

**AMENDMENT TO  
ADMINISTRATIVE SERVICES AGREEMENT**

This Amendment to the Administrative Services Agreement (this “**Amendment**”) dated as of **January 01, 2025** (the “**Amendment Effective Date**”) amends the Administrative Services Agreement (the “**Agreement**”) entered into as of **January 01, 2024**, as amended, by and between Meritain Health, Inc. (“**Meritain**”) and **Effingham County Board of Commissioners** (“**Client**”) as follows:

**1. PHARMACY BENEFITS MANAGEMENT SCHEDULE**

The Agreement is hereby amended by the deletion of the Pharmacy Benefit Management Services Schedule in its entirety and is replaced with the following new Pharmacy Benefit Management Services Schedule attached hereto and incorporated herein.

**2. DISCLOSURES EXHIBIT**

The Agreement is hereby amended by the deletion of the Disclosures Exhibit in its entirety and is replaced with the following new Disclosures Exhibit attached hereto and incorporated herein.

**3. MISCELLANEOUS**

Any capitalized term not defined in this Amendment shall have the meaning ascribed to it in the Agreement. Except as specifically amended by the terms of this Amendment, all surviving terms, provisions, and fees of the Agreement are hereby ratified and confirmed and the Agreement, as modified by this Amendment, remains in full force and effect.

In **Witness Whereof**, the parties have executed this Amendment on the dates set forth below.

**MERITAIN HEALTH, INC.**

*Michael S. Thomas*

Name: Michael S. Thomas  
Title: Regional President  
Date: November 03, 2025

**EFFINGHAM COUNTY BOARD OF  
COMMISSIONERS**

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

## PHARMACY BENEFIT MANAGEMENT SERVICES SCHEDULE

Subject to the terms and conditions of this Agreement including without limitation this Pharmacy Benefit Management Services Schedule (this “**PBM Schedule**”), the pharmacy benefit management services (the “**PBM Services**”) with respect to Client’s PBM Plan (as hereinafter defined) are described below.

### 1. DEFINITIONS.

For the purposes of this PBM Schedule, the following phrases shall have the meaning set forth below:

- a. **340B Claim** means a Claim identified by the submission of 20 in any of the submission clarification code fields and/or a Claim submitted by a pharmacy owned by a covered entity, as defined in Section 340B(a)(4) of the Public Health Services Act, whose 340B status is coded as "38" or "39" in the NCPDP DataQ database.
- b. **Applicable Law** means any laws, codes, legislative acts and regulations, including but not limited to the Employee Retirement Income and Security Act, as amended (“**ERISA**”) and the Health Insurance Portability and Accountability Act, as amended (“**HIPAA**”) (collectively the “**Applicable Laws**”) to the extent applicable to a party’s performance under this PBM Agreement (and in the case of Client, applicable to the Plan).
- c. **Authorized Generic** shall mean a product with a Medi-Span® Marketing Category of “NDA Authorized Generic”.
- d. **Average Wholesale Price (AWP)** means the AWP unit price for a Covered Drug as set forth in the current list in Medi-Span's National Drug Data File and will be applied to the actual quantity dispensed. The adjudicated AWP will be based on the 11-digit National Drug Code (NDC) for the strength, dosage form and package size for the product dispensed on the date dispensed.
- e. **Biosimilar Drug** means a biological product that is highly similar to a biological product already approved by the FDA (i.e. reference product) and is licensed and approved by the FDA as a Biosimilar notwithstanding minor differences in clinically inactive component but otherwise no meaningful differences between the biologic product and the reference products in terms of safety, purity and potency of the product.
- f. **Brand Name Drug** means drugs or devices for which the Medi-Span Multisource Code field contains “M” (co-branded product), or “N” (single source brand), or “O” (originator). In limited circumstances, Meritain may override the M, N, or O indicators and deem the drug to be a Generic Drug.
- g. **Claims Payment Account** means an account established, owned and funded by Client for payment or reimbursement of Covered Drugs, which account constitutes an asset of Client and not the Client’s self-funded employee welfare benefit plan(s).
- h. **Covered Drug** means any prescription drugs, devices, over-the-counter drugs, supplies and Specialty Products that are prescribed by a Prescribing Provider and that are covered under the PBM Plan including all services usually and customarily rendered by a pharmacy in the normal course of business such as including dispensing, counseling and product consultation.
- i. **Formulary** means the list of Covered Drugs developed and maintained by Meritain and its PBM Vendor, as amended from time to time, and adopted by Client for its PBM Plan.
- j. **Generic Drug** means drugs or devices for which the Medi-Span Multisource Code field contains a “Y” (generic). In addition, Claims with DAW 5 code (“**House Generics**”) shall be classified as Generic Drug Claims. In limited circumstances, Meritain may override the M, N, or O indicators and deem the drug to be a Generic Drug.

- k. **Limited Distribution Drug** means a Specialty Product (i) whose distribution is limited by drug manufacturer to a limited number of pharmacies, and (ii) is defined by PBM Vendors as limited distribution.
- l. **Mail Service Pharmacy** means any licensed mail service pharmacy that has entered into an agreement with the PBM Vendor to supply or dispense Covered Drugs.
- m. **Maximum Allowable Cost** or **MAC** means the unit price established by the PBM Vendor for a drug with more than two sources included on the MAC drug list applicable to Client, which list may be amended from time to time by the PBM Vendor in maintaining its generic pricing program.
- n. **Network Pharmacy** means any Retail Pharmacy, Mail Service Pharmacy or Specialty Pharmacy.
- o. **PBM Claim** means a request by any person, PBM Participant, or Network Pharmacy for payment or reimbursement for Covered Drugs.
- p. **PBM Documents** means the documents that specify the Covered Drugs, items that are expressly excluded from coverage under the PBM Plan, the amount which a PBM Participant is required to pay for a prescription in accordance with the PBM Plan (which may be a deductible, coinsurance or copayment, or other reimbursement rates), and any other information and terms necessary for the implementation and management of the PBM Plan.
- q. **PBM Participant** means any person who is eligible, properly enrolled and entitled to benefits under the terms of the PBM Plan.
- r. **PBM Plan** means that benefit plan or benefit plan component under the Plan that provides coverage for prescription drugs and/or other drugs and items prescribed by a Prescribing Provider, including Specialty Products, and which will include significant cost-sharing benefits and minimal cost sharing by individual PBM Participants (i.e. copayments, deductibles, and/or co-insurances consistent with traditional industry standards), all as more specifically described in such PBM Plans.
- s. **PBM Vendor** means the organization that Meritain has arranged to provide claims processing and adjudication and other services for the PBM Plan.
- t. **PBM Vendor Specialty Pharmacy** means a licensed pharmacy owned and operated by the PBM Vendor that supplies and dispenses Specialty Products.
- u. **Prescribing Provider** means any physician, dentist, hospital, laboratory or other medical practitioner, or medical care facility or vendor of supplies or services, who or which is authorized to prescribe medications or drugs.
- v. **Rebates** means the formulary rebates, including base, and market share rebates, collected by the PBM Vendor in its capacity as a group purchasing organization on behalf of the PBM Plan, that are attributable to the utilization of Brand Name Drugs and Specialty Products. Rebates do not include manufacturer administrative fees or interest.
- w. **Retail Pharmacy** means any licensed retail pharmacy that has entered into an agreement with the PBM Vendor to participate in the retail network established by the PBM Vendor to supply or dispense prescription drugs.
- x. **Single Source Generic(s)** means a product(s) with a Medi-Span multi-source indicator of "M", "N" or "O" and also has an ANDA (abbreviated new drug application) on the date dispensed.
- y. **Specialty Pharmacy** means any licensed pharmacy that has entered into an agreement with the PBM Vendor to supply or dispense Specialty Products.

- z. **Specialty Products** means those Covered Drugs, medicines, agents, substances and other therapeutic products that are designated by the PBM Vendor as Specialty Products due to their particular characteristics, including one or more of the following: (i) they address complex, chronic diseases with many associated co-morbidities (e.g., cancer, rheumatoid arthritis, hemophilia, multiple sclerosis), (ii) they require a greater amount of pharmaceutical oversight and clinical monitoring for side effect management and to limit waste, (iii) they have limited pharmaceutical supply chain distribution as determined by the drug's manufacturer and/or (iv) their relative expense.

aa. **U&C** means a pharmacy's usual and customary selling price for a Covered Drug.

bb. **Zero Balance Due** means the Client has no amount due to the PBM on Paid Claims as a result of the Total Cost being paid in full by PBM Participant copayments or other ancillary payments.

## 2. TERMINATION.

Either party may terminate this PBM Schedule and the PBM Services upon at least forty-five (45) days written notice to the other party prior to the end of the Initial Term or any Renewal Term, such termination to be effective only upon the end of such Initial Term or Renewal Term. The termination or expiration of this PBM Schedule or the PBM Services hereunder by itself as permitted under this Section shall in no event constitute or result in the termination or expiration of this Agreement.

## 3. PBM PROGRAM.

- a. PBM Documents. Meritain shall provide Client with the required PBM Documents for completion by Client. The terms of the PBM Documents, and any amendments or changes thereto, must be mutually agreed upon by the parties, and Client shall sign and return to Meritain such mutually agreed upon PBM Documents within such reasonable time that is required by Meritain. If Client does not timely sign and return the PBM Documents, such PBM Documents will be deemed accepted by Client and Meritain will proceed to implement the PBM Plan in accordance with the information provided by Client in the PBM Documents.
- b. Formulary. Client acknowledges and agrees that it shall participate in the Formulary as offered by Meritain, provided however, such Formulary is subject to change at PBM Vendor's sole discretion due to various factors, including without limitation market conditions, clinical information or cost. If Client desires to participate in the Formulary differently than as provided by Meritain, Client shall identify the nature and extent of such changes or deviations in the PBM Documents provided by Meritain, and such deviations and/or changes must be agreed upon by both parties in writing.
- c. Cost Share. Client acknowledges and agrees that the terms and rates of this PBM Schedule and Meritain's obligation to perform hereunder are contingent upon Client's PBM Plan providing significant cost sharing consistent with industry standards ("**Traditional Cost-Sharing**"). If Client's PBM Plan does not have Traditional Cost-Sharing or is later modified such that it does not have Traditional Cost-Sharing for one-hundred percent patient responsibility plans or cash card plans, then notwithstanding anything to the contrary herein, Meritain shall have the right in its sole discretion and upon notice to Client to adjust the rates of this PBM Schedule retroactive to the point in time when Client instituted the one-hundred percent patient responsibility or cash card benefit plan.
- d. Reporting. Meritain shall provide standard PBM Claims, eligibility, and management reporting to Client.
- e. Call Center. Meritain shall make available to Client through the PBM Vendor, a toll-free telephone number to assist Client and its PBM Participants with eligibility and benefits verification, location of Network Pharmacies and other related PBM Participant matters.

## 4. PRIOR AUTHORIZATION PROGRAM.

Meritain shall arrange for prior authorization services through the PBM Vendor ("**PA Program**"), and drugs subject to the PA Program ("**PA Drugs**") are determined by the PBM Vendor. Under the PA Program, prior

authorization from the PBM Vendor is required for any PA Drugs prior to being covered as a Covered Drug under the PBM Plan. Client acknowledges that the PA Program is based solely on objective criteria and the limited amount of patient information made available in the process of considering a request for prior authorization, and that determining whether to authorize coverage of a PA Drug under the PA Program is based on industry standard guidelines selected by the PBM Vendor. The PBM Vendor may rely entirely upon information about the PBM Participant and the diagnosis of the PBM Participant's condition provided to it from sources deemed reliable, including but not limited to the Prescribing Provider and the dispensing pharmacist. Notwithstanding the foregoing, none of Meritain or any of its affiliates, nor PBM Vendor, will undertake, and none of the foregoing are required, to make diagnoses, or to substitute its judgment for the professional judgment and responsibility of the Prescribing Provider.

## **5. CLAIMS PROCESSING.**

Meritain shall arrange for claims processing and adjudication of PBM Claims by the PBM Vendor, including on-line claims processing for Covered Drugs dispensed by Network Pharmacies. Meritain does not process PBM Claims under the PBM Plan. The on-line claims processing services for Covered Drugs dispensed by Network Pharmacies shall include the following functions: (a) verification and application of eligibility, formulary inclusion, utilization history and the Plan's prescription drug program design; (b) drug utilization review; (c) calculation of benefits in accordance with the PBM Documents; and (d) the provision of ministerial adjudication of PBM Claims.

## **6. APPEALS.**

- a. Client is the "plan sponsor," "plan administrator" and "named fiduciary" with respect to the PBM Plan, as such terms are interpreted under Applicable Law. Client, as Plan Administrator, retains complete authority and responsibility for the PBM Plan, its operation, and the benefits provided thereunder. Meritain is empowered to act on behalf of Client in connection with the PBM Plan only to the extent expressly stated in this PBM Schedule, and except as provided in this Section: (i) the PBM Services will not include the power to exercise discretionary authority over Plan operations or Plan assets (if any), and (ii) Meritain will not for any purpose be deemed to be the "Plan Administrator" of the Plan or a "fiduciary" with respect to the Plan. Meritain's services under this PBM Schedule are intended to and will consist only of those "ministerial functions" described in 29 C.F.R. 2509.75-8, D-2 and will be performed within the framework of policies and interpretations established by Client. Client has the sole and complete authority to determine eligibility of persons to participate in the PBM Plan, and has selected and is solely responsible for the PBM Plan's benefit and coverage design.
- b. Client and Meritain agree that with respect to Section 503 of ERISA, Meritain, except as set forth under Section 6.d. of this PBM Schedule, will be the "appropriate named fiduciary" of the PBM Plan for the purpose of reviewing appeals of denials of prior authorization requests and appeals of denials of PBM Claims under the PBM Plan ("**Appeals**"). Client understands that the performance of fiduciary duties under ERISA necessarily involves the exercise of discretion on Meritain's part in the determination and evaluation of facts and evidence presented in support of any Appeals. Therefore, and to the extent not already implied as a matter of law, Client hereby delegates to Meritain discretionary authority to determine entitlement to benefits under the applicable Plan Documents for Appeals received, including discretionary authority to determine and evaluate facts and evidence, and discretionary authority to construe the terms of the PBM Plan. It is also agreed that, as between Client and Meritain, Meritain's decision on any Appeals is final and that Meritain has no other fiduciary responsibility.
- c. Meritain shall receive, on behalf of Client, Appeals, and review Appeals received during the Term using its Appeal review procedures in a manner consistent with the Plan and Applicable Law.
- d. If Meritain receives any Appeals involving or arising out of cost-share provisions or any other matter not expressly within the scope of Meritain's obligations under this Section it will refer such to Client for its exclusive and final resolution.

- e. If the denial is upheld in the final level of appeal under the Plan Document, the Appeal will be reviewed to determine if the appeal is eligible for External Review Organization (“**ERO**”) review, and if eligible, then the PBM Participant will be informed of his or her right to appeal to an ERO.

## **7. NETWORK PHARMACY ACCESS.**

- a. Network Access. Meritain shall arrange for access to Network Pharmacies through the PBM Vendor for Client and its PBM Participants for Covered Drugs. Meritain shall provide Client and its Participants with web-based access to the list of Network Pharmacies. Network Pharmacies are authorized to charge, and PBM Participants must pay, all applicable cost-share prior to dispensing the Covered Drug. Notwithstanding the foregoing, Retail Pharmacies and Mail Service Pharmacies for each Generic Drug dispensed are authorized to charge and collect from PBM Participants the lesser of: (i) the applicable cost-share, (ii) U&C, (iii) the MAC price, or (iv) the discount rate. Client acknowledges that the PBM Vendor, and not Meritain, is responsible for pharmacy credentialing, contracting, recruiting, licensing, accreditation, maintaining adequate staffing, practice and professional standards and all other activities pertinent to the responsibilities accorded to the pharmacy network.
- b. Specialty Product Network Access. Specialty Products may be filled through either a Specialty Pharmacy or a Retail Pharmacy. Specialty Products are not available from a Mail Service Pharmacy, and any Specialty Product prescription submitted to a Mail Service Pharmacy will be rejected with a “NDC not covered” message, and the prescription will automatically transfer to a Specialty Pharmacy. Client authorizes Meritain to permit the PBM Vendor and the Specialty Pharmacy to communicate with PBM Participants and Prescribing Providers regarding the transition from a Mail Service Pharmacy (or other pharmacy) to the selected Specialty Pharmacy, and to advise PBM Participants filling Specialty Products in pharmacies of the option to fill prescriptions through the selected Specialty Pharmacy. A current list of Specialty Products offered under this provision may be obtained from Meritain upon request.
- c. Meritain does not direct or exercise any control over the professional judgment exercised by any pharmacist in dispensing prescriptions or otherwise providing pharmaceutical related services at any Participating Pharmacy, the Mail Service Pharmacy or the Specialty Pharmacy. All pharmacies are independent contractors of PBM Vendor and Client acknowledges and agrees that neither Meritain nor the PBM Vendor shall have any liability to Client, the PBM Plan, any PBM Participant, or any other person or entity for any act or omission of any such pharmacy or its agents or employees.

## **8. CLINICAL/TREND PROGRAMS.**

Meritain shall make available to Client certain clinical/trend programs as offered by the PBM Vendor, provided however such additional clinical/trend programs may be subject to an additional fee, and may be amended, changed, or deleted at the PBM Vendor’s discretion. Client’s selection of these services and implementation thereof must be documented via the PBM Documents or other written request from Client.

## **9. DRUG UTILIZATION REVIEW (“DUR”).**

Meritain shall arrange for the provision of a standard concurrent DUR analysis of each prescription submitted by a pharmacy on-line in order to assist the dispensing pharmacist and the Prescribing Provider to identify potential drug interactions, incorrect prescriptions or dosages, and certain other circumstances that may be indicative of inappropriate prescription drug usage. DUR shall not substitute for the professional judgment of the Prescribing Provider, the dispensing pharmacist or any other Provider providing services to PBM Participants.

- a. Utilization management and safety.
  - i. Point of Sale Safety Review. Real-time safety alerts to pharmacies at the time a prescription is filled. (Alerts of interactions, allergies, therapeutic duplications, etc.).
  - ii. Standard Fraud, Waste, and Abuse Program. Pharmacy claims and target drugs, including but not limited to controlled substances are monitored to identify instances of fraud, waste, abuse.

- iii. Retrospective Review. Pharmacist review of any retail or mail order drug claims or prescriptions within 72 hours to identify potential safety concerns or issues.

b. Medical Appropriateness.

- i. Dose Optimization. Point-of-sale identification of opportunities where a high strength, single dose can be used in place of multiple daily dose quantities.
- ii. Quantity Limits. Control maintenance over drugs with potential adverse effects of overdose, misuse or PBM Participant safety concerns without eliminating coverage.
- iii. Dispense as Written (“DAW”) 1&2. If elected by Client in the PBM Documents, DAW 1: outreach to physicians to determine if a Generic Drug may be substituted for a Brand Name Drug. If elected by Client in the PBM Documents, DAW 2: outreach to PBM Participants to determine if a Generic Drug may be substituted for a Brand Name Drug, and if so, encourage and educate such designated PBM Participant on the use and benefits of the Generic Drug equivalent.

## 10. RATES AND FEES.

- a. Client shall fund all PBM Claims, including applicable dispensing fees, pursuant to the Claims payment section of this Agreement. The amounts billed by Meritain to Client for the PBM Claims shall be equal to the rate or amount paid to the applicable Network Pharmacy, without spread or mark-up by Meritain, net of applicable cost-share (“**Pass-Through Pricing Arrangement**”). Client shall also pay the applicable fees, if any, for the clinical/trend programs elected by Client pursuant to this Agreement.
- b. Client shall pay to Meritain the following administrative service fee: \$7.75 Per PBM Participant Per Month.

## 11. ANTICIPATED DISCOUNT PERFORMANCE FOR BRAND, GENERIC, AND COMPOUND DRUGS.

Table A.

Anticipated Discounts and Fees	Retail Pharmacy Discounts	Mail Service Pharmacy	90 Day at Retail Pharmacy Discounts
Average Anticipated Annual Brand Discount	AWP – 19.50%	AWP – 19.50%	AWP – 19.50%
Average Anticipated Annual Generic Drug Discount	AWP - 88.00%	AWP - 89.00%	AWP - 88.00%
Dispensing Fee/Rx	\$0.45	\$0.00 (subject to change for changes in postal rates)	\$0.00

Compound Prescriptions: Lesser of U&C or combined AWP plus applicable service fee.

Commission Fee paid by Meritain: \$7,500.00 paid to Truervis by Meritain.

- a. In no event shall the rates set forth above in Table A be applied to Specialty Products, regardless of the pharmacy from which they are dispensed. The rates for Specialty Products are set forth below in Table B or Table C, as applicable, for Specialty Products.

- b. For each eligible generic prescription-drug claim, ingredient cost will be calculated at the lesser of the applicable U&C (retail only), MAC, or AWP discount price in determining the discount achieved.
- c. The generic drug discount will apply to all MAC and non-MAC generics, including single source generics.
- d. The retail reimbursement rates do not apply to non-retail providers such as long-term care facilities, home infusion pharmacies, and Indian Health/Tribal/Urban providers.
- e. The proposed pricing as set forth above assumes the method of determining AWP based on the pricing files published by Medi-Span on or after September 27, 2009.
- f. Limited Distribution Drugs, over-the-counter products, supplies, vaccines and administration of vaccines, COVID vaccines and treatments, compounds, subrogation claims, Formulary excluded drugs, in-house or 340B Claims, and PBM Claims priced at government required amounts or pricing, such NADAC are excluded from the discounts set forth in this PBM Schedule.
- g. 90-Day at Retail Pharmacy. The discounts for the 90-day at Retail Pharmacy as set forth in Table A, above and Rebates set forth in Table E.1, apply to 84-90 days' supply of Brand Name Drugs and Generic Drugs filled at a Retail Pharmacy.
- h. State Specific Pricing. For PBM Claims that process out of state other than where the state specific mandate is originated, then Meritain's pricing methodology will apply. Meritain's Discount and Rebate Guarantee's will only apply to PBM Claims processed without state mandated specific pricing.
- i. Discount Guarantee. Subject to the terms of this Section, Meritain guarantees the average annual discount rates for Brand Name Drugs, Generic Drugs, and Specialty Products as set forth in such specified labeled tables (each a "**Discount Guarantee**" and collectively the "**Discount Guarantees**"). Meritain shall not use an excess achieved in one or more of the discount rates, Rebates, or Discount Guarantees to make up for or offset any shortfall in another discount rate or Discount Guarantee. Following the end of each Plan Year, Meritain shall reconcile the Discount Guarantees on an annual basis after each PBM Plan year. If Meritain fails to meet a Discount Guarantee, Meritain shall reimburse Client the difference between the actual result achieved by Client and the Discount Guarantee for such drug discount within one-hundred and twenty (120) days following the end of the Plan Year. If this PBM Schedule or the PBM Services are terminated prior to the completion of the then-current contract year (a "**Partial Contract Year**"), then the Discount Guarantees will not apply for such Partial Contract Year. The remedies set forth in this Section shall be the exclusive remedy available for any failure to meet the Discount Guarantees. This guarantee will not be applicable to any state mandate with specific pricing methodology.

## 12. SPECIALTY PRODUCT REIMBURSEMENT RATES.

**Table B.**

<b>Specialty Product</b>	<b>Ingredient Cost for Open or Exclusive Specialty</b>	<b>Dispensing Fee at Specialty Pharmacy</b>	<b>Dispensing Fee at Retail Pharmacy</b>
<b>Brand Name Specialty Product</b>	AWP - 18.50%	\$0.00	\$0.45
<b>Generic Specialty Product</b>	AWP - 85.00%	\$0.00	\$0.45



### 13. ADDITIONAL FEES & CHARGES.

Table C.

	Fee
<b>Participant and Pharmacy Submitted Paper Claims Processing</b>	\$1.50 per claim
<b>Pharmacy Audit Recoveries</b>	20% of audit recoveries
<b>Prescription Drug Claim Audit Recoveries</b>	20% of audit recoveries
<b>Custom Ad-Hoc Reporting/Programming</b>	billed at Meritain's then-current rate for such services

### 14. REBATES.

a. Rebates to Client:

- i. Subject to and in accordance with the terms set forth in this Section, Meritain shall pay to Client an amount no less than 100% of the total dollar value of all Rebates collected by Meritain with respect to the PBM Plan.
- ii. Meritain will pay Client the amounts set forth in Tables E.1. and E.2. of this Section, as applicable, within ninety (90) days after each PBM Plan year quarter ("**Paid Rebates**").
- iii. Rebate Guarantee and Reconciliation. Meritain guarantees that the Paid Rebates shall be greater than or equal to the Rebates collected by Meritain with respect to the PBM Plan ("**Received Rebates**"). Following the end of each PBM Plan year, Meritain shall reconcile the difference between the Paid Rebates and Received Rebates. If Meritain determines there is a shortfall between the Paid Rebates and the Received Rebates, Meritain shall pay Client the difference, as applicable, within one-hundred and eighty (180) days following the close of the PBM Plan year. Meritain shall have no obligation to pay Client any amount in excess of the Received Rebates. If the Paid Rebates exceeds the Received Rebates, Client shall have no obligation to reimburse or return to Meritain any overage or excess payment(s). Upon request of Client, Meritain shall provide Meritain's standard reporting with respect to Rebates.

Table E.1.

	Retail Pharmacy	Mail Service Pharmacy	90 Day at Retail Pharmacy Discounts
<b>Rebate per covered and paid Brand Name Drug dispensed at a Retail Pharmacy or Mail Service Pharmacy</b>	\$375.00	\$875.00	\$800.00

Table E.2.

	PBM Vendor Specialty Pharmacy	Non-PBM Specialty Pharmacy or Retail Pharmacy	Mail Service Pharmacy
<b>Rebate per covered and paid Brand Name Specialty Products dispensed at a:</b> <ul style="list-style-type: none"> <li>• PBM Vendor Specialty Pharmacy;</li> <li>• Retail Pharmacy;</li> <li>• Mail Service Pharmacy;</li> <li>• Specialty Pharmacy that is not a PBM Vendor Specialty Pharmacy ("<b>Non-PBM Specialty Pharmacy</b>")</li> </ul>	\$3,725.00	\$3,725.00	\$3,725.00

- b. The Rebate for Brand name Drugs provided at a Retail Pharmacy will apply to Brand Name Drugs and Specialty Products for the treatment of the human immunodeficiency virus (HIV).
- c. The following PBM Claims and/or Covered Drugs do not qualify for rebates and are excluded from the Rebates:

Over the Counter Drugs
Limited Distribution (LDD) Drugs
340B Claims
Compound Drugs
Paper or PBM Participant Submitted PBM Claims
Coordination of Benefits (COB) or Secondary Payor
Vaccines and Vaccine Administration
Brand Name Drugs and Specialty Products not on the Formulary (Excluded Products)
Biosimilar Drugs

#### 15. REBATE CREDITS DUE TO MARKETPLACE CHANGES.

When remitting and reconciling minimum Rebate guarantees, Meritain may add “**Rebate Credit**” value to the total Rebates remitted to Client for each respective Rebate component. Rebate Credits may take place when changes in product offerings by drug manufacturers or government imposed changes to methodology, availability of Brand Drugs that result in a reduction of rebates, including the introduction of a lower cost alternative product which may replace an existing rebateable brand product; an unexpected launch of an interchangeable version of a brand product; or a branded product converted to OTC status, recalled or withdrawn from the market; or a material reduction in Wholesale Acquisition Cost (WAC). When such instances occur Meritain may add “**Rebate Credit**” value to the total Rebates remitted to Client for each respective Rebate component.

- a. Rebate Credits consist of:
  - i. the differential between the Wholesale Acquisition Cost (WAC) of a lower net cost Brand Covered Product, including but not limited to a Biosimilar (“**Low Cost Brand**”), Claim processed and the WAC of the reference Brand Drug, subject to the below cap; and/or;
  - ii. the value of price reductions for rebateable products that have experienced a WAC decrease, measured as the differential between the Baseline WAC of the product and the WAC of the product when the Claim is processed, subject to the below cap. The “**Baseline WAC**” will be the WAC of the product prior to a reduction in WAC or, as applicable, for Low Cost Brands, the Baseline WAC will be the WAC of the reference Brand Drug at the time of Claim processing.
- b. In no way will the Rebate Credit exceed the Baseline Rebate less the earned Rebates on either the Low Cost Brand or the rebateable product that has experienced a WAC decrease. “**Baseline Rebate**” is calculated as follows: in the year the price reduction occurred, Baseline Rebate will be the Rebate available for coverage of the product prior to the WAC reduction or, as applicable, for Low Cost Brands the Baseline Rebate will be the Rebate available for coverage of the reference Brand Drug on the date of claim processing. For a product experiencing a WAC reduction, in subsequent years the Baseline Rebate will increase over the prior year Baseline Rebate at the WAC inflation rate of the GPI subclass (GPI-6) of the applicable product. Meritain will notify Client of any applicable Covered Product that qualifies for Rebate Credits. Meritain shall provide reporting upon Client request demonstrating the net-cost impact in the therapeutic category.

## DISCLOSURES EXHIBIT

### DISCLOSURE NOTICE REGARDING INSURANCE COMMISSIONS AND OTHER COMPENSATION

U.S. Department of Labor rules permit the receipt of insurance commissions and other compensation by service providers such as Meritain (and its affiliates) if proper disclosure is given and an appropriate independent Plan fiduciary acknowledges in writing receipt of the information and approves the transaction. The commissions and other compensation to be paid to Meritain are set forth in this Agreement. By signing this Agreement and renewal documents or amendments, Client certifies that it is an independent fiduciary of the Plan and that it acknowledges in writing receipt of the following information and approves the transactions (including the receipt of commissions and other compensation by Meritain and its affiliates) as described below.

#### 1. STATEMENT OF AFFILIATION.

Prodigy Health Group, Inc., an Aetna and CVS Health company, is a diversified health care services holding company whose subsidiaries include American Health Holding, Inc., Scrip World, LLC, Precision Benefit Services, Inc., Meritain Health, Inc. and PERFORMAX, Inc. (referred to herein collectively as “**affiliates**” or individually as an “**affiliate**”). Each affiliate is free to recommend to a client, products and services offered by other companies, which may include another affiliate; however, no affiliate is required to recommend an affiliate and no affiliate is limited or restricted in recommending the products and/or services of any vendor. Affiliates may be entitled to reasonable compensation (including commissions and fees) from other companies, including affiliates, and such compensation is earned in the ordinary course of business in arms’ length transactions. In addition, certain inter-company agreements exist amongst the affiliates to provide for the exchange of certain goods and services and leases of real property at market-based rates of compensation.

#### 2. DESCRIPTION OF CHARGES, FEES, DISCOUNTS, PENALTIES AND ADJUSTMENTS APPLICABLE TO ANY CONTRACTS WITH MERITAIN.

Meritain may receive compensation from insurance carriers (“**Carriers**”) and managing general underwriters (“**MGUs**”) in the form of fixed or contingent commissions and administrative fees. In some instances, the broker is entitled to a portion of the fixed or contingent commissions and administrative fees paid to Meritain. In those instances, Meritain will remit those amounts to the broker.

The parties acknowledge and agree that stop loss insurance policies are issued for one year terms, and therefore, Meritain is unable to disclose future commissions as of execution of this Agreement. Meritain will disclose future commissions (if any) at such time the policy is renewed or reissued.

#### Fixed Sales Commissions on Gross Insurance Premiums Payable to Meritain Per Year (if applicable):

Carrier	Commission type	Commission %
Unimerica Insurance Company/Stealth Partner Group	Meritain Stop Loss Commission	0.00 %
Unimerica Insurance Company/Stealth Partner Group	Broker Stop Loss Commission	0.00 %

#### Contingent Commissions

Contingent commissions may depend on a combination of factors such as growth, profitability, volume, retention and increased services that Meritain provides under agreements with certain Carriers and MGUs. There is no guarantee that Meritain will receive any contingent commissions. Also, in cases where Meritain agrees to provide administrative services that would otherwise be provided by a Carrier or MGU, some Carriers and MGUs pay administrative fees for these services. Below are descriptions of such commissions and fees that Meritain may receive:

None.

## **Other Fees**

From time to time, Meritain may engage third party vendors to perform or provide services in connection with this Agreement. In some cases Meritain will pay the vendor as a subcontractor out of fees it has collected pursuant to this Agreement.

**Subrogation Recovery Fee:** When Meritain provides or arranges for subrogation services, Client agrees to pay Meritain a contingency fee of 25% of the gross savings resulting from such services.

**Non-Subrogation Recovery Services Fee:** When Meritain provides or arranges for non-subrogation recovery services, Client agrees to pay Meritain a contingency fee of up to 25% of the gross recovery, which shall include vendor fee, resulting from such services.

In the event Meritain engages an out-of-network discount program, claim auditor or bill review services, independent case reviewer, cost management vendor, bill negotiator, discount program or other contingency fee vendor to provide services on behalf of the Plan, Meritain shall be entitled to retain a contingency fee up to 28% of the net savings resulting from the engagement, and such contingency fee of the net savings does not include any additional third-party vendor fee that may be assessed for such services.

In cases where Meritain, itself or through an affiliate, provides direct negotiation services to reduce claim amounts to increase savings on behalf of the Plan, Meritain shall be entitled to retain a contingency fee up to 35% of the savings resulting from such services.

Meritain, through its affiliate Aetna, has a variety of different VBC arrangements with many Network Providers. These arrangements compensate Network Providers to improve indicators of value such as, effective population health management, efficiency and quality care. Aetna's VBC models include: Pay-for-Performance (P4P), Bundled Payments, Patient Centered Medical Homes (PCMH), and Accountable Care Organizations (ACOs). Aetna will continue to evolve its VBC arrangements over time. Aetna employs a broad spectrum of different reimbursement and other incentive and adjustment arrangements with Network Providers to advance the goals of improving the quality of patient care and health outcomes, while controlling costs. Client's financial responsibility under each VBC arrangement is determined based on provider performance or other adjustment mechanisms, using an allocation method appropriate for each particular program. These methods may include: percentage of allowed claims dollars, percentage of plan participant member months, or specific savings for bundles payment cases.

Meritain will process any payments in accordance with the terms of each VBC arrangement or adjustment mechanism. In each of the VBC models, all self-funded customers reimburse Meritain for any payment attributable to their plan. Each customer's results will vary. It is possible that payments paid to a particular Network Provider or health system may be required even if Client's own population did not experience that same financial or qualitative improvements. It is also possible that payments will not be paid to a Network Provider even if Client's own population did experience financial and quality improvements.

In regards to the PBM Services set forth in the PBM Schedule of this Agreement, the amounts due by Client for PBM Claims in pass through arrangement are variable and PBM Claims will process at the pharmacy's paid rate.

**Rebates:** Client acknowledges that the PBM Vendor on its own account contracts or negotiates with pharmaceutical manufacturers to obtain Rebates on certain prescription drugs, and Meritain may receive manufacturer rebates from the PBM Vendor directly attributable to the utilization of certain Covered Drugs by Participants under the PBM Plan. The actual amount of Rebates vary by manufacturer and cannot be predicted as it depends on several factors, including but not limited to, the pharmaceutical manufacturer's offering of Rebates, the type of prescription drug, the volume of utilization of certain prescription drugs, benefit designs, formulary, and/or the PBM Vendor's agreements with pharmaceutical manufacturers. Meritain has agreed to offer Client the Rebate amount as specifically set forth under the PBM Schedule in connection with Covered Drugs obtained by Participants under the PBM Plan.