

## Fixed Administrative Costs

LFUCG

Effective January 1, 2023 through December 31, 2023

Fixed Administrative Costs	Current	1/1/2023 through 12/31/2023
	PCPM	PCPM
Current Non-CDH Plan Subscribers	752	752
Current CDH Plan Subscribers	2,285	2,285
Enrollment	3,037	3,037
Medical and Pharmacy Administration	\$32.81	\$32.81
Rx Administration Fee	\$3.90	\$3.90
Health Equity H S A	\$0.00	\$0.00
ASO Enhanced Foundational Wellness	\$0.00	\$0.00
<b>Composite Total:</b>	<b>\$36.71</b>	<b>\$36.71</b>
Annual fixed administrative costs based on assumed enrollment:	\$1,337,859	\$1,337,859
<b>Percentage Change:</b>		<b>0.0%</b>

  

CDHP Costs	Renewal PCPM
Non-CDH Plan Subscribers	752
CDH Plan Subscribers	2,285
<i>Rates will be charged separately based on membership in each plan</i>	
Anthem HSA	\$0.00

Authorized Signature: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Additional Fee Disclosures:**

See **Additional Service Fees and Pharmacy Pricing** for disclosure of additional service fees which are not included on this cost summary.

The Pharmacy Rebate Offset reflects the National Formulary. The offset may be adjusted if a different pharmacy formulary is sold.

A credit in the amount of \$156,000 will be applied to a January 2023 billing statement.

## Stop Loss Options

LFUCG

Group Number(s): 834-004007832 W33022

Effective January 1, 2023 through December 31, 2023

### Option 2 - \$375,000 Specific Stop Loss

Specific Stop Loss limit: \$375,000  
 Specific Stop Loss contract basis: Paid in 12  
 Lines of coverage included: Med And Rx  
 Specific Stop Loss Maximum: Unlimited  
 Specific Stop Loss accumulation: Per Member  
 Commissions: 0.00%  
 Renewal rate guarantee: 50.00%

This Stop Loss offer is: FIRM  
 This Stop Loss offer expires: 11/10/2022

#### Additional terms for self-funded groups

This proposal guarantees your subsequent year's renewal will be capped at 50%.

Specific Stop Loss Premiums	Composite PCPM	Annualized Total
Total	3037	
	<b>Current</b> \$28.50	\$1,038,654
	<b>Renewal</b> \$37.05	\$1,350,250
Rate Change		30.00%



Authorized Signature: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

#### Additional Fee Disclosures:

See Additional Service Fees and Pharmacy Pricing for disclosure of additional service fees which are not included on this report.  
 See Additional Service Fees for disclosure of additional service fees which are not included on this report.

#### Anthem Gene Therapy Solutions

~~Anthem Gene Therapy Solution protects employers from unknown financial risk, while supporting members in need of treatment for rare and complex conditions. The financial component of this solution works in conjunction with Anthem Stop Loss and guarantees Anthem will not implement new lasers on any members for claims associated with the following gene therapies: Luxturna, Zolgensma and Zynteglo. This provision applies to members that are not lasered in the firm stop loss proposal and will apply as long as Employer maintains specific stop loss coverage with Anthem. Also, this solution removes gene therapy claims from experience when determining stop loss renewal rates. If added, this provision would be billed as an additional \$2.00 PEPM.~~

~~Gene Therapy Solutions Selection Signature~~

~~Title~~

~~Date~~



### Benefit Information

LFUCG

Effective January 1, 2023 through December 31, 2023

### Benefit Information

LFUCG

Effective January 1, 2023 through December 31, 2023

**Renewal Plan Designs**  
 \$500 Deductible PPO (\$10/\$30/\$60/25% Base Ntwk. Mail Form) National

Blue Access  
 Custom

Benefit categories	Blue Access	Custom
Deductible Single/Family	\$500/\$1000	\$2000/\$4000
Coinsurance	20%	20%
Out of Pocket Limit Single/Family	\$1500/\$3000	\$4500/\$9000
Office Visits PCP/Specialist Copy	\$15/\$30	\$30/\$60
Inpatient / Outpatient copy (Surgery)	Ded & Coins	Ded & Coins
ER/Urgent Care Copy	20%/500	20%/100
Prescription Drug - Retail	\$10/\$30/\$60/25%	\$10/\$30/\$60/25%
Prescription Drug - Mail Order	\$20/\$60/\$120/25%	\$60/\$120
OOH Deductible (individual/family)	\$1500/\$3000	\$7500/\$15000
OOH Coinsurance	50%	50%
OOH OOP Max (individual/family)	\$4500/\$9000	\$12000/\$24000

Benefit categories reflect in-network benefits unless noted as Out-Of-Network (OON)

**Renewal Plan Designs**  
 \$1000 Deductible PPO (\$10/\$30/\$60/25% Base Ntwk. Mail Form) National

Blue Access  
 Custom

Benefit categories	Blue Access	Custom
Deductible Single/Family	\$1000/\$2000	\$3000/\$6000
Coinsurance	0%	0%
Out of Pocket Limit Single/Family	\$3000/\$6000	\$9000/\$18000
Office Visits PCP/Specialist Copy	Ded & Coins	Ded & Coins
Inpatient / Outpatient copy (Surgery)	Ded & Coins	Ded & Coins
ER/Urgent Care Copy	0%/0%/0%	0%/0%/0%
Prescription Drug - Retail	30%/30%/30%	30%/30%/30%
Prescription Drug - Mail Order	\$7500/\$15000	\$7500/\$15000
OOH Deductible (individual/family)	\$7500/\$15000	\$7500/\$15000
OOH Coinsurance	30%	30%
OOH OOP Max (individual/family)	\$9000/\$18000	\$9000/\$18000

Benefit categories reflect in-network benefits unless noted as Out-Of-Network (OON)

**Renewal Plan Designs**  
 \$1000/\$500 HMO (10/20/20) - Base Ntwk. Mail Form) National

Blue Access  
 Custom

Benefit categories	Blue Access	Custom
Deductible Single/Family	\$1000/\$500	\$3000/\$6000
Coinsurance	20%	20%
Out of Pocket Limit Single/Family	\$2500/\$10500	\$2500/\$10500
Office Visits PCP/Specialist Copy	Ded & Coins	Ded & Coins
Inpatient / Outpatient copy (Surgery)	Ded & Coins	Ded & Coins
ER/Urgent Care Copy	20%/20%/20%	20%/20%/20%
Prescription Drug - Retail	50%/50%/50%	50%/50%/50%
Prescription Drug - Mail Order	\$7500/\$15000	\$7500/\$15000
OOH Deductible (individual/family)	\$7500/\$15000	\$7500/\$15000
OOH Coinsurance	50%	50%
OOH OOP Max (individual/family)	\$9000/\$18000	\$9000/\$18000

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Authorized Signature

Title

Date

## Services included and buy-up options

LFUCG

Effective January 1, 2023 through December 31, 2023

### Services included in fixed administrative costs

- Administration of the proposed \$500 Deductible PPO (\$10/\$30/\$60/25% Base Ntwk, Natl Form) Blue Access, \$2000 Deductible PPO (\$10/\$30/\$60/25% Base Ntwk, Natl Form) Blue Access, \$3000/\$3000 HDHP (0%/0%/0% Base Ntwk, Natl Form) Blue Access, \$3000/\$5250 HDHP (20%/20%/20% Base Ntwk, Natl Form) Blue Access plan designs.
- ASO Enhanced Foundational Program
- LiveHealth Online
- Blue Distinction Programs
- Claims Fiduciary Coverage
- Standard ID cards
- Standard management reporting
- State/federal reporting
- Open enrollment meeting support
- Electronic version of the benefit booklets

### Buy-Up Options

Circle selection. Initial

	PCPM fee
<input type="checkbox"/> Anthem HSA	\$2.35
<input type="checkbox"/> Behavioral Health Advantage	\$1.66
<input type="checkbox"/> Gym Reimbursement add on to Engagement Package	\$2.44
<input type="checkbox"/> ASO Engagement Package 200	\$1.49
<input type="checkbox"/> ASO Engagement Package 500	\$1.49
<input type="checkbox"/> ASO Engagement Package 700	\$1.49

### Account Administration Buy-Up Options (charged separately)

Fee Billed Per Participant Per Month

<input type="checkbox"/> Anthem Commuter	\$3.40
<input type="checkbox"/> Anthem FSA	\$3.40
<input type="checkbox"/> Anthem HRA with FSA, Dependent FSA, Commuter	\$3.40
<input type="checkbox"/> Anthem Limited Purpose FSA or Dependent FSA or Commuter Add on to Anthem HSA	\$1.15

#### Notes

Full quote details available upon request.

HSA and HRA account administration is only available with particular plan designs. Details available upon request.

Health Savings Account Fees may be paid by the employer or the employee.

\*Behavioral Health Advantage has a fee of \$800 per case when members struggling with substance use disorders utilize the navigation service to secure appointments within 48 hours. Benefits include motivational interviewing by care specialists, evaluation appointment scheduled within 48 hours, and up to 3 follow-up calls from health advocates.

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\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## Assumptions and conditions

### LFUCG

Effective January 1, 2023 through December 31, 2023

SIC Code: 9999

#### **Administrative Services Only (ASO)**

- The proposed services, rates and fees are effective from 1/1/2023 through 12/31/2023.
- This contract will be issued in KY.
- The proposal assumes 3,037 employees will be enrolling for medical coverage, with an average member to employee ratio of 1.95.
- The proposal assumes the same enrollment for medical and pharmacy.
- Anthem reserves the right to revise this proposal or modify these fees or rates under any of the following circumstances:
  - Due to any taxes, fees and assessments prescribed by any statutory, regulatory or other legal authority, that in Anthem's discretion, invalidates this quote.
  - Legislation or other matters that impact Anthem's costs or revenues under this proposal
  - Should the total enrollment or enrollment distribution by membership type, product or location change by 10% or more from that assumed when preparing the pricing for this package.
  - Actual Member to Subscriber ratio is not within +/-5% of 1.95.
  - A change to the plan benefits that result in substantial changes in the service, networks, or benefit design, as determined by
  - Changes in proposal terms, conditions, services or product from this quotation.
  - This is an integrated medical and pharmacy offering. Fees will change if pharmacy is carved-out.
  - Any of the plan benefits administered by Anthem are moved to another third party administrator or private exchanges.
  - Anthem and/or WCIC is not the sole medical carrier.
  - Change in nature of Employer's business.
- The final relationship between the Parties will be subject to and described in an Administrative Services Agreement and this agreement will be the binding agreement between the parties.
- Unless otherwise noted, fees are quoted on a per contract per month (PCPM) basis. PCPM is equivalent to, and will be described as per subscriber per month in the Administrative Services Agreement.
- Employers, as plan sponsors and administrators, are responsible for complying with all applicable laws.
- Eligibility data will be provided in Anthem's standard format. Additional charges may apply for non-standard formats.
- This quote assumes ACH withdraws from group's bank account for claims and fixed fees. Anthem's standard for claim billing is Weekly with payment required within 3 business days from receipt of invoice.
- This quote assumes Anthem will accept fiduciary responsibility for claims administration and the handling of the claims complaint and appeals. To the extent ERISA applies, the employer remains the Named Fiduciary of the plan.
- Commissions and consultant fees are excluded unless otherwise noted.
- The processing of claims incurred prior to the effective date is the responsibility of the prior claims administrator.
- Since Anthem is neither a Hawaii authorized insurer nor a Hawaii Health Care Contractor, our benefits may not match the requirements of the Prepaid Health Care Act. We recommend that you obtain direct quotes for either an individual policy for employees who live and work in Hawaii or if there are several employees within an employer group to obtain group coverage from a Hawaii authorized insurer. This would ensure that all the state requirements are met.
- Specific Stop Loss maximum matches the lifetime maximum of the plan(s) unless specified otherwise.
- This Stop Loss proposal expires 30 days from the date of its release or on the effective date, whichever is sooner.
- No change in benefits after the effective date by the group's employee benefit program shall be covered by the Stop Loss agreement nor shall any amounts paid as benefits resulting from such a change be counted towards the satisfaction of the attachment point. This limitation may be waived if a written acceptance of such a change is issued by the carrier.

Authorized Signature

## Assumptions and conditions

### LFUCG

Effective January 1, 2023 through December 31, 2023

SIC Code: 9999

#### **Administrative Services Only (ASO)**

- Only those coverage's quoted and which are eligible under the group's employee benefit program are eligible under this Stop Loss
- Stop Loss protection must be purchased in conjunction with our Administrative Services proposal.
- All expenses for services or supplies in excess of any limitation under the group's employee benefit program are excluded under the Stop Loss program.
- COBRA enrollees must not exceed 10% of total enrollees.
- Claims Run-Out coverage is applicable at the end of a full 12 month policy period only and cannot be applied against any Stop Loss policy that terminates prior to completion of the contract period.
- The Individual Stop Loss Limit accumulation period will be the full twelve months of the standard contract period.
- All contracts including the ASO Agreement and/or the Stop Loss Agreement must be signed prior to the effective date.
- This is an integrated administration and stop loss offering. Admin fee is not valid outside of this pairing with stop loss. Anthem Stop Loss cannot be omitted without approval from Underwriting.
- This offer assumes that no class of employees will be offered an HRA integrated with individual health insurance coverage. Anthem must be notified if particular classes of employees will be offered an HRA integrated with individual health insurance coverage, and a census of those employees must be provided so that appropriate adjustments, if needed, can be made to this offer.
- This quote does not include funding of the Patient-Centered Outcome Research Institute fee.
- This renewal is contingent upon the group / plan sponsor being current with all premium or fees as of the effective date of the renewal, unless specifically agreed to in writing in advance by Anthem.
- Anthem reserves the right to inspect and audit any and all of LFUCG documents relating to claims submitted to Anthem.

Documentation includes, but is not limited to, claims, case management, utilization management records, audit records (including audits of TPA and TPA's providers and vendors), eligibility, as well as other information requested by Anthem. Anthem also has the right to review and audit records related to subrogation and other recoveries.

- The agent/broker does not have the authority to bind or modify the terms of this offer without prior approval of Anthem.

No Laser at renewal with 50% rate cap on Specific Stop Loss. Anthem will agree to this with one exception:

If a member exceeds the stop loss deductible 2 consecutive years, Anthem has the ability to "partially" laser that member with a higher stop loss deductible. To determine the deductible amount for that member, Anthem will estimate the ongoing cost of the member and use half that amount as the stop

loss deductible for that member IF the stop loss deductible is less than that amount. Example: Group has a stop loss deductible of \$250K. The estimated ongoing cost for high cost member is \$750K. The stop loss deductible for that member would be \$375K. The laser deductible amount will be capped as follows:

- 3x for up to \$275K deductible, • 2.5x for \$300K to \$400K, • 2x for over \$400K

Every 2 years Anthem will increase the specific stop loss deductible to keep up with deductible leveraging

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## Additional service fees

LFUCG

Effective January 1, 2023 through December 31, 2023

### Additional service fees

- Runout Period Claims Processing Fee Types**  
Fees associated with claims processed during the runout period including without limitation subrogation fees, recovery fees, network access fees, will be charged during the runout period.
- Runout Period Claims Processing Fee Costs**  
The charge for processing 12 months of runout claims is equal to the number of medical lives for the three months prior to termination multiplied by the administration fee in effect immediately prior to termination. In addition, direct charges may be incurred following termination that are not included in the standard runout processing fee (e.g., data feeds to other vendors).
- Out of Network Savings Fees**  
The fee will be equal to 50% of the negotiated savings achieved on certain non-network claims.
- Traditional Network Provider Savings Fee**  
The fee will be equal to 50% of Traditional network discounts. Traditional network discount is the difference between billed charges for covered services and the traditional provider negotiated amount. Prescription drug claims, claims paid on a capitated basis and Payment Innovation program payments are excluded from the fee calculation.
- Enhanced Personal Health Care (EPHC) Program Administration**  
The fee for Anthem's oversight of EPHC with providers or vendors is 25% of the per attributed member per month amount charged to the Employer for the provider performance bonus portion of the EPHC program.
- Subrogation services**  
The charge is 25% of gross subrogation recovery.
- Overpayment Identification and Claims Prepayment Analysis Activities**  
The charge to Employer is 25% of (i) the amount recovered from review of Claims and membership data and audits of Provider and Vendor activity to identify overpayments and (ii) the difference between the amount Employer would have been charged absent prepayment analysis activities and the amount that was charged to Employer following performance of the prepayment analysis activities. This includes, but is not limited to, activities related to COB, Host Blue activities, contract compliance, and eligibility. The fee will not exceed \$25,000 per claim.
- External appeals**  
The PPACA requires that ASO groups provide a process for external claims appeals to be available in situations where adverse benefit determinations have been made. Employer may contract with Anthem for this service or arrange to work directly with an external vendor. The fee will be \$500 per external appeal for the service contracted with Anthem.
- Independent Dispute Resolution**  
Fee for Independent Dispute Resolution. Fees charged to Anthem as part of independent dispute resolution processes, including arbitrator fees, will be charged to Employer.
- Reporting**  
Management reports (e.g., standard account reporting package, performance guarantee reporting, lag reports, online reporting tool/access are included in our fees. In addition to these reports, Anthem will provide 20 hours of time needed to generate custom or ad-hoc reports (e.g., care management and utilization review reports) at no charge per year. The charge beyond 20 hours per year is \$150 per hour of time needed to generate the custom or ad-hoc report.
- HSA Carve-out Vendor Connection**  
A fee of \$10,000 applies to sending medical claims files to standalone HSA administrators (not purchased through Anthem).
- Data Feeds**  
Anthem shall provide up to one Monthly data feed to a supported outside vendor in Anthem's standard format, not to exceed 12 feeds. The charge is \$1,000 for each additional feed. Each time a report is sent to a supported vendor electronically, it is considered a feed, even if the same report is sent to the same vendor monthly. For example, if monthly feeds are sent to two supported vendors, 24 electronic data feeds will have been used on an annual basis. The charge for Weekly data feeds to a single supported vendor, not to exceed 52 feeds, is \$15,000 annually. The charge for Daily data feeds to a single supported vendor, not to exceed 365 feeds, is \$20,000 annually. Additional fees would be required for Stop Loss interfaces, Rx integration feeds and telemedicine.
- Pharmacy Benefit Administration**  
See Pharmacy Pricing Summary.

Authorized Signature

# Pharmacy Pricing

LFUCG

Effective: 01/01/2023 - 12/31/2025  
Total subscribers: 3,061



## Retail Pricing Guarantees

### RETAIL NETWORK OPTION (select one)

- Rx Choice Tiered Network
- Base Network

1-83 days' supply  
Brand Discount % off AWP  
Brand Dispensing Fee per Rx  
Generic Discount % off AWP  
Generic Dispensing Fee per Rx

Current	01/01/2023 - 12/31/2023	01/01/2023 - 12/31/2023	01/01/2024 - 12/31/2024	01/01/2024 - 12/31/2024	01/01/2025 - 12/31/2025	01/01/2025 - 12/31/2025
18.15%	20.50%	20.60%	20.70%	20.70%	19.50%	19.60%
\$0.45	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
83.15%	85.30%	85.45%	85.60%	85.60%	85.00%	85.15%
\$0.45	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40

Rx Choice Tiered Retail Pharmacy Network  
Broad retail network that includes pharmacies across Tiers 1 and 2. Tier 1 rates below, Tier 2 rates = Base.

Base Retail Pharmacy Network  
Broadest retail network. Zip/Drug services available for \$0.20 per script fee

### MAIL MAINTENANCE NETWORK OPTION:

- Optional Home Delivery
- Opt Out Home Delivery
- Mandatory Home Delivery

Brand Discount % off AWP  
Generic Discount % off AWP

Current	01/01/2023 - 12/31/2023	01/01/2023 - 12/31/2023	01/01/2024 - 12/31/2024	01/01/2024 - 12/31/2024	01/01/2025 - 12/31/2025	01/01/2025 - 12/31/2025
24.15%	26.00%	26.10%	26.20%	26.20%	26.00%	26.00%
85.15%	87.00%	87.15%	87.30%	87.30%	87.00%	87.00%

Optional Home Delivery  
Standard mail order that allows members to receive a 90 day supply of maintenance medications through Anthem's Home Delivery Pharmacy.

Opt Out Home Delivery  
Members may choose to fill maintenance medications at retail or through Anthem's Home Delivery Pharmacy. (do not select with retail maintenance)

Mandatory Home Delivery  
Members are required to fill maintenance medications after a predetermined number of courtesy fills through Anthem's Home Delivery Pharmacy. (do not select with retail maintenance)

## Maintenance Pricing Guarantees

### RETAIL MAINTENANCE NETWORK OPTION:

- Retail 90
- Rx Maintenance 90

>= 84 days' supply  
Brand Discount % off AWP  
Brand Dispensing Fee per Rx  
Generic Discount % off AWP  
Generic Dispensing Fee per Rx

Current	01/01/2023 - 12/31/2023	01/01/2023 - 12/31/2023	01/01/2024 - 12/31/2024	01/01/2024 - 12/31/2024	01/01/2025 - 12/31/2025	01/01/2025 - 12/31/2025
21.50%	26.00%	26.10%	26.20%	26.20%	22.00%	22.25%
\$0.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
83.15%	87.00%	87.15%	87.30%	87.30%	n/a	n/a
\$0.45	\$0.00	\$0.00	\$0.00	\$0.00	n/a	n/a

Rx Maintenance 90 Network  
A maintenance network and plan design supporting 90-day supply of maintenance medications at ~ retail 25,000 pharmacies. (do not select with mail maintenance)

Base Retail 90 Pharmacy Network  
Broadest retail network.

Rx Choice Retail 90 Tiered Pharmacy Network  
Broad retail maintenance network that includes pharmacies across Tiers 1 and 2. Tier 1 rates below, Tier 2 rates = Base.

## Specialty Guarantees

### SPECIALTY (select one)

- Exclusive Specialty
- Open Specialty

Overall Specialty Discount % off AWP  
Overall Specialty Dispensing Fee per Rx

Current	01/01/2023 - 12/31/2023	01/01/2023 - 12/31/2023	01/01/2024 - 12/31/2024	01/01/2024 - 12/31/2024	01/01/2025 - 12/31/2025
19.15%	21.50%	21.60%	21.70%	21.70%	21.70%
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Open Specialty  
This program does not require mandatory use of Anthem's preferred Specialty Pharmacy Provider and allows members to obtain specialty medications at the pharmacy of their choice.

Moving to Open Specialty Network will include lost value and



**FORMULARY OPTION (select one)**  
 National Formulary

Standard and broadest formulary offering that includes brand-name and generic prescription medications selected through our P&T review process based on safety, effectiveness and value.

**Prescription Drug Rebate Guarantees**

Minimum Rebate Guarantees	Current	01/01/2023 - 12/31/2023	01/01/2024 - 12/31/2024	01/01/2025 - 12/31/2025
Retail Per Brand Script	\$233.62	\$316.49	\$365.04	\$406.25
Home Delivery Per Brand Script	\$648.26	\$831.96	\$933.96	\$1,017.79
Specialty Retail Per Brand Script	\$2,371.85	\$2,586.25	\$2,924.33	\$3,380.75
Specialty Mail Per Brand Script	\$1,664.76	\$2,029.88	\$2,293.23	\$2,641.54
Client Share of Rebates	100.00%	100.00%	100.00%	100.00%

**Admin Fees**

Admin Fee PCPM	Current Admin Fee	01/01/2023 - 12/31/2023	01/01/2024 - 12/31/2024	01/01/2025 - 12/31/2025
Admin Fee PCPM	\$3.90	\$2.90	\$2.90	\$2.90

The Pharmacy Pricing Guarantees presented here assume the adoption of all recommended programs.

Authorized Signature: \_\_\_\_\_

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

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

Document ID: 14389-55218-1-1

# Pharmacy Pricing Assumptions & Conditions

## LFUCG

Effective: 01/01/2023 - 12/31/2025  
 Total subscribers: 3,061

### General Conditions

The pricing and terms in this commercial proposal are being offered solely for LFUCG with an effective date of 01/01/2023, for a term of 3 Years. In order for the proposed terms to apply, the client must notify Anthem of offer acceptance at least 90 days prior to the effective date. Guarantees are contingent upon a signed agreement and assume alignment with the proposed Preferred Drug List (PDL), including all prior authorization and utilization management criteria, and a plan design that allows for up to 90 days supply at mail. As a portion of our reasonable compensation for services provided, we will retain the difference, if any, between the invoiced amount to the client and the amount paid to the PBM for prescription drugs dispensed to members. Anthem may receive and retain administrative fees from our pharmacy vendor or directly from pharmaceutical manufacturers. COVID Test Kits, COVID Anti-Viral Medication and COVID Vaccines are excluded from all rebates, pricing calculations and performance guarantees under your PBM contract. Should the client terminate Pharmacy Services during the Agreement Period for reasons other than for cause an early termination fee may apply.

Offer applies only to commercial plans.

Upon thirty (30) days prior written notice, Anthem may modify or amend the financial provisions in a manner designed to account for the impact of the events identified below:

- The client does not implement the recommended formulary, clinical and cost-of-care management programs that are part of the Plan.
- Material differences between client's actual utilization and the data and assumptions used to develop this quote, including but not limited to the percentage of claims subject to a consumer driven health plan (CDHP).
- Anthem is no longer the sole administrator for the pharmacy benefit portion of client's Plan or the exclusive source of prescription drug rebates.
- Prescription drug rebate eligibility is modified under an agreement between PBM and its vendor or PBM and a manufacturer.
- The client has an onsite pharmacy and/or participates in the Federal 340B purchasing program which was not disclosed to Anthem at the time of underwriting.
- A government action or major change in pharmaceutical industry practices that eliminates or materially reduces the manufacturer Prescription drug rebate program.
- Unexpected market events including but not limited to product launches and or recalls / withdrawals.
- Changes in the AWP reporting source or in the manner in which AWP is calculated, including changes in the mark-up factor used to calculate AWP.

We reserve the right to modify, suspend or nullify our guarantees should one of the following happen:

- A change to the Plan benefits that result in a substantial change in the services to be performed by Anthem.
- Circumstances beyond Anthem's control including but not limited to any act of God, civil riot, floods, fire, pandemics, acts of terrorists, acts of war, or power outages that delay our performance or that of our vendors.
- The client terminates the Agreement before the end of a performance period, or we terminate it because of non-payment.
- The client withdraws from participation in particular programs tied to performance guarantee(s) prior to completion of the measurement period associated with the performance guarantees.
- Anthem does not receive information or other support from employer that would allow us to meet the Guarantee.
- Anthem reserves the right to modify the pricing and/or rebate guarantees in the event of unanticipated brand or generic drug launches or unforeseen delays in expected drug launches.

This document represents a summary of Anthem's pricing offer and is not intended to be all-inclusive; other standard terms, conditions and pricing may apply. Specific contract language will be provided upon request. If this summary conflicts with the Administrative Services Agreement, the Administrative Services Agreement controls.

### Network Guarantees

Network guarantees do not apply to claims processed through onsite or client owned pharmacies.

Our network guarantees exclude the following claims: compounds, U&C, Most Favored Nation, home delivery with <60 days' supply, paper, out-of-network, vaccines, Supplies, 340B, OTC, on-site pharmacy

- We reserve the right to modify or nullify the network guarantees in the event of a 20.0% or greater change in annualized adjusted prescription drug claims compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the network guarantees in the event of a 20.0% or greater change in membership compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the network guarantees in the event of a 20.0% or greater change in utilization by channel compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the network guarantees in the event of a 20.0% or greater change in utilization by brand, generic and specialty distribution compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the network guarantees in the event of a 20.0% or greater change in utilization of onsite pharmacies compared to the assumptions used to develop this quote.
- Any payment due to LFUCG under any AWP discount guarantee within an AWP discount channel will not be offset by: (i) favorable results achieved in any other AWP discount guarantee within or across AWP discount channels, (ii) overall favorable results for another pharmacy financial guarantee.

### Rebate Guarantees

The client must use Anthem's recommended formulary to be eligible for prescription drug rebates, whether the prescription drug rebates are paid or applied as a credit. Rebate eligibility is dependent on confirmation of LFUCG's ERISA status. Rebate guarantees do not include rebates attributable to medical claims processed by Anthem.

Our rebate guarantees exclude the following claims: U&C, Most Favored Nation, home delivery with <60 days' supply, paper, out-of-network, vaccines, Supplies, 340B, compounds, OTC, claims with >50% Member Cost Share, Multi-Source Brands, specialty starter fills

- Rebate guarantees do not apply to claims processed through institutional, hospital, or staff model/hospital pharmacies where the pharmacy, most likely, has its own manufacturer contracts (rebate or purchase discounts), or through pharmacies that participate in the Federal government pharmaceutical purchasing program.
- Rebate guarantees do not apply if there is a failure by the client to maintain and implement a Plan design wherein non-preferred drugs have either a \$15.00 higher Copayment or a 50% higher coinsurance (ex: preferred = 30%, non-preferred = 45%) than the preferred.
- We reserve the right to modify or nullify the rebate guarantees in the event of a 20.0% or greater change in annualized adjusted prescription drug claims compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the rebate guarantees in the event of a 20.0% or greater change in membership compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the rebate guarantees in the event of a 20.0% or greater change in utilization by channel compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the rebate guarantees in the event of a 20.0% or greater change in utilization by brand, generic and specialty distribution compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the rebate guarantees in the event of a 20.0% or greater change in utilization of onsite pharmacies compared to the assumptions used to develop this quote.
- We reserve the right to modify or nullify the rebate guarantees if greater than 5.00% of utilization is not on the selected formulary.
- Any payment due to LFUCG under a rebate guarantee will not be offset by favorable results achieved in any other rebate guarantee or other pharmacy financial guarantee.

### Our Prescription Drug Plan: Programs and Services

We offer a comprehensive suite of trend and integrated health management programs and services. Below is a list, by product, of the programs and services that are included in this offer. This list is not all inclusive and may change as we update our offering to meet the needs of the marketplace.

Category	Charge
General Administration	
Account management	Included at no cost
Banking	Included at no cost
FSA feeds	Included at no cost
Implementation services	Included at no cost
Plan design strategy and consultation	Included at no cost
Combined medical & pharmacy ID cards	Included at no cost

Standard communication materials to assist members with enrollment decisions and welcome them to their new plan when they enroll	Included at no cost
Customized communication materials	\$2.00 per letter
Paper claims/member submitted claims processing	\$2.50 per occurrence
<b>Network Pharmacy Services</b>	
Pharmacy help desk with toll-free number 24/7 support	Included at no cost
Pharmacy network management	Included at no cost
Pharmacy reimbursement	Included at no cost
<b>Fraud, Waste and Abuse (FWA) Services includes two types of Pharmacy Network monitoring and audit capabilities.</b>	Included
Daily claim review and reprocessing	Included
Pharmacy Network Audit/ Investigative and Onsite Audit	100% of recoveries received are shared less a 25.00% recovery fee to cover associated expenses.
Custom / Onsite Pharmacy network development and administration	Subject to initial set up and ongoing maintenance fees to be determined based on scope.
On-site pharmacy claim processing	Included at No Cost
<b>Home Delivery Services</b>	
Home delivery claims processing	Included at no cost
Home delivery call center with toll-free number	Included at no cost
Benefit education (includes home delivery promotion)	Included at no cost
Retail-to-Home Delivery member outreach programs	Included at no cost
Home delivery regular shipping and handling	Included at no cost
<b>Account Management Services</b>	
Annual strategic planning with quarterly reviews	Included at no cost
Centralized administration for payment of claim and administration fees	Included at no cost
Designated pharmacy account team support, including Pharmacy Account Manager, Pharmacy Program Manager (clinical), Pharmacy Services Coordinator	Included at no cost
Remote training for access to online system(s)	Included at no cost
Dedicated account team support	Pricing available upon request
<b>Member Services</b>	
Customer service for members with toll-free number, to include language translation services	Included at no cost
Pharmacy customer service call center with toll-free number	Included at no cost
Member Website Portal (SSO)	Included at no cost
<b>Internet Services</b>	
e-Services for Prescriptions: Intuitive and easy to navigate	Included at no cost
Online health improvement tools and programs	Included at no cost
Pharmacy look-up	Included at no cost
Refill a prescription	Included at no cost
Savings center – compare costs to switch from retail to home delivery	Included at no cost
Search and price a medicine – search drugs by name, therapeutic class or subclass; compare costs and drug details, including price by pharmacy	Included at no cost
Secure member message center	Included at no cost
Additional miscellaneous Internet services – view coverage and copayments, obtain an ID card, access drug and health guide	Included at no cost
<b>Patient, Trend, Quality and Cost-of-Care Management</b>	
<b>Clinical Prior Authorization program</b>	Included at no cost
This review focuses mainly on drugs that may have risk of serious side effects or dangerous drug interactions, high potential for incorrect use or abuse, better alternatives that may cost less, or restrictions for use with very specific conditions.	
<b>Clinical Pharmacy Review – Physician Review</b>	Included at no cost
Certain medications need a higher level of review than a Clinical Prior Authorization and additional information from the prescriber.	
<b>IngenioRx ProActive PA</b>	Included at no Cost
Proactive PAs apply integrated medical and pharmacy data, where a member's diagnosis from medical claims are incorporated into the pharmacy claim system to seamlessly approve PAs where diagnoses are required. During adjudication, the Proactive PA rules evaluate the member's diagnosis from medical claims for the presence of a diagnosis code representing a condition for which a traditional utilization review is not needed to authorize the medication. If the diagnosis is present, the claim will pay at point-of-sale rather than rejecting for PA required.	
<b>Step Therapy</b>	Included at no cost
Step therapy requires the member to use one medication before benefits for the use of another medication can be authorized. Step therapy ensures members have previously used first-line therapies or have risk factors making the prescribed products inappropriate.	
<b>Quantity Limits and Dose Optimization</b>	Included at no cost
Quantity limits guard against high doses and excessive utilization based on either doses exceeding the FDA or manufacturer recommended maximum daily doses or limiting short-term medications to a certain number of fills over a defined period of time.	
<b>Concurrent Drug Utilization Review</b>	Included at no cost
Utilizes point-of-service safety edits (for Specialty and non-Specialty Products) to monitor:	
Clinical appropriateness	
Medication safety	
Duplicate claims	
Duplicate prescriptions	
Refill frequency (refill-too-soon)	
Maximum dispensing limitations	
Cost and quantity inconsistency	
<b>Retrospective Drug Utilization Review programs</b>	Included at no cost
Retrospective safety review within 72 hours of adjudication.	
<b>Rx Care Nexus (formerly known as IngenioRx Enhanced Care Optimization Program)</b>	Included at no cost
IngenioRx's digital-first clinical care management solution, which includes the standard core clinical programs and expanded scope of chronic conditions managed, focuses on identifying potential gaps in pharmacy care related to adherence, appropriate use, medication compliance, safety, cost savings on generics and formulary alternatives. This program concentrates on addressing actionable clinical opportunities for individual members who are identified as at-risk. Interventions are conducted through multiple outreach channels including a variety of digital capabilities such as LiveHealth Online.	
The Rx Care Nexus program includes a guaranteed return on investment (ROI) of 2:1 based on savings from improved adherence, conversion of targeted drugs to lower cost solutions, and medication management. If the ROI is less than 2:1, then PBM will credit additional savings to the extent necessary to make the ROI ratio 2:1. However, the credit will not exceed the value of the program fee paid for the year.	
<b>Cost-of-Care programs</b>	Included at no cost
Formulary management – outcomes-based formulary	
<b>Generic Drug Management</b>	Included at no cost
Preferred Generics – members pay brand copay plus the cost difference when a generic is available but a brand is selected	
<b>Vaccine Program Fee</b>	Included at no cost
<b>Prescription Drug Discount Program for Non-Covered Drugs</b>	Included at no cost
Allows members to purchase certain medications not covered under their plan at a discount.	
<b>Specialty Condition Management - Standard</b>	Included at no cost
Offers specialized Member support and resources targeting 9 rare medical conditions to all Members using the Specialty Pharmacy after their second fill of a Specialty Product through the Specialty Pharmacy. Conditions: Crohn's disease, cystic fibrosis, Gaucher's disease, hemophilia, hereditary angioedema, lupus, multiple sclerosis, rheumatoid arthritis, and ulcerative colitis.	
<b>Specialty Condition Management - Enhanced powered by IngenioRx</b>	Included at no cost

Offers specialized Member support and resources targeting 19 rare medical conditions to Members identified by Prescription Drug Claims and medical claims review. Conditions: Crohn's disease, cystic fibrosis, Gaucher's disease, hemophilia, hereditary angioedema, lupus, multiple sclerosis, rheumatoid arthritis, ulcerative colitis, amyotrophic lateral sclerosis, chronic inflammatory demyelinating polyradiculoneuropathy, dermatomyositis, epilepsy, myasthenia gravis, Parkinson's disease, polymyositis, scleroderma, sickle cell disease, and HIV.	
Specialty Cost Optimization Program Comprehensive management of medical specialty utilization and spend and ensuring appropriate, quality care. Right Drug Right Channel - Consists of two components which drive specialty medications to the most clinically appropriate benefit- medical to pharmacy and pharmacy to medical. Medical Specialty Drug Review: Helps to improve outcomes and manage total cost by applying clinical criteria that optimize dose and ensure clinically appropriate and safe use. Site of Care - Clinical reviews are initiated when certain specialty medications are requested to be administered in an outpatient hospital setting. The review will determine the level of care that is medically necessary.	Included
<b>Reporting Services</b>	
Clinical savings reports	Included at no cost
Standard reporting	Included at no cost
Web-based client reporting	Included at no cost
<b>Client Reporting Packages</b>	
Base Package Access to Rx Guide (unlimited) All custom reporting requests are billable at \$150 per hour rate	Included at no cost
<b>Specialty Pharmacy Services</b>	
Comprehensive specialty pharmacy and individualized member support services	Included at no cost
Specialty pharmacy call center with toll-free number	Included at no cost
Specialty pharmacy claims processing	Included at no cost
Specialty pharmacy regular shipping and handling	Included at no cost
Therapy-specific counseling	Included at no cost
<b>Additional Services and Programs</b>	
Custom/Ad-hoc requests	We include the first 20 hours included at no charge. After 20 hours per year, the charge is \$150 per hour of time needed to generate a custom or ad-hoc report.
Member Communications for programs including the following: Non-FDA approved drug block disruption letters (optional based on client choice) Re-labeler program (optional based on client choice) Clinical Equivalent Drug List (CEDL) disruption letters (optional based on client choice) New Implementation Formulary Disruption Letters (optional based on client choice)	\$1.30 per letter
Controlled Substance Utilization Management (CSUM) Retrospective— Monitors overuse of controlled substances	Included at no cost
Safety Communications, Drug Recalls and Withdrawals Alerts Members and Prescribers to safety concerns about the medications they are taking and prescribing. Alerts Members impacted by changes in the Medicare Formulary or Medicaid Formulary due to safety issues (Class I Recalls, Class II Recalls, Market Withdrawals, side-effects) per CMS Requirements and Medicaid Requirements, as applicable.	Included at no cost
Pharmacy Home Identifies members who may be over-utilizing controlled substances, prescription cascading, or doctor/pharmacy shopping. Members that meet defined criteria are restricted to the designated home pharmacy.	Included at no cost

# COBRA Fees

## Lexington Fayette Urban County Government

Contract Period: 1/1/2023 – 12/31/2023

	COBRA Flat Fee (PPPM)	COBRA Qualifying Event Fee (One-Time Fee)	Implementation Fee
1,000 – 5,000 Eligible Employees	\$13.58 per participant per month	\$13.58 per participant	\$1,000

\*Groups under 1,000 eligible employees will be billed on a per contract per month basis. Eligible employee counts will be confirmed quarterly.

### Cobra is comprised of the following elements:

- o Reliable notifications and tracking
- o Monthly beneficiary collection invoices
- o Billing and collection of COBRA premiums
- o Anthem Premium disbursement to employer
- o Payment via ACH direct debit
- o Optional open enrollment services
- o Toll-free participant customer service support
- o 24-hour access to account information via Web
- o Toll-free employer customer service support
- o Real-time online management reporting
- o Imaged documentation of COBRA notifications sent
- o Monitor regulations and implement new federal COBRA requirements as necessary
- o The cost for standard programming in Anthem's standard format.

### Anthem's proposed COBRA fees assume the following:

The flat and qualifying event fees shown above assumes the 2% of premium COBRA admin charge will be retained by Anthem. If client requests to retain the 2% charge, the COBRA fees would increase by 25%.

## Optional COBRA Services:

- o New Plan Participant Notification: \$2.90 per notice (Recommended: Notifications include COBRA General Rights notifications communicating the newly eligible employees rights and responsibilities to notify the employer of a Qualifying Event that could trigger a COBRA event.)
- o HIPAA Special Enrollment Notification: \$2.90 per notice
- o Outside Carrier Health Plan Eligibility Communication: \$25.00 per carrier per month
- o Outside Carrier Eligibility Communication and Premium Remittance: \$50.00 per carrier per month
- o Open Enrollment Support Services:
  - a. Comprehensive Package (Anthem sends complete Open Enrollment Kits directly to the members and processes the forms) –
    - » \$15.00 per packet – plus related postage expenses
  - b. Optional packages are offered only on an exception basis. Additional pricing is applicable.
- o Retro-Active New Plan Participant Notification: \$2.00 per notice
- o Retro-Active HIPAA Special Enrollment Notification: \$2.00 per notice
- o Past Due Notices: \$1.00 per notice
- o Custom Programming: \$125.00 per hour

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Client Signature

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Printed Name

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Date