AGENDA
CALLED MEETING
August 30, 2021
9:00 A.M.

1. Call to Order

2. Invocation and *Pledge of Allegiance*

3. Consideration of Adoption of an M&O Millage Rate for 2021 of 12.294 mills in the incorporated and unincorporated areas of Candler County; 1.0 Mills for the Candler County Hospital Authority; Adoption of a Resolution to levy Ad Valorem taxes for 2021; and, authorization to sign the required forms for submission of the digest

4. Consideration of a Resolution to Ratify the Candler County School Board 2021 Millage Rate and, authorization of the Chairman to sign the PT-35 to certify the Board of Commissioners and School Board millage rates for 2021

5. Consideration of a PBM Business Associate Agreement (BAA) and PBM Services Sponsor Agreement with MagellanRx as part of the Candler County health insurance services

6. Adjournment

Board of Commissioners of Candler County
Called Meeting
August 30, 2021
9:00 a.m.

The Board of Commissioners of Candler County met for a called meeting on Monday, August 30, 2021, at 9:00 a.m., in the Commissioners' boardroom at 1075 East Hiawatha Street, Suite A, Metter, Georgia. Chairman Glyn Thrift presided with Commissioners Gregory Thomas, David Robinson and Blake Hendrix in attendance. County Administrator Bryan Aasheim also attended the meeting. Clerk Kellie Lank scribed. Vice-Chairman Brad Jones and County Attorney Kendall Gross were not present. The Metter Advertiser was notified but had no representation. This meeting was offered via teleconference.

Call to Order
Chairman Thrift called the meeting to order at 9:05 a.m.

Invocation and *Pledge of Allegiance*
Commissioner Thomas delivered the invocation and Chairman Thrift led the *Pledge of Allegiance.*

Consideration of Adoption of an M&O Millage Rate for 2021 of 12.294 mills in the incorporated and unincorporated areas of Candler County; 1.0 Mills for the Candler County Hospital Authority; Adoption of a Resolution to levy Ad Valorem taxes for 2021; and, authorization to sign the required forms for submission of the digest
Commissioner Thomas made a motion to approve the Adoption of an M&O Millage Rate for 2021 of 12.294 mills in the incorporated and unincorporated areas of Candler County; 1.0 Mills for the Candler County Hospital Authority; Adoption of a Resolution to levy Ad Valorem taxes for 2021; and, authorization to sign the required forms for submission of the digest. Commissioner Hendrix provided a second. The motion passed 4-0. (Exhibit A)

Consideration of a Resolution to Ratify the Candler County School Board 2021 Millage Rate and authorization of the Chairman to sign the PT-35 to certify the Board of Commissioner and School Board millage rates for 2021
Commissioner Robinson made a motion to adopt a Resolution to Ratify the Candler County School Board 2021 Millage Rate and authorization of the Chairman to sign the PT-35 to certify the Board of Commissioner and School Board millage rates for 2021. Commissioner Thomas provided a second. The motion passed 3-1 with Chairman Thrift voting against. (Exhibit B)

Consideration of a PBM Business Associates Agreement (BAA) and PBM Services Sponsor Agreement with MagellenRx as part of the Candler County health insurance services
Commissioner Hendrix made a motion to approve a PBM Business Associates Agreement (BAA) and PBM Services Sponsor Agreement with MagellenRx as part of the Candler County health insurance services. Commissioner Thomas provided a second. The motion passed 4-0. (Exhibit C)

Adjournment
Commissioner Robinson moved to adjourn the meeting at 9:17 a.m. Chairman Thrift provided a second to the motion. The motion carried 4-0.

Maranda K. Lank, Clerk
Attest

Chairman, Glyn Thrift

State of Georgia Exhibit A

Candler County

RESOLUTION TO LEVY AD VALOREM TAXES FOR 2021

WHEREAS, the Candler County Board of Commissioners is the authority charged with the responsibility to levy ad valorem taxes to carry out the governing authority's purposes for the required Maintenance and operations of the County; and,

WHEREAS, the Candler County Board of Commissioners have adopted a budget for the current fiscal year requiring imposition of ad valorem taxes in a sufficient amount to provide the necessary maintenance and operational needs of the County; and,

WHEREAS, the Candler County Board of Commissioners did cause to be published the Current Tax Digest and Five Year History of Levy as required by the O.C.G.A. § 48-5-32; and,

WHEREAS, the Candler County Board of Commissioners did advertise a tax roll back for the incorporated and unincorporated tax districts and did hold the public hearing as required; and,

WHEREAS, the Net Countywide Digest totals $282,303,112 in value for all categories of real and personal property; therefore,

The Candler County Board of Commissioners does hereby order to be levied against that digest value at Gross Millage Rate 14.717 in all tax districts; and,

Per the O.C.G.A. § 48.8-91 the County is required to calculate a countywide rollback based on the Local Option Sales Tax Proceeds of $684,064.08 such rollback being equal to 2.423 Mills; and,

WHEREAS, the Insurance Premium Tax Proceeds of $489,424.84 has been used in its entirety to fund services in the unincorporated area of the County pursuant to O.C.G.A. § 33-8-3; therefore,

The Candler County Board of Commissioners, in a CALLED MEETING held on August 30, 2021, does hereby order to be levied against the Net Candler County Tax Digest of $282,303,112 a Net Millage rate, after rollback, of 12.294 Mills in all tax districts for Maintenance and Operational purposes; and,

The Candler County Board of Commissioners does hereby order levied an additional net millage rate of one Mill in all districts against the Hospital Digest of $282,303,112 for the purpose of the provision of retiring existing hospital debt and other purposes.

Adopted this 30th day of August, 2021.

Chairman, Glyn Thrift

Miranda X Lank

County Clerk, Kellie Lank

BOARD OF COMMISSIONERS OF CANDLER COUNTY

SEAL

Exhibit B

State of Georgia

Candler County

RESOLUTION TO RATIFY THE CANDLER COUNTY SCHOOL BOARD AD VALOREM TAX LEVY FOR 2021

Whereas, the Candler County Board of Commissioners is the authority charged with the responsibility to ratify the Candler County Board of Education levy of ad valorem taxes to carry out the required Maintenance and Operations of the County School System; and,

Whereas, The Board of Education has submitted to the Commissioners their levying resolution establishing a levy of Fourteen (14) mills on a Net Digest of $279,850,908; and,

Whereas, the Board of Commissioners are required to ratify the official action of the Board of Education;

Therefore, the Candler County Board of Commissioners, do herein ratify and order the levy of the Candler County School Board Ad Valorem Tax Millage for 2021.

Adopted this 30 day of August, 2021.

Candler County Board of Commissioners:

Chairman

Clerk

BOARD OF COMMISSIONERS OF CANDLER COUNTY
SEAL

PT-32.1 - Computation of MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES - 2021

COUNTY:	CANDLER	TAXING JURISDICTION:	HOSPTAL

ENTER VALUES AND MILLAGE RATES FOR THE APPLICABLE TAX YEARS IN YELLOW HIGHLIGHTED BOXES BELOW

DESCRIPTION	2020 DIGEST	REASSESSMENT OF EXISTING REAL PROP	OTHER CHANGES TO TAXABLE DIGEST	2021 DIGEST
REAL	269,676,803	1,929,235	4,707,951	276,313,989
PERSONAL	62,025,387		(6,731,271)	55,294,116
MOTOR VEHICLES	2,526,650		1,617,730	4,144,380
MOBILE HOMES	2,398,834		261,827	2,660,661
TIMBER -100%	3,522,559		334,029	3,856,588
HEAVY DUTY EQUIP	364,900		(218,500)	146,400
GROSS DIGEST	340,515,133	1,929,235	(28,234)	342,416,134
EXEMPTIONS	64,697,758		(4,584,736)	60,113,022
NET DIGEST	275,817,375	1,929,235	4,556,502	282,303,112
	(PYD)	(RVA)	(NAG)	(CYD)

2020 MILLAGE RATE:	1.000	2021 MILLAGE RATE:	1.000

CALCULATION OF ROLLBACK RATE

DESCRIPTION	ABBREVIATION	AMOUNT	FORMULA
2020 Net Digest	PYD	275,817,375	
Net Value Added-Reassessment of Existing Real Property	RVA	1,929,235	
Other Net Changes to Taxable Digest	NAG	4,556,502	
2021 Net Digest	CYD	282,303,112	(PYD+RVA+NAG)
2020 Millage Rate	PYM	1.000	PYM
Millage Equivalent of Reassessed Value Added	ME	0.007	(RVA/CYD) * PYM
Rollback Millage Rate for 2021	RR - ROLLBACK RATE	0.993	PYM - ME

CALCULATION OF PERCENTAGE INCREASE IN PROPERTY TAXES

If the 2020 Proposed Millage Rate for this Taxing Jurisdiction exceeds Rollback Millage Rate computed above, this section will automatically calculate the amount of increase in property taxes that is part of the notice required in O.C.G.A. § 48-5-32.1(c) (2)

Y

Rollback Millage Rate	0.993
2021 Millage Rate	1.000
Percentage Tax Increase	0.70%

CERTIFICATIONS

I hereby certify that the amount indicated above is an accurate accounting of the total net assessed value added by the reassessment of existing real property for the tax year for which this rollback millage rate is being computed.

Chairman, Board of Tax Assessors — Date: 9/10/21

I hereby certify that the values shown above are an accurate representation of the digest values and exemption amounts for the applicable tax years.

Tax Collector or Tax Commissioner — Date: 8/25/21

I hereby certify that the above is a true and correct computation of the rollback millage rate in accordance with O.C.G.A. § 48-5-32.1 for the taxing jurisdiction for tax year 2021 and that the final millage rate set by the authority of this taxing jurisdiction for tax year 2021 is _____

CHECK THE APPROPRIATE PARAGRAPH BELOW THAT APPLIES TO THIS TAXING JURISDICTION

☐ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2021 exceeds the rollback rate, I certify that the required advertisements, notices, and public hearings have been conducted in accordance with O.C.G.A. §§ 48-5-32 and 48-5-32.1 as evidenced by the attached copies of the published "five year history and current digest" advertisement and the "Notice of Intent to Increase Taxes" showing the times and places when and where the required public hearings were held, and a copy of the press release provided to the local media.

☐ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2021 does not exceed the rollback rate, I certify that the required "five year history and current digest" advertisement has been published in accordance with O.C.G.A. § 48-5-32 as evidenced by the attached copy of such advertised report.

Responsible Party — Title: Chairman — Date: 8/30/21

PT32.1 (revised April 2019)

PT-32.1 - Computation of MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES - 2021

COUNTY:	CANDLER	TAXING JURISDICTION:	COUNTY-WIDE

ENTER VALUES AND MILLAGE RATES FOR THE APPLICABLE TAX YEARS IN YELLOW HIGHLIGHTED BOXES BELOW

DESCRIPTION	2020 DIGEST	REASSESSMENT OF EXISTING REAL PROP	OTHER CHANGES TO TAXABLE DIGEST	2021 DIGEST
REAL	269,676,803	1,929,235	4,707,951	276,313,989
PERSONAL	62,025,387		(6,731,271)	55,294,116
MOTOR VEHICLES	2,526,650		1,617,730	4,144,380
MOBILE HOMES	2,398,834		261,827	2,660,661
TIMBER -100%	3,522,559		334,029	3,856,588
HEAVY DUTY EQUIP	364,900		(218,500)	146,400
GROSS DIGEST	340,515,133	1,929,235	(28,234)	342,416,134
EXEMPTIONS	64,697,758		(4,584,736)	60,113,022
NET DIGEST	275,817,375	1,929,235	4,556,502	282,303,112
	(PYD)	(RVA)	(NAG)	(CYD)

2020 MILLAGE RATE:	12.379	2021 MILLAGE RATE:	12.294

CALCULATION OF ROLLBACK RATE

DESCRIPTION	ABBREVIATION	AMOUNT	FORMULA
2020 Net Digest	PYD	275,817,375	
Net Value Added-Reassessment of Existing Real Property	RVA	1,929,235	
Other Net Changes to Taxable Digest	NAG	4,556,502	
2021 Net Digest	CYD	282,303,112	(PYD+RVA+NAG)
2020 Millage Rate	PYM	12.379	PYM
Millage Equivalent of Reassessed Value Added	ME	0.085	(RVA/CYD) * PYM
Rollback Millage Rate for 2021	RR - ROLLBACK RATE	12.294	PYM - ME

CALCULATION OF PERCENTAGE INCREASE IN PROPERTY TAXES

If the 2020 Proposed Millage Rate for this Taxing Jurisdiction exceeds Rollback Millage Rate computed above, this section will automatically calculate the amount of increase in property taxes that is part of the notice required in O.C.G.A. § 48-5-32.1(c) (2)

Y

Rollback Millage Rate	12.294
2021 Millage Rate	12.294
Percentage Tax Increase	0.00%

CERTIFICATIONS

I hereby certify that the amount indicated above is an accurate accounting of the total net assessed value added by the reassessment of existing real property for the tax year for which this rollback millage rate is being computed.

Chairman, Board of Tax Assessors — Date: 8/10/21

I hereby certify that the values shown above are an accurate representation of the digest values and exemption amounts for the applicable tax years.

Tax Collector or Tax Commissioner — Date: 8/25/21

I hereby certify that the above is a true and correct computation of the rollback millage rate in accordance with O.C.G.A. § 48-5-32.1 for the taxing jurisdiction for tax year 2021 and that the final millage rate set by the authority of this taxing jurisdiction for tax year 2021 is _____

CHECK THE APPROPRIATE PARAGRAPH BELOW THAT APPLIES TO THIS TAXING JURISDICTION

☐ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2021 exceeds the rollback rate, I certify that the required advertisements, notices, and public hearings have been conducted in accordance with O.C.G.A. §§ 48-5-32 and 48-5-32.1 as evidenced by the attached copies of the published "five year history and current digest" advertisement and the "Notice of Intent to Increase Taxes" showing the times and places when and where the required public hearings were held, and a copy of the press release provided to the local media.

☐ If the final millage rate set by the authority of the taxing jurisdiction for tax year 2021 does not exceed the rollback rate, I certify that the required "five year history and current digest" advertisement has been published in accordance with O.C.G.A. § 48-5-32 as evidenced by the attached copy of such advertised report.

Responsible Party — Title: Chairman — Date: 8/30/21

303

PT-35 (Rev 01/21)

COUNTY MILLAGE RATE CERTIFICATION FOR TAX YEAR 2021

Please provide a copy of this form to your county's Clerk of Superior Court.

http://www.dor.ga.gov

COUNTY: _____

Submit original signed copy with digest submission

COLUMN 1	COLUMN 2	COLUMN 3		COLUMN 4	COLUMN 5	COLUMN 6	COLUMN 7	COLUMN 8	COLUMN 9	COLUMN 10
District Number Must be Shown	District Name (Inc, Uninc, School, Special Districts, Etc.)	Mark X if District Falls In Unincorporated Area	Mark X if District Falls In Incorporated Area	Enter Gross Millage Rate Before Rollbacks	Sales Tax Rollback O.C.G.A § 48-8-91	Insurance Premium Rollback O.C.G.A § 33-8-8.3		Net M&O Millage Rate Column 4 less Columns 5, 6 & 7	Enter Bond Millage Rate	Total Millage Rate Column 8 plus Column 9
2	**Incorporated**		X	14.717	2.423			12.294	0.000	12.294
1	**Unincorporated**	X		14.717	2.423	0.000		12.294	0.000	12.294
4	**School**	X	X	14.000				14.000	0.000	14.000
	List Special Service Districts:									
1,2	HOSPITAL	X	X	1.000				0.000	0.000	0.000
								1.000	0.000	1.000
								0.000	0.000	0.000
								0.000	0.000	0.000
								0.000	0.000	0.000
								0.000	0.000	0.000
								0.000	0.000	0.000
								0.000	0.000	0.000
								0.000	0.000	0.000
								0.000	0.000	0.000
								0.000	0.000	0.000
	CID/BID:									
								0.000		0.000
								0.000		0.000
								0.000		0.000
								0.000		0.000

I hereby certify that the rates listed above are the official rates for the Districts indicated for Tax Year 2021

6/30/21
Date

Chairman, Board of County Commissioners

Exhibit C

HIPAA Business Associate Amendment to PBM Services Sponsor Agreement
Between
Candler County Board of Commissioners and Magellan Rx Management, LLC

THIS AMENDMENT to the PBM Services Sponsor Agreement dated July 1, 2021 is entered into this 20th day of August, 2021 by and between **Candler County Board of Commissioners** ("Sponsor") and **Magellan Rx Management, LLC** (hereafter "MRx").

Sponsor and MRx, by their duly authorized representatives, hereby agree to amend the PBM Services Sponsor Agreement by adding the following:

HIPAA Compliance. Compliance with the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA") and the accompanying Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Parts 160 and 164, as modified by the HIPAA Omnibus Rule, (collectively, the "HIPAA Regulations") as well as the applicable provisions of Subtitle D of Title XIII of the American Recovery and Reinvestment Act of 2009 (the "HITECH Act"), along with the general precepts of privacy, data security, availability and integrity of individually identifiable health information, are core to Sponsor's business. MRx shall ensure that all its products and services provided to Sponsor hereunder shall be provided in compliance with all federal and state laws and regulations governing the privacy and security of Protected Health Information ("PHI"), as defined in the HIPAA Regulations. Any capitalized terms in this Amendment shall have the meaning set forth in the HIPAA Regulations unless otherwise stated. MRx agrees as follows:

1. Protected Health Information. In the course of performing its duties and obligations under the PBM Services Sponsor Agreement, MRx shall create, receive, maintain, or transmit certain confidential individually identifiable health related information concerning individuals who are health plan members of Sponsor that constitutes PHI.

2. Obligations of Business Associate with Respect to PHI. MRx covenants and agrees that it shall:

   2.1 Not use or further disclose PHI, other than as permitted or required under this Amendment or the Services Agreement, as permitted expressly in writing by Sponsor, or as otherwise permitted or required by law.

   2.2 In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), ensure that any Subcontractor (as defined in the HIPAA Regulations) that creates, receives, maintains, or transmits Sponsor's PHI on behalf of MRx agrees in writing to the same restrictions, conditions, and requirements that apply to MRx in this Amendment with respect to such PHI.

   2.3 Use appropriate safeguards to prevent the use or disclosure of PHI, other than as provided for in this Amendment.

   2.4 Report to Sponsor any use or disclosure of PHI not authorized under this Amendment (an "Unauthorized Use or Disclosure") of which it becomes aware. In addition, except as provided in 45 CFR 164.412 (related to delays requested by law enforcement), MRx shall, following the discovery of a "Breach" of

"Unsecured Protected Health Information" (as these terms are defined at 45 CFR 164.402), notify Sponsor of such Breach. MRx shall provide the notification without unreasonable delay and in no case later than 60 calendar days after discovery of a Breach, as set forth at 45 CFR 164.410. The notification shall include, to the extent possible, the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by MRx to have been, accessed, acquired, used, or disclosed during the Breach. MRx shall provide Sponsor with any other available information that Sponsor is required to include in notification to the individual under 45 CFR 164.404(c) at the time of the notification or promptly thereafter as information becomes available.

2.5 Make PHI in a Designated Record Set available to Sponsor or to the Individual for inspection and copying any PHI about the individual which MRx created for or received from Sponsor, and that is in MRx's custody or control, in accordance with applicable law, including 45 CFR 164.524.

2.6 Upon notice from Sponsor, amend any portion of the PHI in a Designated Record Set received or created by MRx for Sponsor in accordance with applicable law, including 45 CFR 164.526. For information created by MRx, an agreement to amend the information will be a mutual decision reached by Sponsor and MRx.

2.7 Maintain and make available to Sponsor information regarding PHI received or created by MRx that is required for an accounting of disclosures in accordance with applicable law, including 45 CFR 164.528 and applicable provisions of the HITECH Act as of the compliance date for such provisions. MRx may also make available to individuals who are the subject of PHI received or created by MRx any and all information required for an accounting of disclosure in accordance with such applicable law if the individual requests an accounting directly from MRx.

2.8 Make MRx's internal practices, books and records relating to the use and disclosure of PHI created, received, maintained, or transmitted by MRx on behalf of Sponsor available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining Sponsor's and/or MRx's compliance with the HIPAA Regulations.

2.9 Return all PHI created, received, or maintained by MRx on behalf of Sponsor upon termination of the Services Agreement (retaining no copies of such information). If MRx is unable to return PHI upon termination of the Contract, then MRx shall notify Sponsor with an explanation of when MRx will return all PHI, or, if return of PHI is not feasible, that MRx will destroy all PHI; or MRx shall continue to protect all PHI according to the covenants and representations contained herein if MRx is unable to return or destroy PHI upon termination of the Services Agreement for so long as it maintains such PHI.

2.10 Except where the minimum necessary standard does not apply (as set forth at 45 CFR 164.502(b)(2)), MRx shall ensure that any use, disclosure, or request for PHI is limited, to the extent practicable, to the limited data set (as defined at 45 CFR 164.514(e)(2)); otherwise, MRx shall make reasonable efforts to limit PHI

to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request.

2.11 To the extent MRx is to carry out one or more of Sponsor's obligation(s) under the Privacy Rule, MRx shall comply with the requirements of the Privacy Rule that apply to the Sponsor in the performance of such obligation(s).

3. Permissible Use and Disclosure of PHI by Business Associate. MRx acknowledges that the provisions of the HIPAA Privacy Rule with respect to the use and disclosure of PHI are now directly applicable to business associates pursuant to the HITECH Act and the HIPAA Omnibus Rule. The parties agree however that MRx has the following rights regarding PHI:

3.1 MRx may use PHI for MRx's proper management and administration or to carry out its legal rights and responsibilities.

3.2 If requested by Sponsor, MRx may provide data aggregation services relating to the health care operations of Sponsor.

3.3 MRx may disclose PHI for MRx's proper management and administration or to carry out its legal rights and responsibilities:

3.3.1 if the disclosure is required by law; or

3.3.2 if MRx obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person and the person agrees to immediately notify MRx of any instances of which it is aware in which the confidentiality of the information has been breached. Reasonable assurances shall be defined as a written agreement that complies with the HIPAA Regulations.

4. Compliance with the HIPAA Security Rule. MRx acknowledges that the provisions of the HIPAA Security Rule with respect to electronic PHI are now directly applicable to business associates pursuant to the HITECH Act and the HIPAA Omnibus Rule. MRx shall comply with such provisions and shall:

4.1. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains or transmits on behalf of Sponsor as required to comply with the HIPAA Security Rule.

4.2. Ensure that a Subcontractor to whom MRx provides such information agrees in writing to implement reasonable and appropriate safeguards to protect it.

4.3. Have a system in place to report to Sponsor any security incident of which it becomes aware. Security incident, as defined in the HIPAA Security Rule, means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

5. Obligations of Business Associate Regarding Standard Transactions. MRx shall:

5.1 Comply with all applicable provisions of 45 CFR Part 162 (the "HIPAA Transactions Rule") when exchanging information electronically in Standard Transactions (as defined and governed by the HIPAA Transactions Rule). MRx will comply with any future required transactions or code set standards adopted by the U.S. Department of Health and Human Services before the applicable compliance date.

5.2 Ensure that any agents, including, but not limited to, contractors and subcontractors, that assist MRx to conduct Standard Transactions on behalf of Sponsor, agree in writing to comply with the HIPAA Transactions Rule.

5.3 Not change the definition, data condition, or use of a data element or segment in Standard Transactions.

5.4 Not add any data elements or segments to the maximum defined data set in Standard Transactions.

5.5 Not use any code or data elements that are either marked "not used" in the standard's implementation specification or are not in the standard's implementation specification(s).

5.6 Not change the meaning or intent of the standard's implementation specification(s).

6. Amendment. Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or in any state court relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Sponsor may, by written notice to MRx, amend this Amendment in such a manner as Sponsor determines necessary to comply with such law or regulation. If MRx disagrees with any such amendment, it shall so notify Sponsor in writing within thirty (30) days of Sponsor notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either party may terminate this Amendment upon prior written notice to the other.

7. Interpretation. Any ambiguity in this Amendment shall be resolved in favor of a meaning that permits Sponsor and/or MRx, as applicable, to comply with the HIPAA Regulations and/or the HITECH Act, as applicable.

8. Termination for Cause. Upon either party's knowledge of a breach or violation of a material term of this Amendment by the other party, the non-breaching party shall either:

8.1 Provide an opportunity for the breaching party to cure the breach or end the violation and terminate this Amendment if the breaching party does not cure the breach or end the violation within 30 business days of written notice of breach from the non-breaching party; or

8.2 Immediately terminate this Amendment if cure is not possible.

SPONSOR	**MRX**
Signature:	Signature:
By: Bryan Aasheim	By:
Title: County Administrator	Title:

SCHEDULE C
PBM SERVICES SPONSOR AGREEMENT

THIS PBM SERVICES SPONSOR AGREEMENT (hereinafter "Sponsor Agreement") is effective on July 1, 2021 ("Effective Date"), by and between Candler County Board of Commissioners ("Sponsor"), with its principal place of business at 1075 East Hiawatha Street, Metter, GA 30439, and Magellan Rx Management, LLC ("MRx"), with its principal place of business at 8621 Robert Fulton Drive, Columbia, Maryland 21046 (each a "Party" and collectively the "Parties").

WHEREAS, MRx operates a prescription benefit management program for organizations requesting prescription benefit management and related services; and

WHEREAS, Pareto Health Technologies, LLC ("Pareto") offers a suite of risk management and cost-containment opportunities designed to help employers provide affordable and effective healthcare benefits to their employees, including offering Pareto customers ("Sponsors") and their Members access to the prescription benefit management program offered by MRx; and

WHEREAS, MRx and Pareto have entered into a separate agreement (the "Master Agreement") containing specific terms and provisions for Pareto's Sponsor(s) seeking to purchase prescription benefit management program services as identified in this Sponsor Agreement and its exhibits;

WHEREAS, Sponsor is an employer group, corporation, union, association, or other organization who desires to procure the services of MRx to provide a prescription drug benefit program to its Members as identified in this Sponsor Agreement and its exhibits through the program negotiated and managed by Pareto;

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, MRx and Sponsor agree as follows:

1. DEFINITIONS

The following terms shall have the following meanings:

"340B Claim" means a Claim for a Covered Pharmaceuticals (i) dispensed pursuant to the dispensing Participating Pharmacy's participation under Section 340B of the Public Health Service Act, 42 U.S.C. §256b, as amended, superseded or replaced, and the regulations promulgated thereunder ("PHS Act"), and (ii) submitted with a Submission Clarification Code of "20", or such equivalent codes as may be adopted for such Participating Pharmacy under the NCPDP D.0 format (or any successor format) from time to time.

"Administrative Fee" means any fee per Paid Claim, as set forth in Schedule B, payable to MRx for the performance of PBM Services or any optional services at the fees set forth in Schedule B. For avoidance of doubt, this does not include amounts paid for Covered Pharmaceuticals (e.g., Ingredient Cost Charge, Dispensing Fees, and Taxes).

"Affiliate" means with respect to an entity, any other entity directly or indirectly controlling, controlled by, or under common control with the first entity. The term "control" as used in this provision means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, contract, or otherwise. The term

"Affiliate" shall also mean, with respect to an entity, any other entity partly or wholly owned by the first entity or an Affiliate of the first entity.

"Authorized Generic Drug" means a drug marketed, sold and/or distributed as a generic version of a brand name drug where the authority for such marketing, sale and or distribution is based upon a manufacturer's new drug application (NDA) for the associated brand name drug.

"Average Wholesale Price" or "AWP" means the average wholesale price of drugs or ancillary supplies, as applicable, as dispensed and as set forth in the latest edition of the Medi-Span Prescription Pricing Guide (with supplements) or any other nationally recognized pricing source reasonably determined by PBM (the "Pricing Source"). AWP is based on the 11-digit NDC of the package size submitted by the Participating Pharmacy. In the event Pricing Source no longer publishes AWP or AWP is no longer the industry standard for drug pricing, the Parties agree to modify the contractual pricing in an equitable manner to preserve the financial interest of both Parties. In the event the contractual pricing needs to be restated under a new industry pricing standard, PBM shall provide Sponsor at least 60 days notice, or as much as is practical. The notice shall provide the revised pricing terms based on the new industry standard and contain sufficient proof that the revised pricing terms are equitable to the pricing based on the former AWP standard. In the event that Sponsor demonstrates the revised pricing terms are not equitable and the parties are unable to reach agreement on revised pricing terms, Sponsor may terminate this Sponsor Agreement upon ninety (90) days prior written notice.

"AWP Discount Rate" means the percentage discount off of AWP applied upon Claim adjudication to calculate the Ingredient Cost Charge for Covered Pharmaceuticals.

"AWP Effective Rate" means the actual aggregate AWP Discount Rate achieved for each Pricing Category, as calculated, reported, and reconciled in accordance with Schedule B. The AWP Effective Rate is calculated as follows: (A-B)/A x 100% = AWP Effective Rate percent. For the purposes of this calculation, the following definitions apply:

A = The total sum of the applicable AWP for all Paid Claims by Pricing Category

B = The total sum of the applicable Ingredient Cost Charge for all Paid Claims by Pricing Category

"AWP Effective Rate Guarantee" means the minimum aggregate AWP Effective Rate guarantee as set forth in Schedule B for respective Brand Drugs and Generic Drugs by Pricing Category, as calculated, reported and reconciled in accordance with Schedule B.

"Benefit Design" means the specifications applicable to the Plan, including but not limited to Covered Pharmaceuticals, Cost Share, and Formulary, set forth in this Sponsor Agreement or otherwise documented between the Parties.

"Biosimilar Drug" means a biological product that (a) is highly similar to a US-licensed reference biological product, notwithstanding minor differences in clinically inactive components, where there are no clinically meaningful differences between the biological product and the reference product in terms of the safety, purity, and potency of the product; and (b) is licensed under Section 351(k) of the PHS Act (42 U.S.C. § 262(k)).

"Brand" or "Brand Drug" means those Prescription Drugs designated as "M", "N" or "O" in Medi-Span's Multisource Code indicator. In some instances, a Brand may be dispensed and treated as a Generic to determine the amount due from Sponsor and/or a Member for Covered Pharmaceuticals under Schedule B.

"Business Days" or "business days" means all days except Saturdays, Sundays, and federal holidays. All references to "day(s)" are to calendar days unless "business day" is specified.

"Claim" means an electronic or paper request for reimbursement as a result of a Participating Pharmacy dispensing a Covered Pharmaceutical to a Covered Member.

"Claims Runout" means a process whereby Claims incurred prior to the effective date of the termination of this Agreement may properly be submitted after the effective date of termination.

"Compound Prescription" means a prescription consisting of two or more ingredients, at least one of which is a Covered Pharmaceutical, and which is prepared by the pharmacist specifically for the Member according to the prescriber's directions. All Compound Prescriptions will be adjudicated according to NCPDP D.0.

"Cost Share" means an amount which a Covered Member is required to pay under the terms of the applicable Plan. Such payment may be referred to as an allowance, coinsurance, copayment, deductible or other Covered Member payment responsibility, and may be a fixed amount or a percentage of applicable payment for Covered Pharmaceuticals adjudicated in accordance with this Agreement and rendered to the Covered Member. For the avoidance of doubt, penalties paid by the Covered Member are considered to be part of Cost Share.

"Coverage Form" means the form on which Sponsor or Client on behalf of Sponsor specifies its Benefit Design(s) and other information necessary for MRx to perform services.

"Covered Member" or "Member" means each individual (employee, spouse, or dependent) who is or becomes eligible for prescription benefits under a Plan as set forth in Sponsor's eligibility file or otherwise communicated by Sponsor in a format reasonably acceptable to MRx, as of the date the Covered Pharmaceutical is provided.

"Covered Pharmaceuticals" means those Prescription Drugs, OTC Drugs and supplies that a Member is entitled to receive under the terms of each Sponsor's Plan.

"Custom Formulary" means the list or lists of Covered Pharmaceuticals, with applicable drug coverage conditions, established and updated from time to time by Sponsor and administered by MRx in accordance with the Plan.

"Custom Utilization Management" means guidelines for utilization controls including, but not limited to, prior authorization, step therapy, quantity limits and age and gender edits established and updated from time to time by Sponsor.

"Direct Pharmacy" means a retail, specialty, mail or other pharmacy with which Sponsor has a Direct Pharmacy Contract.

"Direct Pharmacy Claim" means Claims dispensed by a pharmacy pursuant to a Direct Pharmacy Contract.

"Direct Pharmacy Contract" means a contract or other arrangement between Sponsor and one or more pharmacies, pursuant to which such pharmacies may dispense Covered Pharmaceuticals under one or more Plans, including the Ingredient Cost Charges, Dispensing Fees and other pricing terms applicable.

"Dispensing Fee" means the amount paid by Sponsor or Covered Member to a pharmacy for professional services rendered by a licensed pharmacist for providing a Covered Pharmaceutical to a Covered Member. Any charge by a pharmacy to dispense a Covered Pharmaceutical that is not Ingredient Cost Charge or applicable Tax shall be the Dispensing Fee.

"Dispensing Fee Guarantee" means the maximum average aggregate Dispensing Fee guarantees as set forth in Schedule B of this Agreement for respective Brand Drugs and Generic Drugs by Pricing Category, as measured, reported, and reconciled in accordance with Schedule B. The Dispensing Fee Guarantee achieved for each Pricing Category will be calculated by dividing the total applicable Dispensing Fee for Covered Pharmaceutical Paid Claims (in the aggregate for the Pricing Category) dispensed during the year by the number of Paid Claims for the Pricing Category.

"Duplicate Claim" means a Claim that may have the same pharmacy and same prescription number, and has the same Covered Member, date of service, and NDC as another Claim.

"Formulary" means the MRx Managed Formulary or Custom Formulary implemented by Sponsor under the Plan.

"Generic" or "Generic Drug" means those Prescription Drug(s) designated as "Y" in Medi-Span's Multisource Code indicator.

"Home Infusion Claim" means a Paid Claim submitted with (i) the Patient Residence Code (384-4X), as indicated in the NCPDP D.0 format, coded as "1" or "4", a Pharmacy Service Type (147-U7), as indicated in the NCPDP D.0 format, coded as "3", and a Place of Service Code (307-C7), as indicated in NCPDP D.0 format, coded as "1", or (ii) such equivalent codes as may be adopted for such Participating Pharmacies under the NCPDP D.0 format (or any successor format) from time to time.

"I/T/U Claim" means a Paid Claim dispensed by a Participating Pharmacy whose NCPDP Provider Type Code is coded as "8" and with an NCPDP D.0 Place of Service Code (307-C7) coded as "5", "6", "7", or "8".

"Ingredient Cost Charge" means the amount payable by Sponsor or the Covered Member pursuant to Schedule B of this Agreement for a Covered Pharmaceutical, excluding Dispensing Fees and applicable Tax, and before Cost Share. Any charge by a Pharmacy to dispense a Covered Pharmaceutical that is not Dispensing Fee or applicable Tax shall be the Ingredient Cost Charge.

"Law" means any applicable federal, state and local laws, rules, regulations, administrative guidelines, judicial or administrative order or agreement with any governmental agency, unit or subdivision, as such may be amended from time to time.

"Limited Distribution Drug" means a Specialty Drug whose distribution is limited to fewer than two (2) pharmacies that is/are not owned by or Affiliated with MRx.

"Long Term Care Claim" or "LTC Claim" means a Paid Claim submitted with (i) the Patient Residence Code (384-4X), as indicated in the NCPDP D.0 format, coded as "3" or "9" and a Pharmacy Service Type, as indicated in the NCPDP D.0 format, coded as "4" or "5", or (ii) such equivalent codes as may be adopted for such Participating Pharmacies under the NCPDP D.0 format (or any successor format) from time to time.

"Maximum Allowable Cost" or "MAC" means the maximum allowable Ingredient Cost Charge for a Covered Pharmaceutical based on the unit price as included on the applicable MAC List at the time the Claim was adjudicated.

"MAC List" means the list(s) developed and maintained by MRx, in accordance with the requirements set forth in this Agreement, for Covered Pharmaceuticals identified as readily available as a Generic Drug or generally equivalent to a Brand Drug (in which case the Brand Drug may also be on the MAC List).

"Mail Claim" means a Claim arising from the dispensing of a Covered Pharmaceutical to a Covered Member by a Mail Pharmacy.

"Mail Pharmacy" means a pharmacy designated by MRx that dispenses prescriptions from one or more central locations and mails them to the homes (or designated address(es)) of Covered Members.

"Member-Submitted Claim" means a Claim submitted by a Covered Member or Participating Pharmacy with NCPDP Claim Media Type field equal to "3" or "4".

"Military Dispensing Facility Claim" means a Paid Claim dispensed by a pharmacy whose Primary Provider Type Code, as indicated in the NCPDP dataQ™ Pharmacy Database File, is coded as "17."

"MRx Managed Formulary" means the list or lists of Covered Pharmaceuticals, with applicable drug coverage conditions, established and updated from time to time by PBM and administered in accordance with the Plan.

"NDC" means the National Drug Code created and assigned to newly approved drugs by the Food and Drug Administration and pharmaceutical manufacturers.

"OTC Drugs" means certain brand name drugs previously available by prescription-only that are now available Over-The Counter (OTC) in both brand and generic forms. These drugs include drugs such as Claritin, Prevacid, 24 Hour, Prilosec OTC, Zyrtec and their generic equivalents. In order to be considered a Covered Pharmaceutical, a written prescription is required. MRx will allow Sponsors to institute OTC coverage programs at their discretion.

"Outlier Claim" means any non-Compound Drug, Brand Drug Claim with an AWP Discount Rate greater than 50% or any non-Compound Drug, Generic Drug Claim with an AWP Discount Rate greater than 99%.

"Paid Claim" means a Claim that meets coverage requirements and is subsequently paid. All Claims with an associated Rejected Claim, Reversed Claim, or Duplicate Claim shall not be considered Paid Claims and are excluded from the financial and/or Administrative Fee considerations.

"Pareto Sponsor in Good Standing" means a Sponsor who is (i) a member of a captive that is managed by Pareto Captive Services, LLC (an Affiliate of Pareto); (ii) a client of Pareto Underwriting Partners, LLC

(an Affiliate of Pareto); or (iii) a client of any Affiliate of Pareto (including, without limitation, Pareto Health (AL), LLC and Pareto Health (Midwest), LLC) that operates primary care clinics known as Pareto Health and Wellness Centers, and who is eligible for pricing and other terms pursuant to this Sponsor Agreement, as determined by Pareto Captive Services, LLC in its sole and absolute discretion. In the event that a Sponsor is no longer a Pareto Sponsor in Good Standing, Pareto may terminate such Sponsor immediately and such Sponsor shall no longer have access to any pricing under this Sponsor Agreement.

"Participating Pharmacy" means a Retail Pharmacy, Mail Pharmacy, Specialty Pharmacy or other pharmacy that is owned by PBM or any of its Affiliates or has entered into an agreement with PBM or any of its Affiliates that sets forth the terms and conditions of such pharmacy's participation in a pharmacy network of PBM or any of its Affiliates for such pharmacy's dispensing of Covered Pharmaceuticals to Covered Members.

"Participating Pharmacy Contract" means an agreement between a Participating Pharmacy and MRx pursuant to which the Participating Pharmacy agrees to provide Covered Pharmaceuticals to Covered Members.

"Pass Through Pricing" means the pricing applicable to Sponsor under the Sponsor Agreement for Claims as set forth in Schedule B, where the MRx applies and charges Sponsor the actual Ingredient Cost Charge, Dispensing Fee, and Taxes that PBM is obligated to pay and pays to a Participating Retail Pharmacy pursuant to the applicable Participating Pharmacy Contract for dispensing Covered Pharmaceuticals in connection with Paid Claims. Pass Through Pricing does not include, and PBM retains, Claims transaction fees paid by a pharmacy.

"PBM Services" mean the services provided by MRx under this Sponsor Agreement, including those set forth in Schedule A.

"Plan" means any group or individual benefit plan issued or administered by Sponsor, which provide prescription drug benefits.

"Prescription Drug" means a pharmaceutical or pharmaceutical compound (i) that is included in the United States Pharmacopeia and that is required to be dispensed pursuant to a prescription and which is required by law to bear the legend, "Caution -- Federal law prohibits dispensing without prescription", or (ii) that is otherwise accepted by Client as a Covered Pharmaceutical for purposes of this Sponsor Agreement.

"Pricing Category" means each separate line item for AWP Effective Rate Guarantees, Dispensing Fee Guarantees, and Rebate Minimum Guarantees included in Schedule B.

"Rebates" means any retrospective discount received by MRx that is paid by a pharmaceutical manufacturer for utilization of designated prescription products by Members under the applicable rebate agreement with MRx, including but not limited to base/formulary, incentive and market share rebates.

"Rebate Minimum Guarantee" means the minimum Rebate per Brand Drug Paid Claim guarantees as set forth in Schedule B of this Sponsor Agreement, calculated as total Rebates divided by total Brand Drug Paid Claims for each applicable Pricing Category.

"Rejected Claim" means a submitted Claim that is in a rejected status and that has failed billing validation during the adjudication process.

"Retail 30 Claim" means any Paid Claim, other than Specialty Drug Claims, filled through a Retail Pharmacy for a days' supply less than or equal to 83 days.

"Retail 90 Claim" means any Paid Claim, other than Specialty Drug Claims, filled through a Retail Pharmacy for a days' supply greater than 84 days.

"Retail Pharmacy" means a licensed retail pharmacy that has entered into an agreement with MRx to provide Covered Pharmaceuticals to Members.

"Reversed Claim" means a Claim that initially is paid but a subsequent Claim with the same pharmacy, Covered Member, prescription number, and NDC was submitted for reversal of payment.

"Secondary Payer Claim" means a Covered Pharmaceutical Claim for which Client does not have primary payment responsibility.

"Specialty Drug" means Prescription Drugs that are typically used to treat chronic or complex conditions, and typically have one or more of several key characteristics, including frequent dosing adjustments and intensive clinical monitoring to decrease the potential for drug toxicity and increase the probability for beneficial treatment outcomes; intensive patient training and compliance assistance to facilitate therapeutic goals; limited or exclusive product availability and distribution (if a drug is only available through limited specialty pharmacy distribution it is always considered a Specialty Drug); and specialized product handling and/or administration requirements.. Specialty Drugs may be administered by any route of administration. Specialty Drugs include Biosimilar Drugs. Specialty Drugs include those drugs on the Specialty Drug List, and any added to the Specialty Drug List after the Effective Date. All Specialty Drugs will be defined by specific therapeutic categories and not by a specific dollar threshold. PBM may amend the Specialty Drug List, from time to time, by adding new to market drugs or line extensions meeting the above.

"Specialty Drug Claim" means a Claim for a Specialty Drug that is listed on the Specialty Drug List.

"Specialty Pharmacy" means a pharmacy designated by MRx that dispenses prescriptions for Specialty Drugs from one or more central locations and mails them to the homes of customers.

"Tax(es)" means taxes, assessments, or other governmental charges of any kind whatsoever, levied by federal, state and local governments based on a Participating Pharmacy's sale of Covered Pharmaceuticals to Covered Members.

"Territory Claims" means Claims dispensed by retail Participating Pharmacies in American Samoa, Guam, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands, and any other current or new U.S. territory.

"Usual and Customary (U&C) Charge" means the amount a regular cash paying customer pays a pharmacy for a Covered Pharmaceutical and is submitted to PBM. PBM shall require Retail Pharmacies to submit their Usual and Customary Charges with all Claim submissions.

"VA Facility Claim" means Paid Claim dispensed by a Participating Pharmacy with a Primary Provider Type Code , as indicated in the NCPDP dataQ™ Pharmacy Database File, coded as "9."

2. MRx OBLIGATIONS

2.1 Services. MRx shall provide the PBM Services set forth in Schedule A. All services shall be performed in accordance with, and are subject to, the terms of the Master Agreement, and shall otherwise be performed in accordance with applicable Law, licensure requirements and industry standards.

2.2 Program Materials. MRx shall supply all forms necessary for MRx to implement and administer the Plans under this Sponsor Agreement.

3. SPONSOR OBLIGATIONS

3.1 Enrollment Information. At least five (5) business days prior to the date on which Sponsor intends for MRx to administer any PBM Services, and by the second business day of each calendar month thereafter, Sponsor or Sponsor's designated third party administrator shall provide to MRx a list of all Members in a format acceptable to MRx. Sponsor shall be responsible for providing MRx with accurate and complete enrollment information and for providing any modifications or updates to this information to MRx. MRx and Participating Pharmacies are entitled to rely on the enrollment information provided hereunder. In addition, Sponsor will timely provide to MRx any and all documentation, including but not limited to Benefit Design information (e.g., Formulary, Cost Share information provided to Members, etc.) that is reasonably required for MRx to perform services hereunder.

3.2 Benefit Builder. MRx will complete a Benefit Builder form with Sponsor in order to obtain information related to Sponsor's Benefit Design(s), services selected, system and/or operational requirements, and any other information necessary for MRx to perform services under this Sponsor Agreement. Sponsor will reasonably cooperate in completing the Benefit Builder, and will review and confirm the accuracy of the information contained in the Benefit Builder in accordance with MRx's standard procedures. MRx shall have the right to rely on all information contained in the Sponsor-approved Benefit Builder. In addition, Sponsor will timely provide to MRx any and all documentation, including but not limited to Benefit Design information (e.g., Formulary, Cost Share information provided to Members, etc.) that is reasonably required for MRx to perform services hereunder.

3.3 Changes to Benefits. MRx shall administer only those benefits (a) listed on each Benefit Builder and (b) for which Sponsor or Sponsor's third party administrator provides written notice of a change to MRx. In the event of any changes to a Benefit Design, MRx agrees that all non-complex plan design(s) received will be loaded and live in the claims adjudication system within five (5) business days of receipt and all complex plan design(s) will be loaded and live in the claims adjudication system within thirty (30) days of receipt. However, if the proposed change requires any system modifications and/or coding, MRx will notify Sponsor and/or Sponsor's third party administrator in order to discuss the requirements and a revised implementation timeline, and any such changes, including the amount of any additional fees, shall be agreed upon in writing.

3.4 Member Communications. Sponsor is responsible for notifying its Members of any Benefit Design changes. Sponsor is responsible for obtaining Member authorizations and documentation required by Law, if any, for MRx to provide the PBM Services. MRx may communicate with Sponsors and Members as reasonably required to perform the PBM Services.

3.5 Exclusivity. Except as otherwise set forth herein or in the Master Agreement between MRx and Pareto (including Sponsor's right to enter into Direct Pharmacy Contracts and outsource Specialty Drug services and have the outsourced Claims adjudicated by a third party), MRx is the exclusive provider and/or administrator of PBM Services to Sponsor and its Affiliates during the term of this Sponsor Agreement. Without limiting the generality of the foregoing, Sponsor represents that, as of the Effective Date, neither it nor any of its Affiliates has any agreement with any pharmaceutical manufacturer or other entity under which it earns discounts based on the utilization of Covered Pharmaceuticals or related administrative services. If Sponsor elects to negotiate Direct Rebate Contracts with drug manufacturers, then Sponsor will notify MRx and the terms set forth in Section 4.F of Schedule C-1 will apply. Nothing in this Sponsor Agreement shall restrict MRx and/or its Affiliates from offering, providing, or administering any service, including PBM Services, to any other entity.

4. FINANCIAL ARRANGEMENTS

4.1 Payment for Services. Sponsor will pay MRx for all services provided under this Sponsor Agreement in accordance with the pricing terms set forth in Schedule B. All terms stated in Schedule B are determined by MRx and Pareto and may not be modified or amended by Sponsor.

4.2 Invoices. MRx will invoice Sponsor for Claims bi-weekly, and for Administrative Fees monthly, on a schedule conforming to MRx's billing cycles. Invoice amounts for Claims are due and payable within five (5) days of Sponsor's receipt of such invoice. Invoice amounts for Administrative Fees are due and payable within thirty (30) days of Sponsor's receipt of such invoice. Sponsor will pay by wire transfer (or by such other method approved by MRx) to an account designated by MRx in writing. Sponsor's failure to make timely payment shall constitute a payment default. Notwithstanding any other provision of this Sponsor Agreement, if Sponsor fails to cure any payment default within ten (10) days of the due date for such payment, then in addition to any other remedies available, MRx may cease performing any or all of its services hereunder on written notice to Sponsor until Sponsor brings its account current. MRx, in its sole discretion, may accept late payment of delinquent amounts and, upon acceptance, this Sponsor Agreement may be reinstated retroactively to the due date for such payment. Any such actions by MRx shall not be deemed a waiver of MRx's termination or suspension rights in the event of any future failure of Sponsor to make required payments.

4.3 Overdue Payments. Any invoice amounts that remain unpaid after five (5) days of the due date for such invoice shall bear a finance charge from the due date of such amount until paid in full, equal to the lesser of (a) an annual interest rate consisting of the prime rate plus five percent (5%), or (b) the maximum rate permitted by Law. If MRx places any overdue amount with an attorney or other third party for collection, Sponsor will reimburse MRx for its collection costs, including but not limited to reasonable attorneys' fees and expenses.

4.4 Reasonable Assurances. In the event Sponsor fails to pay invoices timely on two (2) or more occasions, or MRx has reasonable grounds to believe that Sponsor may be incapable of meeting its financial obligations under this Sponsor Agreement, MRx may request (and Sponsor agrees to provide) reasonable assurances, including a deposit, regarding its financial condition. If Sponsor does not provide such assurances within five (5) business days or the assurances are not satisfactory in MRx's reasonable judgment, MRx may terminate this Sponsor Agreement on written notice to Sponsor.

4.5 Eligibility Changes. MRx will not be financially or otherwise responsible for any mistaken coverage, claims payment or denial determination if such mistake is due to a change in a person's eligibility status and the mistake is made prior to the earlier of (a) the entry of such changed information into MRx's claims processing system or (b) two (2) business days after such change information is received by MRx.

4.6 Claims Adjustments. The Parties acknowledge that, from time to time, adjustments to Paid Claims may be necessary as the result of coordination of benefits, subrogation, workers' compensation, payment errors, pharmacy audit recovery, or other reasons, and that such adjustments may result in either credits to Sponsor or additional amounts owed by Sponsor.

4.7 Member Hold Harmless. In no event will MRx or a Participating Pharmacy directly or indirectly collect, attempt to collect, or accept remuneration or reimbursement from a Member for Covered Pharmaceuticals, except for Cost Share amounts or as otherwise provided in this Sponsor Agreement, even in the event of Sponsor's failure to pay MRx, a payment dispute between the Parties, Sponsor's insolvency, or any other breach by Sponsor of the terms of this Sponsor Agreement.

4.8 Taxes. Sponsor will pay all sales, use, and similar taxes and duties arising from or related to items dispensed or services provided hereunder, or any other amounts that MRx may incur or be required to pay arising from or relating to its performance of services as a third-party administrator in any jurisdiction. If MRx is obligated to collect and remit any such amount, MRx will include such amount on an invoice to Sponsor. Sponsor is not responsible for taxes on MRx's income. MRx is responsible for taxes on its income, franchise taxes and taxes on the assets of MRx.

5. RECORDS

5.1 Ownership. All records and reports generated by MRx hereunder are the property of MRx. All records or reports provided by MRx to Sponsor can be maintained as property by the Sponsor and shall remain subject to the confidentiality provisions of this Sponsor Agreement.

5.2 Recordkeeping. MRx agrees to maintain reasonable documentation related to the PBM Services provided to Members and Claims processed under to this Sponsor Agreement. Sponsor agrees that it will maintain reasonable documentation related to the enrollment information and Benefit Design information provided. MRx and Sponsor will maintain the records and information required by this subsection for six (6) years from the date of enrollment or service, as applicable, or such longer period that may be required by Law, in a format and electronic media deemed reasonably appropriate by the Party holding such records. MRx shall also require that Participating Pharmacies maintain records of the Covered Pharmaceuticals dispensed to Members in accordance with Law. Subject to all applicable privacy and confidentiality requirements, certain records may be made available to other pharmacies and health professionals treating Members.

5.3 Release of PHI to Third Parties. In accordance with the rules and regulations required under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Sponsor hereby authorizes MRx to securely disclose information concerning the Plan's prescription drug coverage directly to the entity listed below. The information to be disclosed and the intervals for disclosure with respect to each such entity are shown below. This authorization includes eligibility and claims information that is considered protected health information (PHI) under HIPAA.

Each of the entities listed below are Business Associates of the Plan as defined by HIPAA and an executed Business Associate Agreement for each is on file with the Plan.

This authorization will remain in effect until the earlier of: 1) the date the Plan or its designated third party administrator notifies MRx to cease this ongoing disclosure, or 2) the date on which this Addendum is terminated.

Health Cost & Risk Management
Address: 690 Old Trail Road Highland Park, IL 60035
Contact Person: Claudia Wydro
Phone: 773-279-5936
E-Mail: cwydro@hcrmnet.net

Information to be disclosed: Full claim detail files for audit and reporting purposes

Intervals for disclosure: Monthly

Additionally, Sponsor authorizes MRx to (A) disclose Member-identifiable information to (i) Pareto, and (ii) any independent audit firm that Pareto engages to conduct an audit in accordance with the terms of Section 6 of the Master Agreement; and (B) share information concerning the Plan's prescription drug coverage, including the Plan's Confidential Information (as defined in Section 6.1, below) and protected health information (PHI) (as defined under HIPAA and the implementing regulations) with third parties engaged by Pareto to manage Pareto's prescription consortium. Any such disclosure and receipt information by MRx will be in accordance with HIPAA and the implementing rules and regulations.

5.4 Transfer of Data Upon Termination. Upon termination of this Sponsor Agreement, PBM shall cooperate with Sponsor to develop a mutually agreed upon transition plan to a successor prescription benefit manager. PBM shall provide all appropriate and relevant electronic Claims data; including but not limited to eligibility file format, Mail Pharmacy refill files, Specialty Pharmacy refill files, two (2) years of standard pharmacy Claims files sufficient for new PBM transition activities, prior authorization files, formulary file, clinical program set-up files, and all other files pertinent to transition, all of the foregoing at no additional cost to Sponsor. Frequency of transition file transmissions, necessary deliverables and other pertinent transition timeframes will be mutually agreed upon by PBM and Sponsor. All routine data feeds provided by PBM to Sponsor vendors and consultants will continue to be provided through the end of agreement and run out at no additional cost to Sponsor.

6. CONFIDENTIAL AND PROPRIETARY INFORMATION

6.1 Confidential Information. The term "Confidential Information" means information of a confidential or proprietary nature disclosed by one Party (the "Disclosing Party") to the other (the "Receiving Party"). Confidential Information includes, but is not limited to, matters of a technical nature such as trade secrets, methods, compositions, data and know-how, designs, systems, and processes, and any information derived therefrom; matters of a business nature, such as the terms of this Sponsor Agreement, proprietary reimbursement formula(e), marketing, sales, strategies, proposals, lists of Participating Pharmacies and pharmaceutical manufacturers, and any other information that is

designated by either Party as confidential or which the Receiving Party should reasonably understand is confidential and/or proprietary based on nature of the information.

6.2 Treatment of Confidential Information. The Receiving Party agrees to hold the Disclosing Party's Confidential Information in strict confidence and to take reasonable precautions to protect such Confidential Information (including using all precautions the Receiving Party employs with respect to its own Confidential Information), and not to use Confidential Information for any purpose not previously authorized by the Disclosing Party, except as necessary for MRx to perform PBM Services. The Receiving Party further agrees not to disclose any Confidential Information to a third party unless authorized in writing by the Disclosing Party and provided further that the ultimate recipient of such Confidential Information agrees to be bound by confidentiality terms at least as stringent as those contained herein. The Receiving Party may disclose Confidential Information to its employees, directors, and Affiliates (collectively "Receiving Party Representatives") that have a reasonable need to know such information, provided that such Receiving Party Representatives are informed of the confidential nature of the information and have agreed to treat the Confidential Information in a confidential manner consistent with this Sponsor Agreement.

6.3 Exceptions. "Confidential Information" does not include information that (a) prior to disclosure hereunder was known by the Receiving Party, provided that there has not been a violation of any confidentiality obligation to the Disclosing Party, (b) is or subsequently becomes publicly available without violation of any confidentiality obligation owed to the Disclosing Party, (c) is independently developed by the Receiving Party without violation of this Sponsor Agreement, or (d) is disclosed with the written approval of the Disclosing Party.

6.4 Requests. If the Receiving Party receives a court order, subpoena or governmental request (whether formal or informal) for Confidential Information, the Receiving Party shall promptly notify the Disclosing Party to provide the Disclosing Party with the opportunity to seek confidential treatment or other appropriate relief relating to such Confidential Information. The Receiving Party shall not oppose such efforts. If the Disclosing Party is unable to obtain any relief with respect to the request, the Receiving Party may provide those portions of Confidential Information that it is advised by counsel are required by Law to be produced, and will further use commercially reasonable efforts to obtain confidential treatment of the Confidential Information from the recipient of such information.

6.5 Programs. Any clinical and other programs implemented by MRx, including any MRx Managed Formulary, together with any related materials, manuals, lists and descriptions provided hereunder, will remain the property of MRx. Sponsor will use such programs only while this Sponsor Agreement is in effect.

6.6 Trademarks. Neither Party shall use the other's trademarks, trade names, nor service marks (or any reasonably likely to cause confusion) without the other Party's written consent.

6.7 Member and Sponsor Identifiable Information. The Parties will comply with all Laws in connection with this Sponsor Agreement, including, without limitation, such Laws regarding patient confidentiality as set forth in the Business Associate Agreement between them. The Parties acknowledge and agree that any pre-existing Business Associate Agreement between them entered into prior to the Effective Date of this Agreement shall remain active and in force with respect to Protected Health Information exchanged pursuant to this Agreement; any references in such Business Associate Agreement to a prior PBM Services Sponsor Agreement shall be interpreted to be

references to this Agreement. MRx will not provide any data or information that identifies Sponsors without Sponsor's consent, except as reasonably necessary to provide PBM Services or as required by Law. The restrictions set forth in this Section 6 do not apply to Claims data or other information that does not identify Sponsor.

6.8 Remedies. The Parties acknowledge that any unauthorized use or disclosure of the other's Confidential Information would cause the Disclosing Party immediate and irreparable injury or loss. Accordingly, if MRx, or Sponsor fails to comply with the confidentiality provisions of this Sponsor Agreement, or threaten to do so, the Disclosing party shall be entitled to equitable relief, including the immediate issuance of a temporary restraining order or preliminary injunction enforcing this Sponsor Agreement, in addition to other remedies permitted by Law.

7. TERM AND TERMINATION

7.1 Term. This Sponsor Agreement shall become effective on the Effective Date, and shall continue in full force and effect for one (1) year ("Initial Term"), and will automatically renew for consecutive twelve (12) month term(s) unless at the end of the Initial Term either party provides the other party with written notice of such party's intent not to renew at least ninety (90) days prior to the end of the Initial Term or as provided herein.

7.2 Termination. This Sponsor Agreement may be terminated in the following manners:

(a) In the event of a material breach of this Sponsor Agreement, the non-breaching Party shall provide written notice of the breach to the other Party. If the breach is not cured within thirty (30) days after the breaching Party's receipt of written notice of such breach, the non-breaching Party may terminate this Sponsor Agreement upon written notice.

(b) Notwithstanding the provisions of Section 7.2(a), in the event of a payment default by Sponsor under Section 4, MRx shall provide written notice of such default to Sponsor. If Sponsor does not cure the payment default within ten (10) days after receiving such notice, MRx may terminate this Sponsor Agreement on written notice to Sponsor.

(c) By either Party if the other Party becomes insolvent, is dissolved or liquidated, makes a general assignment for the benefit of creditors, files or has filed against it a petition in bankruptcy and such petition is not dismissed with prejudice within 45 days after the filing, or has a receiver appointed for a substantial part of its assets.

(d) After the first year of the Initial Term, by either Party without cause upon ninety (90) days prior written notice to the other Party

(e) By mutual written consent of the Parties;

(f) By MRx with thirty (30) day notice to Sponsor, if Pareto advises MRx in writing that Sponsor is no longer a Pareto Sponsor in Good Standing.

(g) As otherwise permitted in this Sponsor Agreement.

7.3 Effect of Termination. Upon termination of the Sponsor Agreement for any reason, MRx shall cease to have any liability for payment of Claims incurred after the effective date of such termination. In the event that MRx or any Participating Pharmacy is required by Law to continue providing any PBM Services after termination, Sponsor shall be liable to reimburse MRx under the applicable terms of this Sponsor Agreement. Regardless of termination of this Sponsor Agreement for any reason, each Party shall be required to meet all its payment obligations arising under this Sponsor Agreement as set forth in Schedule B. Notwithstanding the foregoing, MRx will (i) process and, if deemed eligible, pay all Claims submitted through the effective date of the termination of this Sponsor Agreement and during any Claims Runout period, and (ii) pay all Rebates earned by Sponsor through the effective date of such termination and during any Claims Runout period as long as Sponsor meets all contractual requirements set forth under this Sponsor Agreement.

7.4 Adverse Government Action. In the event any department, branch, or bureau of the federal, state or local government materially adversely affects the ability of a Party to perform its obligations under this Sponsor Agreement, that Party shall provide the other Party with written notice of the nature of the action having such adverse effect. During the immediately following sixty (60) day period, the Parties will, in good faith, attempt to negotiate a modification to the Sponsor Agreement to minimize the adverse effects and to restore as closely as possible the original intention of this Sponsor Agreement. If the Parties are unable to reach an agreement, then either Party may terminate this Sponsor Agreement on ninety (90) days advance written notice.

8. INDEMNIFICATION AND RELATED MATTERS

8.1 MRx Indemnity. MRx agrees to indemnify, defend and hold Sponsor and its subsidiaries, Affiliates, and their officers, directors, employees, and agents (each a "Sponsor Indemnified Party"), harmless from and against any claims, actions, causes of action, damages, liabilities, and expenses (including without limitation attorneys' fees and litigation costs) (collectively, "Actions") asserted against a Sponsor Indemnified Party in the event the Action arises from MRx's violation of Law, acquisition, use, or disclosure of protected health information by MRx or MRx's agent or designee, breach of this Sponsor Agreement, or negligence or willful misconduct.

8.2 Sponsor Indemnity. Sponsor agrees to indemnify, defend and hold MRx and its subsidiaries, Affiliates, and their officers, directors, employees, and agents (each a "MRx Indemnified Party"), harmless from and against any Actions asserted against a MRx Indemnified Party in the event the Action arises from Sponsor's violation of Law, breach of this Sponsor Agreement, or negligence or willful misconduct.

8.3 Indemnity Procedures. A Party seeking indemnification under this Section 8 (the "Indemnified Party") shall provide prompt written notice of any Action to the Party from whom indemnification is sought (the "Indemnifying Party"), provide reasonable assistance to the Indemnifying Party, not settle or compromise or consent to entry of judgment on any Action without the written consent of the Indemnifying Party, and not otherwise take any action, or fail to act, so as to compromise the Indemnifying Party's position with respect to the resolution or defense of any such Action. The failure to provide prompt notice will not constitute a waiver of rights under this Section 8 unless it results in material prejudice to the rights or defenses of the Indemnifying Party; provided, however, that if the Indemnified Party does not give timely notice, the Indemnifying Party shall not be liable for any of the Indemnified Party's costs and expenses incurred prior to such notice. An Indemnifying Party shall not settle or compromise or consent to the entry of judgment in any Action unless such

resolution provides an unconditional release of the Indemnified Party from all liability relating to the Action, and does not contain any term or order that in any manner restricts or interferes with the business of the Indemnified Party or its Affiliates. The Indemnifying Party shall have the right, in its sole discretion, to select counsel and to control the defense and settlement with respect to any Action.

8.4 Insurance. During the term of this Sponsor Agreement, MRx will maintain liability coverage with limits not less than $1,000,000 per occurrence and $5,000,000 in the aggregate per policy year. MRx will provide evidence of such coverage upon Sponsor's written request.

8.5 Pharmacy Care. Sponsor acknowledges that, except to the extent provided in Section 8.1, MRx assumes no responsibility for the nature or quality of pharmaceutical products dispensed the provision or failure to provide pharmaceutical goods or services, or any action or inaction by Participating Pharmacies, pharmaceutical manufacturers, or other providers of care in connection with this Sponsor Agreement.

8.6 Disclaimers. MRx relies on First Data Bank, Medi-Span or other industry comparable databases in providing Sponsor and Members with PBM Services, including without limitation drug utilization review (DUR) services. MRx has utilized due care in collecting and reporting the information contained in its databases and has obtained such information from sources believed to be reliable. In addition, the data available from MRx through the databases and services provided hereunder is limited by the amount, type and accuracy of information made available to MRx by Sponsor, Participating Pharmacies, Members and prescribers. MRx has no obligation to acquire information about a Member beyond that provided in connection with enrollment and Claims information from Participating Pharmacies. MRx does not warrant the accuracy of reports, alerts, codes, prices or other data contained in such databases. The clinical information contained in these databases and the Formulary, nor any information provided by MRx in connection with its services (including DUR services) is not intended as a supplement to, or a substitute for, the knowledge, expertise, skill, and judgment of physicians, pharmacists, or other healthcare professionals involved in Members' care. The absence of a warning for a given drug or drug combination in a database shall not be construed to indicate that the drug or drug combination is safe, appropriate or effective for any Member. In addition, services provided by MRx, including without limitation any utilization management services, are not intended to substitute for the professional judgment and responsibility of the Member's physician.

8.7 Limitation of Liability. No Party shall be responsible for or have any obligation to indemnify, defend or hold harmless any other Party for (a) Actions arising out of or resulting from a breach of a duty owed independently by the other Party or the negligence, willful misconduct or fraud of the other Party, or (b) except in the event of unauthorized disclosure of Member personal information, any award of punitive or other exemplary damages arising out of this Sponsor Agreement or out of its performance hereunder, regardless of the form of action and/or whether the Party is or was aware of the possibility of such damages.

9. GENERAL PROVISIONS

9.1 Compliance with Law. The Parties represent and warrant that, at all times under this Sponsor Agreement, they will comply with all Laws governing the performance of their respective businesses and to the performance of their respective obligations hereunder, including without limitation any Laws, including but not limited to the Employee Retirement Income Security Act (ERISA), as

amended, relating to the disclosure or notification of plan benefits or Rebates to Groups and/or Members. The Parties further represent and warrant that each shall maintain all licenses, certifications, and/or qualifications that are required by Law relating to the operation of their respective businesses and/or to comply with their obligations under this Sponsor Agreement.

9.2 Independent Contractors. The relationship between MRx and Sponsor is solely that of independent contractors engaged in the operation of their own respective businesses. Nothing contained in this Sponsor Agreement shall be construed as creating an employee/employer or agency relationship. Sponsor will not represent that MRx or any of its Affiliates is a Plan Administrator or fiduciary of a Plan or any Group, as applicable, as those terms are used in the Employee Retirement Income Security Act, including applicable regulations. MRx provides solely ministerial service functions in connection with the Plan(s) sponsored by Sponsor. Sponsor acknowledges that it has the sole authority to control and administer the Plan(s). Sponsor has complete discretionary, binding, and final authority to construe the terms of the Plan(s), to interpret ambiguous language, to make factual determinations regarding the payment of benefits, to review denied claims and to resolve any complaints by Members.

9.3 Entire Agreement. This Sponsor Agreement and any schedules, exhibits, and/or addenda hereto constitute the entire contract between the Parties with regard to the subject matter hereof, and supersede all prior agreements and understandings between the Parties, both written and oral, relating to the subject matter hereof.

9.4 Amendment. This Sponsor Agreement may be amended only in writing when signed by a duly authorized representative of MRx and Sponsor.

9.5 No Third Party Beneficiary. The Sponsor Agreement is solely for the benefit of the Parties, and is not intended to create any interest in any third party.

9.6 Severability. In the event that any provision of this Sponsor Agreement is determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Sponsor Agreement shall not be impaired or otherwise affected, will be construed to preserve the intent and purpose of this Sponsor Agreement, and shall continue to be valid and enforceable to the fullest extent permitted by law.

9.7 Assignment. Neither Party may assign this Sponsor Agreement without the prior written approval of the other Party, provided however, that either Party may assign this Sponsor Agreement to an Affiliate. MRx may provide any services either itself or through an Affiliate or subcontractor, and all references to MRx relating to the provision of services shall be deemed to include the applicable Affiliate or subcontractor. MRx shall be responsible to Sponsor for the performance of PBM Services, regardless of whether a service is performed by an Affiliate or subcontractor. For purposes of this Sponsor Agreement, Affiliates and Participating Pharmacies shall not be considered subcontractors.

9.8 Headings. The headings to the sections and subsections of this Sponsor Agreement shall be disregarded in its interpretation.

9.9 Force Majeure. Neither Party will be deemed to have breached this Sponsor Agreement or be responsible for any failure of performance hereunder if the Party was prevented from complying with its obligations by a cause or causes beyond its reasonable control. Such causes include, without limitation, fires, earthquakes, floods, storms and other natural disasters; acts of God; strikes, lockouts,

and boycotts; acts of war, riots or other insurrections; failure of communications, electric, or similar utility lines; or a change in Law occurring after the Effective Date.

9.10 No Waiver. The failure of either Party to enforce or insist upon compliance with any provision of this Sponsor Agreement shall not be construed as or constitute a waiver of the right to enforce or insist upon compliance with such provision in the future.

9.11 Construction. The Parties jointly prepared this Sponsor Agreement and have had the opportunity to consult with counsel about its terms. No rule of construction relating to ambiguity shall be applied against any one Party and in favor of the other.

9.12 Approvals. Whenever approval of a Party is required under this Sponsor Agreement, such approval will not be unreasonably withheld.

9.13 Choice of Law. This Sponsor Agreement shall be construed and governed in accordance with the laws of the state of Delaware without reference to conflict of laws provisions. However, all matters relating to the Mail Pharmacy and Specialty Pharmacy shall be governed by the law of the state in which the pharmacy is located.

9.14 Dispute Resolution. In the event that any dispute, claim or controversy relating to this Sponsor Agreement arises between MRx and Sponsor, the Parties will meet and make a good faith effort to resolve the dispute. If the dispute is not resolved within thirty (30) days after either Party requests in writing a meeting to resolve the dispute, and either Party wishes to pursue the dispute further, that Party shall refer the dispute to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association ("AAA"). The arbitration shall occur within the County of Maricopa, State of Arizona, by a single arbitrator. If the Parties cannot agree upon the arbitrator, the arbitrator shall be chosen by the applicable AAA office. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The Parties will jointly share the costs of the arbitrator. The Parties agree that the losing Party will reimburse the prevailing Party for the prevailing Party's reasonable attorney's fees and related arbitration costs.

9.15 Notices. Any notice required under this Sponsor Agreement shall be in writing and sent either by hand delivery, by overnight delivery by a nationally recognized courier service, or by certified mail, return receipt requested, in each case address as follows:

If to Sponsor: Candler County Board of Commissioners
1075 East Hiawatha Street,
Metter, GA 30439
Attention:

If to MRx: Magellan Rx Management, LLC
8621 Robert Fulton Drive
Columbia, Maryland 21046
Attention: Senior Vice President and Associate General Counsel

With a copy to: Magellan Health, Inc.
6303 Cowboys Way, Suite 350
Frisco, TX 75034

Attention: General Counsel

Any notice shall be deemed to have been given as of the date of hand delivery, as of the date it is placed into the hands of a nationally recognized courier service, or three (3) days from the date of mailing, as the case may be.

9.16 Counterparts; Facsimiles. This Sponsor Agreement may be executed by any of the following methods. (a) The Parties will sign two identical originals of this Sponsor Agreement, and each Party, after countersignature, will retain one (1) original. (b) This Sponsor Agreement may be executed in one or more counterparts, each of which may be signed by no more than one Party, and all of which originals taken together shall be considered one and the same agreement. (c) One Party may sign at least one (1) original Sponsor Agreement and electronically transmit a scanned/pdf copy of this entire Sponsor Agreement to the other Party for countersignature, and the receiving Party will countersign such scanned/pdf copy and return a fully-signed entire Sponsor Agreement either electronically or through another means.

9.17 Survival. The provisions of Sections 4, 5, 6, 8, 9.14 and 9.15 will survive the termination of this Sponsor Agreement.

9.18 No Restrictions. No Party has any conflict of interest that would impair its ability to perform its obligations under this Sponsor Agreement. No Party is subject to any restrictions, whether under Law, contract, or otherwise, that would prevent it from entering into this Sponsor Agreement or performing its obligations hereunder. Neither the execution nor delivery of this Sponsor Agreement nor the transactions contemplated hereunder will be a violation of any term or provision of the Party's governance documents.

9.19 Organization and Authority. Each Party is duly organized and in good standing, and has the power to carry on its respective business. The execution and delivery of this Sponsor Agreement and the transactions contemplated hereunder have been authorized by all necessary action by each Party. Each Party represents and warrants that the individual signing this Sponsor Agreement on its behalf is duly authorized to bind such party to all terms and conditions of this Sponsor Agreement.

IN WITNESS WHEREOF, the Parties have caused this Sponsor Agreement to be executed in duplicate by affixing the signatures of duly authorized officers.

SPONSOR	**MAGELLAN Rx MANAGEMENT, LLC**
By: _____	By: _____
Name: Bryan Aasheim	Name: _____
Title: County Administrator	Title: _____
Date: August 20, 2021	Date: _____

SCHEDULE A
PBM SERVICES

MRx will provide the PBM Services set forth in this Schedule A to each of Client's Sponsors.

1. RETAIL PHARMACY NETWORK

A. Network Management. MRx will establish and maintain a network of Retail Pharmacies that agree to provide Covered Pharmaceuticals to Members under Law, applicable standards of care, and the terms and conditions set forth in the applicable Participating Pharmacy Contracts. MRx is responsible to contract with such pharmacies. Should Client or Sponsor request additional pharmacies be added to the list of Participating Pharmacies hereunder, MRx or its designee will use commercially reasonable efforts to attempt to add such pharmacies within sixty (60) days. In the event MRx is unable to contract with such pharmacies at rates comparable to its network rates, the Parties agree that the pharmacy will be excluded from the guarantees.

B. Network Access. Members will have access to the network of Retail Pharmacies established and maintained by MRx to deliver Covered Pharmaceuticals to Members. MRx will maintain or develop a network in Client's service area(s) that meets reasonable access standards. MRx will notify Client within thirty (30) days of any changes to the Retail Pharmacy network it becomes aware of that will materially impact the ability of greater than 2% of Members to obtain Covered Pharmaceuticals. MRx shall have ninety (90) days to restore the network so it is materially equivalent. If MRx is unable to restore the network, Client may terminate this Agreement within thirty (30) days written notice of termination to MRx notwithstanding any other termination provisions in this Agreement. The above does not apply to pharmacies removed by MRx for licensure issues, Member safety, or compliance issues.

C. Auditing. MRx shall conduct audits of its Participating Retail Pharmacies in accordance with applicable requirements. Such audits may include:

1. Real-time Auditing. All claims are subject to real-time audit that review claims immediately post-adjudication. This technology allows for the identification and correction of errors before the Sponsor is billed for the Claim. Real-time audit provides the ability to:
   - Investigate and examine claims prior to payment
   - Discover emerging erroneous activities
   - Focus on patient safety and medical error reduction
   - Invest in error prevention.
   - Limit and even prevent losses due to erroneous or fraudulent submissions.

2. Statistical Auditing. A periodic computerized analysis of those pharmacies handling a significant number of Claims, which compares their Claims activity to the Claims activity of similar pharmacies. This information shall be used for, among other things, for the selection of pharmacies for field audits.

3. Field Auditing. Field (on-site) audits on selected pharmacies to ensure compliance with the terms of the pharmacy agreement.

4. Fraud, Waste & Abuse Audits. MRx will provide Fraud, Waste & Abuse audits of Participating Pharmacies as part of its standard compliance process at no additional cost to Client or Sponsors.

5. Audit Recoveries. MRx will provide one hundred percent (100%) of all audit recoveries to Sponsor.

D. Pricing. The pricing terms applicable to the Retail Pharmacy Network are set forth in Schedule B, Section 1.

E. Direct Pharmacy Contracting.

1. Right to Direct Contract: Sponsors shall have the right to negotiate and enter into Direct Pharmacy Contracts of Sponsor's choice. MRx shall have the right to adjust the financial terms to reflect the impact of any carve out.

2. Adjudication of Direct Pharmacy Claims: Sponsor shall pay PBM at the applicable Direct Pharmacy Contract rates as communicated by Sponsor or its designee to PBM (net of any Cost Share and plus any applicable sales or excise tax or other government charge). To the extent that Covered Pharmaceuticals are dispensed by a Retail Pharmacy under a Direct Pharmacy Contract for which PBM has not been provided a Direct Pharmacy Contract price, PBM will adjudicate such Claims in accordance with PBM's national retail rate with such pharmacy (net of any Copayments and plus any applicable sales or excise tax or other governmental charge), unless a default rate has been provided in the Direct Pharmacy Contract that has been communicated to PBM.

3. Direct Pharmacy Claims and Pricing Guarantees: Claims processed at any pharmacy under a Direct Pharmacy Contract will be excluded from the applicable AWP Effective Rate Guarantees. PBM may equitably adjust retail AWP Effective Rate Guarantees commensurate to the removal of the Retail Pharmacy providers and such adjustment shall be calculated prior to any modifications being made. Adjustment shall be based on the most recent 6-months of the respective pharmacy's network performance to the extent 6-months exists. If 6-months does not exist, then the available retrospective information will be utilized. PBM may not adjust the financial guarantees applicable to any other channel Pricing Category.

4. PBM Support of Direct Pharmacy Contracts: PBM shall provide services to support implementation and ongoing maintenance of the AWP Discount Rates and/or pharmacy specific Direct Pharmacy Contract price lists at no additional cost to Sponsor. PBM shall ensure an automated process to load lists is created before the Agreement begins. PBM shall load pharmacy specific Direct Pharmacy Contract price lists within five (5) calendar days of receipt of lists from Sponsor. PBM shall submit to Sponsor a Direct Pharmacy Contract Price List Extract File that shows all active pricing and any new or updated pricing loaded form the new price list submitted. Such file shall be submitted within 24 hours of the new price list loading. PBM shall submit

a report of all errors identified in the loading process of the new price list. File shall be submitted within 24 hours of the new price list loading. If no errors are reported, PBM must send notification that no errors were found. PBM shall ensure price list is not active until the effective date of the new price list. PBM shall ensure any non-disclosure or confidentiality requirements are met prior to Agreement Effective Date. PBM shall be responsible for resolving any issues that arise due to errors by PBM in loading price files or managing to AWP Effective Rates.

2. MAIL PHARMACY

A. Services. MRx shall maintain, operate and/or provide a Mail Pharmacy that dispenses Covered Pharmaceuticals to Members through the U.S. Mail or other carrier. MRx may change the Mail Pharmacy upon sixty (60) days advance written to Sponsor.

B. Procedures. The Mail Pharmacy will receive prescriptions from Members via the U.S. mail or other carrier at an address specified by MRx, which is subject to change from time to time at MRx's discretion. The Mail Pharmacy shall have no obligation to fill any prescription for Covered Pharmaceuticals that is not accompanied by an appropriately completed order form and the payment of any applicable Cost Share. Under no circumstances will Client or MRx be liable for unpaid Member Cost Share.

C. Standards. Subject to reasonable processing parameters, MRx will dispense Covered Pharmaceuticals in accordance with the prescription to the address designated by the Member, as long as such addresses are located in the United States or Puerto Rico. MRx will dispense Covered Pharmaceuticals in accordance with Law and standards of care prevalent in the mail service pharmacy industry.

D. Dispensing Procedures. Any drug which cannot be dispensed in accordance with MRx's Mail Pharmacy dispensing protocols, or which requires special record-keeping procedures, may be excluded from coverage by MRx. Sponsor has the right to request that MRx add medications, including OTC drugs, to their mail order program. MRx will accommodate Sponsor within thirty (30) days of such proper requests if the medication requested does not (1) require special record keeping, or (2) violates MRx dispensing protocols.

E. Member Services. MRx will provide a toll-free telephone number for Members to use in order to speak with a pharmacist or other appropriate representative. MRx will provide materials explaining how to access and use the Mail Pharmacy.

F. Professional Judgment. Nothing herein shall be construed to prohibit or otherwise limit the ability of any pharmacist to exercise his or her professional judgment, including the refusal to fill a prescription. Further, nothing herein shall be construed to require the Mail Pharmacy to stock all federal legend drugs.

G. Pricing. The pricing terms applicable to the Mail Pharmacy are set forth in Schedule B, Section 2.

3. SPECIALTY DRUGS

A. Services. MRx shall maintain, operate and/or provide a Specialty Pharmacy that dispenses Specialty Drugs to Members through the U.S. Mail or other carrier. The terms of Schedule A, Section 2 above shall also apply to the Specialty Pharmacy, except as otherwise provided in this Agreement. Sponsor may elect to utilize a vendor to seek alternate funding for certain Specialty Drugs as outlined in Sponsor's Benefit Design. Such Claims will process with a prior authorization instructing the dispensing pharmacy to contact Sponsor's alternate funding vendor. Any Claims funded by such vendor will not be billed by MRx, unless MRx is acting as the alternate funding vendor, and all such Claims will be excluded from any and all pricing guarantees set forth in this Agreement. MRx will process and bill for all Specialty Drugs not funded by Sponsor's alternate funding vendor pursuant to MRx's standard processes. Sponsor may not be simultaneously enrolled in the alternative funding program and the Value Max Program.

B. Pricing. Notwithstanding anything to the contrary in this Agreement, including Section 2 above, the pricing terms applicable to Specialty Drugs dispensed through the Specialty Pharmacy. Sponsor shall pay for Specialty Drugs dispensed through a Retail Pharmacy according to the terms set forth in Schedule B, Section 1. MRx will notify Sponsor of all changes to Schedule B-1 products in writing on a quarterly basis.

C. Value Max Program. If Sponsor utilizes MRx as their exclusive Specialty Drug provider and has not enrolled in the alternative funding program, MRx will provide Sponsor with access to its Value Max Program to assist Members who take high cost Specialty Drugs. Value Max reduces the amount Sponsor spends by maximizing the amount of manufacturer copay assistance received for approximately fifty (50) of the most prominent Specialty Drugs. Using a preset coinsurance, Member Cost Share on targeted drugs is increased to match the amount of available copay assistance this increased responsibility is then covered by the manufacturer copay assistance program so that the member does not experience any actual increased cost. Since these amounts are ultimately paid with copay assistance, not by the Member, they are prevented from accumulating toward a Member's deductible and out-of-pocket maximum. The Sponsor will be charged a fifty dollar ($50) Dispensing Fee for each Paid Claim processed under the Value Max Program ("Value Max Claim").

4. FORMULARY AND REBATE ADMINISTRATION

A. Establishment of Formulary. MRx shall establish and provide a MRx Managed Formulary for implementation by Client's Sponsors. The drugs included on the MRx Managed Formulary have been evaluated by a Pharmacy and Therapeutics Committee and may change from time to time as a result of a number of factors, including but not limited to medical appropriateness, cost-effectiveness and generic availability. MRx shall work with Sponsor to affect the adoption, distribution, and implementation of such MRx Managed Formulary. All changes to the MRx Managed Formulary will be communicated to Sponsor on a quarterly basis. Under no circumstances will MRx move a Sponsor from the MRx Open Formulary to an MRx exclusionary Formulary without Sponsor's written approval. Client may elect to implement a Custom Formulary as outlined in Section E, below.

B. Formulary Programs. MRx may implement its standard formulary management programs, which may include communications with Client, Sponsors, Members, pharmacies, and/or physicians, clinical or other coverage rules/criteria, compliance and/or adherence

programs, generic substitution and/or therapeutic interchange programs, financial incentives, and other measures to promote cost effectiveness of the MRx Managed Formulary.

C. Rebates. MRx will arrange for the provision of Rebates from pharmaceutical manufacturers, including the contracting and administration of a Rebate program. MRx earns Rebates based upon the utilization of certain Covered Pharmaceuticals on the Formulary. The availability and amount of Rebates will depend upon the Plan's Benefit Design and other factors. Rebates are contingent upon Sponsor's compliance with the MRx Managed Formulary. If Client deviates from the MRx Managed Formulary, Client, will be deemed to have a Custom Formulary and Rebate guarantees may be affected as outlined in Section E, below.

D. Rebate Terms. The amount and timing of Rebates payable to Sponsors are set forth on Schedule B, Section 5. Rebate Minimum Guarantees are based upon the MRx Managed Formulary and utilization management proposed by MRx and Sponsor's Benefit Design as of the Effective Date of this Agreement. Sponsor will provide documentation reasonably requested and/or required by MRx regarding the implementation of the MRx Managed Formulary, utilization management, and any related clinical or other coverage rules or criteria. In the event of termination, Rebates earned prior to termination will remain payable to Sponsors so long as Sponsor meets its contractual obligations through termination.

E. Custom Formulary and Custom Utilization Management. Rebates are based upon the PBM Managed Formulary and utilization management proposed by PBM and each Sponsor's benefit plan design as of the Effective Date of this Agreement. During the term of the Agreement, Client shall have the right to implement and maintain Custom Utilization Management and Custom Formularies, that may include, but are not limited to: (i) individual drugs or drug classes offered at no Cost Share to the Member (Tier 0 Drugs); (ii) exclusions of drugs in rebated drug classes from the Formulary up to quarterly with at least one hundred and twenty (120) days prior written notice to PBM; or (iii) exclusion of drugs not in rebated drug classes from the Formulary at any time with at least thirty (30) days prior written notice to PBM. Such customization will occur at the benefit level. In addition, Client may implement and maintain drug substitution programs (such as the US-Rx RightRx program), and have its clinical pharmacists engage in prior authorization review. Associated Administrative Fees and Rebate guarantees may be affected (positively or negatively) by the implementation of any such customizations and will be dependent on the extent of customization desired by Client. Fees for supporting a Custom Formulary apply based on modification complexity and required resources. If such customizations either negatively or positively impact the Rebate guarantees, both Parties shall prospectively mutually agree upon any commensurate changes to the Rebate Minimum guarantees based on supporting documentation prepared by MRx.

1. PBM agrees to provide an updated Custom Formulary file by NDC, GPI, Custom Formulary tier status, drug name and strength monthly or as formulary changes are submitted and coded.

2. PBM agrees to provide a weekly file of all new to market drugs (Brand and Generic) with sufficient data for Sponsor to make drug coverage decisions

3. A rules based approach will be implemented by the PBM as directed by the Sponsor for new to market drugs, Generic Drugs, line extensions and new strengths of existing products. The rules based approach will be used to tier drugs for the Custom Formulary.

F. Direct Rebate Contracting

1. **Right to Direct Contract:** Sponsor shall have the right to negotiate Direct Rebate Contracts with drug manufacturers of Sponsor's choice.

2. **Direct Rebate Claims and Guarantees:** Direct Rebate Claims shall be excluded from the applicable Rebate Minimum Guarantees. If Sponsor initiates new Direct Rebate Contracts after the commencement date of this Agreement, PBM may adjust Rebate Minimum Guarantees commensurate to the documented impact of the change and such adjustment shall be mutually agreed upon.

3. **PBM Support of Direct Rebate Contracts:** PBM shall provide services to support implementation and ongoing administration of the Direct Rebate Contracts at no additional cost to Sponsor.

4. PBM shall invoice pharmaceutical manufacturers on behalf of Sponsor and consistent with the terms of the Direct Rebate Contracts.

5. PBM shall remit to Sponsor all payments received pursuant to Direct Rebate Contracts within fifteen (15) days of receipt. Such payments shall include corresponding detailed reporting at the manufacturer and NDC-level.

6. Alternatively, Sponsor may utilize the services of a third-party vendor to administer Direct Rebate Contracts. PBM shall provide data necessary for the third-party vendor to administer the Direct Rebate Contracts

5. CORE ADMINISTRATIVE SERVICES

MRx will provide the following Core Administrative Services, which are included within the Core Administrative Fee set forth in Schedule B, Section 6:

A. Eligibility Services

1. Administration of eligibility based upon Sponsor-provided information in a mutually acceptable format agreed upon by MRx and Sponsor. MRx agrees that all clean eligibility will be live in the claims adjudication within twenty-four (24) hours of receipt. MRx agrees to allow full file eligibility refreshes every thirty (30) days if requested by Sponsor.
2. Updates to Sponsor's eligibility in accordance with this Agreement

B. Member Communications

1. Standard MRx Welcome Packages (mailed to Sponsor)
2. Other standard MRx Member materials (e.g., claim forms)

C. Claims Processing and Payment

1. Adjudication of Claims from Participating Pharmacies through MRx's designated on-line electronic claims processing system
2. All paper claims submitted by a Member for Direct Member Reimbursement (DMR), will be entered into the submitting Member's electronic drug record and subjected to Concurrent Drug Utilization Review (CDUR) edits prior to the Member being reimbursed and the Sponsor being billed.
3. Administration of Sponsor's Benefit Design in accordance with accepted industry standards
4. Payments to Participating Pharmacy under applicable Participating Pharmacy Contracts
5. Coordination of benefits (COB)(reject for primary carrier, electronic only)
6. Sponsor access to claim system for up to two (2) user IDs by specific, identified Sponsor employees only

D. Customer Service

1. Toll-free telephone number for Sponsors, Members, and physicians
2. Availability of toll-free number 24 hours a day, 7 days a week
3. Responses regarding eligibility, Claims, prior authorization status, drug coverage, enrollment status, and other matters related to PBM Services

E. Drug Utilization Review ("DUR") Services

1. Prospective DUR -- provision of educational materials to certain Participating Pharmacies
2. Concurrent DUR -- automated for point of sale transactions; edits include clinical and other edits that MRx may develop and/or change from time to time.
3. Retrospective DUR – evaluation of Member claims history and communications to Member, Participating Pharmacies and/or prescribers to promote health and/or decrease costs

F. Reporting

1. MRx Account Review standard reporting package, including utilization and eligibility reports
2. MRx standard billing reports package
3. Claims detail extract (NCPDP format)
4. MRx Report Card
5. MRxView web access, including ad hoc reporting capabilities
6. Provide, in MRx's standard format, mutually agreed upon raw electronic data collected or generated by MRx in the course of providing PBM Services to Client's Sponsors to any provider of data analytics services engaged by Client, provided that (i) any required HIPAA authorizations are provided to MRx by Sponsors (if PHI will be shared); and (ii) if any such data includes MRx Confidential Information, such providers enter into a non-disclosure agreement with MRx to protect such information.

G. Member Web Portal

1. Drug lookup
2. Pharmacy lookup
3. Formulary, Mail Order, and Claim information

H. Claims Runout (post-termination)
1. Upon Sponsor request, MRx will pay Claims for six (6) months after termination
2. MRx invoicing and compensation per the Agreement prior to termination

6. VALUE-ADDED ADMINISTRATIVE SERVICES

Sponsor will pay for the Value-Added Administrative Services provided by MRx upon request or use by Sponsor as set forth in Schedule B, Section 6B.

7. UTILIZATION REVIEW

A. Sponsor delegates to MRx the authority to perform administrative and/or clinical initial coverage determinations and appeals (whether first level, second level, or urgent) filed by or on behalf of Members. In the event MRx issues a denial in connection with the final level of internal (plan) appeal, MRx will, on Sponsor's behalf, provide the Member access to a panel of Independent Review Organizations (IROs) for the purpose of obtaining an external review if desired. MRx may offer the services of different IROs, or otherwise change the composition of the panel, during the term of the Agreement. MRx offers access to such IROs as a convenience to Sponsor and Sponsor has agreed to utilize the MRx contracted IROs to perform external reviews for its Plan. Under the Law, Sponsor at all times retains the responsibility and authority to assure that a panel of IROs is in place to perform external reviews.

B. MRx will perform all services under this Section 7 in accordance with Law, including, as applicable, the U.S. Department of Labor Claims Procedure Regulations, 29 C.F.R. §2560.503-1.

C. The services set forth in this Schedule A, Section 7 are Value Added Administrative Services, except that administrative (non-clinical) initial coverage determinations are included within the Core Administrative Fee.

D. Special Provisions for the performing Specialty Drug Coverage Determinations and Appeals

MRx will perform the initial coverage determination on all Specialty Drugs for which it is required. If, based on MRx clinical criteria, coverage is denied, MRx will issue a coverage denial.

If, according to MRx clinical criteria, MRx would approve coverage, the request for coverage determination along with MRx criteria will be forwarded to Client on Sponsor's behalf for a secondary review. If Client approves coverage, MRx will be notified and MRx will issue the approval. If Client determines that coverage is denied, Client will provide the basis for the denial to MRx so that the denial notification can be provided. Client and Sponsor hold MRx harmless for any coverage determinations determined by Client.

Appeals will be performed as described in paragraph A. above.

SCHEDULE B

PRICING TERMS

This is a Pass Through Pricing arrangement. For Retail Claims, PBM shall charge Sponsor and/or Covered Members (through Cost Share) Dispensing Fees and Ingredient Cost Charges on a Pass Through Pricing basis reflecting the actual amounts charged by Participating Pharmacies at the time such Claims are submitted by the Participating Pharmacies. PBM represents and warrants that (except as expressly provided under the Agreement) it will not receive any spread, mark-up, margin (direct or indirect), compensation, remuneration or other consideration from any Retail Claims, dispensed by a Participating Pharmacy that is not owned or operated by PBM or its Affiliates. Pass Through Pricing does not include, and PBM retains, Claims transaction fees paid by a pharmacy. MRx's contracted rates and fees with pharmacies may vary between each other and are subject to change based on various factors, including market conditions. All financial guarantees and Administrative Fee charges apply only to Paid Claims.

1. RETAIL PHARMACY

Pricing. Sponsor will pay MRx for each Covered Pharmaceutical dispensed to a Member through a Retail Pharmacy an amount equal to the lower of (a) the Usual and Customary Charge (U&C), (b) MAC plus Dispensing Fee, or (c) AWP minus the AWP Discount Rate plus Dispensing Fee; in each case, less the amount of any Cost Share paid by a Covered Member and plus any applicable sales Taxes. These terms also apply to Member-submitted claims. Retail Pharmacy Claims may not exceed a 34-day supply except at pharmacies contracted for extended days' supply.

PBM shall process and charge Sponsor for each Claim for a Compound Prescription on a Pass Through Pricing basis, *provided, however*, that the total amount charged to Sponsor (including the amount of any Cost Share paid by a Covered Member) for any Claim for a Compound Prescription shall not exceed the amount determined utilizing the following methodology:

- For each Paid Claim that is for a Compound Prescription, PBM shall apply the NCPDP D.0 standard and the submitting pharmacy shall provide the following: (i) compound indicator; (ii) eleven-digit NDC, quantity, and submitted ingredient cost for each component in the recipe; (iii) total quantity and total U&C Charge; and (iv) level of effort fee.

- PBM shall determine the appropriate Ingredient Cost Charge for each Covered Pharmaceutical component using the lower of (a) AWP minus the AWP Discount Rate contracted by PBM with the Participating Pharmacy for such Covered Drug (when dispensed alone), (b) MAC, or (c) the submitted ingredient cost. The total Ingredient Cost Charge for each such Paid Claim shall be the lower of (i) the sum of the component Ingredient Cost Charges as determined in the preceding sentence or (ii) the submitted U&C Charge for the Paid Claim; provided, however, that no Ingredient Cost Charge shall be included for any ingredient in a Compound Prescription that is not a Covered Drug.

- The Dispensing Fee for each Paid Claim for a Compound Prescription shall not exceed the amount of the Dispensing Fee Guarantee applicable to a non- Compound Prescription for

the primary active ingredient of such Compound Prescription for the applicable calendar year pursuant to the pricing schedule.

- A level of effort fee will be added to the Ingredient Cost Charge and Dispensing Fee amounts as determined above.

- The total amount charged for each Paid Claim for a Compound Prescription shall be the lower of (i) the total Ingredient Cost Charge, plus the Dispensing Fee and level of effort fee or (ii) the submitted U&C Charge.

No Minimum Charge. There will be no minimum charge to Members. Covered Member pays the lower of (a) the U&C Charge, (b) MAC plus Dispensing Fee, (c) AWP minus the AWP Discount Rate plus Dispensing Fee, or (d) the applicable Cost Share, in each case, plus any applicable sales Taxes. If a Member pays the entire cost of a Covered Pharmaceutical, there will be no charge or credit to Sponsor.

Subject to Section 4 below, MRx will provide the following financial guarantees for the Retail Pharmacy network:

Retail 30 Component		
	Year 1 (January 1, 2021-December 31, 2021)	**Year 2 (January 1, 2022-December 31, 2022)**
Minimum Brand AWP Effective Rate Guarantee:	AWP minus 18.10%	AWP minus 18.20%
Minimum Generic AWP Effective Rate Guarantee:	AWP minus 84.25%	AWP minus 84.50%
Maximum Brand Claim Dispensing Fee Guarantee:	$0.85	$0.85
Maximum Generic Claim Dispensing Fee Guarantee:	$0.85	$0.85

Retail 90 Component		
	Year 1 (January 1, 2021-December 31, 2021)	**Year 2 (January 1, 2022-December 31, 2022)**
Minimum Brand AWP Effective Rate Guarantee:	AWP minus 22.10%	AWP minus 22.20%
Minimum Generic AWP Effective Rate Guarantee:	AWP minus 87.25%	AWP minus 87.50%
Maximum Brand Claim Dispensing Fee Guarantee:	$0.00	$0.00
Maximum Generic Claim Dispensing Fee Guarantee:	$0.00	$0.00

2. MAIL PHARMACY

Sponsor will pay MRx for Covered Pharmaceuticals dispensed to Members through a Mail Pharmacy an amount equal the lower of (a) MAC plus Dispensing Fee, or (b) AWP minus the AWP Discount Rate plus Dispensing Fee; in each case, less the amount of any Cost Share paid by a Covered Member

and plus any applicable sales Taxes. The Dispensing Fee applicable to each Paid Claim is $0.00. The minimum days' supply per prescription is 84 days. All Covered Pharmaceuticals dispensed from a Mail Pharmacy, unless otherwise excluded herein, are included in the AWP Effective Rate Guarantees, Dispensing Fee Guarantees and Rebate Minimum Guarantees for Mail Claims.

With exception of a few major retail chain pharmacies, PBM shall ensure that (a) all MAC Lists in effect at any given point of time for Mail Claims are comprised of the same listing of Covered Pharmaceuticals as all MAC Lists then in effect for Retail Claims, and (b) at all times the MAC for each Covered Pharmaceutical on a MAC List for Mail Claims is equal to or lower than the MAC for such Covered Pharmaceutical on each MAC List for Retail Claims.

No Minimum Charge. There will be no minimum charge to Members. Covered Member pays the lower of (a) MAC plus Dispensing Fee, (b) AWP minus the AWP Discount Rate plus Dispensing Fee, or (c) the applicable Cost Share, in each case, plus any applicable sales Taxes. If a Member pays the entire cost of a Covered Pharmaceutical, there will be no charge or credit to Sponsor.

Subject to Section 4 below, MRx will provide the following financial guarantees for the Mail Pharmacy:

Mail Component		
	Year 1 (January 1, 2021-December 31, 2021)	**Year 2 (January 1, 2022-December 31, 2022)**
Minimum Brand AWP Effective Rate Guarantee:	AWP minus 24.00%	AWP minus 24.00%
Minimum Generic AWP Effective Rate Guarantee:	AWP minus 87.25%	AWP minus 87.50%
Maximum Brand Claim Dispensing Fee Guarantee:	$0.00	$0.00
Maximum Generic Claim Dispensing Fee Guarantee:	$0.00	$0.00

3. SPECIALTY DRUGS

If a Sponsor has elected to utilize a vendor to seek alternate funding for certain Specialty Drugs, this Section 3 does not apply to Claims for such Specialty Drugs. This section applies only to Specialty Drugs purchased through the Specialty Pharmacy or the Mail Pharmacy. Sponsor will pay for Specialty Drugs obtained through a Participating Retail Pharmacy under the terms of Schedule B, Section 1 (Retail Pharmacy).

Sponsor will pay MRx for Specialty Drugs that are Covered Pharmaceuticals dispensed through a Specialty Pharmacy or a Mail Pharmacy. MRx may add new Specialty Drugs to the Specialty Drug List as they become available in the market at a default price of AWP-14.00% for a 30-day supply until MRx establishes an appropriate contract price. New to market Specialty Drugs shall be added to the Specialty Drug List no later than three (3) months after the market availability of such Specialty Drug or upon a pricing event (e.g., agreement renewal or Market Check), whichever comes first. For avoidance of doubt, after a new to market Specialty Drug is added to the Specialty Drug List, such Specialty Drug shall be included in any AWP Effective Rate Guarantees applicable to Specialty Drugs. MRx will allow Sponsor to exclude new drugs for the first 6 months after their market introduction for

Specialty and certain non-specialty product categories in accordance with the protocols and procedures established and approved by MRx and Sponsor.

MRx maintains a Specialty Drug List, which provides a separate price (typically expressed as a discount off of AWP) for each Specialty Drug on the list. The price varies on a drug by drug basis. For each Paid Claim for a Specialty Drug, Sponsor will pay to MRx the specified price, plus a Dispensing Fee of $0.00 for non-Value Max Claims and $50.00 for Value Max Claims. Specialty Drug Claims shall be guaranteed at the drug-level pricing reflected in the Specialty Drug List, in addition to the aggregate AWP Effective Rate Guarantees and default rates listed in below. Covered Drug Claims dispensed by the Specialty Pharmacy that are not on the Specialty Drug List shall be included in the Mail Pharmacy Pricing Category guarantees.

Notwithstanding the above, certain Specialty Drugs, such as vaccines and Limited Distribution Drugs, may include higher dispensing fees and/or a per diem or per activity charge, such as for associated equipment or nursing services. For these Specialty Drugs, the drug price, Dispensing Fee, and any per diem or per activity charges will be charged to Sponsor on a pass through basis. MRx may arrange for the provision of Limited Distribution Drugs through another pharmacy as necessary or appropriate for continuing Member care. On a quarterly basis, PBM shall provide to Sponsor an updated Specialty Drug List including drug name, strength, NDC-11 and GPI14 and updated drug-level price guarantees.

Subject to Section 4 below, MRx will provide the following financial guarantees for Specialty Drugs dispensed through the Specialty Pharmacy and the Mail Pharmacy:

Specialty Component		
	Year 1 (January 1, 2021-December 31, 2021)	**Year 2 (January 1, 2022-December 31, 2022)**
Minimum Specialty Drug AWP Effective Rate Guarantee:	AWP minus 18.50%	AWP minus 18.50%
Maximum Specialty Drug Dispensing Fee Guarantee:	$0.00	$0.00

Limited Distribution Drugs dispensed from a pharmacy other than an MRx Affiliate are excluded from the Specialty Drug guarantees.

4. AWP EFFECTIVE RATE AND DISPENSING FEE GUARANTEES

The following terms apply to the guarantees set forth in Sections 1 through 3 above.

After the end of each Pareto Contract Year, MRx will measure and reconcile each of the guarantees based upon the combined claim data of all Pareto Sponsors. Guarantees will be reconciled based upon the Contract Year of Pareto and not that of each Sponsor and will include the combined claim data of only those Pareto Sponsors who have been contracted with MRx for a minimum of twelve (12) months.

A. Effective Rate (Ingredient Cost) and Dispensing Fee Guarantees

The Effective Rate Guarantees take into account the price before the application of any Cost Share, and do not include Dispensing Fees. The AWP Effective Rate and Dispensing Fee Guarantees applicable to each Pricing Category exclude the following:

- Member copays for Member pay the difference claims are excluded from the calculation
- Claims for Compound Prescriptions
- Specialty Drugs
- Vaccines and supplies
- Claims with ancillary charges (but not taxes)
- Member-submitted Claims
- Claims for subrogation
- COB Claims
- 340B Claims
- Claims older than 180 days
- Out-of-Network Claims
- Claim audit recoveries
- Under the Retail Pharmacy guarantees, LTC Claims, Home Infusion Claims and I/T/U Claims are excluded from the calculations.
- Under the Mail Pharmacy guarantees, Claims for less than an 84 days' supply are excluded from the calculations.
- If Sponsor has elected to utilize a vendor to seek alternate funding for certain Specialty Drugs, Claims for Specialty Drugs funded through such vendor are excluded from the calculations.
- If Sponsor has elected to enroll in the Value Max Program, Value Max Claims are excluded from the dispensing fee guarantee calculations.

Each Claim that is excluded from the guarantees shall adjudicate on a pass-through basis. No discount guarantee value will be derived from (1) the additional copay value in member pay the difference Claims; (2) the AWP value from any compound or bulk chemical claims that are labeled and adjudicated under U&C; and (3) the AWP value of any pharmacy input errors.

For the Brand Effective Rate Guarantees, all Brands are included in the calculation. For the Generic Effective Rate Guarantees, both Single Source Generics and Multisource Generics are included in the calculation. "Single Source Generic" means a drug that is manufactured by and available from only one generic pharmaceutical manufacturer. "Multisource Generic" means a drug is manufactured by and available from two or more generic pharmaceutical manufacturers.

B. Reconciliation Process

1. **PBM Guarantee Reconciliation.** The AWP Effective Rate Guarantees and Dispensing Fee Guarantees are intended to serve as a floor and a cap, respectively, on an aggregate basis with respect to all applicable Covered Pharmaceuticals during the applicable time period within any Pricing Category, on the amounts to be charged by PBM to Sponsor and Covered Members (through Cost Share) under the Agreement. As such, PBM shall use commercially reasonable efforts to achieve the highest possible AWP Effective Rates and lowest Dispensing Fees throughout the term of this Agreement. No offsetting or commingling is permitted between Pricing Category guarantees, and, except as allowed for the 2019 Pricing Option, a surplus or over-performance in one or more Pricing Category guarantees may not be utilized to reduce or offset a deficiency or

underperformance in any other Pricing Category guarantee. PBM shall report all Pricing Category guarantees quarterly and reconcile them on an annual basis. PBM will credit Sponsor a pro rata share of any underperformance for each Pricing Category guarantee within ninety (90) days following the end of the plan year. The pro rata share shall be based upon the total eligible Claims incurred with respect to such Sponsor during the reconciliation period. Sponsor shall retain one hundred percent (100%) of any guarantee over-performance.

2. **Client Guarantee Reconciliation.** On an annual basis, Client or its designee will compare their assessment of all financial guarantee performance to the PBM assessment of financial guarantee performance. If there are differences between these assessments, Client or its designee and PBM shall work in good faith to reconcile the differences as follows:

    a. Client or designee will request an inclusion/exclusion file from PBM that demonstrates the Pricing Category under which each Claim was reconciled. PBM will supply inclusion/exclusion file within ten (10) Business Days.

    b. Client or designee will compare to their inclusion/exclusion file and provide a difference file back to the PBM for review.

    c. Client and PBM will work in good faith to settle the reconciliation. If unable to settle, the following process will be implemented: Upon written request of the other Party, each of the Parties will appoint a designated representative whose task it will be to meet for the purpose of attempting to resolve the dispute. The designated representatives will meet in person or by telephone as often as reasonably necessary to gather and furnish the other all information with respect to the matter in issue and which is pertinent to the understanding or resolution of the dispute. The representative will discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding. The specific format for the discussions will be left to the discretion of the designated representatives. If the designated representatives do not resolve the dispute within thirty (30) days, then an executive of Client and an executive of PBM will meet in person or by telephone to review and attempt to resolve the dispute prior to the commencement of litigation. If after good faith negotiations, the executive-level representatives do not resolve the dispute within thirty (30) days, then either Party may terminate this Agreement upon written notice to the other Party. Upon such termination, each Party will retain all rights and remedies under this Agreement or otherwise available, whether at law or equity, which rights or remedies will not be affected by the termination of this Agreement.

    d. This reconciliation process will not be considered an audit.

5. REBATES

Precision Formulary (with Pareto custom exclusions effective 1/1/21)

MRx will pay (credit) Sponsor with one hundred percent (100%) of Rebates received by MRx on behalf of Sponsor within one hundred eighty (180) days following the end of each calendar quarter.

MRx will provide the following Guaranteed Rebates at the Pareto Level for all Sponsors electing the **Precision Formulary** as measured in the aggregate across all such Sponsors:

Rebate Minimum Guarantees (per Brand Paid Claim):		
	1/1/21-12/31/21	**1/1/22-12/31/22**
Retail 30 Claims (1-83 Day Supply)- not including Specialty Drug Claims	$161.09	$174.82
Retail 90 Claims (84-90 Day Supply) - not including Specialty Drug Claims	$489.78	$532.03
Mail Claims - not including Specialty Drug Claims	$686.92	$750.89
Specialty Drug Claims – Includes all dispensing channels*	$1,031.00	$1,102.00

* Rebate Minimum Guarantees for Specialty Drug Claims do not apply for Sponsors that have elected to utilize a vendor to seek alternate funding for certain Specialty Drugs. For such Sponsors, MRx will pay (credit) to Sponsor one hundred percent (100%) of Rebates received by MRx for Specialty Drug Claims within one hundred eighty (180) days following the end of each Contract Quarter.

After the end of each Pareto Contract Year, MRx will calculate the amount of the Rebate Minimum Guarantees attributable to all of Pareto's Sponsors combined for such Pareto Contract Year in aggregate. If the aggregate amount of such Rebate Minimum Guarantees for such year exceeds the amount of Rebates paid to all Sponsors in the aggregate attributable to such year, MRx will pay to Pareto, but not to the Sponsors, the difference within one hundred eighty (180) days following the end of the Pareto Contract Year.

All Brand Drug Paid Claims shall be included in the reconciliation of Rebate Minimum Guarantees unless otherwise explicitly excluded in this Agreement.

Claims shall not be excluded from Rebate Minimum Guarantees based on individual Claim or aggregate Plan Covered Member Cost Share percentage.

Rebate Minimum Guarantees do not include Claims for Compound Prescriptions, OTC Drugs, government subrogation, or Secondary Payer Claims, 340B Claims, Member-Submitted Claims, Claims older than 180 days, out-of-network Claims, Claims for Specialty Drugs dispensed through a Retail Pharmacy, and Claims for Biosimilar Drugs.

PBM may contract with and/or utilize the services of a rebate administrator to contract with and collect Rebates from pharmaceutical manufacturers. The rebate administrator may retain a portion of the Rebates and earn administrative fees for its services.

In addition to Rebates, PBM may earn additional amounts from pharmaceutical manufacturers and/or others. For example, PBM may earn administrative and/or service fees relating to administration of the Rebate program, and fees for other services rendered by PBM to such manufacturers unrelated to the administration of rebates, such as adherence and compliance programs, other patient support and similar services. PBM may also receive purchase discounts relating to purchases of drugs for dispensing from the Mail Pharmacy or Specialty Pharmacy. The amounts described in this section are not "Rebates" under this Agreement.

6. ADMINISTRATIVE FEES

A. Core Administrative Services. Sponsor will pay to MRx the following Administrative Fee for all of the Core Administrative Services set forth in Section 5:

Per Paid Claim: $2.00

B. Value-Added Administrative Services.
Sponsor will pay to MRx for the Value-Added Administrative Services requested or used by Sponsor as follows:

SERVICE/DESCRIPTION	PRICE
Eligibility Services	
Manual Eligibility	$2.00 per eligibility record
Electronic Prescribing	$0.16 per positive eligibility transaction
Retroactive termination letters	Quoted upon request
Member Communications	
Member Packets (mailed directly to Member)	$1.25 per Member address, plus postage
Replacement Identification Cards	$0.25 per card Rx Only; $0.50 per card Rx + Medical
Customized materials (Member packets or other communications)	Quoted upon request
Member mailings	$1.25 per letter, plus postage
Claims Processing and Payment	
Direct Member Reimbursement (Member submitted manual/paper Claims)	$1.50 per Claim, plus postage and Core Administrative Fee
Utilization Management	
MRx Standard Prior Authorization program, including intervention at the point of sale to support appropriate use and initial clinical coverage reviews based upon established criteria	$35 per review
Appeals	$100 per review
Independent Review Organization (IRO) services – access to MRx-supplied panel of IROs for external reviews if MRx provides final internal appeals	Pass through of fees from IRO entities
Subrogation	
Processing of Subrogation Claims	$3.00 per Subrogation Claim
Reporting	
Custom ad hoc reporting	$195 per hour
Retiree Drug Subsidy	
RDS Support Services	$0.35 per Claim (per contract amendment)
Audit/Fraud, Waste and Abuse	
Custom FWA program	Quoted upon request
Pareto-requested audits of pharmacy	On site audit: $1,350 per audit Desk audit: $500/audit
Physician Communications	

SERVICE/DESCRIPTION	PRICE
Physician charges relating to utilization management activities (e.g., requests for information, discussion of clinical criteria)	Pass through of physician charges

7. IMPLEMENTATION ALLOWANCE

Ninety (90) days after Effective Date of this Agreement, MRx will credit up to $3.00 per new Member against the Sponsor's next regular invoice. This calculation will be based on the Sponsor's enrollment as of the Sponsor Agreement Effective Date and will only apply to new Members that were not receiving services from MRx pursuant to MRx's agreement with Client prior to the Sponsor Agreement Effective Date. Such credit will be limited to reimbursement for the Sponsor's reasonable and actual costs/expenses relating to implementation (e.g., consulting fees, cost of preparing a request for proposal, communications to Members, etc.). Sponsor will provide appropriate documentation of its costs/expenses within sixty (60) days after the Effective Date. In addition to any other remedies MRx may have under Law, in the event Sponsor terminates this Agreement prior to the expiration of the Initial Term, Sponsor will return any amount credited under this section upon the effective date of such termination.

8. GENERAL

The pricing terms in this Agreement are based upon Benefit Design (including but not limited to the Formulary), and other information provided by Sponsor to PBM during the proposal process. If Sponsor makes any changes to the Benefit Design, makes other changes to its Plan(s), or other changes occur, that constitute a material departure from PBM's underwriting assumptions based on information provided by Sponsor, the Parties agree to modify the pricing terms of this Agreement as of the effective date of such event/change to return PBM to its relative economic position prior to such event/change. Notwithstanding the foregoing, any pricing changes required due to Formulary customizations implemented by Sponsor will be made in accordance with Section 4.E of Schedule A.

In the event a change in Law (including any interpretation of same) occurring after this Agreement has been signed materially impacts PBM's costs of providing any of the PBM Services hereunder, or if an action by a pharmaceutical manufacturer or any unscheduled patent expiration/availability of over-the-counter products constitutes a material departure from PBM's underwriting assumptions, the Parties will make an equitable modification to the pricing terms of this agreement as of the effective date of such event/change. In the event of any increase in postage rates announced after this Agreement is signed, PBM will amend the Dispensing Fee relating to the Mail Order Pharmacy to reflect such increased amount.