

2017 RENEWAL AGREEMENT

**Baptist Health Plan Inc. (f/k/a Bluegrass Family Health, Inc.)
Prescription Benefit Administrative Services Agreement
With Lexington-Fayette Urban County Government**

This **2017 RENEWAL AGREEMENT** is entered with an effective date of January 1, 2017, by and between Baptist Health Plan, Inc., f/k/a Bluegrass Family Health, Inc., a Kentucky not-for-profit corporation ("BHP") and the Lexington Fayette Urban County Government ("LFUCG") as Plan Sponsor of the LFUCG Employee Prescription Benefit Plan (the "Prescription Benefit Plan"), and the LFUCG Employee Health Plan with High Deductible and Health Savings Account (the "HD/HSA Plan"), each a self-funded, municipal employee health benefit plan for which LFUCG is the designated Plan Administrator and Named Fiduciary.

WHEREAS, LFUCG as Plan Sponsor and Plan Administrator of the Prescription Benefit Plan entered that certain Administrative Services Agreement (the "ASA") with BHP pursuant to LFUCG Request for Proposal #19-2011 for the purpose of BHP providing the prescription benefit claims administration services (the "Services") described in the ASA, which ASA became effective January 12, 2012 for an initial Term through December 31, 2014; and

WHEREAS, pursuant to Section 4 of the ASA, the parties agreed in writing to renew the ASA for a one-year renewal term beginning January 1, 2015 through December 31, 2015 (hereinafter the "2015 Renewal Agreement") and to amend the ASA to include performance of the Services by BHP for the HD/HSA Plan in addition to the Prescription Benefit Plan (together "the Plans") and as further set forth in the 2015 Renewal Agreement; and

WHEREAS, the ASA was again renewed and further amended for a second one-year renewal term beginning January 1, 2016 through December 31, 2016 by written agreement of the parties (the "2016 Renewal Agreement"), and the parties now wish to renew the ASA as amended by the 2016 Renewal Term.

NOW, THEREFORE, in consideration of the premises and other conditions set forth herein, the receipt and sufficiency of which is hereby acknowledged, and pursuant to Section 4 of the ASA, LFUCG as Plan Sponsor, Plan Administrator and named Fiduciary of the Plans, and BHP, hereby agree as follows:

1. 2017 Renewal Term. The Term of the ASA that began on January 1, 2012 and is currently in force through December 31, 2016 pursuant to and as amended by the 2016 Renewal Agreement, is hereby renewed for a Renewal Term beginning January 1, 2017 and ending December 31, 2017 (the "2017 Renewal Term").

2. All provisions of the ASA including all Schedules and Exhibits thereto, as amended by the terms of the 2016 Renewal Agreement, will remain in full force and effect for the duration of the 2017 Renewal Term, and are fully incorporated herein and made a part of this 2017 Renewal Agreement. For avoidance of doubt:

a) The "Year 3" Participating Pharmacy Reimbursement Rates in the Table in Section 1 of Exhibit A-1 to the ASA will continue to apply to prescription drug claims for Covered Drugs filled at participating pharmacies for the duration of the 2017 Renewal Term; and

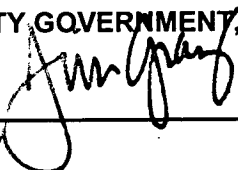
b) BHP will continue to pay LFUCG an amount equal to eighty percent (80%) of the guaranteed Rebate amounts set forth in the Table in Section 1(A) of Exhibit A-2 to the ASA for the duration of the 2017 Renewal Term; and

c) The "Year 3" Brand Drug Rebate guarantee amounts in the Table in Section 1(A) of Exhibit A-2 to the ASA will continue to apply to the calculation of Rebates for prescription drug claims for Covered Brand Drugs filled during the 2017 Renewal Term according to the terms of Exhibit A-2; and

d) All provisions of the Schedule A attached to and fully incorporated in the 2016 Renewal Agreement shall continue in force and effect for the duration of the 2017 Renewal Term.

IN WITNESS of the foregoing, the parties hereby execute this 2017 RENEWAL AGREEMENT by and through their authorized representatives,

**LEXINGTON FAYETTE
URBAN COUNTY GOVERNMENT, Plan Sponsor**

By: 

Jim Gray

Title: Plan Administrator, Manager / Benefits Administration

BAPTIST HEALTH PLAN, INC,

By: 

James Fritz

Title: President

SCHEDULE A

BAPTIST HEALTH PLAN / PBM SERVICES AND FEES

PBM SERVICES	
• Electronic/online eligibility submission	• Electronic claims processing
• FSA feeds	• Plan setup
• Standard Coordination of Benefits (reject for primary carrier)	
PARTICIPATING PHARMACY NETWORK SERVICES	
• Pharmacy help desk	• Pharmacy reimbursement
• Pharmacy network management	• Network development (upon request)
ACCOUNT AND MEMBER SERVICE	
• Assigned BHP account team	• Annual strategic planning with quarterly review
• Telephonic training for access to online	• Implementation support system(s)
• Centralized administration for payment of Claims Reimbursements and Administrative Fees	• New Member packets (includes 2 standard resin ID cards) • Member replacement cards printed via the Web
MAIL SERVICE PHARMACY	
• Benefit education (includes mail promotion Program)	• Prescription delivery -- standard
REPORTING SERVICES	
• Web-based client reporting - produced by BHP	• Claims detail extract file electronic (NCPDP format)
• Ad-hoc desktop parametric reports	• Inquiry access to claims processing system (client responsible for telecommunications)
• Billing reports, including paid claims file	

charges)	
<ul style="list-style-type: none"> • Custom ad-hoc reporting (up to 10 hours of programming time) 	<ul style="list-style-type: none"> • Load 24 months claims history for clinical programs and reporting
CLINICAL	
<ul style="list-style-type: none"> • Concurrent Drug Utilization Review 	<ul style="list-style-type: none"> • Emerging Therapeutics
<ul style="list-style-type: none"> • Prior Authorization - Administrative <ul style="list-style-type: none"> ○ Non-clinical Prior Authorization ○ Lost/stolen overrides ○ Vacation supplies 	<ul style="list-style-type: none"> • Step Therapy • Therapeutic Interchange
APPEALS	
Generally	
<p>BHP as Prescription Plan Manager will process and transmit first level appeals to LFUCG Appeals Representative to review and issue determinations pursuant to SPD Appeals provisions, the terms of this Schedule A and Applicable Law, including but not limited to 29 C.F.R. § 2560.503-1 and 29 C.F.R. 2590-2719.</p>	<p>All Appeals will be determined by LFUCG's designated Appeals Representative for the Plan. LFUCG expressly agrees and acknowledges that neither BHP as Prescription Plan Manager nor its PBM, Express Scripts, Inc., has or will have any discretionary authority, control, responsibility, or liability, of any kind or nature whatsoever over any of the following:</p> <ul style="list-style-type: none"> • management or disposition of any Plan funds or other tangible or intangible assets of the Plan; • administration of the Plan or Plan benefits beyond performance of the Appeals Facilitation Services described in this Part B; or • funding of payment for Plan benefits, including when payment is made upon the Plan Administrator's decision to reverse an Adverse Benefit Determination.

LFUCG Appeals Representative									
<ul style="list-style-type: none"> On or before effective date of 2016 Renewal Agreement, LFUCG to provide BHP with address, telephone and electronic contact information of LFUCG employee designated to serve as the Appeals Representative for Plan. BHP will transmit all Appeals received from participants or their providers directly to LFUCG Appeals Representative for timely determination. Appeals Representative will communicate with BHP concerning any Appeals questions, issues, documents or other information and promptly make and transmit Appeals determinations to BHP as provided in Section 3 below. 									
Appeals Facilitation									
<ul style="list-style-type: none"> Initial Receipt and Transmittal of Appeals and Review by Appeals Representative. Upon receiving a first level Appeal from a Plan participant or provider, BHP as Prescription Plan Manager will: <ul style="list-style-type: none"> issue a written acknowledgement of receipt of the Appeal to the participant and any other authorized recipient in accordance with the applicable timeframes and requirements of 29 C.F.R. § 2560.503-1; and review and transmit the Appeal to the Appeals Representative for final review and determination as provided in (3)(b) below. <p>BHP transmittals of first level Appeals to the Appeals Representative to include all documents, records and information relevant to the denied claim pursuant to 29 C.F.R. § 2560.503-1(m)(8) ("Relevant Information") accessible by BHP without deference to whether any Relevant Information was relied upon in making initial Adverse Benefit Determination.</p> Appeals Determinations. LFUCG Appeals Representative responsible for reviewing all transmitted first level Appeals and Relevant Information and in timely manner under 3(c) for either: <ul style="list-style-type: none"> reversing the Adverse Benefit Determination and authorize payment of the Claim as a covered benefit under the Plan, OR upholding the Adverse Benefit Determination. In either event, the Appeals Representative shall communicate the Appeal determination to BHP promptly in the form and within the applicable time-frame stated in subsection 3(b). Time Periods for Appeals Determinations. BHP will submit first level Appeals and Relevant Information to Appeals Representative and Appeals Representative on behalf of the Plan will issue Appeals Determinations within time periods listed below as applicable to type of Claim under review. The Parties agree these time periods are necessary to ensure that BHP receives an Appeal Determination from the Plan Administrator in sufficient time to provide notice of Determination to the Member in accordance with SPD and 29 C.F.R. §§ 2560.503-1(i) and (j). The term 'days' when used in reference to timeframes in the following table mean calendar days. <table border="1" data-bbox="328 1276 1367 1738"> <tr> <td>Urgent Care Claims</td> <td>BHP will transmit the Appeal/Relevant Information to the Appeals Representative within twenty-four (24) hours of BHP's initial receipt. The Appeals Representative will determine the Appeal and communicate the determination to BHP within forty-eight (48) hours of receipt from BHP.</td> </tr> <tr> <td>Pre-Service Claims</td> <td>BHP will transmit the Appeal/Relevant Information to the Appeals Representative within five (5) days of BHP's initial receipt. The Appeals Representative will transmit a written determination of the Appeal to BHP within twenty (20) days of receipt from BHP. BHP will provide notice of Determination to the Member within five (5) days of receipt from the Appeals Representative.</td> </tr> <tr> <td>Post-Service Claims</td> <td>BHP will transmit the Appeal/Relevant Information to the Appeals Representative within five (5) days of BHP's initial receipt. The Appeals Representative will transmit a written determination of the Appeal to BHP within forty-five (45) of receipt from BHP. BHP will provide notice of Determination to the Member within ten (10) day of receipt from the Appeals Representative.</td> </tr> <tr> <td>Concurrent Care Claims</td> <td>BHP will transmit the Appeal/Relevant Information to the Appeals Representative within the timeframe specified above depending on the type of claim involved.</td> </tr> </table> 		Urgent Care Claims	BHP will transmit the Appeal/Relevant Information to the Appeals Representative within twenty-four (24) hours of BHP's initial receipt. The Appeals Representative will determine the Appeal and communicate the determination to BHP within forty-eight (48) hours of receipt from BHP.	Pre-Service Claims	BHP will transmit the Appeal/Relevant Information to the Appeals Representative within five (5) days of BHP's initial receipt. The Appeals Representative will transmit a written determination of the Appeal to BHP within twenty (20) days of receipt from BHP. BHP will provide notice of Determination to the Member within five (5) days of receipt from the Appeals Representative.	Post-Service Claims	BHP will transmit the Appeal/Relevant Information to the Appeals Representative within five (5) days of BHP's initial receipt. The Appeals Representative will transmit a written determination of the Appeal to BHP within forty-five (45) of receipt from BHP. BHP will provide notice of Determination to the Member within ten (10) day of receipt from the Appeals Representative.	Concurrent Care Claims	BHP will transmit the Appeal/Relevant Information to the Appeals Representative within the timeframe specified above depending on the type of claim involved.
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Concurrent Care Claims	BHP will transmit the Appeal/Relevant Information to the Appeals Representative within the timeframe specified above depending on the type of claim involved.								
<ul style="list-style-type: none"> Notice of Appeal Determination. Upon BHP's receipt of a first level Appeal determination from the Plan, 									

BHP will provide written notice of the determination to the participant which shall include the information concerning the determination required by the SPD and 29 C.F.R. §§ 2560.503-1(i) and (j). Notice to the participant will be mailed or sent electronically pursuant to 29 C.F.R. § 2520.104b-1(c)(1) provided the participant has authorized the Plan to send notices of benefit determinations and other communications to the participant electronically.

- LFUCG acknowledges and agrees that BHP is not responsible or liable to LFUCG as Plan Sponsor or Plan Administrator, or to any Plan participant for the untimely processing of an Appeal due to either of the following reasons, the occurrence of which will obligate LFUCG to indemnify, defend and hold BHP harmless pursuant to the provisions of Section 7.2 of the Agreement:
 - the Appeal is submitted directly to LFUCG by the participant and not to BHP, and LFUCG fails to forward it to BHP to allow for facilitation, determination and notice to the participant within the timeframe required by 29 C.F.R. § 2560.503-1;
 - the LFUCG Appeals Representative fails to issue and transmit an Appeal determination to BHP within the applicable time period stated in subsection (3)(b) above to allow for BHP to provide timely notice of the determination to the participant under 29 C.F.R. 2560.503-1.

External Review by Independent Review Entity ("IRE")

- External Review (non-expedited). BHP will assign external reviews to an Independent Review Entity ("IRE") on a rotating basis to ensure that the same IRE will not be utilized for two (2) consecutive reviews. Upon receiving a participant's request for an external review, BHP will transmit the Appeal and Relevant Information to the IRE for review and determination. The IRE will send its written external review decision to the participant with copy to BHP and the LFUCG Appeals Representative within twenty-one (21) days of receiving the request for external review. Upon agreement of the participant and LFUCG, this timeframe may be extended for up to fourteen (14) additional days.
- Expedited External Review. An Appeal determination adverse to the participant will be eligible for expedited external review by an IRE under expedited external review criteria described in SPD. BHP will assign and transmit Appeal determinations eligible for expedited external review (including Relevant Information) to an IRE for expedited external review within twenty-four (24) hours of receiving participant's oral request for expedited external review (to be followed by an abbreviated written request). IRE will issue a decision within twenty-four (24) hours of receipt of the request for expedited external review from BHP. Upon agreement of participant and LFUCG, this timeframe may be extended for up to twenty-four (24) additional hours.

Exhaustion of Appeal Process

- Participants will exhaust their administrative remedies under the Plan upon completing the Appeals process as described in the SPD. Administrative remedies include the ability of a participant to request a voluntary second level appeal as outlined in the SPD. It is understood that once a participant has exhausted his/her administrative rights and remedies under the SPD through the first level appeals process or external review process, if external review is requested, BHP will have no further obligations under the Agreement concerning the Adverse Benefit Determination that is the subject of the participant's Appeal, including in the event the participant requests a second level appeal, or elects to pursue a civil action against LFUCG under section 502(a) of ERISA for judicial review of a final Appeal determination adverse to participant.

Ultimate Responsibility for Appeals and Indemnification

- LFUCG as Plan Administrator and named Plan Fiduciary retains the exclusive right and ultimate responsibility to determine whether a participant's Claim for pharmacy benefits is covered or not covered in accordance with the SPD and applicable provisions of ERISA and regulations and guidelines issued thereunder. LFUCG agrees that BHP will not be responsible or liable for any negligent or intentional acts or omissions of LFUCG or its elected or appointed officials, employees, agents or representatives, including the Appeals Representative. Further, to the extent permitted by Applicable Law, LFUCG will indemnify, defend and hold BHP harmless from and for any liability, costs, expenses, attorneys' fees, judgments, or any other damages whatsoever which BHP may incur as a result of one or more negligent or intentional acts, errors or omissions of LFUCG whether acting as Plan Sponsor or Plan Administrator, or of any LFUCG elected or appointed officials, employees, agents or representatives, including the Appeals Representative, related to administration of an Appeal or an Appeal determination, or any violation of state or federal law or regulation pertaining to the administration of an Appeal or an Appeal determination.

PBM SERVICES	FEES
Manual/hardcopy eligibility submission	ESI will provide web based tool to update eligibility electronically free of charge
Member-submitted paper claims processing fee	\$2.50/claim
Medicaid subrogation claims fee	\$2.50/claim
No Bill No Remit LFUCG Pharmacy Claims	\$3.00/claim
Communication with physicians and/or Members other than those required as a result of unilateral action by ESI (e.g. program descriptions, notifications, formulary compliance, EOBs, etc.)	\$1.35/letter (postage included)
Account and Member Services	
Customer service for Members	After-hours call center support is included
Member requested replacement packets	\$1.50 + postage per packet
Client requested re-carding	\$1.50 + postage per packet
Reporting Services	
Web-based client reporting – produced by Express Scripts	\$100.00 per report
Custom ad-hoc reporting requirement more than 10 hours of programming	\$150.00 per hour
Clinical Programs¹	
Prior Authorization – clinical	\$35 per request \$45 per physician review
Appeals	
Clinical Appeals	\$350.00/review (excludes IRE fees for external review) <ul style="list-style-type: none"> • Invoiced to LFUCG monthly • Payment due to BHP net 15 days from invoice date.
Non-clinical Appeals	\$160/review (excludes IRE fees for external review) <ul style="list-style-type: none"> • Invoiced to LFUCG monthly • Payment due to BHP net 15 days from invoice date.

¹ Information concerning such programs, guarantees and Fees, if applicable, is available on request.

<p>IRE review of external and expedited external reviews of Appeals.</p> <ul style="list-style-type: none"> • BHP to collect participant fee of \$25.00 from participant • LFUCG responsible for reimbursing BHP in full for all IRE fees incurred for external reviews and expedited external reviews requested by participants with exception of the participants' \$25.00 external review fees. 	<p>Fees independently determined and charged by IRE per external/expedited external review. IRE fees range from \$400 - \$1,200.</p> <ul style="list-style-type: none"> • Invoiced in month IRE charge incurred • Payment due to BHP net 15 days from invoice date
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Exhibit A-1

Pharmacy Reimbursement Rates

I. Participating Pharmacy Reimbursement Rates (Does Not Apply to Specialty Products)
 The Participating Pharmacy Reimbursement rates set forth in Tables I.

TABLE I

Network	Minimum 50,000 Participating Pharmacy Network**	
Type of Plan	All Plans ESI National Preferred Formulary	
Days' Supply	1-83	84-90 Maintenance Medication Network**
Ingredient Cost-Brand	Lesser of	Lesser of
Year 1*	AWP – 17.50%	AWP – 23.25%
Year 2*	AWP – 17.75%	AWP – 23.25%
Year 3*	AWP – 18.00%	AWP – 23.25%
	or U&C	or U&C
Ingredient Cost –Generic	Lesser of AWP – 17.00%, MRA or U&C (all three years)	Lesser of AWP – 21.00%, MRA or U&C (all three years)
Ingredient Cost-Compound Drugs***	Lesser of U&C or combined AWP plus applicable service fee	
Brand Dispensing Fee/Rx	\$1.10 (all three years)	\$0.30 (all three years)
Generic Dispensing Fee/Rx	\$1.10 (all three years)	\$0.30 (all three years)

Administrative Fee/Rx-Brands & Generics	\$0.00 (all three years)	\$0.00 (all three years)
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* Year 1 shall commence on the Effective Date and end on the day before the first anniversary thereof.

** Greater than 83 days' supply may only be filled at certain Maintenance Medication Network Participating Pharmacies.

*** Compound Drugs will be adjudicated as follows: (1) The Pharmacist will flag the Prescription Drug Claim as a Compound Drug in the claim adjudication system. (2) The pharmacist will submit the NDC number of the most expensive legend (prescription) drug in the compound, combining the quantity of all ingredients, not just the legend drug. (3) The pharmacist will submit the AWP of the combined compound ingredients and the compound services fee (the pharmacist adds these dollar amounts together and submits them in a single field). (4) ESI will process the claim without an AWP discount. (5) The pharmacy will receive the contracted dispensing fee. Please note, all Compound Drugs are invoiced at Pass-Through (that is, with respect to Compound Drugs, the amount paid to the pharmacy is invoiced to the client and ESI retains no spread).

Guarantees are not applicable to Participating Pharmacy Network pricing tables (Table 1):

Notwithstanding the preceding, ESI will not guarantee an average aggregate annual discount for Generic Drugs dispensed by Participating Pharmacies as set forth in Section III, below.

II. Mail Service Pharmacy Pricing (Does Not Apply to Specialty Products)

Network	Mail Service Pharmacy
Type of Plan	All Plans BFP optimized custom Formulary
Ingredient Cost – Brand Drugs	AWP – 23.25%
Ingredient Cost – Generic Drugs	AWP – 23.25% or, if lower, MRA
Ingredient Cost - Compound Drugs*	Combined AWP plus applicable service fee
Brand Dispensing Fee/Rx <i>Subject to change for changes in delivery rates</i>	\$0.00
Generic Dispensing Fee/Rx <i>Subject to change for changes in delivery rates</i>	\$0.30
Administrative Fee/Rx	\$0.00

*Compound Drugs will be adjudicated as follows: (1) The pharmacist will flag the Prescription Drug Claim as a Compound Drug in the claim adjudication system. (2) The pharmacist will submit the NDC number of the most expensive legend (prescription) drug in the compound, combining the quantity of all ingredients, not just the legend drug. (3) The pharmacist will submit the AWP of the combine compound ingredient and the compound services fee (the pharmacist adds these dollar amounts together and submits them in a single field). (4) ESI will process the claim without an AWP discount. (5) The pharmacy will receive the contracted dispensing fee. Please note, all Compound Drugs are invoiced at Pass-Through (that is, with respect to Compound Drugs, the amount paid to the pharmacy is invoiced to the client and ESI retains no spread).

Notwithstanding the preceding, ESI will guarantee an average aggregate annual discount for Generic Drugs dispensed by the Mail Service Pharmacy as set forth in the table in Section III below.

III. **Pricing:**

Generic Ingredient Cost: BHP in conjunction with ESI will process drug discounts as reflected below.

Discounted ingredient cost will be the lesser of MRA, U&C or AWP discount adjudication methodology.

Generic Drug Ingredient Cost Guarantees-All Plan	Participating Pharmacy		Mail Service Pharmacy	Claims Excluded
	1-83	84-90	84-90	
Days' Supply				
Year 1	AWP – 77.15%	AWP – 77.15%	AWP – 79.25%	OTC, Products subject to patent actions, Single Source Generic Drugs, and Specialty Products
Year 2	AWP – 77.15%	AWP – 77.15%	AWP – 79.25%	
Year 3	AWP – 77.15%	AWP – 77.15%	AWP – 79.25%	

IV. **Specialty Products.** BHP pricing is based on the CuraScript Exclusive option as described below:

- a) CuraScript Exclusive Option. CuraScript is the exclusive provider of Specialty Products to Plans for the Claims Reimbursement rates shown on the Exclusive CuraScript Specialty Product List in Schedule A below. Any Specialty Product dispensed from a pharmacy other than CuraScript (for example, limited distribution products not then available through CuraScript or overrides) will be reimbursed at the standard Participating Pharmacy Specialty Product rates shown below in IV(b) and (f). Upon CuraScript acquisition of limited distribution products, Members will obtain prescriptions for those products through CuraScript.

	Ingredient Cost	Dispensing Fee
Exclusive CuraScript	See Exclusive Specialty Product List Lesser of AWP discount or MRA	\$0.00
Participating Pharmacy Specialty Products	See Participating Pharmacy Specialty Product List Lesser of AWP discount, U&C or	\$2.00

	MRA	
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b) Pricing for ASES is as follows:

- i. For Specialty Products with an additional charge to cover cost of all supplies, equipment (e.g., pumps), nursing and clinical monitoring when required to administer the Specialty Products, the following standard per diem and nursing fee rates shall apply if the supply, equipment, nursing or clinical monitoring is provided by or through ESI. Exceptions to the standard per diem and nursing rates are set forth in (ii), below, which list may be updated from time to time by ESI. Pricing for home infusion supplies and services outside of CuraScript will be pass-through and based on the provider's rates.

Standard Per Diem	\$65/dose
Standard Nursing Fee/First 2 Hours	\$150
Standard Nursing Hourly	\$75

- ii. Additional Expectations to AWP Discount Rates and Standard Per Diem & Nursing Fees

Brand Name	AWP Discount	Per Diem
EPOPROSTENOL	1.0%	\$65/day
REMODULIN	5.0%	\$65/day

TYVASO pricing includes Phone Support Nursing, Supplies, Pump, first two training visits, and Coordination of IN-Person Nursing. In-home nursing that is requested/needed beyond the first two training visits will be charged at a rate of \$150 for the first two hours and \$75 for every hour after.

- c) Specialty Products will be excluded from any pricing set forth in the Agreement. In no event will the Mail Service Pharmacy or Participating Pharmacy pricing terms specified in the Agreement, including, but not limited to, the annual average ingredient cost discount guarantees, apply to Specialty Products dispensed through CuraScript.
- d) Unless otherwise set forth in an agreement directly between CuraScript and BHP, if a Specialty Product dispensed or ASES provided by CuraScript is billed to BHP directly by CuraScript instead of being processed through ESI. BHP agrees to timely pay CuraScript for such Claim when for a Covered Drug, pursuant to the rates and discounts provided above and in the Specialty Product List within thirty (30) days of BHP's, or its designee's, (LFUGCO receipt of such electronic or paper claim from CuraScript. CuraScript shall have 180 days from the date of service to submit such electronic or paper claim.
- f) The list of Specialty Products and their corresponding rates set forth below are subject to addition, deletion, or modification by ESI from time to time. ESI will notify

BHP at least monthly of new Specialty Products that are introduced to the market on or after the Effective Date of this Agreement with their applicable reimbursement rates ("Notice"). BHP will have seven (7) Business Days from the date of receipt of the notification to submit a Set-Up Form to ESI of any new Specialty Product in the Notice that is to be excluded. Such exclusions will be implemented within seven (7) Business Days after the date of ESI's receipt of such Set-Up Form. Retroactive denials of Claims for a new Specialty Product will not be processed and BHP will be responsible for payment of such Claims, unless ESI receives the Set-Up Form from BHP excluding the new Specialty Product within the above-stated time period.

EXHIBIT A-2

REBATES

1. Rebate Amounts

A. Subject to the conditions set forth below and elsewhere in this Agreement, BHP will pay to LFUCG an amount equal to:

- i. Subject to LFUCG meeting the Plan design conditions identified in the table below, the following guaranteed amounts:

Rebates for 3 and 4 Tier Plan Designs with Cost-share Differentials of at least \$15 for Tiers 2 through 3

<u>Formulary:</u>	BHP optimized custom Formulary, no clinical programs		ESI National Preferred Formulary, no clinical programs	
	Participating Pharmacies and CuraScript	Mail Service Pharmacy	Participating Pharmacies and CuraScript	Mail Service Pharmacy
Per Brand Prescription Drug Claim **				
Year 1*	\$16	\$35.00	\$19.80	\$77.00
Year 2*	\$16.10	\$29.00	\$21.30	\$84.40
Year 3*	\$17.25	\$31.00	\$21.70	\$94.90

- Year 1 shall commence on the Effective Date and end on December 31, 2012. Years 2 and 3 will commence January 1, 2013 and January 1, 2014, respectively and will end on the following June 30, 2014.

B. If the Plan design conditions identified in the table in Section 1.A. (i) above are not met, then BHP will not guarantee amount to paid LFUCG as stated in the table in Section 1.A.

2. Exclusions

Member Submitted Claims, COB Claims, OTC products, Claims older than 180 days, Claims through BHP-owned or 340b pharmacies (if applicable), Claims pursuant to a 100% Member Cost-share plan (if applicable) are not eligible for the guaranteed Rebate amounts set forth in Section 1.A.(i) above.

3. Rebate Reporting

ESI will provide quality reporting to BHP in a format that includes a line item accounting of Rebates received including, but not limited to the drug name, NDC Code< quantity dispensed,

and Rebates received. ESI will provide BHP with Rebate estimates and Rebates collected for the Contract Quarter in which they are collected. Reports will be provided to BHP within one hundred fifty (180) days following each Contract Quarter. Rebates for LFUCG will be sent to BHP where BHP will combine all quarterly reporting with the payment to be mailed to LFUCG.

4. Rebate Payment Terms

Subject to the conditions set forth herein, BHP shall pay LFUCG the Rebate Guarantee collected by ESI during each Contract Quarter hereunder, as set forth in Section 1.A(i) above, within approximately one hundred and eighty (180) days following the end of such Contract Quarter. Pursuant to Section 1.A(i).

Baptist Health Plan (BHP) Fee Methodology

Network

BHP's contract with ESI began in July 2011. Rates that were quoted to LFUCG are based on the 7th month of the contract. Therefore, on January 1, 2012 LFUCG will process medication according to Table 1. The year 1 rates will be fixed for LFUCG for the calendar year. ESI's rates will change for BHP in July 2012. The difference between the Year 1 and Year 2 will be held by BHP as one component of the administrative fee until the January 1, 2013 where the ESI rates paid by BHP will pass through to LFUCG. This same methodology will be employed years 2 and 3 of this agreement.

Rebates

BHP will pay LFUCG based on claim experience the minimum guarantee as illustrated in Exhibit A-2. Monies from the guarantee to the actual amount collected will be retained by BHP and the second administrative charge.