

BOARD OF COUNTY COMMISSIONERS

DATE: August 9, 2011

AGENDA ITEM NO. 27a.

Consent Agenda ☐

Regular Agenda ☒

Public Hearing ☐

County Administrator's Signature:

Subject:

Approval of Final Agreement - Pharmacy Benefits
Contract No. 101-0225-P (AM)

Department:

Human Resources / Purchasing

Staff Member Responsible:

Peggy Rowe / Joe Lauro

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE FINAL NEGOTIATED AGREEMENT WITH THE HIGHEST RANKED FIRM, MEDCO HEALTH SOLUTIONS, INC. (MEDCO), MONTVALE, NEW JERSEY.

IT IS FURTHER RECOMMENDED THAT AFTER PROPER EXECUTION OF THE AGREEMENT BY THE VENDOR, THE CHAIRMAN SIGN THE AGREEMENT AND THE CLERK ATTEST.

Summary Explanation/Background:

On May 24, 2011, the Board approved the ranking of four (4) firms pertaining to a contract for third party administrator services for the County's employee pharmacy benefits Plan and authorized Buck Consultants (Buck), acting on behalf of Pinellas County, to negotiate a final contract with the firm who offered the most comprehensive and cost effective services.

A final agreement with the successful firm, MEDCO, has been negotiated by Buck and reviewed by County staff and is presented to the Board for consideration. Some of the key features offered by the new contract are listed below.

Key negotiation points:

1. Estimated savings utilizing the new contract compared to the current contract is \$470,000.00 per year.
2. Key financial and non financial improvements finalized during negotiations were:
 - a. Medco agreed to add language that will give Pinellas County the right to terminate if a major retailer or other pharmacy with significant market share exits the network.
 - b. Medco agreed to add a generic dispensing rate guarantee.
 - c. Medco agreed to waive the first \$0.05 of postage increases. Medco typically requires clients accept all postage rate increases. This is atypical of a Medco contract.
 - d. Medco agreed that the Average Wholesale Price (AWP) used to price mail-order claims will be based on actual package sizes instead of standard package sizes, which is also atypical of a Medco contract. This definition makes the value of the guarantees they offered at mail worth more (mail prices will be lower).

- e. Medco agreed that the pricing guaranteed for mail claims will apply to claims for 30-day supplies or higher, which is a lower threshold than is typical. Medco usually only provides "mail-pricing" to claims for 84-day supplies and higher. This provision makes the value of the guarantees they offered at mail worth more (mail prices will be lower).
- f. Medco agreed to expedite the payment of rebates; the minimum guarantees will be paid one hundred twenty (120) days after each calendar quarter (with an annual reconciliation) as compared to Medco's initial proposal of within one hundred eighty (180) days after the end of each reporting quarter. This is contingent upon Medco receiving total rebates from the manufacturers.
- g. Medco agreed to perform an annual reconciliation between actual claim pricing terms (i.e., AWP discounts and dispensing fees) by network (retail, mail, specialty) within one hundred twenty (120) days from the close of the year as compared to Medco's initial proposal of within one hundred eighty (180) days after the end of the year.
- h. Medco agreed that pricing guarantees for each channel (e.g., retail, mail) and rebates will stand-alone, which is atypical of a Medco contract. This provision makes the value of the guarantees they offered worth more (as they cannot cross-subsidize guarantees).
- i. Medco agreed that the plan will not be responsible for members' outstanding balances at mail, which makes the cost of the plan lower.
- j. Medco agreed to definitions of multi-source brands, single-source brands and generics, which is atypical of a Medco contract. These definitions add clarity to pricing calculations (if not included, guarantees could more easily be met).
- k. Medco agreed to not include zero-balance billing logic, which has no impact on the client's cost but does keep the price of prescriptions lower for participants.

Fiscal Impact/Cost/Revenue Summary:

After Negotiation the Pharmacy Plan Annual Cost including administrative fees: \$13,198,000 subject to minimal fluctuation based on actual plan enrollment.

Exhibits/Attachments:

1. Final Agreement

EXECUTION COPY

INTEGRATED PRESCRIPTION DRUG PROGRAM AGREEMENT

THIS AGREEMENT is entered into as of the 1st day of January 2012 (the "Effective Date") between Medco Health Solutions, Inc. ("Medco"), located at 100 Parsons Pond Drive, Franklin Lakes, New Jersey 07417, through Systemed, a Medco business, and Pinellas County Government ("SPONSOR"), located at 400 S. Ft. Harrison Avenue, Clearwater, FL 33756.

WHEREAS, SPONSOR provides for the payment of prescription drugs and related services for persons eligible to receive such benefits through affiliation with a group that has a contract or other arrangement in effect with SPONSOR; and

WHEREAS, Medco, provides prescription drug benefits programs and, in connection therewith, has established networks of participating retail pharmacies and operates a system for the processing, fulfillment and payment of claims for prescription drugs furnished by such pharmacies; and

WHEREAS, Medco's Medco By Mail mail order pharmacy affiliates are licensed pharmacies which provide prescription drugs via a mail order service; and

WHEREAS, SPONSOR desires to retain the services of Medco and its subsidiaries and affiliates, including Medco Health, L.L.C., which holds TPA licenses in certain states, as applicable, to provide a prescription drug benefit program (the "Program") including, but not limited to, retail pharmacy and mail order pharmacy and specialty drug pharmacy services for eligible persons, point-of-care, physician office communications and cost containment initiatives developed and implemented by Medco, which may include communications with prescribers, patients and/or participating pharmacies, and financial incentives to participating pharmacies for their participation in such initiatives (collectively, "PBM Services").

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. DEFINITIONS

- 1.1. "AWP" means the average wholesale price of the Covered Drug, as set forth in the current price list in recognized sources such as Medi-Span if available, or other nationally recognized source determined by Medco. Under the Retail, Mail, and Specialty Pharmacy Program, AWP is based on the package size submitted, and for Compound Prescriptions is 1.25 times the AWP of each ingredient. If Medi-Span or other applicable source changes the methodology for calculating AWP or ceases publishing or replaces AWP, or Medco utilizes another recognized pricing source or a pricing benchmark other than AWP, including prior to the Effective Date, in a way that changes the economics of the Program, the parties agree to modify the Program Pricing Terms to preserve the parties' relative economics before such changed methodology or other event. Medco agrees to provide Sponsor with as much advance notice as possible and sufficient details to support any changes proposed to pricing terms to account for any changes proposed.
- 1.2. "Brand Name Drugs" means all Single-Source ("SS") and Multisource ("MS") Brand drugs as set forth in First Databank's National Drug Data File or such other nationally recognized source, as reasonably determined by Medco. SS Brands are products that have not lost their patent protection (i.e., a product available from the innovator, the manufacturer with the New Drug Application approval). MS Brands will be defined as products that have lost their patent protection and are available from the innovator (the manufacturer with the New Drug Application approval) and at least one manufacturer with an Abbreviated New Drug Application approval.

"house generic" by the pharmacy (DAW 5 code submitted) will be included in the Generic AWP Discount Effective Rate Guarantee.

- 1.3. **"Business Days" or "business days"** means all days except Saturdays, Sundays, and federal holidays. All references to "day(s)" are to calendar days unless "business day" is specified.
- 1.4. **"Compound Prescription"** means a prescription that meets the following criteria: two or more solid, semi-solid or liquid ingredients, at least one of which is a Covered Drug, that are weighed or measured then prepared according to the prescriber's order and the pharmacist's art.
- 1.5. **"Contract Quarter"** means the full three (3) month period commencing on the Effective Date, and each full consecutive three (3) month period thereafter that this Agreement remains in effect.
- 1.6. **"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.
- 1.7. **"Copayment" and/or "Coinsurance"** means the amount to be paid by an Eligible Person for each prescription or authorized refill as determined in accordance with the Plan Design(s).
- 1.8. **"Covered Drugs"** means drugs which, under state or federal law, require a prescription, including Compound prescriptions. Excluded from Covered Drugs are (i) cosmetic drugs, (ii) appliances, devices, bandages, heat lamps, braces, splints, and artificial appliances, (iii) health and beauty aids, cosmetics and dietary supplements and (iv) OTC products ("Exclusions"). Additional Covered Drugs and/or Exclusions applicable to any individual Group will be designated by SPONSOR in the applicable Plan Design.
- 1.9. **"Dispensing Fee"** means the amount payable pursuant to Sections 1, 2 or 3 of Schedule A of this Agreement for a Participating Pharmacy or Medco to dispense a prescription or authorized refill to an Eligible Person.
- 1.10. **"Eligible Person"** means each person who, through affiliation with a Group, is eligible for prescription drug benefits pursuant to this Agreement, and such person's qualified dependents.
- 1.11. **"Generic Drug"** means a Multisource generic drug set forth in First Databank's National Drug Data File, or such other nationally recognized source, as reasonably determined by Medco that is available in sufficient supply from multiple FDA approved generic manufacturers of such drug. . Multisource ("MS") Generics will be defined as products that are available from the innovator (the manufacturer with the New Drug Application approval) and two or more manufacturers with Abbreviated New Drug Application approvals. Single-Source ("SS") Generics will be defined as products that are only available from the innovator (the manufacturer with the New Drug Application approval) and one manufacturer with an Abbreviated New Drug Application approval. Medco will maintain a list of SS Generics (that include effective and term dates) that will be provided upon the Sponsor's request.
- 1.12. **"Group"** means a group of Eligible Persons that have the same Plan Design as designated by SPONSOR.
- 1.13. **"Integrated Program"** means a program in which Eligible Persons enrolled in such program may have prescriptions dispensed either (i) by a Participating Pharmacy under the Retail Pharmacy Program or (ii) by Medco under the Mail Order Pharmacy Program. Reference to the Retail Pharmacy Program and/or Mail Order Pharmacy Program herein will include services performed by Medco for Eligible Persons enrolled in the Integrated Program.
- 1.14. **"MAC" or the "Maximum Allowable Cost"** consists of a list of off-patent drugs subject to maximum allowable cost payment schedules developed or selected by Medco. The payment

schedules specify the maximum unit ingredient cost payable by SPONSOR for drugs on the MAC list. The MAC list and payment schedules are frequently updated. The MAC list at mail will include the same medications or more and will use the same prices or lower prices as the MAC list used at retail pharmacies.

- 1.15. **“Mail Order Pharmacy Program”** means the program described in Section 4 in which Eligible Persons may submit a prescription along with the applicable Copayment/Coinsurance to Medco for dispensing via mail order.
- 1.16. **“Minimum Enrollment”** means an enrollment of not less than 4,000 Primary Eligible Participants under the Program.
- 1.17. **“Participating Pharmacy”** means a retail pharmacy that has entered into an arrangement with Medco that specifies the terms and conditions of the pharmacy’s participation, including the rates that Medco will pay the pharmacy to participate in Medco’s Broad National Network servicing SPONSOR’s Program including the rates that Medco will pay the pharmacy.
- 1.18. **“Plan Design”** means Program drug coverage, days’ supply limitation, Copayment/Coinsurance, Formulary (including Formulary drug selection) and other Program specifications applicable to the Program designated by SPONSOR as set forth in this Agreement or otherwise documented between the parties.
- 1.19. **“Primary Eligible Participant”** means each Eligible Person, excluding Eligible Persons who are qualified dependents.
- 1.20. **“Program Pricing Terms”** means the (i) financial or pricing terms, allowances and guarantees set forth in Schedule A of this Agreement, and (ii) performance standards and penalties set forth in Section 5 of this Agreement.
- 1.21. **“Retail Pharmacy Program”** means the program described in Section 3 in which Eligible Persons may purchase Covered Drugs from a Participating Pharmacy upon verification of Program eligibility and payment of the applicable Copayment/Coinsurance, and the claim is submitted by the Participating Pharmacy to Medco for payment in accordance with this Agreement and the applicable Medco Participating Pharmacy agreement.
- 1.22. **“Retail-90 Pharmacies”** means Pharmacies that are included in the 90-day retail network comprised of over 50,000 pharmacies nationwide. The 90-day retail network includes all major chains and many independent pharmacies and is open to pharmacies who meet Medco’s credentialing standards and agree to the rates and fees.
- 1.23. **“Specialty Drugs”** means pharmaceutical products that are generally biotechnological in nature, with many requiring injection or non-oral methods of administration, and that may have special shipping or handling requirements. Some of the disease categories currently in Medco’s specialty pharmacy programs include cancer, multiple sclerosis, Hepatitis C, rheumatoid arthritis, cystic fibrosis, infertility, RSV prophylaxis, Gaucher disease, growth hormone deficiency, hemophilia and immune deficiency. Medco will maintain a list of Specialty Drugs that will include effective and term dates) that will be provided upon the plan’s request.
- 1.24. **“TelePAID® System” or “TelePAID®”** means Medco’s real time, on-line system for adjudicating prescription drug claims submitted by retail pharmacies.
- 1.25. **“Usual and Customary (‘U&C’)”** price is the price submitted by Participating Pharmacies for reimbursement (the price that applies to cash-paying customers).

2. **SPONSOR FURNISHED INFORMATION**

SPONSOR will promptly furnish, in a format acceptable to Medco, all information necessary for Medco to render the services set forth herein. Such information will include, but is not limited to:

- 2.1. A file of Eligible Persons, and subsequent timely additions and deletions to such file as changes occur. SPONSOR will pay for any Covered Drug dispensed to a person reported by SPONSOR as no longer an Eligible Person, if such notification is not received by Medco at least two (2) full business days prior to the dispensing date of such prescription.
- 2.2. Designation, in writing, of those Plan Design features to be determined by SPONSOR.
- 2.3. The reimbursement terms applicable to direct reimbursement claims submitted by Eligible Persons under the Retail Pharmacy Program.
- 2.4. The type, number, and description of Medco identification cards ("Identification Cards") required under the Retail Pharmacy Program.

3. RETAIL PHARMACY PROGRAM

The specific features of the Retail Pharmacy Program are as follows:

- 3.1. **Program Coverage** - The Program coverage (Covered Drugs/Exclusions) and days supply limitation covered under the Retail Pharmacy Program will be as designated by SPONSOR. Up to a thirty (30) day supply of Covered Drugs per prescription or refill may be dispensed under the Retail Pharmacy Program. Up to a ninety (90) day supply of Covered Drugs per prescription or refill may be dispensed under the Retail Pharmacy Program, subject to the applicable pricing set forth in Schedule A, Section 1.
- 3.2. **Participating Pharmacy Networks** - Medco will maintain a Participating Pharmacy Network reasonably necessary to provide services under the Retail Pharmacy Program. Medco will have the responsibility to contract with Participating Pharmacies. Medco will be responsible for any amounts that it owes to Participating Pharmacies that exceeds the reimbursement it receives from SPONSOR as specified in Section 1 of Schedule A. Medco will retain any reimbursement that it receives from SPONSOR as specified in Section 1 of Schedule A that is in excess of the amounts it is obligated to pay to Participating Pharmacies.

SPONSOR may terminate this Agreement upon 60 days prior written notice if at any time a major chain or retailer with significant market share is eliminated from the retail network, or Medco fails to meet the access standard stated in the Network Pharmacy Geographic Access performance standard in Section 5.1.17, provided Medco will have thirty (30) days following receipt of written notice from SPONSOR to meet the access standard, and if SPONSOR meets the access standard in such thirty (30) day timeframe, then this Agreement shall continue in full force and effect and SPONSOR's termination notice shall be null and void. Notwithstanding the foregoing, Medco's failure to meet the access standard stated in the Network Pharmacy Geographic Access performance standard in Section 5.1.17 shall constitute a breach of this Agreement.

- 3.3. **Identification Cards** - Medco will (i) produce Identification Cards for those Eligible Persons designated by SPONSOR, with an accompanying explanatory brochure, and (ii) make direct reimbursement claim forms available through the www.medco.com internet site for use by Eligible Persons who have not received their Identification Cards, or have had them lost or stolen. Medco will distribute Identification Cards and claim forms to the designated Eligible Persons unless otherwise designated by the SPONSOR. All costs associated with distributing and/or mailing such materials are the responsibility of SPONSOR.
- 3.4. **Claim Adjudication** - Medco will adjudicate claims for prescription drug benefits in accordance with Medco's TelePAID System and the applicable Plan Design. Disapproved claims will be

transmitted via TelePAID to the submitting pharmacy with a brief explanation of the cause or causes for disapproval. Should SPONSOR determine that a previously disapproved claim should be approved, and so direct Medco, adjudication of the claim will be accomplished promptly by Medco. Medco is obligated to pay Participating Pharmacies for all claims adjudicated through the TelePAID System. SPONSOR will pay Medco for these claims pursuant to Schedule A, Section 1. Medco will promptly refer to SPONSOR all non-routine inquiries by insurance departments, attorneys, claimants, or other persons following the denial of any claims.

3.5. **Administrative Services** – Medco will provide, as applicable, the Base Administrative Services and the Additional Administrative Services set forth in Schedule A.

3.6. **Pricing** - The Program Pricing Terms applicable to the Retail Pharmacy Program are set forth in Schedule A, in addition to the performance standards and penalties set forth in Section 5.

4. **MAIL ORDER PHARMACY PROGRAM**

4.1. **Program Coverage**

4.1.1. The Program coverage (Covered Drugs/Exclusions) and days supply limitation under the Mail Order Pharmacy Program will be as designated by SPONSOR in the applicable Plan Design.

4.1.2. Medco's mail order pharmacies will not be required to dispense prescriptions for greater than a ninety (90) day supply of Covered Drugs per prescription or refill, subject to the professional judgment of the dispensing pharmacist, limitations imposed on controlled substances and manufacturer's recommendations. Prescriptions may be refilled providing the prescription so states. Prescriptions will not be filled (i) more than twelve (12) months after issuance, (ii) more than six (6) months after issuance for controlled drug substances, or (iii) if prohibited by applicable law or regulation.

4.2. **Dispensing Procedures**

4.2.1. Medco's mail order pharmacies will dispense Covered Drugs to Eligible Persons, and dispense generic drugs when authorized, in accordance with (i) applicable law and regulations in the state in which Medco's mail order pharmacy is located, and (ii) the terms of this Agreement and Plan Design(s). Any prescriptions that are not dispensed will be returned to the applicable Eligible Person with an explanation as to why it could not be dispensed in accordance with Medco's standard operating procedures.

4.2.2. All matters pertaining to the dispensing of Covered Drugs or the practice of pharmacy in general are subject to the professional judgment of the dispensing pharmacist.

4.2.3. Any drug which cannot be dispensed in accordance with Medco's mail order pharmacy dispensing protocols due to FDA or manufacturer requirements may be excluded from dispensing by Medco.

4.3. **Claim Adjudication** - Medco will adjudicate and pay approved claims for prescription drug benefits in accordance with Medco's TelePAID System and the applicable Plan Design. Should SPONSOR determine that a previously disapproved claim should be approved, and so direct Medco, adjudication of the claim will be accomplished promptly by Medco. SPONSOR will pay Medco for claims adjudicated through the TelePAID System, pursuant to Schedule A, Section 2. Medco will promptly refer to SPONSOR all non-routine inquiries by insurance departments, attorneys, claimants, or other persons following the denial of any claims.

- 4.4. **Administrative Services** - Medco will provide, as applicable, the Base Administrative Services and the Additional Administrative Services set forth in Schedule A.
- 4.5. **Pricing** - The Program Pricing Terms applicable to the Mail Order Pharmacy Program are set forth in Schedule A, in addition to the performance standards and penalties set forth in Section 5. Medco will have the responsibility to contract with drug wholesalers and manufacturers regarding Medco's purchase of drugs that are dispensed by it under the Mail Order Pharmacy Program. Medco receives and retains purchase discounts for such purchases from certain manufacturers and wholesalers. Medco will be responsible for any amounts that it owes drug wholesalers or manufacturers that exceeds the amounts it charges and receives from SPONSOR or Eligible Persons, as specified in Section 2 of Schedule A. Medco will retain any payment that it receives from SPONSOR or Eligible Persons as specified in Section 2 of Schedule A that is in excess of the amounts it is obligated to pay to drug wholesalers or manufacturers for the purchase of such drugs that are dispensed under the Mail Order Pharmacy Program.

5. PERFORMANCE STANDARDS AND PENALTIES

- 5.1. The following performance standards will apply during the Initial Term of this Agreement:
- 5.1.1. The TelePAID System Availability Rate for each Contract Year will be 99.5% or greater. SPONSOR may assess a penalty against Medco in the amount of 2% of the total amount at risk for each Contract Year that the TelePAID System Availability Rate averages less than 99.5% for a Contract Year. "TelePAID System Availability Rate" means the percentage of normal operating hours that the TelePAID System is operational, excluding scheduled maintenance time, measured on an annual basis.
- 5.1.2. The Dispensing Accuracy Rate for each Contract Year will be 99.996% or greater. SPONSOR may assess a penalty against Medco in the amount of 5% of the total amount at risk for each Contract Year that the Dispensing Accuracy Rate is less than 99.996% for a Contract Year. "Dispensing Accuracy Rate" means (i) the number of all mail order pharmacy prescriptions dispensed by Medco in a Contract Year less the number of those prescriptions dispensed by Medco in such Contract Year which are reported to Medco and verified by Medco as having been dispensed with the incorrect drug or strength, divided by (ii) the number of all mail order pharmacy prescriptions dispensed by Medco in such Contract Year.
- 5.1.3. Medco will dispense all Non-Protocol Prescriptions received each Contract Year under the Mail Order Pharmacy Program within an average of two (2) business days following receipt. All other Mail Order Pharmacy Program prescriptions received each Contract Year will be dispensed within an average of four (4) business days following receipt by Medco. SPONSOR may assess a penalty against Medco in the amount of 10% of the total amount at risk for each Contract Year that Medco fails to meet either one of these dispensing time period standards. "Non-Protocol Prescriptions" means Mail Order Pharmacy Program prescriptions for Covered Drugs received by Medco that are in stock and which do not require physician or patient contact or other non-standard procedures prior to dispensing by Medco.
- 5.1.4. Prescription Drug Plan reporting package will be made available online to SPONSOR within thirty (30) business days of the end of the billing cycle that includes the last calendar day of the reporting quarter for quarterly reports. SPONSOR may assess a penalty against Medco in the amount of 10% of the total amount at risk per Contract Year.
- 5.1.5. At least 98% of all Maintenance Identification Cards issued by Medco each Contract Year will be mailed within an average of four (4) business days following Medco's

receipt and update of a processable eligibility tape or transmission identifying the applicable Eligible Person(s). SPONSOR may assess a penalty against Medco in the amount of 10% of the total amount at risk for each Contract Year that this standard is not met measured on a Contract Year basis. "Maintenance Identification Cards" means new Identification Cards issued to individuals who first become Eligible Persons after the Effective Date (exclusive of new Groups or Group re-enrollments) and replacement Identification Cards for Eligible Persons who have lost or had their Identification Cards stolen.

- 5.1.6. Processable maintenance eligibility transactions received by Medco via host to host, tape or floppy disc before 12:00 p.m. E.S.T. on any business day will be processed by Medco within an average of two (2) business days of receipt each Contract Year. SPONSOR may assess a penalty against Medco in the amount of 5% of the total amount at risk per Contract Year.
- 5.1.7. Medco will respond to at least 95% of written inquiries received at the address designated by Medco for such inquiries each Contract Year from an Eligible Person which requires a response (excluding appeals under Section 14.8) within an average of five (5) business days following receipt. SPONSOR may assess a penalty against Medco in the amount of 1% of the total amount at risk for each Contract Year that this standard is not met measured on a Contract Year basis.
- 5.1.8. The target Average Speed of Answer ("ASA") of the Member Service Telephone Line each Contract Year will be thirty (30) seconds or less from the time a caller selects either the IVRU (Interactive Voice Response Unit) option or Member Service Representative Option. SPONSOR may assess a penalty against Medco for failure to meet this standard in the amount of 15% of the total amount at risk for each Contract Year that this standard is not met measured on a Contract Year basis. "Member Service Telephone Line" means the toll-free book of business telephone line made available for an Eligible Person, as noted on the Eligible Person's prescription identification card.
- 5.1.9. The Telephone Abandonment Rate of the Member Service Telephone Line will be 3% or less of all incoming calls received during each Contract Year. SPONSOR may assess a penalty against Medco in the amount of 1% of the total amount at risk for each Contract Year that this standard is not met measured on a Contract Year basis. "Telephone Abandonment Rate" means (i) the number of incoming telephone calls received by the Member Service Telephone Line during a Contract Year which are abandoned by the caller after a selection is made either to the IVRU (Interactive Voice Response Unit) system or a Member Services Representative, divided by (ii) the total number of incoming telephone calls received by the Member Service Telephone Line during such Contract Year.
- 5.1.10. The Blocked Calls Rate for each Contract Year will be 2% or less. This standard excludes calls to the toll-free telephone line separately established for Specialty Drugs. SPONSOR may assess a penalty against Medco in the amount of 1% of the Maximum Liability for each Contract Year that this standard is not met, measured on a Contract Year basis. "Blocked Calls Rate" means the (i) the number of incoming telephone calls received by the member service telephone line during a Contract Year which were never received by the Medco Member Service Representative, due to being incomplete, unanswered or the caller receiving a busy signal, divided by (ii) the total number of incoming telephone calls received by the member service telephone line during such Contract Year.
- 5.1.11. Medco will respond to (process a check or reject notice) at least 97% of direct reimbursement paper claims received at the address designated by Medco for such claims each Contract Year from Eligible Persons within an average of five (5) business days

following receipt at the address designated by Medco for such claims. All claims will be responded to within ten (10) business days. SPONSOR may assess a penalty against Medco in the amount of 1% of the total amount at risk for each Contract Year that this rate is not met measured on a Contract Year basis.

- 5.1.12.** The Claims Adjudication Accuracy Rate for each Contract Year will be 99% or greater. SPONSOR may assess a penalty against Medco in the amount of 9% of the total amount at risk for each Contract Year that this standard is not met measured on a Contract Year basis. "Claims Adjudication Accuracy Rate" means (i) the number of retail claims, mail order claims and directly submitted paper claims, adjudicated by Medco in a Contract Year that do not contain a material adjudication error, divided by (ii) the number of all such claims adjudicated by Medco in such Contract Year.
- 5.1.13.** The Member Satisfaction Rate for each Contract Year will be 90% or greater. A penalty of 5% of the total amount at risk per Contract Year may be assessed against Medco for failure to meet this standard. "Member Satisfaction Rate" means (i) the number of Eligible Persons responding to Medco's annual standard Patient Satisfaction Survey as being satisfied with the overall performance under the Integrated Program divided by (ii) the number of Eligible Persons responding to such annual Patient Satisfaction Survey; SPONSOR must provide timely approvals and responses, and a minimum of 20% of surveys must be returned for the performance standard in this Section 5.1.3 to be applicable.
- 5.1.14.** The First Call Resolution Rate for each Contract Year will be 94% or greater. This standard excludes calls to the toll-free telephone line separately established for Specialty Drugs. SPONSOR may assess a penalty against Medco in the amount of 5% of the total amount at risk for each Contract Year that this standard is not met, measured on a Contract Year basis. "First Call Resolution Rate" means (i) the total number of telephone calls made by an Eligible Person and resolved by a Medco Member Service Representative on the first call as measured by the Eligible Person not calling back the Medco Member Service Call Center within five (5) days regarding the same inquiry, divided by (ii) the total number of telephone calls made by Eligible Persons and received by Medco's Member Service Call Center.
- 5.1.15.** This section 5.1.15 is subject to a maximum penalty of \$20.00 per Primary Eligible Participant if, three (3) months after the Effective Date, those SPONSOR employees who are members of the SPONSOR Program implementation team do not rate Medco's performance in implementing the Program an average of 5 or better on a scale of 1 to 7 (7 being the best), provided SPONSOR and any applicable third party has fully complied with all SPONSOR implementation requirements established pursuant to this Section 5.1.5.
- 5.1.16.** SPONSOR may assess a penalty in the amount of 20% of the total amount at risk per Contract Year if, after the first Contract Year and each successive Contract Year, those SPONSOR employees who are members of the SPONSOR benefits staff do not rate the Medco account team's performance for such Contract Year on average of 5 or better on a scale of 1 to 7 (7 being the best) based on a range of performance criteria agreed to between SPONSOR and Medco at the beginning of such Contract Year. Additional SPONSOR staff members may be included in the survey at the request of Medco.
- 5.1.17.** Medco will establish and maintain a network of Participating Pharmacies to provide service under the Retail Pharmacy Program. At least 98% of Primary Eligible Participants will have at least one (1) Participating Pharmacy within 3 miles of his/her five (5) digit home zip code, where any retail pharmacy exists within 3 miles of his/her five (5) digit home zip code (the "Retail Pharmacy Access Rate"). Notwithstanding the foregoing, Medco will not be required to meet the Retail Pharmacy Access Rate to the

extent that Medco removes Participating Pharmacies from its network for good cause and the removal of such pharmacies causes the rate to be below 98%. SPONSOR may assess a penalty against Medco in the amount of \$2,000 for each Contract Year that Medco fails to achieve this Retail Pharmacy Access Rate, measured on a Contract Year basis.

- 5.2. Notwithstanding anything to the contrary, Medco's maximum liability under this Section 5, excluding section 5.1.15 and the Overall Generic Dispensing Rate Guarantee noted in 5.3, for any Contract Year will not exceed \$20.00 per Primary Eligible Participant with no more than 20% of the total amount at risk on any one guarantee during such Contract Year.
- 5.3. SPONSOR will give Medco written notice pursuant to Section 14.4 of the Agreement of any facts giving rise to SPONSOR's right to assess a penalty against Medco pursuant to Section 5.1 above, within thirty (30) business days after SPONSOR becomes aware of such fact, and within thirty (30) days thereafter, of SPONSOR's election to assess such penalty against Medco. Any penalties assessed against Medco pursuant to this Agreement, will be credited against future billings to SPONSOR under the SPONSOR Program in accordance with Medco's standard procedures.

In addition, Medco will guarantee an Overall Generic Dispensing Rate for the Initial Term of the Agreement as set forth in Section --- of Schedule A.

6. **FORMULARY**

SPONSOR will be a participating plan sponsor in Medco's Preferred Prescriptions Formulary as set forth below for the term of this Agreement. SPONSOR will provide Medco with advance notice of each Group that will participate in the Preferred Prescriptions Formulary.

- 6.1. **Preferred Prescriptions Formulary** - The Preferred Prescriptions Formulary is a prescription drug formulary administered by Medco which lists FDA approved drugs that have been evaluated for inclusion on the Preferred Prescriptions Formulary. The drugs included on the Preferred Prescriptions Formulary will be modified by Medco from time to time as a result of factors including, but not limited to, medical appropriateness, manufacturer rebate arrangements, and patent expirations. Medco will implement Medco's formulary management programs, which may include cost containment initiatives, therapeutic interchange programs, communications with Eligible Persons, Participating Pharmacies and/or physicians (including communications regarding generic substitution programs), and financial incentives to Participating Pharmacies for their participation. Compliance with the Preferred Prescriptions Formulary and Medco's formulary management program will result in Formulary Rebates as set forth below. Medco reserves the right to modify or replace the Preferred Prescriptions Formulary (including any modification or replacement, the "Formulary") and formulary compliance methods and cost containment initiatives consistent with good pharmacy practice. SPONSOR agrees that Medco will be the exclusive formulary administrator for SPONSOR's prescription drug benefit programs during the term of the Agreement. SPONSOR is authorized to use the Formulary only for its own Eligible Persons and only as long as the Program is in effect and administered by Medco.
- 6.2. **Rebates** - Medco and its subsidiaries receive formulary rebates from certain drug manufacturers as a result of the inclusion of those manufacturers' branded products on the Formulary ("Formulary Rebates"). Medco also receives additional rebates and/or fees from certain manufacturers for such products, which may take into account various factors, including the utilization of certain drugs within their respective therapeutic categories for Medco's book of business in aggregate as a result of various commitments and programs including, but not limited to, formularies ("Additional Rebates and Fees"). Formulary Rebates and Additional Rebates and Fees are jointly referred to as "Total Rebates." Total Rebates does not include payments for services rendered by Medco on behalf of or to pharmaceutical manufacturers, including, for example, adherence, compliance, nursing, and other patient support services; patient referral and assistance services; product launch and other support services; equipment replacement services;

clinical and research studies, data and analytics; and services relating to high-risk biopharmaceuticals. Medco will provide SPONSOR with the greater of (i) 85% of the Total Rebates received by Medco based on the dispensing of each manufacturer's formulary drugs under SPONSOR's Program or (ii) the Guaranteed Rebates (as defined below). Total Rebates due SPONSOR under this Agreement that are received by Medco within twenty-four (24) months after termination or expiration of this Agreement will be paid to SPONSOR. Total Rebates received thereafter will be retained by Medco.

- 6.3. **Guaranteed Rebates** - Within one-hundred twenty (120) days following the end of each Contract Quarter during the Initial Term that SPONSOR complies fully with the Formulary and with the Formulary management programs implemented by Medco, Medco will provide to SPONSOR Guaranteed Rebates in an amount equal to the sum of (i) \$19.20, \$20.08 and \$18.24 during the 1st, 2nd and 3rd Contract Years, respectively, times the total number of Brand Name Drug prescriptions billed and paid for under SPONSOR's Retail Pharmacy Program, with a days supply less than thirty one (31) days, during such Contract Year, plus (ii) \$49.10, \$53.92 and \$41.85 during the 1st, 2nd and 3rd Contract Years, respectively, times the total number of Brand Name Drug prescriptions billed and paid for under SPONSOR's Retail Pharmacy Program with a days supply greater than thirty (30) days and Mail Order Pharmacy Program during the same Contract Year (collectively the "Guaranteed Rebates"). The Guaranteed Formulary Rebates are contingent upon SPONSOR implementing a three tier formulary whose differential in copayment or its reasonably equivalent value for coinsurance between formulary and non-formulary drugs is not less than \$15.00. Guaranteed rebates will include the CDHP. If CDHP membership exceeds 200 Primary Eligible Participants, the rebate guarantee for the CDHP membership may be adjusted. Medco agrees to provide Sponsor with as much advance notice as possible and sufficient details to support any changes proposed to Guaranteed Formulary Rebates and to work in good faith with SPONSOR to find mutually agreeable Guaranteed Formulary Rebates for the CDHP membership.
- 6.4. **Reconciliation of Guaranteed Rebates and Actual Total Rebates** – Within one-hundred eighty (180) days following the end of each Contract Year, Medco will calculate and report to SPONSOR its actual Total Rebates received for each such Contract Year. Medco will then compare SPONSOR's total, aggregated Actual Total Rebates for each such applicable Contract Year to the total sum of Guaranteed Rebates provided by Medco to SPONSOR for the same applicable Contract Year. If SPONSOR's total aggregated Actual Total Rebates received for such applicable Contract Year is greater than the total sum of the Guaranteed Rebates provided by Medco to SPONSOR for the same applicable Contract Year, then Medco will credit SPONSOR the dollar for dollar difference of any such amount within one-hundred eighty (180) days of the applicable Contract Year.
- 6.5. If a government action, change in law or regulation, change in the interpretation of law or regulation or action by any drug manufacturer or by SPONSOR has an adverse effect on the availability of Total Rebates or the Program Pricing Terms, Medco may modify, as applicable, the Total Rebates due SPONSOR or the Guaranteed Rebates or the Program Pricing Terms to the extent of the change subject to the parties agreement. Medco shall provide SPONSOR with written analysis, including assumptions and methodology, stating the basis of such modification
- 6.6. Any lines of SPONSOR's business, or any Group of Eligible Persons, for which SPONSOR funds less than 50% of the costs of Covered Drugs under the Plan Design will not be entitled to Formulary Rebates and Additional Rebates and Fees. Calculations and guarantees under Sections 6.2 and 6.3 will not include prescriptions dispensed for any such lines of business or Groups claims for drugs purchased by a pharmacy pursuant to the 340B program, and government subrogation claims.

7. **BILLING/PAYMENT**

- 7.1. Medco will provide SPONSOR with a bi-weekly consolidated electronic invoice via a File Transfer Protocol (FTP) for services provided by Medco under the Program, in accordance with the Program Pricing set forth in Schedule A. All invoices will be paid in full by SPONSOR within two (2) business days of receipt by wire transfer, electronic debit, or other method approved by Medco in writing.
- 7.2. SPONSOR will pay Medco for administrative products and services provided by Medco under the Program in accordance with the Administrative Fee provisions set forth in Schedule A. Medco will provide SPONSOR with an Administrative Fee invoice in accordance with Medco's four (4) week Administrative Fee cycle. SPONSOR will pay Administrative Fee invoices in full within fifteen (15) days of the invoice date.
- 7.3. Subject to review of audited financial statements and/or whether payments due to Participating Pharmacies for Covered Drugs under this Agreement become subject to prompt payment related legislation or regulation, SPONSOR may be required to pay a deposit in an amount to be reasonably determined by Medco, which amount may be periodically modified by Medco based on SPONSOR's actual claims experience and enrollment. This deposit may be used by Medco to offset the failure by SPONSOR, for any reason, to make any payments pursuant to the terms of this Agreement and/or to make payments due in accordance with prompt payment legislation or regulation prior to Medco's billing and receipt of SPONSOR's payment due under Section 7.1, and does not, in any way, limit other remedies available to Medco. The deposit, to the extent not utilized to offset any payment default by SPONSOR under this Agreement, will be returned, without interest, to SPONSOR within the greater of one hundred eighty (180) days following termination of this Agreement or following any agreed upon date for extended services.
- 7.4. Failure by SPONSOR to make any payments in accordance with the terms of this Agreement will constitute a payment default. Notwithstanding Section 10.2 of this Agreement, if SPONSOR fails to cure any such payment default within two (2) days, in addition to other available remedies, Medco may cease performing any or all of its obligations under, or may terminate this Agreement upon notice to SPONSOR. After the two (2) day grace period, there will be a late payment fee of 1% per month on the balance due, accruing as of the due date. SPONSOR will reimburse Medco for all collection costs incurred by Medco as a result of any payment default by SPONSOR under this Agreement. So long as the parties are working together in good faith to resolve any dispute, Medco will not terminate the Agreement.

8. RECORDS

- 8.1. Medco will maintain all claims records relating to services performed under this Agreement as required by applicable law. For purposes of this Section 8, the term "claim records" includes those SPONSOR specific records necessary to confirm Medco's compliance with claims processing, operational services, and performance standards provided by Medco under this Agreement. Such claims records will be in their original form, on microfilm, microfiche, or other form determined by Medco. SPONSOR claims records may be audited by SPONSOR or its representative reasonably acceptable to Medco, subject to execution of a confidentiality agreement, for a maximum period of twenty-four (24) months prior to the agreed upon audit date at no cost. SPONSOR may conduct an audit once annually from January through September on an agreed upon date. Subject to Section 9.3, Medco may retain copies of such claims records for its own use.
- 8.2. Any audit of Medco's agreements with pharmaceutical manufacturers may be conducted by a top 100 public accounting firm approved by Medco, which approval will not be unreasonably withheld, whose audit department is a separate stand alone function of its business, and that carries insurance for professional malpractice of at least \$2,000,000. The audit will include only those portions of the pharmaceutical manufacturer agreements as necessary to determine Medco's compliance with Section 6 above in respect to Total Rebates. The audit may be conducted once

annually from January through September, at Medco's offices as scheduled by agreement of the parties, but not sooner than ninety (90) days after execution of a confidentiality agreement.

8.3. Any auditor performing an audit under this Section 8 will warrant and represent that it is not providing Litigation Services to any person or entity in connection with any lawsuit, investigation, or other proceeding that is pending or contemplated against Medco. "Litigation Services" include (a) examining pharmacy claims or any other documents or information, or (b) providing advice, analysis, and/or opinions as a disclosed or undisclosed expert or consultant. The auditor must agree that, for a period of one (1) year after completion of the audit, it will not provide Litigation Services in any lawsuit, investigation, or other proceeding brought against Medco, except for Litigation Services to SPONSOR in any proceeding against Medco.

8.4. Upon request, SPONSOR will furnish its most recent audited financial statement to Medco.

9. CONFIDENTIAL INFORMATION

9.1. The Confidential Information of a party (the "disclosing party") which is disclosed to the other party (the "receiving party") will be held by the receiving party in strictest confidence at all times and will not be used by the receiving party (or its affiliates, employees, officers, directors or limited liability company managers ("Representatives")) for any purpose not previously authorized by the disclosing party, except as necessary for Medco to perform the services under this Agreement. The Confidential Information of the disclosing party will not be disclosed or divulged by the receiving party to anyone, except with the prior written permission of the disclosing party and on the condition that the party to whom the Confidential Information is disclosed agrees in writing in advance to be bound by these terms and conditions. The receiving party may disclose the Confidential Information to those of its Representatives who need to review the Confidential Information for the purposes authorized by the disclosing party but only after the receiving party has informed them of the confidential nature of the Confidential Information and directs them to treat the Confidential Information in accordance with the terms of this Agreement. The disclosing party retains all right, title and interest in and to its Confidential Information.

The term "Confidential Information" includes, but is not limited to, any information of either the receiving or disclosing party (whether oral, written, visual or fixed in any medium of expression), relating to either party's services, operations, systems, programs, inventions, techniques, suppliers, customers and prospective customers, contractors, cost and pricing data, trade secrets, know-how, processes, plans, reports, designs and any other information of or relating to either party's business, including its therapeutic and disease management programs, but does not include information which (a) was known to the receiving party before it was disclosed to the receiving party by the disclosing party, (b) was or becomes available to the receiving party from a source other than the disclosing party, provided such fact is evidenced in writing and the source is not bound by a confidentiality obligation to the disclosing party, or (c) is developed by the receiving party independently of the disclosing party's Confidential Information, provided that such fact can be documented. Each party will also keep the terms of this Agreement confidential as Confidential Information, except as required by law or regulation.

If the receiving party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand, any informal or formal investigation by any government or governmental agency or authority, law or regulation, or otherwise) to disclose any of the Confidential Information, the receiving party will notify the disclosing party promptly in writing so that the disclosing party may seek a protective order or other appropriate remedy or, in its sole discretion, waive compliance with the terms of this Agreement. The receiving party agrees not to oppose any action by the disclosing party to obtain a protective order or other appropriate remedy. If no such protective order or other remedy is obtained, or the disclosing party waives compliance with the terms of this Agreement, the

receiving party will furnish only that portion of the Confidential Information which it is advised by counsel is legally required and will exercise its reasonable best efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

- 9.2. SPONSOR and Medco may not utilize the service marks, trademarks, or trade names of any other party to this Agreement, or any service marks, trademarks, or trade names so similar as likely to cause confusion, without express written approval of such other party. The programs implemented by Medco will remain the sole property of Medco and will only be used by SPONSOR in connection with the Program and so long as Medco administers the Program.
- 9.3. Medco and SPONSOR will comply with all applicable laws and regulations regarding patient confidentiality as provided in the Business Associate Agreement between the parties. Medco will not furnish any SPONSOR identifiable data or information to any third party without the written consent of SPONSOR, except as reasonably necessary to implement and operate the Program and fulfill its obligations pursuant to this Agreement or as required by applicable law. The restrictions set forth in this Section 9 will not apply to claims data or information which is not identifiable on a SPONSOR basis.

10. **TERM OF AGREEMENT**

- 10.1. This Agreement will remain in effect for an initial term of **three (3) years** from the Effective Date (the "Initial Term") and thereafter may **renew** for two (2) successive **one (1) year** terms unless either party gives written notice, at least **ninety (90) days** prior to the end of any such term, to the other party of its intent to terminate this Agreement as of the end of the then current term. Medco will offer SPONSOR renewal terms at least **nine (9) months** prior to the end of the initial term that reflect competitive market rates.
- 10.2. In the event of a material breach of this Agreement, the party alleging such breach will give written notice thereof to the other parties. If such **breach** is not cured within sixty (60) days of receipt of such notice, the non-breaching party may terminate this Agreement upon written notice to the other party.

11. **FORCE MAJEURE**

Neither Medco nor SPONSOR will be deemed to have breached this Agreement or be held liable for any failure or delay in the **performance** of all or any portion of its obligations under this Agreement if prevented from doing so by a cause or **causes** beyond its control. Without limiting the generality of the foregoing, such causes **include** acts of **God** or the public enemy, fires, floods, storms, earthquakes, riots, strikes, boycotts, lock-outs, **acts of terrorism**, acts of war, war-operations, restraints of government, power or communications **line failure** or other circumstances beyond such party's control, or by reason of the **judgment, ruling or order** of any court or agency of competent jurisdiction, or change of law or regulation (or change in the interpretation thereof) subsequent to the execution of this Agreement.

12. **INDEMNIFICATION/LIMITATION OF LIABILITY**

- 12.1. Medco will indemnify and hold SPONSOR, its subsidiaries, affiliates, and their officers, directors and employees (each a "SPONSOR Indemnified Party") harmless from and against claims, suits, actions, or causes of action ("Actions") asserted against a SPONSOR Indemnified Party arising from services rendered by Medco pursuant to this Agreement to the extent the Action arises from Medco's negligence or willful misconduct, or breach of this Agreement, provided that (a) SPONSOR has given reasonable notice to Medco of the Action, and (b) no SPONSOR Indemnified Party has, by act or failure to act, materially compromised Medco's position with respect to the resolution or defense of the Action.
- 12.2. Medco will maintain, during the term of this Agreement, the following insurance:

- 12.2.1. Workers Compensation in at least the limits required by law; Employers Liability of not less than \$250,000 for each accident
 - 12.2.2. Commercial General liability coverage with limits not less than \$1,000,000 per occurrence and in the aggregate per policy year.
 - 12.2.3. Professional Liability for Errors & Omissions with limits not less than \$2,000,000 including tail coverage for a five (5) year period following termination of this contract.
 - 12.2.4. Excess Liability coverage in an amount not less than \$5,000,000 per policy year. Evidence thereof will be furnished to SPONSOR upon request.
- 12.3. Except as provided in Section 12.1 above, neither Medco nor any subsidiary, affiliate, or any of their respective directors, officers or employees, will be responsible for any Action resulting from the provision of or failure to provide pharmaceutical goods or services or any other action or failure to act by any retail pharmacy, pharmaceutical manufacturer or other pharmaceutical providers in connection with this Agreement.
- 12.4. The liability of Medco to SPONSOR for any negligent or willful misconduct by Medco will be limited to the per occurrence liability insurance amount set forth in this Section 12.2.

13. **EXCLUSIVITY**

Medco will be the exclusive provider and administrator of PBM Services to SPONSOR and its subsidiaries enrolled under this Agreement while this Agreement is in effect. Nothing contained herein, however, will prohibit Medco or any affiliated entity from providing or administering PBM Services and related programs and services to any other entity while this Agreement is in effect.

14. **GENERAL**

- 14.1. **Independent Contractor** - The relationship between Medco and SPONSOR will solely be that of independent contractors engaged in the operation of their own respective businesses.
- 14.2. **Assignment** - This Agreement may not be assigned by any party without the written approval of the other parties provided, however, that services to be performed by Medco hereunder may be performed by its subsidiaries, affiliates, divisions and/or designees. The duties and obligations of the parties will be binding upon, and inure to the benefit of, successors, assigns, or merged or consolidated entities of the parties.
- 14.3. **No Third-Party Beneficiary** - This Agreement has been entered into solely for the benefit of SPONSOR and Medco, 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.
- 14.4. **Notices** - All notices required under this Agreement will be in writing and sent by certified mail, return receipt requested, hand delivery or overnight delivery by a nationally recognized service addressed as follows:

If to SPONSOR: Pinellas County Government
400 S. Ft. Harrison Avenue
Clearwater, FL 33756
Attention: Dave Blasewitz, Benefits Manager
Human Resources Department

If to Medco: Medco Health Solutions, Inc.
100 Parsons Pond Drive
Franklin Lakes, NJ 07417

Attention: Elizabeth Ferguson
Senior Vice President, Associate General Counsel

- 14.5. **Amendments** - This Agreement may be amended only in writing when signed by a duly authorized representative of each party.
- 14.6. **Financial Responsibility** - If Medco has reasonable grounds to believe that SPONSOR may not meet its payment obligations under this Agreement as they become due, Medco may request information and/or reasonable assurances (including a deposit) from SPONSOR as to its financial responsibility. If the information or assurances are not furnished to Medco within five (5) days, or are not satisfactory in Medco's reasonable judgment, Medco may immediately terminate this Agreement or suspend performance pending receipt of the requested information or assurances. So long as the parties are working in good faith to resolve any dispute, Medco will not terminate the agreement.
- 14.7. **Plan Design** - The Program Pricing Terms set forth in this Agreement **are** based upon the Plan Designs, Minimum Enrollment, information/data provided by SPONSOR during or after the proposal/renewal process, and Program specifications agreed to between the parties as reflected in this Agreement, and as otherwise hereafter agreed to by the parties in writing. The Program Pricing Terms are also based upon SPONSOR funding 50% or greater of the costs of Covered Drugs for its Eligible Persons. Any modification of the Plan Design or Program specifications, failure to maintain Minimum Enrollment, changes in the information/data provided, or inclusion of Eligible Persons or Groups with Covered Drugs funded less than 50% by SPONSOR, may result in a modification by Medco of the Program Pricing Terms retroactive to the date of the change/event. SPONSOR will provide, or Medco may provide (upon request of the SPONSOR), and in which case, charges for custom communications may apply, Eligible Persons with at least thirty (30) days' prior notice of approved Plan Design changes. If the number of SPONSOR's Eligible Persons eligible for Medicare is materially reduced or eliminated for any reason, Medco may communicate with those persons at Medco's expense regarding Part D options, including Medco Part D services, and the Program Pricing Terms may be modified to reflect the reduction or elimination. Prior to implementing any proposed change to Program pricing terms, Medco will notify SPONSOR of the financial/economic impact that may result from the change and SPONSOR shall thereafter decide whether to implement the change.
- 14.8. **Claims and Appeals**
- 14.8.1. SPONSOR will not name or represent that Medco, is, and Medco will not be, a Plan Administrator or a fiduciary of any prescription drug benefit plan (the "Plan"), as those terms are used in the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §§ 1001 et seq., and the regulations promulgated under ERISA. SPONSOR will 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 provisions of benefits, to review denied claims and to resolve complaints by Eligible Persons.
- 14.8.2. Notwithstanding the foregoing, SPONSOR delegates to Medco the limited authority and discretion solely to undertake administrative and/or clinical initial determinations and first-level appeals of claims eligibility and benefit applications determinations filed by Eligible Persons with the Plan. Medco will process and determine all filed administrative and/or clinical first-level appeals under the procedures and within the time frames specified in the Department of Labor claims processing regulations for first-level appeals, 29 C.F.R. § 2560.503-1 (the "Claims Procedure Regulations"). Notwithstanding the services of Medco under this section, all decisions concerning the rendering of health care services are determined by the Eligible Person's physician, hospital or other health care provider and the Eligible Person.

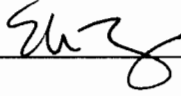
- 14.8.3.** SPONSOR will provide second-level (final and binding) appeals, and urgent appeals, and retains all responsibilities for the undertaking of such second-level appeals and urgent appeals as those appeals are defined and governed by the Claims Procedure Regulations. Medco will provide the first-level appeal files and other related claims record information necessary for the SPONSOR or its designee to undertake second-level appeals and urgent appeals, and Medco will have no responsibility or liability of such appeals.
- 14.9. Taxes and TPA** - Any applicable sales, use, or other similarly assessed and administered tax imposed on items dispensed, or services provided hereunder, or any other amounts Medco may incur or be required to pay arising from or relating to Medco's performance of services as a third-party administrator in any jurisdiction, will be the sole responsibility of SPONSOR and/or Member. If Medco is legally obligated to collect and remit sales, use, or other similarly assessed and administered tax in a particular jurisdiction, or to incur or pay any amount relating to third-party administrator services, the tax or other amount will be reflected on the applicable invoice or subsequently invoiced at such time as Medco becomes aware of such obligation or as such obligation becomes due.
- 14.10. Governing Law** - This Agreement will be construed and governed in accordance with the laws of the State of Florida. However, all matters relating to the Mail Order Pharmacy Program operations of Medco will be governed by the laws of the state in which Medco's mail order pharmacy is located.
- 14.11. Enforceability** - The invalidity or unenforceability of any of the terms or provisions hereof will not affect the validity or enforceability of any other term or provision.
- 14.12. Section Headings** - Section headings are inserted for convenience only and will not be used in any way to construe the terms of this Agreement.
- 14.13. Waiver** - The waiver of any breach or violation of any term or provision hereof will not constitute a waiver of any subsequent breach or violation of the same or any other term or provision. No waiver or relinquishment by a party of any right or remedy under this Agreement will occur unless the waiver or relinquishment is in a written document signed by an officer of the party.
- 14.14. Approvals** - Whenever approval of any party is required under this Agreement, such approval will not be unreasonably withheld.
- 14.15. Organization** - Each party is duly organized, validly existing and in good standing, and has the power to own its property and to carry on its business as now being conducted by it.
- 14.16. Authorization** - The execution and delivery of this Agreement and the consummation of the transactions contemplated herein on its part, has been duly authorized by all necessary action by each party.
- 14.17. No Conflict of Interest or Other Restrictions** - No party has a conflict of interest which would impact its ability to perform fairly its obligations under this Agreement, and no party is subject to any restrictions, contractual or otherwise, which prevent or would prevent it from entering into this Agreement or carrying out its obligations hereunder.
- 14.18. No Violation** - Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will be a violation or default of any term or provision of the party's governance documents (e.g., its certificate of incorporation or bylaws or operating agreement) or of any material contract, commitment, indenture, or other agreement or restriction to which it is a party or by which it is bound.
- 14.19. Binding Effect** - This Agreement has been duly executed and delivered by each party, and is a valid and binding obligation of each party, enforceable against such party in accordance with its

terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

- 14.20. **Original Agreement/Counterparts** - The parties will execute two identical originals of this Agreement. Each party will retain one of the originals. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all counterparts taken together will constitute one instrument.
- 14.21. **Public Announcement** - Except as required by law or regulation, neither party will make any press release relating to this Agreement without the written consent of the other party. This provision does not restrict either party from submitting necessary or appropriate filings with the SEC.
- 14.22. **Dispute Resolution** - Except for those matters subject to emergent or injunctive relief, in the event that any dispute relating to this Agreement arises between SPONSOR and Medco, either party may, by written notice, demand a meeting regarding the dispute, to be attended by executive officers of each party, who will attempt in good faith to resolve the dispute. If the dispute cannot be resolved through executive negotiations within thirty (30) business days after the date of the initial notice, each party will retain all rights to bring an action regarding such matter in accordance with law.
- 14.23. **Entire Agreement** - This Agreement, together with the Schedules hereto, as well as the following documents, which are incorporated herein by reference. a. Pinellas County's Request for Proposal and all of its addenda and attachments issued on April 4, 2011; b. Contractor's bond(s), required in Section B of the Request for Proposal; c. Contractor's RFP Response embodies the entire understanding of the parties in relation to the subject matter hereof, supersedes any prior agreement among the parties in relation to the subject matter hereof, and no other agreement, understanding, or representation, verbal or otherwise, relative to the subject matter hereof exists among the parties at the time of execution of this Agreement. If there is a conflict between the terms of this Agreement and the above referenced documents, then the conflict shall be resolved as follows: the terms of this Agreement shall supersede over the other documents, and the terms of the remaining documents shall be given preference in their above listed order.
- 14.24. **Compliance with Law** - Medco and SPONSOR shall take all actions necessary and appropriate to assure that they comply with all applicable federal, state, and local laws and regulations, including, without limitation, the Anti-Kickback Statute, the Public Contracts Anti-Kickback Act, the Stark Law, and laws and regulations relating to disclosure or notification of plan benefits or the terms of rebate administration under this Agreement to SPONSOR's Groups. Medco's Code of Conduct and its policies and procedures relating to compliance with the above-named laws are available at www.medcohealth.com/medco/corporate/home.jsp by clicking on the Investors tab and then the Corporate Governance link.
- 14.25. **Survival** - The provisions of Sections 7.4, 9, 12, and the last sentence of 10.1 will survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date indicated below.

MEDCO HEALTH SOLUTIONS, INC.

BY: 

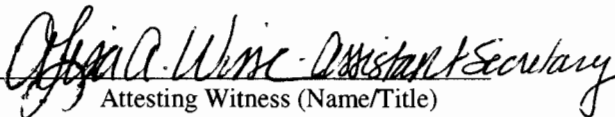
NAME: Elizabeth Ferguson

Senior Vice President,

TITLE: Associate General Counsel

DATE: 8/1/2011

ATTEST:

By: 
Attesting Witness (Name/Title)

[Corporate Seal]

**PINELLAS COUNTY, Florida by and
through its
Board of County Commissioners**

BY: _____

NAME: _____

TITLE: _____

DATE: _____

ATTEST:

KEN BURKE

By: _____
Deputy Clerk

APPROVED AS TO FORM:


Office of the County Attorney

431737.5 (7/29/11) jcc/efs
(Original 50180.14 – 03/29/11)

SCHEDULE A

PROGRAM PRICING TERMS

SPONSOR will pay Medco for services provided under the Program as follows:

1. RETAIL PHARMACY PROGRAM CLAIMS

SPONSOR will pay Medco for Covered Drugs with a days supply less than thirty-one (31) days dispensed and submitted by Participating Pharmacies under the Retail Pharmacy Program in an amount equal to the lowest of (i) the pharmacy's submitted U&C plus applicable taxes, (ii) the MAC, where applicable, plus the Dispensing Fee, or (iii) AWP less 16.5% and Dispensing Fee plus applicable taxes. U&C priced claims will not be assessed a separate Dispensing Fee. The guaranteed average annual AWP discount for Brand Drugs with a days supply less than thirty-one (31) days will be AWP minus (-) 16.5% and the guaranteed average annual AWP discount for Generic Drugs with a days supply less than ~~thirty-one~~ (31) days will be AWP minus (-) 73.5%, 74% and 75% during the 1st, 2nd and 3rd Contract Years, ~~respectively~~, for each Contract Year during the Initial Term. The guaranteed Dispensing Fee per ~~prescription or~~ authorized refill with a days supply less than thirty-one (31) days will be \$1.10. Under a ~~ninety~~ (90) day Retail Pharmacy Program, SPONSOR will pay Medco for Covered Drugs dispensed ~~and submitted~~ by Participating Retail-90 Pharmacies with a days supply greater than ~~thirty~~ (30) days, in an amount equal to the lowest of (i) the pharmacy's U&C plus applicable taxes, (ii) the MAC, where ~~applicable~~, plus ~~the~~ Dispensing Fee, or (iii) AWP less 17.25% and Dispensing Fee plus applicable taxes. The ~~guaranteed average~~ annual AWP discount for Brand Drugs with a days supply greater than thirty (30) days will be AWP minus (-) 17.25% and the guaranteed average annual AWP discount for ~~Generic~~ Drugs with a days supply greater than thirty (30) days will be AWP minus (-) 73.5%, 74% and 75% during the 1st, 2nd and 3rd Contract Years, respectively, for each Contract Year during the Initial Term. ~~The~~ guaranteed Dispensing Fee per prescription or authorized refill with a days supply greater ~~than~~ thirty (30) days will be \$1.25. Medco will prepare a true up within one hundred twenty (120) days following the end of such Contract Year. Any net shortfall (i.e. shortfalls offset by surpluses across the three components) in the aggregate guaranteed savings will be matched dollar for dollar by Medco. The guarantees set forth herein exclude Specialty Drugs, and claims dispensed and submitted by non-traditional providers such as Long-Term Care, Home Infusion, Skilled Nursing Facility, Veteran, Military, and I/T/U (Indian/Tribal/Indian Urban) providers. In the event of an increase or decrease in the total number of Participating Pharmacies by greater than five (5) percent, or a change in ownership of five (5) percent or more of Participating Pharmacies in the Network utilized by SPONSOR, Medco may modify the guarantee for Ingredient Costs and Dispensing Fees on an equitable basis. Medco agrees to provide Sponsor with as much advanced notice as possible and sufficient details to support any changes proposed to pricing terms to account for any changes proposed. SPONSOR may terminate this Agreement if the change has a material impact on Eligible Persons or SPONSOR disagrees with the pricing term changes proposed. Payment by SPONSOR is subject to the applicable Copayment/Coinsurance amount set forth below:

- 1.1. **Copayment/Coinsurance** - The Copayment/Coinsurance amount for each prescription or refill dispensed by a Participating Pharmacy under the Retail Pharmacy Program will be as designated for each Group in the applicable Plan Design(s).
- 1.2. **Direct Claims** - The reimbursement terms applicable to direct reimbursement claims submitted by Eligible Persons under the Retail Pharmacy Program will be the same as the terms set forth in this Section 1, unless otherwise provided in writing by SPONSOR to Medco.

2. MAIL ORDER PHARMACY PROGRAM CLAIMS

SPONSOR will pay Medco for Covered Drugs dispensed by a Medco mail order pharmacy under the Mail Order Pharmacy Program in an amount equal to an Ingredient Cost plus Dispensing Fee for each Covered Drug dispensed, less the applicable Copayment/Coinsurance amount, as such terms are defined below:

- 2.1 **Ingredient Cost** - The Ingredient Cost is the lower of MAC or AWP less 23.5% for Brand Name Drugs and Generic Drugs. The guaranteed pricing for Brand Name Drugs will be AWP minus (-) 23.5% and the guaranteed overall pricing for Generic Drugs will be AWP minus (-) 78%, 79% and 79% during the 1st, 2nd and 3rd Contract Years, respectively, for each Contract Year during the Initial Term. Medco will prepare a true up one hundred twenty (120) days following the end of such Contract Year. Any net shortfall (i.e. shortfalls offset by surpluses across the two components) in the aggregate guaranteed savings will be matched dollar for dollar by Medco. The guarantees set forth herein exclude Specialty Drugs.
- 2.2 **Dispensing Fee** - The Dispensing Fee per prescription or authorized refill is \$0.00. Dispensing Fees are inclusive of postage. If postage rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the first \$0.05 postage rate increase to SPONSOR will be waived.
- 2.3 **Copayment/Coinsurance** - The Copayment/Coinsurance amount for each prescription or refill dispensed by a Medco mail order pharmacy under the Mail Order Pharmacy Program shall be as designated for each Group in the applicable Plan Design(s). If the amount of the applicable Copayment/Coinsurance paid by an Eligible Person for a prescription or refill dispensed by Medco exceeds the Ingredient Cost (as defined in 0 above) plus Dispensing Fee (as defined in Section 0 above) plus any applicable taxes, then Medco shall return to the Eligible Person an amount equal to the Copayment/Coinsurance amount, less the sum of the applicable Ingredient Cost plus Dispensing Fee plus any applicable taxes, for the prescription or refill. Eligible Persons must pay the applicable Copayment or Coinsurance amount to Medco for each prescription or authorized refill under the Mail Order Pharmacy Program. Medco may suspend Mail Order Pharmacy Program services to an Eligible Person who is in default of any Copayment or Coinsurance amount due Medco.

3. **SPECIALTY PHARMACY PROGRAM**

Notwithstanding anything to the contrary in Section 2 above and elsewhere in the Agreement, effective January 1, 2012, SPONSOR will pay Medco for those Covered Drugs designated as Specialty Drugs under the Mail Order Pharmacy Program on a separate ingredient cost basis plus applicable Dispensing Fee, subject to the Copayment/Coinsurance in the applicable Plan Design.

Under the Retail Pharmacy Program, SPONSOR will pay Medco for Specialty Drugs on a separate ingredient cost basis plus applicable Dispensing Fee subject to the Copayment/Coinsurance in the applicable Plan Design. For a Specialty Drug that has limited or exclusive distribution through specific retail pharmacies ("Limited Distribution Specialty Drug"), SPONSOR will pay Medco for the Limited Distribution Specialty Drugs in the same amount that Medco reimburses the retail pharmacy for the drug, including Ingredient Cost and Dispensing Fee.

Medco will be the exclusive administrator of Specialty Drugs to SPONSOR while this Agreement is in effect. Specialty Drugs may be provided by Medco or other third-party specialty pharmacy that has a written arrangement with Medco. Medco may add or delete products, or modify pricing terms on written notice to SPONSOR. Specialty Drugs are excluded from calculations, guarantees, credits and payments regarding Total Rebates under the Mail Order Pharmacy Program and the Retail Pharmacy Program set forth in this Agreement. The terms and pricing set forth in this Section 3 apply only to SPONSOR's pharmacy benefit and not to SPONSOR's medical benefit. The current list is attached for reference. Medco will provide a current list of Specialty Drugs and associated prices upon SPONSOR's written request.

Services for Specialty Drugs under the Mail Order Pharmacy Program consist of:

- Clinical support that provides, according to Medco's procedures:
 - Eligible Person tele-counseling from specially trained pharmacists and nurses

- Care management, including information and support directly to the Eligible Person
- Coordination of care with the Eligible Persons case manager and/or home care agency
- Specialty Drug educational materials and product information
 - Standard communications notifying Eligible Persons of changes in plan coverage
 - Personalized mailings and outbound phone calls by Medco Special Care Pharmacy to Eligible Persons purchasing, at retail pharmacies, Specialty Drugs that are clinically appropriate for maintenance use
- Toll-free telephone line for Eligible Persons using Specialty Drugs
- Express delivery to physician's office or Eligible Person's home
 - Standard two (2) day delivery
 - Overnight delivery as physician required (excluding Sundays)
- Logistics coordination of delivery to Eligible Person's home or physician's office
- Analysis of integrated pharmacy and medical claims databases to identify utilizers, if applicable and agreed upon
- Ancillary supplies provided with each self-injectable medication
- Drug Utilization Review applied to specialty pharmacy related prescription claims and, when available from Medco, medical claims
- Enhanced Physician services, consisting of communication materials, forms and informational hotline

Additional communications to Eligible Persons or physicians beyond these listed above will be quoted upon request.

4. **ADMINISTRATIVE SERVICES AND FEES**

- 4.1. SPONSOR will pay to Medco a Base Administrative Fee in the amount of \$0.00 per paid claim processed by Medco under the Retail Pharmacy Program, Mail Order Pharmacy Program and Specialty Pharmacy Program for the following Base Administrative Services, as applicable:

Eligibility

- Administration of eligibility submitted via tape or telecommunication in a Medco standard format
- Eligibility maintenance (minimum of weekly updates)
- Dependent Eligibility Certification System (DECS)
- Medco's client support system (e-SD) via the client website for on-line access to current eligibility (equipment, installation and Internet access are responsibility of SPONSOR)¹

Claim Adjudication

- Administration of SPONSOR's Plan Design
- In-network claims adjudication via TelePAID on-line claims adjudication system
- Primary Coordination of Benefits (when flagged on eligibility records)
- Twelve (12) months on-line claims history retention (for use in claims processing)
- Processing associated with Medco by Mail Pharmacy Program prescriptions

Member Communication Materials

- Medco Welcome Package for new designated Eligible Persons, consisting of:
 - Announcement letter(not to exceed one page)

¹ SPONSOR may be granted access to Medco systems and applications, in some cases requiring the grant of access to SPONSOR employees and/or representatives, including e-SD and Client Website. SPONSOR's use of such systems and applications is governed by this Agreement and the Terms of Use and privacy policies for the respective systems and applications. Medco will grant access to SPONSOR employees and/or representatives only at the discretion of SPONSOR, as provided in Medco's operating procedures, and SPONSOR will be responsible for those individuals' compliance with the terms of this Agreement and the applicable Terms of Use and privacy policies.

- Medco descriptive brochure (not to exceed eight pages)
- Pre-addressed Mail Order form/envelope
- Patient health profile questionnaire
- One Medco Identification Card (customized to include Client logo and other key health care provider identifiers if requested by SPONSOR) per Primary Eligible Participant (two per family)
- Information on access to major Participating Pharmacy network chains
- Other available standard Medco materials, consisting of:
 - Direct reimbursement claim form (also available via www.medco.com)
 - Coordination of Benefits (COB) claim form
- TDD-TTY services for hearing impaired to access Member Service Department

Clinical Programs

- Drug Utilization Review
 - Integrated Concurrent Drug Utilization Review (DUR) via TelePAID including:
 - Plan Management Alerts
 - Clinical Alerts
 - Seniors DUR – a program specifically designed to improve the quality of healthcare for older adults
 - High Utilization Management program (Level I – Standard Analysis)
 - Physician Practice Summary Program – a program summarizing physician prescribing patterns
- Access capabilities to e-SD via the Client Website to support SPONSOR coverage authorization activities

Reporting

- Medco's Prescription Drug Plan Report Package available through the Information Services Report Manager tool on the Client Website²
- Information Services reporting tool available through the Client Website² with the following capabilities:
 - Ad Hoc Query for sophisticated analysis on detailed claims data
 - Report Manager for access to Medco's Prescription Drug Plan Report Package
 - Alerts Monitoring for monitoring prescriber and pharmacy behavior and compliance
 - Inquiry access to Coverage Management WorkStation to view Medco managed coverage review cases
- Medco's Claims Detail Layout (CDL) file every two (2) weeks
- Medco will provide SPONSOR with a Member Call Tracking (Top 10 reasons) report monthly. Reports do not have a financial guarantee tied to them

Retail Pharmacy Network

- Establish, maintain, credential, and contract an adequate panel of Participating Pharmacies
- Development and distribution of communication materials to Participating Pharmacies regarding the Program
- Toll-free access to Help Desk for eligibility/claims processing assistance
- Toll-free access for Participating Pharmacies to obtain DUR assistance
- Monitor Participating Pharmacy performance and compliance, including generic substitution rates, formulary program conformance, and DUR intervention conformance through Retail Network Management initiatives and reporting

² Includes Report Manager for up to four user IDs for SPONSOR personnel only. Additional SPONSOR user IDs may be set up at a charge of \$250/user per month. External claims integration charge is separate and quoted upon request. Equipment, installation, and Internet access charges are the responsibility of SPONSOR. Specifically assigned user IDs may not be exchanged with, or used by, third parties (e.g., consultants) or other SPONSOR personnel. Third parties desiring access must be approved by Medco and must sign Medco's Third-Party Access agreement, accompanied by SPONSOR's letter of authorization.

- Toll-free telephone access to voice response unit for location of Participating Pharmacies in zip code area
- Medco Pharmacy Audit Program³

Member Service

- Toll-free telephone access to Member Service for the Program for use by Eligible Persons, SPONSOR benefits personnel, and physicians
- Gatekeeper Program – Medco’s assistance program for older adults
- 24-hour access to a Medco pharmacist via toll-free telephone service

medco.com

- Standard Medco website capabilities, including:
 - online prescription ordering and status
 - prescription pricing information
 - coverage and benefit plan information
 - health news information

Account Management

- Clinical and plan consulting, analysis, and cost projections
- Annual analysis of Program utilization, impact of **Plan Design** changes, and intervention programs

- 4.2.** SPONSOR will also pay for Additional Administrative Services requested or used by SPONSOR and provided by Medco under the Program as follows:

<u>Eligibility</u>	
• Hard copy eligibility submission	Data entry charges
<u>Claim Adjudication</u>	
• Direct reimbursement/out-of-network claims adjudication (including check and EOB to Eligible Person)	\$1.75 per claim
• Coordination of Benefits <ul style="list-style-type: none"> - Secondary Coordination of Benefits <ul style="list-style-type: none"> ▪ Eligible Person-submitted paper claim ▪ Retail Pharmacy-submitted electronic claim - Adjudication of government subrogation claims (unless responsibility is otherwise assigned by SPONSOR) 	\$2.50 per claim \$1.00 per claim \$3.00 per paid claim
• On-line claims history retention (for use in claims processing) in excess of twelve (12) months	\$0.00 per claim
<u>Drug Utilization Review/Clinical/Formulary Programs</u>	
• Set-up and load of historical records from prior vendor, supplied in Medco format	\$0.00 per claim
• Medco’s Coverage Authorization Program, consisting of: prior authorization, step therapy, quantity duration/dose duration, quantity per dispensing event capabilities, and dose optimization (coverage option), including initial determinations and first-level appeals	\$55.00 per case ⁴
• Dose Optimization Notification Program <ul style="list-style-type: none"> - Mail Order Pharmacy Program 	\$40.00 per intervention

³ Medco will credit SPONSOR with 85% of all audit recoveries that Medco’s Pharmacy Audit Program recovers on behalf of SPONSOR. Medco will retain 15% of the total recoveries to defray administrative costs of Medco’s Pharmacy Audit Program.

⁴ Pricing contingent upon participation in the associated Medco Program Guarantee. This pricing and Program Guarantee are based on acceptance of Medco’s recommendations within drug categories and are subject to change based upon any applicable government legislation licensing requirements.

- Retail Pharmacy Program	\$20.00 per intervention
• High Utilization Management Program (Level II – Intervention)	\$0.02 per claim
• Retrospective DUR	\$0.05 per claim
• Customized Physician Practice Summary Program	Quoted upon request
<u>Reviews and Appeals Management – Plan Design</u>	
• Reviews and Appeals Management - Plan Design - Medco handles all initial determinations and first-level and, if requested by SPONSOR, second-level and urgent appeals	\$55.00 per case
<u>Reporting</u>	
• Additional Ad-hoc report production, reprogramming, and testing of non-standard SPONSOR requirements after 50 hours per year	Quoted upon request
• SPONSOR's requests for claims data, Plan Design information, or production files for itself or its designees (subject to execution of Medco's confidentiality agreement)	Quoted upon request
- Requests for multiple data feeds	\$0.00
- Data feeds to third-party vendors on CD-ROM	\$0.00
<u>Member Communication Materials</u>	
• Replacement of any Member Communication materials, Formulary materials, or Identification Cards upon an Eligible Person's request	\$0.00 plus actual postage
• Customization, re-issuance, or replacement of Member Communication materials, Formulary materials, or Identification Cards on a Group or SPONSOR-wide basis, if requested by SPONSOR	\$0.00 plus actual postage
• Prescription Drug Benefit Statement: - Statement to Eligible Persons providing prescription history along with specific recommended actions and related savings. Quarterly summary reporting to SPONSOR.	\$1.50 per statement plus actual postage charges
• Eligible Person communications describing the benefit or changes to the benefit, except for initial Welcome Package for new designated Eligible Persons	\$0.00 plus actual postage
• Customized, targeted Eligible Person mailings for closed/custom formulary	\$0.00 plus actual postage
• Retail Refill Allowance Program Member Communications Materials	\$0.00
• Mailings direct to Eligible Persons, physicians, or SPONSOR location	Postage charges
<u>Physician Communications</u>	
• Charges by physicians or medical practices for the completion of prior authorization forms, clarification of prescriptions, or other requests for information relating to coverage authorization or a prescribed medication	Amount Medco is required to pay physician or medical practice
<u>medco.com</u>	
• SPONSOR customization of medco.com	Quoted upon request
<u>Audit Support</u>	
• Data in excess of a rolling twenty-four (24) months	Quoted upon request
• Medco support of additional client audits	\$35,000 per audit

Medco's Medicare fee for the Retiree Drug Subsidy Program is \$0.40 per retiree claim.

Note: Charge for additional services not listed above will be determined by Medco and quoted upon request.

5. **GENERIC DISPENSING RATE GUARANTEE**

"Generic Dispensing Rate" or "GDR" means, the percentage obtained by dividing (i) the total number of prescriptions dispensed in a calendar year which are billed as Generic Drugs under the Program, by (ii) the total number of prescriptions for Covered Drugs dispensed and billed under the Program in such calendar year.

In accordance with accepted pharmacy procedures, Medco shall encourage the use of Generic Drugs over Brand Drugs by Eligible Persons and their prescribers by engaging in activities including explaining the benefits of using Generic Drugs in brochures and informing Eligible Persons when Generic Drugs become available as a substitute for Brand Drugs.

SPONSOR agrees to assist Medco in communicating to Eligible Persons the benefits of using appropriate and available Generic Drugs, and permits Medco to implement, from time-to-time, reasonable generic dispensing programs designed to increase SPONSOR's GDR. Such programs may include, but are not limited to, developing a physician contact program in which, for prescriptions written for Brand Drugs in which a Generic Drug is available, a Medco pharmacist may contact the prescribing physician to obtain authorization to dispense a Generic Drug.

Medco shall achieve the following target Generic Dispensing Rates:

Retail and Mail Aggregate GDR	2012	2013	2014
Guarantee	73.0%	75.0%	77.0%

If the actual GDR is less than the target GDR in the chart above, Medco will pay SPONSOR for any shortfall no later than ninety (90) days after the end of the applicable calendar year. Any shortfall on either the Mail Order or Retail GDR in any calendar year may be offset by any surplus on the other GDR in the same calendar year.

If government actions or acts or omissions by any drug manufacturer or SPONSOR (including a material change in Plan Design) has a material adverse effect on the prescribing of Generic Drugs, SPONSOR, and Medco will modify the target GDRs and/or penalty provisions set forth in this Section on an equitable basis.

6. IMPLEMENTATION ALLOWANCE

After ninety (90) days following full implementation of SPONSOR's Integrated Program and for the Initial Term of this Agreement, Medco will credit up to \$4.00 per Primary Eligible Participant against future billings under SPONSOR's Program for documented expenses incurred and submitted by SPONSOR to Medco for the preparation and/or implementation of SPONSOR's Integrated Program (e.g., consulting fees, RFP preparation, or special communications associated with the Integrated Program roll-out).

SCHEDULE B SPECIALTY PRICING

CORE SPECIALTY DRUG LIST

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee
Anemia	ARANESP		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Anemia	EPOGEN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Anemia	PROCRIT		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	ABRAXANE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	AFINITOR		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	ARRANON		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	ARZERRA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	AVASTIN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	DACOGEN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	ELIGARD		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	ERBITUX		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	FIRMAGON		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	FOLOTYN		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	GLEEVEC		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	HALAVEN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	HERCEPTIN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	HYCAMTIN ORAL		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	ISTODAX		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	IXEMPRA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	JEVTANA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	LEUPROLIDE*		19.9008%	\$0.00	16.7800%	\$1.87	11.5788%	\$1.10
Cancer	LUPRON (all forms and strengths)*		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	MOZOBIL *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	NEXAVAR		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	OCTREOTIDE ACETATE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	OFORTA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	PROLEUKIN *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	REVLIMID		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	RITUXAN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	SANDOSTATIN (all forms and strengths)		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	SPRYCEL		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	SUTENT		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee
Cancer	TARCEVA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	TASIGNA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	TEMODAR		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	THALOMID		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	TORISEL		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	TREANDA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	TYKERB		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	VANTAS		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	VECTIBIX		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	VELCADE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	VIDAZA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	VOTRIENT		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	XELODA *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	XGEVA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	ZOLADEx		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Cancer	ZOLINZA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Crohn's Disease	CIMZIA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
DVT/Anticoagulation	ARIxTRA *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
DVT/Anticoagulation	ENOxAPARIN SODIUM *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
DVT/Anticoagulation	FRAGMIN *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
DVT/Anticoagulation	INNOHEP *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
DVT/Anticoagulation	IPRIVASK*		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
DVT/Anticoagulation	LOVENOX *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	GENOTROPIN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	HUMATROPE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	INCRELEX		7.4178%	\$0.00	7.4178%	\$1.87	Plus 4.0250%	\$1.10
Growth Stimulating Agents	NORDITROPIN (all forms and strengths)		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	NUTROPIN (all forms and strengths)		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	OMNITROPE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	SAIZEN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	SEROSTIM		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	TEV-TROPIN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Growth Stimulating Agents	ZORBTIVE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Hemophilia	ADVATE		19.9008%	\$0.00	16.7800%	\$1.87	11.5788%	\$1.10
Hemophilia	ALPHANATE		21.9813%	\$0.00	19.9008%	\$1.87	11.5788%	\$1.10
Hemophilia	ALPHANINE SD		21.9813%	\$0.00	19.9008%	\$1.87	11.5788%	\$1.10
Hemophilia	BEBULIN		5.3373%	\$0.00	5.3373%	\$1.87	11.5788%	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee
Hemophilia	BENEFIX		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hemophilia	FEIBA		24.0618%	\$0.00	21.9813%	\$1.87	11.5788%	\$1.10
Hemophilia	HELIXATE (all forms and strengths)		21.9813%	\$0.00	19.9008%	\$1.87	11.5788%	\$1.10
Hemophilia	HEMOFIL M		24.0618%	\$0.00	21.9813%	\$1.87	11.5788%	\$1.10
Hemophilia	HUMATE-P		19.9008%	\$0.00	16.7800%	\$1.87	11.5788%	\$1.10
Hemophilia	KOATE (all forms and strengths)		24.0618%	\$0.00	21.9813%	\$1.87	11.5788%	\$1.10
Hemophilia	KOGENATE		24.0618%	\$0.00	21.9813%	\$1.87	11.5788%	\$1.10
Hemophilia	MONOCLATE P		24.0618%	\$0.00	19.9008%	\$1.87	11.5788%	\$1.10
Hemophilia	MONONINE		21.9813%	\$0.00	19.9008%	\$1.87	11.5788%	\$1.10
Hemophilia	NOVOSEVEN RT		21.9813%	\$0.00	19.9008%	\$1.87	11.5788%	\$1.10
Hemophilia	PROFILNINE (all forms and strengths)		24.0618%	\$0.00	15.7398%	\$1.87	11.5788%	\$1.10
Hemophilia	RECOMBINATE		21.9813%	\$0.00	19.9008%	\$1.87	11.5788%	\$1.10
Hemophilia	REFACTO		19.9008%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hemophilia	RIASTAP *		7.4178%	\$0.00	6.3775%	\$1.87	11.5788%	\$1.10
Hemophilia	STIMATE		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Hemophilia	WILATE		19.9008%	\$0.00	16.7800%	\$1.87	11.5788%	\$1.10
Hemophilia	XYNTHA		19.9008%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hepatitis	COPEGUS		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hepatitis	INFERGEN		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hepatitis	INTRON A (all forms and strengths)		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hepatitis	PEGASYS		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hepatitis	PEG-INTRON (all forms and strengths)		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hepatitis	REBETOL		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Hepatitis	RIBASPHERE		42.7863%	\$0.00	42.7863%	\$1.87	11.5788%	\$1.10
Hepatitis	RIBAVIRIN		42.7863%	\$0.00	42.7863%	\$1.87	11.5788%	\$1.10
Hereditary Tyrosinemia	ORFADIN		Plus 4.0250%	\$0.00	Plus 4.0250%	\$1.87	Plus 4.0250%	\$1.10
HIV	EGRIFTA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
HIV	FUZEON		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Homocystinuria	CYSTADANE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	ACTIMMUNE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	ADAGEN		Plus 4.0250%	\$0.00	Plus 4.0250%	\$1.87	Plus 4.0250%	\$1.10
Immune Deficiency	CARIMUNE NF	**	13.6593%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	CYTOGAM *	**	13.6593%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Immune Deficiency	FLEBOGAMMA	**	13.6593%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	GAMASTAN *	**	13.6593%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	GAMMAGARD	**	13.6593%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	GAMMAGARD LIQUID	**	11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee
Immune Deficiency	GAMMAPLEX	**	13.6593%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	GAMUNEX	**	13.6593%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	HIZENTRA	**	12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	HYPERRHO S/D *	**	16.7800%	\$0.00	16.7800%	\$1.87	11.5788%	\$1.10
Immune Deficiency	MICRHOGAM *	**	13.6593%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Immune Deficiency	OCTAGAM	**	13.6593%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	PRIVIGEN	**	12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	RHOGAM *	**	13.6593%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Immune Deficiency	RHOPHYLAC *	**	13.6593%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Immune Deficiency	VIVAGLOBIN	**	12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Immune Deficiency	WINRHO (all forms and strengths) *	**	21.9813%	\$0.00	21.9813%	\$1.87	11.5788%	\$1.10
Infertility	BRAVELLE *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	CETROTIDE *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	CHORIONIC GONADOTROPIN *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	FOLLISTIM AQ *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	GANIRELIX ACETATE *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	GONAL-F (all forms and strengths) *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	LUVERIS *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	MENOPUR *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	NOVAREL *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	OVIDREL *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	PREGNYL *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Infertility	REPRONEX *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	ALDURAZYME	**	7.4178%	\$0.00	7.4178%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	BERINERT *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	CARBAGLU		5.3373%	\$0.00	5.3373%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	CEREZYME	**	12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	ELAPRASE	**	12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	FABRAZYME	**	6.3775%	\$0.00	6.3775%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	LUMIZYME	**	10.5385%	\$0.00	10.5385%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	MYOZYME	**	11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	NAGLAZYME	**	12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Metabolic Disorder	V-PRIV	**	12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	AMPYRA		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	AVONEX		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	BETASERON		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	COPAXONE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee
Multiple Sclerosis	EXTAVIA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	GILENYA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	MITOXANTRONE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	NOVANTRONE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	REBIF		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Multiple Sclerosis	TYSABRI		10.5385%	\$0.00	10.5385%	\$1.87	11.5788%	\$1.10
Neutropenia/Thrombocytopenia	LEUKINE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Neutropenia/Thrombocytopenia	NEULASTA *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Neutropenia/Thrombocytopenia	NEUMEGA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Neutropenia/Thrombocytopenia	NEUPOGEN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Neutropenia/Thrombocytopenia	NPLATE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Ophthalmics	LUCENTIS		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Ophthalmics	MACUGEN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Ophthalmics	OZURDEX		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Ophthalmics	RETISERT		6.3775%	\$0.00	6.3775%	\$1.87	11.5788%	\$1.10
Osteo-Arthritis	EUFLEXXA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Osteo-Arthritis	HYALGAN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Osteo-Arthritis	ORTHOVISC		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Osteo-Arthritis	SUPARTZ		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Osteo-Arthritis	SYNVISC		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Osteoporosis	FORTEO		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Osteoporosis	PROLIA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	ACTHAR GEL		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	APOKYN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	ARCALYST		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	ATRYN *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	CYTOVENE *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	DYSPORT		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	EXJADE		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	GANCICLOVIR *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	KRYSTEXXA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	LUPRON DEPOT PED*		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	MAKENA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	PRIALT *		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	PROMACTA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	QUTENZA		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	SABRIL *		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee
Other Specialty Agents	SAMSCA *		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	SENSIPAR		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	SOLIRIS		11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	SOMATULINE DEPOT		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	SOMAVERT		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	SUPPRELIN LA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	VIVITROL		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	XENAZINE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Other Specialty Agents	XEOMIN		5.3373%	\$0.00	1.1763%	\$1.87	Plus 4.0250%	\$1.10
Phenylketonuria (PKU)	KUVAN		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Psoriasis	AMEVIVE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary	ARALAST	**	11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary	GLASSIA	**	11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary	PULMOZYME		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary	TOBI		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary	XOLAIR		12.6190%	\$0.00	12.6190%	\$1.87	11.5788%	\$1.10
Pulmonary	ZEMAIRA	**	11.5788%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary Hypertension	ADCIRCA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary Hypertension	EPOPROSTENOL SODIUM	**	Plus 4.0250%	\$0.00	Plus 4.0250%	\$1.87	Plus 4.0250%	\$1.10
Pulmonary Hypertension	FLOLAN	**	Plus 4.0250%	\$0.00	Plus 4.0250%	\$1.87	Plus 4.0250%	\$1.10
Pulmonary Hypertension	LETAIRIS		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary Hypertension	REMODULIN	**	Plus 4.0250%	\$0.00	Plus 4.0250%	\$1.87	Plus 4.0250%	\$1.10
Pulmonary Hypertension	REVATIO		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary Hypertension	TRACLEER		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Pulmonary Hypertension	TYVASO	**	Plus 4.0250%	\$0.00	Plus 4.0250%	\$1.87	Plus 4.0250%	\$1.10
Pulmonary Hypertension	VELETRI	**	Plus 4.0250%	\$0.00	Plus 4.0250%	\$1.87	Plus 4.0250%	\$1.10
Pulmonary Hypertension	VENTAVIS	**	Plus 4.0250%	\$0.00	Plus 4.0250%	\$1.87	Plus 4.0250%	\$1.10
Respiratory Syncytial Virus	SYNAGIS		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Rheumatoid Arthritis and other autoimmune conditions	ACTEMRA		7.4178%	\$0.00	6.3775%	\$1.87	Plus 4.0250%	\$1.10
Rheumatoid Arthritis and other autoimmune conditions	BENLYSTA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Rheumatoid Arthritis and other autoimmune conditions	ENBREL		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Rheumatoid Arthritis and other autoimmune conditions	HUMIRA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Rheumatoid Arthritis and	KINERET		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee	Post- Settlement AWP Discount	Dispensing Fee
other autoimmune conditions								
Rheumatoid Arthritis and other autoimmune conditions	ORENCIA		10.5385%	\$0.00	10.5385%	\$1.87	11.5788%	\$1.10
Rheumatoid Arthritis and other autoimmune conditions	REMICADE		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Rheumatoid Arthritis and other autoimmune conditions	SIMPONI		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Rheumatoid Arthritis and other autoimmune conditions	STELARA		12.6190%	\$0.00	11.5788%	\$1.87	11.5788%	\$1.10
Rheumatoid Arthritis and other autoimmune conditions	XIAFLEX		10.5385%	\$0.00	10.5385%	\$1.87	Plus 4.0250%	\$1.10

EXTENDED SPECIALTY DRUG LIST

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee
Cancer	8-MOP		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	ADRIAMYCIN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	ADRUCIL*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	AGRYLIN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	ALIMTA		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	ALKERAN		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	ALOX1*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	ANAGRELIDE HYDROCHLORIDE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	ANZEMET*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	BICALUTAMIDE		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee
Cancer	BICNU*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	BLENOXANE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	BLEOMYCIN SULFATE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	CAMPATH*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	CAMPTOSAR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	CARBOPLATIN*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	CASODEX		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	CISPLATIN*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	CLADRIBINE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	COSMEGEN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	CYCLOPHOSPHAMIDE		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	CYTARABINE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	CYTOXAN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	DACARBAZINE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	DELESTROGEN		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	DEPOCYT*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	DOXIL*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	DOXORUBICIN HCL*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	DTIC-DOME IV*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	EFUDEX*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	ELOXATIN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	EMCYT*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	ESTRADIOL VALERATE		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	ETOPOPHOS*		Mail Brand	\$0.00	Mail Brand	\$0.00	Retail Brand	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee
			AWP Discount		AWP Discount		AWP Discount	
Cancer	ETOPOSIDE		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	FASLODEX*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	FLOXURIDINE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	FLUDARA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	FLUDARABINE PHOSPHATE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	FLUOROURACIL		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	FUDR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	GEMZAR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	GLIADEL*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	HEXALEN		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	IFEX*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	IFOSFAMIDE (all forms and strengths)*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	IRINOTECAN HCL*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	MELPHALAN HCL*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	MESNA*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	MESNEX		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	METHOTREXATE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	MUSTARGEN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	MYOBLOC		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	NAVELBINE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	NEOSAR*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	ONXOL*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	OXALIPLATIN*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	PACLITAXEL*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	PANRETIN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee
Cancer	PARAPLATIN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	PLATINOL-AQ*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	TARABINE PFS*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	TARGRETIN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	TAXOL*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	TAXOTERE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	THERACYS*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	THIOTEPA*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	TICE BCG*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	TOPOSAR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	TRELSTAR DEPOT*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	TRELSTAR LA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	TRETINOIN		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	TRISENOX*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	VALERGEN-20*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	VEPESID*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	VESANOID*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Cancer	VINBLASTINE SULFATE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	VINCISTINE SULFATE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Cancer	VINORELBINE TARTRATE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Hemophilia	DDAVP*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Hemophilia	DESMOPRESSIN ACETATE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Hepatitis B	BARACLUDE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee
Hepatitis B	HEPAGAM B*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Hepatitis B	HEPSERA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Hepatitis B	HYPERHEP B S-D*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Hepatitis B	NABI-HB*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	APTIVUS*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	COMBIVIR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	CRIXIVAN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	DIDANOSINE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
HIV	EMTRIVA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	EPIVIR (all forms and strengths)		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	EPZICOM*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	INTELENCE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	INVIRASE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	KALETRA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	LEXIVA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	NORVIR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	PREZISTA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	RESCRIPTOR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	RETROVIR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	REYATAZ*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	STAVUDINE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee
HIV	SUSTIVA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	TRIZIVIR*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	VIDEX (all forms and strengths)*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	VIRAMUNE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	VIREAD*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	ZERIT*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	ZIAGEN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
HIV	ZIDOVUDINE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Iron Overload	DESFERAL*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Osteoporosis	ARELIA		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Osteoporosis	BONIVA		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Osteoporosis	PAMIDRONATE DISODIUM		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Osteoporosis	RECLAST		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Osteoporosis	ZOMETA*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Other Specialty Agents	BOTOX (all forms and strengths)		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Other Specialty Agents	DEFEROXAMINE MESYLATE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
PNE, diabetes insipidus	MINIRIN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Psoriasis	OXSORALEN (all forms and strengths)		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
PSORIASIS	UVADEX*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Rheumatoid Arthritis/Cancer	METHOTREXATE SODIUM*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Rheumatoid Arthritis/Cancer	RHEUMATREX*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10

Therapy	Drug	Per Diem & Nursing Service Charges	EXCLUSIVE MAIL PRICING		NON-EXCLUSIVE MAIL PRICING		RETAIL PRICING	
			Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee	Post-Settlement AWP Discount	Dispensing Fee
Rheumatoid Arthritis/Cancer	TREXALL*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant	CELLCEPT*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant	CYCLOSPORINE*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Transplant	GENGRAF*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Transplant	IMURAN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant	MYCOPHENOLATE MOFETIL*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Transplant	MYFORTIC*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant	NEORAL*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant	PROGRAF*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant	RAPAMUNE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant	SANDIMMUNE*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant	TACROLIMUS (all forms and strengths)*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10
Transplant	ZENAPAX*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant/ Rheumatoid Arthritis	AZASAN*		Mail Brand AWP Discount	\$0.00	Mail Brand AWP Discount	\$0.00	Retail Brand AWP Discount	\$1.10
Transplant/ Rheumatoid Arthritis	AZATHIOPRINE (all forms and strengths)*		MAC	\$0.00	MAC	\$0.00	MAC	\$1.10

Net Effective Discount for Products listed on the Specialty Price List (Exclusive Offer Only)

Medco guarantees that the overall annual Net Effective Discount for the products listed on the Specialty Price List that were dispensed through the mail order channel will be at least AWP (-) minus 13.5% for Pinellas County. Within one hundred eighty days (180) following the end of each contract year Medco will calculate the actual net effective discount for the products listed on the Specialty Price List that were dispensed through the mail order channel to determine if the guarantee has been met. If the actual overall Net Effective Discount is less than the guaranteed Net Effective Discount Medco will reimburse Pinellas County the full dollar amount of the difference between the actual and guaranteed Net Effective Discounts. Pinellas County will retain any amount that the actual Net Effective Discount exceeds the guaranteed Net Effective Discount. The calculation for the actual Net Effective Discount will be as follows: ((Total Ingredient Cost for the products listed on the Specialty Price List) divided by (Total AWP for the products listed on the Specialty Price List)) minus 1.

1. "AWP" means the average wholesale price of the Covered Drug on the date the order is dispensed by Medco/Accredo. The AWP source is First DataBank, is based on the package size from which the product is dispensed, and represents the AWP for the actual J-Code or National Drug Code (NDC), as applicable, for the package size used to dispense the prescription. The amount reimbursed to Medco/Accredo is based on the AWP rate in effect as of the date the order is dispensed, less the applicable Member financial responsibility. If First DataBank changes the methodology for calculating AWP in a way that materially changes the economics of this Agreement, the parties agree to promptly modify the pricing terms to preserve the parties' relative economics as provided by this agreement.
2. If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee will be increased to reflect such increase(s).
3. Charges for nursing visits and costs of supplies, equipment (e.g., pumps), and clinical monitoring required to administer certain Specialty Drugs indicated with ** above will be billed through Pinellas County's medical carrier at rates that have been agreed to between Accredo and the medical carrier.
4. Please note that all Core Specialty Drug List products are excluded from Total Rebates and payments.
5. Pinellas County will pay Medco for the Covered Drugs listed on the Extended Specialty Drug List above based on the pricing set forth in the Mail-Order Pharmacy Program.
6. Please note that all rebates and guarantees, including net effective discounts, for Extended Specialty Drug List products (specialty drugs dispensed through Medco's mail-order pharmacies) are consistent with the rebates and guarantees for non-specialty drugs. Furthermore, Covered Drugs included under the Extended Specialty Drug list will be included in all calculations and measurements, as applicable, credits and payments under the Mail-Order Pharmacy Program. This inclusion relates to measurements of applicable Performance Standards and Penalties, Total Rebates and other applicable financial guarantees.
7. Medco/Accredo reserves the right to modify these lists and rates based on changing market conditions upon written notice.
8. The Exclusive Pricing offer is contingent on Medco/Accredo being the exclusive provider of Specialty Drugs through mail (e.g., US Postal Service, FedEx, or other similar couriers), except those drugs designated above with an asterisk *. This proposal may be modified based upon state law requirements.
9. Medco/Accredo obtains discounts, service fees, and rebates from pharmaceutical manufacturers for prescription drugs that we purchase and/or dispense. We generally receive discounts based upon purchasing, and also provide services to manufacturers for which we are paid. We receive market share rebates in a limited number of circumstances where Medco/Accredo meets certain performance criteria. These are generally based on the proportional utilization of a manufacturer's product within a therapeutic category and are typically equal to a percentage of the WAC of the product dispensed. Rebates are typically invoiced to the manufacturer and paid to us on a quarterly basis. We disclose rebates, rebate percentages, and fees from manufacturers combined with Medco's payments from manufacturers in Medco's quarterly and annual public financial filings.
10. The above Pricing Offer assumes a days' supply consistent with the Mail Order Pharmacy Program.