

This Amendment No. 1, effective January 1, 2015, amends the Prescription Benefit Services Agreement between CaremarkPCS Health, L.L.C. ("Caremark") and City of Long Beach ("Client") dated as of January 1, 2014 (the "Agreement").

The parties agree to amend the Agreement as set forth herein.

1. Section 2.23 (MinuteClinic Cost Share Reduction Program) of the Agreement is hereby amended by deleting it in its entirety and inserting the following in its place:

"2.23 **MinuteClinic Savings Strategy.** Client has elected to continue its participating in the MinuteClinic Savings Strategy, formerly known as the MinuteClinic Cost Share Reduction Program (the "Savings Strategy"), through MinuteClinic, L.L.C. ("MinuteClinic"), the retail medical clinic affiliate of Caremark. The Savings Strategy provides a preferred pricing option for the delivery of certain medical services to Plan Participants in accordance with the terms and conditions of Client's agreement with MinuteClinic. Client hereby authorizes Caremark to exchange eligibility information, including PHI, with MinuteClinic for the purpose of providing the Savings Strategy. Furthermore, Caremark shall accept and process medical claims from MinuteClinic ("MinuteClinic Claims") through its pharmacy claims adjudication platform. Caremark will adjudicate the MinuteClinic Claims at the rates agreed to by Client and MinuteClinic and will invoice Client for MinuteClinic Claims on its periodic Claims invoice. The parties acknowledge and agree that Caremark will not charge any per-Claim administrative fees for processing MinuteClinic Claims and that the MinuteClinic Claims shall not be: (a) subject to any DUR Services performed by Caremark; (b) subject to or included in the reconciliation of any financial guarantees provided by Caremark; or (c) included in the calculation of any Performance Guarantees offered by Caremark."

2. Article 2 (Caremark Services) of the Agreement is hereby amended by inserting the following new Section 2.24 at the end of such Article:

"2.24 **Vaccine Services.** Caremark shall provide vaccine administration services in accordance with the terms and conditions described in Exhibit G."

3. Section 1.a (Mail, Retail, Rebates and Specialty) of Exhibit A (Financial Terms) of the Agreement is hereby amended by adding the following new subsection at the end thereof:

"(xii) **Specialty Preferred Drug Plan Design Program ("PDPD Program").** Client adopts as part of its Plan design, the Specialty Preferred Drug Plan Design Program (hereinafter referred to as the "PDPD Program"), as amended from time to time by Caremark and Client will modify, as it deems necessary, any applicable Plan documents to reflect the PDPD Program. Client directs Caremark to implement the step-therapies or prior authorizations identified in Client's PDD, consistent with the PDPD Program. If Client fails to adopt the PDPD Program conditions, or otherwise qualify for the PDPD Program, including drug utilization assumptions, then the financial terms of the PDPD Program applicable to Client may be modified."

4. Section 2.2 (Enhanced Clinical Programs and Services) of Exhibit A (Financial Terms) of the Agreement is hereby amended by adding the following new subsection at the end thereof:

Enhanced Clinical Programs and Services Managing Bad Trend		Fee	Guaranteed Return on Investment ("ROI")
vi.	Drug Savings Review	\$0.30 PMPM	300% ROI over 1 year
<p>Caremark guarantees that the gross savings realized from these services over the Clinical Program Year of the Agreement for the Drug Savings Review Program shall be 300% of the expense to Client for these services over the Clinical Program Year. In the event Caremark fails to meet the targeted savings, Client shall be credited for any guaranteed savings short-fall following the end of the applicable Clinical Program Year, up to the amount of fees paid by Client for the Drug Savings Review Program during the Clinical Program Year. "Clinical Program Year" means the twelve (12) month period commencing on the start date of the Drug Savings Review Program and each full consecutive twelve (12) month period thereafter that the Drug Savings Review Program is provided.</p>			

5. New Exhibit G (Vaccine Master Addendum), attached hereto, is hereby incorporated into and made a part of the Agreement.

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

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

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

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment No. 1 as of the date first written above.

CAREMARKPCS HEALTH, L.L.C.

CITY OF LONG BEACH

By: *Paul C. Ryan*
 Its: SVA
 Date Signed: 10/14/14

LEGAL
 REVIEW

Assistant City Manager
 By: *R.B. [Signature]* EXECUTED PURSUANT
 Its: City Manager TO SECTION 301 OF
 Date Signed: 12/19/14 THE CITY CHARTER.

APPROVED AS TO FORM
12/2, 2014
 CHARLES PARKIN, City Attorney
 By: *[Signature]*

LINDA T. VU
 DEPUTY CITY ATTORNEY

EXHIBIT G

VACCINE MASTER ADDENDUM

This Vaccine Master Addendum ("Addendum") is incorporated into and made a part of the Agreement. Caremark provides and Client desires to engage Caremark to arrange for the provision of certain vaccination services to those individuals selected by Client (the "Program"), as set forth below.

1. **Program Enrollment Form.** This Addendum is intended to be supplemented by one or more Program Enrollment Forms, which will set forth specific Program offerings made available by Caremark from time to time. Client will elect the specific Program option(s) in which it elects to participate on such Program Enrollment Form(s).
 - 1.1 **Annual Flu Season Vaccination Elections.** Unless otherwise specified in a Program Enrollment Form, influenza vaccination Program offerings will change each Flu Season. A "Flu Season" will generally begin in August or September of a calendar year and continue for several months thereafter into the succeeding calendar year, as set forth in a specific annual Enrollment Form. Specific Program offerings may vary from one Flu Season to the next based on relevant considerations, including, but not limited to, vaccine availability, client requests, and availability of qualified personnel to administer vaccinations, and may include additional vaccination options in addition to influenza vaccinations.
 - 1.2 **Non-Seasonal Vaccination Elections.** Under the Program, certain non-seasonal vaccine offerings may be available from time to time, which will be set forth in a Program Enrollment Form. Non-seasonal vaccine services under the Program may be provided on an open-ended basis and span multiple Flu Seasons, as indicated on the respective Program Enrollment Form.
 - 1.3 **Periodic Program Elections.** While this Addendum remains in effect, Caremark shall, upon request, provide Client with one or more Program Enrollment Forms which shall detail the specific features of the Program then available for the current Flu Season or other time period. Any Program Enrollment Form executed by Client shall be deemed incorporated into this Addendum. Client shall indicate its election to participate in the Program on the appropriate Program Enrollment Form and return such signed Program Enrollment Form to Caremark. Caremark shall provide Program services to Client in accordance with the terms of this Addendum and the applicable Program Enrollment Form. The terms of any current Program Enrollment Form executed by Client shall, as applicable, control over this Addendum for the respective Flu Season services or non-seasonal vaccine services corresponding to such Program Enrollment Form.
 - 1.4 **Terminating Participation.** Unless the Agreement or this Addendum is expressly terminated, this Addendum shall continue in force for any future Flu Season(s) that Caremark offers the Program and Client elects to participate, even in the event that Client elects not to participate in, or Caremark elects not to offer, any Program options during any particular Flu Season. Client may terminate participation in the Program as of the end of any Flu Season, or, with respect to non-seasonal vaccination offering, if available and elected, upon thirty (30) days' prior written notice to Caremark.
2. **General Program Pricing Terms.** The following terms apply to all Program offerings:
 - 2.1 **Vaccine Fee Composition.** Unless otherwise stated in the respective Program Enrollment Form, the pricing terms contained in such Program Enrollment Form include the vaccine, vaccine administration fee, and dispensing fee.
 - 2.2 **Exclusion from Agreement Guarantees.** Vaccinations provided pursuant to the Program may be excluded from the calculation of any and all financial and performance guarantees in the Agreement.

- 2.3 Co-Payments.** The service fee designated on the respective Program Enrollment Form shall, prior to invoicing by Caremark, be reduced by any copayment designated by Client on the respective Program Enrollment Form and paid to the dispensing pharmacy by the vaccination recipient.
- 3. General Vaccine Retail Voucher Terms.** The following terms apply to Program offerings including a vaccination Retail Voucher component, if selected by Client:
- 3.1 Distribution of Retail Vouchers.** Caremark shall provide Client with a portable document file (pdf) electronic file (“Electronic File”), from which Retail Vouchers may be printed. Client shall be responsible for selection of individuals eligible to receive Retail Vouchers (“Voucher Recipients”) and distribution of the Electronic File or Retail Vouchers to Voucher Recipients.
- 3.2 Redemption of Retail Vouchers.** Caremark shall arrange for the provision of vaccinations to Voucher Recipients exclusively at CVS/pharmacy locations where licensed pharmacists or pharmacist interns will administer the vaccinations. The vaccination indicated on the Retail Voucher shall be provided upon presentation of a Retail Voucher, which must be relinquished at the time the Voucher Recipient receives the vaccination. Client understands and acknowledges that only CVS/pharmacy locations are “in-network” for purposes of this Retail Voucher offering.
- 3.3 Invoicing.** Caremark shall invoice Client for Retail Voucher Program services in accordance with the rates and terms specified in the respective Program Enrollment Form. If no invoicing terms are specified in a Program Enrollment Form, Caremark shall invoice Client monthly and invoices shall be paid within thirty (30) days of receipt.
- 4. General Eligibility Based Program Terms (Broader Vaccine Network or CVS Only Vaccination Network).** The following terms apply to Program offerings including an option to receive vaccinations upon presentation of a prescription benefit Plan Member ID Card, if selected by Client:
- 4.1 Participating Vaccine Pharmacies.** Subject to pharmacy schedule and vaccine availability, certain Participating Pharmacies shall administer the vaccination(s) elected in the respective Program Enrollment Form. Under the Broader Vaccine Network, various chain and independent Participating Pharmacies participate in the Program offering (referred to for the purposes of this Section 4 as “Participating Vaccine Pharmacies”). Under the CVS Only Vaccine Network, only CVS/pharmacy locations participate in the Program offering. If Client elects to participate in this Program component, Client’s election of either the Broader Vaccine Network or the CVS Only Vaccine Network, as available, shall be made on an Enrollment Form. Availability of vaccines may vary by Participating Vaccine Pharmacy location. For clarification, Client acknowledges that MinuteClinic locations are not Participating Vaccine Pharmacies and do not administer vaccinations under the Program component described in this Section 4. At Client’s request Caremark shall provide Client with a current list of Participating Vaccine Pharmacies. Client understands and acknowledges that all Participating Pharmacies are offered the opportunity to administer vaccinations as Participating Vaccine Pharmacies in the Broader Vaccine Network, but not all Participating Pharmacies have chosen to do so.
- 4.2 Invoicing.** Caremark shall invoice Client for Program services described in this Section 4 in accordance with the rates and terms specified in the respective Program Enrollment Form. If no invoicing terms are specified in a Program Enrollment Form, Caremark shall invoice Client pursuant to the standard Claims invoicing and payment terms of the Agreement.
- 5. Additional Terms.** Except with respect to collection of co-payments as agreed to by Client and Caremark in a Program Enrollment Form, Caremark undertakes no responsibility to bill any payor other than Client for the services described in this Addendum or any Program Enrollment Form and specifically disclaims any obligation to engage in any coordination of benefits with respect to such

services, except where required by applicable law. The provision of all Program services is subject at all times to vaccine availability. In the event of an epidemic, pandemic or similar public health incident(s), Caremark may be unable to purchase and/or supply vaccine, and product held by Caremark may be subject to superseding requirements imposed by a governmental authority, including, without limitation, potential seizure. Caremark shall have no liability due to any resulting inability to provide Program services. Capitalized terms used but not otherwise defined in this Addendum shall have the meaning set forth in the Agreement. Caremark will implement the Program described herein upon receipt of this Addendum, signed by Client, and receipt of one or more current Program Enrollment Form(s), within the timeframe specified in such Program Enrollment Form(s).

6. **Successive Vaccination Pricing.** This Addendum shall supersede all previous vaccine pricing agreed to by the parties, if any. The pricing terms of each successive Program Enrollment Form shall supersede the conflicting pricing terms of the preceding Program Enrollment Form, if any, except as may be expressly stated in a Program Enrollment Form.