

COBRA Fees

Lexington Fayette Urban County Government

Contract Period: 01/01/2026 – 12/31/2026

| | COBRA Fee |
|-----------------------------------|----------------------------------|
| 1,000 – 5,000 Eligible Employees* | \$14.67 per continuant per month |

* Eligible employee counts will be confirmed quarterly.

** Billed amount is based on total # of benefit eligible employees.

The following services are included in our standard Anthem COBRA offering:

- Reliable notifications and tracking
- Monthly beneficiary collection invoices
- Billing and collection of COBRA premiums
- Premium disbursement to employer
- Payment via ACH direct debit
- Toll-free participant customer service support
- 24-hour access to account information via Web
- Toll-free employer customer service support
- Real-time online management reporting
- COBRA eligibility reporting
- Imaged documentation of COBRA notifications sent
- Monitor regulations and implement new federal COBRA requirements as necessary
- Manual Election Processing
- Insignificant Premium Shortfall Notice
- 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.

Optional COBRA Services:

| Service | Description | Fee |
|---------------------------------------|---|-------------------|
| <u>Optional Notices and Services</u> | | |
| HIPAA Special Enrollment Notification | To provide employee with information concerning special enrollment opportunities. When selected, will be sent in conjunction with the General Notice. Not Federally required. | \$2.90 per notice |

Performance Guarantees

Lexington-Fayette Urban County Government expects excellence, Anthem strives to provide excellent value by improving affordable access to quality healthcare for our customers. Together we will deliver outstanding value for your employees.

We are confident that we will deliver outstanding service for Lexington-Fayette Urban County Government. As such, we are placing administrative fees at risk to meet certain criteria as outlined below.

A summary of our guarantees

This is a summary of the performance guarantees that Anthem offers. The final terms and conditions of the Performance Guarantees contained in the RFP are subject to finalization of the contract language in the Administrative Services Agreement. It is not a legal contract. If this summary conflicts with the Administrative Services Agreement, any Schedules or Attachments, the Administrative Services Agreement controls.

These guarantees apply to Lexington-Fayette Urban County Government's plan.

More about the guarantees

All guarantees will be effective from January 01, 2026 to December 31, 2026, unless otherwise noted. The guarantees are measured and settled annually, with exceptions specified.

These guarantees cover aspects of performance that are related to Anthem's control. Listed below are potential reasons that may alter or void the terms of the guarantees:

- A change to the Plan benefits that result in a substantial change in the services to be performed by Anthem or the measurement of a Performance Guarantee.
- Your number of enrolled Subscribers goes up or down by 10% or more after your plan or renewal starts.
- Changes in law or regulation that materially impacts underwriting assumptions made at the time of offering such Performance Guarantees.
- There is no executed Administrative Services Agreement on file.
- All Performance Guarantees may be revisited and may potentially be impacted due to a cause beyond the reasonable control of a Party such as a pandemic (an outbreak of disease that affects an exceptionally high proportion of members) being declared by the Centers for Disease Control or if a Force Majeure event (meaning an act of God, civil or military disruption, terrorism, fire, strike, flood, riot or war) occurs during the Measurement or Baseline Period that impacts a meaningful portion of the Employer population.
- You terminate the Agreement before the end of a Performance Period, or we terminate it because of non-payment.
- You terminate participation in particular programs tied to Performance Guarantee(s), prior to completion of the Measurement Period.

General Terms

- **Performance Category.** The term Performance Category describes the general type of Performance Guarantee.
- **Reporting Period.** The term Reporting Period refers to how often Anthem will report on its performance under a Performance Guarantee.
- **Measurement Period.** The term Measurement Period is the period of time under which performance is measured, which may be the same as or differ from the period of time equal to the Performance Period.
- **Penalty Calculation.** The term Penalty Calculation generally refers to how Anthem's payment will be calculated, in the event Anthem does not meet the target(s) specified under the Performance Guarantee.
- **Amount at Risk.** The term Amount at Risk means the amount Anthem may pay if it fails to meet the target(s) specified under the Performance Guarantee.
- Some Performance Guarantees measure and compare year to year performance. The term Baseline Period refers to the equivalent time period preceding the Measurement Period. Anthem will require specified historical Claims and utilization data to establish the Baseline Period for the first year of a Performance Guarantee utilizing a Baseline Period.
- Performance Guarantees may be measured using either aggregated data or Employer-specific Data. The term Employer-specific Data means the data associated with Employer's Plan that has not been aggregated with other employer data. Performance Guarantees will specify if Employer-specific Data shall be used for purposes of measuring performance under the Performance Guarantee.
- All Performance Guarantees in which Anthem will make outbound calls or will reach out through email or other means to members will exclude members who Anthem cannot reach due to incorrect or invalid telephone numbers, including numbers where permission is required by law but not provided, or those members who have requested that Anthem not contact them.
- Anthem's obligation to make payment under the Performance Guarantees is conditioned upon Employer's timely performance of its obligations provided in the Agreement in this Schedule C and the Attachments, including providing Anthem with the information or data required by Anthem in the Attachments.
- Anthem has the right to offset any amounts owed to Employer under any of the Performance Guarantees contained in the Attachments to this Schedule C against any amounts owed by Employer to Anthem under: (1) any Performance Guarantees contained in the Attachments to this Schedule C; (2) the Agreement or, (3) any applicable Stop Loss Policy.

Amount at Risk

The total amount at risk for the below performance guarantees between Anthem and Lexington-Fayette Urban County Government shall not exceed the following:

- **Operations Guarantees:**
 - 15.000% of Base Medical Admin fees.

Confirmation of all applicable fees for the performance guarantees will be reflected in Employer's Schedule C.

Maximum Amount Payable

The maximum amount payable under all guarantees between Anthem and Lexington-Fayette Urban County Government shall not exceed 15.000% of the Base Medical Administration fees . The Maximum Amount Payable provisions above do not apply to Pharmacy-related Performance Guarantees.

Operations Guarantee

| Performance Category | Year 1 | Year 2 | Year 3 |
|---|-------------------------------------|--------|--------|
| Claims Timeliness (14 Calendar Days) | 1.500% of Base Admin. Services Fees | | |
| Claims Financial Accuracy | 1.500% of Base Admin. Services Fees | | |
| Claims Accuracy | 1.500% of Base Admin. Services Fees | | |
| Open Enrollment ID Card Issuance | 1.500% of Base Admin. Services Fees | | |
| Processing of Ongoing Eligibility Information | 1.500% of Base Admin. Services Fees | | |
| Average Speed to Answer | 1.500% of Base Admin. Services Fees | | |
| Call Abandonment Rate | 1.500% of Base Admin. Services Fees | | |
| Member Satisfaction – NPS | 1.500% of Base Admin. Services Fees | | |
| Management Reports | 1.500% of Base Admin. | | |

| | | | |
|--|---|--|--|
| | Services Fees | | |
| Account Management Satisfaction | 1.500% of Base Admin. Services Fees | | |
| Total Amount At Risk – Operations | 15.000% of Base Medical Admin fees | | |

Additional Terms and Conditions:

- Performance will be based on the results of a designated service team/business unit assigned to Lexington-Fayette Urban County Government, unless the guarantee is noted as measured with Employer-specific Data.

| Performance Category | Amount at Risk | Guarantee | Penalty Calculation | | Measurement and Reporting Period |
|--------------------------------------|---|---|---------------------|----------------|-----------------------------------|
| Claims Timeliness (14 Calendar Days) | Year 1: 1.500% of Base Admin. Services Fees | A minimum of 90% of Non-investigated medical Claims will be Processed Timely. Non-investigated Claims are defined as medical Claims that process through the system without the need to obtain additional information from the Provider, Subscriber or other external sources. Processed Timely is defined as Non-investigated medical Claims that have been adjudicated within 14 calendar days of receipt. This Guarantee will be calculated based on the number of Non-investigated Claims that Processed Timely divided by the total number of Non-investigated Claims. The calculation of this Guarantee does not include Claim adjustments. The calculation of this Guarantee also excludes in any quarter Claims for an Employer that requests changes to Plan benefits, until all such changes have been implemented. | <u>Result</u> | <u>Penalty</u> | <u>Measurement Period</u> |
| | | | 90.0% or Greater | None | Annual |
| | Year 2: | | 88.0% to 89.9% | 25% | <u>Reporting Period</u> Annual |
| | Year 3: | | 86.0% to 87.9% | 50% | |
| | | | 85.0% to 85.9% | 75% | |
| | | This will be measured with Employer-specific Data. | Less than 85.0% | 100% | |
| Claims Financial Accuracy | Year 1: 1.500% of Base Admin. Services Fees | A minimum of 99% of medical Claim dollars will be processed accurately. This Guarantee will be calculated based on the total dollar amount | <u>Result</u> | <u>Penalty</u> | <u>Measurement Period</u> |
| | | | 99.0% or Greater | None | Annual |

| | | | | | |
|---|---|---|--|--|---|
| | Year 2: Year 3: | of audited medical Claims paid correctly divided by the total dollar amount of audited medical Paid Claims. The calculation of this Guarantee includes both underpayments and overpayments. The calculation of this Guarantee does not include Claim adjustments or Claims in any quarter in which an Employer requests changes to Plan benefits, until all such changes have been implemented. | 98.0% to 98.9% 97.0% to 97.9% 96.0% to 96.9% Less than 96.0% | 25% 50% 75% 100% | <u>Reporting Period</u> Annual |
| Claims Accuracy | Year 1: 1.500% of Base Admin. Services Fees Year 2: Year 3: | A minimum of 97% of medical Claims will be paid or denied correctly. This Guarantee will be calculated based on the number of audited medical Claims paid and denied correctly divided by the total number of audited medical Claims paid and denied. The calculation of this Guarantee excludes in any quarter Claims for an Employer that requests changes to Plan benefits, until all such changes have been implemented. | <u>Result</u> 97.0% or Greater 96.0% to 96.9% 95.0% to 95.9% 94.0% to 94.9% Less than 94.0% | <u>Penalty</u> None 25% 50% 75% 100% | <u>Measurement Period</u> Annual <u>Reporting Period</u> Annual |
| Open Enrollment ID Card Issuance | Year 1: 1.500% of Base Admin. Services Fees Year 2: Year 3: | 100% of Subscriber digital ID cards will be available or Member physical ID cards will be mailed to open enrollment participants no later than the Employer's effective date provided that Anthem receives an Accurate Eligibility File. An Accurate Eligibility File is defined as: (1) an electronic eligibility file formatted in a mutually agreed upon manner; (2) received by Anthem no later than 30 calendar days prior to the Employer's effective date; and, (3) contains an error rate of less than 1%. This Guarantee will be calculated based on the total number of open enrollment ID cards available to Subscribers or mailed to Members within the timeframe set forth above divided by the total number of Members eligible to receive open enrollment ID cards. This will be measured with Employer-specific Data. | <u>Result</u> 100% 99.0% to 99.9% 98.0% to 98.9% 97.0% to 97.9% Less than 97.0% | <u>Penalty</u> None \$100 per ID Card not to exceed 25% of amount at risk for this measure 50% 75% 100% | <u>Measurement Period</u> Employer's effective date <u>Reporting Period</u> 60 calendar days following the Employer's effective date |
| Processing of Ongoing Eligibility Information | Year 1: 1.500% of Base Admin. Services Fees Year 2: | 100% of Employer's ongoing electronic eligibility files will be processed timely. Timely Processing is defined as electronic eligibility files processed and updated on the eligibility database within 7 business days of receipt of an eligibility file. This Guarantee only applies to | <u>Result</u> 100% 98.0% to 99.9% | <u>Penalty</u> None 25% | <u>Measurement Period</u> Annual <u>Reporting Period</u> Annual |

| | Year 3: | <p>the processing of eligibility files submitted by Employer outside of an open enrollment period. This Guarantee does not apply to the first production files after setup and testing, COBRA files, or Defective Eligibility Files. A Defective Eligibility File is defined as an eligibility file that has data errors, includes all records that do not pass Anthem's enrollment business rules, or does not allow for Anthem's automatic processing. This Guarantee does not apply to errors that have to be processed manually in the system.</p> <p>Anthem's payment of this Guarantee is conditioned upon receipt of eligibility files in a format mutually agreed upon by the Parties. This Guarantee will be calculated by (1) dividing the total number of eligibility files processed within the timeframe set forth above by (2) the number of Employer's eligibility files processed.</p> <p>This will be measured with Employer-specific Data.</p> | <table><tr><td>96.0% to 97.9%</td><td>50%</td></tr><tr><td>94.0% to 95.9%</td><td>75%</td></tr><tr><td>Less than 94.0%</td><td>100%</td></tr></table> | 96.0% to 97.9% | 50% | 94.0% to 95.9% | 75% | Less than 94.0% | 100% | | | | | | | |
|-------------------------|--|--|---|----------------|---------|--------------------|------|------------------|------|------------------|-----|------------------|-----|--------------------|------|---|
| 96.0% to 97.9% | 50% | | | | | | | | | | | | | | | |
| 94.0% to 95.9% | 75% | | | | | | | | | | | | | | | |
| Less than 94.0% | 100% | | | | | | | | | | | | | | | |
| Average Speed to Answer | <p>Year 1: 1.500% of Base Admin. Services Fees</p> <p>Year 2:</p> <p>Year 3:</p> | <p>The average speed to answer (ASA) will be 45 seconds or less. ASA is defined as the average number of whole seconds members wait and/or are in the telephone system before receiving a response from a customer service representative (CSR) or an interactive voice response (IVR) unit. This Guarantee will be calculated based on the total number of calls received in the customer service telephone system.</p> | <table><tr><th>Result</th><th>Penalty</th></tr><tr><td>45 seconds or less</td><td>None</td></tr><tr><td>46 to 48 seconds</td><td>25%</td></tr><tr><td>49 to 51 seconds</td><td>50%</td></tr><tr><td>52 to 54 seconds</td><td>75%</td></tr><tr><td>55 or more seconds</td><td>100%</td></tr></table> | Result | Penalty | 45 seconds or less | None | 46 to 48 seconds | 25% | 49 to 51 seconds | 50% | 52 to 54 seconds | 75% | 55 or more seconds | 100% | <p><u>Measurement Period</u> Annual</p> <p><u>Reporting Period</u> Annual</p> |
| Result | Penalty | | | | | | | | | | | | | | | |
| 45 seconds or less | None | | | | | | | | | | | | | | | |
| 46 to 48 seconds | 25% | | | | | | | | | | | | | | | |
| 49 to 51 seconds | 50% | | | | | | | | | | | | | | | |
| 52 to 54 seconds | 75% | | | | | | | | | | | | | | | |
| 55 or more seconds | 100% | | | | | | | | | | | | | | | |
| Call Abandonment Rate | <p>Year 1: 1.500% of Base Admin. Services Fees</p> <p>Year 2:</p> <p>Year 3:</p> | <p>A maximum of 5.0% of member calls will be abandoned. Abandoned Calls are defined as member calls that are waiting for a customer service representative (CSR), but are abandoned before connecting with a CSR. This Guarantee will be calculated based on the number of calls abandoned divided by the total number of calls received in the customer service telephone system. Calls that are abandoned in less than 5 seconds will not be included in this calculation.</p> | <table><tr><th>Result</th><th>Penalty</th></tr><tr><td>5.0% or Less</td><td>None</td></tr><tr><td>5.01% to 5.40%</td><td>25%</td></tr><tr><td>5.41% to 5.70%</td><td>50%</td></tr><tr><td>5.71% to 5.99%</td><td>75%</td></tr><tr><td>6.0% or Greater</td><td>100%</td></tr></table> | Result | Penalty | 5.0% or Less | None | 5.01% to 5.40% | 25% | 5.41% to 5.70% | 50% | 5.71% to 5.99% | 75% | 6.0% or Greater | 100% | <p><u>Measurement Period</u> Annual</p> <p><u>Reporting Period</u> Annual</p> |
| Result | Penalty | | | | | | | | | | | | | | | |
| 5.0% or Less | None | | | | | | | | | | | | | | | |
| 5.01% to 5.40% | 25% | | | | | | | | | | | | | | | |
| 5.41% to 5.70% | 50% | | | | | | | | | | | | | | | |
| 5.71% to 5.99% | 75% | | | | | | | | | | | | | | | |
| 6.0% or Greater | 100% | | | | | | | | | | | | | | | |

| Member Satisfaction – NPS | Year 1: 1.500% of Base Admin. Services Fees | <p>This Guarantee establishes a Quality Benchmark transactional Net Promoter Score (NPS) of 40. Anthem will either: (i) meet or exceed the Quality Benchmark; or, (ii) there will be an improvement in the Net Promoter Score from the Baseline Period.</p> <p>The survey is conducted after a member contacts a customer service representative (CSR). Each member who completes a transaction with Anthem will be asked to provide a rating on a scale from 0 (Not at All Likely) to 10 (Extremely Likely) to a question that asks how likely the member would recommend Anthem to a friend or colleague based on the member’s most recent transaction. The transactional Net Promoter Score will be calculated by subtracting the percentage of Detractors (members who provide a rating from 0 to 6) from the percentage of Promoters (members who provide a rating of 9 or 10).</p> <p>To determine the results for (i), Anthem shall compare the Net Promoter Score in the Measurement Period to the Quality Benchmark. The improvement for (ii) will be determined by comparing the Net Promoter Score in the Measurement Period to the Net Promoter Score in the Baseline Period. The Baseline Period is the equivalent time period preceding the Measurement Period.</p> | <table><tr><th>Result</th><th>Penalty</th></tr><tr><td>Net Promoter Score increased</td><td>None</td></tr><tr><td>OR</td><td></td></tr><tr><td>If Net Promoter Score stayed the same or decreased AND is</td><td></td></tr><tr><td>40 or Greater</td><td>None</td></tr><tr><td>39.0 to 39.9</td><td>25%</td></tr><tr><td>38.0 to 38.9</td><td>50%</td></tr><tr><td>37.0 to 37.9</td><td>75%</td></tr><tr><td>Less than 37.0</td><td>100%</td></tr></table> | Result | Penalty | Net Promoter Score increased | None | OR | | If Net Promoter Score stayed the same or decreased AND is | | 40 or Greater | None | 39.0 to 39.9 | 25% | 38.0 to 38.9 | 50% | 37.0 to 37.9 | 75% | Less than 37.0 | 100% | <table><tr><th>Measurement Period</th></tr><tr><td>Annual</td></tr><tr><th>Reporting Period</th></tr><tr><td>Annual</td></tr></table> | Measurement Period | Annual | Reporting Period | Annual |
|---|---|---|--|--------|---------|------------------------------|------|---------------------------|-----|---|------|---|--------------------|--------------|------------------|--------------|-----|--------------|-----|----------------|------|---|--------------------|--------|------------------|--------|
| | Result | | Penalty | | | | | | | | | | | | | | | | | | | | | | | |
| | Net Promoter Score increased | | None | | | | | | | | | | | | | | | | | | | | | | | |
| | OR | | | | | | | | | | | | | | | | | | | | | | | | | |
| If Net Promoter Score stayed the same or decreased AND is | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 40 or Greater | None | | | | | | | | | | | | | | | | | | | | | | | | | |
| 39.0 to 39.9 | 25% | | | | | | | | | | | | | | | | | | | | | | | | | |
| 38.0 to 38.9 | 50% | | | | | | | | | | | | | | | | | | | | | | | | | |
| 37.0 to 37.9 | 75% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less than 37.0 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Measurement Period | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reporting Period | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Year 2: | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Year 3: | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management Reports | Year 1: 1.500% of Base Admin. Services Fees | <p>Standard automated reports will be made available to Employer by no later than 25 calendar days following the end of the month. The reports will include financial, utilization and clinical information.</p> <p>This will be measured with Employer-specific Data.</p> | <table><tr><th>Result</th><th>Penalty</th></tr><tr><td>Reports are late 1 month</td><td>None</td></tr><tr><td>Reports are late 2 months</td><td>25%</td></tr><tr><td>Reports are late 3 or more months</td><td>100%</td></tr></table> | Result | Penalty | Reports are late 1 month | None | Reports are late 2 months | 25% | Reports are late 3 or more months | 100% | <table><tr><th>Measurement Period</th></tr><tr><td>Annual</td></tr><tr><th>Reporting Period</th></tr><tr><td>Annual</td></tr></table> | Measurement Period | Annual | Reporting Period | Annual | | | | | | | | | | |
| | Result | | Penalty | | | | | | | | | | | | | | | | | | | | | | | |
| | Reports are late 1 month | | None | | | | | | | | | | | | | | | | | | | | | | | |
| | Reports are late 2 months | | 25% | | | | | | | | | | | | | | | | | | | | | | | |
| Reports are late 3 or more months | 100% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Measurement Period | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reporting Period | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Year 2: | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Year 3: | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Account Management Satisfaction | Year 1: 1.500% of Base Admin. Services Fees | <p>A minimum average score of 3 will be attained on the Account Management Satisfaction Survey (AMSS). A minimum of 3 responses per Employer to the AMSS is required to base the score on Employer-specific responses only.</p> | <table><tr><th>Result</th><th>Penalty</th></tr><tr><td>3.0 or higher</td><td>None</td></tr><tr><td>2.5 to 2.9</td><td>25%</td></tr><tr><td>2.0 to 2.4</td><td>50%</td></tr></table> | Result | Penalty | 3.0 or higher | None | 2.5 to 2.9 | 25% | 2.0 to 2.4 | 50% | <table><tr><th>Measurement Period</th></tr><tr><td>Annual</td></tr><tr><th>Reporting Period</th></tr><tr><td>Annual</td></tr></table> | Measurement Period | Annual | Reporting Period | Annual | | | | | | | | | | |
| | Result | | Penalty | | | | | | | | | | | | | | | | | | | | | | | |
| | 3.0 or higher | | None | | | | | | | | | | | | | | | | | | | | | | | |
| | 2.5 to 2.9 | | 25% | | | | | | | | | | | | | | | | | | | | | | | |
| 2.0 to 2.4 | 50% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Measurement Period | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reporting Period | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Year 2: | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | |
|--|---------|--|---------------|------|--|
| | Year 3: | <p>If 3 responses are received from the Employer, an average score is calculated by adding the scores from each respondent divided by the total number of Employer respondents. If fewer than 3 responses are received, the score will be calculated as follows:</p> <p>2 Employer responses: 2/3 of the score will be based on Employer-specific AMSS results and 1/3 of the score will be based on the aggregate score of all AMSS results received by the Account Management Team.</p> <p>1 Employer- response: 1/3 of the score will be based on Employer- specific AMSS results and 2/3 of the score will be based on the aggregate score of all AMSS results received by the Account Management Team.</p> <p>0 Employer responses: The score will be based on the aggregate score of all AMSS results received by the Account Management Team.</p> | Less than 2.0 | 100% | |
|--|---------|--|---------------|------|--|

Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. Independent licensee of the Blue Cross and Blue Shield Association. Anthem is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.

Authorized Signature: _____

Title: _____

Date: _____

Fixed Administrative Costs (ASO)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Effective January 1, 2026 through December 31, 2026

| Fixed Administrative Costs | Current | 1/1/2026 through 12/31/2026 | 1/1/2027 through 12/31/2027 |
|---|--------------------|-----------------------------------|-----------------------------------|
| | PCPM | PCPM | PCPM |
| Subscribers | 3,335 | 3,335 | 3,335 |
| Members | 6,335 | 6,335 | 6,335 |
| Medical and Pharmacy Administration | \$34.98 | \$35.84 | \$36.73 |
| Pharmacy Fee | \$0.00 | \$2.90 | \$2.90 |
| Composite Total: | \$34.98 | \$38.74 | \$39.63 |
| Annual fixed administrative costs based on assumed enrollment: | \$1,399,900 | \$1,550,375 | \$1,585,993 |
| Percentage Change: | | 10.7% | 2.3% |

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.

0554754-05

Stop Loss Options (ASO)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Group Number(s): W33022

Effective January 1, 2026 through December 31, 2026

Option 1 - \$350,000 Specific Stop Loss

Specific Stop Loss limit: \$350,000

Specific Stop Loss contract basis: Paid in 12

* Accumulation basis for claims will be incurred since January 1, 2015.

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: 10/15/2025

Additional terms for self-funded groups

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

A No New Lasers provision is included in this offer. Existing lasers will be reviewed and could be modified. See Assumptions & Conditions exhibit for more details.

| Specific Stop Loss Premiums | Composite PCPM | Annualized Total |
|-----------------------------|----------------|------------------|
| Total | 3335 | |
| Current | \$62.24 | \$2,490,845 |
| Renewal | \$75.93 | \$3,038,719 |
| Rate Change | | 22.00% |

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.

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, Skysona, Zolgensma, Zynteglo, Hemgenix, Elevidys, Roctavian, Casgevy, Lyfgenia, Lenmeldy and Kevlidi. 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 \$4.00 PEP. (If selected, initial here _____.)



Benefit Information

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Effective January 1, 2026 through December 31, 2026

| Benefit Categories | Renewal Plan Designs | | |
|---|------------------------------------|-------------------------------------|-----------------------------|
| | EHSA \$3400 - 0% Embedded National | EHSA \$3400 - 20% Embedded National | PPO \$500 Embedded National |
| | Blue Access | Blue Access | Blue Access |
| Deductible (Individual/family) | Custom | Custom | Custom |
| Coinurance | \$3,400 / \$6,800 0% | \$3,400 / \$6,800 20% | \$500 / \$1,000 20% |
| Out-of-pocket maximum (Individual/family) | \$3,400 / \$6,800 | \$5,250 / \$10,500 | \$1,500 / \$3,000 |
| Office visit (PCP/ specialist) copay | Ded/Coins | Ded/Coins | \$15/\$30 |
| Inpatient / Outpatient Copay (Surgery) | Ded/Coins | Ded/Coins | Ded/Coins |
| Emergency Room / Urgent Care Copay | Ded/Coins | Ded/Coins | Ded/Coins-\$60 |
| Prescription Drugs – Retail | Ded/Coins | Ded/Coins | \$10/\$30/\$60/25% |
| Prescription Drugs – Mail Order | Ded/Coins | Ded/Coins | \$20/\$60/\$120/25% |
| OON Deductible (Individual/family) | \$7,500/\$15,000 30% | \$7,500/\$15,000 50% | \$4,500/\$9,000 50% |
| OON Coinurance | | | |
| OON OOP Max (Individual/family) | \$9,000/\$18,000 | \$10,500/\$21,000 | \$4,500/\$9,000 |

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

Benefit amounts reflect member cost-share unless otherwise noted



Benefit Information (ASO)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Effective January 1, 2026 through December 31, 2026

Renewal Plan Designs

PPO \$2000 Embedded National

Blue Access

Custom

| | |
|---|---------------------|
| Deductible (Individual/Family) | \$2,000 / \$4,000 |
| Coinsurance | 20% |
| Out-of-pocket maximum (Individual/Family) | \$4,500 / \$9,000 |
| Office visit (PCP) specialist copay | \$30/\$60 |
| Inpatient / Outpatient Copay (Surgery) | Ded/Coins |
| Emergency Room / Urgent Care Copay | Ded/Coins-\$100 |
| Prescription Drugs – Retail | \$10/\$30/\$60/25% |
| Prescription Drugs – Mail Order | \$20/\$60/\$120/25% |
| OON Deductible (Individual/Family) | \$6,000/\$12,000 |
| OON Coinsurance | 50% |
| OON OOP Max (Individual/Family) | \$12,000/\$24,000 |

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

Benefit amounts reflect member cost-share unless otherwise noted

Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. Independent licensee of the Blue Cross and Blue Shield Association. ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. - 0554754-05

Services included and buy-up options (ASO)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Effective January 1, 2026 through December 31, 2026

Services Included in fixed administrative costs

- Administration of the proposed EHSA \$3400 - 0%~Blue Access, EHSA \$3400 - 20%~Blue Access, PPO \$500~Blue Access, PPO \$2000~Blue Access plan designs.
- ASO Basic Foundational Program †
- LiveHealth Online
- Blue Distinction Programs
- Claims Fiduciary Coverage
- ~~Standard ID cards~~ *Chose electronic*
- Standard management reporting
- State/federal reporting
- Open enrollment meeting support
- Electronic version of the benefit booklets

Buy-Up Options

PCPM fee

- | Buy-Up Options | PCPM fee |
|--|----------|
| ASO Engagement Package 200 | \$1.48 |
| ASO Engagement Package 500 | \$1.48 |
| ASO Engagement Package 700 | \$1.48 |
| EAP Basic 3-Visit | \$0.48 |
| EAP Enhanced 4-Visit | \$1.27 |
| EAP Enhanced 6-Visit | \$1.76 |
| Gym Reimbursement add on to Engagement Package | \$2.24 |
| Elevance Solutions HSA | \$2.45 |

Spending Account & Other Buy-up Options (charged separately)

Fee Billed Per Participant Per Month

- | Spending Account & Other Buy-up Options (charged separately) | Fee Billed Per Participant Per Month |
|---|--------------------------------------|
| Anthem Spending Accounts Stand Alone, Commuter, or Dependent Care FSA | \$3.55 |
| Multi-Purse Add-on: Primary HRA required | \$0.80 |
| Multi-Purse Add-on: Primary HRA required, Wrap Model | \$0.80 |
| Multi-Purse Add-on: Primary HSA required, Employer Pay | \$1.15 |
| Multi-Purse Add-on: Primary HSA required, Member Pay | \$1.25 |

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.

†For identified programs, Anthem has deemed certain charges as claim-related and they will be billed as such. These may include provider or vendor charges that have a direct positive impact on the cost of care. Since these charges are considered claim-related by Anthem, they are incorporated into the claims projection (available upon request). These charges are excluded from PCPM Administrative Fees above, are included in Paid Claims on the invoice, and may accumulate towards aggregate stop loss purchased from Anthem.

Assumptions and conditions (ASO)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Effective January 1, 2026 through December 31, 2026

SIC Code: 9131

Administrative Services Only (ASO)

- The proposed services, rates and fees are effective from 1/1/2026 through 12/31/2026.
- This contract will be issued in KY.
- The proposal assumes 3,335 employees will be enrolling for medical coverage, with an average member to employee ratio of 1.90.
- 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 1.90.
 - 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 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.
- If subject to regulatory approval, and the applicable regulator has not yet approved, these benefits and rates may need to be
- 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 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.
- 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.
- 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.

Assumptions and conditions (ASO)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Effective January 1, 2026 through December 31, 2026

SIC Code: 9131

Administrative Services Only (ASO)

- 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.
- This proposal assumes no new lasering of individual members for the next renewal. Ongoing lasers will remain in place unless
- Anthem reserves the right to inspect and audit any and all of LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT 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.
- Please note, any additional budgets provided in conjunction with this proposal, if applicable, must be invoiced prior to the end of the plan year in which they are allocated in order to be funded.
- A 50% Rate Cap provision applies to the 2027 stop loss policy period. The provision will be adjusted to reflect any changes related to basis, deductible, commission level, etc.
- A No New Laser provision applies to the 2027 stop loss policy period. The provision will be adjusted to reflect any changes related to basis, deductible, commission level, etc.
- HSA/HDHP plan benefits are subject to IRS guidelines and may change.
- This proposal assumes that Anthem will be the only Self Funded carrier offered and no fully-insured lives are covered.

Authorized Signature: _____
Title: _____
Date: _____

Additional service fees (ASO)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Effective January 1, 2026 through December 31, 2026

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, and network access fees, will be charged during the runout period.
- **Runout Period Claims Processing Fee Costs**
The cost of processing runout claims is excluded. The charge for processing 12 months of runout claims is 9.0% of all runout claims. 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 savings achieved on certain non-network claims.
- **No Surprises Act - Qualifying Payment Amount Program Fee**
If program selected, the fee is equal to 15% of the savings achieved on No Surprises Act claims priced using the Qualifying Payment Amount for provider reimbursement. No Surprise Act claims repriced through the QPA Program are not subject to out of network shared savings fees.
- **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.
- **BlueCard Fees**
The following BlueCard fees will be included in the paid claims amounts:

 - The access fee is charged at a percentage no greater than 1.84% of the discount/differential subject to a maximum of \$2,000 per claim.
 - The AEA Fee is \$4.00 per professional provider claim and \$9.75 per institutional claim.
 - Occasionally, Anthem and a Host Blue may contract for a lower fee by combining the Access Fee and the AEA fee.
 - The Central Financial Agency fee is \$0.35 per payment notice. The ITS transaction fee is \$0.05 per claims transaction.
 - BlueCard fees are not charged in Anthem states. For a complete description of these fees, please consult your ASO Agreement.
- **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.
- **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.

Additional service fees (ASO)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Effective January 1, 2026 through December 31, 2026

- **Pharmacy Benefit Administration**

See Pharmacy Pricing Summary.

- **Claim Related Charges**

For identified programs, Anthem has deemed certain charges as claim-related and they will be billed as such. These may include provider or vendor charges that have a direct positive impact on the cost of care. Since these charges are considered claim-related by Anthem, they are incorporated into the claims projection (available upon request).

- **Engagement on Claims Audits**

\$150 per hour in situations where Anthem is asked to perform research on claim audit findings. Maximum of 250 claims will be reviewed by Anthem.

Pharmacy Pricing Selections

Lexington-Fayette Urban County Government

Effective: 01/01/2026 - 12/31/2028

Total subscribers: 3335



PRODUCT SELECTIONS

Retail Network

☒ Base Network

Non-Specialty Maintenance Network

☒ Optional Home Delivery

Specialty Network

☒ Open Specialty

Formulary

☐ National Direct Preferred Formulary

☒ National Formulary

CLINICAL PROGRAMS INCLUDED IN PRICING

| | |
|---|--|
| Fraud, Waste, and Abuse (FWA) Services | Included |
| Clinical Prior Authorization | Included |
| Clinical Pharmacy Review - Physician Review | Included |
| Step Therapy | Included |
| Quantity Limits and Dose Optimization | Included |
| Client Reporting Packages - Base Package | Included |
| Rx Care Nexus | Included |
| SpecialtyRx Savings Navigator | 50.00% of Shared Savings to a max of \$0.80 PMPM |
| Specialty Condition Management - Standard | Included |
| EnsureRx | Included at no cost |

NOTE: THE PRICING PRESENTED IS CONTINGENT UPON ADOPTION OF THE ABOVE PROGRAMS ACROSS ALL PLANS. CHANGES TO THESE PROGRAMS WILL RESULT IN REPRICING.

OPTIONAL PROGRAMS (select requested programs)

| | |
|---|------------------------------------|
| <input type="checkbox"/> Client Reporting Packages - Enhanced Package | \$0.12 per script |
| <input type="checkbox"/> RDS Support Services | Fee Varies |
| <input type="checkbox"/> Specialty Drug Accumulator Rules | Included at no cost |
| <input type="checkbox"/> Cost Relief | 25% of savings |
| <input type="checkbox"/> Weight Management Program | \$380 per enrolled member per year |

The Pharmacy Pricing Guarantees presented assume the adoption of all clinical programs included in pricing.

Authorized Signature: _____

Title: _____

Date: _____

Please confirm the selections available and sign above in order for implementation to be initiated.

Document ID I-24354-63461-1.1

CGP

4/23/2025

Pharmacy Pricing

Lexington-Fayette Urban County Government

Effective: 01/01/2026 - 12/31/2028
Total subscribers: 3,305



| Pharmacy Pricing Guarantees | Current | Base Retail Pharmacy Network Brand (out-of-network retail network) | | | |
|---|---|---|---|---|---|
| | | 01/01/2026 - 12/31/2026 | 01/01/2026 - 12/31/2026 | 01/01/2027 - 12/31/2027 | 01/01/2028 - 12/31/2028 |
| 1-43 day supply Brand Discount % off AMP Brand Dispensing Fee per Rx Generic Discount % off AMP Generic Dispensing Fee per Rx | 19.70% \$0.40 83.30% \$0.40 | 20.25% \$0.30 88.25% \$0.30 | 20.25% \$0.30 88.25% \$0.30 | 20.25% \$0.30 88.25% \$0.30 | 20.25% \$0.30 88.25% \$0.30 |
| Non-Base Retail Pharmacy Network | Current | Out-of-Network Delivery Standard out-of-network that allows members to receive a 90-day supply of maintenance medications through Anthem's Home Delivery Pharmacy | | | |
| | | 01/01/2026 - 12/31/2026 | 01/01/2026 - 12/31/2026 | 01/01/2027 - 12/31/2027 | 01/01/2028 - 12/31/2028 |
| Brand Discount % off AMP Generic Discount % off AMP | 20.20% 87.30% | 20.50% 88.25% | 20.50% 88.25% | 20.50% 88.25% | 20.50% 88.40% |
| Specialty | Current | 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 | | | |
| | | 01/01/2026 - 12/31/2026 | 01/01/2026 - 12/31/2026 | 01/01/2027 - 12/31/2027 | 01/01/2028 - 12/31/2028 |
| Overall Specialty Discount % off AMP Overall Specialty Dispensing Fee per Rx | 21.70% \$0.50 | 22.75% \$0.50 | 22.75% \$0.50 | 22.25% \$0.50 | 22.25% \$0.50 |
| Pharmacy Drug Retail Guarantees | Current National Formulary | National Formulary Standard and limited formulary offering that includes brand name and generic prescription medications, included through our P&T system process based on safety, effectiveness and value | | | |
| | | 01/01/2026 - 12/31/2026 | 01/01/2026 - 12/31/2026 | 01/01/2027 - 12/31/2027 | 01/01/2028 - 12/31/2028 |
| Maximum Rebate Guarantees Retail Per Brand Script Home Delivery Per Brand Script Specialty Retail Per Brand Script Specialty Mail Per Brand Script Client Share of Rebates | \$406.25 \$1,017.79 \$3,290.75 \$2,843.54 100.00% | \$550.31 \$1,050.31 \$4,380.36 \$3,261.72 100.00% | \$602.41 \$1,059.56 \$4,114.63 \$3,988.80 100.00% | \$627.86 \$1,210.79 \$5,346.45 \$4,982.13 100.00% | \$587.21 \$1,153.05 \$2,219.94 \$1,648.67 100.00% |
| | | | | | \$633.40 \$1,234.28 \$2,295.74 \$1,644.70 100.00% |
| | | | | | \$679.80 \$1,269.79 \$2,358.54 \$2,057.80 100.00% |
| Admin Fees | Current Admin Fee | Pharmacy Administrative Fees | | | |
| | | 01/01/2026 - 12/31/2026 | 01/01/2026 - 12/31/2026 | 01/01/2027 - 12/31/2027 | 01/01/2028 - 12/31/2028 |
| Admin Fee PCM | \$2.80 | \$2.80 | \$2.80 | \$2.80 | \$2.80 |

The Pharmacy Pricing Guarantees presented here assume the adoption of all clinical programs included in pricing.

Document ID: 14354-8846: 1.1

CGP

4/25/2025

Pharmacy Pricing Assumptions & Conditions

Lexington-Fayette Urban County Government

Effective: 01/01/2026 - 12/31/2028
Total subscribers: 3,335

General Conditions

The pricing and terms in this commercial proposal are being offered solely for Lexington-Fayette Urban County Government with an effective date of 01/01/2026, 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. However, PBM will not add Margin Pricing to the Retail claims billed to PBM by its Vendor.

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.

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 client having an on-site pharmacy and/or participating in the Federal 340B purchasing program which was not disclosed to Anthem at the time of underwriting.

Anthem reserves the right to modify our guarantees should one of the following happen:

1. Client Directed Changes. to the extent of any adverse financial impact to the overall economic value of the Agreement: (a) a change in the scope of services (retail network management, mail, specialty and Rebate services) to be performed under this Agreement upon which the financial provisions included in this Agreement are based; (b) a material change in plan design or (c) any substantive deviation from Client's formulary, which may impact Rebates "Directed Changes".

Client agrees to provide PBM with written notice of its desired Directed Changes. Upon receipt of the notice, PBM will have thirty (30) days to determine and inform Client in writing of any such change to the financial provisions. PBM agrees to discuss its rationale and calculations with Client's consultant. Client will inform PBM of its decision of whether or not it will move forward with the Directed Changes. In the event Client moves forward with the Directed Changes, the parties agree to execute a Change Order documenting their agreement of the changes to the financial provisions which Directed Changes and pricing shall be implemented sixty days after the execution of the Change Order.

2. Change of at least 20.0% from the assumed enrolled membership and claims which supports our offer.

3. Market Event Conditions. in the event of a government imposed change in federal, state or local laws or industry wide change that materially impacts the financial economics of the Agreement. For modifications or amendments made pursuant to the above, PBM agrees to modify the pricing in an equitable manner to preserve the financial interest of both parties. PBM shall provide documentation demonstrating that the revised pricing terms are equitable based on the new industry standard.

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

Our network guarantees exclude the following claims: compounds, U&C, MFN (Alaska, Hawaii, Massachusetts, Puerto Rico), home delivery claims with less than 60 days' supply, paper, out-of-network, vaccines, supplies, 340B claims, OTC (other than OTC Insulin and OTC Supplies), on-site pharmacy, Medicare Part D, COVID vaccines, COVID test kits, COVID anti-viral medication

Single source generics will be considered generic drugs and will be included in the generic discount and generic dispensing fee guarantees.

Any payment due to Lexington-Fayette Urban County Government 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 Lexington-Fayette Urban County Government's ERISA status.

Rebate guarantees do not include rebates attributable to medical claims processed by Anthem.

Our rebate guarantees exclude the following claims: single source generics, U&C, MFN (Alaska, Hawaii, Massachusetts, Puerto Rico), home delivery claims with less than 60 days' supply, paper, out-of-network, vaccines, supplies, 340B claims, compounds, authorized generics, OTC (other than OTC Insulin and OTC Supplies), on-site pharmacy, multi-source brands, specialty starter kits, Medicare Part D, COVID vaccines, COVID test kits, COVID anti-viral medication.

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.

In the event of future market changes that impact drug price or the event that clinically comparable lower rebate drugs impact the level of rebates expected, a Rebate Credit towards the Rebate guarantee amount will be applied. This credit will be calculated as the difference between the originator Brand product rebates and the new product rebates or the drug cost savings from a lower drug cost due to a pricing change from Pharma, resulting in neutrality for Client.

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.

Any payment due to Lexington-Fayette Urban County Government 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 assumed 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 | |
| Customized communication materials | \$2.00 per letter |
| Paper claims/member submitted claims processing | \$2.50 per occurrence |
| Network Pharmacy Services | |
| Fraud, Waste and Abuse (FWA) Services includes two types of Pharmacy Network monitoring and audit capabilities. | 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 |
| Account Management Services | |
| Dedicated account team support | Pricing available upon request |
| Patient, Trend, Quality and Cost-of-Care Management | |
| Clinical Prior Authorization program | 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. | |
| Clinical Pharmacy Review - Physician Review | Included at no cost |
| Certain medications need a higher level of review than a Clinical Prior Authorization and additional information from the prescriber. | |
| CarelonRx ProActive PA | 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. | |
| Step Therapy | 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. | |
| Quantity Limits and Dose Optimization | 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. | |
| Rx Care Nexus | Included at no cost |
| CarelonRx'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 3:1 based on savings from improved adherence, conversion of targeted drugs to lower cost solutions, and medication management. If the ROI is less than 3:1, then PBM will credit additional savings to the extent necessary to make the ROI ratio 3:1. However, the credit will not exceed the value of the program fee paid for the year. | |
| Vaccine Program Fee | Included at no cost |
| Specialty Condition Management - Standard | 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. | |
| SpecialtyRx Savings Navigator | \$0.00% of Shared Savings to a max of \$0.80 PMPM |
| Through advanced analytics and predictive modeling, this comprehensive approach to specialty drug management helps manage integrated specialty spend today, while planning for tomorrow. | |
| High-cost, high-risk pharmacist-led intervention at the whole-health level, paired with aggressive medical specialty drug utilization and channel management. | |
| Medical specialty drug spend optimization through medical rebate savings. | |
| Forecasted Specialty drug spend (medical specialty and pharmacy specialty) through our proprietary model, and identification of targeted opportunities for future solutions. | |
| EnsureRx | Included at no cost |
| A cost saving program that automatically compares pricing for select covered generic medications against multiple cash discount cards and seamlessly applies the lower cost. The claim is applied towards deductibles and accumulators – and ensures our members are getting the most value out of their benefits. | |
| CarelonRx may receive compensation from Walgreens in connection with the services provided to Employer's members. To the extent CarelonRx receives such compensation it will be based on the number of member claims for covered prescriptions. | |
| Client Reporting Packages | |
| Base Package | Included at no cost |
| Access to Rx Guide (unlimited) | |
| All custom reporting requests are billable at \$150 per hour rate | |
| Additional Services and Programs | |
| Member Communications for programs including the following: | \$1.30 per letter |
| Non-FDA approved drug block disruption letters | |
| Re-labeler program | |
| Clinical Equivalent Drug List (CEDL) disruption letters | |
| Commercial Formulary Member Notifications | |
| New Implementation Formulary Disruption Letters | |
| Controlled Substance Utilization Management (CSUM) Retrospective—Monitors overuse of controlled substances | Included at no cost |
| Safety Communications, Drug Recalls and Withdrawals | Included at no cost |
| 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. | |
| Pharmacy Home | Included at no cost |
| 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. | |

SpecialtyRx Savings Navigator

Lexington-Fayette Urban County Government

Year 1 Effective Date: 01/01/2026 to 12/31/2026
 Total Members: 6,336
 Total Subscribers: 3,336

| Description | Total Savings Generated (A) | Rebates Generated (B) | CarelonRx Shared Savings (C) | Net Client Value (A + (B) - (C)) |
|--|-----------------------------|-----------------------|------------------------------|----------------------------------|
| Through advanced analytics and predictive modeling, this comprehensive solution to specialty drug management helps manage integrated specialty spend today, while planning for tomorrow. | \$2.06 | \$1.30 | \$0.80 | \$2.56 |

What's Included & How does it Work:

- Highest level of care and support through pharmacist-led intervention helps members navigate complex conditions, prioritizing high-risk, high-cost members to maximize impact
- Comprehensive specialty drug spend management across medical specialty & pharmacy specialty
- Medical specialty drug spend optimization through medical rebate savings plus aggressive medical specialty drug utilization and site of care management.
- PLUS! Integrated Specialty drug spend forecasts calculated by our proprietary model, and identification of targeted opportunities for future solutions (delivered as part of CarelonRx's clinical service model to all clients.)
- Medical Rebates - Anthem will share in 100% of medical rebates received through the medical plan. Each year, CarelonRx will pass back up to 100% of medical rebates less CarelonRx's share of program savings generated during that same period.
- Shared Savings - Anthem will share in 50% of the program savings up to a maximum of \$0.80 per member per month. CarelonRx will retain medical rebate value equal to its share of program savings. If the shared savings exceed the rebate value, groups will not be liable for the difference.

Member Experience:

In an effort to drive better understanding of member plan benefits, we use a variety of member and provider-focused engagement strategies designed to educate them on their care and how their benefits are being applied. Member care is further enhanced through a dedicated team of Pharmacists conducting live phone outreach to discuss personalized ways to impact member outcomes, sourced by innovative advanced analytics, while using risk stratification to prioritize intervention. Members also receive guided benefit navigation, coupled with seamless referrals to whole-health solutions including behavioral health support, to help them maneuver their often very complex conditions.

Savings example for LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

| | PMPM Value |
|--|------------|
| Total Savings Generated (A) | \$2.06 |
| Site of Care | \$0.87 |
| Medical Specialty Drug Review | \$0.88 |
| Right Drug Right Channel Med to Rx | \$0.00 |
| Right Drug Right Channel Rx to Med | \$0.00 |
| High-cost, high-risk Pharmacist-led intervention | \$0.30 |
| Rebates Generated (B) | \$1.30 |
| Your net rebates (B) - (C) | \$0.50 |
| Net Client Value (A) + (B) - (C) | \$2.56 |
| Net Rebates (Total \$) | \$36,423 |
| Net Value (Total \$) | \$184,866 |

* Savings shown above are illustrative; Actual savings may vary

| Total Savings Generated (A) | | Rebates Generated (B) |
|---|-----------|-----------------------|
| \$2.06 | | \$1.30 |
| Client | CarelonRx | |
| \$1.26 | \$0.80 | |
| CarelonRx Shared Savings (C) | | \$0.80 |
| Rebates Generated (B): | | \$1.30 |
| Net Medical Rebate value due to client: | | \$0.50 |

Standard Programs and Services

Lexington-Fayette Urban County Government

Effective:

01/01/2026 - 12/31/2028

Total subscribers

3,335

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 standard 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 |
| Network Pharmacy Services | |
| 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 |
| Home Delivery Services | |
| 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 |
| Account Management Services | |
| 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 |
| Member Services | |
| 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 |
| Internet Services | |
| 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 |
| Patient, Trend, Quality and Cost-of-Care Management | |
| Concurrent Drug Utilization Review | 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 | |
| Retrospective Drug Utilization Review programs | Included at no cost |
| Retrospective safety review within 72 hours of adjudication. | |
| Cost-of-Care programs | Included at no cost |
| Formulary management - outcomes-based formulary | |
| Generic Drug Management | Included at no cost |
| Preferred Generics - members pay brand copay plus the cost difference when a generic is available but a brand is selected. | |
| Prescription Drug Discount Program for Non-Covered Drugs | Included at no cost |
| Allows members to purchase certain medications not covered under their plan at a discount. | |
| Reporting Services | |
| Clinical savings reports | Included at no cost |
| Standard reporting | Included at no cost |
| Web-based client reporting | Included at no cost |
| Specialty Pharmacy Services | |
| 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 |