a protective order or other appropriate remedy. If no such protective order or other remedy is obtained, or the disclosing party waives compliance with the terms of this Agreement, the receiving party will furnish only that portion of the Confidential Information which it is advised by counsel is legally required and will exercise its reasonable best efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

9.2. SPONSOR and Medco may not utilize the service marks, trademarks, or tradenames of any other party to this Agreement, or any service marks, trademarks, or tradenames so similar as likely to cause confusion, without express written approval of such other party. The programs implemented by Medco will remain the sole property of Medco and will only be used by SPONSOR in connection with the Program and so long as Medco administers the Program.

9.3. Medco and SPONSOR will comply with all applicable laws and regulations regarding patient confidentiality as provided in the Business Associate Agreement between the parties. Medco will not furnish any SPONSOR identifiable data or information to any third party without the written consent of SPONSOR, except as reasonably necessary to implement and operate the Program and fulfill its obligations pursuant to this Agreement or as required by applicable law. The restrictions set forth in this Section 9 will not apply to claims data or information which is not identifiable on a SPONSOR basis.

10. TERM OF AGREEMENT

10.1. This Agreement will remain in effect for an initial term of three (3) years from the Effective Date (the "Initial Term") and thereafter will renew for successive two (2) year terms unless either party gives written notice, at least one hundred eighty (180) days prior to the end of any such term, to the other party of its intent to terminate this Agreement as of the end of the then current term. Notwithstanding the issuance of a termination notice, Medco agrees to continue to render services hereunder and SPONSOR agrees to pay for services of Medco in accordance with the terms of this Agreement for any claims incurred for prescription drug benefits by Eligible Persons while this Agreement was in force.

10.2. In the event of a material breach of this Agreement, the party alleging such breach will give written notice thereof to the other parties. If such breach is not cured within sixty (60) days of receipt of such notice, the non-breaching party may terminate this Agreement upon written notice to the other party.

11. FORCE MAJEURE

Neither Medco nor SPONSOR will be deemed to have breached this Agreement or be held liable for any failure or delay in the performance of all or any portion of its obligations under this Agreement if prevented from doing so by a cause or causes beyond its control. Without limiting the generality of the foregoing, such causes include acts of God or the public enemy, fires, floods, storms, earthquakes, riots, strikes, boycotts, lock-outs, acts of terrorism, acts of war, war-operations, restraints of government, power or communications line failure or other circumstances beyond such party's control, or by reason of the judgment, ruling or order of any court or agency of competent jurisdiction, or change of law or regulation (or change in the interpretation thereof) subsequent to the execution of this Agreement.

12. INDEMNIFICATION/LIMITATION OF LIABILITY

12.1. Medco will indemnify and hold SPONSOR, its officers, directors and employees (each an "Indemnified Party") harmless from claims or causes of action asserted against an Indemnified Party arising from services rendered by Medco pursuant to this Agreement to the extent the claim

or cause of action arises out of Medco's negligence or willful misconduct, or breach of this Agreement, provided that (a) SPONSOR has given reasonable notice to Medco of the claim or cause of action, and (b) no Indemnified Party has, by act or failure to act, compromised Medco's position with respect to the resolution or defense of the claim or cause of action.

12.2. Subject to all applicable laws, the SPONSOR will indemnify and hold Medco, its parent, affiliates, and their respective officers, directors and employees (each an "Indemnified Party") harmless from claims or causes of action asserted against an Indemnified Party arising from (i) breach of this Agreement by SPONSOR, (ii) negligence or willful misconduct of SPONSOR, including without limitation, the disclosure and/or use of Program data or information provided by Medco to SPONSOR, (iii) the provision of patient identifiable data by Medco or its affiliates to SPONSOR or SPONSOR's designees, or the subsequent use or disclosure of such information by SPONSOR or its designees, or (iv) SPONSOR's release of patient identifiable information to Medco, provided that (a) the Indemnified Party has given reasonable notice to SPONSOR of the claim or cause of action, and (b) no Indemnified Party has, by act or failure to act, compromised SPONSOR's position with respect to the resolution or defense of the claim or cause of action.

12.3. Medco will maintain, during the term of this Agreement, liability coverage with limits not less than $1,000,000 per occurrence and in the aggregate per policy year, with excess liability coverage in an amount not less than $5,000,000 per policy year. Evidence thereof will be furnished to SPONSOR upon request.

(a) Medco expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the SPONSOR shall in no way limit the responsibility to indemnify, defend, save and hold harmless the SPONSOR or its elected officials, officers, employees, agents, assigns, and instrumentalities as herein provided.

(b) The SPONSOR has no obligation to provide legal counsel or defense to Medco or its subcontractors in the event that a suit, claim or action of any character is brought by any person not a party to this agreement against SPONSOR as a result of or relating to performance of the Services under this Agreement.

(c) Except as expressly provided herein, the SPONSOR has no obligation for the payment of any judgment or the settlement of any claims against Medco as a result of or relating to performance of the Services under this Agreement.

(d) Subject to all applicable laws, Medco shall promptly notify the SPONSOR of any claim or suit made or filed against Medco or its subcontractors regarding any matter resulting from or relating to Medco's performance of the Services under this Agreement and will cooperate, assist and consult with the SPONSOR in the defense or investigation thereof.

12.4. Except as provided in Section 12.1 above, Medco or any affiliated company, or their directors, officers or employees, will not be responsible for any claim, loss or damage sustained as a result of the provision of or failure to provide pharmaceutical goods or services or any other action or failure to act by any retail pharmacy, pharmaceutical manufacturer or other pharmaceutical providers (not including Medco's mail order pharmacies) pursuant to this Agreement.

12.5. Medco or SPONSOR will not be liable to each other for incidental, consequential or exemplary damages.

13. EXCLUSIVITY

Medco will be the exclusive provider and administrator of PBM Services to SPONSOR and its subsidiaries for Groups enrolled under this Agreement while this Agreement is in effect. Nothing contained herein, however, will prohibit Medco or any affiliated entity from providing or administering PBM Services and related programs and services to any other entity while this Agreement is in effect.

14. GENERAL

14.1. **Independent Contractor** - The relationship between Medco and SPONSOR will solely be that of independent contractors engaged in the operation of their own respective businesses.

14.2. **Assignment** - This Agreement may not be assigned by any party without the written approval of the other parties provided, however, that services to be performed by Medco hereunder may be performed by its subsidiaries, affiliates, divisions and/or designees. The duties and obligations of the parties will be binding upon, and inure to the benefit of, successors, assigns, or merged or consolidated entities of the parties.

14.3. **No Third-Party Beneficiary** - This Agreement has been entered into solely for the benefit of SPONSOR and Medco, and is not intended to create any legal, equitable or beneficial interest in any third party or to vest in any third party any interest as to enforcement or performance.

14.4. **Notices** - All notices required under this Agreement will be in writing and sent by certified mail, return receipt requested, hand delivery or overnight delivery by a nationally recognized service addressed as follows:

If to SPONSOR:
Shelby County Government
160 N. Main Street, Suite 949
Memphis, TN 38103
Attention: Jim Martin

With a copy to:
Shelby County Government
160 N. Main Street, Suite 949
Memphis, TN 38103
Attention: Contracts Administration

If to Medco:
Medco Health Solutions, Inc.
100 Parsons Pond Drive
Franklin Lakes, NJ 07417
Attention: Anthony Palmisano Jr.
Vice President and Counsel
Customer Contracting

14.5. **Amendments** - This Agreement may be amended only in writing when signed by a duly authorized representative of each party.

14.6. **Financial Responsibility** - If Medco has reasonable grounds to believe that SPONSOR may not meet its payment obligations under this Agreement as they become due, Medco may request information and/or reasonable assurances (including a deposit) from SPONSOR as to its financial responsibility. Reasonable grounds mean: (a) if SPONSOR is judged bankrupt or insolvent; or (b) SPONSOR makes a general assignment for the benefit of its creditors; or (c) a trustee or receiver is appointed for SPONSOR or for any of its property; or (d) any petition by or on behalf

of SPONSOR is filed to take advantage of any debtor's act or to reorganize under the bankruptcy or similar laws; or (e) repeated late payments; or (f) material adverse business or financial downturns documented in securities filings or national financial publications which may jeopardize payment. If the information or assurances are not furnished to Medco within five (5) days, or are not satisfactory in Medco's reasonable judgment, Medco may immediately terminate this Agreement.

14.7. **Plan Design** - The Program Pricing Terms set forth in this Agreement are based upon the Plan Designs, Minimum Enrollment and Program specifications agreed to between the parties as reflected in this Agreement and as otherwise hereafter agreed to by the parties in writing. The Program Pricing Terms are also based upon SPONSOR funding 50% or greater of the costs of Covered Drugs for its Eligible Persons. Any modification of the Plan Design or Program specifications, failure to maintain Minimum Enrollment with between 5,100 and 6,000 Primary Eligible Participants, or inclusion of Eligible Persons or Groups with Covered Drugs funded less than 50% by SPONSOR, may result in a retroactive modification by Medco of the Program Pricing Terms. SPONSOR will provide Eligible Persons with at least thirty (30) days' prior notice of approved Plan Design changes.

14.8. **Interpretation of Plan**

SPONSOR will not name or represent that Medco is, and Medco will not be, a Plan Administrator or a fiduciary of any prescription drug benefit plan (the "Plan"), as those terms are used in the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §§ 1001 et seq., and the regulations promulgated under ERISA. SPONSOR will have complete discretionary, binding, and final authority to construe the terms of the Plan, to interpret ambiguous Plan language, to make factual determinations regarding the payment of claims or provisions of benefits, to review denied claims and to resolve complaints by Eligible Persons.

Notwithstanding the foregoing, SPONSOR delegates to Medco the limited authority and discretion solely to undertake administrative and/or clinical initial determinations, first-level, second-level and urgent appeals of claims eligibility and benefit applications determinations filed by Eligible Persons with SPONSOR's Program. Medco will process and determine all filed administrative and/or clinical first-level, second-level and urgent appeals under the procedures and within the time frames specified in the Department of Labor claims processing regulations, 29 C.F.R. § 2560.503-1 (the "Claims Procedure Regulations"). Accordingly, Medco's decisions will be conclusive and binding and not subject to further review by SPONSOR. Medco will not consider the payment or adjudication of any claim for benefits on an extra-contractual basis. If, however, with respect to a claim or appeal, any of the duties, whether delegated to Medco or not, are assumed or acted upon by SPONSOR, or by any agent or vendor of such entity (e.g. utilization management vendor), then Medco will not have any fiduciary duties or discretionary authority with respect to such claim or appeal, and SPONSOR will be deemed to have such fiduciary duties and discretionary authority and will be solely liable for such claim or appeal. Notwithstanding the services of Medco under this section, all decisions concerning the rendering of health care services are determined by the Eligible Person's physician, hospital or other health care provider and the Eligible Person.

14.9. **Tax** - Any applicable sales, use, or other similarly assessed and administered tax imposed on items dispensed, or services provided hereunder, will be the sole responsibility of SPONSOR. If Medco is legally obligated to collect and remit sales, use, or other similarly assessed and administered tax in a particular jurisdiction, the tax will be reflected on the applicable invoice or subsequently invoiced at such time as Medco becomes aware of such obligation.

14.10. **Governing Law** - This Agreement will be construed and governed in accordance with the laws of the State of Tennessee. However, all matters relating to the Mail Order Pharmacy Program operations of Medco will be governed by the laws of the state in which Medco's mail order pharmacy is located.

14.11. **Enforceability** - The invalidity or unenforceability of any of the terms or provisions hereof will not affect the validity or enforceability of any other term or provision.

14.12. **Section Headings** - Section headings are inserted for convenience only and will not be used in any way to construe the terms of this Agreement.

14.13. **Waiver** - The waiver of any breach or violation of any term or provision hereof will not constitute a waiver of any subsequent breach or violation of the same or any other term or provision. No waiver or relinquishment by a party of any right or remedy under this Agreement will occur unless the waiver or relinquishment is in a written document signed by an officer of the party.

14.14. **Approvals** - Whenever approval of any party is required under this Agreement, such approval will not be unreasonably withheld.

14.15. **Organization** - Each party is duly organized, validly existing and in good standing, and has the power to own its property and to carry on its business as now being conducted by it.

14.16. **Authorization** - The execution and delivery of this Agreement and the consummation of the transactions contemplated herein on its part, has been duly authorized by all necessary action by each party.

14.17. **No Conflict of Interest or Other Restrictions** - No party has a conflict of interest which would impact its ability to perform fairly its obligations under this Agreement, and no party is subject to any restrictions, contractual or otherwise, which prevent or would prevent it from entering into this Agreement or carrying out its obligations hereunder.

14.18. **No Violation** - Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will be a violation or default of any term or provision of the party's governance documents (e.g., its certificate of incorporation or bylaws or operating agreement) or of any material contract, commitment, indenture, or other agreement or restriction to which it is a party or by which it is bound.

14.19. **Binding Effect** - This Agreement has been duly executed and delivered by each party, and is a valid and binding obligation of each party, enforceable against such party in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

14.20. **Original Agreement/Counterparts** - The parties will execute two identical originals of this Agreement. Each party will retain one of the originals. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all counterparts taken together will constitute one instrument.

14.21. **Public Announcement** - Except as required by law or regulation, neither party will make any public announcement nor issue any press release relating to this Agreement without the written consent of the other party. This provision does not restrict either party from submitting necessary or appropriate filings with the SEC.

14.22. **Dispute Resolution** - Except for those matters subject to emergent or injunctive relief, in the event that any dispute relating to this Agreement arises between SPONSOR and Medco, either party may, by written notice, demand a meeting regarding the dispute, to be attended by executive officers of each party, who will attempt in good faith to resolve the dispute. If the dispute cannot be resolved through executive negotiations within thirty (30) business days after the date of the initial notice, each party will retain all rights to bring an action regarding such matter in accordance with law.

14.23. **Construction** - SPONSOR and Medco have participated jointly in the negotiation of this Agreement and each has had the advice of legal counsel to review, comment upon and draft this Agreement. Accordingly, it is agreed that no rule of construction shall apply against any party or in favor of any party, and any uncertainty or ambiguity shall not be interpreted against any one party and in favor of the other.

14.24. **Entire Agreement** - This Agreement, together with the Schedules hereto, embodies the entire understanding of the parties in relation to the subject matter hereof, supersedes any prior agreement among the parties in relation to the subject matter hereof, and no other agreement, understanding, or representation, verbal or otherwise, relative to the subject matter hereof exists among the parties at the time of execution of this Agreement.

14.25. **Compliance with Law** – Medco and SPONSOR shall take all actions necessary and appropriate to assure that they comply with all applicable federal, state, and local laws and regulations, including, without limitation, the Anti-Kickback Statute, the Public Contracts Anti-Kickback Act, the Stark Law, and laws and regulations relating to disclosure or notification of plan benefits or the terms of rebate administration under this Agreement to SPONSOR's Groups. Medco's Code of Conduct and its policies and procedures relating to compliance with the above-named laws are available at www.medco.com.

14.26. **Survival** - The provisions of Sections 7.5, 9, 12, and the last sentence of 10.1 will survive the termination of this Agreement.

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

MEDCO HEALTH SOLUTIONS, INC.	**SHELBY COUNTY GOVERNMENT**
BY: _____ (signature)	BY: _____ (signature)
NAME: Anthony Palmisano Jr.	NAME: _____ (type or print name)
TITLE: Vice President and Counsel Customer Contracting	TITLE: _____
DATE: 3/5/2008	DATE: _____

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(Original 50180.8 -10/31/07)

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SCHEDULE A
PROGRAM PRICING TERMS

SPONSOR will pay Medco for services provided under the Program as follows:

1. RETAIL PHARMACY PROGRAM CLAIMS

SPONSOR will pay Medco for Covered Drugs dispensed and submitted by Participating Pharmacies under the Retail Pharmacy Program in an amount equal to the lowest of (i) the pharmacy's usual and customary price, as submitted ("U&C") plus applicable taxes, (ii) the maximum allowable cost ("MAC"), where applicable, plus the Dispensing Fee, or (iii) Discounted AWP and Dispensing Fee plus applicable taxes. The guaranteed average annual AWP discount for Brand Drugs will be AWP minus (-)16.75% and the guaranteed average annual AWP discount for Generic Drugs will be an net effective Overall Rate of AWP minus (-) 59.5% for each Contract Year during the Initial Term[1]. The guaranteed Dispensing Fee per prescription or authorized refill will be $1.40. Medco will prepare a true up within one hundred eighty (180) days following the end of such Contract Year. Any net shortfall (i.e. shortfalls offset by surpluses across the three components) in the aggregate guaranteed savings will be matched dollar for dollar by Medco. In the event of an increase or decrease in the total number of Participating Pharmacies by greater than five (5) percent, or a change in ownership of five (5) percent or more of Participating Pharmacies in the Broad National Network, Medco may modify the guarantee for Ingredient Costs and Dispensing Fees on an equitable basis. Payment by SPONSOR is subject to the applicable Copayment/Coinsurance amount set forth below:

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

1.2. **Minimum Charge at Retail** - SPONSOR agrees there may be a minimum charge at retail for a Covered Drug of the lower of (a) the U&C or (b) the applicable Copayment. For prescriptions or refills where this minimum charge applies, there will be no charge/credit to SPONSOR under this Section 1.

1.3. **Direct Claims** - The reimbursement terms applicable to direct reimbursement claims submitted by Eligible Persons under the Retail Pharmacy Program will be the same as the terms set forth in this Section 1, unless otherwise provided in writing by SPONSOR to Medco.

2. MAIL ORDER PHARMACY PROGRAM CLAIMS

SPONSOR will pay Medco for Covered Drugs dispensed by a Medco mail order pharmacy under the Mail Order Pharmacy Program in an amount equal to an Ingredient Cost plus Dispensing Fee for each Covered Drug dispensed, less the applicable Copayment/Coinsurance amount, as such terms are defined below:

2.1. **Ingredient Cost** - The Ingredient Cost is AWP minus (-) 24.25% for Brand Name Drugs and the lower of MAC or AWP minus (-) 24.25% for Generic Drugs for prescriptions with a forty-five (45) days' supply or greater. For prescriptions with less than a forty-five (45) days' supply, the pricing set forth in Section 1 of this Schedule A will apply. The guaranteed overall pricing for

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[1] The guarantee will apply to existing generics as well as new generics that come to the market during the term of this agreement that have more than two manufacturers.

Generic Drugs will be a net effective overall rate of AWP minus (-) 61% for each Contract Year during the Initial Term[1]. Medco will prepare a true up one hundred eighty (180) days following the end of such Contract Year. Any net shortfall (i.e. shortfalls offset by surpluses across the three components) in the aggregate guaranteed savings will be matched dollar for dollar by Medco.

2.2. **Dispensing Fee** - The Dispensing Fee per prescription or authorized refill is $0.00 for prescriptions with a forty-five (45) supply or greater, and $1.40 for prescriptions with less than forty-five (45) days' supply. Dispensing Fees are inclusive of postage. If postage rates (i.e., U.S. mail and/or applicable commercial courier services) increase during the term of this Agreement, the pricing will be increased to reflect such increase(s).

2.3. **Copayment/Coinsurance** - The Copayment/Coinsurance amount for each prescription or refill dispensed by a Medco mail order pharmacy under the Mail Order Pharmacy Program will be as designated for each Group in the applicable Plan Design(s). The minimum charge for a prescription will be defined in Section 2.1 and 2. of Schedule A of this Agreement. The Copayment/Coinsurance amount will be the minimum charge for the prescription or refill dispensed by Medco under the Program. Eligible Persons must pay the applicable Copayment or Coinsurance amount to Medco for each prescription or authorized refill under the Mail Order Pharmacy Program. Medco may suspend Mail Order Pharmacy Program services to an Eligible Person who is in default of any Copayment or Coinsurance amount due Medco. SPONSOR will be responsible for any unpaid Eligible Person Copayment or Coinsurance amounts, in accordance with Medco's standard credit policy, if payment has not been received from the Eligible Person within one hundred twenty (120) days of dispensing. SPONSOR will be billed following the one hundred twenty (120) day collection period, with payment due in accordance with payment terms set forth in Section 7.2 of this Agreement.

3. SPECIALTY DRUG CLAIMS

Notwithstanding anything to the contrary in Section 2 above and elsewhere in the Agreement, SPONSOR will pay Medco for Covered Drugs designated as Specialty Drugs under the Mail Order Pharmacy Program on a separate ingredient cost basis plus applicable Dispensing Fee, subject to the Copayment/Coinsurance in the applicable Plan Design. Under the Retail Pharmacy Program, SPONSOR will pay Medco for Specialty Drugs according to the pricing set forth in Section 1 of Schedule A. A Specialty Drug of limited or exclusive distribution through specific retail pharmacies ("Limited Distribution Specialty Drug") is not subject to terms of Schedule A, Section 1. SPONSOR shall pay Medco for Limited Distribution Specialty Drugs in the same amount that Medco reimburses the retail pharmacy for such drug, including Ingredient Cost and Dispensing Fee. Medco will be the exclusive administrator of Specialty Drugs to SPONSOR for Groups enrolled under this Agreement while this Agreement is in effect. Specialty Drugs may be provided by Medco or other third-party specialty pharmacy that has a written arrangement with Medco. Medco may add or delete products, or modify pricing terms during the term of this Agreement upon notification to SPONSOR. Specialty Drugs are excluded from calculations, guarantees, credits and payments regarding Formulary Rebates including Formulary Rebate Payments under the Mail Order Pharmacy Program and the Retail Pharmacy Program set forth in this Agreement. The terms and pricing set forth in this section apply only to SPONSOR's pharmacy benefit and not to SPONSOR's medical benefit. Medco will provide a current list of Specialty Drugs and associated prices upon SPONSOR's written request.

4. ADMINISTRATIVE FEES

4.1. SPONSOR will pay to Medco a Base Administrative Fee in the amount of $0.00 per paid claim processed by Medco under the Retail Pharmacy Program/Mail Order Pharmacy Program and Specialty Pharmacy Program for the following Base Administrative Services, as applicable. Notwithstanding anything herein to the contrary, prescriptions filled under the Mail Order Pharmacy Program for a days' supply of forty-five (45) days or less shall be considered to be

Retail Pharmacy program claims for purposes of calculating administrative fees under this Section 4.

- Administration of eligibility submitted via tape or telecommunication in a Medco standard format
- Eligibility maintenance (minimum of weekly updates)
- Dependent Eligibility Certification System (DECS)
- Medco's client support system (e-SD) for on-line access to current eligibility (equipment, installation and line charges are responsibility of SPONSOR)
- Administration of SPONSOR's Plan Design in Medco format
- In-network claims adjudication via TelePAID® on-line claims adjudication system
- Coordination of Benefits Level I (when flagged on eligibility records)
- Twelve (12) months on-line claims history retention (for use in claims processing)
- Processing associated with Medco by Mail Pharmacy Program prescriptions
- Designated Systemed Account Team
- Client clinical and plan consulting, analysis and cost projections
- Annual analysis of program utilization and impact of plan design and managed care interventions
- Processing of prescriptions received via Internet, fax, phone or mail
- Refill orders received by phone or Internet 24 hours a day, 7 days a week
- Handling and postage expense of mail-order prescriptions
- Braille prescription labels for visually impaired
- Communication/educational materials included in medication packages
- General communications regarding utilization of mail-order
- Medco Welcome Package and ID Cards for new members (two per family)
- Medco standard member communications
- Standard member web site capabilities including:
  - online prescription ordering and status
  - prescription pricing information
  - coverage and benefit plan information
- health news information
- Explanation of Benefits (EOB) for out-of-network claims
- Direct reimbursement claim form (also available via www.medcohealth.com)
- Coordination of benefits (COB) claim form
- Benefit denial letters for instances where Eligible Person/drug are not covered
- TDD-TTY services for hearing impaired to access Customer Service Department
- Integrated Concurrent Drug Utilization Review (DUR) via TelePAID®
- Physician Profiling Program
- Prescription Drug Plan Report Package
- Semi-Annual Performance Summaries
- Establish, maintain, credential, and contract an adequate panel of Participating Pharmacies
- Development and distribution of communication materials to Participating Pharmacies regarding the Program
- Toll-free access to Help Desk for eligibility/claims processing assistance
- Toll-free access to Participating Pharmacies for DUR assistance
- Monitor Participating Pharmacy compliance, including submission of U&C, generic dispensing rates, formulary program conformance, DUR intervention conformance, patient utilization, and drug mix and managed through the Coordinated Rx^{SM} Program

- Toll-free telephone access to voice response unit for location of Participating Pharmacies in zip code area
- Medco Pharmacy Audit Program[2]
- Toll-free telephone access to Customer Service for the program for use by Eligible Persons, SPONSOR benefits personnel and physicians
- Gatekeeper program – Medco's assistance program for older adults
- 24-hour access to a Medco pharmacist via toll-free telephone service
- Bi-weekly Claims Detail Layout file

4.2. SPONSOR will also pay for Additional Administrative Services, if such services are requested by SPONSOR and provided by Medco under the Program as follows:

• Extra Identification Cards	$0.35 per card
• Audit data – data in excess of 24 months and up to 60 months, subject to Medco's audit protocols/requirements	$15,000 per data set
• Direct reimbursement/out-of-network claims adjudication (including check and EOB to Eligible Person)	$1.25 per claim
• Hard copy eligibility submission	Data entry charges
• Reviews and Appeals Management	
– Includes all initial determinations and first level appeals and, if selected by SPONSOR, all second level and urgent appeals	$55.00 per case[3]
• Second level and urgent appeals (Final and Binding Appeals) Reviews and Management for Medco's Coverage Authorization Programs	$5.00 per case (incremental to Coverage Authorization Program charge)

Note: Charge for additional services not listed above will be determined by Medco and quoted upon request.

5. UTILIZATION MANAGEMENT PROGRAM

Medco will provide to SPONSOR Utilization Management Programs, which will be outlined in a Utilization Management Program Document (the "UMP Document") to be entered into at a date determined by the parties. The UMP Document will be effective as of the Effective Date of this Agreement and when executed, will be entered into contemporaneously with this Agreement. The UMP Document at such time that it is entered into by both parties, is incorporated by reference herein. The UMP Document may be modified in the form of a new UMP Document agreed upon by the parties in writing.

6. SERVICE FEE PAYMENT AND DISCLOSURE OF FEES TO SPONSOR

Medco will pay to SPONSOR's benefit advisor ("BENEFIT ADVISOR"), a service fee which may be in the form of a commission, marketing fee, incentives or other allowances ("Service Fee"). The Service Fee

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2 Medco will retain 15% of any audit recoveries to offset expenses of this program.

3 Additional charges may be incurred for non-standard SPONSOR specific requirements, processing, and/or communications.

may vary based on the services BENEFIT ADVISOR has provided to Medco or SPONSOR, and SPONSOR acknowledges and consents to Medco paying such Service Fee. BENEFIT ADVISOR has acknowledged and agreed that it will disclose to SPONSOR all Service Fees that BENEFIT ADVISOR receives from Medco including the form of such compensation (e.g., commissions, marketing fee, incentives, allowances). In the event BENEFIT ADVISOR does not provide such disclosure, Medco shall have the right to advise SPONSOR of the service fee arrangement including the amount and rate of any such compensation.

7. IMPLEMENTATION ALLOWANCE

After ninety (90) days following full implementation of SPONSOR's Integrated Program and for the Initial Term of this Agreement, Medco will credit up to $176,000 against future billings under SPONSOR's Program for documented expenses incurred and submitted by SPONSOR to Medco for the preparation and/or implementation of SPONSOR's Integrated Program (e.g., consulting fees, RFP preparation, or special communications associated with the Integrated Program roll-out). This credit will not be offset by any expenses incurred by Medco for the implementation of SPONSOR's Program.

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