

## PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This **PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT** (hereinafter the "**Agreement**") effective January 1, 2012 (the "Effective Date"), is by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products, as set forth in Schedule C attached hereto (hereinafter individually and collectively known as the "**Company**"), Humana Pharmacy Solutions, Inc., a Delaware corporation, as service provider (hereinafter the "**Service Provider**"), and Humana Inc., a Delaware corporation, as repository ("**Repository**").

### WITNESSETH:

**WHEREAS**, Service Provider provides pharmacy benefit management services and, in connection therewith, has established networks of participating retail and mail order pharmacies and operates a system for the processing, fulfillment and payment of claims for prescription drugs furnished by such pharmacies; and

**WHEREAS**, the Company desires to retain the services of Service Provider and its affiliates, as applicable, which hold TPA licenses in certain states to provide management services in connection with the Program including, but not limited to, administration of retail pharmacy, mail order pharmacy, and specialty drug pharmacy benefits for eligible members point-of-care, physician office communications and cost containment initiatives developed and implemented by Service Provider, which may include communications with prescribers, patients and/or participating pharmacies, and financial incentives to participating pharmacies for their participation in such initiatives (collectively, "**PBM Services**").

**NOW, THEREFORE**, in consideration of the promises and covenants contained herein and of other good valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Service Provider shall furnish to Company its standard PBM Services and such other services listed on the attached Schedule A, as may be selected by the Company as necessary or appropriate for the Company's offerings of Medicaid Prescription Drug Benefit Programs (the "**Prescription Drug Program**" or "**Program**") in consideration for the payment described on the attached Schedule B.
2. Payment by Company shall be due and owing for services rendered by Service Provider hereunder as specified in Schedule B. Company shall be prohibited from advancing funds to Service Provider except as payment for services rendered by Service Provider as provided hereunder.
3. In the performance of the work, duties, and obligations devolving upon each of the parties to this Agreement and in regard to any services rendered or performed, it is mutually understood and agreed that Service Provider and Company are at all times acting and performing as an independent contractor of the other; that neither party shall have or exercise any control or direction over the method by which the other party shall perform such work or render or perform such services and functions. No work, act, commission, or omission of either party, or its agents, servants, or employees pursuant to the terms

- and conditions of this Agreement shall make or render Service Provider or Company an agent, servant, or employee of, or joint venturer with the other. The Company will maintain oversight for services provided to the Company by Service Provider, and the Company will monitor such services at least annually for quality assurance.
4. Each of the parties to this Agreement shall comply with and are subject to all applicable federal and state laws, rules and regulations as implemented and as amended from time to time, including without limitation the right of federal and state regulatory agencies to audit a party's operations, books and records and other documentation related to any obligation of either party under the Agreement, as well as all other applicable federal and state laws, rules and regulations including without limitation requirements of the National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual. Each party hereto acknowledges and agrees to retain all contracts, books and records, documents, papers, and other records related to the provision of administrative services under this Agreement for a period of not less than ten (10) years from: (i) each successive December 31; or (ii) the end of the applicable contract period between the Company and the Service Provider; or (iii) from the date of completion of any audit, whichever is later. For the avoidance of doubt, the terms "books and records" as used in this Agreement shall include all books and records developed or maintained under or related to this Agreement. All books and records of the Company are and shall be the property of the Company and subject to the control of the Company. All funds and invested assets of the Company are the exclusive property of the Company, held for the benefit of the Company and subject to the control of the Company.
  5. This Agreement is entered into by and between the parties signatory to it and for their benefit. There is no intent by either party to create or establish third party beneficiary status or rights or their equivalent in any other party, and no such third party shall have any right to enforce any right or enjoy any benefits created or established under this Agreement. Service Provider agrees to indemnify the Company from any and all liability, loss or damage that the Company may suffer as a result of gross negligence or willful misconduct on its part in the performance of its obligations hereunder.
  6. This Agreement shall be in effect for a period of three (3) years commencing with the Effective Date.
  7. This Agreement shall automatically and without further notice by either party renew for additional periods of one (1) year, unless notice is given of non-renewal by either party to the other at least ninety (90) days prior to the end of the then current term. The renewal periods will commence with the anniversary of the commencement date set forth above.
  8. Except as otherwise provided herein, this Agreement may be terminated at any time by mutual written consent of the parties and without the consent of or notice to any third party. Notwithstanding any other term or provision of this Agreement, either party may terminate this Agreement with or without cause at any time upon ninety (90) days prior written notice to the other parties. This Agreement may

also be terminated by the Department of Insurance or equivalent regulatory agency of each of the parties' domestic states. Service Provider shall have no automatic right to terminate this Agreement if the Company is placed in receivership or seized by the Insurance Commissioner or equivalent regulator (the "Commissioner") pursuant to the applicable state receivership act. If the Company is placed in receivership or seized by the Commissioner under applicable state receivership laws:

- a. all of the rights of the Company hereunder shall extend to the receiver or Commissioner, as applicable;
  - b. all books and records of the Company will be made available to the receiver or the Commissioner, as applicable, immediately upon request by the receiver or Commissioner, as applicable; and
  - c. Service Provider will continue to maintain any systems, programs or other infrastructure pertinent to this Agreement, and will make them available to the receiver or the Commissioner, as applicable, for so long as Service Provider continues to receive timely payment from the Company for services rendered under this Agreement.
9. This Agreement may not be assigned by either party without the prior written consent of the other party.
10. The provisions of this Agreement and obligations arising hereunder shall extend to and be binding upon and inure to the benefit of the executors, administrators, successors, and assigns of each of the parties hereto.
11. Any notice required to be given pursuant to the terms and provisions of this Agreement shall be in writing and may be personally delivered or sent by registered or certified mail in the United States Postal Service, return receipt requested, postage prepaid, to the mailing addresses as follows:
  - a. To Service Provider at the following address:  
500 West Main Street  
Louisville, Kentucky 40202  
ATTENTION: Corporate Secretary
  - b. To Company at the following address:  
500 West Main Street  
Louisville, Kentucky 40202  
ATTENTION: Corporate Secretary
12. The following Schedules are incorporated by this reference into this Agreement stated below:

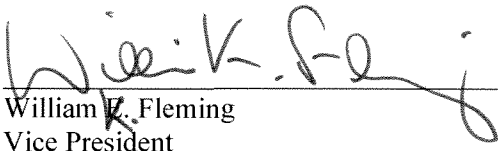
Schedule	A – Pharmacy Benefit Management Services
Schedule	B – Financial Terms
Schedule	C- Affiliates

This Agreement, including the Schedules attached hereto and incorporated herein, contains the entire agreement between the parties relating to the rights granted and the obligations assumed by this Agreement. Any prior agreements, promises, negotiations, or representations relating to the subject matter of this Agreement not expressly set forth in this Agreement are of no force or effect.


13. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.
14. This Agreement shall be executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first set forth above.

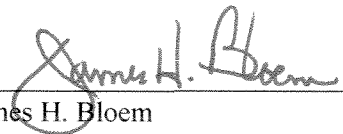
**"SERVICE PROVIDER"**

BY:   
William K. Fleming  
ITS: Vice President

**"COMPANY"**

BY:   
Joan O. Lenahan  
ITS: Vice President & Corporate Secretary

**"REPOSITORY"**

BY:   
James H. Bloem  
ITS: Senior Vice President, Chief Financial Officer & Treasurer



## **SCHEDULE A**

The Company will pay Service Provider for services provided by Service Provider as follows:

### **1. PLAN INTERPRETATION**

**1.1 Interpretation of Plan** – The Company will not name or represent that Service Provider is the administrator of the Prescription Drug Program, and Service Provider will not be, an administrator of the Prescription Drug Program or a fiduciary of the Company's Prescription Drug Program benefit plan (the "**Plan**"), as those terms are used in the Employee Retirement Income Security Act ("**ERISA**"), 29 U.S.C. § 1001 et seq., and the regulations promulgated under ERISA. The Company will have complete discretionary, binding, and final authority to construe the terms of the Plan, to interpret ambiguous Plan language, to make factual determinations regarding the payment of claims or provisions of benefits, to review denied claims and to resolve complaints by Members.

### **2. FORMULARY**

The Company will be a participating plan in Service Provider's Formulary as set forth below for the term of this Agreement.

**2.1 Formulary** – The Formulary is a prescription drug formulary administered by Service Provider which lists FDA approved drugs that have been evaluated for inclusion on the Formulary. The drugs included on the Formulary will be modified by Service Provider from time to time as a result of factors including, but not limited to, medical appropriateness, manufacturer rebate arrangements, and patent expirations. Service Provider will implement Service Provider's formulary management programs, which may include cost containment initiatives, therapeutic interchange programs, communications with Members, Participating Pharmacies and/or physicians (including communications regarding generic substitution programs), and financial incentives to Participating Pharmacies for their participation. Compliance with the Formulary and Service Provider's formulary management program will result in Formulary Rebates as set forth below. Service Provider reserves the right to modify or replace the Formulary (including any modification or replacement, the "**Formulary**") and formulary compliance methods and cost containment initiatives consistent with good pharmacy practice. The Company agrees that Service Provider will be the exclusive formulary administrator for the Company's prescription drug benefit programs during the term of the Agreement. The Company is authorized to use the Formulary only for its own Members and only as long as the Program is in effect and administered by Service Provider.

**2.2 Formulary Change Notice** - Service Provider will provide formulary change notices to affected Members sixty (60) days in advance of change in Service Provider or the Company's formulary status.

**2.3 Pharmaceutical and Therapeutics Committee** - Throughout the Term of this Agreement, Service Provider shall maintain its own Pharmacy and Therapeutic ("**P&T**") committee. Service Provider will control all P&T committee processes and functions.

**2.3.1 Service Provider Pharmacy and Therapeutics Programs, Clinical Programs, and Services.** Service Provider shall develop its Pharmacy policy, pharmacy and therapeutics programs, clinical programs, and other services for the Company.

Service Provider shall administer and support the Company-owned pharmacy policy, clinical programs, and other services as directed by the Company.

- 2.3.2 Clinical Services.** At the direction and advance written approval of the Company, subject to Service Provider fees as agreed to by the Parties, if any, Service Provider will provide to the Company its pharmaceutical care consultation programs, Covered Individual compliance programs and other programs designed to ensure proper drug utilization, encourage the use of cost-effective medications, and encourage the use of mail service, if applicable. These programs may include mailings to Members with active prescriptions for targeted drug products or drug classes or to let Members know that they may qualify for participation in a clinical trial program. Such mailings may include Member and drug specific information and/or general educational material. Service Provider agrees to reasonably modify the clinical services it provides in order to coordinate them with other clinical services provided by the Company.
- 2.3.3 Service Provider Concurrent and Retrospective Drug Utilization Review (“DUR”) Services.** At the direction and prior written approval of the Company, Service Provider will provide its automated concurrent DUR programs for Claims that are adjudicated at the point of sale in the Pharmacy and its retrospective DUR services. In certain instances, a Claim that is denied or otherwise rejected by the system may actually represent appropriate drug therapy as determined by the applicable physician or pharmacist in his/her professional judgment. In these instances, the pharmacist will exercise his/her professional judgment to either (i) dispense the prescribed drugs at the Covered Individual's expense or (ii) call Service Provider and Service Provider is authorized to override the denial edit. Clinical and quality of care issues detected by some DUR edits do not affect Claim payment but result in transmission of a warning or alert message transmitted at the time of dispensing to the pharmacist as part of the Paid Claim response from Service Provider. Network Pharmacies are directed to review the messages as they are received and to use their professional judgment as to whether action is required. Service Provider's DUR review will include support of the Company's Medication Therapy Management (“MTM”).
- 2.3.4 DUR Limitations.** The information generated in connection with DUR services is intended as a supplement to, and not as a substitute for, the knowledge, expertise, skill, and judgment of physicians, pharmacists, or other health care providers in providing patient care. Providers are individually responsible for acting or not acting upon information generated and transmitted through the DUR services, and for performing services in each jurisdiction consistent with the scope of their licenses. Except as set forth in paragraph (b) above, in performing DUR services, Service Provider will not, and is not required by this Agreement to, deny Claims or require physician, pharmacist, or patient compliance with any norm or suggested drug regimen, or in any way substitute Service Provider's judgment for the professional judgment or responsibility of the physician or pharmacist.
- 2.3.5** Service Provider represents and warrants that it will update DUR databases on an ongoing and timely basis to reflect changes in available standards for pharmaceutical prescribing.
- 2.3.6 Switching Programs.** Service Provider shall implement and administer switching programs as developed by Service Provider and upon request from the Company.

Further, prior to the implementation of any Service Provider switching programs, Service Provider shall obtain the Company's written consent.

**2.4 Support Formulary, Benefits Design, P&T Committee.**

**2.4.1** Service Provider shall provide consulting, technical and analytical support as requested by the Company to support Service Provider's Formulary administration, benefit design and P&T Committee functions for both Specialty Drugs and products payable under the medical or pharmacy benefits specified in this Agreement. Service Provider agrees to administer the Plan Design decisions of the Company.

**2.5 Prior Authorization/ Utilization Review/Specialty Care Management** Service Provider shall conduct the delegated functions in accordance with this Agreement. Such activities will be implemented in accordance with the Company's prior authorization, drug utilization review or specialty care management guidelines. Service Provider shall not make any substantive changes to the Company prior authorization, drug utilization review or specialty care management guidelines without the Company's prior review and approval.

**2.5.1 Licensing and Compliance.** At all times during the term of this Agreement, Service Provider its agents and employees shall be and remain licensed and certified in accordance with all applicable state and federal laws and regulations (including those applicable to utilization review), and shall comply with and abide by all state, federal and local laws and regulations relating to the provision of Service Provider's PBM Services. Service Provider shall supply evidence of such licensure, compliance and certifications to the Company upon request. At all times during the term of this Agreement, Service Provider, when applicable, shall: (i) maintain itself in good professional standing; and (ii) maintain all required professional credentials and meet all continuing education requirements necessary to retain its agents or employees professional designation.

**2.5.2 Permits.** Service Provider has obtained, and will maintain in good standing, all licenses, permits and other necessary or appropriate governmental approvals (collectively, the "**Permits**") to perform its duties hereunder. Service Provider has complied with all conditions and requirements imposed by the Permits, and Service Provider has not received any notice of, and has no reason to believe, that any governmental authority intends to cancel or terminate any of the Permits or that valid grounds for such cancellation or termination exist. Each Permit is valid and in full force and effect, and will not be terminated or adversely affected by the transactions contemplated hereby.

**2.5.3 Compliance.** Service Provider's delegated function processes will comply with all applicable federal, state, and local laws, rules and regulations, and NCQA/URAC accreditation standards; including without limitation the applicable utilization review requirements in applicable states. Service Provider agrees to comply with any state law that exerts extraterritorial jurisdiction of their UM regulations for Members residing in their state, regardless of where the coverage document is issued or delivered.

**2.5.4 Licensure and Clinical Staff Requirements.** Service Provider warrants and represents, to the best of its knowledge, that each nurse or pharmacist providing delegated functions is and will continue to be, as long as the delegation of services remains in effect, the holder of a currently valid, unrestricted license to practice

nursing or pharmacy under applicable state law, to the extent the function warrants such license.

- 2.5.5 Service Provider's Medical Management System.** Service Provider agrees to supply the Company reasonable access to its proprietary application for processing prior authorization requests, to the extent necessary to facilitate the services contemplated under this agreement.

### **3. PHARMACY NETWORK**

- 3.1 Participating Pharmacy Networks.** Service Provider will maintain a participating pharmacy network (the “**Participating Pharmacies**”) reasonably necessary to provide services under the Company’s Prescription Drug Program. The Participating Pharmacies will consist of retail, mail order, long term care, home infusion and specialty pharmacies.

- 3.1.1 Specialty Pharmacy.** Service Provider will require specialty pharmacies that provide Specialty Drugs to the Company’s Members to agree completely with Service Provider terms and conditions. Service Provider will be the preferred provider for Specialty Services.

- 3.1.2 Long Term Care Pharmacy (“LTC”).** Service Provider will require LTC pharmacies that provide services to the Company’s Members to agree completely with Service Provider terms and conditions.

- 3.1.3 Mail Order Pharmacy.** Service Provider’s affiliated mail order pharmacies will dispense Covered Drugs to Members, and dispense generic drugs when authorized, in accordance with (i) applicable law and regulations in the states in which Service Provider’s mail order pharmacies are located and licensed and (ii) the terms of this Agreement and Plan Design(s). Any prescription that cannot be dispensed in accordance with Service Provider’s mail order pharmacy dispensing protocols, or which requires special record-keeping procedures, may be returned to the Member.

- 3.1.4 Retail Network.** Service Provider’s Participating Pharmacies will provide reasonable availability in number and geographic coverage to the Company’s Members. Service Provider shall, during the entire period this Agreement is in effect, maintain a network of Participating Pharmacies of sufficient size to meet the needs of the Company’s Prescription Drug Program. Service Provider shall give the Company at least ten (10) days' advance notice of any material change in the network.

- 3.1.5** Service Provider shall require its Participating Pharmacies to be contractually obligated to meet Service Provider's credentialing and re-credentialing standards including, but not limited to, maintenance of licensure and malpractice insurance, and shall meet the applicable requirements of federal and state law. Service Provider shall periodically monitor the continued compliance of Network Pharmacies with its standards and shall take appropriate action, which may include termination, suspension or placement in a probationary status, if a Network Pharmacy fails to comply.

- 3.1.6** Service Provider will develop and distribute communication materials to Participating Pharmacies regarding the Company’s Prescription Drug Program.

- 3.1.7 Pharmacy Support Service Center Services.** Service Provider will provide toll-free

help desk to support calls from pharmacies to facilitate performance standards provided to the Company's Members.

**3.1.8 Reserved.**

**3.1.9 Relationship of Service Provider and Network Pharmacies.** Service Provider represents and warrants that it has contracted with Participating Pharmacies, as independent contractors of Service Provider, to provide the prescription drug services described in this Agreement. Service Provider will not be responsible or liable for any claims that may arise from the provision of prescription drug services to the Company's Members by Participating Pharmacies.

**3.1.10** The Program Pricing Terms applicable to the Participating Pharmacies are set forth, as applicable, in attached Exhibit B - Financial Terms.

**3.1.11** The Prescription Drug Program's coverage (Covered Drugs/Exclusions) and days' supply limitation covered under the Retail Pharmacy Program and the Mail Order Program will be as set forth in the applicable Plan Design designated by the Company. Up to a ninety (90) day supply of Covered Drugs per prescription or refill may be dispensed under the Retail Pharmacy Program. Service Provider's affiliated mail order pharmacies will not be required to dispense prescriptions for greater than a ninety (90) day supply of Covered Drugs per prescription or refill, subject to the professional judgment of the dispensing pharmacist, limitations imposed on controlled substances and manufacturer's recommendations. Prescriptions may be refilled providing the prescription so states. Prescriptions will not be filled (i) more than twelve (12) months after issuance, (ii) more than six (6) months after issuance for controlled drug substances, or (iii) if prohibited by applicable law or regulation.

**3.1.12** All matters pertaining to the dispensing of Covered Drugs or the practice of pharmacy in general are subject to the professional judgment of the dispensing pharmacist. Any drug which cannot be dispensed in accordance with Service Provider's mail order pharmacy dispensing protocols, or which requires special record-keeping procedures, may be excluded from dispensing by Service Provider.

**4. Identification Cards.** As mutually agreed, Service Provider will produce Identification Cards for those Members designated by the Company. Service Provider will distribute Identification Cards to the designated Members.

**5. Claim Adjudication.** Service Provider will adjudicate the Company's prescription drug benefit claims in accordance with a) Service Provider's adjudication program, b) the Company's applicable Plan Design and c) pharmacy industry standards such as the National Council for Prescription Drugs (NCPDP). Service Provider is obligated to pay Participating Pharmacies for all approved claims adjudicated through Service Provider's claims processing system pursuant to this agreement. The Company will pay Service Provider for these claims pursuant to Schedule B - Financial Terms.

Service Provider will promptly refer to the Company all non-routine claims processing inquiries by insurance departments, attorneys, claimants, or other persons.

Service Provider will retain Twelve (12) months on-line claims history for use in claims processing.

6. **Administrative Services – Service Provider will provide the following administrative services:**
- 6.1 **Billing and Reconciliation.** Service Provider will support the Company's ability to meet reporting requirements as it pertains to the Company's billing and reconciliation.
- 6.2 **Welcome Kit and Non-acquisition Support.** Service Provider will provide as agreed the Welcome Kits, cards and non-acquisition Member communications.
- 6.3 **Member Communication Materials.** Customization, re-issuance or replacement of any Member Communication Materials, Formulary materials or Identification Cards upon a Member's request or if requested by the Company.
- 6.4 Explanation of Benefits or Smart Summaries provided to Members on at least a monthly basis for those months in which the Members use their benefits. The EOB will include:
- the item or service for which payment was made
  - a year-to-date statement of the total benefits provided in relation to deductibles, coverage limits, and annual out-of-pocket thresholds
  - cumulative year-to-date total of incurred costs
  - applicable formulary changes
- 6.5 Service Provider will provide Member communications describing the benefit or changes to the benefit, except for initial Welcome Package for new designated Members.
- 6.6 Service Provider will provide Customized, targeted Member mailings for closed/custom formulary.
- 6.7 Service Provider will provide Mailings direct to Members, physicians, or the Company's location.
- 6.8 Service Provider will provide Pharmacy Guide Development.
- 6.9 Service Provider will provide Abridged/Comprehensive Formulary Guide Development.
- 6.10 Service Provider will provide Physician Communications as required.
- 6.11 **Member Support Service Center Services.** Service Provider will provide toll-free help desk for purpose of responding to Member's, their caregiver's, or their provider's inquiries related to the services provided by Service Provider under the terms of this agreement.
7. **Plan Design Services.** Service Provider will perform periodic reviews of the Company's Plan Designs and make recommendations to improve clinical performance and/or reduce costs.
8. **Medication Therapy Management (MTM).** Service Provider can provide an MTM program that targets beneficiaries that have multiple chronic diseases, multiple medications, and are likely to incur an annual drug cost threshold amount. The MTM program will include mailings to those Members selected for enrollment in the program, counseling services received through inbound phone calls, and outbound counseling phone calls made in response to inbound calls from Members. Service Provider may provide MTM services through in-house service centers or by contracting with select pharmacies or other parties.

9. **Prior Authorization/Appeal/Exception Services.** Service Provider will process and respond to requests from Members, and from pharmacies making requests on behalf of Members, to authorize the dispensing of medication in accordance with the Company's direction and mutually agreed to protocols. Service Provider's response to coverage determination, exceptions and appeals will be performed in accordance with agreed-to policy.
10. **Coordination of Benefits ("COB").** Service Provider will maintain COB data as provided by the Company for the purpose of rejecting claims where the Company is not the primary payer. The Company agrees that Service Provider is not responsible for the accuracy of COB data provided to the Company and has no obligation to correct other than to notify the Company of data issues. Unless the Company provides COB data to Service Provider, the Company will be considered the primary payer for all Members.
11. **Explanation of Benefits ("EOB") Services.** Service Provider will provide a monthly EOB statement.
12. **Web Services.** Service Provider will provide web services related to the program as agreed upon in writing.
13. **Pharmaceutical Rebates Services.** Service Provider will contract with pharmaceutical manufacturers and other third parties for the purpose of obtaining Rebates for the Company ("**Formulary Rebates**"). Service Provider will remit to the Company 100% of the receipts of -Formulary Rebates based on the dispensing of each manufacturer's formulary drugs under the Company's Program within 90 days of collection. Formulary Rebates due the Company under this Agreement that are received by Service Provider within nine (9) months after termination or expiration of this Agreement will be paid to the Company. Formulary Rebates received thereafter will be retained by Service Provider. The amount remitted to the Company will be less applicable fees as defined in Exhibit B - Financial Terms.
  - 13.1 If a government action, change in law or regulation, change in the interpretation of law or regulation or action by any drug manufacturer or by the Company has an adverse effect on the availability of Formulary Rebates, or the Program Pricing Terms. Service Provider may modify, as applicable, the Formulary Rebates due the Company or the Program Pricing Terms.
14. **Discount Drug Card Program.** As mutually agreed, Service Provider will include the Company's claims in Service Provider's discount drug card program. The discount card program will result in claims, as defined by Service Provider, that fall outside of the Company's Plan Design qualifying for a discount off of the pharmacy's Usual and Customary ("**U&C**") price.
15. **E-Prescribing Services.** Service Provider will provide E-prescribing services.

## **SCHEDULE B**

### **1. Participating Pharmacy Rates**

**1.1 Covered Drugs - Participating Pharmacy.** The Company will pay Service Provider for Covered Drugs dispensed and submitted by Participating Pharmacies in an amount equal to the lowest of (i) the pharmacy's usual and customary price, as submitted ("U&C") plus applicable sales tax, (ii) the maximum allowable cost ("MAC"), where applicable, plus the Dispensing Fee contracted with the pharmacy plus applicable sales tax, or (iii) WAC plus/minus the WAC discount plus the Dispensing Fee contracted with the pharmacy plus applicable sales tax. Where applicable, Participating Pharmacies will not be paid an amount less than the minimum amount per dispensing defined in their agreement with Service Provider.

### **1.2 Estimated Annual Discounts**

#### **1.2.1 Retail**

**1.2.1.1 Brand.** The estimated average annual WAC discount for Brand Name Drugs is plus 2.50% for claims from a one day supply up to thirty-one (31) days plus a dispensing fee of USD \$1.50.

**1.2.1.2 Generic.** The estimated average annual AWP discount for Generic Drugs is minus (-) 72.00% for claims from a one day supply up to thirty-four (34) days plus a dispensing fee USD \$1.50.

**1.2.1.3 90 Days at Retail Brand.** The estimated average annual WAC discount for Brand Name Drugs is minus (-) 1.75 % for claims with a one day supply between thirty-five (35) days and ninety (90) days plus a dispensing fee of USD \$0.50.

**1.2.1.4 90 Days at Retail Generic.** The estimated average annual AWP discount for Generic Drugs is minus (-) 80.00% for claims with a one day supply between thirty-five (35) days and ninety (90) days plus a dispensing fee USD \$0.70.

#### **1.2.2 Mail Order**

**1.2.2.1 Brand.** The estimated average annual WAC discount for Brand Name Drugs is (-) 0.00% for claims with a one day supply of ninety (90) days plus a dispensing fee of USD \$1.00.

**1.2.2.2 Generic.** The estimated average annual AWP discount for Generic Drugs is minus (-) 80.00% for claims with a one day supply of ninety (90) days plus a dispensing fee of USD \$1.00.

#### **1.2.3 Long Term Care**

**1.2.3.1 Brand.** The estimated average annual WAC discount for Brand Name Drugs is plus 5.90% plus a dispensing fee of USD \$4.50.



**1.2.3.2 Generic.** The estimated average annual AWP discount for Generic -Drugs is minus (-) 75.00% plus a dispensing fee of USD \$4.50.

#### **1.2.4 Specialty**

**1.2.4.1 Brand.** The estimated average annual WAC discount for Brand Name Drugs is plus 1.00% plus a dispensing fee of USD \$1.00.

**1.2.4.2 Generic.** The estimated average annual AWP discount for Generic Drugs is minus (-) 35.00% plus a dispensing fee of USD \$1.00.

**1.2.5 Vaccines.** Company will pay Service Provider for covered, provider-administered vaccines at participating pharmacy rate defined in Exhibit B, Section 1.2 *Estimated Annual Discounts* plus applicable fixed vaccine inoculation fee not to exceed USD \$20.00 when charged by the administering provider, if any, for all vaccines covered under the Plan, and a third party vendor fee as charged by Service Provider, not to exceed USD \$20.00.

**1.3 Covered Drugs - Member Submitted Claims.** The Company will pay Service Provider for Covered Drugs dispensed at any pharmacy that is reimbursed to the Member in an amount equal to the amount reimbursed to the Member. The amount paid to the Member will be determined by the Company's Plan Design.

#### **1.4**

**1.4.1 Direct Member Reimbursement Processing Fee.** Service Provider will determine eligibility, make reasonable efforts to correct submission errors, fully adjudicate the claims, and send out notification of rejects.

**1.4.2 Out-of-Network Letters.** Service Provider will generate an out of network letter to Members who submit DMR claims that were filled at a non-Participating Pharmacy. Initial DMR claims will pay, but once notified subsequent of out-of-network claims will reject.

**1.5 Copayment/Coinsurance.** The Copayment/Coinsurance amount for each prescription or refill dispensed by a Participating Pharmacy under the Retail Pharmacy Program will be as designated in the applicable Plan Design(s).

## **2. Base Service Provider Service Fees**

Effective January 1, 2012, the fees payable by the Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the "Fee") as follows: \$1.08. The Fee shall be calculated based on the number of 30-day-equivalent prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

This fee does not include the services listed in Section 3 below, which will be invoiced at the amount indicated.

## **3. Additional Fees – The following additional fees will be charged for Service Provider services provided:**

<b>3.1. Formulary Management</b>	No Additional Charge
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- |       |   |  |
|-------|---|--|
| 3.2.  | P&T Management  | No Additional Charge                             |
| 3.3.  | ID Card Fees  | \$1.00 per card or as agreed between the Parties |
| 3.4.  | Claims Processing Fees  | No Additional Charge                             |
| 3.5.  | Pharmacy Support Service Center Fees. Routine pharmacy support is included in the Service Provider Base Fee above. At the written request of the Company, with two (2) weeks' notice, Service Provider will provide outbound pharmacy calls at the rate of USD \$60 dollars per hour (USD \$60/hr). In the event of a Company-introduced issue that elevates call volumes Service Provider may invoice the Company for the elevated costs of maintaining call center Performance Standards. |  |
| 3.6.  | Member Support Service Center Fees. Routine Member support is included in the Service Provider Base Fee above. At the written request of the Company, with two (2) weeks' notice, Service Provider will provide outbound Member calls at the rate of USD \$60 dollars per hour (\$60/hr). In the event of a Company-introduced issue that elevates call volumes Service Provider may invoice the Company for the elevated costs of maintaining call center Performance Standards.           |  |
| 3.7.  | Benefit Design Fees   | No Additional Charge                             |
| 3.8.  | DUR Review/MTM/FWA Fees   | No Additional Charge                             |
| 3.9.  | Transition Fills Fees   | No Additional Charge                             |
| 3.10. | EOB Fees  | No Additional Charge                             |
| 3.11. | PDE Administration Fees   | No Additional Charge                             |
| 3.12. | Web Service Fees  | As agreed  |
| 3.13. | Auditing Fees   | No Additional Charge                             |
| 3.14. | Network Access Fees. Service Provider will withhold 100% of the amounts collected from Participating Pharmacies for network access fees.  |  |
| 3.15. | <b>E-Prescribing Fees.</b> No additional charge will be invoiced to the Company for the costs invoiced to Service Provider by the E-Prescribing Intermediary for E-Prescribing services.  |  |
| 3.16. | <b>IT Development Charges.</b> Service Provider will invoice the Company monthly at the rate of one hundred fifty dollars per hour (USD\$150/hour) for the actual hours used to design, program and test the Company's requested changes.   |  |

#### 4. General Payment Provisions

- |     |   |
|-----|---|
| 4.1 | Payments under this agreement will not be subject to interest accruing to the Company or Service Provider.  |
| 4.2 | Settlement of the current month's costs under this service agreement shall occur during the same month based on an estimate. The monthly estimate will be prepared by the Service |

Provider's treasury department based upon average monthly activity plus any additional expected activity. These estimated amounts will be paid throughout the month, based on cash flow and liquidity of the Company.

- 4.3** A final settlement of any residual activity will occur not less frequently than on a quarterly basis. The quarterly settlement, for the preceding calendar quarter, will occur by the end of the month in the months of March, May, August and November. The activity and invoice will be supported by a monthly summary statement.
- 4.4** Repository shall collect monies due to Company and Service Provider in the operation of its business. Repository shall disperse and collect such monies, as required, in accordance with this Service Agreement and state and federal laws, rules and regulations. Any party hereto shall have the right to offset amounts payable to or receivable from any other party hereto. In addition, Repository shall perform any necessary banking and accounting administrative duties to accomplish the aforementioned activities.

**SCHEDULE C**

**AFFILIATES**

CompBenefits Insurance Company  
Emphesys Insurance Company  
Humana Dental Insurance Company  
Humana Insurance Company  
Humana Insurance Company of Kentucky  
Humana Insurance of Puerto Rico, Inc.  
Kanawha Insurance Company  
American Dental Plan of North Carolina, Inc.  
American Dental Providers of Arkansas, Inc.  
Cariten Health Plan  
Cariten Insurance Company  
CHA HMO, Inc.  
CompBenefits Company  
CompBenefits Dental, Inc.  
CompBenefits of Alabama, Inc.  
DentiCare, Inc.  
Humana Benefits Plan of Illinois (OSF)  
Humana Employers Health Plan of Georgia, Inc.  
Humana Health Benefit Plan of Louisiana, Inc.  
Humana Health Insurance Co of Florida, Inc.  
Humana Health Plan of Ohio, Inc.  
Humana Health Plan of Texas, Inc.  
Humana Health Plan, Inc.  
Humana Health Plans of Puerto Rico, Inc.  
Humana Insurance Company of New York  
Humana Medical Plan of Utah, Inc.  
Humana Medical Plan, Inc.  
Humana Wisconsin Health Org Ins Corp  
Humana Health Plan of California, Inc.  
The Dental Concern, Inc.  
The Dental Concern, Ltd.  
Humana Health Plan of Michigan, Inc.  
Humana Health Plan of Pennsylvania, Inc.



## OREGON

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Oregon Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Oregon Revised Statutes (“Or. Rev. Stat.”) § 744.720(1) to include the provisions of Chapter 744 of Title 56 of the Or. Rev. Stat., except insofar as any such provision does not apply to the functions to be performed by Service Provider under the Agreement or is not already addressed in the Agreement.

#### 2. UNDERWRITING

The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Or. Rev. Stat. § 744.720(3)(b).

#### 3. FIDUCIARY ACCOUNTS

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Or. Rev. Stat. § 744.720(3)(d).

#### 4. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be considered to have been paid to the Member or claimant until the payment is received by the Member or claimant. Nothing in this Section 4 shall limit any right of Company against Service Provider resulting from the failure by Service Provider to make payments to Company, Members or claimants. Or. Rev. Stat. § 744.722.

#### 5. BOOKS AND RECORDS

- a) Service Provider and Company shall each retain the Agreement (as amended from time to time) with each party’s records for the duration of the Agreement and for five (5) years following the date of its termination or such longer time if required by the Agreement. Or. Rev. Stat. § 744.720(2).
- b) Service Provider shall maintain and make available to Company complete books and records of each transaction performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation. Or. Rev. Stat. § 744.724(1).
- c) The Oregon Director of the Department of Consumer and Business Services (“Director”) shall have access to the books and records maintained by Service Provider for the purpose of

examination, audit, and inspection. Service Provider shall make available for inspection to the Director copies of all contracts, and amendments thereto, with insurers or other persons using its services. Or. Rev. Stat. §§ 744.720(5), 744.724(2).

- d) Company shall own the records generated by Service Provider pertaining to Company. However, Service Provider shall have the right to continuing access to the books and records to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company. Or. Rev. Stat. § 744.724(3).
- e) If Company and Service Provider cancel the Agreement, Service Provider may agree in writing with Company to transfer all records to a successor third party administrator. In such case, Service Provider shall no longer be responsible for retaining the records for the five (5)-year period pursuant to Section 4(b) above. The parties shall ensure that the successor third party administrator shall acknowledge in writing as part of its agreement with Company that it is responsible for retaining the records of Service Provider as required in Section 4(b). Or. Rev. Stat. § 744.724(4).
- f) When Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall conduct a review of the operations of Service Provider at least annually. Or. Rev. Stat. § 744.740(3).

## **6. ADVERTISING**

Service Provider may use only such advertising pertaining to the business underwritten by Company that Company has approved in advance of its use. Or. Rev. Stat. § 744.728.

## **7. PREMIUM PAYMENTS**

Company and Service Provider acknowledge that Service Provider shall not collect insurance charges or premiums. Nevertheless, if payment of any such premium or charge on behalf of a Member is remitted to or received by Service Provider, such payment shall be considered to have been received by Company upon Service Provider's receipt thereof, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. Or. Rev. Stat. § 744.730.

## **8. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider shall not enter into any agreement or understanding with Company the effect of which is to make the amount of the Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement, and payment of losses covered by the Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Furthermore, this Section 8(a) shall not prohibit Service Provider from receiving compensation based on the number of claims processed. Or. Rev. Stat. § 744.732. This Section 8(a) shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees and commissions received from all sources in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. Or. Rev. Stat. § 744.732(3).

## **9. NOTICE TO MEMBERS**

Service Provider shall provide to Members a written notice approved by Company that advises them of the identity of and relationship among Service Provider, the Member, and Company. Or. Rev. Stat. § 744.734(1).

## **10. DELIVERY OF WRITTEN COMMUNICATIONS**

When Service Provider receives policies, certificates, booklets, termination notices or other written communications from Company for delivery to Members, Service Provider shall promptly make the delivery after receiving instructions from Company. Or. Rev. Stat. § 744.736.

## **11. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria and claims payment procedures applicable to the coverage and for securing any reinsurance. The rules pertaining to such matters must be provided in writing by Company to Service Provider. Company is solely responsible for providing competent administration of its programs. Or. Rev. Stat. § 744.740(1)-(2).

## **12. TERMINATION; SUSPENSION**

- a) Upon written notice, Company or Service Provider may terminate the Agreement and this Addendum for cause as provided in the Agreement. Company must fulfill any lawful obligations with respect to policies affected by the Agreement regardless of any dispute between Company and Service Provider. Or. Rev. Stat. § 744.720(4).
- b) Service Provider acknowledges that the Director shall suspend, revoke or refuse to renew its license for any reason set forth in Or. Rev. Stat. § 744.718.

## **13. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Oregon statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.



## TEXAS

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Texas Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Texas Insurance Code (“Tex. Ins. Code”) § 4151.101(a) and 28 Texas Administrative Code (“TAC”) § 7.1613 to include the provisions of Chapter 4151 of Title 12 of the Tex. Ins. Code, except for a requirement that does not apply to any function Service Provider performs or is not already addressed in the Agreement.

#### 2. COMPLIANCE

Service Provider must comply with all statutory, contractual, and regulatory requirements related to any functions assumed or carried out by Service Provider and related to Company’s plan or plans for which Service Provider performs or offers to perform administrative services. 28 TAC § 7.1613(d)(1).

#### 3. UNDERWRITING

The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Tex. Ins. Code §§ 4151.102(a-1), 4151.110.

#### 4. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records during the term of the Agreement and until the fifth (5th) anniversary of the date on which the Agreement expires or such longer time if required by the Agreement. Tex. Ins. Code § 4151.103(a).
- b) On written request by the Texas Commissioner of Insurance (“Commissioner”), Service Provider shall make the Agreement available for inspection by the Commissioner or the Commissioner’s designee. Tex. Ins. Code § 4151.103(b).
- c) The books and records of Company shall remain the property of Company at all times. 28 TAC § 7.1613(e).
- d) Service Provider shall maintain at Service Provider’s principal administrative office adequate books and records of each transaction in which Service Provider engages with Company or a Member. Service Provider shall maintain the books and records until the fifth (5th) anniversary of the end of the term of the Agreement to which the books and records relate and in accordance with prudent standards of insurance recordkeeping. Tex. Ins. Code § 4151.112.

- e) For the purpose of examination, audit, and inspection, Service Provider shall provide to the Commissioner and the Commissioner's designee access to the books and records maintained as required by Section 5(d) above. Tex. Ins. Code § 4151.113(a).
- f) Company is entitled to continuing access to the books and records sufficient to permit Company to fulfill a contractual obligation to a Member. Notwithstanding Section 4(c) above, the right provided by this Section 4(f) is subject to any restriction included in the Agreement relating to the parties' proprietary rights to the books and records. Tex. Ins. Code § 4151.113(c); 28 TAC § 7.1613(e)(2).
- g) Unless otherwise approved by the Commissioner, no later than thirty (30) days from the date of the termination of the Agreement, Service Provider shall provide a complete and accurate original set or a complete and accurate copy or image of the original set of Company's books and records, in an organized and usable manner, to (1) a successor administrator; or (2) if there is not a successor administrator or if the successor administrator is unknown at the time of the required transfer, to Company. Service Provider shall give written notice to Commissioner of the location of the books and records and of the termination of the Agreement no later than thirty (30) days from the date Service Provider learns of the termination. The parties shall allocate the payment costs associated with providing a complete and accurate original set or a complete and accurate copy or image of the original set of Company's books and records as mutually agreed by the parties. Tex. Ins. Code § 4151.114; 28 TAC §§ 7.1613(d)(3), 7.1615.
- h) If Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, at least semiannually, conduct a review of the operations of Service Provider. At least biennially, Company shall conduct an on-site audit of the operations of Service Provider. Such operation reviews and on-site audits shall be conducted in accordance with 28 TAC 7.1611. Tex. Ins. Code § 4151.1042(c); 28 TAC § 7.1613(d)(4).

## **5. NOTICE TO MEMBERS**

Service Provider shall give written notice to each Member of Service Provider's identity and the relationship among Service Provider, Company and Member. Company must approve the notice before the notice is distributed. Tex. Ins. Code § 4151.104(a).

## **6. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, reimbursement procedures, and claims payment procedures applicable to the coverage and for securing reinsurance, if any. Company shall provide a copy of the written requirements relating to those matters to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. Company shall ensure competent administration of its programs. Tex. Ins. Code § 4151.1042(a)-(b).

## **7. CLAIMS PAYMENT**

- a) The payment of a claim to Service Provider by Company shall not be considered payment to the Member or claimant until the Member or claimant receives the payment. This Section 7 shall not limit a right of Company against Service Provider resulting from Service Provider's failure to make a payment to the Member or claimant. Tex. Ins. Code § 4151.105.

- b) Service Provider shall adjudicate a claim not later than the sixtieth (60th) day after the date on which Service Provider receives valid proof of loss in connection with the claim. Tex. Ins. Code § 4151.111(a).
- c) Service Provider shall pay each claim on a draft authorized by Company in the Agreement. Tex. Ins. Code § 4151.111(b).

## **8. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Tex. Ins. Code §§ 4151.106, 4151.108, 4151.109.

## **9. PREMIUM PAYMENTS**

Company and Service Provider acknowledge that Service Provider shall not collect premiums or contributions. Nevertheless, if payment of any such premium or contribution on behalf of a Member is received by Service Provider, such payment shall be considered to have been received by Company upon Service Provider's receipt thereof, and Service Provider shall timely deliver the funds to Company or other person entitled thereto. Tex. Ins. Code § 4151.107.

## **10. CONFIDENTIALITY**

The parties shall maintain the confidentiality of Member information in accordance with Tex. Ins. Code § 4151.115 and the Agreement.

## **11. ADVERTISING**

Before Service Provider uses advertising relating to the business underwritten by Company, Company must approve use of the advertising. Tex. Ins. Code § 4151.116.

## **12. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider's compensation may be determined in accordance with Tex. Ins. Code § 4151.117(a) and the Agreement.
- b) Company may not permit or provide compensation or another thing of value to Service Provider that is based on the savings accruing to Company because of adverse determinations regarding claims for benefits, reductions of or limitations on benefits, or other analogous actions inconsistent with Chapter 4151 of Title 12 of the Tex. Ins. Code that are made or taken by the Service Provider. Tex. Ins. Code § 4151.117(b).

## **13. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Texas laws it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## INDIANA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Indiana Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Indiana Code (“Indiana Code”) § 27-1-25-2 to conform to the requirements of Title 27, Article 1, Chapter 25 of the Indiana Code, which apply to the functions performed by Service Provider under the Agreement and are not already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Indiana Code § 27-1-25-2(d)(3).

#### 3. CLAIMS PAYMENT

The payment of claims by Company to Service Provider are not considered to have been paid to the Member or claimant until the payment is received by the Member or claimant. This Section 3 does not limit the rights of Company against Service Provider resulting from the failure of Service Provider to make payments to Company, Members, or claimants. Indiana Code § 27-1-25-3(a)(2), (b).

#### 4. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for a period of not less than five (5) years after the termination of the Agreement or such longer time if required by the Agreement. Indiana Code § 27-1-25-2(b).
- b) Service Provider shall maintain at its principal administrative office books and records of all transactions between Service Provider and Company, in accordance with generally accepted standards of insurance record keeping, for least five (5) years after the creation of the books and records or such longer time if required by the Agreement. Indiana Code § 27-1-25-4(a)(1).
- c) Service Provider may transfer the books and records of transactions between Service Provider and Company to a new administrator if the Agreement is cancelled and a written agreement for the transfer of the books and records is made between Service Provider and Company. If the books and records are transferred to a new administrator, the new administrator shall acknowledge in writing that the new administrator is responsible for retaining the books and records of Service Provider as required under Section 4(b). Indiana Code § 27-1-25-4(a)(2).

- d) The Indiana Commissioner of Insurance (“Commissioner”) is entitled to inspect all books and records of Service Provider for the purpose of examinations and audits. Indiana Code § 27-1-25-4(b).
- e) Company is the owner of records that are generated by Service Provider and pertain to Company. However, Service Provider retains the right to continuing access to books and records necessary to fulfill Service Provider’s contractual obligations to Members, claimants, and Company. Indiana Code § 27-1-25-4(c).
- f) If Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, not less than semiannually, review the operations of Service Provider. At least one (1) of the semiannual reviews must be an onsite audit of the operations of Service Provider. Indiana Code § 27-1-25-5.5(d).

## **5. APPROVAL OF ADVERTISING**

Service Provider may use advertising relating to the business underwritten by Company only to the extent that the advertising has been approved in writing by Company before the advertising is used. Indiana Code § 27-1-25-5.

## **6. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures that apply to the coverage and securing reinsurance. Company shall provide to Service Provider, with the Agreement, the rules that Service Provider must follow in administering the coverage, as determined under this Section 6, and the responsibilities of Service Provider as to administering the coverage. Company has sole responsibility for the competent administration of benefit programs provided by Company. Indiana Code § 27-1-25-5.5(a), (b), (c).

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Indiana Code § 27-1-25-6.

## **8. SERVICE PROVIDER’S COMPENSATION**

- a) Service Provider may not enter into an agreement or understanding with Company if the effect of the agreement or understanding is to make the amount of a commission, fee, or charge that is payable to Service Provider contingent on savings effected in the adjustment, settlement, and payment of losses covered by Company’s obligations. This Section 8(a) does not prevent Service Provider from receiving performance based compensation for providing auditing services. Indiana Code § 27-1-25-8. Further, this Section 8(a) shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company charges, fees, and commissions received by Service Provider in connection with the provision of administrative services for Company, including fees or commissions paid by insurers that provide reinsurance. Indiana Code § 27-1-25-10(c).

**9. DELIVERY OF WRITTEN COMMUNICATIONS**

Policies, certificates, booklets, termination notices, or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to do so. Indiana Code § 27-1-25-9.

**10. NOTICE TO MEMBERS**

Service Provider shall provide a written notice, which must first be approved by Company, to Members advising them of the relationship among Service Provider, the Member, and Company. Indiana Code § 27-1-25-10(a).

**11. TERMINATION; SUSPENSION**

Company and Service Provider may, with written notice, terminate the Agreement for cause as provided in the Agreement. Company shall fulfill any lawful obligations with respect to coverage affected by the Agreement, regardless of any dispute between Company and Service Provider. Indiana Code § 27-1-25-2(f).

**12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Indiana statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## LOUISIANA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Louisiana Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Louisiana Revised Statutes (“La. Rev. Stat.”) § 22:1642 to include the provisions required by La. Rev. Stat. §§ 22:1641 *et seq.*, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. La. Rev. Stat. § 22:1642(B).

#### 3. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be deemed to have been paid to the Member or claimant until the payments are received by the Member or claimant. Nothing in this Section 3 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to the Company, Members, or claimants. La. Rev. Stat. § 22:1643.

#### 4. MAINTENANCE OF RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. La. Rev. Stat. § 22:1642(A).
- b) Service Provider shall maintain and make available to Company complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation or such longer time if required by the Agreement. La. Rev. Stat. § 22:1644(A).
- c) The Louisiana Commissioner of Insurance shall have access to books and records maintained by Service Provider for the purposes of examination, audit and inspection. La. Rev. Stat. § 22:1644(B).
- d) Service Provider shall retain the right of continuing access the books and records generated by Service Provider pertaining to Company to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company. La. Rev. Stat. § 22:1644(C).

- e) Notwithstanding the provisions of this Section 4 to the contrary, in the event Company and Service Provider cancel the Agreement, Service Provider may transfer all records to Company or a succeeding administrator selected by Company and licensed in the State of Louisiana, rather than retain them for the period of time required by Section 4(b) above. In the event of a cancellation under this Section 4(e), the succeeding administrator shall acknowledge and agree, in writing, that the succeeding administrator or Company shall be responsible for retaining the records of Service Provider as required by this Section 4. La. Rev. Stat. § 22:1644(D).
- f) In cases where Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company may, at least semiannually, conduct a review of the operations of Service Provider. At least one such review may be an on-site audit of the operations of Service Provider. La. Rev. Stat. § 22:1646(C).

## **5. ADVERTISING**

Service Provider may use only such advertising pertaining to the business underwritten by Company that has been approved in writing by Company in advance of its use. La. Rev. Stat. § 22:1645.

## **6. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters must be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It shall be the sole responsibility of Company to provide for competent administration of its programs. La. Rev. Stat. § 22:1646(A), (B).

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. La. Rev. Stat. § 22:1647.

## **8. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider shall not enter into any agreement or understanding with Company in which the effect is to make the amount of the Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement, and payment of losses covered by the Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing auditing services. Furthermore, this Section 8(a) shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. La. Rev. Stat. § 22:1648. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees, and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. La. Rev. Stat. § 22:1649(C).



**9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of, and relationship among, Service Provider, the Member, and Company. La. Rev. Stat. § 22:1649(A).

**10. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly, after receipt of instructions from Company to deliver them. La. Rev. Stat. § 22:1650.

**11. TERMINATION**

Company and Service Provider acknowledge and agree that they may, with written notice, terminate the Agreement for cause as provided in the Agreement. Company must fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Company and Service Provider. La. Rev. Stat. § 22:1642(C).

**12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Louisiana statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## OHIO

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Ohio Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Ohio Revised Code (“O.R.C.”) § 3959.11 and Ohio Administrative Code (“O.A.C.”) 3901-8-05 to include the requirements thereof to the extent that such requirements are not already addressed in the Agreement.

#### 2. BOOKS AND RECORDS

- a) Service Provider and Company acknowledge and agree that all records and files maintained by Service Provider pursuant to the Agreement belong to Company. O.A.C. 3901-8-5(J)(1)(b).
- b) Service Provider shall retain a copy of the Agreement (as amended from time to time) as part of the official records of Service Provider for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. O.R.C. § 3959.11(A).
- c) Service Provider shall maintain in its principal office or home branch, if any, for the duration of the Agreement or such longer time if required by the Agreement, customary books and records of all transactions and information relative to Members as prescribed in O.R.C. § 3959.15. O.R.C. § 3959.11(B); O.A.C. 3901-8-5(L)(1).
- d) The Ohio Superintendent of Insurance shall have access to the general business books, records and other information of Service Provider for the purpose of examination, audit and inspection. O.A.C. 3901-8-5(L)(2).
- e) Company shall have access to such books and records of Service Provider as is reasonably necessary to permit Company to fulfill all of its contractual obligations to Members. O.A.C. 3901-8-5(L)(3).

#### 3. ADVERTISING

Service Provider shall not advertise any of its insured business underwritten by Company unless approved in writing by Company in advance of its use. O.A.C. 3901-8-5(H)(4).

#### 4. SURETY BOND

Service Provider acknowledges and agrees that it shall at all times maintain the required insurance coverage or bond as provided for and mandated by the “Employee Retirement and Income Security Act of 1974,” 88 Stat. 829, 29 U.S.C. 1001, as amended. O.R.C. § 3959.11(C); O.A.C. 3901-8-5(J)(1)(c).

**5. NOTICE TO MEMBERS**

Service Provider shall provide a written notice to Members advising them of the identity of and relationship among Service Provider, the Member, and Company. O.A.C. 3901-8-5(K).

**6. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Ohio laws it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## **ALASKA**

### **ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This Alaska Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### **1. APPLICABILITY**

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Alaska Statutes (“Alaska Stat.”) § 21.27.650 to include the provisions required therein, except insofar as those requirements are already addressed in the Agreement.

#### **2. TERMINATION**

In accordance with the terms of the Agreement, Company may terminate the Agreement for cause upon written notice sent by certified mail to Service Provider. Company must fulfill all lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Company and Service Provider. Alaska Stat. § 21.27.650(a)(5)(A).

#### **3. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Alaska Stat. § 21.27.650(a)(5)(B)-(C).

#### **4. BOOKS AND RECORDS**

Service Provider shall maintain separate records for each insurer, including Company, in a form usable by each insurer. Company or its authorized representative shall have the right to audit and the right to copy all accounts and records related to the Company’s business. The Alaska Director of Insurance (“Director”), in addition to other authority granted in Title 21 of the Alaska Stat., shall have access to all books, bank accounts, and records of Service Provider in a form usable to the Director. Alaska Stat. § 21.27.650(a)(5)(F).

#### **5. ASSIGNMENT**

The parties acknowledge and agree that the Agreement may not be assigned in whole or in part by Service Provider. Alaska Stat. § 21.27.650(a)(5)(G).

#### **6. UNDERWRITING**

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Alaska Stat. § 21.27.650(a)(5)(H).

## 7. ADMINISTRATIVE RESPONSIBILITIES

- a) Company hereby provides settlement authority to Service Provider, which such authority may be (i) terminated for cause upon Company's written notice sent by certified mail to Service Provider or upon termination of the Agreement, or (ii) suspended during a dispute regarding the cause of termination. Alaska Stat. § 21.27.650(a)(5)(I)(i).
- b) Service Provider shall report claims to Company within thirty (30) days. Alaska Stat. § 21.27.650(a)(5)(I)(ii).
- c) Service Provider shall send a copy of the claim file to Company upon request or as soon as it becomes known that (i) the claim has the potential to exceed an amount determined by the Director or exceeds the limit set by Company, whichever is less, (ii) involves a coverage dispute, (iii) may exceed Service Provider's claims settlement authority, (iv) is open for more than six (6) months, (v) involves extra contractual allegations, or (vi) is closed by payment in excess of an amount set by the Director or an amount set by Company, whichever is less. Alaska Stat. § 21.27.650(a)(5)(I)(iii).
- d) Service Provider and Company shall comply with Alaska unfair claims settlement statutes and regulations. Alaska Stat. § 21.27.650(a)(5)(I)(iv).
- e) The parties acknowledge and agree that transmission of electronic data must occur at least monthly if electronic claim files are in existence. Alaska Stat. § 21.27.650(a)(5)(I)(v).
- f) The parties acknowledge and agree that claim files shall be the sole property of Company. Upon an order of liquidation of Company, Service Provider shall have reasonable access to and the right to copy the files on a timely basis. Alaska Stat. § 21.27.650(a)(5)(I)(vi).

## 8. BASIS OF SERVICE PROVIDER'S COMPENSATION

Service Provider shall not enter into any agreement or understanding with Company in which the effect is to make the amount of the Service Provider's commissions, fees, or charges contingent upon savings obtained in the adjustment, settlement, and payment of losses covered by Company's obligations. This Section 8 shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Furthermore, this Section 8 shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. Alaska Stat. § 21.27.650(a)(5)(J). This Section 8 shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

## 9. CLAIMS PAYMENT

- a) All payments by Service Provider on behalf of Company shall be held by Service Provider as a fiduciary. Alaska Stat. § 21.27.650(a)(5)(D).
- b) Service Provider may not retain more than three (3) months' estimated claims payments and allocated loss adjustment expenses, if any. Alaska Stat. § 21.27.650(a)(5)(E).
- c) The payment of claim payments forwarded by Company to Service Provider may not be presumed to have been received by the Member or claimant until the payments are received by the Member or claimant. Nothing in this Section 9 limits the rights that Company may have

against Service Provider resulting from the failure of Service Provider to make payments to Members or claimants. Alaska Stat. § 21.27.650(c).

#### **10. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to the Member shall be delivered by Service Provider within ten (10) days after receipt of instructions from Company to deliver them. Alaska Stat. § 21.27.650(d).

#### **11. NOTICE TO MEMBERS**

Service Provider shall provide a written notice, approved in writing by Company, to a Member advising the Member of the identity of Company and the relationship among Service Provider, the Member, and Company. Alaska Stat. § 21.27.650(e).

#### **12. ADVERTISING**

Service Provider may not advertise the business underwritten by Company unless the advertising has been approved in writing by Company in advance of its use. Alaska Stat. § 21.27.650(f)(9).

#### **13. MAINTENANCE OF RECORDS**

- a) If Service Provider provides services for more than one hundred (100) Members on behalf of Company, Company shall at least semiannually conduct a review of the operations of Service Provider. At least one review required under this Section 13(a) shall be an on-site review. Alaska Stat. § 21.27.650(i).
- b) Service Provider shall document each action taken in regard to an insurance transaction. The documentation must contain all notes, work papers, documents, and similar material, and be in sufficient detail that relevant events, the dates of those events, and all persons participating in those events can be identified. The documentation must include a record of each insurance contract procured, issued, or countersigned, together with the names of Company and Members, the amount of premium paid or to be paid, and a statement of the subject of the insurance; the names of other licensees licensed by the Alaska Division of Insurance from whom business is accepted, and of persons to whom commissions or allowances are promised or paid; and a record of each investigation or adjustment undertaken or consummated, and a statement of the fee, commission, or other compensation received or to be received on account of the investigation or adjustment. Alaska Stat. §§ 21.27.650(j), 21.27.350(a).
- c) Service Provider shall keep at Service Provider's place of business or at the place of business of Company a complete record of transactions under the Agreement. Company shall maintain records received from Service Provider as required by this Section 13. Alaska Stat. §§ 21.27.650(j), 21.27.350(b).
- d) The records of a particular transaction shall be retained and kept open for examination and inspection by the Director at any business time during the five (5) years immediately after the date of the completion of the transaction or ten (10) years for reinsurance transactions, unless the Director orders a longer period of retention. Alaska Stat. §§ 21.27.650(j), 21.27.350(c).

- e) In addition to the record required under Section 13(b), Service Provider shall have and maintain at Service Provider's principal place of business current accounting and financial records maintained under generally accepted accounting principles. Alaska Stat. §§ 21.27.650(j), 21.27.350(d).
- f) Service Provider shall reply in writing within ten (10) working days to a records inquiry of the Director. Alaska Stat. §§ 21.27.650(j), 21.27.350(e).

#### **14. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Alaska statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## IOWA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Iowa Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Title 13, Chapter 510 of the Iowa Code (“Iowa Code”) § 510.12 to include the requirements of §§ 510.11 through 510.16 of the Iowa Code, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are not already addressed in the Agreement.

#### 2. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be deemed payment to the Member or claimant until the payments are received the Member or claimant. Nothing in this Section 2 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to Company, Members or claimants. Iowa Code § 510.13.

#### 3. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall retain the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement plus five (5) years or such longer time if required by the Agreement. Iowa Code § 510.12.
- b) Service Provider shall maintain at its principal administrative office adequate books and records of all transactions among Service Provider, Company, and Members, in accordance with prudent standards of insurance recordkeeping, for the duration of the Agreement plus five (5) years or such longer time if required by the Agreement. Iowa Code § 510.14.
- c) The Iowa Insurance Commissioner shall have access to such books and records for the purpose of examination, audit and inspection. Iowa Code § 510.14.
- d) Company retains the right to continuing access to Service Provider’s books and records sufficient to permit Company to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement between Company and Service Provider on the proprietary rights of the parties in Service Provider’s books and records. Iowa Code § 510.14.

#### 4. APPROVAL OF ADVERTISING

Service Provider may use only such advertising pertaining to the business underwritten by Company as has been approved by Company in advance of its use. Iowa Code § 510.15.



## **5. UNDERWRITING**

The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Iowa Code § 510.16.

## **6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Iowa Code § 510.17.

## **7. COMPENSATION TO SERVICE PROVIDER**

The compensation paid to Service Provider shall not be contingent on claim experience on policies for which Service Provider adjusts or settles claims. This Section 7 shall not prevent the compensation of Service Provider from being based on number of claims paid or processed. Iowa Code § 510.19. Further, this Section 7 shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

## **8. NOTICE TO MEMBERS**

Service Provider shall provide a written notice, approved by Company, to Members, advising them of the identity of and relationship among Service Provider, the Member, and Company. Iowa Code § 510.20.

## **9. TIMELY PAYMENT OF PHARMACY CLAIMS**

Service Provider shall comply with the payment requirements set forth in Iowa Administrative Code ("Iowa Admin. Code") 191-59.3(510B).59.3(3), including that clean claims must be paid within twenty (20) or thirty (30) days pursuant to the requirements of Iowa Admin. Code 191-59.3(510B).59.3(1)-(2).

## **10. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Iowa statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## MARYLAND

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Maryland Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Maryland Insurance Code (“MD Insur. Code”) § 8-311(a).

#### 2. BOOKS AND RECORDS

- a) Service Provider shall retain the Agreement (as amended from time to time) as an official record of Service Provider for the duration of the Agreement and for three (3) years after the termination of the Agreement or such longer time if required by the Agreement. MD Insur. Code § 8-311(b).
- b) Service Provider shall maintain adequate books and records about each plan administered by Service Provider, including any Plans offered by Company, in accordance with prudent standards of record keeping and for the duration of the Agreement or such longer time if required by the Agreement. MD Insur. Code § 8-312(a).
- c) Subject to any restrictions in the Agreement on the proprietary rights of the parties in the books and records, Company has the right to reasonable access to the books and records that is sufficient to allow Company to fulfill its contractual obligations to Members. MD Insur. Code § 8-312(b).
- d) If Service Provider ceases to administer a Plan for Company, Service Provider shall (i) deliver the books and records about the Plan that are in Service Provider’s possession to Service Provider’s successor or to Company, or (ii) for three (3) years after Service Provider ceases to administer the Plan, retain the books and records about the Plan and shall provide access to Company as provided in Section 4(c) above.

#### 3. CONFLICT; MODIFICATION

This Addendum shall be interpreted and construed consistently with the Maryland statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## MISSISSIPPI

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Mississippi Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Mississippi Code (“Miss. Code”) § 83-18-5 to contain all provisions required by Miss. Code §§ 83-18-1 *et seq.*, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Miss. Code § 83-18-5(2).

#### 3. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be deemed to have been paid to the Member or claimant until such payments are received by the Member or claimant. Nothing in this Section 3 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to the Company, Members or claimants. Miss. Code § 83-18-7.

#### 4. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. Miss. Code § 83-18-5(1).
- b) Service Provider shall maintain and make available to Company complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation or such longer time if required by the Agreement. Miss. Code § 83-18-9(1).
- c) The Mississippi Commissioner of Insurance shall have access to books and records maintained by Service Provider for the purposes of examination, audit and inspection. Miss. Code § 83-18-9(2).
- d) Company shall own the records generated by Service Provider pertaining to Company. Service Provider shall retain the right to continuing access to books and records to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company. Miss. Code § 83-18-9(3).

- e) Notwithstanding the provisions of Section 4(b) to the contrary, in the event Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for the period of time required by Section 4(b) above. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required by Section 4(b). Miss. Code § 83-18-9(4).
- f) In cases where Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, at least semiannually, conduct a review of the operations of Service Provider. At least one (1) such review shall be an on-site audit of the operations of Service Provider. Miss. Code § 83-18-13(3).

## **5. ADVERTISING**

Service Provider may use only such advertising pertaining to the business underwritten by Company that has been approved in writing by Company in advance of its use. Miss. Code § 83-18-11.

## **6. RESPONSIBILITIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It is the sole responsibility of Company to provide for competent administration of its programs. Miss. Code § 83-18-13(1), (2).

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Miss. Code § 83-18-15.

## **8. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider shall not enter into any agreement or understanding with Company in which the effect is to make the amount of the Service Provider's commissions, fees or charges contingent upon savings effected in the adjustment, settlement and payment of losses covered by Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Furthermore, this Section 8(a) shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. Miss. Code § 83-18-17. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. Miss. Code § 83-18-19(3).

## **9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of, and relationship among, Service Provider, the Member, and Company. Miss. Code § 83-18-19(1).

## **10. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to deliver them. Miss. Code § 83-18-21.

## **11. TERMINATION**

Company and Service Provider acknowledge and agree that they may, with written notice, terminate the Agreement for cause as provided in the Agreement. Company shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Company and Service Provider. Miss. Code § 83-18-5(3).

## **12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Mississippi statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## ILLINOIS

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Illinois Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Chapter 215 of the Illinois Compiled Statutes (“ILCS”) 5/511.106 to include the requirements therein, except to the extent that those requirements are already addressed in the Agreement.

#### 2. MAINTENANCE OF INFORMATION

- a) Service Provider shall retain a copy of the Agreement (as amended from time to time) as part of its official records for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. 215 ILCS 5/511.106(b).
- b) Service Provider shall maintain in its principal office adequate books and records of all transactions involving Company and Members, in accordance with generally accepted standards of business record keeping, for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. 215 ILCS 5/511.106(c).
- c) The parties acknowledge and agree that Service Provider is not required to maintain copies of books and records if such originals are returned to Company prior to the end of period of time required by Section 2(b) above. Service Provider shall maintain evidence of the return of the originals for the balance of the period of time required by Section 2(b) above. 215 ILCS 5/511.106(c).
- d) Service Provider shall file with the Illinois Director of Insurance the name and address of Company and, if Company does not assume or bear risk, Company’s ultimate risk bearer in accordance with 215 ILCS 5/511.106(d).
- e) Upon request of the Illinois Director of Insurance, Service Provider shall make available for examination, either in the City of Springfield or at Service Provider’s principal place of business, all basic organizational documents and other applicable documents and all amendments thereto, bylaws, rules and regulations or similar documents regulating the conduct of Service Provider’s internal affairs. 215 ILCS 5/511.106(i).

#### 3. ADVERTISING

Service Provider shall use only advertising pertaining to an applicable Plan which has been approved in advance by Company. 215 ILCS 5/511.106(e).

#### **4. DELIVERY OF WRITTEN COMMUNICATIONS**

Upon receipt of instructions from Company, Service Provider shall deliver promptly to Members all policies, certificate booklets, termination notices or other written communications. 215 ILCS 5/511.106(f).

#### **5. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider shall not receive compensation from Company which is contingent upon the loss ratio of the Plan. This Section 5 shall not, however, prevent Service Provider from engaging in cost containment activities with Company. 215 ILCS 5/511.106(g). Further, this Section 5 shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall not receive from Company or any Member under a Plan any compensation or other payments except as expressly set forth in the Agreement. 215 ILCS 5/511.106(h).

#### **6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. 215 ILCS 5/511.112.

#### **7. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Illinois statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## MISSOURI

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Missouri Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Missouri Statutes (“Mo. Stat.”) § 376.1077(1) to contain all provisions required by Mo. Stat. §§ 376.1075 to 376.1095, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Mo. Stat. § 376.1077(2).

#### 3. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be deemed to have been paid to the Member or claimant until such payments are received by the Member or claimant. Nothing in this Section 3 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to the Company, Members or claimants. Mo. Stat. § 376.1080.

#### 4. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. Mo. Stat. § 376.1077(1).
- b) Service Provider shall maintain and make available to Company complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation or such longer time if required by the Agreement. Mo. Stat. § 376.1082(1).
- c) The Missouri Director of Insurance shall have access to books and records maintained by Service Provider for the purposes of examination, audit and inspection. Mo. Stat. § 376.1082(2).
- d) Company shall own the records generated by Service Provider pertaining to Company. Service Provider shall retain the right to continuing access to books and records to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company. Mo. Stat. § 376.1082(3).



- e) Notwithstanding the provisions of Section 4(b) to the contrary, in the event Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for the period of time required by Section 4(b) above. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required by Section 4(b). Mo. Stat. § 376.1082(4).
- f) In cases where Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, at least semiannually, conduct a review of the operations of Service Provider. At least one (1) such review shall be an on-site audit of the operations of Service Provider. Mo. Stat. § 376.1084(3).

## **5. ADVERTISING**

Service Provider may use only such advertising pertaining to the business underwritten by Company as has been approved in writing by Company in advance of its use. Mo. Stat. § 376.1083.

## **6. RESPONSIBILITIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It is the sole responsibility of Company to provide for competent administration of its programs. Mo. Stat. § 376.1084(1), (2).

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Mo. Stat. § 376.1085.

## **8. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider shall not enter into any agreement or understanding with Company in which the effect is to make the amount of the Service Provider's commissions, fees or charges contingent upon savings effected in the adjustment, settlement and payment of losses covered by Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance based compensation for providing hospital or other auditing services. Furthermore, this Section 8(a) shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. Mo. Stat. § 376.1087. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance, stop loss coverage, or other form of insured benefit. Mo. Stat. § 376.1088(3).

**9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice to, and approved by Company, to Members advising them of the identity of, and relationship among, Service Provider, the Member, and Company. Mo. Stat. § 376.1088(1).

**10. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to deliver them. Mo. Stat. § 376.1090.

**11. TERMINATION; SUSPENSION**

Company and Service Provider acknowledge and agree that they may, with written notice, terminate the Agreement for cause as provided in the Agreement. Company shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Company and Service Provider. Mo. Stat. § 376.1077(3).

**12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Missouri statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## KENTUCKY

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Kentucky Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Kentucky Revised Statutes (“Ky. Rev. Stat.”) § 304.9-371 to include the requirements of Ky. Rev. Stat. §§ 304.9-372 to 304.9-377, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be deemed payment to the Member until such payments are received by the Member. Nothing in this Section 2 shall limit any right of Company against Service Provider resulting from Service Provider’s failure to make payments to Company or any Member. Ky. Rev. Stat. § 304.9-372.

#### 3. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of the official records of both parties for the duration of the Agreement and at least five (5) years thereafter or such longer time if required by the Agreement. Ky. Rev. Stat. § 304.9-371(1).
- b) Service Provider shall maintain at its administrative office adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance industry record keeping, for the duration of the Agreement and at least five (5) years thereafter or such longer time if required by the Agreement. Ky. Rev. Stat. § 304.9-373
- c) The Kentucky Commissioner of Insurance shall have access to such books and records for the purpose of examination, audit, and inspection. Ky. Rev. Stat. § 304.9-373.
- d) Company shall retain the right to continuing access to such books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members subject to any restrictions in the Agreement on the proprietary rights of the parties in such books and records. Ky. Rev. Stat. § 304.9-373.

#### 4. ADVERTISING

Service Provider may use only such advertising pertaining to its business underwritten by Company as has been approved by Company in advance of its use. Ky. Rev. Stat. § 304.9-374.

**5. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Ky. Rev. Stat. § 304.9-375.

**6. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that, with respect to any contracts where Service Provider adjusts or settles claims, the compensation to Service Provider with regard to such policies shall in no way be contingent on claim experience. This Section 6 shall not prevent the compensation of Service Provider from being based on number of claims paid or processed. Ky. Rev. Stat. § 304.9-376(2). This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

**7. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, the Member, and Company. Ky. Rev. Stat. § 304.9-377.

**8. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Kentucky statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## MAINE

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Maine Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Title 24-A, Chapter 18 of Maine Revised Statutes (“Me. Rev. Stat.”) § 1906.

#### 2. MAINTENANCE OF INFORMATION

- a) Service Provider shall retain the Agreement (as amended from time to time) as part of its records for the duration of the Agreement and for seven (7) years after the Agreement expires or such longer time if required by the Agreement. Me. Rev. Stat. § 1906(2).
- b) Service Provider shall maintain in its principal office adequate books and records of all transactions involving Company and Members, in accordance with generally accepted standards of business record keeping, for the duration of the Agreement and for seven (7) years after the Agreement expires or such longer time if required by the Agreement. Me. Rev. Stat. § 1906(3).
- c) Service Provider shall not be required to maintain copies of books and records if the originals are returned to Company before the end of the period of time required by Section 2(b) above. Service Provider shall maintain evidence of the return of the originals for the balance of the period of time required by Section 2(b) above. Me. Rev. Stat. § 1906(3).
- d) Service Provider shall file with the Maine Superintendent of Insurance the name and address of Company and, if Company does not assume or bear risk, Company’s ultimate risk bearer, in accordance with Me. Rev. Stat. § 1906(4).
- e) Upon request of the Maine Superintendent of Insurance, Service Provider shall make available for examination, either at the Maine Bureau of Insurance or at Service Provider’s principal place of business, all basic organizational documents and other applicable documents and all amendments to those documents, bylaws, rules and regulations or similar documents regulating the conduct of Service Provider’s internal affairs. Me. Rev. Stat. § 1906(9).

#### 3. ADVERTISING

Service Provider may use advertising pertaining to the Plan only if that advertising has been approved in advance by Company. Me. Rev. Stat. § 1906(5).

#### **4. DELIVERY OF WRITTEN COMMUNICATIONS**

Upon receiving instructions from Company, Service Provider shall deliver promptly to Members all policies, certificate booklets, termination notices or other written communications. Me. Rev. Stat. § 1906(6).

#### **5. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider may not receive compensation from Company that is contingent upon the loss ratio of the Plan. This Section 5 shall not, however, prevent Service Provider from engaging in cost containment activities with Company. Me. Rev. Stat. § 1906(7). Further, this Section 5 shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider may not receive from Company or any Member under a Plan any compensation or other payments except as expressly set forth in the Agreement. Me. Rev. Stat. § 1906(8).

#### **6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Me. Rev. Stat. § 1909.

#### **7. MISCELLANEOUS**

- a) Service Provider shall identify to the Maine Superintendent of Insurance any ownership interest or affiliation of any kind with Company or any kind with any plan sponsor, health care service plan, health maintenance organization or insurer responsible directly or through reinsurance for providing benefits to any Plan for which Service Provider provides services as Service Provider. Me. Rev. Stat. § 1906(1).
- b) The parties acknowledge and agree that, when acting as an administrator, the acts of Service Provider are deemed to be the acts of Company, and that Company is accountable and may be penalized by the Maine Superintendent of Insurance, as provided in Title 24-A of Me. Rev. Stat., for the actions of Service Provider. Me. Rev. Stat. § 1906(10), (11).

#### **8. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Maine statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## **DELAWARE**

### **ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This Delaware Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### **1. APPLICABILITY**

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Title 18, Chapter 1406 of the Delaware Administrative Code (“Del. Admin. Code”) § 3.1 to include the provisions of Chapter 1406 of the Del. Admin. Code, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are not already addressed in the Agreement.

#### **2. UNDERWRITING**

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Del. Admin. Code § 3.2.

#### **3. CLAIMS PAYMENT**

The payment of claims forwarded by Company to Service Provider shall not be deemed to have been paid to the Member or claimant until the payments are received by the Member or claimant. Nothing in this Section 3 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to Company, Members or claimants. Del. Admin. Code § 4.0.

#### **4. MAINTENANCE OF INFORMATION**

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. Del. Admin. Code § 3.1.
- b) Service Provider shall maintain and make available to Company complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation or such longer time if required by the Agreement. Del. Admin. Code § 5.1.
- c) The Delaware Insurance Commissioner shall have access to books and records maintained by Service Provider for the purposes of examination, audit and inspection. Del. Admin. Code § 5.2.
- d) Company shall own the records generated by Service Provider pertaining to Company; however, Service Provider shall retain the right to continuing access to books and records to permit Service Provider to fulfill all of its contract obligations to Members, claimants, and Company. Del. Admin. Code § 5.7.

- e) Notwithstanding the provisions in Section 4(b) to the contrary, in the event Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required in Section 4(b). Del. Admin. Code § 5.8.
- f) In cases where Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, at least semiannually, conduct a review of the operations of Service Provider. At least one such review shall be an on-site audit of the operations of Service Provider. Del. Admin. Code § 7.3.

## **5. APPROVAL OF ADVERTISING**

Service Provider may use only advertising pertaining to the business underwritten by Company that has been approved in writing by Company in advance of its use. Del. Admin. Code § 6.0.

## **6. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria and claims payment procedures applicable to the coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It is the sole responsibility of Company to provide for competent administration of its programs. Del. Admin. Code §§ 7.1, 7.2.

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Del. Admin. Code § 8.0.

## **8. COMPENSATION TO SERVICE PROVIDER**

- a) Service Provider shall not enter into an agreement or understanding with Company in which the effect is to make the amount of Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement and payment of losses covered by Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Further, this Section 8(a) shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. Del. Admin. Code § 9.0. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. Del. Admin. Code § 10.3.

## **9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of, and relationship among, Service Provider, the Member, and Company. Del. Admin. Code § 10.1.



## **10. DELIVERY OF MATERIALS TO MEMBERS**

Any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to deliver them. Del. Admin. Code § 11.0.

## **11. TERMINATION; SUSPENSION**

- a) Company and Service Provider acknowledge and agree that they may, with written notice, terminate the Agreement for cause as provided in the Agreement. Company shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Company and Service Provider. Del. Admin. Code § 3.3.
- b) Service Provider acknowledges that the Delaware Insurance Commissioner may suspend or revoke Service Provider's license for one or more of the reasons set forth in Del. Admin. Code § 16.

## **12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Delaware statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## IDAHO

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Idaho Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Idaho Statutes (“Idaho Stat.”) § 41-902 to include the provisions of Chapter 41 of Idaho Stat., except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Idaho Stat. § 41-902(2).

#### 3. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be deemed payment to the Member or claimant until the payments are received by the Member or claimant. Nothing in this Section 3 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to the Company, Members, or claimants. Idaho Stat. § 41-903.

#### 4. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. Idaho Stat. § 41-902(1).
- b) Service Provider shall maintain and make available to Company complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation or such longer time if required by the Agreement. Idaho Stat. § 41-904(1).
- c) The Director of the Idaho Insurance Department (“Director”) shall have access to books and records maintained by Service Provider for the purposes of examination, audit, and inspection. Idaho Stat. § 41-904(2).
- d) Company shall own the records generated by Service Provider pertaining to Company; however, Service Provider shall retain the right to continuing access to books and records to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company, and its obligations to maintain records available to the Director. Idaho Stat. § 41-904(3).

- e) Notwithstanding the provisions of Section 4(b) to the contrary, in the event Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required in Section 4(b) above. Idaho Stat. § 41-904(4).

## **5. ADVERTISING**

Service Provider may use only advertising pertaining to the business underwritten by Company that has been approved in writing by Company in advance of its use. Prior to approving the use of advertising by Service Provider, Company shall first file the advertising with the Director along with a certification in a form prescribed by the Director that the advertising complies with Idaho law. Idaho Stat. § 41-905.

## **6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Idaho Stat. § 41-906.

## **7. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to deliver them. Idaho Stat. § 41-907.

## **8. COMPENSATION TO SERVICE PROVIDER**

- a) Service Provider shall not enter into an agreement or understanding with Company in which the effect is to make the amount of Service Provider's commissions, fees, or charges contingent upon savings effected by the adjustment, settlement, and payment of losses covered by Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Furthermore, this Section 8(a) shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. Idaho Stat. § 41-908. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. Idaho Stat. § 41-909(3).

## **9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, the Member, and Company. Idaho Stat. § 41-909(1).

## **10. TERMINATION**

Company and Service Provider acknowledge and agree that they may, with written notice to the other party and the Director, terminate the written Agreement as provided in the Agreement. Company shall

fulfill any lawful obligations with respect to policies affected by the Agreement regardless of any dispute between Company and Service Provider. Idaho Stat. § 41-902(3).

#### **11. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Idaho statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## WEST VIRGINIA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This West Virginia Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with West Virginia Code (“W.V. Code”) § 33-46-3 to include the provisions required by W.V. Code §§ 33-46-1 *et seq.*, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. W.V. Code § 33-46-3(b).

#### 3. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be considered to have been paid to the Member or claimant until the payments are received by the Member or claimant. Nothing in this Section 3 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to the Company, Members, or claimants. W.V. Code § 33-46-4.

#### 4. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement and ten (10) years thereafter or such longer time if required by the Agreement. W.V. Code § 33-46-3(a).
- b) Service Provider shall maintain and make available to Company complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than ten (10) years from the date of their creation or for such longer time if required by the Agreement. W.V. Code § 33-46-5(a).
- c) The West Virginia Insurance Commissioner shall have access to books and records maintained by Service Provider for the purposes of examination, audit and inspection. W.V. Code § 33-46-5(b).
- d) Company shall own the records generated by Service Provider pertaining to Company; however, Service Provider shall retain the right to continuing access to books and records to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company. W.V. Code § 33-46-5(g).

- e) Notwithstanding the provisions of Section 4(b) to the contrary, in the event Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for ten (10) years. In those cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required by Section 4(b). W.V. Code § 33-46-5(h).
- f) In cases where Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, at least semiannually, conduct a review of the operations of Service Provider. At least one such review shall be an on-site audit of the operations of Service Provider. W.V. Code § 33-46-7(c).

## **5. ADVERTISING**

Service Provider may use only advertising pertaining to the business underwritten by Company that has been approved in writing by Company in advance of its use. W.V. Code § 33-46-6.

## **6. RESPONSIBILITIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to the coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It is the sole responsibility of Company to provide for competent administration of its programs. W.V. Code § 33-46-7(a), (b).

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. W.V. Code § 33-46-8.

## **8. COMPENSATION TO SERVICE PROVIDER**

- a) Service Provider may not enter into an agreement or understanding with Company in which the effect is to make the amount of the Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement, and payment of losses covered by the Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Furthermore, this Section 8(a) shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. W.V. Code § 33-46-9. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees, and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. W.V. Code § 33-46-10(c).

## **9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of, and relationship among, Service Provider, the Member, and Company. W.V. Code § 33-46-10(a).

## **10. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to deliver them. W.V. Code § 33-46-11.

## **11. TERMINATION; SUSPENSION**

- a) Company and Service Provider acknowledge and agree that they may, with written notice, terminate the Agreement for cause as provided in the Agreement. Company shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Company and Service Provider. W.V. Code § 33-46-3(c).
- b) Service Provider acknowledges that the West Virginia Insurance Commissioner may suspend or revoke Service Provider's license for one or more of the reasons set forth in W.V. Code § 33-46-17.

## **12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the West Virginia statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## **RHODE ISLAND**

### **ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This Rhode Island Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### **1. APPLICABILITY**

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Rhode Island General Laws (“R.I. Gen. Laws”) § 27-20.7-3 to include the provisions required by R.I. Gen. Laws §§ 27-20.7-1 *et seq.*, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### **2. UNDERWRITING**

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. R.I. Gen. Laws § 27-20.7-3(b).

#### **3. CLAIMS PAYMENT**

The payment of claim payments forwarded by Company to Service Provider shall not be deemed to have been paid to the Member or claimant until the payments are received by the Member or claimant. Nothing in this Section 3 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to the Company, Members, or claimants. R.I. Gen. Laws § 27-20.7-4.

#### **4. MAINTENANCE OF RECORDS**

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. R.I. Gen. Laws § 27-20.7-3(a).
- b) Service Provider shall maintain and make available to Company complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation. R.I. Gen. Laws § 27-20.7-5(a).
- c) The Rhode Island Insurance Commissioner shall have access to books and records maintained by Service Provider for the purposes of examination, audit and inspection. R.I. Gen. Laws § 27-20.7-5(b).
- d) Company shall own the records generated by Service Provider pertaining to Company. Service Provider shall retain the right to continuing access to books and records to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company. R.I. Gen. Laws § 27-20.7-5(g).



- e) Notwithstanding the provisions of Section 4(b) to the contrary, in the event Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required by Section 4(b). R.I. Gen. Laws § 27-20.7-5(h).
- f) In cases where Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, at least semi-annually, conduct a review of the operations of Service Provider. At least one such review shall be an on-site audit of the operations of Service Provider. R.I. Gen. Laws § 27-20.7-7(c).

## **5. ADVERTISING**

Service Provider may use only advertising pertaining to the business underwritten by Company that has been approved in writing by Company in advance of its use. R.I. Gen. Laws § 27-20.7-6.

## **6. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to the coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It is the sole responsibility of Company to provide for competent administration of its programs. R.I. Gen. Laws § 27-20.7-7(a), (b).

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. R.I. Gen. Laws § 27-20.7-8.

## **8. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider shall not enter into any agreement or understanding with Company in which the effect is to make the amount of the Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement, and payment of losses covered by the Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Furthermore, this Section 8(a) shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. R.I. Gen. Laws § 27-20.7-9. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees, and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. R.I. Gen. Laws § 27-20.7-10(c).

## **9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of, and relationship among, Service Provider, the Member, and Company. R.I. Gen. Laws § 27-20.7-10(a).

## **10. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to deliver them. R.I. Gen. Laws § 27-20.7-11.

## **11. TERMINATION; SUSPENSION**

- a) Company and Service Provider acknowledge and agree that they may terminate the Agreement for any cause specified in the Agreement and provide the required notice. Company shall fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Company and Service Provider. R.I. Gen. Laws § 27-20.7-3(c).
- b) Service Provider acknowledges that the Rhode Island Commissioner of Insurance may suspend or revoke Service Provider's license for one or more of the reasons set forth in R.I. Gen. Laws § 27-20.7-15.

## **12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Rhode Island statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## WYOMING

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Wyoming Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Code of Wyoming Rules (“C.W.R.”) § 044-000-004-4 to include the requirements of C.W.R. §§ 044-000-004-4 through 044-000-004-13, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be deemed payment to the Member or claimant until such payments are received by the Member or claimant. Nothing herein shall limit any right of Company against Service Provider resulting from its failure to make payments to Company, Members or claimants. C.W.R. § 044-000-004-5.

#### 3. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of the official records of both parties for the duration of the Agreement and three (3) years thereafter or such longer time if required by the Agreement. C.W.R. § 044-000-004-4.
- b) Service Provider shall maintain at its principal administrative office adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for the duration of the Agreement and three (3) years thereafter or such longer time if required by the Agreement. C.W.R. § 044-000-004-6.
- c) The Wyoming Commissioner of Insurance shall have access to the books and records for the purpose of examination, audit, and inspection. C.W.R. § 044-000-004-6.
- d) Company shall retain the right to continuing access to the books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in such books and records. C.W.R. § 044-000-004-6.
- e) This Section 3 shall not relieve Company of its obligation to maintain books and records of all its insurance transactions for the purpose of examination, audit and inspection by the Wyoming Commissioner of Insurance. C.W.R. § 044-000-004-6.

#### **4. ADVERTISING**

Service Provider may use only such advertising pertaining to the business underwritten by Company as has been approved in writing by Company in advance of its use. C.W.R. § 044-000-004-7.

#### **5. UNDERWRITING**

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. C.W.R. § 044-000-004-8.

#### **6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. C.W.R. § 044-000-004-9.

#### **7. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that, with respect to any policies where Service Provider pays or settles claims, the compensation to Service Provider with regard to such policies shall in no way be contingent on claim experience. This Section 7 shall not prevent the compensation of Service Provider from being based on number of claims paid or processed. C.W.R. § 044-000-004-11. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

#### **8. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, the Member, and Company. C.W.R. § 044-000-004-13.

#### **9. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Wyoming statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## WISCONSIN

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Wisconsin Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Wisconsin Statutes (“Wisc. Stat.”) § 633.04 to include the requirements of Wisc. Stat. §§ 633.04 *et seq.*, except insofar as such requirements are already addressed in the Agreement.

#### 2. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall each retain a copy of the Agreement (as amended from time to time) for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. Wisc. Stat. § 633.04(1).
- b) If a policy is issued to a trust, Service Provider shall retain a copy of the trust agreement for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. Wisc. Stat. § 633.04(2).
- c) Service Provider shall maintain and retain books and records pertaining to Company dating back five (5) years at all times, until delivered to Company by Service Provider or for such longer time if required by the Agreement. Wisc. Stat. § 633.04(4).
- d) The Wisconsin Commissioner of Insurance may examine, audit or accept an audit of the books and records of Service Provider as provided for examination of licensees under Wisc. Stat. § 601.43, to be conducted as provided in Wisc. Stat. § 601.44, and with costs to be paid as provided in Wisc. Stat. § 601.45. Wisc. Stat. § 633.06(1).
- e) Company may inspect the books and records of Service Provider, subject to any restrictions set forth in Wisc. Stat. §§ 146.81 to 146.835 and in the Agreement, for the purpose of enabling Company to fulfill its contractual obligations to Members. Wisc. Stat. § 633.06(2).

#### 3. CLAIMS PAYMENT

The payment of claims by Company to Service Provider is not payment to the Member until the payment is received by the Member. This Section 3 does not limit any right of Company against Service Provider for failure to make payments to Company or the Member. Wisc. Stat. §§ 633.04(3), 633.05.

#### 4. ADVERTISING

Service Provider may not use any advertising for a plan underwritten by Company unless Company approves the advertising in advance. Wisc. Stat. §§ 633.04(5), 633.07.

**5. UNDERWRITING**

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Wisc. Stat. §§ 633.04(6), 633.08.

**6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Wisc. Stat. §§ 633.04(7) and (8), 633.09, 633.10.

**7. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that the commission, fees or charges that Company pays Service Provider for any plan where Service Provider adjusts or settles claims may not be based on the plan's loss experience. This Section 7 does not prohibit compensation based on the number or amount of claims paid or processed by Service Provider. Wisc. Stat. §§ 633.04(9), 633.11. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

**8. NOTICE TO MEMBERS**

Service Provider shall prepare sufficient copies of a written notice approved in advance by Company for distribution to all Members and, as directed by Company, either shall distribute the copies to Members or shall provide the copies to Company for distribution to Members. Service Provider acknowledges and agrees that the written notice shall contain all of the elements in Wisc. Stat. § 633.12(1). Wisc. Stat. §§ 633.04(10), 633.12.

**9. LICENSURE**

Service Provider represents and warrants that it has been licensed as provided in Wisc. Stat. § 633.13(1). Wisc. Stat. § 633.04(11).

**10. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Wisconsin statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## UTAH

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Utah Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Utah Code (“Utah Code”) § 31A-25-301 to include the requirements of Chapter 25 of Title 31A of the Utah Code, except where those requirements are not applicable to the particular functions carried out by Service Provider or are already addressed in the Agreement.

#### 2. BOOKS AND RECORDS

- a) Company has the right of continuing access to those records maintained by Service Provider which permit Company to fulfill all of its contractual obligations to Members. The proprietary rights of the parties in the records are governed by the Agreement. Utah Code § 31A-25-302(1).
- b) Service Provider shall maintain at a location accessible to the Utah Commissioner of Insurance (“Commissioner”) the Agreement and complete books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for at least three (3) years or such longer time if required by the Agreement. Service Provider shall provide copies of the books and records to any successor administrator upon request. Utah Code § 31A-25-302(2).
- c) The Commissioner shall have access to the books and records maintained by Service Provider for the purpose of audit and inspection. Utah Code § 31A-25-302(3).

#### 3. ADVERTISING

Service Provider may use advertising pertaining to the business underwritten by Company only to the extent it has been approved in writing by Company in advance. Utah Code § 31A-25-303(1).

#### 4. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Utah Code § 31A-25-303(2).

#### 5. CLAIMS PAYMENT

The payment of claims by Company to Service Provider is not payment to the Member or claimant. This Section 5 does not limit any right of Company against Service Provider resulting from Service Provider’s failure to make payments to Company, Members or claimants. Utah Code § 31A-25-304.

**6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. Utah Code § 31A-25-305.

**7. DELIVERY OF POLICIES AND COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices, or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to do so. Utah Code § 31A-25-307.

**8. COMPENSATION TO SERVICE PROVIDER**

Service Provider and Company agree that the compensation paid to Service Provider for any policies under which Service Provider adjusts or settles claims may be contingent on claims experience only if Service Provider discloses to Company any conflicts of interest which are present on account of the compensation arrangement. Utah Code § 31A-25-401. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

**9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice to Members advising them of the identity of and relationship among Service Provider, the Member, and Company. This notice shall be approved by the Member and by the Company. S.C.C. § 38-51-120.

**10. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Utah statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.



## **SOUTH CAROLINA**

### **ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This South Carolina Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### **1. APPLICABILITY**

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with South Carolina Code (“S.C.C.”) § 38-51-40 to include the requirements of §§ 38-51-60 through 38-51-110, except insofar as those requirements do not apply to the functions performed by Service Provider or are already addressed in the Agreement.

#### **2. CLAIMS PAYMENT**

The payment of claims by Company to Service Provider is not considered payment to the Member or claimant until the payments are received by the Member or claimant. Nothing herein limits any right of Company against Service Provider resulting from its failure to make payments to Company, Members or claimants. S.C.C. § 38-51-50.

#### **3. BOOKS AND RECORDS**

- a) Service Provider and Company shall retain the Agreement (as amended from time to time) as part of the official records of both parties for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. S.C.C. § 38-51-40.
- b) Service Provider shall maintain at its principal administrative office adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. S.C.C. § 38-51-60.
- c) The South Carolina Director of Insurance (“Director”) or his or her designee shall have access to the books and records for the purpose of examination, audit, and inspection, and information from the records shall be furnished to the Director or his or her designee on demand. S.C.C. § 38-51-60.
- d) Company shall retain the right to continuing access to the books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in such books and records. S.C.C. § 38-51-60.

#### **4. ADVERTISING**

Service Provider may use only the advertising pertaining to the business underwritten by Company as has been approved by Company in advance of its use. S.C.C. § 38-51-70.

**5. UNDERWRITING**

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. S.C.C. § 38-51-80.

**6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. S.C.C. § 38-51-90.

**7. COMPENSATION TO SERVICE PROVIDER**

Service Provider and Company agree that, with respect to any policies where Service Provider adjusts or settles claims, the compensation to Service Provider with regard to these policies may in no way be contingent on claim experience. This Section 7 does not prevent the compensation of Service Provider from being based on number of claims paid or processed. S.C.C. § 38-51-110. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

**8. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, the Member, and Company. S.C.C. § 38-51-120.

**9. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the South Carolina statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## PENNSYLVANIA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Pennsylvania Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Title 40 of the Pennsylvania Statutes (“P.S.”) § 324.5 to include the requirements of §§ 324.1 to 324.13, except insofar as such requirements are already addressed in the Agreement.

#### 2. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be deemed payment to the Member or claimant until the payments are received by the Member or claimant. Nothing in this Section 2 shall limit any right of Company against Service Provider resulting from its failure to make payments to Company, Members or claimants. 40 P.S. § 324.6.

#### 3. MAINTENANCE OF INFORMATION

- a) Service Provider shall retain the Agreement (as amended from time to time) as part of its official records for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. 40 P.S. § 324.5.
- b) Service Provider shall maintain, at its principal administrative office, adequate books and records of all transactions among the parties and Members, for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. 40 P.S. § 324.7.
- c) The Pennsylvania Commissioner of Insurance shall have access to all books and records which are the property of Service Provider for the purpose of examination, audit, inspection and investigation. Expenses incurred by the Department of Insurance in examination of Service Provider shall be paid by Service Provider in the same manner, and in the same amounts, pursuant to the examination provisions of 40 P.S. §§ 324.1 *et seq.* and applicable regulations. 40 P.S. § 324.7.
- d) Company shall retain the right to continuing access to the books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in the books and records. 40 P.S. § 324.7.

#### 4. ADVERTISING

Service Provider may use only advertising or solicitation materials of Members as has been approved in advance by Company. 40 P.S. § 324.8.

**5. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. 40 P.S. § 324.9.

**6. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that, with respect to any contracts where Service Provider administers or settles claims, the compensation to Service Provider with regard to the contracts shall in no way be contingent upon claim experience. This Section 6 shall not prevent the compensation of Service Provider from being based on number of claims paid or processed. 40 P.S. § 324.10. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

**7. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, Members, and Company. 40 P.S. § 324.11.

**8. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Pennsylvania statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## **NORTH DAKOTA**

### **ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This North Dakota Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### **1. APPLICABILITY**

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with North Dakota Century Code (“N.D.C.C.”) § 26.1-27-05 to include the requirements of N.D.C.C. §§ 26.1-27-05, 26.1-27-06, 26.1-27-08, 26.1-27-10, 26.1-27-11, and 26.1-27-12, except insofar as those requirements do not apply to the functions performed by Service Provider or are already addressed in the Agreement.

#### **2. UNDERWRITING**

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. N.D.C.C. § 26.1-27-06(1).

#### **3. ADVERTISING**

Service Provider may use only such advertising pertaining to the business underwritten by Company as has been approved by Company in advance of its use. N.D.C.C. § 26.1-27-06(2).

#### **4. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. N.D.C.C. §§ 26.1-27-06(3), 26.1-27-08.

#### **5. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company, to Members, advising them of the identity of and relationship among Service Provider, the Member, and Company. N.D.C.C. § 26.1-27-07.

#### **6. BASIS OF SERVICE PROVIDER’S COMPENSATION**

Service Provider and Company agree that, with respect to any policies when an administrator adjusts or settles claims, the compensation to Service Provider for the policies shall be in no way contingent on claim experience. This Section 7 does not prevent the compensation of Service Provider from being based on the number of claims paid or processed. N.D.C.C. § 26.1-27-11. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

**7. MAINTENANCE OF INFORMATION**

- a) Service Provider and Company shall retain the Agreement (as amended from time to time) as part of the official records of both parties for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. N.D.C.C. § 26.1-27-05.
- b) Service Provider shall maintain at its principal administrative office adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. N.D.C.C. § 26.1-27-12.
- c) The North Dakota Commissioner of Insurance shall have access to the books and records for the purpose of examination, audit, and inspection. N.D.C.C. § 26.1-27-12.
- d) Company shall retain the right to continuing access to the books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in such books and records. N.D.C.C. § 26.1-27-12.

**8. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the North Dakota statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## NEW MEXICO

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This New Mexico Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with New Mexico Statutes (“N.M.S.”) § 59A-12A-4 to include the requirements of Chapter 59A, Article 12A of N.M.S., except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be deemed payment to the Member or claimant until such payments are received by the Member or claimant. Nothing in this Section 2 shall limit any right of Company against Service Provider resulting from its failure to make payments to Company, Members or claimants. N.M.S. § 59A-12A-5.

#### 3. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of the official records of both parties for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. N.M.S. § 59A-12A-4(A).
- b) Service Provider shall maintain at its principal administrative office adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. N.M.S. § 59A-12A-6.
- c) The New Mexico Superintendent of Insurance shall have access to the books and records for the purpose of examination, audit, and inspection. N.M.S. § 59A-12A-6.
- d) Company shall retain the right to continuing access to the books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members, subject to any restrictions in the Agreement on the proprietary rights of the parties in such books and records. N.M.S. § 59A-12A-6.

#### 4. ADVERTISING

Service Provider may use only such advertising pertaining to the business underwritten by Company as has been approved in writing by Company in advance of its use. N.M.S. § 59A-12A-7.

## **5. UNDERWRITING**

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. N.M.S. § 59A-12A-8.

## **6. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. N.M.S. § 59A-12A-9.

## **7. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that, with respect to any policies where Service Provider adjusts or settles claims, the compensation to Service Provider for such policies shall in no way be contingent on claim experience. This Section 7 does not prevent the compensation of Service Provider from being based on the number of claims paid or processed. N.M.S. § 59A-12A-11. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

## **8. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, the Member, and Company. N.M.S. § 59A-12A-12.

## **9. BUSINESS NAME**

Service Provider shall transact business under its own name and shall not do business in New Mexico under a false or misleading name or under a name that is the same as or that closely resembles the name of any other administrator licensed in New Mexico. N.M.S. § 59A-12A-13.

## **10. CONFIDENTIALITY**

Service Provider agrees to provide for the confidentiality of personal data identifying Members in accordance with N.M.S. § 59A-12A-14.

## **11. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the New Mexico statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.



## NEW HAMPSHIRE

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This New Hampshire Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with New Hampshire Revised Statutes (“N.H.R.S.”) § 402-H:2 to include the provisions of Chapter 402-H of N.H.R.S., except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. N.H.R.S. § 402-H:2(II).

#### 3. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be deemed to have been paid to the Member or claimant until such payments are received by the Member or claimant. Nothing in this Section 3 limits any right of Company against Service Provider resulting from the failure of Service Provider to make payments to Members or claimants. N.H.R.S. § 402-H:3.

#### 4. MAINTENANCE OF INFORMATION

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. N.H.R.S. § 402-H:2(I).
- b) Service Provider shall maintain and make available to Company complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation or such longer time if required by the Agreement. N.H.R.S. § 402-H:4(I).
- c) The New Hampshire Insurance Commissioner shall have access to books and records maintained by Service Provider for the purposes of examination, audit, and inspection. N.H.R.S. § 402-H:4(II).
- d) Company shall own the records generated by Service Provider pertaining to Company; however, Service Provider shall retain the right to continuing access to books and records to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company. N.H.R.S. § 402-H:4(VII).

- e) Notwithstanding the provisions of Section 4(b) to the contrary, if Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for five (5) years. In such cases, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required by Section 4(b) above. N.H.R.S. § 402-H:4(VIII).
- f) In cases in which Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, at least semi-annually, conduct a review of the operations of Service Provider. At least one such review shall be an on-site audit of the operations of Service Provider. N.H.R.S. § 402-H:6(III).

## **5. ADVERTISING**

Service Provider may use only advertising pertaining to the business underwritten by Company that has been approved in writing by Company in advance of its use. N.H.R.S. § 402-H:5.

## **6. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to the coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It is the sole responsibility of Company to provide for competent administration of its programs. N.H.R.S. § 402-H:6.

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. N.H.R.S. § 402-H:7.

## **8. COMPENSATION TO SERVICE PROVIDER**

- a) Service Provider shall not enter into any agreement or understanding with Company in which the effect is to make the amount of the Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement, and payment of losses covered by the Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Furthermore, this Section 8(a) shall not prevent the compensation of Service Provider from being based on the number of claims paid or processed. N.H.R.S. § 402-H:8. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. N.H.R.S. § 402-H:9(III).

## **9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of, and relationship among, Service Provider, the Member, and Company. N.H.R.S. § 402-H:9(I).

## **10. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to deliver them. N.H.R.S. § 402-H:10.

## **11. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the New Hampshire statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## NEBRASKA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Nebraska Addendum ("Addendum") to the Pharmacy Benefit Management Services Agreement ("Agreement") entered into by and between Humana Pharmacy Solutions, Inc. ("Service Provider") and \_\_\_\_\_ ("Company") is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Nebraska Revised Statutes ("N.R.S.") § 44-5803 to include the provisions of N.R.S. §§ 44-5801 through 44-5816, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. N.R.S. § 44-5803(2).

#### 3. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be deemed to have been paid to a Member or claimant until the payment is received by the Member or claimant. Nothing in this Section 3 shall limit any right of Company against Service Provider resulting from the failure of Service Provider to make payments to the Company, Member or claimants. N.R.S. § 44-5804.

#### 4. TRANSACTION RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of the official records of both Company and Service Provider for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. N.R.S. § 44-5803(1).
- b) Service Provider shall maintain and make available to Company complete records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation. In the event that Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new third-party administrator rather than retain them for five (5) years. In such cases, Service Provider shall require the new third-party administrator to acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required by this Section 4(b). N.R.S. § 44-5805(1).
- c) The Nebraska Director of Insurance shall have access to records maintained by Service Provider for the purposes of examination, audit, and inspection. N.R.S. § 44-5805(2)(a).

- d) Company shall own the records generated by Service Provider pertaining to Company; however, Service Provider shall retain the right to continuing access to records to permit Service Provider to fulfill all of its contractual obligations to Members, claimants, and Company. N.R.S. § 44-5805(3).
- e) In cases where Service Provider administers benefits for more than one hundred (100) Members on behalf of Company, Company shall, at least semiannually, conduct a review of the operations of Service Provider. At least one such review shall be an onsite audit of the operations of Service Provider. N.R.S. § 44-5807(3).

## **5. ADVERTISING**

Service Provider shall use only such advertising pertaining to the insurance business underwritten by Company as has been approved in writing by Company in advance of its use. N.R.S. § 33-5806.

## **6. DUTIES OF COMPANY**

- a) Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims-payment procedures and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. N.R.S. § 44-5807(1).
- b) It shall be the sole responsibility of Company to provide for competent administration of its programs. N.R.S. § 44-5807(2).

## **7. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. N.R.S. § 44-5808.

## **8. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider shall not enter into any agreement or understanding with Company in which the effect is to make the amount of Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement, and payment of losses covered by Company's obligations. This Section 8(a) shall not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. Furthermore, this Section 8(a) shall not prohibit Service Provider from receiving compensation based on the number of claims paid or processed. N.R.S. § 44-5809. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.
- b) Service Provider shall disclose to Company all charges, fees, and commissions received in connection with the providing of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. N.R.S. § 44-5810(3).

## **9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, Members, and Company. N.R.S. § 44-5810(1).

**10. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, contracts, certificates, booklets, termination notices, or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after Service Provider's receipt of instructions from Company to deliver them. N.R.S. § 44-5811.

**11. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Nebraska statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## MONTANA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Montana Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Montana Code Annotated (“M.C.A.”) § 33-17-602 to include the requirements of M.C.A. §§ 33-17-612 through 33-17-617, insofar as these requirements relate to the functions performed by Service Provider under the Agreement or are not already addressed in the Agreement.

#### 2. UNDERWRITING

The parties agree that Service Provider does not provide any underwriting services to Company. Company understands and agrees that all underwriting decisions pertaining to the Plans are solely the responsibility of Company. M.C.A. § 33-17-602(2).

#### 3. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of the official records of Service Provider and Company for the duration of the Agreement and for five (5) years thereafter or such longer time if required by the Agreement. M.C.A. § 33-17-602(1).
- b) Service Provider shall maintain at its principal administrative office adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for the duration of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. M.C.A. § 33-17-611.
- c) The Montana Commissioner of Securities and Insurance shall have access to the books and records maintained by Service Provider for examination, audit, or inspection. M.C.A. § 33-17-611.
- d) Company shall retain the right to continuing access to the books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members. M.C.A. § 33-17-611.

#### 4. ADVERTISING

Service Provider may use only such advertising pertaining to the business underwritten by Company as is approved by Company in advance of its use. M.C.A. § 33-17-612.

**5. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums. M.C.A. § 33-17-613.

**6. CLAIMS PAYMENT**

The payment of claims by Company to Service Provider shall not be considered payment to a Member or claimant until the payments are received by the Member or claimant. This Section 6 shall not limit any right of Company against Service Provider resulting from Service Provider's failure to make payments to Members or claimants. M.C.A. § 33-17-614.

**7. DELIVERY OF DOCUMENTS**

Service Provider agrees that any policies, certificates, booklets, termination notices, or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after receipt of instructions from Company to do so. M.C.A. § 33-17-616.

**8. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that, with respect to any policies where Service Provider adjusts or settles claims, the compensation to Service Provider with regard to the policies shall in no way be contingent on claim experience. This Section 8 does not prevent the compensation of Service Provider from being based on the number of claims paid or processed. M.C.A. § 33-17-617. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

**9. NOTICE TO MEMBERS**

Service Provider shall provide a written notice, approved by Company, to Members, advising them of the identity of and relationship among Service Provider, Members, and Company. M.C.A. § 33-17-618.

**10. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Montana statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.



## FLORIDA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Florida Addendum ("Addendum") to the Pharmacy Benefit Management Services Agreement ("Agreement") entered into by and among Humana Pharmacy Solutions, Inc. ("Service Provider") and \_\_\_\_\_ ("Company") is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Chapter 626, Part VII, Florida Statutes ("Fla. Stat."), and in particular § 626.882 thereof to include the requirements of Fla. Stat. §§ 626.883 through 626.888, to the extent that such requirements are applicable to the services provided by Service Provider under the Agreement and are not already addressed in the Agreement.

#### 2. UNDERWRITING

- a) The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Fla. Stat. § 626.882(2)(b).
- b) Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to coverage under the Plan and for securing any reinsurance. Company shall provide its rules pertaining to these matters to Service Provider in writing, as and when needed. Fla. Stat. § 626.881(1).

#### 3. PREMIUM PAYMENTS

Company and Service Provider acknowledge that Service Provider shall not collect any premiums or charges for insurance. Nevertheless, if payment of any such premium or charge on behalf of a Member is remitted to or received by Service Provider, such payment shall be deemed to have been received by Company upon Service Provider's receipt thereof, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. Fla. Stat. § 626.883.

#### 4. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as from time to time amended) and adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance recordkeeping, for the term of the Agreement and five (5) years thereafter or longer if required by the Agreement. Fla. Stat. §§ 626.882(3), 626.884(1).
- b) The Florida Office of Insurance Regulation shall have access to the books and records for the purpose of examination, audit, and inspection. Fla. Stat. § 626.884(2).
- c) Company shall retain the right to continuing access to the books and records maintained by Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members. Fla. Stat. § 626.884(3).

**5. DISCLOSURES TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, Members, and Company. Fla. Stat. § 626.885(1).

**6. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications for delivery to Members shall be delivered by Service Provider promptly after Service Provider's receipt of instructions from Company to deliver them. Fla. Stat. § 626.886.

**7. ADVERTISING; APPROVAL BY COMPANY**

Service Provider may use only advertising pertaining to the business underwritten by Company as has been approved in writing by Company in advance of its use. Fla. Stat. § 626.887.

**8. ADJUSTMENT OR SETTLEMENT OF CLAIMS; COMPENSATION OF ADMINISTRATOR**

Service Provider and Company agree that, for any policies as to which Service Provider adjusts or settles claims, the compensation that is payable to Service Provider under the Agreement shall in no way be contingent on claim experience. Fla. Stat. § 626.888. This provision shall not operate or be construed as authorization for Service Company to adjust or settle any claims except as the Agreement otherwise expressly provides.

**9. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Florida statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## TENNESSEE

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Tennessee Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Tennessee Code (“Tenn. Code”) § 56-6-402 to include the requirements of Tenn. Code §§ 56-6-404 through 56-6-408, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

#### 2. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be deemed payment to the insured or claimant until the payments are received by the insured or claimant. Nothing in this Section 2 shall limit any right of Company against Service Provider resulting from its failure to make payments to Company, insureds or claimants. Tenn. Code § 56-6-403.

#### 3. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the term of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. Tenn. Code § 56-6-402(a).
- b) Service Provider shall maintain at its principal administrative office adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for the term of the Agreement and five (5) years thereafter or longer if required by the Agreement. Tenn. Code § 56-6-404(a).
- c) The Tennessee Commissioner of Insurance shall have access to the books and records maintained by Service Provider for the purpose of examination, audit, and inspection. Tenn. Code § 56-6-404(a).
- d) Company shall retain the right to continuing access to the books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members. Tenn. Code § 56-6-404(c).

#### 4. ADVERTISING

Service Provider may use only advertising pertaining to the business underwritten by Company that has been approved by Company in advance of its use. Tenn. Code § 56-6-405.

**5. UNDERWRITING**

The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Tenn. Code § 56-6-402(c).

**6. PREMIUM PAYMENTS**

Service Provider and Company acknowledge that Service Provider does not collect insurance charges or premiums. Nevertheless, if payment of any such charge or premium on behalf of a Member is remitted to or received by Service Provider, such payment shall be deemed to have been received by Company upon Service Provider's receipt thereof, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. Tenn. Code § 56-6-406.

**7. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that, with respect to any policies where Service Provider adjusts or settles claims, the compensation to Service Provider with regard to the policies shall in no way be contingent on claim experience. Tenn. Code § 56-6-408(a). This provision shall not operate or be construed as authorization for Service Company to adjust or settle any claims except as the Agreement otherwise expressly provides.

**8. DISCLOSURES TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, Members, and Company. Tenn. Code § 56-6-409.

**9. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Tennessee statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## SOUTH DAKOTA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This South Dakota Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with South Dakota Codified Laws (“S.D.C.L.”) § 58-29D-4 to include the provisions of Chapter 29D of Title 58 of the S.D.C.L., except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are not already addressed in the Agreement.

#### 2. UNDERWRITING

The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. S.D.C.L. § 58-29D-5.

#### 3. TERMINATION; NOTICE OF TERMINATION OR AMENDMENT

Company shall file any notice of termination of the Agreement and the reason for termination with the South Dakota Director of Insurance within thirty (30) days of such termination. S.D.C.L. § 58-29D-6.

#### 4. CLAIMS PAYMENT

The payment of claim payments forwarded by Company to Service Provider shall not be deemed to have been paid to the Member or claimant until such payments are received by the insured party or claimant. Nothing in this section shall limit any right of Company against Service Provider resulting from the failure of Service Provider to make payments to the Members or claimants. S.D.C.L. § 58-29D-7.

#### 5. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the term of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. S.D.C.L. § 58-29D-4.
- b) Service Provider shall maintain and make available to Company the complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of not less than five (5) years from the date of their creation. S.D.C.L. § 58-29D-8.
- c) The South Dakota Director of Insurance shall have access to the books and records maintained by Service Provider for the purpose of examination, audit, and inspection. S.D.C.L. § 58-29D-9.
- d) Company shall own the records generated by Service Provider pertaining to Company, provided that Service Provider shall retain the right to continuing access to the books and records to permit

Service Provider to fulfill all of its contractual obligations to insured parties, claimants, and Company. S.D.C.L. § 58-29D-10.

- e) Notwithstanding the provisions of Section 5(b) to the contrary, in the event that Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for five (5) years. In such case, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records for Service Provider as required by Section 5(b) above. S.D.C.L. § 58-29D-11.
- f) In cases where Service Provider administers benefits for more than one hundred (100) Members, Company shall, at least semiannually, conduct a review of the operations of Service Provider. At least one such review shall be an on-site audit of the operations of Service Provider. S.D.C.L. § 58-29D-13.

## **6. ADVERTISING**

Service Provider may use only such advertising pertaining to the business underwritten by Company as has been approved in writing by Company in advance of its use. S.D.C.L. § 58-29D-12.

## **7. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It is the sole responsibility of Company to provide for competent administration of its programs. S.D.C.L. § 58-29D-13.

## **8. PREMIUM PAYMENTS**

Company and Service Provider acknowledge that Service Provider shall not collect insurance charges or premiums. Nevertheless, if payment of any such premium or charge on behalf of a Member is remitted to or received by Service Provider, such payment shall be deemed to have been received by Company upon Service Provider's receipt thereof, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. S.D.C.L. §§ 58-29D-14 to 17.

## **9. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company for delivery to Members shall be delivered by Service Provider promptly after Service Provider's receipt of instructions from Company to deliver them. S.D.C.L. § 58-29D-20.

## **10. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider may not enter into any agreement or understanding with Company in which the effect is to make the amount of the Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement, and payment of losses covered by the Company's obligations. S.D.C.L. § 58-29D-18.

- b) Service Provider shall disclose to Company all charges, fees, and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. S.D.C.L. § 58-29D-19.

#### **11. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of, and relationship among, Service Provider, Members, and Company. S.D.C.L. § 58-29D-19.

#### **12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the South Dakota statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## **NORTH CAROLINA**

### **ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This North Carolina Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### **1. APPLICABILITY**

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with North Carolina General Statutes (“N.C. Gen. Stat.”) § 58-56-6 to include the provisions of Article 56 of Chapter 58 of the N.C. Gen. Stat., to the extent that those requirements apply to the functions performed by Service Provider under the Agreement and such requirements are not already addressed in the Agreement.

#### **2. UNDERWRITING**

The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. N.C. Gen. Stat. § 58-56-6(b).

#### **3. CLAIMS PAYMENT**

The payment of claim payments forwarded by Company to Service Provider shall not be considered payment to the Member or claimant until such payments are received by the Member or claimant. This section shall not limit any right of Company against Service Provider resulting from its failure of Service Provider to make payments to Company, Members or claimants. N.C. Gen. Stat. § 58-56-11.

#### **4. BOOKS AND RECORDS**

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of their official records for the term of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. N.C. Gen. Stat. § 58-56-6(a).
- b) Service Provider shall maintain and make available to Company the complete books and records of all transactions performed on behalf of Company, in accordance with prudent standards of insurance record keeping, for a period of at least five (5) years after the date of their creation. N.C. Gen. Stat. § 58-56-16(a).
- c) The North Carolina Commissioner of Insurance (“Commissioner”) shall have access to the books and records maintained by Service Provider for the purpose of examination, audit, and inspection. N.C. Gen. Stat. § 58-56-16(b).
- d) Company shall own the records generated by Service Provider pertaining to Company, provided that Service Provider shall retain the right to continuing access to the books and records to permit Service Provider to fulfill all of its contractual obligations to the Members, claimants, and Company. N.C. Gen. Stat. § 58-56-16(c).



- e) Notwithstanding the provisions of Section 4(b) to the contrary, in the event that Company and Service Provider cancel the Agreement, Service Provider may, by written agreement with Company, transfer all records to a new administrator rather than retain them for five (5) years. In this case, the new administrator shall acknowledge, in writing, that it is responsible for retaining the records of Service Provider as required by Section 4(b) above. N.C. Gen. Stat. § 58-56-16(d).
- f) In cases where Service Provider administers benefits for more than one hundred (100) Members, Company shall, at least semiannually, conduct a review of the operations of Service Provider. At least one semiannual review shall be an on-site audit of the operations of Service Provider. On July 1, 2010, and annually thereafter, Company shall file with the Commissioner a certification of completion of the audits as required by this Section 4(f) and performed during the previous calendar year, in the format, content, and manner as specified by the Commissioner. Company shall maintain in its corporate records documentation of the audits conducted to support its certification of audits for a period of five (5) years or, if Company is a domestic insurer, until the completion of the next quinquennial examination. N.C. Gen. Stat. § 58-56-26(c).

## **5. ADVERTISING**

Service Provider may use only the advertising relating to the business underwritten by Company that has been approved in writing by Company in advance of its use. N.C. Gen. Stat. § 58-56-21.

## **6. DUTIES OF COMPANY**

Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to such coverage and for securing reinsurance, if any. The rules pertaining to these matters shall be provided, in writing, by Company to Service Provider. The responsibilities of Service Provider as to any of these matters shall be set forth in the Agreement. It is the sole responsibility of Company to provide for competent administration of its programs. N.C. Gen. Stat. § 58-56-26.

## **7. PREMIUM PAYMENTS**

Company and Service Provider acknowledge that Service Provider shall not collect insurance charges or premiums. Nevertheless, if payment of any such premium or charge on behalf of a Member is remitted to or received by Service Provider, such payment shall be considered to have been received by Company upon Service Provider's receipt thereof, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. N.C. Gen. Stat. § 58-56-31.

## **8. DELIVERY OF MATERIALS TO MEMBERS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company for delivery to Members shall be delivered by Service Provider promptly after Service Provider's receipt of instructions from Company to deliver them. N.C. Gen. Stat. § 58-56-46.

## **9. BASIS OF SERVICE PROVIDER'S COMPENSATION**

- a) Service Provider shall not enter into any agreement or understanding with Company that makes the amount of the Service Provider's commissions, fees, or charges contingent upon savings effected in the adjustment, settlement, and payment of losses covered by the Company's

obligations. This Section 9(a) does not prohibit Service Provider from receiving performance-based compensation for providing hospital or other auditing services. N.C. Gen. Stat. § 58-56-36.

- b) Service Provider shall disclose to Company all charges, fees, and commissions received from all services in connection with the provision of administrative services for Company, including any fees or commissions paid by insurers providing reinsurance. N.C. Gen. Stat. § 58-56-41(c).

#### **10. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of, and relationship among, Service Provider, Members, and Company. N.C. Gen. Stat. § 58-56-41(a).

#### **11. TERMINATION; SUSPENSION**

- a) Company and Service Provider acknowledge and agree that they may terminate the Agreement for any cause specified in the Agreement and shall provide the required notice. Company must fulfill any lawful obligations with respect to policies affected by the Agreement, regardless of any dispute between Company and Service Provider. N.C. Gen. Stat. § 58-56-6(c).
- b) Service Provider acknowledges that the Commissioner may suspend or revoke Service Provider's license for one or more of the reasons set forth in N.C. Gen. Stat. § 58-56-66.

#### **12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the North Carolina statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## MICHIGAN

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Michigan Addendum ("Addendum") to the Pharmacy Benefit Management Services Agreement ("Agreement") entered into by and between Humana Pharmacy Solutions, Inc. ("Service Provider") and \_\_\_\_\_ ("Company") is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Michigan Compiled Laws ("M.C.L.") § 550.930 to include the requirements mandated by M.C.L. §§ 550.930 *et seq.*

#### 2. BOOKS AND RECORDS

For the duration of the Agreement, Service Provider shall maintain at its principal administrative office its books and records of all transactions under the Agreement in accordance with generally accepted accounting principles or as required by the Employee Retirement Income Security Act of 1974, as amended, Public Law 93-406, 88 Stat. 829. M.C.L. § 550.930(1).

#### 3. FIDUCIARY

Service Provider acknowledges that it is a fiduciary when collecting, expending, and maintaining money for the payment of claims pursuant to the Agreement. M.C.L. § 550.930(2).

#### 4. WRITTEN NOTICE TO MEMBERS

Company shall provide written notice to each Member containing the following information:

- a) What benefits are being provided;
- b) Of changes in benefits;
- c) The fact that Members are not insured or are only partially insured, as the case may be;
- d) If the Plan is not insured, the fact that in the event the Plan or the Plan sponsor does not ultimately pay medical expenses that are eligible for payment under the Plan for any reason, Members may be liable for those expenses;
- e) The fact that Service Provider merely processes prescription claims and does not insure that any medical or prescription expenses of Members will be paid; and
- f) The fact that complete and proper claims made by Members will be promptly processed but that in the event there are delays in processing claims, Members shall have no greater rights to interest or other remedies against Service Provider than as otherwise afforded them by law. M.C.L. § 550.932(1).

The written notice required by this Section 4 shall be prominently displayed in the summary plan description or in a separate document. The notice shall be communicated to Members within sixty (60)

days after becoming covered, upon each republication of the summary plan description, and in any case not less than every five (5) years in a manner calculated to be received and understood by the average Member. M.C.L. § 550.932(2).

## **5. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Michigan statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## CALIFORNIA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This California Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with California Insurance Code (“C.I.C.”) § 1759.1 to include the requirements of C.I.C. §§ 1759.2 through 1759.8, except insofar as those requirements do not apply to the functions provided by Service Provider under the Agreement and are not already addressed in the Agreement.

#### 2. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be deemed payment to the Member or claimant until such payments are received by the Member or claimant. Nothing herein shall limit any right of Company against Service Provider resulting from its failure to make payments to the Members or claimants. C.I.C. § 1759.2.

#### 3. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) and the books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for the term of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. C.I.C. §§ 1759.1, 1759.3(a).
- b) The California Insurance Commissioner shall have access to the books and records maintained by Service Provider for the purpose of examination, audit, and inspection. C.I.C. § 1759.3(b).
- c) Company shall retain the right to continuing access to the books and records maintained by Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members. C.I.C. § 1759.3(a).

#### 4. ADVERTISING

Service Provider may use only such advertising relating to the business underwritten by Company as has been approved in writing by Company in advance of its use. C.I.C. § 1759.4.

#### 5. UNDERWRITING

The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. C.I.C. § 1759.5.

**6. PREMIUM PAYMENTS**

Service Provider and Company acknowledge that Service Provider does not collect insurance charges or premiums. Nevertheless, if payment of any such charge or premium on behalf of a Member is remitted to or received by Service Provider, such payment shall be deemed to have been received by Company upon Service Provider's receipt thereof, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. C.I.C. § 1759.6.

**7. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that, with respect to any policies where Service Provider adjusts or settles claims, the compensation to Service Provider with regard to such policies shall in no way be contingent on claim experience. C.I.C. § 1759.8. This provision shall not operate or be construed as authorization for Service Company to adjust or settle any claims except as the Agreement otherwise expressly provides.

**8. DISCLOSURES TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, Member, and Company. C.I.C. § 1759.9.

**9. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the California statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## ARKANSAS

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Arkansas Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Arkansas Code (“A.C.”) § 23-92-202 to permit Service Provider to act as a third party administrator; provided, however, that this Addendum applies only to the extent that Company is a self-insured plan or trust or offers one or more administrative services only contracts that are administered by Service Provider under the Agreement and this Addendum.

#### 2. PREMIUM PAYMENTS

Company and Service Provider acknowledge that Service Provider shall not collect insurance premiums or charges. Nevertheless, in the event that a payment of any such premium or charge by a Member is received by Service Provider, such payment shall be presumed to have been received by Company, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. A.C. §§ 23-92-205(a), 23-92-206.

#### 3. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be presumed to have been paid to the Member or a claimant until the payment is received by the Member or a claimant. A.C. § 23-92-205(b).

#### 4. BOOKS AND RECORDS

- a) Service Provider shall maintain the Agreement (as amended from time to time) and acknowledges and agrees that the Agreement is subject to review by the Arkansas Insurance Commissioner. A.C. § 23-92-202.
- b) Service Provider shall maintain at its principal administrative office adequate books and records of all transactions among Service Provider, Company, self-insured plans, trusts and Members, in accordance with prudent standards of insurance record keeping, for the term of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. A.C. § 23-92-207(a).
- c) The Arkansas Insurance Commissioner shall have access to the books and records maintained by Service Provider for the purpose of examination, audit, and inspection. A.C. § 23-92-207(b).

#### 5. BASIS OF SERVICE PROVIDER’S COMPENSATION

The parties acknowledge and agree that the basis for the compensation for Service Provider set forth in the Agreement is fair and equitable. A.C. § 23-92-208.

**6. BOND**

Service Provider acknowledges and agrees that it maintain a bond in favor of the people of the State of Arkansas in accordance with the provisions set forth in A.C. § 23-92-204.

**7. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Arkansas statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.



## ARIZONA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Arizona Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and between Humana Pharmacy Solutions, Inc. (“Service Provider”) and \_\_\_\_\_ (“Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Arizona Revised Statutes (“A.R.S.”) § 20-485.01 to include the requirements of A.R.S. §§ 20-485.03 through 20-485.10, to the extent that such requirements are applicable to the services provided by Service Provider under the Agreement and are not already addressed in the Agreement.

#### 2. TERMINATION; NOTICE OF TERMINATION OR AMENDMENT

Company shall provide at least thirty (30) days’ written notice to Service Provider before terminating or canceling the Agreement; provided, however, Company shall only terminate the Agreement in accordance with the Agreement. Company shall provide at least fifteen (15) days’ written notice to the Arizona Department of Insurance before terminating, canceling or making any other change in the Agreement. A.R.S. § 20-485.01(B).

#### 3. CLAIMS PAYMENT

The payment of claims by Company to Service Provider shall not be deemed payment to Member or a claimant until such payments are received by Member or a claimant. Nothing herein shall limit any right of Company against Service Provider resulting from its failure to make payments to Member or a claimant. A.R.S. § 20-485.02.

#### 4. BOOKS AND RECORDS

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) and the books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance record keeping, for the term of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. A.R.S. §§ 20-485.01(A), 20-485.03(A).
- b) The Arizona Department of Insurance shall have access to the books and records maintained by Service Provider for the purpose of examination, audit, and inspection. A.R.S. § 20-485.03(B).
- c) Company shall retain the right of continuing access to the books and records maintained by Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members. A.R.S. § 20-485.03(E).

**5. ADVERTISING**

Service Provider may use only such advertising relating to the business underwritten by Company as has been approved in writing by Company in advance of its use. A.R.S. § 20-485.04.

**6. UNDERWRITING**

The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. A.R.S. § 20-485.05.

**7. PREMIUM PAYMENTS**

Company and Service Provider acknowledge that Service Provider shall not collect insurance charges or premiums. Nevertheless, if payment of any such charges or premiums is remitted to or received by Service Provider, such payment shall be deemed to have been received by Company upon Service Provider's receipt thereof, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. A.R.S. § 20-485.06.

**8. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications delivered by Company to Service Provider for delivery to Members shall be delivered by Service Provider promptly after Service Provider's receipt of instructions from Company to do so. A.R.S. § 20-485.08.

**9. BASIS OF SERVICE PROVIDER'S COMPENSATION**

Service Provider and Company agree that the compensation to Service Provider for any policies where Service Provider adjusts or settles claims shall in no way be contingent on claim experience. A.R.S. § 20-485.09. This provision shall not operate or be construed as authorization for Service Provider to adjust or settle any claims except as the Agreement otherwise expressly provides.

**10. SURETY BOND**

Service Provider acknowledges and agrees that it shall possess and maintain a surety bond in favor of the State of Arizona in accordance with the provisions set forth in A.R.S. § 20-485.10.

**11. NOTICE TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, Members, and Company. A.R.S. § 20-485.11.

**12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Arizona statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in

this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## NEVADA

### ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT

This Nevada Addendum ("Addendum") to the Pharmacy Benefit Management Services Agreement ("Agreement") entered into by and between Humana Pharmacy Solutions, Inc. ("Service Provider") and \_\_\_\_\_ ("Company") is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

#### 1. APPLICABILITY

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Nevada Revised Statutes ("N.R.S.") § 683A.086 to include the requirements of N.R.S. §§ 683A.08522 to 683A.08528, 683A.087 to 683A.0883, and 683A.0892, which apply to the services provided by Service Provider under the Agreement and are not already addressed in the Agreement.

#### 2. TERMINATION; SUSPENSION; NOTICE OF TERMINATION TO COMMISSIONER

- a) Company and Service Provider acknowledge and agree that they may terminate the Agreement for any cause specified in the Agreement and provide the required notice; provided that the party terminating the Agreement provides the Nevada Insurance Commissioner with written notice of termination. Company may suspend the authority of Service Provider while any dispute regarding the cause for termination is pending. Company shall perform any obligations with respect to the policies affected by the Agreement regardless of any dispute with Service Provider. N.R.S. § 683A.086.6.
- b) Service Provider acknowledges that the Nevada Insurance Commissioner may suspend or revoke Service Provider's certificate of registration for one or more of the reasons set forth in N.R.S. § 683A.0892.

#### 3. ADVERTISING

Service Provider may advertise the insurance which Service Provider administers only after Service Provider receives the approval of Company. N.R.S. § 683A.087.

#### 4. RECORDS MAINTENANCE

- a) Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) for the term of the Agreement and five (5) years thereafter or such longer time if required by the Agreement. N.R.S. § 683A.086.3.
- b) Service Provider shall maintain at its principal office adequate books and records of all transactions among Service Provider, Company, and Members. Such books and records shall be maintained in accordance with prudent standards of recordkeeping for insurance and with regulations of the Nevada Insurance Commissioner for a period of five (5) years after the transaction to which they relate or longer if required by the Agreement. After the five (5) year period, Service Provider may remove the books and records from Nevada, store the contents of the books and records on microfilm, or return them to Company. N.R.S. § 683A.0873.1.

- c) Service Provider acknowledges and agrees that the Nevada Insurance Commissioner may examine, audit and inspect books and records maintained by Service Provider under the Agreement to carry out the provisions of N.R.S. §§ 679.230 to 679.300, inclusive. N.R.S. § 683A.0873.2.
- d) The names and addresses of Members and any other material identifying Members which is in the books and records of Service Provider are confidential except as otherwise provided in N.R.S. § 239.0115 and except when used in proceedings against Service Provider. N.R.S. § 683A.0873.3.
- e) Company may inspect and examine all books and records maintained by Service Provider to the extent necessary to fulfill all contractual obligations to Members, subject to restrictions in the Agreement. N.R.S. § 683A.0873.4.

## **5. FIDUCIARY ACCOUNTS**

Company and Service Provider acknowledge that Service Provider shall not collect insurance charges or premiums. Nevertheless, if payment of any such premium or charge on behalf of a Member is remitted to or received by the Service Provider, such payment shall be deemed to have been received by the Company upon Service Provider's receipt thereof, and Service Provider shall remit such funds to the Company or other person entitled thereto within fifteen (15) days of Service Provider's receipt. N.R.S. § 683A.0877.1-7.

## **6. CLAIMS COVERAGE**

- a) Except as otherwise provided in subsection 6(b) of this Addendum, Service Provider shall approve or deny a claim relating to health insurance coverage within thirty (30) days after Service Provider receives the claim. If the claim is approved, Service Provider shall pay the claim within thirty (30) days after it is approved. Except as otherwise provided in this subsection, if the approved claim is not paid within that period, Service Provider shall pay interest on the claim at the rate of interest equal to the prime rate at the largest bank in Nevada, as ascertained by the Commissioner of Financial Institutions, on January 1 or July 1, as the case may be, immediately preceding the date on which the payment was due, plus six percent (6%). The interest must be calculated from thirty (30) days after the date on which the claim is approved until the date on which the claim is paid. N.R.S. § 683A.0879.1.
- b) If Service Provider requires additional information to determine whether to approve or deny the claim, Service Provider shall notify the claimant of Service Provider's request for the additional information within twenty (20) days after receiving the claim. Service Provider shall notify the provider of health care of all the specific reasons for the delay in approving or denying the claim. Service Provider shall approve or deny the claim within thirty (30) days after receiving the additional information. If the claim is approved, Service Provider shall pay the claim within thirty (30) days after receiving the additional information. If the approved claim is not paid within that period, Service Provider shall pay interest on the claim in the manner prescribed in subsection 6(a) of this Addendum and in accordance with the terms and conditions of the Agreement. N.R.S. § 683A.0879.2.
- c) Service Provider shall not request a claimant to resubmit information that the claimant has already provided to Service Provider, unless Service Provider provides a legitimate reason for the request and the purpose of the request is not to delay the payment of the claim, harass the claimant or discourage the filing of claims. N.R.S. § 683A.0879.3.

- d) Service Provider shall not pay only part of a claim that has been approved and is fully payable. N.R.S. § 683A.0879.4.
- e) A court shall award costs and reasonable attorney's fees to the prevailing party in an action brought pursuant to N.R.S. § 683A.0879. N.R.S. § 683A.0879.5.

## **7. CLAIMS PAYMENT**

Company and Service Provider acknowledge that Service Provider does not pay a claim from money collected for or on behalf of Company; provided, however, that if Service Provider should pay a claim from money collected for or on behalf of Company, Service provider shall pay such claim by a check or draft upon and as authorized by Company. N.R.S. § 683A.088.

## **8. COMPENSATION**

- a) The compensation paid to Service Provider for its services may be based upon any basis agreed upon by Service Provider and Company, except as provided in subsection (b) below. N.R.S. § 683A.0883.1.
- b) Compensation paid to Service Provider shall not be based upon or contingent upon: (i) the claim experience of the policies that Service Provider handles; or (ii) the savings realized by Service Provider by adjusting, settling or paying the losses covered by Company. N.R.S. § 683A.0883.2. This provision shall not operate or be construed as authorization for Service Company to adjust or settle any claims except as the Agreement otherwise expressly provides.

## **9. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Nevada statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## **SECOND AMENDMENT TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This **Second Amendment** (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended by that First Amendment effective January 1, 2012 (“Agreement”), is made and entered into on January 1, 2013 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the “Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

### **WITNESSETH**

**WHEREAS**, Repository and Company entered into the Agreement pursuant to which the Company retained the services of the Service Provider and its affiliates to provide management services in connection with Company’s Medicaid Prescription Drug Benefits Program (“Medicaid Prescription Drug Program”); and

**WHEREAS**, the Agreement between Repository and Company was effective January 1, 2012; and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree as follows:

1. The Agreement is amended to reflect that Humana Pharmacy Solutions, Inc. is a Kentucky corporation.
2. The Agreement is amended by revising Section 2 of Schedule B-1 as follows:
  2. Base Service Provider Service Fees

The fees payable by the Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the “Fee”) as follows: \$1.05 for the period January 1, 2013 through April 30, 2013, and \$1.16 for the period May 1, 2013 through December 31, 2013. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

This fee does not include the services listed in Section 3 below, which will be invoiced at the amount indicated.

3. Section 3.14 of Schedule B-1 is deleted in its entirety and replace as follows:

3.14 Network Access Fees – Service Provider will transfer 100% of the amounts collected from Participating Pharmacies for network access fees and any other post-adjudication fees to the Company.

**CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

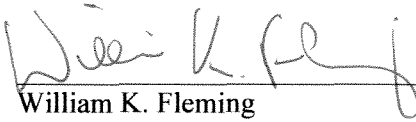
**EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

*[Remainder of page left intentionally blank.]*




**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2013.

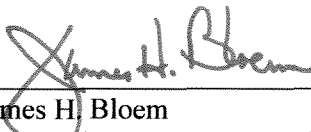
**“SERVICE PROVIDER”**

BY:   
William K. Fleming  
ITS: Vice President

**“COMPANY”**

BY:   
Joan O. Lenahan  
ITS: Vice President & Corporate Secretary

**“REPOSITORY”**

BY:   
James H. Bloem  
ITS: Senior Vice President, Chief Financial Officer & Treasurer

### **THIRD AMENDMENT TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This **Third Amendment** (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended (“Agreement”), is made and entered into on January 1, 2013 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the “Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

#### **WITNESSETH**

**WHEREAS**, Repository and Company entered into the Agreement pursuant to which the Company retained the services of the Service Provider and its affiliates to provide management services in connection with Company’s Medicaid Prescription Drug Benefits Program (“Medicaid Prescription Drug Program”); and

**WHEREAS**, the Agreement between Repository and Company was effective January 1, 2012; and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree as follows:

1. The Agreement is amended by revising Section 2 of Schedule B-1 as follows:

2. Base Service Provider Service Fees

The fees payable by the Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the “Fee”) as follows: \$1.05 for the period January 1, 2013 through December 31, 2013. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

The Base Service Provider Service Fees shall include 100% of the Network Access Fee collected from Participating Pharmacies.

This fee does not include the services listed in Section 3 below, which will be invoiced at the amount indicated.

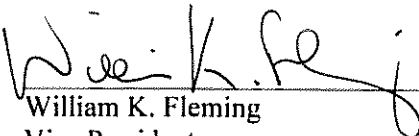
**CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

**EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.


*[Remainder of page left intentionally blank.]*

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2013.

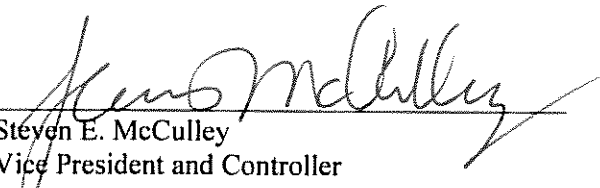
**“SERVICE PROVIDER”**

BY:   
William K. Fleming  
ITS: Vice President

**“COMPANY”**

BY:   
Joan O. Lenahan  
ITS: Vice President & Corporate Secretary

**“REPOSITORY”**

BY:   
Steven E. McCulley  
ITS: Vice President and Controller

## **FOURTH AMENDMENT TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This **Fourth Amendment** ("Amendment") to the Pharmacy Benefit Management Services Agreement, as amended ("Agreement"), is made and entered into on January 1, 2014 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the "Company"), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the "Service Provider"), and Humana Inc., a Delaware corporation, as repository ("Repository").

### **WITNESSETH**

**WHEREAS**, Repository and Company entered into the Agreement pursuant to which the Company retained the services of the Service Provider and its affiliates to provide management services in connection with Company's Medicaid Prescription Drug Benefits Program ("Medicaid Prescription Drug Program"); and

**WHEREAS**, the Agreement between Repository and Company was effective January 1, 2012; and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree as follows:

1. The Agreement is amended by revising Section 2 of Schedule B-1 as follows:

2. **Base Service Provider Service Fees**

Effective January 1, 2014, the fees payable by the Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the "Fee") as set forth below. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

Medicaid	\$1.25 per 30 day equivalent prescription
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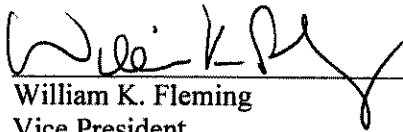
**CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

**EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

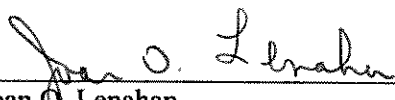
*[Remainder of page left intentionally blank.]*

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2014.

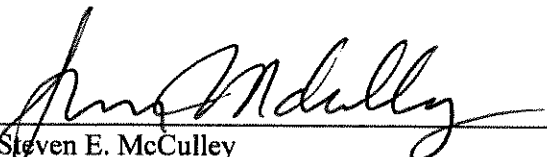
**“SERVICE PROVIDER”**

BY:   
William K. Fleming  
ITS: Vice President

**“COMPANY”**

BY:   
Joan O. Lenahan  
ITS: Vice President & Corporate Secretary

**“REPOSITORY”**

BY:   
Steven E. McCulley  
ITS: Vice President and Controller

## **FIFTH AMENDMENT TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This **Fifth Amendment** ("Amendment") to the Pharmacy Benefit Management Services Agreement, as amended ("Agreement"), is made and entered into on January 1, 2015 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the "Company"), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the "Service Provider"), and Humana Inc., a Delaware corporation, as repository ("Repository").

### **WITNESSETH**

**WHEREAS**, Repository and Company entered into the Agreement pursuant to which the Company retained the services of the Service Provider and its affiliates to provide management services in connection with Company's Medicaid Prescription Drug Benefits Program ("Medicaid Prescription Drug Program"); and

**WHEREAS**, the Agreement between Repository and Company was effective January 1, 2012; and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree as follows:

1. The Agreement is amended by revising Section 2 of Schedule B-1 as follows:

2. Base Service Provider Service Fees

The fees payable by the Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the "Fee") as follows: \$2.06 for the period January 1, 2015 through December 31, 2015. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

**CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

**EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

*[Remainder of page left intentionally blank.]*



**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2015.

**“SERVICE PROVIDER”**

BY: William K. Fleming  
William K. Fleming  
ITS: Vice President

**“COMPANY”**

BY: Joan Lenahan  
Joan Lenahan (Sep 9, 2015)  
Joan O. Lenahan  
ITS: Vice President & Corporate Secretary

**“REPOSITORY”**

BY: Brian A. Kane  
Brian A. Kane (Sep 24, 2015)  
Brian Kane  
ITS: Senior Vice President & Chief Financial Officer

## **SIXTH AMENDMENT TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This Sixth **Amendment** (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended (“Agreement”), is made and entered into on January 1, 2016 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the “Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

### **WITNESSETH**

**WHEREAS**, Repository and Company entered into the Agreement pursuant to which the Company retained the services of the Service Provider and its affiliates to provide management services in connection with Company’s Medicaid Prescription Drug Benefits Program (“Medicaid Prescription Drug Program”); and

**WHEREAS**, the Agreement between Repository and Company was effective January 1, 2012; and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree to amend the Agreement as follows:

1. Schedule B is deleted in its entirety.
2. Section 1.2 (Estimated Annual Discounts) of Schedule B-1 is deleted in its entirety; the subsequent sections shall be renumbered accordingly.
3. Section 2 of Schedule B-1 is deleted in its entirety and replaced as follows:

#### **2. Base Service Provider Service Fees**

The fees payable by the Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the “Fee”) as follows: \$2.36 for the period January 1, 2016 through December 31, 2016. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

This fee does not include the services listed in Section 3 below, which will be invoiced at the amount indicated.

4. Section 3.14 of Schedule B-1 is deleted in its entirety and replaced as follows:

3.14 Network Access Fees

Effective January 1, 2016, Service Provider will withhold 100% of the amounts collected from Participating Pharmacies for network access fees and include as a reduction of expense when calculating the service fees payable by the Company to Service Provider.

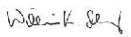
5. **CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

**EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.


*[Remainder of page left intentionally blank.]*

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2016.


**“SERVICE PROVIDER”**

BY:   
William K. Fleming  
ITS: Vice President

**“COMPANY”**

BY:   
Joan O. Lenahan (Sep 21, 2016)  
Joan O. Lenahan  
ITS: Vice President & Corporate Secretary

**“REPOSITORY”**

BY:   
Brian A Kane (Sep 21, 2016)  
Brian Kane  
ITS: Senior Vice President & Chief Financial Officer

## **SEVENTH AMENDMENT TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This **Seventh Amendment** (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended (“Agreement”), is made and entered into on January 1, 2017 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the “Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

### **WITNESSETH**

**WHEREAS**, Repository and Company entered into the Agreement pursuant to which the Company retained the services of the Service Provider and its affiliates to provide management services in connection with Company’s Medicaid Prescription Drug Benefits Program (“Medicaid Prescription Drug Program”); and

**WHEREAS**, the Agreement between Repository and Company was effective January 1, 2012; and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree to amend the Agreement as follows:

1. Section 2 of Schedule B-1 is deleted in its entirety and replaced as follows:

2. Base Service Provider Service Fees


The fees payable by the Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the “Fee”) as follows: \$2.45 for the period January 1, 2017 through December 31, 2017. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

This Fee does not include the services listed in Section 3 below, which will be invoiced at the amount indicated.


2. **CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.
  3. **EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2017.


**“SERVICE PROVIDER”**

  
\_\_\_\_\_  
BY: William Fleming (Sep 20, 2017)  
\_\_\_\_\_  
ITS: William K. Fleming  
President

**“COMPANY”**

  
\_\_\_\_\_  
BY: Joe Ventura (Sep 20, 2017)  
\_\_\_\_\_  
ITS: Joseph C. Ventura  
Vice President & Corporate Secretary

**“REPOSITORY”**

  
\_\_\_\_\_  
BY: Brian Kane (Sep 21, 2017)  
\_\_\_\_\_  
ITS: Brian Kane  
Senior Vice President & Chief Financial Officer

## **EIGHTH AMENDMENT TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This **Eighth Amendment** (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended (“Agreement”), is made and entered into on January 1, 2018 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the “Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

### **WITNESSETH**

**WHEREAS**, Company, Service Provider, and Repository entered into the Agreement, effective January 1, 2012, pursuant to which Company retained Service Provider and its affiliates, as applicable, to provide management services in connection with Company’s Medicaid Prescription Drug Benefits Program (“Medicaid Prescription Drug Program”); and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree to amend the Agreement as follows:

1. Section 2 of Schedule B-1 is deleted in its entirety and replaced as follows:

2. Base Service Provider Service Fees

The fees payable by Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the “Fee”) as follows: \$2.69 for the period January 1, 2018 through December 31, 2018. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

This Fee does not include the services listed in Section 3 below, which will be invoiced at the amount indicated.


2. **CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.
  3. **EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2018.

**“SERVICE PROVIDER”**

BY: *Labeed Diab*  
Labeed Diab (Sep 20, 2018)  
Labeed Diab, RPh  
ITS: President

**“COMPANY”**

BY:   
Joe Ventura (Sep 20, 2018)  
Joseph C. Ventura  
ITS: Senior Vice President, Corporate Secretary &  
Associate General Counsel

**“REPOSITORY”**

BY: *Brian A. Kane*  
Brian A. Kane (Sep 20, 2018)  
Brian Kane  
ITS: Chief Financial Officer



**NINTH AMENDMENT TO PHARMACY BENEFIT MANAGEMENT  
SERVICES AGREEMENT**

This **Ninth Amendment** (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended (“Agreement”), is made and entered into on January 1, 2019 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the “Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

**WITNESSETH**

**WHEREAS**, Company, Service Provider, and Repository entered into the Agreement, effective January 1, 2012, pursuant to which Company retained Service Provider and its affiliates, as applicable, to provide management services in connection with Company’s Medicaid Prescription Drug Benefits Program (“Medicaid Prescription Drug Program”); and

**WHEREAS**, the parties desire to amend the Agreement for updates pursuant state law.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree to amend the Agreement as follows:


- I. The **FLORIDA ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT** is deleted in its entirety and replaced with the **FLORIDA ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT** attached hereto as Appendix A.
- II. **CONFLICT**. In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.
- III. **EFFECT**. The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2019.

**“SERVICE PROVIDER”**

BY: *Labeed Diab*  
Labeed Diab (Dec 20, 2018)  
Labeed Diab, RPh  
ITS: President

**“COMPANY”**

BY:   
Joe Ventura (Dec 20, 2018)  
Joseph C. Ventura  
ITS: Senior Vice President, Corporate Secretary & Associate  
General Counsel

**“REPOSITORY”**

BY: *Brian A. Kane*  
Brian A. Kane (Dec 19, 2018)  
Brian Kane  
ITS: Chief Financial Officer

## Appendix A

**FLORIDA****ADDENDUM TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This Florida Addendum (“Addendum”) to the Pharmacy Benefit Management Services Agreement (“Agreement”) entered into by and among Humana Pharmacy Solutions, Inc. (“Service Provider”) and Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”) is effective as of the effective date of the Agreement. Notwithstanding any terms or conditions in the Agreement to the contrary, the parties agree as follows:

**1. APPLICABILITY**

To the extent such laws are applicable to Company and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Chapter 626, Part VII, Florida Statutes (“Fla. Stat.”), and in particular § 626.882 thereof to include the requirements of Fla. Stat. §§ 626.883 through 626.888; Chapter 627, Part VI, and in particular § 627.64741 thereof; and Chapter 641, Part I, and in particular § 641.314 thereof, to the extent that such requirements are applicable to the services provided by Service Provider under the Agreement and are not already addressed in the Agreement. Nothing in the Agreement or this Addendum waives or relinquishes any rights or obligations established by applicable federal law.

**2. UNDERWRITING**

- a) The parties acknowledge that Service Provider does not and shall not provide any underwriting services to Company. Company understands and acknowledges that all underwriting decisions pertaining to the Plan are solely the responsibility of Company. Fla. Stat. § 626.882(2)(b).
- b) Company shall be responsible for determining the benefits, premium rates, underwriting criteria, and claims payment procedures applicable to coverage under the Plan and for securing any reinsurance. Company shall provide its rules pertaining to these matters to Service Provider in writing, as and when needed. Fla. Stat. § 626.8817(1).

**3. PREMIUM PAYMENTS**

Company and Service Provider acknowledge that Service Provider shall not collect any premiums or charges for insurance. Nevertheless, if payment of any such premium or charge on behalf of a Member is remitted to or received by Service Provider, such payment shall be deemed to have been received by Company upon Service Provider’s receipt thereof, and Service Provider shall immediately remit such funds to Company or other person entitled thereto. Fla. Stat. § 626.883.

**4. BOOKS AND RECORDS**

- a) Service Provider and Company shall retain a copy of the Agreement (as from time to time amended) and adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance recordkeeping, for the term of the Agreement and five (5) years thereafter or longer if required by the Agreement. Fla. Stat. §§ 626.882(3), 626.884(1).
- b) The Florida Office of Insurance Regulation shall have access to the books and records for the purpose of examination, audit, and inspection. Fla. Stat. § 626.884(2).

## Appendix A

- c) Company shall retain the right to continuing access to the books and records maintained by Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members. Fla. Stat. § 626.884(3).

**5. DISCLOSURES TO MEMBERS**

Service Provider shall provide a written notice approved by Company to Members advising them of the identity of and relationship among Service Provider, Members, and Company. Fla. Stat. § 626.885(1).

**6. DELIVERY OF WRITTEN COMMUNICATIONS**

Service Provider agrees that any policies, certificates, booklets, termination notices or other written communications for delivery to Members shall be delivered by Service Provider promptly after Service Provider's receipt of instructions from Company to deliver them. Fla. Stat. § 626.886.

**7. ADVERTISING; APPROVAL BY COMPANY**

Service Provider may use only advertising pertaining to the business underwritten by Company as has been approved in writing by Company in advance of its use. Fla. Stat. § 626.887.

**8. ADJUSTMENT OR SETTLEMENT OF CLAIMS; COMPENSATION OF ADMINISTRATOR**

Service Provider and Company agree that, for any policies as to which Service Provider adjusts or settles claims, the compensation that is payable to Service Provider under the Agreement shall in no way be contingent on claim experience. Fla. Stat. § 626.888. This provision shall not operate or be construed as authorization for Service Company to adjust or settle any claims except as the Agreement otherwise expressly provides.

**9. MAXIMUM ALLOWABLE COST PRICING**

- a) For purposes of this section, "maximum allowable cost" means the per-unit amount that Service Provider reimburses a pharmacist for a prescription drug, excluding dispensing fees, prior to the application of copayments, coinsurance, and other cost-sharing charges, if any. Fla. Stat. §§ 627.64741(1)(a); 641.314(1)(a).
- b) Service Provider shall update maximum allowable cost pricing information at least every seven (7) calendar days. Service Provider shall maintain a process that will, in a timely manner, eliminate drugs from maximum allowable cost lists or modify drug prices to remain consistent with changes in pricing data used in formulating maximum allowable cost prices and product availability. Fla. Stat. §§ 627.64741(2)(a)-(b); 641.314(2)(a)-(b).

**10. PHARMACIST DISCLOSURES**

Service Provider is prohibited from limiting a pharmacist's ability to disclose whether the cost-sharing obligation exceeds the retail price for a covered prescription drug, and the availability of a more affordable alternative drug, pursuant to Fla. Stat. § 465.0244. Fla. Stat. §§ 627.64741(3); 641.314(2).

**11. POINT OF SALE PAYMENTS**

## Appendix A

Service Provider is prohibited from requiring an insured to make a payment for a prescription drug at the point of sale in an amount that exceeds the lesser of: (a) the applicable cost-sharing amount; or (b) the retail price of the drug in the absence of prescription drug coverage. Fla. Stat. §§ 627.64741(4); 641.314(4).

**12. CONFLICT; MODIFICATION**

This Addendum shall be interpreted and construed consistently with the Florida statutes it identifies. In the event, and then only to the extent, of a conflict between this Addendum and the Agreement, the terms and conditions of this Addendum shall control. Absent such conflict, the terms and conditions of the Agreement shall remain in full force and effect. This Addendum shall be deemed part of and incorporated into the Agreement and need not be separately executed. Capitalized terms not defined in this Addendum shall have the same meaning as set forth in the Agreement. This Addendum may be modified from time to time pursuant to the Agreement.

## **TENTH AMENDMENT TO PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This **Tenth Amendment** (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended (“Agreement”), is made and entered into on January 1, 2019 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (the “Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

### **WITNESSETH**

**WHEREAS**, Company, Service Provider, and Repository entered into the Agreement, effective January 1, 2012, pursuant to which Company retained Service Provider and its affiliates, as applicable, to provide management services in connection with Company’s Medicaid Prescription Drug Benefits Program (“Medicaid Prescription Drug Program”); and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree to amend the Agreement as follows:

1. Section 2 of Schedule B-1 is deleted in its entirety and replaced as follows:

2. Base Service Provider Service Fees


The fees payable by Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the “Fee”) as follows: \$2.15 for the period January 1, 2019 through December 31, 2019. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

This Fee does not include the services listed in Section 3 below, which will be invoiced at the amount indicated.


2. **CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.
  3. **EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2019.

**“SERVICE PROVIDER”**

BY:   
\_\_\_\_\_  
Scott Greenwell  
ITS: President

**“COMPANY”**

BY:   
\_\_\_\_\_  
Alan Wheatley  
ITS: Segment President

**“REPOSITORY”**

BY: Brian A. Kane  
Brian A. Kane (Mar 27, 2019)  
\_\_\_\_\_  
Brian Kane  
ITS: Chief Financial Officer

**ELEVENTH AMENDMENT TO  
PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This Eleventh Amendment (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended (“Agreement”), is made and entered into on January 1, 2020 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (“Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

**WITNESSETH**

**WHEREAS**, Company, Service Provider, and Repository entered into the Agreement, effective January 1, 2012, pursuant to which Company retained Service Provider and its affiliates, as applicable, to provide management services in connection with the Company’s Medicaid Prescription Drug Benefits Program;

**WHEREAS**, the parties desire to amend the Agreement to include terms for the provision of services under the Kentucky Medicaid program;

**WHEREAS**, in addition, prior to the date hereof, the Agreement has been modified by the parties pursuant to several amendments which contained drafting errors, and the parties wish to set forth a complete record of such amendments and to clarify, where necessary, their intentions with respect the substance thereof.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree to amend the Agreement as follows:

**I. State Addenda.**

a. The parties agree that, notwithstanding any failure to make reference thereto within the body of the Agreement or any amendment thereto, the addenda, and any amendments thereto, previously attached to the Agreement (whether attached to the original Agreement or to any amendment thereto) are, and are deemed to have been at all times since the attachment thereof, incorporated into the Agreement as if fully set forth therein. Such addenda, and amendments thereto set forth, and are deemed to have set forth at all times since the attachment thereof to the Agreement, binding obligations of the parties to the Agreement. The following is a list of the above referenced addenda:

Alaska Addendum to Pharmacy Benefit Management Services Agreement

Arizona Addendum to Pharmacy Benefit Management Services Agreement

Arkansas Addendum to Pharmacy Benefit Management Services Agreement

California Addendum to Pharmacy Benefit Management Services Agreement

Delaware Addendum to Pharmacy Benefit Management Services Agreement



Florida Addendum to Pharmacy Benefit Management Services Agreement  
Idaho Addendum to Pharmacy Benefit Management Services Agreement  
Illinois Addendum to Pharmacy Benefit Management Services Agreement  
Indiana Addendum to Pharmacy Benefit Management Services Agreement  
Iowa Addendum to Pharmacy Benefit Management Services Agreement  
Kentucky Addendum to Pharmacy Benefit Management Services Agreement  
Louisiana Addendum to Pharmacy Benefit Management Services Agreement  
Maine Addendum to Pharmacy Benefit Management Services Agreement  
Maryland Addendum to Pharmacy Benefit Management Services Agreement  
Michigan Addendum to Pharmacy Benefit Management Services Agreement  
Mississippi Addendum to Pharmacy Benefit Management Services Agreement  
Missouri Addendum to Pharmacy Benefit Management Services Agreement  
Montana Addendum to Pharmacy Benefit Management Services Agreement  
Nebraska Addendum to Pharmacy Benefit Management Services Agreement  
New Hampshire Addendum to Pharmacy Benefit Management Services Agreement  
New Mexico Addendum to Pharmacy Benefit Management Services Agreement  
Nevada Addendum to Pharmacy Benefit Management Services Agreement  
North Carolina Addendum to Pharmacy Benefit Management Services Agreement  
North Dakota Addendum to Pharmacy Benefit Management Services Agreement  
Ohio Addendum to Pharmacy Benefit Management Services Agreement  
Oregon Addendum to Pharmacy Benefit Management Services Agreement  
Pennsylvania Addendum to Pharmacy Benefit Management Services Agreement  
Rhode Island Addendum to Pharmacy Benefit Management Services Agreement  
South Carolina Addendum to Pharmacy Benefit Management Services Agreement  
South Dakota Addendum to Pharmacy Benefit Management Services Agreement  
Tennessee Addendum to Pharmacy Benefit Management Services Agreement

Texas Addendum to Pharmacy Benefit Management Services Agreement

Utah Addendum to Pharmacy Benefit Management Services Agreement

West Virginia Addendum to Pharmacy Benefit Management Services Agreement

Wisconsin Addendum to Pharmacy Benefit Management Services Agreement

Wyoming Addendum to Pharmacy Benefit Management Services Agreement

b. The parties desire to amend and restate the prior Kentucky Addendum to Pharmacy Benefit Management Services Agreement by replacing it in its entirety with the Kentucky Addendum to Pharmacy Benefit Management Services Agreement in the form attached hereto as Appendix A, and hereby do amend and restate such addendum.

## II. Amendments.

a. The parties acknowledge that the certain amendments to the Agreement were entered into on the same date. For clarity of record, subject to subparagraph (d)(1) below, the amendments set forth on Appendix B hereto (collectively, the “Amendments”) are all of amendments to the Agreement entered into by the parties prior to this Amendment.

b. The parties acknowledge that they intended to enter into that certain First Amendment to the Pharmacy Benefit Management Services Agreement, effective as of January 1, 2012, in the form attached hereto as Appendix C (the “First Amendment”), but due to an unintended oversight the First Amendment was never executed; *however*, each subsequent Amendment was prepared and entered into by the parties as if the First Amendment had been executed and was in full force and effect.

c. The parties acknowledge that (1) their intent under the First Amendment was to amend and restate Schedule B of the Agreement in its entirety, but that the un-executed draft of the First Amendment mistakenly referred to the amended and restated schedule as “Schedule B-1”, and (2) subsequent Amendments continued to refer to successive modified versions of “Schedule B-1”, giving the appearance of there being a distinct Schedule B and “Schedule B-1”; *however*, the parties never intended for there to be two such Schedules. The parties partially addressed the mistake in the Sixth Amendment (as defined on Appendix B), wherein they agreed to delete Schedule B so that only one schedule remained; *however*, they continued to refer to such schedule as “Schedule B-1”.

d. Now, in order to fully correct the deficiencies described above, and in order to reflect the intentions of the parties, the parties hereby agree that (1) the First Amendment shall be deemed to have been effective for the period from January 1, 2012 until December 31, 2013, as if it had been fully executed by the parties on January 1, 2012; (2) the First Amendment shall be construed for all purposes to have amended and restated Schedule B of the Agreement and not to have added a second Schedule entitled “Schedule B-1” to the Agreement; (3) all references to “Schedule B-1” in the subsequent Amendments shall be deemed to refer to “Schedule B”; and (4) from and after the date hereof, the parties shall refer to “Schedule B” and rather than Schedule “B-1” when further amending and/or restating the terms of such Schedule.

III. **Conflict.** In the event of a conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

IV. **Effect.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

*[Remainder of page left intentionally blank.]*

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2020.

**“SERVICE PROVIDER”**

BY: \_\_\_\_\_  
Scott Greenwell  
ITS: President

**“COMPANY”**

BY: \_\_\_\_\_  
John Barger  
ITS: Senior Vice President, Medicaid President

**“REPOSITORY”**

BY: \_\_\_\_\_  
Brian Kane  
ITS: Chief Financial Officer

## **Appendix A**

### **Kentucky** **Addendum to Pharmacy Benefit Management Services Agreement**

In addition to the terms and conditions of the Agreement, Service Provider shall comply with the following requirements of the Medicaid Managed Care Contract relating to the Kentucky Plan for Medical Assistance and the Kentucky Children’s Health Insurance Program contract (the “Kentucky Contract”) between the Company and the Commonwealth of Kentucky on behalf of Department for Medicaid Services (the “Department”) to the extent required by federal or Kentucky law or by the terms of the Kentucky Contract. Capitalized terms used but not defined in this Addendum or in the Agreement shall have the meanings ascribed to them in the Kentucky Contract. In the event of a conflict between the terms and conditions of this Addendum and the Agreement, the terms and conditions of this Addendum shall govern:

#### **A. Subcontractor Indemnity**<sup>1</sup>

In no event shall the Commonwealth of Kentucky, Kentucky Finance and Administration Cabinet (“FAC”), the Department, or any Member be liable for the payment of any debt or fulfillment of any obligation of the Company or Service Provider to any subcontractor, supplier, out-of-network provider or any other party, for any reason whatsoever, including the insolvency of the Company or Service Provider. Service Provider shall indemnify, defend and hold harmless the Commonwealth of Kentucky, FAC, Department, their officers, agents, and employees, and each and every Member, from any liability whatsoever arising in connection with the Kentucky Contract for the payment of any debt of or the fulfillment of any obligation of Service Provider.

Service Provider further covenants and agrees that in the event of a breach of the Agreement by the Company, termination of the Agreement, or insolvency of the Company, Service Provider shall provide all services and fulfill all of its obligations pursuant to the Agreement for the remainder of any month for which the Department has made payments to the Company, and shall fulfill all of its obligations respecting the transfer of Members to other providers, managed care organizations or subcontractors, including record maintenance, access and reporting requirements, all such covenants, agreements, and obligations of which shall survive the termination of the Kentucky Contract and the Agreement.

#### **B. Requirements**<sup>2</sup>

Service Provider acknowledges and agrees as follows:

1. Service Provider hereby represents that it is eligible for participation in the Medicaid program.
2. Service Provider acknowledges that each agreement with the Company for the provision of Covered Services to Members or other services that involve risk-sharing, medical management or other interaction with a Member shall be in writing, and in form and content approved by the Department.
3. The Company shall submit the Agreement for review to the Department and the Department may approve, approve with modification, or reject the Agreement if it does not satisfy the requirements of the Kentucky Contract. In determining whether to impose conditions or limitations on its approval of the

<sup>1</sup> MCO Contract, §§ 6.1; 13.2.

<sup>2</sup> MCO Contract, § 6.2.

Agreement, the Department may consider such factors as it deems appropriate to protect the Commonwealth of Kentucky and Members, including but not limited to, the past performance.

In the event the Department has not approved the Agreement prior to its execution or effective date, Service Provider and the Company agree that enforcement of the Agreement is contingent upon Department approval.

4. Service Provider acknowledges that the Company will notify the Department in writing of the status of Service Provider on a quarterly basis and where applicable, the termination of the Agreement within ten (10) days following termination.

5. The population covered by the Agreement is those individuals eligible for Medicaid coverage under the eligibility criteria set forth in the Kentucky Contract.

6. The Agreement provisions set forth the amount, duration and delegated scope of services and reporting responsibilities of Service Provider, including that Service Provider shall provide information and data with the level of detail and on a timeline specified by the Company and the Department.

7. Service Provider staff shall participate in meetings with the Department as requested by the Department or the Company.

8. Service Provider shall provide ongoing and ad hoc reporting to the Company and the Department as defined in the Kentucky Contract, and upon request. The Department shall have unlimited but not exclusive rights to use, disclose, or duplicate, for any purpose whatsoever, all information and data developed, derived, documented, or furnished by Service Provider resulting from the Kentucky Contract; however, the Department shall not disclose proprietary information that is afforded confidential status by state or federal regulations.

9. Upon request, Service Provider shall support the Company and the Department in responding to legislative or other stakeholder requests. Support may include provision of data or other information, participation in drafting of materials or reports, or attendance in required meetings or other forums.

10. All materials developed by Service Provider specific to the Agreement shall include the name and logo of the Company and any other Managed Care Organization (MCO) for which the material is applicable. Service Provider shall not publish materials that are used for more than one MCO without each MCO being identified on the materials.

11. No data or information about Covered Services and Members or enrollees as applicable to the Kentucky Contract shall be held or considered proprietary to Service Provider unless agreed to in writing by the Department. All such data and information shall at all times be made available to the Department and the Company.

12. If Service Provider has NCQA, URAC, or other national accreditation, Service Provider shall provide the Company with a copy of its current certificate of accreditation, together with a copy of the survey report, as well as any updated documentation, as and when available or applicable.

13. Full disclosure of the method of compensation or other consideration to be received from the Company is set forth in Schedule B to the Agreement, as amended.

14. The Company shall not, and no provision of the Agreement shall be construed to, provide any incentive, monetary or otherwise, for the withholding from Members of Medically Necessary Covered Services as

that is defined in the Kentucky Contract. Service Provider warrants and represents that it shall not withhold from Members any Medically Necessary Covered Service.<sup>3</sup>

15. Service Provider shall not assign or further subcontract any services under the Agreement without the prior written consent of the Department and the Company.

16. The Commonwealth of Kentucky is the intended third-party beneficiary of the Agreement and, as such, the Commonwealth is entitled to all remedies entitled to third-party beneficiaries under law.

17. Where applicable, Service Provider shall timely submit Encounter Records in the format specified by the Department and the Company so that the Company can meet the specifications required by the Kentucky Contract.

18. By this Addendum, the Agreement contains all provisions of the Kentucky Contract, to the fullest extent applicable to the services or activity delegated to Service Provider pursuant to the Agreement, including without limitation:

- a. the obligation to comply with all applicable federal and Commonwealth laws and regulations, including but not limited to, KRS 205.8451-8483, all rules, policies and procedures of FAC and the Department, applicable sub-regulatory guidance and contract provisions, and all standards governing the provision of Covered Services and information to Members or enrollees,
- b. all Quality Assurance Performance Improvement (QAPI) requirements,
- c. all record keeping and reporting requirements,
- d. all obligations to maintain the confidentiality of information,
- e. all rights of FAC, the Department, the Office of the Inspector General, the Attorney General, Auditor of Public Accounts and other authorized federal and Commonwealth agents to inspect, investigate, monitor and audit operations,
- f. all indemnification and insurance requirements, and
- g. all obligations upon termination.

Service Provider shall comply with all such applicable provisions of the Kentucky Contract and all applicable Medicaid laws and regulations including applicable sub-regulatory guidance and contract provisions.<sup>4</sup>

19. Where applicable, Service Provider shall participate in readiness reviews as requested by the Department or the Company, including submission of requested materials, participation in meetings, and onsite reviews.

20. The Company shall conduct ongoing monitoring of Service Provider's performance of the full scope of required services and the quality of services rendered to Members and enrollees in accordance with the

<sup>3</sup> See also Ky. Rev. Stat. § 304.9-375.

<sup>4</sup> MCO Contract, § 4.3.

terms of the Kentucky Contract, including Service Provider's applicable accreditation requirements. Such performance monitoring shall include the following elements:

- a. Service Provider shall report annually to the Company regarding Service Provider's performance within the Commonwealth of Kentucky with respect to services enumerated in Schedule A to the Agreement. Service Provider's report shall include Service Provider's measurement of its performance against 42 U.S.C. § 1396b(m), 42 C.F.R. Part 438, 907 KAR Title 17, other managed care regulations, and the 1915 Waiver, as applicable. On an annual basis, Company and Service Provider shall review Service Provider's performance, as further provided in Section 3 of the Agreement;
- b. As requested, the Company shall provide results of the review to the Department;
- c. Shall identify deficiencies or areas of improvement, and any necessary corrective action; and
  - i. If the Company identifies deficiencies or areas for improvement, the Company and Service Provider shall take corrective action.
- d. The Company shall inform the Department of any corrective actions required of Service Provider related to Covered Services, Members, enrollees, or providers all in accordance with timing and frequency of required updates on progress of implementation of the corrective actions, by the Department.

21. The Commonwealth, Centers for Medicare and Medicaid Services (CMS), federal Department of Health and Human Services (HHS) Inspector General, the federal Comptroller General, and any of their designees, shall have the right at all times to audit, evaluate and inspect any books, records (including Medical Records of the Company Enrollees),<sup>5</sup> contracts, computer or other electronic systems of Service Provider or its subcontractors or contractors, that pertain to any aspect of services and activities performed or determination of amounts payable under the Kentucky Contract, or for reasonable possibility of Fraud or similar risk.<sup>6</sup>

- a. Service Provider shall make its premises, physical facilities, equipment, books, records, contracts, computer or other electronic systems relating to Members or any Kentucky Medicaid enrollee available to the above entities for the purposes of such audits or inspections.
- b. The Company and any of the above entities shall have the right to audit through ten (10) years from the final date of the Agreement period, or from the date of completion of any audit, whichever is later.

22. Service Provider shall notify the Company throughout the Agreement Term of any new or existing litigation affecting Service Provider.

23. In the event Service Provider does not fulfill any obligation under the Agreement or this Addendum, the Company shall have all remedies available under the Agreement and the Kentucky Contract, up to and including revocation of the Agreement upon notice. Service Provider shall also be subject to penalties as set forth in **Appendix B "Remedies for Violation, Breach, or Non-Performance of Contract"** of the Kentucky Contract, for any failure to fulfill any obligation.

<sup>5</sup> MCO Contract, § 39.1.

<sup>6</sup> See also MCO Contract, § 4.3.



24. Any suspected Fraud or Abuse as defined in the Kentucky Contract shall be reported to the Company immediately upon detection or as otherwise required by the timing of the Kentucky Contract.

25. If Service Provider contracts with Providers (as defined in the Kentucky Contract) for Covered Services, Service Provider agrees to the following additional provisions:

- a. Service Provider shall use only Medicaid-enrolled providers in accordance with the Kentucky Contract.
- b. Service Provider is subject to and shall comply with all requirements set forth in **Appendix C. “Required Standard Provisions for Network Provider Contracts”** in the Kentucky Contract, and such requirements are incorporated herein by reference.
- c. Service Provider shall follow and comply with all required policies and processes for credentialing conducted by the Commonwealth’s Credentialing Verification Organization (CVO).

26. The Company shall have the right at all times to revoke delegation of any function or imposition other sanctions if Service Provider’s performance is inadequate, and also if Service Provider does not provide data or information upon request of the Company or the Department.<sup>7</sup>

27. The Agreement or this Addendum may be terminated by the Company for convenience and without cause as provided for in Section 8 of the Agreement. The Agreement may be extended, renegotiated, or terminated as provided for in the same section.

C. Nondiscrimination and Affirmative Action<sup>8</sup>

During the performance of the Agreement, Service Provider agrees as follows:

1. Service Provider will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. Service Provider will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Service Provider agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
2. Service Provider will, in all solicitations or advertisements for employees placed by or on behalf of Service Provider, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.
3. Service Provider will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

<sup>7</sup> *Id.*

<sup>8</sup> MCO Contract, § 5.3.

4. The Service Provider will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. Service Provider will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
6. In the event of Service Provider's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and Service Provider may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
7. Service Provider will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Service Provider will take such action with respect to any subcontract or purchase order as the Department may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event Service Provider becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department, Service Provider may request the United States to enter into such litigation to protect the interests of the United States.

D. Employment Practices<sup>9</sup>

Service Provider agrees to comply with each of the following requirements and to include in any Subcontracts that any Subcontractor, supplier, or any other person or entity who receives compensation pursuant to performance of this Contract, a requirement to also comply with the following laws:

1. Title VI of the Civil Rights Act of 1964 (Public Law 88-352);
2. Title IX of the Education Amendments of 1972 (regarding education, programs and activities);
3. The Age Discrimination Act of 1975;
4. The Rehabilitation Act of 1973;
5. Rules and regulations prescribed by the United States Department of Labor in accordance with 41 C.F.R. Parts 60-741; and
6. Regulations of the United States Department of Labor recited in 20 C.F.R. Part 741, and Section 504 of the Federal Rehabilitation Act of 1973 (Public Law 93-112).

E. Medical Loss Ratio (MLR) Reporting<sup>10</sup>

<sup>9</sup> MCO Contract, § 5.4.

<sup>10</sup> MCO Contract, § 11.4.

To the extent Service Provider performs Claim adjudication activities for the Company, Service Provider shall provide all underlying data associated with MLR reporting to the Company within one hundred eighty (180) calendar days of the end of the MLR reporting period or within thirty (30) calendar days of the Company's request for such information.

F. Submission of Encounter Data<sup>11</sup>

Service Provider shall report or submit Encounter data in an accurate and timely fashion that complies with Department requirements, including requirements set forth in Section 16.1 of the Kentucky Contract.

G. Utilization Management (UM) Activities<sup>12</sup>

To the extent Service Provider will conduct UM activities, compensation for such activities shall not be structured to provide incentives to deny, limit, or discontinue Medically Necessary services to Members or enrollees, Service Provider will have in place written policies and procedures and have in effect a mechanism to ensure consistent application of review criteria for authorization decisions, and

H. Cultural Consideration and Competency<sup>13</sup>

Service Provider shall implement the Company's applicable policies to promote the delivery of services in a culturally competent manner to all Members and enrollees, including those with limited English proficiency and diverse cultural and ethnic background, disabilities, and regardless of gender, sexual orientation, or gender identity.

I. Marketing Materials<sup>14</sup>

Service Provider shall submit to the Company any advertising or Marketing or information materials that relate to the Kentucky Contract prior to disseminating same. The Company shall be responsible for submitting such advertising or Marketing or information materials to the Department for approval.

J. Specific Form Retention<sup>15</sup>

For any service provided pursuant to the Kentucky Contract by Service Provider that requires the completion of a specific form (e.g., hospice, sterilization, hysterectomy, or abortion), the form shall be completed according to the appropriate Kentucky Administrative Regulation (KAR, and Service Provider, its subcontractor, or its contracted Provider shall retain the form in the event of audit and a copy shall be submitted to the Department upon request.

K. Reimbursement Rates and Dispensing Fees<sup>16</sup>

1. The Department shall have the ability to set, create, or approve, and may change at any time for any reason, reimbursement rates between Service Provider and a pharmacy Provider, or an entity which contracts on behalf of a pharmacy.

<sup>11</sup> MCO Contract, § 16.1.

<sup>12</sup> MCO Contract, §§ 21.0.

<sup>13</sup> MCO Contract, § 29.14.

<sup>14</sup> MCO Contract, § 26.1; *see also* Ky. Rev. Stat. § 304.9-374..

<sup>15</sup> MCO Contract, § 31.1.

<sup>16</sup> MCO Contract, § 32.7.

2. Reimbursement rates shall include dispensing fees that take into account applicable CMS guidance and any DMS requirements.
3. Service Provider shall notify the Department directly or through the Company no less than thirty (30) Days in advance of any proposed change of over five percent (5%) in the product reimbursement rates for a pharmacy Provider licensed in the state.
4. The Department may disallow such a change by notifying the Company at any time prior to the implementation date of the change. If the Department disallows the proposed change, The Company shall require Service Provider to reprocess all affected Claims without undue delay at the old reimbursement rate.
5. Beginning on the Effective Date of the Kentucky Contract and pursuant to 18 RS HB 200, Medicaid Benefits, section (16), Service Provider, in reimbursing for drug products through POS/retail Claims, shall comply with all dispensing fee requirements set by the Kentucky Contract. Service Provider shall pay an additional dispensing fee of two dollars (\$2.00) without reduction of any kind or for any reason. This additional dispensing fee amount shall be in addition to the dispensing fee remitted to pharmacies for POS/retail Claims as calculated or determined by contractual provisions negotiated directly with the dispensing pharmacy or any entity who contracts on behalf of the dispensing pharmacy whether negotiated by Service Provider.

L. Maximum Allowable Cost<sup>17</sup>

Service Provider shall comply with all maximum allowable cost laws and administrative regulations promulgated by the Department of Insurance, the Department, or otherwise promulgated by State or federal law.

M. Pharmacy Benefit Manager Requirements<sup>18</sup>

1. Service Provider shall comply with all pharmacy benefit reporting requirements and ad hoc requests for reports and data of the Kentucky Contract, the Department, and those set forth by applicable statutory or regulatory authority. At the request of the Department or the Company, Service Provider shall provide both summary and detailed reports. Detailed reports shall include Claim level details at the Department's request. Service Provider shall, at a minimum, deliver or cause to be delivered to the Department no later than August 15<sup>th</sup> of each contracting year, reports the following information:
  - a. The total Medicaid dollars paid to Service Provider by the Company and the total amount of Medicaid dollars paid to Service Provider by the Company that were not subsequently paid to a pharmacy licensed in Kentucky;
  - b. The average reimbursement,<sup>19</sup> by drug ingredient cost, dispensing fee, and any other fee paid by Service Provider to licensed pharmacies with which Service Provider shares common ownership, management, or control; or that are owned, managed, or controlled by any of Service Provider's management companies, parent companies, or companies otherwise affiliated by a common owner,

<sup>17</sup> MCO Contract, § 31.14.

<sup>18</sup> Ky. Rev. Stat. § 205.647; MCO Contract, § 32.22.

<sup>19</sup> Average reimbursement means a statistical methodology selected by the Department via any administrative regulations promulgated pursuant to this section, which shall include, at a minimum, the medium and mean. Ky. Rev. Stat. § 205.647.

manager, or holding company; or that share any common members on the board of directors; or that share managers in common;

- c. The average reimbursement, by drug ingredient cost, dispensing fee, and any other fee, paid by Service Provider to pharmacies licensed in Kentucky that operate more than ten (10) locations;
- d. The average reimbursement, by drug ingredient cost, dispensing fee, and any other fee, paid by Service Provider to pharmacies licensed in Kentucky that operate ten (10) or fewer locations;
- e. Any direct or indirect fees, charges, or any kind of assessments imposed by Service Provider on pharmacies licensed in Kentucky with which Service Provider shares common ownership, management, or control; or that are owned, managed, or controlled by any of Service Provider's management companies, parent companies, or companies otherwise affiliated by a common owner, manager, or holding company; or that share any common members on the board of directors; or that share managers in common;
- f. Any direct or indirect fees, charges, or any kind of assessments imposed by Service Provider on pharmacies licensed in Kentucky that operate more than ten (10) locations;
- g. Any direct or indirect fees, charges, or any kind of assessments imposed by Service Provider on pharmacies licensed in Kentucky that operate ten (10) or fewer locations; and
- h. All common ownership, management, common members of a board of directors, shared managers, or control of Service Provider or any of Service Provider's management companies, parent companies, subsidiary companies, jointly held companies, or companies otherwise affiliated by a common owner, manager, or holding company with any managed care organization contracted to administer Kentucky Medicaid benefits, any entity that contracts on behalf of a pharmacy, or any pharmacy services administration organization or any common ownership, management, common members of a board of directors, shared managers, or control of a pharmacy services administration organization that is contracted with Service Provider, with any drug wholesaler or distributor or any of the pharmacy services administration organization's management companies, parent companies, subsidiary companies, jointly held companies, or companies otherwise affiliated by a common owner, common members of a board of directors, manager, or holding company.

2. Service Provider shall comply with the provisions of Ky. Rev. Stat. §§ 304.9-053, 304.9-054, 304.9-055, and 304.17A-162.

N. Medical Records<sup>20</sup>

The Company, the Department, the Office of the Inspector General, and other authorized Commonwealth and federal agents thereof, shall have access to the Medical Records of Members and enrollees for purposes of auditing.

O. Protected Health Information<sup>21</sup>

Service Provider shall abide by the same statutes and regulations regarding confidentiality of Protected Health Information (PHI) as is the Company.

<sup>20</sup> MCO Contract, § 39.1.

<sup>21</sup> MCO Contract, § 41.15.

P. Applicability

To the extent such laws are applicable to the Company, Service Provider, and/or Members for services rendered or benefits administered under the Agreement, this Addendum is adopted in compliance with Ky. Rev. Stat. § 304.9-371 to include the requirements of Ky. Rev. Stat. §§ 304.9-372 to 304.9-377, except insofar as those requirements do not apply to the functions performed by Service Provider under the Agreement or are already addressed in the Agreement.

Q. Claims Payment<sup>22</sup>

The payment of claims by Company to Service Provider shall not be deemed payment to the Member until such payments are received by the Member. Nothing in this paragraph shall limit any right of the Company against Service Provider resulting from Service Provider's failure to make payments to the Company or any Member.

R. Maintenance of Information

1. Service Provider and Company shall retain a copy of the Agreement (as amended from time to time) as part of the official records of both parties for the duration of the Agreement and at least five (5) years thereafter or such longer time if required by the Agreement.<sup>23</sup>

2. Service Provider shall maintain at its administrative office adequate books and records of all transactions among the parties and Members, in accordance with prudent standards of insurance industry record keeping, for the duration of the Agreement and at least five (5) years thereafter or such longer time if required by the Agreement.<sup>24</sup>

3. The Kentucky Commissioner of Insurance shall have access to such books and records for the purpose of examination, audit, and inspection.<sup>25</sup>

4. The Company shall retain the right to continuing access to such books and records of Service Provider sufficient to permit Company to fulfill all of its contractual obligations to Members subject to any restrictions in the Agreement on the proprietary rights of the parties in such books and records.<sup>26</sup>

S. Fiduciary Accounts<sup>27</sup>

The Company and Service Provider acknowledge that Service Provider does not collect insurance charges or premiums.

<sup>22</sup> Ky. Rev. Stat. § 304.9-372.

<sup>23</sup> Ky. Rev. Stat. § 304.9-371(I).

<sup>24</sup> Ky. Rev. Stat. § 304.9-373.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> Ky. Rev. Stat. § 304.9-375.

**Appendix B**

**Amendments**

1. Second Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2013
2. Third Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2013
3. Fourth Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2014
4. Fifth Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2015
5. Sixth Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2016 (the “Sixth Amendment”)
6. Seventh Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2017
7. Eighth Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2018
8. Ninth Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2019
9. Tenth Amendment to the Pharmacy Benefit Management Services Agreement, by and among the Company, Service Provider and Repository, effective as of January 1, 2019

**Appendix C**

**Form of the First Amendment**

**FIRST AMENDMENT TO PHARMACY BENEFIT MANAGEMENT  
SERVICES AGREEMENT**

This **First Amendment** (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended by that First Amendment effective January 1, 2012 (“Agreement”), is made and entered into on \_\_\_\_\_, 2013 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Delaware corporation, as service provider (the “Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

**WITNESSETH**

**WHEREAS**, Repository and Company entered into the Agreement pursuant to which the Company retained the services of the Service Provider and its affiliates to provide management services in connection with Company’s Medicaid Prescription Drug Benefits Program (“Medicaid Prescription Drug Program”); and

**WHEREAS**, the Agreement between Repository and Company was effective January 1, 2012; and

**WHEREAS**, the parties desire to amend the financial terms of the Agreement as provided below in connection with the provision of coverage pursuant to the Medicaid Prescription Drug Program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree as follows:

1. The Agreement is amended by adding a new Schedule B-1, attached hereto and incorporated herein, which provides for the financial terms of the Medicaid Prescription Drug Program.

**CONFLICT.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

**EFFECT.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

*[Remainder of page left intentionally blank.]*



**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of January 1, 2012.

**“SERVICE PROVIDER”**

BY: \_\_\_\_\_  
William K. Fleming  
ITS: Vice President

**“COMPANY”**

BY: \_\_\_\_\_  
Joan O. Lenahan  
ITS: Vice President & Corporate Secretary

**“REPOSITORY”**

BY: \_\_\_\_\_  
James H. Bloem  
ITS: Senior Vice President, Chief Financial Officer &  
Treasurer

## **SCHEDULE B-1 (MEDICAID)**

### **1. Participating Pharmacy Rates**

**1.1 Covered Drugs - Participating Pharmacy** – The Company will pay Service Provider for Covered Drugs dispensed and submitted by Participating Pharmacies in an amount equal to the lowest of (i) the pharmacy’s usual and customary price, as submitted (“U&C”) plus applicable sales tax, (ii) the maximum allowable cost (“MAC”), where applicable, plus the Dispensing Fee contracted with the pharmacy plus applicable sales tax, or (iii) WAC plus/minus the WAC discount plus the Dispensing Fee contracted with the pharmacy plus applicable sales tax. Where applicable, Participating Pharmacies will not be paid an amount less than the minimum amount per dispensing defined in their agreement with Service Provider.

### **1.2 Estimated Annual Discounts**

#### **1.2.1 Retail**

**1.2.1.1 Brand** - The estimated aggregate average annual WAC discount for Brand Name Drugs is plus 2.50% for claims with a days’ supply up to thirty-four (34) days. Plus a dispensing fee of \$1.50.

**1.2.1.2 Generic** - The estimated aggregate average annual AWP discount for Generic Drugs is minus (-) 72.00% for claims with a days’ supply up to thirty-four (34) days. Plus a dispensing fee of \$1.50.

**1.2.1.3 90 Days at Retail Brand** - The estimated aggregate average annual WAC discount for Brand Name Drugs is minus (-) 1.75% for claims with a day’s supply between thirty-five (35) days and ninety (90) days. Plus a dispensing fee of \$0.50.

**1.2.1.4 90 Days at Retail Generic** - The estimated aggregate average annual AWP discount for Generic Drugs is minus (-) 80.00% for claims with a day’s supply between thirty-five (35) days and ninety (90) days. Plus a dispensing fee of \$0.70.

#### **1.2.2 Mail Order**

**1.2.2.1 Brand** - The estimated aggregate average annual WAC discount for Brand Name Drugs is 0.00% for mail claims. Plus a dispensing fee of \$1.00.

**1.2.2.2 Generic** - The estimated aggregate average annual AWP discount for Generic Drugs is minus (-) 80.00% for mail claims. Plus a dispensing fee of \$1.00.

#### **1.2.3 Long Term Care**

**1.2.3.1 Brand** - The estimated aggregate average annual WAC discount for Brand Name Drugs is plus 5.90%. Plus a dispensing fee of \$4.50.

**1.2.3.2 Generic** The estimated aggregate average annual AWP discount for Generic Drugs is minus (-) 75.00%. Plus a dispensing fee of \$4.50.

#### **1.2.4 Specialty**

**1.2.4.1 Brand** - The estimated average annual WAC discount for Brand Name Drugs is plus 1.00%. Plus a dispensing fee of \$1.00.

**1.2.4.2 Generic** - The estimated average annual AWP discount for Generic Drugs is minus (-) 35.00%. Plus a dispensing fee of \$1.00.

**1.2.5 Vaccines** - Consistent with CMS regulations, the Company will pay Service Provider for Part D-covered, provider-administered vaccines at participating pharmacy rate defined in Exhibit B, Section 1.2 *Estimated Annual Discounts* plus applicable fixed vaccine inoculation fee not to exceed \$20.00 when charged by the administering provider, if any, for all vaccines covered under Part D, and a third party vendor fee as charged by Service Provider, not to exceed \$20.00.

**1.3 Covered Drugs- Member Submitted Claims** – The Company will pay Service Provider for Covered Drugs dispensed at any pharmacy that is reimbursed to the Member in an amount equal to the amount reimbursed to the Member. The amount paid to the Member will be determined by the Company’s Plan Design.

#### **1.4**

**1.4.1 Direct Member Reimbursement Processing Fee.** Service Provider will determine eligibility, make reasonable efforts to correct submission errors, fully adjudicate the claims, and send out notifications of rejects.

**1.4.2 Out-of-Network Letters.** Service Provider will generate an out of network letter to Members who submit DMR claims that were filled at a non-Participating Pharmacy. Initial DMR claims will pay, but once notified subsequent of out-of-network claims will reject.

**1.5 Copayment/Coinsurance** – The Copayment/Coinsurance amount for each prescription or refill dispensed by a Participating Pharmacy under the Retail Pharmacy Program will be as designated in the applicable Plan Design(s).

## **2. Base Service Provider Service Fees**

Effective January 1, 2012, the fees payable by the Company to Service Provider for providing the PBM Services defined in Schedule A shall be the applicable per 30 day equivalent prescription fee (the “Fee”) as follows: \$1.08. The Fee shall be calculated based on the number of prescriptions filled for Members enrolled in each Plan offered by Company on a monthly basis.

This fee does not include the services listed in Section 3 below, which will be invoiced at the amount indicated.

**3. Additional Fees – The following additional fees will be charged for Service Provider services provided:**

- |              |  |                      |
|--------------|--|----------------------|
| <b>3.1.</b>  | Formulary Management   | No Additional Charge |
| <b>3.2.</b>  | P&T Management   | No Additional Charge |
| <b>3.3.</b>  | ID Card Fees   | \$1.00 per card      |
| <b>3.4.</b>  | Claims Processing Fees   | No Additional Charge |
| <b>3.5.</b>  | Pharmacy Support Service Center Fees- Routine pharmacy support is included in the Service Provider Base Fee above. At the written request of the Company, with two (2) weeks notice, Service Provider will provide outbound pharmacy calls at the rate of \$60 dollars per hour (\$60/hr). In the event of a Company-introduced issue that elevates call volumes Service Provider may invoice the Company for the elevated costs of maintaining call center Performance Standards. |                      |
| <b>3.6.</b>  | Member Support Service Center Fees- Routine Member support is included in the Service Provider Base Fee above. At the written request of the Company, with two (2) weeks notice, Service Provider will provide outbound Member calls at the rate of \$60 dollars per hour (\$60/hr). In the event of a Company-introduced issue that elevates call volumes Service Provider may invoice the Company for the elevated costs of maintaining call center Performance Standards.       |                      |
| <b>3.7.</b>  | Benefit Design Fees  | No Additional Charge |
| <b>3.8.</b>  | DUR Review/MTM/FWA Fees  | No Additional Charge |
| <b>3.9.</b>  | Transition Fills Fees  | No Additional Charge |
| <b>3.10.</b> | EOB Fees   | No Additional Charge |
| <b>3.11.</b> | PDE Administration Fees  | No Additional Charge |
| <b>3.12.</b> | Web Service Fees   | As agreed            |
| <b>3.13.</b> | Auditing Fees  | No Additional Charge |
| <b>3.14.</b> | Network Access Fees - Service Provider will withhold 100% of the amounts collected from Participating Pharmacies for network access fees.  |                      |
| <b>3.15.</b> | E-Prescribing Fees - No additional charge will be invoiced to the Company for the costs invoiced to Service Provider by the E-Prescribing Intermediary for E-Prescribing services.   |                      |
| <b>3.16.</b> | IT Development Charges - Service Provider will invoice the Company monthly at the rate of one hundred fifty dollars per hour (\$150/hour) for the actual hours used to design, program and test the Company's requested changes.   |                      |

**4. General Payment Provisions**

- 4.1** Payments under this agreement will not be subject to interest accruing to the Company or Service Provider.
- 4.2** Settlement of the current month's costs under this service agreement shall occur during the same month based on an estimate. The monthly estimate will be prepared by the Service Provider's treasury department based upon average monthly activity plus any additional expected activity. These estimated amounts will be paid throughout the month, based on cash flow and liquidity of the Company.
- 4.3** A final settlement of any residual activity will occur not less frequently than on a quarterly basis. The quarterly settlement, for the preceding calendar quarter, will occur by the end of the month in the months of March, May, August and November. The activity and invoice will be supported by a monthly summary statement.
- 4.4** Repository shall collect monies due to Company and Service Provider in the operation of its business. Repository shall disperse and collect such monies, as required, in accordance with this Service Agreement and state and federal laws, rules and regulations. Any party hereto shall have the right to offset amounts payable to or receivable from any other party hereto. In addition, Repository shall perform any necessary banking and accounting administrative duties to accomplish the aforementioned activities.

**TWELFTH AMENDMENT TO  
PHARMACY BENEFIT MANAGEMENT SERVICES AGREEMENT**

This Twelfth Amendment (“Amendment”) to the Pharmacy Benefit Management Services Agreement, as amended (“Agreement”), is made and entered into on July 1, 2020 by and between Humana Insurance Company, a Wisconsin corporation, and its affiliates that are engaged in the business of underwriting, issuing, selling, and servicing health insurance products (collectively referred to as the “Company”), Humana Pharmacy Solutions, Inc., a Kentucky corporation, as service provider (“Service Provider”), and Humana Inc., a Delaware corporation, as repository (“Repository”).

**WITNESSETH**

**WHEREAS**, Company, Service Provider, and Repository entered into the Agreement, effective January 1, 2012, pursuant to which Company retained Service Provider and its affiliates, as applicable, to provide management services in connection with the Company’s Medicaid Prescription Drug Benefits Program; and

**WHEREAS**, the parties desire to amend the Agreement to include terms for the provision of services under the Kentucky Medicaid program.

**NOW, THEREFORE**, in consideration of the premises and mutual promises and covenants herein, the parties hereto agree to amend the Agreement as follows:

I. **Kentucky Addendum.** The parties desire to amend and restate the prior Kentucky Addendum to Pharmacy Benefit Management Services Agreement by replacing it in its entirety with the Kentucky Addendum to Pharmacy Benefit Management Services Agreement in the form attached hereto as Appendix A, and hereby do amend and restate such addendum.

II. **Conflict.** In the event of a conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

III. **Effect.** The parties agree that the Agreement is amended only as provided for in this Amendment and otherwise remains unchanged and in full force and effect.

*[Remainder of page left intentionally blank.]*

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the parties, have the authority necessary to bind the entities identified herein and have executed this Amendment to be effective as of July 1, 2020.

**“SERVICE PROVIDER”**

BY: \_\_\_\_\_  
Scott Greenwell  
ITS: President

**“COMPANY”**

BY: \_\_\_\_\_  
John Barger  
ITS: Senior Vice President, Medicaid President

**“REPOSITORY”**

BY: \_\_\_\_\_  
Brian Kane  
ITS: Chief Financial Officer

**Kentucky**  
**Addendum to the Pharmacy Benefit Management Services Agreement**

In addition to the terms and conditions of the Agreement, Service Provider shall comply with the following requirements of the Kentucky Plan for Medical Assistance and the Kentucky Children's Health Insurance Program contract (the "Kentucky Contract") between the Company and the Kentucky Department for Medicaid Services (the "Department") to the extent required by federal or Kentucky law or by the terms of the Kentucky Contract. Capitalized terms used but not defined in this Addendum or in the Agreement shall have the meanings ascribed to them in the Kentucky Contract. In the event of a conflict between the terms and conditions of this Addendum and the Agreement, the terms and conditions of this Addendum shall govern:

A. Subcontractor Indemnity

In no event shall the Commonwealth of Kentucky, Kentucky Finance and Administration Cabinet ("FAC"), the Department, or any Member be liable for the payment of any debt or fulfillment of any obligation of the Company or Service Provider to any subcontractor, supplier, out-of-network provider or any other party, for any reason whatsoever, including the insolvency of the Company or Service Provider. Service Provider shall indemnify, defend and hold harmless the Commonwealth of Kentucky, FAC, Department, their officers, agents, and employees, and each and every Member, from any liability whatsoever arising in connection with the Kentucky Contract for the payment of any debt of or the fulfillment of any obligation of Service Provider.

Service Provider further covenants and agrees that in the event of a breach of the Agreement by the Company, termination of the Agreement, or insolvency of the Company, Service Provider shall provide all services and fulfill all of its obligations pursuant to the Agreement for the remainder of any month for which the Department has made payments to the Company, and shall fulfill all of its obligations respecting the transfer of Members to other providers, managed care organizations or subcontractors, including record maintenance, access and reporting requirements, all such covenants, agreements, and obligations of which shall survive the termination of the Kentucky Contract and the Agreement.<sup>1</sup>

B. Requirements<sup>2</sup>

Service Provider acknowledges and agrees as follows:

1. Service Provider hereby represents that it is eligible for participation in the Medicaid program.
2. Service Provider acknowledges that each agreement with the Company for the provision of Covered Services to Members or other services that involve risk-sharing, medical management or other interaction with a Member shall be in writing, and in form and content approved by the Department.
3. The Company shall submit the Agreement for review to the Department and the Department may approve, approve with modification, or reject the Agreement if it does not satisfy the requirements of the Kentucky Contract. In determining whether to impose conditions or limitations on its approval of the Agreement, the Department may consider such factors as it deems appropriate to protect the Commonwealth of Kentucky and Members, including but not limited to, the past performance.  
In the event the Department has not approved the Agreement prior to its execution or effective date, Service Provider and the Company agree that enforcement of the Agreement is contingent upon Department approval.
4. Service Provider acknowledges that the Company will notify the Department in writing of the status of Service Provider on a quarterly basis and where applicable, the termination of the Agreement within ten (10) days following termination.

<sup>1</sup> Draft MCO Contract, § 6.2.

<sup>2</sup> Draft MCO Contract, § 6.1.



5. The population covered by the Agreement is those individuals eligible for Medicaid coverage under the eligibility criteria set forth in the Kentucky Contract.
6. The Agreement provisions set forth the amount, duration and delegated scope of services and reporting responsibilities of Service Provider, including that Service Provider shall provide information and data with the level of detail and on a timeline specified by the Company and the Department;
7. Service Provider staff shall participate in meetings with the Department as requested by the Department or the Company.
8. Service Provider shall provide ongoing and ad hoc reporting to the Company and the Department as defined in the Kentucky Contract, and upon request. The Department shall have unlimited but not exclusive rights to use, disclose, or duplicate, for any purpose whatsoever, all information and data developed, derived, documented, or furnished by Service Provider resulting from the Kentucky Contract; however, the Department shall not disclose proprietary information that is afforded confidential status by state or federal regulations.
9. Upon request, Service Provider shall support the Company and the Department in responding to legislative or other stakeholder requests. Support may include provision of data or other information, participation in drafting of materials or reports, or attendance in required meetings or other forums.
10. All materials developed by Service Provider specific to the Agreement shall include the name and logo of the Company and any other Managed Care Organization (MCO) for which the material is applicable. Service Provider shall not publish materials that are used for more than one MCO without each MCO being identified on the materials.
11. No data or information about Covered Services and Members or enrollees as applicable to the Kentucky Contract shall be held or considered proprietary to Service Provider unless agreed to in writing by the Department. All such data and information shall at all times be made available to the Department and the Company.
12. If Service Provider has NCQA, URAC, or other national accreditation, Service Provider shall provide the Company with a copy of its current certificate of accreditation, together with a copy of the survey report, as well as any updated documentation, as and when available or applicable.
13. Full disclosure of the method of compensation or other consideration to be received from the Company is set forth in Schedule B of the Agreement.
14. The Company shall not, and no provision of the Agreement shall be construed to, provide any incentive, monetary or otherwise, for the withholding from Members of Medically Necessary Covered Services as that is defined in the Kentucky Contract. Service Provider warrants and represents that it shall not withhold from Members any Medically Necessary Covered Service.
15. Service Provider shall not assign or further subcontract any services under the Agreement without the prior written consent of the Department and the Company.
16. The Commonwealth of Kentucky is the intended third-party beneficiary of the Agreement and, as such, the Commonwealth is entitled to all remedies entitled to third-party beneficiaries under law.
17. Where applicable, Service Provider shall timely submit Encounter Records in the format specified by the Department and the Company so that the Company can meet the specifications required by the Kentucky Contract.
18. By this Addendum, the Agreement contains all provisions of the Kentucky Contract, to the fullest extent applicable to the services or activity delegated to Service Provider pursuant to the Agreement, including without limitation:

- a. the obligation to comply with all applicable federal and Commonwealth laws and regulations, including but not limited to, KRS 205.8451-8483, all rules, policies and procedures of FAC and the Department, applicable sub-regulatory guidance and contract provisions, and all standards governing the provision of Covered Services and information to Members or enrollees,
- b. all Quality Assurance Performance Improvement (QAPI) requirements,
- c. all record keeping and reporting requirements,
- d. all obligations to maintain the confidentiality of information,
- e. all rights of FAC, the Department, the Office of the Inspector General, the Attorney General, Auditor of Public Accounts and other authorized federal and Commonwealth agents to inspect, investigate, monitor and audit operations,
- f. all indemnification and insurance requirements, and
- g. all obligations upon termination.

Service Provider shall comply with all such applicable provisions of the Kentucky Contract and all applicable Medicaid laws and regulations including applicable sub-regulatory guidance and contract provisions.

19. Where applicable, Service Provider shall participate in readiness reviews as requested by the Department or the Company, including submission of requested materials, participation in meetings, and onsite reviews.

20. The Company shall conduct ongoing monitoring of Service Provider's performance of the full scope of required services and the quality of services rendered to Members and enrollees in accordance with the terms of the Kentucky Contract, including Service Provider's applicable accreditation requirements. Such performance monitoring shall include, but not be limited to, the attached Performance Standards process in Exhibit 1 of this Addendum. Such Performance Standards shall:

- a. Include the frequency and method of reporting to the Company; the process by which the Company evaluates the Service Provider's performance; and the requirement for formal review according to a periodic schedule consistent with industry standards, but no less than annually.
- b. Provide that, as requested, the Company shall provide results of the review to the Department;
- c. Provide a process for the Service Provider to identify deficiencies or areas of improvement, and any necessary corrective action. If the Company identifies deficiencies or areas for improvement, the Company and Service Provider shall take corrective action.
- d. Provide that the Company shall inform the Department of any corrective actions required of Service Provider related to Covered Services, Members, enrollees, or providers all in accordance with timing and frequency of required updates on progress of implementation of the corrective actions, by the Department.

21. The Commonwealth, Centers for Medicare and Medicaid Services (CMS), federal Department of Health and Human Services (HHS) Inspector General, the federal Comptroller General, and any of their designees, shall have the right at all times to audit, evaluate and inspect any books, records (including Medical Records of the Company Enrollees),<sup>3</sup> contracts, computer or other electronic systems of Service Provider or its subcontractors or contractors, that pertain to any aspect of services and activities performed or determination of amounts payable under the Kentucky Contract, or for reasonable possibility of Fraud or similar risk.<sup>4</sup>

<sup>3</sup> Draft MCO Contract, Apx. C.

<sup>4</sup> See also Draft MCO Contract, § 5.6.

- a. Service Provider shall make its premises, physical facilities, equipment, books, records, contracts, computer or other electronic systems relating to Members or any Kentucky Medicaid enrollee available to the above entities for the purposes of such audits or inspections.
  - b. The Company and any of the above entities shall have the right to audit through ten (10) years from the final date of the Agreement period, or from the date of completion of any audit, whichever is later.
22. Service Provider shall notify the Company throughout the Agreement Term of any new or existing litigation affecting Service Provider.
23. In the event Service Provider does not fulfill any obligation under the Agreement or this Addendum, the Company shall have all remedies available under the Agreement and the Kentucky Contract, up to and including revocation of the Agreement upon notice. Service Provider shall also be subject to penalties as set forth in **Appendix B “Remedies for Violation, Breach, or Non-Performance of Contract”** of the Kentucky Contract, for any failure to fulfill any obligation.
24. Any suspected Fraud or Abuse as defined in the Kentucky Contract shall be reported to the Company immediately upon detection or as otherwise required by the timing of the Kentucky Contract.
25. If Service Provider contracts with Providers (as defined in the Kentucky Contract) for Covered Services, Service Provider agrees to the following additional provisions:
  - a. Service Provider shall use only Medicaid-enrolled providers in accordance with the Kentucky Contract.
  - b. Service Provider is subject to and shall comply with all requirements set forth in **Appendix C. “Required Standard Provisions for Network Provider Contracts”** in the Kentucky Contract, and such requirements are incorporated herein by reference.
  - c. Service Provider shall follow and comply with all required policies and processes for credentialing conducted by the Commonwealth’s Credentialing Verification Organization (CVO).
26. The Company shall have the right at all times to revoke delegation of any function or imposition other sanctions if Service Provider’s performance is inadequate, and also if Service Provider does not provide data or information upon request of the Company or the Department.
27. The Agreement or this Addendum may be terminated by the Company for convenience and without cause as provided for in Section 8 of the Agreement. The Agreement may be extended, renegotiated, or terminated as provided for in the same section.

C. Nondiscrimination and Affirmative Action<sup>5</sup>

During the performance of the Agreement, Service Provider agrees as follows:

1. Service Provider will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. Service Provider will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Service Provider agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

<sup>5</sup> Draft MCO Contract, § 5.3.

2. Service Provider will, in all solicitations or advertisements for employees placed by or on behalf of Service Provider, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.
3. Service Provider will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. Company will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. Service Provider will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
6. In the event of Service Provider's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and Service Provider may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
7. Service Provider will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Service Provider will take such action with respect to any subcontract or purchase order as the Department may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event Service Provider becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department, Service Provider may request the United States to enter into such litigation to protect the interests of the United States.

D. Employment Practices<sup>6</sup>

Service Provider agrees to comply with each of the following requirements and to include in any Subcontracts that any Subcontractor, supplier, or any other person or entity who receives compensation pursuant to performance of this Contract, a requirement to also comply with the following laws:

1. Title VI of the Civil Rights Act of 1964 (Public Law 88-352);
2. Title IX of the Education Amendments of 1972 (regarding education, programs and activities);
3. The Age Discrimination Act of 1975;
4. The Rehabilitation Act of 1973;
5. Rules and regulations prescribed by the United States Department of Labor in accordance with 41 C.F.R. Parts 60-741; and

<sup>6</sup> Draft MCO Contract, § 5.4.

6. Regulations of the United States Department of Labor recited in 20 C.F.R. Part 741, and Section 504 of the Federal Rehabilitation Act of 1973 (Public Law 93-112).

E. Medical Loss Ratio (MLR) Reporting<sup>7</sup>

To the extent Service Provider performs Claim adjudication activities for the Company, Service Provider shall provide all underlying data associated with MLR reporting to the Company within one hundred eighty (180) calendar days of the end of the MLR reporting period or within thirty (30) calendar days of the Company's request for such information.

F. Submission of Encounter Data<sup>8</sup>

Service Provider shall report or submit Encounter data in an accurate and timely fashion that complies with Department requirements, including requirements set forth in Section 16.1 of the Kentucky Contract.

G. Utilization Management (UM) Activities<sup>9</sup>

To the extent Service Provider will conduct UM activities, compensation for such activities shall not be structured to provide incentives to deny, limit, or discontinue Medically Necessary services to Members or enrollees. Service Provider shall meet the timelines set forth in Section 20.6 of the Kentucky Contract.

H. Cultural Consideration and Competency<sup>10</sup>

Service Provider shall implement the Company's applicable policies to promote the delivery of services in a culturally competent manner to all Members and enrollees, including those with limited English proficiency and diverse cultural and ethnic background, disabilities, and regardless of gender, sexual orientation, or gender identity.

I. Marketing Materials<sup>11</sup>

Service Provider shall submit to the Company any Marketing or information materials that relate to the Kentucky Contract prior to disseminating same. The Company shall be responsible for submitting such Marketing or information materials to the Department for approval.

J. Specific Form Retention<sup>12</sup>

For any service provided pursuant to the Kentucky Contract by Service Provider that requires the completion of a specific form (e.g., hospice, sterilization, hysterectomy, or abortion), the form shall be completed according to the appropriate Kentucky Administrative Regulation (KAR, and Service Provider, its subcontractor, or its contracted Provider shall retain the form in the event of audit and a copy shall be submitted to the Department upon request.

K. Reimbursement Rates and Dispensing Fees<sup>13</sup>

1. The Department shall have the ability to set, create, or approve, and may change at any time for any reason, reimbursement rates between Service Provider and a pharmacy Provider, or an entity which contracts on behalf of a pharmacy.

2. Reimbursement rates shall include dispensing fees that take into account applicable CMS guidance and any DMS requirements.

<sup>7</sup> Draft MCO Contract, § 11.4.

<sup>8</sup> Draft MCO Contract, § 16.1.

<sup>9</sup> Draft MCO Contract, §§ 20.1; 20.6.

<sup>10</sup> Draft MCO Contract, § 22.4.

<sup>11</sup> Draft MCO Contract, § 25.1.

<sup>12</sup> Draft MCO Contract, § 30.1.

<sup>13</sup> Draft MCO Contract, § 31.6.

3. Service Provider shall notify the Department directly or through the Company no less than thirty (30) Days in advance of any proposed change of over five percent (5%) in the product reimbursement rates for a pharmacy Provider licensed in the state.

4. The Department may disallow such a change by notifying the Company at any time prior to the implementation date of the change. If the Department disallows the proposed change, The Company shall require Service Provider to reprocess all affected Claims without undue delay at the old reimbursement rate.

5. Beginning on the Effective Date of the Kentucky Contract and pursuant to 18 RS HB 200, Medicaid Benefits, section (16), Service Provider, in reimbursing for drug products through POS/retail Claims, shall comply with all dispensing fee requirements set by the Kentucky Contract. Service Provider shall pay an additional dispensing fee of two dollars (\$2.00) without reduction of any kind or for any reason. This additional dispensing fee amount shall be in addition to the dispensing fee remitted to pharmacies for POS/retail Claims as calculated or determined by contractual provisions negotiated directly with the dispensing pharmacy or any entity who contracts on behalf of the dispensing pharmacy whether negotiated by Service Provider.

L. Maximum Allowable Cost<sup>14</sup>

Service Provider shall comply with all maximum allowable cost laws and administrative regulations promulgated by the Department of Insurance, the Department, or otherwise promulgated by State or federal law.

M. Pharmacy Benefit Manager Requirements<sup>15</sup>

1. Service Provider shall comply with all pharmacy benefit reporting requirements and ad hoc requests for reports and data of the Kentucky Contract, the Department, and those set forth by applicable statutory or regulatory authority. At the request of the Department or the Company, Service Provider shall provide both summary and detailed reports. Detailed reports shall include Claim level details at the Department's request. Service Provider shall, at a minimum, deliver or cause to be delivered to the Department no later than August 15<sup>th</sup> of each contracting year, reports the following information:

a. The total Medicaid dollars paid to Service Provider by the Company and the total amount of Medicaid dollars paid to Service Provider by the Company that were not subsequently paid to a pharmacy licensed in Kentucky;

b. The average reimbursement,<sup>16</sup> by drug ingredient cost, dispensing fee, and any other fee paid by Service Provider to licensed pharmacies with which Service Provider shares common ownership, management, or control; or that are owned, managed, or controlled by any of Service Provider's management companies, parent companies, or companies otherwise affiliated by a common owner, manager, or holding company; or that share any common members on the board of directors; or that share managers in common;

c. The average reimbursement, by drug ingredient cost, dispensing fee, and any other fee, paid by Service Provider to pharmacies licensed in Kentucky that operate more than ten (10) locations;

d. The average reimbursement, by drug ingredient cost, dispensing fee, and any other fee, paid by Service Provider to pharmacies licensed in Kentucky that operate ten (10) or fewer locations;

e. Any direct or indirect fees, charges, or any kind of assessments imposed by Service Provider on pharmacies licensed in Kentucky with which Service Provider shares common ownership, management, or control; or that are owned, managed, or controlled by any of Service Provider's management companies, parent companies, or companies

<sup>14</sup> Draft MCO Contract, § 31.13.

<sup>15</sup> Ky. Rev. Stat. § 205.647; Draft MCO Contract, § 31.17.

<sup>16</sup> Average reimbursement means a statistical methodology selected by the Department via any administrative regulations promulgated pursuant to this section, which shall include, at a minimum, the medium and mean. Ky. Rev. Stat. § 205.647.

otherwise affiliated by a common owner, manager, or holding company; or that share any common members on the board of directors; or that share managers in common;

f. Any direct or indirect fees, charges, or any kind of assessments imposed by Service Provider on pharmacies licensed in Kentucky that operate more than ten (10) locations;

g. Any direct or indirect fees, charges, or any kind of assessments imposed by Service Provider on pharmacies licensed in Kentucky that operate ten (10) or fewer locations; and

h. All common ownership, management, common members of a board of directors, shared managers, or control of Service Provider or any of Service Provider's management companies, parent companies, subsidiary companies, jointly held companies, or companies otherwise affiliated by a common owner, manager, or holding company with any managed care organization contracted to administer Kentucky Medicaid benefits, any entity that contracts on behalf of a pharmacy, or any pharmacy services administration organization or any common ownership, management, common members of a board of directors, shared managers, or control of a pharmacy services administration organization that is contracted with Service Provider, with any drug wholesaler or distributor or any of the pharmacy services administration organization's management companies, parent companies, subsidiary companies, jointly held companies, or companies otherwise affiliated by a common owner, common members of a board of directors, manager, or holding company.

2. Service Provider shall comply with the provisions of Ky. Rev. Stat. §§ 304.9-053, 304.9-054, 304.9-055, and 304.17A-162.

N. Reporting Requirements and Standards<sup>17</sup>

Service Provider shall respond to any Department request for information or documents within the timeframe specified by the Department in its request. If Service Provider is unable to respond within the specified timeframe, Service Provider shall immediately notify the Department in writing and shall include an explanation for the inability to meet the timeframe and a request for approval of an extension of time. The Department may approve, within its sole discretion, any such extension of time upon a showing of good cause by Service Provider or the Company.

O. Medical Records

The Company, the Department, the Office of the Inspector General, and other authorized Commonwealth and federal agents thereof, shall have access to the Medical Records of Members and enrollees for purposes of auditing.

P. Protected Health Information

Service Provider shall abide by the same statutes and regulations regarding confidentiality of Protected Health Information (PHI) as is the Company.

Q. Appendices of the Kentucky Contract

Service Provider shall comply with the applicable requirements of Appendix C (Required Standard Provisions for Network Provider Contracts) and Appendix M (Program Integrity Requirements) of the Kentucky Contract, and those appendices are incorporated herein by reference.

<sup>17</sup> Draft MCO Contract, § 37.2.