



Board Rationale

File #: CON 16-070

TITLE

Contract with Gallagher Benefit Services, Healthcare Analytics Division to conduct an Extensive RFP for the Prescription Benefit Plan (PBM) and analysis of the Prescription Benefit Plan (PBM) Marketplace

BACKGROUND INFORMATION

On June 28th, 2016, the Board Approved to enter into Contract with Gallagher Benefit Services, Healthcare Analytics Division to conduct an Extensive RFP for the Prescription Benefit Plan (PBM) and analysis of the Prescription Benefit Plan (PBM) Marketplace. The Prescription Drug RFP Analysis and the Best and Final Offer was presented to the Health Insurance Committee at their meeting on September 15th, 2016. After the review of the Analysis, Offer and Rankings of the proposals and presentations to the Committee on September 29th, the Health Insurance Committee brought to the Board on October 11, 2016 the intent to Award the Bid to MedImpact Healthcare Systems effective January 1, 2017 for a three year period.

BUDGET INFORMATION

Item Budgeted? Yes
Total Cost: \$ _Approx. 2.5 million for the three year period__
Budget Coding: 0712 Fund
Requisition Attached? NO

RECOMMENDATION

Please approve the Contract for the new Prescription Carrier, Medimpact Healthcare Systems as recommended above for a three year period to be effective January 1, 2017.



SERVICE AGREEMENT
between
MONROE COUNTY SCHOOL BOARD
and
MEDIMPACT HEALTHCARE SYSTEMS, INC.

MedImpact Healthcare Systems, Inc.
10181 Scripps Gateway Court
San Diego, CA 92131
(858) 566-2727

This Service Agreement (“Agreement”) is entered into between MedImpact Healthcare Systems, Inc., a California corporation located at 10181 Scripps Gateway Court, San Diego, CA 92131 (“MedImpact”), and Monroe County School Board located at 241 Trumbo Road, Key West, FL 33040 (“Client”), effective as of the Effective Date.

WHEREAS, Client provides one or more plans or programs under which eligible individuals receive certain prescription drugs and healthcare related products and services or has contracted to process or participate in providing services to plans or programs that offer such healthcare products and services;

WHEREAS, MedImpact offers certain prescription drug benefit management and administration services;

WHEREAS, Client and MedImpact desire MedImpact to provide prescription drug benefit management and administration services as described in the Agreement under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual promises and agreement herein contained, Client and MedImpact hereby agree as follows:

ARTICLE 1 – DEFINITIONS

1.1 Defined Terms. Unless otherwise defined in this Agreement or any addendum or amendment hereto, capitalized terms used in this Agreement (and its exhibits hereto) shall have the meanings specified in Exhibit A.

ARTICLE 2 – CLIENT OBLIGATIONS

2.1 Implementation Forms. Client will cooperate with MedImpact in completing implementation form(s), which contain Client information related to benefit structure, system requirements, operational requirements, services selected, and/or other information required by MedImpact with respect to Services to be provided hereunder. Client shall promptly review and confirm that the information on the implementation form(s) is accurate and complete and notify MedImpact in writing of any errors and/or inaccuracies on the implementation form(s) within the earlier of thirty (30) days from receipt of the implementation form or ten (10) days prior to the Implementation Date, otherwise all information contained therein will be deemed accurate, complete, and acceptable to Client, and MedImpact shall have the right to rely on all such information contained in the implementation form(s). Failure of Client to sign the implementation form confirming its accuracy does not alter MedImpact’s right to rely on the information contained therein and does not relieve Client of its responsibility for notifying MedImpact in writing of any errors or inaccuracies in the implementation form(s).

2.2 Provision of Required Information. Throughout the Term of this Agreement, Client shall provide to MedImpact information in a format and at a frequency required by MedImpact for MedImpact to perform the Services, including but not limited to, regular and timely Eligible Member Lists and Benefit Plan Information. Client shall be solely responsible for ensuring the accuracy and completeness of its Eligible Members List and Benefit Plan Information provided to MedImpact and shall be obligated to pay for Claims accepted by MedImpact based on that information. Retroactive modification of the Eligible Members List and/or Benefit Plan Information will not relieve Client of liability for those Claims processed prior to such modifications being implemented in MedImpact systems.

2.3 Reliance on Client Information. Client acknowledges and agrees that MedImpact shall have the right to rely on the information and instructions provided by Client in connection with this Agreement

and the Services provided hereunder. Failure of Client to timely provide the required information under Sections 2.1 and 2.2 in a format acceptable to MedImpact may result in postponement of the scheduled Implementation Date (or change date for updated information). Client acknowledges and agrees that MedImpact may provide Participating Pharmacies with access to Eligible Member List information, Benefit Plan Information, and Claims data, and that MedImpact and the Participating Pharmacies are entitled to rely on the accuracy and completeness of the information provided by Client, whether provided electronically, manually, or otherwise. Further, MedImpact shall have the right to rely on instructions from Client in connection with the provision of Services hereunder. This does not give Client the right to impose requirements on MedImpact beyond those specified in the Agreement.

2.4 Eligible Member ID Cards. All ID Cards shall include information necessary for proper prescription drug claims adjudication following then current NCPDP standards and MedImpact requirements, including identification of MedImpact's pharmacy network logo or other method acceptable to MedImpact of identifying MedImpact as the contracted prescription benefits manager.

2.5 Modifications/Approvals of Communications. Client shall not modify any of the content of any communication prepared by MedImpact for Client, Participating Pharmacies, Eligible Members, physicians, or other third parties without the prior written approval of MedImpact. Further, Client shall not alter, remove, or impair any copyright, trademark, and/or similar notices on any communication prepared by MedImpact. All external communications prepared by Client regarding MedImpact must be approved by MedImpact in writing prior to distribution.

2.6 Review of Reports, Statements, and Invoices. Upon receipt from MedImpact of reports, statements, and invoices by Client or its designee(s), Client shall be responsible for promptly reviewing and confirming that the reports, statements, and invoices are accurate and complete and for promptly notifying MedImpact in writing of any errors or objections to such reports, statements, and/or invoices. Specifically, this includes but is not limited to all service requests, benefit change requests, pharmacy operations change requests, acceptance tests, quarterly and annual performance guarantee reports, statements of work, etc. Unless Client notifies MedImpact in writing of any errors or objections within ninety (90) days from receipt of such report, statement, and/or invoice, all the information contained therein will be deemed accurate, complete, and acceptable to Client.

2.7 Non-Routine Inquiries. Client shall promptly notify MedImpact in writing in accordance with Section 12.12 of this Agreement about all non-routine inquiries by Government Agencies (including insurance departments and other regulatory bodies), attorneys, Eligible Members, and/or others regarding this Agreement or Services provided hereunder. Any response to such inquiries by Client is subject to the confidentiality provisions contained in Section 8 of this Agreement.

ARTICLE 3 – MEDIMPACT OBLIGATIONS

3.1 Provision of Services to Client.

3.1.1 Client agrees that MedImpact shall be the sole and exclusive agent for Client for each of the types of Services described in Exhibit B during the Term of this Agreement, including for every benefit product, plan, or program now or hereafter issued, managed, or administered by Client. In the event Client adds new Benefit Plans during the Term of this Agreement, different rates and fees may apply with respect to such new Benefit Plans implemented after the Effective Date. Any such changes will be mutually agreed upon by the parties in an Amendment to this Agreement.

- 3.1.2 MedImpact shall provide to Client the services set forth in Exhibit B-1, and the services described in any attachment, addendum, work order, or amendment (including letter amendments) to this Agreement, all of which are incorporated by reference into this Agreement (“Services”). The Services shall be subject to MedImpact’s standard License Agreement, a copy of which has been provided to Client (“License Agreement”), which shall be executed prior to or contemporaneously with the execution of this Agreement, and which is incorporated herein.
- 3.1.3 MedImpact may make changes to its Services without notice to Client, so long as such changes do not materially alter any of the provisions of this Agreement.
- 3.1.4 MedImpact may, from time to time, add new programs or services, or make material modifications to existing programs or Services, provided that MedImpact shall give Client written notice of such new programs or services or such material modifications, and the pricing related thereto, at least thirty (30) days prior to their implementation. Such written notice shall include an opportunity for Client to decline to participate in, or “opt out” of, the new or modified program or service. If Client does not opt out of the new or modified program or service pursuant to the instructions in the written notice, then Client shall be deemed to have accepted such new or modified program or service, and this Agreement shall be deemed so modified without further writing or signature.
- 3.2 Performance Guarantees. MedImpact agrees to provide certain services under this Agreement consistent with the performance guarantees outlined in Exhibit D (“Performance Guarantees”), attached hereto and incorporated herein as referenced. The penalty amounts specified in Exhibit D shall be Client’s exclusive remedy for MedImpact’s failure to meet such Performance Guarantees.

ARTICLE 4 – COMPENSATION AND PAYMENT

- 4.1 Fees. In consideration of the Services provided by MedImpact, Client will pay the Claim amounts, Claims Processing Fees, fees set forth in Exhibit B, Taxes, and any other applicable charge or fee pursuant to the terms set forth in Section 4.2 and Exhibit B, or listed elsewhere in the Agreement or in a corresponding attachment, addendum, work order, or amendment (including letter amendments) to this Agreement, all of which are incorporated by reference into this Agreement (collectively “Fees”).
- 4.2 Payment to MedImpact. MedImpact shall provide Client with statements (each a “Statement”) for Fees due no more frequently than on a weekly plus end of the month basis. Annual, quarterly, or monthly fees may be charged in advance. Upon receipt of each Statement, Client shall wire the full amount of Fees included in the Statement within two (2) Business Days to the bank account(s) designated by MedImpact. In the event Client has questions regarding any amounts included on the Statement, it still shall be obligated to wire the full amount of the Fees due on the Statement within the time period set forth herein, and then the parties shall work together in good faith to resolve any such questions.
- 4.3 Prompt Pay and Other Deposits. In the event any Law requires payment of Claims (whether paper or electronic) to pharmacies and/or Eligible Members in less than thirty (30) days, then MedImpact may, in its sole discretion, require a deposit reasonably sufficient to cover such payments. Client will provide MedImpact with the deposit(s) required under this Agreement (including Section 4.4.3 (Security Deposits)) within seven (7) days of such request, which MedImpact may retain until termination of the Agreement and/or use to make payments due pursuant to this Agreement or prompt payment Laws. Upon termination of this Agreement such deposit shall be reduced by any offsets for payment defaults, interest, and collection costs, and thereafter will be returned, without interest, to Client within one hundred eighty

(180) days following the greater of termination of the Agreement or cessation of Services.

4.4 Failure of Client to Pay Timely. In the event Client fails to pay any amount due under this Agreement as set forth herein, in addition to all other rights and remedies under this Agreement and at law and in equity, MedImpact shall have the following rights and remedies:

4.4.1 Interest and Other Charges. Should Client fail to pay any amount due under this Agreement within the time frame set forth herein, Client shall be subject to interest charged on all amounts due at an amount equal to one and one-half percent (1.5%) per month, to accrue on a daily basis on any unpaid balances. In addition, Client shall be responsible for all costs of collection and agrees to reimburse MedImpact for such costs and expenses, including reasonable attorneys' fees.

4.4.2 Suspension of Services. If forty-eight (48) hours have elapsed from the time any amount due under this Agreement was due MedImpact, and payment in full (including any accrued interest) has not been received at the MedImpact designated bank account, then MedImpact may suspend its services and system operations for Client upon written notice to Client provided all past due amounts (including interest) have not been cured in full within forty-eight (48) hours after receiving such a notice.

4.4.3 Security Deposits. Should Client fail to pay any amount due under this Agreement within the time frame set forth herein for two (2) consecutive payment periods, MedImpact shall have the option to require Client to provide MedImpact a deposit in an amount equal to twice the average Statement amount over the previous six (6) months, or, if there is less than six (6) months billing history, then such deposit shall be twice the average Statement amount over the actual billing history.

4.4.4 Offsets. In the event of any uncured payment default, Client authorizes MedImpact to offset the amount of such payment defaults, interest, and collection costs against any Client related amounts otherwise payable to Client (including, without limitation, any Rebate amounts or Client's deposit, if any).

4.4.5 Status of Payments to Participating Pharmacies and Eligible Members. MedImpact is not required to render payments to Participating Pharmacies or Eligible Members for Claims unless and until MedImpact has received payment for the Claims from Client. In the event MedImpact renders Claims payments to Participating Pharmacies and/or Eligible Members prior to receipt of Claims payment from Client, such payments shall not constitute a waiver of any of MedImpact's remedies with respect to non-payment and shall not establish a course of dealing between MedImpact and Client.

4.5 Client Insolvency. In the event that Client makes an assignment for the benefit of creditors, files a voluntary or involuntary petition in bankruptcy, is adjudicated insolvent or bankrupt, or a receiver or trustee is appointed, MedImpact shall have the right, but not the obligation, to participate in such proceedings on its own behalf and/or on behalf of Participating Pharmacies. All Fees for Services rendered during the pendency of any such event shall continue to accrue and be payable by Client. MedImpact shall also be entitled to any reasonable costs and fees (including attorneys' fees) incurred by MedImpact in any such proceedings. All such amounts shall become immediately due and owing by Client upon notification from MedImpact. Notwithstanding the foregoing or any participation by MedImpact in an insolvency proceeding, Client shall retain all liability for payment of Fees, including Claims, and MedImpact shall have no liability, whatsoever, to any pharmacy, Eligible Member, governmental entity, or any other party to an insolvency for amounts owed to pharmacies, Eligible Members, governmental entities, or for MedImpact's share of Rebates.

4.6 Sales and Use Taxes. Any applicable sales, use, excise, or other similarly assessed and/or administered tax, surcharge, and/or similar fees (“Tax(es)”) (i) imposed on MedImpact, its affiliates, and/or a Participating Pharmacy by a governmental authority based upon the provision of Covered Benefits or other Services hereunder and/or (ii) which MedImpact or one of its affiliates may incur or be required to pay arising from or relating to MedImpact’s or its affiliates’ performance of Services as a pharmacy benefit manager, third-party administrator, or otherwise, in any jurisdiction, will be the sole responsibility of Client. Such Tax amounts may be included on Statements provided to Client, which Client shall pay in accordance with Section 4.2 above. Otherwise, Taxes shall be paid by Client within thirty (30) days of receipt of notice from MedImpact of such Tax amounts due. In no event shall MedImpact be liable for any such Taxes or the determination or calculation thereof.

4.6.1 Michigan Tax Act. Client represents that it is a “**group health plan sponsor**” as defined by the Health Insurance Claims Assessment Act (“the Act”), 2011 Mich. Pub. Acts 142, Mich. Comp. Laws § 550.1732(a)(v). As a “group health plan sponsor”, Client agrees that any “paid claims” (as that term is defined in the Act) will be subject to three quarters of one percent (0.75%) tax or the then current rate which shall be payable quarterly in the month following the end of each calendar quarter. Client and MedImpact agree that MedImpact will identify and calculate those Client’s “paid claims” that are subject to the tax and issue payment to the Michigan Department of Treasury (“Department”) in the time and manner specified by the Act. Thereafter, MedImpact shall invoice Client for such tax amounts and Client shall remit payment for such taxes to MedImpact in accordance with the terms of this Agreement. Client agrees that is responsible for reimbursing MedImpact for the full amounts due under the Act and paid by MedImpact to the Department. Client shall remain solely responsible for its obligation to comply with the Act in all other respects. In the event there is a conflict or dispute regarding the amount of tax payable under the Act, the determination of the Department shall prevail.

4.7 Not Plan Assets. Client acknowledges and agrees that Client, Benefit Plans, and Eligible Members do not have a property interest in any amounts paid to and/or retained by MedImpact under or in connection with this Agreement and no such amounts are assets of the Client, Benefit Plans, and/or Eligible Members.

ARTICLE 5 – RECORDS MAINTENANCE, USE, ACCESS

5.1 Maintenance of Records. MedImpact shall maintain documentation of all Claims processed for six (6) years, or such longer period as required by applicable Law, from the date of the Claim. Such documentation shall be in a format and media deemed appropriate by MedImpact.

5.2 Use of Information. MedImpact may use, reproduce, or adapt information obtained in connection with this Agreement, including, without limitation, Claims data information and eligibility information, provided it maintains the confidentiality of this information to the extent required by applicable Law, including, without limitation, the applicable provisions of HIPAA/HITECH, and may not use the information as prohibited by Law.

5.3 Third Party Data Access. Client acknowledges and agrees that MedImpact may provide Client’s third party vendors with access to Client Claims and other information upon Client’s request or direction (e.g., via access to MedAccess® or secure email file submissions). MedImpact may require such third party vendors of Client to execute a non-disclosure/confidentiality and/or license agreement prior to providing such data access. Client represents and warrants that it shall have and maintain a business associate agreement and confidentiality agreement in connection herewith with such third party vendors.

5.4 Open Records Requests. Client agrees to give MedImpact notice and the minimum statutory or regulatory period of time to oppose or request redactions or limitations on any disclosures under a third party freedom of information or open records request pertaining to this Agreement and/or any proposals related hereto.

5.5 Right to Audit Claims and Business Records.

5.5.1 By Client. Client may inspect and audit, or cause to be inspected and audited, MedImpact in accordance with the Audit Protocols set forth in Exhibit C.

5.5.2 By MedImpact. During the Term of this Agreement and for one (1) year thereafter, MedImpact may inspect and audit, or cause to be inspected and audited, once annually, the books and records of Client directly relating to this Agreement, including, without limitation, the existence and number of Eligible Members.

5.5.3 By Government Agencies. MedImpact will allow Government Agencies to audit Services provided hereunder as and to the extent required by Law. Client shall provide MedImpact prompt written notice upon learning that any such regulatory audit is to occur. With such notice, Client shall provide MedImpact with a copy of the Government Agency's audit request (portions not relevant to MedImpact may be redacted).

ARTICLE 6 – INDEMNIFICATION AND LIMITATION OF LIABILITY

6.1 Indemnity by Client. Client shall indemnify and hold MedImpact, and its officers, directors, shareholders, employees, successors, agents, and assigns ("MedImpact Indemnitees"), harmless from and against any third party claims, liabilities, damages, judgments, or other losses (including attorneys' fees) imposed upon or incurred by MedImpact Indemnitees arising out of or as a result of any intentional acts or gross negligence of Client, or its officers, directors, employees, or other agents in connection with the performance of any of their respective obligations under this Agreement, including, without limitation, (i) the provision of inaccurate, untimely, incomplete, and/or false information (including but not limited to implementation forms, Eligible Member Lists, and Benefit Plan Information); and/or (ii) MedImpact's reliance on Client instructions in providing Services hereunder.

6.2 Indemnity by MedImpact. MedImpact shall indemnify and hold Client, and its officers, directors, shareholders, employees, successors, agents, and assigns ("Client Indemnitees"), harmless from and against any third party claims, liabilities, damages, judgments, or other losses (including attorneys' fees) imposed upon or incurred by Client Indemnitees arising out of or as a result of any intentional acts or gross negligence of MedImpact, or its officers, directors, employees, or other agents, in connection with the performance of any of their respective obligations under this Agreement.

6.3 Database Limitation. MedImpact relies on Medi-Span, First Databank, and/or other industry comparable databases in providing Client with claims adjudication, drug utilization review, and other Services under this Agreement. The data available from MedImpact through such databases and the Services provided hereunder are limited by the amount, type, and accuracy of information made available to MedImpact by the databases, Client, Participating Pharmacies, Eligible Members, and prescribers. MedImpact has no obligation to acquire information about an Eligible Member beyond that provided as part of the Eligible Members List and Claims information submitted by Participating Pharmacies. MedImpact does not warrant the accuracy of reports, alerts, codes, prices, or other data contained in such databases. The clinical information contained in these databases and the Formulary is intended as a

supplement to, and not a substitute for, the knowledge, expertise, skill, and judgment of physicians, pharmacists, and/or other healthcare professionals involved in Eligible Members' care. The absence of a warning for a given drug or drug combination shall not be construed to indicate that the drug or drug combination is safe, appropriate, or effective for any Eligible Member. EXCEPT AS EXPRESSLY WARRANTED IN THIS AGREEMENT, MEDIMPACT DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES OF ANY KIND, INCLUDING THE SUITABILITY FOR ANY PARTICULAR PURPOSE OF THE DATA GENERATED THROUGH THE MEDIMPACT SOFTWARE SYSTEM.

6.4 Limitation of Liability. IN NO EVENT SHALL EITHER PARTY OR ANY AFFILIATE OF EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES OR LOST PROFITS, ARISING OUT OF OR RELATED TO ITS PERFORMANCE UNDER THIS AGREEMENT OR BREACH HEREOF, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY THEREOF. MEDIMPACT'S LIABILITY TO CLIENT OR ANY AFFILIATE OF CLIENT UNDER THIS AGREEMENT, IF ANY, SHALL IN NO EVENT EXCEED THE TOTAL CLAIMS PROCESSING FEES PAID TO MEDIMPACT BY CLIENT FOR THE TWELVE (12) MONTHS PRIOR TO THE DATE THE CLAIM IS ASSERTED. Further, neither MedImpact nor any affiliate of MedImpact will be liable for any claim asserted by Client more than thirty (30) days after Client is or reasonably should have been aware of such claim. In addition, in no event will MedImpact or any affiliate of MedImpact be liable for any claim asserted by Client more than twelve (12) months after the event giving rise to the claim. In all cases, the liability of MedImpact to Client for any negligent or willful misconduct by MedImpact will be limited to the per occurrence liability insurance amount under Section 10.8.

ARTICLE 7 - DISPUTE RESOLUTION PROCEDURE

7.1. Arbitration. Any and all disputes, controversies, or claims and/or counterclaims (including without limitation tort claims, requests for provisional remedies or other interim relief, and issues as to arbitrability of any matter) arising out of, in connection with, or relating to this Agreement, or the breach thereof, that cannot be settled through negotiation by the parties shall be settled by arbitration. Either party may commence an action for arbitration to be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The parties agree that the JAMS Streamlined Arbitration Rules shall be employed. The arbitration shall be held in Miami, Florida before a single arbitrator and commence within sixty (60) days of the appointment of the arbitrator by JAMS. The expenses of the arbitration, including reasonable attorney's fees, will be paid for by the party against whom the award of the arbitrator is rendered, and the arbitrator will be authorized to determine the identity of the prevailing party against whom the award of the arbitrator is rendered. Arbitration provisions of this Section 7 shall be the sole and exclusive method of handling any and all Disputes; provided, however, that MedImpact shall not be precluded from seeking or receiving injunctive relief.

ARTICLE 8 - CONFIDENTIALITY

8.1 Confidential Information. The term "Confidential Information" (whether oral or written), means information of a confidential or proprietary nature relating to the subject matter described in this Agreement which is taken from or disclosed by one party (the "Disclosing Party") by or to the other (the "Receiving Party"), whether prepared by a party, its advisors, or otherwise, and whether furnished prior to or after the Effective Date. Without limiting the generality of the foregoing, for avoidance of doubt, MedImpact's Confidential Information includes this Agreement, MedImpact's reporting and other web-based and computer applications and systems (including but not limited to MedAccess®), adjudication systems, system formats, and databanks; MedImpact's Formulary, along with clinical and formulary

management operations and programs; policies and procedures, information and contracts relating to Rebates and other manufacturer revenue; pricing information, including MAC Lists and pricing schedules, and MedImpact's contracts with Participating Pharmacies. Confidential Information shall not include information which, as evidenced in writing: (a) is or becomes publicly available or otherwise in the public domain through no breach of this Agreement; or (b) is learned by the Receiving Party from a third party expressly entitled to disclose it. **QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO MEDIMPACT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, SHOULD BE DIRECTED TO THE CUSTODIAN OF PUBLIC RECORDS: Patrick LeFere, (305) 293-1400 Ext. 53392, Patrick.Lefere@Keysschools.com, 241 Trumbo Road, Key West Florida 33040).**

8.2 Treatment of Confidential Information. The Receiving Party agrees to hold the Disclosing Party's Confidential Information in strict confidence and to take reasonable precautions to protect such Confidential Information (including, without limitation, marking such information as confidential and proprietary and using all precautions Receiving Party employs with respect to its own Confidential Information). The Receiving Party shall only permit access and use of any Confidential Information to its employees and other individuals within the Receiving Party's organization, including its advisors, consultants, and subcontractors who need to use the information to perform such Receiving Party's obligations under this Agreement, who have been informed of the confidential and proprietary nature of the Confidential Information, and have been directed to treat the Confidential Information in accordance with the terms of this Agreement. The Receiving Party further agrees not to disclose any Confidential Information to any third party, not to use, analyze, transcribe, transmit, decompile, disassemble, or reverse engineer any Confidential Information unless required in the performance of the Receiving Party's duties under this Agreement, not to use any Confidential Information for its own or any third party's benefit unless authorized by this Agreement or by the Disclosing Party in writing, and not to alter or remove any legend, marking, or notice provided by the Disclosing Party on its Confidential Information regarding the confidential and proprietary nature of such information. Client shall require its advisors, consultants, and subcontractors to enter into a MedImpact standard non-disclosure agreement with MedImpact prior to the Client's disclosure of Confidential Information to such advisors, consultants, and subcontractors. Without limiting the generality of the foregoing, Client will not, and will not permit any advisors, consultants, or subcontractors to, attempt to access MedImpact's systems or networks connected to MedImpact's systems by circumventing MedImpact's system access control measures (*e.g., hacking, password mining, etc.*) or breach the security or authentication measures of MedImpact's systems and networks. The Receiving Party shall be responsible for any failure of its employees and other individual's within such Receiving Party's organization, and its advisors, consultants, and subcontractors, to comply with the terms of this Agreement. Receiving Party may make disclosures required by Law or court order provided Receiving Party has given the Disclosing Party immediate written notice of the request so that the Disclosing Party can object or otherwise intervene and provided that the Receiving Party uses diligent, reasonable efforts to limit disclosure and to obtain confidential treatment or a protective order. Notwithstanding the foregoing, any disclosure of Rebate contract terms and data permitted hereunder must be subject to a protective order.

8.3 No Transfer of Right or Title. Receiving Party acknowledges that it shall not acquire any rights or title to any Confidential Information merely by virtue of its use or access to such Confidential Information hereunder. Neither the execution of this Agreement nor the furnishing of any Confidential Information hereunder shall be construed as granting the Receiving Party, either expressly, by implication, or otherwise, any license under any invention or patent now or hereafter owned by or

controlled by the Disclosing Party. None of the information that may be submitted or exchanged by the parties shall constitute any representation, warranty, assurance, guarantee, or inducement by a party to the other with respect to the infringement of patents, copyrights, trademarks, trade secrets, or any other rights of third persons.

8.4 Remedies. Each party agrees that any disclosure or use of Confidential Information in violation of this Article 8 would cause immediate and irreparable injury or loss that may not be adequately compensated by monetary damages. Therefore in the event of any breach or threatened breach of this Article 8, each party shall be entitled to injunctive relief and specific performance, enjoining or restraining such breach or threatened breach, in addition to all other remedies available at Law or in equity.

ARTICLE 9 – COMPLIANCE

9.1 Compliance with Law. Each party will comply with all Laws applicable to it related to its obligations hereunder. MedImpact shall have no obligation to advise Client about Client's compliance with any applicable Law, including, without limitation, HIPAA/HITECH, ERISA, ACA, ADA, state Laws applicable to insurers and/or benefit plans, and escheatment/unclaimed property Laws. Without limiting the generality of the foregoing, Client has obtained, or will obtain, all Eligible Member authorizations required by Law for MedImpact to perform the Services provided for in this Agreement or in any amendment or addendum hereto, as well as for MedImpact to contact Eligible Members, their physicians, and Participating Pharmacies in order to perform any of the activities contemplated by this Agreement. Client will disclose to Eligible Members and others as required by Law, any and all matters that are required by Law to be disclosed by Client as applicable, including matters relating to the Benefit Plan or the Services provided hereunder; information relating to the calculation of Copayments or any other amounts that are payable by an Eligible Member in connection with the Benefit Plan; information about Rebates or other discounts on pharmaceutical products, irrespective of whether Client retains or allows MedImpact or others to retain all or a portion of any Rebates or discounts; and information about commissions, revenue sharing, fees, allowances, incentives, adjustments, discounts, and/or spread based pricing, as applicable. Client acknowledges and agrees that it is responsible for reporting and remittance obligations with respect to escheatment/unclaimed property Laws (*e.g., in connection with returned payments related to Eligible Members*). If this Agreement, or any part hereof, is found not to be in compliance with applicable Law, then the parties shall renegotiate the Agreement for the sole purpose of correcting the non-compliance.

9.2 HIPAA/HITECH Compliance. MedImpact is not a "Covered Entity" under HIPAA/HITECH. For the purposes of this Agreement, MedImpact is deemed to be a "Business Associate" of Client as such term is defined in the Privacy Standard of the Federal Register, published on December 28, 2000, and the parties agree to execute MedImpact's standard Business Associate Agreement, a copy of which has been provided to Client ("BAA"), which shall be executed prior to or contemporaneously with the execution of this Agreement.

9.3 Change in Law or Practice. If there is an amendment, addition, deletion, or other change, or change in interpretation thereof, in Laws, or any government, judicial, or legal action, or any drug industry practice, or any policy, underwriting, benefit change, or management practice of a regulatory body, accreditation agency, or Client that, among other things, materially burdens MedImpact or materially alters MedImpact's rights and/or obligations hereunder, requires MedImpact to increase or decrease payments or shorten payment times to Participating Pharmacies, or materially changes the scope of services hereunder ("Change in Law"), then there shall be an appropriate modification of the services,

reimbursement rates and/or dispensing fees, Claims Processing Fees, other administrative fees, Rebates, and/or financial guarantees, as applicable to this Agreement, hereunder to preserve each party's anticipated economic benefits under this Agreement. Whenever possible, MedImpact and Client will provide advance notice to the other of any Change in Law either party becomes aware of.

9.4 Compliance with Regulatory Requirements. The parties acknowledge and agree that with respect to certain lines of business and/or types of plans, programs, and/or products, additional and/or different regulatory provisions may be required under this Agreement. The parties agree to those additional and/or different regulatory provisions applicable hereunder as set forth in the applicable Exhibit F. In the event of a conflict between the applicable regulatory requirements contained in Exhibit F and the remainder of the Agreement, the applicable provisions of the regulatory requirements contained in Exhibit F shall control if and to the extent required by Law.

ARTICLE 10 – RELATIONSHIP OF THE PARTIES

10.1 Exclusivity. During the Term of this Agreement, Client agrees that MedImpact shall be the sole and exclusive agent for Client for each of the types of services described in this Agreement.

10.2 MedImpact Status. The parties acknowledge that MedImpact is a service provider of Client and is acting in a ministerial capacity in the performance of its obligations under this Agreement. Nothing in this Agreement shall be construed or deemed to confer upon MedImpact any responsibility for or control over the terms or validity of any Benefit Plan, and MedImpact shall have no discretionary authority over or responsibility for any Benefit Plan, but rather MedImpact provides administrative services for Client. Client acknowledges and agrees that neither it nor any Benefit Plan intends MedImpact to be a fiduciary (as defined under state or federal Law, including ERISA), and neither will name MedImpact or any of MedImpact's affiliates as a plan fiduciary. MedImpact is not an insurer, plan sponsor, provider of health services, or a fiduciary, and MedImpact shall have no responsibility for: (i) any funding of Client benefits; (ii) any insurance coverage relating to Client, any Benefit Plan, or Eligible Members; (iii) the nature or quality of professional health services rendered to Eligible Members; or (iv) management or disposition of assets of the Benefit Plan, if any exist. Upon reasonable notice, MedImpact will have the right to terminate Services with respect to any Benefit Plan (or, if applicable, Eligible Members) located in a state requiring a pharmacy benefit manager to be a fiduciary to Client, a Benefit Plan, or an Eligible Member, in any capacity.

10.3 Use of Subcontractors. MedImpact may subcontract and/or have MedImpact affiliates perform MedImpact's obligations as set forth herein. Any reference to a MedImpact system or process herein may include the system and/or process of a MedImpact subcontractor and/or affiliate.

10.4 Performance Outside of the United States. Client acknowledges and agrees that Services may be performed at a location outside of the United States. Services performed at a location outside of the United States shall comply with applicable Law, including HIPAA/HITECH.

10.5 Independent Contractors. Client and MedImpact are independent entities and nothing in this Agreement shall be construed or be deemed to create a relationship of employer and employee, principal and agent, franchiser and franchisee, joint venturers, or any relationship, fiduciary or otherwise, other than that of independent parties contracting with each other solely for the purpose of carrying out the provisions of this Agreement.

10.6 Relationship to Participating Pharmacies. Participating Pharmacies are independent contractors

and not subcontractors or agents of MedImpact, and MedImpact does not exercise any control over the professional judgment of any pharmacist dispensing prescriptions or otherwise providing pharmaceutical related services at a Participating Pharmacy. As a result, MedImpact shall have no liability to Client or any Eligible Member for a claim resulting from any act or omission of any Participating Pharmacy or its agents or employees.

10.7 Non-Solicitation in Hiring. During the Term of this Agreement and for a period of one (1) year thereafter, each party shall not, without the prior written consent of the other party, directly or indirectly solicit for hire, recruit, or induce, or allow its officers, directors, agents or affiliates to solicit for hire, recruit, or induce any employees of the other party to terminate their employment or violate their contractual or fiduciary duties.

10.8 Insurance. Each party shall maintain or obtain (as applicable), with respect to the activities in which such party engages pursuant to this Agreement, professional liability (errors and omissions) insurance and general liability insurance in amounts reasonable and customary for the nature and scope of business engaged in by such party. Upon request, such party shall promptly deliver to the other party evidence of such insurance.

ARTICLE 11 - TERM AND TERMINATION

11.1 Term. The Services under this Agreement will be implemented as of January 1, 2017, (“Implementation Date”) and will continue through December 31, 2019 (“Initial Term”) and may be terminated earlier or extended in accordance with the terms of this Article 11. After the Initial Term, and upon mutual written agreement by the parties, this Agreement shall renew for successive one (1) year renewal terms (each, a “Renewal Term”) under the terms and conditions set forth herein unless amended or either party sends written notice of non-renewal to the other party in accordance with Section 12.12 of this Agreement, received at least one hundred twenty (120) days prior to the end of the Initial Term or any Renewal Term. The Initial Term and any Renewal Terms will be referred to as the “Term”. This Agreement is subject to annual appropriation of funds by Client. In the event funds are not appropriated by Client, or a funding source is not available, this Agreement will terminate at the end of the then current fiscal year (June 30th).

11.2 Termination with Cause. This Agreement may be terminated at any time by either party based on a material breach of any provision of this Agreement, provided that ninety (90) days’ advance written notice of such material breach shall be given to the other party and the breach remains uncured at the end of this ninety (90) day period.

11.3 Termination Due to Non-Payment. Notwithstanding any other provision in this Agreement, in the event Client fails to timely pay MedImpact the full amount due for each Statement (and any interest accrued thereon) as set forth in this Agreement, MedImpact may terminate this Agreement on any date thereafter, effective on the date specified in such notice of termination.

11.4 Termination Due to Impairment. Notwithstanding any other provision in this Agreement, this Agreement may be terminated upon notice by MedImpact: (i) if any court or governmental or regulatory agency issues Client an order or finding of impairment or insolvency or issues an order to cease and desist from doing business; (ii) if Client fails to obtain required regulatory approvals in connection with Client and/or the Benefit Plan (*e.g., Client fails to satisfy CMS or state financial solvency requirements*); (iii) if Client makes an assignment for the benefit of creditors, has a voluntary or involuntary petition filed under Title 11 of the United States Code (or any similar statute now or hereafter in effect), or has a receiver,

custodian, conservator, or trustee appointed with respect to all or a substantial part of its property; or (iv) if Client has a proceeding commenced against it which substantially impairs its performance hereunder.

11.5 Remedies for Early Termination. The parties agree that should Client terminate this Agreement in violation of this Article 11, amounts payable under this Agreement shall become immediately due and payable upon notice from MedImpact. The parties further agree that the existence of this remedy will not preclude MedImpact from seeking or receiving injunctive and/or other relief and that this Section 11.5 does not give Client termination rights beyond those specified in Section 11.1 and Section 11.2 above.

11.6 Effect of Termination. Upon termination of this Agreement:

11.6.1 All further obligations of the parties under this Agreement shall terminate, but no termination under this Agreement shall affect the rights and obligations of the parties accruing prior to the effective date of such termination.

11.6.2 All Confidential Information provided by a party, except for Confidential Information required by Law to be retained, shall be immediately returned by the Receiving Party, or the Receiving Party shall certify to the Disclosing Party that such materials have been destroyed; however, MedImpact shall be entitled to (a) retain copies of the Confidential Information preserved or recorded in any computerized data storage device or component (including any hard drive or database) or saved automatically to standard back-up or archival systems, and (b) retain copies of Confidential Information to the extent required by standard document retention policies.

11.6.3 The parties shall, in all events, remain bound by and continue to be subject to the following provisions: Section 2.3 (Reliance on Client Information), Section 2.6 (Review of Reports, Statements, and Invoices), Section 2.7 (Non-Routine Inquiries), Section 4.4 (Failure of Client to Pay Timely), Section 4.5 (Client Insolvency), Section 4.6 (Sales and Use Taxes), Article 5 (Records Maintenance, Use, Access), Article 6 (Indemnification and Limitation of Liability), Article 7 (Dispute Resolution Procedure), Article 8 (Confidentiality), Sections 10.6 (Relationship to Participating Pharmacies), Section 10.7 (Non-Solicitation in Hiring), Section 11.5 (Remedies for Early Termination), Section 11.6 (Effect of Termination), Section 11.7 (Post-Termination Services/Access), Article 12 (General Provisions), and any other provision which by its nature survives termination.

11.6.4 Upon termination of this Agreement, the parties will mutually develop a run-off plan providing for: (i) Client's notification to Eligible Members of the timing of any transition to a successor pharmacy benefit administrator/manager at least thirty (30) days prior to the effective date of such termination; and (ii) MedImpact's provision of standard claims data and open prior authorization files for transition to the successor pharmacy benefit administrator/manager in accordance with MedImpact's standard protocol. Upon termination of this Agreement, MedImpact will process only those Claims which are for prescriptions dispensed before the termination date and which are received by MedImpact within ninety (90) days of the termination date. Any Claims submitted and processed after the termination date will be invoiced and paid for by Client consistent with the terms for pre-termination Claims, and the processing and payment of any Claims received more than ninety (90) days after termination shall be the sole responsibility of Client. Client will pay MedImpact in accordance with this Agreement for any Fees for Services provided during any run-off period.

11.7 Post-Termination Services/Access. MedImpact may make available to Client certain post-termination services at its then current fees, which shall be agreed upon in a separate writing. Unless otherwise specified in such writing, Client shall remit to MedImpact the fees for such services in

accordance with the timeframes outlined in Article 4 of this Agreement. For avoidance of doubt, the foregoing shall not obligate MedImpact to provide post-termination services, including, without limitation, the provision of continued data submissions and/or reporting, consultation, analysis, submittals to government agencies, and/or access to MedImpact systems, programs, and/or Formulary. Notwithstanding anything in the Agreement to the contrary, Client will not have access to any MedImpact systems (including MedAccess®) post-termination regardless of whether MedImpact provides post-termination and/or any run-off services.

ARTICLE 12 - GENERAL PROVISIONS

12.1 MedImpact Proprietary Software and Information. Client acknowledges that MedImpact owns, licenses, or otherwise holds the rights to the entire proprietary software system used by MedImpact in processing Claims and preparing reports, including, without limitation, computer programs, system and program documentation, and other documentation relating thereto (collectively “MedImpact Software System”), and the MedImpact Software System is the exclusive and sole property of MedImpact. Client further acknowledges that MedImpact owns, licenses, or otherwise holds all rights to its programs, reports, MAC Lists, pricing schedules, Formularies, and other services provided to Client under this Agreement (collectively “MedImpact Business Information”), and the MedImpact Business Information is the exclusive and sole property of MedImpact. Client disclaims any rights to the MedImpact Software System (including access to any applicable source codes), the MedImpact Business Information, and any resultant reports, procedures, or forms developed by MedImpact, any development or modification of the MedImpact Software System and/or MedImpact Business Information as a result of any customization performed by any party, as well as any program, report, MedImpact Formulary, or service provided hereunder, all of which shall be the property of MedImpact and are protected by copyright which shall be owned by MedImpact. In addition, Client acknowledges and agrees that use of the MedImpact Software System, including but not limited to the enterprise formulary system (“EFS”) and member website, are subject to the respective terms of use, disclaimer, and privacy policy and Client hereby agrees with those terms and conditions prior to using the MedImpact Software System. MedImpact may provide hyperlinks to other websites for the convenience of Client. Client understands and agrees that by clicking on the links they will be taken to websites that may not be owned or operated by MedImpact and are subject to the terms of use of those respective sites. When using the MedImpact Software System, these hyperlinks and related sites are for informational purposes only and should not be solely relied on when using the MedImpact Software System. If a conflict exists between terms and conditions of this Agreement and terms and conditions of another agreement between Client and MedImpact specific to a particular software within the MedImpact Software System, the specific term or condition in the other agreement that is in conflict with this Agreement shall supersede and control as it relates to the particular software.

MedImpact may, in its sole discretion, make changes to the MedImpact Software System (as defined in Section 12.1 of this Agreement) including adding or removing software applications or reports provided through the MedImpact Software System. Client acknowledges and agrees that MedImpact may, in its sole discretion, eliminate or remove certain reports, software application, or MedImpact Software System components. In the event MedImpact removes, eliminates, or discontinues a report, software application, or component from the MedImpact Software System, MedImpact will provide Client ninety (90) days prior written notice of such change. MedImpact will provide Client information about MedImpact alternatives to replace the removed report, software application, or component, if available.

The parties acknowledge that in the event of any breach or threatened breach of this Section 12.1, any remedy at law is inadequate and MedImpact will suffer irreparable injury if such conduct is not prohibited, and therefore MedImpact is entitled, among other rights and remedies, to injunctive relief,

enjoining or restraining such breach or threatened breach. The parties further agree that the existence of this remedy will not preclude MedImpact from seeking or receiving other relief. In no event will Client have the right to access the MedImpact Software System and/or MedImpact Business Information after termination of this Agreement.

12.2 Successors and Assigns. Neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned by either party (whether by operation of Law or otherwise) without the prior written consent of the other party. Notwithstanding the foregoing, no consent shall be required in the event of a Change of Control of a party.

12.3 Waiver. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, provided such waiver is in a signed writing. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or other term or condition of this Agreement on any future occasion.

12.4 Severability. In the event that any provision of this Agreement shall be determined to be invalid, unlawful, void, or unenforceable to any extent by a court of competent jurisdiction or by a legal opinion letter drafted by a party's outside legal counsel, the remainder of this Agreement, shall not be impaired or otherwise affected, will be construed to preserve the intent and purpose of this Agreement, and shall continue to be valid and enforceable to the fullest extent permitted by Law. The parties agree to negotiate in good faith to modify any invalidated provisions to preserve each party's anticipated benefits under this Agreement.

12.5 Further Assurances. Each party represents and warrants that it has the necessary power and authority to enter into this Agreement and to consummate the transactions contemplated herein. Each party agrees to execute and deliver to the other party any instruments and other documents, and to take such other actions as the other party may reasonably request at any time during the Term of this Agreement for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

12.6 Choice of Law. This Agreement shall be construed, interpreted, and governed according to the laws of the State of Florida without regard to its conflict of laws and rules.

12.7 Force Majeure. Except for payment obligations set forth in this Agreement, the obligations of the parties hereunder shall be suspended to the extent that all or part of this Agreement cannot be performed due to causes which are outside the reasonable control of a party and could not be avoided by the exercise of due care, including but not limited to acts of God, acts of a public enemy, acts of a sovereign nation or any state or political subdivision or any department or regulatory agency thereof or entity created thereby, acts of any person engaged in a subversive or terrorist activity or sabotage, fires, floods, earthquakes, explosions, strikes, slow-downs, lockouts or labor stoppage, freight embargoes, failures or fluctuations in electrical power or telecommunications equipment, or by any enforceable Law, regulation, or order. As soon as the force majeure conditions cease, the parties shall resume their respective obligations as set forth under this Agreement.

12.8 Entire Agreement. This Agreement, including the exhibits (all of which are incorporated herein) and any such other agreement(s) applicable to Client's use of MedImpact's tools or services (*e.g., license agreement*) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

12.9 Amendment. Except as otherwise provided in this Agreement, this Agreement or any part or section of it may be amended at any time by mutual written consent of duly authorized representatives of MedImpact and Client. No business forms including, but not limited to, service requests, implementation forms, benefit change request forms, network change request forms, etc. (“Business Forms”) not expressly identified as an addendum, amendment (or letter amendment), or work order to this Agreement, shall operate to amend this Agreement even if executed by both parties hereto. The parties acknowledge and agree that Business Forms executed by Client shall serve as directions from Client upon which MedImpact may rely for services rendered by MedImpact under this Agreement, without amending the Agreement.

12.10 No Third Party Beneficiaries. This Agreement is solely for the benefit of each party hereto and their respective successors or permitted assigns. This Agreement is not a third party beneficiary contract and does not confer any such rights upon any third party (including, without limitation, any Eligible Member or Benefit Plan).

12.11 Use of Name. Neither party shall use the name, trade names, trademarks, service marks, or logos of the other party or any affiliated company of the other party in any materials, presently existing or hereafter established, except in the manner and to the extent permitted by prior written consent of the other party.

12.12 Notice. Any notice required or permitted by this Agreement, unless otherwise specifically provided for in this Agreement, shall be in writing and shall be deemed given one (1) day following delivery to a nationally reputable overnight courier addressed as follows:

To MedImpact: Greg Watanabe, President and COO
MedImpact Healthcare Systems, Inc.
10181 Scripps Gateway Court
San Diego, CA 92131

With a copy to Senior Vice President, Corporate Services at the same address above.

To Client: James Drake, Executive Director, Finance & Performance
Monroe County School Board
421 Trumbo Road
Key West, FL 33040

Either party may at any time change its address for notification purposes by mailing a notice stating the change and setting forth the new address.

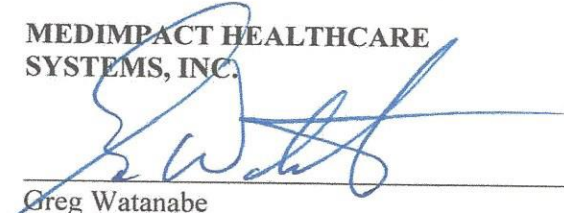
12.13 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart.

12.14 Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that consequently any rule of construction to the effect that any ambiguities are to be resolved against the drafting party is not applicable in the interpretation of this Agreement or any amendments or exhibits hereto.

12.15 Headings. The headings of articles, sections, and exhibits contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

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.

**MEDIMPACT HEALTHCARE
SYSTEMS, INC.**



Greg Watanabe
President and Chief Operating Officer

11/16/16

DATE

MONROE COUNTY SCHOOL BOARD

BY

John Dick

NAME

Board Chairman

TITLE

November 22, 2016

DATE

EXHIBIT A

DEFINED TERMS

1.1 Average Wholesale Price or AWP means the average wholesale price for a given pharmaceutical product as published by drug pricing services such as Medi-Span or other third party pricing sources which MedImpact may select (“Pricing Source”). As of the Effective Date, MedImpact uses Medi-Span as its Pricing Source for AWP. AWP will be updated in MedImpact’s online claims adjudication system on at least a weekly basis with data received from the Pricing Source, which if not received timely could result in delays. The applicable AWP for prescriptions dispensed shall be based on the actual NDC submitted by the pharmacy. AWP does not represent a true wholesale price, but rather is a fluctuating benchmark provided by third party pricing sources.

1.2 Benefit Plan means the benefit plan(s) pursuant to which Covered Benefits are provided to Eligible Members.

1.3 Benefit Plan Information means the information required by MedImpact to process Claims and provide Services under this Agreement, including processing parameters, coverage rules, and other information, provided to MedImpact in accordance with this Agreement.

1.4 Brand Drug means a prescription drug identified as a “brand” by MedImpact using indicators from reporting services such as First Databank or other third party reporting sources which MedImpact may select (“Drug Attributes Source”) and MedImpact’s standard policies which may take into account various factors such as drug exclusivity and pricing differential between AWP and the wholesale acquisition price, among other elements. As of the Effective Date, MedImpact uses First Databank as its Drug Attributes Source.

1.5 Business Day means all days except Saturdays, Sundays, and MedImpact designated holidays. All references to “day” or “days” in this Agreement are to calendar days unless “Business Day” is specified.

1.6 Claim means those requests for payment for prescription services, drugs, devices, supplies, or other related items that are processed through MedImpact’s online claims adjudication system or otherwise sent to and/or processed by or through MedImpact in accordance with the terms of this Agreement, including requests for payment from Participating Pharmacies, Member Submitted Claims, and Subrogation Claims.

1.7 Claims Processing Fee means the per Claim fee identified in Exhibit B of this Agreement.

1.8 Copayment means that portion of the cost for each Covered Benefit dispensed to an Eligible Member that is the responsibility of the Eligible Member (e.g., copayment as a fixed dollar amount, coinsurance percentage, deductible, and/or other ancillary charges for which an Eligible Member may be responsible), as set forth in the Benefit Plan Information.

1.9 Covered Benefits mean those outpatient drugs, products, services, or supplies that are prescribed by a prescriber and covered under a Benefit Plan as set forth in the Benefit Plan Information.

1.10 Direct Member Reimbursement (“DMR”) Claims means a Claim submitted by an individual (not

a pharmacy) for coverage under a Benefit Plan for a prescription that was dispensed by a pharmacy for which the individual paid the full amount of the cost of the drug.

1.11 Dispensing Fee means the fee charged to Client for the filling of a single prescription order for an Eligible Member as set forth in Exhibit B.

1.12 Effective Date means the earlier of the date this Agreement is fully executed by both parties or the Implementation Date.

1.13 Eligible Members mean those individuals and their dependents who are entitled to Covered Benefits under a Benefit Plan as identified in the Eligible Member List in effect with MedImpact as of the date the Covered Benefit is provided.

1.14 Eligible Members List means the list of Eligible Members provided to MedImpact in accordance with the Agreement. The Eligible Members List shall be prepared, maintained, and updated by Client, and delivered to MedImpact in accordance with this Agreement.

1.15 Enterprise Formulary System (EFS). The term EFS shall mean MedImpact's web-based Formulary management tool made available to Client for Client's use in managing Client's custom Formulary developed by Client. EFS functionality includes allowing Client's authorized users, as applicable, to view, report, create, manage, and submit to MedImpact Client's Formulary content including drug inclusion and exclusion, tiering, and utilization management edits. EFS functionality available to Client is determined based on Formulary services selected by Client.

1.16 ERISA means the Employee Retirement Income Security Act, as amended, 29 U.S.C. 1001 et seq., and the regulations promulgated thereunder.

1.17 Formulary means the list of outpatient prescription drugs, devices, and supplies that are covered by the Benefit Plan according to the Benefit Plan Information.

1.18 Generic Drug means a prescription drug identified as a "generic" by MedImpact using indicators from the Drug Attributes Source and MedImpact's standard policies, which may take into account various factors such as pricing differential between AWP and the wholesale acquisition price, among other elements.

1.19 Government Agency(ies) means government agencies, including but not limited to the Centers for Medicaid and Medicare Services ("CMS"), Office of Inspector General ("OIG"), Health and Human Services ("HHS"), state Medicaid agencies, Veteran's Administration ("VA") facilities, Indian Health Services and Bureau of Indian Affairs ("IHS"), and Department of Defense military treatment facilities (or other similar facilities) ("DOD"), or the agencies' or facilities' third-party representatives.

1.20 HIPAA/HITECH means Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and the regulations promulgated thereunder.

1.21 Identification Cards or ID Cards mean printed identification cards containing information about the Benefit Plan and Covered Benefits to which the Eligible Members are entitled.

1.22 Implementation Date shall have the meaning set forth in Section 11.1 of this Agreement.

1.23 Law means all applicable federal, state, and local laws, rules, regulations, acts, statutes, ordinances, codes, constitutions, charters, or orders of a Government Agency.

1.24 MAC means the then current maximum allowable cost payable for products on the applicable MAC List pursuant to the applicable maximum allowable cost pricing schedule(s) developed, selected, and/or updated by MedImpact from time to time.

1.25 MAC List means a list of products subject to maximum allowable cost pricing schedules, which such list(s) is developed, selected, and/or updated (including the addition to or removal of products) by MedImpact from time to time.

1.26 Participating Pharmacies means those pharmacies that have contracted directly with MedImpact or an affiliate of MedImpact to provide Covered Benefits for Eligible Members, and may include retail, long-term care, home infusion, ITU, mail order, and/or specialty pharmacies.

1.27 Rebates mean retrospective formulary rebates that are paid to MedImpact pursuant to the terms of a contract between MedImpact and pharmaceutical manufacturer(s), rebate aggregator(s), and/or other rebate intermediary(ies), and directly attributable to the utilization of certain Covered Benefits by Eligible Members.

1.28 Services shall have the meaning set forth in Section 3.1 of this Agreement.

1.29 Subrogation Claim means those claims submitted by any Government Agency (or any person or entity acting on behalf of a Government Agency) on behalf of or in the name of an Eligible Member for which Client is responsible as a third-party payer by operation of applicable Laws.

EXHIBIT B
SERVICE AND FEE SCHEDULES

Exhibit B shall consist of the following:

Exhibit B-1: Description of Services and Fees

Exhibit B-1-a : Description of Services and Fees

Exhibit B-2: Pharmacy Network Pricing

Exhibit B-2-a: Pharmacy Network Pricing

Exhibit B-3: Rebates

Exhibit B-3-a: Minimum Rebate Guarantee

Exhibit B-4: Financial Terms, Conditions, and Disclosures

Exhibit B-5: Credits/Allowances

Exhibit B-6: Broker/Consultant Fee Disclosure

All references to Exhibit B in this Agreement shall include collectively the Exhibit B's listed above. All references to a particular Exhibit B in this Agreement shall include any sub-Exhibit B's thereunder.

Exhibit B-1

Description of Services and Fees

1. Claims Processing Fee.

\$1.95 per approved paid electronically submitted Claim (“Claims Processing Fee”)

2. Administrative Services.

	Services	Fee
2.1	<p>IMPLEMENTATION SERVICES</p> <p>MedImpact shall provide standard implementation services to Client, which include:</p> <ul style="list-style-type: none"> • Loading of history files (e.g. claims, open prior authorizations, accumulator) for initial implementation set up; • Loading group and eligibility files received in MedImpact’s standard file layout • Loading Client’s Benefit Plan Information into MedImpact’s Software System • Loading Participating Pharmacies into MedImpact’s Software System; • Providing Client access to reports, through MedOptimize® and training via telephone; • Providing MedAccess® training via telephone (when MedAccess® services are purchased); • Providing for connectivity (VPN, FTP) between MedImpact and a single Client designated site for certain information to be sent by MedImpact; • Providing standard PA guidelines (when standard PA services are purchased); and • Providing standard PA letters from MedImpact’s standard library (when standard PA services are purchased) <p>Customized implementation services not subject to an allowance as set forth herein shall be invoiced at the Custom IT Programming fee below.</p>	Included
2.2	<p>ELIGIBILITY AND BENEFIT PLAN SUPPORT</p> <p><u>Eligibility Information.</u> MedImpact shall load Client’s Eligible Member data into the MedImpact Software System by the Implementation Date (provided such data is received by MedImpact at least fourteen (14) days prior to the scheduled Implementation Date in MedImpact’s standard format) and thereafter no later than one (1) Business Day from receipt of such data provided in the agreed upon format.</p> <p><u>Benefit Plan Information.</u> MedImpact shall load Benefit Plan Information into the MedImpact Software System by the Implementation Date (provided such data is received by MedImpact for each Benefit Plan at least thirty (30) days prior to the scheduled Implementation Date in MedImpact’s standard format). Thereafter, MedImpact shall have thirty (30) days to implement any changes in Benefit Plan Information received from Client that require creation of new benefit set-ups unless the new benefit set-up requires custom coding, in which case the parties shall agree upon the implementation date of such changes. Notwithstanding the foregoing, new implementations and/or changes to Benefit Plan Information that are to be effective January 1st of any given year must be provided to MedImpact at least ninety (90) days prior to January 1st in order to be processed and implemented by January 1. Client acknowledges and agrees that the time frames set forth in this paragraph apply with respect to benefit set ups for active groups (groups with “lives”), which benefit set-up/changes may be prioritized over groups that are not active (groups without “lives”).</p> <p><i>In the event MedImpact accepts Eligible Member List and/or Benefit Plan Information that is untimely and/or in a non-standard format: (i) additional fees apply (\$225/hour for IT time, plus time and materials, including any necessary overtime charges associated with data conversion and/or processing to meet the original Implementation Date or change date); and (ii) Client shall be responsible for, and shall indemnify MedImpact from any costs, losses, or damages arising from inaccuracies resulting from</i></p>	Included

	Services	Fee
	<p><i>the conversion of such data.</i></p> <p><i>Changes to eligibility and Benefit Plan Information file format and formulary submission after loaded in MedImpact's system subject to additional fees.</i></p>	
2.3	CLAIMS PROCESSING SERVICES	
2.3.1	<p>Standard Claims Processing Services</p> <p>MedImpact shall provide its standard electronic claims adjudication processing services for Claims, which includes electronic processing of Claims received from Participating Pharmacies to determine whether such Claims qualify for reimbursement in accordance with the Eligible Member List and the terms of the Benefit Plan.</p> <p>Client shall provide MedImpact with any and all coordination of benefits (COB) information requested by MedImpact, including without limitation all other payer status and order of payment information and processing guidelines in accordance with any applicable Law, to enable MedImpact to perform COB on Claims. Client agrees to provide this information in a format acceptable to MedImpact and at a frequency to allow MedImpact to process COB Claims timely and accurately at the point of sale. In the event MedImpact does not receive the required information in a format and frequency acceptable to MedImpact, Client will be responsible for over/under payments on Claims requiring reprocessing/re-adjudication for COB purposes. Client is responsible for recovery/collection from Eligible Members and/or other payers on Claims requiring reprocessing/re-adjudication for COB purposes. MedImpact shall be entitled to rely on such information and shall have no obligation to identify or obtain information outside of what Client has provided. Client remains responsible for ensuring COB with all other payers providing coverage for Covered Benefits and any retroactive adjustment of Claims.</p> <p><i>Standard claims processing services do not include Member Submitted Claims, Subrogation Claims, reprocessing/retroactive claims adjustments, manual claims adjustments, e-prescribing services, and ID card production, all of which are subject to additional fees.</i></p>	Included
2.3.2	<p>Direct Member Reimbursement (“DMR”)</p> <p>MedImpact shall provide its standard claims adjudication processing services for Claims received from Eligible Members to determine whether such Claims qualify for reimbursement in accordance with the Eligible Member List and the terms of the Benefit Plan.</p> <p><i>Additional fee applies for Member Submitted Claims that require coordination of benefits, non-standard processing, Client requested customization, or for foreign/international Claims.</i></p>	\$3.25 per Claim
2.3.3	<p>Subrogation Claims – MedReconciliation™</p> <p>MedImpact will process Subrogation Claims and dual eligibility identification on behalf of Client for the Government Agencies, as follows:</p> <p><u>Government Submitted Claims.</u> Government Agencies may submit Subrogation Claims for, on behalf of, or in the name of Eligible Members. MedImpact will process and pay these Subrogation Claims on behalf of Client as set forth in this Agreement. Any amounts payable to a Government Agency will be deemed Covered Benefits under the Benefit Plan. If the VA or military treatment facilities submit the Subrogation Claims on-line using the on-line claims adjudication system, the provisions contained herein shall still apply except the Subrogation Claims Processing fee may be replaced with the standard Claims Processing Fee.</p> <p><u>Government Agency Request(s) for Eligible Member List.</u> Government Agencies may submit requests for Eligible Member Lists to MedImpact and Client agrees that MedImpact may submit Eligible Member Lists to the Government Agencies in response to such requests or allow Government Agencies to have electronic access to such lists, under a data use agreement. Eligible Member Lists may include up to three (3) years of eligibility data or such longer time required by Law.</p> <p><u>Processing Subrogation Claims.</u> Notwithstanding any other provision of this Agreement, Client acknowledges and agrees that when processing Subrogation Claims, Client and Benefit Plan requirements may not apply (e.g., statutory time frames for submission of Claims may exceed Client specified time frames; days supply limitations may not apply; prior authorization requirements may not apply). Client agrees that any Subrogation Claims that are submitted to MedImpact for payment that predate the term of this Agreement shall process in accordance with this Agreement and Subrogation Claims that are received after the termination or expiration of this Agreement, but filled prior to the</p>	\$3.50 per Claim

	Services	Fee
	<p>termination or expiration, shall be processed as agreed to under this Agreement for the duration of the Claims run-out period agreed to in the Agreement (as applicable) and thereafter shall be returned to the submitter with notice to submit to Client for processing. In all other respects, Subrogation Claims shall be payable by Client as all other Claims are under the Agreement.</p> <p><i>Client acknowledges and agrees that any remuneration obtained by MedImpact from a third-party for the processing of the Subrogation Claims shall belong solely to MedImpact and shall be used to partially cover the work efforts with processing these Subrogation Claims and shall not be included in the calculation of any costs, fees, or guarantees.</i></p>	
2.3.4	<p>Reprocessing/Retroactive Claim Adjustments (at Client's request/not due to MedImpact error)</p> <p><i>Any such reprocessing shall not entitle Client to a refund of any fees or amounts already paid to MedImpact and/or Participating Pharmacies.</i></p>	\$3.25 per electronic Claim
2.3.5	<p>Accumulator Integration with Medical Carriers</p> <p>For Eligible Members enrolled in high deductible health plans. MedImpact's near-real-time messaging solution to provide accumulator details within pharmacy transactions. This solution allows for updates of external medical accumulator spend within our adjudication system as well as provides near-real-time reporting of pharmacy transactions to incorporate into the plan's medical system.</p>	\$0.40 PMPM
2.4	PHARMACY NETWORK ADMINISTRATION	
2.4.1	<p>Pharmacy Network</p> <p>MedImpact will maintain pharmacy network(s) reasonably necessary to provide Services hereunder. Pharmacy network services include: (i) pharmacy network contracting and administration; (ii) on-line messaging to Participating Pharmacies, including concurrent drug utilization reviews; (iii) MAC program administration, as applicable, (iv) standard pharmacy audits (evaluation of Claims through a standard audit algorithm); (v) processing and payment of standard electronic pharmacy Claims, and (vi) Participating Pharmacy portal.</p> <p>Client may request additions or deletions of pharmacies to/from the network subject to MedImpact's standard policies and procedures, Law, and applicable pharmacy contract terms and conditions.</p>	Included
2.4.2	<p>Pharmacy Network Compliance Audits</p> <p>MedImpact will maintain criteria, which it may amend from time to time, to establish when and how a Participating Pharmacy may be selected for audit and/or audited to determine compliance with its contract with MedImpact. Recovered overpayments will be credited to Client less MedImpact's fee specified herein. MedImpact will make reasonable attempts to collect any overpayments made to Participating Pharmacies as determined through such audits and will not be required to institute any action to collect any overpayments. No specific production volumes with respect to the number of Claims or Participating Pharmacies audited or ratio of desk audits to on-site audits are guaranteed.</p> <p><i>Pharmacy network compliance audit services will be provided as listed below. Pharmacy audit services not listed below are subject to additional fees.</i></p>	(See below)
2.4.2.1	<u>Desk Audits</u> : Participating Pharmacy selection, number of claims and utilized Participating Pharmacies audited are determined by MedImpact based on market conditions and other business considerations.	25% of recoveries
2.4.2.2	<u>On-site audits</u> : MedImpact extracts Client specific Claims data submitted to MedImpact, conducts analysis of those Claims and selects potentially discrepant Claims to be reviewed on-site.	25% of recoveries
2.4.2.3	<p><u>Audit Reports</u>: MedImpact will provide standard quarterly audit reports.</p> <p><i>Custom audit reports quoted upon request.</i></p>	\$250/quarter
2.5	CALL CENTER SERVICES	
	<p>MedImpact will provide the following call center services. Unless otherwise specified, such call centers will be available twenty-four (24) hours a day, three-hundred sixty-five (365) days a year; MedImpact will notify Client in writing prior to any changes to the hours of operation of the contact call center. Unless otherwise expressly set forth in this Agreement, all Eligible Member complaints and/or grievances will be referred to Client for resolution.</p>	
2.5.1	Member Call Center Support	Included

	Services	Fee
	MedImpact will provide a toll-free phone line for inquiries from Eligible Members (not prospective enrollees) directly related to services provided by MedImpact under this Agreement (including providing answers to Eligible Member questions regarding member eligibility, Benefit Plan Information (including Copayments and maximum benefit status), Claims submission, and Claims payment).	
2.5.2	Client Call Center Support MedImpact will provide a toll-free phone line for inquiries from Client directly related to services provided by MedImpact under this Agreement (including providing answers to Client questions regarding member eligibility, Benefit Plan Information (including Copayments and maximum benefit status), Claims submission, and Claims payment.	Included
2.5.3	Provider Call Center Support MedImpact will provide Participating Pharmacies and physicians with access to a provider toll-free phone line for inquiries regarding the services provided by MedImpact under this Agreement (including providing answers to pharmacists and physicians on questions regarding member eligibility, Benefit Plan Information (including Copayments and maximum benefit status), Claims submission, and Claims payment).	Included
2.6	STANDARD MEMBER PORTAL WEBSITE ACCESS MedImpact will provide its member website ("Member Website"), which provides Eligible Members with access to view on-line their Claims history as well as Benefit Plan highlights including Copayment amounts, deductibles, benefit limits, accumulators, and out-of-pocket maximums. Member Website also includes access to MedImpact proprietary electronic health functionalities such as access to print ID card, Personal Health ^{Rx} ®, Drug Price Check (PilotRx), and Pharmacy Locator. MedImpact will work with Client to secure access for Eligible Members to electronic web services through the Member Website either through MedImpact's website or by placing appropriate web links from Client's website to the Member Website.	Included
2.7	ELECTRONIC PRESCRIBING PROGRAM MedImpact will provide MedPrescription®, MedImpact's standard e-prescribing program, which consists of the following services: <ol style="list-style-type: none"> 1. MedImpact will contract with one or more third party vendors ("Connectivity Vendors") to perform patient identification services by providing membership information to the Connectivity Vendor(s) allowing the Connectivity Vendor(s) to build a master patient index (MPI) database through MedImpact's contract with Connectivity Vendor(s). 2. The Connectivity Vendor(s) will facilitate the electronic transmission of patient eligibility and medication history information between physician software vendors and MedImpact to promote electronic prescribing. 3. MedImpact will implement and support a real time electronic interface to allow e-prescribing queries that may include eligibility and/or medication history (each an E-Prescribing Query"), from a Connectivity Vendor for Client's Eligible Members at the point of prescribing, in a format and manner agreed upon by MedImpact and the applicable Connectivity Vendor. MedImpact will use data that is currently available in MedImpact's database as provided by Client, Participating Pharmacies, and Eligible Members to respond to such queries in a format and manner agreed upon by MedImpact and the applicable Connectivity Vendor. 4. MedImpact will implement and support a monthly formulary file that will allow prescriber to query formulary in support of e-prescribing. <p><i>Connectivity Vendors are independent third-party contractors and not employees, subcontractors, or agents of MedImpact. MedImpact is not responsible for contracting with physician software vendors and for ensuring that such physician software vendors are compatible with the Connectivity Vendor and for obtaining any Eligible Member authorizations necessary for MedImpact to provide these services. MedImpact does not exercise any control over any Connectivity Vendor, physician, or physician software vendor or the services such party provides. MedImpact shall have no liability for a claim resulting from any act or omission of a Connectivity Vendor, physician, or physician software vendor or their agents or employees.</i></p>	\$0.178/ e-prescribing query transaction fee* *Eligibility and medication history queries are separate queries and subject to separate transaction fees unless the eligibility query is followed by a medication history query, in which case they will be counted as one query and subject to one transaction fee \$250/hour for research and custom report development, upon request
2.8	REBATE CONTRACTING AND ADMINISTRATION MedImpact will contract for and administer Rebates in accordance with <u>Exhibit B-3</u> .	0% of Rebates to be retained by MedImpact for

	Services	Fee
		Services
2.9	REPORTING, DATA, AND MANAGEMENT TOOLS MedImpact will provide the following reporting, data, and management tools. Client is responsible for meeting MedImpact's minimum system requirements for access to the various reporting, data, and management tools listed herein. Client shall be responsible for any information entered into MedImpact's systems by Client and MedImpact shall be entitled to rely on such information. Access to MedImpact's systems is subject to the License Agreement and shall be treated as MedImpact's confidential and proprietary information. Client's access to the systems hereunder (e.g., MedAccess®, MedOptimize®) shall terminate immediately upon termination of the Agreement. <i>Drug file access, RDS reporting, and customized and/or ad hoc reports are subject to additional fees. Reports and data management tools are subject to change and, upon notice to Client, discontinuation.</i>	
2.9.1	MedImpact Online Reports (MOR) Client access via the web to MedImpact's proprietary MOR distribution system to retrieve, save, print, and/or email financial billing reports (in txt, PDF, xls format, or such other formats mutually agreed upon); MOR provides report access, search capabilities, Check-run control totals, and data export functions.	Included
2.9.2	MedAccess® Client access (and initial training) to MedImpact's proprietary MedAccess® system product, providing Client the ability to add, update, and terminate member eligibility; create real-time prior authorization approvals; track progress of adjudicated pharmacy Claims; and review data submission in MedImpact's file library system – Up to four (4) named user accounts. <i>Additional users: \$500 per named user account per month.</i> <i>Client is responsible for meeting MedImpact's minimum system requirements for MedAccess®</i>	Included
2.9.3	MedOptimize® Client access (and initial training) to MedImpact's proprietary MedOptimize® on-line reporting and data query tool to access the standard suite of management reports, which includes reports on member, pharmacy, drug, prescriber, and utilization data – Up to one (1) named user accounts. <i>Additional users: \$500 per named user account per month.</i> <i>Client is responsible for meeting MedImpact's minimum system requirements for MedOptimize®</i> <i>Additional reporting and business intelligence products, applications, and capabilities may also be offered through this tool, subject to additional fees mutually agreed upon.</i>	Included
2.9.4	Paid Claims Data One (1) daily standard paid Claims data file (e.g. MedImpact Type 110 file or successor file) provided to Client via FTP. <i>Additional files and/or non-standard format quoted upon request.</i>	Included
2.10	ID CARDS	
2.10.1	ID cards printed from Member Website <i>Production of Teslin ID cards subject to additional fees.</i>	Included
2.10.2	Production of standard ID cards (Teslin) Standard ID Cards include Client's logo at no charge.	Included
2.10.3	Production of custom ID cards (Teslin)	\$875.00 set up fee plus \$1.25/card (small carrier) \$1.50/card (large carrier)

	Services	Fee
2.11	ACCOUNT MANAGEMENT MedImpact will provide: <ul style="list-style-type: none"> • Designated account management team • Business financial reviews • Account executive attendance at up to two (2) Client benefit fairs per year 	Included
2.12	iRx PROGRAM™ (Discount Card Program) <p>MedImpact will provide Client the iRx Program™ which is an integrated prescription program that allows Client the opportunity to offer Eligible Members a discount for prescribed medications that are not covered by the individual's insurance plan(s). MedImpact is a distributor of the iRx Program™ that is administered by Medical Security Card Company, LLC ("MSC") d/b/a ScriptSave, a wholly-owned subsidiary of MedImpact. MedImpact as distributor along with MSC, who is the licensed Discount Medical Plan Organization ("DPMO"), are responsible for the administration of the iRx Program™. The iRx Program™ makes efforts to take into account all other benefit plans that can pay toward a funded insurance benefit before being adjudicated through the iRx Program™, and will only adjudicate as an iRx Program™ transaction if the submitted iRx Program™ prescription is rejected for a specified reason and the prescribed medication is within a class of medications covered under the iRx Program™. iRx Program™ components include benefit configuration and maintenance, pharmaceutical pipeline monitoring for enhancing the iRx Program™ and access to the iRx Program™ Discount Pharmacy Network.</p> <p>i. iRx Program™ Drug List. MedImpact has identified specific categories of medications that are included as part of the iRx Program™. These categories include medications that are not typically covered or specifically excluded by law under the funded benefit. MedImpact will conduct ongoing reviews to identify additional medications for inclusion in the iRx Program™.</p> <p>ii. iRx Program™ Exclusions. The transactions processed under the iRx Program™ are excluded from the Rebate contracting and administration services and from any pricing and/or other guarantees hereunder (including pharmacy network guarantees, rebate guarantees, and performance guarantees, as applicable to this Agreement).</p> <p>iii. Rebate Exclusion. Drugs covered by the iRx Program™ are drugs that are either excluded or not covered under the Client's funded benefit. As such, iRx Program™ drugs will be excluded from Client rebate programs and not eligible for rebate submission by Client. Client acknowledges and agrees that rebate eligible transactions may be submitted by MedImpact on behalf of and for the benefit of MedImpact.</p> <p>MedImpact is not an insurer or a provider of health services to Eligible Members. MedImpact shall have no responsibility for: (i) any funding of discounted items; or (ii) the nature or quality of professional health services rendered to Eligible Members.</p> <p>Client Requirements for Participation in the iRx Program™:</p> <p><u>iRx Program™ Guidelines.</u> Prescription savings programs, such as the iRx Program™, are regulated in multiple States. Client agrees to use those iRx Program™ Marketing Materials (as defined below) as provided by MedImpact and MSC. Should Client desire to make any change(s) in either the Marketing Materials or the iRx Program™ itself, Client shall confer with MedImpact in order to determine whether there are any regulatory implications associated with any such change(s). MedImpact retains the right to restrict or limit the offering of the iRx Program™ services in combination with other benefits or in certain jurisdictions at MedImpact's sole discretion.</p> <p><u>Marketing Materials.</u> The term "Marketing Materials" shall mean any literature, announcements, marketing, and advertising materials, and the like, in any medium, related directly to the iRx Program™ and the iRx Program™ services hereunder or which are to be distributed or made available to Eligible Members participating under the iRx Program™. The iRx Program™ Marketing Guidelines will be provided to Client by MedImpact typically during the implementation process. Client is responsible for the distribution of any iRx Program™ Marketing Materials to Eligible Members or otherwise. Client will submit all Client iRx Program™ Marketing Materials to MedImpact for review and approval prior to release. Client shall not use MedImpact's or MSC's name, symbols, trademark, service marks, or logo on any Client iRx Program™ Marketing Materials without MedImpact's prior express written</p>	Included

	Services	Fee
	consent and that all Client iRx Program™ Marketing Materials shall be submitted promptly to MedImpact by Client upon MedImpact's request. <i>Client acknowledges and agrees that, as part of MedImpact's total compensation for administering the iRx Program™, MedImpact shall retain any amounts paid to MedImpact by the iRx Program™ Discount Pharmacy Network for iRx Program™ transaction purchases.</i>	
2.13	OTHER SERVICES/FEES	
2.13.1	Plan File Data Input Manual input in MedAccess® and maintenance from hard copy	Members and/or Physicians: \$5.00/record Groups/ Divisions: \$10.00/record
2.13.2	Client directed pharmacy communications (e.g., via fax or mail)	\$0.50 per pharmacy per communication
2.13.3	Postage <ul style="list-style-type: none"> - Shipping/Postage (Aggregate) - Shipping & Mailing (e.g. overnight delivery service) 	- Included - Pass through cost
2.13.4	Custom IT programming / Additional or Customized Reports	\$225.00/hour, plus time and materials to support custom or new requirements

3. Clinical Services.

	Service	Fee
3.1	MEDIMPACT STANDARD FORMULARY MedImpact shall provide a recommended standard drug Formulary to Client for Client's adoption and use. The Formulary, including updates thereto, will be made available to Client in MedImpact standard format. Client agrees to cooperate and work with MedImpact to implement, administer, and adhere to the Formulary, and any MedImpact recommended changes to the Formulary. Except as otherwise provided herein, MedImpact shall not be responsible for creating, printing, or distributing printed or electronic Formulary materials or posting the Formulary on a website. The parties shall reasonably cooperate and assist with programs designed by Client and/or MedImpact to educate and inform health care providers and Eligible Members concerning the Formulary. <u>MedImpact commercial Formulary includes:</u> <ul style="list-style-type: none"> • Clinical and financial management of the selected Formulary for Claims adjudication; • Initial working copy of the MedImpact recommended Formulary; • Quarterly MedImpact Formulary updates; • Quarterly Formulary Print (File only); • Negative Formulary change affected member reports and template letters for notifications to members and prescribers; • Support by MedImpact client team for Formulary transition letters for use before implementation <i>In the event Client requires any change to a MedImpact recommended standard Formulary (including but not limited to prior authorization guidelines or utilization management edits), it may be considered and treated as a custom Formulary and may be subject to additional fees and the custom Formulary requirements.</i>	Included

	Service	Fee
3.2	CLINICAL PIPELINE	Included
3.3	CLIENT CLINICAL CONSULTATIONS MedImpact clinical pharmacists are available for special project consultations, as requested by Client and agreed upon by MedImpact, to provide guidance and recommendations on Client's clinical programs (this does not include Eligible Member or provider consultations). Additional services include providing Client custom formulary weekly updates, as applicable.	\$275/hour
3.6	COMPREHENSIVE CLINICAL TREND MANAGEMENT PACKAGE AND INDIVIDUAL CLINICAL PROGRAMS	(See below)

Clinical Trend Management Programs and Packages	Fee	Savings Guarantee Target
1. Low Trend Management Package Quantity Limit, Gender, Age, Step Therapy, and Prior Authorization Edit Programs Package includes the standard point of service clinical edit programs noted below where claim denies at point of sale if clinical criteria not met. Quantity Limit (QL) Edits <ul style="list-style-type: none"> • ADHD • Allergy-Antihistamine • Allergy-Nasal Corticosteroids • Antibiotics • Anticoagulant Agents • Anticonvulsants- QL • Anti-Depressants • Anti-Emetics • Antiplatelets • Antipsychotics • Asthma/COPD • Cholesterol Lowering Agents • Contraceptives & Misc. Estrogen • Diabetes • Erectile Dysfunction • Hepatic Encephalopathy Agents • Hormone Replacement-Transdermal Only • Gastrointestinal Agents QL • Metabolic Disease QL • Migraine QL • Narcotics • Non-Essential Drugs • Non-narcotic Analgesics • Ophthalmic Agents • Osteoporosis • Overactive Bladder • PAH Agents • Parkinson's • PPI's • Safety • Sedative/Hypnotics • Smoking Cessation Gender (Gen) Edits <ul style="list-style-type: none"> • Impotence/ Erectile Dysfunction • Benign Prostatic Hypertrophy (BPH) 		

Clinical Trend Management Programs and Packages	Fee	Savings Guarantee Target
<p>Age Edits</p> <ul style="list-style-type: none"> • Attention Deficit Hyperactivity Disorder ADHD/ADD • Acne Vitamin A (Retin-A) • Cough & Cold <2 yo • Plan B • Topical Immunosuppressives <p>Step Therapy Edits Package includes the standard point of service clinical edit programs noted below where claim denies at point of sale if clinical criteria not met.</p> <ul style="list-style-type: none"> • Asthma/COPD • Diabetic Agents- III • Gastrointestinal Agents I ST • MS Agents Injectable • Non-Essential Drugs • Safety <p>Prior-Authorization Edit Package Package includes the point of service clinical edit programs noted below where claim denies at point of sale.</p> <ul style="list-style-type: none"> • Analgesic PA • Anticoagulant Agents - PA • Anti-infective PA • CNS Stimulants for Sleep Disorders - PA • Dependence Tx - PA • Erythropoietin Stimulating Agents (ESAs)- PA • GI Agents PA • Growth Hormone - PA • Hep - C - PA • Immunomodulating Biologics - PA • Immunomod Bio Non-SA - PA • MS Agents - PA • Obesity - PA • Oncology Agents - PA • Orphan Drugs- PA • Orphan Drugs Non-SA - PA • Parkinson's - PA • Safety-PA • Testosterone - PA • Transmucosal Fentanyl - PA • WBC - PA <p>**MedImpact will guarantee the savings identified up to the full dollar amount of our fees for the services provided.</p>		
<p>2. Medium Impact Trend Management Package</p> <p>Low Trend Management Package (Above) Plus</p> <p>Additional Step Therapy Edits Package includes the standard point of service clinical edit programs noted below where claim denies at point of sale if clinical criteria not met.</p> <ul style="list-style-type: none"> • ADHD ST • Allergy - Nasal Antihistamines 	<p>\$0.79 PMPM</p>	<p>\$3.95 PMPM**</p>

Clinical Trend Management Programs and Packages	Fee	Savings Guarantee Target
<ul style="list-style-type: none"> • Allergy - Nasal Corticosteroids • Allergy - Oral Antihistamines • Anti-Convulsants-ST • Anti-Depressants • Anti-emetic • ARB's • Atypical Antipsychotic Agents • Cholesterol Lowering Agents • Diabetic Agents-I • Gastrointestinal Agents II ST • Metabolic Disease - Step • Migraine ST • Narcotics • No Ther Adv • Non-narcotic Analgesics • Ophthalmic Agents • Osteoporosis • Overactive Bladder Agents II • PAH • Parkinson's • PPI's • Renin Inhibitor-Direct • Sedative/Hypnotics • Topical Immunosuppressives <p>**MedImpact will guarantee the savings identified up to the full dollar amount of our fees for the services provided.</p>		

Service	FEE
Prior Authorization – Full Service Therapeutic PA Request Administration A process that evaluates a drug's prescribed use against a predetermined set of criteria to determine whether the plan sponsor will cover the medication. Requests for Drug Benefit Coverage Determinations (Therapeutic Prior Authorizations) Under Full Service Therapeutic PA Request Administration, MedImpact performs all intake and clinical review of prior authorization requests as well as notification to the provider and member of decision (approval/denial) outcome.	No additional charge for operational PA requests \$45/ Therapeutic PA Request
Prior Authorization – Appeals Administration Allows members and prescribers the ability to request review of prior-authorization decisions MedImpact will pass through the cost of review for second level clinical appeals by external review organizations if required.	\$100.00/ administrative appeal \$225/ first level clinical appeal
Prior Authorization Notification via IVR Interactive Voice Recognition automated phone calls are made on all finalized prior authorizations to the member to notify of the PA decision	\$1.50 added to basic PA fee.
UM13 Delegation UM13 Element C is the NCQA standard on patient safety. This is included as our claims processing in the form of DUR processing if there is a safety related class 1 or class 2 medication recall MedImpact will provide reporting to the clients of utilizing members and their prescribers for notification.	Included in admin fee.

Optional Care Quality and Safety Management Programs	Fee
Standard Concurrent DUR MedImpact shall provide standard First Databank concurrent on-line drug utilization review to Participating Pharmacies for all Claims submitted electronically at the point of sale via the online claims adjudication system. Such information is intended to assist the pharmacist in identifying drug interactions and other issues which may be indicative of inappropriate drug use. Participating Pharmacies are directed to review the messages as they are received and to use their professional judgment as to whether action is required.	No additional charge

PRICING AND SAVINGS GUARANTEE NOTES

- Sponsor acknowledges its requirement to adopt the recommended MedImpact formulary support, prior-authorization guidelines, utilization management, and outreach programs in order to be eligible for the guarantees offered above. Any restrictions to the implementation of any recommended clinical management programs, whether foreseen by MedImpact or not, by the client or any other entity, anytime during the period where guarantees may be in place, shall make any guarantees null and void.
- Any appeals process utilized by the client which results in approval of a prescription drug program claim previously rejected or denied based upon application of prior-authorization, step therapy, quantity limit, or other point of service system edit and the evidence based clinical guidelines recommended by MedImpact will not be counted against any savings guarantee.
- Pricing, guarantees, and content of clinical packages are contingent upon MedImpact review of full claims history data (most recent 12 months) to verify that claims history provided previously by client to MedImpact during the RFP process represent current utilization.
- 100% of eligible membership will be implemented on the effective date with claims experience consistent with the data provided as part of the RFP process.
- None of the membership to be enrolled is based on a 100% copayment benefit plan.
- MedImpact reserves the right to amend pricing and/or guarantee if there is a 10% or greater change in the number or demographic profile of eligible members included in the benefit plan, or any material change in the benefit design parameters from that which was originally presented to MedImpact and upon which this price quotation is based.
- Significant overall cost savings may be achieved through implementation of Clinical Trend Management programs. While this approach may yield the best overall net-cost solution, Client acknowledges that this may also reduce rebate return. Client understands that if Client elects to implement a trend management package, that Client's rebate performance guarantees may be reduced or eliminated if offered.
- This savings guarantee represents an aggregate of all trend programs. No program will be implemented without approval from Client. In order to obtain the savings guarantee, Client must agree to the implementation of all MedImpact recommended programs outlined above or otherwise, as well as to MedImpact clinical recommendations including selection of target drugs or therapeutic categories, interventions, restriction criteria, and prescribing guidelines anytime during the period where a guarantee applies.
- Financial reporting will be provided to validate the cost savings generated and settlement of guarantee performance. Savings are calculated on client ingredient cost drug spend only and will not include inferred medical savings. Client will be reimbursed a prorated portion of MedImpact's applicable fees based upon any difference between our saving guarantee target and actual savings, determined at the end of the first contract year. Any guarantee settlement due client will occur by the 15th day of the fourth month following the end of the first contract year provided that Client has met with obligations set forth within this document and service contract. Savings calculations do not account for rebate impact that may result from implementation of these programs.
- As a part of ongoing quality improvement and recognition of the dynamic clinical, marketplace and regulatory environment, MedImpact may add, delete, or implement modifications at its discretion to components of the programs. Client will be notified in advance of any modification.

- Any law, regulation, market, industry or coverage change that impedes MedImpact's ability to apply MedImpact recommended clinical trend management programs in any way during the contract period may reduce or eliminate any guarantee offered.
- The fees for programs set forth herein reflect pricing for standard programs. Modifications to any of the standard program components set forth herein will be quoted upon request.

Other clinical programs not described above quoted upon request.

4. Other Services.

Services other than those described herein (including, without limitation, special research projects, reports, and consultative services, non-standard services, and standard services, forms, materials and documents in an amount which MedImpact determines to be unreasonable or excessive, are subject to additional fees.

Exhibit B-2

Pharmacy Network Pricing

1. Claim Rates.

MedImpact shall pass through the amount paid to the Participating Pharmacy, which shall be the same amount that MedImpact will invoice Client. The pharmacy network guarantees specified below in this Exhibit B are representative pharmacy reimbursement amounts (including AWP discount and MAC) and dispensing fees. However, Client will pay hereunder, the actual reimbursement rate, MAC, and dispensing fee paid to the applicable Participating Pharmacy. The actual reimbursement paid to a Participating Pharmacy may be greater or less than the guarantees identified in this Exhibit B.

2. Pharmacy Network Guarantees

Retail Broad Network

Year	Brand Effective Rate	Brand Dispensing Fee	Generic Effective Rate	Generic Dispensing Fee
1	17.10%	\$0.90	78.75%	\$0.90
2	17.10%	\$0.90	79.00%	\$0.90
3	17.10%	\$0.90	79.25%	\$0.90

Choice90RX: Retail 90 Program

Year	Brand Effective Rate	Brand Dispensing Fee	Generic Effective Rate	Generic Dispensing Fee
1	22.00%	\$0.00	81.50%	\$0.00
2	22.00%	\$0.00	81.75%	\$0.00
3	22.00%	\$0.00	82.00%	\$0.00

Mail Order Services

Year	Brand Effective Rate	Brand Dispensing Fee	Generic Effective Rate	Generic Dispensing Fee
1	24.25%	\$0.00	81.50%	\$0.00
2	24.25%	\$0.00	81.75%	\$0.00
3	24.25%	\$0.00	82.00%	\$0.00

Mail order will be arranged and/or provided through MedImpact Direct.

Retail Specialty

Year	Brand Effective Rate	Brand Dispensing Fee	Generic Effective Rate	Generic Dispensing Fee
1	15.00%	\$0.90	50.00%	\$0.90
2	15.00%	\$0.90	50.00%	\$0.90
3	15.00%	\$0.90	50.00%	\$0.90

Specialty Pharmacy

Year	Brand & Generic Effective Rate	Dispensing Fee
1	16.50%	\$0.00
2	16.50%	\$0.00
3	16.50%	\$0.00

Specialty pharmacy drugs will be arranged and/or provided through MedImpact Direct.

“Brand Effective Rate” shall mean the rate agreed to by the parties (as specified above) across all Brand Drug Claims as determined on an aggregated basis (i.e. not Claim by Claim). Notwithstanding anything to the contrary in this Agreement, Brand Drug Claims for purposes of the Brand Effective Rate calculation includes single source Brand Drugs and multi-source Brand Drugs and bio-similars.

“Generic Effective Rate” shall mean the rate agreed to by the parties (as specified above) across all Generic Drug Claims as determined on an aggregated basis (i.e., not Claim by Claim). Notwithstanding anything to the contrary in this Agreement, Generic Drug Claims for purposes of the Generic Effective Rate calculation include Generic Drugs available through one (1) or more manufacturers, which are not deemed a product with limited supply or limited distribution, and which has an “A” rating according to the United States Food and Drug Administration (FDA) Orange Book dispensed, regardless of whether such Generic Drug is subject to a MAC price.

Guarantee. MedImpact will guarantee the network performance on an individual component basis for the above pharmacy network rates, subject to the exclusions in this Exhibit B. A component being the ingredient cost rate and the dispensing fee separately in each channel (channel being retail 30 day supply, retail 90 day supply, mail order, etc.). Retail specialty discount guarantees are included in the retail reconciliation. Specialty Pharmacy discounts are guaranteed in the aggregate.

Network performance measurements will include Claims that adjudicate at or below Copay at the discounted rate. In addition, the guarantees may be adjusted if more than five percent (5%) of Claims are filled in Massachusetts, Hawaii, Alaska, and Puerto Rico.

Exclusions. The following Claims are excluded from network performance measurements: over the counter (OTC) drug Claims, compound Claims, paper Claims (DMR), pharmacy submitted paper Claims, discount card programs Claims, Claims where the MedImpact negotiated rate was not the basis for adjudication, Subrogation Claims, limited distribution drug (“LDD”) Claims, and Claims submitted by Client Contracted Participating Pharmacies.

There may be times when client required pharmacy participants (outside of our network control) are also excluded from the guarantee.

Reconciliation. MedImpact will report performance on a quarterly basis and reconcile the guarantees annually. Any shortfall identified during the annual reconciliation will be covered dollar for dollar by MedImpact and any such amounts shall be credited to Client within ninety (90) days after the end of the Agreement year.

3. Other Pharmacy Networks/Pricing.

MedImpact shall provide Client the following additional pharmacy networks/pricing, which are excluded from the pharmacy network guarantees:

Specialty Pharmacy: Specialty pharmacy drugs will be arranged and/or provided through MedImpact Direct.

Specialty Limited Distribution Drugs (LDD) Participating Pharmacies:

MedImpact will make available those Participating Pharmacies that dispense LDD, certain specialty drug products that can only be dispensed by specific specialty pharmacies. The discount from AWP for each of the LDD Participating Pharmacies may be different for each specialty product. Client will be billed the exact amount reimbursed to each LDD Participating Pharmacy.

Flu Vaccine Program. MedImpact shall make available to Client the MedImpact flu vaccine program at Participating Pharmacies at the then current MedImpact flu vaccine program rates. Flu vaccine rates are subject to change annually, MedImpact shall provide Client with written notice of such change prior to implementing new rates.

The flu vaccine program rates include a program administration fee. MedImpact will receive the flu vaccine program administration fee of \$2.00 per Claim, except for the non-Walgreens Quadrivalent flu vaccine which shall incur a \$3.00 per claim program administration fee, as compensation for administering the flu vaccine program. Such fee shall be deducted and retained by MedImpact from the Claim reimbursements; Participating Pharmacies shall receive the flu vaccine program rates less the MedImpact flu vaccine program administration fee.

Vaccine Program. Other vaccines administered at a Participating Pharmacy, Claims shall include a vaccine administration fee in addition to the vaccine.

Generic Dispensing Rate Guarantee

Year	Retail	Mail
1	86.50%	79.00%
2	86.60%	79.20%
3	86.75%	79.40%

Generic Dispensing Rate performance will be measured separately for the retail and mail channels as follows:

Retail Generic Dispensing Rate: Total Generic claims filled at retail pharmacies / Total claims filled at retail pharmacies. OTC claims are excluded from numerator and denominator.

Mail Generic Dispensing Rate: Total Generic claims filled at mail pharmacies / Total claims filled at mail pharmacies. OTC claims are excluded from numerator and denominator.

In the event the actual Retail Generic Dispensing Rate or Mail Generic Dispensing Rate measure is less than the respective Retail or Mail Generic Dispensing Rate Guarantees detailed in the table above, MedImpact will credit the aggregate underperformance on a dollar-for-dollar basis according to the methodology below up to a maximum annual credit of \$50,000. Underperformance in the Generic Dispensing Rate of one channel will be offset by over-performance of Generic Dispensing Rate in the other channel, if any.

If actual Generic Dispensing Rate performance exceeds the guarantees detailed in the table above, Sponsor will retain such over-performance and no payment or credit will be due to Sponsor or MedImpact.

Shortfalls in Generic Dispensing Rate performance will be credited according to the following formulas:

Retail Shortfall Payment: [(Retail Generic Dispensing Rate Guarantee - Actual Retail Generic Dispensing Rate) * Total Count of Retail Claims, excluding OTC claims] * Retail Payment Factor

Mail Shortfall Payment: [(Mail Generic Dispensing Rate Guarantee - Actual Mail Generic Dispensing Rate) * Total Count of Mail Claims, excluding OTC claims] * Mail Payment Factor

Retail Payment Factor: (Average Cost per Retail Brand Claim - Average Cost per Retail Generic Claim)

Mail Payment Factor: (Average Cost per Mail Brand Claim - Average Cost per Mail Generic Claim)

Average Cost: [(Sum of Ingredient Cost for Claim Type (i.e. Retail/Mail, Brand/Generic) + Sum of Dispensing Fees for Claim Type – minus Sum of shared rebates for Claim Type) / Total Count of claims of Claim Type, excluding OTC claims]

Claim Type: A claim as defined by distribution channel and Brand or Generic status. For the avoidance of doubt, there are four defined claim types – Retail Brand, Retail Generic, Mail Brand, and Mail Generic.

The Generic Dispensing Rate guarantee is subject to the following terms and conditions:

- Implementation of standard MedImpact formulary and Medium Edit package.
- Implementation of the current plan designs, including the availability of CDHC plans. In the event of an updated plan design, the copayment differential between brand and generic products is not decreased.
- Sponsor demographics (i.e. average age, % female membership, total member count) remain materially similar to those at the time of the RFP.

Generic Dispensing Rate Guarantees will be reconciled annually within 180 days of the end of the applicable contract year. Shortfall payments will be credited within 30 days of reconciliation.

Exhibit B-3

Rebates

1. Rebate Contracting and Administration.

Client hereby appoints MedImpact as its exclusive agent for the purpose of negotiating and arranging for Rebates on the purchase of Covered Benefits. Client represents and warrants that it does not have any existing direct rebate and/or chargeback agreements, 340B discounts, General Purchasing Organizations (“GPO”) arrangements or any other discount that would make Client ineligible for rebate qualification with any pharmaceutical manufacturer or otherwise and also agrees that during the Term of this Agreement Client will not negotiate or arrange for rebates on the purchase of Covered Benefits from any pharmaceutical manufacturer and/or third party rebate aggregators and/or intermediaries.

In the event of a breach of this Section by Client, MedImpact may immediately terminate this Agreement or Client’s participation in the rebate program and may retain 100% of any and all Rebates that have not been remitted to Client as of the date of such termination. In addition, the parties agree that in the event of a breach of this Section by Client, because of the difficulty of ascertaining the amount of damages in the event of such a breach, MedImpact shall be entitled to recover, at its option, as liquidated damages and not as a penalty, its unrealized revenue in connection herewith, which shall be equal to the average quarterly Rebate share payable to MedImpact prior to termination multiplied by the number of quarters left under the then current Term of the Agreement. Such amount shall become immediately due and payable upon notice from MedImpact. The parties further agree that the existence of this remedy will not preclude MedImpact from seeking or receiving injunctive relief.

2. Rebate Eligibility.

Client shall be eligible to receive Rebates for Covered Benefits dispensed during the Term of this Agreement to Eligible Members who are covered by a Benefit Plan that meets the following criteria:

- Client adopts, publishes, presents, and distributes MedImpact’s recommended drug Formulary and preferred product list, including all subsequent revisions;
- Client provides feedback to all Client providers to ensure compliance with the Formulary, including Formulary revisions and updates, via established communication mechanisms (e.g., retrospective drug utilization review/evaluation programs, provider newsletters, contract compliance programs);
- Client, Benefit Plan, and Claims meet any other eligibility inclusion criteria of the pharmaceutical manufacturers, rebate aggregator, and/or rebate intermediary and as otherwise set forth in this Agreement.

Client acknowledges that whether and to what extent Rebates will be provided to Client depends upon the Benefit Plan, as well as MedImpact receiving timely and sufficient information regarding the status of the drug and utilization management on Client’s Formulary for each Claim that is submitted for Rebates.

Drug utilization which has been submitted to pharmaceutical manufacturers and/or third party rebate aggregators and/or intermediaries by any entity other than MedImpact including, but not limited to: (i) Medicaid; (ii) Medicare; (iii) other state or federal health care program which receives rebates, discounts, chargebacks directly from pharmaceutical manufacturers; or (iv) other forms of price reduction directly from pharmaceutical manufacturers, including but not limited to 340B discounts, GPO, or other upfront discounts, shall not be eligible to participate in MedImpact’s rebate programs or receive Rebates hereunder. Client shall clearly identify to MedImpact those Eligible Members whose drug utilization has been otherwise submitted to pharmaceutical manufacturers or whose Claims have been or will be filed for reimbursement with Medicaid, Medicare, any state or federal health care program, or any other price reduction programs, as described in subsection (iii), above. If Client fails to identify such Eligible Members, pharmacies, or Claims, then Client shall be solely responsible for the reimbursement of any Rebates improperly made based on such drug utilization, audit costs charged to MedImpact, and any other documented costs incurred by MedImpact as a result of Client’s failure. Notwithstanding the foregoing, this provision shall not be construed to prohibit Client from participating in Medicare or Medicaid risk contracting.

3. Rebate Payment.

As long as Client continues to participate and remains eligible to participate in MedImpact's Rebate program (through the rebate administration program or otherwise), MedImpact shall, on behalf of Client, receive the Rebates paid by pharmaceutical manufacturers and/or third party rebate aggregators and/or intermediaries for eligible Claims under this Agreement, and shall disburse Rebates to Client on a quarterly basis one hundred fifty (150) days after the close of the quarter for all such Rebates received, reconciled, and verified by MedImpact, if any, net of the rebate contracting and administration fees owed to MedImpact set forth in Exhibit B-1.

Client acknowledges and agrees that it shall not have a right to interest on, or the time value of, any Rebate payments received by MedImpact or monies under this Agreement and that Rebate payments will not be issued to Client unless this Agreement has been executed by the parties. Upon termination of this Agreement, MedImpact may delay remittance of Rebates to Client to allow for final adjustments. Notwithstanding any other provision of this Agreement and unless otherwise prohibited (by Law or otherwise), MedImpact shall have no payment obligation to Client for Rebate amounts received greater than ninety (90) days after termination of this Agreement.

Client waives, releases, and forever discharges MedImpact from any claims, demands, losses, attorneys' fees, costs, expenses, or liabilities of any nature, whether known or unknown, arising from (i) a failure by a pharmaceutical manufacturer and/or third party rebate aggregators and/or intermediaries to pay any Rebate; (ii) a breach of an agreement by a pharmaceutical manufacturer and/or third party rebate aggregator and/or intermediary related to this Agreement; (iii) any Rebate amounts MedImpact does not bill to a pharmaceutical manufacturer and/or third party rebate aggregator and/or intermediary; and (iv) negligence or misconduct of a pharmaceutical manufacturer and/or third party rebate aggregator and/or intermediary.

As part of the standard reporting package, Client will have access to MedOptimize for regular Rebate reporting, and MedImpact will make available to Client standard quarterly Rebate reports which set forth a summary of estimated Rebates and actual Rebates received.

4. Rebate Disclosure – Other Manufacturer Revenue.

Rebates do not include administrative fees paid by pharmaceutical manufacturers to MedImpact, third party rebate aggregators, and/or intermediaries in connection with the administration, invoicing, allocation, and/or collection of Rebates (sometimes referred to as "manufacturer administrative fees") or other fee-for-service arrangements whereby pharmaceutical manufacturers generally report the fees paid for services rendered as "bona fide service fees" pursuant to federal laws and regulations (collectively, "Other Manufacturer Revenue"). Such laws and regulations, as well as pharmaceutical manufacturer requirements, generally prohibit MedImpact from sharing any such "bona fide service fees" earned by MedImpact, whether wholly or in part, with any MedImpact client. MedImpact shall have the right to obtain and retain Other Manufacturer Revenues. Notwithstanding anything to the contrary herein, Client is not entitled to Other Manufacturer Revenues. To the extent this Agreement otherwise requires MedImpact to pass-through Other Manufacturer Revenues in whole or in part (e.g., manufacturer administrative fees) to Client, MedImpact may return such Other Manufacturer Revenues to the applicable pharmaceutical manufacturer, unless legally prohibited.

4. Minimum Rebate Guarantee.

As long as Client continues to participate and remains eligible to participate in MedImpact's Rebate program (through the rebate administration program or otherwise), upon receipt, reconciliation, and verification of Rebates by MedImpact for the preceding quarter, MedImpact shall guarantee the Rebate amount identified in Exhibit B-3-a (the "Rebate Rate"), provided Client: (i) timely implements the MedImpact recommended Formulary and all of MedImpact's Formulary changes, benefit designs, strategies and pull through programs to increase market share of select products and other initiatives to increase Rebates; and (ii) complies with all obligations under this Agreement. The "Minimum Rebate Guarantee" shall equal the product of: (a) the number of paid Claims processed by MedImpact during such quarter (with a paid Claim being one that was processed by MedImpact and approved for payment); and (b) the Rebate Rate. In accordance with Section 2 above in this Exhibit B-3, MedImpact will issue a credit to Client for the greater of Rebates received or the Minimum Rebate Guarantee.

Rebate guarantees are reconciled within one hundred eighty (180) days after the end of each Agreement year.

Minimum Rebate Guarantees are based upon the following:

- Rebate guarantees are based on use of MedImpact's standard MedPerform formulary and the accompanying formulary support programs and co-pay design provided at time of RFP. Rebate guarantees may be adjusted if alternative clinical programs are implemented or the utilization is less than 95% market share compliant with preferred formulary products.
- OTC drug Claims, compound drug Claims, vaccine Claims, 340B Claims, and claims submitted by client contracted participating pharmacies will be excluded from the rebate guarantee.
- If the percentage of claims filled through a Client in-house pharmacy(s) increase to greater than twenty percent (20%) and has a material impact of the rebate performance, then parties will work together to establish new rebate guarantees.
- Rebate guarantees are based on national trend and growth assumptions derived from statistics compiled by CDC and National Medical Association in each therapeutic class. Rebate guarantees may be adjusted if plan utilization varies from national statistics used in assumptions.
- Changes in formulary, benefit design, and/or 340B utilization may alter the rebate guarantee.

Any deviations from the above criteria may result in an alternative rebate guarantee

Client acknowledges that the Minimum Rebate Guarantee shall become null and void if either party's performance of its duties under this Agreement is made materially more burdensome or expensive, or the duties to be performed are materially changed due to a Change in Law, including a Law passed or adopted which has a direct or indirect impact on the enforceability or performance of Rebate services and/or revenue hereunder.

Exhibit B-3-a

Minimum Rebate Guarantee

Year	Retail	Choice 90	Mail Order	Specialty
1	\$81.00 per brand drug	\$210.00 per brand drug	\$234.00 per brand drug	\$716.00 per brand drug
2	\$89.00 per brand drug	\$221.00 per brand drug	\$257.00 per brand drug	\$759.00 per brand drug
3	\$98.00 per brand drug	\$232.00 per brand drug	\$285.00 per brand drug	\$804.00 per brand drug

Exhibit B-4

Financial Terms, Conditions, and Disclosures

1. Claims Processing Fees shall begin on the Implementation Date.
2. Subsequent Implementation. The implementation of programs or services not selected as of the Effective Date or additional programs or services not specified in this Agreement may be subject to the then current pricing for such programs and/or services.
3. Exclusive Provider. The financial terms set forth in Exhibit B are conditioned on MedImpact being the exclusive provider of Services for Client and Client's compliance with the terms and conditions set forth in this Agreement.
4. Pharmacy Copayment. Participating Pharmacies shall collect from Eligible Members the lesser of the discounted rate with the Participating Pharmacy, the Participating Pharmacy's usual and customary charge, or the applicable Copayment.
5. Transaction Fees. Client acknowledges that Participating Pharmacies, including retail, mail, and specialty, may be responsible for applicable transaction and/or service charges associated with the submission of Claims information to MedImpact either electronically or on a standard paper claim form and/or for certain services provided by MedImpact. Such charges may be deducted by MedImpact from any amounts owed to such Participating Pharmacies.
6. Pricing Benchmark. The parties understand there are market, industry, legal, government, regulatory, and other third-party forces and activities which could lead to changes relating to, or elimination of, the AWP pricing benchmark that could alter the financial positions of the parties as intended under this Agreement. The parties agree that their mutual intent has been and is to maintain pricing and financial stability as intended and not to advantage either party to the detriment of the other. Accordingly, to preserve this mutual intent, MedImpact may make the following modifications as reasonably and equitably necessary to maintain the pricing intent under this Agreement: (i) change Pricing Sources, (ii) switch to a new pricing benchmark other than AWP, (iii) maintain AWP as the pricing benchmark with an appropriate adjustment, and/or (iv) modify network rates, rebates, and guarantees. Any such change will be done so as to maintain comparable pricing in the aggregate under the Agreement. MedImpact will provide Client with at least ninety (90) days' notice of any such change (or if such notice is not practicable, as much notice as is reasonable under the circumstances). If Client disputes the financial impact of the change, Client shall notify MedImpact in writing within sixty (60) days of receipt of the notice of change, and the parties shall cooperate in good faith to resolve such dispute.
7. New Term. MedImpact may change the Fees hereunder, effective on or after the close of the Initial Term or any Renewal Term of this Agreement, upon not less than one hundred eighty (180) days' notice to Client. Such changes shall be memorialized in an amendment to this Agreement. If any change in such Fees is not acceptable to Client, then Client shall so notify MedImpact in writing within thirty (30) days of the receipt of the notice of change, in which case the parties shall work together in good faith to resolve the objection. If the parties are unable to resolve the objection, then either party may provide notice of non-renewal/termination in accordance with Section 11.1 of the Agreement. If Client does not timely provide a written objection to MedImpact, the new Fees shall be effective as of the first day of the Renewal Term.
8. Pharmacy Insolvency. In the event that a Participating Pharmacy makes an assignment for the benefit of creditors, files a voluntary or involuntary petition in bankruptcy, is adjudicated insolvent or bankrupt, or a receiver or trustee is appointed, MedImpact shall have the right, but not the obligation, to participate in such proceedings on behalf of Client. MedImpact shall have the right to deduct from any amounts otherwise payable to Client the Client's pro rata share of any reasonable costs and fees (including attorneys' fees) incurred by MedImpact in any such proceedings and all such amounts shall become immediately due and owing by Client following notification by

MedImpact. Notwithstanding the foregoing or any participation by MedImpact in an insolvency proceeding, Client shall retain all liability for payment of Claims, and MedImpact shall have no liability, whatsoever, to any pharmacy, governmental entity, or any other party to an insolvency for amounts owed to pharmacies or Eligible Members, or for MedImpact's share of rebates retained or received under the terms of this Agreement.

9. Independent Sources of Revenue. Nothing in this Agreement shall preclude MedImpact from pursuing independent sources of revenue from pharmaceutical manufacturers, rebate aggregators, and/or intermediaries or from engaging in other revenue-producing relationships with pharmaceutical manufacturers, rebate aggregators, and/or intermediaries. MedImpact may receive fees or other compensation from pharmaceutical manufacturers, rebate aggregators, and/or intermediaries including, without limitation, administrative fees not exceeding three percent (3%) of the aggregate cost of the pharmaceutical products dispensed to Eligible Members and fees for property provided or services rendered to pharmaceutical manufacturers, rebate aggregators, and/or rebate intermediaries. Client acknowledges that the amount MedImpact receives for Rebates from rebate aggregators and/or intermediaries may be different from the amount such rebate aggregators and/or intermediaries receive through their own pharmaceutical manufacturer or intermediary agreements, which such difference may be retained by the rebate aggregator and/or intermediary as its compensation. The term "Rebate" as used in this Agreement does not include these fees, discounts, and/or other compensations which belong exclusively to MedImpact and/or the rebate aggregator or intermediary, as applicable.

10. Change in Circumstance. In the event one or more of the following occurs, MedImpact will have the right, upon notice, to make an equitable adjustment to the financial terms of this Agreement (e.g., Claims Processing Fee, other administrative fees, pharmacy rates and/or dispensing fees, Rebates, and/or any financial guarantees) as necessary to return MedImpact to its contracted economic position as of the effective date of such event:

- (a) there is a material change in the conditions or assumptions stated in this Agreement or in the size, demographics, and/or gender distribution of Client's membership compared to data/information provided by Client to MedImpact;
- (b) there are not a minimum of 2,000 Eligible Members on the Implementation Date and thereafter; or there is a change by ten percent (10%) after the first month of the Term;
- (c) Client does not adopt the pharmacy network suggested by MedImpact, Client requires a change to the pharmacy network, or there is a significant change to the pharmacy network or ownership of pharmacies in the network outside of MedImpact's control;
- (d) Client establishes copayment structures, plan design, or Formulary requirements that do not support Rebate agreements and/or Participating Pharmacy agreements arrangements;
- (e) Client does not use MedImpact's standard Formulary or changes its Formulary, changes its benefit designs, and/or otherwise takes an action that is not aligned with MedImpact's recommendation on new product(s) to market;
- (f) Eligible Members are part of a 100% copayment plan;
- (g) partial termination of this Agreement in any way for any reason (for avoidance of doubt, this does not give Client partial termination rights or termination rights beyond those specified in Article 11 of this Agreement);
- (h) Client makes any change that impacts MedImpact's anticipated economic benefits under this Agreement.

Exhibit B-5

Credits/Allowances

Pharmacy Management Account

Client will receive \$5.00 per Eligible Member (measured as of the Implementation Date) implementation credit toward customized implementation services:

- File conversions requiring custom programming (on-going maintenance)
- Physician panel or facility configuration
- Sub-contractor (mail or specialty vendor) fees
- Customization of Client portal
- Custom communications including formulary notifications
- Customization of MedImpact reports
- On-site training
- ID Cards printed by MedImpact or MedImpact's vendor
- Consultant or broker fees (for proposal process only)
- Pre or post implementation audit allowance
- One-time charges for transition files from the prior PBM.

Client must submit valid receipts for expenses using the MedImpact invoice form within one hundred twenty (120) days of the Implementation Date. MedImpact shall make all final payment determinations.

Exhibit B-6

Broker/Consultant Fee Disclosure

During the Term of this Agreement or until otherwise indicated by Client, MedImpact agrees to pay Gallagher Healthcare Analytics the following consulting fees under this Agreement: \$9,750 flat fee per year ("Consulting Fee"). Such Consulting Fee shall be deducted from the Claims Processing Fee paid by Client. MedImpact agrees to facilitate payment of the Consulting Fee by collecting such amount as part of MedImpact's invoiced amounts under this Agreement, and remitting the Consulting Fee to consultant on a monthly basis beginning upon implementation of this Agreement. MedImpact shall have no obligation to pay the Consulting Fee if Claim invoiced amounts are not paid by Client.

Client acknowledges and agrees that the Consulting Fee has been established independently and represents fair market value for services rendered by Client's consultant. Client further agrees to provide MedImpact a written document identifying the general terms of the relationship with such consultant and authorizing MedImpact to make the payments contemplated herein.

EXHIBIT C

AUDIT PROTOCOLS

1. Notice of Audits. Client shall provide MedImpact at least ninety (90) days' prior written notice of its intent to audit, which such notice shall be sent to MedImpact via email at ExternalComplianceSupport@medimpact.com, with a hard copy mailed to MedImpact Healthcare Systems, Inc., Attn: External Compliance Support, 10181 Scripps Gateway Court, San Diego, CA 92131. The notice shall provide sufficient detail regarding the intended scope of the audit.
2. Purpose of Audit/Documentation Required. Provided that Client is current in the payment of amounts due under its Agreement with MedImpact, Client may, during the Term of this Agreement and up to one (1) year post-termination, conduct one (1) audit on an annual basis between February and October on an agreed upon date, of MedImpact's business records that directly relate to MedImpact's compliance with this Agreement with respect to the Services and billings made to Client. Such audit shall be limited to the transactions occurring during the Term of the Agreement over the twelve (12) month period immediately preceding such audit. At no time may Client audit any twelve (12) month audit period (in whole or in part) more than once or any individual Claim more than once. In the event Client does not provide the required notice under Section 1 above but requests files and /or documentation beyond what is provided to Client during the standard course of business, MedImpact may consider such requests to constitute Client's audit hereunder, and the limitations herein shall apply.
3. Procedure of Audits. A Client audit of MedImpact shall be conducted at MedImpact's headquarters during normal business hours. MedImpact may, in its sole discretion, allow Client to audit offsite (as opposed to onsite), in which case MedImpact will provide data and other information via an agreed upon secure electronic method (e.g., email, FTP site). Audits shall be conducted without undue interference to MedImpact's business activity, in accordance with reasonable audit practices, and at Client's own cost and expense.
4. Audit Reports/Discrepancies. If a completed audit reveals a discrepancy, then Client shall deliver written notice of the discrepancy to MedImpact within ten (10) Business Days of conducting the audit. In all cases, audit findings revealing a discrepancy must be delivered to MedImpact within three (3) months after the audit is conducted or fifteen (15) months after termination of the Agreement for any reason, whichever is sooner. The written notice of discrepancy shall set forth in reasonable detail the basis of such discrepancy and identify the version of the files/data exchanged that are the basis for the finding (including the date the file/data was provided). The parties shall use reasonable efforts to resolve any discrepancies within thirty (30) days following delivery of the notice, and such resolution shall be final, binding, and conclusive upon the parties. If a discrepancy reveals that a party owes the other party money, the party owing such amounts shall pay the amounts due to the other party within thirty (30) days of the delivery of the conclusive audit findings.
5. Third-Party Auditor Requirements. All third-party auditors shall execute a confidentiality/non-disclosure agreement acceptable to MedImpact prior to conducting any inspection or audit. Any auditor performing an audit under this Agreement shall represent and warrant that it is not providing litigation services to any person or entity in connection with any lawsuit, investigation, or other proceeding that is pending or contemplated against MedImpact. "Litigation services" includes examining pharmacy claims or any other documents or information or providing advice, analysis, and/or opinions as a disclosed or undisclosed expert or consultant. The auditor must agree that it will not provide litigation services for one (1) year after completion of the audit in any lawsuit, investigation, or other proceeding against MedImpact, except for litigation services to Client. By signing this Agreement, Client authorizes MedImpact to disclose Client data and Eligible Member PHI to Client's auditors.

6. Rebate Audits. In addition to all other requirements set forth herein, the following shall apply to rebate audits: Client and MedImpact agree that an independent firm agreeable to both parties shall conduct such audit, and that such firm will sign a confidentiality agreement with MedImpact ensuring that all details and terms of all manufacturer rebate contracts with MedImpact (except the total aggregate amount due to Client) will be treated as confidential to MedImpact and will not be revealed in any manner or form by or to any person or entity including Client. Rebate audits shall be of a reasonable sample and shall be limited to validating the accuracy of the rebate amounts reported and distributed to Client by MedImpact. Such audit shall be limited to transactions during the twelve (12) month period preceding the audit and shall be conducted at MedImpact's office where such records are located, during normal business hours, without undue interference with business activities, and in accordance with reasonable audit procedures. The audited period may not be reaudited once the audit is completed. Auditors shall not copy, notate, or otherwise capture the terms of any rebate contract, in whole or in part, in any medium, whether written, recorded, or via computer. MedImpact shall be entitled to review auditor's notes to ensure compliance with this requirement.

7. MedImpact Contractors, Vendors, and Third Parties. Client's audit of MedImpact contractors and vendors shall be limited to MedImpact records. Client acknowledges that it shall not be entitled to directly (e.g. on-site) audit contracts with MedImpact's vendor, pharmaceutical manufacturers, rebate aggregators and intermediaries, Participating Pharmacies, or other providers of services hereunder.

EXHIBIT D

PERFORMANCE GUARANTEES

The Performance Guarantees set forth below shall become effective on the Effective Date of this Agreement. Notwithstanding the foregoing, if this Agreement is not fully executed prior to the Effective Date, then the Performance Guarantees shall be effective the first (1st) day of the calendar quarter following the latest signature date of this Agreement. Under no circumstances will penalty amounts be paid to Client unless and until this Agreement has been fully executed.

The total amounts at risk for Performance Guarantees are calculated on a per Eligible Member basis. The total number of Eligible Members shall be calculated on the date the Performance Guarantees become effective, and then on January 1st each year thereafter for Performance Guarantees. Unless otherwise stated herein, the total amounts at risk shall be distributed evenly among the Performance Guarantee categories.

The Performance Guarantees set forth in this Exhibit are measured monthly, or as otherwise indicated below, and reported quarterly. MedImpact will provide Client a quarterly Performance Guarantee report based on a three (3) month calendar quarter (the "Reporting Quarter") within ninety (90) days from the end of the Reporting Quarter. The annual Performance Guarantee reconciliation is calculated based on a twelve (12) month calendar year (the "Measurement Period") and provided to Client within ninety (90) days from the end of the Measurement Period. Calculations that result in non-whole number values (i.e. ending 0.01 – 0.99) will be rounded to the nearest whole number using traditional rounding logic (0.01 – 0.49 round down and 0.5 - 0.99 round up).

In the event MedImpact does not meet a given Performance Guarantee for the Measurement Period, MedImpact shall remit the applicable penalty amount to Client within one hundred twenty (120) days from the end of the Measurement Period. If a given Performance Guarantee does not meet a mutually agreed upon minimum threshold for measurement and reporting purposes during the Reporting Quarter or Measurement Period, as applicable, then the penalty amounts may be void. If the Performance Guarantees are effective for less than a full calendar year, penalty amounts will be prorated for the portion of the Measurement Period. No Claim(s) shall be subject to a penalty amount in more than one Measurement Period.

Client must report any potential errors or discrepancies it identifies for the applicable Measurement Period, including those not included in the Performance Guarantee reports, to MedImpact within ninety (90) days from the date MedImpact delivers the fourth quarter Performance Guarantee report to Client. Any errors or discrepancies reported outside this ninety (90) day reporting period will be excluded from all Performance Guarantee determinations for the applicable Measurement Period.

Notwithstanding any other provision of this Agreement, the parties acknowledge and agree that Client's remedy for MedImpact's failure to meet the Performance Guarantees is limited to the penalty amounts listed in this Exhibit. Any Claim(s) eligible for penalty amounts under one Performance Guarantee shall not under any circumstance be eligible for penalty amounts under any other Performance Guarantee, or otherwise be eligible for a remedy under any other provision of this Agreement.

Performance Guarantee Exceptions. Notwithstanding any other provision of this Agreement, the parties acknowledge and agree that the following shall not factor into or be considered in the calculation of the Performance Guarantees: (i) Subrogation Claims, and (ii) Client Contracted Participating Pharmacies. All Performance Guarantees are subject to the force majeure clause set forth in this Agreement. Should Client not provide information in the time and manner required by MedImpact, MedImpact shall have no obligation for any penalty amounts associated with an applicable Performance Guarantee.

PERFORMANCE GUARANTEES AND PENALTY AMOUNTS		
Description	Performance Guarantee	Penalty Amount
NETWORK ACCESS		
1. Geographic Access	<p>Urban Zip Code – 90% of member zip code within two (2) miles of 1 network pharmacy.</p> <p>Suburban Zip Code – 90% of member zip code within five (5) miles of 1 network pharmacy.</p> <p>Rural Zip Code – 70% of member zip code within fifteen (15) miles of 1 network pharmacy.</p> <p><i>This metric is measured based upon the condition that a pharmacy location is available within the specified standard.</i></p>	<p>If a pharmacy network region is below its percent target, then the penalty will be calculated as a proration per percentage point variance; up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk.</p> <p>Measured: Annually</p>
ONLINE CLAIMS PROCESSING		
2. System Downtime / Availability	<p>99% system availability.</p> <p><i>Excludes scheduled downtime for maintenance.</i></p>	<p>If system availability is less than 99%, then the penalty will be calculated as a proration per month (1/12th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk.</p> <p>Measured: Monthly</p>
3. Turnaround Time for Claims Processing	<p>98% response within four (4) seconds.</p>	<p>If the turnaround time for claims processing exceeds the response within four (4) seconds, then the penalty will be calculated as a proration per month (1/12th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk.</p> <p>Measured: Monthly</p>
4. Claims Processing and Financial Accuracy	<p>99% of all claims will be processed and paid accurately based on upon the plan design.</p> <p><i>A random sampling of three percent (3%) or two hundred (200) claims per quarter, whichever is less, will be reviewed with error percentage extrapolated to represent total claims volume.</i></p>	<p>If accuracy is less than 99%, then the penalty will be calculated as a proration per quarter (1/4th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk.</p> <p>Measured: Quarterly</p>

PERFORMANCE GUARANTEES AND PENALTY AMOUNTS		
Description	Performance Guarantee	Penalty Amount
MAIL ORDER		
5. Prescription Dispensing Timeliness (Clean)	98% of “clean” prescriptions received by 5:00pm CT are shipped within two (2) business days. <i>A “clean” prescription claim is defined as a claim containing the minimum information necessary to complete processing of the request.</i>	If “clean” prescription dispensing timeliness is less than 98%, then the penalty will be calculated as a proration per month (1/12 th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk. Measured: Monthly
6. Prescription Dispensing Timeliness (Intervention)	99% of “intervention” prescriptions requiring clinical review (including out of stock) received by 5:00pm CT are shipped within five (5) business days, or ordered therapy start date, if later. <i>A prescription claim requiring “intervention” is defined as missing information necessary to complete processing of the request.</i>	If “intervention” prescription dispensing timeliness is less than 99%, then the penalty will be calculated as a proration per month (1/12 th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk. Measured: Monthly
7. Prescription Dispensing Accuracy Report	99.8% Mail Order dispensing accuracy rate. <i>Error indicators include patient name, drug name, drug strength, directions, quantity, and prescriber name.</i>	If the Mail Order dispensing accuracy is less than 99.8%, then the penalty will be calculated as a proration per percentage point variance (0.1%); up to the 7.14% Performance Guarantees Annual Maximum Fees at Risk. Measured: Annually
REPORTS		
8. Timely Production of Management Reports	Standard online reports will be available within fifteen (15) days of end of period.	If standard online reports are not made available within fifteen (15) days of end of period, then the penalty will be calculated as a proration per month (1/12 th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk. Measured: Monthly

PERFORMANCE GUARANTEES AND PENALTY AMOUNTS		
Description	Performance Guarantee	Penalty Amount
CONTACT CENTER		
9. Call Abandonment Rate	Abandonment rate will be 2.5% or less. <i>Abandoned calls are defined as calls that have been connected for a minimum of 30 seconds and not answered by a live person before disconnected.</i>	If the abandonment rate is greater than 2.5%, then the penalty will be calculated as a proration per month (1/12 th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk. Measured: Monthly
10. Average Speed of Answer by Live Agent – Member Calls	Member calls will be answered on an average of thirty (30) seconds or less by a live agent. <i>Average speed of answer is defined as the time it takes for a live customer service rep. to answer the call after option is selected from the front-end IVR. The period of time a call is connected to an IVR system is not included in the measure.</i>	If the average speed of answer is greater than 30 seconds; then the penalty will be calculated as a proration per month (1/12 th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk. Measured: Monthly
11. Customer Service Quality	MedImpact ensures quality of customer service by resolving inquiries during the initial call. ≥95% of initial calls resolved during the first point of contact. Measured based on member not calling back within five (5) business days regarding the same inquiry.	If 95% of initial calls are not resolved during the first point of contact, then the penalty will be calculated as a proration per month (1/12 th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk. Measured: Monthly
ACCOUNTING		
12. Invoice Production	MedImpact will provide access to the MedImpact Online Retrieval (MOR) system (or its successor) which allows invoice retrieval. Invoices will be available one (1) business day from the close of the EOB cycle based upon the selected billing cycle (weekly, bi-weekly, semi-monthly, five times monthly).	If invoices are not available within one (1) business day from the close of the EOB cycle, then the penalty will be calculated as a proration per month (1/12 th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk. Measured: Monthly

PERFORMANCE GUARANTEES AND PENALTY AMOUNTS		
Description	Performance Guarantee	Penalty Amount
ACCOUNT MANAGEMENT		
13. Account Management Satisfaction	<p>MedImpact will conduct an Account Management Satisfaction survey. The survey tool defines satisfaction as: 5 = Completely Satisfied, 4 = Very Satisfied, 3 = Satisfied, 2 = Dissatisfied and 1 = Very Dissatisfied.</p> <p>A minimum of five (5) surveys must be completed by day to day Client contacts. A score of less than three (3) will result in a discussion between the Client and MedImpact to ensure the survey results represent an accurate cross-segment of Client stakeholders and to ensure the survey results represent MedImpact's understanding of Client's level of satisfaction during the time period that is surveyed.</p>	<p>If the overall satisfaction score is less than 3, then the penalty will be calculated as a proration per point variance of the annual maximum; up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk.</p> <p>Measured: Annually</p>
14. Client Meetings	<p>MedImpact will provide three (3) quarterly review meetings and one (1) annual review meeting per calendar year.</p>	<p>If MedImpact does not conduct a meeting, then the penalty will be calculated as a proration per quarter (1/4th of the annual maximum); up to 7.14% of the Performance Guarantees Annual Maximum Fees at Risk.</p> <p>Measured: Quarterly</p>
Performance Guarantees Annual Maximum Fees at Risk: Five Dollars (\$5.00) per Eligible Member per Year		

ACORDTM**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

11/16/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh & McLennan Insurance Agency LLC CA Lic #0H18131 PO Box 85638 San Diego, CA 92186		CONTACT NAME: Vanessa Suarez PHONE (A/C, No, Ext): 858-242-5770 FAX (A/C, No): 858-529-2670 E-MAIL ADDRESS: Vanessa.Suarez@mma-west.com	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Federal Insurance Company	
		INSURER B: Sentry Insurance a Mutual Compa	
		INSURER C: Illinois Union Insurance Compan	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			36027265	04/30/2016	04/30/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			73584970	04/30/2016	04/30/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Comp/Coll \$1,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			79895060	04/30/2016	04/30/2017	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N N If yes, describe under DESCRIPTION OF OPERATIONS below			902055701 (AOS)	04/30/2016	04/30/2017	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Managed Care Errors & Omissions			MSPG27169855005	04/30/2016	04/30/2017	Limit: \$15,000,000 SIR: \$100,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Evidence of Coverage**CERTIFICATE HOLDER**

**Monroe County District
School Board
241 Trumbo Road
Key West, FL 33040**

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Vanessa Suarez



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Marsh & McLennan Insurance Agency LLC		NAMED INSURED MedImpact Holdings, Inc.
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Technology E&O/Network Security (Cyber) and Privacy Liability:
Carrier: Liberty Surplus Insurance Corporation
Policy #E05NAANLRE005
Effective Date: 04/30/2016
Expiration Date: 04/30/2017
Limit: \$10,000,000
Deductible: \$100,000