

ADDENDUM TO THE INTEGRATED PRESCRIPTION DRUG PROGRAM MASTER AGREEMENT

THIS ADDENDUM is entered into as of the 1st day of July, 2015 by and between Express Scripts, Inc. (“ESI”), and The State of Delaware (“SPONSOR”).

WHEREAS, SPONSOR retained ESI 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, the parties desire to 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. In Section 6, Formulary, the following changes shall be made:

1.1. Delete Section 6.3 and replace as follows:

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 equal to the sum of (i) [REDACTED] times the total number of Brand Name Drug prescriptions, excluding Specialty Drug prescriptions, billed and paid for under SPONSOR’s Retail Pharmacy Program, plus (ii) [REDACTED] times the total number of Brand Name Drug prescriptions, excluding Specialty Drug prescriptions, billed and paid for under SPONSOR’s Mail Order Pharmacy Program during the same Contract Year plus (iii) [REDACTED] times the total number of Specialty Drug Covered Drug prescriptions billed and paid for under SPONSOR’S Retail Pharmacy Program during the same Contract Year, plus (iv) [REDACTED] times the 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. The parties acknowledge that these Guaranteed Rebates have been adjusted for and take into account the impact of the AUM Advantage Package detailed in the PBM Agreement Service Addendum dated April 1, 2015. Sponsor elected to participate in this program following the date of the original PBM offer. ESI agrees to report on the results of this program on a schedule mutually acceptable to ESI and Sponsor. Sponsor reserves the right to amend their participation in the program and acknowledges that any changes to their program participation may invoke a review and adjustment to the rebate guarantees set forth in this section.

1.2 A new Section 6.3(a) is added as follows:

6.3(a) **Price Inflation Protection** - Rebates shall include any payments received by ESI (if any; and whether separately made or in the form of increased rebates) from a pharmaceutical manufacturer for the purpose of adjusting for year over year price inflation of the manufacturer’s price to ESI for Covered Drugs on which rebates are paid; in accordance with and pursuant to applicable pharmaceutical manufacturer agreements. Price inflation protection-related rebate payments will be reported as a separate line item in the quarterly rebate invoicing.

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

“This Agreement will remain in effect for an initial term of four (4) years from the Effective Date (the “Initial Term”), July 1, 2011, through June 30, 2016, and thereafter SPONSOR will have the option to

renew for one (1) one-year term by giving written notice, at least one hundred fifty (150) days prior to the end of any such term, to ESI of its intent to renew this Agreement as of the end of the then current term.”

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

3.1 **Ingredient Cost** - The Ingredient Cost is the lower of AWP minus ██████████ or MAC for prescriptions with greater than a sixty (60) day supply.

4. A new Schedule A, Section 4.1 is added as follows:

4.1 Specialty Net Effective Discount Guarantee. ESI guarantees that the overall annual Net Effective Discount for the products listed on the Specialty Price List that were dispensed through the mail order channel will be at least AWP (-) minus ██████████ for the State of Delaware. Within one hundred eighty days (180) following the end of each contract year ESI will calculate the actual net effective discount for the products listed on the Specialty Price List that were dispensed through the mail order channel to determine if the guarantee has been met. If the actual overall Net Effective Discount is less than the guaranteed Net Effective Discount ESI will reimburse the State of Delaware the full dollar amount of the difference between the actual and guaranteed Net Effective Discounts. the State of Delaware will retain any amount that the actual Net Effective Discount exceeds the guaranteed Net Effective Discount. The calculation for the actual Net Effective Discount will be as follows: ((Total Ingredient Cost for the products listed on the Specialty Price List) divided by (Total AWP for the products listed on the Specialty Price List)) minus 1. This guarantee is contingent on the State of Delaware’s continued participation in the Specialty PTPA programs for Growth Hormones, , Multiple Sclerosis therapies as well as maintaining the current exclusive specialty arrangement.

5. Delete and replace Schedule A, Section 7.1 with the following:

7.1 ESI guarantees that as a result of the ESI 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 ESI contracts without any regulatory restriction, in the aggregate for each Contract Year during the Initial Term, (a) the average Ingredient Cost AWP discount will be minus ██████████ for Brand Name Drugs and minus ██████████ for Generic Drugs (the “Guaranteed Ingredient Cost Discounts”), and (b) the average Dispensing Fee will be ██████████ (the “Guaranteed Dispensing Fee”). The Ingredient Cost discounts are calculated by measuring the incremental values of the billed network discount, MAC pricing, and U&C pricing against the AWP of all prescriptions (exclusive of any excluded claims described above) dispensed and submitted under the Program by Participating Pharmacies. In the event of a material Plan Design modification, an increase or decrease in the total number of Participating Pharmacies by ██████████ percent or more, or a change in ownership of ██████████ percent or more of Participating Pharmacies, ESI may modify the Guaranteed Ingredient Cost Discounts and Guaranteed Dispensing Fee on an equitable basis.

6. Delete and replace Schedule A, Section 8.1 with the following:

8.1 ESI guarantees that as a result of the ESI network management programs, for all Covered Drugs (exclusive of Specialty Drugs, Compound Prescriptions, OTC claims, vaccines and flu shots) dispensed and submitted by Participating Pharmacies and having a days’ supply of more than sixty (60) days, in the aggregate for claims billed to SPONSOR, for each Contract Year during the Initial Term, (a) the average Ingredient Cost AWP discount will be minus ██████████ for Brand Name Drugs and minus ██████████ for Generic Drugs (the "Guaranteed Ingredient Cost Discounts"), and (b) the average Dispensing Fee will be ██████████(the "Guaranteed Dispensing Fee"). The Ingredient Cost discounts are calculated

by measuring the incremental values of: the billed network discount; MAC pricing; U&C pricing, and the impact of Eligible Person Pays the Difference Plan Design against the AWP of all prescriptions (exclusive of Specialty Drugs and Compound Prescriptions) dispensed and submitted under the Program by Participating Pharmacies in the aggregate. In the event of a material Plan Design modification, a change in ownership of [REDACTED] percent or more of Participating Pharmacies, ESI may modify the Guaranteed Ingredient Cost Discounts and Guaranteed Dispensing Fee on an equitable basis.

7. Delete and replace Schedule A, Section 9.1 with the following:
 - 9.1 ESI guarantees that the average effective AWP discount for Generic Drugs, as billed to SPONSOR, dispensed under the Mail Order Pharmacy Program (excluding Generic Drugs dispensed for a days' supply of sixty (60) days or less) in the aggregate, for each Contract Year during the Initial Term will be [REDACTED] (the "Guaranteed Mail Generic Discount"). In the event of a material Plan
8. Delete and replace Schedule B with the Schedule B attached hereto.
9. Schedule H, attached hereto, is added to the Agreement.
10. Except as amended herein, the Agreement shall remain in full force and effect without modification. In the event of an inconsistency between the terms of the Agreement and this Amendment, the terms of this Amendment shall govern. Capitalized terms used and not otherwise defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement on the date indicated below.

EXPRESS SCRIPTS, INC.

**THE STATE OF DELAWARE
OFFICE OF MANAGEMENT AND
BUDGET**

BY: _____
(signature)

BY: _____
(signature)

NAME: Tricia Fringer

NAME: Brenda L. Lakeman
(type or print name)

TITLE: President, Commercial Div.

TITLE: Director, HR Mgt and
Benefits Administration

DATE: 8-25-15

DATE: 8/24/15

**SCHEDULE B
SPECIALTY DRUGS UNDER THE
MAIL ORDER PHARMACY PROGRAM**

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|--------------------------|--|---------------------------------------|
| ARANESP | | ■ |
| EPOGEN | | ■ |
| PROCRIT | | ■ |
| SOLIRIS | | ■ |
| ORALAIR | | ■ |
| 8-MOP | | ■ |
| ABRAXANE | | ■ |
| ADRIAMYCIN | | ■ |
| ADRUCIL | | ■ |
| AFINITOR | | ■ |
| AGRYLIN | | ■ |
| ALIMTA | | ■ |
| ALKERAN IV | | ■ |
| ALKERAN ORAL | | ■ |
| ALOXI | | ■ |
| ANAGRELIDE HYDROCHLORIDE | | ■ |
| ANZEMET | | ■ |
| ARRANON | | ■ |
| ARZERRA | | ■ |
| AVASTIN | | ■ |
| AZACITIDINE | | ■ |
| BICALUTAMIDE | | ■ |
| BICNU | | ■ |
| BLEOMYCIN SULFATE | | ■ |
| BOSULIF | | ■ |
| CAMPTOSAR | | ■ |
| CAPECITABINE | | ■ |
| CARBOPLATIN | | ■ |
| CASODEX | | ■ |
| CISPLATIN | | ■ |
| CLADRIBINE | | ■ |
| COSMEGEN | | ■ |
| CYCLOPHOSPHAMIDE | | ■ |
| CYTARABINE | | ■ |
| DACARBAZINE | | ■ |
| DACOGEN | | ■ |
| DACTINOMYCIN | | ■ |
| DECITABINE | | ■ |
| DEFEROXAMINE MESYLATE | | ■ |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|-----------------------|------------------------------------|------------------------------------|
| DELESTROGEN | | |
| DEPOCYT | | |
| DESFERAL | | |
| DOCEFREZ | | |
| DOCETAXEL | | |
| DOXIL | | |
| DOXORUBICIN HCL | | |
| ELIGARD | | |
| ELOXATIN | | |
| EMCYT | | |
| ERBITUX | | |
| ERIVEDGE | | |
| ESTRADIOL VALERATE | | |
| ETOPOPHOS | | |
| ETOPOSIDE IV | | |
| ETOPOSIDE ORAL | | |
| FASLODEX | | |
| FIRMAGON | | |
| FLOXURIDINE | | |
| FLUDARA | | |
| FLUDARABINE PHOSPHATE | | |
| FLUROPLEX | | |
| FLUOROURACIL | | |
| FLUTAMIDE | | |
| FOLOTYN | | |
| GAZYVA | | |
| GEMCITABINE HCL | | |
| GEMZAR | | |
| GILOTRIF | | |
| GLEEVEC | | |
| GLIADEL | | |
| GRANISETRON HCL | | |
| GRANISOL | | |
| GRANIX | | |
| HALAVEN | | |
| HERCEPTIN | | |
| HEXALEN | | |
| HYCANTIN ORAL | | |
| HYDREA | | |
| HYDROXYUREA | | |
| IFEX | | |
| IFOSFAMIDE | | |
| IFOSFAMIDE-MESNA | | |
| INLYTA | | |
| IRINOTECAN HCL | | |
| ISTODAX | | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|--------------------|------------------------------------|------------------------------------|
| IXEMPRA | | |
| JAKAFI | | |
| JEVTANA | | |
| KADCYLA | | |
| LEUCOVORIN CALCIUM | | |
| LEUKERAN | | |
| LEUPROLIDE | | |
| LIPODOX | | |
| LUPANETA PACK | | |
| LUPRON DEPOT | | |
| MEKINIST | | |
| MELPHALAN HCL | | |
| MESNA | | |
| MESNEX IV | | |
| MESNEX ORAL | | |
| MOZOBIL | | |
| MUSTARGEN | | |
| NAVELBINE | | |
| NEXAVAR | | |
| NILANDRON | | |
| OCTREOTIDE ACETATE | | |
| ONDANSETRON | | |
| ONXOL | | |
| OXALIPLATIN | | |
| OXSORALEN ULTRA | | |
| PACLITAXEL | | |
| PANRETIN | | |
| PERJETA | | |
| POMALYST | | |
| PROLEUKIN | | |
| PROTHELIAL | | |
| REVLIMID | | |
| RITUXAN | | |
| SANDOSTATIN | | |
| SPRYCEL | | |
| STIVARGA | | |
| SUTENT | | |
| SYLATRON | | |
| SYLVANT | | |
| TAFINLAR | | |
| TARCEVA | | |
| TARGRETIN | | |
| TASIGNA | | |
| TAXOTERE | | |
| TEMODAR | | |
| TEMOZOLOMIDE | | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|----------------------|------------------------------------|------------------------------------|
| THALOMID | | |
| THERACYS | | |
| THIOTEPA | | |
| TICE BCG | | |
| TOPOSAR | | |
| TORISEL | | |
| TREANDA | | |
| TRELSTAR | | |
| TRISENOX | | |
| TYKERB | | |
| UVADEX | | |
| VALCHLOR | | |
| VANTAS | | |
| VECTIBIX | | |
| VELCADE | | |
| VIDAZA | | |
| VINBLASTINE SULFATE | | |
| VINCASAR PFS | | |
| VINCRISTINE SULFATE | | |
| VINORELBINE TARTRATE | | |
| VOTRIENT | | |
| XALKORI | | |
| XELODA | | |
| XGEVA | | |
| XTANDI | | |
| YERVOY | | |
| ZALTRAP | | |
| ZELBORAF | | |
| ZOFRAN | | |
| ZOLADEX | | |
| ZOLINZA | | |
| ZOMETA | | |
| ZUPLENZ | | |
| ZYKADIA | | |
| ZYTIGA | | |
| CIMZIA | | |
| ARIXTRA | | |
| ENOXAPARIN SODIUM | | |
| FONDAPARINUX SODIUM | | |
| FRAGMIN | | |
| IPRIVASK | | |
| LOVENOX | | |
| MYALEPT | | |
| VIMIZIM | | |
| GENOTROPIN | | |
| HUMATROPE | | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|---------------|------------------------------------|------------------------------------|
| INCRELEX | | |
| NORDITROPIN | | |
| NUTROPIN | | |
| OMNITROPE | | |
| SAIZEN | | |
| SEROSTIM | | |
| TEV-TROPIN | | |
| ZORBTIVE | | |
| ADVATE | | |
| ALPHANATE | | |
| ALPHANINE SD | | |
| ALPROLIX | | |
| BEBULIN | | |
| BENEFIX | | |
| CORIFACT | | |
| ELOCTATE | | |
| FEIBA | | |
| HELIXATE FS | | |
| HEMOFIL M | | |
| HUMATE-P | | |
| KOATE | | |
| KOGENATE | | |
| MONOCLATE P | | |
| MONONINE | | |
| NOVOSEVEN RT | | |
| PROFILNINE SD | | |
| RECOMBINATE | | |
| RIASTAP | | |
| RIXUBIS | | |
| STIMATE | | |
| TRETTEN | | |
| WILATE | | |
| XYNTHA | | |
| COPEGUS | | |
| INCIVEK | | |
| INFERGEN | | |
| INTRON A | | |
| MODERIBA | | |
| OLYSIO | | |
| PEGASYS | | |
| PEG-INTRON | | |
| REBETOL | | |
| RIBAPAK | | |
| RIBASPHERE | | |
| RIBAVIRIN | | |
| SOVALDI | | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|---------------------------------|------------------------------------|---------------------------------------|
| VICTRELIS | | |
| ADEFOVIR DIPIVOXIL | | |
| BARACLUDE | | |
| ENTECAVIR | | |
| EPIVIR HBV | | |
| HEPAGAM B | | |
| HEPSERA | | |
| HYPERHEP B S-D | | |
| NABI-HB | | |
| TYZEKA | | |
| HARVONI | | |
| VIEKIRA | | |
| RUCONEST | | |
| ABACA VIR-LAMIVUDINE-ZIDOVUDINE | | |
| APTIVUS | | |
| ATRIPLA | | |
| COMBIVIR | | |
| CRIXIVAN | | |
| DIDANOSINE | | |
| EMTRIVA | | |
| EPIVIR | | |
| EPZICOM | | |
| FUZEON | | |
| INTELENCE | | |
| INVIRASE | | |
| ISENTRESS | | |
| KALETRA | | |
| LAMIVUDINE | | |
| LAMIVUDINE-ZIDOVUDINE | | |
| LEXIVA | | |
| NEVIRAPINE | | |
| NEVIRAPINE ER | | |
| NORVIR | | |
| PREZISTA | | |
| RESCRIPTOR | | |
| RETROVIR | | |
| REYATAZ | | |
| SELZENTRY | | |
| STAVUDINE | | |
| STRIBILD | | |
| SUSTIVA | | |
| TIVICAY | | |
| TRIUMEQ | | |
| TRIZIVIR | | |
| TRUVADA | | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|------------------------|------------------------------------|------------------------------------|
| TYBOST | | |
| VIDEX | | |
| VIRACEPT | | |
| VIRAMUNE | | |
| VIREAD | | |
| ZERIT | | |
| ZIAGEN | | |
| ZIDOVUDINE | | |
| ZOLEDRONIC ACID | | |
| ACTIMMUNE | | |
| BIVIGAM | ** | |
| CARIMUNE NF | ** | |
| CYTOGAM | ** | |
| FLEBOGAMMA | ** | |
| GAMASTAN | ** | |
| GAMMAGARD | ** | |
| GAMMAGARD LIQUID | ** | |
| GAMMAKED | ** | |
| GAMMAPLEX | ** | |
| GAMUNEX | ** | |
| HIZENTRA | ** | |
| HYPERRHO S/D | ** | |
| HYQVIA | | |
| MICRHOGAM | ** | |
| OCTAGAM | ** | |
| PRIVIGEN | ** | |
| RHOGAM | ** | |
| RHOPHYLAC | ** | |
| WINRHO SDF | ** | |
| BRAVELLE | | |
| CETROTIDE | | |
| CHORIONIC GONADOTROPIN | | |
| FOLLISTIM AQ | | |
| GANIRELIX ACETATE | | |
| GONAL-F | | |
| MENOPUR | | |
| NOVAREL | | |
| OVIDREL | | |
| PREGNYL | | |
| REPRONEX | | |
| ALDURAZYME | ** | |
| BERINERT | | |
| CARBAGLU | | |
| CEREZYME | ** | |
| CINRYZE | ** | |
| ELAPRASE | ** | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee | |
|----------------------|------------------------------------|---------------------------------------|--|
| FABRAZYME | ** | | |
| FIRAZYR | | | |
| KALBITOR | ** | | |
| LUMIZYME | ** | | |
| MYOZYME | ** | | |
| NAGLAZYME | ** | | |
| PROCYSBI | | | |
| RAVICTI | | | |
| V-PRIV | ** | | |
| ZAVESCA | | | |
| AMPYRA | | | |
| AUBAGIO | | | |
| AVONEX | | | |
| BETASERON | | | |
| COPAXONE | | | |
| EXTAVIA | | | |
| GILENYA | | | |
| MITOXANTRONE | | | |
| PLEGRIDY | | | |
| REBIF | | | |
| TECFIDERA | | | |
| TYSABRI | | | |
| LEUKINE | | | |
| NEULASTA | | | |
| NEUMEGA | | | |
| NEUPOGEN | | | |
| NPLATE | | | |
| EYLEA | | | |
| LUCENTIS | | | |
| MACUGEN | | | |
| OZURDEX | | | |
| RETISERT | | | |
| VISUDYNE | | | |
| EUFLEXXA | | | |
| GEL-ONE | | | |
| HYALGAN | | | |
| MONOVISC | | | |
| ORTHOVISC | | | |
| SUPARTZ | | | |
| SYNVISC | | | |
| ARELIA | | | |
| BONIVA | | | |
| FORTEO | | | |
| IBANDRONATE SODIUM | | | |
| PAMIDRONATE DISODIUM | | | |
| PROLIA | | | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|---------------------------------|------------------------------------|------------------------------------|
| RECLAST | | |
| ACTHAR GEL | | |
| APOKYN | | |
| ARCALYST | | |
| ATRYN | | |
| BOTOX | | |
| CYTOVENE | | |
| DYSPORT | | |
| EXJADE | | |
| GANCICLOVIR SODIUM | | |
| GATTEX | ** | |
| HETLIOZ | | |
| ILARIS | | |
| KRYSTEXXA | | |
| KYNAMRO | | |
| LUPRON DEPOT PED | | |
| MAKENA | | |
| MYOBLOC | | |
| NORTHERA | | |
| NULOJIX | | |
| PROMACTA | | |
| SABRIL | | |
| SAMSCA | | |
| SENSIPAR | | |
| SIGNIFOR | | |
| SOMATULINE DEPOT | | |
| SOMAVERT | | |
| SUPPRELIN LA | | |
| VIVITROL | | |
| XENAZINE | | |
| XEOMIN | | |
| KUVAN | | |
| ARALAST | ** | |
| BETHKIS | | |
| GLASSIA | ** | |
| KALYDECO | | |
| PULMOZYME | | |
| TOBI | | |
| TOBRAMYCIN | | |
| XOLAIR | | |
| ZEMAIRA | ** | |
| ADCIRCA | | |
| ADEMPAS | | |
| EPOPROSTENOL SODIUM AND DILUENT | ** | |
| ESBRIET | | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|-----------------------|------------------------------------|------------------------------------|
| FLOLAN AND DILUENT | ** | |
| LETAIRIS | | |
| ORENITRAM | | |
| REMODULIN | ** | |
| REVATIO | | |
| SILDENAFIL | | |
| TRACLEER | | |
| TYVASO | ** | |
| VELETRI | ** | |
| VENTAVIS | ** | |
| OPSUMIT | | |
| SYNAGIS | | |
| ACTEMRA | | |
| BENLYSTA | | |
| ENBREL | | |
| ENTYVIO | | |
| HUMIRA | | |
| KINERET | | |
| METHOTREXATE | | |
| METHOTREXATE SODIUM | | |
| ORENCIA IV | | |
| ORENCIA SC | | |
| OTEZLA | | |
| REMICADE | | |
| RHEUMATREX | | |
| SIMPONI | | |
| STELARA | | |
| TREXALL | | |
| XELJANZ | | |
| XIAFLEX | | |
| ASTAGRAF | | |
| AZASAN | | |
| AZATHIOPRINE | | |
| CELLCEPT | | |
| CYCLOSPORINE | | |
| GENGRAF | | |
| MYCOPHENOLATE MOFETIL | | |
| MYCOPHENOLIC ACID | | |
| MYFORTIC | | |
| NEORAL | | |
| PROGRAF | | |
| RAPAMUNE | | |
| SANDIMMUNE | | |
| SIMULECT | | |
| SIROLIMUS | | |
| TACROLIMUS | | |

| DRUG | Per Diem & Nursing Service Charges | AWP Discount \$0.00 Dispensing Fee |
|----------|------------------------------------|---------------------------------------|
| ZORTRESS | | ██████ |

1. "AWP" means the average wholesale price of the Covered Drug on the date the order is dispensed by ESI. The AWP source is Medi-Span, is based on the package size from which the product is dispensed, and represents the AWP for the actual J-Code or National Drug Code (NDC), as applicable, for the package size used to dispense the prescription. The amount reimbursed to ESI is based on the AWP rate in effect as of the date the order is dispensed, less the applicable Member financial responsibility. If Medi-Span changes the methodology for calculating AWP in a way that materially changes the economics of this Agreement, the parties agree to promptly modify the pricing terms to preserve the parties' relative economics as provided by this agreement.
2. Charges for nursing visits and costs of supplies, equipment (e.g., pumps), and clinical monitoring required to administer certain Specialty Drugs indicated with ** above will be billed through the member's medical benefit at rates that have been agreed to between Accredo and the medical carrier.
3. State of Delaware will receive ██████ of Total Specialty Rebates.
4. ESI reserves the right to modify these lists and rates based on changing industry conditions upon written notice.
5. This proposal is contingent on ESI being the exclusive provider of Specialty Drugs through mail, (e.g. US Postal Service, FedEx, or other similari couriers), or the client's continued participation in the Specialty RRA program. This proposal may be modified based upon state law requirements.
6. The above Pricing Offer assumes a days' supply consistent with the Mail Order Pharmacy Program.
7. The above drugs assume all forms and strengths with the exception of bulk chemicals and powders, including follow on generics.
8. The above pricing is contingent on the State of Delaware's participation in the Specialty PTPA Programs for Growth Hormones and Multiple Sclerosis, as well as participation in the National Preferred Formulary.

SCHEDULE H

FINANCIAL DISCLOSURE TO ESI PBM CLIENTS

This disclosure provides an overview of the principal revenue sources of Express Scripts, Inc. and Medco Health Solutions, Inc. (individually and collectively referred to herein as “ESI”), as well as ESI’s affiliates. In addition to administrative and dispensing fees paid to ESI by our clients for pharmaceutical benefit management (“PBM”) services, ESI and its affiliates derive revenue from other sources, including arrangements with pharmaceutical manufacturers, wholesale distributors, and retail pharmacies. Some of this revenue relates to utilization of prescription drugs by members of the clients receiving PBM services. ESI may pass through certain manufacturer payments to its clients or may retain those payments for itself, depending on the contract terms between ESI and the client.

Network Pharmacies – ESI contracts for its own account with retail pharmacies to dispense prescription drugs to client members. Rates paid by ESI to these pharmacies may differ among networks (e.g., Medicare, Worker’s Comp, open and limited), and among pharmacies within a network, and by client arrangements. PBM agreements generally provide that a client pays ESI an ingredient cost, plus dispensing fee, for drug claims. If the rate paid by a client exceeds the rate contracted with a particular pharmacy, ESI will realize a positive margin on the applicable claim. The reverse also may be true, resulting in negative margin for ESI. ESI also enters into pass-through arrangements where the client pays ESI the actual ingredient cost and dispensing fee amount paid by ESI for the particular claim when the claim is adjudicated to the pharmacy. In addition, when ESI receives payment from a client before payment to a pharmacy, ESI retains the benefit of the use of the funds between these payments. ESI may maintain non-client specific aggregate guarantees with pharmacies and may realize positive margin. ESI may charge pharmacies standard transaction fees to access ESI’s pharmacy claims systems and for other related administrative purposes.

Brand/Generic Classifications – Prescription drugs may be classified as either a “brand” or “generic;” however, the reference to a drug by its chemical name does not necessarily mean that the product is recognized as a generic for adjudication, pricing or copay purposes. For purposes of pharmacy reimbursement, ESI distinguishes brands and generics through a proprietary algorithm (“BGA”) that uses certain published elements provided by First DataBank (FDB) including price indicators, Generic Indicator, Generic Manufacturer Indicator, Generic Name Drug Indicator, Innovator, Drug Class and ANDA. The BGA uses these data elements in a hierarchical process to categorize the products as brand or generic. The BGA also has processes to resolve discrepancies and prevent “flipping” between brand and generic status due to price fluctuations and marketplace availability changes. The elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the BGA are available upon request. Brand or generic classification for client reimbursement purposes is either based on the BGA or specific code indicators from Medi-Span or a combination of the two as reflected in the client’s specific contract terms. Application of an alternative methodology based on specific client contract terms does not affect ESI’s application of its BGA for ESI’s other contracts.

Maximum Allowable Cost (“MAC”)/Maximum Reimbursement Amount (“MRA”) – As part of the administration of the PBM services, ESI maintains a MAC List of drug products identified as requiring pricing management due to the number of manufacturers, utilization and/or pricing volatility. The criteria for inclusion on the MAC List are based on whether the drug has readily available generic product(s), is generally equivalent to a brand drug, is cleared of any negative clinical implications, and has a cost basis that will allow for pricing below brand rates. ESI also maintains MRA price lists for drug products on the MAC List based on current price reference data provided by MediSpan or other nationally recognized pricing source, market pricing and availability information from generic manufacturers and on-line research of national wholesale drug company files, and client arrangements. Similar to the BGA, the elements listed above and sources are subject to change based on the availability of the specific fields. Updated summaries of the MAC methodology are available upon request.

Manufacturer Formulary Rebates, Associated Administrative Fees, and PBM Service Fees – ESI contracts for its own account to obtain formulary rebates attributable to the utilization of certain brand drugs and supplies (and possibly certain authorized generics marketed under a brand manufacturer’s new drug application). Formulary rebate amounts received vary based on client specific utilization, the volume of utilization as well as formulary position applicable to the drug or supplies, and adherence to various formulary management controls, benefit design requirements, claims volume, and other similar factors, and in certain instances also may vary based on the product’s market-share. ESI often pays an amount equal to all or a portion of the formulary rebates it receives to a client based on the client’s PBM agreement terms. ESI retains the financial benefit of the use of any funds held until payment of formulary rebate amounts is made to the client. ESI or its affiliates may maintain non-client specific aggregate guarantees and may realize positive margin. In addition, ESI provides administrative services to contracted manufacturers, which include, for example, maintenance and operation of systems and other infrastructure necessary for invoicing and processing rebates, pharmacy discount programs, access to drug utilization data, as allowed by law,

for purposes of verifying and evaluating applicable payments, and for other purposes related to the manufacturer's products. ESI receives administrative fees from the participating manufacturers for these services. These administrative fees are calculated based on the price of the drug or supplies along with the volume of utilization and do not exceed the greater of (i) [REDACTED] of the average wholesale price, or (ii) [REDACTED] of the wholesale acquisition cost of the products. In its capacity as a PBM company, ESI also may receive other compensation from manufacturers for the performance of various services, including, for example, formulary compliance initiatives, clinical services, therapy management services, education services, medical benefit management services, and the sale of non-patient identifiable claim information. This compensation is not part of the formulary rebates or associated administrative fees.

Copies of ESI's standard formularies may be reviewed at www.express-scripts.com/wps/portal/. In addition to formulary considerations, other plan design elements are described in ESI's Plan Design Review Guide, which may be reviewed at www.express-scripts.com/wps/portal/.

ESI Subsidiary Pharmacies – ESI has several licensed pharmacy subsidiaries, including our specialty pharmacies. These entities may maintain product purchase discount arrangements and/or fee-for-service arrangements with pharmaceutical manufacturers and wholesale distributors. These subsidiary pharmacies contract for these arrangements on their own account in support of their various pharmacy operations. Many of these subsidiary arrangements relate to services provided outside of PBM arrangements, and may be entered into irrespective of whether the particular drug is on one of ESI's national formularies. Discounts and fee-for-service payments received by ESI's subsidiary pharmacies are not part of the PBM formulary rebates or associated administrative fees paid to ESI in connection with ESI's PBM formulary rebate programs. However, certain purchase discounts received by ESI's subsidiary pharmacies, whether directly or through ESI, may be considered for formulary purposes if the value of such purchase discounts is used by ESI to supplement the discount on the ingredient cost of the drug to the client based on the client's PBM agreement terms. From time to time, ESI and its affiliates also may pursue and maintain for its own account other supply chain sourcing relationships not described below as beneficial to maximize ESI's drug purchasing capabilities and efficiencies, and ESI or affiliates may realize an overall positive margin with regard to these initiatives.

The following provides additional information regarding examples of ESI subsidiary discount arrangements and fee-for-service arrangements with pharmaceutical manufacturers, and wholesale distributors:

ESI Subsidiary Pharmacy Discount Arrangements – ESI subsidiary pharmacies purchase prescription drug inventories, either from manufacturers or wholesalers, for dispensing to patients. Often, purchase discounts off the acquisition cost of these products are made available by manufacturers and wholesalers in the form of either up-front discounts or retrospective discounts. These purchase discounts, obtained through separate purchase contracts, are not formulary rebates paid in connection with our PBM formulary rebate programs. Drug purchase discounts are based on a pharmacy's inventory needs and, at times, the performance of related patient care services and other performance requirements. When a subsidiary pharmacy dispenses a product from its inventory, the purchase price paid for the dispensed product, including applicable dispensing fees, may be greater or less than that pharmacy's acquisition cost for the product net of purchase discounts. In general, our pharmacies realize an overall positive margin between the net acquisition cost and the amounts paid for the dispensed drugs.

ESI Subsidiary Fee-For-Service Arrangements – One or more of ESI's subsidiaries, including, but not limited to, its subsidiary pharmacies also may receive fee-for-service payments from manufacturers or wholesalers in conjunction with various programs or services, including, for example, patient assistance programs for indigent patients, dispensing prescription medications to patients enrolled in clinical trials, various therapy adherence and fertility programs, administering FDA compliance requirements related to the drug, product reimbursement support services, and various other clinical or pharmacy programs or services. As a condition to having access to certain products, and sometimes related to certain therapy adherence criteria or FDA requirements, a pharmaceutical manufacturer may require a pharmacy to report selected information to the manufacturer regarding the pharmacy's service levels and other dispensing-related data with respect to patients who receive that manufacturer's product. A portion of the discounts or other fee-for-service payments made available to our pharmacies may represent compensation for such reporting.

Other Manufacturer Arrangements – ESI also maintains other lines of business that may involve discount and service fee relationships with pharmaceutical manufacturers and wholesale distributors. Examples of these businesses include a wholesale distribution business, group purchasing organizations (and related group purchasing organization fees), a medical benefit management company, and United BioSource Corporation ("UBC"). Compensation derived through these business arrangements is not considered for PBM formulary placement, and is in addition to other amounts described herein. Of particular note, UBC partners with life sciences and pharmaceutical companies to develop, commercialize, and support safe, effective use and access to pharmaceutical products. UBC maintains a team of research scientists, biomedical experts,

research operations professionals, technologists and clinicians who work with clients to conduct and support clinical trials, create, and validate and administer pre and post product safety and risk management programs. UBC also works on behalf of pharmaceutical manufacturers to provide product and disease state education programs, reimbursement assistance, and other support services to the public at large. These service fees are not part of the formulary rebates or associated administrative fees.

Third Party Data Sales – Consistent with any client contract limitations, ESI or its affiliates may sell HIPAA compliant information maintained in their capacity as a PBM, pharmacy, or otherwise to data aggregators, manufacturers, or other third parties on a fee-for-service basis or as a condition of discount eligibility. All such activities are conducted in compliance with applicable patient and pharmacy privacy laws and client contract restrictions.

December 1, 2014

THIS EXHIBIT REPRESENTS ESI'S FINANCIAL POLICIES. ESI MAY PERIODICALLY UPDATE THIS EXHIBIT AND THE FINANCIAL DISCLOSURES CONTAINED HEREIN TO REFLECT CHANGES IN ITS BUSINESS PROCESSES; THE CURRENT FINANCIAL DISCLOSURE IS AVAILABLE UPON REQUEST AND ACCESSIBLE ON EXPRESS-SCRIPTS.COM AT WWW.EXPRESS-SCRIPTS.COM/WPS/PORTAL/.