

**ADDENDUM TO THE
INTEGRATED PRESCRIPTION DRUG PROGRAM
MASTER AGREEMENT**

THIS ADDENDUM is entered into as of the 1st day of July, 2013 by and between Medco Health Solutions, Inc., located at 100 Parsons Pond Drive, Franklin Lakes, New Jersey 07417 ("Medco"), and The State of Delaware, located at Statewide Benefits, Office of Management and Budget, 500 W. Loockerman Street, Suite 320, Dover, Delaware 19904 ("SPONSOR").

WHEREAS, SPONSOR retained Medco to provide certain pharmacy benefit management services under the Integrated Prescription Drug Program Master Agreement with an effective date of July 1, 2011, as amended from time to time (the "Agreement"); and

WHEREAS, Medco and Express Scripts, Inc. ("ESI") entered into transaction whereby each entity became wholly owned subsidiaries of Express Scripts Holding Company on April 2nd, 2012; and

WHEREAS, ESI will serve as the entity by which pharmacy benefit management services are contracted and provided for clients;

WHEREAS, the parties desire to substitute ESI for Medco under this Amendment and the Agreement, and to otherwise modify the terms of the Agreement as set forth below.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, the parties hereto agree as follows:

- 1.** The parties agree to substitute ESI for Medco as the contracted party under the Agreement, whereby ESI will assume all rights, duties, and obligations to perform pharmacy benefit management services under the Agreement from and after the Amendment Effective Date. All references to "Medco" shall apply to ESI. Sponsor acknowledges and agrees that ESI may perform certain services hereunder through one or more subsidiaries or affiliates, including, but not limited to, Medco.
- 2.** Replace Sections 1.1 and 1.20 with the following:
 - 1.1 "Average Wholesale Price" or "AWP" means the average wholesale price of a prescription drug as identified by drug pricing services such as Medi-Span or other source recognized in the retail prescription drug industry selected by ESI (the "Pricing Source"). The applicable AWP shall be the 11-digit NDC for the product on the date dispensed, and for prescriptions filled in (a) Participating Pharmacies and ESI Specialty Pharmacy will be the AWP for the package size from which the prescription drug was dispensed, and (b) in the Mail Service Pharmacy the AWP for the NDC code for the package size from which the prescription drug was dispensed. All compound Prescription Drug Claims will be paid by SPONSOR at combined AWP plus applicable service fee. If the Pricing Source changes the methodology for calculating AWP or replaces AWP, or if, as a result of such change, ESI utilizes another recognized pricing benchmark other than AWP (e.g., to Wholesale Acquisition Cost), and if such change alters the parties' relative economics under this Agreement (i.e., such change materially and negatively impacts either party or both parties), then the parties agree to modify the pricing terms hereunder to preserve the parties' relative economics and pricing intent.
 - 1.20 "Participating Pharmacy" means any licensed retail pharmacy with which ESI or one or more of its affiliates has executed an agreement to provide Covered Drugs to Eligible Persons, but shall not include any mail order or specialty pharmacy affiliated with any such Participating Pharmacy. Participating Pharmacies are independent contractors of ESI.

3. Delete and replace Section 6.3 with the following:

6.3 **Guaranteed Rebates** – Within ninety (90) days following the end of each Contract Quarter during the Initial Term that SPONSOR participates in the Formulary, and complies fully with the Formulary management programs implemented by ESI, ESI will provide to SPONSOR Guaranteed Rebate amounts [REDACTED] of Brand Name Drug prescriptions, excluding Specialty Drug prescriptions, billed and paid for under SPONSOR's Retail Pharmacy Program [REDACTED] Brand Name Drug prescriptions, excluding Specialty Drug prescriptions, billed and paid for under SPONSOR's Mail Order Pharmacy Program during the same Contract Year [REDACTED] of Specialty Drug Covered Drug prescriptions billed and paid for under SPONSOR'S Retail Pharmacy Program during the same Contract Year, [REDACTED] total number of Specialty Drug Covered Drug prescriptions billed and paid for under SPONSOR's Mail Order Pharmacy Program during the same Contract Year (collectively the "Guaranteed Rebates"). ESI will pay SPONSOR the Guaranteed Rebates due and owing via wire transfer. Prescriptions for Compounds, OTC products, flu shots and vaccines are excluded from all calculations, measurements and payments of Total Rebates and Guaranteed Rebates. Any surplus savings realized in the guaranteed rebates for one Rebate Category shall not be used to fund any shortfall in the guaranteed rebates in another Rebate Category as part of the annual rebate reconciliation with actual Total Rebates.

4. Delete and replace the first sentence of Section 10.1 with the following:

Term
"This Agreement will remain in effect for an initial term of three (3) years from the Effective Date (the "Initial Term"), July 1, 2011, through June 30, 2014, and thereafter SPONSOR will have the option to renew for two (2) successive one-year terms by giving written notice, at least one hundred fifty (150) days prior to the end of any such term, to Medco of its intent to renew this Agreement as of the end of the then current term."

5. Delete and replace the second sentence of Section 15.2.2 with the following:

"The SPONSOR approves the subcontracting of the following services: call center to APAC Teleservices, Inc., and paper claim processing to Cognizant Technology Solutions."

6. Delete and replace Schedule A, Section 3.1 with the following:

3.1 **Ingredient Cost** - The Ingredient Cost [REDACTED] prescriptions with a sixty (60) day or less supply, and [REDACTED] for prescriptions with greater than a sixty (60) day supply.

7. Delete and replace Schedule A, Section 7 with the following:

7. **RETAIL NETWORK COMPONENT DISCOUNT GUARANTEE FOR COVERED DRUGS WITH A DAYS SUPPLY OF SIXTY DAYS (60) OR LESS**

7.1 Medco guarantees that as a result of the Medco network management programs, for all Covered Drug claims having a days supply of sixty (60) days or less (exclusive of Specialty Drug claims, Compound Prescriptions, OTC claims, vaccines, and flu shots) and claims processed at community retail Participating Pharmacies, except for rural Participating Pharmacies, where Medco contracts without any regulatory restriction, in the aggregate for each Contract Year during the Initial Term, (a) the average Ingredient Cost AWP [REDACTED] Brand Name Drugs and [REDACTED]