

ADDENDUM

ADDENDUM made this October 25, 2022, by and between PROACT INC. ("ProAct") and TOWN OF PROSPER, TX ("Plan Sponsor").

WITNESSETH:

WHEREAS, the parties entered into a Service Agreement dated January 1, 2020 (the "Agreement");

WHEREAS, the parties desire to further modify and supplement the terms of the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Section 12.1 of the Agreement is hereby modified to read in full as follows:

"12.1 Term. The term of the Agreement shall be extended to continue in effect until December 31, 2023, and thereafter shall continue in effect for additional one (1) year terms unless terminated on its anniversary date by either party by certified mail, mailed at least ninety (90) days prior to such date. Termination shall have no effect upon the rights and obligations of the parties arising out of any transactions occurring prior to the effective date of such termination."

2. Effective January 1, 2023, Exhibit A (Administrative Fee Schedule) shall be amended to read in full as set forth on Exhibit A to this Addendum.

3. Except as expressly modified herein, all terms and provisions of the Agreement are and remain in full force and effect and are hereby ratified and affirmed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first above written.

PROACT INC.

TOWN OF PROSPER, TX

BY

BY

David J. Schryver
NAME

NAME

President
TITLE

TITLE

DATE

DATE

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EXHIBIT A – Pricing Proposal
ADMINISTRATIVE FEE SCHEDULE

CLAIMS PROCESSING FEE: **\$0.00**
PER PAID CLAIM

REBATE SHARE TO PLAN SPONSOR **90%**

Minimum Rebate Guarantee (Advantage Formulary)	
Retail 30 Brand	\$223.42
Retail 90 Brand	\$604.29
Mail Order Brand	\$664.72
Specialty Brand	\$2,842.18

PHARMACY RATES

(Aggregate Pharmacy Guarantees)

Retail Pharmacy Rate:

Retail 30:

Brand: The lesser of AWP -19.0% + \$0.80 dispensing fee, or U&C

Generic: The lesser of MAC or AWP -19.0% +\$0.80 dispensing fee, or U&C
(Generic Aggregate of AWP -82.50%)

Retail 90:

Brand: The lesser of AWP -22.0% + \$0.00 dispensing fee, or U&C

Generic: The lesser of MAC or AWP -22.0% +\$0.00 dispensing fee, or U&C
(Generic Aggregate of AWP -85.0%)

Mail Order Service Pharmacy:

Brand: AWP less 26.0% + no dispensing fee

Generic: AWP less 86.0% + no dispensing fee

Specialty Drug Pricing:

AWP less 19.0% + \$0.00 dispensing fee

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1. Electronic Magnetic Media	No Charge
2. Input and maintenance from hard copy	No Charge
3. Clinical Prior Authorizations	\$50.00 per Rx
a. Internal Appeals	\$150.00 per Review
b. External Appeals	\$550.00 per Review
4. Direct Member Reimbursements	\$2.00 per paid claim
5. Member identification cards	No charge
6. Ad Hoc Reports	\$150.00 per programming hour
7. Drug Utilization Review (DUR) services	No Charge
8. Out-of-pocket expenses	
a. Mailing Expenses/postage	At meter cost
b. Air freight/overnight letters	At meter cost
9. Shipping and handling charges	At cost
10. Standard Clinical Programs	
a. Step therapy	No Charge
b. Concurrent DUR Edits	No Charge
c. Plan Design Changes	No Charge
d. Physician Profiling	No Charge
e. Administrative Overrides	No Charge
f. Formulary management	No Charge
g. Therapeutic Alternative Programs	No Charge
h. On-site Member Education Programs	No Charge
i. Over the Counter Drug Programs	No Charge
j. Half Tablet Program	No Charge
k. Direct Mail Utilization Program	No Charge
11. Optional Programs	
a. On-line eligibility access	\$1,500 (3-year licensing fee)
b. Customized On-site wellness programs	\$75 per program hour
c. RDS Basic services	No Charge
d. RDS setup; <500 RDS members	\$5,000 admin setup fee
e. RDS Notices of credible coverage	\$1.25/letter + Postage
f. RDS Additional services	\$1.00 PMPM per medicare-qualified member with a minimum annual fee of \$7,500
g. Actuarial certification & attestation	\$350/hour

12. Drug Rebates. ProAct shall remit to Plan Sponsor that portion of the Rebates as set forth above (“Plan Sponsor Rebates”), with the excess, if any, of actual Rebates over Plan Sponsor Rebates to be retained by ProAct as an additional service fee for the services provided under this Agreement. In lieu of billing Plan Sponsor for this fee, ProAct may retain the amount due from the Rebates collected by ProAct. Rebate guarantees require alignment with ProAct formulary with recommended utilization management programs. No Rebate shall be credited for any generic Claim, whether such Claim is filled with a generic drug or by a brand-name drug dispensed in lieu of a generic drug reimbursement rate. No rebate will be credited for 340b claims, compounds, Coordination of Benefit claims, Limited distribution medications,

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biosimilars, OTCs, vaccines, Multi-source brands, re-packaged NDC claims, stale dated claims over 180 days or HIV medications. No Rebate will be credited for any claim whereas the member cost share exceeds 50% of the total drug cost. No rebate will be credited for brand medications in any therapeutic category, disease state or channel through which the Plan Sponsor has adopted or implemented any vendor to source copay assistance or alternate funding. Rebate guarantees are quoted at a 30-day supply for retail claims, 90-day supply for retail 90 and mail order. All rebate guarantees will be reconciled in the aggregate. Quarterly Rebate payment shall be made within sixty (60) days following the quarter collected. ProAct may adjust the Plan Sponsor Rebate payments in an equitable manner if: (i) a generic version of a branded product is introduced in the market; or (ii) a branded product is unexpectedly recalled or withdrawn from the market. If Client makes any change to its formulary, not initiated by ProAct, changes the Benefit Plan, or adopts any formulary or utilization management program other than one of the options offered by ProAct under its formulary or utilization management programs, ProAct may adjust the Rebate guarantees in this pricing summary, effective the date of the change.

13. Pricing details. Pricing guarantees at retail and mail exclude claims for compounds, DMRs, COB, LDD, 340b, OTCs, vaccines, LTC pharmacies, tribal claims, Most Favored Nation States, U&C, In-House pharmacy, and Veteran Administration, Military claims, and specialty claims.

14. AWP discounts are guaranteed and will be reconciled according to the corresponding dispensing channel; Retail Brands, Retail Generics, Mail Brands, Mail Generics and Specialty. If ProAct fails to meet the guaranteed discounts the guarantees will be trued-up. Guarantees are trued-up annually, 90 days after the end of the plan year. The shortfall, if any, will be returned to Plan Sponsor in the form of a check or as a credit on the Plan Sponsor's invoice, whichever the Plan Sponsor prefers.

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