

## EXHIBIT H

### EMPLOYER PARTICIPATION AGREEMENT

THIS EMPLOYER PARTICIPATION AGREEMENT (the "Employer Participation Agreement") is made as of January 1, 2020 (the "Effective Date"), by and between Columbia Public Schools ("Employer") and Express Scripts, Inc., a Delaware corporation, on behalf of itself and its subsidiaries (collectively referred to as "ESI"), for the purpose of delineating the terms and conditions under which ESI will provide certain pharmacy benefit management services to Employer under the Main Agreement between ESI and BHC.

#### RECITALS:

- A. The St. Louis Area Business Health Coalition ("BHC"), a Missouri non-profit corporation, manages healthcare vendor relationships on behalf of the Employer and its counterparts who participate in coalition purchasing programs;
- B. ESI and BHC have entered into that certain Pharmacy Benefit Management Agreement dated effective October 1, 2014 (the "Main Agreement");
- C. The parties acknowledge and intend that the Main Agreement is incorporated herein by reference. Defined terms used herein shall have the same meaning assigned to such terms in the Main Agreement; and
- D. Employer desires that ESI provide PBM Services to the Employer in accordance with the Main Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by reference, and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. ESI'S Obligations. ESI agrees to comply with the terms and conditions as set forth in the Main Agreement.
2. Employer Obligations. Employer acknowledges that it has read and hereby agrees to the terms and conditions set forth in the Main Agreement as a BHC member, which Employer acknowledges are hereby incorporated into this Employer Participation Agreement by reference. Furthermore, Employer agrees to the following:
  - a) Financial Responsibility/Payment Terms. In accordance with the Main Agreement, Employer will pay to ESI the fees due under the Main Agreement as a BHC member pursuant to the payment terms set forth in the Main Agreement. Employer has sole responsibility for timely payment of such fees. BHC may facilitate the payment process, but Employer retains all financial responsibility for timely payment of the applicable fees.

Employer chooses the following Pricing Option outlined in the Main Agreement:

- Pricing Option 1
- Pricing Option 2

- b) Fees to BHC. Employer acknowledges that BHC and its contracted pharmacy consultant provide pharmacy benefit management services on behalf of the Employer and its Eligible Members. Employer authorizes and directs ESI to pay BHC \$25,000 per contract year for the first two contract years and \$20,000 per contract year thereafter and to bill these management fees directly to Employer, which Employer shall be obligated to pay in addition to the other fees due under the Main Agreement. ESI will not be obligated to pay the management fees to BHC until ESI has received the corresponding fee amount from the Employer. Employer represents and warrants that the management fee amount to be paid by ESI is reasonable and appropriate in light of the actual services to be performed by BHC in connection with Employer's prescription drug program, and that management fees paid by ESI to BHC shall be solely from ESI' general assets and Employer shall have no right, title or interest in, or to, such assets so as to make such assets "plan assets" within the meaning of ERISA. Except for nonpayment by ESI in violation of the express terms hereunder, Employer shall hold ESI harmless in connection with any dispute between BHC and Employer, or otherwise regarding management fees.

- c) Member Authorizations and Disclosures. When such services are requested by Employer, Employer will obtain all Member authorizations required by law for ESI to perform any PBM Services provided for in this Employer Participation Agreement or in any addendum or amendment hereto, and for ESI to contact Members, Members' physicians, and Participating Pharmacies in order to promote therapeutic and generic substitution opportunities and to perform any other PBM Services or activities contemplated by this Employer Participation Agreement that may require such contact. Employer shall provide ESI with Members' addresses and such other information as may be reasonably necessary to facilitate such communications.

Employer will disclose to Members any and all matters relating to the plan design that are required by law to be disclosed, including information relating to the calculation of co-payments, coinsurance amounts, deductibles or any other amounts that are payable by a Member in connection with the plan design.

- d) Confidentiality. Employer will hold the terms and conditions of this Employer Participation Agreement confidential except to the extent disclosure is required under applicable law. Employer will not share the terms of this Agreement with its consultant or other third party without the express permission of ESI and BHC unless otherwise required under applicable law or in response to a valid court order or subpoena. Notwithstanding any provision to the contrary in the Main Agreement or this Employer Participation Agreement, Employer shall be authorized to disclose Confidential Information to the extent required by law or in response to a valid court order or subpoena. If such an event occurs, Employer shall provide notice to ESI prior to the disclosure and the minimum statutory or regulatory period of time to allow ESI to request redactions or limitations on any disclosures or to challenge any such court order or subpoena.

- 3. Term and Renewal. The initial term of this Employer Participation Agreement shall commence on the Effective Date and remain in effect until **December 31, 2022** (but not less than two (2) years) thereafter (the "Initial Term"). Thereafter, this Employer Participation Agreement shall automatically renew for successive one (1) year terms unless terminated by either party as described in Section 4 of this Employer Participation Agreement.

- 4. Termination of Employer Participation Agreement. ESI and Employer may terminate this Employer Participation Agreement as follows:

- a) Non-Renewal Upon Notice. Not less than ninety (90) days prior to the end of the Initial Term or any renewal term of this Agreement either party may notify the other party in writing that it desires to terminate this Agreement effective as of the end of the then current term. Notwithstanding any provision in this Agreement to the contrary, in no event will this Agreement be terminable "without cause" by either party.
- b) Breach or Default. Either party may give the other written notice of a material, substantial and continuing breach of this Agreement. If the breaching party has not cured said breach within thirty (30) days from the date such notice was sent, this Agreement may be terminated at the option of the non-breaching party. If the amount of time commercially reasonable for the breach to be cured is longer than thirty (30) days, this Agreement may not be terminated by the non-breaching party pursuant to this provision until such commercially reasonable period of time has elapsed; provided, however, that in no event will such period exceed sixty (60) days.
- c) Non-Payment. Notwithstanding anything to the contrary herein, ESI (and its wholly-owned subsidiaries) shall have the right to terminate this Employer Participation Agreement or suspend performance hereunder (and the Main Agreement) and cease providing or authorizing the provision of Covered Drugs to that Employer's Members upon forty-eight (48) hours written notice if Employer fails to pay ESI or provide a deposit, if required, in accordance with the terms of this Agreement. ESI attempts collection through written and verbal communications with Employer prior to sending the notice described herein.

- d) Market Check. If BHC terminates the Main Agreement pursuant to Section 7.2(d) of the Main Agreement, and if Employer has contracted with ESI for at least two (2) years under the terms of the Main Agreement and this Employer Participation Agreement, then Employer may terminate this Employer Participation Agreement (but is not obligated to) coterminous with the effective date of such termination of the Main Agreement.
  - e) Effect of Termination. Other than as set forth in subsection d) above, no termination of the Main Agreement by BHC and/or ESI shall result in a termination of this Employer Participation Agreement, which shall remain in full force and effect, unless otherwise agreed to in writing by ESI and Employer.
  - f) Obligations Upon Termination. Upon notice of termination of this Employer Participation Agreement, the parties will mutually develop a run-off plan providing for: (a) Employer notification to Members of the timing of any transition to a successor pharmacy benefit manager at least thirty (30) days prior to the effective date of such termination; (b) ESI provision of open Mail Service Pharmacy refill files and standard claims data and PA files for transition to the successor pharmacy benefit manager in accordance with then existing industry protocol; and (c) whether Employer elects for ESI to process Participating Pharmacy or Member Submitted Claims for prescriptions filled during the Term but filed with ESI after the effective date of termination ("Termination Date"). Employer will continue to pay ESI in accordance with this Employer Participation Agreement and the Main Agreement for any Fees for PBM Services provided during the term and any run-off period. ESI will continue filing for Rebates for claims incurred prior to the Termination Date and will pay Employer Rebates for such claims in accordance with the Rebate payment schedule set forth in Exhibit B of the Main Agreement.
5. HIPAA. The parties agree that as relates to use and disclosure of PHI, electronic transaction standards and security of electronic PHI under HIPAA, they are subject to the terms of a separate Business Associate Agreement.
6. Audit. Employer acknowledges that BHC conducts regular audits on behalf of the coalition. If Employer requests to conduct a separate audit outside of the BHC, such audit will be at Employer's expense.
7. Disclosure. As disclosed in Section 8.9 of the Main Agreement, BHC and ESI are parties to a separate arrangement whereby ESI, as a major St. Louis employer, makes certain funds available to BHC to reimburse BHC for fair market value expenditures related to business development initiatives to expand BHC and its community based agenda to improve health and health care value throughout the St. Louis region. ESI pays these amounts out of its general assets and does so of its own accord. This arrangement is separate from ESI's administration of PBM Services to any Employer or its Plan, and Employer has no right, title, or interest to any funds paid by ESI to BHC pursuant to this separate arrangement. As a nonprofit membership organization, BHC makes a full accounting of all funds received and use of such funds to its board of directors. Employer, as a BHC member, also has access to such information.
8. Indemnification. The following Sections of the Main Agreement and its Exhibits shall only apply to Employer to the extent permitted by law: Section 7.3(d)(iii) of the Main Agreement; Section 6 of Exhibit C, Business Associate Agreement; Section 7 of Exhibit F, Confidentiality Agreement.

8. Employer Information.

Employer Name: Columbia Public Schools

Contact Name: \_\_\_\_\_

Address: 1818 W. Worley St., Columbia, MO 65203

Telephone No.: (573) 214-3400

Fax No.: (573) 214-3401

Population to be Enrolled: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers or agents as of the date first above written.

**EXPRESS SCRIPTS, INC.**

**EMPLOYER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXPRESS SCRIPTS, INC.  
PHARMACY BENEFIT MANAGEMENT AGREEMENT**

During Spring, 2014, the St. Louis Area Business Health Coalition (“BHC”) conducted a bidding process (“Bidding Process”) through which a Request for Information and a Request for Quotes were issued to describe the program requirements and to facilitate the evaluation and selection by BHC’s employer members (“Employers”) of pharmacy benefit management (“PBM”) services for plan years commencing on or after October 1, 2014. Express Scripts, Inc. participated in the Bidding Process by submitting a written response to the Request for Information and Request for Quotation and by making a presentation on its services to BHC and Employers, and desires to make its services available to Employers, their employees, retirees and dependents in accordance with the terms and conditions described throughout this Agreement. This Pharmacy Benefit Management Agreement (“Agreement”), effective as of October 1, 2014, is entered into by and between Express Scripts, Inc., a Delaware corporation, on behalf of itself and its subsidiaries (collectively referred to as “ESI”), and St. Louis Area Business Health Coalition (“BHC”), a Missouri non-profit corporation.

**PRELIMINARY STATEMENT**

Pursuant to the terms and conditions of this Agreement, BHC desires to retain ESI to provide, and ESI desires to provide for BHC and Employers covered by this Agreement, PBM services described in this Agreement, including without limitation: (i) retail and mail service pharmacy through which Members may receive prescription drugs at a network pharmacy or through the mail, (ii) claims processing, customer service, data reporting, retail network management and payment of claims for prescription drugs furnished to Members, (iii) formulary development and management services, (iv) certain patient compliance, drug utilization review, step therapy, prior authorization, clinical, safety, adherence and other like programs, therapeutic interchange, and generic substitution programs, and (v) disease management services (collectively, the “PBM Services”).

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

**TERMS OF AGREEMENT**

**ARTICLE I – DEFINITIONS**

“Ancillary Supplies, Equipment, and Services” or “ASES” means ancillary supplies, equipment, and services provided or coordinated by ESI Specialty Pharmacy in connection with ESI Specialty Pharmacy’s dispensing of Specialty Products. ASES may include all or some of the following: telephonic and/or in-person training, nursing/clinical services, in-home infusion and related support, patient monitoring, medication pumps, tubing, syringes, gauze pads, sharps containers, lancets, test strips, other supplies, and durable medical equipment. The aforementioned list is illustrative only (not exhaustive) and may include other supplies, equipment, and services based on the patient’s needs, prescriber instructions, payer requirements, and/or the Specialty Product manufacturer’s requirements.

“Average Wholesale Price” or “AWP” means the average wholesale price of a prescription drug as identified by drug pricing services such as Medi-Span or other source recognized in the retail prescription drug industry selected by ESI for all its clients (the “Pricing Source”). The applicable AWP shall be the 11-digit NDC for the product on the date dispensed, and for prescriptions filled in (a) Participating Pharmacies and ESI Specialty Pharmacy will be the AWP for the package size from which the prescription drug was dispensed, and (b) in the Mail Service Pharmacy the AWP for the lesser of: (i) the NDC code for the actual package size from which the prescription drug was dispensed, or (ii) package sizes of 100 units or 16 ounce quantities, or the next larger quantity if such specified quantities are not available. The parties understand that pricing indices historically used, (and that are the basis in this Agreement), for determining the financial components of pharmacy billing rates are outside the control of BHC, Employer and ESI. The parties also understand there are extra-market industry, legal, government and regulatory activities which may lead to changes relating to, or elimination of, these pricing indices that could alter the pricing intent under this Agreement. If the Pricing Source changes the methodology for

calculating AWP or replaces AWP, or if, as a result of such change, ESI utilizes another recognized benchmark other than AWP (e.g., to Wholesale Acquisition Cost), then Participating Pharmacy, ESI Specialty pharmacy and Mail Service Pharmacy rates, and guarantees, as applicable, will be modified as reasonably and equitably necessary to maintain the pricing intent under this Agreement. ESI shall provide BHC and Employer as much notice as possible or at least ninety (90) days' notice of the change, and written illustration of the financial impact of the pricing source or index change (e.g., specific drug examples). If BHC and Employer dispute the illustration or the financial impact of the pricing source, the parties agree to cooperate in good faith to resolve such disputes. In the event that the parties cannot resolve such disputes within 30 days, then either party may terminate this Agreement upon no less than thirty (30) days written notice; provided that ESI retains the right to apply the change on the effective date of such change, which shall be set forth in the aforementioned ESI notice.

“Brand Drug” means a prescription drug product that is not a Generic Drug.

“Copayment” means that portion of the charge for each Covered Drug dispensed to the Member that is the responsibility of the Member (e.g., copayment, coinsurance and/or deductible) as indicated on the Set-Up Forms.

“Covered Drug(s)” means those prescription drugs, supplies, Specialty Products (if applicable), and other items that are covered under the Plan, each as indicated on the Set-Up Forms.

“Eligibility Files” means the list submitted by Employer to ESI in reasonably acceptable electronic format indicating persons eligible for drug benefit coverage services under the Plan.

“Employer” shall mean each participating plan sponsor for which BHC negotiates the pharmacy benefit services hereunder and oversees the relationship with ESI, and which executes an Employer Participation Agreement with ESI. Throughout this Agreement, references to Employer are to each Employer acting in its individual capacity, and the administration of this Agreement by ESI is to each Employer in its individual capacity, including, but not limited to, the measurement and calculation of all pricing terms, guarantees, and performance guarantees, unless otherwise noted.

“Employer Participation Agreement” means the form of agreement set forth on Exhibit H.

“ERISA” means the Employee Retirement Income Security Act, as amended, 29 U.S.C. §1001 et seq.

“ESI National Network” means a Participating Pharmacy network that provides broad access balanced with selective pharmacy participation aimed at increased cost savings, and which does not include at least one retail pharmacy chain consisting of greater than six thousand retail pharmacy locations.<sup>1</sup> The foregoing description and composition of the ESI National Network is a material assumption hereunder.

“ESI National Plus Network” means ESI’s broadest Participating Pharmacy network and includes all major retail pharmacy chains.<sup>2</sup>

“ESI Specialty Pharmacy” means CuraScript, Inc., Accredo Health Group, Inc., Express Scripts Specialty Distribution Services, Inc., or another pharmacy or home health agency wholly-owned or operated by ESI or one or more of its affiliates that primarily dispenses Specialty Products or provides services related thereto; provided, however, that when the Mail Service Pharmacy dispenses a Specialty Product, it shall be considered an ESI Specialty Pharmacy hereunder.

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<sup>1</sup> The ESI National Network was historically referred to as the “EN40 Network” in ESI’s network provider agreements with Participating Pharmacies, and is subject to future name change.

<sup>2</sup> The ESI National Plus Network was historically referred to as the “EN50 Network” in ESI’s network provider agreements with Participating Pharmacies, and is subject to future name change.

“ESI Prime Network” means ESI’s Participating Pharmacy network aimed at maximizing cost savings through limited provider participation.<sup>3</sup>

“Express Advantage Network” or “EAN” means ESI’s Participating Pharmacy network aimed at maximizing cost savings through limited provider participation.

“Formulary” means the list of FDA-approved prescription drugs and supplies developed by ESI’s Pharmacy and Therapeutics Committee and/or customized by Employer, and which is selected and/or adopted by Employer. The drugs and supplies included on the Formulary will be modified by ESI from time to time as a result of factors, including, but not limited to, medical appropriateness, manufacturer Rebate arrangements, and patent expirations. Additions and/or deletions to the Formulary are hereby adopted by Employer, subject to Employer’s discretion to elect not to implement any such addition or deletion through the Set-Up Form process, which such election shall be considered an Employer change to the Formulary.

“Generic Drug” means a prescription drug, whether identified by its chemical, proprietary, or non-proprietary name, that is therapeutically equivalent and interchangeable with drugs having an identical amount of the same active ingredient(s) and approved by the FDA. For purposes of this Agreement, the Generic Drug determination is made using indicators from First Databank (or other source nationally recognized in the prescription drug industry used by ESI for all clients) on the basis of a standard brand/generic algorithm utilized by ESI for all of its clients, a copy of which may be made available for review by Employer upon request. The purposes of this algorithm are to utilize a comprehensive and logical algorithm to determine the brand or generic status of products in the ESI master drug file using a combination of industry standard attributes, to stabilize products “flipping” between brand and generic status as may be the case with industry pricing sources, and to reduce Employer, Member and provider confusion due to fluctuations in brand/generic status.

“HIPAA” will mean the Health Insurance Portability and Accountability Act of 1996, as amended.

“MAC List” means a single list that is used for all BHC employers and will be made available upon request of prescription drug products identified as readily available as a Generic Drug, generally equivalent to a Brand Drug (in which case the Brand Drug may also be on the MAC List) and which are deemed to require pricing management due to the number of manufacturers, utilization and pricing volatility. The MAC List is intended to result in a weighted average discount range of between 77.50 and 82.50%, but Employer’s actual experience may vary within, or above or below this range depending upon Employer’s Generic Drug and Brand Drug mix and plan design. Notwithstanding the foregoing, Employer is guaranteed the minimum weighted average discounts for Generic Drugs set forth in Section III of Exhibit A-1.

“Mail Service Pharmacy” means a duly licensed pharmacy operated by ESI or its subsidiaries, other than ESI Specialty Pharmacy, where prescriptions are filled and delivered to Members via mail delivery service.

“Manufacturer Administrative Fees” means those administrative fees paid by manufacturers to ESI pursuant to a contract between ESI and the manufacturer in connection with ESI’s administering, invoicing, allocating and collecting the Rebates under the Rebate program.

“MRA” or “Maximum Reimbursement Amount” is the price charged to Employer for a prescription drug product on the MAC List. ESI represents and warrants that it will use no more than three MRA lists in any contract year beginning October 1 annually.

“Medicaid Subrogation Claim” means subrogation claims submitted by any state under Medicaid or similar United States or state government health care programs for which Employer is the primary payor.

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<sup>3</sup> The ESI Prime Network was historically referred to as the “EN30 Network” in ESI’s network provider agreements with Participating Pharmacies, and is subject to future name change.

“Member” means each person who Employer determines is eligible to receive prescription drug benefits as indicated in the Eligibility Files.

“Member Submitted Claim” means a paper claim submitted by a Member for Covered Drugs dispensed by a pharmacy other than a Participating Pharmacy or for which the Member paid cash.

“Participating Pharmacy” means any licensed retail pharmacy with which ESI or one or more of its affiliates has executed an agreement to provide Covered Drugs to Members, but shall not include any mail order or specialty pharmacy affiliated with any such Participating Pharmacy. Participating Pharmacies are independent contractors of ESI.

“Pass Through” means the actual ingredient cost and dispensing fee paid by ESI to the Participating Pharmacy, as set forth in the specific Participating Pharmacy remittances related to Employer’s claims.

“PEPM” means per employee per month, if applicable, as determined by ESI from the Eligibility Files.

“PMPM” means per Member per month, if applicable, as determined by ESI from the Eligibility Files.

“Plan” means Employer’s welfare benefit plan(s) that contains a prescription drug benefit.

“Prescription Drug Claim” means a Member Submitted Claim, Subrogation Claim or claim for payment submitted to ESI by a Participating Pharmacy, Mail Service Pharmacy, or ESI Specialty Pharmacy as a result of dispensing Covered Drugs to a Member.

“Protected Health Information” or “PHI” has the meaning ascribed to it under HIPAA.

“Rebates” means retrospective rebates that are paid to ESI pursuant to the terms of a rebate contract negotiated independently by ESI with a pharmaceutical manufacturer and directly attributable to the utilization of certain Covered Drugs by Members. Rebates do not include Manufacturer Administrative Fees; product discounts or fees related to the procurement of prescription drug inventories by or on behalf of ESI owned and operated specialty or mail order pharmacies; fees received by ESI from manufacturers for care management or other services provided in connection with the dispensing of Specialty Products; or other fee-for-service arrangements whereby pharmaceutical manufacturers generally report the fees paid to ESI or its affiliates for services rendered as “bona fide service fees” pursuant to federal laws and regulations, including, but not limited to the Medicaid “Best Price” rule (collectively, “Other Pharma Revenue”). Such laws and regulations, as well as ESI’s contracts with pharmaceutical manufacturers, generally prohibit ESI from sharing any such “bona fide service fees” earned by ESI, whether wholly or in part, with any ESI client. ESI represents and warrants that it will not enter into any agreement with a pharmaceutical manufacturer for Other Pharma Revenue in exchange for a reduction of Rebates.

“Set-Up Forms” means any standard ESI document or form, which when completed and signed by Employer (electronic communications from Employer indicating Employer’s approval of a Set-Up Form shall satisfy the foregoing), will describe the essential benefit elements and coverage rules adopted by Employer for its Plan.

“Specialty Product List” means the standard list of Specialty Products maintained by ESI and their reimbursement rates, as updated by ESI from time to time. The Specialty Product List is available to BHC upon request.

“Specialty Products” means those injectable and non-injectable drugs typically having one or more of several key characteristics, including: frequent dosing adjustments and intensive clinical monitoring to decrease the potential for drug toxicity and increase the probability for beneficial treatment

outcomes; intensive patient training and compliance assistance to facilitate therapeutic goals; limited or exclusive product availability and distribution; specialized product handling and/or administration requirements. ESI updates the list of Specialty Products as new drugs are brought to market.

“UM Company” means MCMC, LLC or other independent third party utilization management company contracted by ESI, subject to and as further described in Section 3.2(d).

“Usual and Customary Price” or “U&C” means the retail price charged by a Participating Pharmacy for the particular drug in a cash transaction on the date the drug is dispensed as reported to ESI by the Participating Pharmacy.

“Subrogation Claim” means subrogation claims submitted by any state or a person or entity acting on behalf of a state under Medicaid or similar United States or state government health care programs, for which BHC is deemed to be the primary payor by operation of applicable federal or state laws.

## **ARTICLE II - ESTABLISHMENT AND MAINTENANCE OF THE PRESCRIPTION DRUG PROGRAM**

2.1 Eligibility/Set Up. Employer will submit a completed Set-Up Forms and Eligibility Files (initial and updated) on a mutually determined basis, and ESI will accurately implement the Set-Up Forms and Eligibility Files. Changes to the Set-Up Forms must be documented on ESI's standard amendment forms. Eligibility performed manually by ESI for Employer, or material changes to the Eligibility File processes requested by Employer during the term may be subject to additional fees set forth on Exhibit A-2. Employer will be responsible for all Prescription Drug Claims during the period of the Member's eligibility as indicated on the Eligibility File, except in the event of ESI's negligence. ESI will not be responsible for Prescription Drug Claims for retroactively termed Members.

2.2 Performance Standards. ESI will conform to the performance standards set forth on Exhibit E hereto. The payments set forth in Exhibit E will be BHC's and Employer's sole monetary remedy for any failure by ESI to meet a performance standard in addition to any correction or reimbursement associated with payment or billing errors. The foregoing is not intended to limit any right or remedy that BHC or an Employer Group may have resulting from a breach or nonperformance under this Agreement or any negligent act or omission or willful misconduct by ESI, but merely to set forth that the sole remedy for ESI's failure to meet any performance standard (which failure, if any, does not constitute a breach or nonperformance under this Agreement) is the monetary amount set forth in Exhibit E related in such failure.

### 2.3 Implementation Payment.

(a) New Employer. For each new Employer (i.e., an Employer that executes an Employer Participation Agreement with an effective date that is after the Effective Date of this Agreement), ESI will pay to such new Employer an implementation payment of up to \$5.00 per Member implemented as of the effective date of such new Employer's Employer Participation Agreement (the “Implementation Payment”), intended solely to reimburse such new Employer for the actual, fair market value of expenses incurred by such new Employer in transitioning to ESI, subject to subsection (c) below:

(b) Existing Employer. For each Employer that implements 10,000 or more Members at any one time following the Effective Date of this Agreement (the “Event”), ESI will pay to such Employer an implementation payment of up to \$5.00 per Member implemented as of the Event (the “Implementation Payment”), intended solely to reimburse such Employer for the actual, fair market value of expenses incurred by Employer in transitioning such members to ESI, subject to subsection (c) below. In no event shall ESI pay any Implementation Payment to an Employer if the Event involves less than 10,000 transitioning Members.

(c) Implementation Payment Requirements. Employer must submit adequate documentation of implementation expenses within 180 days of implementation at which time a final reimbursement of eligible expenses will be made.

(i) Employer represents and warrants that: (i) it will only use the Implementation Payment as reimbursement for its actual implementation expenses incurred in transferring to ESI; (ii) the amount of the Implementation Payment is equal to or less than the fair market value of the actual implementation expenses to be incurred by Employer in transitioning to ESI; and (iii) the expenses for which Employer is receiving the Implementation Payment are reasonable and consistent with the fair market value associated with such expenses in an arm's length transaction.

(ii) Employer will notify and disclose the amount and the terms of the Implementation Payment to Members and other third parties to the extent required by applicable laws and regulations.

(iii) Implementation Payments may not be used in connection with the Medicare Part D program.

(iv) Implementation Payments are not payable until this Agreement and the Employer Participation Agreement are executed. ESI intends to amortize the Implementation Payment over the initial term of the applicable Employer Participation Agreement (the "Amortization Period") on a straight-line basis, unless otherwise required by law or accepted accounting principles. Employer does not have any right to interest on, or the time value of, any Implementation Payment funds. Unused funds shall be retained by ESI.

#### 2.4 Pharmacy Management Funds ("PMF").

(a) ESI will provide up to \$10.00 per Member implemented as of the effective date of the Employer Participation Agreement, to reimburse the actual, fair market value of: (i) expense items and services related to implementing the pharmacy benefit, such as, ID Cards, IT programming, formulary letters, member communications, and benefit set-up quality assurance; and/or (ii) mutually agreed upon expense items and services related to implementation of additional clinical or other similar programs throughout the Term; in either case subject to submission of adequate documentation to support reimbursement within 180 days of incurring the applicable expense. Both Employer and ESI (upon agreement from Employer) may use the PMF to cover the fair market value of expenses for projects requiring joint resources.

(b) Employer represents and warrants that: (i) it will only use the PMF as reimbursement for its actual expenses incurred in the service, project or program; (ii) that the applicable service, project or program was actually performed or provided; (iii) the amount of the reimbursement is equal to or less than the reasonable fair market value of the actual expenses incurred by Employer; (iv) it will notify and disclose the amount and the terms of any PMF reimbursements to Members and other third parties to the extent required by applicable laws and regulations.

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

### **ARTICLE III - PBM SERVICES**

#### 3.1 Pharmacy Network.

(a) Participating Pharmacies. ESI will maintain a network(s) of Participating Pharmacies as identified in Exhibit A, and will make available an updated list of Participating Pharmacies on-line. ESI maintains multiple networks and subnetworks, and periodically consolidates networks or migrates clients to other networks and subnetworks. If, due to an access concern, BHC requests that ESI attempt to add a particular retail pharmacy to the network of Participating Pharmacies serving BHC, Employer, and its Members hereunder transitions clients to other networks, in order to capitalize on certain operational efficiencies and other benefits associated with a streamlined network offering. ESI will notify BHC and Employers of any changes that would materially adversely affect Member access to Participating Pharmacies and work with Employers in good faith to mitigate any such effects. Upon Employer's written request, ESI will make commercially reasonable efforts to add any such pharmacy to the Participating Pharmacy network for BHC, provided that such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions. If any such pharmacy meets ESI's network participation requirements and agrees to ESI's standard terms and conditions except for ESI's standard network rates (i.e., the particular pharmacy will only agree to higher than standard reimbursement rates), and Employer nevertheless requests that ESI add such pharmacy, the rate charged to Employer for Prescription Drug Claims processed through such pharmacy (assuming ESI agrees to contract with such pharmacy) will be the net ingredient cost plus the dispensing fee paid by ESI to such Participating Pharmacy (plus applicable sales or excise tax or other governmental surcharge, if any). All such Prescription Drug Claims will be excluded from the pricing guarantees set forth in Exhibit A.

(i) ESI will require each Participating Pharmacy to meet ESI's network participation requirements, including but not limited to licensure, insurance and provider agreement requirements. ESI also performs audits (i.e., electronic or on-site) of Participating Pharmacies to determine compliance with their provider agreements with ESI. ESI will attempt recovery of identified overpayments through offset, demand or other reasonable means; provided that ESI will not be required to institute litigation. Recovered overpayments are credited to the applicable Employer. To compensate ESI for the cost of conducting audits and audit-related services, ESI charges an audit fee in the amount set forth in Exhibit A upon recovery of overpayments attributable to the Plan. Copies of participation requirements and auditing processes are available upon request.

(ii) ESI does not direct or exercise any control over the professional judgment exercised by any pharmacist in dispensing prescriptions or otherwise providing pharmaceutical related services at a Participating Pharmacy. ESI will, however, use its best efforts to ensure that the Participating Pharmacies in its network(s) are properly qualified and provide services in an ethical manner, consistent with current standards for quality and safety. Additionally, ESI will take prompt action in the event that it becomes aware of any ethical or safety issues with any Participating Pharmacy. ESI retains responsibility for the acts or omissions of its Mail Services Pharmacy and ESI Specialty Pharmacy.

(b) Mail Service Pharmacy. Members may have prescriptions filled through the Mail Service Pharmacy. Subject to applicable law, ESI may communicate with Members regarding benefit design, cost savings, availability and use of the Mail Service Pharmacy, as well as provide supporting services. If the prescription and applicable law do not prohibit substitution of a Generic Drug for the prescribed Brand Drug, or if the Mail Service Pharmacy obtains the consent of the prescriber, the Mail Service Pharmacy will dispense the Generic Drug substitute to the Member.

(c) Specialty Products and ASES (Ancillary Supplies, Equipment, and Services). As elected by Employer on the Set-Up Forms, Members may have prescriptions filled through ESI Specialty Pharmacy on an exclusive basis (i.e., "ESI Specialty Pharmacy – Exclusive Care") or at Participating Pharmacies and through ESI Specialty Pharmacy (i.e., "ESI Specialty Pharmacy – Open Care"). Subject to applicable law, ESI and ESI Specialty Pharmacy may communicate with Members and physicians to advise Members filling Specialty Products at Participating Pharmacies of the availability of filling prescriptions through ESI Specialty Pharmacy. Specialty Products will be excluded from any price guarantees set forth in the Agreement. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing specified in the Agreement apply to Specialty Products.

(i) ESI will notify Employer no more frequently than monthly of new Specialty Products that are introduced to the market on or after the Effective Date of this Agreement with their applicable reimbursement rates (“Notice”). The parties agree as follows:

(A) If Employer has expressly excluded a specific therapy class or product on a Set-Up Form, Specialty Products in such excluded classes will automatically be deemed excluded from coverage and will reject as “NDC Not Covered” through Participating Pharmacies, Mail Service Pharmacy and ESI Specialty Pharmacy; otherwise, subject to (B) below, all other Specialty Products will be implemented as Covered Drugs at the rate specified in the applicable Specialty Drug list or Notice. If Employer desires to cover otherwise excluded Specialty Products, Employer must notify ESI in writing that it desires to cover the Specialty Product before ESI will adjudicate as a Covered Drug, and if ESI receives such confirmation of coverage from Employer such Specialty Product will be loaded thereafter as a Covered Drug at the applicable reimbursement rate set forth in the Notice.

(B) Employer must notify ESI in writing if it wants to exclude the Specialty Product from coverage. The exclusion will be implemented within seven (7) business days after the date of ESI’s receipt of such notification. There will not be any retroactive denials for Prescription Drug Claims processed prior to ESI’s receipt of the rejection notice and implementation of the exclusion as provided above and Employer will be responsible for the payment of such Prescription Drug Claims processed prior to the rejection of coverage.

(ii) For Specialty Products filled through ESI Specialty Pharmacy only, Members may receive the following services from ESI Specialty Pharmacy, depending on the particular therapy class or disease state: ASES; patient intake services; pharmacy dispensing services and/or social services (patient advocacy, hardship reimbursement support, and indigent and patient assistance programs).

(iii) Subject to Employer’s prior authorization requirements, if applicable, at the rates set forth in Exhibit A, ESI will provide or coordinate ASES for Members through ESI Specialty Pharmacy or through other specialty pharmacies or other independent third party providers of ASES when ASES is required. If ESI or ESI Specialty Pharmacy engages a third party provider of ASES, ESI or ESI Specialty Pharmacy shall contractually obligate such third party provider of ASES to comply with all applicable laws, including, without limitation, all applicable laws relating to professional licensure. ESI does not direct or exercise any control over any third party provider of ASES in administering Specialty Products or otherwise providing ASES.

(iv) If Employer elects the ESI Specialty Pharmacy - Open Care option, then any ancillary supplies, equipment, and services provided or coordinated in connection with the dispensing of Specialty Products at Participating Pharmacies (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be billed to Employer at the cost charged to ESI for such ancillary supplies, equipment, and services provided or coordinated, unless such ancillary supplies, equipment, and services provided or coordinated are included in the ingredient cost of the Specialty Product.

(v) If Employer elects to carve out their Specialty prescriptions away from ESI Specialty Pharmacy, ESI will make commercially reasonable efforts to support the Employer and members during this transition to the new vendor and throughout the term of the carve-out relationship at no additional cost to members or Employer.

(d) Pharmacy Help Desk. ESI will provide 24-hours a day, 7-days a week toll-free telephone support and Internet site to assist Pharmacies with Member eligibility verification and questions regarding reimbursement, Covered Drug benefits under the Plan or other related concerns.

### 3.2 Claims Processing.

(a) On-Line Claims Processing. ESI will perform claims processing services for Covered Drugs dispensed by Participating Pharmacies, Mail Service and .ESI Specialty Pharmacy, ESI will perform a standard concurrent drug utilization review (“DUR”) analysis of each prescription submitted for processing on-line by a Pharmacy in order to assist the dispensing pharmacist and prescribing physician in identifying potential drug interactions, incorrect prescriptions or dosages, and certain other circumstances that may be indicative of inappropriate prescription drug usage. Concurrent DUR shall include, but not be limited to, the following edits: (A) duplicate therapy; (B) early refills and frequency limitations (i.e., administrative edits), (C) duplicate ingredient; (D) potential drug interaction(s), in which case the provider is notified on-line and the level of severity would be indicated; (E) drug preference screening (i.e., formulary messaging); (F) maximum daily dose (which includes on-line alert of pharmacist); and (G) Employer directed prior authorization and step therapy guidelines, subject to the fees, if any, specified in Exhibit A for such services. ESI will not be liable for any damages arising from the use or lack of use of such concurrent DUR services by Participating Pharmacies, except ESI shall be responsible for proper maintenance of such concurrent DUR services and to make sure current data updates are properly sent to the Participating Pharmacy. ESI's DUR processes are not intended to substitute for the professional judgment of the prescriber, the dispensing pharmacist or any other health care professional providing services to the Member.

(b) Member Submitted and Medicaid Subrogation Claims. If elected by Employer, ESI will process Member Submitted Claims and/or Medicaid Subrogation Claims in accordance with the rules in the Set-Up Forms and ESI's standard procedures.

(c) Prior Authorization. During implementation, ESI will recommend prior authorization services to Employer. If elected by Employer, for the fees set forth on Exhibit A-2 (if applicable), ESI will provide prior authorization (“PA”) services as specified and directed by Employer for drugs designated on the Set-Up Form. Prior authorized drugs must meet Employer-approved guidelines (“Guidelines”), as reflected on the Set-Up Form, before they are deemed to be Covered Drugs. Employer authorizes coverage for an otherwise excluded use in the event of co-morbidities, complications and other factors not otherwise expressly set forth in the Guidelines, unless Employer directs that Employer be provided such issue for determination. In determining whether to authorize coverage of such drug under the PA Program, ESI will apply only the Guidelines and may rely entirely upon information about the Member and the diagnosis of the Member's condition provided to it from sources deemed reliable to ESI. ESI will not undertake to determine medical necessity, to make diagnoses or substitute ESI's judgment for the professional judgment and responsibility of the physician. The parties acknowledge and agree that neither ESI, BHC, nor any Employer make medical necessity determinations, which is the responsibility of the physician.

(d) Claims for Benefits. ESI will process initial “claims for benefits” for Member Submitted Claims and PA requests consistent with the ERISA claims rules set forth in 29 CFR Part 2560 (“Claims Rules”). Employer will be responsible for ensuring compliance with any aspect of the requirements relating to functions performed or materials prepared by Employer or any other third party. Employer further agrees that:

(i) Appeals. ESI will not conduct any appeals of denied “claims for benefits.” If Employer does not desire to conduct appeals itself, Employer may elect to have ESI facilitate appeals through the UM Company for the fees set forth in Exhibit A-2, or through a third party of Employer's choice. In any case, ESI will route to UM Company (Employer or other Employer designated entity) Member appeals properly sent to ESI's designated address.

(ii) UM Company. In the event Employer elects to utilize the UM Company through ESI, the UM Company will be responsible for conducting the appeal on behalf of Employer in accordance with the Claims Rules, and BHC and Employer acknowledge and agree that:

(A) ESI is not acting as a fiduciary in connection with the appeals being conducted by the UM Company, and ESI will not be named by Employer as a fiduciary

in connection with such appeals; the UM Company, and not ESI, will be conducting appeals on behalf of Employer; the UM Company is an independent contractor of ESI, and ESI does not in any way control or direct the UM Company with respect to appeals conducted by the UM Company; and

(B) With respect to the appeals designated by Employer for UM Company to perform, the UM Company will have full authority and full discretion to interpret the terms of Employer's plan, make all findings of fact and conduct the appeals; and the UM Company's determination on appeal will be final and legally binding.

ESI represents to BHC and to Employer that ESI's agreement with UM Company (a copy of which is available upon request) provides that ESI will require the UM Company to contractually agree that it will conduct appeals in accordance with the Claims Rules and Employer's plan (e.g., if an appeal is approved or denied, the UM Company will be responsible for sending approval or denial letters consistent with the content and timing required under the Claims Rules). Further, Employer is a third party beneficiary of such agreement and the remedies set forth therein; and the UM Company will indemnify Employer for third party claims caused by the UM Company's negligence or willful misconduct in providing the appeal services. ESI will not be liable to Employer for any injury or damages arising as a result of the UM Company's acts or omissions.

(e) External Review Services.

ESI will not conduct any external review services (as defined in the Patient Protection and Affordable Care Act of 2010 and its implementing regulations ("PPACA")); provided, however, Employer may elect to have UM Company facilitate the provision of external review services through MCMC contracted IROs (as such term is defined in PPACA), for the fees set forth on Exhibit A below (if applicable). Employer must execute a standard ESI "External Appeals Services" Set-Up Form, which may be requested through ESI Account Management, in order to receive such services from MCMC.

In the event that Employer elects to utilize MCMC to facilitate the provision of external review services through MCMC contracted IROs, MCMC will be responsible for facilitating all such appeals (and the IROs will be responsible for providing all such appeals) in accordance with PPACA and all other applicable federal and state laws, and Employer hereby acknowledges and agrees that:

(i) MCMC (with respect to facilitating the external reviews) and the IROs (with respect to performing the external reviews), and not ESI, will be providing external review services; MCMC is an independent contractor of ESI; the IROs are independent contractors of MCMC and not ESI; and ESI does not in any way control or direct either MCMC or the IROs with respect to facilitation or performance of external review services provided by each respectively.

(ii) ESI represents to Employer that MCMC has contractually agreed that: (A) MCMC will facilitate all external review services in accordance with PPACA and all other applicable federal and state laws; (B) MCMC will contractually require its contracted IROs to perform all external reviews in accordance with PPACA and all other applicable federal and state laws; (C) to the extent not prohibited by law, MCMC will indemnify, defend and hold Employer harmless from and against any and all losses, damages, injuries, causes of action, claims, demands and expenses (including reasonable attorney's fees, costs and expenses), arising out of, resulting from, or related to any act, omission or default by the IROs in their performance of the external reviews; and (D) Employer has third party beneficiary rights to enforce the preceding indemnification and hold harmless provision.

(f) Call Center. ESI will provide 24-hours a day, 7-days a week toll-free telephone, IVR and Internet support to assist Employer, Employer's agents and Members with Member eligibility and benefits verification, location of Pharmacies or other related Member concerns.

### 3.3 Formulary Support and Rebate Management.

(a) Formulary Adherence and Clinical Programs. Each Employer shall select a Formulary and ESI will recommend clinically appropriate, cost effective strategies designed to promote Formulary compliance. At no time will ESI recommend switching a Member to a higher cost drug. On or before the effective date of each Plan, ESI will make available copies of its Formulary in a manner consistent with its usual and customary practices and Exhibit A-2. Employer agrees to use reasonable efforts to cooperate with ESI to facilitate the implementation of ESI recommended Formulary strategies, including without limitation, hard edit blocks, differential patient co-pays, soft edits (e.g. on-line formulary messages), and promoting Formulary compliance consistent with the Formulary selected and adopted by Employer. Each Employer retains the right, in its sole discretion, to determine the Formulary and Plan design to use for its Plan(s), including whether or not to adopt an open or closed formulary. ESI may provide clinical, safety, adherence and other like programs as appropriate. Exhibit A-2 sets forth certain available adherence, clinical, safety and/or trend programs that require additional fees hereunder. ESI will not implement any programs without Employer's prior written approval and election of such programs.

(b) Rebate Program. ESI will pay to Employer the amounts set forth on Exhibit A-3.

### 3.4 Program Operations.

(a) Reporting. ESI will make available to BHC and to Employer ESI's on-line standard management information reporting applications. At the request of BHC or Employer, ESI may develop special reporting packages or perform custom programming at ESI's standard hourly rate for such services, if any, as set forth in Exhibit A-2. ESI will inform BHC in writing when charging Employers additional fees.

(b) Claims Data.

(i) Claims Data Retention. ESI will retain Employer's claims data in media and formats determined by ESI for a total of seven (7) years from the date the prescription is filled. Thereafter ESI will dispose of such data in accordance with its standard policies and practices and applicable state and federal law. Disposition of PHI shall be in accordance with the Business Associate Agreement.

(ii) Claims Data to Vendors. Upon Employer's written request and at no additional charge, ESI will provide regular prescription claims data in ESI's standard format(s) to Employer's vendors ("Vendors") for disease management, flexible savings account and other "payment," "treatment" and "healthcare operations" purposes (as defined under HIPAA). Requests for retrieval of data beyond thirty-six (36) months are subject to the hourly custom programming charge set forth in Exhibit A-2.

(iii) De-Identified Claims Data. ESI may use both during and after the term of this Agreement and/or transfer to third parties the anonymized PHI (de-identified in accordance with HIPAA) including drug and related medical data collected by ESI or provided to ESI by Employer for research, provider profiling and other databases for benchmarking, drug trend cost and other internal analyses and cost comparisons; or other business purposes of ESI in all cases subject to applicable law.

(c) Employer Audits. Provided that this Agreement has been duly executed by BHC (and the applicable Employer has executed an Employer Participation Agreement), and Employer is current in the payment of invoices under this Agreement at the commencement of or during an audit, BHC or Employer may audit the prescription management services provided under this Agreement consistent with the Audit Protocol set forth in Exhibit B. BHC or Employer may use an independent auditor ("Auditor"), if such auditor does not have a conflict of interest with ESI (e.g., Auditor serves as expert witness in litigation against ESI, or routinely requests information outside the reasonable scope of the audit). Upon request, ESI will provide BHC or Employer with a list of auditors that ESI has determined have a conflict of interest. If BHC or Employer selects an Auditor that also has been appointed by ESI's shareholders to conduct the independent audit of ESI, then such firm must provide to ESI a letter stating that such

engagement performed on behalf of BHC or Employer will in no way infringe upon said firm's independence with respect to ESI's audit. Such letter must be signed by the audit firm and approved by the engagement audit partner performing the ESI audit. Auditors must execute ESI's standard confidentiality agreement substantially in the form as attached to Exhibit B prior to commencement of the audit. Any requests by BHC or Employer to permit an auditor to perform an audit will constitute BHC's or Employer's direction and authorization to ESI to disclose PHI to the auditor. If ESI modifies its audit policies to allow greater audit disclosure rights than what is described in this Agreement, ESI will not refuse to provide BHC and Employer with similar audit rights, if requested.

#### **ARTICLE IV - FEES; BILLING AND PAYMENT**

4.1 Fees. In consideration of the PBM Services provided by ESI, Employer will pay the applicable claims reimbursement amounts and other administrative fees ("Fees") set forth in Exhibit A. Fees and Rebates are conditioned on ESI's exclusive self-insured PBM status hereunder (the parties acknowledge that ESI's exclusivity hereunder does not apply to Specialty Products). Except for Employer's wrongful termination of this Agreement (i.e., Employer's attempted termination where Employer has no such termination right) or ESI's termination of this Agreement for cause, ESI will pay Employer all Rebates earned during the term of the Agreement as set forth in Exhibit A, subject to Section 4.2(b) below.

#### 4.2 Billing and Payment.

(a) Billing. ESI will invoice Employer twice per month for all applicable Fees.

(b) Payment. Employer will pay ESI by wire, ACH transfer or pre-authorized debit within two (2) business days from the date of Employer's receipt of each ESI invoice. Employer will be responsible for all costs of collection, and agrees to reimburse ESI for such costs and expenses, including reasonable attorneys' fees. All amounts not paid by the due date thereof will bear interest at the rate of 1.0% per month or, if lower, the highest interest rate permitted by law. In addition to any rights under Section 7.2, ESI may apply Rebate amounts otherwise owed to Employer against any unpaid Fees.

(c) Deposit. If, at any time, Employer has two or more invoices past due and outstanding, then ESI may require that the Employer provide to ESI a deposit in an amount equal to the average of the last three (3) months of billing history as the basis for determining the one (1) month deposit amount or, if three (3) months billing history is not available, the most recent month of billing history as the basis. ESI will retain the deposit until the earlier of termination of this Agreement (following any run-off period), or six (6) consecutive months of timely payments of all Fees following submission of the deposit, and may apply the deposit to delinquent fees until return of the deposit.

(d) Payments to BHC. ESI shall pay BHC quarterly management fees in accordance with the terms and conditions of the applicable Employer Participation Agreement. Except for nonpayment by ESI in violation of the express terms set forth in the applicable Employer Participation Agreement, BHC shall hold ESI harmless in connection with any dispute between BHC and any Employer, or otherwise, regarding management fees.

#### **ARTICLE V – HIPAA; CONFIDENTIAL INFORMATION**

5.1 HIPAA. The parties agree that as relates to use and disclosure of PHI, electronic transaction standards and security of electronic PHI under HIPAA, they are subject to the terms of a separate Business Associate Agreement. Notwithstanding the foregoing, the parties acknowledge that in providing services to Members, ESI Specialty Pharmacy and the Mail Service Pharmacy are acting as separate health care provider covered entities under HIPAA and not as business associates to the Plan covered by the Business Associate Agreement. In providing services, ESI Specialty Pharmacy and the Mail Service Pharmacy shall abide by all HIPAA requirements applicable to covered entities and shall safeguard, use, and disclose Member PHI accordingly.

## 5.2 Confidential Information.

(a) Each party agrees that the terms of this Agreement and information of the other party, including, but not limited to the following, will constitute confidential and proprietary information ("Confidential Information"): (i) with respect to ESI: ESI's reporting and other web-based applications, eligibility and adjudication systems, system formats and databanks (collectively, "ESI's Systems"), clinical or formulary management operations or programs, fraud, waste and abuse tools and programs; ESI Specialty Pharmacy and Mail Service Pharmacy data; information and contracts relating to Rebates and Manufacturer Administrative Fees, prescription drug evaluation criteria, drug pricing information, and Participating Pharmacy agreements; and (ii) with respect to BHC and Employer: BHC, Employer and Member information and data, Eligibility Files, Set-Up Form information, business operations and strategies. Neither party will use the other's Confidential Information, or disclose it or this Agreement or the Employer Participation Agreement to any third party (other than BHC or Employer attorneys and accountants), at any time during or after termination of this Agreement, except as specifically contemplated by this Agreement or to a consultant on behalf of Employer or prospective Employer subject to any such third party executing separate Non-Disclosure Agreements with BHC and ESI, respectively, or upon prior written consent, which will not unreasonably be withheld. Upon termination of this Agreement, each party will cease using the other's Confidential Information, and all such information will be returned or destroyed upon the owner's direction. Confidential Information does not include information which is or becomes generally available to the public; was within the recipient's possession or knowledge prior to its being furnished to the recipient pursuant to this Agreement, or is independently developed by the recipient under circumstances not involving a breach of this Agreement or applicable Employer Participation Agreement.

(b) BHC and/or Employer will not, and will not permit any third party acting on BHC's or Employer's behalf to, access, attempt to access, test or audit ESI's Systems or any other system or network connected to ESI's Systems. Without limiting the foregoing, BHC and/or Employer will not: (i) access or attempt to access any portion or feature of ESI's Systems, by circumventing ESI's Systems access control measures, either by hacking, password "mining" or any other means; or (ii) probe, scan, audit or test the vulnerability of ESI's Systems, nor breach the security or authentication measures of ESI's Systems.

## **ARTICLE VI - COMPLIANCE WITH LAW; FIDUCIARY ACKNOWLEDGEMENTS; FINANCIAL DISCLOSURE**

6.1 Compliance with Law; Change in Law. Each party shall be responsible for ensuring its compliance with any laws and regulations applicable to its business, including maintaining any necessary licenses and permits. Employer shall be responsible for any governmental or regulatory charges and taxes imposed upon the services provided hereunder, other than taxes based on the net income of ESI. With respect to any Plan that is subject to the provisions of ERISA, the Employer or the plan sponsor shall ensure that its activities in regard to such program are in compliance with ERISA. BHC and Employer acknowledge and agree that Employer is responsible for disclosing to Members any and all information relating to the Plan, this Agreement, and the Employer Participation Agreement as required by law to be disclosed, including any information relating to Plan coverage and eligibility requirements, commissions, rebates, discounts, or provider discounts referred to in Section 6.4 hereof. The parties acknowledge that federal and state healthcare reform measures and legislation are continuously considered by government agencies and courts of law and are continuously challenged through litigation and government investigation. If such a proposal is enacted or if any such litigation or investigation has a significant impact on this Agreement as a whole or upon any segment as a part that materially changes the scope of services hereunder (a "Change in Law"), upon notice from either party, the parties agree to negotiate in good faith for a sixty-day (60) period the terms and conditions of this Agreement to address any problems such legislation or judgment may cause. If the parties are unable to reach agreement within such sixty-day (60) period, either party may terminate this Agreement upon no less than thirty (30) days' prior written notice to the other party. If alternative terms are mutually agreed upon, the effective date for new terms will coincide with the effective date of the new law or regulatory or court action.

## 6.2 Fiduciary Acknowledgements.

(a) ERISA. In providing services under this Agreement, BHC and Employer acknowledge and agree that neither they nor the Plan will name ESI or any of ESI's wholly-owned subsidiaries as a "plan fiduciary." BHC and Employer further acknowledge and agree that neither ESI nor any of ESI's wholly-owned subsidiaries (i) are acting on behalf of any employee welfare benefit plan (as defined in Section 3(1) of ERISA) or participants in such plans, or as a fiduciary (as defined in Section 3.21(a) of ERISA) of any Plan; (ii) have any discretionary authority or control respecting management of the Plan's prescription benefit program, but rather provides administrative services for the drug benefit program within a framework of policies, interpretations, rules, practices, and procedures chosen by Employer; or (iii) exercise any authority or control respecting management or disposition of the assets of the Plan or Employer if any exist. BHC and Employer further acknowledge that all such discretionary authority and control with respect to the management of the Plan and Plan assets if any, is retained by Employer or the Plan or some other person or entity.

(b) State Fiduciary Laws. ESI will have the right to terminate PBM Services to any Plan (or, if applicable, Members) located in a state requiring a pharmacy benefit manager to be a fiduciary to Employer, a Plan, or a Member in any capacity upon no less than ninety (90) days advance written notice.

6.4 Disclosure of Certain Financial Matters. In addition to the administrative fees paid to ESI by Employer, if any, ESI and ESI's wholly-owned subsidiaries or affiliates derive margin from fees and revenue in one or more of the ways as further described in the Financial Disclosure to ESI PBM Clients set forth in Exhibit D hereto ("Financial Disclosure") as updated by ESI from time to time. Unlike the Administrative Fees, the revenues described in the Financial Disclosure are not direct or indirect compensation to ESI from Employer for services rendered to Employer or the Plan under this Agreement. In negotiating any of the fees and revenues described in the Financial Disclosure or in this Agreement, ESI and ESI's wholly-owned subsidiaries act on their own behalf, and not for the benefit of or as agents for BHC, Employer, Members or the Plan. ESI and ESI's wholly-owned subsidiaries retain all proprietary rights and beneficial interest in such fees and revenues described in the Financial Disclosure and, accordingly, BHC and Employer acknowledges that neither they, any Member, nor the Plan, has a right to receive, or possesses any beneficial interest in, any such fees or revenues; provided, that ESI will pay Employer amounts equal to the amounts expressly set forth on Exhibit A-3. To the extent there is a conflict between the terms of the Financial Disclosure and the remaining terms of the Agreement, nothing in the Financial Disclosure is intended to supersede any of the specific financial terms and conditions to under this Agreement. Except as set forth on the Financial Disclosure, as of the Effective Date, ESI does not accept funding from pharmaceutical manufacturers for drug-specific formulary support or clinical programs. To the extent that there is a change to the foregoing, ESI shall notify and disclose such change to BHC through an updated Financial Disclosure. ESI will use its best efforts to provide this notice prior to the effective date of any change. ESI will not knowingly solicit or encourage manufacturers to increase Manufacturer Administrative Fees or other ancillary revenue from manufacturers via a reduction in Rebates.

## **ARTICLE VII - TERM AND TERMINATION; DEFAULT AND REMEDIES**

### 7.1 Term.

(a) BHC. This Agreement will commence effective as of October 1, 2014 ("Effective Date"), and will continue for a period of three (3) year(s) ("Initial Term") unless mutually agreed to by BHC and ESI and may be terminated earlier or extended in accordance with the terms of Section 7.2 below. Thereafter, this Agreement will automatically renew with the same terms and conditions as set forth herein for successive one (1) year renewal terms, subject to the right of termination as otherwise provided herein.

(b) Transition of Existing Employers. Subject to execution of this Agreement, transition of existing Employers to the pricing and plan options identified in Exhibit A shall occur upon execution of a

new Employer Participation Agreement, in the form of Exhibit H attached hereto, unless otherwise mutually agreed to in writing.

## 7.2 Termination.

(a) Non-Renewal Upon Notice. Not less than ninety (90) days prior to the end of the Initial Term or any renewal term of this Agreement either party may notify the other party in writing that it desires to terminate this Agreement effective as of the end of the then current term. Notwithstanding any provision in this Agreement to the contrary, in no event will this Agreement be terminable “without cause” prior to the expiration of the Initial Term by either party.

(b) Breach or Default. Either party may give the other written notice of a material, substantial and continuing breach of this Agreement. If the breaching party has not cured said breach within thirty (30) days from the date such notice was sent, this Agreement may be terminated at the option of the non-breaching party. If the amount of time commercially reasonable for the breach to be cured is longer than thirty (30) days, this Agreement may not be terminated by the non-breaching party pursuant to this provision until such commercially reasonable period of time has elapsed; provided, however, that in no event will such period exceed sixty (60) days.

(c) Non-Payment. Notwithstanding anything to the contrary herein, ESI (and its wholly-owned subsidiaries) shall have the right to terminate an Employer’s particular Employer Participation Agreement or suspend performance hereunder (and the applicable Employer Participation Agreement) with respect to such Employer and cease providing or authorizing the provision of Covered Drugs to that Employer’s Members upon forty-eight (48) hours written notice if Employer fails to pay ESI or provide a deposit, if required, in accordance with the terms of this Agreement, so long as notification to BHC occurs simultaneous with or before notification to Employer. ESI attempts collection through written and verbal communications with Employer prior to sending the notice described herein.

(d) Market Check. Following the first six (6) months of this Agreement (but not before), BHC may present to ESI the results of an analysis undertaken by itself (or a designee) that compares BHC’s aggregate prescription drug benefit management costs and expenses (i.e., the aggregate value of the program pricing terms under this Agreement using aggregate data from all Employers served under this Agreement from the most recently completed 12-month period, inclusive of guarantees, allowances, and performance standards and penalties to program pricing available in the marketplace (the “Market Check”). Comparison shall be made to groups similar to BHC that have similar aggregate drug spend and a comparably similar plan design and utilization mix (e.g., mail versus retail, brand versus generic). Alternatively, the comparison could be made to three groups of comparable size to current BHC member employer groups. Simultaneously with the submission of the report to BHC, BHC and/or its designee will also provide ESI with a copy of the report for its review and comment. ESI will provide its comments to the report within fourteen (14) days of its receipt of the report. If the final report issued by BHC and/or its designee results in a finding mutually agreed to by BHC and ESI that current market conditions would yield a one and one-half percent (1.5%) or greater savings of plan costs for a single group of comparable size to the BHC or savings of three and one-half percent (3.5%) for three individual groups of varying size, the parties will discuss in good faith a revision to the program pricing terms to be effective in the plan year immediately following the Market Check. For purposes of the foregoing, the term “plan costs” means in aggregate the discounted ingredient costs plus dispensing fees plus administrative fees (not including fees or savings associated with clinical programs other than such programs with a guaranteed ROI (return on investment) or value added services) and minus the amount of rebates. If the parties are unable to reach agreement on revised program pricing terms inclusive of guarantees, allowances, and performance standards and penalties of the Market Check results within thirty (30) days following ESI’s receipt of the report, then upon providing ESI a written and firm proposal of a competing offer reflective of the Market Check results, BHC may thereafter terminate this Agreement upon ninety (90) days additional prior written notice to ESI without penalty. If it appears that negotiations will continue beyond the plan’s effective date of October 1, the BHC could provide ESI with a conditional termination notice, which could be rescinded if a subsequent offer made by ESI is accepted by the BHC. If it appears that the likely result of ongoing negotiations would be termination, the BHC would give ESI 45 days notice of their unconditional intent to terminate.

(e) Effect of Termination. No Employer Participation Agreement in effect as of the effective date of termination of this Agreement shall be terminated or otherwise affected by termination of this Agreement; provided that if BHC terminates this Agreement pursuant to any BHC termination right set forth in this Agreement or does not otherwise renew this Agreement at the end of the Initial Term, each Employer that has contracted with ESI for at least two (2) years under the terms of this Agreement (and its applicable Employer Participation Agreement) shall have the right (but not the obligation) to terminate its respective Employer Participation Agreement coterminous with the effective date of termination of this Agreement. The parties expressly acknowledge and agree that an Employer that has not contracted with ESI for at least two (2) years under the terms of this Agreement (and its applicable Employer Participation Agreement) shall have no such right of termination.

(f) Obligations Upon Termination. Upon notice of termination of this Agreement, the parties will mutually develop a run-off plan providing for: (a) Employer notification to Members of the timing of any transition to a successor pharmacy benefit manager at least thirty (30) days prior to the effective date of such termination; (b) ESI provision of open Mail Service Pharmacy refill files and standard claims data and PA files for transition to the successor pharmacy benefit manager in accordance with then existing industry protocol; and (c) whether Employer elects for ESI to process Participating Pharmacy or Member Submitted Claims for prescriptions filled during the Term but filed with ESI after the effective date of termination ("Termination Date"). Employer will continue to pay ESI in accordance with this Agreement for any Fees for PBM Services provided during the term and run-off period. ESI will continue to provide administrative services as needed during a 6 month run off period. ESI will continue filing for Rebates for claims incurred prior to the Termination Date and will pay Employer Rebates for such claims in accordance with the Rebate payment schedule set forth in Exhibit A-3.

(g) Repayment of Implementation Payment. In the event of a termination of this Agreement or applicable Employer Participation Agreement for any reason other than ESI's uncured material breach of this Agreement or applicable Employer Participation Agreement prior to the expiration of the Amortization Period (as set forth in Section 2.3(c)(iv)), Employer will reimburse ESI an amount equal to the unamortized portion of the Implementation Payment. Reimbursement to ESI by Employer pursuant to this Section will not be in lieu of any other rights or remedies ESI may have in connection with the termination of this Agreement or applicable Employer Participation Agreement, including monetary or other damages.

### 7.3 Remedies.

(a) Remedies Not Exclusive. A party's right to terminate this Agreement under Article VII will not be exclusive of any other remedies available to the terminating party under this Agreement or otherwise, at law or in equity.

(b) Force Majeure. Neither party will lose any rights under this Agreement or be liable in any manner for any delay to perform its obligations under this Agreement that are beyond a party's reasonable control, including, without limitation, any delay or failure due to strikes, labor disputes, riots, earthquakes, storms, floods or other extreme weather conditions, fires, explosions, acts of terrorism, epidemics, embargoes, war or other outbreak of hostilities, government acts or regulations, the failure or inability of carriers, suppliers, or telecommunications providers to provide services necessary to enable a party to perform its obligations hereunder, or any other reason where failure to perform is beyond the party's reasonable control, and is not caused by the negligence, intentional conduct or misconduct of the defaulting party; *provided, however,* that this clause may not be invoked to excuse a party's payment obligations hereunder. ESI represents that it maintains and continually updates a business continuity plan designed to mitigate any disruption to the services provided by ESI under this Agreement.

(c) Limitation of Liability. Except for the indemnification obligations set forth in Section 7.3(d), each party's liability to the other hereunder will in no event exceed the actual proximate losses or damages caused by breach of this Agreement. In no event will either party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence.

(d) Indemnification.

(i) In addition to any indemnification obligations set forth in the Business Associate Agreement, ESI will indemnify and hold BHC and Employer harmless from and against any loss, cost, damage, expense or other liability, including, without limitation, reasonable costs and attorney fees ("Costs") incurred in connection with any and all third party claims, suits, investigations or enforcement actions ("Claims") which may be asserted against, imposed upon or incurred by Employer and arising as a result of (A) ESI's negligent acts or omissions or willful misconduct, or (B) ESI's breach of this Agreement or the applicable Employer Participation Agreement.

(ii) BHC will indemnify and hold ESI harmless from and against any Costs for Claims which may be asserted against, imposed upon or incurred by ESI and arising as a result of (A) BHC's negligent acts or omissions or willful misconduct or breach of this Agreement, or (B) any improper use BHC, an Auditor or Vendor may make of PHI or ESI System access provided to such party,

(iii) Employer will indemnify and hold ESI harmless from and against any Costs for Claims which may be asserted against, imposed upon or incurred by ESI and arising as a result of (A) Employer's negligent acts or omissions or willful misconduct, benefit design and coverage decisions, or Employer's breach of this Agreement or applicable Employer Participation Agreement, or (B) any improper use Employer, an Auditor or Vendor may make of PHI or ESI System access provided to such party,

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

7.4 Survival. Unless otherwise specifically provided, each of ESI's, BHC's, and Employer's obligations set forth herein, including but not limited to, the parties' rights and obligations under the last sentences of Sections 3.4(b)(i) and (iii), Articles IV, V and VI; and Sections 7.2(f), 7.3 and 7.4, shall survive the termination or expiration of this Agreement, or an Employer Participation Agreement, when necessary to affect the intent of the BHC, Employer and ESI.

## **ARTICLE VIII – MISCELLANEOUS**

8.1 Liability Insurance. Each party will maintain such policies of general liability, professional liability and other insurance of the types and in amounts customarily carried by their respective businesses. Proof of such insurance will be available upon request. ESI agrees, at its sole expense, to maintain during the term of this Agreement or any renewal hereof, commercial general liability insurance, pharmacists professional liability insurance for the Mail Service and ESI Specialty Pharmacy pharmacies, and managed care liability with limits, excess of a self insured retention, in amounts of not less than \$5,000,000 per occurrence and in the aggregate. ESI does not maintain liability insurance on behalf of any Participating Pharmacy, but does contractually require such pharmacies to maintain a minimum amount of commercial liability insurance or, when deemed acceptable by ESI, to have in place a self-insurance program

8.2 Notice. Any notice or document required or permitted to be delivered pursuant to this Agreement or an Employer Participation Agreement must be in writing and will be deemed to be effective upon mailing and must be either (a) deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, or (b) sent by recognized overnight delivery service, in either case properly addressed to the other party at the address set forth below, or at such other address as such party will specify from time to time by written notice delivered in accordance herewith:

Express Scripts, Inc.  
Attn: President  
One Express Way  
St. Louis, Missouri 63121  
With copy to Legal Department  
Fax No. (314) 702-7120

St. Louis Area Business Health Coalition  
Attn: Louise Probst or then current Executive Director  
8888 Ladue Road, Suite 250  
St. Louis, Missouri 63124

To each Employer at its respective addressee and address identified in the applicable Employer Participation Agreement

8.2 Independent Parties. No provision of this Agreement is intended to create or will be construed to create any relationship between ESI, BHC and/or Employer other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither ESI, BHC, and/or any Employer, nor any of their respective representatives, will be construed to be the partner, agent, fiduciary, employee, or representative of the other and neither party will have the right to make any representations concerning the duties, obligations or services of the other except as consistent with the express terms of this Agreement or as otherwise authorized in writing by the party about which such representation is asserted.

8.3 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of and be enforceable by, the respective successors and permitted assigns of the parties hereto; provided that this Agreement may not be assigned by BHC, Employer, or ESI without the prior written consent of the remaining parties (which consent will not be unreasonably withheld). In addition, no Employer Participation Agreement may be assigned by an Employer or ESI without the prior written consent of the other (which consent will not be unreasonably withheld). BHC and Employer acknowledge and agree that ESI may perform certain services hereunder (e.g., mail service pharmacy and specialty pharmacy services) through one or more ESI subsidiaries or affiliates. ESI is responsible and liable for the performance of its subsidiaries in the course of their performance of any such service. To the extent that ESI subcontracts any PBM Service under this Agreement to a third party, ESI is responsible and liable for the performance of any such third party. In addition, ESI may contract with third parties to provide information technology support services and other ancillary services, which services are not PBM Services hereunder, but rather are services that support ESI's conduct of its business operations.

8.4 Integration; Amendments. This Agreement and any Exhibits hereto constitute the entire understanding of the parties hereto and supersedes all prior understandings, writings, proposals, representations, or communications, oral or written between the parties with respect to the subject matter hereof. If there is a separate Business Associate Agreement between the parties, such an agreement will be incorporated herein for all applicable purposes. No modification, alteration, or waiver of any term, covenant, or condition of this Agreement will be valid unless in writing and signed by the parties or the agents of the parties who are authorized in writing, except as may be otherwise permitted pursuant to the terms and conditions of this Agreement or any Exhibit hereto. With respect to each Employer Participation Agreement, such Employer Participation Agreement contains all the terms and conditions agreed upon by Employer and ESI, and supersedes all prior understandings, writings, proposals, representations, and communications, oral or written, between Employer and ESI. No Employer Participation Agreement may be modified, amended or changed except by a written agreement signed by BHC, Employer and ESI.

8.5 Choice of Law. This Agreement and all Employer Participation Agreements will be construed and governed in all respects according to the laws in the State of Missouri, without regard to the rules of conflict of laws thereof.

8.6 Waiver. The failure of either party to insist upon the strict observation or performance of this Agreement or to exercise any right or remedy will not be construed as a waiver of any subsequent breach of this Agreement or impair or waive any available right or remedy.

8.7 Third Party Beneficiary Exclusion. This Agreement is not a third party beneficiary contract, nor will this Agreement create any rights on behalf of Members as against ESI. Employer and ESI reserve the right to amend, cancel or terminate this Agreement without notice to, or consent of, any Member.

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

8.9 Taxes and Assessments. Any applicable sales, use, excise, or other similarly assessed and administered tax, surcharge, or fee imposed on items dispensed, or services provided hereunder, or the fees or revenues generated by the items dispensed or services provided hereunder, or any other amounts ESI or one or more of its subsidiaries or affiliates may incur or be required to pay arising from or relating to ESI's or its subsidiaries' or affiliates' performance of services as a pharmacy benefit manager, third-party administrator, or otherwise in any jurisdiction, will be the sole responsibility of Employer or the Member. If ESI is legally obligated to collect and remit, or to incur or pay, any such sales, use, excise, or other similarly assessed and administered tax, surcharge, or fee in a particular jurisdiction, such amount will be reflected on the applicable invoice or subsequently invoiced at such time as ESI becomes aware of such obligation or as such obligation becomes due. ESI reserves the right to charge a reasonable administrative fee for collection and remittance services provided on behalf of Employer.

8.10 Medicare (QRPDP) Services. The parties agree that as relates to any qualified retiree prescription drug plan ("QRPDP") established by Employer under Medicare for the purpose of applying for subsidy payments as defined under 42 CFR §423.886, ESI will provide the services under the terms and conditions set forth in Exhibit G.

8.11 Dispute Resolution.

(a) ESI and BHC agree that if a dispute or other controversy occurs in relation to this Agreement or the individual Employer Participation Agreement that cannot be resolved by direct negotiation, unless otherwise set forth in this Agreement (e.g., where an unresolved dispute triggers a termination right), then either party may elect to submit the dispute to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association under its Commercial Arbitration Rules. The arbitrator shall have sufficient health care industry experience. The parties shall elect the arbitrator by mutual agreement, or if the parties fail to agree upon an arbitrator within twenty (20) days from the date of election to arbitrate, the arbitration shall be administered by the American Arbitration Association under its Commercial Arbitration Rules. Each party shall bear its own cost associated with the arbitration and shall share equally in the cost of the arbitrator. In the event that either party fails to comply with the terms of the arbitrator's final decision within ninety (90) days of said decision, the compliant party may petition a court of competent jurisdiction to enter a judgment based upon the arbitrator's final decision. The arbitrator may not limit, expand, or otherwise modify the terms of this Agreement, The arbitration proceedings shall be conducted in St. Louis County, Missouri.

(b) Both parties acknowledge that injunctive relief may be necessary to maintain the intent of this Agreement while awaiting conclusion of the arbitration. Either party may seek injunctive relief in order to protect its rights under the terms of this Agreement, without any bond or other security being required and without the necessity of demonstrating actual damages.

8.12 Marketing and Community Service. BHC and ESI hereby disclose that they are parties to a separate arrangement whereby ESI, as a major St. Louis employer, makes certain funds available to BHC to reimburse BHC for fair market value expenditures related to business development initiatives to expand BHC and its community based agenda to improve health and health care value throughout the St. Louis region. ESI pays these amounts out of its general assets and does so of its own accord. This

arrangement is separate from ESI's administration of PBM Services to any Employer or its Plan, and Employer has no right, title, or interest to any funds paid by ESI to BHC pursuant to this separate arrangement. As a nonprofit membership organization, BHC makes a full accounting of all funds received and use of such funds to its board of directors. Employer, as a BHC member, also has access to such information.

IN WITNESS WHEREOF, the undersigned have executed this Pharmacy Benefit Management Agreement as of the day and year below set forth.

EXPRESS SCRIPTS, INC.

ST. LOUIS AREA BUSINESS HEALTH COALITION

By  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: Louise Y Probst  
Title: Executive Director  
Phone: 314-721-7800  
Fax: 314-721-6784  
Federal ID Number: 43-1694859  
Date: \_\_\_\_\_

**EXHIBIT A**

**PHARMACY PROGRAM FEES**

ESI shall be the exclusive provider of PBM Services for the BHC and defined Employer's self-funded welfare benefit Plan. Notwithstanding the foregoing, the exclusivity provisions shall not apply with respect to Specialty Products. The financial terms set forth in Exhibit A are conditioned on such exclusive arrangement and all other specified conditions expressly incorporated in such exhibits, including, but not limited to the adoption by Employer of the specified network, qualifying co-payment structures, Formulary, a minimum of 200,000 aggregate BHC Members implemented on the Effective Date of this Agreement and no Members in a 100% co-payment plan, (if applicable). In the event one or more of the following occurs (whether between the date of the Cost Proposal and the Effective Date, or during the Term), ESI will have the right, upon notice to BHC and Employer, to make a equitable adjustment to the rates, Administrative Fees and/or Rebates, solely as necessary to return ESI to its contracted economic position as of the effective date of such event:

(a) Employer changes its Formulary, benefit designs, implements OTC plans, clinical or trend programs or otherwise takes an action that has the effect of materially lowering the amount of Rebates earned by Employer;

(b) Employer elects to use on-site clinics or pharmacies to dispense prescription drugs to Members which materially reduces Rebates and/or the number of Covered Drug claims submitted on-line; and/or

(c) Rebate revenue is materially decreased because Brand Drugs unexpectedly move off patent to generic status or due to a Change in Law.

"Year 1" shall mean the period from October 1, 2014 through September 30, 2015.

"Year 2" shall mean the period from October 1, 2015 through September 30, 2016.

"Year 3" shall mean the period from October 1, 2016 through September 30, 2017.

Exhibit A includes the following:

**Exhibit A-1**

Pharmacy Reimbursement Rates

**Exhibit A-2**

Administrative and Clinical Program Fees

**Exhibit A-3**

Rebates

**Exhibit A-1**

**Pharmacy Reimbursement Rates**

Employer will pay to ESI the amounts set forth below, net of applicable Copayments. Sales or excise tax or other governmental surcharge, if any, will be the responsibility of Employer.

A Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, AWP discount or U&C.

**A. Pricing Option 1-Traditional**

**I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)**

<i>ESI National Plus Network</i>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
Ingredient Cost - Brand	Lesser of AWP – 17.25% or U&C	Lesser of AWP – 21.25% or U&C
Ingredient Cost - Generic	Lesser of AWP – 17.25%, MRA, or U&C	
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$0.35	\$0.25
Generic Dispensing Fee/Rx	\$0.35	\$0.25
Administrative Fee/Rx	\$0.00	\$0.00

<i>ESI National Network</i>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
Ingredient Cost - Brand	Lesser of AWP – 18.25% or U&C	Lesser of AWP – 22.25% or U&C
Ingredient Cost - Generic	Lesser of AWP – 18.25% MRA, or U&C	
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$0.35	\$0.25
Generic Dispensing Fee/Rx	\$0.35	\$0.25
Administrative Fee/Rx	\$0.00	\$0.00

<i>ESI Prime Network</i>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
Ingredient Cost - Brand	Lesser of AWP – 19.00% or U&C	Lesser of AWP – 22.25% or U&C
Ingredient Cost - Generic	Lesser of AWP – 19.00%, MRA, or U&C	
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$0.35	\$0.25
Generic Dispensing Fee/Rx	\$0.35	\$0.25
Administrative Fee/Rx	\$0.00	\$0.00

<i>ESI EAN Select-Incentive with National Plus Network</i>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
Ingredient Cost - Brand	Lesser of AWP – 17.75% or U&C	Lesser of AWP – 21.25% or U&C
Ingredient Cost - Generic	Lesser of AWP – 17.75%, MRA or U&C	
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$0.35	\$0.25
Generic Dispensing Fee/Rx	\$0.35	\$0.25
Administrative Fee/Rx	\$0.00	\$0.00

<i>ESI EAN Exclusive with National Plus Network</i>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
Ingredient Cost - Brand	Lesser of AWP – 18.00% or U&C	Lesser of AWP – 21.25% or U&C
Ingredient Cost - Generic	Lesser of AWP – 18.00%, MRA or U&C	
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$0.35	\$0.25
Generic Dispensing Fee/Rx	\$0.35	\$0.25
Administrative Fee/Rx	\$0.00	\$0.00

<i>ESI EAN Select-Incentive with National Network</i>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
Ingredient Cost - Brand	Lesser of AWP – 18.75% or U&C	Lesser of AWP – 21.25% or U&C
Ingredient Cost - Generic	Lesser of AWP – 18.75%, MRA or U&C	
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$0.35	\$0.25
Generic Dispensing Fee/Rx	\$0.35	\$0.25
Administrative Fee/Rx	\$0.00	\$0.00

<i>ESI EAN Exclusive with National Network</i>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
Ingredient Cost - Brand	Lesser of AWP – 19.00% or U&C	Lesser of AWP – 21.25% or U&C
Ingredient Cost - Generic	Lesser of AWP – 19.00%, MRA or U&C	
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$0.35	\$0.25
Generic Dispensing Fee/Rx	\$0.35	\$0.25
Administrative Fee/Rx	\$0.00	\$0.00

(1) Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below.

**II. Mail Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products).**

Ingredient Cost - Brand Drugs <i>ESI national Plus Network</i>	AWP – 25.00%
Ingredient Cost - Brand Drugs <i>ESI national Network</i>	AWP – 25.00%
Ingredient Cost – Generic Drugs	AWP - 25.00% or, if lower, MRA
Ingredient Cost - Compound Drugs	Combined AWP plus applicable service fee
Brand Dispensing Fee/Rx	\$0.00
Generic Dispensing Fee/Rx	\$0.00
Administrative Fee/Rx	\$0.00

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below.

**III. Pricing Guarantees**

A. Ingredient Cost Guarantee. ESI will guarantee an average aggregate annual discount as reflected below on Employer utilization to be calculated as follows:

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

Notwithstanding anything herein to the contrary, a Prescription Drug Claim that processes at the Generic rates set forth in Section I (Participating Pharmacy Reimbursement Rates) and Section II (Mail Pharmacy Reimbursement Rates) above, as indicated on the ingredient cost field of the Prescription Drug Claim’s data record, shall be reconciled as part of the Generic guarantee below. The only Prescription Drug Claims that shall be excluded from the reconciliation of the pricing guarantees are as identified in the “Claims Excluded” column of the table below. All other Prescription Drug Claims shall be included in the reconciliation of the guarantees.

ESI National Plus Network, National Network or Prime Network	Participating Pharmacy 1-83 Days' Supply	Participating Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
Generic	Year 1: AWP -77.50% Year 2: AWP – 78.50% Year 3: AWP – 79.00%		Year 1: AWP -81.00% Year 2: AWP – 82.00% Year 3: AWP – 82.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house or 340b pharmacies

ESI EAN Select-Incentive with National Plus Network and National Network	Participating Pharmacy 1-83 Days' Supply	Participating Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
Generic	Year 1: AWP -78.25% Year 2: AWP – 78.75% Year 3: AWP – 79.25%		Year 1: AWP -81.00% Year 2: AWP – 82.00% Year 3: AWP – 82.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house or 340b pharmacies

ESI Exclusive with National Plus Network and National Network	Participating Pharmacy 1-83 Days' Supply	Participating Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
Generic	Year 1: AWP -79.00% Year 2: AWP – 79.50% Year 3: AWP – 80.00%		Year 1: AWP -81.00% Year 2: AWP – 82.00% Year 3: AWP – 82.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house or 340b pharmacies

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Guarantees will be measured and reconciled on an annual basis for each Employer within 90 days of the end of each contract year, with all guarantee payments, if any, to be paid by check made out to Employer and delivered to BHC not more than 120 days following the end of the Employer’s then current contract year. BHC will verify accuracy of the guarantee payments and forward the check to Employer. To the extent Employer changes its benefit design or Formulary during the term of the Agreement, the guarantee

will be equitably adjusted if there is a material impact on the discount achieved. ESI will pay the difference for any shortfall between the actual result and the guaranteed result. ESI will not offset any pricing component with another pricing component.

**B. Pricing Option 2- Pass Through**

**I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)**

Network ESI National Plus Network ESI National Network ESI Prime Network	
Ingredient Cost - Brand	Pass Through
Ingredient Cost - Generic	Pass Through
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee
Brand Dispensing Fee/Rx	Pass Through
Generic Dispensing Fee/Rx	Pass Through
Administrative Fee/Rx	Year 1: \$1.50 Year 2: \$1.45 Year 3: \$1.40

**In House Pharmacies**

	All Claims and all days' supply
Brand Ingredient Cost	Pass Through
Generic Ingredient Cost	Pass Through
Ingredient Cost (Compound Drugs)	Pass Through
Brand Dispensing Fee/Rx	Pass Through
Generic Dispensing Fee/Rx	Pass Through
Administrative Fee/Rx	Year 1: \$1.50 Year 2: \$1.45 Year 3: \$1.40

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below.

**II. Mail Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products).**

Ingredient Cost - Brand Drugs	AWP – 24.50%
Ingredient Cost – Generic Drugs	AWP - 24.50% or, if lower, MAC
Ingredient Cost - Compound Drugs	Combined AWP plus applicable service fee
Brand Dispensing Fee/Rx	\$0.00
Generic Dispensing Fee/Rx	\$0.00
Administrative Fee/Rx	Year 1: \$1.50 Year 2: \$1.45 Year 3: \$1.40

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in Section 4a.

**III. Pricing Guarantees**

A. Ingredient Cost Guarantee. ESI will guarantee an average aggregate annual discount as reflected below on Employer utilization to be calculated as follows:

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

Notwithstanding anything herein to the contrary: (i) a Prescription Drug Claim that processes at the Brand rates set forth in Section I (Participating Pharmacy Reimbursement Rates) and Section II (Mail Pharmacy Reimbursement Rates) above, as indicated on the ingredient cost field of the Prescription Drug Claim's data record, shall be reconciled as part of the Brand guarantee below; and (ii) a Prescription Drug Claim that processes at the Generic rates set forth in Section I (Participating Pharmacy

Reimbursement Rates) and Section II (Mail Pharmacy Reimbursement Rates) above, as indicated on the ingredient cost field of the Prescription Drug Claim's data record, shall be reconciled as part of the Generic guarantee below. The only Prescription Drug Claims that shall be excluded from the reconciliation of the pricing guarantees are as identified in the "Claims Excluded" column of the table below. All other Prescription Drug Claims shall be included in the reconciliation of the guarantees.

ESI National Plus Network ESI National Network ESI Prime Network				
Type of Guarantee	Participating Pharmacy 1-83 Days' Supply	Participating Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
Brand	AWP -16.00%	AWP -18.90%	AWP -24.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house or 340b pharmacies
Generic	Year 1: AWP -76.00% Year 2: AWP - 76.25% Year 3: AWP - 76.50%		Year 1: AWP -77.50% Year 2: AWP - 78.00% Year 3: AWP - 78.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house or 340b pharmacies

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network ("Maintenance Network") for maintenance drugs. Pricing in the 84 – 90 Days' Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and pricing for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

B. Dispensing Fee: ESI will guarantee a maximum per claim dispensing fee on Employer utilization to be calculated as follows:

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

ESI National Plus Network ESI National Network ESI Prime Network			
Type of Guarantee	Participating Pharmacy 1-83 Days' Supply	Participating Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Claims Excluded
Brand and Generic Drug Dispensing Fee/Rx	\$0.85	\$0.25	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house or 340b pharmacies

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days' Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and pricing for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Guarantees will be measured and reconciled on an annual basis for each employer within 90 days of the end of each contract year, with all guarantee payments, if any, to be paid by check made out to Employer and delivered to BHC not more than 120 days following the end of the Employer's then current contract year. BHC will verify accuracy of the guarantee payments and forward the check to Employer. To the extent Employer changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. ESI will pay the difference for any shortfall between the actual result and the guaranteed result. ESI will not offset any pricing component with another pricing component.

C. Specialty Products (applicable to both pricing options).

(a) Exclusive Care. ESI Specialty Pharmacy is the exclusive provider of Specialty Products for the reimbursement rates shown on the Exclusive ESI Specialty Pharmacy Specialty Product List. Any Specialty Product dispensed at a Participating Pharmacy (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be reimbursed at the standard Participating Pharmacy Specialty Product rates shown below. Upon ESI Specialty Pharmacy acquisition of limited distribution products, Members will obtain prescriptions through ESI Specialty Pharmacy.

	Ingredient Cost	Dispensing Fee
Exclusive ESI Specialty Pharmacy	See Exclusive Specialty Drug List Lesser of AWP discount or MRA	\$0.00
Participating Pharmacy Specialty Products	Participating Pharmacy Specialty Drug List Lesser of AWP discount, U&C or MRA	\$2.00

(b) Open Care. Specialty Products shall be available through ESI Specialty Pharmacy and at Participating Pharmacies for the Participating Pharmacy Specialty Product reimbursement rates.

	Ingredient Cost	Dispensing Fee
Exclusive ESI Specialty Pharmacy	See Exclusive Specialty Drug List Lesser of AWP discount or MRA	\$0.00
Open ESI Specialty Pharmacy	Open Specialty Drug List Lesser of AWP discount or MRA	\$0.00
Participating Pharmacy Specialty Products	Participating Pharmacy Specialty Drug List Lesser of AWP discount, U&C or MRA	\$2.00

(c) Pricing for ASES is as follows:

- (i) All costs related to Specialty Products administered under this Agreement will be paid for by ESI Specialty Pharmacy with the exception of the two products identified below. These Specialty Products when used to treat Pulmonary Arterial Hypertension (PAH) require 24 hour infusion via a medication pump. As such, Employer agrees to pay for the infusion pump, cassettes, tubing, and nursing and clinical monitoring required to maintain this therapy. No therapies will be added to this list without the written consent of BHC, which BHC will not unreasonably withhold.
- (ii) The Equipment Per Diem below will be charged to cover the daily supply cost when supplies are provided directly from ESI Specialty Pharmacy. When limited distribution products are not then available through ESI Specialty Pharmacy, pricing for home infusion supplies and services will be provided by Participating Pharmacies and will be billed on a pass-through basis. If prices vary significantly from the ESI Specialty Pharmacy per diem, invoices will be available for Employer to review upon request. Clinical Services will be provided on an as needed basis according to the price schedule below.

Standard Per Diem	\$65/dose
Standard Nursing Fee/ First 2 Hours	\$150
Standard Nursing Hourly	\$75

(ii) Additional Exceptions to AWP Discount Rates and Standard Per Diem & Nursing Fees

Brand Name	AWP Discount	Per Diem
EPOPROSTENOL	1.0%	\$65/day
REMODULIN	5.0%	\$65/day

The TYVASO AWP discount includes Phone Support Nursing, Supplies, Pump, first two training visits, and Coordination of In-Person Nursing. In-home nursing that is requested/needed beyond the first two training visits will be charged at a rate of \$150 for the first two hours and \$75 for every hour after.

**E. Influenza and Other Vaccinations (applicable to both pricing options)**

Vaccinations shall adjudicate at the lower of:

(a)

	<i>Participating Pharmacy</i> <b>INFLUENZA</b>	<i>Participating Pharmacy</i> <b>OTHER VACCINES</b>
<b>Ingredient Cost</b> +	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Participating Pharmacy Ingredient Cost as set forth in the Agreement
<b>Dispensing Fee</b> +	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Participating Pharmacy Dispensing Fee as set forth in the Agreement
<b>Professional Service Fee (PSF); cost for pharmacist to inject the vaccine</b>	Pass-through (capped at \$15.50 per vaccine claim)	Pass-through (capped at \$20 per vaccine claim)
<b>Vaccine Program Administrative Fee *</b>	\$2.50 per vaccine claim	\$2.50 per vaccine claim

\* The Vaccine Program Administrative Fee will be manually billed to Employer on a monthly basis or as otherwise agreed between ESI and Employer. This Vaccine Program Administrative Fee is in addition to any per Prescription Drug Claim administrative fee set forth in the Agreement.

**or**

(b) the combined ingredient cost, dispensing fee (if any) and professional service fee (if any) that the Participating Pharmacy generally charges an individual paying cash, without coverage for prescription drug benefits.

Coverage is subject to Plan provisions. No vaccine claims will be included in any guarantees set forth in the Agreement and/or amendments thereto.

**Exhibit A-2**

**Administrative Services and Clinical Program Fees**

**I. Administrative Services**

<b>Standard Administrative PBM Services – No Additional Cost</b>
Customer service for members Electronic/online eligibility submission Standard coordination of benefits (COB) (reject for primary carrier) Electronic claims processing Plan setup Software training for access to our online system(s) FSA eligibility needs
<b>Network Pharmacy Services</b>
Pharmacy help desk Pharmacy network management Pharmacy reimbursement Network development (upon request) Network Pharmacy Reporting Network Pharmacy Audit Program – Modification
<b>Home Delivery Services</b>
Benefit education Prescription delivery — standard
<b>Reporting Services</b>
Web-based client reporting — produced by Express Scripts Web-based client reporting — produced by client Ad hoc desktop parametric reports Claims detail extract file electronic (NCPDP) Load 12 months claims history for clinical reports and reporting Annual Strategic Account Plan report Billing reports Inquiry access to claims processing system
<b>Website Services</b>
Client Website — Eservice Delivery (Eligibility, Claims, and Benefit Administration), Coverage Management and Appeals, Eligibility File Transfer, Reporting Solutions and Resouces Area. My Rx Choices – helps members make informed medication choices based on cost, health and safety. Member website portion only. Express-Scripts.com for Members — access to benefit, drug, health, and wellness information; prescription ordering capability; and customer service. Online Benefit Management – eService web-based application with Claims History, Eligibility Maintenance, and Prior Authorization Add. Mobile App for Members – includes My Rx Choices, My Medicine Cabinet, Pharmacy Care Alerts, Refills and Renewals, and virtual prescription ID card.

<b>Standard Administrative PBM Services – No Additional Cost</b>
<b>Implementation Package and Member Communications</b>
Member replacement cards printed via web Implementation support New member packets (includes two standard resin ID cards)
<b>Clinical</b>
Concurrent Drug Utilization Review (DUR) Prior Authorization — Administrative <ul style="list-style-type: none"> <li>• Non-clinical Prior Authorization</li> <li>• Lost/stolen overrides</li> <li>• Vacation supplies</li> </ul>

## Optional PBM Services

PBM Services	Fees
<b>Manual Submissions</b>	
Manual/hardcopy eligibility submission Member Submit Fee (includes Medicaid subrogation claims)	\$10.00/update (includes initial entry) \$2.50/claim
<b>Electronic Prescribing</b>	
Electronic Prescribing	Pass through charge for ePrescribing Eligibility and Formulary transaction fees charged to STL BHC at Express Scripts' preferred rate with data switch such as Surescripts.
<b>Reporting Services</b>	
Custom ad hoc reporting – applies for reporting outside of self services reporting tool	\$150/hour, with a minimum of \$500
<b>Audit support</b>	
ESI support of Employer claims audit (BHC's annual audit not included)	No charge for up to four audits per calendar year. Five or more audits will be charged up to \$35,000 per audit
<b>Replacement Member Communication Packets</b>	
Member-requested replacement packets Client-requested re-carding	\$1.50 + postage per packet \$1.50 + postage per packet
<b>Reviews and Appeals Management</b>	
<u>Initial Determinations (i.e. coverage reviews) and Level One Appeals for the Coverage Authorization Program</u> , consisting of: <ul style="list-style-type: none"> <li>• Prior Authorization</li> <li>• Step Therapy</li> <li>• Drug Quantity Management</li> </ul>	Included in the existing UM PMPM charge <b>OR</b> Included in the existing PA charge of \$55 per review
<u>Initial Determinations and Level One Appeals for the Benefit Review Program</u> , consisting of reviews known as: <ul style="list-style-type: none"> <li>• Plan Design Related Requests</li> <li>• Plan Exclusion Reviews (clinical or administrative reviews of non-covered drugs)</li> <li>• Copay Reviews</li> <li>• Plan Limit Reviews (e.g. age, gender, days' supply limits)</li> <li>• Plan Rule/Administrative Reviews/Non-clinical Reviews</li> <li>• Clinical Benefit Reviews</li> <li>• Direct Claim Reject Reviews</li> </ul>	\$55 per review
<u>Final and Binding Appeals – Level Two Appeals * and/or Urgent Appeals**</u> *Level One for clients with only one level of appeal ** Appeals can be urgent at Level One or Level Two and decisions are final and binding.	\$10.00 per review* (incremental to PMPM fees or per the review fees above) <b>* This additional fee is applied to each initial determination.</b>
<u>External Reviews by Independent Review Organizations</u> - for non-grandfathered plans	\$800 per review

PBM Services	Fees
<u>Appeal Services</u> for clients with non-standard UM pricing	Clinical: \$350 Admin: \$160
<u>Translation Services</u> for clients with non-standard UM pricing <ul style="list-style-type: none"> <li>• Full Solution</li> <li>• Written Translation Only</li> <li>• Written Translation /After Hours Contact Center</li> </ul>	Does not apply to clients with pricing above: \$0.03/claim + \$50 per letter OR \$300 per letter \$200 per letter \$0.01/claim + \$50 per letter OR \$250 per letter
<b>Retiree Drug Subsidy (RDS)</b>	
RDS enhanced service (Express Scripts sends reports to CMS on behalf of client) <ul style="list-style-type: none"> <li>• Notice of Creditable Coverage</li> </ul> RDS standard service (Express Scripts sends reports to client) <ul style="list-style-type: none"> <li>• Notice of Creditable Coverage</li> </ul>	\$1.12 PMPM for Medicare-qualified members with a minimum annual fee of \$7,500 \$1.35/letter + postage \$0.62 PMPM for Medicare-qualified members with a minimum annual fee of \$5,000 \$1.35/letter + postage

Calculation of member months is determined by Express Scripts by reference to the eligibility files.

PBM Services	Fees
<b>Required Services and Fee for all CDH Enrollees</b>	
<b>Foundational Services</b> <ul style="list-style-type: none"> <li>• Technical</li> </ul> Bi-directional data exchange; dedicated operations; 24-hour a day, seven-days a week monitoring and quality control; performance reporting; and analytics <ul style="list-style-type: none"> <li>• Member Advocacy</li> </ul> Dedicated CDH member services, open enrollment tools and member communications library, robust online features, and preventive care	Technical and Member Advocacy: \$0.35 PMPM  <i>Additional services will be quoted upon request. Postage charges are not included and will be billed to STLBHC.</i>
<b>Optional Service and Fee for all CDH Enrollees</b>	
<b>Comprehensive Member Engagement Services</b> <ul style="list-style-type: none"> <li>• Health Choices</li> </ul> Medication Adherence Monitoring and Outreach and proactive, personalized member communications <ul style="list-style-type: none"> <li>• Drug Choices</li> </ul> Benefit Coaching, Prescription Benefit Review Statements, proactive, personalized member communications	Comprehensive Services: \$0.30 PMPM  All Services (Foundational & Comprehensive): \$0.65 PMPM  <i>Additional services will be quoted upon request. Postage charges are not included and will be billed to STLBHC.</i>

**If Sharing Data Only - Required Service and Fee for all Non-CDH Enrollees**

<p><b>Combined Benefit Management</b> Services to manage combined medical-pharmacy benefits that are not a consumer-directed health (CDH) plan. Services include ongoing management of the data exchange platform with the medical vendor/TPA, production monitoring and quality control, and dedicated operations team. Combined benefit types may include deductible, out of pocket, spending account, and lifetime maximum.</p>	<p>\$0.10 PMPM per combined accumulator up to maximum of \$0.20 PMPM for existing connection with medical carrier or TPA.</p> <p>Fees to establish connection with new medical carrier or TPA are quoted upon request.</p> <p><i>Additional services will be quoted upon request.</i></p> <p><i>Postage charges are not included and will be billed to STLBHC.</i></p>
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Please Note: These charges would be in addition to any pricing adjustments if greater than ten percent of STLBHC's total utilization for all Plans is attributable to a CDHC.

**II. Clinical/Trend Programs.**

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

The programs (and corresponding pricing and guarantees) outlined in the Clinical Addendum (executed separately by Employer) represent the programs currently adopted by BHC as of the Effective Date. ESI also offers additional programs, as well as savings guarantees, under certain conditions. Information concerning such programs, guarantees, and fees, if applicable, is available on request. In addition, the ESI Account Management Team will periodically discuss new programs, guarantees, and fees with BHC, which BHC may adopt through ESI's standard Set-Up Form process.

BHC will select clinical/trend programs during implementation by checking selected options on the Clinical Addendum and on the applicable Set-Up Form. Such Set-Up Forms are incorporated herein by reference as and when executed by the parties.

Please refer to the Clinical Addendum for a listing of BHC's programs and associated fees.

**EXHIBIT A-3**

**Rebates**

**1. Pricing Option 1 Rebate Amounts**

A. Subject to the conditions set forth in Sections 2. – 4. below and elsewhere in this Agreement, ESI will pay to Employer an amount equal to the greater of:

(i) 100% of the Rebates received by ESI;

**Or**

(ii) Subject to Employer meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

Formulary:	ESI National Preferred		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Participating Pharmacies and ESI Specialty Pharmacy 1-83 Days' Supply	Participating Pharmacies and ESI Specialty Pharmacy 84-90 Days' Supply	Mail Service Pharmacy
Per Brand Claim	Year 1: \$62.00 Year 2: \$67.00 Year 3: \$72.00	Year 1: \$112.00 Year 2: \$117.00 Year 3: \$122.00	Year 1: \$157.00 Year 2: \$162.00 Year 3: \$167.00

Formulary:	ESI Basic There are no FDA approved drugs excluded from this formulary		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Participating Pharmacies and ESI Specialty Pharmacy 1-83 Days' Supply	Participating Pharmacies and ESI Specialty Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Mail Service Pharmacy
Per Brand Claim	Year 1: \$35.00 Year 2: \$40.00 Year 3: \$45.00	Year 1: \$70.00 Year 2: \$75.00 Year 3: \$80.00	Year 1: \$105.00 Year 2: \$110.00 Year 3: \$115.00

**If ESI High Performance Formulary is selected, rebates will be 100%.**

(1) Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

B. If the Plan design conditions identified in the table in Section 1.A.(ii) above are not met, the “greater of” methodology and the guaranteed amounts shall not apply, and ESI will, subject to the remaining terms of this Agreement, pay Employer Rebate amounts pursuant to the percentage set forth in Section 1.A.(i) above.

## **2. Exclusions**

Member Submitted Claims, Subrogation Claims, OTC products, claims older than 180 days, claims through Employer-owned or 340b pharmacies, biosimilar products, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 1.A.(ii) above.

## **3. Rebate Payment Terms**

A. Subject to the conditions set forth herein, ESI shall pay Employer the percentage amount set forth in Section 1.A.(i) above for Rebates collected by ESI during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter. ESI shall also pay Employer the percentage amount set forth in Section 1.A.(i) above for residual Rebates collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

B. On an annual and aggregate basis, ESI shall reconcile the guaranteed amounts for each Employer set forth in Section 1.A.(ii) above (against the percentage amount paid to Employer quarterly) within two hundred and forty (240) days following the end of each calendar year and shall credit or provide payment by check to Employer for any deficit on the next invoice immediately following the reconciliation.

## **4. Conditions**

A. ESI contracts with pharmaceutical manufacturers for Rebates on its own behalf and for its own benefit, and not on behalf of BHC. Accordingly, ESI retains all right, title and interest to any and all actual Rebates received from manufacturers. ESI will pay Employer amounts equal to the Rebate amounts allocated to Employer, as specified above, from ESI’s general assets (neither BHC, Employer, or its Members retains any beneficial or proprietary interest in ESI’s general assets). Employer acknowledges and agrees that neither it, its Members, nor its Plan will have a right to interest on, or the time value of, any Rebate payments received by ESI during the collection period or moneys payable under this Section. No amounts for Rebates will be paid until this Agreement is executed by BHC. ESI will have the right to apply Employers’ allocated Rebate amount to unpaid Fees.

B. Employer acknowledges that it may be eligible for Rebate amounts under this Agreement only so long as Employer, its affiliates, or its agents do not contract directly or indirectly for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Employer negotiates or arranges with a pharmaceutical manufacturer for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI’s right to other remedies, ESI may immediately withhold

any Rebate amounts earned by, but not yet paid to, Employer as necessary to prevent duplicative rebates on Covered Drugs. To the extent Employer knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts hereunder and to renegotiate the terms and conditions of this Agreement.

**1. Pricing Option 2 (Pass Through) Rebate Amounts**

B. Subject to the conditions set forth in Sections 2. – 4. below and elsewhere in this Agreement, ESI will pay to BHC an amount equal to the greater of:

(i) 100% of the Rebates and Manufacturer Administrative Fees received by ESI;

**Or**

(ii) Subject to BHC meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

Formulary:	ESI National Preferred		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Participating Pharmacies and ESI Specialty Pharmacy 1-83 Days' Supply	Participating Pharmacies and ESI Specialty Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Mail Service Pharmacy
Per Brand Claim	Year 1: \$62.00 Year 2: \$67.00 Year 3: \$72.00	Year 1: \$112.00 Year 2: \$117.00 Year 3: \$122.00	Year 1: \$157.00 Year 2: \$162.00 Year 3: \$167.00

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

B. If the Plan design conditions identified in the table in Section 1.A.(ii) above are not met, the “greater of” methodology and the guaranteed amounts shall not apply, and ESI will, subject to the remaining terms of this Agreement, pay BHC Rebate amounts pursuant to the percentage set forth in Section 1.A.(i) above.

**2. Exclusions**

Member Submitted Claims, Subrogation Claims, OTC products, claims older than 180 days, claims through BHC-owned or 340b pharmacies, biosimilar products, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in

Section 1.A.(ii) above.

**3. Rebate Payment Terms**

A. Subject to the conditions set forth herein, ESI shall pay Employer the percentage amount set forth in Section 1.A.(i) above for Rebates and Manufacturer Administrative Fees collected by ESI during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter. ESI shall also pay Employer the percentage amount set forth in Section 1.A.(i) above for residual Rebates and Manufacturer Administrative Fees collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

B. On an annual and aggregate basis, ESI shall reconcile the guaranteed amounts for each Employer set forth in Section 1.A.(ii) above (against the percentage amount paid to Employer quarterly) within one hundred and eighty (180) days following the end of each calendar year and shall credit or provide payment by check to BHC for any deficit on the next invoice immediately following the reconciliation.

**4. Conditions**

A. ESI contracts with pharmaceutical manufacturers for Rebates and Manufacturer Administrative Fees on its own behalf and for its own benefit, and not on behalf of BHC. Accordingly, ESI retains all right, title and interest to any and all actual Rebates and Manufacturer Administrative Fees received from manufacturers. ESI will pay Employer amounts equal to the Rebate and Manufacturer Administrative Fees amounts allocated to Employer, as specified above, from ESI's general assets (neither Employer, its Members, nor BHC plan retains any beneficial or proprietary interest in ESI's general assets). Employer acknowledges and agrees that neither it, its Members, nor its Plan will have a right to interest on, or the time value of, any Rebate payments or Manufacturer Administrative Fee payments received by ESI during the collection period or moneys payable under this Section. No amounts for Rebates or Manufacturer Administrative Fees will be paid until this Agreement is executed by BHC. ESI will have the right to apply Employers allocated Rebate amount and Manufacturer Administrative Fees amount to unpaid Fees.

B. Employer acknowledges that it may be eligible for Rebate amounts and Manufacturer Administrative Fee amounts under this Agreement only so long as Employer, its affiliates, or its agents do not contract directly or indirectly with anyone else for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Employer negotiates or arranges with a pharmaceutical manufacturer for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Rebate amounts or Manufacturer Administrative Fee amounts earned by, but not yet paid to, Employer as necessary to prevent duplicative rebates on Covered Drugs. To the extent Employer knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts and Manufacturer Administrative Fee amounts hereunder and to renegotiate the terms and conditions of this Agreement.

## EXHIBIT B

### AUDIT PROTOCOL

#### 1. AUDIT PRINCIPLES

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

ESI strongly encourages clients to have their auditors, without jeopardizing the independent nature of the audit, review the auditor's initial findings and reports with ESI prior to discussing with the client in order to avoid any unnecessary client confusion. We have found often times that items identified as issues during the initial audit turn out to be non-findings once a dialogue takes place between the auditor and ESI. In other words, we believe it is in everyone's interest to ensure that the auditor and ESI are not simply "missing each other" in the exchange of information prior to the auditor reviewing its findings with the client.

#### 2. AUDIT PREREQUISITES

A. There are four components of BHC and Employers arrangement with ESI eligible for audit on an annual basis:

- Retrospective Claims
- Rebates
- Performance Guarantees
- Compliance with Regulatory Requirements (i.e., Medicare Part D)

Balancing the need to adequately support the audit process for all ESI clients, with an efficient allocation of resources, we encourage clients to audit all four components, as applicable, through a single annual audit. If you choose to audit the above components separately throughout the year, rather than combining all components into a single annual audit, you will be subject to ESI's standard charges for each additional audit. All such fees shall be reasonable and based on ESI's costs for supporting such additional audits.

- B. ESI will provide all data reasonably necessary for BHC or Employer to determine that ESI has performed in accordance with contractual terms.
- C. ESI engages a national accounting firm, at its sole cost and expense, to conduct a SSAE 16 audit on behalf of its clients. Upon request, ESI will provide the results of its most recent SSAE 16 audit. Testing of the areas covered by the SSAE 16 is not within the scope of BHC or Employer's audit rights (i.e., to confirm the financial aspects of the Agreement) and is therefore not permitted. However, if requested, ESI will explain the SSAE 16 audit process and findings to Employer in order for BHC or Employer to gain an understanding of the SSAE 16.

#### 3. AUDITS

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

- C. When performing a Rebate audit, BHC or Employer may perform an on-site review of the applicable components of manufacturer agreements, selected by BHC or Employer, as reasonably necessary to audit the calculation of the Rebate payments made to BHC or Employer by ESI. Our ability to drive value through the supply chain and in our negotiations with manufacturers is dependent upon the strict confidentiality and use of these agreements. Providing access to these agreements to third parties that perform services in the industry beyond traditional financial auditing jeopardizes our ability to competitively drive value. ESI's financial terms with pharmaceutical manufacturers are subject to confidentiality agreements. BHC agrees to use its best efforts to ensure its rebate audit vendor uphold the strictest confidence of this information. BHC will submit to ESI a list of bidders to receive an RFP for its Rebate Auditor. Within five business days of receipt of the list, ESI will inform BHC of any firm on that list which it finds unacceptable as an auditor. If ESI fails to respond within five business days, BHC may proceed to employ any vendor submitted on the list. ESI will not unreasonably deem a potential auditor as ineligible. The approved auditor will include, unless otherwise agreed by the Parties prior to BHC's selection of their auditor, a top 100 public accounting firm whose audit department is a separate standalone function of its business. The organization that will be performing the audit must provide proof of professional malpractice insurance of at least \$2,000,000. Once ESI has approved the auditor and upon annual confirmation that the auditor has not materially modified its business practice, BHC may use the auditor for three consecutive years without submitting additional lists of potential auditors for approval. ESI agrees that any Rebate Auditor approved by ESI for any other client will be an approved Rebate Auditor for BHC.
- D. ESI recommends that BHC or Employer select an initial number of manufacturer contracts to enable BHC or the Employer to audit fifty percent (50%) of the total Rebate payments due to BHC or Employer for four (4) calendar quarters during the twelve (12) month period immediately preceding the audit (the "Rebate Audit Scope and Timeframe"). ESI will accommodate reasonable requests to extend this Rebate Audit Scope and Timeframe, but this may delay ESI's on-site preparation time as well as response time to audit findings. Due to the additional resources necessary to support a Rebate audit beyond the Rebate Audit Scope and Timeframe, if you request to extend the Rebate Audit Scope and Timeframe, you will be subject to ESI's standard charges for such additional audit support. All such fees shall be reasonable and based on ESI's additional costs. If the parties mutually determine, acting in good faith, that the initial Rebate audit demonstrates in any material respects that ESI has not administered Rebates consistent with the contract terms of the Agreement, then ESI will support additional auditing beyond the Rebate Audit Scope and Timeframe at no additional charge.
- E. If you have a Pass-Through pricing arrangement for Participating Pharmacy claims, ESI will provide the billable and payable amount for a sampling of claims provided by you or your auditor (i.e., ESI will provide the actual documented claim record) during the audit to verify that ESI has administered such Pass-Through pricing arrangement consistent with the terms of the Agreement. If further documentation is required, ESI may provide a statistically valid sample of claims remittances to the Participating Pharmacies to demonstrate ESI's administration of Pass-Through pricing. In any instance where the audit demonstrates that the amount billed to you does not equal the Pass-Through amount paid to the Participating Pharmacy, you or your auditor may perform an on-site audit of the applicable Participating Pharmacy contract rate sheet(s).

#### **4. AUDIT FINDINGS**

- A. Following BHC or Employer's initial audit, BHC or Employer (or its Auditor) will provide ESI with a written report of suspected errors, if any. In order for ESI to evaluate BHC or the Employer's audit report, BHR or Employer shall provide an electronic data file in a mutually agreed upon format containing up to 300 claims for further investigation by ESI.
- B. Following Employer's initial audit of Medicare Part D compliance, Employer (or its Auditor) will provide ESI with a written report of suspected non-compliant issues and payment reconciliation issues, if any. In order for ESI to evaluate Employer's audit report, Employer shall provide ESI with specific regulatory criteria and Medicare Part D program requirements used to cite each suspected non-compliant and payment reconciliation issue. ESI will use commercially reasonable best efforts to respond to the audit report in no more than thirty (30) days from ESI's receipt of the report. For reports with ten (10) or more issues, ESI will respond in forty (40) days.
- C. BHC or ESI will use commercially reasonable best efforts to respond to the audit report in no more than sixty (60) days from ESI's receipt of the report. Please be aware, however, that audits that require evaluation of six (6) or more findings typically require additional time to respond due to the complex nature of such audits. Our pledge to respond within the foregoing timeframe is predicated on a good faith and cooperative effort between BHC or Employer and/or its Auditor and ESI.
- D. BHC or Employer agrees that once audit results are accepted by both parties, the audit shall be considered closed and final. To the extent the mutually accepted audit results demonstrate claims errors, ESI will reprocess the claims and make corresponding adjustments to Employer through credits to a future invoice(s). If we are unable to reprocess claims and issue corresponding credits to Employer through this process, ESI will make adjustments to Employer via a check or credit.

## **5. AUDITS BY GOVERNMENT ENTITIES**

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

## **6. CONFIDENTIALITY**

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

## EXHIBIT C

### BUSINESS ASSOCIATE AGREEMENT

Express Scripts, Inc. and one or more of its subsidiaries ("ESI"), and Sponsor or one of its affiliates ("Sponsor"), are parties to an agreement ("PBM Agreement") whereby ESI provides certain pharmacy benefit management services to the Sponsor's prescription drug plan (Sponsor and Sponsor's prescription drug plan collectively referred to hereinafter as "Plan"). The PBM Agreement addresses the parties' rights and obligations concerning the use and disclosure of patients' protected health information. The HIPAA Rules (as defined below) require ESI and Plan to enter into a "business associate agreement" to comply with applicable sections of the HIPAA Rules.

#### 1. Definitions.

- (a) "Breach" shall have the same meaning as the term "breach" in 45 C.F.R. § 164.402.
- (b) "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 C.F.R. § 164.501.
- (c) "Electronic Health Record" shall mean an electronic record of health-related information on an Individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.
- (d) "Electronic PHI" shall have the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103.
- (e) "HIPAA Rules" means the collective privacy, transaction and code sets, and security regulations promulgated pursuant to the Health Insurance Portability and Accountability Act, as codified at 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.
- (f) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- (g) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and 45 C.F.R. Part 164, Subpart A and Subpart E, as amended from time to time.
- (h) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by ESI from or on behalf of Plan.
- (i) "Required by Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
- (j) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- (k) "Security Incident" shall have the same meaning as "security incident" in 45 C.F.R. § 164.304
- (l) "Security Standards" shall mean the Security Standards, 45 C.F.R. Part 164, Subpart C, as amended from time to time.
- (m) "Transactions Standards" shall mean the Standards for Electronic Transactions, 45 C.F.R. Part 162, Subpart I, as amended from time to time.
- (n) "Unsecured PHI" shall have the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402.

Capitalized terms used, but not otherwise defined, in this Business Associate Agreement shall have the same meaning as those terms in the HIPAA Rules.

#### 2. General Use and Disclosure Provisions. ESI and Plan acknowledge and agree as follows:

- (a) *Use or Disclosure.* ESI agrees not to use or further disclose PHI other than as expressly permitted or required by this Business Associate Agreement or the HIPAA Rules or as Required by Law.

(b) *Minimum Necessary.* ESI will take reasonable efforts to limit requests for, use and disclosure of PHI to the minimum necessary to accomplish the intended request, use or disclosure.

(c) *Specific Use or Disclosure Provisions.* Except as otherwise limited in this Business Associate Agreement, ESI may use and disclose PHI to properly provide, manage and administer the services required under the PBM Agreement and consistent with applicable law to assist Plan in its operations, as long as such use or disclosure would not violate the HIPAA Rules if done by Plan, or such use or disclosure is expressly permitted in (i) through (iii) below:

- (i) ESI may use PHI for the proper management and administration of ESI or to carry out ESI's legal responsibilities.
- (ii) ESI may disclose PHI to third parties for the proper management and administration of ESI or to carry out the legal responsibilities of ESI provided that the disclosures are Required by Law, or ESI obtains reasonable assurances from the person to whom the information is disclosed that: (A) the information will remain confidential, (B) the information will be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and (C) the person notifies ESI of any instances of which it is aware in which the confidentiality of the information has been breached.
- (iii) ESI may use PHI to perform Data Aggregation services on behalf of Plan as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

(d) *Reporting.* ESI agrees to promptly notify the Plan if ESI has knowledge that PHI has been used or disclosed by ESI in a manner that violates this Business Associate Agreement. To the extent that ESI creates, receives, maintains or transmits Electronic PHI, ESI agrees to report promptly to the Plan any Security Incident, as determined by ESI, involving PHI of which ESI becomes aware. ESI shall comply with 45 C.F.R. § 164.402 and shall, following the discovery of a Breach of Unsecured PHI, notify the Plan of such Breach, in accordance with 45 C.F.R. § 164.410.

(e) *Safeguards.* ESI agrees to use appropriate safeguards, consistent with applicable law, to prevent use or disclosure of PHI in a manner that would violate this Business Associate Agreement. ESI shall provide Plan with such information concerning such safeguards as Plan may reasonably request from time to time. To the extent that ESI creates, receives, maintains or transmits Electronic PHI, ESI agrees to use appropriate administrative, physical and technical safeguards, and comply with the Security Standards, to protect the confidentiality, integrity and availability of the Electronic PHI that ESI creates, receives, maintains or transmits on behalf of Plan.

(f) *Mitigation.* ESI agrees to mitigate, to the extent practicable, any harmful effect that is known to ESI of a use or disclosure of PHI by ESI in violation of this Business Associate Agreement or the PBM Agreement.

(g) *Subcontractors and Agents.* ESI agrees to ensure that any agent, including a Subcontractor, to whom it provides PHI received from, or created or received by ESI on behalf of Plan, agrees, in writing, to the same restrictions, terms and conditions that apply through this Agreement to ESI with respect to such information, including the requirement that it implement reasonable and appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164, to protect any Electronic PHI that is disclosed to it by ESI.

(h) *Access.* Within fifteen (15) business days of a request by Plan, ESI shall provide access to Plan to PHI in a Designated Record Set in order to meet the requirements under 45 C.F.R. § 164.524. If ESI receives a request directly from an Individual, or if requested by Plan that access be provided to the Individual, ESI shall provide access to the Individual to PHI in a Designated Record Set within thirty (30) days in order to meet the requirements under 45 C.F.R. § 164.524.

(i) *Amendment.* Within sixty (60) days of a request by Plan or subject Individual, ESI agrees to make any appropriate amendment(s) to PHI in a Designated Record Set that Plan directs or agrees to pursuant to 45 C.F.R. § 164.526.

(j) *Accounting.* Within thirty (30) days of a proper request by Plan, ESI agrees to document and make available to Plan, for a reasonable cost-based fee (under conditions permitted by HIPAA if an Individual requests an accounting more than once during a twelve month period), such disclosures of PHI and information related to such disclosures necessary to respond to such request for an accounting of disclosures of PHI, in accordance with 45 C.F.R. § 164.528. Within sixty (60) days of proper request by subject Individual, ESI agrees to make available to the Individual the information described above. ESI shall retain copies of any accountings for a period of six (6) years

from the date the accounting was created.

(k) *Restrictions on Use or Disclosure.* Within fifteen (15) business days of a request of Plan, ESI agrees to consider restrictions on the use or disclosure of PHI agreed to by Plan on behalf of an Individual in accordance with 45 C.F.R. § 164.522.

(l) *Audit and Inspection.* ESI agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by ESI on behalf of Plan, available to Plan within ten (10) business days, or at the request of Plan or the Secretary, to the Secretary in a time and manner directed by the Secretary, for purposes of the Secretary determining Plan's compliance with the HIPAA Rules. Any release of information regarding ESI's practices, books and records is proprietary to ESI and shall be treated as confidential and shall not be further disclosed without the written permission of ESI, except as necessary to comply with the HIPAA Rules.

(m) *Privacy of Individually Identifiable Health Information.* To the extent ESI is to carry out one or more of Plan's obligations under Subpart E of 45 C.F.R. Part 164, ESI agrees to comply with the requirements of subpart E that apply to the covered entity in the performance of such obligations.

### **3. Plan Obligations.**

(a) Plan shall notify ESI of any limitation(s) in the notice of privacy practices of Plan in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect ESI's use or disclosure of PHI.

(b) Plan shall notify ESI of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect ESI's use or disclosure of PHI.

(c) Plan shall notify ESI of any restriction to the use or disclosure of PHI that Plan has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect ESI's use or disclosure of PHI.

(d) Plan shall not request that ESI use or disclose PHI in any manner that would exceed that which is minimally necessary under the HIPAA Rules or that would not be permitted by a Covered Entity.

(e) Plan agrees that it will have entered into "Business Associate Agreements" with any third parties (e.g., case managers, brokers or third party administrators) to which Plan directs and authorizes ESI to disclose PHI.

**4. Transactions Standards.** The HIPAA Rules provide for certain Transactions Standards for transfer of data between trading partners. While certain of the standards may or may not be adopted by Plan (e.g., for eligibility), ESI will be prepared to accept the following in accordance with 45 C.F.R. Part 162.1502: ASC X12N 834 – Benefit Enrollment and Maintenance. In addition, to the extent applicable, ESI shall comply with other applicable transactions standards for claims processing functions between ESI and provider pharmacies. Each party hereby agrees that it shall not change any definition, data condition or use of a data element or segment in a standard, add any data elements or segment to the maximum defined data set, use any code or data elements that are either marked "not used" in the standard's implementation specification or are not in the implementation specification, or change the meaning or intent of the implementation specification.

### **5. Material Breach of Business Associate Agreement; Termination.**

(a) Without limiting the termination rights of the parties pursuant to the PBM Agreement, upon either party's knowledge of a material breach by the other of this Business Associate Agreement, the non-breaching party shall notify the breaching party of such material breach and the breaching party shall have thirty (30) days to cure such material breach. In the event the breach is not cured, or cure is infeasible, the non-breaching party shall have the right to immediately terminate this Business Associate Agreement and the PBM Agreement or if cure of the material breach is infeasible, report the violation to the Secretary.

(b) To the extent feasible, upon termination of the PBM Agreement for any reason, ESI shall, and shall cause any subcontractors and agents to, return or destroy and retain no copies of all PHI received from, or created or received by ESI on behalf of, Plan. If ESI determines, in its sole discretion, that return or destruction of such information is not feasible, ESI shall continue to limit the use or disclosure of such information as set forth in this Agreement as if the PBM Agreement had not been terminated.

**6. Indemnification.** Each party (the "Indemnifying Party") shall indemnify and hold the other party and its officers, directors, employees and agents (each an "Indemnified Party") harmless from and against any claim, cause

of action, liability, damage, cost or expense ("Liabilities") to which the Indemnified Party becomes subject to as a result of third party claims (including reasonable attorneys' fees and court or proceeding costs) brought against the Indemnified Party, which arise as a result of: (i) the material breach of this Business Associate Agreement by the Indemnifying Party; or (ii) the gross negligence or willful misconduct of the Indemnifying Party, except to the extent such Liabilities were caused by the Indemnified Party. A party entitled to indemnification under this Section 6 shall give prompt written notification to the Indemnifying Party of the commencement of any action, suit or proceeding relating to a third party claim for which indemnification is sought, subject to applicable confidentiality constraints. The Indemnifying Party shall be entitled to assume control of the defense of such action, suit, proceeding or claim with competent counsel of its choosing. Indemnification shall not be required if any claim is settled without the Indemnifying Party's consent, which such consent shall not be unreasonably withheld. Notwithstanding the foregoing provisions of this Section 6, in no event will an indemnifying party be liable to an indemnified party under contract, tort, or any other legal theory for incidental, consequential, indirect, punitive, or special losses or damages of any kind.

## **7. Miscellaneous.**

(a) **Amendment.** The parties acknowledge that the foregoing provisions are designed to comply with the mandates of the HIPAA Rules. ESI shall provide written notice to Plan to the extent that any regulation or amendment to regulations promulgated by the Secretary requires changes to this Business Associate Agreement. Such written notice shall include any additional amendment required by any such final regulation and the Business Associate Agreement shall be automatically amended to incorporate the changes set forth in such amendment provided by ESI to Plan, unless Plan objects to such amendment in writing within fifteen (15) days of receipt of such written notice. In the event that Plan objects timely to such amendment, the parties shall work in good faith to reach agreement on an amendment to the Business Associate Agreement that complies with the final regulations. If the parties are unable to reach agreement regarding an amendment to the Business Associate Agreement within thirty (30) days of the date that ESI receives any written objection from Plan, either ESI or Sponsor may terminate this Business Associate Agreement upon ninety (90) days written notice to the other party. Any other amendment to this Business Associate Agreement unrelated to compliance with applicable law and regulations shall be effective only upon execution of a written agreement between the parties.

(b) **Effect on PBM Agreement.** Except as relates to the use, security and disclosure of PHI and electronic transactions, this Business Associate Agreement is not intended to change the terms and conditions of, or the rights and obligations of the parties under, the PBM Agreement.

(c) **No Third-Party Beneficiaries.** Nothing express or implied in the PBM Agreement or in this Business Associate Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations or liabilities whatsoever.

(d) **Interpretation.** Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits both parties to comply with the HIPAA Rules.

(e) **Effective Date.** This Business Associate Agreement shall be effective as of the effective date of the PBM Agreement.

(f) Plan shall notify ESI of any limitation(s) in the notice of privacy practices of Plan in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect ESI's use or disclosure of PHI.

(g) Plan shall notify ESI of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect ESI's use or disclosure of PHI.

(h) Plan shall notify ESI of any restriction to the use or disclosure of PHI that Plan has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect ESI's use or disclosure of PHI.

(i) Plan shall not request that ESI use or disclose PHI in any manner that would exceed that which is minimally necessary under the HIPAA Rules or that would not be permitted by a Covered Entity.

(j) Plan agrees that it will have entered into "Business Associate Agreements" with any third parties (e.g., case managers, brokers or third party administrators) to which Plan directs and authorizes ESI to disclose PHI.

**8. Transactions Standards.** The HIPAA Rules provide for certain Transactions Standards for transfer of data between trading partners. While certain of the standards may or may not be adopted by the Plan (e.g., for eligibility),

ESI will be prepared to accept the following in accordance with 45 C.F.R. Part 162.1502: ASC X12N 834 – Benefit Enrollment and Maintenance. In addition, to the extent applicable, ESI shall comply with other applicable transactions standards for claims processing functions between ESI and provider pharmacies. Each party hereby agrees that it shall not change any definition, data condition or use of a data element or segment in a standard, add any data elements or segment to the maximum defined data set, use any code or data elements that are either marked “not used” in the standard’s implementation specification or are not in the implementation specification, or change the meaning or intent of the implementation specification.

**9. Breach; Termination.**

(a) Without limiting the termination rights of the parties pursuant to the PBM Agreement, upon Plan’s knowledge of a material breach by ESI of this Business Associate Agreement, Plan shall notify ESI of such breach and ESI shall have thirty (30) days to cure such breach. In the event ESI does not cure the breach, or cure is infeasible, Plan shall have the right to immediately terminate this Business Associate Agreement and the PBM Agreement. If cure of the material breach is infeasible, Plan shall report the violation to the Secretary.

(b) As of February 17, 2010 and without limiting the termination rights of the parties pursuant to the PBM Agreement, upon ESI’s knowledge of a material breach by the Plan of this Business Associate Agreement, ESI shall notify Plan of such breach and the Plan shall have thirty (30) days to cure such breach. In the event the Plan does not cure the breach, or cure is infeasible, ESI shall have the right to immediately terminate this Business Associate Agreement and the PBM Agreement. If cure of the material breach is infeasible, ESI shall report the violation to the Secretary.

(c) To the extent feasible, upon termination of the PBM Agreement for any reason, ESI shall, and shall cause any subcontractors and agents to, return or destroy and retain no copies of all PHI received from, or created or received by ESI on behalf of, the Plan. If ESI determines, in its sole discretion, that return or destruction of such information is not feasible, ESI shall continue to limit the use or disclosure of such information as set forth in this Agreement as if the PBM Agreement had not been terminated.

**10. Miscellaneous.**

(a) **Amendment.** The parties acknowledge that the foregoing provisions are designed to comply with the mandates of the HIPAA Rules and HITECH Standards. ESI shall provide written notice to Plan to the extent that any final regulation or amendment to final regulations promulgated by the Secretary under HITECH requires changes to this Business Associate Agreement. Such written notice shall include any additional amendment required by any such final regulation and the Business Associate Agreement shall be automatically amended to incorporate the changes set forth in such amendment provided by ESI to Plan, unless Plan objects to such amendment in writing within fifteen (15) days of receipt of such written notice. In the event that Plan objects timely to such amendment, the parties shall work in good faith to reach agreement on an amendment to the Business Associate Agreement that complies with the final regulations. If the parties are unable to reach agreement regarding an amendment to the Business Associate Agreement within thirty (30) days of the date that ESI receives any written objection from the Plan, either ESI or BHC may terminate this Business Associate Agreement upon ninety (90) days written notice to the other party. Any other amendment to this Business Associate Agreement unrelated to compliance with applicable law and regulations shall be effective only upon execution of a written agreement between the parties.

(b) **Effect on PBM Agreement.** Except as relates to the use, security and disclosure of PHI and electronic transactions, this Business Associate Agreement is not intended to change the terms and conditions of, or the rights and obligations of the parties under, the PBM Agreement.

(c) **No Third-Party Beneficiaries.** Nothing express or implied in the PBM Agreement or in this Business Associate Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations or liabilities whatsoever.

(d) **Interpretation.** Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the Plan to comply with the HIPAA Rules and the HITECH Standards.

(e) **Effective Date.** This Business Associate Agreement shall be effective as of the applicable Compliance Dates or the effective date of the PBM Agreement, whichever is later.

## EXHIBIT D

### **FINANCIAL DISCLOSURE TO ESI PBM CLIENTS**

This disclosure provides an overview of the principal revenue sources of Express Scripts, Inc. and Medco Health Solutions, Inc. (individually and collectively referred to herein as “ESI”), as well as ESI’s affiliates. In addition to administrative and dispensing fees paid to ESI by our clients for pharmaceutical benefit management (“PBM”) services, ESI and its affiliates derive revenue from other sources, including arrangements with pharmaceutical manufacturers, wholesale distributors, and retail pharmacies. Some of this revenue relates to utilization of prescription drugs by members of the clients receiving PBM services. ESI may pass through certain manufacturer payments to its clients or may retain those payments for itself, depending on the contract terms between ESI and the client.

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

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

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

Manufacturer Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts for its own account with manufacturers to obtain formulary rebates attributable to the utilization of certain brand drugs and supplies (and possibly certain authorized generics marketed under a brand manufacturer’s new drug application). Formulary rebate amounts received vary based on client specific utilization, the volume of utilization as well as formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, claims volume, and other similar factors, and in certain instances also may vary based on the product’s market-share. ESI often pays an amount equal to all or a portion of the formulary rebates it receives to a client based on the client’s PBM agreement terms. ESI retains the financial benefit of the use of any funds held until payment of formulary rebate amounts is made to the client. ESI may maintain non-client specific aggregate guarantees with manufacturers and may realize positive margin. In addition, ESI provides administrative services to contracted manufacturers, which include, for example, maintenance and operation of the systems and other infrastructure necessary for managing and administering the PBM formulary rebate process, pharmacy discount programs, access to drug utilization data, as allowed by law, for purposes of verifying and evaluating applicable payments, and for other purposes related to the manufacturer’s products. ESI receives administrative fees from the participating manufacturers for these services. These administrative fees are calculated based on the price of the

drug or supplies along with the volume of utilization and do not exceed the greater of (i) 4.58% of the average wholesale price, or (ii) 5.5% of the wholesale acquisition cost of the products. In its capacity as a PBM company, ESI also may receive other service fees from manufacturers as compensation for the performance of various services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, medical benefit management services, and the sale of non-patient identifiable claim information. These service fees are not part of the formulary rebates or associated administrative fees.

Copies of ESI's standard formularies may be reviewed at [www.express-scripts.com/services/clientsadvisors](http://www.express-scripts.com/services/clientsadvisors). In addition to formulary considerations, other plan design elements are described in ESI's Plan Design Review Guide, which may be reviewed at [www.express-scripts.com/services/clientadvisors](http://www.express-scripts.com/services/clientadvisors).

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

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

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

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

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business, group purchasing organizations, a medical benefit management company, and United BioSource Corporation ("UBC"). Compensation derived through these business arrangements is not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. Services related to these arrangements are provided to manufacturers irrespective of whether a drug is on one of ESI's national formularies. Of particular note, UBC partners with life sciences and pharmaceutical companies to develop, commercialize, and support safe, effective use and access to pharmaceutical products. UBC maintains a team of research scientists, biomedical experts, research operations professionals, technologists and clinicians who work with clients to conduct and support clinical trials, create, and validate and administer pre and post product safety and risk management programs. UBC also works on behalf of pharmaceutical manufacturers to provide product and

disease state education programs, reimbursement assistance, and other support services to the public at large. These service fees are not part of the formulary rebates or associated administrative fees.

Third Party Data Sales – Consistent with any client contract limitations, ESI or its affiliates may sell HIPAA compliant information maintained in their capacity as a PBM, pharmacy, or otherwise to data aggregators, manufacturers, or other third parties on a fee-for-service basis or as a condition of discount eligibility. All such activities are conducted in compliance with applicable patient and pharmacy privacy laws and client contract restrictions.

**April 7, 2014**

**THIS EXHIBIT REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS EXHIBIT AND THE FINANCIAL DISCLOSURES CONTAINED HEREIN TO REFLECT CHANGES IN ITS BUSINESS PROCESSES; THE CURRENT FINANCIAL DISCLOSURE IS AVAILABLE UPON REQUEST AND ACCESSIBLE ON EXPRESS-SCRIPTS.COM FOR CLIENTS & ADVISORS.**

## EXHIBIT E

### PERFORMANCE STANDARDS

In the event that any failure by ESI to meet any performance standard is due to a “force majeure” as defined in the agreement, failure of sponsor to perform its obligations under the agreement, or actions or inactions of Sponsor that adversely impact ESI’ ability to maintain the subject standard (e.g., faulty eligibility, changes in benefit design not adequately communicated to members and benefit designs that substantially change the members’ rights under the plan), ESI will be excused from compliance with such performance standards until such circumstances have been resolved and any existing backlogs or other related effects have been eliminated.

Within ninety (90) days after the end of each year, ESI shall report to BHC ESI’ performance under each performance standard. Notwithstanding the foregoing, for purposes of determining whether ESI has met or failed to meet each performance standard, performance standards will be measured and reconciled on an annual basis and amounts due resulting from an ESI failure to meet any performance standard(s), if any, shall be calculated and paid to Sponsor within thirty (30) days following Sponsors receipt of reconciliation report.

No performance penalties, if any, will be paid until this agreement is executed by BHC. In no event will the sum of the payments to BHC, as a result of ESI’ failure to meet the performance standards exceed \$10.00 per member for the implementation performance standard and \$2.50 per Member per year for the annual performance standards. Membership, for purposes of this exhibit, shall be measured as of the effective date or anniversary date of the Employer Participation Agreement. employer shall allocate the Penalty amount across the standards listed in section B of this Exhibit, provided that no more than 20% of the total penalty amount is allocated to any one standard. Should the Employer not provide allocation, the penalty amount will be allocated equally across all standards.

The following performance standards are based on 200,000 members in the St. Louis Area Business Health Coalition as of the effective date and throughout the term. Any material change below such number may result in a renegotiation of the standards and penalties set forth below.

Performance standards for the ESI’ Pharmacy assume a minimum of 1,000 home delivery prescriptions submitted annually.

BHC Performance Standards

**THE FOLLOWING AUDIT PERFORMANCE STANDARDS ARE APPLICABLE EXCLUSIVELY TO BHC:**

Service Feature	Standard	Penalty
<b>Audit</b>		
Audit Response	ESI will make changes to the benefit design or group setup as a response to audit-identified discrepancies within 30 calendar days' notice of said discrepancy.	If ESI fails to update the plan design or group setup to conform with the employer group's expectations within 30 calendar days, ESI would pay a penalty of \$500 per incident per group, maximum payout per group of \$5,000. Penalties are paid annually.
Audit – Invoice Adjustments	Invoice adjustments (charges or credits) resulting from reconciliation reports or audits will be completed within 30 calendar days of the date of report completion, which begins on the date each party agrees to the results presented in the reconciliation, or upon closure of audit.	If ESI fails to provide payment within 30 days of the date of completion or closure of the audit, ESI will pay the BHC \$250 per incident plus it will credit the BHC with interest on the balance due at the rate of 0.25% per week. Penalties are paid annually.
Audit – Audit Cooperation	ESI will supply requested data in a mutually agreeable format within 12 business days of request from client, BHC, or auditor, if an NDA is in place.	If ESI is unable to deliver the data within 12 days, ESI will pay a penalty of \$5,000 per business day late with a maximum penalty of \$25,000.
Audit – Audit Discrepancy	<p>PBM will provide a response to an audit discrepancy from client, SLBHC or auditor, using the following timeline:</p> <ul style="list-style-type: none"> <li>• 1-3 issues - 15 business days</li> <li>• 4-6 issues - 20 business days</li> <li>• 7-9 issues - 30 business days</li> <li>• 10 or more issues - 40 business days</li> </ul> <p>ESI defines "a response" as either resolution of the discrepancy or a detailed work plan for the evaluation of the discrepancy along with an estimated completion date and demonstration that the process for resolving the discrepancy has begun in earnest.</p>	<p>If ESI fails to provide a response to an audit issue based on the timelines shown above, the penalty would be as follows:</p> <ul style="list-style-type: none"> <li>• 1st issue: \$200 per employer group</li> <li>• 2nd issue: \$400 per employer group</li> <li>• 3rd issue: \$600 per employer group</li> <li>• 4th issue: \$800 per employee group</li> <li>• Maximum penalty is \$2,000 per group</li> </ul> <p>Penalties are paid annually.</p>

## Employer Group Performance Standards

THE FOLLOWING PERFORMANCE STANDARDS ARE OFFERED EXCLUSIVELY TO THE EMPLOYER GROUPS. EMPLOYER GROUPS WILL BE ALLOWED TO ALLOCATE THE TOTAL AT-RISK AMOUNT AMONG THESE PERFORMANCE STANDARDS UPON IMPLEMENTATION OF THEIR EMPLOYER GROUP AGREEMENT:

Service Feature	Standard	Penalty
<b>Implementation</b>		
<p>Implementation and Start-up</p>	<p>ESI will guarantee the implementation of BHC to be completed in accordance within the mutually agreed upon timelines. Each of ESI' standards is dependent upon receiving specific information from BHC. Loading of eligibility and production of ID cards are dependent upon receiving group structure and benefit plan design sign off from BHC. A delay in receipt of data or information from BHC may require rescheduling of all subsequent deliverable dates.</p> <p>The recommended implementation time frame is 90 days.</p> <p><b>Communications</b> ESI' Implementation Project Manager (IPM) will provide regular updates to BHC tracking the status of the implementation.</p> <p>A completed implementation sign-off manual will be provided to BHC upon BHC's formal transition from the IPM to the Account Team.</p> <p>The implementation performance standard is a one-time only standard valid 90 days from BHC's effective date.</p>	<p>The following dollars will be paid to BHC if ESI does not complete the deliverables by the dates noted in the performance standard, assuming that BHC has provided the information necessary to complete these deliverables:</p> <p><i>Benefit Plan Design — \$AAA</i> <i>Group Structure and Eligibility Load — \$AAA</i> <i>ID Cards — \$AAA</i> <i>Toll-Free Telephone Number — \$AAA</i> <i>Communications — \$AAA</i></p> <p>The maximum implementation penalty will be \$BBB.</p>
<b>Account Management</b>		
<p>Account Management — Satisfaction</p>	<p>ESI agrees to provide an annual Account Management Satisfaction Survey. ESI guarantees that the BHC's overall satisfaction with Account Management will be greater than or equal to Meets Expectations. For the purposes of this guarantee, BHC's rating shall be defined on the following scale: Exceeds Expectations, Meets Expectations, Does Not Meet Expectations in any contract year. ESI shall be responsible for survey design, data collection, analysis, and all costs associated with conducting the surveys.</p>	<p>ESI will put \$XXX as a total amount of penalty at risk.</p>

<b>Client Services Administration</b>		
Client Satisfaction Survey	The standard will be tied to your satisfaction of system and service improvements by the end of the fourth quarter of 2014 and again at the end of the 2 <sup>nd</sup> quarter of 2015 and any payout will be determined by your honest response to a 2 question survey.	Each question and sub question will have a total guarantee of \$0.75 per total lives count specific to each employer with a total of \$1.50 at risk to ESI. For example, if you have 5,000 total membership as of January 1st, 2014 then the total amount that could be paid out would be determined as such: 5,000 X \$1.50 for a total of \$7,500. We have tied \$.75 to question 1 and \$.75 to question 2. If you answer no to either the question or sub question, then we will consider this as not satisfied.
<b>Contact Center</b>		
Average Speed of Answer	ESI guarantees that calls will be answered in an average of 25 seconds or less. This standard is predicated on the installation of a toll-free number unique to the BHC.	ESI will pay BHC \$CCC for each full second above the standard 25 seconds on an annual basis. The maximum annual penalty will be \$XXX. The calculation will be based on the average speed of answer.
Percent of Calls Abandoned	The Telephone Abandonment Rate of the Member Service Telephone Line will be 3% or less of all incoming calls received during each Contract Year.	ESI will pay BHC \$CCC for each full percentage point above the standard 3% on an annual basis. The maximum annual penalty will be \$XXX. The calculation will be based on the average percentage of calls abandoned.
Customer Service — First Call Resolution	ESI guarantees that 85% or greater of patient calls will be resolved on the first call.	ESI will pay BHC \$CCC for each full percentage point below 85%. The maximum annual penalty will be \$XXX.
<b>Home Delivery Pharmacy</b>		
Dispensing Accuracy	Whereas ESI strives for 100% accuracy, The Dispensing Accuracy Rate for each Contract Year will be 99.994% or greater. Standard is measure at book of business.	ESI will pay BHC \$CCC for each full percentage point below the standard of 99.994% on an annual basis. The maximum annual penalty will be \$XXX. The calculation will be based on the average prescription accuracy.
Turnaround Time for Routine (Clean) Prescriptions	ESI guarantees to dispense prescriptions not subject to intervention within an average of two (2) business days.	ESI will pay BHC \$CCC for each full day above the standard two (2) business days on an annual basis. The maximum annual penalty will be \$XXX.

Turnaround Time for Prescriptions Subject to Intervention	ESI guarantees to dispense prescriptions subject to intervention within an average of five (5) business days.	ESI will pay BHC \$CCC for each full day above the standard five (5) business days on an annual basis. The maximum annual penalty will be \$XXX.
<b>Claims Adjudication Accuracy</b>		
Claims Adjudication Accuracy	The Claims Adjudication Accuracy Rate for each Contract Year will be 99% or greater. "Claims Adjudication Accuracy Rate" means (i) the number of sampled retail claims, mail order claims and directly submitted paper claims adjudicated by ESI in a Contract Year that do not contain a material adjudication error, divided by (ii) the number of all such sampled claims adjudicated by ESI in such Contract Year. Measured on a book of business basis.	ESI will put \$XXX as a total amount of penalty at risk.
<b>Reporting</b>		
Timely Production of Management Reports	ESI guarantees access to the online reporting data will be available within an annual average of fifteen (15) business days after the billing cycle that contains the last day of the month.	ESI will put \$XXX as a total amount of penalty at risk.
<b>Replacement ID Card Production</b>		
Timely Production of Replacement ID Cards	ESI guarantees that standard replacement ID cards will be produced within an annual average of four (4) business days of the receipt and update of machine-readable eligibility information.	ESI will put \$XXX as a total amount of penalty at risk.
<b>Eligibility</b>		
Eligibility — Timeliness of Installations	Accurate and complete eligibility files electronically transmitted by 10:00 A.M. EST, via secured processes acceptable to ESI, will be updated within one (1) business day of receipt.	ESI will put \$XXX as a total amount of penalty at risk.
<b>Paper Claims</b>		
Paper Claims Requiring No Development Processing Time	ESI guarantees 97% of member-submitted paper claims requiring no development (clean) will be processed within an average of 5 business days of receipt.	ESI will put \$XXX as the total amount of penalty at risk.

**Exhibit F**

**CONFIDENTIALITY AGREEMENT**

THIS CONFIDENTIALITY AGREEMENT (the “Agreement”) is made and entered into as of \_\_\_\_\_, 200\_, by and between EXPRESS SCRIPTS, INC., on its behalf and on behalf of its subsidiaries (collectively, “ESI”) and \_\_\_\_\_ (“Recipient”).

**RECITALS**

- A. ESI engages in a variety of health care businesses, including, among other things, pharmacy benefit management, disease management, specialty pharmaceutical distribution and medical information management.
- B. ESI administers a prescription drug benefits program (the “Prescription Drug Program”) for members and their eligible dependents of \_\_\_\_\_ (“BHC”).
- C. BHC has engaged Recipient to conduct an audit of certain data in connection with the Prescription Drug Program (the “Audit”). In connection therewith, it is necessary for ESI to provide Recipient with certain Confidential Information (as defined below).

**TERMS AND CONDITIONS**

1. As used in this Agreement, the term “Confidential Information” includes any information, written or oral, that Recipient receives from ESI in connection with the Audit, including all copies thereof; provided, that the Confidential Information shall not include any information that is: (i) or becomes generally known to the public by a source other than Recipient or its employees or agents; (ii) in possession of Recipient prior to the date hereof and is not subject to confidentiality obligations to ESI; (iii) independently developed by Recipient under circumstances not involving a breach of this Agreement by Recipient; or (iv) acquired by Recipient from a third party who is not under an obligation of confidentiality to ESI or without a breach of this or a similar agreement. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge and agree that each is a party to a separate Business Associate Agreement (“BAA”) with BHC that governs their respective use and disclosure of BHC’s protected health information (“PHI”), as such term is defined under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). PHI disclosed to Recipient, if any, as part of the Audit contemplated hereunder, shall not be subject to the terms of this Agreement, but rather the use and disclosure of such PHI shall be subject to each party’s respective BAA with BHC.
2. Nothing in this Agreement shall prohibit Recipient from disclosing “Confidential Information”: (i) pursuant to a lawful requirement or request from a governmental agency acting within its jurisdiction; or (ii) that is otherwise required by law, rule, regulation, an order of a court of competent jurisdiction, or governmental administrative process (collectively, a “Required Disclosure”); provided, that, Recipient provide prompt notice to ESI prior to making a Required Disclosure (unless providing such notice is prohibited by law, rule or regulation) in order to allow ESI the opportunity take appropriate steps to protect the Confidential Information that is the subject of such Required Disclosure. Nothing in the preceding is intended to prohibit Recipient from meeting any applicable legal requirement.
3. Recipient shall use the Confidential Information that it receives pursuant to this Agreement for the sole purpose of the Audit, and in no event shall Recipient disseminate or communicate the

Confidential Information in any form to any other person or entity, other than to BHC, without the express written consent of ESI.

4. Recipient shall disclose Confidential Information only to persons within its organization who: (i) are required to protect and otherwise not disclose or use the Confidential Information except as provided in this Agreement; and (ii) need to know the Confidential Information. Such persons who receive any Confidential Information shall be made aware of the terms of this Agreement.

5. Confidential Information contained in any report, document, or other information in whatever form or medium which is derived or results from the receipt of Confidential Information shall remain subject to this Agreement.

6. All Confidential Information of ESI shall be and remain the property of ESI. Recipient shall not obtain any rights in or to the Confidential Information as a result of such disclosure except that Recipient may retain a copy of the Confidential Information for archival purposes (the "Archival Copy"), provided, that, such Archival Copy shall remain subject to Recipient's confidentiality obligations hereunder. Upon ESI's request, Recipient shall promptly destroy or return to ESI all of ESI's Confidential Information including all copies thereof (except the Archival Copy).

7. Recipient shall indemnify, defend and hold ESI harmless from any and all claims, penalties, liabilities, losses, damages, settlements or costs which may arise from Recipient's breach of this Agreement.

8. This Agreement shall remain in full force and effect for a period of three (3) years from the date hereof. This Agreement may not be amended except in writing, signed by both parties.

9. This Agreement shall be governed by and construed in accordance with the internal laws of Missouri.

10. Recipient hereby acknowledges and agrees that the Confidential Information is of such character as to render the same unique and that disclosure or use thereof in violation of this Agreement will cause irreparable damage to ESI. Accordingly, Recipient acknowledges and agrees that, upon adequate proof by ESI of any use or disclosure by Recipient in violation of this Agreement, injunctive or other equitable relief shall be appropriate, in addition to such other remedies that may be available at law.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

**EXPRESS SCRIPTS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Director, Client Audit  
Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT G

### MEDICARE QR-PDP ADDENDUM

THIS MEDICARE QR-PDP ADDENDUM (the "QR-PDP Addendum") is made for the purpose of delineating the terms and conditions under which Express Scripts Senior Care, Inc., a wholly owned subsidiary of ESI ("Senior Care") will provide certain QR-PDP services to Employer as set forth below.

A. Under the Medicare Prescription Drug Benefit Program set forth in Part D of The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act"), employers may establish a Qualified Retiree Prescription Drug Plan (as defined below) in order to continue to provide prescription drug benefits for its Medicare-eligible Members;

B. ESI has established a subsidiary, Senior Care, that is responsible for providing certain services related to Medicare Plans, including Qualified Retiree Prescription Drug Plans under the Act; and

C. Employer desires that Senior Care provided QR-PDP Services as defined below; and

D. The parties acknowledge and intend that the Agreement and the Employer Participation Agreement are incorporated herein by reference.

1. Definitions. Unless otherwise defined below, capitalized terms used herein will have the same meaning assigned to such terms in the Agreement or the Medicare Drug Rules, as appropriate.

"CMS" means the Centers for Medicare and Medicaid Services.

"Medicare Manufacturer Administrative Fees" means those administrative fees of up to 3.5% of the AWP of certain Covered Drugs paid by pharmaceutical manufacturers to, or otherwise retained by, Senior Care pursuant to a contract between Senior Care or an affiliate, and the manufacturer and directly in connection with Senior Care's administering, invoicing, allocating and collecting the Rebates for Medicare plans operating under the Act, including QR-PDPs.

"Medicare Drug Rules" means the Act and any and all related rules, guidance, interpretations and operational directives adopted by CMS or other governmental agency with jurisdiction over the enforcement of the Act.

"Medicare Member" means a Member eligible for benefits through the QR-PDP in accordance with the Medicare Drug Rules as identified by Employer through the Eligibility Files.

"Medicare Rebates" means retrospective rebates that are paid to Senior Care, or otherwise retained by Senior Care, pursuant to the terms of a rebate contract negotiated independently by Senior Care or an affiliate with a manufacturer, and directly attributable to the utilization of certain pharmaceuticals by Medicare Members. Rebates do not include Medicare Manufacturer Administrative Fees, or product discounts or similar remuneration received by subsidiary pharmacies of ESI or Senior Care.

"Subsidy Payment" means the subsidy amount paid to sponsors of QR-PDPs under 42 CFR § 423.886 of the Medicare Drug Rules.

"Subsidy Reports" means the following reports in a format and with content consistent with the requirements of the Medicare Drug Rules: (i) monthly eligibility file (list of individuals believed to be enrolled as defined by the Medicare Drug Rule or other CMS guidance); and (ii) cost data extract (covered retiree plan-related prescription drug costs) for monthly, quarterly, or annual reporting for payment of subsidy.

2. QR-PDP Services.

(a) Services. In consideration of the fees set forth below, ESI and Senior Care will provide Employers and Medicare Members the same services then presently provided under the Agreement to Eligible Enrollees. If selected below, Senior Care will provide the Subsidy Reports to enable Employer to file for Subsidy Payments and

meet its QR-PDP reporting obligations under the Medicare Drug Rules (collectively, the “QR-PDP Services”). The then applicable financial terms and conditions of the Agreement relating to Participating Pharmacy, Mail Service Pharmacy, Specialty Products, administrative fees, Member communication fees will apply to the QR-PDP. The Medicare Pharma Revenue will reflect the same Rebate and Manufacturer Administrative Fee terms set forth in the Agreement. Notwithstanding the terms of the Agreement, no commissions, marketing fees or other remuneration will be paid by ESI or Senior Care to brokers, TPAs or consultants relating to Prescription Drug Claims attributable to Medicare Members.

(b) QR-PDP Fees. Employer agrees to pay the applicable fee if electing Senior Care to provide services to its QR-PDP. If the Employer elects QR-PDP services, but no option is selected, the default will be the Standard Option with Member communications:

- STANDARD OPTION:** \$0.62 Per Medicare Member per Month (\$2,000 minimum annual charge) - Senior Care submits reports to Employer
- ENHANCED OPTION:** \$1.12 Per Medicare Member per Month (\$5,000 minimum annual charge) Senior Care submits reports to CMS
- Member Materials (Notices of Creditable coverage)** - \$1.35 per piece plus postage.
- Prior Authorization (Part B and Part D drugs)** – standard PA fees as described in the ESI Clinical Program Options section of the Agreement.
- No Subsidy Reports; Medicare Rebate Filing Only** – No charge

(c) QR-PDP Subsidy Reports. If elected above, Senior Care will timely provide to Employer Subsidy Reports in order for Employer to meet the deadlines as set forth in the Medicare Drug Rules. In order for Senior Care to be able to prepare the Subsidy Reports, Employer will provide to Senior Care in a timely manner any elements and data now and hereafter required under the Medicare Drug Rules (e.g., Member social security numbers, the CMS issued RDS Plan Employer ID and Application ID) in a format reasonably required by Senior Care.

(d) Senior Care. Senior Care hereby assumes all responsibility and obligation for the preparation of Subsidy Reports, and the contracting, administration, allocation and collection of Medicare Rebates under the Agreement as relates solely to the eligible utilization of Medicare Members.

(e) Federal Funds. Senior Care hereby acknowledges, in accordance with 42 CFR 423.884(c)(3)(ii) that information provided to CMS in connection with the RDS Plan Employer Application is for purposes of obtaining Federal funds.

(f) Certification. Senior Care certifies that the information it provides to Employer hereunder and pursuant to the Agreement is accurate and complete. Senior Care agrees that it will assist the Employer in complying with its obligation to disclose information to CMS as necessary for Employer to obtain the subsidy.

3. Term. The term of this QR-PDP Addendum will be coterminous with the Agreement.

## EXHIBIT H

### EMPLOYER PARTICIPATION AGREEMENT

THIS EMPLOYER PARTICIPATION AGREEMENT (the "Employer Participation Agreement") is made as of October 1, 2014 (the "Effective Date"), by and between \_\_\_\_\_ ("Employer") and Express Scripts, Inc., a Delaware corporation, on behalf of itself and its subsidiaries (collectively referred to as "ESI"), for the purpose of delineating the terms and conditions under which ESI will provide certain pharmacy benefit management services to Employer under the Main Agreement between ESI and BHC.

#### RECITALS:

- A. The St. Louis Area Business Health Coalition ("BHC"), a Missouri non-profit corporation, manages healthcare vendor relationships on behalf of the Employer and its counterparts who participate in coalition purchasing programs;
- B. ESI and BHC have entered into that certain Pharmacy Benefit Management Agreement dated effective October 1, 2014 (the "Main Agreement");
- C. The parties acknowledge and intend that the Main Agreement is incorporated herein by reference. Defined terms used herein shall have the same meaning assigned to such terms in the Main Agreement; and
- D. Employer desires that ESI provide PBM Services to the Employer in accordance with the Main Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by reference, and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

- 1. ESI'S Obligations. ESI agrees to comply with the terms and conditions as set forth in the Main Agreement.
- 2. Employer Obligations. Employer acknowledges that it has read and hereby agrees to the terms and conditions set forth in the Main Agreement, which Employer acknowledges are hereby incorporated into this Employer Participation Agreement by reference. Furthermore, Employer agrees to the following:
  - a) Financial Responsibility/Payment Terms. In accordance with the Main Agreement, Employer will pay to ESI the fees due under the Main Agreement pursuant to the payment terms set forth in the Main Agreement. Employer has sole responsibility for timely payment of such fees. BHC may facilitate the payment process, but Employer retains all financial responsibility for timely payment of the applicable fees.

Employer chooses the following Pricing Option outlined in the Main Agreement:

- Pricing Option 1
- Pricing Option 2

- b) Fees to BHC. Employer acknowledges that BHC and its contracted pharmacy consultant provide pharmacy benefit management services on behalf of the Employer and its Eligible Members. Employer authorizes and directs ESI to pay BHC a quarterly management fee in an amount equal to \_\_\_\_\_ % of pharmacy spend for such quarter, not to exceed \$\_\_\_\_\_ in any one contract year and to bill these management fees directly to Employer, which Employer shall be obligated to pay in addition to the other fees due under the Main Agreement. ESI will not be obligated to pay the quarterly

management fees to BHC until ESI has received the corresponding fee amount from the Employer. Employer represents and warrants that the management fee amount to be paid by ESI is reasonable and appropriate in light of the actual services to be performed by BHC in connection with Employer's prescription drug program, and that management fees paid by ESI to BHC shall be solely from ESI's general assets and Employer shall have no right, title or interest in, or to, such assets so as to make such assets "plan assets" within the meaning of ERISA. Except for nonpayment by ESI in violation of the express terms hereunder, Employer shall hold ESI harmless in connection with any dispute between BHC and Employer, or otherwise regarding management fees.

- c) Member Authorizations and Disclosures. When such services are requested by Employer, Employer will obtain all Member authorizations required by law for ESI to perform any PBM Services provided for in this Employer Participation Agreement or in any addendum or amendment hereto, and for ESI to contact Members, Members' physicians, and Participating Pharmacies in order to promote therapeutic and generic substitution opportunities and to perform any other PBM Services or activities contemplated by this Employer Participation Agreement that may require such contact. Employer shall provide ESI with Members' addresses and such other information as may be reasonably necessary to facilitate such communications.

Employer will disclose to Members any and all matters relating to the plan design that are required by law to be disclosed, including information relating to the calculation of co-payments, coinsurance amounts, deductibles or any other amounts that are payable by a Member in connection with the plan design.

- d) Confidentiality. Employer will hold the terms and conditions of this Employer Participation Agreement confidential except to the extent disclosure is required under applicable law. Employer will not share the terms of this Agreement with its consultant or other third party without the express permission of ESI and BHC.

- 3. Term and Renewal. The initial term of this Employer Participation Agreement shall commence on the Effective Date and remain in effect for up to three (3) years (but not less than two (2) years) thereafter (the "Initial Term"). Thereafter, this Employer Participation Agreement shall automatically renew for successive one (1) year terms unless terminated by either party as described in Section 4 of this Employer Participation Agreement.

- 4. Termination of Employer Participation Agreement. ESI and Employer may terminate this Employer Participation Agreement as follows:

- a) Non-Renewal Upon Notice. Not less than ninety (90) days prior to the end of the Initial Term or any renewal term of this Agreement either party may notify the other party in writing that it desires to terminate this Agreement effective as of the end of the then current term. Notwithstanding any provision in this Agreement to the contrary, in no event will this Agreement be terminable "without cause" by either party.

- b) Breach or Default. Either party may give the other written notice of a material, substantial and continuing breach of this Agreement. If the breaching party has not cured said breach within thirty (30) days from the date such notice was sent, this Agreement may be terminated at the option of the non-breaching party. If the amount of time commercially reasonable for the breach to be cured is longer than thirty (30) days, this Agreement may not be terminated by the non-breaching party pursuant to this provision until such commercially reasonable period of time has elapsed; provided, however, that in no event will such period exceed sixty (60) days.

- c) Non-Payment. Notwithstanding anything to the contrary herein, ESI (and its wholly-owned subsidiaries) shall have the right to terminate this Employer Participation Agreement or suspend performance hereunder (and the Main

Agreement) and cease providing or authorizing the provision of Covered Drugs to that Employer's Members upon forty-eight (48) hours written notice if Employer fails to pay ESI or provide a deposit, if required, in accordance with the terms of this Agreement. ESI attempts collection through written and verbal communications with Employer prior to sending the notice described herein.

- d) Market Check. If BHC terminates the Main Agreement pursuant to Section 7.2(d) of the Main Agreement, and if Employer has contracted with ESI for at least two (2) years under the terms of the Main Agreement and this Employer Participation Agreement, then Employer may terminate this Employer Participation Agreement (but is not obligated to) coterminous with the effective date of such termination of the Main Agreement.
  - e) Effect of Termination. Other than as set forth in subsection d) above, no termination of the Main Agreement by BHC and/or ESI shall result in a termination of this Employer Participation Agreement, which shall remain in full force and effect, unless otherwise agreed to in writing by ESI and Employer.
  - f) Obligations Upon Termination. Upon notice of termination of this Employer Participation Agreement, the parties will mutually develop a run-off plan providing for: (a) Employer notification to Members of the timing of any transition to a successor pharmacy benefit manager at least thirty (30) days prior to the effective date of such termination; (b) ESI provision of open Mail Service Pharmacy refill files and standard claims data and PA files for transition to the successor pharmacy benefit manager in accordance with then existing industry protocol; and (c) whether Employer elects for ESI to process Participating Pharmacy or Member Submitted Claims for prescriptions filled during the Term but filed with ESI after the effective date of termination ("Termination Date"). Employer will continue to pay ESI in accordance with this Employer Participation Agreement and the Main Agreement for any Fees for PBM Services provided during the term and any run-off period. ESI will continue filing for Rebates for claims incurred prior to the Termination Date and will pay Employer Rebates for such claims in accordance with the Rebate payment schedule set forth in Exhibit B of the Main Agreement.
5. HIPAA. The parties agree that as relates to use and disclosure of PHI, electronic transaction standards and security of electronic PHI under HIPAA, they are subject to the terms of a separate Business Associate Agreement.
6. Audit. Employer acknowledges that BHC conducts regular audits on behalf of the coalition. If Employer requests to conduct a separate audit outside of the BHC, such audit will be at Employer's expense.
7. Disclosure. As disclosed in Section 8.9 of the Main Agreement, BHC and ESI are parties to a separate arrangement whereby ESI, as a major St. Louis employer, makes certain funds available to BHC to reimburse BHC for fair market value expenditures related to business development initiatives to expand BHC and its community based agenda to improve health and health care value throughout the St. Louis region. ESI pays these amounts out of its general assets and does so of its own accord. This arrangement is separate from ESI's administration of PBM Services to any Employer or its Plan, and Employer has no right, title, or interest to any funds paid by ESI to BHC pursuant to this separate arrangement. As a nonprofit membership organization, BHC makes a full accounting of all funds received and use of such funds to its board of directors. Employer, as a BHC member, also has access to such information.

8. Employer Information.

Employer Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Population to be Enrolled: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers or agents as of the date first above written.

**EXPRESS SCRIPTS, INC.**

**EMPLOYER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

AMENDMENT TO  
EXPRESS SCRIPTS, INC.  
PHARMACY BENEFIT MANAGEMENT AGREEMENT

This AMENDMENT (the "Amendment") is entered into as of the Effective Date, by and between EXPRESS SCRIPTS, INC., a Delaware corporation ("ESI"), and ST. LOUIS AREA BUSINESS HEALTH COALITION ("BHC").

RECITALS

A. ESI and BHC are parties to a Pharmacy Benefit Management Agreement dated as of October 1, 2014, as amended from time to time (the "Agreement"), pursuant to which ESI provides certain prescription drug benefit management services to BHC.

B. BHC and ESI desire to update and amend the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other conditions contained herein, the parties hereto hereby agree as follows:

TERMS OF AMENDMENT

1. Definitions. For purposes of this Amendment, any capitalized term not otherwise defined herein shall have the meaning set forth in the Agreement.

2. Participating Pharmacy Reimbursement Rates. The Participating Pharmacy Reimbursement Rates table for ESI Prime Network in Section A. I. of Exhibit A-1 is hereby deleted and replaced with the following:

ESI Prime Network	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
Ingredient Cost - Brand	Lesser of AWP – 19.00% or U&C	Lesser of AWP – 23.00% or U&C
Ingredient Cost - Generic	Lesser of AWP – 19.00%, MRA, or U&C	
Ingredient Cost - Compound Drugs	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$0.35	\$0.25
Generic Dispensing Fee/Rx	\$0.35	\$0.25
Administrative Fee/Rx	\$0.00	\$0.00

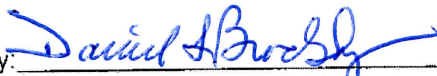
3. Effective Date. This Amendment shall be effective October 1, 2014.

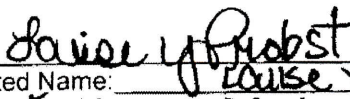
4. Effect of Amendment. Except as expressly provided herein, the terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between this Amendment and the Agreement, the terms of this Amendment shall prevail.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year below set forth.

EXPRESS SCRIPTS, INC.

ST. LOUIS AREA BUSINESS HEALTH  
COALITION

By:   
Printed Name: David L. Brodsky  
Title: Vice President - Commercial Division  
Date: 4-17-15

By:   
Printed Name: Louise Y Probst  
Title: Executive Director  
Date: April 16, 2015

AMENDMENT TO  
EXPRESS SCRIPTS, INC.  
PHARMACY BENEFIT MANAGEMENT AGREEMENT

This AMENDMENT (the "Amendment") is entered into as of the Effective Date, by and between EXPRESS SCRIPTS, INC., a Delaware corporation ("ESI"), and ST. LOUIS AREA BUSINESS HEALTH COALITION ("BHC").

RECITALS

A. ESI and BHC are parties to a Pharmacy Benefit Management Agreement dated as of October 1, 2014, as amended from time to time (the "Agreement"), pursuant to which ESI provides certain prescription drug benefit management services to BHC.

B. BHC and ESI desire to update and amend the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other conditions contained herein, the parties hereto hereby agree as follows:

TERMS OF AMENDMENT

1. Definitions. For purposes of this Amendment, any capitalized term not otherwise defined herein shall have the meaning set forth in the Agreement.

2. Pricing Guarantees. The Pricing Guarantees tables provided below in Section A.III.A. and Section B.III.A of Exhibit A-1 are hereby deleted and replaced with the following:

**A. Pricing Option 1-Traditional**

**III. Pricing Guarantees**

**A. Ingredient Cost Guarantee**

ESI National Plus Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic	Year 2: AWP – 79.50% Year 3: AWP – 79.50%		Year 2: AWP – 84.00% Year 3: AWP – 84.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	Year 2: AWP – 17.25% Year 3: AWP – 17.25%	Year 2: AWP – 21.25% Year 3: AWP – 21.25%	Year 2: AWP – 25.00% Year 3: AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

ESI National Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic	Year 2: AWP – 79.50% Year 3: AWP – 79.50%		Year 2: AWP – 84.00% Year 3: AWP – 84.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	Year 2: AWP – 18.25% Year 3: AWP – 18.25%	Year 2: AWP – 22.25% Year 3: AWP – 22.25%	Year 2: AWP – 25.00% Year 3: AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

ESI Prime Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic	Year 2: AWP – 79.50% Year 3: AWP – 79.50%		Year 2: AWP – 84.00% Year 3: AWP – 84.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	Year 2: AWP – 19.00% Year 3: AWP – 19.00%	Year 2: AWP – 22.25% Year 3: AWP – 22.25%	Year 2: AWP – 25.00% Year 3: AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

ESI EAN Select-Incentive with National Plus Network	Participating Pharmacy	Participating Pharmacy <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic	Year 2: AWP – 79.50% Year 3: AWP – 79.50%		Year 2: AWP – 84.00% Year 3: AWP – 84.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	Year 2: AWP – 17.75% Year 3: AWP – 17.75%	Year 2: AWP – 21.25% Year 3: AWP – 21.25%	Year 2: AWP – 25.00% Year 3: AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

ESI EAN Select-Incentive with National Network	Participating Pharmacy	Participating Pharmacy <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic	Year 2: AWP – 79.50% Year 3: AWP – 79.50%		Year 2: AWP – 84.00% Year 3: AWP – 84.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<b>Brand</b>	Year 2: AWP – 18.75% Year 3: AWP – 18.75%	Year 2: AWP – 21.25% Year 3: AWP – 21.25%	Year 2: AWP – 25.00% Year 3: AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
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<b>ESI EAN Exclusive with National Plus Network</b>	<b>Participating Pharmacy</b> 1-83 Days' Supply	<b>Participating Pharmacy</b> 84-90 Days' Supply <sup>(1)</sup>	<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
<b>Generic</b>	Year 2: AWP – 79.50% Year 3: AWP – 79.50%		Year 2: AWP – 84.00% Year 3: AWP – 84.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b>	Year 2: AWP – 18.00% Year 3: AWP – 18.00%	Year 2: AWP – 21.25% Year 3: AWP – 21.25%	Year 2: AWP – 25.00% Year 3: AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<b>ESI EAN Exclusive with National Network</b>	<b>Participating Pharmacy</b> 1-83 Days' Supply	<b>Participating Pharmacy</b> 84-90 Days' Supply <sup>(1)</sup>	<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
<b>Generic</b>	Year 2: AWP – 79.50% Year 3: AWP – 79.50%		Year 2: AWP – 84.00% Year 3: AWP – 84.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b>	Year 2: AWP – 19.00% Year 3: AWP – 19.00%	Year 2: AWP – 21.25% Year 3: AWP – 21.25%	Year 2: AWP – 25.00% Year 3: AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

## B. Pricing Option 2- Pass Through

### III. Pricing Guarantees

#### A. Ingredient Cost Guarantee.

<b>ESI National Plus Network ESI National Network ESI Prime Network</b>				
<b>Type of Guarantee</b>	<b>Participating Pharmacy</b>	<b>Participating Pharmacy</b>	<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
<b>Brand</b>	AWP -16.00%	AWP – 19.00%	AWP -24.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

Generic	Year 2: AWP – 77.00% Year 3: AWP – 77.25%	Year 2: AWP – 79.00% Year 3: AWP – 79.25%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
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3. Participating Pharmacy Reimbursement Rates. The Participating Pharmacy Reimbursement Rates table for the ESI networks provided below in Section B.I. of Exhibit A-1 are hereby deleted and replaced with the following:

**B. Pricing Option 2- Pass Through**

**I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)**

<b>Network</b> ESI National Plus Network ESI National Network ESI Prime Network	
<b>Ingredient Cost - Brand</b>	Pass Through
<b>Ingredient Cost - Generic</b>	Pass Through
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee
<b>Brand Dispensing Fee/Rx</b>	Pass Through
<b>Generic Dispensing Fee/Rx</b>	Pass Through
<b>Administrative Fee/Rx</b>	\$1.40

4. Specialty Pricing Guarantee. The Specialty Pricing Guarantee below is added as Section C.(e) of Exhibit A-1:

**C. Specialty Products (applicable to both pricing options).**

(e) Notwithstanding the Specialty Product pricing terms set forth above, ESI will guarantee an average aggregate annual ingredient cost discount for Specialty Product dispensed through ESI Specialty Pharmacy as follows:

Type of Guarantee	ESI Specialty Pharmacy	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	AWP – 18.20% <sup>(1)</sup>	All Specialty Products Prescription Drug Claims <u>except</u> Specialty Product Prescription Drug Claims dispensed through ESI Specialty Pharmacy (excluding Limited Distribution medications dispensed through ESI Specialty Pharmacy, which are also excluded)

<sup>(1)</sup>This guarantee shall only apply to Plans for which Employer elects the ESI Specialty Pharmacy “exclusive” option.

The above Specialty Product guarantee will be reconciled in accordance with the terms of Section III above.

5. Rebates. The Rebate tables provided in Section 1.A(ii) and Section 1.B(ii) of Exhibit A-3 are hereby deleted and replaced with the following:

1. **Pricing Option 1 Rebate Amounts**

A.

(ii) Subject to Employer meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

(a) National Preferred Formulary - Non-Specialty

Formulary:	ESI National Preferred		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Participating Pharmacies	Participating Pharmacies	Mail Service Pharmacy
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
Per Brand Claim	Year 2: \$70.00 Year 3: \$75.00	Year 2: \$158.00 Year 3: \$164.70	Year 2: \$215.00 Year 3: \$225.00

(b) National Preferred Formulary - Specialty

Formulary:	ESI National Preferred		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Specialty Participating Pharmacies	ESI Specialty Pharmacy Open	ESI Specialty Pharmacy Exclusive
Per Brand Claim	Year 2: \$70.00 Year 3: \$75.00	Year 2: \$350.00 Year 3: \$350.00	Year 2: \$450.00 Year 3: \$450.00

(c) Basic Formulary – Non-Specialty

Formulary:	ESI Basic (There are no FDA approved drugs excluded from this formulary)		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Participating Pharmacies	Participating Pharmacies	Mail Service Pharmacy
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
Per Brand Claim	Year 2: \$45.50 Year 3: \$48.75	Year 2: \$102.70 Year 3: \$107.05	Year 2: \$139.75 Year 3: \$146.25

(d) Basic Formulary – Specialty

Formulary:	ESI Basic (There are no FDA approved drugs excluded from this formulary)		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Specialty Participating Pharmacies	ESI Specialty Pharmacy Open	ESI Specialty Pharmacy Exclusive
Per Brand Claim	Year 2: \$45.50 Year 3: \$48.75	Year 2: \$150.00 Year 3: \$150.00	Year 2: \$150.00 Year 3: \$150.00

If ESI High Performance Formulary is selected, rebates will be 100%.

1. **Pricing Option 2 (Pass Through) Rebate Amounts**

B.

(ii) Subject to Employer meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

(a) National Preferred Formulary - Non-Specialty

Formulary:	ESI National Preferred		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Participating Pharmacies	Participating Pharmacies	Mail Service Pharmacy
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
Per Brand Claim	Year 2: \$70.00 Year 3: \$75.00	Year 2: \$158.00 Year 3: \$164.70	Year 2: \$215.00 Year 3: \$225.00

(b) National Preferred Formulary - Specialty

Formulary:	ESI National Preferred		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Specialty Participating Pharmacies	ESI Specialty Pharmacy Open	ESI Specialty Pharmacy Exclusive
Per Brand Claim	Year 2: \$70.00 Year 3: \$75.00	Year 2: \$350.00 Year 3: \$350.00	Year 2: \$450.00 Year 3: \$450.00

(c) Basic Formulary – Non-Specialty

Formulary:	ESI Basic (There are no FDA approved drugs excluded from this formulary)		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Participating Pharmacies	Participating Pharmacies	Mail Service Pharmacy
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
Per Brand Claim	Year 2: \$45.50 Year 3: \$48.75	Year 2: \$102.70 Year 3: \$107.05	Year 2: \$139.75 Year 3: \$146.25

(d) Basic Formulary – Specialty

Formulary:	ESI Basic (There are no FDA approved drugs excluded from this formulary)		
Copayment Design:	Less than \$15 Copayment differential or Minimum \$15 Copayment differential		
	Specialty Participating Pharmacies	ESI Specialty Pharmacy Open	ESI Specialty Pharmacy Exclusive
Per Brand Claim	Year 2: \$45.50 Year 3: \$48.75	Year 2: \$150.00 Year 3: \$150.00	Year 2: \$150.00 Year 3: \$150.00

6. Financial Disclosure Statement. Exhibit D of the Agreement is hereby replaced and updated with the Financial Disclosure to PBM Clients attached as Exhibit D hereto.

7. Effective Date, Extension. This Amendment shall be effective October 1, 2015.

8. Effect of Amendment. Except as expressly provided herein, the terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between this Amendment and the Agreement, the terms of this Amendment shall prevail.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year below set forth.

EXPRESS SCRIPTS, INC.

ST. LOUIS AREA BUSINESS HEALTH  
COALITION

By: T. N. Teixeira

By: Louise Y Probst

Printed Name: Todd N. Teixeira  
Title: VP | Commercial Div.

Printed Name: Louise Y Probst  
Title: Ex Director

Date: 5.25.16

Date: 5/26/16

**EXHIBIT D**  
**FINANCIAL DISCLOSURE TO ESI PBM CLIENTS**

This disclosure provides an overview of the principal revenue sources of Express Scripts, Inc. and Medco Health Solutions, Inc. (individually and collectively referred to herein as "ESI"), as well as ESI's affiliates. In addition to administrative and dispensing fees paid to ESI by our clients for pharmaceutical benefit management ("PBM") services, ESI and its affiliates derive revenue from other sources, including arrangements with pharmaceutical manufacturers, wholesale distributors, and retail pharmacies. Some of this revenue relates to utilization of prescription drugs by members of the clients receiving PBM services. ESI may pass through certain manufacturer payments to its clients or may retain those payments for itself, depending on the contract terms between ESI and the client.

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

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

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

Manufacturer Programs Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts for its own account to obtain formulary rebates attributable to the utilization of certain brand drugs and supplies (and possibly certain authorized generics marketed under a brand manufacturer's new drug application). Formulary rebate amounts received vary based on client specific utilization, the volume of utilization as well as formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, claims volume, and other similar factors, and in certain instances also may vary based on the product's market-share. ESI often pays an amount equal to all or a portion of the formulary rebates it receives to a client based on the client's PBM agreement terms. ESI or its affiliates may maintain non-client specific aggregate guarantees and may realize positive margin. In addition, ESI provides administrative services to contracted manufacturers, which include, for example, maintenance and operation of systems and other infrastructure necessary for invoicing and processing rebates, pharmacy discount programs, access to drug utilization data, as allowed by law, for purposes of verifying and evaluating applicable payments, and for other purposes related to the manufacturer's products. ESI receives administrative fees from the participating manufacturers for these services. These administrative fees are calculated based on the price of the drug or supplies along with the volume of utilization and do not exceed the greater of (i) 4.58% of the average wholesale price, or (ii) 5.5% of the wholesale acquisition cost of the products. In its capacity as a PBM company, ESI also may receive other compensation from manufacturers for the performance of various programs or services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, inflation protection programs, medical benefit management services, cost containment programs, discount programs, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees, and ESI may realize positive margin between amounts paid to clients and amounts received from pharmaceutical manufacturers. ESI retains the financial benefit of the use of any funds held until payment is made to the client.

Copies of ESI's standard formularies may be reviewed at [www.express-scripts.com/wps/portal/](http://www.express-scripts.com/wps/portal/). In addition to formulary considerations, other plan design elements are described in ESI's Plan Design Review Guide, which may be reviewed at [www.express-scripts.com/wps/portal/](http://www.express-scripts.com/wps/portal/).

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

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

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

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

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business, group purchasing organizations (and related group purchasing organization fees), a medical benefit management company, and United BioSource Corporation ("UBC"). Compensation derived through these business arrangements is not considered for PBM formulary placement, and is in addition to other amounts described herein. Of particular note, UBC partners with life sciences and pharmaceutical companies to develop, commercialize, and support safe, effective use and access to pharmaceutical products. UBC maintains a team of research scientists, biomedical experts, research operations professionals, technologists and clinicians who work with clients to conduct and support clinical trials, create, and validate and administer pre and post product safety and risk management programs. UBC also works on behalf of pharmaceutical manufacturers to provide product and disease state education programs, reimbursement assistance, and other support services to the public at large. These service fees are not part of the formulary rebates or associated administrative fees.

Third Party Data Sales – Consistent with any client contract limitations, ESI or its affiliates may sell HIPAA compliant information maintained in their capacity as a PBM, pharmacy, or otherwise to data aggregators, manufacturers, or other third parties on a fee-for-service basis or as a condition of discount eligibility. All such activities are conducted in compliance with applicable patient and pharmacy privacy laws and client contract restrictions.

October 1, 2015

**THIS EXHIBIT REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS EXHIBIT AND THE FINANCIAL DISCLOSURES CONTAINED HEREIN TO REFLECT CHANGES IN ITS BUSINESS PROCESSES; THE CURRENT FINANCIAL DISCLOSURE IS AVAILABLE UPON REQUEST AND ACCESSIBLE ON EXPRESS-SCRIPTS.COM AT WWW.EXPRESS-SCRIPTS.COM/WPS/PORTAL/.**

AMENDMENT TO  
EXPRESS SCRIPTS, INC.  
PHARMACY BENEFIT MANAGEMENT AGREEMENT

This AMENDMENT (the "Amendment") is entered into as of the Effective Date, by and between EXPRESS SCRIPTS, INC., a Delaware corporation ("ESI"), and ST. LOUIS AREA BUSINESS HEALTH COALITION ("BHC").

RECITALS

A. ESI and BHC are parties to a Pharmacy Benefit Management Agreement dated as of October 1, 2014, as amended from time to time (the "Agreement"), pursuant to which ESI provides certain prescription drug benefit management services to BHC.

B. BHC and ESI desire to update and amend the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other conditions contained herein, the parties hereto hereby agree as follows:

TERMS OF AMENDMENT

1. **Definitions.** For purposes of this Amendment, any capitalized term not otherwise defined herein shall have the meaning set forth in the Agreement.

2. **Pricing Guarantees for non-extension Employers.** For Employers that are not extending their Employer Participation Agreement for at least a two (2) year period, the Pricing Guarantees tables and footnotes provided below in Section A.III.A. and Section B.III.A of Exhibit A-1 are hereby deleted and replaced with the following:

**A. Pricing Option 1-Traditional**

**III. Pricing Guarantees**

**A. Ingredient Cost Guarantee.**

ESI National Plus Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
<b>Generic</b> 10/1/16-9/30/17	AWP – 80.00%		AWP – 84.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b> 10/1/16-9/30/17	AWP – 17.25%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
ESI National Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
<b>Generic</b> 10/1/16-9/30/17	AWP – 80.00%		AWP – 84.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<b>Brand</b> 10/1/16-9/30/17	AWP – 18.25%	AWP – 22.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>ESI Prime Network</b>	<b>Participating Pharmacy</b>		<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
<b>Generic</b> 10/1/16-9/30/17	AWP – 80.00%		AWP – 84.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b> 10/1/16-9/30/17	AWP – 19.00%	AWP – 23.00%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>ESI EAN Select-Incentive with National Plus Network</b>	<b>Participating Pharmacy</b>	<b>Participating Pharmacy<sup>(1)</sup></b>	<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
<b>Generic</b> 10/1/16-9/30/17	AWP – 80.00%		AWP – 84.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b> 10/1/16-9/30/17	AWP – 17.75%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>ESI EAN Select-Incentive with National Network</b>	<b>Participating Pharmacy</b>	<b>Participating Pharmacy<sup>(1)</sup></b>	<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
<b>Generic</b> 10/1/16-9/30/17	AWP – 80.00%		AWP – 84.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b> 10/1/16-9/30/17	AWP – 18.75%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<b>ESI EAN Exclusive with National Plus Network</b>	<b>Participating Pharmacy</b> 1-83 Days' Supply	<b>Participating Pharmacy</b> 84-90 Days' Supply <sup>(1)</sup>	<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
<b>Generic</b> 10/1/16-9/30/17	AWP – 80.00%		AWP – 84.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b> 10/1/16-9/30/17	AWP – 18.00%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>ESI EAN Exclusive with National Network</b>	<b>Participating Pharmacy</b> 1-83 Days' Supply	<b>Participating Pharmacy</b> 84-90 Days' Supply <sup>(1)</sup>	<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
<b>Generic</b> 10/1/16-9/30/17	AWP – 80.00%		AWP – 84.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b> 10/1/16-9/30/17	AWP – 19.00%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

## **B. Pricing Option 2- Pass Through**

### **III. Pricing Guarantees**

#### **A. Ingredient Cost Guarantee.**

<b>ESI National Plus Network ESI National Network ESI Prime Network</b>				
<b>Type of Guarantee</b>	<b>Participating Pharmacy</b>	<b>Participating Pharmacy</b>	<b>Mail Service Pharmacy</b>	<b>Claims Excluded</b>
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
<b>Brand</b> 10/1/16-9/30/17	AWP -16.25%	AWP – 20.00%	AWP -24.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Generic</b> 10/1/16-9/30/17	AWP – 78.50%		AWP – 83.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for

maintenance drugs. Pricing in the 84 – 90 Days' Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days' supply will be the same as for Prescription Drug Claims for less than an 84 days' supply, and pricing for an 84 – 90 days' supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

3. Specialty Pricing Guarantee for non-extension Employers. For Employers that are not extending their Employer Participation Agreement for at least a two (2) year period, replace Section C (e) of Exhibit A-1 with the following:

**C. Specialty Products (applicable to both pricing options).**

(e) Notwithstanding the Specialty Product pricing terms set forth above, ESI will guarantee an average aggregate annual ingredient cost discount for Specialty Product dispensed through ESI Specialty Pharmacy as follows:

Type of Guarantee	ESI Specialty Pharmacy	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	AWP – 19.00% <sup>(1)</sup>	All Specialty Products Prescription Drug Claims <u>except</u> Specialty Product Prescription Drug Claims dispensed through ESI Specialty Pharmacy (excluding Limited Distribution medications dispensed through ESI Specialty Pharmacy, which are also excluded)

<sup>(1)</sup>This guarantee shall only apply to Plans for which Employer elects the ESI Specialty Pharmacy “exclusive” option.

The above Specialty Product guarantee will be reconciled in accordance with the terms of Section III above.

4. Rebates for non-extension Employers. For Employers that are not extending their Employer Participation Agreement for at least a two (2) year period, the Rebate tables provided in Section 1.A(ii) and Section 1.B(ii) of Exhibit A-3 are hereby deleted and replaced with the following:

**1. Pricing Option 1 Rebate Amounts**

A.

(ii) The following represent the guaranteed amounts.

(a) National Preferred Formulary - Non-Specialty

Formulary:	ESI National Preferred		
	Participating Pharmacies	Participating Pharmacies	Mail Service Pharmacy
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
Per Brand Claim 10/1/16-9/30/17	\$87.00	\$191.00	\$266.00

(b) National Preferred Formulary - Specialty

Formulary:	ESI National Preferred		
	Specialty Participating Pharmacies	ESI Specialty Pharmacy Open	ESI Specialty Pharmacy Exclusive
	Per Brand Claim 10/1/16-9/30/17	\$750.00	\$1,000.00

(c) Basic Formulary – Non-Specialty

<b>Formulary:</b>	<b>ESI Basic</b> (There are no FDA approved drugs excluded from this formulary)		
	<b>Participating Pharmacies</b>	<b>Participating Pharmacies</b>	<b>Mail Service Pharmacy</b>
	<b>1-83 Days' Supply</b>	<b>84-90 Days' Supply<sup>(1)</sup></b>	
<b>Per Brand Claim 10/1/16-9/30/17</b>	\$57.00	\$152.00	\$165.00

(d) Basic Formulary – Specialty

<b>Formulary:</b>	<b>ESI Basic</b> (There are no FDA approved drugs excluded from this formulary)		
	<b>Specialty Participating Pharmacies</b>	<b>ESI Specialty Pharmacy Open</b>	<b>ESI Specialty Pharmacy Exclusive</b>
<b>Per Brand Claim 10/1/16-9/30/17</b>	\$275.00	\$725.00	\$725.00

**If ESI High Performance Formulary is selected, rebates will be 100%.**

1. Pricing Option 2 (Pass Through) Rebate Amounts

B.

(ii) The following represent the guaranteed amounts.

(a) National Preferred Formulary - Non-Specialty

<b>Formulary:</b>	<b>ESI National Preferred</b>		
	<b>Participating Pharmacies</b>	<b>Participating Pharmacies</b>	<b>Mail Service Pharmacy</b>
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
<b>Per Brand Claim 10/1/16-9/30/17</b>	\$87.00	\$191.00	\$266.00

(b) National Preferred Formulary - Specialty

<b>Formulary:</b>	<b>ESI National Preferred</b>		
	<b>Specialty Participating Pharmacies</b>	<b>ESI Specialty Pharmacy Open</b>	<b>ESI Specialty Pharmacy Exclusive</b>
<b>Per Brand Claim 10/1/16-9/30/17</b>	\$750.00	\$1,000.00	\$1,175.00

(c) Basic Formulary – Non-Specialty

<b>Formulary:</b>	<b>ESI Basic</b> (There are no FDA approved drugs excluded from this formulary)		
	<b>Participating Pharmacies</b>	<b>Participating Pharmacies</b>	<b>Mail Service Pharmacy</b>
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
<b>Per Brand Claim 10/1/16-9/30/17</b>	\$57.00	\$152.00	\$165.00

(d) Basic Formulary – Specialty

<b>Formulary:</b>	<b>ESI Basic</b> (There are no FDA approved drugs excluded from this formulary)		
	<b>Specialty Participating Pharmacies</b>	<b>ESI Specialty Pharmacy Open</b>	<b>ESI Specialty Pharmacy Exclusive</b>
<b>Per Brand Claim 10/1/16-9/30/17</b>	\$275.00	\$725.00	\$725.00

5. Pricing Guarantees and Terms for extension Employers. For Employers that are extending their Employer Participation Agreement for a period of at least two (2) years by executing Exhibit I, the Agreement shall be amended as follows:

I. Section 2.4, PMF, is hereby amended by adding the following:

(d) For the period beginning October 1, 2017, to each Employer that has executed Exhibit I to the Agreement, ESI will provide up to \$3.33 per Member implemented as of October 1, 2017 pursuant to subsections (a) through (c) of this Section 2.4.

II. In Exhibit A, “Year 1” shall mean the period from October 1, 2016 through September 30, 2017; “Year 2” shall mean the period from October 1, 2017 through September 30, 2018; “Year 3” shall be deleted.

III. Delete Exhibits A-1 and A-3 in their entirety and replace with Exhibits A-1, and A-3 attached hereto.

6. Extension of Employer Participation Agreement. A new exhibit, Exhibit I, is hereby added to the Agreement, attached hereto as Exhibit I.

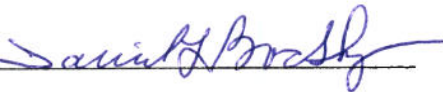
7. Effective Date: Extension. This Amendment shall be effective October 1, 2016. The term of the Agreement is extended until September 30, 2018, subject to extension thereafter as provided therein

8. Effect of Amendment. Except as expressly provided herein, the terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between this Amendment and the Agreement, the terms of this Amendment shall prevail.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year below set forth.

EXPRESS SCRIPTS, INC.

ST. LOUIS AREA BUSINESS HEALTH  
COALITION

By: 

By: Louise Y. Probst

Printed Name: \_\_\_\_\_

Printed Name: Louise Y Probst

Title: David L. Brodsky  
Vice President - Commercial Division

Title: Executive Director

Date: 12/14/2016

Date: DEC. 12, 2016

**Exhibit A-1**

**Pharmacy Reimbursement Rates**

Employer will pay to ESI the amounts set forth below, net of applicable Copayments. Sales or excise tax or other governmental surcharge, if any, will be the responsibility of Employer.

A Member's Copayment charged for a Covered Drug will be the lesser of the applicable Copayment, AWP discount or U&C.

**A. Pricing Option 1-Traditional**

**I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)**

ESI National Plus Network		<i>84-90 Days' Supply<sup>(1)</sup></i>
	<i>1-83 Days' Supply</i>	
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 17.25% or U&C	Lesser of AWP – 21.25% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 17.25%, MRA, or U&C	Lesser of AWP – 21.25%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Generic Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00
ESI National Network		<i>84-90 Days' Supply<sup>(1)</sup></i>
	<i>1-83 Days' Supply</i>	
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 18.25% or U&C	Lesser of AWP – 22.25% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 18.25% MRA, or U&C	Lesser of AWP – 22.25%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Generic Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00
ESI Prime Network		<i>84-90 Days' Supply<sup>(1)</sup></i>
	<i>1-83 Days' Supply</i>	
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 19.00% or U&C	Lesser of AWP – 23.00% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 19.00%, MRA, or U&C	Lesser of AWP – 23.00%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Generic Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

ESI EAN Select-Incentive with National Plus Network	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 17.75% or U&C	Lesser of AWP – 21.25% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 17.75%, MRA or U&C	Lesser of AWP – 21.25%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Generic Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00
ESI EAN Exclusive with National Plus Network	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 18.00% or U&C	Lesser of AWP – 21.25% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 18.00%, MRA or U&C	Lesser of AWP – 21.25%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Generic Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00
ESI EAN Select-Incentive with National Network	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 18.75% or U&C	Lesser of AWP – 21.25% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 18.75%, MRA or U&C	Lesser of AWP – 21.25%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	Lesser of AWP – 21.25%, MRA, or U&C
<b>Brand Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Generic Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00
ESI EAN Exclusive with National Network	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply<sup>(1)</sup></i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 19.00% or U&C	Lesser of AWP – 21.25% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 19.00%, MRA or U&C	Lesser of AWP – 21.25%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Generic Dispensing Fee/Rx</b>	\$0.35	\$0.25
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below.

**II. Mail Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products).**

<b>Ingredient Cost - Brand Drugs</b> <i>ESI national Plus Network</i>	AWP – 25.00%
<b>Ingredient Cost - Brand Drugs</b> <i>ESI national Network</i>	AWP – 25.00%
<b>Ingredient Cost – Generic Drugs</b>	AWP - 25.00% or, if lower, MRA
<b>Ingredient Cost - Compound Drugs</b>	Combined AWP plus applicable service fee
<b>Brand Dispensing Fee/Rx</b>	\$0.00
<b>Generic Dispensing Fee/Rx</b>	\$0.00
<b>Administrative Fee/Rx</b>	\$0.00

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below.

**III. Pricing Guarantees**

A. Ingredient Cost Guarantee. ESI will guarantee an average aggregate annual discount as reflected below on Employer utilization to be calculated as follows:

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

Notwithstanding anything herein to the contrary, a Prescription Drug Claim that processes at the Generic rates set forth in Section I (Participating Pharmacy Reimbursement Rates) and Section II (Mail Pharmacy Reimbursement Rates) above, as indicated on the ingredient cost field of the Prescription Drug Claim’s data record, shall be reconciled as part of the Generic guarantee below. The only Prescription Drug Claims that shall be excluded from the reconciliation of the pricing guarantees are as identified in the “Claims Excluded” column of the table below. All other Prescription Drug Claims shall be included in the reconciliation of the guarantees.

ESI National Plus Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days’ Supply	84-90 Days’ Supply <sup>(1)</sup>		
<b>Generic</b> Year 1: Year 2:	AWP – 80.75% AWP – 80.80%		AWP – 85.75% AWP – 85.80%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b>	AWP – 17.25%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

ESI National Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic Year 1: Year 2:	AWP – 80.75% AWP – 80.80%		AWP – 85.75% AWP – 85.80%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 18.25%	AWP – 22.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
ESI Prime Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic Year 1: Year 2:	AWP – 80.75% AWP – 80.80%		AWP – 85.75% AWP – 85.80%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 19.00%	AWP – 23.00%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
ESI EAN Select-Incentive with National Plus Network	Participating Pharmacy	Participating Pharmacy <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic Year 1: Year 2:	AWP – 80.75% AWP – 80.80%		AWP – 85.75% AWP – 85.80%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 17.75%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
ESI EAN Select-Incentive with National Network	Participating Pharmacy	Participating Pharmacy <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
Generic Year 1: Year 2:	AWP – 80.75% AWP – 80.80%		AWP – 85.75% AWP – 85.80%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 18.75%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

ESI EAN Exclusive with National Plus Network	Participating Pharmacy 1-83 Days' Supply	Participating Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
Generic Year 1: Year 2:	AWP – 80.75% AWP – 80.80%		AWP – 85.75% AWP – 85.80%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 18.00%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
ESI EAN Exclusive with National Network	Participating Pharmacy 1-83 Days' Supply	Participating Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Mail Service Pharmacy	Claims Excluded
Generic Year 1: Year 2:	AWP – 80.75% AWP – 80.80%		AWP – 85.75% AWP – 85.80%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 19.00%	AWP – 21.25%	AWP – 25.00%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Guarantees will be measured and reconciled on an annual basis for each Employer within 90 days of the end of each contract year, with all guarantee payments, if any, to be paid by check made out to Employer and delivered to BHC not more than 120 days following the end of the Employer’s then current contract year. BHC will verify accuracy of the guarantee payments and forward the check to Employer. To the extent Employer changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. ESI will pay the difference for any shortfall between the actual result and the guaranteed result. ESI will not offset any pricing component with another pricing component.

## **B. Pricing Option 2- Pass Through**

### **I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)**

<b>Network</b> ESI National Plus Network ESI National Network ESI Prime Network	
<b>Ingredient Cost - Brand</b>	Pass Through
<b>Ingredient Cost - Generic</b>	Pass Through
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee
<b>Brand Dispensing Fee/Rx</b>	Pass Through
<b>Generic Dispensing Fee/Rx</b>	Pass Through

Administrative Fee/Rx	\$1.00
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**In House Pharmacies (32-90 days supply only)\***

	All Claims and all days' supply
Brand Ingredient Cost	Pass Through
Generic Ingredient Cost	Pass Through
Ingredient Cost (Compound Drugs)	Pass Through
Brand Dispensing Fee/Rx	Pass Through
Generic Dispensing Fee/Rx	Pass Through
Administrative Fee/Rx	\$1.00

*\*1-31 days Supply will be processed at rates outlined in Pricing Option for 1-83 days supply and will be included in the standard pricing guarantees. "In House" pharmacy claims for 32-90 days supply will be guaranteed at the home delivery rates.*

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in the table below.

**II. Mail Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products).**

Ingredient Cost - Brand Drugs	AWP – 24.50%
Ingredient Cost – Generic Drugs	AWP - 24.50% or, if lower, MAC
Ingredient Cost - Compound Drugs	Combined AWP plus applicable service fee
Brand Dispensing Fee/Rx	\$0.00
Generic Dispensing Fee/Rx	\$0.00
Administrative Fee/Rx	\$1.00

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs, as set forth in Section 4a.

**III. Pricing Guarantees**

A. Ingredient Cost Guarantee. ESI will guarantee an average aggregate annual discount as reflected below on Employer utilization to be calculated as follows:

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

Notwithstanding anything herein to the contrary: (i) a Prescription Drug Claim that processes at the Brand rates set forth in Section I (Participating Pharmacy Reimbursement Rates) and Section II (Mail Pharmacy Reimbursement Rates) above, as indicated on the ingredient cost field of the Prescription Drug Claim's data record, shall be reconciled as part of the Brand guarantee below; and (ii) a Prescription Drug Claim that processes at the Generic rates set forth in Section I (Participating Pharmacy Reimbursement Rates) and Section II (Mail Pharmacy Reimbursement Rates) above, as indicated on the ingredient cost field of the Prescription Drug Claim's data record,

shall be reconciled as part of the Generic guarantee below. The only Prescription Drug Claims that shall be excluded from the reconciliation of the pricing guarantees are as identified in the “Claims Excluded” column of the table below. All other Prescription Drug Claims shall be included in the reconciliation of the guarantees.

ESI National Plus Network ESI National Network ESI Prime Network				
Type of Guarantee	Participating Pharmacy	Participating Pharmacy	Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>		
<b>Brand</b>	AWP -16.45%	AWP – 20.00%	AWP -24.50%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Generic</b> Year 1: Year 2:	AWP – 78.75% AWP – 78.80%		AWP – 84.00% AWP – 84.05%	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

B. **Dispensing Fee:** ESI will guarantee a maximum per claim dispensing fee on Employer utilization to be calculated as follows:

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

ESI National Plus Network ESI National Network ESI Prime Network			
Type of Guarantee	Participating Pharmacy 1-83 Days' Supply	Participating Pharmacy 84-90 Days' Supply <sup>(1)</sup>	Claims Excluded
<b>Brand and Generic Drug Dispensing Fee/Rx</b>	\$0.80	\$0.25	OTC, Compounds, Specialty Products, Patent-Litigated claims, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, Long-Term Care claims and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

Guarantees will be measured and reconciled on an annual basis for each employer within 90 days of the end of

each contract year, with all guarantee payments, if any, to be paid by check made out to Employer and delivered to BHC not more than 120 days following the end of the Employer's then current contract year. BHC will verify accuracy of the guarantee payments and forward the check to Employer. To the extent Employer changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. ESI will pay the difference for any shortfall between the actual result and the guaranteed result. ESI will not offset any pricing component with another pricing component.

**C. Specialty Products (applicable to both pricing options).**

(a) Exclusive Care. ESI Specialty Pharmacy is the exclusive provider of Specialty Products for the reimbursement rates shown on the Exclusive ESI Specialty Pharmacy Specialty Product List. Any Specialty Product dispensed at a Participating Pharmacy (for example, limited distribution products not then available through ESI Specialty Pharmacy or overrides) will be reimbursed at the standard Participating Pharmacy Specialty Product rates shown below. Upon ESI Specialty Pharmacy acquisition of limited distribution products, Members will obtain prescriptions through ESI Specialty Pharmacy.

(b) Open Care. Specialty Products shall be available through ESI Specialty Pharmacy and at Participating Pharmacies for the Participating Pharmacy Specialty Product reimbursement rates.

	<b>Ingredient Cost</b>	<b>Dispensing Fee</b>
<b>Exclusive ESI Specialty Pharmacy</b>	See Exclusive Specialty Product List Lesser of AWP discount or MRA (as applicable)	\$0.00
<b>Open ESI Specialty Pharmacy</b>	Open Specialty Product List Lesser of AWP discount or MRA (as applicable)	\$0.00
<b>Participating Pharmacy Specialty Products</b>	Participating Pharmacy Specialty Product List Lesser of AWP discount, U&C or MRA (as applicable)	\$2.00

(c) Pricing for ASES is as follows:

- (i) All costs related to Specialty Products administered under this Agreement will be paid for by ESI Specialty Pharmacy with the exception of the two products identified below. These Specialty Products when used to treat Pulmonary Arterial Hypertension (PAH) require 24 hour infusion via a medication pump. As such, Employer agrees to pay for the infusion pump, cassettes, tubing, and nursing and clinical monitoring required to maintain this therapy. No therapies will be added to this list without the written consent of BHC, which BHC will not unreasonably withhold.
- (ii) The Equipment Per Diem below will be charged to cover the daily supply cost when supplies are provided directly from ESI Specialty Pharmacy. When limited distribution products are not then available through ESI Specialty Pharmacy, pricing for home infusion supplies and services will be provided by Participating Pharmacies and will be billed on a pass-through basis. If prices vary significantly from the ESI Specialty Pharmacy per diem, invoices will be available for Employer to review upon request. Clinical Services will be provided on an as needed basis according to the price schedule below.

Standard Per Diem	\$65/dose
Standard Nursing Fee/ First 2 Hours	\$150
Standard Nursing Hourly	\$75

(iii) Additional Exceptions to AWP Discount Rates and Standard Per Diem & Nursing Fees

<b>Brand Name</b>	<b>AWP Discount</b>	<b>Per Diem</b>
EOPROSTENOL	1.0%	\$65/day
REMODULIN	5.0%	\$65/day

The TYVASO AWP discount includes Phone Support Nursing, Supplies, Pump, first two training visits, and Coordination of In-Person Nursing. In-home nursing that is

requested/needed beyond the first two training visits will be charged at a rate of \$150 for the first two hours and \$75 for every hour after.

(d) Notwithstanding the Specialty Product pricing terms set forth above, ESI will guarantee an average aggregate annual ingredient cost discount for Specialty Product dispensed through ESI Specialty Pharmacy as follows:

Type of Guarantee	ESI Specialty Pharmacy	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	AWP – 19.00% <sup>(1)</sup>	All Specialty Products Prescription Drug Claims <u>except</u> Specialty Product Prescription Drug Claims dispensed through ESI Specialty Pharmacy (excluding Limited Distribution medications dispensed through ESI Specialty Pharmacy, which are also excluded)

<sup>(1)</sup>This guarantee shall only apply to Plans for which Employer elects the ESI Specialty Pharmacy “exclusive” option.

The above Specialty Product guarantee will be reconciled in accordance with the terms of Section III above.

**D. Influenza and Other Vaccinations (applicable to both pricing options)**

Vaccinations shall adjudicate at the lower of:

(a)

	Participating Pharmacy <b>INFLUENZA</b>	Participating Pharmacy <b>OTHER VACCINES</b>
<b>Ingredient Cost</b>	Participating Pharmacy Ingredient Cost as set forth in the Agreement	Participating Pharmacy Ingredient Cost as set forth in the Agreement
<b>+</b>		
<b>Dispensing Fee</b>	Participating Pharmacy Dispensing Fee as set forth in the Agreement	Participating Pharmacy Dispensing Fee as set forth in the Agreement
<b>+</b>		
<b>Professional Service Fee (PSF); cost for pharmacist to inject the vaccine</b>	Pass-through (capped at \$15.50 per vaccine claim)	Pass-through (capped at \$20 per vaccine claim)
<b>Vaccine Program Administrative Fee *</b>	\$2.50 per vaccine claim	\$2.50 per vaccine claim

\* The Vaccine Program Administrative Fee will be manually billed to Employer on a monthly basis or as otherwise agreed between ESI and Employer. This Vaccine Program Administrative Fee is in addition to any per Prescription Drug Claim administrative fee set forth in the Agreement.

**or**

(b) the combined ingredient cost, dispensing fee (if any) and professional service fee (if any) that the Participating Pharmacy generally charges an individual paying cash, without coverage for prescription drug benefits.

Coverage is subject to Plan provisions. No vaccine claims will be included in any guarantees set forth in the Agreement and/or amendments thereto.

**EXHIBIT A-3**

**Rebates**

1. **Rebate Amounts for both pricing options**

A. Subject to the conditions set forth in Sections 2. – 4. below and elsewhere in this Agreement, ESI will pay to Employer an amount equal to the greater of:

(i) 100% of the Rebates received by ESI;

**Or**

(ii) the following guaranteed amounts:

(a) National Preferred Formulary - Non-Specialty

Formulary:	ESI National Preferred		
	Participating Pharmacies	Participating Pharmacies	Mail Service Pharmacy
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
<b>Per Brand Claim</b>			
<b>Year 1:</b>	\$93.35	\$196.00	\$293.00
<b>Year 2:</b>	\$97.35	\$205.00	\$303.00

(b) National Preferred Formulary - Specialty

Formulary:	ESI National Preferred		
	Specialty Participating Pharmacies	ESI Specialty Pharmacy Open	ESI Specialty Pharmacy Exclusive
<b>Per Brand Claim</b>			
<b>Year 1:</b>	\$750.00	\$1,190.00	\$1,365.00
<b>Year 2:</b>	\$750.00	\$1,265.00	\$1,441.00

(c) Basic Formulary – Non-Specialty

Formulary:	ESI Basic (There are no FDA approved drugs excluded from this formulary)		
	Participating Pharmacies	Participating Pharmacies	Mail Service Pharmacy
	1-83 Days' Supply	84-90 Days' Supply <sup>(1)</sup>	
<b>Per Brand Claim</b>			
<b>Year 1:</b>	\$57.00	\$152.00	\$165.00
<b>Year 2:</b>	\$62.70	\$167.20	\$181.50

(d) Basic Formulary – Specialty

Formulary:	ESI Basic (There are no FDA approved drugs excluded from this formulary)		
	Specialty Participating Pharmacies	ESI Specialty Pharmacy Open	ESI Specialty Pharmacy Exclusive
Per Brand Claim	\$275.00	\$830.00	\$830.00

**If ESI High Performance Formulary is selected, rebates will be 100%.**

<sup>(1)</sup> Certain Participating Pharmacies have agreed to participate in the extended (84 – 90) day supply network (“Maintenance Network”) for maintenance drugs. Pricing in the 84 – 90 Days’ Supply column in the table set forth above is applicable only if Employer implements a plan design that requires Members to fill such days’ supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill extended days’ supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84 – 90 days’ supply in the table set forth above shall not apply, even if a Maintenance Network Participating Pharmacy is used.

B.

**2. Exclusions**

Member Submitted Claims, Subrogation Claims, OTC products, claims older than 180 days, claims through Employer-owned or 340b pharmacies, biosimilar products, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 1.A.(ii) above.

**3. Rebate Payment Terms**

A. Subject to the conditions set forth herein, ESI shall pay Employer the percentage amount set forth in Section 1.A.(i) above for Rebates collected by ESI during each calendar quarter hereunder within approximately one hundred and fifty (150) days following the end of such calendar quarter. ESI shall also pay Employer the percentage amount set forth in Section 1.A.(i) above for residual Rebates collected by ESI, if any, related to such calendar quarter, which are collected by ESI in subsequent quarters.

B. On an annual and aggregate basis, ESI shall reconcile the guaranteed amounts for each Employer set forth in Section 1.A.(ii) above (against the percentage amount paid to Employer quarterly) within two hundred and forty (240) days following the end of each calendar year and shall credit or provide payment by check to Employer for any deficit on the next invoice immediately following the reconciliation.

**4. Conditions**

A. ESI contracts with pharmaceutical manufacturers for Rebates on its own behalf and for its own benefit, and not on behalf of BHC. Accordingly, ESI retains all right, title and interest to any and all actual Rebates received from manufacturers. ESI will pay Employer amounts equal to the Rebate amounts allocated to Employer, as specified above, from ESI’s general assets (neither BHC, Employer, or its Members retains any beneficial or proprietary interest in ESI’s general assets). Employer acknowledges and agrees that neither it, its Members, nor its Plan will have a right to interest on, or the time value of, any Rebate payments received by ESI during the collection period or moneys payable under this Section. No amounts for Rebates will be paid until this Agreement is executed by BHC. ESI will have the right to apply Employers’ allocated Rebate amount to unpaid Fees.

B. Employer acknowledges that it may be eligible for Rebate amounts under this Agreement only so long as Employer, its affiliates, or its agents do not contract directly or indirectly for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for

claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Employer negotiates or arranges with a pharmaceutical manufacturer for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Rebate amounts earned by, but not yet paid to, Employer as necessary to prevent duplicative rebates on Covered Drugs. To the extent Employer knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts hereunder and to renegotiate the terms and conditions of this Agreement.

**EXHIBIT I**

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EXTENSION OF EMPLOYER PARTICIPATION AGREEMENT

THIS EXTENSION of the Employer Participation Agreement (the "Extension") is made as of October 1, 2016 (the "Effective Date"), by and between \_\_\_\_\_ ("Employer") and Express Scripts, Inc. ("ESI"), for the purpose of extending the terms of Employer's EPA.

WHEREAS, ESI and Employer entered into an Employer Participation Agreement dated effective October 1, 2014, as amended from time to time (the "EPA"); and

WHEREAS, Employer desires to extend the Term of the EPA.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by reference, and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Effective Date; Extension. This Extension shall be effective October 1, 2016. The term of the EPA is extended until September 30, 2018, subject to extension thereafter as provided therein.

2. Effect of Extension. Except as expressly provided herein, the terms and conditions of the EPA shall remain in full force and effect. In the event of a conflict between this Extension and the EPA, the terms of this Extension shall prevail.

IN WITNESS WHEREOF, the parties hereto have caused this Extension to be executed by their respective duly authorized officers or agents as of the date first above written.

**EXPRESS SCRIPTS, INC.**

**EMPLOYER**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

AMENDMENT TO  
EXPRESS SCRIPTS, INC.  
PHARMACY BENEFIT MANAGEMENT AGREEMENT

This AMENDMENT (the "Amendment") is entered into as of the Effective Date, by and between EXPRESS SCRIPTS, INC., a Delaware corporation ("ESI"), and ST. LOUIS AREA BUSINESS HEALTH COALITION ("BHC").

RECITALS

A. ESI and BHC are parties to a Pharmacy Benefit Management Agreement dated as of October 1, 2014, as amended from time to time (the "Agreement"), pursuant to which ESI provides certain prescription drug benefit management services to Employer.

B. BHC and ESI desire to update and amend the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other conditions contained herein, the parties hereto hereby agree as follows:

TERMS OF AMENDMENT

1. Definitions. For purposes of this Amendment, any capitalized term not otherwise defined herein shall have the meaning set forth in the Agreement.

"Rebates" mean retrospective rebates that are paid to ESI pursuant to the terms of a rebate contract negotiated independently by ESI and directly attributable to the utilization of certain Covered Drugs by Members, and payments received by ESI (if any) from a pharmaceutical manufacturer for the purpose of adjusting for year-over-year price inflation of the manufacturer's price to ESI for Covered Drugs, pursuant to applicable manufacturer agreement. For sake of clarity, Rebates do not include, for example, Manufacturer Administrative Fees; product discounts or fees related to the procurement of prescription drug inventories by ESI Specialty Pharmacy or the ESI Mail Pharmacy; fees received by ESI from pharmaceutical manufacturers for care management or other services provided in connection with the dispensing of products; or other fee-for-service arrangements whereby pharmaceutical manufacturers generally report the fees paid to ESI or its wholly-owned subsidiaries for services rendered as "bona fide service fees" pursuant to federal laws and regulations (collectively, "Other Pharma Revenue"). Such laws and regulations, as well as ESI's contracts with pharmaceutical manufacturers, generally prohibit ESI from sharing any such "bona fide service fees" earned by ESI, whether wholly or in part, with any ESI client. ESI represents and warrants that it will not enter into any agreement with a pharmaceutical manufacturer for Other Pharma Revenue in exchange for a reduction in Rebates.

2. Pharmacy Program Fees. The dates for "Year 1", "Year 2", and "Year 3" are hereby updated to the following dates.

"Year 1" shall mean the period from October 1, 2018-September 30, 2019

"Year 2" shall mean the period from October 1, 2019-September 30, 2020

"Year 3" shall mean the period from October 1, 2020-September 30, 2021

3. Participating Pharmacy Reimbursement Rates-Option 1-Traditional. The tables in Section A.I. of Exhibit A-1 are hereby deleted and replaced with the following.

**A. Pricing Option 1-Traditional**

**I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)**

<i>ESI National Plus Network</i>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply</i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 18.50% or U&C	Lesser of AWP – 21.50% or U&C

<b>Ingredient Cost - Generic</b>	Lesser of AWP – 18.50%, MRA, or U&C	Lesser of AWP – 21.50%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Generic Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

<b>ESI National Network</b>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply</i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 19.50% or U&C	Lesser of AWP – 22.50% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 19.50% MRA, or U&C	Lesser of AWP – 22.50%, MRA, or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Generic Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

<b>Express Advantage Network- Select Incentive with National Plus Network</b>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply</i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 19.00% or U&C	Lesser of AWP – 21.75% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 19.00%, MRA or U&C	Lesser of AWP – 21.75%, MRA or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Generic Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

<b>Express Advantage Network- Select Incentive with National Network</b>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply</i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 20.00% or U&C	Lesser of AWP – 22.50% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 20.00%, MRA or U&C	Lesser of AWP – 22.50%, MRA or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Generic Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

<b>Express Advantage Network- Exclusive</b>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply</i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 20.00% or U&C	Lesser of AWP – 22.50% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 20.00%, MRA or U&C	Lesser of AWP – 22.50%, MRA or U&C

<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Generic Dispensing Fee/Rx</b>	\$0.30	\$0.20
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

<b><i>National Plus Network with Walgreens or CVS Smart90 Exclusive Network</i></b>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply</i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 18.50% or U&C	Lesser of AWP – 24.50% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 18.50%, MRA or U&C	Lesser of AWP – 24.50%, MRA or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.30	\$0.00
<b>Generic Dispensing Fee/Rx</b>	\$0.30	\$0.00
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

<b><i>National Plus Network with Walgreens or CVS Smart90 Voluntary</i></b>	<i>1-83 Days' Supply</i>	<i>84-90 Days' Supply</i>
<b>Ingredient Cost - Brand</b>	Lesser of AWP – 18.50% or U&C	Lesser of AWP – 23.50% or U&C
<b>Ingredient Cost - Generic</b>	Lesser of AWP – 19.00%, MRA or U&C	Lesser of AWP – 23.50%, MRA or U&C
<b>Ingredient Cost - Compound Drugs</b>	Lesser of U&C or combined AWP plus applicable service fee	
<b>Brand Dispensing Fee/Rx</b>	\$0.30	\$0.00
<b>Generic Dispensing Fee/Rx</b>	\$0.30	\$0.00
<b>Administrative Fee/Rx</b>	\$0.00	\$0.00

4. Conditions Applicable to Extended Days' Supply Pricing. The following subsection is hereby added as Section A.I.(a) to Exhibit A-1.

- (a) Conditions Applicable to Extended Days' Supply Pricing. The Extended Days' Supply pricing set forth in this Agreement shall be subject to certain requirements, as set forth in this Section. Extended Days' Supply shall mean; (1) for all lines of business other than Medicare or EGWP, any supply of a covered drug of 84 days or greater.
  - (i) Standard Maintenance Network. Certain Participating Pharmacies have agreed to participate in the extended 84-90 days' supply network ("Maintenance Network") for maintenance drugs. The 84-90 days' supply pricing set forth in this Agreement is applicable only if Employer implements a plan design that requires Members to fill such days' supply at a Maintenance Network Participating Pharmacy (i.e., Employer must implement a plan design whereby Members who fill 84-90 days' supply prescriptions at a Participating Pharmacy other than a Maintenance Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days' supply will be the same as the 1-83 days' supply pricing set forth in this Agreement, and pricing for an 84-90 days' supply as set forth in this Agreement shall not apply, even if a Maintenance Network Participating Pharmacy is used.

- (ii) Walgreens Smart90 (Exclusive). Certain Participating Pharmacies have agreed to participate, together with the ESI Mail Pharmacy, in the ESI “Smart90 Walgreens Network” extended 84-90 days’ supply network for maintenance drugs (such Participating Pharmacies and the ESI Mail Pharmacy are hereinafter collectively referred to as “ESI’s Smart90 Walgreens Network”). Pricing in the 84-90 days’ supply column set forth in this Agreement is applicable only if Employer implements a plan design that requires Members: (i) to fill maintenance drugs (based on ESI’s standard list of identified maintenance drugs) in extended 84-90 days’ supply quantities only (i.e., no 30 day fills except for initial courtesy fill(s)); and (ii) to fill such extended days’ supply at either the ESI Mail Pharmacy or a Participating Pharmacy in the ESI Smart90 Walgreens Network (i.e., Employer must implement a plan design whereby Members who fill maintenance drugs for less than an extended 84-90 days’ supply or who fill an extended 84-90 days’ supply at a Participating Pharmacy other than an ESI Smart90 Walgreens Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84-90 days’ supply as set forth in this Agreement shall not apply, even if an ESI Smart90 Walgreens Network Participating Pharmacy is used. The co-payment amount must also be level between the ESI Smart90 Walgreens Network and the ESI Mail Pharmacy. If a regulatory body enacts a law, regulation, or other guidance that prohibits the Walgreens Smart90 Program, ESI will adjust Employer’s rates accordingly.
- (iii) Walgreens Smart90 (Voluntary). Certain Participating Pharmacies have agreed to participate, together with the ESI Mail Pharmacy, in the ESI “Smart90 Walgreens Network” extended 84-90 days’ supply network for maintenance drugs (such Participating Pharmacies and the ESI Mail Pharmacy are hereinafter collectively referred to as “ESI’s Smart90 Walgreens Network”). Pricing in the 84-90 days’ supply column set forth in this Agreement is applicable only to fill such extended days’ supply at either the ESI Mail Pharmacy or a Participating Pharmacy in the ESI Smart90 Walgreens Network (i.e., Employer must implement a plan design whereby Members who fill an extended 84-90 days’ supply at a Participating Pharmacy other than an ESI Smart90 Walgreens Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84-90 days’ supply as set forth in this Agreement shall not apply, even if an ESI Smart90 Walgreens Network Participating Pharmacy is used. The co-payment amount must also be level between the ESI Smart90 Walgreens Network and the ESI Mail Pharmacy, and the co-payment for 84-90 days’ supply cannot exceed 2.5 times the co-payment for less than 83 day retail days’ supply. If a regulatory body enacts a law, regulation, or other guidance that prohibits the Walgreens Smart90 Program, ESI will adjust Employer’s rates accordingly.
- (iv) CVS Smart90 (Exclusive). Certain Participating Pharmacies have agreed to participate, together with the ESI Mail Pharmacy, in the ESI “Smart90 CVS Network” extended 84-90 days’ supply network for maintenance drugs (such Participating Pharmacies and the ESI Mail Pharmacy are hereinafter collectively referred to as “ESI’s Smart90 CVS Network”). Pricing in the 84-90 days’ supply column set forth in this Agreement is applicable only if Employer implements a plan design that requires Members: (i) to fill maintenance drugs (based on ESI’s standard list of identified maintenance drugs) in extended 84-90 days’ supply quantities only (i.e., no 30 day fills except for initial courtesy fill(s)); and (ii) to fill such extended days’ supply at either the ESI Mail Pharmacy or a Participating Pharmacy in the ESI Smart90 CVS Network (i.e., Employer must implement a plan design whereby Members who fill maintenance drugs for less than an extended 84-90 days’ supply or who fill an extended 84-90 days’ supply at a Participating Pharmacy other than an ESI Smart90 CVS Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84-90 days’ supply as set forth in this Agreement shall not apply, even if an ESI Smart90 CVS Network Participating Pharmacy is used. The co-payment amount must also be level between the ESI Smart90 CVS Network and the ESI Mail Pharmacy. If a regulatory body enacts a law, regulation, or other guidance that prohibits the Smart90 CVS Network Program, ESI will adjust Employer’s rates accordingly.
- (v) CVS Smart90 (Voluntary). Certain Participating Pharmacies have agreed to participate, together with the ESI Mail Pharmacy, in the ESI “Smart90 CVS Network” extended 84-90 days’ supply network for maintenance drugs (such Participating Pharmacies and the ESI Mail Pharmacy are hereinafter collectively referred to as

“ESI’s Smart90 CVS Network”). Pricing in the 84-90 days’ supply column set forth in this Agreement is applicable only to fill such extended days’ supply at either the ESI Mail Pharmacy or a Participating Pharmacy in the ESI Smart90 CVS Network (i.e., Employer must implement a plan design whereby Members who fill an extended 84-90 days’ supply at a Participating Pharmacy other than an ESI Smart90 CVS Network Participating Pharmacy do not receive benefit coverage under the Plan for such prescription). If no such plan design is implemented, the pricing for such days’ supply will be the same as for Prescription Drug Claims for less than an 84 days’ supply, and pricing for an 84-90 days’ supply as set forth in this Agreement shall not apply, even if an ESI Smart90 CVS Network Participating Pharmacy is used. The co-payment amount must also be level between the ESI Smart90 CVS Network and the ESI Mail Pharmacy, and the co-payment for 84-90 days’ supply cannot exceed 2.5 times the co-payment for less than 83 day retail days’ supply. If a regulatory body enacts a law, regulation, or other guidance that prohibits the CVS Smart90 Program, ESI will adjust Employer’s rates accordingly.

5. Mail Service Pharmacy Reimbursement Rates-Option1-Traditional. The table in Section A.II. of Exhibit A-1 is hereby deleted and replaced with the following.

**II. Mail Service Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products).**

<b>Ingredient Cost - Brand Drugs</b>	AWP – 25.25%
<b>Ingredient Cost – Generic Drugs</b>	AWP - 25.25% or, if lower, MRA
<b>Ingredient Cost - Compound Drugs</b>	Combined AWP plus applicable service fee
<b>Brand Dispensing Fee/Rx</b>	\$0.00
<b>Generic Dispensing Fee/Rx</b>	\$0.00
<b>Administrative Fee/Rx</b>	\$0.00

6. Pricing Guarantees-Option 1-Traditional. Section A.III.A of Exhibit A-1 of the Agreement is hereby deleted and replaced with the following.

**III. Pricing Guarantees-Optional 1-Traditional**

A. Ingredient Cost Guarantees. ESI will guarantee an average aggregate annual discounts to Employer to be calculated as follows:

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

i. Notwithstanding anything in this Agreement to the contrary, the generic guarantees will include only those Prescription Drug Claims that processed to Employer for payment purposes under the guarantee table below where the underlying prescription drug product was identified by Medi-Span as having a Multi-Source Indicator code identifier of “Y” on the date dispensed (or was identified by Medi-Span as having a Multi-Source Indicator identifier of an “M,” “N,” or “O” on the date dispensed, but was substituted and dispensed by the ESI Mail Pharmacy as its “house generic”), unless such Prescription Drug Claim is identified in the “Exclusions” section. The brand guarantees will include only those Prescription Drug Claims that processed to Employer for payment purposes under the guarantee table below where the underlying prescription drug product

was identified by Medi-Span as having a Multi-Source Indicator code identifier of “M”, “N”, or “O” on the date dispensed (except in cases where the underlying prescription drug product was substituted and dispensed by the pharmacy as its “house generic”), unless such Prescription Drug Claim is identified in the “Exclusions” section. The application of brand and generic pricing may be subject to certain “dispensed as written” (DAW) protocols and Employer or Plan defined plan design and coverage policies for adjudication and Member Copayment purposes. Notwithstanding anything in this Agreement to the contrary, any rebate guarantees set forth in this Agreement will be reconciled using ESI’s BGA.

- ii. Guarantee Reconciliation Period. The ingredient cost and dispensing fee guarantees under this Agreement will be measured and reconciled on an annual basis within ninety (90) of the end of each contract year. ESI will pay the shortfall, if any, between Employer’s cost and the applicable guarantee,. The guarantees are annual guarantees - if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a “Partial Contract Year”), then the guarantees will not apply for such Partial Contract Year. To the extent Employer changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. ESI will pay the difference attributable to any shortfall between the actual result and the guaranteed result.

ESI National Plus Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply		
<b>Generic</b>	Greater than 10,000 Lives: Year 1: AWP-83.75% Year 2: AWP-84.25% Year 3: AWP-84.75% Fewer than 10,000 Lives: Year 1: AWP-83.25% Year 2: AWP-83.75% Year 3: AWP-84.25%		Year 1: AWP – 87.75% Year 2: AWP – 88.25% Year 3: AWP – 88.50%	OTC, Compounds, Specialty Products, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b>	AWP – 18.50%	AWP – 21.50%	AWP – 25.25%	

ESI National Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply		
<b>Generic</b>	Greater than 10,000 Lives: Year 1: AWP-83.75% Year 2: AWP-84.25% Year 3: AWP-84.75% Fewer than 10,000 Lives: Year 1: AWP-83.25% Year 2: AWP-83.75% Year 3: AWP-84.25%		Year 1: AWP – 87.75% Year 2: AWP – 88.25% Year 3: AWP – 88.50% %	OTC, Compounds, Specialty Products, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
<b>Brand</b>	AWP – 19.50%	AWP – 22.50%	AWP – 25.25%	

Express Advantage Network-Select Incentive with National Plus Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply		
Generic	Greater than 10,000 Lives: Year 1: AWP-83.75% Year 2: AWP-84.25% Year 3: AWP-84.75% Fewer than 10,000 Lives: Year 1: AWP-83.25% Year 2: AWP-83.75% Year 3: AWP-84.25%		Year 1: AWP – 87.75% Year 2: AWP – 88.25% Year 3: AWP – 88.50%	OTC, Compounds, Specialty Products, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 19.00%	AWP – 21.75%	AWP – 25.25%	

Express Advantage Network-Select Incentive with National Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply		
Generic	Greater than 10,000 Lives: Year 1: AWP-83.75% Year 2: AWP-84.25% Year 3: AWP-84.75% Fewer than 10,000 Lives: Year 1: AWP-83.25% Year 2: AWP-83.75% Year 3: AWP-84.25%		Year 1: AWP – 87.75% Year 2: AWP – 88.25% Year 3: AWP – 88.50%	OTC, Compounds, Specialty Products, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 20.00%	AWP – 22.50%	AWP – 25.25%	

Express Advantage Network-Exclusive	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply		
Generic	Greater than 10,000 Lives: Year 1: AWP-83.75% Year 2: AWP-84.25% Year 3: AWP-84.75% Fewer than 10,000 Lives: Year 1: AWP-83.25% Year 2: AWP-83.75% Year 3: AWP-84.25%		Year 1: AWP – 87.75% Year 2: AWP – 88.25% Year 3: AWP – 88.50%	OTC, Compounds, Specialty Products, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
Brand	AWP – 20.00%	AWP – 22.50%	AWP – 25.25%	

National Plus Network with Walgreens or CVS Exclusive Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply		
Generic	Greater than 10,000 Lives: Year 1: AWP-83.75% Year 2: AWP-84.25% Year 3: AWP-84.75%	Greater than 10,000 Lives: Year 1: AWP-85.75% Year 2: AWP-86.25% Year 3: AWP-86.75%	Year 1: AWP – 87.75% Year 2: AWP – 88.25% Year 3: AWP – 88.50%	OTC, Compounds, Specialty Products, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
	Fewer than 10,000 Lives: Year 1: AWP-83.25% Year 2: AWP-83.75% Year 3: AWP-84.25%	Fewer than 10,000 Lives: Year 1: AWP-85.25% Year 2: AWP-85.75% Year 3: AWP-86.25%		
Brand	AWP – 18.50%	AWP –24.50%	AWP – 25.25%	
National Plus Network with Walgreens or CVS Voluntary Network	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83 Days' Supply	84-90 Days' Supply		
Generic	Greater than 10,000 Lives: Year 1: AWP-83.75% Year 2: AWP-84.25% Year 3: AWP-84.75%	Greater than 10,000 Lives: Year 1: AWP-84.75% Year 2: AWP-85.25% Year 3: AWP-85.75%	Year 1: AWP – 87.75% Year 2: AWP – 88.25% Year 3: AWP – 88.50%	OTC, Compounds, Specialty Products, Subrogation claims, Vaccines, Biosimilar products, and products filled through in-house pharmacies, 340b claims filled at a 340b pharmacy
	Fewer than 10,000 Lives: Year 1: AWP-83.25% Year 2: AWP-83.75% Year 3: AWP-84.25%	Fewer than 10,000 Lives: Year 1: AWP-84.25% Year 2: AWP-84.75% Year 3: AWP-85.25%		
Brand	AWP – 18.50%	AWP –23.50%	AWP – 25.25%	

7. Administrative Fees-Option 2-Pass Through. The Administrative Fee/Rx in the tables for Pass Through pricing in Section B.I. of Exhibit A-1 is hereby updated to \$1.00/Rx.

8. Pricing Guarantees-Option 2- Pass Through. Section B.III.A Exhibit A-1 of the Agreement is hereby deleted and replaced with the following.

A. Ingredient Cost Guarantees. ESI will guarantee an average aggregate annual discounts to Employer to be calculated as follows:

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

i. Notwithstanding anything in this Agreement to the contrary, the generic guarantees will include only those Prescription Drug Claims that processed to Employer for payment purposes under the guarantee table below where the underlying prescription drug product was identified by Medi-Span as having a Multi-Source Indicator code identifier of “Y” on the date dispensed (or was identified by Medi-Span as having a Multi-Source Indicator identifier of an “M,” “N,” or “O”

on the date dispensed, but was substituted and dispensed by the ESI Mail Pharmacy as its “house generic”), unless such Prescription Drug Claim is identified in the “Exclusions” section. The brand guarantees will include only those Prescription Drug Claims that processed to Employer for payment purposes under the guarantee table below where the underlying prescription drug product was identified by Medi-Span as having a Multi-Source Indicator code identifier of “M”, “N”, or “O” on the date dispensed (except in cases where the underlying prescription drug product was substituted and dispensed by the pharmacy as its “house generic”), unless such Prescription Drug Claim is identified in the “Exclusions” section. The application of brand and generic pricing may be subject to certain “dispensed as written” (DAW) protocols and Employer or Plan defined plan design and coverage policies for adjudication and Member Copayment purposes. Notwithstanding anything in this Agreement to the contrary, any rebate guarantees set forth in this Agreement will be reconciled using ESI’s BGA.

- ii. Guarantee Reconciliation Period. The ingredient cost and dispensing fee guarantees under this Agreement will be measured and reconciled on an annual basis within ninety (90) of the end of each contract year. ESI will pay the shortfall, if any, between Employer’s cost and the applicable guarantee. The guarantees are annual guarantees - if this Agreement is terminated prior to the completion of the then current contract year (hereinafter, a “Partial Contract Year”), then the guarantees will not apply for such Partial Contract Year. To the extent Employer changes its benefit design or Formulary during the term of the Agreement, the guarantee will be equitably adjusted if there is a material impact on the discount achieved. ESI will pay the difference attributable to any shortfall between the actual result and the guaranteed result.

Type of Guarantee	Mail Service Pharmacy	Claims Excluded
Brand	AWP -25.25%	OTC, Compounds, Specialty Products, Member submitted claims, Subrogation claims, Vaccines, Biosimilar products, and products filled through in-house or 340b pharmacies
Generic	Year 1: AWP – 87.75% Year 2: AWP – 88.25% Year 3: AWP – 88.50%	

- 9. Specialty Product Dispensing Fees. The table in Section C.(a) of Exhibit A-1 is hereby deleted and replaced with the following.

	Ingredient Cost	Dispensing Fee <sup>1</sup>
<b>Exclusive ESI Specialty Pharmacy</b>	See Exclusive Specialty Drug List Lesser of AWP discount or MRA	\$0.00
<b>Participating Pharmacy Specialty Products</b>	Participating Pharmacy Specialty Drug List Lesser of AWP discount, U&C or MRA	\$0.30

<sup>1</sup>If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee Guarantee will not be increased to reflect such increase(s).

- 10. Specialty Product Dispensing Fees- Open Care. The table in Section C.(b) of Exhibit A-1 is hereby deleted and replaced with the following.

	Ingredient Cost	Dispensing Fee <sup>1</sup>
<b>Exclusive ESI Specialty Pharmacy</b>	See Exclusive Specialty Drug List Lesser of AWP discount or MRA	\$0.00
<b>Open ESI Specialty Pharmacy</b>	Open Specialty Drug List Lesser of AWP discount or MRA	\$0.00
<b>Participating Pharmacy Specialty Products</b>	Participating Pharmacy Specialty Drug List Lesser of AWP discount, U&C or MRA	\$0.30

<sup>1</sup>If carrier rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the Dispensing Fee Guarantee will not be increased to reflect such increase(s).

- 11. Specialty Product Pricing Guarantee. The table in Section C.(e) of Exhibit A-1 is hereby deleted and replaced with the following tables.

Type of Guarantee	ESI Specialty Pharmacy-Open	ESI Specialty Pharmacy <sup>1</sup> -Exclusive	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	Year 1: AWP-17.50% Year 2: AWP-17.75% Year 3: AWP-18.00%	Year 1: AWP-20.75% Year 2: AWP-21.00% Year 3: AWP-21.25%	All Specialty Products Prescription Drug Claims <u>except</u> Specialty Product Prescription Drug Claims dispensed through ESI Specialty Pharmacy.

<sup>1</sup>This guarantee shall only apply to Plans for which the ESI Specialty Pharmacy is the exclusive pharmacy that may fill Specialty Products for Members, other than Exclusive or Limited Distribution Products not available at the ESI Specialty Pharmacy.

Type of Guarantee	Participating Pharmacy	Claims Excluded
Average Aggregate Annual Ingredient Cost Discount Guarantee	Year 1: AWP-18.00% Year 2: AWP-18.25% Year 3: AWP-18.50%	All Specialty Products Prescription Drug Claims <u>except</u> Specialty Product Prescription Drug Claims dispensed through Participating Specialty Pharmacies

12. Rebates. Exhibit A-3 is hereby replaced and updated with the attached Exhibit A-3.
13. Inflation Protection. Exhibit A-4 of the Agreement is hereby deleted.
14. Market Check. Section 7.2 (d) of the Agreement is hereby deleted and replaced with the following Section 7.2 (d).

“(d) Market Check. Annually and six (6) months after the effective date (but not before), BHC may present to ESI the results of an analysis undertaken by itself (or a designee) that compares BHC’s aggregate prescription drug benefit management costs and expenses (i.e., the aggregate value of the program pricing terms under this Agreement using aggregate data from all Employers served under this Agreement from the most recently completed 12-month period, inclusive of guarantees, allowances, and performance standards and penalties to program pricing available in the marketplace (the “Market Check”). Comparison shall be made to groups similar to BHC that have similar aggregate drug spend and a comparably similar plan design and utilization mix (e.g., mail versus retail, brand versus generic). Alternatively, the comparison could be made to three groups of comparable size to current BHC member employer groups. Simultaneously with the submission of the report to BHC, BHC and/or its designee will also provide ESI with a copy of the report for its review and comment. ESI will provide its comments to the report within ten (10) business days of its receipt of the report. If the final report issued by BHC and/or its designee results in a finding mutually agreed to by BHC and ESI that current market conditions would yield a one and a half percent (1.5%) or greater savings of plan costs for a single group of comparable size to the BHC or savings of three and a half percent (3.5%) for three individual groups of varying size, the parties will discuss in good faith a revision to the program pricing terms to be effective in the plan year immediately following the Market Check. For purposes of the foregoing, the term “plan costs” means in aggregate the discounted ingredient costs plus dispensing fees plus administrative fees (not including fees or savings associated with clinical programs other than such programs with a guaranteed ROI (return on investment) or value added services) and minus the amount of rebates. If the parties are unable to reach agreement on revised program pricing terms inclusive of guarantees, allowances, and performance standards and penalties of the Market Check results within thirty (30) days following ESI’s receipt of the report, then upon providing ESI a written and firm proposal of a competing offer reflective of the Market Check results, BHC may thereafter terminate this Agreement upon ninety (90) days additional prior written notice to ESI without penalty. If it appears that negotiations will continue beyond the plan’s effective date of October 1, the BHC could provide ESI with a conditional termination notice, which could be rescinded if a subsequent offer made by ESI is accepted by the BHC. If it appears that the likely result of ongoing negotiations would be termination, the BHC would give ESI 45 days’ notice of their unconditional intent to terminate.”

15. Pharmacy Management Funds. Section 2.4 of the Agreement is hereby deleted in its entirety and replaced as follows.

“2.4 Pharmacy Management Funds.

(a) ESI will provide up to \$12.00 per Member implemented as of the Effective Date of this Amendment to reimburse the actual, fair market value of: (i) expense items and services related to transitioning, administering, and implementing the pharmacy benefit initially and throughout the term, such as, custom ID Cards, IT programming, custom formulary letters, member communications, and benefit set-up quality assurance; and/or (ii) mutually agreed upon expense items and services related to implementation of additional clinical or other similar programs provided by ESI throughout the Term; in either case subject to submission of adequate documentation to support reimbursement within 180 days of incurring the applicable expense. Both Employer and ESI (upon agreement from Employer) may use the PMF to cover the fair market value of expenses for projects requiring joint resources. All reimbursement under the PMF is subject to ESI's standard PMF business practices for all clients.

(b) Employer represents and warrants that: (i) it will only request reimbursement for its actual expenses incurred in transitioning, administering, and implementing the pharmacy benefit managed by ESI hereunder, and/or the additional clinical or other similar program provided by ESI throughout the Term; (ii) that the applicable service, item or program was actually performed or provided; (iii) the amount of the reimbursement is equal to or less than the reasonable fair market value of the actual expenses incurred by Employer; (iv) it will notify and disclose the amount and the terms of any PMF reimbursements to Members and other third parties to the extent required by applicable laws and regulations. In addition, if the Employer and the Plan are subject to ERISA, Employer represents and warrants that it will only request reimbursement under the PMF for items or services for which Employer, in the absence of the PMF, would be allowed reimbursement from the Plan (i.e., not “settlor functions”).

(c) Employer shall comply with all applicable federal and state requirements, including, but not limited to, all applicable federal and state reporting requirements with respect to any expense, item or service reimbursed under this Section 2.4. ESI reserves the right, which Employer will not unreasonably withhold, to periodically audit the books and records of Employer on-site, during normal business hours and after giving reasonable advance notice, for the purposes of verifying Employer's compliance with the PMF requirements set forth in this Agreement.

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

16. Effective Date; Extension. This Amendment shall be effective October 1, 2018. The term of the Agreement is extended until September 30, 2021 subject to extension thereafter as provided therein.

17. Effect of Amendment. Except as expressly provided herein, the terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between this Amendment and the Agreement, the terms of this Amendment shall prevail.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year below set forth.

EXPRESS SCRIPTS, INC.

ST. LOUIS AREA BUSINESS HEALTH COALITION

By: David L. Brodsky

By: Louise C. Probst

Printed Name: David L. Brodsky  
Vice President, Key Accounts Division

Printed Name: Louise Probst

Title: \_\_\_\_\_

Title: Executive Director

Date: 1/28/2019

Date: 1-25-2019

**EXHIBIT A-3**

**Rebates**

**1. Non-Specialty Rebate Amounts**

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

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

<b>Formulary:</b>	<b>National Preferred Formulary</b>		
<b>Greater than 10,000 Lives</b>	<b>Participating Pharmacies</b>		<b>ESI Mail Pharmacy</b>
<b>Days' Supply</b>	<b>1-83 Days' Supply</b>	<b>84-90 Days' Supply</b>	
<b>Per Brand Claim (non-Specialty Products)</b>	<b>Level 1:</b>	<b>Level 1:</b>	<b>Level 1:</b>
	Year 1: \$174.25	Year 1: \$522.75	Year 1: \$522.75
	Year 2: \$200.75	Year 2: \$602.25	Year 2: \$602.25
	Year 3: \$228.00	Year 3: \$684.00	Year 3: \$684.00
	<b>Level 2:</b>	<b>Level 2:</b>	<b>Level 2:</b>
	Year 1: \$149.50	Year 1: \$448.50	Year 1: \$448.50
Year 2: \$175.75	Year 2: \$527.25	Year 2: \$527.25	
Year 3: \$203.00	Year 3: \$609.00	Year 3: \$609.00	

<b>Formulary:</b>	<b>National Preferred Formulary</b>		
<b>Fewer than 10,000 Lives</b>	<b>Participating Pharmacies</b>		<b>ESI Mail Pharmacy</b>
<b>Days' Supply</b>	<b>1-83 Days' Supply</b>	<b>84-90 Days' Supply</b>	
<b>Per Brand Claim (non-Specialty Products)</b>	<b>Level 1:</b>	<b>Level 1:</b>	<b>Level 1:</b>
	Year 1: \$174.25	Year 1: \$522.75	Year 1: \$522.75
	Year 2: \$200.75	Year 2: \$602.25	Year 2: \$602.25
	Year 3: \$228.00	Year 3: \$684.00	Year 3: \$684.00
	<b>Level 2:</b>	<b>Level 2:</b>	<b>Level 2:</b>
	Year 1: \$149.50	Year 1: \$448.50	Year 1: \$448.50
	Year 2: \$175.75	Year 2: \$527.25	Year 2: \$527.25
	Year 3: \$203.00	Year 3: \$609.00	Year 3: \$609.00
	<b>Level 3:</b>	<b>Level 3:</b>	<b>Level 3:</b>
	Year 1: \$134.25	Year 1: \$402.75	Year 1: \$402.75
	Year 2: \$160.75	Year 2: \$482.25	Year 2: \$482.25
	Year 3: \$188.00	Year 3: \$564.00	Year 3: \$564.00

<b>Formulary:</b>	<b>Basic Formulary</b>		
	<b>Participating Pharmacies</b>		<b>ESI Mail Pharmacy</b>
<b>Days' Supply</b>	<b>1-83 Days' Supply</b>	<b>84-90 Days' Supply</b>	
<b>Per Brand Claim (non-Specialty Products)</b>	Year 1: \$100.00 Year 2: \$120.00 Year 3: \$140.00	Year 1: \$300.00 Year 2: \$360.00 Year 3: \$420.00	Year 1: \$300.00 Year 2: \$360.00 Year 3: \$420.00

<b>Formulary:</b>	<b>High Performance</b>	
	<b>Participating Pharmacies</b>	<b>ESI Mail Pharmacy</b>
	100%	100%

## 1.2. Exclusions

Member Submitted Claims, Subrogation Claims, biosimilar products, Exclusive or Limited Distribution Products, Vaccines, OTC products, claims older than 180 days, claims through Employer-owned, in-house, or on-site pharmacies, 340b pharmacies, coordination of benefit claims, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 1.1 above.

## 1.3. Rebate Payment Terms

- a. Subject to the conditions set forth herein, ESI shall pay Employer the guaranteed amounts set forth above during each calendar quarter hereunder within approximately ninety (90) days following the end of such calendar quarter.
- b. On an annual basis and aggregate basis, ESI shall reconcile the percentage amounts for each Employer set forth in Exhibit A-3 (against the guaranteed amount paid to Employer quarterly) within one hundred and eighty (180) days following the end of each calendar year and shall credit or provide payment by check to Employer for any deficit on the next invoice immediately following the reconciliation.

## 2. Specialty Rebate Amounts

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

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

<b>Formulary:</b>	<b>National Preferred Formulary</b>		
	<b>Participating Pharmacies</b>	<b>ESI Specialty Pharmacy</b>	
		<b>Open</b>	<b>Exclusive</b>
<b>Per Brand Claim (Specialty Products)*</b>	Year 1: \$900.00 Year 2: \$965.00 Year 3: \$1,050.00	Year 1: \$1,700.00 Year 2: \$1,850.00 Year 3: \$2,000.00	Year 1: \$2,000.00 Year 2: \$2,400.00 Year 3: \$2,850.00

Formulary:	Basic Formulary		
	Participating Pharmacies	ESI Specialty Pharmacy	
		Open	Exclusive
<b>Per Brand Claim (Specialty Products)*</b>	Year 1: \$350.00 Year 2: \$385.00 Year 3: \$475.00	Year 1: \$1,200.00 Year 2: \$1,350.00 Year 3: \$1,525.00	Year 1: \$1,500.00 Year 2: \$1,625.00 Year 3: \$1,800.00

Formulary:	High Performance	
	Participating Pharmacies	ESI Specialty Pharmacy
<b>Per Brand Claim (Specialty Products)*</b>	100%	100%

**2.2. Exclusions**

Member Submitted Claims, Subrogation Claims, biosimilar products, Exclusive or Limited Distribution Products, Vaccines, OTC products, claims older than 180 days, claims through Employer-owned, in-house, or on-site pharmacies, 340b pharmacies, coordination of benefit claims, and claims pursuant to a 100% Member Copayment plan are not eligible for the guaranteed Rebate amounts set forth in Section 2.1 above.

**2.3. Rebate Payment Terms**

- a. Subject to the conditions set forth herein, ESI shall pay Employer the guaranteed amounts set forth above during each calendar quarter hereunder within approximately ninety (90) days following the end of such calendar quarter.
- b. On an annual basis and aggregate basis, ESI shall reconcile the percentage amounts for each Employer set forth in Exhibit A-3 (against the guaranteed amount paid to Employer quarterly) within one hundred and eighty (180) days following the end of each calendar year and shall credit or provide payment by check to Employer for any deficit on the next invoice immediately following the reconciliation.

**3. Conditions (applies to all Rebates)**

- 3.1. SI contracts for Rebates and Manufacturer Administrative Fees, if indicated to be paid above, on its own behalf and for its own benefit, and not on behalf of Employer. Accordingly, ESI retains all right, title and interest to any and all actual Rebates and Manufacturer Administrative Fees received. ESI will pay Employer amounts equal to the Rebate and Manufacturer Administrative Fees amounts allocated to Employer, as specified above, from ESI's general assets (neither Employer, its Members, nor Employer's plan retains any beneficial or proprietary interest in ESI's general assets). Employer acknowledges and agrees that neither it, its Members, nor its Plan will have a right to interest on, or the time value of, any Rebate payments or Manufacturer Administrative Fee payments received by ESI during the collection period or moneys payable under this Section. No amounts for Rebates or Manufacturer Administrative Fees will be paid until this Agreement is executed by Employer. ESI will have the right to apply Employer's allocated Rebate amount and Manufacturer Administrative Fees amount to unpaid Fees. ESI will retain Manufacturer Administrative Fees on Specialty Products.

- 3.2.** Employer acknowledges that it may be eligible for Rebate amounts and Manufacturer Administrative Fee amounts under this Agreement only so long as Employer, its affiliates, or its agents do not contract directly or indirectly with anyone else for discounts, utilization limits, rebates or other financial incentives on pharmaceutical products or formulary programs for claims processed by ESI pursuant to the Agreement, without the prior written consent of ESI. In the event that Employer negotiates or arranges for Rebates or similar discounts for any Covered Drugs hereunder, but without limiting ESI's right to other remedies, ESI may immediately withhold any Rebate amounts or Manufacturer Administrative Fee amounts earned but not yet paid to Employer. To the extent Employer knowingly negotiates and/or contracts for discounts or rebates on claims for Covered Drugs without prior written approval of ESI, such activity will be deemed to be a material breach of this Agreement, entitling ESI to suspend payment of Rebate amounts and Manufacturer Administrative Fee amounts hereunder and to renegotiate the terms and conditions of this Agreement.
- 3.3.** Under its Rebate program, ESI may implement ESI's Formulary management programs and controls, which may include, among other things, cost containment initiatives, and communications with Members, Participating Pharmacies, and/or physicians. ESI reserves the right to modify or replace such programs from time to time. Guaranteed Rebate amounts, if any, set forth herein, are conditioned on adherence to various Formulary management controls, benefit design requirements, claims volume, and other factors stated in the applicable pharmaceutical manufacturer agreements, as communicated by ESI to Employer from time to time. If any government action, change in law or regulation, change in the interpretation of any law or regulation, or any action by a pharmaceutical manufacturer has an adverse effect on the availability of Rebates, then ESI may make an adjustment to the Rebate terms and guaranteed Rebate amounts, if any, hereunder.
- 3.4.** The Rebate guarantees set forth in this Agreement are based on current market share assumptions and benefit design. If Employer's mix or utilization of drugs in the Hepatitis C or PCSK9 classes materially change resulting in a reduction of more than 5% of the total Specialty Product spend from the data provided to PBM for the purposes of establishing pricing or from Employer's historical mix and utilization, ESI may request in writing to BHC, an equitable adjustment of the Rebate guarantees accordingly. BHC will negotiate in good faith with ESI to find a mutually agreeable, fair and equitable adjustment.
- 3.5.** Rebate and Manufacturer Administrative Fee amounts paid to Employer pursuant to this Agreement are intended to be treated as "discounts" pursuant to the federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations. Employer is obligated if requested by the Secretary of the United States Department of Health and Human Services, or as otherwise required by applicable law, to report the Rebate amounts and to provide a copy of this notice. ESI will refrain from doing anything that would impede Employer from meeting any such obligation.