

2016 RENEWAL AGREEMENT
Baptist Health Plan (f/k/a Bluegrass Family Health)
Prescription Benefit
Administrative Services Agreement
With Lexington-Fayette Urban County Government

This 2016 **RENEWAL AGREEMENT** is entered with an effective date of January 1, 2016, 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, effective January 1, 2012, 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, and

WHEREAS, the parties entered a renewal agreement to renew the ASA for a one-year renewal term effective January 1, 2015 through December 31, 2015 (hereinafter the "2015 Renewal Agreement") pursuant to Section 4 of the ASA, 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 parties wish to again renew the ASA for a one-year renewal term beginning January 1, 2016 and ending December 31, 2016 pursuant to Section 4 of the ASA, and to further amend the ASA as described below;

NOW, THEREFORE, in consideration of the premises and other conditions set forth herein and in the ASA, and pursuant to Section 4 of the ASA, BHP and LFUCG as Plan Sponsor, Plan Administrator and named Fiduciary of the Plans, agree that all terms and conditions of the ASA as amended by the 2015 Renewal Agreement will continue in full force and effect, subject to the following additional amendments to which the parties also hereby agree:

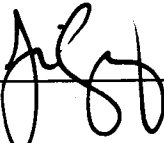
1. 2016 Renewal Term. The Agreement Term that began on January 1, 2012 and is due to expire on December 31, 2015, is hereby renewed for a one-year renewal term beginning January 1, 2016 and ending December 31, 2016 (the "2016 Renewal Term").
2. The ASA is amended to substitute the name "Baptist Health Plan" for all references to Bluegrass Family Health, and "BHP" for all references to "BFH."
3. The "Year 3" Participating Pharmacy Reimbursement Rates in the Table in Section 1 of Exhibit A-1 to the Agreement will apply to prescription drug claims for Covered Drugs filled at participating pharmacies during the 2016 Renewal Term.
4. Schedule A to the Agreement which details the services to be provided by or through BHP under Section 2 of the Agreement and the fees for those services, is deleted in its entirety and replaced with and superseded by the amended Schedule A attached hereto and fully incorporated in and made a part of the Agreement as amended herein. The same definitions of capitalized terms set forth in Section 1 of the Agreement and in the SPD shall apply to those terms when used in amended Schedule A. In addition thereto, the definitions set forth in 29 C.F.R. § 2560.503-1(m) shall apply for purposes of all provisions in Schedule A pertaining to the review and determination of pharmacy claims, first level Appeals of Adverse Benefit Determinations of such claims and the independent external and expedited external review of Adverse Benefit Determinations. In the event of a conflict between a definition in the Plan Document and/or SPD and a definition in 29 C.F.R. § 2560.503-1(m), the regulatory definition shall control.
5. Section 1(A)(i) of Exhibit A-2 to the Agreement is amended to provide that for the 2016 Renewal Term, BHP will pay LFUCG an amount equal to eighty percent (80%) of the guaranteed Rebate amounts set forth in the Table in Section 1(A) of the Exhibit.
6. The "Year 3" Brand Drug Rebate guarantee amounts in the Table in Section 1(A) of Exhibit A-2 to the Agreement will apply to the calculation of Rebates for prescription drug claims for Covered Brand Drugs filled during the 2016 Renewal Term according to the terms of Exhibit A-2 as amended herein.
7. Section 4 of Exhibit A-2 to the Agreement is deleted in its entirety and replaced with the following:

4. Rebate Payment Terms

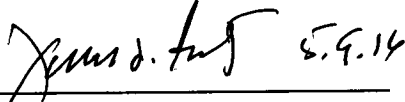
Subject to the conditions set forth herein, for the 2016 Renewal Term, BHP shall pay LFUCG eighty percent (80%) of the guaranteed rebate amounts collected by ESI during each Contract Quarter of the 2016 Renewal Term, as set forth in Section 1.A(i) above, within approximately one hundred and eighty (180) days following the end of such Contract Quarter.

IN WITNESS of the foregoing, the parties hereby execute this 2016 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 S. 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 BFH 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 • Billing reports, including paid claims file	• Inquiry access to claims processing system (client responsible for telecommunications charges)
• Custom ad-hoc reporting (up to 10 hours of programming time)	• Load 24 months claims history for clinical programs and reporting
CLINICAL	
• Concurrent Drug Utilization Review	• Emerging Therapeutics
• Prior Authorization - Administrative <ul style="list-style-type: none"> ○ Non-clinical Prior Authorization ○ Lost/stolen overrides ○ Vacation supplies 	• 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

- 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

- 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:
 - 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.

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.

- 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:
 - 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.

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.

- 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
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.
IRE review of external and expedited external reviews of Appeals. <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. 	Fees independently determined and charged by IRE per external/expedited external review. IRE fees range from \$400 - \$1,200. <ul style="list-style-type: none"> • Invoiced in month IRE charge incurred • Payment due to BHP net 15 days from invoice date

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