## PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Pharmacy Benefit Management Services Agreement (hereinafter this "Agreement") is entered into by and between Envision Pharmaceutical Services, LLC, an Ohio Limited Liability Company (hereinafter "EnvisionRx"), and Care Wisconsin First, Inc., a Wisconsin Corporation (hereinafter "Plan Sponsor"). This Agreement is effective January 1<sup>st</sup>, 2017 (hereinafter the "Effective Date").

#### BACKGROUND

EnvisionRx is a URAC accredited Pharmacy Benefit Management (PBM) company providing comprehensive pharmacy benefit management services nationwide to various employers, unions, and Plan Sponsors that establish and fund health benefit plans covering outpatient prescription medications.

Plan Sponsor has established one or more health benefit plans providing coverage for prescription medications to covered individuals and desires to engage EnvisionRx to provide pharmacy benefit management services in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, Plan Sponsor and EnvisionRx hereby agree as follows:

#### 1. DEFINITIONS

- 1.1 "Administrative Fee" means the amount that EnvisionRx charges Plan Sponsor for included services under this Agreement as set forth in Exhibit 1.
- 1.2 "Applicable Laws" means any and all applicable local, state or federal statutes, regulations, ordinances, or other requirements or judicial decisions have the force and effect of law including without limitation sections 1860D-1 of the Social Security Act and 42 C.F.R. Parts 422 and 423.
- 1.3 "Average Wholesale Price" or "AWP" means the average wholesale price of a Covered Drug indicated on the most current pricing file provided to EnvisionRx by Medi-Span® (or other applicable industry standard reference on which pricing hereunder is based). The applicable AWP used for retail will be the based on the National Drug Code (NDC) submitted by the dispensing pharmacy. The applicable AWP for Envision mail or specialty pharmacy will be based on the NDC dispensed. EnvisionRx uses a single source for determining AWP and updates the AWP source file at least once per business day.
- 1.4 "Benefit Plan" means the Plan Sponsor's group insurance plan, prescription drug plan, or other benefit plan established and funded by Plan Sponsor that covers the cost of Covered Drugs dispensed to Covered Individuals.
- 1.5 "Benefit Specification Form" or "Benefit Specification Change Form" means the forms,

as modified from time to time, that are completed by Plan Sponsor that specify the terms and provisions of the Benefit Plan and the configuration of System edits, such as which Prescription Drugs are covered by Plan Sponsor (including, for example Limited Distribution Drugs or Specialty Drugs), any limitations or exclusions, the Benefit Plan's tier structure and Cost Share requirements, and any conditions associated with the specific services to be rendered by EnvisionRx under this Agreement (i.e. Clinical Prior Authorizations, Drug Therapy Management, etc.). If there is any inconsistency between the terms of this Agreement and the Benefit Specification Form or any Benefit Specification Change Form submitted in connection with the services to be provided under this Agreement, then the provisions of the most recent signed Benefit Specification Form or Benefit Change Form shall control. A separate Benefit Specification form shall be provided by Plan Sponsor for each unique Benefit Plan, which Benefit Plan shall be identified by a unique group number.

- 1.6 "Brand Drug" means a Prescription Drug designated as a branded drug product by Medi-Span as indicated by the multisource (i e. MONY) code attached to the 11 digit NDC for such drug and adjusted by applicable modifiers, including those established by the FDA (e.g. NDA, ANDA, BLA, authorized generic, and/or bio-similar), and other criteria generally used in the industry to determine brand-generic drug status.
- 1.7 "Claim" means an invoice or transaction (electronic or paper) for a Covered Drug dispensed to a Covered Individual that has been submitted to EnvisionRx by the dispensing pharmacy or a Covered Individual (including transactions where the Covered Individual paid 100% of the cost). A "340B Claim" is a Claim which has been processed under Section 340B of the Public Health Service Act.
- 1.8 "Claims Adjudication System" or "System" means EnvisionRx's on-line computerized claims processing system.
- 1.9 "Compound Drug" means a prescription where two or more medications are mixed together, at which, at minimum, one medication must be a Federal Legend Drug. The end product must not be available in an equivalent commercial form. The product will not be considered a Compound Drug if it is reconstituted or it, to the active ingredient, only water, alcohol, flavoring, coloring, or sodium chloride solutions are added.
- 1.10 "Contract Year" means the complete twelve month period commencing on the Effective Date and each consecutive complete twelve month period thereafter that this Agreement remains in effect.
- 1.11 "Cost Share" means the amount of money that a Covered Individual must pay to the Participating Pharmacy to obtain a Covered Drug in accordance with the terms of the Benefit Plan. The Cost Share may be a fixed amount (co-payment) or a percentage of the drug cost (co-insurance), or a deductible that must be satisfied before drugs are covered under the Benefit Plan.
- 1.12 "Covered Drug" means a Prescription Drug or other permitted drug (OTC), medical supplies (e.g. diabetic testing strips), or a medical device (e.g. blood glucose monitoring device) which is dispensed to a Covered Individual and meets the requirements for coverage under the

Benefit Plan as communicated to EnvisionRx by Plan Sponsor.

- 1.13 "Covered Individual" or "Member" means each individual who has been identified by Plan Sponsor on the Eligibility File as being eligible to receive Covered Drugs.
- 1.14 "Dispensing Fee" means the fee paid to retail and/or mail pharmacy for the professional service of filling a prescription and is typically added to the AWP or MAC calculated cost.
- 1 15 "Drug Utilization Review" or "DUR" means the process whereby the therapeutic effects and cost effectiveness of various drug therapies are reviewed, monitored, and acted upon consistent with the Member's plan.
- 1.16 "Eligibility File" means that electronic communication supplied to EnvisionRx by Plan Sponsor (or Plan Sponsor's agent) which identifies the Covered Individuals covered under Plan Sponsor's Benefit Plan, along with other eligibility information necessary for EnvisionRx to provide PBM Services hereunder. Plan Sponsor acknowledges that eligibility begins on the first day the Covered Individual is reported by Plan Sponsor (or its designee) to be effective and continues through the last day the Covered Individual appears on the Eligibility File.
- 117 "Explanation of Benefits" or "EOB" means a written notice sent to Members utilizing covered prescription drug services containing information regarding the Member's utilization of covered prescription drug services as required by applicable law.
- 1.18 "Formulary" means an index of Drugs which shall be used in conjunction with the Benefit Plan to determine drug coverage. The Formulary to be utilized by Health Plan is specified on the Benefit Specification Form.
- 1.19 "Generic Drug" means a Prescription Drug that is not a Brand Drug.
- 1.20 "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended.
- 1.21 "Limited Distribution Drugs" means Prescription Drugs that are distributed by manufacturers through either one or a very limited number of pharmacies and wholesalers which have been selected by the manufacturer based on approved participation criteria. This group of drugs is usually used to treat conditions that only affect a small patient population and may have special and complex dosing requirements. For purposes of this Agreement, Limited Distribution Drugs are not considered Specialty Drugs.
- 1 22 "Mail Order Pharmacy" means Orchard Pharmaceutical Services, LLC.
- 1.23 "Manufacturer Derived Revenue" means rebates, discounts, administrative fees, price protection, and any other revenue payable by pharmaceutical manufacturers and received by EnvisionRx for Claims which comply with the utilization and benefit design requirements of pharmaceutical manufacturer contracts and otherwise meet the terms and conditions hereunder.

- 1.24 "Maximum Allowable Cost" or "MAC" means a proprietary list of Prescription Drugs for which EnvisionRx establishes a maximum price ("MAC Price") payable to the dispensing pharmacy. EnvisionRx utilizes the same MAC List to both determine the negotiated price payable to the dispensing pharmacy and the price charged to Plan Sponsor. Plan Sponsor will be charged the exact negotiated amount payable by EnvisionRx to the dispensing pharmacy without any markup or spread. EnvisionRx updates the MAC List from time-to-time as Prescription Drugs come on the market or come off the market, or as their availability changes due to market circumstances.
- 1.25 "Participating Pharmacy" means a duly licensed pharmacy (including the designated Mail Order or Specialty Pharmacy) that has entered into a negotiated pricing agreement with EnvisionRx to dispense Covered Drugs to Covered Individuals and participates in the Network selected by Plan Sponsor.
- 1.26 "Plan Sponsor" means the entity (identified above as Plan Sponsor) which (i) has established and underwrites the Benefit Plan on behalf of its Covered Individuals; (ii) has determined the rules by which the Benefit Plan is to be administered; and (iii) is financially responsible for the payment of Administrative Fees, Fees for Additional Services and Miscellaneous Expenses (as set forth in Exhibit 1), and Covered Drugs dispensed to Covered Individuals hereunder.
- 1.27 "Prescriber" means a licensed health practitioner with independent prescribing authority in the state in which the dispensing pharmacy is located.
- 1.28 "Prescription Drug" means a substance intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease which is dispensed by a duly licensed pharmacy and required by federal law to be dispensed only upon the authorization of a Prescriber. For purposes of this Agreement, over-the-counter medications, medical supplies, and medical devices are not Prescription Drugs, whether or not ordered by a Prescriber.
- 1 29 "PMPM" means per member per month.
- 1.30 "Retail Pharmacy" means a state licensed retail community pharmacy that dispenses prescription medications at its physical location. A Retail Pharmacy does not include a pharmacy that dispenses medications to patients primarily through mail, nursing home pharmacies, long-term care facility pharmacies, hospital pharmacies, or clinics, unless such pharmacy is a Participating Pharmacy listed by EnvisionRx as a Retail Pharmacy.
- 1.31 "Specialty Drug" means a Prescription Drug that is typically a high-cost biotech, injectable, infused, oral, or inhaled Prescription Drug, and/or a Prescription Drug that requires special storage, handling, and/or requires close monitoring of the patient's drug therapy to ensure appropriate use and clinical outcome. For purposes of this Agreement, Specialty Drugs are not considered Limited Distribution Drugs.
- 1.32 "Specialty Pharmacy" means Orchard Pharmaceutical Services, LLC.

- 1.33 "Usual and Customary Price" or "U&C Price" means the retail amount the pharmacy charges its cash paying customers for the drug dispensed, as reported to EnvisionRx by the dispensing pharmacy.
- 1.34 "Utilization Management" or "UM" means a broad collection of standard clinical products and services that are designed to ensure safe and appropriate use of drugs.

# 2. STANDARD PBM SERVICES

EnvisionRx shall perform the following pharmacy benefit management services ("PBM Services"). Unless otherwise noted, the PBM Services specified below are included in the Administrative Fee.

# 2.1 Claims Processing

2.1.1 <u>Claims Processing</u>: During the term of this Agreement, EnvisionRx shall accept, process, and adjudicate Claims for Covered Drugs (i) submitted electronically by Participating Pharmacies; (ii) submitted by Plan Sponsor's owned pharmacies or Plan Sponsor's contracted pharmacies, if any, (not including 340B Claims, unless such claims are included under a separate 340B Addendum to this Agreement); (iii) submitted by Covered Individuals as Direct Member Reimbursements (DMRs, as defined below); or (iv) received from third parties, such as Medicaid, for reimbursement by Plan Sponsor. Claims shall be checked for eligibility, benefit design, Cost Share requirements, and exclusions to determine which Claims are successfully processed, pended for prior authorization, or rejected for ineligibility or other factors in accordance with Plan Sponsor's specifications as set forth in Plan Sponsor's Benefit Specification Form (incorporated herein by this reference).

For Claims that must be processed manually or require special handling, including, without limitation, (i) DMRs, (ii) Claims received from third parties, such as Medicaid, for reimbursement by Plan Sponsor for ineligible payments, or (iii) paper Claims, Plan Sponsor will be charged a Manual Claims Processing fee as set forth in Exhibit 1.

- 2.1.2 <u>Run-Out Claims</u>: After termination of this Agreement, EnvisionRx shall process Claims for dates of service on or before the effective date of termination, for a period of one hundred and eighty (180) days ("Run-Out Period"), provided all payment provisions required under this Agreement are honored by Plan Sponsor. Thereafter, unless otherwise agreed, in writing, Claims received by EnvisionRx shall be rejected.
- 2.1.3 <u>Direct Member Reimbursement (DMR)</u>: EnvisionRx shall provide, via its website, a form for use by Covered Individuals to obtain reimbursement directly from Plan Sponsor for amounts paid out-of-pocket (other than Cost Share) for Covered Drugs (e.g. Covered Drugs dispensed at a non-Participating Pharmacy) ("DMR Form"). EnvisionRx shall accept and process, DMR Claims within seventy-two (72) hours of receipt of the DMR form but shall not be liable to reimburse the Member if Plan Sponsor is untimely in payment of any amount due to EnvisionRx as set forth herein.

- 2.1.3.1 <u>Claims from Non-Participating Pharmacies</u> Unless otherwise directed by Plan Sponsor, EnvisionRx shall accept and process Claims received from non-participating government owned or operated pharmacies (e.g. Veterans Administration).
- 2.1.4 <u>Claims Adjudication System Edits</u>: Plan Sponsor's Benefit Plan may contain limitations or programs (e.g. quantity limits, step therapy program, or mandatory generic program) and/or other rules which determine the way in which Claims are to be adjudicated or to determine what portion of a Claim is payable by Plan Sponsor and what portion is payable by Members. For this purpose, EnvisionRx shall program edits into the Claims Adjudication System which are applied to Claims during the adjudication process, as specified in the Benefit Specification Form. The Claims Adjudication System will provide the dispensing pharmacy with the appropriate messaging to advise the pharmacy of the applicable limitation or program.

EnvisionRx shall also configure the Claims Adjudication System to require an Administrative Override before Covered Drugs are dispensed in certain circumstances which have been specified by Plan Sponsor in the Benefit Specification Form. For purposes of this Section 2.1.4, an Administrative Override includes, but is not limited to, requests for lost or stolen drugs, vacation supplies, certain package sizes, dosage changes, and invalid days' supply. The applicable Administrative Overrides will be determined by Plan Sponsor within a signed Benefit Specification Form.

- 2.1.5 Eligibility Files: Eligibility information shall be processed and effective within at most two (2) business days of the receipt of clean eligibility information from Plan Sponsor, via agreed upon methods of transfer.
- 2.1.6 Benefit Testing: EnvisionRx will provide to Plan Sponsor annual benefit testing results at least fifteen (15) calendar days prior to the effective date of coverage.
- 2.1.7 Implementation Team: The EnvisionRx Implementation team will remain in place a minimum of thirty (30) days post implementation or until such time that the Plan Sponsor agrees that there are no set-up issues, whichever is later.
- 2.1.8 <u>Coordination with Other Programs</u>: EnvisionRx shall assist Plan Sponsor to coordinate with other drug benefit programs, including, for example, Medicaid, State Pharmaceutical Assistance Programs (SPAPs), or other insurance, by providing Plan Sponsor with required Claims information.
- 2.1.9 Vaccine Administration Support: EnvisionRx will adjudicate electronic and/or paper claims received from a Member and/or a prescriber for vaccines and/or the associated administration fees in accordance with applicable laws.
- 2.2 <u>Pharmacy Network</u>: EnvisionRx shall arrange for the dispensing of Covered Drugs to Members pursuant to contracts with one or more networks of Participating Pharmacies (each referred to herein as a "Network"). The Network designated for Plan Sponsor to be used by Covered Individuals hereunder shall be specified in the Benefit Specification Form. Plan Sponsor acknowledges that the pharmacies participating in a Network may change from time to

time by EnvisionRx, including the designated Mail Order Pharmacy and/or Specialty Pharmacy provider. Contact information for Participating Pharmacies is constantly updated to reflect any changes and is accessible via EnvisionRx's website.

Plan Sponsor acknowledges that (i) orders exceeding a thirty-one day supply are not available at all Retail Pharmacies; (ii) Covered Drugs shall not be dispensed to Members without a prescription order by a Prescriber; and (iii) the availability of drugs are subject to market conditions and that EnvisionRx cannot, and does not, assure the availability of any drug from any Participating Pharmacy. Any audit of a Participating Pharmacy required or permitted under this Agreement and/or recoveries resulting from such audits shall be conducted by EnvisionRx in accordance with EnvisionRx's pharmacy audit procedures.

- 2.2.1 Network Contracts: EnvisionRx will comply with all applicable laws related to pharmacy network contracts. EnvisionRx will include a provision prohibiting Network participants for billing, charging, collecting a deposit from, seeking remuneration from, or having any recourse against Members except for applicable copayments/deductibles/coinsurance, or fees for uncovered services.
- 2.2.2 <u>Plan Sponsor Owned Pharmacies</u>: If Plan Sponsor desires to include one or more of its owned or affiliated pharmacies in the network of pharmacies authorized to dispense Covered Drugs to Plan Sponsor's Covered Individuals, it shall indicate same on the Benefit Specification Form. If Plan Sponsor desires its pharmacy to be available to other EnvisionRx clients using one or more of EnvisionRx's Networks, such pharmacy shall enter into an EnvisionRx Participating Pharmacy Agreement (PPA). If the pharmacy will be for the use of Plan Sponsor's Members only, such pharmacy shall complete an EnvisionRx-supplied form indicating the amounts to be invoiced to Plan Sponsor for Claims processed. In either case, the pharmacy shall submit all Claims to EnvisionRx for processing. Unless indicated otherwise in the Benefit Specification Form, EnvisionRx shall invoice Plan Sponsor for Claims received from Plan Sponsor's owned pharmacy. If the pharmacy is a Participating Pharmacy, Claims shall be adjudicated at the Network rates included in the PPA.
- 2.3 <u>Customer Service</u>: EnvisionRx shall maintain and operate a customer service center with toll-free customer service numbers and adequately staffed with trained personnel 24 hours a day, 7 days a week, 365 days a year, for the use of Plan Sponsor, Covered Individuals, Prescribers, and Participating Pharmacies. If Plan Sponsor chooses to employ said customer service center, Plan Sponsor shall notify EnvisionRx of such choice in writing at least ninety (90) days in advance, and shall pay the applicable fee as set forth in Exhibit 1 herein.
- 2.4 <u>Adjudication (Call Center) System Access</u>: EnvisionRx shall provide read-only access to the member services web tool for at least at no additional charge.
- 2.5 <u>Pharmacy Help Desk Service</u>: EnvisionRx will provide help desk service for pharmacist claim inquiries 24 hours a day, 7 days a week, 365 days a year to handle calls from network pharmacies in the event they have questions concerning claims adjudication. If Plan Sponsor chooses to employ said customer service center, Plan Sponsor shall notify EnvisionRx of such choice in writing at least ninety (90) days in advance, and shall pay the applicable fee as set forth in Exhibit 1 herein.

2.6 Records: EnvisionRx shall maintain such business records as may be required by applicable law or regulation, or as may be necessary to properly document the delivery of, and payment for, Covered Drugs and the provision of services by EnvisionRx under this Agreement. Upon termination of this Agreement, EnvisionRx agrees to provide only industry-standard transfer files to a subsequent pharmacy benefit manager at Plan Sponsor's written request. Plan Sponsor agrees to pay or reimburse EnvisionRx for any cost charged by a vendor or pharmacy related to the transfer of files from or to such vendor or pharmacy at any time during this Agreement or connected with the termination of this Agreement.

# 2.7 Reports

- 2.7.1 <u>Standard PBM Reports</u>: EnvisionRx shall provide Plan Sponsor with access to web-based report generator for 3 users through which Plan Sponsor may create and download a variety of standard and customized reports. EnvisionRx shall provide training for designated Plan Sponsor individuals on the capabilities of EnvisionRx's web-based reporting program. Plan Sponsor represents that the designated individual has received training and has knowledge of the HIPAA privacy and security regulations. Any reports that are to be provided by EnvisionRx to Plan Sponsor without cost (other than those available from EnvisionRx's web-based reporting program) shall be mutually determined prior to the configuration of Plan Sponsor's Benefit Plan in the Claims Adjudication System and shall be specified in the Benefit Specification Form. Plan Sponsor shall be charged a fee for any other reports requested by Plan Sponsor.
- 2.7.2 Utilization Management: EnvisionRx shall maintain concurrent DUR and retrospective DUR programs that meet statuatory requirements including but not limited to annual review of components by the EnvisionRx P&T Committee
- 2.7.3 <u>Monthly Statistical Reporting</u>: In addition to other reports provided under this Agreement, EnvisionRx shall supply Plan Sponsor with the following: Number of Member requests for coverage determinations/type of request (PA, QL, SP), vacation supplies, tier reduction, non-Formulary drug coverage, etc./turnaround time/outcome.
- 2.7.4 Access to Third Parties: If Plan Sponsor desires EnvisionRx to provide one or more third parties access to web-based or other reports, Plan Sponsor shall complete and submit an EnvisionRx provided authorization form. Plan Sponsor acknowledges that any reports to be provided to Plan Sponsor's authorized third parties which are not accessible via the web-based reports generator, shall be provided via a secure FTP server.
- 2.8 <u>Additional Services</u>: Any services to be rendered under this Agreement which are not included in the Administrative Fee as specified in this Section 2 shall be itemized in the Exhibits and Addendums hereto along with any associated costs or charges.
- 2.9 <u>Corrective Action Plan</u>. In the event material deficiencies or non-compliance are identified in EnvisionRx's performance of the PBM Services, which Plan Sponsor determines, in its sole discretion, are capable of being cured, Plan Sponsor shall provide EnvisionRx written notice of the specific deficiencies and require EnvisionRx to implement a corrective action

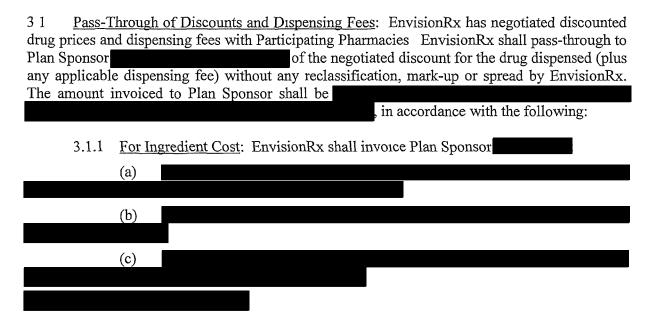
plan ("CAP") acceptable to Plan Sponsor to correct such deficiencies. EnvisionRx shall have thirty (30) calendar days or such longer period of time as may be permitted in writing by the Plan Sponsor in which to correct the deficiencies ("Corrective Action Period"). During the Corrective Action Period, EnvisionRx shall take corrective action to conform to Plan Sponsor's standards and requirements and Plan Sponsor shall offer assistance to EnvisionRx in correcting the identified deficiencies as follows:

- (a) Review of Corrective Action and Determination Regarding Revocation. After the Corrective Action Period has been completed, Plan Sponsor shall evaluate the success of EnvisionRx's corrective action and determine whether EnvisionRx is able to continue performance of the PBM Services. If Plan Sponsor determines that EnvisionRx has successfully corrected the deficiencies, EnvisionRx shall continue to perform the PBM Services as specified in this Agreement. If Plan Sponsor determines that EnvisionRx has not corrected the deficiencies, Plan Sponsor may, in its sole discretion, discontinue assignment of Members to EnvisionRx or impose other sanctions, up to and including revocation of its delegation of all or specific PBM Services to EnvisionRx. Plan Sponsor may, in its sole discretion, determine to extend the Corrective Action Period and continue to work with EnvisionRx to correct the deficiencies.
- (b) Notice of Revocation. In the event Plan Sponsor determines to revoke its delegation of all or specific PBM Services as provided above, Plan Sponsor shall provide EnvisionRx written notice of Plan's revocation of all or specific PBM Services. The written notice shall specify (i) the effective date of revocation, (ii) the adjustments to Fees as a result of the revocation of any PBM Services in accordance with the allocations set forth in this Agreement, and (iii) in the event that claims processing is revoked, the adjustments to Fees for claims payment as set forth in this Agreement.
- (c) Deficiencies Not Capable of Cure. For deficiencies which Plan Sponsor, in its sole discretion, are not capable of being cured, including, without limitation, Plan Sponsor's determination that EnvisionRx's continued performance of PBM Services presents a risk of imminent harm to Members or would be contrary to the requirements of State and Federal Law, Plan Sponsor shall provide EnvisionRx with written notice that the PBM Services shall be revoked effective immediately or at some date specified in the notice.
- (d) Continued Cooperation Following Revocation. Upon revocation of any or all of the PBM Services, Plan Sponsor shall resume its responsibility for performing the activities directly, and EnvisionRx shall cooperate and comply with Plan Sponsor with respect to the performance of the Managed Care Program Activities.
- (e) Revocation Not Exclusive Remedy. Notwithstanding Plan Sponsor's right to revoke PBM Services, EnvisionRx's failure to perform all or any specific PBM Services shall be a breach of the Agreement. In such event, Plan may exercise all of its other rights and remedies to enforce the Agreement, including the right of termination
- 2.10 <u>Written Communications</u>: Upon request, EnvisionRx shall provide by U.S. Mail to Members and/or Plan Sponsor providers, written communications as provided and directed by

Plan Sponsor. EnvisionRx shall merge content provided by Plan Sponsor. Such mailings shall incur an additional charge for production, postage and handling.

- E-Prescribing: EnvisionRx shall maintain contracts with one or more vendors to provide 2.11 for the electronic exchange of prescription information. If Plan Sponsor opts to utilize E-Prescribing through EnvisionRx, EnvisionRx shall pass through to Plan Sponsor, and Plan Sponsor agrees to pay in a timely fashion, the costs for all Patient Transactions performed in connection with Plan Sponsor's Members. For purposes of this Section 2.12, "Patient Transaction" shall mean one eligibility status transaction initiated by a Prescriber, health care provider, or facility, and communicated to EnvisionRx through EnvisionRx's contracted E-Prescribing vendor's system, relating to a Member and any medication history transaction or formulary coverage status transaction associated with the same Member and occurring in conjunction with the eligibility status transaction. EnvisionRx shall notify Plan Sponsor in advance of any change in transaction costs. Plan Sponsor agrees that EnvisionRx shall not be liable to Plan Sponsor for any inaccurate or untimely information provided to EnvisionRx by Plan Sponsor or for any inaccuracies or failures by the E-Prescribing vendor. Plan Sponsor further agrees that EnvisionRx shall not be held liable for any consequences arising out of Plan Sponsor's failure to reimburse EnvisionRx for any billed costs in connection with Patient Transactions performed for Plan Sponsor's Members.
- 2.12 <u>Performance Measures</u>: EnvisionRx shall provide PBM Services in accordance with the Performance Measures specified in Exhibit 3.

# 3. PRICING AND PASS-THROUGH METHODOLOGY



(d) EnvisionRx shall reject all claims for repackaged NDCs, regardless of dispensing pharmacy. All claims will be paid on the basis of the original manufacturer ID.

- (e) The MAC list will be applied to all pricing channels
- (g) The MAC list will be provided to Plan Sponsor at least monthly.
- (h) Claims that adjudicate with a DAW 5 and House Generics shall be considered generic claims.
- 3.1.2 <u>For Dispensing Fees</u>: EnvisionRx shall invoice Plan Sponsor payable to the Participating Pharmacy.
- 3.1.3 Drug Pricing and Dispensing Fees Guarantee Aggregation: Plan Sponsor acknowledges and agrees that in calculating the guaranteed Annual Average Manufacturer Derived Revenue, Annual Average Effective Rates, and Annual Average Dispensing Fees for Plan Sponsor for the Contract Year, Claims adjudicated by EnvisionRx for Plan Sponsor through this Agreement and the Medicare Agreement (see Section 4.9) will be calculated in the aggregate. The Annual Average Manufacturer Derived Revenue Guarantee, Annual Average Effective Rates, and Annual Average Dispensing Fees set forth in Exhibit 1 shall be deemed to have been satisfied if the aggregated Claims of Plan Sponsor through this Agreement and the Medicare Agreement satisfy the calculation and conditions set forth in Exhibit 1 of this Agreement. Termination of or significant utilization change within the Medicare or this Agreement shall require the guaranteed Annual Average Manufacturer Derived Revenue, Annual Average Effective Rates and Annual Average Dispensing Fees set forth in Exhibit 1 to be renegotiated through amendment. During such renegotiations and until amendment of this Agreement is executed, EnvisionRx shall only guarantee pass-through to Plan Sponsor of of the negotiated discount for the drug dispensed (plus any applicable dispensing fee) without any reclassification, mark-up, or spread by EnvisionRx.

## 3.2 Manufacturer Derived Revenue

3.2.1 Pass-Through of Manufacturer Derived Revenue: EnvisionRx shall pass through to Plan Sponsor of all Manufacturer Derived Revenue earned by Plan Sponsor for eligible Claims. Plan Sponsor acknowledges that the Manufacturer Derived Revenue earned by Plan Sponsor is dependent on certain factors including, without limitation, the following: (i) the effect of terms and conditions of Plan Sponsor's Benefit Plan on the application of its Formulary; (ii) the structure of Plan Sponsor's Benefit Plan, including but not limited to Cost Share requirement and coverage rules such as Prior Authorizations, Quantity Limits, and Step Therapy edits (as defined in the Benefit Specification Form); and (iii) the drug utilization patterns of Covered Individuals. Plan Sponsor further acknowledges that Plan Sponsor's portion of market share rebates is based on (i) Plan Sponsor's ability to meet and earn market share rebate levels by pharmaceutical manufacturer and (ii) the ratio of Plan Sponsor's Claims for a particular rebated drug to the total number of Claims for such drug for all EnvisionRx clients, as adjusted for the effect of Plan Sponsor's Benefit Plan (e.g. tier structure and Cost Share differentials) on the overall yield of market share rebates. No Manufacturer Derived Revenue shall be payable to Plan Sponsor for 340B Claims, Claims from any Plan Sponsor owned or affiliated pharmacy which is not a Participating Pharmacy, Claims for which

EnvisionRx has not been paid in full, and other Claims not eligible for Manufacturer Derived Revenue.

- 3.2.2 <u>Pass-Through Methodology</u>: Manufacturer Derived Revenue shall be paid as follows: On a quarterly basis, within approximately ninety (90) days following the end of the quarter in which Manufacturer Derived Revenues are received and reconciled by EnvisionRx, EnvisionRx shall pay to Plan Sponsor amounts associated with such Manufacturer Derived Revenues earned by Plan Sponsor pursuant to Section 3.2.1 above.
- Sole Source: Plan Sponsor represents and warrants to EnvisionRx that, at no time during or after the term of this Agreement, is Plan Sponsor receiving rebates and other revenues from pharmaceutical manufacturers other than through EnvisionRx, either directly or indirectly (through a Group Purchasing Organization, drug wholesaler, or otherwise) for Claims processed by EnvisionRx under this Agreement. Plan Sponsor agrees that it shall not, at any time, submit Claims which have been transmitted to EnvisionRx to another pharmacy benefit manager or carrier for the collection of rebates and other revenues from pharmaceutical manufacturers or create a situation which would cause a pharmaceutical manufacturer to decline payments to EnvisionRx. EnvisionRx reserves the right to recover from Plan Sponsor, and Plan Sponsor shall refund to EnvisionRx, any Manufacturer Derived Revenue, including any related penalties and fees, advanced to Plan Sponsor by EnvisionRx which is connected with any Claims for which Plan Sponsor received rebates and other revenues from pharmaceutical manufacturers from any other source or for amounts advanced to Plan Sponsor by EnvisionRx which have been withheld by a pharmaceutical manufacturer as a result of such Claims not meeting conditions for rebates, the ineligibility of Claims for Manufacturer Derived Revenue (i.e. 340B Claims), or breach of this Agreement by Plan Sponsor.

# 4. PLAN SPONSOR RESPONSIBILITIES

- 4.1 <u>Implementation</u>: Plan Sponsor acknowledges that EnvisionRx will be engaged in certain activities prior to the Effective Date in order to set up the Claims Adjudication System, upload data to from Plan Sponsorand other activities necessary to begin the provision of PBM Services on the Effective Date ("Implementation Activities"). No later than ninety (90) days prior to the Effective Date, Plan Sponsor shall provide EnvisionRx with an executed Benefit Specification Form and such data as reasonably necessary for EnvisionRx to complete these Implementation Activities. Such data includes, without limitation, prior utilization reports, pharmacy transfer files, and eligibility.
- 4.2 <u>Eligibility Data</u>: Plan Sponsor shall provide EnvisionRx (either directly or through an authorized third party administrator) with an Eligibility File, at least monthly, in the HIPAA 834 standard transaction code set format, or such other format as has been previously agreed to by EnvisionRx. Plan Sponsor shall provide timely eligibility updates (for example, additions, terminations, change of address or personal information, etc.) to ensure accurate determination of the eligibility status of Covered Individuals. Plan Sponsor acknowledges and agrees that (i) EnvisionRx provides such eligibility data to the Participating Pharmacies and understands that EnvisionRx and Participating Pharmacies will act in reliance upon the accuracy of data received from Plan Sponsor; (ii) EnvisionRx will continue to rely on the information provided by Plan

Sponsor until EnvisionRx receives notice that such information has changed; and (iii) EnvisionRx shall not be liable to Plan Sponsor for any Claims or expense resulting from the provision by Plan Sponsor (or its designee) of inaccurate, erroneous, or untimely information. In addition, if EnvisionRx must create or update eligibility by manually entering Covered Individual data, Plan Sponsor will be charged a data entry fee as specified in Exhibit 1. In lieu of the Eligibility File, Plan Sponsor may provide eligibility information by updating the Claims Adjudication System directly (except for the initial Eligibility File, which must be provided to EnvisionRx during the initial implementation), provided Plan Sponsor continues to meet EnvisionRx's conditions and specifications for direct eligibility updates.

4.3 <u>Benefit Plan</u>: Plan Sponsor shall provide EnvisionRx with complete information concerning the Benefit Plan. Plan Sponsor understands and agrees that EnvisionRx shall rely on the terms and provisions provided by Plan Sponsor on the Benefit Specification Form. The Benefit Specification Form may be changed from time to time by Plan Sponsor by providing EnvisionRx with a replacement Benefit Specification Form or a Benefit Specification Change Form; provided, however, that the form must be signed by Plan Sponsor to be effective and the form provided to EnvisionRx at least thirty (30) days before any such change shall be implemented. If, however, Plan Sponsor provides EnvisionRx with an unsigned Benefit Specification Form or Benefit Specification Change Form, EnvisionRx shall not be bound by such form and Plan Sponsor shall hold harmless EnvisionRx for any consequences resulting from any changes not implemented. The most recent executed Benefit Specification Form shall supersede any prior dated form.

Plan Sponsor shall have sole authority to determine the terms of the Benefit Plan and the coverage of benefits thereunder, however, Plan Sponsor understands and agrees that any change in the Benefit Plan or System configuration (e.g. mandatory generic program, coverage of overthe-counter drugs or medications, source of Covered Drugs, use of Plan Sponsor Owned pharmacies, etc.) may affect yields in Manufacturer Derived Revenue and/or average drug pricing. Plan Sponsor agrees that EnvisionRx shall not be liable to Plan Sponsor for any reduction of such yields or increase in pricing which result from any such change. Further, any change to the Benefit Plan that affects a material term of this Agreement will require an amendment hereto. Plan Sponsor agrees to execute an amendment, at EnvisionRx's request, before implementing the change to the Benefit Plan.

- 4.4 <u>Formulary</u>: Plan Sponsor hereby adopts and shall adhere to the Formulary identified in the Benefit Specification Form. Plan Sponsor acknowledges the formulary may be modified by EnvisionRx from time to time. Any customization of the Formulary by Plan Sponsor or use by Plan Sponsor of an alternate Formulary must be approved, in writing, by EnvisionRx. Plan Sponsor acknowledges that adherence to the Formulary is necessary to maximize yields in Manufacturer Derived Revenue. Plan Sponsor agrees that EnvisionRx shall not be liable to Plan Sponsor for any reduction in yields of Manufacturer Derived Revenue or increase in drug pricing resulting from Plan Sponsor's failure to adhere to the Formulary or a change to the Benefit Plan that affects the application of the Formulary.
- 4.5 <u>Printed Materials</u>: Unless otherwise agreed in writing, all printed materials, including, but not limited to marketing and enrollment materials, ID cards, and handbooks, shall be

provided by Plan Sponsor. Members will need to present an ID card, containing the information required by EnvisionRx, to obtain Covered Drugs from Participating Pharmacies.

- 4.6 Regulatory Compliance: Plan Sponsor shall operate its plan in full compliance with Medicaid regulations and all applicable local, state and federal laws, rules, regulations, and instructions, including HIPAA and other applicable privacy and security laws. Except where explicitly stated in this Agreement, Plan Sponsor shall retain the responsibility for compliance with Medicaid regulations. Plan Sponsor represents and warrants, throughout the term of this Agreement that, except as disclosed to EnvisionRx in writing, Plan Sponsor is in full compliance with all applicable Medicaid regulations, is not currently under any Corrective Action Plan, and meets all applicable state and federal financial solvency requirements. Plan Sponsor shall monitor the performance of EnvisionRx on an ongoing basis and in the event material deficiencies or non-compliance with Medicaid regulations are identified by the Plan Sponsor, the Plan Sponsor shall provide EnvisionRx written notice of the specific deficiencies and require EnvisionRx to implement a corrective action plan ("CAP") as described in Section 2.9.
- 4.7 <u>Payment</u>: Plan Sponsor shall timely pay, or cause its designee to timely pay, EnvisionRx for services rendered hereunder in accordance with Section 5 below and Exhibit 1.
- 4.8 <u>Cooperation</u>: Plan Sponsor shall promptly provide EnvisionRx with all information (both verbal and written) that is requested by EnvisionRx and reasonably necessary for EnvisionRx to complete its obligations hereunder. Any information required to be provided by Plan Sponsor in order for EnvisionRx to perform a function under this Agreement shall be deemed to be untimely if not received by EnvisionRx at least five (5) business days prior to its due date. Further, Plan Sponsor shall not obfuscate, delay, impede, or otherwise fail to cooperate with EnvisionRx.
- 4.9 <u>Pharmacy Management Funds</u>. Parties acknowledge and agree that there is a one-time implementation fund and an annual Pharmacy Management Fund (PMF) available to Plan Sponsor. The PMF as set forth in Section 4.9 "Pharmacy Management Funds" of the Pharmacy Benefit Management Agreement between EnvisionRx and Plan Sponsor for services related to the Medicare Advantage Prescription Drug Plan that commences on January 1, 2017 (Medicare Agreement) may be used for expenses, items, and services incurred by Plan Sponsor under this Agreement subject to all terms and conditions agreed to in Section 4.9 of the Medicare Agreement. For the avoidance of doubt, the amounts set forth in Section 4.9 of the Medicare Agreement are the aggregate limits that may be used by Plan Sponsor under this Agreement and the Medicare Agreement.

#### 5. TERMS OF PAYMENT

- 5.1 Fees and Rates: Plan Sponsor hereby accepts the fees and rates specified in Exhibit 1.
- 5.2 <u>Payments for Claims</u>: EnvisionRx shall provide Plan Sponsor with an invoice of payable Claims once each week and Plan Sponsor shall pay EnvisionRx's invoices no later than 12:00 p.m. Eastern time on the third (3<sup>rd</sup>) business day from receipt of said invoices. Invoices shall be deemed to have been received by Plan Sponsor upon the earliest delivery of the invoice by mail,

e-mail, fax, or courier.

# 5.3 Reimbursement to Pharmacies

- 5.3.1 In the event that the designated AWP reporting source discontinues or modifies the reporting of AWP, the parties shall negotiate an appropriate modification of the services, reimbursement rate, administrative fees, and/or rebates such that the parties are returned to their relative economic position as of the effective date. If the parties cannot agree on a modification or adjusted fee or rates within a reasonable timeframe, then either party may terminated the Agreement within one hundred fifty (150) days prior written notice to the other.
- 5.3.2 EnvisionRx will issue, mail, or otherwise transmit payment with respect to all clean Claims submitted by Participating Pharmacies (other than pharmacies that dispense drugs by mail order only or are located in, or contract with, a long-term care facility) within 30 days of receipt of an electronically submitted Claim or within 30 days of receipt of a Claim submitted otherwise; provided Plan Sponsor has timely supplied adequate funds in accordance with Section 5.3.3 below. Plan Sponsor acknowledges that changes in regulatory prompt pay requirements may affect the funding requirements of Section 5.3.3 below.
- 5.3.3 In order for EnvisionRx to meet its obligations hereunder, Plan Sponsor must ensure timely payment of adequate funds. For this reason, at least fifteen days prior to the Commencement Date of this Agreement, Plan Sponsor shall prepay EnvisionRx, and maintain throughout the term of this Agreement, an amount equal to two weeks of Claims expense based, initially, on an estimated two week average and, after the first two weeks, the actual two week average. If the prepayment amount falls below the two week average, Plan Sponsor will pay any balance due within seven (7) days receipt of a statement indicated the amount due. If the prepayment amount exceeds the two week average, Plan Sponsor may request a refund of such excess amount, which, at Plan Sponsor's option, (i) shall be paid to Plan Sponsor or (ii) applied towards EnvisionRx's Administrative Fee. EnvisionRx shall refund to Plan Sponsor any amount of prepayment remaining at the termination of this Agreement once all pending Claims are paid.
- 5.4 Payment of Administrative Fee: Plan Sponsor agrees that the Administrative Fee set forth in Exhibit 1 shall be paid once per month. For purposes of this Section, an "Invoiced Claim" shall be a Claim payable by Plan Sponsor under this Agreement, but shall not include transactions for Claims which have been rejected under the specifications of the Benefit Plan, transactions for previously paid Claims which have been reversed (e.g. as a result of a reversal of a Claim by a Participating Pharmacy or by EnvisionRx as a result of an audit), or transactions for reprocessed Claims (e.g. to correct a previously paid Claim).
- 5.5 <u>Fees for Additional Services and Miscellaneous Expenses</u>: Plan Sponsor agrees to reimburse EnvisionRx for Additional Services and Miscellaneous Expenses (e.g. postage) specified in Exhibit 1 hereunder, within seven (7) calendar days of receipt of a monthly invoice.
- 5.6 <u>Retroactive Disenrollment or Termination</u>: Retroactive termination or disenrollment of a Covered Individual shall not release Plan Sponsor of its obligation to pay Claims incurred, at any time, on behalf of a Covered Individual or Administrative Fees due to EnvisionRx during any

period for which services were renderable hereunder based on the then current eligibility. Further, termination of coverage of prescription drugs or the entering into a policy of insurance that covers prescription drugs shall not constitute a permitted termination of this Agreement.

- 5.7 Taxes, Assessment or Fees: Any sales or use taxes for Covered Drugs sold to Members shall be charged, collected, and paid to state and local taxing authorities by the dispensing pharmacy. As part of the reimbursement for a Claim, Plan Sponsor shall reimburse EnvisionRx for such taxes payable by the dispensing pharmacy. These sales or use taxes will be added to the overall amount of the Claim and invoiced to Plan Sponsor and/or Member, in accordance with the Benefit Plan. Further, Plan Sponsor shall reimburse EnvisionRx for any assessments or related fees required to be paid under state or federal regulations for Plan Sponsor's Claims.
- 5.8 <u>Financial Responsibility</u>: Plan Sponsor shall be and remain responsible for the payment of all invoices for Administrative Fees, Additional Services, Miscellaneous Expenses, and Claims (along with any associated dispensing fees, taxes, assessments and fees, and Cost Share not ultimately paid by Members, dispensing fees, and taxes). Plan Sponsor acknowledges that EnvisionRx will not pay pharmacies for Plan Sponsor's Claims, nor be obligated to pay pharmacies for Claims, unless and until adequate funds are received from Plan Sponsor.
- 5.8.1 <u>Untimely Payments</u>. If Plan Sponsor should fail to timely pay any amounts due EnvisionRx hereunder for any reason, including, but not limited to, insolvency, bankruptcy, termination of business, sale, or rebuff, EnvisionRx reserves the right to (i) suspend the provision of services; (ii) offset such amounts owed to EnvisionRx by any amounts owed by EnvisionRx to Plan Sponsor and/or (iii) collect from Plan Sponsor, in addition to such unpaid amounts, interest at a rate of 1.5% per month on the outstanding balance (or, if lower, the rate of interest permitted under the law of Plan Sponsor's state of domicile). If EnvisionRx suspends the provision of services, Covered Individuals will be required to pay 100% of the drug cost and any dispensing fees (or the U&C Price, if lower) to receive Covered Drugs. In addition, as a condition of continuing to perform services under this Agreement, Plan Sponsor shall deposit with EnvisionRx additional amounts to ensure the timely payment of future invoices. EnvisionRx may also discontinue advancing Manufacturer Derived Revenue to Plan Sponsor. Plan Sponsor further agrees that EnvisionRx shall not be liable for any consequences resulting from the untimely payment of Participating Pharmacies due to the failure of Plan Sponsor to timely pay EnvisionRx as required under this Agreement.
- 5.9 <u>Financial Audit by Plan Sponsor</u>: Plan Sponsor may, at its sole expense, conduct a financial audit of EnvisionRx's records related to the adjudication of Plan Sponsor's Claims for any complete Contract Year hereunder and is limited to one audit per audit scope. EnvisionRx shall make financial records available to Plan Sponsor's auditor which contain such records as reasonably necessary for auditor to verify the financial terms hereunder have been met. Plan Sponsor agrees to not use as its auditors, any person or entity which, in the sole discretion of EnvisionRx, is a competitor of EnvisionRx, a pharmaceutical manufacturer representative, or any other person or entity which has a conflict of interest with EnvisionRx. Plan Sponsor understands that EnvisionRx's contracts with pharmaceutical manufacturers, Participating Pharmacies, and other third parties may contain non-disclosure provisions, and hereby agrees to comply with such non-disclosure provisions. Plan Sponsor's auditor shall execute a conflicts of

interest disclosure and confidentiality agreement with EnvisionRx prior to the audit. Audits shall only be made during normal business hours following thirty (30) days written notice, which is to include the audit scope and time period under examination, be conducted without undue interference to EnvisionRx's business activity, and in accordance with reasonable audit practices. Plan Sponsor's auditor may inspect EnvisionRx's contracts with Participating Pharmacies and pharmaceutical manufacturers at EnvisionRx's offices only, and no copies of such contracts may be removed from EnvisionRx's offices. Plan Sponsor agrees to disclose the findings and methodologies of a completed audit, and provide EnvisionRx with a reasonable period of time to respond to such findings and methodologies, before finalizing any amounts due to Plan Sponsor. Upon final settlement of audit, EnvisionRx shall remit any funds agreed to be due to Plan Sponsor within thirty (30) calendar days in the form of a credit memo to Plan Sponsor The audit provisions hereunder shall survive the termination of this Agreement for twelve (12) months following the effective date of termination.

5.10 <u>Financial Audit by EnvisionRx</u>: EnvisionRx may, at reasonable intervals, request Plan Sponsor to provide records for EnvisionRx's inspection which provide supporting documentation for the information contained in the Eligibility File and the data provided by Plan Sponsor (or its designate) upon which the financial terms herein were based. Plan Sponsor agrees to provide such supporting documentation to EnvisionRx within thirty (30) calendar days of such request. In addition, and if warranted, EnvisionRx may, at its own expense, inspect and audit, or cause to be inspected and audited, once annually, the books and records of Plan Sponsor directly relating to the existence and number of Members. Audits shall only be made during normal business hours following thirty (30) days written notice, be conducted without undue interference to Plan Sponsor's business activity, and in accordance with reasonable audit practices. EnvisionRx agrees to execute a confidentiality agreement with Plan Sponsor prior to the audit.

#### 6. TERM AND TERMINATION

- 6.1 Term: The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect for an initial term ending at 11:59pm on December 31<sup>st</sup>, 2019 ("Initial Term") unless earlier terminated as provided herein. Upon the expiration of the Initial Term, and each subsequent renewal term, this Agreement shall renew automatically for an additional term of one year; unless, at least ninety (90) days prior to the end of such term, either party hereto notifies the other, in writing, that this Agreement will terminate at the end of the current term.
- 6.2 <u>Termination</u>: This Agreement may be terminated as follows:
- 6.2.1 <u>For Cause</u>: By either party hereto in the event the other party breaches any of its material obligations hereunder; provided, however, that the defaulting party shall have thirty (30) days to correct such breach after written notice is given by such non-breaching party specifying the alleged breach;
- 6.2.2 <u>Change in Ownership</u>: By either party hereto in the event the other party is purchased by another organization. The current acquisition of EnvisionRx by Walgreens does not count as one of these situations, since the intent to purchase has been public as of November

2015.

- 6.2.3 <u>Material Change in Retail Network</u>: Plan Sponsor may terminate this agreement if there is a change in the retail network arrangement that materially impacts Members' access to retail pharmacies.
- 6.2.4 <u>Change in Pricing Terms</u>: Plan Sponsor may terminate this agreement if EnvisionRx proposes a change to pricing terms, and that change is not accepted by Plan Sponsor (after good faith negotiations occur)
- 6.2.5 <u>Insolvency</u>: By either party hereto in the event the other party (i) is adjudicated insolvent, under state and/or federal regulation, or makes an assignment for the benefit of creditors; (ii) files or has filed against it, or has an entry of an order for relief against it, in any voluntary or involuntary proceeding under any bankruptcy, insolvency, reorganization or receivership law, or seeks relief as therein allowed, which filing or order shall not have been vacated within sixty (60) calendar days from the entry thereof; (iii) has a receiver appointed for all or a substantial portion of its property and such appointment shall not be discharged or vacated within sixty (60) calendar days of the date thereof; (iv) is subject to custody, attachment or sequestration by a court of competent jurisdiction that has assumed of all or a significant portion of its property; or (v) ceases to do business or otherwise terminates its business operations, is declared insolvent or seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement or similar proceeding;
- 6.2.6 <u>Failure to Pay</u>: By EnvisionRx, in addition to any other remedy available to EnvisionRx hereunder, in the event Plan Sponsor fails to pay EnvisionRx according to terms of this Agreement.
- 6.2.7 <u>Termination Without Cause</u>: After the first Contract Year, Plan Sponsor may terminate this Agreement without cause, by notifying EnvisionRx, in writing, at least ninety (90) days prior to the effective date of termination. In the event Plan Sponsor terminates this Agreement under this Section 6.2.7 prior to the completion of the Initial Term, Plan Sponsor agrees to pay EnvisionRx for of uncollected administrative fees, and reimburse EnvisionRx any and all costs incurred by EnvisionRx to implement Plan Sponsor including, but not limited to, implementation credits, any uncollected pre-paid audit, request for proposal, broker, and consultant fees and allowances provided to Plan Sponsor by EnvisionRx.
- 6.2.8 <u>Market Assessment</u>: Plan Sponsor may conduct market assessments during the term of this Agreement to determine the continued competitiveness of pricing and associated financial guarantees. In the event that Plan Sponsor alleges that current pricing is less favorable than those available in the competitive market, EnvisionRx and Plan Sponsor agree to enter into good faith negotiations to reach mutual agreement on revisions to this Agreement if applicable. If after ninety (90) days of negotiations the parties hereto are unable to reach agreement on an equitable modification of terms, then Plan Sponsor may terminate this Agreement with at least ninety (90) days' written notice to EnvisionRx.

- 6.3 <u>Notices</u>: All notices required in this Section 6 shall be reasonably specific concerning the cause for termination and shall specify the effective date and time of termination.
- 6.4 <u>Effect of Termination</u>: Termination of this Agreement for any reason shall not release any party hereto from obligations incurred under this Agreement prior to the date of termination. Except as otherwise agreed, in writing, no services shall be provided by EnvisionRx after the effective date of termination. EnvisionRx reserves the right to suspend advancing Manufacturer Derived Revenue to Plan Sponsor upon Plan Sponsor's notification of termination. In the event that Plan Sponsor terminates this Agreement prior to completion of the Initial Term, Plan Sponsor shall refund any prorated amounts outstanding for any amount of money that EnvisionRx has funded to or on behalf of Plan Sponsor, including but not limited to allowances, credits and fees as set forth herein.

#### 7. CONFIDENTIAL INFORMATION

- 7.1 Confidentiality: Except as otherwise stated herein or required by law, neither party hereto shall disclose any information of, or concerning the other party which has either been provided by one party to the other or obtained by a party in connection with this Agreement (including this Agreement and the terms of this Agreement) or related to the services rendered under this Agreement, all of which information is deemed confidential information. All data, information, and knowledge supplied by a party hereto shall be used by the other party exclusively for the purposes of performing this Agreement. Upon termination of this Agreement, each party shall return to the other party or destroy (if such destruction is certified) all confidential information provided including, without limitation, all copies and electronic magnetic versions thereof. Notwithstanding any of the foregoing to the contrary, "confidential information" shall not include any information which was known by a party prior to receiving it from the other party, or that becomes rightfully known to a party from a third party under no obligation to maintain its confidentiality, or that becomes publicly known through no violation of this Agreement.
- 7.2 Protected Health Information: Plan Sponsor will have access to Protected Health Information (PHI) (as defined by HIPAA) contained in reports provided by EnvisionRx or accessed by Plan Sponsor via EnvisionRx's website. Plan Sponsor agrees, for itself and its employees, that PHI shall not be used for any impermissible purpose, including, without limitation, the use of PHI for disciplinary or discriminatory purposes, and any user names and passwords assigned to designated individuals shall not be shared with non-designated individuals. In addition, Plan Sponsor, for itself and its Members, authorizes EnvisionRx to use and share PHI as necessary to carry its obligations hereunder. EnvisionRx and Plan Sponsor shall execute a HIPAA Business Associate Agreement effective co-extemporaneously with this Agreement. It is attached as Exhibit 4 to this Agreement
- 7.3 Ownership of Records: To the extent permitted or required by applicable law, all records of prescription drug products dispensed to Members shall be the property of Plan Sponsor. However, during the term of this Agreement and for a reasonable period after termination of this Agreement, Plan Sponsor grants EnvisionRx the right to use and disclose to third parties the drug

and related medical data of Members (i) solely in furtherance of the performance of EnvisionRx's responsibilities under this Agreement, and (ii) as utilized in, or incorporated into, EnvisionRx's research, cost analyses, and cost comparison studies. All such research, cost analyses, and cost comparisons, and other similar studies or reports conducted or prepared by EnvisionRx shall be the sole and exclusive property of EnvisionRx. Such information shall be aggregated with that of other clients and de-identified so as to protect the confidentiality of both Plan Sponsor and Member. EnvisionRx shall only use such information for its own internal purposes, and shall not make it available to any third parties.

#### 8. INDEMNIFICATION

- 8.1 <u>Limited Indemnification by EnvisionRx</u>: EnvisionRx hereby agrees to indemnify, hold harmless, and defend Plan Sponsor and its employees, officers, directors, trustees, shareholders, and agents from and against any and all liabilities, actions, claims, damages, costs, losses and expenses (including without limitation, reasonable costs of investigation and attorneys' fees) caused by or arising out of (i) any act or omission by EnvisionRx in the performance of the services provided under this Agreement; or (ii) any breach of any representation, covenant, or other agreement of EnvisionRx contained in this Agreement. Notwithstanding the foregoing, EnvisionRx shall not be liable to Plan Sponsor for Plan Sponsor's failure to comply with any rule, regulation, or guidance applicable to Plan Sponsor.
- 8.2 <u>Limited Indemnification by Plan Sponsor</u>: Plan Sponsor hereby agrees to indemnify, hold harmless, and defend EnvisionRx and its employees, officers, directors, shareholders, affiliates and agents from and against any and all liabilities, actions, claims, damages, costs, losses and expenses (including without limitation, reasonable costs of investigation and attorneys' fees) caused by or arising out of (i) the provision by Plan Sponsor or its designee of untimely, incomplete, or erroneous information; or (ii) Plan Sponsor's failure to comply with state or federal law in the operation of its Benefit Plan.
- 8.3 <u>Limitation of Liability</u>: Except in the case of fraud, the rights of the parties hereto for indemnification relating to this Agreement or the transactions contemplated hereby shall be strictly limited to those contained in this Section 8, and such indemnification rights shall be the exclusive remedies of the parties with respect to any matter arising under or in connection with this Agreement. Notwithstanding the indemnification obligations set forth above (i) each party's liability to the other hereunder will in no event exceed the actual proximate losses or damages caused by breach of this Agreement; and (ii) in no event will either party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence.
- 8.4 <u>Survival</u>: This Section 8 shall survive the expiration or termination of this Agreement for any reason.

# 9. RELATIONSHIP WITH CONTRACTED PHARMACIES

Plan Sponsor acknowledges that EnvisionRx is neither an operator of pharmacies nor exercises control over the professional judgment used by any pharmacist when dispensing drugs or medical supplies to Members. Nothing in this Agreement shall be construed to usurp the dispensing pharmacist's professional judgment with respect to the dispensing or refusal to dispense any drugs or medical supplies to Members. Plan Sponsor agrees that it shall not hold EnvisionRx responsible, nor shall EnvisionRx be liable to Plan Sponsor or Members, for any liability arising from the dispensing of drugs or medical supplies to Members by any pharmacy.

#### 10. GENERAL

- 10.1 <u>Acknowledgement</u>: Plan Sponsor agrees that it retains the sole responsibility for the terms and conditions of its Benefit Plan; its compliance with applicable law, and that of its Benefit Plan, including, without limitation, the interpretation and applicability of any state or federally mandated requirements; and determinations of coverage under the Benefit Plan; and shall not rely on any advice or recommendations of EnvisionRx as a substitute for obtaining its own independent accounting, tax, legal, or regulatory advice. Unless otherwise agreed in writing, Plan Sponsor shall also be responsible for the disclosing or reporting of information regarding the Benefit Plan or changes in the Benefit Plan (e.g., calculation of co-payments, deductibles; or creditable coverage) as may be required by law to be disclosed to governmental agencies or Covered Individuals.
- 10.2 <u>Independent Contractors</u>: EnvisionRx and Plan Sponsor are independent contractors. Notwithstanding anything herein to the contrary, neither party hereto, nor any of its respective employees, shall be construed to be the employee, agent, or representative of the other for any reason, or liable for any acts of omission or commission on the part of the other. Plan Sponsor acknowledges that, notwithstanding anything herein to the contrary, EnvisionRx negotiates contracts with pharmacies, pharmaceutical manufacturers, and vendors on its own behalf and not specifically or exclusively for Plan Sponsor.
- 10.3 <u>Exclusivity</u>: During the term of this Agreement, EnvisionRx shall be the sole provider of PBM Services to Plan Sponsor, including, without limitation, the exclusive contractor of rebates with pharmaceutical manufacturers for Plan Sponsor's Claims.
- 10.4 <u>Assignment</u>: Except as follows, this Agreement may not be assigned by either party hereto without the express written consent of the other party, which may not be unreasonably withheld. EnvisionRx may assign this Agreement to a commonly controlled subsidiary or affiliate company, or a controlling parent company.
- 10.5 <u>Binding Effect</u>. This Agreement and the exhibits and schedules attached hereto shall be binding upon and inure to the benefit of the respective parties hereto and their respective successors and assigns.
- 10.6 <u>Intellectual Property</u>: Each party hereto reserves the right to and control of the use of their names, symbols, trademarks or service marks presently existing or hereafter established, and no party may use any names, symbols, trademarks or service marks of any other party without the owner's written consent.

- 10.7 <u>Waiver</u>: Neither the failure nor any delay on the part of either party hereto to exercise any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. In the event any party hereto should waive any breach of any provision of this Agreement, it will not be deemed or construed as a waiver of any other breach of the same or different provision.
- 10.8 <u>Severability</u>: The invalidity or unenforceability of any term or provision of this Agreement shall in no way affect the validity or enforceability of any other term or provision.
- 10.9 Change in Law or Market Conditions: If any law, regulation, or market condition (e.g. an applicable industry standard reference on which pricing hereunder is based, changes the methodology for determining drug price in a way that materially changes the pricing or economics of this Agreement), either now existing or subsequently occurring, affects the ability of either party hereto to carry out any obligation or causes the economic benefits derived by EnvisionRx from this Agreement to materially decrease hereunder (a "Material Change"), EnvisionRx and Plan Sponsor shall renegotiate the affected terms of this Agreement, in good faith, to preserve, to the extent possible, the relative positions of the parties that existed prior to such Material Change. Either party may notify the other party of a Material Change. If a successful renegotiation is not achieved within thirty (30) days after notification of a Material Change, any failure of the affected party to meet its obligations hereunder due to the effect of such Material Change shall not be deemed to be a breach of this Agreement; however, if continuation of this Agreement without modification is in violation of any law or regulation, or makes it impracticable for the affected party to meet its obligations hereunder, either party may terminate this Agreement with sixty (60) days prior written notice.
- 10.10 <u>Headings</u>: The section or paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.
- 10.11 Entire Agreement: This Agreement shall constitute the entire agreement between EnvisionRx and Plan Sponsor with respect to the subject matter herein and supersede any prior understanding or agreements of any kind preceding this Agreement with respect to such subject matter. Any modification or amendment to this Agreement, or additional obligation assumed by EnvisionRx or Plan Sponsor in connection with this Agreement, shall be binding only if evidenced in a writing signed by both parties hereto. No term or provision of this Agreement shall establish a precedent for any term or provision in any other agreement.
- 10.12 Acceptance of Offer: Notwithstanding anything herein to the contrary, this Agreement shall not be binding upon the parties hereto unless and until this Agreement is signed and executed by a duly authorized officer of each of the parties. The signing of this Agreement by Plan Sponsor constitutes an offer only until the same has been accepted by EnvisionRx.

# 10.13 Dispute Resolution

10.13.1 <u>Mediation</u>: If either party to this Agreement should declare a breach of

this Agreement, or if any dispute arises from this Agreement or the subject of this Agreement, the parties shall first submit the matter to non-binding mediation (not arbitration) and attempt to resolve the matter, in good faith, prior to the institution of any arbitration or any other legal action. The parties agree that arbitration or any other legal action may be initiated only after each party has presented its case to a qualified mediator associated with a professional mediation firm and such mediator has declared an impasse. Any statements made at such mediation shall be for settlement purposes only and shall not be construed to be an admission. A party demanding mediation shall be entitled to obtain a court order mandating mediation if the other party does not agree to commence mediation within thirty (30) days after written demand. The fees and costs incurred by the party seeking such court order shall be reimbursed by the other party; otherwise, each party shall pay its own costs of mediation. All such mediation proceedings shall be conducted on a confidential basis. The mediation shall be conducted in Madison, Wisconsin.

- 10.13.2 Arbitration: Any controversy, claim or dispute arising out of or relating to this Agreement or the breach thereof, whether in tort or in contract, in law or in equity, shall be exclusively settled by confidential binding arbitration in accordance with the commercial rules of the American Arbitration Association (AAA) then in effect. Such arbitration may be initiated by either party, only upon declaration by the mediator of an impasse as required in the mediation above, by providing the other party with a written demand for arbitration. If both parties provide a demand for arbitration within the same calendar day, the party which initiated the mediation above shall be deemed to be the plaintiff. A response to the demand for arbitration, and any affirmative defenses or counter-demands, shall be delivered to the initiating party within fifteen (15) calendar days (not counting weekends or federal holidays) of delivery of the demand for There shall be a single qualified arbitrator mutually chosen by the parties in accordance with the selection and appointment procedures of the AAA, subject to the following: The arbitrator shall be reasonably familiar with the business of pharmacy benefits management and have at least two (2) years of experience arbitrating matters related to the administration of health care services or health insurance. Should the list of arbitrators provided by the AAA fail to contain a qualified arbitrator, the parties may select a qualified arbitrator not associated with the AAA. The fees charged by the AAA and costs of the arbitrator (e.g. compensation, travel, etc.) related to the arbitration shall be borne equally by the parties. To the extent AAA rules do not address a particular procedure, including, without limitation, the timing, content, and scope of discovery, the arbitrator shall, after consulting with the parties, determine such procedure. The decision of the arbitrator shall be final and binding, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. All such arbitration proceedings shall be conducted on a confidential basis and shall not be disclosed by either party. The arbitration shall be conducted in Madison, Wisconsin.
- 10.14 <u>Choice of Law</u>: This Agreement shall be construed, interpreted, and governed according to the laws of the State of Wisconsin, without regard to its conflict of laws rules, except to the extent such laws are preempted by applicable Federal law.
- 10.15 <u>Force Majeure</u>: Neither EnvisionRx nor Plan Sponsor will be deemed to have breached this Agreement or be held liable for any failure or delay in the performance of all or any portion of its obligations under this Agreement if prevented from doing so by a cause or causes beyond

its control. Without limiting the generality of the foregoing, such causes include acts of God or the public enemy, fires, floods, storms, earthquakes, riots, strikes, boycotts, lock-outs, acts of terrorism, acts of war or war-operations, restraints of government, power or communications line failure or other circumstances beyond such party's control, or by reason of the judgment, ruling or order of any court or agency of competent jurisdiction, or change of law or regulation (or change in the interpretation thereof) subsequent to the execution of this Agreement. The party claiming force majeure must provide the other party with reasonable written notice. However, as soon as the cause preventing performance ceases, the party affected thereby shall fulfill its obligations as set forth under this Agreement. This Section 10.15 shall not be considered to be a waiver of any continuing obligations under this Agreement, including, without limitation, the obligation to make payments.

- 10.16 <u>Fax Communications</u>: Plan Sponsor agrees that EnvisionRx may communicate with Plan Sponsor via fax, and by doing so, such fax is not a violation of the Telephone Consumer Protection Act, 47 U.S.C. §227.
- 10.17 <u>Notices</u>: All notices required under this Agreement shall be in writing, signed by the party giving notice and shall be deemed sufficiently given immediately after being delivered by hand, or by traceable overnight delivery service, or by registered or certified mail (return receipt requested), to the other party at the address set forth below or at such address as has been given by proper notice.
- 10.18 Representations: Plan Sponsor represents and warrants that (i) it is a licensed health plan, in good standing, in the state(s) of Wisconsin; (ii) the entering into this Agreement for PBM Services is not in violation of any other agreement; (iii) has no undisclosed conflicts of interest; and (iv) it maintains, and shall continue to maintain throughout the term of this Agreement, any and all licenses, governmental authority, or other authorization required to operate an entity of its type. EnvisionRx represents that there are no organizational arrangements that could potentially create a conflict of interest that affects clinical or financial decisions. In addition, each signatory named below represents and warrants that he or she (i) has read this Agreement, Exhibits, and other attachments, and fully understands and agrees to the content therein; (ii) has entered into this Agreement voluntarily; (iii) has not transferred or assigned or otherwise conveyed in any manner or form any of the rights, obligations or claims which are the subject matter of this Agreement; and (iv) has the full power and authority to execute this Agreement.

[SIGNATURE PAGE FOLLOWS]

# PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT SIGNATURE PAGE

IN WITNESS WHEREOF, EnvisionRx and Plan Sponsor have executed this Agreement as of the Effective Date above

For ENVISIONRX:

For PLAN SPONSOR:

Docusigned by

Matt Gibbs

Matthew A. Gibbs, Pharm D.

President, Commercial & Managed Markets

Address:

Envision Pharmaceutical Services, LLC

2181 East Aurora Road Twinsburg, OH 44087

PH: 330-405-8080 FX: 330-405-8081 Address:

Care Wisconsin First, Inc.

Print Name & Title

1617 Sherman Ave. Madison, WI 53708

PH: 608-245-3089

FX: 608-245-3093

E-MAIL: menloe@carewisc.org

Myra g. Enloc VP Performance Excellence

FEIN: 27-0093404

# EXHIBIT 1 FEES, DRUG PRICING, AND FINANCIAL GUARANTEES

Administrative Fee (Payable to EnvisionRx; not including fees payable to Plan Sponsor's TPAs, consultants, or brokers, if any)						
Fo	r Contract Year 2017, 2018 & 2019:					
Fees for Additional Services and Miscellaneous Expenses						
1.	Production, Replacement or Customization of ID Cards, Mail Order Brochures, or other printed materials	per welcome kit plus cost of postage				
2.	Manual Claims Processing (including DMRs)	per Claim processed				
3.	Claim Adjustment Checks (charged to Plan Sponsor for reimbursements made to Members for Claim adjustments requested by Plan Sponsor.)	per check				
4.	Manually create or update the Eligibility File	per Member data entry				
5.	Manually reverse and reprocess Claim due to Plan Sponsor error	per Claim				
6.	If EnvisionRx mails Retro LICS refund checks to Members (no charge for report only)	Cost of production and postage				
7.	EOBs (If EnvisionRx prints and mails to Members)	per EOB				
8.	Clinical Prior Authorizations (Initial Coverage Determinations)	per Coverage Determination				
9.	Electronic Prior Authorizations (EPAs) Administered by Plan Sponsor via PA Hub which includes the cost of system generated letters and faxes. Postage will be paid by Plan Sponsor	per EPA				
10	Post EPA Decision Notification Calls via Silverlink	setup fee plus				
11	. Online PA Tool – View Access	Included in Administrative Fee				
12	. Online PA Tool – Update Access	per Coverage Determination				
13	. Grievances	per Grievance				
14	. FWA Enhanced	PMPM				
15	. Pharmacy Audits	per Audit				
16	16. Ad Hoc Computer or Report Programming per hour					

17. Vaccine Administration			Pass-through of charge from Participating Pharmacy			
18. E-Prescribing				The greater of per transaction or per month.		
19. Formulary Development and P&T Committee Support (This fee shall apply immediately when Plan Sponsor decides to modify the Formulary in a manner that is contradictory to EnvisionRx's P&T committee decisions and/or EnvisionRx's Manufacturer Derived Revenue strategy.)				The greater of PMPM or per Month.		
20. Custom Utilization Management Programs, e.g. step-therapies, quantity limits, etc.				per hour		
21 Transition Program Letters (To Members and providers)				per letter		
22. On-Line Reporting Tool Access			Included in the Administrative Fee for up to unique users.			
23 Adjudication System (Call Center) Access with Editing Permissions			per Claim			
24. Members Call Center			per Claim			
25. After Hours Member Call Center (If utilized by Plan Sponsor)			per Claim			
26. Pharmacy Call Center			per Claim			
27. Pharmacy Network Contracting and Maintenance				per Claim		
28. Member Communications not listed above			of the cost of printing and postage.			
Drug Pricing and Dispo	ensing Fees					
Supply/Source	BRAND			GENERIC		
For Contract Year 2017, 2018 & 2019 (based on 3 year Agreement)	Drug Price <sup>(B)(C)</sup> (Annual Average Effective Rate Guarantee)	Dispe Fee (And Ave Guara	(C)(D) nual rage	Drug Price <sup>(B)(C)</sup> (Annual Average Effective Rate Guarantee)	Dispensing Fee (C)(D) (Annual Average Guarantee)	
1-34 Days' Supply at a Retail Pharmacy						
35 + Days' Supply (or greater) at a Retail Pharmacy (non-Mail						

Order)		
Long Term Care Facilities		
Specialty Drugs		

- (B) For purposes of this Agreement, the "Annual Average Effective Rate" means, for the category of drugs being reviewed, the result calculated by the following formula:
  - 1. (IC/AWP)-1, where IC (the "Ingredient Cost") is the sum of all amounts paid by Plan Sponsor for the ingredient costs of the Covered Drugs paid to Participating Pharmacies in the designated Network during the Contract Year, before deducting applicable Manufacturer Derived Revenue and/or any applicable Cost Share; and
  - 2. AWP is the sum of the Average Wholesale Price amounts associated with the same Covered Drugs during the Contract Year. If the calculated price is lower than the allowable amount under any state Medicaid "Favored Nations" rule, EnvisionRx shall pass-through, and Plan Sponsor shall pay, the Medicaid allowable amount.
- Contract Year, excluding (i) Claims from non-Participating Pharmacies, (ii) Limited Distribution Drugs; (iii) Claims from non-Participating Pharmacies, home infusion or government owned or operated pharmacies (e.g. Veterans Administration), (iv) Claims from any Plan Sponsor owned or affiliated pharmacy which is not a Participating Pharmacy.
- (D) The Annual Average Dispensing Fee is calculated using actual price paid by EnvisionRx to Participating Pharmacies in the designated Network, plus any Cost Share, (the Ingredient Cost) for all Claims for the applicable category above (including Claims paid at the U&C Price) during a Contract Year, excluding (i) compound drugs, (ii) Limited Distribution Drugs; (iii) Claims from non-Participating Pharmacies, home infusion or government owned or operated pharmacies (e.g. Veterans Administration), (iv) Claims paid at government required amounts (e.g. Medicaid), (v) 340B Claims; (vi) vaccines, and (vii) Claims from any Plan Sponsor owned or affiliated pharmacy which is not a Participating Pharmacy; and (viii) Claims from the following Pharmacies (NABPs): 1. 5119397 2 5135365 3. 5123841 4. 5106946 5. 5118220 6. 5113838 7 5106388 8 5131230 9. 5126760.

# For Contract Year 2017: • For 30 day supply of Brand Drugs at a Retail Pharmacy—per paid Brand Drug Claim • For Specialty Brand Drugs—per paid Specialty Brand Drug Claim For Contract Year 2018: • For 30 day supply of Brand Drugs at a Retail Pharmacy—per paid Brand Drug Claim For Contract Year 2018: • For 30 day supply of Brand Drugs at a Retail Pharmacy—per paid Brand Drug Claim • For 84 days' supply of Brand Drugs at a Retail Pharmacy—per paid Brand Drug Claim • For Specialty Brand Drugs - per paid Specialty Brand Drug Claim • For Specialty Brand Drugs - per paid Specialty Brand Drug Claim

#### For Contract Year 2019:

- For 30 day supply of Brand Drugs at a Retail Pharmacy per paid Brand Drug Claim
- For 84 days' supply of Brand Drugs at a Retail Pharmacy-
- For Specialty Brand Drugs per paid Specialty Brand Drug Claim
- (E) Manufacturer Derived Revenue guarantees are stated as annual average amounts per Contract Year
- (F) 340B Claims, Claims not eligible for Manufacturer Derived Revenue (e.g. Vaccines, Compounds, Direct Member Reimbursement Claims, etc.), OTC drug Claims (with the exception of diabetic testing strips and meters), and Claims from any Plan Sponsor owned or affiliated pharmacy which is not a Participating Pharmacy, shall be excluded from the calculation of the guarantees above.
- (G) Guarantees require Plan Sponsor to utilize current Formulary as defined above.

Plan Sponsor acknowledges that the annual average Manufacturer Derived Revenue guaranteed amounts specified in this Exhibit 1 are conditioned upon Plan Sponsor's adherence to certain conditions under this Agreement.

- (a) If the Manufacturer Derived Revenue advanced to Plan Sponsor for the Contract Year is, overall, lower than the overall Manufacturer Derived Revenue earned by Plan Sponsor for the Contract Year, EnvisionRx shall pay the difference to Plan Sponsor, after application of any additional offset allowed under this Agreement,.
- (b) If the Manufacturer Derived Revenue earned by Plan Sponsor for the Contract Year 1s, overall, lower than the annual average Manufacturer Derived Revenue guaranteed amounts specified above, in the aggregate, EnvisionRx shall pay the difference to Plan Sponsor, after application of any additional offset allowed under this Agreement.

Notwithstanding anything herein to the contrary, EnvisionRx shall not be liable to Plan Sponsor for any shortfall in guaranteed Manufacturer Derived Revenue if: (i) Plan Sponsor makes a change to the Benefit Plan at any time (regardless of whether or not such change is required by law) which shifts utilization in a manner which impacts Envision's performance of said guarantees; (ii) the configuration of System edits is modified by Plan Sponsor which ultimately shifts utilization in a manner which impacts Envision's performance of said guarantees, (iii) Plan Sponsor does not adhere to the Formulary which ultimately shifts utilization in a manner which impacts Envision's performance of said guarantees, (iv) the utilization data provided by Plan Sponsor (or Plan Sponsor's agent) upon which the calculation of guarantees were based as inaccurate, incomplete, or there is a substantial change in drug utilization patterns of Covered Individuals; (v) there is a loss of rebates due to an unexpected pharmaceutical manufacturer drug patent expirations, manufacturer bankruptcy, or removal of a drug from the market; (vi) there are unexpected changes in pharmaceutical manufacturer rebate contracting terms or policies; (vii) Plan Sponsor's Benefit Plan does not meet the conditions for rebates of pharmaceutical manufacturer contracts including market share rebates; (viii) if Plan Sponsor has been excluded by a manufacturer; (ix) there is any governmental regulation, ruling, or guidance that impacts EnvisionRx's ability to maintain current Manufacturer Derived Revenue yields; or (x) Plan Sponsor terminates before completion of the applicable, Contract Year.

# Annual Average Effective Rate and Dispensing Fee Guarantee

Plan Sponsor acknowledges that the Annual Average Effective Rates and Annual Average Dispensing Fees specified in this Exhibit 1 are conditioned upon Plan Sponsor's adherence to certain conditions under this Agreement and that the actual Annual Average Effective Rates and Annual Average Dispensing Fees will also depend on Plan Sponsor's drug utilization and mix of Participating Pharmacies If the amounts paid by Plan Sponsor during the Contract Year for all Claims in any channel set forth in Exhibit 1 with specified rates and fees (i.e. 1-34 days' supply retail; 35+ days' supply retail, LTC and Specialty Pharmacy;) are less

favorable than the Annual Average Effective Rates and Average Dispensing Fees stated in Exhibit 1 for said channel in aggregate, EnvisionRx shall credit Plan Sponsor with the difference for that channel within ninety (90) days of the end of the applicable Contract Year. For clarification, an overage from one pricing channel shall not be used to offset a shortfall in a different pricing channel. In addition, an overage in the Annual Average Manufacturer Derived Revenue Guarantee shall not be used to offset any shortfall in an Annual Average Effective Rate or Dispensing Fee Guarantee as set forth below. EnvisionRx shall not be liable to Plan Sponsor for shortfalls in guaranteed Annual Average Effective Rates or Annual Average Dispensing Fees if (i) Plan Sponsor makes a change to the Benefit Plan at any time (regardless of whether or not such change is required by law) which shifts utilization in a manner which impacts Envision's performance of said guarantees, (ii) the configuration of System edits is modified by Plan Sponsor which ultimately results in a shift of utilization in a manner which impacts Envision's performance of said guarantees; (iii) Plan Sponsor does not adhere to the Formulary which ultimately shifts utilization in a manner which impacts Envision's performance of said guarantees; (iv) the utilization data provided by Plan Sponsor (or Plan Sponsor's agent) upon which the calculation of guarantees were based is inaccurate, incomplete, or there is a substantial change in drug utilization patterns of Covered Individuals; or (v) Plan Sponsor terminates before completion of the applicable, full Contract Year.

# Desk Audits EXHIBIT 2 FRAUD, WASTE & ABUSE SUPPORT SERVICES

- 1. <u>Claims Monitoring</u>: EnvisionRx shall monitor Plan Sponsor's Claims submitted by Participating Pharmacies within the Plan Sponsor's pharmacy network using EnvisionRx's Claims Adjudication System. These monitoring activities may result in the performance of investigations and audits by EnvisionRx's audit department. EnvisionRx's Claims monitoring consists of relevant monitoring activities that may include the following:
  - a. <u>Period-to Period Claims Data Fluctuations</u>: EnvisionRx shall monitor summary plan data for significant fluctuations that exceed pre-determined thresholds. Fluctuations meeting these criteria shall be further investigated.
  - b. <u>High-Dollar Claims</u>: EnvisionRx shall retrospectively monitor high-dollar Claims, which are Claims exceeding To determine whether Claims meeting this threshold are subject to audit, EnvisionRx shall initially review the Claims for prior authorizations, apparent high doses, and other relevant activities.
  - c. <u>Insulin Claims</u>: EnvisionRx shall monitor for usage of insulin exceeding 1 ml of insulin per day. All Claims meeting this criterion are subject to audit.
  - d. <u>Claims Anomalies</u>: EnvisionRx shall monitor Claims submitted with aberrant dollar amounts, quantity errors, or other significant Claims submission variances.
  - e. <u>Potential Abuse by Members</u>: EnvisionRx shall monitor and flag members for clinical review based on utilization patterns. Based on the results of the review, EnvisionRx may conduct an investigation to determine if potential abuse or drug seeking behavior is involved.
  - f. <u>Potential Inappropriate Prescribing</u>: EnvisionRx shall monitor and flag providers for potential inappropriate prescribing practices. Based on the results of the review, EnvisionRx may conduct an investigation to determine if potential FWA is involved.

EnvisionRx regularly evaluates its Claims monitoring procedures to provide its clients with EnvisionRx's most current monitoring activities. As a result, the scope of monitoring activities performed by EnvisionRx may change periodically.

- Investigations: Investigations shall be launched when suspicious information is identified through Claims monitoring activities as previously defined under 1. Claims Monitoring. Plan Sponsor agrees and acknowledges that any other investigations directly requested by Plan Sponsor will be performed for an additional fee mutually agreed to and documented in writing by both Plan Sponsor and EnvisionRx
- 3. <u>Audits</u>: EnvisionRx shall conduct audits as described below and in accordance with its policies and procedures when suspicious information is identified through Claims monitoring activities as previously defined under 1 Claims Monitoring.

- a. <u>Desk Audit</u>: EnvisionRx conducts a desk audit of a Participating Pharmacy as a result of issues identified by an investigation, when other anomalies are identified (e.g., quantity/day supply), or when EnvisionRx has reason to believe that there may be potential fraud, waste, or abuse taking place at the Participating Pharmacy. Plan Sponsor agrees and acknowledges that any other desk audits directly requested by Plan Sponsor unrelated to the specific Desk Audit being conducted by EnvisionRx, will be performed for an additional fee mutually agreed to and documented in writing by both Plan Sponsor and EnvisionRx.
- b. On-site Audit: EnvisionRx conducts on-site audits based on various factors determined by EnvisionRx's audit department which may include, but are not limited to, whether the results of a desk audit are inconclusive and the Participating Pharmacy has not provided EnvisionRx with satisfactory information or a satisfactory response. EnvisionRx also conducts on-site audits based on the Participating Pharmacy's Claims activities, the geographic area in which the Participating Pharmacy is located, and the Participating Pharmacy's actions during a prior desk audit. Plan Sponsor agrees and acknowledges that any other on-site audits directly requested by Plan Sponsor, except for regulatory audit will be performed for an additional fee mutually agreed to and documented in writing by both Plan Sponsor and EnvisionRx.
- 4. <u>Notifications</u>: EnvisionRx shall report to Plan Sponsor any proven allegations of potential fraud, waste, or abuse that it identified or received within Plan Sponsor's network and the results of those activities. EnvisionRx shall notify Plan Sponsor if EnvisionRx suspends a Participating Pharmacy in the Plan Sponsor's pharmacy network.
- 5. <u>Periodic Reporting</u>: EnvisionRx shall report the results of activities addressed in this Exhibit 2 to Plan Sponsor on a quarterly basis.
- 6. <u>Recoveries</u>: EnvisionRx will diligently attempt to recover payments made for Claims that have been identified as improper and all such recoveries received by EnvisionRx will be passed through to Plan Sponsor.

# EXHIBIT 3 PERFORMANCE MEASURES

Unless otherwise stated in the Exhibit, targets set forth below will apply to both this Agreement and the Medicare Agreement and shall be measured on a Contract Year basis and based on Care Wisconsin's book of business. The total amount of penalties payable by EnvisionRx in any Contract Year for the performance on this Agreement shall not exceed each Contract Year, and no more than of the total amount at risk may be assigned to any one (1) performance measure below. Unless otherwise stated, payment of penalties will be credited towards future Administrative Fees. Failure to meet Performance Measures shall not be deemed to be a breach of this Agreement. At the request of one party hereto, and no more than once per Contract Year, the other party hereto agrees to meet with the requesting party and negotiate in good faith equitable modifications to this Exhibit 3.

In the event that any failure by EnvisionRx to meet any Performance Measure is due to a "force majeure" as defined in this Agreement, failure by Plan Sponsor to perform its obligations under this Agreement, or actions or inactions of Plan Sponsor that adversely impacts EnvisionRx's ability to maintain the Performance Measure, EnvisionRx will be excused from compliance with such Performance Measure(s) until such circumstances have been resolved and any existing backlogs or other related effects have been eliminated.

- Implementation Satisfaction Survey: EnvisionRx shall conduct a survey of three designated client personnel to measure satisfaction associated with implementation of the plan. EnvisionRx guarantees a satisfaction rating of at least scale. EnvisionRx will be responsible for data collection, analysis and any costs associated with the conducting of the survey. Survey design will be the responsibility of EnvisionRx with approval by Plan Sponsor. This will be a one-time measurement. The combined total amount of penalties payable by EnvisionRx for the performance on this one-time measurement shall be aggregated across this Agreement and the Medicare Agreement and shall not exceed
- 2. <u>ID Cards & Welcome Packets</u>: of member ID cards and welcome packets will be received by members on or before the effective date of the plan, on the condition that Plan Sponsor provides EnvisionRx with accurate and complete eligibility according to a mutually agreed upon schedule.
- 3. <u>Benefit Design Setup</u>: Plan Sponsor's Benefit Plans will be successfully and accurately loaded in EnvisionRx's claims system at least calendar days prior to the effective date of coverage, on the condition that Plan Sponsor provides EnvisionRx with an accurate and complete, signed Benefit Specification Form according to a mutually agreed upon schedule.

4.	Member Satisfaction: EnvisionRx will conduct a satisfaction survey at least annually involving Plan Sponsor's Members who have recent interaction with any of the following services: Retail Pharmacy Services, Mail Order Pharmacy Services, and Customer Service. EnvisionRx will be responsible for data collection, analysis and any costs associated with the conducting of the survey. Survey design will be the responsibility of EnvisionRx with approval by Plan Sponsor. Based upon performance areas for which EnvisionRx maintains a significant amount of control, survey results will demonstrate an overall satisfaction rate of or greater.
5.	<u>ID Cards</u> : EnvisionRx guarantees that ID cards will be mailed to of members at least five (5) days prior to the effective date. Measurement and target determination will be based on an annual average.
6.	Eligibility: or greater of usable Eligibility Files received before 6:00 AM Central Time on any business day will be accurately loaded and active in the on-line claims adjudication system within of EnvisionRx's receipt. Measurement and target determination will be based on an annual average.
7.	First Call Resolution: or greater of calls to EnvisionRx's help desk will be resolved based on the initial call. Measurement and target determination will be based on an annual average. Measurement and target determination will be based on an annual average.
8.	Written Inquiries: EnvisionRx guarantees that of written inquiries by Members will be responded to within and of written inquiries will be responded to within Measurement and target determination will be based on an annual average.
9.	Account Team Responsiveness: EnvisionRx guarantees that the account team members will respond to electronic, verbal, and written notices of issues by Plan Sponsor within If the issue cannot be resolved within account team members will notify Plan Sponsor of the expected time of resolution. Measurement and target determination will be based on an annual average.
10.	Client Satisfaction Survey: EnvisionRx shall conduct a survey of Plan Sponsor's management to measure satisfaction on at least an annual basis. EnvisionRx guarantees a satisfaction rating of at least EnvisionRx will be responsible for data collection, analysis and any costs associated with the conducting of the survey. Survey design will be the responsibility of EnvisionRx with approval by Plan Sponsor.
11.	Action Log: EnvisionRx guarantees that the account team will maintain and distribute on a basis an action log which documents and tracks any administrative, operational, clinical, and financial issues. Measurement and target determination will be based on an annual average.
12.	Quarterly Meetings: EnvisionRx guarantees that the account team will schedule and participate in quarterly meetings to discuss quarterly utilization, financial, and clinical results. The account team will prepare and distribute agenda and meeting materials at least prior to the meeting date. Meeting notes and follow-up items will be distributed by the account team within following the meeting. Measurement and target determination will be based on an annual average.

Modeling/Forecasting: EnvisionRx will provide any modeling/forecasting for plan design changes to Plan Sponsor within a reasonable amount of time. Upon researching the request EnvisionRx will provide an estimated turnaround time for completion should the complexity of the request require additional time Report Distribution: EnvisionRx guarantees that Plan Sponsor quarterly standard management reports shall be available within after the end of each calendar quarter. Measurement and target determination will be based on an annual On-Line Reporting: EnvisionRx guarantees that data for on-line reporting will be 15. available within following the end of each month. Measurement and target determination will be based on an annual average. Abandonment Rate: EnvisionRx guarantees EnvisionRx's help desk will be abandoned after being connected. Measurement and target determination will be based on an annual average. 17. Phone Average Speed of Answer: EnvisionRx guarantees that all inbound calls to EnvisionRx's customer service number will be answered within less on average. Measurement and target determination will be based on an annual average. 18. Benefit Design Error Resolution: EnvisionRx guarantees that any identified errors in benefit design set-up will be resolved within unless mutually agreed upon by Plan Sponsor and EnvisionRx. Measurement and target determination will be based on an annual average