremark shall issue Client an invoice for prescription Claims [REDACTED] times monthly.
- (b) **Service Fees.** Caremark shall issue Client an invoice for all other services [REDACTED]

Invoices and detailed reports will show the total approved cost (which is the discounted amount from the submitted cost) and will the billing period, count of paid Claims and the total cost of paid Claims.

7.2 **Payment.** Client shall pay Caremark for the Services in accordance with the terms set forth in Exhibit A. Client shall pay Caremark all invoiced amounts for Claims and service fees within [REDACTED] days after Client receives an invoice from Caremark except for those amounts that are disputed in good faith (i.e., Client reasonably believes there to be an error or inaccuracy in the invoice or underlying Plan data not provided by Client), provided Caremark is notified of the dispute and Client has provided a detailed description justifying the dispute. Caremark and Client agree to actively work to resolve any dispute as outlined herein. Other than as stated above, Client shall have no right to offset disputed amounts or amounts due or allegedly due from Caremark from such payment, except as previously approved in writing by Caremark. Any sales, use or other tax or assessment, including any surcharge or similar fee imposed under any applicable law on any health care provider, pharmaceutical supplier, Plan Participant, Claim(s) paid, service, supply or product provided under this Agreement, will be the sole responsibility of Client and may be added to the invoice, unless (a) Client is exempt from a certain tax or assessment and (b) Client has provided sufficient evidence of such exemption in a timely manner to Caremark pursuant to Section 13.9 of this Agreement.

7.3 **Late Payments.** Payments not received in accordance with Section 7.2 shall bear a service fee of [REDACTED] per month (or, if less, the highest rate allowed by law) from the due date until paid in full by Client.

8. **Pharmaceutical Contracts and Rebates.**

8.1 **Client's Authorization.** Client authorizes Caremark to contract with pharmaceutical companies for Rebates as a group purchasing organization for the Plan.

8.2 **Remittance of Rebates.** Caremark will remit to Client the Rebates received by Caremark with respect to Client's Claims during the prior calendar quarter pursuant to Exhibit A. Client

REDACTED

acknowledges and agrees that it shall not have a right to interest on, or the time value of, any Rebate payments received by Caremark or monies payable under this Agreement. Upon termination of this Agreement or upon Client's breach of this Agreement, [REDACTED]

8.3 **Rebate Limitations.** Client waives, releases and forever discharges Caremark from any Losses arising from a pharmaceutical company's (i) failure to pay Rebates; (ii) breach of an agreement related to Rebates; or (iii) negligence or misconduct affecting Rebates. Client acknowledges and agrees that Caremark may, but shall not be required to, initiate any collection action to collect any Rebates from a pharmaceutical company. In the event Caremark does initiate collection action against a pharmaceutical company to collect Rebates, [REDACTED]

8.4 **Disclosure of Manufacturer Fees.** In accordance with Section 8.1 of this Agreement, Caremark or its affiliates may hold contracts with pharmaceutical companies relating to products covered under this Agreement. In connection with such contracts, Caremark or its affiliates may have a financial relationship with such pharmaceutical companies and may receive and retain fees or other compensation from pharmaceutical companies for services rendered and property provided to pharmaceutical companies, including, without limitation, administrative fees [REDACTED]. In addition, Caremark or its affiliates may receive concurrent or retrospective discounts from pharmaceutical companies which are attributable to or based on products purchased by Caremark affiliated dispensing pharmacies. The term "Rebates" as used in this Agreement [REDACTED]

8.5 **Non-Interference.** Client agrees that during the Term of this Agreement, Client will not directly or indirectly negotiate, contract, or agree with any pharmaceutical company, or any other third party, for the purpose of obtaining rebates or other discounts related to the drug utilization of Plan Participants, including, but not limited to the use of over the counter products. Client represents and warrants that, as of the Effective Date, it does not have any direct or indirect agreements, arrangements and/or contracts with any pharmaceutical company or other third party related to any rebates or discounts. Client acknowledges and agrees that a breach of this Section 8.5 shall be deemed a material breach of this Agreement.

9. Term and Termination.

9.1 **Term.** The initial term of this Agreement shall commence on the Effective Date and expire on December 31, 2016 ("Initial Term") subject to earlier termination as hereinafter set forth. **THE INITIAL TERM SHALL BE AUTOMATICALLY RENEWED FOR SUCCESSIVE ONE (1) YEAR PERIODS (EACH A "RENEWAL TERM") UNLESS EITHER PARTY SENDS NOTICE OF NON-RENEWAL TO THE OTHER PARTY AT LEAST NINETY (90) DAYS PRIOR TO THE END OF THE INITIAL TERM OR ANY RENEWAL TERM.**

REDACTED

9.2 Termination Rights.

- (a) Either party may terminate this Agreement upon [REDACTED] days prior written notice to the other party in the event of a material breach of this Agreement by the other party (other than a payment default, which is addressed in subsection (c), which is not cured within [REDACTED] days of notice thereof including, without limitation, any material breach described in Sections 8.5, 10 or 13.2.
- (b) Client may terminate this Agreement upon a material breach by Caremark of Exhibit B (Business Associate Obligations) of this Agreement if Caremark does not cure the breach or if a cure is not possible, end the violation, within [REDACTED] business days of receipt of written notice by Caremark of such breach.
- (c) If Client fails to make any payment required under this Agreement and fails to cure such failure within [REDACTED] days of Caremark providing written notice of such default to Client, Caremark may [REDACTED] terminate this Agreement.
- (d) After December 31, 2014, either party may terminate this Agreement for convenience, or without cause, and with [REDACTED] upon 90-days prior written notice to the other party.

9.3 Termination for Change in Law.

- (a) Subject to Section 9.3(b), either party may terminate this Agreement upon [REDACTED] days prior written notice to the other party if, as a result of any Change in Law, as defined herein, the rights or obligations of the terminating party under this Agreement would be materially adversely affected. For purposes of this Section 9.3, the term "Change in Law" means any (i) applicable federal or state law or regulation enacted after the Effective Date, or any change in any existing applicable federal or state law or regulation; (ii) change in judicial or administrative interpretation of any applicable federal or state law or regulation; or (iii) change in the enforcement of any applicable federal or state law or regulation, in each case occurring after the date Caremark begins providing Services or the Effective Date, whichever is earlier.
- (b) Prior to any termination pursuant to Section 9.3(a), the parties agree to use prompt, good faith efforts to renegotiate the terms of this Agreement. If the parties successfully conclude such negotiations prior to the termination date, this Agreement shall not terminate and shall be amended to reflect the negotiated terms. In the event the parties are unable to successfully conclude such negotiations, this Agreement shall terminate as provided above.
- (c) State Fiduciary Laws. Caremark shall not be obligated at any time to provide Services to Client or, if applicable, Plan Participants if Client or, if applicable, Plan Participants are located in a state requiring a prescription benefit manager to be a fiduciary to Client or a Plan Participant in any capacity contrary to the terms and conditions specifically identified in this Agreement. In the event any state law or regulation requires Caremark to be a fiduciary to Client or a Plan Participant contrary to the terms and conditions identified in this Agreement, Caremark may elect not to provide Services to the impacted Plan Participants upon [REDACTED] days prior written notice to Client.

9.4 Remedies.

- (a) Suspension of Performance. In the event (i) Client is [REDACTED] days in arrears on its payment obligations under this Agreement, and Client fails to cure such arrearage within [REDACTED] days

REDACTED

of Caremark notifying Client's designated day to day contact of such outstanding amount; (ii) Client fails to provide a deposit pursuant to Section 9.4(b) upon Caremark's request; (iii) Client makes an assignment for the benefit of creditors; (iv) Client is the subject of a voluntary or involuntary petition for bankruptcy, or is adjudged insolvent or bankrupt; or (v) a receiver or trustee is appointed for any portion of Client's rights or property, Caremark may immediately, and without penalty or any liability for any Client losses, suspend performance of Services hereunder until such time as any of the aforementioned conditions cease to exist. Notwithstanding anything in this Section 9.4 to the contrary, Client acknowledges and agrees that Caremark may immediately suspend performance of Services hereunder if Client is [REDACTED]

[REDACTED]
Suspension of performance by Caremark shall not constitute termination of this Agreement.

- (b) Financial Responsibility. If at any time during this Agreement, Client fails to comply with the payment terms, as set forth in Section 7.2 of this Agreement, [REDACTED] then Caremark may request information, reasonable assurances or both from Client as to Client's financial responsibility (including a deposit in an amount equal to [REDACTED]). If Caremark requires Client to provide a deposit, Client will provide such deposit within [REDACTED] calendar days of Caremark's request. If Client gives Caremark a deposit, Caremark may apply the deposit to past due balances and shall return the remaining deposit, if any, after the termination of this Agreement and the payment of all amounts payable to Caremark hereunder. Any deposit provided by Client shall be paid from the general assets of the Client and not from assets of the Plan. Such deposit shall not be considered Plan assets for purposes of ERISA.
- (c) In the event that Caremark terminates this Agreement due to a material breach of this Agreement by Client, including without limitation, Sections 8.5 (Non-Interference), 10 (Confidentiality) and 13.2 (Exclusivity), Caremark shall have no further obligation following the date of such material breach to pay Client any Rebates, or any other amount that may be payable by Caremark to Client.
- (d) The exercise by a party of any of its rights under Section 9 will not preclude such party from seeking any other remedy available under this Agreement or at law or equity.

9.5 Obligations Upon Termination.

- (a) Upon termination of this Agreement, Caremark may, at Client's request, provide mutually agreed upon post-termination services at Caremark's then prevailing rate.
- (b) Except as provided in Section 9.5(c) below, upon termination of this Agreement for any reason, Caremark shall, if feasible, return, destroy, or require the destruction of all PHI created or received by Caremark as a business associate of Client in connection with this Agreement.
- (c) In the event that Caremark determines that returning or destroying the PHI is infeasible, Caremark may retain PHI, provided that Caremark shall extend the protections contained in Exhibit B to such PHI.
- (d) Upon termination of this Agreement, so long as Client has completed the three-year initial term, Caremark will, at Client's request [REDACTED], transition up to twelve months of Claims files and/or history, open refills and open prior authorizations to Client's new prescription benefit manager or any other designated third party. These files shall be scrubbed of Caremark's confidential information.

REDACTED

10. **Confidential and Proprietary Information.**

10.1 **Confidential Information.** The term "Confidential Information" includes, but is not limited to, this Agreement or any information of either Client or Caremark (whether oral, written, electronic, visual or fixed in any tangible medium of expression) relating to either party's services, operations, systems, programs, inventions, techniques, suppliers, customers and prospective customers, contractors, costs and pricing data, trade secrets, know-how, processes, plans, designs and other information of or relating to either party's business. "Confidential Information" does not include PHI, the use and disclosure of which is governed by Section 12 of this Agreement.

10.2 **Confidentiality Obligations.** (a) Caremark and Client shall not disclose or make use of any Confidential Information except as permitted under this Agreement without the prior written consent of the non-disclosing party, which consent may be conditioned upon the execution of a confidentiality agreement. Each party may disclose Confidential Information of the other party only to its employees, agents, consultants, or authorized representatives who have a need to know the Confidential Information in order to accomplish the purpose of this Agreement and who (i) have been informed of the confidential and proprietary nature of the Confidential Information, and (ii) with respect to agents, consultants or authorized representatives, have agreed in writing not to disclose it to others and to treat it in accordance with the requirements of this Section. Caremark or Client, as applicable, shall be responsible to the other party for any breach of this Agreement by its respective employees, agents, consultants, or authorized representatives.

(b) **Public Records Acts.** The parties acknowledge that Client is a public entity and subject to state laws governing disclosure of public records. Client agrees that the confidential and proprietary information of Caremark which is in writing and marked as confidential and proprietary, shall be afforded protection under applicable law. Prior to disclosing such confidential and proprietary information of Caremark, Client shall immediately notify Caremark of any requests for information made by a third party pursuant to applicable state statute or local ordinance and shall further provide Caremark sufficient time to claim applicable exemptions and/or designate those portions of this information that constitute proprietary information exempt from disclosure under applicable state statute or local ordinance. Client further acknowledges that it will not release any information identified by Caremark as exempt from disclosure without first providing notice to Caremark of such intent and allowing Caremark to seek judicial relief to prevent such disclosure. Client agrees not to oppose any action of Caremark to obtain a declaratory judgment or other appropriate remedy. If a court thereafter determines that Client is legally required to disclose such proprietary information, Client shall disclose the minimum required pursuant to the court order.

10.3 **Permitted Disclosure of Confidential Information.** The foregoing shall not apply to such Confidential Information to the extent: (i) the information is or becomes generally available or known to the public through no fault of the receiving party; (ii) the information was already known by or available to the receiving party prior to the disclosure by the other party on a non-confidential basis; (iii) the information is subsequently disclosed to the receiving party by a third party who is not under any obligation of confidentiality to the disclosing party; (iv) the information has already been or is hereafter independently acquired or developed by the receiving party without violating any confidentiality agreement or other similar obligation; or (v) the information is required to be disclosed pursuant to a non-appealable court order. Except in accordance with the requirements of this Section 10.3, neither party nor its employees, agents,

REDACTED

consultants, or authorized representatives may disclose, or permit to be disclosed, Confidential Information of the other party as an expert witness in any proceeding, or in response to a request for information by oral questions, interrogatories, document requests, subpoena, civil investigative demand, formal or informal investigation by any government agency, judicial process or otherwise. If either party, or any of its respective employees, agents, consultants, or authorized representatives, is requested to disclose the Confidential Information of the other party for any of the reasons described in the preceding sentence such party shall give prompt prior written notice to the other party to allow the other party to seek an appropriate protective order or modification of any requested disclosure. The receiving party agrees to cooperate with the disclosing party in any action by the disclosing party to obtain a protective order or other appropriate remedy. If the receiving party is ultimately legally compelled to disclose such Confidential Information, the receiving party shall disclose the minimum required pursuant to the court order or other legal compulsion.

- 10.4 **Remedies.** Any unauthorized disclosure or use of Confidential Information would cause Caremark or Client immediate and irreparable injury or loss that may not be adequately compensated with money damages. Accordingly, if either party fails to comply with this Section 10, the other party will be entitled to specific performance including immediate issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, and to judgment for Losses caused by the breach, and to any other remedies provided by law or in equity.

11. Indemnification.

- 11.1 **Caremark Indemnification.** Subject to Section 13.6(b), Caremark shall defend, indemnify and hold harmless Client, its subsidiaries and affiliates and each of their respective officers, directors, and employees (the “Client Parties”) from and against any and all Losses incurred by any Client Parties arising out of or relating to Caremark’s negligent acts or omissions or breach of its obligations or warranties set forth in this Agreement, except to the extent such Losses are caused by the negligent acts or omissions or willful misconduct of any Client Parties or breach of this Agreement by Client.
- 11.2 **Client Indemnification.** Subject to Section 13.6(b) and to the extent permitted by law, Client shall defend, indemnify and hold harmless Caremark, its subsidiaries and affiliates and each of their respective officers, directors, and employees (the “Caremark Parties”) from and against any and all Losses incurred by any Caremark Parties arising out of or relating to (i) Client’s negligent acts or omissions or breach of its obligations or warranties set forth in this Agreement, except to the extent such Losses are caused by the negligent acts or omissions or willful misconduct of any Caremark Parties or breach of this Agreement by Caremark, (ii) any legal defects in the design of the Plan, or (iii) any deficiencies in the PDD approved by Client.
- 11.3 **Notice of Claim.** The party seeking indemnification shall notify the other party in writing within thirty (30) days of the assertion of any claim or the commencement of any action or proceeding for which indemnity may be sought under this Agreement. Failure to notify the other party shall not result in the waiver of indemnity rights with respect to such claim, suit, action or proceeding unless such failure materially prejudices the ability of the indemnifying party to defend such claim, suit, action or proceeding. The parties shall cooperate with each other in the defense and settlement of any such claim, action or proceeding.

REDACTED

12. **Business Associate Relationship.** The parties acknowledge and agree that Caremark is a Business Associate, as defined under HIPAA, of the Plan in connection with the provision of certain Services, and is a health care provider and Covered Entity, and not a Business Associate of Client, under HIPAA in connection with its provision of certain other Services. To the extent Caremark acts as a Business Associate of the Plan, and in accordance with HIPAA, Caremark shall adhere to the applicable requirements established for Business Associates as set forth in Exhibit B. In compliance with applicable law, including HIPAA, Caremark may share Plan Participant information, including PHI, as appropriate for the treatment, payment and health care operations of other health care providers (which may or may not be affiliated with Caremark) or plans.
13. **Miscellaneous Provisions.**
- 13.1 **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party, provided such consent will not be unreasonably withheld. However, Caremark may assign this Agreement or delegate the duties to be performed under this Agreement without the consent of Client to any of its subsidiaries or affiliates at any time, or as part of a sale of all, or substantially all, of the assets to which this Agreement pertains.
- 13.2 **Exclusivity.** Caremark shall be the exclusive provider to Client and the Plan of each of the Services described in this Agreement Notwithstanding the foregoing, this Section shall not be construed to [REDACTED]
[REDACTED] Client acknowledges and agrees that it will not provide, directly or indirectly, or engage any prescription benefit manager or other third party, to provide to Client or Plan any service that is similar to one of the Services provided by Caremark, including without limitation, retail pharmacy network contracting, pharmacy claims processing, mail and specialty pharmacy services, and formulary and rebate administration services. Client acknowledges and agrees that a breach of this Section 13.2 shall be deemed a material breach of this Agreement and shall entitle Caremark to modify pricing terms pursuant to Section 13.3 of this Agreement.
- 13.3 **Pricing Assumptions.** In addition to any pricing assumptions set forth in any pricing implementation or similar document that is executed by Client:
- (a) Upon [REDACTED] days prior written notice to Client, Caremark may modify or amend the financial provisions in this Agreement in a manner designed to account for the impact of the events identified below. Such notice will include Caremark's explanation of the manner in which the modification accounts for the impact of the event:
1. A change in the scope of services to be performed by Caremark or the assumptions upon which the financial provisions included in this Agreement are based and/or any government imposed or industry wide change that would impede Caremark's ability to provide the pricing described in this Agreement, including any prohibition or restriction on the ability to receive rebates or discounts for pharmaceutical products;
 2. Client's election not to utilize the PDL as its Plan formulary, or otherwise change its alignment with Caremark's PDL;
 3. Implementation or addition of a high deductible health plan/consumer-driven health plan option;

REDACTED

4. Implementation or addition of a member paid plan;
5. A greater than twenty percent (20%) decrease in the total number of Plan Participants from the number provided during pricing negotiations;
6. A change in the coverage of Medicare eligible Plan Participants, irrespective of the resulting change in total number of Plan Participants, as defined above; or
7. A change in any of the pricing assumptions set forth in this Agreement, including, Exhibit A.

(b) **Pricing Benchmarks.** The parties acknowledge that the pricing indices historically used by Caremark are the basis for the financial offer of this Agreement and are outside the control of the parties. In the event Medi-Span or other nationally available AWP reporting source discontinues the reporting of AWP or changes the manner in which AWP is calculated prior to the Effective Date, or during the Term, then Caremark reserves the right to modify the pricing terms of this Agreement, to be effective as of the Effective Date or such later effective date of such discontinuation or change, so as to maintain the parties' relative economic positions as existed immediately before the effective date of such discontinuation in reporting or change in the calculation of AWP [REDACTED]. Such modifications may include, without limitation, the adjustment of AWP to the methodology relied on by such reporting source prior to such modification of AWP methodology, the adjustment of the AWP discount, or the utilization of alternate pricing benchmarks.

- 13.4 **Compliance with Law.** Each party shall comply with the provisions of all applicable laws relating to the performance of its obligations under this Agreement. Each party is responsible for obtaining its own legal advice concerning its compliance with applicable laws.
- 13.5 **Force Majeure.** Except for payment obligations, neither party shall be liable for failure or delay of performance arising from an act of God or other events beyond the reasonable control of such party, such as the acts of a regulatory agency, fires, floods, pandemics, explosions, strikes, labor stoppages, and acts of terrorism, war or rebellion.
- 13.6 **Limitation of Liability.**
- (a) Except as otherwise expressly set forth in this Agreement, Caremark makes no additional representations or warranties, including without limitation, warranties of merchantability or fitness for a particular purpose.
 - (b) In no event shall either party be liable to the other for any incidental, special, consequential, or punitive damages as a result of the performance or any default in the performance of their respective obligations under this Agreement.
 - (c) Client acknowledges that Caremark does not establish AWP or other available industry pricing benchmark methodologies (e.g., "Wholesale Acquisition Costs" or "WAC"), and Caremark shall have no liability to Client arising from the use of Medi-Span or any other nationally available reporting service.
- 13.7 **General.** Except as otherwise provided herein, this Agreement may not be amended except in a writing signed by both parties; provided, however, Caremark may make changes to the Services from time to time provided such changes do not materially alter any of the provisions of this Agreement and may use Claims information to improve or recommend additional Services to

REDACTED

Client If any provision of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the remainder of this Agreement, which shall remain in full force and effect and enforceable in accordance with its terms. This Agreement, including all documents referred to herein and attached hereto, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior oral or written representations, understanding and agreements between the parties with respect thereto. Any waiver of any breach of any provision of this Agreement shall not be a waiver of any subsequent breach of any provision of this Agreement. The terms and conditions of this Agreement are the result of an arm's length negotiations between the parties and each party has had the opportunity to obtain the advice of legal counsel regarding the negotiations and execution of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

- 13.8 **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California (without regard to its conflict of laws rules).
- 13.9 **Notices.** Any notice given under this Agreement shall be given in writing, and sent by hand delivery, facsimile transmission (receipt confirmed), overnight courier that provides confirmation of delivery, or certified mail, return receipt requested, to the applicable party at its address set forth below:

If to Caremark:

2211 Sanders Road, 10th Floor
Northbrook, Illinois 60062
Attn: Vice President and Senior Counsel, Healthcare Services
Fax No: (847) 559-4879

With a copy to:

9501 E. Shea Blvd.
Scottsdale, AZ 85260
Attn: Senior Vice President, Health Care Services
Fax No: 480-391-4704

If to Client:

City of Long Beach
333 West Ocean Blvd, 13th Floor
Long Beach, CA 90802
Attn: Ms. Sherriel L. Murray
Fax No.: 562-570-6107

REDACTED

or to such other address or to the attention of such other person as either party may designate in writing pursuant to this Section 13.9. Written notices shall be deemed received on the date actually delivered to the other party.

- 13.10 **Independent Contractors.** Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating a relationship of employer and employee, principal and agent, or joint venture of the parties hereto; it being understood and agreed that no provision contained in this Agreement nor any acts of the parties hereto shall be deemed to place Caremark in any relationship with Client other than as an independent contractor.
- 13.11 **Third Party Beneficiary.** This Agreement has been entered into solely for the benefit of Client and Caremark and is not intended to create any legal, equitable, or beneficial interest in any third party or to vest in any third party any interest as to enforcement or performance, including but not limited to, Participating Pharmacies or Plan Participants.
- 13.12 **Survival.** Sections 3 (Maintenance of Records), 4 (Use of Data), 6.1 (Plan Participant Authorizations), 6.2 (Control of Plan), 6.3(a) (PDD), 6.5 (Plan Participant Cost Share), 7.2 (Payment), 9.4 (Remedies), 9.5 (Obligations Upon Termination), 10 (Confidential and Proprietary Information), 11 (Indemnification), 13.6 (Limitation of Liability), 13.8 (Governing Law/Venue) 13.12 (Survival), and 13.16 (Dispute Resolution) shall survive the termination or expiration of this Agreement.
- 13.13 **Use of Name.** Each party shall use the other party's name, logo and trademark only in the manner specified by the other party in writing, or as expressly permitted by this Agreement.
- 13.14 **Third Party Recoveries.** Caremark shall use reasonable commercial efforts to distribute among its clients recoveries received from third parties during the Term to the extent such recoveries may reasonably be allocated to Caremark's clients based on the utilization of products by Plan Participants. Caremark may offset its reasonable costs arising from collection and distribution of such recovery, including reasonable attorneys' fees and expenses. Caremark shall have no obligation to initiate or participate in any legal proceeding seeking third party recoveries. Such expenses will be allocated among Caremark's affected or impacted clients on a prorated basis against the amount of the recovery.
- 13.15 **Authority.** Each party represents and warrants that it has the necessary power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement.
- 13.16 **Dispute Resolution.** In the event of a dispute between the parties and prior to commencing any litigation or other legal proceeding, each party shall, by giving written notice to the other party ("Dispute Notice"), request a meeting of authorized representatives of the parties for the purpose of resolving the dispute. The parties agree that, within ninety (90) days after issuance of the Dispute Notice, each party shall designate a representative to participate in dispute resolution discussions which will be held at a mutually acceptable time and place (or by telephone) for the purpose of resolving the dispute. Each party agrees to negotiate in good faith to resolve the dispute in a mutually acceptable manner. If despite the good faith efforts of the parties, the authorized representatives of the parties are unable to resolve the dispute within ninety (90) days after the issuance of the Dispute Notice, or if the parties fail to meet within such ninety (90) day period, either party may, by written notice to the other party, submit the dispute to binding

REDACTED

arbitration before a single mutually designated arbitrator in accordance with the commercial arbitration rules of the American Arbitration Association. The foregoing shall not affect the right of either party to at any time seek appropriate equitable relief to enforce its rights under this Agreement. Notwithstanding any provision in this Agreement to the contrary, in no event, as a result of any such arbitration or otherwise, shall any party be liable to another party for payment of any incidental, special, consequential, or punitive, damages incurred by such other party.

14. **Exhibits.** The following Exhibits are hereby incorporated into and made a part of this Agreement:

<u>Exhibit</u>	<u>Description</u>
A, including any attachments or Schedules to said Exhibit	Financial Terms, including Attachment 1 (Specialty Fee Exhibit)
B	Business Associate Obligations
C	Audit Procedures
D	Performance Guarantees
E	Appeals
F	Maintenance Choice Terms and Conditions
G	Form of MinuteClinic Cost Share Reduction Program Letter of Agreement

* * * * *

The parties hereto have caused this Prescription Benefit Services Agreement to be executed by their duly authorized representatives.

CAREMARKPCS HEALTH, L.L.C.

CITY OF LONG BEACH

By: Bruce Lyons
Name (Print): Bruce Lyons
Title: SVP
Date Signed: 6/2/14

By: SMJ Assistant City Manager
Name (Print): Patrick H. West EXECUTED PURSUANT
Title: City manager TO SECTION 301 OF
Date Signed: 7/1/14 THE CITY CHARTER.

LEGAL
REVIEW

APPROVED AS TO FORM

6-24-2014
CHARLES PARKIN, City Attorney

By [Signature]
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

REDACTED

SPECIALTY	01/01/2014 - 12/31/2014 : \$ [REDACTED] per [REDACTED] Claim 01/01/2015 - 12/31/2015 : \$ [REDACTED] per [REDACTED] Claim 01/01/2016 - 12/31/2016 : \$ [REDACTED] per [REDACTED] Claim
REBATES¹ 3 Tier Qualifying	
MAIL / MAINTENANCE CHOICE	01/01/2014 - 12/31/2014 : \$ [REDACTED] per [REDACTED] Claim 01/01/2015 - 12/31/2015 : \$ [REDACTED] per [REDACTED] Claim 01/01/2016 - 12/31/2016 : \$ [REDACTED] per [REDACTED] Claim
RETAIL	01/01/2014 - 12/31/2014 : \$ [REDACTED] per [REDACTED] Claim 01/01/2015 - 12/31/2015 : \$ [REDACTED] per [REDACTED] Claim 01/01/2016 - 12/31/2016 : \$ [REDACTED] per [REDACTED] Claim
SPECIALTY	01/01/2014 - 12/31/2014 : \$ [REDACTED] per [REDACTED] Claim 01/01/2015 - 12/31/2015 : \$ [REDACTED] per [REDACTED] Claim 01/01/2016 - 12/31/2016 : \$ [REDACTED] per [REDACTED] Claim
REBATE PAYOUTS	Client receives [REDACTED] with the above minimum guarantees
INCREMENTAL GENERIC DISPENSING RATE GUARANTEES	
MAIL - % of Change	01/01/2014 - 12/31/2014 : [REDACTED] 01/01/2015 - 12/31/2015 : [REDACTED] 01/01/2016 - 12/31/2016 : [REDACTED]
RETAIL - % of Change	01/01/2014 - 12/31/2014 : [REDACTED] 01/01/2015 - 12/31/2015 : [REDACTED] 01/01/2016 - 12/31/2016 : [REDACTED]

¹ See Section 3.1 for Rebate conditions.

a. The pricing set forth above is contingent upon the following conditions:

- (i) Rebate guarantees are based upon fully-funded Plan designs, which allow a ninety (90) day supply at mail and Claim utilization and Plan design(s) are as represented by Client.
- (ii) Retail and mail order guarantees for Brand Drugs and Generic Drugs are measured and reconciled [REDACTED]
[REDACTED]
- (iii) Caremark may adjust the Client Rebate payments in an equitable manner if: (i) a generic version of a branded product is unexpectedly introduced in the market; or (ii) a branded product is recalled or withdrawn from the market.
- (iv) Guaranteed Rebates will be effective January 1, 2014 and will remain in effect until December 31, 2016, and is contingent upon [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] In the event these conditions are not met, Caremark reserves the right to equitably adjust the Guaranteed Rebate Amount. Client acknowledges that whether and to what extent pharmaceutical companies are willing to provide Rebates to Client may depend upon a variety of factors, including [REDACTED]
[REDACTED]

REDACTED

- (v) Participating Pharmacy rates may vary [REDACTED]
- (vi) Caremark's generic pricing program is monitored based on Client's utilization, [REDACTED]
- (vii) Caremark may exclude the following from any pricing guarantee:
 - o [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- (viii) The Participating Pharmacy may collect from the Plan Participant the lowest of the applicable Cost Share, the discounted price, or the Participating Pharmacy's Usual and Customary price.
- (ix) Rebates do not apply to Claims processed through pharmacies that participate in the Federal government 340B drug pricing program.
- (x) A Dispensed as Written (DAW) Claim is a prescription drug Claim that an authority external to the PBM (e.g., the Prescriber, Member, or state law) has mandated should be dispensed as prescribed without substitutions. Claims for Brand Drugs that are dispensed with a DAW value of "1" or "7" shall be [REDACTED] and Claims that are dispensed with a DAW value of "5" shall be [REDACTED]
- (xi) Within [REDACTED] days following the end of the calendar year, Caremark shall provide Client with a report showing the actual performance of the discount and dispensing fee guarantees above. If any reconciling payments are required, Caremark shall credit Client within [REDACTED] days after the end of the calendar year.

b. **Incremental Generic Dispensing Rate.** "Incremental Generic Dispense Rate" means the sum of the current dispensing rate for Generic Drugs (as communicated to Caremark by Client during negotiation) + the Incremental Generic Dispense Rate (GDR) Guarantee stated in the chart above. Incremental GDR guarantees are dollar for dollar with a maximum amount at risk of [REDACTED]. The Incremental GDR guarantee calculation assumes the following: (i) the data received is a full data set and accurately reflects Client's utilization, (ii) AWP source for the data supplied is consistent with the go-forward measurement database (Medi-Span), or will be adjusted for any differences in the previous source, (iii) Plan design and membership will remain constant. Client further acknowledges and agrees certain changes to the Plan design or demographics may materially affect Caremark's ability to meet the GDR guarantees (for example, situations where generically available medications are excluded from the benefit such as OTC equivalent strengths). In the event of any changes to the Plan design, or the Plan's demographics, [REDACTED]

[REDACTED] If a brand does not lose patent expiration when expected due to unforeseen circumstances, including but not limited to litigation, the parties acknowledge and agree an adjustment may need to be made to the GDR guarantees. Any potential amount owed will be determined based on the following formula: [REDACTED]

[REDACTED] The GDR guarantees will be measured and reconciled [REDACTED]

Claims Data:

Fill Date, NDC11, Member ID, Plan ID (if applicable), Quantity, Days Supply, Retail/Mail Indicator, and AWP Gross Drug Cost

Eligibility Data:

REDACTED

Member ID, Date of Birth, Gender, Eligibility Effective Date, and Eligibility Termination Date

The GDR guarantee may be revised for changes in the following:

- a. Population age/sex mix
- b. Health status/selection
- c. Plan design
- d. Changes in clinical or PBM programs
- e. Status of drugs covered (i.e., not covered to covered, tier changes)
- f. Breakthrough therapies and new drugs
- g. Legislative and regulatory provisions affecting this benefit
- h. Errors in the baseline claim data
- i. Erroneous information provided through the proposal process

c. Shipping fees and/or postage [REDACTED] if Caremark's third party carrier [REDACTED] its charges to Caremark for shipping fees and/or postage costs.

2. **Clinical Programs and Services.** As consideration for the clinical services and programs selected by Client as described in the PDD and this Agreement, Client shall pay to Caremark the fees set forth below:

2.1 Core Clinical Services and Programs [REDACTED]

	Core Clinical Services and Programs	Cost
(a)	Formulary Management (as described in Section 2.6 of the Agreement)	[REDACTED]
(b)	Safety Programs	
	i. POS Safety Review	[REDACTED]
	ii. Retrospective Safety Review with Pharmacy Claims	[REDACTED]
	iii. Safety and Monitoring Solution	[REDACTED]
	iv. Physicians Profiling Report	[REDACTED]
	v. POS Utilization Management - Dose Optimization - Quantity Limit - Step Therapy	[REDACTED]
(c)	Savings Programs	
	i. Comprehensive Generics Solutions a. DAW Solution 1 and or 2 b. Generic Copay Incentive c. Targeted Generic Alternative Messaging d. Value Drug Savings Tool e. DAW Penalty	[REDACTED]
	ii. POS Preferred Product Messaging	[REDACTED]
	iii. Generic Step Therapy (Prior Auth fee will apply)	[REDACTED]
(d)	Pharmacy Advisor	

REDACTED

i.	Pharmacy Advisor Support: Adherence	[REDACTED]
ii.	Pharmacy Advisor Support: Ready Fill at Mail(R)	[REDACTED]
iii.	Pharmacy Advisor Support: Closing Gaps in Medication Therapy	[REDACTED]

2.2 Enhanced Clinical Programs and Services:

Enhanced Clinical Programs and Services Managing Bad Trend		Fee
(a)	Evidence Based Utilization	
i.	Prior Authorization	\$ [REDACTED] per prior authorization
ii.	Appeals (as described in <u>Exhibit E</u>)	\$ [REDACTED] per review of benefit coverage \$ [REDACTED] per review of medical necessity
iii.	External Review (as described in <u>Exhibit E</u>)	\$ [REDACTED] per IRO external review requested
iv.	Specialty Guideline Management (Specialty)	[REDACTED] [REDACTED]
(b)	Prescription Savings Guide	[REDACTED] report mailed to each Plan Participant with savings opportunities of \$ [REDACTED] or more is included in the [REDACTED] [REDACTED] Additional reports are available for \$ [REDACTED] per report mailed to each Plan Participant with savings opportunities of \$ [REDACTED] or more.
(c)	Formulary Exceptions/Non-clinical requests (includes formulary exceptions, DAW, mandatory mail, plan exclusions, and formulary edits for specific classes)	\$ [REDACTED] per request

NOTE: Any program enhancements that are developed by Caremark during the Term may be available to Client for an additional fee.

2.3 Additional Services:

Paper Submitted Claim (per processed Claim)	[REDACTED]
Card Re-issuance	\$ [REDACTED]
Manual Eligibility Submission	\$ [REDACTED]
Client Specific Programming	\$ [REDACTED]

The fees, expenses or charges for clinical programs identified in this Exhibit A shall supersede all other commitments or agreements described in any previous document, or Agreement.

Charges or services not identified in this Exhibit A shall be quoted upon request.

3. Client Credits:

This Section 3 of Exhibit A sets forth various rebates and credits to be paid or credited by Caremark to Client

REDACTED

(collectively "Client Credits") as identified in Section 1 of this Exhibit A. It is the intention of the parties that, for purposes of the Federal Anti-Kickback Statute, these Client Credits shall constitute and shall be treated as discounts against the price of drugs within the meaning of 42 U.S.C. 1320a 7b(b)(3)(A). In addition, Client acknowledges and agrees that, as a condition to its right to receive Client Credits from Caremark, all Client Credits received shall be used exclusively for providing benefits to Plan Participants of the Plan and defraying the reasonable expense of administering the Plan.

3.1 Drug Rebates.

CLIENT ALLOCATION	CAREMARK RETENTION
██████████	██████████

Within ██████████ of the beginning of each calendar quarter, Caremark will remit to Client all Rebates ██████████.

To qualify for two-tier Rebates, the Plan Participants under this Agreement must be covered under a two-tier qualifying plan design. A two-tier qualifying plan design consists of an open plan design, with the first tier comprised of Generic Drugs and the second tier comprised of Brand Drugs, with ██████████ ██████████ but that includes formulary interventions recommended by Caremark.

To qualify for three-tier non-qualifying Rebates, the Plan Participants under this Agreement must be covered under a three-tier non-qualifying plan design. A three-tier non-qualifying plan design consists of a plan design with the first tier comprised of Generic Drugs, the second tier comprised of preferred Brand Drugs, and the third tier comprised of non-preferred Brand Drugs, with a co-payment differential between preferred and non-preferred Brand Drug Claims of ██████████ coinsurance differential between preferred and non-preferred Brand Drug Claims.

To qualify for three tier qualifying Rebates, the Plan Participants under this Agreement must be covered under a three-tier qualifying plan design. A three-tier qualifying plan design consists of a plan design with the first tier comprised of Generic Drugs, the second tier comprised of preferred Brand Drugs, and the third tier comprised of non-preferred Brand Drugs, with at least a ██████████ between preferred and non-preferred Brand Drugs, ██████████ in the minimum co-payment for coinsurance, or a differential of coinsurance ██████████ the preferred and non-preferred Brand Drugs (for example, if preferred Brand Drug coinsurance was ██████ non-preferred Brand Drug would need to be ██████ to qualify).

Caremark guarantees that Client's share of Rebates shall be as identified in Section 1 of this Exhibit A (the "Guaranteed Rebate Amount"). All Claims ██████████ of this guarantee. In the event that Rebates paid to Client are less than the Guaranteed Rebate Amount, Caremark shall pay to Client the amount of any deficiency. Final reconciliation between Rebates paid and Rebates guaranteed pursuant to this Section shall be performed ██████████ after the end of the calendar year. For subsequent years, any Rebate guarantee shall be determined by annual negotiation by the parties of a mutually acceptable Guaranteed Rebate Amount based on projected market estimates.

3.2 Implementation Credit. Caremark shall provide Client with an implementation credit of up to ██████████ ██████████ as measured as of January 1, 2014 to defray certain transition costs associated with moving Client business to Caremark as measured on the date of implementation. This credit can be used to offset typical and/or mutually agreed upon implementation costs in transferring from the current provider to Caremark. Client shall be responsible for all transition and implementation expenses in excess of the implementation credit provided to Client as set forth above. ██████████ ██████████

REDACTED

[REDACTED]
[REDACTED] Identification of the costs shall occur no later than [REDACTED] after the Effective Date of this Agreement. Client shall provide Caremark with documentation of eligible expenses directly incurred by Client in the form of an invoice, an account statement, or other detailed documentation. For agreed upon implementation or transition services provided by Caremark towards this credit, Caremark shall provide expense detail for such items. If Client terminates this Agreement prior to the expiration of its Term for any reason (other than Caremark's breach) or if Caremark terminates this Agreement as a result of Client's breach, Client shall refund to Caremark [REDACTED] [REDACTED] the transition and implementation charges incurred by Caremark. The parties acknowledge and agree that the implementation credits provided by Caremark are commercially reasonable and necessary services related to the implementation of this Agreement and represent fair market value for the services provided.

3.3 Advisor Fee. Caremark confirms that it will calculate and pay a monthly advisor fee of [REDACTED] [REDACTED] on behalf of Client to its consultant, [REDACTED]. Such compensation will be funded by Caremark as an additional discount provided to Client, in accordance with federal and state anti-kickback laws.

REDACTED

ATTACHMENT 1 SPECIALTY DRUG FEE SCHEDULE

Drug Names	AWP Discount Exclusive	See Notes Following Grid
ACROMEGALY		
Octreotide	██████	
Sandostatin	██████	█
Somatuline Depot	██████	
Somavert	██████	
ALCOHOL DEPENDENCY		
Vivitrol	██████	
ALLERGIC ASTHMA		
Xolair	██████	
ALPHA-1 ANTITRYPSIN DEFICIENCY		
Aralast	██████	█████
Glassia	██████	█████
ANEMIA		
Aranesp	██████	
Epogen	██████	
Procrit	██████	
BOTULINUM TOXINS		
Botox	██████	
Dysport	██████	
Myobloc	██████	
Xeomin	██████	
CARDIAC DISORDERS		
Tikosyn	██████	
CONTRACEPTIVES (SPECIALTY)		
Implanon	██████	
Mirena	██████	
Nexplanon	██████	
CRYOPYRIN ASSOCIATED PERIODIC SYNDROMES		
Arcalyst	██████	
Ilaris	██████	
CYSTIC FIBROSIS		
Kalydeco	██████	
Pulmozyme	██████	
TOBI	██████	
DUPUYTREN'S CONTRACTURE		

REDACTED

Drug Names	AWP Discount Exclusive	See Notes Following Grid
Xiaflex	██████	
ELECTROLYTE DISORDERS		
Samsca	██████	
GOUT		
Krystexxa	██████	
GROWTH HORMONE & RELATED DISORDERS		
Genotropin	██████	█
Humatrope	██████	
Increlex	██████	
Norditropin	██████	█
Nutropin	██████	█
Omnitrope	██████	
Saizen	██████	█
Serostim	██████	
Tev-Tropin	██████	
Zorbtive	██████	
HEMATOPOETICS		
Mozobil	██████	
Neumega	██████	
HEMOPHILIA, VON WILLEBRAND DISEASE, & RELATED BLEEDING DISORDERS		
Advate	██████	
Alphanate	██████	
AlphaNine SD	██████	
Bebulin	██████	█
BeneFIX	██████	
Corifact	██████	
Feiba	██████	█
Helixate FS	██████	
Hemofil-M	██████	
Humate-P	██████	
Koate-DVI	██████	
Kogenate FS	██████	
Monarc M	██████	
Monoclalte-P	██████	
Mononine	██████	
NovoSeven	██████	█

REDACTED

Drug Names	AWP Discount Exclusive	See Notes Following Grid
Profilnine SD	██████	
Proplex T	██████	
Recombinate	██████	
Refacto	██████	
RiaSTAP	██████	
Stimate	██████	
Wilate	██████	
Xyntha	██████	
HEPATITIS B		
Baraclude	██████	
Epivir HBV	██████	
Hepsera	██████	
Tyzeka	██████	
HEPATITIS C		
Copegus	██████	
Infergen	██████	
Incivek	██████	
Pegasys	██████	█
Peg-Intron	██████	█
Rebetol	██████	
RibaPak	██████	
Ribasphere	██████	
RibaTab	██████	
Ribavirin	██████	
Victrelis	██████	
HEREDITARY ANGIOEDEMA		
Berinert	██████	
Cinryze	██████	
Firazyr	██████	
HIV MEDICATIONS		
Abacavir	██████	
Aptivus	██████	█
Atripla	██████	
Combivir	██████	
Complera	██████	
Crixivan	██████	
Didanosine	██████	█

REDACTED

Drug Names	AWP Discount Exclusive	See Notes Following Grid
Edurant	████████	
Egrifta	████████	
Emtriva	████████	█
Epivir	████████	
Epzicom	████████	
Fuzeon	████████	
Intelence	████████	
Invirase	████████	█
Isentress	████████	
Kaletra	████████	█
Lamivudine	████████	
Lamivudine/Zidovudine	████████	
Lexiva	████████	█
Nevirapine	████████	█
Norvir	████████	█
Prezista	████████	
Rescriptor	████████	
Retrovir	████████	█
Reyataz	████████	
Selzentry	████████	
Stavudine	██████	█
Stribild	████████	
Sustiva	████████	█
Trizivir	████████	
Truvada	████████	
Videx	████████	█
Videx EC	████████	█
Viracept	████████	█
Viramune	████████	█
Viramune XR	████████	█
Viread	████████	█
Zerit	████████	█
Ziagen	████████	
Zidovudine	██████	
HORMONAL THERAPIES		
Eligard	████████	
Firmagon	████████	

REDACTED

Drug Names	AWP Discount Exclusive	See Notes Following Grid
leuprolide acetate	██████	
Lupron	██████	
Lupron Depot	██████	█
Lupron Depot-Ped	██████	
Supprelin LA	██████	
Trelstar	██████	█
Vantas	██████	
Viadur	██████	
Zoladex	██████	
IDIOPATHIC THROMBOCYTOPENIC PURPURA		
Nplate	██████	
Promacta	██████	
IMMUNE DEFICIENCIES & RELATED DISORDERS		
Carimune	██████	█
Cytogam	██████	
Flebogamma	██████	█
Gamastan S/D	██████	
Gammagard Liquid	██████	
Gammagard S/D	██████	
Gammaked	██████	
Gammaplex	██████	
Gamunex	██████	
HepaGam B	██████	
Hizentra	██████	
HyperHEP B	██████	
HyperRHO S/D	██████	
Immune Globulin	██████	
MICRhoGAM	██████	█
Nabi-HB	██████	
Octagam	██████	
Panglobulin	██████	█
Polygam S/D	██████	
Privigen	██████	
RhoGAM	██████	█
Rhophylac	██████	
Vivaglobin	██████	
WinRho SDF	██████	

REDACTED

Drug Names	AWP Discount Exclusive	See Notes Following Grid
INFECTIOUS DISEASE		
Actimmune	██████	
Alferon N	██████	
INFERTILITY		
Bravelle	██████	
Cetrotide	██████	
Chorionic Gonadotropin	██████	
Follistim AQ	██████	
Ganirelix Acetate	██████	
Gonal-F	██████	█
Luveris	██████	
Menopur	██████	
Novarel	██████	
Ovidrel	██████	
Pregnyl	██████	
Repronex	██████	
INFLAMMATORY BOWEL DISEASE		
Cimzia	██████	
IRON OVERLOAD		
Deferoxamine	██████	
Desferal	██████	
Exjade	██████	
LYSOSOMAL STORAGE DISEASES		
Aldurazyme	██████	██
Cerezyme	██████	██
Cystagon	██████	
Elaprase	██████	██
Fabrazyme	██████	██
Lumizyme	██████	██
Myozyme	██████	██
Naglazyme	██████	██
VPRIV	██████	██
RETINAL DISORDERS		
Eylea	██████	
Lucentis	██████	
Macugen	██████	
Visudyne	██████	

REDACTED

Drug Names	AWP Discount Exclusive	See Notes Following Grid
Ozurdex	██████	
Retisert	██████	
MOVEMENT DISORDERS		
Apokyn	██████	
Xenazine	██████	
MULTIPLE SCLEROSIS		
Ampyra	██████	
Avonex	██████	
Betaseron	██████	
Copaxone	██████	
Extavia	██████	
Gilenya	██████	
Mitoxantrone	██████	
Novantrone	██████	
Rebif	██████	
Tysabri	██████	
NEUTROPENIA		
Leukine	██████	
Neulasta	██████	
Neupogen	██████	
ONCOLOGY - INJECTABLE		
Adcetris	██████	
Arzerra	██████	
Avastin	██████	
Dacogen	██████	
Elspar	██████	
Erbitux	██████	
Fusilev	██████	
Halaven	██████	
Herceptin	██████	
Intron A	██████	
Istodax	██████	
Ixempra	██████	
Jevtana	██████	
Oncaspar	██████	
Proleukin	██████	
Rituxan	██████	

REDACTED

Drug Names	AWP Discount Exclusive	See Notes Following Grid
Roferon-A	██████	
Sylatron	██████	
Temodar (Injectable)	██████	
Thyrogen	██████	
Torisel	██████	
Treanda	██████	
Valstar	██████	
Vectibix	██████	
Velcade	██████	
Vidaza	██████	
Xgeva	██████	
Yervoy	██████	
Zometa	██████	
ONCOLOGY - ORAL/TOPICALS		
Afinitor	██████	
Erivedge	██████	
Gleevec	██████	
Hycamtin	██████	
Inlyta	██████	
Jakafi	██████	
Nexavar	██████	
Oforta	██████	
Revlimid	██████	
Sprycel	██████	
Sutent	██████	
Tarceva	██████	
Targretin	██████	█
Tasigna	██████	
Temodar (Oral)	██████	
Thalomid	██████	
Tykerb	██████	
Votrient	██████	
Xalkori	██████	
Xeloda	██████	
Zolinza	██████	
Zelboraf	██████	
Zytiga	██████	

REDACTED

Drug Names	AWP Discount Exclusive	See Notes Following Grid
OSTEOARTHRITIS		
Euflexxa	██████	
Hyalgan	██████	
Orthovisc	██████	
Supartz	██████	
Synvisc	██████	█
OSTEOPOROSIS		
Forteo	██████	
Prolia	██████	
Reclast	██████	
Pain Management		
Prialt	██████	
Qutenza	██████	
PAROXYSMAL NOCTURNAL HEMOGLOBINURIA		
Soliris	██████	
PHENYLKETONURIA		
Kuvan	██████	
PRE-TERM BIRTH		
Makena	██████	
PSORIASIS		
Amevive	██████	
Stelara	██████	
PULMONARY ARTERIAL HYPERTENSION		
Adcirca	██████	
Epoprostenol Sodium for Injection	██████	█
Sterile Diluent for Epoprostenol Sodium for Injection	██████	
Letairis	██████	
Remodulin	██████	█
Revatio	██████	
Tracleer	██████	
Tyvaso	██████	
Ventavis	██████	█
RENAL DISEASE		
Sensipar	██████	
RESPIRATORY SYNCYTIAL VIRUS		
Synagis	██████	
RHEUMATOID ARTHRITIS		

REDACTED

- Any existing products or newly FDA-approved products that do not fall into an existing therapeutic class will be billed and reimbursed [REDACTED].

Notwithstanding anything to the contrary, from the date Client requests a Specialty Drug which is not set forth in this fee schedule, Caremark reserves the right to adjust the pricing [REDACTED]

The rates for specialty medications may vary if filled by a pharmacy other than a specialty pharmacy owned or affiliated with Caremark.

MAC*: Certain dosage forms and strengths may not be included on the Caremark retail MAC list. These products will price at the specialty default rate.

PER DIEMS, NURSING & EQUIPMENT:

Nursing Charges: \$ [REDACTED] per visit up to [REDACTED] hours, [REDACTED] for each hour thereafter. Alternatively, Caremark can refer any medically necessary nursing services to Client's contracted nursing agency, in which case nursing services will be billed separately by those agencies.

In further consideration of the fees and charges to be paid to Caremark under this Agreement, Caremark will bill any applicable per diems to the Plan Participant's medical benefit. In the event it is not possible to bill such per diems to the Plan Participant's medical benefit or it is determined there is no coverage for such drugs, Caremark shall bill Client directly for any per diem associated with Specialty Drugs.

PRODUCT SHORTAGE:

In the event of an industry-wide product shortage, Caremark reserves the right to adjust pricing upon notice to Client.

REDACTED

Exhibit B Business Associate Obligations

In accordance with the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191 ("HIPAA") and the Health Information Technology For Economic and Clinical Health Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 ("HITECH Act"), Caremark shall, to the extent it acts in its capacity as a Business Associate to the Plan, adhere to the applicable requirements established in the HIPAA Rules (as defined below) for Business Associates as set forth below.

1. Definitions.

Capitalized terms used, but not otherwise defined, in this Exhibit shall have the same meaning as those terms as used or defined in the HIPAA Rules, including but not limited to the following terms: Breach, Data Aggregation, Designated Record Set, Individual, Minimum Necessary, Notice of Privacy Practices, Plan Sponsor, Required By Law, Secretary, Subcontractor, Unsecured Protected Health Information, and Workforce.

- A. **Business Associate.** "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this Exhibit, shall mean Caremark.
- B. **HIPAA Rules.** "HIPAA Rules" shall mean the requirements of the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164, implementing HIPAA and the HITECH Act, in each case only as of the applicable compliance date for such requirements.
- C. **Incident Response Team.** "Incident Response Team" shall mean the unit designated by Caremark that is responsible for investigating and responding to information privacy and security incidents and complaints.
- D. **Privacy Rule.** "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- E. **Protected Health Information (PHI) and Electronic Protected Health Information (EPHI).** "PHI" and "EPHI" shall have the same meaning as such terms as defined in 45 CFR 160.103, but limited to such information created or received by Caremark in its capacity as a Business Associate (and not a pharmacy or other health care provider) of Plan.
- F. **Security Rule.** "Security Rule" shall mean the Standards for Security of Electronic Protected Health Information at 45 CFR parts 160 and 164, subpart C.

2. Obligations and Activities of Business Associate.

- A. Business Associate agrees not to use or disclose PHI other than as permitted or required by the

REDACTED

Agreement or this Exhibit, or as permitted or Required By Law.

- B. Business Associate agrees to use appropriate safeguards to protect against any use or disclosure of PHI not provided for herein and to comply, where applicable, with Subpart C of 45 CFR Part 164 with respect to EPHI. Without limiting the foregoing, Business Associate agrees to implement appropriate administrative, physical, and technical safeguards designed to, to prevent the unauthorized use and disclosure of Protected Health Information, and to protect the confidentiality, integrity, and availability of Electronic Protected Health Information, including maintaining an Incident Response Team to investigate and respond to unauthorized uses and disclosures of PHI upon learning thereof, as required by 45 CFR § 164.308, 164.310, 164.312, and 164.316, as may be amended from time to time.
- C. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Exhibit.
- D. In addition to the reporting required by Section 2.L, Business Associate agrees to report to Plan upon request any use or disclosure of the PHI, not provided for by the Agreement or this Exhibit of which the Incident Response Team becomes aware, including such uses and disclosures arising from a Security Incident.
- E. In accordance with 45 CFR 164.502 (e)(1)(ii) and 164.308(b)(2) Business Associate agrees to require that any Subcontractor, to whom it delegates any function or activity it has undertaken to perform on behalf of Plan, and to whom it provides PHI received from or created on behalf of Plan, agrees to substantially the same restrictions and conditions on the use or disclosure of PHI as apply through this Exhibit to Business Associate through a Business Associate Agreement between such Subcontractor and Business Associate.
- F. Upon the Plan's written request, and in a reasonable time and manner, Business Associate agrees to provide to Plan such PHI maintained by Business Associate in a Designated Record Set as required for Plan to respond to a request for access under 45 CFR 164.524.
- G. Upon the Plan's written request, and in a reasonable time and manner, Business Associate agrees to make available PHI maintained by it in a Designated Record Set, and to make amendments to such PHI, in order for Plan to respond to a request for amendment under 45 CFR 164.526.
- H. Business Associate agrees to make its internal practices, policies, procedures, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Plan, available for inspection and copying by the Secretary upon the Secretary's written request for same for purposes of the Secretary determining the Plan's compliance with the HIPAA Rules.
- I. Business Associate agrees to document such disclosures of PHI made by it, and information related to such disclosures, as would be required for Plan to respond to a request by an Individual for an accounting of disclosures of PHI under 45 CFR 164.528.
- J. Upon written request by Plan, and in a reasonable time and manner, Business Associate agrees to provide to Plan information collected in accordance with Paragraph I of this Section for Plan to

REDACTED

provide an accounting under 45 CFR 164.528.

- K. To the extent Plan specifically delegates to Business Associate one or more of Plan's obligation(s) under Subpart E of 45 CFR Part 164, Business Associate agrees to comply with the requirements of Subpart E that apply to Plan in the performance of such obligation(s).
- L. Following the discovery by Business Associate of any Breach of Unsecured PHI by Business Associate or its Subcontractors, Business Associate agrees to notify Plan of such Breach without unreasonable delay, but no later than within [REDACTED] days after the Incident Response Team is notified of the Breach. Such notification shall include, to the extent available, the identity of each Individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used, or disclosed during the Breach. At the time of notification or promptly thereafter as such information becomes available, Business Associate shall also provide Plan with such other available information as is required for Plan to notify an Individual of the Breach as required by 45 CFR 164.404(c). Business Associate agrees that to the extent the Breach is solely as a result of Business Associate's negligent acts or omissions, Business Associate shall provide the notifications required under 45 CFR 164.404, 45 CFR 164.406 and 164.408(b). Notwithstanding the above, if a law enforcement official provides Business Associate with a statement that the notification required under this paragraph would impede a criminal investigation or cause damage to national security, Business Associate may delay the notification for the period of time set forth in the statement as permitted under 45 CFR 164.412.

3. Permitted Uses and Disclosures by Business Associate.

- A. Business Associate may use or disclose PHI to perform functions, activities and services for or on behalf of, Plan as provided in the Agreement. Such uses and disclosures shall be limited to those that would not violate the Privacy Rule if done by Plan except that Business Associate may use and disclose PHI:
 - (i) for the proper management and administration of the Business Associate or to carry out its legal responsibilities; provided that, in the case of any disclosures for this purpose, the disclosure is Required by Law or Business Associate obtains reasonable assurances in writing from the person to whom the information is disclosed, that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and that the person will notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;
 - (ii) to provide Data Aggregation services to Plan as permitted by 45 CFR 164.504(e)(2)(i)(B);
- B. Business Associate may also use and disclose PHI: (i) to respond to requests for PHI either accompanied by an authorization that meets the requirements of 45 CFR 164.508 or from a covered entity or health care provider in accordance with 45 CFR 164.506(c); (ii) to de-identify the information or create a limited data set in accordance with 45 CFR §164.514, which de-identified information or limited data set may be used and disclosed by Business Associate as permitted by law, including HIPAA; (iii) to report violations of law to appropriate federal and state authorities, consistent with 45 CFR §164.502(j)(1); and (iv) as authorized in writing by Plan.

REDACTED

- C. Business Associate agrees to request, use and disclose PHI in compliance with the Minimum Necessary standard of the HIPAA Rule.

4. Obligations of Plan

- A. Plan shall provide PHI to Business Associate in compliance with the Minimum Necessary standard of the Privacy Rule. Plan shall not ask or require Business Associate to use or disclose Protected Health Information in a manner in which Plan could not do as a Covered Entity except as permitted by 45 CFR 164.504(e) to perform Data Aggregation services.
- B. Plan represents and warrants that its Notice of Privacy Practices complies with 45 C.F.R. 164.520 and permits Plan to use and disclose Protected Health Information in the manner that Business Associate is authorized to use and disclose Protected Health Information under this Exhibit.
- C. To the extent that the Plan honors a request to restrict the use or disclosure of PHI pursuant to 45 C.F.R. 164.522(a), Plan agrees not to provide such PHI to Business Associate unless Plan notifies Business Associate of the restriction and Business Associate advises Plan that it is able to accommodate the restriction. Plan agrees to reimburse Business Associate for any increase in costs required to accommodate such restriction.
- D. Plan shall be responsible for using administrative, physical and technical safeguards at all times to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Business Associate in accordance with the standards and requirements of the HIPAA Rules, until such PHI is received by Business Associate.
- E. Plan shall obtain any consent or authorization that may be required by applicable federal or state laws in order for Business Associate to provide its services under the Agreement.
- F. Plan shall provide to Business Associate a written list of the names of those individuals in its Workforce that are authorized to receive or access PHI on its behalf, and to provide reasonable prior written notice to Business Associate of any changes to such list. In the absence of Plan providing such list, Business Associate may assume that those individuals that are member of the Workforce of Plan or, if applicable, Plan Sponsor, who request or receive PHI from Business Associate are performing plan administration activities for Plan, and are authorized to receive or access PHI on its behalf.

5. Miscellaneous.

- A. Regulatory References. A reference in this Exhibit to a section in the HIPAA Rules means the section as in effect or as amended, and as of its applicable compliance date.
- B. Changes to this Exhibit. The parties agree to negotiate in good faith to amend this Exhibit or the Agreement as necessary to comply with any changes in the HIPAA Rules. If, within [REDACTED] business days after Business Associate receives a proposed amendment for this purpose from Plan, the parties are unable in good faith to reach agreement on its terms, either party may terminate the Agreement and this Exhibit by written notice to the other.

REDACTED

- C. Interpretation. Any ambiguity in this Exhibit shall be resolved to permit the parties to comply with the HIPAA Rules.

REDACTED

Exhibit C Audit Procedures

Caremark and Client agree the following guidelines shall apply to any audit described by this Agreement.

1. Audit Notification Letter

A Client request for an audit of Caremark will be directed to the Client's account manager either in writing on Client's letterhead or by e-mail. Audits require [REDACTED] days prior written notice.

2. Use of Third Party Auditor

In the event a third party auditor is used, the auditor shall be a mutually acceptable independent third party retained by Client. The third party auditor shall execute a confidentiality agreement with Caremark in a form and substance reasonably acceptable to Caremark prior to conducting an audit.

3. Teleconference

Upon Caremark's receipt of a request for an audit, Caremark will organize and conduct an initial teleconference between Client and Caremark. This teleconference will address the following:

- Individual audit participants
- Requirement and purpose of an approved confidentiality agreement (for use with outside audit firms or other Client representatives, as applicable)
- Onsite requirements
- Mutually established timelines
- Claims tape needs and costs
- Prescription copies: timelines, availability and cost
- Guidelines for acceptable verification of audit questions
- Caremark's right to respond within a reasonable time after questions arise and before audit results are disseminated by the auditor to Client
- Audit process confirmation letter
- Other appropriate issues.

4. Mutually Agreed Timelines

Client and Caremark will mutually agree upon an audit timeline, taking into consideration individual circumstances and constraints. An example of a standard timeline is as follows (*from the time a signed confidentiality agreement is secured*):

- Claim tape request – two (2) weeks

REDACTED

- Standard screen prints – two (2) weeks
- Copies of mail service prescriptions– six (6) weeks [REDACTED]
- Audit report reply – one (1) month.

5. Response to Sampling Questions

The Client can submit to Caremark questions related to provided Claim samples. Answers to sampling questions are normally provided within [REDACTED] weeks after the questions have been presented.

6. Claims Tape Requests

Claims tape specifications shall be clarified during the initial teleconference and processed following Caremark's receipt of a signed confidentiality agreement from any third party auditor. Delivery to the specified party normally takes place within [REDACTED] weeks. The cost typically is [REDACTED] per month of data.

7. Audit Report

In the event of an audit by a third party, the third party auditor or Client shall provide Caremark with a copy of any proposed audit report, and Caremark will have a reasonable opportunity to comment on any such report before it is finalized.

8. Close of Audit

Upon finalization of audit results and agreement between Client and Caremark on any identified financial discrepancies, the audit period under review will be closed. Any adjustments, payments and/or reimbursements determined to be necessary as a result of any examination or audit shall be paid by the appropriate party within [REDACTED] days of execution of an appropriate release document covering the audit period.

9. Audit Costs

[REDACTED]

REDACTED

Exhibit D Performance Guarantees

For purposes of the performance standards herein, the term "Business Day" will mean Caremark's normal business hours on any day other than a Saturday or Sunday or a day on which Caremark is closed for general business purposes.

Conditions:

The performance guarantees will be adjusted equitably by the parties to the extent that Caremark has suffered a force majeure event during the applicable measurement period.

Caremark will diligently attempt to maintain its performance at the levels represented herein, provided that failure to achieve or maintain those levels does not constitute a default for purposes of the termination provisions set forth in the Agreement.

Caremark will not be liable to Client for any failure to satisfy a performance guarantee during any time that no agreement existed between Caremark and Client, even if a subsequent written agreement between the parties provides that the effective date of the Agreement is prior to the time at which the written agreement actually was executed by the parties.

The maximum penalty that Caremark will have at risk for any calendar year will be \$ [REDACTED] for ongoing guarantees, and shall be allocated [REDACTED]. For subsequent Contract Years, the total amount at risk may be allocated at Client's written discretion, provided 1) no more than [REDACTED] of the amount at risk will be allocated to any one guarantee; 2) the total amount allocated equals 100% of the total amount at risk; 3) Caremark receives written notice (including by email) of Client's allocations at least [REDACTED] prior to start of the applicable Contract Year. Caremark is also offering a one-time implementation guarantee of \$ [REDACTED]

If Caremark fails to satisfy a performance guarantee that is measured for all Caremark clients utilizing the same process platform, Caremark will have satisfied a performance guarantee regarding Client if it satisfies that guarantee with respect to Client only.

If any period covered by the Agreement is less than the period covered by the performance guarantee, and Caremark has not met such performance guarantee for such period, the penalty associated with such failure will be prorated to reflect the actual period during which the Agreement was in effect.

Caremark shall provide the performance guarantee report card no later than [REDACTED] days after the end of the applicable calendar year. Any applicable amounts owed to Client will be credited on the [REDACTED] invoice following [REDACTED]

In the event Caremark fails to meet the guarantees, the penalties described above will be the sole and exclusive remedy available to Client for such failure.

Implementation Guarantees:

REDACTED

1. **Plan Design.** Plan design will be completed with [REDACTED] accuracy by the effective date based on Client signed documents, including changes identified during pre-implementation audit. For errors not corrected on or before the effective date, Caremark will credit Client [REDACTED] of the amount at risk for implementation guarantees.
2. **Member Materials.** Caremark guarantees that, based on receipt of a clean, accurate and complete electronic eligibility file no later than [REDACTED] of enrollees to Caremark will be mailed ID cards and/or Welcome Booklets [REDACTED] [REDACTED] e. Should Caremark fail to meet the above stated guarantee, Caremark will credit Client [REDACTED] of the amount at risk for implementation guarantees.
3. **Finance.** Caremark will manage the accuracy set-up and funding breakouts. For errors in billing/funding breakouts, Caremark will credit Client [REDACTED] of the amount at risk for implementation guarantees.
4. **Transition files.** Caremark will work with Client to define transition file needs and manage the accuracy and timeliness of file loads based on timely and accurate data from incumbent vendor(s) according to the agreed upon project plan dates. Should Caremark fail to load files accurately or timely Caremark will credit Client [REDACTED] of the amount at risk for implementation guarantees.
5. **Caremark Annual Enrollment Website.** Caremark will prepare a website in support of annual enrollment. For inaccurate or untimely set-up Caremark will credit Client [REDACTED] of the amount at risk for implementation guarantees.
6. **Implementation Satisfaction.** A satisfaction survey shall be conducted annually among Client's management team within sixty (60) days following completion of implementation. Overall satisfaction ratings of at least [REDACTED] shall be guaranteed. For the purposes of this guarantee, satisfaction shall be defined as [REDACTED] [REDACTED] Caremark shall be responsible for survey design, data collection, analysis and all costs associated with conducting the surveys. Should Caremark fail to score [REDACTED] Caremark will credit Client [REDACTED] of the amount at risk for implementation guarantees.

Ongoing Guarantees:

1. **Eligibility Error Report (Electronic).** Caremark shall produce an error report on eligibility file updates within [REDACTED] of Caremark receiving a clean and complete eligibility file. This is measured and reported on a [REDACTED] basis.
2. **Mail Service Prescription Accuracy.** Caremark's accuracy in dispensing prescriptions from its mail service pharmacy ([REDACTED]) [REDACTED] This is measured and reported on a [REDACTED] basis.
3. **Standard Management Report Timeliness.** Data needed to run Client's quarterly standard management reports shall be available within [REDACTED] [REDACTED] This is measured and reported on a [REDACTED] basis.

REDACTED

4. **Phone Abandonment Rate.** Inbound calls to Caremark's toll-free customer service lines shall be answered with an abandonment rate of [REDACTED] or less. Measurement [REDACTED] calls routed to an IVR and [REDACTED] calls abandoned by the Plan Participant within [REDACTED]. This guarantee is measured and reported on a [REDACTED] basis.
5. **Participant Submitted Paper Claim Turnaround Time.** Within [REDACTED] Business Days, Caremark shall process at least [REDACTED] of all commercial paper Claims submitted by Plan Participants not requiring clarification. This is measured and reported on a [REDACTED] basis.
6. **Participating Retail Pharmacy Access.** Subject to the availability of any active retail pharmacy within the specified area, the Caremark National Network shall include a pharmacy within [REDACTED] of the residence of at least [REDACTED] of the urban Plan Participants, within [REDACTED] of the residence of at least [REDACTED] of suburban Plan Participants, and within [REDACTED] of the residence of at least [REDACTED] of rural Plan Participants, when there is active retail pharmacy within [REDACTED] of urban Plan Participants residences, within [REDACTED] of suburban Plan Participants residences, and within [REDACTED] of rural Plan Participants residences, as measured [REDACTED].
7. **Eligibility Updates.** Caremark guarantees [REDACTED] of ongoing eligibility updates shall be processed within [REDACTED] Business Days of receipt of a clean and complete eligibility file in an agreed upon format. This is measured and reported on a [REDACTED] basis.
8. **Electronic Claims Processing Accuracy.** Electronic Claims processing accuracy for both retail and mail service pharmacies will be at least [REDACTED] in any calendar year for which Client conducts a Claims audit as provided in the Audit Rights section of this Agreement. Upon a final and conclusive determination of any discrepancies discovered by such a Claims audit, the electronic Claims processing accuracy rate shall be calculated based upon the following formula: [REDACTED]
[REDACTED]
[REDACTED] Caremark shall credit Client [REDACTED] of the total amount at risk for this guarantee for each [REDACTED] below target accuracy rate, up to a maximum annual penalty of 100% of the total amount at risk for this guarantee. This is measured and reported on a [REDACTED] basis.
9. **Account Management Satisfaction.** A satisfaction survey shall be conducted annually among Client's management team. Overall satisfaction ratings of at least [REDACTED] shall be guaranteed. For the purposes of this guarantee, satisfaction shall be defined as [REDACTED]. Caremark shall be responsible for survey design, data collection, analysis and all costs associated with conducting the surveys. This is measured and reported on a [REDACTED] basis.
10. **Plan Administration Accuracy** - Caremark guarantees to accurately implement Client's approved Plan design and/or changes (measured [REDACTED] based solely upon Claims).

REDACTED

11. **ID Card Production Turn Around.** PBM guarantees that [REDACTED] of new Plan Participants will be mailed ID cards and/or welcome booklets within [REDACTED] Business Days of receipt of clean accurate and complete electronic eligibility file or updates.
12. **Invoice Support.** Caremark guarantees the Plan data supporting each invoice will be provided to Client within [REDACTED] days of the issue date of each invoice.
13. **Mail Turnaround Time.** Within [REDACTED] Business Days, Caremark will dispense and ship [REDACTED] of clean prescriptions received and within [REDACTED] Business Days, Caremark will dispense and ship [REDACTED] of prescriptions that require intervention. This will be calculated by: [REDACTED]
[REDACTED]
[REDACTED] prescriptions shipped respectively. This guarantee is measured and reported on a [REDACTED] basis.
14. **Plan Participant Satisfaction.** Satisfaction surveys shall be conducted during the Plan year among Caremark's base of prescription drug benefit Plan Participants. Survey respondents shall be selected at random from Plan Participants who have recent experiences with one or more of the following Caremark services: 1) Retail Pharmacy benefits; 2) Mail Service Pharmacy benefits; 3) Customer Care.

Overall satisfaction ratings of at least [REDACTED] shall be guaranteed. For the purposes of this guarantee, satisfaction shall be defined as [REDACTED]
[REDACTED] Caremark shall be responsible for survey design, data collection, analysis and all costs associated with conducting the surveys. This is measured and reported [REDACTED]

REDACTED

Exhibit E Appeals

1. Client represents that its Plan(s) is a self-funded government employer plan that is not “grandfathered” under the Patient Protection and Affordable Care Act (“PPACA”), and therefore, pursuant to Section 2719 of the Public Health Service Act, the Plan must, at a minimum, comply with the claims and appeals processes set forth under ERISA, as amended.
2. To the best of Client’s knowledge, with respect to the services describe in this Exhibit, Client’s Plan(s) is not subject to any legal or regulatory standard apart from that described in Section 1 of this Exhibit. Client shall promptly notify Caremark in writing in the event it determines its Plan(s) is subject to any legal or regulatory standard governing the processing of appeals of Claim determinations other than that described in Section 1 of this Exhibit (such other legal or regulatory requirements being referred to as “Other Applicable Law” herein). Upon such notice, Caremark shall revise its Appeals Program to be in compliance with such Other Applicable Law, as necessary, provided, however, that in the event that such compliance necessitates a substantial modification of Caremark’s processes or systems, Caremark shall first provide Client with a reasonably detailed estimate of the costs of such modified services and Client may elect to make alternative arrangements for appeals services in lieu of proceeding with Caremark’s modified services as proposed by Caremark.
3. Caremark may from time to time modify the Appeals Program. In the event of any such modification, and so long as Caremark reasonably determines that such modification is in compliance with the PPACA and Other Applicable Law, Caremark shall provide Client with written notice of such modification at least thirty (30) days prior to its implementation. If Client determines that any such modification would cause the Appeals Program to be in non-compliance with any Other Applicable Law, Client shall so notify Caremark prior to the end of the thirty (30) day period. Caremark shall then have the option of further modifying its Appeals Program to be in compliance with Other Applicable Law, provided, however, that in the event that such compliance necessitates a substantial alternate modification of Caremark’s processes or systems, Caremark shall first provide Client with a reasonably detailed estimate of the costs of such modified services and Client may elect to make alternative arrangements for appeals services in lieu of proceeding with Caremark’s modified services as proposed by Caremark. In the absence of any such notification by Client, Caremark may implement the modification described in its written notice.
4. Client represents that it will provide Caremark with a current and accurate copy of the Plan Document, as defined herein. The “Plan Document” shall be the written document, which sets forth the Plan design and all other information concerning Client’s prescription drug benefit plan including, but not limited to, eligibility for such benefits, the benefits to be provided, limitations on such benefits and the Plan’s claims and review procedures. Throughout the Term of this Agreement, Client, at its expense, will provide Caremark with sufficient advance notice of any proposed amendments to the Plan Document.

REDACTED

5. Caremark will provide Client with the appeals program described in Sections 5.a. and 5.b. below (“Appeals Program”).
 - a. *Review of Benefit Coverage.* Caremark shall conduct appeals relating to eligibility and coverage of prescription drug benefit determinations. Such reviews will be based on the Plan Document provisions and criteria approved by the Plan, with respect to coverage of prescription drug benefits only, and shall not include a review of medical necessity as may be defined under the terms of the Plan Document. With respect to such review of benefit coverage, Caremark shall have the sole and absolute discretion to interpret the Plan Document and to make factual findings. The decision of Caremark shall be final, subject to any External Review under Section 6. of this Exhibit E, or available judicial review. Caremark may, in its sole discretion, consider the opinions of additional medical and/or legal experts with respect to interpretation of the Plan Document. Under the Appeals Program, Caremark agrees to be a fiduciary solely for the purpose of adjudicating appeals relating to the coverage of prescription drug benefits. Caremark will review appeals in accordance with the rules and procedures established by Caremark to govern appeals from the denials of claims, as may be amended from time to time.
 - b. *Review of Medical Necessity.* Caremark has contracted with an independent vendor or vendors for the processing of appeals resulting from a denial of authorization of prescription benefits where the Plan beneficiary is entitled to obtain a review of the denial by an independent physician specialist. Caremark has entered or will enter into an agreement with the independent vendor(s), which provides for an appeals process consistent with the Appeals Program. The decision of the independent vendor shall be final, subject to External Review under Section 6 of this Exhibit E, or available judicial review only for abuse of discretion.
6. *External Review.* Caremark has contracted with independent review organizations to provide External Review of benefit determination that are subject to External Review under PPACA. This External Review program is designed to comply with the federal requirements under PPACA and not with any specific state department of insurance requirements. The decision of the independent review organization shall be final and binding on the Plan and Plan Participant, subject only to any right of judicial review. Either party may terminate at any time the External Review services provided under this Exhibit by providing the other parties with sixty (60) days prior written notice.
7. As consideration for the services provided hereunder, Client shall pay Caremark the fees set forth in Exhibit A of this Agreement. Payment shall be due in accordance with Section 7.2 of the Agreement.

REDACTED

Exhibit F Maintenance Choice

The following terms and conditions apply to Caremark's Maintenance Choice Program (the "Program"), which will enable Client's Plan Participants to obtain certain over [REDACTED]-day supply maintenance medication prescriptions either at a local CVS/pharmacy or from one of Caremark's mail service pharmacies and to participation by your Plan(s) in the Program.

PROGRAM TERMS AND CONDITIONS:

1. The Program may be a change to Client's existing plan design. Client is responsible for complying with all laws and regulations applicable to its Plan, for making any appropriate notifications to its Plan Participants concerning the Program and for making any appropriate changes to its Plan design documents to reflect its participation in the Program.

2. Caremark will implement and administer the Program as part of the Services provided under the Agreement. All terms and conditions set forth in the Agreement will apply to the Program, although the Program will be governed by the terms and conditions in this Exhibit F to the extent of any conflict between this Exhibit F and the remainder of the Agreement.

3. The Program applies only to "Maintenance Choice Prescriptions." A Maintenance Choice Prescription is a prescription for more than an [REDACTED]-day supply of certain medications that are covered by Client's Plan(s), excluding specialty medications.

4. A Maintenance Choice Prescription will be dispensed by a CVS/pharmacy retail location, but Client will receive the same pricing discounts and dispensing fees, if any, that would apply if the prescription had been filled at one of Caremark's mail service pharmacies. The Plan Participant will pay, and Caremark will direct the dispensing CVS/pharmacy to collect, the lower of the Cost Share the Plan Participant would pay if the prescription was filled at one of Caremark's mail service pharmacies or the U&C price at the CVS/pharmacy. With respect to Client, Maintenance Choice Prescriptions will not be subject to the usual and customary price or other retail network pricing charged by the CVS/pharmacy.

5. Maintenance Choice Prescriptions will be treated the same as prescriptions filled at Caremark's mail service pharmacies for purposes of any mail pricing guarantees and generic dispensing rate guarantees set forth in Exhibit A of the Agreement. Maintenance Choice Prescriptions will be disregarded and therefore excluded for purposes of calculating all mail service pharmacy non-financial performance guarantees set forth in the Agreement.

6. Client represents to Caremark that it is (1) not subject to any laws or regulations that would limit or otherwise impact Client's ability to offer the Program to its Plan Participants, or (2) if Client is subject to any such laws or regulations, it has obtained all required regulatory or legal approvals necessary for its participation in the Program or has otherwise determined that it may offer the Program in compliance with such laws and regulations. Caremark cannot be responsible for any legal requirements applicable to Client's Plan or to Client's participation in the Program. To the extent permitted by law, Client shall indemnify and hold harmless Caremark for any costs, losses, damages, reasonable attorneys' fees and expenses resulting from any regulatory action, lawsuit or other legal proceeding relating to

REDACTED

whether Client's Plan or Client's participation in the Program is in compliance with applicable laws and regulations. Client shall provide Caremark with prompt written notice if it becomes aware of any such actual or threatened regulatory action, lawsuit or other legal proceeding relating to the Program and to cooperate with Caremark and allow Caremark to participate in and/or assume the defense of any such proceeding.

7. Client also represents that it has been provided, and has reviewed and adopted, the Maintenance Choice Participating Pharmacy Terms and Conditions applicable to the Program, as in effect from time to time, and further acknowledges that such terms and conditions are commercially reasonable and necessary for a pharmacy to participate in the Program. The current Maintenance Choice Participating Pharmacy Terms and Conditions are attached as Schedule 1 to this Exhibit F.

8. Upon written notice to Client, Caremark may modify the Program or suspend Client's participation in the Program. Additionally, upon written notice to Client, Caremark may modify the financial guarantees in Exhibit A of the Agreement that are impacted by Client's participation in the Program, but only in a manner that maintains the total aggregate economic value of Client's existing financial guarantees.

REDACTED

SCHEDULE 1 to EXHIBIT F

Specimen Maintenance Choice Participating Pharmacy Terms and Conditions

Note: All of these conditions would be in addition to or would supersede certain conditions in the existing retail provider agreement and provider manual.

- Maintenance Choice (“MC”) – Filling of certain █ day maintenance scripts by retail for AWP – █ or MAC.
- Equivalent pricing for mail and retail for generics.
- Customer service requirements
 1. Pharmacy system functionality in both English and Spanish (i.e., warning labels print in Spanish for Spanish-speaking customers).
 2. Telephonic translation service providing translation for approximately 150 languages.
 3. Must extend an average of 24 invitations to participate in a customer service survey to customers randomly each day in each store. The customers must be asked the following:
 - **(QUALIFIER)** Within the past 30 Days, have you had a prescription filled at this pharmacy? Press 1 for yes or 2 for no.
 - **(IF “1”)** During your most recent visit to the store, how courteous and professional was the pharmacy staff? Please use a 5-point scale where 1 means not at all courteous and professional and 5 means very courteous and professional.

The average results of this survey must be that 75% of responses are a 4 or above. The results must be reported monthly with proper documentation.

- Provision of all drugs covered under MC.
- Provider computer system shall be fully compatible with those used by CVS Caremark.
- Must interface with CVS Caremark relating to MC processes as follows: (i) establish electronic interface with CVS Caremark systems to accept █ day prescription requests; (ii) establish electronic interface that integrates Provider’s inventory management system with CVS Caremark systems to accept corresponding updates to Provider’s inventory for each prescription request sent to Provider and subsequently adjust inventory supply accordingly within █ days of update; (iii) Provider must have an automated process to contact the prescriber within █ hours of receipt of █ day prescription request and must use commercially reasonable efforts to obtain the █ day prescription from the prescriber within █ days of receipt of █ day prescription request; (iv) if unable to obtain █ day prescription from the prescriber within such █ day time period, must contact the participant to adjust expectation regarding pick up date, if pick up date merely delayed, or request that participant contact the prescriber directly, if prescriber refused to write

REDACTED

the prescription; (v) develop and establish additional interfaces as necessary as the MC program develops, including but not limited to, CVS Caremark customer service access to Provider systems to view status of participant's prescription fulfillment and the provision of additional clinical services.

- Provider shall not issue news releases or communications of any kind relating to MC without the express prior written approval of CVS Caremark.
- Provider will maintain policies and procedures to verify the pedigree and chain of custody for all prescriptions dispensed by Provider.
- Provider shall not, under any circumstances, return to stock and dispense drugs that have been previously dispensed.
- Provider shall not have initiated or be involved in any legal demand, dispute or other legal proceeding adverse to CVS Caremark or any of its affiliates unless Provider has a good-faith basis that CVS Caremark or any of its affiliates have violated the Law or the Agreement.
- Provider and its affiliates shall be a participating pharmacy in CVS Caremark's retail network and shall be in compliance with any other provider agreement or other contract between Provider (or any of Provider's affiliates) and CVS Caremark (or any of CVS Caremark's affiliates), if any.
- Provider must agree to provide pharmacy services for all plan sponsors who use a CVS Caremark national network.
- Provider must participate in marketing and communications programs as directed by CVS Caremark.
- Audit rights to verify compliance with all Terms and Conditions.



MinuteClinic Service Program Letter Agreement

January 20, 2014

City of Long Beach
Ms. Sherriel Murry
Department of Human Resources
333 W. Ocean Blvd 13th Floor
Long Beach, CA 90802

Re: MinuteClinic Service Program - Confidential Terms and Conditions

Dear Sherriel:

We are pleased the City of Long Beach has chosen to implement the Minute Clinic service offering ("MinuteClinic Program") which will allow you to provide MinuteClinic services as a part of your pharmacy benefit.

This letter agreement supplements the Prescription Benefit Services Agreement, effective January 1, 2014 ("PBM Agreement"), by and between CaremarkPCS Health, L.L.C., a Delaware limited liability company ("Caremark"), and the City of Long Beach ("Client"). Capitalized terms used in this letter agreement and not otherwise defined herein shall have the meanings set forth in the PBM Agreement.

The MinuteClinic Program pilot shall commence on February 1, 2014 ("Program Commencement Date") and terminate in accordance with Section 8 of this letter agreement.

PROGRAM TERMS AND CONDITIONS

1. Caremark, through its affiliate MinuteClinic, will make available to Plan Participants the MinuteClinic services described on Exhibit A ("MinuteClinic Services"). Client shall pay the fees outlined in Exhibit A ("MinuteClinic Fees"), such payments to be made in accordance with the terms of the PBM Agreement.
2. Client will cause the Plan to implement the co-pay or co-insurance levels described on Exhibit B ("MinuteClinic Patient Responsibility") for MinuteClinic Services when rendered by MinuteClinic.
3. On or before the Program Commencement Date, Client shall receive all authorizations and make all changes necessary for the Plan to implement the MinuteClinic Program as part of its prescription benefit, including but not limited to, updating Plan documents or amending the Plan's existing agreements with third parties. If requested by Caremark, Client will provide written documentation evidencing the changes. Client is responsible for complying with all laws and regulations applicable to the Plan. Client shall provide any required or appropriate notifications to Plan Participants concerning the MinuteClinic Program.
4. Client acknowledges that if the MinuteClinic Services are also covered under the Client's medical benefit plan, a Plan Participant may elect to submit a claim for reimbursement under the medical benefit plan rather than the Plan's prescription benefit. Client further acknowledges that a Plan Participant may submit a claim for reimbursement under the medical benefit plan for

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CITY OF LONG BEACH
DEPARTMENT OF HUMAN RESOURCES
333 W. OCEAN BLVD
LONG BEACH, CA 90802



MinuteClinic Services that have previously been submitted under the Plan's prescription benefit. It is the responsibility of Client to monitor claims under the medical benefit plan for potential dual submission, for which Caremark and MinuteClinic shall have no liability. Caremark and MinuteClinic shall work in good faith with Plan Sponsor to resolve any duplicative claim submissions or any claims filed under a medical benefit plan when the prescription benefit plan was intended or vice versa. It shall be the Plan Sponsor's responsibility to communicate with the Plan Participant regarding prescription and medical benefits.

5. Client represents and warrants that: (a) the MinuteClinic patient financial responsibility set forth on Exhibit B shall be at least twenty dollars (\$20) less than the standard office visit or primary care co-pay and co-insurance levels under the Client's medical benefit plan for plan participants ("Medical Benefit Plan"); and (b) the co-pay or co-insurance for other retail health clinic providers under the Medical Benefit Plan and under the Plan shall be greater than or equal to the standard office visit or primary care co-pay or co-insurance level.
6. To realize the value of the MinuteClinic Program, its benefits must be initially and thereafter periodically communicated to plan participants. To generate awareness and participation in the program, Client agrees to a) include the reduced co-pay message in benefit materials including, but not limited to: (i) open enrollment materials; (ii) new hire orientation materials; and (iii) benefits web pages and print materials; b) register for access to the Marketing Resource Center; and c) utilize Marketing Resource Center supported marketing materials a minimum of three (3) times per year. Client also agrees to add seed names/email addresses to communications being sent; this enables verification of outreach components.
7. Client authorizes Caremark to provide, and MinuteClinic to receive, Plan eligibility data as contemplated by this agreement. Client shall be responsible for ensuring that Caremark has up to date and accurate eligibility files with respect to Plan Participants eligible for the MinuteClinic Program. Caremark and MinuteClinic shall identify eligible Plan Participants by utilizing a real-time electronic eligibility check of the Plans' eligibility data files maintained by Caremark via a portal between MinuteClinic and Caremark systems. Caremark shall be responsible for any direct charges associated with its mischaracterization of a member as eligible.
8. The pilot phase of the MinuteClinic Program and this letter agreement shall continue until December 31, 2014 and thereafter can be renewed by the written mutual agreement of both parties; provided that either party may at any time terminate this letter agreement upon sixty (60) days prior written notice to the other party. If the Client and Caremark wish to continue the MinuteClinic Program as a permanent offering, the parties shall then work in good faith to negotiate a more definitive amendment to the PBM Agreement which shall set forth relevant business and pricing terms.
9. This letter agreement may be executed in separate counterparts, each of which will be an original and all of which taken together shall constitute one and the same agreement, and any party hereto may execute this letter agreement by signing any such counterpart. The parties agree that this letter agreement may be delivered by electronic means (e.g., e-mail) and those copies will have the same effect as originals.
10. All other terms of the PBM Agreement shall remain in full force and effect.



The MinuteClinic Program for the Plan was implemented on February 1, 2014. A copy of this letter agreement executed by the Client must be received by Caremark no later than February 28, 2014 in order to ensure the MinuteClinic Program remains implemented, otherwise, Caremark's ability to provide the MinuteClinic Program may be impacted.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Ryan Belkin

Client agrees to participate in the MinuteClinic Program on the terms and conditions set forth above.

Agreed to by CITY OF LONG BEACH

Assistant City Manager

Signature of Authorized Representative

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

City Manager

Title

Patrick H. West

Print Name

APPROVED AS TO FORM

2/26, 2014
CHARLES PARKIN, City Attorney

By

LINDA T. VU
DEPUTY CITY ATTORNEY

EXHIBIT A

**NOT FOR UNREDACTED DISTRIBUTION. THIS DOCUMENT CONTAINS CONFIDENTIAL,
PROPRIETARY AND TRADE SECRET INFORMATION OF MINUTECLINIC,
EXEMPT FROM DISCLOSURE UNDER PUBLIC RECORDS LAWS.**

EXHIBIT B

CPT	Modifier	Description	Member Cost Share	Non-Mandated Screenings, Non-Mandated Vaccines or Mandated Preventative	Notes
80061	QW	Cholesterol Screen	0%	Non-Mandated Screenings	Treated as preventative with appropriate diagnosis code
81002	QW	Urine Dip Stick	0%	Non-Mandated Screenings	Yes
81025	QW	Pregnancy Test	0%	Non-Mandated Screenings	Yes
82044	QW	Microalbuminuria	0%	Non-Mandated Screenings	Yes
82947	QW	Blood Sugar (glucose)	0%	Non-Mandated Screenings	Treated as preventative with appropriate diagnosis code
83036	QW	HbA1c (hemoglobin)	0%	Non-Mandated Screenings	Yes
86308	QW	Mono Test	0%	Non-Mandated Screenings	Yes
86580	QW	TB Testing	100%	N/A	MC only bills as Self Pay service
86689	90	HIV confirmatory test	0%	Non-Mandated Screenings	ONLY IN NY
86703	QW	HIV Test	0%	Non-Mandated Screenings	ONLY IN NY
86803	QW	Hepatitis C antibody DNA Probe	0%	Non-Mandated Screenings	Yes
87650			0%	N/A	culture test service sent out to Quest Labs (2nd Test if Strep Test is negative)
87804	QW	Influenza test for influenza A strain	0%	Non-Mandated Screenings	Yes
87804	QW	Influenza test for influenza B strain	0%	Non-Mandated Screenings	Yes
87809	QW	Infectious agent; adenodetector test for conjunctivitis	0%	Non-Mandated Screenings	Yes
87880	QW	Quick Strep Test	0%	Non-Mandated Screenings	Yes

CPT	Modifier	Description	Member Cost Share	Non-Mandated Screenings, Non-Mandated Vaccines or Mandated Preventative	Notes
90460		Immunization administration through 18 years of age via any route of administration, with counseling by physician or other qualified health care professional; first vaccine/toxoid component	0%	variable based on non-mandated & mandated	Yes, note: always coupled with vaccine serum CPT code
90471		Vaccine Injection, Administration	0%	variable based on non-mandated & mandated	Yes
90472		Additional Vaccine Injection, administration	0%	variable based on non-mandated & mandated	Yes
90473		Immunization Administration by intranasal or oral vaccine	0%	variable based on non-mandated & mandated	Yes, note: always coupled with vaccine serum CPT code
90474		Additional Vaccine Injection, administration	0%	variable based on non-mandated & mandated	Yes
90632		Hep A Adult	0%	Mandated Preventative	Yes
90633		Hep A Child - 2 dose	0%	Mandated Preventative	Yes
90649		Human Papilloma virus (HPV) vaccine, types 6, 11, 16, 18 (quadrivalent), 3 dose schedule, for intramuscular use	0%	Mandated Preventative	Yes
90654		Flu Shot - Fluzone intradermal	0%	Mandated Preventative	Yes
90655		Flu Shot child (6mo to 35mo) no preservative	0%	Mandated Preventative	Yes
90656		Flu Shot (36 mo+) no preservative	0%	Mandated Preventative	Yes
90657		Flu Shot child (6mo to 35mo) contains preservative	0%	Mandated Preventative	Yes
90658		Flu Shot-Adult (36 mo+) contains preservative	0%	Mandated Preventative	Yes
90662		Flu Shot - Fluzone (High dose)	0%	Mandated Preventative	Yes
90672		FluMist Nasal Spray	0%	Mandated Preventative	Yes
90700		DTaP Vaccine	0%	Mandated Preventative	Yes
90707		MMR Vaccine	0%	Mandated Preventative	Yes
90713		IPV Vaccine	0%	Mandated Preventative	Yes
90714		Tetanus/Diphtheria Vaccine	0%	Mandated Preventative	Yes
90715		TDaP Vaccine	0%	Mandated Preventative	Yes
90732		Pneumovax Vaccine	0%	Mandated Preventative	Yes
90733		Meningococcal polysaccharide vaccine (any group(s))	0%	Mandated Preventative	Yes
90734		Meningococcal conjugate vaccine, serogroups A, C, Y and	0%	Mandated Preventative	Yes

CPT	Modifier	Description	Member Cost Share	Non-Mandated Screenings, Non-Mandated Vaccines or Mandated Preventative	Notes
90744		Hep B Shot Child	0%	Mandated Preventative	Yes
90746		Hep B Shot Adult	0%	Mandated Preventative	Yes
96372		Therapeutic, prophylactic, or diagnostic injection	0%	Mandated Preventative	Yes
99201		New Patient Minimal Visit	\$0	N/A	Yes
99202		New Patient Expanded Visit	\$0	N/A	Yes
99203		New Patient Detailed Visit	\$0	N/A	Yes - Can't be excluded - this is office visit code
99211		Established Patient Minimal Visit	\$0	N/A	Yes
99212		Established Patient Visit	\$0	N/A	Yes
99213		Established Patient Expanded Visit	\$0	N/A	Yes
99214		Established Patient Detailed Visit	\$0	N/A	Yes
99401		Preventive medicine counseling/risk factor reduction, 15 min	\$0	N/A	Yes
99402		Preventive medicine counseling/risk factor reduction, 30 min	\$0	N/A	Yes
99406		Preventive Medicine counseling/intervention, tobacco use	\$0	N/A	Yes
99407		Preventive Medicine counseling/intervention, tobacco use, <10	\$0	N/A	Yes
J0171		Adrenalin, Epinephrine	0%	Non-Mandated Vaccines	Yes
J1050		Injection, medroxyprogesterone acetate for contraceptive use, 150 mg	0%	Non-Mandated Vaccines	Yes
J3420		Injection, Vitamin B-12 Cyanocobalamin, up to 1000 MCG	0%	Non-Mandated Vaccines	Yes
G0008		Administration of Influenza Vaccine-Medicare	N/A	N/A	N/A Used by Medicare only
G0009		Administration of Pneumococcal Vaccine-Medicare	N/A	N/A	N/A Used by Medicare only
G0010		Administration of Hepatitis B Vaccine-Medicare	N/A	N/A	N/A Used by Medicare only

KEY	
Non-Mandated Screenings	
Preventative (Mandated)	
Non-Mandated Vaccines	
Administration of Services for Vaccines	
Wellness Services	
Minor Illness, Injury, Skin Condition	
Special case - patient self pay only service	
Medicare (N/A)	

Service codes include 1) codes that are currently billed, 2) codes that were formerly billed, but not-active at this time, and 3) codes for services we do not currently offer but may offer in the future.