Jeff Landry
Attorney General

State of Louisiana
DEPARTMENT OF JUSTICE
CIVIL DIVISION
P.O. BOX 94005
BATON ROUGE
70804-9005

December 7, 2022

Honorable Judge Tarvald Smith
19th Judicial District Court
300 North Blvd.
Baton Rouge, LA 70801

Re: *Kim and Steward Wixson, Melanie and Charlie Jones, Aimee and Tommy Joe Woodard Jr., and the Louisiana Independent Pharmacies Association, Inc. v. The State of Louisiana, through the Office of the Governor, Division of Administration, Office of Group Benefits, and Jay Dardenne, in his Official Capacity as Louisiana Commissioner of Administration*
Docket: 726389; Section: 30
East Baton Rouge Parish Clerk of Court
State of Louisiana

Dear Judge Smith:

Enclosed please find a courtesy copy of the Petition to Intervene filed on behalf of the State of Louisiana through the Attorney General.

It is imperative that the matter be heard and decided promptly as envisioned by La. C.C.P. art. 3602. The current contract for prescription benefits expires on December 31, 2022. Remedial action must be taken prior to the expiration so the prescription benefits of thousands of public employees, retirees, and their family members do not lapse. We are available on any of the possible preliminary injunction hearing dates, December 8, 9, 12, 13, 14, and 15.

Yours very truly,

JEFF LANDRY
Attorney General

BY: _____
ANGELIQUE DUHON FREEL
Assistant Attorney General

ADF/meb
Enclosures
cc: Karl Koch, Attorney for Plaintiffs
Mr. David Couvillion, CEO, Office of Group Benefits
Jay Dardenne, Commissioner of Administration
John Bel Edwards, Office of the Governor

NINETEENTH JUDICIAL DISTRICT
PARISH OF EAST BATON ROUGE,
STATE OF LOUISIANA

DOCKET NUMBER C-726389 **SECTION: 30**

KIM AND STEWART WIXSON, MELANIE AND CHARLIE JONES, AIMEE AND TOMMY WOODARD, JR., AND THE LOUISIANA INDEPENDENT PHARMACIES ASSOCIATION, INC.

VERSUS

THE STATE OF LOUISIANA THROUGH THE OFFICE OF THE GOVERNOR, DIVISION OF ADMINISTRATION, OFFICE OF GROUP BENEFITS, AND JAY DARDENNE, IN HIS OFFICIAL CAPACITY AS LOUISIANA COMMISSIONER OF ADMINISTRATION

MOTION TO INTERVENE FILED BY THE STATE OF LOUISIANA, APPEARING THROUGH JEFF LANDRY, IN HIS OFFICIAL CAPACITY AS ATTORNEY GENERAL

MAY IT PLEASE THE COURT:

NOW INTO COURT, through undersigned counsel, comes the State of Louisiana, appearing through Jeff Landry, in his official capacity as the Attorney General, who moves to intervene as a matter of right and respectfully represents:

1.

Jeff Landry is the duly elected Attorney General for the State of Louisiana and is the chief legal officer of the State of Louisiana. The Attorney General is charged with the assertion and protection of the rights and interests of the State of Louisiana, its taxpayers and citizens, and he has a sworn duty to uphold the Constitution and laws of the State.

CONSTITUIONAL AUTHORITY TO INTERVENE

2.

Louisiana Constitution Article IV, § 8 provides:

> Section 8. There shall be a Department of Justice, headed by the attorney general, who shall be the chief legal officer of the state. The attorney general shall be elected for a term of four years at the state general election. The assistant attorneys general shall be appointed by the attorney general to serve at his pleasure.
>
> **As necessary for the assertion or protection of any right or interest of the state, the attorney general shall have authority (1) to institute, prosecute, or intervene in any civil action or proceeding;** (2) upon the written request of a district attorney, to advise and assist in the prosecution of any criminal case; and (3) for cause, when authorized by the court which would have original jurisdiction and subject to judicial review, (a) to institute, prosecute, or intervene in any criminal action or proceeding, or (b) to supersede any attorney representing the state in any civil or criminal action.
>
> The attorney general shall exercise other powers and perform other duties authorized by this constitution or by law.

(Emphasis added.)

3.

Louisiana Constitution Article IV, § 8 provides the Attorney General, the State's constitutionally designated officer, with a right of intervention in any civil proceeding as necessary for the assertion or protection of any right or interest of the State.

4.

It is imperative that the matter be heard and decided promptly. The current contract for benefits expires December 31, 2022, and remedial action must be taken prior to the expiration so that the plan for State employees does not lapse.

STATUTORY AUTHORITY TO INTERVENE

5.

Additionally, Louisiana Revised Statutes 49:257 provides that "the Attorney General shall represent the state and all departments and agencies of state government in all litigation arising out of or involving tort or contract. . . ."

6.

This is a case challenging the authority of the Office of Group Benefits ("OGB") and the Commissioner of Administration, Jay Dardenne, to execute and proceed with a proposed contract

unanimously rejected by the Joint Legislative Committee on the Budget ("JLCB") on November 18, 2022. See Exhibit A, Proposed Contract.

7.

The Attorney General has the responsibility to ensure that the balance of power under La. Const. art. II, § 2 is upheld and to protect the interests of the State, ensuring that no branch of government or any person holding office in one of them shall exercise power belonging to either of the others.

8.

At the November 18, 2022 meeting of JLCB, legislators reviewed the contract between the Office of Group Benefits and Caremark PCS Health, LLC, in accordance with La. R.S. 42:802(D)(1). However, JLCB unanimously rejected the contract. In response to statements made by Commissioner Dardenne that he would proceed with the contract, legislators expressed their concern over an executive branch agency's decision to infringe on the legislature's authority to approve a contract.

9.

Senator Katrina Jackson explained: "My concern is what you're stating you're going to do goes against the law. Because the law as it stands, the court didn't invalidate R.S. 42:802. And so if the courts didn't invalidate that statute, you're standing before a legislative committee saying I'm going to go against the statutory provisions and the law of Louisiana."[1] Senator Jackson went on to state that "I'm just telling you this is very concerning. This is setting a precedent for state employees that concerns me a lot. That any state employee will be able to come to joint budget and say I'm just going to not follow the law. It'll be litigated later if I'm wrong. I just think that's a dangerous precedent to set."[2] Commissioner Dardenne stated his intention to move forward with the contract, even if JLCB did not approve it.

10.

It is essential that the Attorney General intervene to vindicate and protect the constitutional authority allocated between our State's separate branches of Government. An

[1] November 18, 2022 meeting of JLCB at 1:12:22.
https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2022/nov/1118_22_JLCB

[2] November 18, 2022 meeting of JLCB at 1:23:37.
https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2022/nov/1118_22_JLCB

administrative agency of state government cannot dispense with the legislature's prerogative with respect to the expenditure of state funds by imperial edict.

11.

Finally, pursuant to La. Code Civ. P. art. 1091(1), the Attorney General has the right intervene in this proceeding to protect the interests of the State of Louisiana, its citizens, its taxpayers, and, specifically, members of the Office of Group Benefits.

12.

The Attorney General's intervention is timely and leave of court is unnecessary. La. Code Civ. P. art. 1033.

WHEREFORE, for the reasons detailed in the attached Memorandum, the State of Louisiana, appearing through Jeff Landry, prays that the motion to intervene is granted.

Respectfully submitted,

JEFF LANDRY
ATTORNEY GENERAL

By: 

ANGELIQUE DUHON FREEL (#28561)
Director of the Civil Division
CAREY TOM JONES (#07474)
DAVID JEDDIE SMITH (#27089)
EMILY ANDREWS (#31017)
CRAIG CASSAGNE (#37063)
SCOTT N. WHITFORD (#37356)
Assistant Attorneys General
Louisiana Department of Justice
Post Office Box 94005
Baton Rouge, LA 70804
Telephone: 225.326.6000
Fax: 225.326.6098
Email: freelA@ag.louisiana.gov
jonescar@ag.louisian.gov
smithda@ag.louisiana.gov
andrewse@ag.louisiana.gov
cassagnec@ag.louisiana.gov
whitfords@ag.louisiana.gov

Attorneys for Intervenor
STATE OF LOUISIANA, through JEFF LANDRY,
in his official capacity as Attorney General

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the above and foregoing has on this date been served upon all known counsel of record, all by electronic mail, hand delivery, and/or depositing same in the United States mail, postage prepaid, and properly addressed.

Baton Rouge, Louisiana, this 7th day of December 2022.

ANGELIQUE DUHON FREEL

PLEASE SERVE:

Plaintiffs
Through Attorney of Record
Karl J. Koch
8702 Jefferson Hwy., Suite B
Baton Rouge, LA 70809

State of Louisiana through Office of the Governor, Division of Administration, Office of Group Benefits and Jay Dardenne
Through Jay Dardenne
Commissioner of Administration
1201 N. Third St., Suite 2-160
Baton Rouge, LA 70802

David Couvillon
Office of Group Benefits
1201 N. 3rd St.
Suite G- 159
Baton Rouge, LA 70802

NINETEENTH JUDICIAL DISTRICT COURT
FOR THE PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

NUMBER C-726389 **SECTION: 30**

KIM AND STEWART WIXSON, MELANIE AND CHARLIE JONES, AIMEE AND TOMMY WOODARD, JR., AND THE LOUISIANA INDEPENDENT PHARMACIES ASSOCIATION, INC.

VERSUS

THE STATE OF LOUISIANA THROUGH THE OFFICE OF THE GOVERNOR, DIVISION OF ADMINISTRATION, OFFICE OF GROUP BENEFITS, AND JAY DARDENNE, IN HIS OFFICIAL CAPACITY AS LOUISIANA COMMISSIONER OF ADMINISTRATION

ORDER GRANTING THE ATTORNEY GENERAL'S MOTION TO INTERVENE

THIS MATTER came before this Honorable Court upon the Attorney General's *Motion to Intervene*, and this Court having reviewed the pleadings, memorandum, and evidence attached thereto, rendered the following Order:

IT IS ORDERED, ADJUDGED, AND DECREED that the Attorney General's Motion to Intervene in the above entitled and numbered proceeding be and is hereby **GRANTED**;

READ, RENDERED, AND SIGNED in Chambers in Baton Rouge, East Baton Rouge Parish, Louisiana, this ____ day of December, 2022.

HONORABLE TARVALD SMITH
19th JDC JUDGE

PLEASE SERVE:

Plaintiffs
Through Attorney of Record
Karl J. Koch
8702 Jefferson Hwy., Suite B
Baton Rouge, LA 70809

David Couvillon
Office of Group Benefits
1201 N. 3rd St.
Suite G- 159
Baton Rouge, LA 70802

The State of Louisiana, through the Office of the Governor, Division of Administration, Office of Group Benefits, and Jay Dardenne
Through Jay Dardenne
Commissioner of Administration
1201 N. Third St., Suite 2-160
Baton Rouge, LA 70802

NINETEENTH JUDICIAL DISTRICT
PARISH OF EAST BATON ROUGE,
STATE OF LOUISIANA

DOCKET NUMBER C-726389 **SECTION: 30**

KIM AND STEWART WIXSON, MELANIE AND CHARLIE JONES, AIMEE AND TOMMY WOODARD, JR., AND THE LOUISIANA INDEPENDENT PHARMACIES ASSOCIATION, INC.

VERSUS

THE STATE OF LOUISIANA THROUGH THE OFFICE OF THE GOVERNOR, DIVISION OF ADMINISTRATION, OFFICE OF GROUP BENEFITS, AND JAY DARDENNE, IN HIS OFFICIAL CAPACITY AS LOUISIANA COMMISSIONER OF ADMINISTRATION

MEMORANDUM IN SUPPORT OF MOTION TO INTERVENE
FILED BY THE STATE OF LOUISIANA,
APPEARING THROUGH JEFF LANDRY,
IN HIS OFFICIAL CAPACITY AS ATTORNEY GENERAL

MAY IT PLEASE THE COURT:

NOW INTO COURT, through undersigned counsel, comes the State of Louisiana, appearing through Jeff Landry, in his official capacity as Attorney General, who moves to intervene as a matter of right for the reasons explained below.

BACKGROUND

This is a case challenging the authority of the Office of Group Benefits ("OGB") and the Commissioner of Administration, Jay Dardenne, to execute and proceed with a proposed contract expressly rejected by the Joint Legislative Committee on the Budget ("JLCB") on November 18, 2022.

The Joint Legislative Committee on the Budget is "the budgetary and fiscal representative of the Legislature of Louisiana to assist that body in the discharge of its fiscal and budgetary responsibilities under the Constitution of Louisiana and to provide the legislature with information relative to such responsibilities" See La. R.S. 24:651. JLCB currently has 44 members, consisting of the House Appropriations Committee and the Senate Finance Committee, or their successors, and the chairman of the House Ways and Means Committee or a member of that committee designated by the chairman thereof, and the chairman of the Senate Revenue and Fiscal Affairs Committee or a member of that committee designated by the chairman thereof. La. R.S. 24:652.

JLCB exercises broad authority over state budgeting and contracting. See La. R.S. 24:653. JLCB also interprets the legislative intent respecting all fiscal and budgetary matters of the state and conducts general oversight and review of the budget execution processes of the various budget units and other agencies of the state when necessary. La. R.S. 24:653.

The authority for the Office of Group Benefits to enter into the proposed contract at issue includes the statutory requirement for review and approval by JLCB. See La. R.S. 42:801(D)(1). OGB has no authority to bind the State of Louisiana to a multi-billion dollar contract that has not been approved by JLCB. It appears Commissioner Dardenne, and OGB disagree. They bypassed approval of JLCB, which necessitates 1. intervention by the Attorney General to uphold the separation of powers recognized by our State's constitution; and 2. assistance from this Court to enjoin the Defendants from taking any action to proceed with the terms of a proposed contract.

ARGUMENT

A. The Attorney General's Motion to Intervene is Timely.

The Plaintiffs filed the Petition on Friday, December 2, 2022, and the Attorney General filed his intervention on Wednesday, December 7, 2022. Defendants have not filed an answer, and a hearing date is not finalized for the injunction.

Nonetheless, the Attorney General recognizes that this is a very time sensitive issue and wasted no time in intervening. It is imperative that the matter be heard and decided promptly as envisioned by La. C.C.P. art. 3602. The current contract for prescription benefits expires on December 31, 2022. Remedial action must be taken prior to the expiration so the prescription benefits of thousands of public employees, retirees, and their family members do not lapse.

B. The State Has the Requisite Interest in the Subject of the Case

The State has a direct, substantial, legally protectable interest in the proceedings. Jeff Landry is the duly elected Attorney General for the State of Louisiana. As the State's "chief legal officer," he is charged with "the assertion and protection of the rights and interests" of the State and its taxpayers and citizens, and he has a sworn duty to uphold the State's Constitution and laws. La. Const. art. IV, § 8. The Louisiana Constitution gives him authority "to institute, prosecute, or *intervene* in any civil action or proceeding." *Id.* (emphasis added).

Additionally, Louisiana Revised Statutes 49:257 provides that "the Attorney General shall represent the state and all departments and agencies of state government in a*ll litigation arising out of or involving tort or contract. . . .*" (emphasis added.) This is a case challenging the authority of the Office of Group Benefits ("OGB") and Commissioner Dardenne, to execute and proceed with a proposed contract unanimously rejected by JLCB on November 18, 2022. See Exhibit A, Proposed Contract.

The Attorney General has the responsibility to ensure that the balance of power under La. Const. art. II, § 2 is upheld and to protect the interests of the State, ensuring that no branch of government or any person holding office in one of them shall exercise power belonging to either of the others. At the November 18, 2022 meeting of JLCB, legislators reviewed the contract between the OGB and Caremark PCS Health, LLC, in accordance with La. R.S. 42:802(D)(1). However, JLCB *unanimously* rejected the contract. In response to statements made by Commissioner Jay Dardenne that he would proceed with the contract, legislators expressed their concern over an executive branch agency's decision to infringe on the legislature's authority to approve a contract.

Senator Katrina Jackson explained: "My concern is what you're stating you're going to do goes against the law. Because the law as it stands, the court didn't invalidate R.S. 42:802. And so if the courts didn't invalidate that statute, you're standing before a legislative committee saying I'm going to go against the statutory provisions and the law of Louisiana."[1] Senator Jackson went on to state that "I'm just telling you this is very concerning. This is setting a precedent for state employees that concerns me a lot. That any state employee will be able to come to joint budget and say I'm just going to not follow the law. It'll be litigated later if I'm wrong. I just think that's

[1] November 18, 2022 meeting of JLCB at 1:12:22.
https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2022/nov/1118_22_JLCB

a dangerous precedent to set."[2] Commissioner Dardenne stated his intention to move forward with the contract, even if JLCB did not approve it.

It is essential that the Attorney General intervene to protect the constitutional authority allocated between our State's separate branches of Government. An administrative agency of state government cannot dispense with the legislature's prerogative with respect to the expenditure of state funds by imperial edict.

Finally, pursuant to La. Code Civ. P. art. 1091(1), the Attorney General has the right intervene in this proceeding to protect the interests of the State of Louisiana, its citizens, its taxpayers, and, specifically, members of the Office of Group Benefits.

In short, the State of Louisiana, through Attorney General Jeff Landry, has the requisite interest in the subject of this case, and he has a right to intervene as a matter of law to protect the interests of the State.

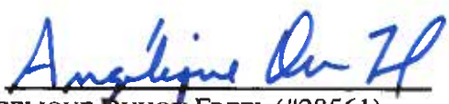
C. The Disposition of this Case May Substantially Impair or Impede the State's Interests.

Without intervention, the disposition of this case will impair the State of Louisiana's ability to protect its interests, and it will impair and impede the Attorney General from carrying out his constitutional duties to defend and uphold the laws of the State of Louisiana.

WHEREFORE, the State of Louisiana, appearing through Jeff Landry, prays that the intervention is granted as Intervenor.

Respectfully submitted,

JEFF LANDRY
ATTORNEY GENERAL

By: 

ANGELIQUE DUHON FREEL (#28561)
Director of the Civil Division
CAREY TOM JONES (#07474)
DAVID JEDDIE SMITH (#27089)
EMILY ANDREWS (#31017)
CRAIG CASSAGNE (#37063)
SCOTT NO. WHITFORD (#37356)
Assistant Attorneys General
Louisiana Department of Justice
Post Office Box 94005
Baton Rouge, LA 70804
Telephone: 225.326.6000

[2] November 18, 2022 meeting of JLCB at 1:23:37.
https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2022/nov/1118_22_JLCB

Fax: 225.326.6098
Email: freelA@ag.louisiana.gov
jonescar@ag.louisian.gov
smithda@ag.louisiana.gov
andrewse@ag.louisiana.gov
cassagnec@ag.louisiana.gov
whitfords@ag.louisiana.gov

Attorneys for Intervenor
STATE OF LOUISIANA, through JEFF LANDRY,
in his official capacity as Attorney General

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the above and foregoing has on this date been served upon all known counsel of record, all by electronic mail, hand delivery, and/or depositing same in the United States mail, postage prepaid, and properly addressed.

Baton Rouge, Louisiana, this 7th day of December 2022.

ANGELIQUE DUHON FREEL

PLEASE SERVE:

Plaintiffs
Through Attorney of Record
Karl J. Koch
8702 Jefferson Hwy., Suite B
Baton Rouge, LA 70809

State of Louisiana through Office of the Governor, Division of Administration, Office of Group Benefits and Jay Dardenne
Through Jay Dardenne
Commissioner of Administration
1201 N. Third St., Suite 2-160
Baton Rouge, LA 70802

David Couvillon
Office of Group Benefits
1201 N. 3rd St.
Suite G- 159
Baton Rouge, LA 70802

On this __ day of September, 2022, the State of Louisiana, Office of Group Benefits, 1201 N. 3rd Street, Suite G-159, Baton Rouge, LA 70802, hereinafter sometimes referred to as the "OGB" or "State", and CaremarkPCS Health, L.L.C. ("CVS Caremark"), a wholly owned direct subsidiary of CaremarkPCS, L.L.C., a subsidiary of Caremark Rx, L.L.C., whose parent company is CVS Health Corporation, One CVS Drive, Woonsocket, RI 02895, hereinafter sometimes referred to as the "Contractor," do hereby enter into a Contract under the following terms and conditions.

1 SCOPE OF SERVICES

1.1 CONCISE DESCRIPTION OF SERVICES

CVS Caremark shall provide Pharmacy Benefit Manager ("PBM") services to support certain self-funded plans offered by OGB. These services shall include, at a minimum, all services specified in Section 1.2 and the attachments referenced therein.

1.2 STATEMENT OF WORK

The Statement of Work consists of the following and/or any subsequent addendum:

Attachment I: Scope of Work/Services

Attachment II: Pricing

Attachment III: Business Associate Addendum

Attachment IV: Records Retention Schedule

Attachment V: Imaging System Survey Compliance and Records Destruction

Attachment VI: Clinical Management Programs

1.3 GOALS AND OBJECTIVES

1. To fulfill OGB's delegated responsibility to serve the State of Louisiana by managing prescription drug cost and utilization while improving the quality of health for those served by OGB.
2. To provide quality, cost-effective healthcare services to Plan Participants.

1.4 PERFORMANCE MEASURES

The performance of the Contract, including but not limited to Attachment I, Scope of Work/Services, and/or any subsequent addendum including performance criteria and corresponding monetary penalties for Contractor's failure to comply with the identified criteria in Section 3.6, Performance Guarantees, will be measured by the OGB Contract Monitor. The OGB Contract Monitor is authorized to evaluate the Contractor's performance against these criteria.

1.5 MONITORING PLAN

The Contract Monitor will be the OGB Medical and Pharmacy Group Benefits Administrator, who will monitor the services and performance provided by the Contractor and the expenditure of funds under this Contract. The monitoring plan is as follows:

1. The Contractor will submit various monthly, quarterly, and annual reports to the Contract Monitor as specified in Attachment I: Scope of Work/Services.

2. The Contract Monitor will ensure all deliverables are submitted timely and perform subsequent review and acceptance.

3. The Contract Monitor will provide oversight of the implementation of the Scope of Services to ensure quality, efficiency, and effectiveness in fulfilling the goals and objectives of OGB.

1.6 CONTRACTOR PROJECT MANAGEMENT

Contractor Project Management is as follows:

A. **Account Management Team.** Contractor will provide an Account Management Team for the duration of the engagement including a dedicated Account Executive, Implementation Manager, Employer Group Waiver Plan ("EGWP")/Retiree Manager, Operational Account Manager, Clinical Program Manager, Clinical Pharmacy Manager (must be a resident of Louisiana), Financial Analyst, Analytics and Data Lead, Privacy Officer, and Customer Service Manager. The Account Executive must have at least one (1) back-up staff member designated to handle the overall responsibility of OGB.

B. **Substitution of Key Personnel.** The Contractor's personnel assigned to this Contract shall not be replaced without the prior written consent of OGB/State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any Contractor personnel become unavailable due to resignation, illness, or other factors, excluding assignment to projects outside this Contract, outside of the Contractor's reasonable control, as the case may be, the Contractor shall be responsible for providing an equally qualified replacement in time to avoid delays in providing services. When possible, Contractor will give OGB a minimum of sixty (60) days' advance notice of any changes in OGB's Account Management Team, and a description of the training requirements for new team members. Reasonable exceptions would apply in situations beyond Contractor's control (i.e., resignation/termination with less than 60 days' notice). OGB reserves the right to request changes to any of the assigned personnel based on unsatisfactory performance levels as determined by OGB. Additionally, OGB will be provided with the opportunity to interview any new team member(s).

C. **Account Management Team Support.** The Account Management Team will provide support around account strategy, Plan Participant inquiries, issue resolution, reports and other requested projects and deliverables. Contractor will provide an annual service cycle plan as well as an ongoing task log with timelines for all deliverables and weekly status update meetings in person, via video conference, or via teleconference.

D. **Quarterly Meetings.** All of the Account Management Team will attend all quarterly meetings via teleconference or on-site at OGB. The meetings shall be held no later than sixty (60) days following quarter end. The Account Management Team will provide a draft agenda for OGB approval at least ten (10) business days in advance of a meeting to allow changes to the agenda and a reasonable opportunity to prepare for the meeting. The meeting presentation should be provided seven (7) days in advance of the meeting. At minimum, during the quarterly meeting, the Account Management Team should discuss the following: goals, expectations and priorities; review the quarterly report and other issues such as performance guarantees, quality assurance, operations, network

pharmacy status and access; benefit and program changes or enhancements; legislative issues; audits; cost trends; utilization; program outcomes; customer service issues; future goals and planning; and other issues reasonably related to the Contract.

E. **Minutes.** Within three (3) business days after any meeting, Contractor shall provide OGB with a draft of detailed and well-documented, meeting minutes. OGB shall review and revise the draft minutes as appropriate and return to the Contractor. Final minutes must be provided within three (3) business days after receipt of the revised minutes from OGB. Minutes shall include a list and description of all tasks and/or deliverables, identify the responsible party, and provide a projected delivery date.

F. **Documentation.** Contractor will maintain an ongoing process log that will document all benefit and system programming changes, which will be provided to OGB within five (5) business days of any change.

G. **Coordination with other OGB Vendor(s).** Contractor will coordinate and cooperate with OGB's administrative services provider(s) for OGB's self-insured medical plans, actuary, and other vendors as needed on integration of information to or from other service providers relative to the services addressed in this Contract.

1.7 DELIVERABLES

The Contract will be considered complete when the entire scope of work has been completed and Contractor has delivered and OGB has accepted all deliverables specified in the Contract.

1.8 VETERAN-OWNED AND SERVICE-CONNECTED SMALL ENTREPRENEURSHIPS (VETERAN INITIATIVE) AND LOUISIANA INITIATIVE FOR SMALL ENTREPRENEURSHIPS (HUDSON INITIATIVE) PROGRAMS REPORTING REQUIREMENTS

During the term of the Contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

2 DEFINITIONS

Account Management Team – Contractor's staff for PBM services assigned to OGB which shall include an Account Executive, Implementation Manager, Employer Group Waiver Plan ("EGWP")/Retiree Manager, Operational Account Manager, Clinical Program Manager, Clinical Pharmacy Manager (must be a resident of Louisiana), Financial Analyst, Data and Analytics Lead, Privacy Officer and Customer Service Manager.

Average Wholesale Price or AWP – the average wholesale price of a prescription drug or medication dispensed, on the date the prescription or medication is dispensed, as set forth in the most recent edition of the Medi-Span pricing guide or supplement as of that date. The applicable AWP for all prescriptions dispensed at retail pharmacies, the Mail Order Pharmacies and the Specialty Drug Pharmacies shall be based on (i) the unit AWP using the eleven-digit NDC from which the medication was dispensed (not the package size of the prescription dispensed); and (ii) the actual manufacturer's AWP (repackager AWPs shall not be substituted for manufacturer AWPs); and (iii) the actual unit prescribed (and an alternative unit measure shall not be substituted, such as capsules for tablets, or tablets for capsules). Contractor shall not process any repackagers' AWPs in connection with any Claims. Contractor shall not

change the benchmark for pricing terms or guarantees in the Contract unless OGB agrees to such changes in writing, and the changes are memorialized as a written amendment to the Contract.

Biosimilar Drug – a "biosimilar" biological product as defined in the Biologics Price Competition and Innovation Act of 2009 at 42 U.S.C. §262(i)(2) and approved under Section 351(k) of the Public Health Services Act or pursuant to any successor legislative provision relating to expedited approval of biological products which are highly similar to a reference biological product.

Brand or Brand Drug – Drugs where the Medi-Span Multisource Code field contains "M" (co-branded product), or "N" (single source brand), or "O" (originator brand) (except where the claim is submitted with a DAW Code of 5 in which case it shall be considered a Generic Drug). The Parties agree that when a drug is identified as a Brand Drug, it shall be considered a Brand Drug for purposes by PBM, of calculating the satisfaction of Financial Guarantees and Performance Guarantees described in this Contract, and calculating the satisfaction of generic fill rates (if any).

CDHP – a Consumer Driven Health Plan.

CMS – the Centers for Medicare and Medicaid Services.

COB – the Coordination of Benefits.

Commercial Prescription Drug Plan – OGB's prescription drug plan(s) covering active employees and non-Medicare eligible retirees.

Contract Monitor - the OGB Medical and Pharmacy Group Benefits Administrator or designee, who will monitor the services and performance provided by the Contractor and the expenditure of funds under this Contract.

Contractor – the successful Proposer who is awarded a Contract and assumes full responsibility and liability for completion of the deliverables.

Covered Benefit(s) – outpatient drugs (including those that under state or federal law require a prescription, or over the counter drugs), products, services, or supplies made available as a covered benefit to Plan Participants as set forth in the Plan.

CSR – a Customer Service Representative.

DAW – prescription drugs dispensed as written.

DEA – Drug Enforcement Administration.

DUR – a Drug Utilization Review.

DMR – a Direct Member Reimbursement.

EGWP – an Employer Group Waiver Plan.

EOB – an Explanation of Benefits.

ERRP – the Early Retiree Reinsurance Program.

Exclusive or Limited Distribution – a product that is not generally available from most or all pharmacies but is restricted to select pharmacies as determined by a pharmaceutical

manufacturer. Upon OGB's request, Contractor shall provide a list of all Exclusive or Limited Distribution Drugs.

FDA – the Federal Drug Administration.

Formulary – the list of prescription drugs that are considered as Covered Benefits. The Formulary may contain preferred and non-preferred tiers.

Generic Drug – Drugs where the Multisource Code field in Medi-Span contains a "Y" (generic). Claims with a DAW Code of 5 shall also be classified as Generic Drugs. The Parties agree that when a drug is identified as a Generic Drug, it shall be considered a Generic Drug for purposes of calculating the satisfaction of financial guarantees and performance guarantees described in this contract, and calculating the satisfaction of generic fill rates (if any). Generics will include both single-source drugs and multi-source drugs.

HIPAA – the Health Insurance Portability and Accountability Act.

Identification Cards ("ID Cards") – printed identification cards containing specific information about the Covered Benefits to which Plan Participants are entitled. All ID Cards shall have the applicable pharmacy network logo or other method, agreed upon by both parties in writing, of identifying the fact that the Contractor is the PBM.

IVR – Interactive Voice Response, an automated telephony system that interacts with callers, gathers information and routes calls to the appropriate recipients.

MAC – the maximum unit price Contractor will pay a pharmacy for a drug on the MAC list.

MBI – Medicare Beneficiary Identifier.

Multisource Brand– Multi-Source ("MS") Brands will be defined as a product with a trade name marketed or sold by the innovator manufacturer or by a pharmaceutical company has been licensed and authorized by the original patent holder to sell the product after the expiration of the patent(s) and generally has at least one therapeutically equivalent alternative available in the marketplace.

Multisource Generic- Multi-Source ("MS") Generics will be defined as non-innovator products that are available from three or more manufacturers: the innovator (the manufacturer with the New Drug Application approval) and two or more manufacturers with Abbreviated New Drug Application approvals or marketing agreements for an authorized / branded generic.

NDC – the National Drug Code.

OGB CEO – the Office of Group Benefit's Chief Executive Officer.

OTC – Over The Counter drugs.

PBM – the Pharmacy Benefit Manager.

PDP – a CMS approved Prescription Drug Plan.

PHI – Protected Health Information as defined by HIPAA.

PII – Personally-Identifiable Information.

Plan – OGB's defined benefit plan pursuant to which Covered Benefits are provided to Plan Participants.

Plan Participant(s) – the person(s) who are entitled to benefits through OGB as identified in the eligibility data file prepared, maintained and as determined by OGB, and delivered to the Contractor.

Primary Plan Participant(s) – the Plan Participant whose relationship with OGB or the employee/retiree governs the coverage under the Plan.

PPACA – the Patient Protection and Affordable Care Act.

Proposal – a response to a request for proposals.

Proposer - An individual or organization submitting a proposal in response to an RFP.

Rebates –includes rebates and other manufacturer revenues, which is defined as all revenue and financial benefits Contractor receives from outside sources attributable to the Plan's utilization or enrollment in programs. These include but are not limited to access fees, market share fees, rebates, formulary access fees, inflation protection/penalty payments, administrative fees and marketing grants from pharmaceutical manufacturers, wholesalers and data warehouse vendors.

RFP – Request for Proposals No. 3000014397 (for Pharmacy Benefit Manager Services for Office of Group Benefits Self-Funded Health Plans) issued by OGB on March 30, 2020.

ROI – a Return on Investment.

Shall, Must, Will – a mandatory requirement.

Should, May, Can – an advisable or permissible action.

Single Source Generics – Single-Source ("SS") Generics will be defined as the non-innovator product that is available from two manufacturers: the innovator (one with the New Drug Application approval) and another with either an Abbreviated New Drug Application approval or a marketing agreement for an authorized / branded generic.

Specialty Drug(s) – Specialty Drugs means certain pharmaceuticals, biotech or biological products that are injectable or infused, or are oral products that otherwise require special handling, which Vendor may amend from time to time with advance notice to OGB. OGB's coverage exclusions and inclusions will be considered during the updating of this list. A comprehensive list of Specialty Drugs and the pricing terms for each shall be provided to OGB upon request, but no more frequently than monthly.

U&C – Usual and Customary; the usual selling price or cash price for a prescription drug at a participating pharmacy.

3 ADMINISTRATIVE REQUIREMENTS

3.1 TERM OF CONTRACT

The term of this Contract shall begin on January 1, 2023, and is anticipated to end on December 31, 2025. With all proper approvals and concurrence with the successful Contractor, OGB may also exercise the option to extend the Contract for additional periods of time at the same rates, terms and conditions of the initial Contract term; such additional periods of time shall not exceed a total of twenty-four (24) months. Prior to the extension of the contract beyond the initial thirty-six (36)-month term, prior approval by the Joint Legislative Committee on the

Budget (JLCB) and/or other approval authorized by law shall be obtained. Written evidence of JLCB approval shall be submitted, along with the contract amendment, to the Office of State Procurement (OSP) to extend contract terms beyond the initial 3-year term. The total Contract term, with extensions, shall not exceed five (5) years. The continuation of this Contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the Contract.

3.2 OGB FURNISHED RESOURCES

OGB shall appoint a Contract Monitor for this Contract who will provide oversight of the activities conducted hereunder. The assigned Contract Monitor shall be the principal point of contact on behalf of OGB and will be the principal point of contact for the Contractor concerning Contractor's performance under this Contract.

3.3 TAXES AND FEES

Contractor is responsible for payment of all taxes and fees on Contractor's income, property, and entity status (i.e., permits, licenses, etc.). Contractor's federal tax identification number is 75-2882129. Contractor's seven-digit Louisiana Department of Revenue account number is 2419795. In accordance with La. R.S. 39:1624(A)(10), the Louisiana Department of Revenue ("LDR") must determine that the prospective Contractor is current in the filing of all applicable tax returns and reports and in payment of all taxes, interest, penalties, and fees owed to the State and collected by the Department of Revenue prior to the approval of this Contract by the Office of State Procurement. The Contractor hereby attests to its current and/or compliance, and agrees to provide its seven-digit LDR Account Number to the contracting agency so that the Contractor's tax payment compliance status may be verified. The Contractor further acknowledges understanding that issuance of a tax clearance certificate by the Louisiana Department of Revenue is a necessary precondition to the approval and effectiveness of this Contract by the Office of State Procurement. The State/OGB reserves the right to withdraw its consent to this Contract without penalty and proceed with alternate arrangements should the Contractor fail to resolve any identified apparent outstanding tax compliance discrepancies with the Louisiana Department of Revenue within seven (7) days of notification of such discrepancies.

3.4 PAYMENT TERMS

In consideration of the services required by this Contract, OGB hereby agrees to pay to Contractor a maximum fee of $2,070,144,000.00 (Two Billion Seventy Million One Hundred Forty-Four Dollars) for work performed during the term of this Contract. This fee is inclusive of travel and all Contract-related expenses. Payments are predicated upon successful completion by Contractor and written approval by OGB of the described services and deliverables as provided in the Contract. Contractor will not be paid more than the maximum amount of the Contract. **No payments will be made by OGB on banking or State holidays.**

OGB will monitor total expenditures under the Contract and, should the maximum fee stated above be exceeded, OGB shall seek additional appropriations to continue the Contract in effect, or terminate the Contract pursuant to Section 4.3 of this Contract. CVS Caremark will also monitor total expenditures under the Contract and, if CVS Caremark projects the maximum fee stated above will be exceeded, CVS Caremark will 1) notify OGB in writing and 2) provide OGB in writing a calculation of additional sums needed for the remaining term of the Contract.

Claims Payments. OGB will not provide advance funding for payment of claims. The Contractor shall submit weekly invoices for reimbursement of claims no later than 12:00 p.m. CT on the established billing day, with an accompanying weekly claims data layout file and weekly check register (claims disbursements) showing all paid claims and any other supporting documentation necessary to substantiate invoiced costs. Separate invoices shall be prepared with respect to claims for each Plan offering. Upon receipt and validation of each claims invoice, OGB shall wire the undisputed amount within seven (7) business days of receipt. If the invoice(s) and electronic check register(s) do not reconcile, payment of the disputed amount will be made within seven (7) business days of successful reconciliation. If OGB questions the amount, OGB will notify the Contractor of its questions regarding said amount, and Contractor shall make a reasonable effort to respond to such questions within five (5) business days of notification by OGB.

Contractor may not suspend or fail to render payments to participating pharmacies or to OGB Plan Participants within the timeframes provided by applicable law because of non-payment or late payment by OGB. Such payments by Contractor shall not constitute a waiver of any of Contractor's remedies with respect to non-payment. Should Contractor fail to make payments within the timeframes provided by applicable law, Contractor shall be liable to OGB for any penalties or fees that OGB may incur as a result of such inaction by Contractor.

Administrative Fees. Contractor will invoice OGB monthly for all fees and charges earned by Contractor set forth in Attachment II: Pricing, which may be included on the same invoice as claims payments or reflected in a separate invoice. Upon receipt and validation of Contractor's invoice for administrative fees, OGB shall pay undisputed fees by wire transfer within seven (7) business days of receipt. Any monthly fees will be charged the month following the month in which the service is provided. If OGB questions the amount, OGB will notify the Contractor of its questions regarding said amount, and Contractor shall make a reasonable effort to respond to such questions within five (5) business days of OGB sending the questions.

During the term of the Contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each, if applicable.

3.5 PERFORMANCE BOND

Unless issuance of such bond is against applicable law, Contractor shall provide a performance (surety) bond in an amount determined by OGB of no more than one hundred percent (100%) of the annual contracted fees to ensure the successful performance under the terms and conditions of the Contract. The performance bond shall be written by a surety or insurance company currently on the U.S. Department of the Treasury Financial Management Services list of approved companies which is published annually in the Federal Register, or by a Louisiana-domiciled insurance company with at least an A-rating to write individual bonds up to ten percent (10%) of policyholders' surplus as shown in the latest A.M. Best's Key Rating Guide. In addition, any performance bond furnished shall be written by a surety or insurance company that is currently licensed to do business in the State of Louisiana.

The performance bond is to be provided at least thirty (30) working days prior to the effective date of the Contract. Failure to provide within the time specified may cause the Contract to be cancelled.

3.6 PERFORMANCE GUARANTEES

Contractor agrees to provide its operational performance guarantees on a client-specific basis and report OGB's results on a quarterly basis. OGB shall have the ability to modify the performance guarantees each contract year. OGB, at its sole discretion, will allocate amounts at risk for performance guarantees, provided no more than thirty percent (30%) of the total amount at risk is allocated to one performance guarantee excluding financial guarantees (i.e., AWP discounts, dispensing fees, rebates, etc.). OGB may allocate 0% to a guarantee, which would indicate that the performance guarantee will only be reported on with no amounts at risk. Contactor will be subject to per day fees for certain performance guarantees.

All guarantees must be reconciled annually and reported to OGB within sixty (60) days after the close of the period being measured and any penalties owed to OGB shall be paid within forty-five (45) days after reported reconciliation. Implementation performance guarantees will be measured and reported within ninety (90) days after the agreed upon implementation date. Payment of any due and owing implementation performance penalty shall be paid within sixty (60) days of notification of the penalty to the Contractor.

Performance Guarantees: The Contractor will be subject to negotiated performance standards and those detailed in Attachment I: Scope of Work/Services.

Audit: OGB reserves the right to audit performance guarantee reports on an annual basis. A third party may be utilized to perform this audit.

Measurement Periods:

Quarterly Measurement Period: Quarterly Measurement Periods shall be as follows: January 1st through March 31st of each calendar year is the First Quarter; April 1st through June 30th of each calendar year is the Second Quarter; July 1st through September 30th of each calendar year is the Third Quarter; and, October 1st through December 31st of each calendar year is the Fourth Quarter. If the performance guarantees are effective for less than a full quarter, the payment amounts will be prorated for the portion of the Quarterly Measurement Period.

Annual Measurement Period: The first period to be measured shall be January 1, 2023 through December 31, 2023. The second period will be for calendar year 2024, and the third period for calendar year 2025. The fourth period, subject to the renewal option, will be for calendar year 2026, and the fifth period, subject to the renewal option, will be for calendar year 2027. If the performance guarantees are effective for less than a full calendar year, the payment amounts will be prorated for the portion of the Measurement Period.

3.7 FINANCIAL GUARANTEES

Financial guarantees provided by Contractor will be covered dollar for dollar on any shortfall with no limit to the amount at risk. Any surplus on financial guarantees will be retained 100% by OGB. In addition, the amount at risk will be the full value of the financial guarantee(s) not achieved and not a calculation of OGB's net Plan cost impact. All financial guarantees, with the exception of rebate minimum guarantees, which will be reconciled in the aggregate, will be trued up individually, meaning no guarantees can be cross-subsidized

(i.e., surplus on one guarantee offsetting another, etc.). This includes no cross-subsidization between delivery channels, or within a delivery channel. Note: Retail and retail extended supply networks are considered separate delivery channels.

In the event that the PBM utilizes an intermediary/third party to determine rebates for OGB, OGB will have the right to audit that intermediary/third party's rebate contracts subject to the audit provisions in this Contract. Contractor also agrees to comply with OGB's requirement for a third-party auditor to perform a detailed, comprehensive claims and rebate reconciliation subject to the audit provisions in this Contract. OGB may use its annual audit credit (as set forth in Attachment II, Section 2.4) to fund such comprehensive reconciliation. The reconciliation will focus on adjudication rates versus contractual pricing guarantees to ensure one hundred percent pass-through pricing between OGB and dispensing pharmacies, as well as, paid rebates versus minimum rebate guarantees. A detailed list of the various excluded claims will be required to account for all rebate-eligible claims. All claims, including those excluded from pricing guarantees, will be included in the reconciliation review.

Contractor will report financial guarantee performance to OGB on a quarterly basis, including the effective AWP discounts, dispensing fees, and rebates. This reporting will include all prior quarters covered by this Contract. All financial guarantees must be reconciled annually and any shortfalls owed to OGB shall be paid within one hundred twenty (120) days after the end of the Measurement Period.

Audit: OGB reserves the right to audit financial guarantees after the end of each Measurement Period. A third party of OGB's choosing may be utilized to perform this audit with no limitation in the scope of the audit.

Measurement Periods:

Quarterly Measurement Period: Quarterly Measurement Periods shall be as follows: January 1st through March 31st of each calendar year is the First Quarter; April 1st through June 30th of each calendar year is the Second Quarter; July 1st through September 30th of each calendar year is the Third Quarter; and, October 1st through December 31st of each calendar year is the Fourth Quarter.

Annual Measurement Period: The first period to be measured shall be January 1, 2023 through December 31, 2023. The second period will be for calendar year 2024, and the third period for calendar year 2025. The fourth period, subject to the renewal option, will be for calendar year 2026, and the fifth period, subject to the renewal option, will be for calendar year 2027.

4 TERMINATION

4.1 TERMINATION FOR CAUSE

State may terminate this Contract for cause based upon the failure of the Contractor to comply with the terms and/or conditions of the Contract, provided the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) calendar days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) calendar days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may,

at its option, place the Contractor in default, and the Contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the Contract may constitute default and may cause cancellation of the Contract.

4.2 TERMINATION FOR CONVENIENCE

OGB/State may terminate the Contract at any time by giving at least thirty (30) days' written notice to Contractor of such termination or negotiating with Contractor an effective date for termination. Contractor shall be entitled to payment for services completed prior to receipt of such notice and deliverables in progress, to the extent work has been performed to OGB's satisfaction.

4.3 TERMINATION FOR NON-APPROPRIATION OF FUNDS

The continuation of this Contract is contingent upon the appropriation of funds by the Louisiana Legislature to fulfill the requirements of the Contract, as applicable. If the Legislature fails to appropriate sufficient monies to provide for the continuation of the Contract, or if such appropriation is reduced or eliminated by the veto of the Governor or by any means provided in the Appropriations Act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the Contract, the Contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

5 INDEMNIFICATION AND DEFENSE

(a) Contractor shall be fully liable for its own actions and the actions of its agents, employees, partners and subcontractors and shall fully protect, defend, and indemnify the State, all State departments, Agencies, Boards, and Commissions, its officers, trustees, employees, servants, subcontractors, agents, and volunteers (collectively the "State"), from and against any and all losses, claims, demands, liabilities, suits, actions, damages, costs, fines, penalties, judgments, forfeitures, assessments, expenses, obligations (including attorneys' fees), and other liabilities of every name and description ("Claims/Costs") relating to personal injury or death to any person or damages, loss, or destruction of any real or tangible property which may occur, or in any way arise out of, any act or omission of Contractor, its employees, agents, partners, or subcontractors/vendors. Contractor shall not be required to indemnify for that portion of any Claim/Cost arising solely because of the negligent or intentional act or failure to act of the State.

(b) Contractor shall further indemnify and defend the State from and against any Claims/Costs resulting from any violation of or failure to comply with any state or federal law, or other legal or Contract requirement to the extent caused by Contractor, its agents, employees, partners or subcontractors. Contractor shall not be required to indemnify for that portion of any Claim/Cost arising due solely to the negligent or intentional act or failure to act of the State.

(c) Contractor shall fully protect, defend, and indemnify, the State from and against all adverse federal and state tax consequences, loss, liability, damage, expense, attorneys' fees or other obligations resulting from, or arising out of, any act or omission by Contractor in connection with this Contract, including but not limited to other obligations

resulting from or arising out of any premium charge, tax, or similar assessment by federal, state, and local governmental authorities, for which Contractor is liable.

(d) If applicable, Contractor will protect, defend, and indemnify, the State, its officers, trustees, employees, servants, subcontractors, agents, and volunteers, from and against all Claims/Costs which may be assessed against the State in any action for infringement of a United States Letter Patent with respect to the products furnished, or of any copyright, trademark, trade secret or intellectual property right, in relation to the Contract provided that the State shall give Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit; (ii) the opportunity to take over, settle or defend such Claim/Cost at Contractor's sole expense; and (iii) reasonable assistance in the defense of any such action at the expense of Contractor. Where a Claim/Cost arises relative to a real or anticipated infringement, the State, its officers, trustees, employees, servants, subcontractors, agents, and/or volunteers, may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as to such infringement claim as the State deems necessary.

(e) In addition to the foregoing remedies for patent infringement Claims/Costs, if the use of the product, material, or service or part(s) thereof shall be enjoined for any reason or if Contractor believes that such use may be enjoined, Contractor shall have the right, at its own expense and sole discretion to take action in the following order of precedence: (i) to procure for the State the right to continue using such product, material, or service or part(s) thereof, as applicable, under the same terms and conditions as provided in the Contract; (ii) to modify the product, material, or service so that it becomes a non-infringing product, material, or service of at least equal quality and performance, in the State's sole opinion; (iii) to replace the product, material, or service or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, in the State's sole opinion; or (iv) if none of the foregoing is commercially reasonable, provide monetary compensation to the State.

(f) Contractor agrees to indemnify and defend the State from all Claims/Costs relating to Contractor's or its subcontractors' fault or negligence, including, but not limited to, any claims relating to the failure of Contractor to provide services or fulfill obligations as specified in the Contract due to financial hardship or insolvency.

(g) Contractor agrees to investigate, handle, respond to, provide defense for and defend any Claims/Costs at its sole expense and agrees to bear all other costs and expenses related thereto, even if the Claims/Costs are groundless, false or fraudulent.

(h) The State may, in addition to other remedies available to the State, its officers, trustees, employees, servants, subcontractors, agents, and/or volunteers at Law or equity and upon notice to Contractor, retain such monies from amounts due Contractor as may be necessary to satisfy any Claims/Costs asserted by or against the State, its officers, trustees, employees, servants, subcontractors, agents, and/or volunteers, for which Contractor owes indemnification and/or defense pursuant to this Section.

6 FORCE MAJEURE

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. Whether a delay or failure results from a force majeure is ultimately determined by the State based on a review of all facts and circumstances. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

7 CONTRACT CONTROVERSIES

Any claim or controversy arising out of the Contract shall be resolved by the provisions of La. R.S. 39:1672.2-1672.4.

8 FUND USE

Contractor agrees not to use Contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot, nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

9 ASSIGNMENT

Contractor shall not assign any interest in this Contract by assignment, transfer, novation, or otherwise without prior written consent of the OGB CEO or his/her delegee. This provision shall not be construed to prohibit Contractor from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment, transfer, or novation shall be furnished promptly to the State Contract Monitor and shall not be binding upon the State until actually received by the State.

10 RIGHT TO AUDIT

The State Legislative Auditor, federal auditors, internal auditors of the Division of Administration and its designated agents the State, OGB, or others so designated by the State/OGB shall be entitled to annually audit all accounts, procedures, matters, and records of any Contractor or subcontractor under any negotiated Contract or subcontract directly pertaining to the Contract for a period of five (5) years after final payment under the Contract and for the subcontractor/vendor for a period of five (5) years from the date of final payment under the subcontract or such longer period as required by applicable state and federal law. Records, including direct read access to databases and all tables, shall be made available during normal business hours for this purpose.

The State has the right to hire an independent third-party auditor, if the State deems necessary, to review all accounts, procedures, matters, and records, and Contractor and/or subcontractor/vendor shall provide access to all files, information system access, and space access upon request of the State for the third-party auditor selected to perform the indicated audit. Third-party auditors selected by OGB shall execute Contractor's form of confidentiality agreement prior to performance of any audit functions. OGB acknowledges that if any independent auditor it retains to conduct any Rebate audit also performs consulting services, such auditor must maintain a firewall between its consulting activities and its audit activities.

OGB agrees that, to promote efficiency, full Claims and Rebate audits will be conducted for full-year periods, not more frequently than annually.

In the event that an examination of records results in a determination that previously paid invoices included charges which were improper or beyond the scope of the Contract, Contractor agrees that the amounts paid to the Contractor shall be adjusted accordingly, and that the Contractor shall within thirty (30) days of notification of such finding issue a remittance to the State of any payments declared to be improper or beyond the scope of the Contract. In combination therewith, or alternatively, the State, at its option, may offset the amounts deemed improper or beyond the scope of the Contract against Contractor's outstanding or subsequent invoices, if any.

10.1 RECORDS

All records, reports, documents, or other material related to this Contract, delivered or transmitted to the Contractor by the State or its employees, agents, or authorized vendors, and/or obtained or prepared by Contractor or its subcontractors/vendors in connection with the performance of the services under the Contract, shall become records of the State and are referred to herein as "Records."

Contractor agrees to retain all Records in accordance with all Louisiana and federal laws and regulations. Further, Contractor agrees to retain all Records in accordance with OGB's official retention schedules (the "Schedules"), Attachment IV, until such time as the Records are returned to the State or other disposition is agreed. In the event the applicable Law and the Schedules contain different retention periods, the Records shall be kept for the longer period. Records shall be in a format and media as required by applicable law or as agreed upon by the parties in writing if allowed by applicable law. The Schedules in place as of the effective date of this Contract are contained in Attachment IV, Records Retention Schedule, and may be amended from time to time as deemed necessary by the State. To further ensure compliance with the Schedules and Louisiana retention laws, Contractor agrees to abide by the processes outlined in Attachment V, Imaging System Survey Compliance and Records Destruction. Contractor shall return the Records to the State, at Contractor's expense, within seven (7) days of request or in the specific instance of termination or expiration of the Contract, within sixty (60) days after the termination or expiration of this Contract, and shall retain no copies of the Records unless required by applicable law, provided, the confidentiality and security requirements of this Contract shall apply to such Records as long as they are retained by the Contractor. Additionally, all State data must be sanitized from Contractor's (and its vendors') systems in compliance with the most current revision of NIST SP 800-66.

10.2 CONTRACTOR'S COOPERATION

Contractor has the duty to fully cooperate with the State and provide any and all requested information, documentation, or other such requested support to the State immediately upon request. This applies even if the Contract is terminated and/or litigation ensues. Specifically, Contractor shall not limit or impede OGB's right to audit or withhold Records.

11 CONTRACT MODIFICATIONS

No amendment or variation of the terms of this Contract shall be valid unless made in writing, signed by the parties, and approved as required by applicable law. No oral understanding or agreement not incorporated in the Contract shall be binding on any of the parties.

12 CONFIDENTIALITY OF DATA

All financial, statistical, personal, technical, and other data and information relating to the State's operation or the Contract which are made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective security and procedural requirements as are applicable to OGB and the State. The Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information (other than protected health information) which is or becomes publicly available through no fault of Contractor or its subcontractors, vendors, agents, or employees, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the Contract, or is rightfully obtained from third parties without breach of the Contract.

Under no circumstance shall the Contractor discuss and/or release information to the media concerning this Contract or any Plan Participant without prior express written approval of the OGB CEO or his/her delegee.

OGB acknowledges that Contractor has asserted that certain information of Contractor relating to Contractor's operations, systems, programs, costs, and pricing data ("Contractor Confidential Information") is Contractor's confidential, proprietary and trade secret information that is exempt from disclosure under the Louisiana Public Records Law. OGB agrees that, to the extent feasible, it will notify Contractor of any request for Contractor Confidential Information, including a request made pursuant to the Louisiana Public Records Law, and provide Contractor a reasonable opportunity to redact or otherwise designate Contractor Confidential Information from any requested records. Should OGB or other State agency with responsibility for responding to records requests disagree with Contractor's request for non-disclosure of such identified Contractor Confidential Information, OGB shall notify Contractor of its intent to disclose such information and, to the extent legally permitted, allow Contractor to seek judicial relief to prevent such disclosure.

12.1 SECURITY/DUTIES TO MONITOR AND REPORT SECURITY EVENTS

Contractor's personnel shall always comply with all security regulations in effect at the State's premises, and externally for materials belonging to the State or to the project.

The Contractor and its subcontractors/vendors shall maintain safeguards and take commercially reasonable technical, physical, and organizational/administrative precautions to ensure that the State's data is protected from unauthorized access, use, and disclosure, in accordance with the State's current and published Information Security Policy found at https://www.doa.la.gov/media/wvmhsr1r/infosecpolicy-v-1-0-2.pdf. The Contractor shall implement and maintain safeguards and monitoring plans to detect unauthorized access to or use of confidential information and any attempts to gain unauthorized access to confidential information. The Contractor, on behalf of itself and its subcontractors/vendors, shall provide the Contract Monitor with immediate notification (not more than forty-eight (48) hours) of the

Contractor's awareness of any Security Event, as defined in the Information Security Policy ("Security Event"), involving confidential information under this Contract and also report such Security Event to Louisiana's Information Security Team at 1.844.692.8019 (open 24 hours a day, 7 days a week) as soon as feasibly possible, not to exceed 48 hours following discovery of the Security Event. The reference to Security Event herein may include, but not be limited to, the following: attempts at gaining unauthorized access to confidential information or the unauthorized use of a system for the processing or storage of confidential information, or the unauthorized use or disclosure, whether intentional or otherwise, of confidential information. The Parties acknowledge the ongoing existence of pings, port scans, and other routine unsuccessful attempts at accessing and/or interfering with Contractor's information system that do not pose a threat or hazard to the integrity of the State's data and about which no further notification is necessary.

In the event of a Security Event, the Contractor and its subcontractors/vendors shall consult and cooperate fully with the State regarding the necessary steps to address the factors giving rise to the Security Event and to address the consequences of such Security Event. Contractor shall also provide assistance performing a risk assessment of any Security Event that occurs, if requested by the State.

The Contractor and its subcontractors/vendors must follow OTS Information Security Policy for Data Sanitization requirements for any equipment replaced during the Contract, and at the end of the Contract, for all equipment which previously housed confidential or restricted data, from all State agencies.

The Contractor and its subcontractors/vendors must ensure the secure data transmission of confidential or restricted data to and from the State's network. The secure data transmission requirements may include, but not be limited to, the following: minimum security transport layer of TLS 1.2; file level encryption with Public Key Infrastructure (PKI) of a minimum strength of 2048 key length, RSA key format, and maximum five (5) years expiration from creation date.

Prior to the commencement of any work by a Subcontractor, the Contractor shall update all Contracts with subcontractors/vendors, which may have access to or house confidential or restricted data from all State agencies, to meet all security requirements provided within this contract.

Nothing in this Contract shall be deemed to affect or limit any rights an individual participant may have under any applicable state or federal law concerning privacy rights or the unauthorized access, use, or disclosure of protected health information.

12.2 THIRD PARTY REQUESTS FOR RELEASE OF INFORMATION

Should third parties request the Contractor to submit confidential information to them pursuant to an audit or other request not initiated by the Contractor, public records request, subpoena, summons, search warrant or governmental order, the Contractor will notify the State immediately upon receipt of such request. Notice shall be forwarded via e-mail to the OGB CEO and Contract Monitor. The Contractor shall cooperate with the State with respect to defending against any such requested release of information or obtaining any necessary judicial protection against such release if, in the opinion of the State, the information contains confidential information which should be protected against such disclosure. The reasonable

legal fees and related expenses incurred by the Contractor or its subcontractor in resisting the release of information under this provision shall constitute reimbursable expenses under this Contract.

Legal service fees of law firms engaged pursuant to this Section will not be "marked up" (i.e., invoiced cost-plus) by the Contractor, but will be reimbursed in accordance with Policy and Procedure Memo 50 (PPM 50) (Attorney Case Handling Guidelines and Billing Procedures).

13 SUBCONTRACTORS

The Contractor may enter into subcontracts with third parties for the performance of any part of the Contractor's duties and obligations, with the express prior written approval of the OGB CEO or his/her designee. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the State for any breach or deficiency in the performance of the Contractor's duties. The Contractor will be the single point of contact for all subcontractor work. The Contractor shall require subcontractors/vendors who are performing any key internal control to undergo independent assurance project/program review.

14 COMPLIANCE WITH LAWS

The Contractor must comply with all applicable laws while providing services under this Contract. Specifically, Contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990 as amended.

Contractor agrees not to discriminate in its employment practices, and will render services under this Contract without regard to race, color, religion, sex, age, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor or its subcontractors, or failure to comply with these statutory obligations when applicable, shall be grounds for immediate termination of this Contract.

15 INSURANCE

Contractor's Insurance: The Contractor shall not commence work under the resulting Contract until it has obtained all insurance required herein, and Contractor shall maintain the required insurance for the duration of the Contract or as further indicated herein. The date of the inception of the policy must be no later than the first date of anticipated work under the Contract. Certificates of Insurance shall be filed with the State for approval. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the State before work is commenced.

Workers' Compensation Insurance: Before any work is commenced, Contractor must have in place and shall maintain during the life of the Contract, Workers' Compensation Insurance for all of Contractor's employees and other persons for whom Contractor is required to provide Workers' Compensation Insurance under applicable law. In case any work is sublet, Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. Workers' Compensation Insurance shall be in compliance with

the Workers' Compensation law of the state of the Contractor's headquarters. Employer's Liability Insurance shall be included with a minimum limit of $500,000 per accident/per disease/per person. If work is to be performed over water and involves maritime exposure, applicable LHWCA, Jones Act, or other maritime law coverage shall be included and the Employer's Liability limit increased to a minimum of $1,000,000 per accident/per disease/per person. A.M. Best's insurance company rating requirement may be waived for workers' compensation coverage only.

Workers' Compensation Indemnity: In the event Contractor is not required to provide or elects not to provide workers' compensation coverage, the parties hereby agree that Contractor, its owners, agents, and employees will have no cause of action against, and will not assert a claim against, the State of Louisiana, its departments, agencies, agents and employees as an employer, whether pursuant to the Louisiana Workers' Compensation Act or otherwise, under any circumstance. The parties also hereby agree that the State of Louisiana, its departments, agencies, agents and employees shall in no circumstance be, or considered as, the employer or statutory employer of Contractor, its owners, agents, and employees. The parties further agree that Contractor is a wholly-independent contractor and is exclusively responsible for its employees, owners, and agents. Contractor hereby agrees to protect, defend, and indemnify the State of Louisiana, its departments, agencies, agents, and employees from any such assertion or claim that may arise from the performance of this Contract.

Commercial General Liability Insurance: Contractor shall maintain during the life of the Contract such Commercial General Liability Insurance, including but not limited to Personal and Advertising Injury Liability, which shall protect it, and the State, its officers, trustees, employees, servants, and/or agents, from losses, claims, demands, liabilities, suits, actions, damages, costs, fines, penalties, judgments, forfeitures, assessments, expenses, obligations (including attorneys' fees), and other liabilities relating to personal injury, general negligence, violation of or failure to comply with any state or federal law, regulation, or other legal mandate, and damage to real or personal tangible property to the extent caused by Contractor, its employees, officers, agents, partners, or, subject to the subsection titled "Subcontractor's Insurance", below, subcontractors, and which may arise from operations or services under the Contract, whether such operations or services be by Contractor or by a subcontractor, or by anyone directly or indirectly employed or procured by either of them, or in such manner as to impose liability on the State, its officers, trustees, employees, servants, and/or agents. Such insurance shall name the State of Louisiana, its officers, trustees, employees, servants, and agents as additional insureds. The amount of coverage shall be as follows: Commercial General Liability insurance, including Personal and Advertising Injury Liability, with policy limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate, and Umbrella Liability insurance, with policy limits of not less than $5,000,000 per occurrence and $10,000,000 in the aggregate.

The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (or current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.

Professional Liability (Errors & Omissions) Insurance: Contractor shall maintain professional liability insurance, which covers the professional errors, acts, or omissions of the Contractor, with minimum policy limit of $1,000,000 for the purpose of providing coverage for claims arising out of the performance of its services under this Contract. Claims-made

coverage is acceptable. Coverage shall be provided for the duration of the Contract and shall have an expiration date no earlier than thirty (30) days after the anticipated completion of the Contract. The policy shall provide an extended reporting period of not less than thirty-six (36) months, with full reinstatement of limits, from the expiration date of the policy, if the policy is not renewed.

Cyber/Data Breach Liability Insurance: Contractor shall have in place before commencing work under the Contract and maintain during the life of the Contract and for the extended reporting period herein, cyber/data breach liability insurance, including first-party costs, for any data breach that compromises the State's confidential data with a minimum policy limit of $25,000,000 or self-insurance limit of $25,000,000 for the purpose of providing coverage for claims arising out of the performance of its services under the Contract. Claims-made coverage is acceptable. Such insurance policy shall name the State of Louisiana, its officers, trustees, employees, servants, and agents as additional insureds. If self-insured, evidence of self-insurance must be provided to and accepted by the State. Coverage shall be provided for the duration of the Contract and shall have an expiration date no earlier than thirty (30) days after the anticipated completion of the Contract. The policy shall provide an extended reporting period of not less than twenty-four (24) months from the expiration date of the policy, if the policy is not renewed. The policy shall not be cancelled for any reason, except non-payment of premiums.

Owned, Non-Owned and Hired Motor Vehicles/Automobile Liability: Contractor shall maintain during the life of the Contract, Automobile Liability Insurance in an amount not less than combined single limits of $1,000,000 per occurrence for bodily injury/property damage. ISO form number CA 00 01 (or current form approved for use in Louisiana), or equivalent, is to be used in the policy. Such insurance shall cover and include third-party bodily injury and property damage liability for any owned, non-owned, and hired motor vehicles engaged in operations within the terms of the Contract, unless such coverage is included in insurance elsewhere specified.

Subcontractor's Insurance: Contractor shall include all subcontractors performing work required by this Contract as insureds under its policies OR shall be responsible for verifying and maintaining the Certificates of Insurance provided for any and all subcontractors, which are not protected under the Contractor's own insurance policies, of the same nature and in the same amounts as required of Contractor. Subcontractors shall be subject to all of the requirements stated herein. The State reserves the right to request copies of subcontractor's Certificates of Insurance at any time.

Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and accepted by the State. The Contractor shall be responsible for all deductibles and self-insured retentions.

Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages
    a. The State, OGB, its officers, agents, employees, and volunteers shall be named as an additional insured as regards negligence by the Contractor. ISO Form CG 20 10 (or current form approved for use in Louisiana), or equivalent, is to be used when

applicable. The coverage shall contain no special limitations on the scope of protection afforded to the State.

b. The Contractor's insurance shall be primary as respects the State, OGB, its officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the State/OGB shall be excess and non-contributory of the Contractor's insurance.

c. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the State/OGB, its officers, agents, employees, and volunteers.

d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the policy limits.

2. Workers' Compensation and Employer's Liability Coverage

The insurer shall agree to waive all rights of subrogation against the State/OGB, its officers, agents, employees, and volunteers for losses arising from work performed by the Contractor for the State/OGB under the Contract.

3. All Coverages

a. Coverage shall not be cancelled, suspended, or voided by either the Contractor or the insurer or reduced in coverage or in limits, except after 30 days' written notice has been given to the OGB/State. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy.

b. Neither the acceptance of the completed work nor the payment thereof shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.

c. The insurance companies issuing the policies shall have no recourse against the OGB/State for payment of premiums or for assessments under any form of the policies.

d. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the State/OGB, its officers, agents, employees, and volunteers.

Acceptability of Insurers: All required insurance shall be provided by a company or companies lawfully authorized to do business in the jurisdiction(s) in which the Project is performed. Insurance shall be placed with insurers with a A.M. Best's rating of A-:VI or higher. This rating requirement may be waived for worker's compensation coverage only.

If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance as required in the Contract.

Verification of Coverage: Contractor shall furnish the OGB/State with Certificates of Insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The

Certificates are to be received and approved by the OGB/State before work commences and upon any Contract renewal thereafter.

In addition to the Certificates, Contractor shall submit the declarations page and the cancellation provision endorsement for each insurance policy. The OGB/State reserves the right to request complete certified copies of all required insurance policies at any time.

Upon failure of the Contractor to furnish, deliver, or maintain such insurance as above provided, the Contract, at the election of the OGB/State, may be suspended, discontinued, or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the Contract.

16 APPLICABLE LAW

This Contract shall be governed by and enforced in accordance with the laws of the State of Louisiana, including but not limited to La. R.S. 39:1551-1736 (Louisiana Procurement Code, as applicable) (collectively referred to as the "Law"). After exhaustion of any available administrative remedies, the exclusive venue of any action brought with regard to this Contract shall be in the Nineteenth (19th) Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

17 LEGAL REQUIREMENTS

17. 1 ACT 124 OF THE 2019 REGULAR LEGISLATIVE SESSION

The Contractor shall comply with all applicable laws of the State of Louisiana, including but not limited to, Act 124 (Senate Bill 41) of the 2019 Regular Legislative Session.

17.2 La. R.S. 40:2870, ACT 124 OF THE 2019 REGULAR LEGISLATIVE SESSION

The Contractor shall comply with all applicable laws of the State of Louisiana, including but not limited to La. R.S. 40:2870, Act 124 (Senate Bill 41) of the 2019 Regular Legislative Session. In adhering to La. R.S. 40:2870, Contractor shall not:

(1) Commit any unfair and deceptive trade practice prohibited by R.S. 22:1964(15).

(2) Perform any act that violates the duties, obligations, and responsibilities imposed under the Louisiana Insurance Code on a pharmacy benefit manager.

(3) Buy, sell, transfer, or provide personal healthcare or contact information of any beneficiary to any other party for any purpose with one exception. A pharmacy benefit manager may provide such information regarding beneficiaries of a health plan to that health plan provider if requested by the health plan provider.

(4) Conduct or participate in spread pricing as defined in R.S. 22:1863(9) without providing the notice required by R.S. 22:1867.

(5)(a) Directly or indirectly engage in patient steering to a pharmacy in which the pharmacy benefit manager maintains an ownership interest or control without making a written disclosure and receiving acknowledgment from the patient. The disclosure required by this Paragraph shall provide notice that the pharmacy benefit manager has an ownership interest in or control of the pharmacy, and that the patient has the right under the law to use any alternate pharmacy that they choose. The pharmacy benefit manager is prohibited from retaliation or further

attempts to influence the patient, or treat the patient or the patient's claim any differently if the patient chooses to use the alternate pharmacy.

(b) The provisions of this Paragraph shall not apply to employers, unions, associations, or other persons who employ, own, operate, control, or contract directly with a pharmacy or pharmacist for the purpose of managing or controlling prescription costs paid for the benefit of an employee or member or those covered by the employee or member's plan, or when the persons contract with a pharmacy benefit manager to steer employees or members to pharmacists or pharmacies which the person owns, operates, or controls.

(6)(a) Penalize a beneficiary or provide an inducement to the beneficiary for the purpose of getting the beneficiary to use specific retail, mail order pharmacy, or another network pharmacy provider in which a pharmacy benefit manager has an ownership or controlling interest or that has an ownership or controlling interest in a pharmacy benefit manager.

(b) For purposes of this Paragraph, "inducement" means the providing of financial incentives, including variations in premiums, deductibles, copayments, or coinsurance.

(c) The provisions of this Paragraph shall not apply to employers, unions, associations, or other persons who employ, own, operate, control, or contract directly with a pharmacy or pharmacist for the purpose of managing or controlling prescription costs paid for the benefit of an employee or member or those covered by the employee or member's plan, or when the persons contract with a pharmacy benefit manager to steer employees or members to pharmacists or pharmacies which the person owns, operates, or controls.

(7) Retroactively deny or reduce a claim of a pharmacist or pharmacy for payment or demand repayment of all or part of a claim after the claim has been approved by the pharmacy benefit manager as authorized by R.S. 22:1856.1.

(8) Reimburse a local pharmacist or local pharmacy, as defined in R.S. 46:460.36(A), less than the amount it reimburses chain pharmacies, mail-order pharmacies, specialty pharmacies, or affiliates of the pharmacy benefit manager for the same drug or device or for the same pharmacy service in this state.

(9) Fail to update prices as required by R.S. 22:1857.

(10)(a) Fail to honor maximum allowable cost (MAC) prices as set forth in R.S. 22:1863 et seq.

(b) Shall not require a pharmacist or pharmacy to purchase drugs from any particular wholesaler. However, if Contractor recommends or provides a wholesaler, then that wholesaler must be willing and able to honor the Contractor's MAC price, ship the order, and have receipt of the order within two business days with no additional charge to the pharmacist.

(c) If the wholesaler chooses not to sell the drug to the pharmacist or pharmacy, then the MAC price set by Contractor must be adjusted to the price available to the pharmacist or pharmacy through another wholesaler.

(11) Fail to meet the payment standards established in R.S. 22:1856.

(12) Fail to provide detailed remittance advice to pharmacists and pharmacies in compliance with R.S. 22:1856.

(13)(a) Fail to pay any state or local sales tax imposed on any drug, device, or pharmacy services or to remit the sales tax to the appropriate pharmacist or pharmacy for the tax proceeds to be forwarded to the sales tax authority.

(b) As provided in La. R.S. 40:2870, if Contractor does not pay the sales tax, Contractor shall be liable to the taxing authority for the tax, interest, penalties, and any other fees or costs imposed by law for failure to pay sales taxes.

(c) Contractor shall not deduct the taxes from any amount due to a pharmacist or pharmacy for a drug, device, or pharmacy service or charge or pay anyone a fee or surcharge for paying any sales tax or remitting any sales tax proceeds to a pharmacist or pharmacy if that fee or surcharge would be imposed directly or indirectly on the pharmacist or pharmacy.

(d) If Contractor pays any out-of-state pharmacist or pharmacy for drugs or devices shipped to a beneficiary in this state or for pharmacy services rendered to a beneficiary which is taxable in this state, Contractor shall remit the tax directly to the appropriate taxing authority.

(e) State or local sales taxes and other applicable state-imposed taxes or fees shall be considered as part of the allowable cost and shall be included in the claim submitted by a pharmacist or pharmacy.

(14) Restrict early refills on maintenance drugs to an amount less than seven days for a prescription of at least a thirty-day supply.

(15) Require a beneficiary to follow a plan's step therapy protocol if the prescribed drug is on the health plan's prescription drug formulary, the beneficiary has tried the step therapy required prescription drug while under his current or previous health plan, and the provider has submitted a justification and supporting clinical documentation that such prescription drug was discontinued due to lack of efficacy or effectiveness, diminished effect, or an adverse effect or event.

(16) Delay a decision on a request for authorization to dispense a prescription drug for more than seventy-two hours, or twenty-four hours in exigent circumstances in which the patient, in the opinion of the prescribing provider, pharmacy, or pharmacist submitting the authorization request, is suffering from a health condition that may seriously jeopardize the patient's life, health, or ability to regain maximum function. A request for authorization shall include relevant data or appropriate documentation to render a decision on a request for authorization.

(17) Exploit prescription drug information obtained from beneficiaries for monetary gain or economic power over beneficiaries, pharmacists, or pharmacies.

(18) Sell, exchange, or use in any manner prescription drug information regarding a beneficiary obtained through a beneficiary's use of a prescription for purposes of marketing, solicitation, consumer steering, referral, or any other practice or act, except as otherwise provided for in this Section, that provides the pharmacy benefit manager or any of its affiliates or subsidiaries economic power or control over pharmacists or pharmacies or interferes in the free choice of a beneficiary.

(19) Engage in drug repackaging and markups. If Contractor owns or controls a mail-order pharmacy, Contractor shall not allow the mail-order pharmacy to repackage drugs and sell the repackaged items at higher prices than the original average wholesale price unless beneficiaries

who may buy the repackaged drugs are informed in writing that the drugs have been repackaged and are being sold at the higher price.

(20) Operate in Louisiana without either being registered with and in good standing with the Louisiana secretary of state to do business in Louisiana or being licensed by and in good standing with the commissioner of insurance, as provided by this Chapter.

17.3 La. R.S. 22:1651(J)(1), Special Requirements

In accordance with La. R.S. 22:1651(J)(1), OGB or its contractor shall not require any license, accreditation, affiliation, or registration other than those required by federal or state government. Any contract provision in conflict with this provision shall be severable from the contract, considered null and void, and not enforceable in this state.

17.4 La. R.S. 22:1860.2, Certain pharmacy claims fees prohibited

In accordance with La. R.S. 22:1860.2, OGB or its contractor shall not directly or indirectly charge or hold a pharmacy or pharmacist responsible for any fee related to a claim that is any of the following:

(1) Not apparent at the time of claim processing.

(2) Not reported on the remittance advice of an adjudicated claim.

(3) After the initial claim is adjudicated.

17.5 La. R.S. 40:2865, General licensing and permitting requirements

In accordance with La. R.S. 40:2865, every pharmacy benefit manager that does business in this state or pays for benefits for a beneficiary through a pharmacy benefit management plan shall be licensed or permitted as required. A copy of the valid license or permit must be provided to OGB prior to the effective date of the contract.

18 MAIL ORDER

The Contractor shall not steer OGB plan participants to use a mail order pharmacy by penalizing plan participants for not selecting mail order or by offering any inducement for the purposes of increasing plan participants' usage of mail order. The Contractor shall not solicit OGB plan participants' usage of mail order pharmacies by advertising, marketing, or promoting its mail order pharmacy, either orally or in writing, including online messaging. This provision does not prohibit the Contractor from including the mail order pharmacy option with other annual enrollment and general information that includes all options of obtaining pharmaceuticals.

19 CODE OF ETHICS

Contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (La. R.S. 42:1101, *et. seq.*, Code of Governmental Ethics) applies to the contracting parties in the performance of services called for in this Contract. Contractor agrees to immediately notify the OGB's CEO if violations or potential violations of the Code of Governmental Ethics by or through Contractor or its subcontractors/vendors under this Contract arise at any time during the term of this Contract.

20 SEVERABILITY

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end, the terms and conditions of this Contract are declared severable.

21 INDEPENDENT ASSURANCES

Contractor shall submit, and cause its subcontractors who perform key internal controls to submit, to certain independent audits to ascertain that processes and controls related to the contracted service are operating properly. Independent assurances may be in the form of a Service Organization Control ("SOC") 1, Type II and/or SOC 2, Type II report resulting from an independent annual SSAE 18 engagement of the operations. The SSAE 18 engagement will be performed at least annually by an audit firm that will conduct tests and render an independent opinion on the operating effectiveness of the controls and procedures. The audit firm that will conduct the SSAE 18 engagement will submit a final report on controls placed in operation for the project and include a detailed description of the audit firm's tests of the operating effectiveness of controls. The Contractor shall supply the State with an exact copy of the SOC report resulting from the SSAE 18 engagement within the specified timeframe. Contractor shall also provide a bridge letter to OGB for the period of January 1-June 30, 2023 no later than July 31, 2023, and for the period of January 1-June 30 of the following independent assurance reporting period no later than July 31 of each calendar year thereafter. The OGB will not sign a non-disclosure agreement in order to obtain any of the independent assurances referenced herein.

The cost of such independent assurances will be borne solely by Contractor. Such independent assurances shall be performed at least annually during the term of the Contract. Contractor may review any audit report before delivery to the State and include with the report a supplementary statement containing facts that Contractor considers pertinent to the audit or engagement. Contractor shall implement recommendations as suggested by the program review and/or audit, within three (3) months of report issuance and at no cost to the State.

22 NOTICE

Any notice required or permitted by this Contract, unless otherwise specifically provided for in this Contract, shall be in writing and shall be deemed given upon receipt following delivery by: (i) an overnight carrier and addressed as detailed below; (ii) hand delivery if notice is to the State/OGB; (iii) email to the email addresses below; or, (iv) registered or certified mail return receipt requested, and addressed as follows:

To CVS Caremark:
Cheryl Byron
Vice President
CVS Caremark
Attn: PBM Legal Notices
2100 E. Lake Cook Road, 5th Floor
Buffalo Grove, IL 60089

With a copy to:

CVS Caremark
9501 E. Shea Blvd.
Scottsdale, AZ 85260
Attn: Senior Vice President, Health Care Services
Fax No: (480) 314-8231
Or

RS4096@CVSHealth.com

To OGB:

David W. Couvillon, CEO
Office of Group Benefits
Post Office Box 44036
Baton Rouge, LA 70804

Or

David W. Couvillon, CEO
Office of Group Benefits
1201 N. 3rd Street, Suite G-159
Baton Rouge, LA 70802
For hand delivery

The U.S. Postal Service does not make deliveries to OGB's physical location.

At any time, either party may change its addressee and/or address for notification purposes by mailing a notice stating the change and setting forth the new address.

23 HEADINGS

Descriptive headings in this Contract are for convenience only and shall not affect the construction or meaning of Contractual language.

24 ENTIRE AGREEMENT

This Contract, together with the RFP and addenda issued thereto by the State, the Proposal submitted by the Contractor in response to the RFP, and any exhibits incorporated herein by reference, shall constitute the entire agreement between the parties with respect to the subject matter hereof.

25 ORDER OF PRECEDENCE

In the event of any inconsistent or incompatible provisions, this signed Contract (excluding the RFP and the Contractor's Proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of the Contractor's Proposal.

26 BUSINESS ASSOCIATE ADDENDUM

A Business Associate Addendum, Attachment III, shall be executed between the parties to this Contract to protect the privacy and provide security of Protected Health Information ("PHI") and personally-identifiable information ("PII") in compliance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, as amended from time to time.

OGB is a "Covered Entity" under HIPAA/HITECH. For the purposes of this Contract, Contractor is deemed to be a "Business Associate" of OGB as such term is defined by HIPAA and regulations promulgated thereunder, including in the Privacy Standard of the Federal Register, published on December 28, 2000, and the parties have executed a Business Associate Addendum attached to this Contract as Attachment III, and made a part of this Contract. The parties understand and agree that if additional agreements are required to be compliant as required under HIPAA and applicable law, the parties will execute such agreements in a timely manner. Contractor agrees that its processes, systems, and reporting will be in full compliance with federal and state requirements, including but not limited to HIPAA, throughout the term of the Contract. Any fines or penalties imposed on any party related to Contractor's or its subcontractors' non-compliance will be the sole responsibility of Contractor. Contractor shall require its subcontractors' and any other vendors' processes, systems, and reporting to be in full compliance with federal and state requirements, including but not limited to HIPAA. Further, Contractor agrees that its organization, and that it requires that its subcontractors/vendors, will comply with all HIPAA regulations throughout the term of the Contract with respect to any issue related to the OGB Contract, plans, or participants involving PHI/PII, including but not limited to participant services, complaints, appeals determinations, notification of rights, and confidentiality. Contractor shall require that all agreements with subcontractors or other vendors providing services for this Contract include the provisions of this Section and any Attachments referenced herein. OGB shall be provided copies of such subcontractor/vendor agreements upon request.

Notwithstanding any provision to the contrary, major delegated functions involving PHI and PII, including but not limited to claims processing, customer service, and any other services as provided by applicable Law, shall not be sourced outside of the territorial and jurisdictional limits of the fifty (50) United States of America.

27 CONTRACTOR ELIGIBILITY

At the time of execution, Contractor, and each tier of subcontractors/vendors, certifies that it is not on the List of Parties Excluded from Federal Procurement or Non-procurement Programs promulgated in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension" as set forth in 24 CFR Part 24. Contractor has a continuing obligation to disclose any suspensions, debarment, or investigations by any government entity, including but not limited to General Services Administration (GSA). Failure to disclose may constitute grounds for suspension and/or termination of the Contract and debarment from future contracting opportunities.

28 CONTINUING OBLIGATIONS

Notwithstanding any provisions to the contrary herein, upon the termination of this Contract for any reason, the provisions of this Contract which by their nature require some action or forbearance after such termination, including but not limited to confidentiality, PHI, reporting, indemnity, insurance, records retention, and performance guarantees, shall survive such

termination and be binding until any actions, obligations, and/or rights provided therein have been satisfied or released.

29 MARKET CHECK PROVISION

OGB reserves the right to exercise annual market checks during the second quarter of each contract year for the Contract term to assess and verify the competitiveness of the pricing and other terms set forth in the Contract in comparison to that available in the marketplace at that time. OGB may designate a third party of its choosing that will compare the aggregate value of the upcoming Contract year pricing and other terms to what they may receive under a competitive procurement. Benchmarks chosen in the analysis shall be groups with similar plan design, membership and utilization patterns as OGB, to the extent possible. Should the comparison find current market conditions would yield greater than 1.0% savings, the parties will discuss in good faith a revision to the current pricing and other terms that will at least match the best offer in the marketplace and will go into effect the first day of the upcoming Contract year. If the parties are unable to reach agreement on revised pricing terms or other applicable provisions within sixty (60) days from the market check report, OGB may terminate the Contract without penalty (e.g., no loss of rebates earned but not yet paid) as indicated in Section 4.2.

30 PREFERRED CLIENT

OGB should be recognized as a preferred client relationship and should benefit from yearly pricing improvements provided to any other clients in Contractor's "book of business". Essentially, if Contractor offers better pricing to another client during the Contract term, OGB will benefit from the lesser pricing arrangement and receive the benefit of any offered enhancements.

31 CENTERS FOR MEDICARE AND MEDICAID SERVICES

Contractor shall make its books and records in connection with any Medicare business available to CMS and/or its designees in accordance with 42 CFR 423.504(d) and 42 CFR 423.505(d) and (e). In this regard, CMS and/or its designees shall have the right to audit, evaluate, and inspect any books, contracts, records, computer and/or other electronic systems, including medical records and documentation involving transactions related to the Plan and/or Medicare business provided under this Contract (including coverage costs, low income subsidies, and privacy and security of PHI and other personally identifiable information, enrollment and disenrollment) and any additional relevant information that CMS may require, and these rights shall continue for a period of ten (10) years, or longer if required by CMS, from the final date of the Contract period or from the date of completion of any audit, whichever is later. CMS and/or its designees shall have direct access (i.e., on-site access) to the Contractor, and the Contractor will make such books, records, computer and/or other electronic systems, directly available to CMS and/or its designee(s) for such inspection, evaluation, and audit.

32 TRANSITION OF SERVICES AND DATA

Contractor shall comply with the provisions of this Contract, and other requests of OGB/State, to accomplish a timely transition of services without interruption of services to participants. During any such transition, Contractor will provide all of the same Records and

data in the same format as provided during the term of the Contract, to OGB/State or its designee. Contractor further agrees that no dispute or objection it may have regarding the propriety of any transition of services by OGB/State will relieve Contractor of these obligations.

33 PROHIBITION OF DISCRIMINATORY BOYCOTTS OF ISRAEL

In accordance with La. R.S. 39:1602.1, for any contract for $100,000 or more and for any Contractor with five or more employees, Contractor, including any subcontractor, shall certify it is not engaging in a boycott of Israel, and shall, for the duration of this Contract, refrain from a boycott of Israel.

The State reserves the right to terminate this Contract if the Contractor, or any subcontractor, engages in a boycott of Israel during the term of the Contract.

(***Signature Page To Follow***)

THUS DONE AND SIGNED on the date(s) noted below:

STATE OF LOUISIANA
OFFICE OF GROUP BENEFITS

BY: Melissa Mayers

NAME: Melissa Mayers

TITLE: Chief Operating Officer

DATE: 9/2/22

CAREMARKPCS HEALTH, LLC

BY:

NAME: Cheryl Byron

TITLE: Vice President

DATE: 9/1/2022

LEGAL REVIEW

ATTACHMENT I: SCOPE OF WORK/SERVICES

The Contractor must possess the knowledge, capability, and resourcefulness to effectively provide PBM services in accordance with all federal, state, and any other applicable laws, regulations, policies, OGB requirements, etc. The Contractor will be responsible for successfully transitioning (in conjunction with OGB and the incumbent contractor) to being the Contractor responsible for completing all required services. The Contractor shall provide competent and qualified staff to work on the scope of services under the Contract.

The Contractor will be responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under the Contract. OGB reserves the right to modify or delete the tasks and services listed prior to and during the term of the Contract, subject to the approval of the OGB CEO, Office of State Procurement, and any other approval required by law.

At a summary level, these tasks include:

1. Implementation services
2. General Support Services
3. Pharmacy Benefit Manager Services
4. Clinical Management Services

Below is a list of minimum services the Contractor shall be responsible for providing under the Contract:

Task (1): Implementation

- Assign a dedicated implementation team to manage the implementation process and the transition of services from the incumbent contractor.
- Work with OGB and incumbent contractor to transfer competencies and operational expertise essential to administering OGB's pharmacy benefits program with minimal interruption to Plan Participants.
- Perform all tasks necessary to complete the pre-implementation audit (including follow-up test claims) at least ten (10) days prior to the effective date. This assumes OGB will sign off on the benefit set up at least thirty (30) days in advance of the Plan effective date.
- As set forth in Attachment II, Section 2.4, provide an implementation credit to OGB to offset OGB's expense associated with the RFP, transition, and ongoing services in the following amounts for commercial and EGWP:
    - Commercial implementation credit [redacted] per net new member ("PNNM") for the contract;
    - EGWP implementation credit of [redacted] PNNM for the contract ; and,
    - Pre-Implementation audit credit is included in the amount of [redacted] PNNM.

  In no case shall OGB be required to repay all or a portion of the used or unused implementation credit. Contractor will track such services and provide OGB a quarterly report of current utilization and remaining balance, if any, of the implementation credit. Any remaining balance will not expire and be available for use during the term of this Contract.
- As set forth in Attachment II, Section 2.4, contractor will provide administrative funds, which will be funds that OGB may use to offset "ongoing expenses," and at no point will

OGB be required to pay for used or unused portions of the credit offered by your organization. Contractor will provide the following administrative funds:

- Commercial administrative fund in the amount of [redacted] per member per year ("PMPY") for the contract term; and,
- EGWP administrative fund in the amount of [redacted] PMPY for the contract term.

- Establish and implement data utilization edits that identify and deny duplicate claims, claims filed too soon, claims requiring authorization when such authorization is not in place, as well as messages to the pharmacist for review and approval or denial of the claim(s) due to safety issues.
- Facilitate system programming including, but not limited to, data collection from OGB; file transfer set-up between OGB and Contractor; and data transfer and mapping. If Contractor requires file mapping and/or subsequent updates, this service will be provided by Contractor at no additional cost to OGB. **The file transfer protocol and the file encryption must meet OTS Information Security Requirements as posted in the OTS Information Security Policy. Files must be sent electronically to the OTS MOVEit DMZ Secure FTP server utilizing a security file transport protocol; the preference is FTPS. All files must be encrypted using Public Key Infrastructure (PKI) with a prior exchange of Public Key(s), commonly referred to as PGP encryption. The encrypted file(s) must have an extension of "pgp". The encryption key must have an expiration of no longer than five (5) years from the creation date, key strength is highly suggested 4096 with a minimum allowed 2048, key must include a valid email address and be approved by the OTS InfoSec Team. All files must be encoded as an ASCII text file prior to encryption.**
- Provide file data in a layout format designated by OGB to include, but not be limited to, Drug Claims File, Prior Authorization Review File, Appeals Determination File, and Out of Pocket Maximum. The Contractor must accept OGB's designated file layout. File layouts will be provided at no cost to OGB. **The file transfer protocol and the file encryption must meet OTS Information Security Requirements as posted in the OTS Information Security Policy. Files must be sent electronically to the OTS MOVEit DMZ Secure FTP server utilizing a security file transport protocol; the preference is FTPS. All files must be encrypted using Public Key Infrastructure (PKI) with a prior exchange of Public Key(s), commonly referred to as PGP encryption. The encrypted file(s) must have an extension of "pgp". The encryption key must have an expiration of no longer than five (5) years from the creation date, key strength is highly suggested 4096 with a minimum allowed 2048, key must include a valid email address and be approved by the OTS InfoSec Team. All files must be encoded as an ASCII text file prior to encryption.**
- Mail identification cards ("ID Cards") to the homes of newly enrolled EGWP Plan Participants within ten (10) calendar days following receipt of notification of approval from CMS. Contractor will be responsible for the cost of reproducing ID Cards and priority mail shipping in the event of Contractor errors and/or initiated changes.
- Mail welcome kits to the homes of newly enrolled Plan Participants within four (4) calendar days upon receipt of eligibility.
- Integrate with selected contractor(s) accurately and timely for the administration of the Plan, including the health claims administrator and COBRA administrator, for the purpose

of out-of-pocket maximum accumulation. **Ensure that out-of-pocket maximum accumulation integration with selected contractor(s) as defined by OGB is successful prior to the "Go-Live" date, at no additional cost.**

- Provide ten (10) read only access codes to the online eligibility, claims payment and/or standard and ad hoc reporting systems(s) (collectively, the "System") which will allow OGB's specified personnel to view and/or extract information residing in the System on an individual, Plan level, and account structure basis. Training to OGB personnel will be provided by the Contractor's Account Management Team on-site at OGB.
- Conduct project status implementation meetings with the Contract Monitor on-site, or via teleconference.
- Perform comprehensive systems testing and quality assurance audits, with results reported to OGB prior to the "Go-Live" date, at no additional cost.
- Ensure successful and timely claims data layout set-up and testing prior to the Go-Live date of January 1, 2023 at 12:00 am CT.
- Ensure successful and timely completion of all tasks necessary to begin performance of the Contract on January 1, 2023, 12:00 am CT.

Task (2): General Support Services

- Provide a dedicated Account Executive and/or Operational Account Manager that will provide day-to-day management of project tasks and activities, coordination of Contractor's employees, and possess the technical and functional knowledge to direct all aspects of the project. Also, the Account Executive must have at least one (1) back-up staff member designated to handle the overall responsibility of OGB. Assist OGB in complying with grievance and appeal procedures adopted by OGB as outlined in the Plan. The Contractor will be responsible for resolution of appeals specific to Covered Benefits, medical necessity, and external reviews consistent with the appeals program and Plan Participant requested reviews of prescription drug denials as allowed by and in accordance with all applicable Law.
- Account team members will attend open-enrollment and benefit fairs throughout Louisiana (up to 30) either virtually or on-site, as requested.
- Account Manager will work on-site at OGB headquarters for the first 30-60 days post implementation at OGB request
- Provide support around account strategy, Plan Participant inquiries, issue resolution, reports and other requested projects and deliverables.
- Provide an annual service cycle plan as well as an ongoing task log with timelines for all deliverables and weekly status update meetings in person or via teleconference.
- Attend all quarterly meetings via teleconference or on-site four times per calendar year at OGB. The meetings shall be held no later than sixty (60) days following quarter end. The Account Management Team will provide for OGB's approval a draft agenda at least ten (10) business days in advance of a meeting to allow changes to the agenda and a reasonable opportunity to prepare for the meeting.
- Maintain an ongoing process log that will document all benefit and system programming changes, which will be provided to OGB within five (5) business days of any change.

- Upon OGB's request, for management of the program, the Contractor will be required to work with the appointed OGB actuary, other selected OGB contractors, employees from the Division of Administration, and the OGB staff.
- Investigate any activity, prescription related or otherwise relating to the Plan, which Contractor believes to be fraudulent or abusive whenever detected by the Contractor or brought to the attention of the Contractor by OGB or other persons. The Contractor shall have established procedures and system edits to aggressively monitor and proactively search for cases and potential cases of fraud and abuse including providing OGB with a quarterly report of fraud activities and discoveries relating to the Contract at no cost to OGB. In instances when the Contractor has detected fraud, Contractor will pursue collection and report to OGB such collection and submit any collection owed OGB on a quarterly basis.
- Assist OGB in responding to inquiries received from Plan Participants, pharmacy providers, or other persons. Such requests shall be 1) given priority status; 2) subject to a method of tracking approved by OGB; and 3) result in the delivery of all requested information, documentation, etc. When immediate responses are required, the Contractor shall assist OGB in preparing its reply including providing data and documentation within the timeframes prescribed by OGB for a specific inquiry.
- Provide immediate online real-time manual eligibility updates for urgent requests by OGB staff.
- Make available all necessary resources to assist OGB in responding to legislative inquiries and requests including, but not limited to, the Account Management Team, analytics and outcomes, and government relations department. The Contractor shall respond within the timeframe set by OGB, which will be determined at the time of the inquiry depending upon the scope and complexity of the request.
- Provide knowledgeable staff to attend statewide annual/special enrollments and any other informational meetings as scheduled by OGB as well as prepare, print, and distribute communication materials.
- Provide advisory services to OGB regarding actual or pending state and federal laws, regulations, policies, procedures, and rules specific to self-funded plans for pharmacy benefit management, pharmacy and prescription drugs, other topics related to the provisions of this Plan and provide OGB with interpretation as to the impact of such laws or regulations on the Plan.
- Subject to OGB's customization and approval, the Contractor will be responsible for the development of pharmacy benefit information including, but not limited to 1) annual and special enrollment brochures and promotions; 2) other Plan-related printed materials (i.e., promotional, Plan Participant education, ID Cards, benefit brochures, claim forms, clinical program notices and letters, pre-formatted letters, system generated letters and notifications, correspondence forms, and other written materials and forms). The Contractor will be responsible for all costs associated with designing, writing, printing, distributing, and mailing all such information.
- Upon request of the Plan Participant, provide printed materials in a medium widely accepted and in compliance with all applicable anti-discrimination Laws.
- Provide website that is specific to OGB and that is in compliance with all applicable anti-discrimination Laws.

- Provide all printed material in electronic format with final version submitted to OGB in PDF file format.
- Provide dedicated Customer Service Representatives ("CSR") to research and resolve benefits, Claims payment, denial inquiries and complaints submitted by Plan Participants, pharmacies, and OGB, to the satisfaction of OGB. CSR must have the ability to gather and analyze data, create an historical picture, including a timeline of Claim activity for the individual Plan Participant, and develop appropriate correspondence for complicated Claim issues that are appealed to OGB.
- Furnish a dedicated toll-free number for incoming customer service calls, including telephone technology for the hearing impaired and multi-lingual support. The dedicated call center for pharmacies, Plan Participants, and account management must be staffed and available to receive calls 24/7.
- Upon request, provide digital recordings of phone calls within two (2) business days of request.
- Document and maintain a service disruption/continuity of operations plan or procedure to continue customer service activities and all other business operations when existing service is temporarily unavailable due to either scheduled or unforeseen events (i.e., repairing/restoring utility or power supply, upgrading phone systems, and other events). OGB must be notified in advance for scheduled disruptions and within twenty-four (24) hours of occurrence for other events.
- Written communications to Plan Participants that have not been previously approved by OGB will be subject to OGB's approval prior to distribution. Such changes are subject to OGB approval prior to implementation. OGB will review written communications to Plan Participants annually to ensure no change in information, legal requirements as to OGB, etc. are necessary.
- Conduct annual Plan Participant(s) and OGB satisfaction surveys and report results to OGB. The survey tools are subject to OGB's approval.
- Meet with OGB staff in person or via teleconference, on at least a weekly basis to review and evaluate Contract administration. This schedule may be modified by OGB.
- Notify OGB within five (5) business days of receipt of any class action notice and/or knowledge of other lawsuits related to the services provided hereunder in which the Contractor determines OGB could have an interest and provide copy of such to OGB. Contractor is not authorized to file such claims on behalf of OGB without OGB's express written consent. Contractor will provide claims data and reporting to use in filing for refunds or to participate in any such action or litigation at no additional costs.
- Contractor must notify the applicable state authority (i.e., state treasurer, etc.) and escheat any unclaimed property upon the expiration of the statutory time period for escheatment.

Task (3): Pharmacy Benefit Manager Services

- Provide prescription benefit management services including, but not necessarily limited to, general support and advisory services regarding pharmacy benefit design and implementation, Formulary management, network and rebate management, administrative and claims processing services, clinical management programs, reporting, marketing, customer service, quality management, and utilization management functions.

- Provide network access, without an access fee, to Louisiana pharmacies which are licensed and in good standing.
- Perform all aspects of Claims processing, coordination of benefits including non-Medicare and Medicare, Claims reimbursement, point-of-sale transactions, adjudication, and payment. The Contractor shall verify benefits and eligibility before authorizing prescriptions and paying Claims.
- Provide a process for reimbursing Plan Participants through electronic submission and paper reimbursement form.
- Provide a full Claims file feed to all vendors designated by OGB including, but not limited to, OGB's actuary and third-party claims administrator of self-insured health plans, as requested by OGB at no additional cost and in the format specified by OGB. File layouts will be provided at no cost to OGB.
- Modify Formulary as requested by OGB and communicate such modifications as necessary by transmitting disruption letters to those Plan Participants impacted by Formulary changes.
- Manage the current pharmacy benefit plan design and any changes implemented by OGB. Benefit design and coverage for supplies and prescriptions can be modified as needed and requested by OGB to align with associated health/medical programs, such as disease management and diabetic care.
- Provide innovative savings solutions for the prescription drug plan, including a detailed overview of the design and scope of the solution.
- Provide a process flow of the solution, from identification of potential savings, outreach to plan participants and providers, and data regarding savings realized by the plan and participants.
- Provide retail network (30 and 90 day), mail order, and specialty pharmacy services.
- Through Contractor's affiliate, SilverScript Insurance Company ("SilverScript"), provide comprehensive management of the EGWP, including the ability to maintain benefits for OGB retirees who are awaiting EGWP approval by CMS with 100% adherence to all CMS guidelines. Any funds received applicable to Plan Participants in Medicare Part D will be remitted to OGB within ten (10) business days of receipt from CMS and the appropriate files will be provided for purposes of reconciliation. Accordingly, OGB hereby delegates to Contractor the authority to enter into an agreement with SilverScript to provide the EGWP services to eligible Plan Participants as described in this Agreement and the contract between Contractor and SilverScript. OGB authorizes Contractor to provide to SilverScript any information available through this Agreement which is required in connection with the provision of EGWP services, in each case, in accordance with applicable laws and Attachment III: Business Associate Agreement.
- Review, clarify, edit as necessary, and confirm the accuracy of all prescription drug program information included in the annual benefit guide and website as requested by OGB. The Contractor shall respond within the timeframe set by OGB, which will be determined at the time of the request.
- Communicate as necessary with those Plan Participants on Plan Participant disruption letters to those impacted by quarterly Formulary changes.
- Perform all aspects of claims processing, coordination of benefits including non-Medicare and Medicare, claims reimbursement, point-of-sale transactions, adjudication, and

payment. The Contractor shall verify benefits and eligibility before authorizing prescriptions and paying claims.

- Support any deductible or out-of-pocket maximum cross accumulation in a mutually agreed format to ensure compliance with the Patient Protection and Affordable Care Act ("PPACA").
- Process run-on claims for eligible OGB Plan Participants incurred prior to but not processed as of the effective date of the Contract at OGB's request.
- Process claims for eligible OGB Plan Participants incurred prior to but not processed as of the termination of the Contract and received not more than one (1) year following Contract termination ("run-off services"). At OGB's request, the handling of such claims may be transitioned to a successor appointed by OGB prior to the end of the run-off period, and the Contractor shall cooperate in transitioning such services to any successor appointed by OGB. Further, Contractor will continue to process all claims and appeals for claims incurred prior to termination of the Contract during the one (1) year run-off period following termination, unless otherwise transitioned to a successor appointed by OGB.
- Provide membership eligibility/enrollment, co-payment/coinsurance and benefit coverage information, supplied by OGB or its designated agent in mutually agreed format, available to network pharmacies on a weekly basis at the time of dispensing through the online electronic transmission link maintained between the Contractor and pharmacies to assure claims are processed appropriately
- Provide 24/7 access to online portal, except for scheduled maintenance, to Plan Participants for activities such as Claim submission, account monitoring, communications requested and approved by OGB, Formulary, and any other information required by state and federal Laws. All outages in excess of one (1) hour should be promptly reported to the Contract Monitor.
- Provide web-based tools that will help educate Plan Participants on the benefit plan design and assist in calculating and tracking the cost and utilization of their prescribed drug through all delivery channels (i.e., retail 30, retail 90, specialty, and mail service). The tool(s) must also provide alternative suggestions for more cost-effective medication within the same therapeutic class.
- Unless Louisiana Law requires greater notice, provide advance written notice to OGB no later than ninety (90) days prior to any anticipated Formulary change, with written notice also to be sent to the address of impacted Plan Participants no later than sixty (60) days prior to the effective date of any change. For purposes of this requirement, Plan Participant shall include any Plan Participant who has had a prescription filled for the impacted medication(s) within the last ninety (90) calendar days or has an active refill on file. Written communications to Plan Participants will be subject to OGB's approval prior to distribution. Such formulary changes are subject to OGB approval prior to implementation.
- Unless Louisiana Law requires greater notice, provide advance written notice to OGB no later than ninety (90) days prior to any anticipated material change(s) to the retail pharmacy network, mail order pharmacy, and/or specialty pharmacy with written notice also to be sent to the address of impacted Plan Participants by no later than sixty (60) days prior to the effective date of any change. For purposes of this requirement, Plan Participant shall include any Plan Participant who has had a prescription filled within the last ninety (90) calendar days or has an active refill on file with the terminating pharmacy. Written

communications to Plan Participants will be subject to OGB's approval prior to distribution. Such network changes are subject to OGB approval prior to implementation.

- Provide Plan Participant notice of any delays beyond three (3) days in the delivery of prescription to the Plan Participant.
- Implement a specialty pharmacy program that will provide cost-effective care and positive patient outcomes through increased adherence, as well as provide an enhanced patient experience through the convenience of scheduled delivery, disease management programs and compliance monitoring employing a care coordination model.
- Provide predictive and plan design modeling capabilities and tools that will assist OGB in assessing the financial impact and/or return on investment ("ROI") of OGB's current benefit plan design and any proposed benefit changes.
- Provide benchmark comparison for clients similar to OGB as well as national comparisons.
- Perform audits of individual pharmacies not located in the State of Louisiana prior to their entering the provider network and as requested by OGB for the purpose of determining pharmacy accuracy. For pharmacies located in the State of Louisiana that are seeking entrance into the network, the Contractor may accept the formal application of the pharmacy along with a copy of the on-site inspection report completed by the Louisiana Pharmacy Board in lieu of an audit.
- Maintain criteria to establish when and how a utilized participating pharmacy may be selected for audit (i.e., desk audit, on-site audit, client specific on-site participating pharmacy audit requests, etc.) and/or audited to determine compliance with its contract with the Contractor. Audits will be conducted by the Contractor's internal auditors or its subcontracted auditors at the utilized participating pharmacy. The Contractor will be required to institute action to collect overpayments and return 100% of the recoveries to OGB. Overpayments will be remitted to OGB within thirty (30) days after the close of each Contract quarter via check or wire unless otherwise specified. Contractor will provide reporting at no cost to validate overpayments and recoveries.
- Pharmacy Claims Audit and/ or Rebate Audit: Contractor agrees to pay up to a total annual allowance of [redacted] annually for OGB or OGB's designated third party's fees and out-of-pocket expenses related to performing a Pharmacy Claims Audit and/ or Rebate Audit and at no point will OGB be required to pay for used or unused portions of the audit credit offered by your organization.
- OGB has the right to audit PBM more than once per year if the audits are different in scope or for different services (e.g., Rebate, Performance Guarantees, Claims, Financial). The audits will be at no charge to OGB except at a direct pass-through of any data retrieval fees, which may be required if data requested has already been stored.
- Render payment to OGB for collected rebates within one hundred twenty (120) days after termination of the Contract, and any subsequent rebates received within three hundred sixty-five (365) days after termination of the Contract. In addition, all pricing guarantees will be trued up and any shortfalls will be paid to OGB within one hundred twenty (120) days after said termination.
- Provide immediate notification upon receipt by Contractor of any non-routine, CMS-related inquiries regarding OGB's pharmacy benefits program and prepare response to such inquiries for OGB approval within the specified timeframe mutually agreed upon by the parties; and submit such response to CMS after OGB approval.

- Perform and/or process subrogation of prescription claims and other government agency recoveries on behalf of OGB in accordance with the timeframes specified by Law or such other periods requested by OGB. Government agencies include but are not limited to the Centers for Medicaid and Medicare Services ("CMS"), Office of Inspector General ("OIG"), Health and Human Services ("HHS"), state Medicaid agencies, Veteran's Administration ("VA") facilities, Indian Health Services and Bureau of Indian Affairs ("IHS"), and Department of Defense military treatment facilities (or other similar facilities) ("DOD"), or the agencies' or facilities' third-party representatives.
- Remit applicable fees to pharmacies as required by Louisiana law.
- For disaster declarations and or catastrophic events, Contractor should have the ability to limit the "refill too soon" edit to either the parish/county of residence or the zip code of residence of Plan Participants.
- Allow review and editing of all EGWP communications and ensure they are sent via US Mail and not electronically.

Task (4) Clinical Management Services

- Perform Formulary management, rebate sharing and other clinical services described herein. These services will include, but not limited to, prior authorization, step-therapy, concurrent and retrospective drug utilization review and other measures that are deemed appropriate to effectuate Formulary management. All Formulary changes are subject to OGB's approval prior to implementation.
- Develop and implement clinical intervention and cost-saving programs. All such initiatives are subject to OGB's approval prior to implementation and/or discontinuance.
- Provide clinical resources (i.e., dedicated pharmacist, etc.) to OGB to assist in interpreting pharmacy data and developing cost management strategies.

1.1 Deliverables

The deliverables listed in this section are the minimum required from the Contractor for both Commercial & EGWP. Additional deliverables may be included as mutually agreed between both parties.

Deliverable	Description	Frequency of Submission
Independent Assurances		
Independent Assurances	Contractor shall supply OGB with an exact copy of the annual SOC 1, Type II and/or SOC 2, Type II (as agreed by OGB) resulting from the SSAE18 engagement or any other independent assurances approved by OGB for the period of January 1 – December 31. Contractor shall also provide a bridge letter to OGB for the period of January 1- June 30 of the following independent assurance reporting period.	March 31, 2023 and each calendar year thereafter. Contractor shall provide bridge letter for the period of January 1- June 30 no later than July 31 of each calendar year.

Performance Guarantees		
Performance Guarantee Report	A detailed comprehensive monthly report including metrics for the performance guarantees set forth in the Contract.	Within sixty (60) calendar days after close of each month, quarter and calendar year.
Financial Guarantee Report	A comprehensive quarterly report, including the effective AWP discounts, dispensing fees, and rebates.	Within thirty (30) calendar days after the close of each quarter.
Account Satisfaction		
Plan Participant Satisfaction Survey	Conduct annual Plan Participant satisfaction survey and report results to OGB.	Within thirty (30) calendar days after end of each calendar year.
OGB Satisfaction Survey	Conduct annual OGB satisfaction survey and report results to OGB.	Within thirty (30) calendar days after end of each calendar year.
Market Check		
Market Check Report	Provide updated offer on the market check report provided by OGB or its designee.	Within ten (10) business days of receipt.
Operational Activities		
Ad Hoc Reports	Provide client-specific reports that include data related to Contractor's operating performance and health outcomes of OGB Plan Participants.	Within ten (10) business days of request.
Monthly Projections	Provide client-specific multi-year reports that project cashflow and rebates.	Within ten (10) business days of month end and upon request.
Weekly Status Meeting Agenda	A document that provides a high level overview of agenda topics, new and current issues requiring resolution, and any other necessary discussions.	Within twenty-four (24) hours prior to the scheduled meeting for review and comments.

Service Log	A log detailing open and resolved issues to include, but not limited to, description of issue, date identified, recommended and/or agreed upon course of action, anticipated completion date, responsible party for resolution, notes from meeting discussions regarding the issue, and any other applicable comments.	Within fifteen (15) calendar days after the end of each month.
Meeting Minutes	Provide detailed and well-documented draft meeting minutes for review and comment. Final minutes must be provided within three (3) business days after receipt of revisions from OGB.	Within three (3) days after any meeting and/or receipt of revisions from OGB.
Quarterly Meeting Frequency	Attend all on-site quarterly meetings four times per calendar year at OGB.	The meetings shall be held no later than sixty (60) days following quarter end.
Quarterly Meeting Agenda	A document that provides a high level overview of agenda topics, new and current issues requiring resolution, and any other necessary discussions.	Within ten (10) business days in advance of the scheduled quarterly meeting.
Process Log	A comprehensive document including a detailed description of all benefit and system programming changes.	Within five (5) business days of any change.
Drug Type Summary	A summary of claims by drug type, broken out by Plan & level of coverage (employee ("EE"), employee + spouse ("EE+SP"), etc.), drug type (Generic/Brand), prescription count, days' supply, paid amount, total Plan Participant Out of Pocket ("OOP").	Within fifteen (15) calendar days after end of each month.
Paid Claims Summary	A summary of paid claims, broken out by Plan & level of coverage, prescription count, Plan paid amount, Plan Participant paid amount, total claims, and year to date total.	Within fifteen (15) calendar days after end of each month.
Direct Member Reimbursement ("DMR") Summary	A summary of DMR claims by Plan to include DMR flag, in/out network, prescription count, relationship code, paid amount, total Plan Participant OOP, and year to date total.	Within fifteen (15) calendar days after end of each month.

Specialty Utilization by Drug within Disease Summary	A summary of specialty drug utilization to include, but not limited to, Rheumatoid Arthritis, Multiple Sclerosis, and Hepatitis C broken out by disease state, drug name, number of prescriptions, Plan/Plan Participant cost, Plan/Plan Participant cost per fill, average total cost per fill.	Within fifteen (15) calendar days after end of each month.
Clinical Pipeline Report	A summary of specialty products in Phase III trials that are expected to receive Federal Drug Administration ("FDA") approvals within the next twelve (12) months. This report is to include information by drug, manufacturer, therapeutic category, main use/description, expected approval, efficacy and safety data, predicted place in therapy, and financial impact. As specialty products are released to market a drug review will be performed that includes efficacy, safety data, place in therapy, comparative cost analysis, Formulary placement recommendation, and prior authorization guideline recommendation.	Last day of the month following end of each quarterly reporting period.
OGB Claims by Therapeutic Class	A description of the top 25 therapeutic classes by Plan paid claims. This report is to include total paid, Plan paid, patient paid, and percentage of Generic of each, number of claims, percentage of total claims, percentage of Generic drugs utilized, Plan paid/day, Plan paid/claim, and per Plan Participant per month. Commercial and EGWP claims must be separated.	Last day of the month following end of each quarterly reporting period.
Drug Utilization Review ("DUR") Activity Report	A description of the total monthly drug utilization. To include total DUR activity, rejected claims, and reversed claims broken out by conflict description, summarized by total DUR count, ingredient cost, paid and percentage of alerts, total overall claims, claims with alerts, and claims sent summary. Commercial and EGWP claims must be separated.	Last day of the month following end of each quarterly reporting period.

Grievance report	A description of Plan Participant reported grievances, both oral and written broken out by number of type: Plan (co-pays, coinsurance, coverage gap, prescription exclusions/limitations); appeals/formal grievances; customer service (i.e., Plan materials not received, mail order vendor, pharmacy staff, service plan operations, service plan staff); disenrollment (i.e., disenrollment not processed), fraud and abuse; marketing; quality of care; other/misc.	Last day of the month following end of each quarterly reporting period.
Plan Summary	A summary of issues, changes to Formulary, communications, and recommendations, to be presented at quarterly meetings.	Ten (10) calendar days prior to the occurrence of each quarterly meeting.
Maximum Allowable Cost ("MAC")	A MAC pricing list (i.e., OGB retail pricing).	Within fifteen (15) calendar days after end of each month.
Pharmacy Audits	Detailed results of any pharmacy audit including recommendations for identified deficiencies and plan of action as needed.	Last day of the month following end of each quarterly reporting period.
Plan Participant Communications	Prepare talking points and communications necessary for Plan/Formulary updates and changes.	Within the timeframe identified by OGB at time of request.
CMS Reporting	Prepare and submit all CMS mandated and ad hoc reports.	Within the timeframe identified at the time of request.
Payment of Rebates	Render payment to OGB for rebates	Within ninety (90) days following the end of each quarter and at one hundred twenty (120) days following the end of each calendar year..
Rebate Reporting Requirements	Detailed quarterly and annual rebate reports to include NDC11 detail and exclusions (eg.340B) broken down by type.	Within ninety (90) days following the end of each quarter and at one hundred twenty (120) days following the end of each calendar year.
Reconciliation and Payment of Financial Guarantees	Render payment to OGB for reconciliation of financial guarantees.	Within ninety (90) days following the end of each quarter and at one hundred twenty (120)

		days following the end of each calendar year.
Unclaimed Property	Detailed listing in a mutually agreeable format of any unclaimed property of OGB Plan Participants held by Contractor.	No later than June 30 of each calendar year.
CMS Reporting to OGB	Submit all required CMS reporting to OGB (e.g., TRR).	Based upon the CMS schedule and OGB requirements.

1.2 Performance Guarantees

The following performance guarantees are the minimum acceptable standards for the Contract. These metrics shall be reported quarterly and reconciled on an annual basis unless another time period is agreed to between OGB and Contractor. OGB shall have the ability to modify the performance guarantees each Contract year. OGB, at its sole discretion, will allocate amounts at risk for performance guarantees, provided no more than thirty (30%) of the total amount at risk is allocated to one performance guarantee excluding financial guarantees (i.e., AWP discounts, dispensing fees, rebates, etc.). OGB may allocate 0% to a guarantee, which would indicate that the performance guarantee will only be reported on with no amounts at risk. Contactor will also be subject to per day fees for Independent Assurance Reporting performance guarantees.

Any penalties owed to OGB shall be reported within sixty (60) days after the close of the period being measured, and will not need to be requested. Any penalties owed to OGB shall be paid within forty-five (45) days after reported. Implementation performance guarantees will be measured and reported within ninety (90) days after the agreed upon implementation date. Payment of any due and owing implementation performance penalty shall be paid within sixty (60) days after reported.

Performance Guarantees: The Contractor will be subject to the performance standards and those detailed in Attachment I, Scope of Work/Services.

Financial guarantees will be covered dollar for dollar on any shortfall with no limit to the amount at risk. Any surplus on financial guarantees will be retained 100% by OGB. All guarantees will be trued up individually, meaning no guarantees can be cross-subsidized (i.e., surplus on one guarantee offsetting other, etc.). This includes not being able to cross-subsidize between delivery channels, or within a delivery channel. For example, retail and retail extended supply networks are considered separate delivery channels.

Performance Guarantees Total Dollar at Risk*,**	**Year 1**	**Year 2**	**Year 3**
Commercial Implementation Performance Guarantees: Total dollar at risk for the Implementation Performance Guarantees.	[redacted]		

Commercial Ongoing Performance Guarantees: Total dollar at risk for the Ongoing (annual) Performance Guarantees.	[redacted]	[redacted]	[redacted]
EGWP Implementation Performance Guarantees: Total dollar at risk for the Implementation Performance Guarantees.	[redacted]		
EGWP Ongoing Performance Guarantees: Total dollar at risk for the Ongoing (annual) Performance Guarantees.	[redacted]	[redacted]	[redacted]

*Annual Risk Allocation for Commercial and EGWP Performance Guarantees will be calculated using the Performance Guarantees Dollar at Risk. For example, a four percent (4%) annual risk allocation for failure to meet a commercial ongoing performance guarantee would result in a penalty in the amount of [redacted] **Numbers based upon the following assumption: Commercial 157,841 lives (employees and eligible dependents) and EGWP 44,530 lives (retirees and eligible dependents).

Audit: OGB reserves the right to audit performance guarantee reports on an annual basis. A third party may be utilized to perform this audit without limitation of the scope of the audit. More than one audit can be done at the same time as long as the scope of the audits is different

Measurement Periods:

Quarterly Measurement Period: Quarterly Measurement Periods shall be as follows: January 1st through March 31st of each calendar year is the First Quarter; April 1st through June 30th of each calendar year is the Second Quarter; July 1st through September 30th of each calendar year is the Third Quarter; and, October 1st through December 31st of each calendar year is the Fourth Quarter. If the performance guarantees are effective for less than a full quarter, the payment amounts will be prorated for the portion of the Quarterly Measurement Period.

Annual Measurement Period: The first period to be measured shall be January 1, 2023 through December 31, 2023. The second period will be for calendar year 2024, and the third period for calendar year 2025. The fourth period, subject to the renewal option, will be for calendar year 2026, and the fifth period, subject to the renewal option, will be for calendar year 2027. If the performance guarantees are effective for less than a full calendar year, the payment amounts will be prorated for the portion of the Measurement Period.

Commercial

Performance Guarantee	Measurement	Annual Risk Allocation
Implementation		
Implementation Satisfaction Survey	Provide an implementation satisfaction guarantee that is separate from all other guarantees. The guarantee will be at the sole discretion of OGB, meaning OGB can determine, in good faith, a "yes" or "no" if they were satisfied with the implementation, or a percentage of satisfaction.	30%

Pre-Implementation Audit	Complete the pre-implementation audit, including follow-up test claims, at least [redacted] days prior to the established implementation date.	30%
Group Structure, Benefit Plan Design - Timeliness	The group structure and benefit plan design will be entered and tested in the PBM system at least [redacted] prior to open enrollment materials being mailed; such that, Contractor Call Center representatives can answer client-specific questions. Any corrections needed, including those that may be identified during a pre-implementation audit, with be made within [redacted]. This guarantee is dependent on receiving final sign-off from OGB on the Benefit Plan Design Summary Documents by a mutually agreed upon date when the implementation plan is baselined within 30 days of kickoff.	5%
Group Structure, Benefit Plan Design - Accuracy	The group structure(s) and the respective benefit plan design(s) coded into the PBM system will [redacted] accurate at least one (1) Business Day prior to open enrollment materials being mailed; such that, Contractor Call Center representatives can answer client-specific questions. This guarantee is dependent on receiving final sign-off from OGB on the Benefit Plan Design Summary Documents at least [redacted] prior to the "effective date.", provided OGB signs off on testing to certify we meet [redacted] accuracy prior to opening open enrollment phone lines.	5%
Eligibility Load - Timeliness	Participant eligibility will be loaded by the date mutually agreed upon in the Implementation Project Plan (which should be enough time for participants to receive ID cards by the date agreed upon in the Implementation Project Plan, but at least [redacted] in advance of the Go-live/Effective Date. This guarantee is	5%

	dependent upon Contractor receiving a test file [redacted] in advance of the date for the "Live Eligibility" load date mutually agreed upon in the Implementation Project Plan.	
Eligibility Load - Accuracy	Participant eligibility loaded into the PBM system will be [redacted] accurate (i.e., in accordance with the plans/agreements made during implementation with the eligibility supplier).	5%
Member ID Cards/Welcome Kit - Mailing Timeliness	Contractor guarantees that [redacted] of members will be mailed ID cards and/or Welcome Booklets by the date agreed upon in the Implementation Project Plan, but at least [redacted] prior to the Go-Live/Effective Date.	1%
Member ID Cards/Welcome Kit - Accuracy	Contractor guarantees that [redacted] of all ID cards and Welcome Booklets mailed to members will be [redacted] accurate in terms of plan and member information (e.g. member identification number, plan number, etc.).	1%
Customer Service during Open Enrollment - Timeliness	A dedicated toll-free telephone number for member questions/assistance will be established by the date agreed upon in the Implementation Project Plan, but at leas[redacted] before open enrollment materials are mailed, and maintained during open enrollment.	5%
Customer Service Call Accuracy	[redacted] of all calls reviewed at the request of OGB (typically based on participant complaints) will include no inaccurate coverage information. Measurement to begin only after (a) 24 hours after Contractor's receipt of an initial eligibility file in the agreed upon format and (b) Contractor's completion of benefits set-up in its adjudication system, in accordance with the implementation timeline.	1%

Implementation Updates	The Implementation Project Manager will provide regular weekly updates to OGB, tracking the status of the implementation.	4%
Member Call Tracking	The Implementation Project Manager will provide member call stats by call category to OGB for every day of open enrollment for the first [redacted] after the effective date (reporting during the weekend is not required), and then weekly thereafter by a mutually agreed upon date when the implementation plan is baselined within 30 days of kickoff.	1%
Claim Tracking Report - Timeliness	Contractor will provide to OGB claim stat reports (e.g. paid vs rejected) every day for the first month of implementation for purposes of identifying any trends or errors.	2%
Claim Tracking Report	Contractor will provide to OGB claim stat reports (e.g. paid vs rejected) that include reasons for claim rejections and will provide the additional research requested to determine whether there are any transition issues that need to be addressed.	1%
Post-Implementation Review Meeting	Contractor will conduct a post-implementation review meeting with OGB within sixty (60) days after the Go-Live date or a later time if requested by OGB.	1%
OGB Inquiries - Response Timeliness	Contractor representative will acknowledge [redacted] of inquiries/concerns raised from OGB, and/or their designees, within [redacted] from when the requests are sent (documented via email), and provide a date when the next update will be provided.	1%
Inquiry/Issue Resolution Timeliness	Contractor representative will work to resolve any implementation questions/issues raised by OGB within [redacted] from when the inquiry/requests are sent (documented via email), or a later date if mutually agreed upon.	1%

Contract Change Requests - Timeliness	Contractor will respond to the first contract review (contract change requests/inquiries) within [redacted] from its receipt and will respond to follow-up inquiries about the same items initially identified within [redacted]s. The response times may be extended if mutually agreed upon in writing in advance.	1%
Post Implementation (ongoing)		
Pharmacy Network Disruption	At least [redacted] of Plan Participants shall reside within one and one half (1.5) miles of a network pharmacy for urban areas, within three (3) miles for suburban areas, and ten (10) miles for rural areas.	2%
Retail Direct Reimbursement Claims	[redacted] of retail direct reimbursement claims processed for payment or rejected and responded to within [redacted]	1%
Retail Point-of-Sale Claims Adjudication Accuracy	Adjudication accuracy rate of at least [redacted] for all claims processed at point of sale.	0% - Report Only
Mail Order Turnaround for Prescription Drugs Requiring No Intervention	[redacted] of mail orders for prescription drugs requiring no intervention (i.e., clinical verification, prior authorization, etc.) will be shipped within [redacted]. (Measured in business days from the date the prescription drug claim is received by the Contractor either paper, phone, fax or e-prescribed.)	2%
Mail Order Turnaround for Prescription Drugs Requiring Administrative/Clinical Intervention	[redacted] of mail orders for prescription drugs requiring administrative/clinical intervention will be shipped within [redacted].	1%
Mail Order Dispensing Accuracy	[redacted] or greater accuracy of mail order prescriptions dispensed with no errors.	0% - Report Only
Wait Time for Pharmacist/Clinical Support Supervisor	[redacted] of Plan Participant calls that are transferred to a pharmacist or supervisor will be answered within [redacted].	2%

Specialty Pharmacy Dispensing Accuracy	[redacted] or greater of specialty pharmacy prescriptions filled with no errors.	0% - Report Only
Specialty Adherence Rate	Adherence rate for patients using specialty pharmacy of at least [redacted]. Conditions to be measured include, but are not limited to, Rheumatoid Arthritis, Multiple Sclerosis, Growth Hormones, HIV/AIDS, and Hepatitis C. Conditions will be measured for each condition separately.	3%
Average Speed to Answer	[redacted] of calls will be answered by a live voice within [redacted] seconds. The amount of time that elapses between the time a call is received in a Plan Participant service queue to the time the phone is answered by a Customer Service Representative ("CSR"). Measurement excludes calls routed to Interactive Voice Response ("IVR").	3%
Abandoned Call Rate	[redacted] or less of calls will be abandoned before call is answered by CSR. (Measurement excludes calls abandoned within the first [redacted] and calls routed to IVR.)	3%
First Call Resolution	[redacted] of all calls will be resolved at first point of contact.	5%
Prior Authorizations	Promptly review and respond to requests for prior approval for specific drugs following receipt of all required information, but in any case will respond in no more than [redacted].	2%
Plan Participant Written Inquiry Timeliness	[redacted] of all Plan Participant written inquiries will be responded to and resolved within [redacted] and [redacted] within [redacted].	1%
Plan Participant Satisfaction Survey	Satisfaction rate must be [redacted] or greater, using metrics mutually agreed by Contractor and OGB prior to January 1, 2023 and each subsequent contract year.	15%
OGB Satisfaction Survey	Satisfaction rate must be [redacted] or greater, using metrics mutually agreed by Contractor and OGB prior to	15%

	January 1, 2023 and each subsequent contract year.	
Standard Reporting	Within the specified timeframes, deliver standard financial and clinical reports detailed in the deliverables section.	5%
Quarterly Meeting	Attend all quarterly meetings via teleconference or on-site four times per calendar year at OGB. The meetings shall be held no later than sixty (60) days following quarter end.	2%
Benefit Plan Review	Conduct an annual benefit plan review forty–five (45) days prior to effective date of any plan benefit changes, (i.e. co-payments, coinsurance, clinical rules, etc.).	4%
Plan Participant Identification Card Timeliness	Issue [redacted] of all new Plan Participant identification cards within [redacted] following receipt of a clean eligibility file.	12%
Reporting Requirements	Provide OGB all reports specified in Attachment I: Scope of Work/Services within the specified timeframes. Additionally, on an annual basis, Contractor must prepare a written summary analysis and orally present results to OGB.	1%
On-site Pharmacy Audits	At least [redacted] of pharmacies with greater than [redacted] OGB Plan Participant prescriptions will be audited on-site on a quarterly basis. Audits will be conducted in accordance with applicable state and federal laws.	0% - Report Only
Point-of-Sale Network System Downtime	System downtime will be [redacted] or less, measured monthly.	2%
Eligibility Processing Accuracy	[redacted] of electronically transmitted eligibility processed accurately within [redacted] without error.	2%
Actual Quarterly Rebate Payments	Render payment to OGB for rebates within ninety (90) days following the end of each quarter.	2%

Reconciliation	Reconciliation of all financial settlements (i.e. performance guarantees, Formulary guarantee true-up, generic guarantees, rebates, etc.) to OGB within one hundred twenty (120) days from the close of each reporting period.	4%
True-up Payments	Payment of all financial settlements (i.e. performance guarantees, Formulary guarantee true-up, generic guarantees, rebates, etc.) to OGB within one hundred twenty (120) days from the close of each reporting period.	4%
Independent Assurances	Contractor shall supply OGB with an exact copy of the annual SOC 1, Type II and/or SOC 2, Type II (as agreed by OGB) resulting from the SSAE18 engagement or any other independent assurances approved by OGB for the period of January 1 – December 31 for each calendar year of the contract.	Subject to $1,000 per day penalty.
Audit Response Time and Reconciliation	Audit response and reconciliation of findings will be provided within sixty (60) days of the close of the audit. If a response is not received and the Contractor requires the audit be reopened then the Contractor will pay for additional audit fees.	2%
Audit Errors	If a claims or rebate audit results in errors that express more than [redacted] of drug costs then the Contractor will reimburse OGB those costs plus interest, as well as the applicable audit fees.	0% - Report Only
Accumulator Tracking and Accuracy	Accumulators (tracking plan participants' Out-of-Pocket Maximum) shall be tracked realtime with [redacted] accuracy.	5%

EGWP

Performance Guarantee	Measurement	Annual Risk Allocation
Implementation		

Implementation Satisfaction Survey	Provide an implementation satisfaction guarantee that is separate from all other guarantees see Attachment II: Pricing. The guarantee will be at the sole discretion of OGB, meaning OGB can determine, in good faith, a "yes" or "no" if OGB is satisfied with the implementation, or a percentage of satisfaction.	30%
Pre-Implementation Audit	Complete the pre-implementation audit, including follow up test claims, at least [redacted] prior to the established implementation date.	30%
Plan Design Coding	OGB standard plan designs will be implemented within mutually agreed upon dates in the implementation project plan.	6%
Plan Design Accuracy	Plan Design will be completed with [redacted] accuracy by the effective date based on OGB signed documents, including changes identified during a pre- implementation audit. OGB must sign off on test output to confirm accuracy.	8%
Eligibility Load	Participant eligibility will be loaded by the mutually agreed upon date but no later than [redacted] to the start date, provided OGB has delivered test file with sufficient lead team in accordance with implementation project plan.	5%
ID Cards & CMS Welcome Kit	[redacted] of members will be sent accurate ID cards and other CMS required materials within [redacted] of approval from CMS.	0% (report only)
Customer Service Number	A dedicated toll-free telephone number for member assistance will be established and fully functioning by the date established in the implementation timeline (before open enrollment begins) and maintained in operation during the first part of the plan year	1%
Implementation Manager Updates	The Implementation Project Manager will provide regular weekly updates to OGB, tracking the status of the implementation, including one face-to-face kickoff meeting as well as	5%

	additional face-to-face meetings, as needed throughout implementation.	
Claim Stat Reporting	Claim stat (e.g. paid vs. rejected) reports will be provided to OGB every day for the first month of implementation for purposes of identifying trends and errors.	5%
Client Agreement	Draft agreement will be provided to OGB at least 120 Days prior to the effective date.	1%
Post-Implementation Review Meeting	Implementation Project Manager will conduct a post- implementation review meeting with OGB within (30) days after the effective date.	4%
Resolution of Implementation Issues	Implementation issues will be resolved within [redacted] r [redacted] from identification.	5%
Post Implementation (ongoing)		
Pharmacy Network Disruption	In accordance with CMS requirements.	3%
Retail Direct Reimbursement Claims	[redacted] of retail direct reimbursement claims processed for payment or rejected and responded to within five [redacted] ?	2%
Retail Point-of-Sale Claims Adjudication Accuracy	Adjudication accuracy rate of at least [redacted] for all claims processed at point of sale.	0% - Report Only
Mail Order Turnaround for Prescription Drugs Requiring No Intervention	[redacted] of mail orders for prescription drugs requiring no intervention (i.e., clinical verification, prior authorization, etc.) will be shipped within [redacted] (Measured in business days from the date the prescription drug claim is received by the Contractor either paper, phone, fax or e-prescribed.)	2%
Mail Order Turnaround for Prescription Drugs Requiring	[redacted] of mail orders for prescription drugs requiring administrative/clinical intervention will be shipped within five [redacted]	2%

Administrative/Clinical Intervention		
Mail Order Dispensing Accuracy	[redacted] or greater accuracy of mail order prescriptions dispensed with no errors.	0% - Report Only
Wait Time for Pharmacist/Clinical Support Supervisor	[redacted] Plan Participant calls that are transferred to a pharmacist or supervisor will be answered within [redacted]	1%
Specialty Pharmacy Dispensing Accuracy	[redacted] or greater of specialty pharmacy prescriptions filled with no errors.	0% - Report Only
Specialty Adherence Rate	Adherence rate for patients using specialty pharmacy of at least [redacted] Conditions to be measured include, but are not limited to, Rheumatoid Arthritis, Multiple Sclerosis, Growth Hormones, HIV/AIDS, and Hepatitis C. Conditions will be measured for each condition separately.	3%
Average Speed to Answer	On average [redacted] of calls will be answered by a live voice within [redacted] seconds or less. The amount of time that elapses between the time a call is received into a Plan Participant service queue to the time the phone is answered by a CSR. Measurement excludes calls routed to IVR.	3%
Abandoned Call Rate	[redacted] or less of calls will be abandoned before call is answered by CSR. (Measurement excludes calls abandoned within the first [redacted] nd calls routed to IVR.)	3%
First Call Resolution	[redacted] of all calls will be resolved at first point of contact.	3%
Prior Authorizations	Promptly review and respond to request for prior approval for specific drugs following receipt of all required information, but in any case will respond in no more than [redacted]	4%
Plan Participant Written Inquiry Timeliness	[redacted] of all Plan Participant written inquires will be responded to and resolved within [redacted] and [redacted] within [redacted]	2%

Plan Participant Satisfaction Survey	Satisfaction rate must be [redacted] or greater, using metrics mutually agreed upon by Contractor and OGB prior to January 1, 2023.	15%
OGB Satisfaction Survey	Satisfaction rate must be [redacted] or greater, using metrics mutually agreed upon by Contractor and OGB prior to January 1, 2023.	15%
Standard Reporting	Deliver within the specified timeframe standard financial and clinical reports detailed in the deliverables section.	5%
Quarterly Meeting	Attend all on-site quarterly meetings four times per calendar year at OGB. The meetings shall be held no later than sixty (60) days following quarter end.	2%
Plan Participant Identification Card Timeliness	Issue at least [redacted] of all new Plan Participant identification cards within [redacted] following receipt of notification of approval from CMS.	1%
Reporting Requirements	Provide OGB all reports specified in Attachment I: Scope of Work/Services within the specified timeframes. Additionally, Contractor must prepare a written summary analysis and orally present results to OGB annually.	10%
On-site Pharmacy Audits	At least [redacted] of pharmacies with greater than [redacted] OGB Plan Participant prescriptions will be audited on-site on a quarterly basis.	0% - Report Only
Point-of-Sale Network System Downtime	System downtime will be [redacted] or less, measured monthly.	2%
Eligibility Processing Accuracy	[redacted] of electronically transmitted eligibility files processed accurately within [redacted]	2%
Actual Quarterly Rebate Payments	Render payment to OGB for rebates within ninety (90) days following the end of each quarter.	4%
Reconciliation	Reconciliation of all financial settlements (i.e., performance guarantees, Formulary guarantee true-up, generic guarantees, rebates, etc.) to OGB within one-hundred and twenty	4%

	(120) days from the close of each reporting period.	
True-up Payments	Payment of all financial settlements (i.e. performance guarantees, Formulary guarantee true-up, generic guarantees, rebates, etc.) to OGB within one-hundred and twenty (120) days from the close of each reporting period.	4%
Independent Assurances	Contractor shall supply OGB with an exact copy of the annual SOC 1, Type II and/or SOC 2, Type II (as agreed by OGB) resulting from the SSAE18 engagement or any other independent assurances approved by OGB for the period of January 1 – December 31.	Subject to $1,000 per day penalty.
Audit Response Time and Reconciliation	Audit response and reconciliation of findings will be provided within 60 days of the close of the audit. If a response is not received and the Contractor requires the audit be reopened than the Contractor will pay for additional audit fees.	4%
Audit Errors	If a claims or rebate audit results in errors that express more than [redacted] of drug costs then the Contractor will reimburse OGB those costs plus interest, as well as the applicable audit fees.	0% - Report Only
Accumulator Tracking and Accuracy	Accumulators (tracking plan participants' Out-of-Pocket Maximum) in coordination with OGB medical plan shall be tracked in real time with [redacted] accuracy.	5%

ATTACHMENT II: PRICING

1. Pricing Information

1.1 The amount billed to OGB will be equal to the amount paid to retail pharmacies. OGB will pay the lower of the retail pharmacy's usual and customary price, MAC price plus dispensing fee (if applicable), or discount price plus dispensing fee. OGB acknowledges that retail pharmacy rates and fees are variable and in a transparent arrangement Claims will process at the retail pharmacy paid rate. Any applicable sales tax will be added to the Claim cost unless OGB submits documentation confirming its exemption from applicable sales and use taxes.

The participating pharmacy will collect from the Member the lowest of the discounted cost plus dispensing fee and applicable taxes, applicable cost share, or the participating pharmacy's usual and customary price.

1.2 Proposed pricing shall not be contingent upon the adoption of any ancillary services (i.e., clinical programs, utilization management programs, plan design changes, etc.) beyond what is currently in place today. For avoidance of doubt, OGB's current plan design, as noted in Pharmacy Benefit Manager for Self-Funded Health Plan RFP #3000014397, Attachment V, qualifies for all network pricing and minimum guarantees.

1.3 OGB will receive the greater of the aggregate minimum Rebate guarantees or 100% of Rebates plus manufacturer administrative fees received by PBM for negotiating and administering Rebate agreements, quoted herein. For the purpose of this financial offer, the "minimum Rebate guarantee" or "Rebate" includes, but is not limited to, formulary and price protection rebates collected by PBM on behalf of OGB, and manufacturer administrative fees received by PBM that are attributable to the utilization of prescription drugs by OGB's plan participants. In the event that the PBM utilizes an intermediary/third party to determine rebates for OGB, OGB will have the right to audit that intermediary/third party directly.

Commercial Rebate guarantees are conditioned upon alignment with CVS Caremark Performance Drug List – Standard Control and alignment with CVS Caremark Advanced Control Specialty Formulary. OGB's decisions to provide pharmaceuticals to plan participants on a case-by-case basis in response to appeals will not cause OGB to be out of alignment with CVS Caremark Performance Drug List – Standard Control or CVS Caremark Advanced Control Specialty Formulary.

EGWP Rebate guarantees are conditioned upon alignment with SilverScript Platinum Formulary with Closed Wrap Enhanced Benefit (which may be referred to as Other Health Insurance or "OHI" in communications). OGB's decisions to provide pharmaceuticals to plan participants on a case-by-case basis in response to appeals will not cause OGB to be out of alignment with SilverScript Platinum Formulary with Closed Wrap Enhanced Benefit (which may be referred to as Other Health Insurance or "OHI" in communications).

Within ninety (90) calendar days of the beginning of each calendar quarter, PBM will remit to OGB the greater of minimum Rebate guarantees for the prior quarter or 100% of what is received plus administrative fees received by PBM for negotiating and administering Rebate agreements amounts attributable to Claims received during the preceding calendar quarters. No minimum Rebate shall be credited for any Generic Drug Claim, whether such Claim is filled with a Generic Drug or by a Brand Drug dispensed in lieu of a Generic Drug at the Generic Drug reimbursement rate. Final reconciliation between Rebates paid and Rebates collected by PBM in aggregate shall be performed annually, within ninety (90) days after the end of the calendar year.

PBM shall render payment to OGB for collected Rebates within one hundred twenty (120) days after termination of the Contract, and any subsequent rebates received within three hundred sixty-five (365) days after termination of the Contract. In addition, all pricing guarantees will be trued up and any shortfalls will be paid to OGB within one hundred twenty (120) days after said termination.

1.4 Reconciliation of all financial settlements (i.e. performance guarantees, Formulary guarantee true-up, generic guarantees, Rebates, etc.) will be made to OGB within one-hundred and twenty (120) days from the close of each Measurement Period, as described in section 3.6 Performance Guarantees and section 3.7 Financial Guarantees. Any billing formula and all related financial guarantees stated herein will be based on the AWP and associated discount on the date of service of each individual prescription Claim.

Pricing guarantees are measured and reconciled on a component basis. MAC, if applicable, is managed to achieve pricing guarantees within each component while maintaining a MAC unit price at mail that is equal to or lower than the MAC unit price at retail.

All billing discounts and related guarantees will be calculated using only the billing formula used to process the Claim. No other monies (i.e. audit savings, clinical savings, therapeutic interchange savings, DUR savings, etc.) will be included in the reconciliation of any billed amounts, guarantees or otherwise.

For the EGWP Wrap Enhanced benefit, Claims will be included in EGWP pricing discount and dispensing fee guarantees. Claims processed by Contractor under the EGWP Wrap Enhanced Benefit shall not be eligible for Rebate guarantees; however, any Rebates collected by CVS Caremark for such Claims will be passed to the Client in accordance with the Rebate terms described herein The Wrap Enhanced benefit is a PBM service administered outside of the SilverScript Insurance Company Prescription Drug Program (PDP) by CVS Caremark.

1.5 The rebate credit will not be conditioned on the days of supply performance averaging a defined target during the Contract term. Said differently, as long as the Plan allows up to a thirty (30)-day supply at retail and up to a ninety (90)-day supply at retail, the full rebate credit will be provided to OGB. The Contractor cannot pro-rate guarantees based on the achieved utilization performance, nor set a floor days of supply performance amount that needs to be achieved to be eligible for the guarantees.

1.6 For purposes of the Federal Anti-Kickback Statute, Rebates paid to OGB and any other credits set forth in the Contract, shall constitute and shall be treated as discounts against the price of drugs within the meaning of 42 U.S.C. 1320a 7b(b)(3)(A).

1.7 For compound drug Claims, PBM applies the NCPDP D.0 standard. For each compound drug Claim, the submitting pharmacy shall provide the following: (a) compound indicator; (b) eleven-digit NDC, quantity, and submitted ingredient cost for each component in the recipe; (c) total quantity and total Usual & Customary price; and (d) level of effort value. PBM shall determine the appropriate ingredient cost, or NDC, for each component using the lower of (1) the AWP discount; (2) MAC; or (3) the submitted ingredient cost. The level of effort charge will be applied in addition to the appropriate dispensing fee.

2. Pricing Terms. The financial terms described in this Attachment II will be effective January 1, 2023.

The following tables indicate what will be included and excluded from the pricing guarantees in 2.1 and 2.2.

Discount and dispensing fee guarantees apply to the following days supply within each channel	**Response**
Retail network- 0 to 83 days supply	Confirm
Retail 90 network- 84+ days supply	Confirm
Mail network- All days supply, no limitations	Confirm
Retail Specialty network- All days supply, no limitations	Confirm
Mail/ PBM Specialty network- All days supply, no limitations	Confirm
Brand Guarantees will apply to and include the following in the reconciliation:	**Response**
Single Source Brands	Included
Multi Source Brands not adjudicated with a DAW-5 code	Included
Exclusive Distribution Drugs	Excluded
Limited Distribution Drugs	Excluded
Glucometer test strips	Included
OTC Brand Drugs - (if covered by Plan)	Included
Generic Guarantees will apply to and include the following in the reconciliation:	**Response**
Single Source Generics	Included
Multi Source Generics (both MAC and non-MAC'd)	Included
Brands adjudicated with a DAW-5 code	Included

Patent Litigated products	Included
Limited Supply Generic Drugs	Included
Biosimilars (Specialty Generics) dispensed at retail pharmacies (not at the PBM specialty pharmacies)	Included
Exclusive Distribution Drugs	Excluded
Limited Distribution Drugs	Excluded
Glucometer test strips	Included
OTC Generics - (if covered by Plan)	Included
Effective rate guarantees shall exclude the following from the guarantee reconciliation:	Response
Claims where Vendor negotiated rate was NOT the basis for adjudication (i.e. U&C claims)	Confirmed.
Compound Claims	Confirmed.
Direct Member Reimbursement/Paper Claims	Confirmed.
Claims with calculated discount of greater than 95%	Confirmed.
Secondary/COB claims (including subrogation)	Confirmed.
340b pharmacy	Confirmed.
Vaccines	Confirmed.
Claims through Department of Veterans Affairs (VA) pharmacies	Confirmed.
Rebate Guarantees	**Response**
Confirm that the following are counted in the baseline for rebates guarantee calculation:	
Single Source Brands	Confirmed.
Multi Source Brands	Confirmed with the exception of DAW 5
Biosimilars	Confirmed.
OTC Brand Drugs (if covered by Plan)	Confirmed.
Provide any exclusions to the rebate guarantees:	CVS Caremark will exclude the following from rebate guarantees: • 340B Claims; • Compound drug Claims; • Paper or Member submitted Claims; • Coordination of Benefits (COB) or secondary payor Claims; • Vaccine and vaccine administration

	Claims; As it pertains to wrap claims, 100% of rebates earned will be passed through to OGB.
Provide a disclosure of all pharmaceutical manufacturer contract provisions by completing the table below and indicate if each item will be included in the pass-through of rebates to OGB. Please provide additional revenue sources if not captured in the table below.	
Formulary/Access rebates	Included
Market Share rebates	Included
Performance/Incentive rebates	Included
Data fees	Included
Manufacturer administration fees	Included
Inflation caps / price protection	Included
Compliance program funding	Excluded
Clinical program support/funding	Excluded
Therapeutic intervention funding	Include
Specialty drug rebates/point of service discounts	Included
Specialty clinical/case management funding	Excluded
Specialty compliance program funding	Excluded
Mail Order volume discounts	Excluded
Other (please describe)	Not applicable

2.1 Commercial- Pass through Pricing

Retail Network Pricing (Base Retail Network)	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Brand Discount: The annual average Brand effective discount guarantee rate.	National Network - AWP [redacted]	National Network - AWP [redacted]	National Network - AWP [redacted]
Generic Discount: The annual overall Generic discount guarantee, as defined within this Contract.	National Network - AWP [redacted]	National Network - AWP [redacted]	National Network - AWP [redacted]
Dispensing Fee: The overall annual guarantee.	National Network - [redacted] per claim	National Network - [redacted] per claim	National Network - [redacted] per claim
Retail 90 Network Pricing	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Brand Discount: The annual average Brand effective discount guarantee rate.	EDS 90 - AWP - [redacted]	EDS 90 - AWP - [redacted]	EDS 90 - AWP - [redacted]
Generic Discount: The annual overall Generic discount guarantee, as defined within this Contract.	EDS 90 - AWP - [redacted]	EDS 90 - AWP - [redacted]	EDS 90 - AWP - [redacted]

Dispensing Fee: The overall annual guarantee.	EDS 90 - [redacted] per claim	EDS 90 - [redacted] per claim	EDS 90 - [redacted] per claim
Mail Pricing	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Brand Discount: The value of "X" in the lower of AWP - X% or MAC.	AWP - [redacted]	AWP - [redacted]	AWP - [redacted]
Generic Discount: The annual overall Generic discount guarantee, as defined within this Contract.	AWP - [redacted]	AWP - [redacted]	AWP - [redacted]
Dispensing Fee: It is expected this will be zero for all claims.	[redacted] per claim	[redacted] per claim	[redacted] per claim
Specialty and Retail Specialty Pricing	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Minimum discount for all new products in new therapeutic classes	AWP - [redacted]	AWP - [redacted]	AWP - [redacted]
Aggregate annual discount guarantee across all specialty drugs (not filled through retail). This will include all specialty products, including bio-generics, biosimilars, limited distribution, etc.	Specialty at Retail (included in Retail Non-Specialty Guarantees): Brand: AWP - [redacted] Generic: AWP - [redacted] Specialty at CVS Specialty Pharmacies Overall Effective Discount (OED) Guarantee: AWP - [redacted]	Specialty at Retail (included in Retail Non-Specialty Guarantees): Brand: AWP - [redacted] Generic: AWP - [redacted] Specialty at CVS Specialty Pharmacies Overall Effective Discount (OED) Guarantee: AWP - [redacted]	Specialty at Retail (included in Retail Non-Specialty Guarantees): Brand: AWP - [redacted] Generic: AWP - [redacted] Specialty at CVS Specialty Pharmacies Overall Effective Discount (OED) Guarantee: AWP [redacted]
Dispensing fee for specialty claims filled through specialty pharmacy	[redacted] per claim	[redacted] per claim	[redacted] per claim
Dispensing fee for specialty claims filled through retail pharmacy	[redacted] per claim	[redacted] per claim	[redacted] per claim
Minimum Rebate Guarantees (Exclusion Formulary)	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Minimum annual rebate guarantee per retail network Brand claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Minimum annual rebate guarantee per retail 90 network extended supply Brand claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Minimum annual rebate guarantee per mail Brand claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim

Minimum annual rebate guarantee per retail specialty network claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Minimum annual rebate guarantee per specialty claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Admin Fee per final net paid claim	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Admin fee per final net paid retail claim	$[redacted] per claim	[redacted] per claim	[redacted] per claim
Admin fee per final net paid retail 90 extended supply claim	[redacted] per claim	[redacted] per claim	[redacted] per claim
Admin fee per final net paid mail claim	[redacted] per claim	[redacted] per claim	[redacted] per claim
Admin fee per final net paid specialty pharmacy claim	[redacted] per claim	[redacted] per claim	[redacted] per claim
Admin fee per final net paid retail specialty claim	[redacted] per claim	[redacted] per claim	[redacted] per claim

Commercial	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Monthly Administrative Service Fee	[redacted]	[redacted]	[redacted]

2.2 EGWP and EGWP Wrap Enhanced Benefit- Pass through pricing

Retail Network Pricing (Base Retail Network)	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Brand Discount: The annual average Brand effective discount guarantee rate.	AWP - [redacted] Long Term Care (LTC): AWP - [redacted] Home Infusion (HIF): AWP - [redacted] Indian Health Service, Tribal and Urban (IHS): AWP - [redacted] Territory (TER): AWP - [redacted]	AWP - [redacted] Long Term Care (LTC): AWP - [redacted] Home Infusion (HIF): AWP - [redacted] Indian Health Service, Tribal and Urban (IHS): AWP - [redacted] Territory (TER): AWP - [redacted]	AWP - [redacted] Long Term Care (LTC): AWP - [redacted] Home Infusion (HIF): AWP - [redacted] Indian Health Service, Tribal and Urban (IHS): AWP - [redacted] Territory (TER): AWP - [redacted]
Generic Discount: The annual overall Generic discount guarantee, as defined within this Contract.	AWP - [redacted] Long Term Care (LTC): AWP - [redacted] Home Infusion (HIF): MAC or AWP - [redacted] Indian Health Service, Tribal and Urban	AWP - [redacted] Long Term Care (LTC): AWP - [redacted] Home Infusion (HIF): MAC or AWP - [redacted] Indian Health Service, Tribal and Urban	AWP - [redacted] Long Term Care (LTC): AWP - [redacted] Home Infusion (HIF): MAC or AWP - [redacted] Indian Health Service, Tribal and Urban

	(IHS): AWP - [redacted] Territory (TER): MAC or AWP - [redacted]	(IHS): AWP - [redacted] Territory (TER): MAC or AWP - [redacted]	(IHS): AWP - [redacted] Territory (TER): MAC or AWP - [redacted]
Dispensing Fee: The overall annual guarantee.	Brand & Generic: [redacted] per claim Long Term Care (LTC): Brand: [redacted] per claim Generic: [redacted] per claim Home Infusion (HIF): Brand: [redacted] per claim Generic: [redacted] per claim Indian Health Service, Tribal and Urban (IHS): Brand: [redacted] per claim Generic: [redacted] per claim Territory (TER): [redacted] per claim	Brand & Generic: [redacted] per claim Long Term Care (LTC): Brand: [redacted] per claim Generic: [redacted] per claim Home Infusion (HIF): Brand: [redacted] per claim Generic: [redacted] per claim Indian Health Service, Tribal and Urban (IHS): Brand: [redacted] per claim Generic: [redacted] per claim Territory (TER): [redacted] per claim	Brand & Generic: [redacted] per claim Long Term Care (LTC): Brand: [redacted] per claim Generic: [redacted] per claim Home Infusion (HIF): Brand: [redacted] per claim Generic: [redacted] per claim Indian Health Service, Tribal and Urban (IHS): Brand: [redacted] per claim Generic: [redacted] per claim Territory (TER): [redacted] per claim
Retail 90 Network Pricing	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Brand Discount: The annual average Brand effective discount guarantee rate.	AWP - [redacted]	AWP [redacted]	AWP [redacted]
Generic Discount: The annual overall Generic discount guarantee, as defined within this Contract.	AWP [redacted]	AWP - [redacted]	AWP - [redacted]
Dispensing Fee: The overall annual guarantee.	[redacted] per claim	$[redacted] per claim	[redacted] per claim
Mail Pricing	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Brand Discount: The value of "X" in the lower of AWP - X% or MAC.	AWP - [redacted]	AWP - [redacted]	AWP - [redacted]
Generic Discount: The annual overall Generic discount guarantee, as defined within this Contract.	AWP - [redacted]	AWP - [redacted]	AWP [redacted]
Dispensing Fee: It is expected this will be zero for all claims.	[redacted] per claim	[redacted] per claim	[redacted] per claim
Specialty and Retail Specialty Pricing	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**

Minimum discount for all new products in new therapeutic classes	AWP - [redacted]	AWP - [redacted]	AWP - [redacted]
Aggregate annual discount guarantee across all specialty drugs (not filled through retail). This will include all specialty products, including bio-generics, biosimilars, limited distribution, etc.	Specialty at Retail (included in Retail Non-Specialty Guarantees): Brand: AWP - [redacted] Generic: AWP - [redacted] Specialty at CVS Specialty Pharmacies Overall Effective Discount (OED) Guarantee: AWP - [redacted]	Specialty at Retail (included in Retail Non-Specialty Guarantees): Brand: AWP - [redacted] Generic: AWP - [redacted] Specialty at CVS Specialty Pharmacies Overall Effective Discount (OED) Guarantee: AWP - [redacted]	Specialty at Retail (included in Retail Non-Specialty Guarantees): Brand: AWP - [redacted] Generic: AWP - [redacted] Specialty at CVS Specialty Pharmacies Overall Effective Discount (OED) Guarantee: AWP - [redacted]
Dispensing fee for specialty claims filled through specialty pharmacy	[redacted] per claim	[redacted] per claim	[redacted] per claim
Dispensing fee for specialty claims filled through retail pharmacy	[redacted] per claim	[redacted] per claim	[redacted] per claim
Minimum Rebate Guarantees (Exclusion Formulary)	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Minimum annual rebate guarantee per retail network Brand claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Minimum annual rebate guarantee per retail 90 network extended supply Brand claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Minimum annual rebate guarantee per mail Brand claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Minimum annual rebate guarantee per retail specialty network claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Minimum annual rebate guarantee per specialty claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim	[redacted] per Brand Drug claim
Admin Fee per final net paid claim	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
Admin fee per final net paid retail claim	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-

	funded EGWP Admin Fee)	funded EGWP Admin Fee)	funded EGWP Admin Fee)
Admin fee per final net paid retail 90 extended supply claim	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)	$[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)
Admin fee per final net paid mail claim	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)
Admin fee per final net paid specialty pharmacy claim	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)
Admin fee per final net paid retail specialty claim	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)	[redacted] per claim (PBM Admin Fee) + [redacted] PMPM (Self-funded EGWP Admin Fee)

EGWP	Contract Year 1	Contract Year 2	Contract Year 3
Monthly Administrative Service Fee	[redacted]	[redacted]	[redacted]

EGWP	Contract Year 1	Contract Year 2	Contract Year 3
*Confirm that the per final net paid claim and/ or monthly administrative service fee include the following services:			
Core Service Package, including Claims Processing, Implementation Set up, Paper Claims/DMR, Subrogation Claims, Reprocessed claims, 24/7 Medicare Part D specialized member contact center and provider call center, Administrative overrides, Formulary Submission/Maintenance, Rebate Administration, Online Reporting, CMS required clinical and FWA, MTM, etc programs, LICS Best Available Evidence (BAE), Eligibility and Enrollment	[redacted]	[redacted]	[redacted]

Processing with CMS, Provide file of Part B drugs to medical plan, Allow global attestation of credible coverage, Electronic prescribing	
Mailings of ALL CMS required communications	
Enrollment Materials	
Pre-enrollment Calls	
Post-enrollment Calls	
TrOOP Tracking/Facilitation	
Data Collection & Reporting	
Enrollment Packets	
Enrollment Cards	
Pre-enrollment Appl Material	
Post Enrollment Calls- Total	
After Hours Calls	
Customized Reporting	
Manual Eligibility Entry	
Annual Setup Direct Waivers PDP	
Pre-Enrollment Calls	
Grievance Tracking	
Member Welcome Kits to include all CMS required materials (EOC, Pharmacy directory, Formulary, ID card, Welcome letter, etc.)	
CMS required model notices (in response to TRR)	
Opt out (pre-notification) letter	
Summary of Benefits	
Explanation of Benefits	
Interactive Member Websites	
Negative Formulary Impact Letters	
All CMS required enrollment/disenrollment letters	
Coverage Gap Letters	
Transition Fill Letters	
ANOC	
Negative Formulary Impact Letters	
Submission/Reconciliation PDE	
Eligibility	
Formulary	
Grievances	
MMR reconciliation	
Other CMS required submissions	

Audits	Audit Credit Applies	Audit Credit Applies	Audit Credit Applies
Vaccine Administration	Broad Vaccine Network - [redacted] per vaccine admin fee	Broad Vaccine Network - [redacted] per vaccine admin fee	Broad Vaccine Network - [redacted] per vaccine admin fee
Data Storage	[redacted]		
Other--Specify any services with fees that are not listed:	Optional: Pharmacy Advisor Counseling - [redacted] PMPM Health Advisor - [redacted] PMPM	Optional: Pharmacy Advisor Counseling - [redacted] PMPM Health Advisor - [redacted] PMPM	Optional: Pharmacy Advisor Counseling - [redacted] PMPM Health Advisor - [redacted] PMPM

2.3 Clinical Management Programs as set forth in Attachment VI

Clinical Management Fees	**Contract Year 1**	**Contract Year 2**	**Contract Year 3**
All-inclusive total Clinical Management Fee for Commercial	[redacted] PMPM	[redacted] PMPM	[redacted] PMPM
All-inclusive total Clinical Management Fee for EGWP	[redacted] PMPM	[redacted] PMPM	[redacted] PMPM
Commercial Therapeutic Prior Authorization Administration (Non-POS Edits)	[redacted] per request	[redacted] per request	[redacted] per request
Commercial Appeals Administration	[redacted] per first level appeal [redacted] per second level appeal [redacted] per external review services with Independent Review Organizations	[redacted] per first level appeal [redacted] per second level appeal [redacted] per external review services with Independent Review Organizations	[redacted] per first level appeal [redacted] per second level appeal [redacted] per external review services with Independent Review Organizations
EGWP Therapeutic Prior Authorization Administration (Non-POS Edits)	[redacted]	[redacted]	[redacted]
EGWP Appeals Administration	[redacted]	[redacted]	[redacted]

2.4 Credits and Allowances

This Section sets forth various credits to be paid or credited by PBM to OGB (collectively "OGB Credits"). It is the intention of the parties that, for purposes of the Federal Anti-Kickback Statute, these OGB Credits shall constitute and shall be treated as discounts against the price of drugs within the meaning of 42 U.S.C. 1320a 7b(b)(3)(A). In addition, OGB acknowledges and agrees that, as a condition to its right to receive OGB Credits from PBM, all OGB Credits received shall be used exclusively for providing benefits to Plan Participants and defraying the reasonable expense of administering the Plan.

PBM agrees to provide OGB a one-time commercial implementation credit in the amount up to [redacted] per net new member ("PNNM") and an EGWP implementation credit in the amount up to [redacted] PNNM which will be available during the term of the contract as provided in Attachment I: Scope of Work/Services. This credit will be used for costs incurred by OGB in implementing the PBM. The member count for the commercial and EGWP implementation credit shall be determined by the members participating in the OGB self-funded health plans (excluding the Pelican HSA plan) on January 1, 2023. The credit may be used to offset typical and/or mutually agreed upon implementation costs in transferring from the current provider to CVS Caremark. OGB shall be responsible for all transition and implementation expenses in excess of the implementation credit provided to OGB as set forth above. Examples of transition and implementation expenses include, but are not limited to, costs of customized Member I.D. cards, postage expense for direct mail of I.D. cards and other communication materials to Members, third party consultants for the benefit of the pharmacy plan, and special programming required by CVS Caremark or OGB's prior prescription benefit manager to provide data to CVS Caremark. OGB shall claim the implementation credits no later than six (6) months after the effective date of the Agreement.

Additionally, PBM agrees to provide OGB an annual commercial administrative fund credit in the amount up to [redacted] per member per year ("PMPY") and an annual EGWP administration fund credit in the amount up to [redacted] PMPY which will be available during the term of the contract as provided in Attachment I: Scope of Work/Services. The member count for the annual commercial and EGWP administrative fund credit shall be determined by the members participating in the OGB self-funded health plans (excluding the Pelican HSA plan) on January 1st of each calendar year.

This administrative fund credit may be used to offset certain expenses incurred by OGB in the implementation and administration of OGB's prescription benefit plan or the services provided by PBM during the term. The credit, for example, may be applied to offset communication expenses, Member I.D. cards, postage, third party consultants, special programming charges, fees and expenses from OGB-engaged consultants associated with projects related to pharmacy benefits or specialty drug medical benefit management, fees and expenses for third party ongoing reviews/audits or any other consulting services or applied to clinical programs offered by PBM. OGB will be requested to provide reasonable documentation of expenses incurred that are to be applied to this credit. Alternatively, OGB may elect to have this credit applied to its monthly invoices on a prorated basis.

Notwithstanding the credits provided above, for pre and/or post-implementation audits, PBM shall provide OGB with an ongoing audit credit (inclusive of rebate audit and prior authorization

retrospective review) of up to [redacted] per year for the term of the contract as provided in in Attachment I: Scope of Work/Services, Task (3) Pharmacy Benefits Manager Services. This annual credit provided to OGB can be applied to offset costs incurred by OGB in the administration of an audit pursuant to the terms of the Agreement. This audit credit will be credited to OGB's monthly invoices. Identification of the expenses attributable to this audit credit shall be mutually agreed upon. OGB shall provide PBM with documentation of expenses actually incurred in the form of an invoice, an account statement, or other detailed documentation. Expenses applied to this credit will not exceed fair market value of such expenses. The member count for the pre and/or post-implementation audits credits shall be determined by the members participating in the OGB self-funded health plans (excluding the Pelican HSA plan) on January 1, 2023. The member count for the ongoing audit credits shall be determined by the members participating in the OGB self-funded health plans (excluding the Pelican HSA plan) on January 1st of each calendar year.

2.5 General Pricing Terms and Conditions

The financial provisions in this Contract are based upon information provided by OGB (or OGB's authorized representative) during the pricing request process. Subject to written notice to OGB within 30 days and upon written agreement between OGB and CVS Caremark, Attachment II: Pricing may be modified or amended in a manner narrowly tailored to account for the impact of events identified below. Such written notice will include CVS Caremark's explanation of the manner in which the modification accounts for the impact of the event. Such modifications will require an amendment to this Contract.

1. OGB-initiated change to pharmacy benefit program, plan design, or formulary alignment (provided, however, a full replacement Consumer Driven Health Plan (CDHP) will not, in and of itself, trigger any pricing adjustment), but only to the extent that the change impacts the underlying economics of the Agreement;

2. Product offering decisions by drug manufacturers that result in a reduction of Rebates, including the introduction of a lower cost alternative product which may replace an existing rebatable brand product; an unexpected launch of a generic product ahead of the anticipated generic date; or a branded product converted to OTC status, recalled or withdrawn from the market. CVS Caremark will conduct an analysis based upon State-specific claims, utilization, and membership data demonstrating how the change results in the proposed modification. CVS Caremark will provide documentation of the reason for the proposed modification in addition to a summary analysis demonstrating the modification is solely related to the impact of the specific event. CVS Caremark will disclose all necessary facts and data to OGB and OGB's third party consultant for validation; or

3. Any government imposed change, including changes in CMS guidelines for government regulated programs, if applicable, which materially impacts the current economics of the pricing or the rebating process with pharmaceutical manufacturers and has a material adverse impact on pricing or Rebates.

ATTACHMENT III: BUSINESS ASSOCIATE ADDENDUM

State of Louisiana, Office of Group Benefits

HIPAA Business Associate Addendum

THIS HIPAA BUSINESS ASSOCIATE ADDENDUM (the "Addendum") is entered into effective the _____ day of September, 2022 (the "Effective Date"), by and between CaremarkPCS Health, L.L.C. ("CVS Caremark"), a wholly owned direct subsidiary of CaremarkPCS, L.L.C., a subsidiary of Caremark Rx, L.L.C., whose parent company is CVS Health Corporation ("Business Associate") and the State of Louisiana, Office of Group Benefits, on behalf of itself and its affiliates, if any (individually and collectively, the "Covered Entity"), and adds to the Agreement or Contract dated September ___, 2022, entered into between Covered Entity and Business Associate (the "Agreement").

WHEREAS, pursuant to the Agreement, Business Associate performs functions or activities or arranges for such on behalf of Covered Entity involving the use and/or disclosure of protected health information that Business Associate accesses, creates, receives, maintains or transmits on behalf of Covered Entity ("PHI"); and

WHEREAS, Covered Entity and Business Associate intend to protect the privacy and provide for the security of PHI in compliance with the Health Insurance Portability and Accountability Act of 1996, and regulations promulgated thereunder by the U.S. Department of Health and Human Services ("HHS"), as amended from time to time including by the Health Information Technology for Economic and Clinical Health Act ("HITECH") (collectively "HIPAA").

Business Associate, therefore, agrees to the following terms and conditions set forth in this Addendum.

1. *Definitions*. Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms are defined under HIPAA.

2. *Compliance with Applicable Law*. The parties acknowledge and agree that, beginning with the effective date, Business Associate shall comply with its obligations under this Agreement and with all obligations of a business associate under HIPAA and other applicable laws, regulations, and record retention policies, as they exist at the time this Agreement is executed and as they are amended, for so long as this Agreement is effective.

3. *Uses and Disclosures of PHI*. Except as otherwise limited in this Agreement, Business Associate may, and shall ensure that its directors, officers, employees, contractors, subcontractors, vendors, and agents use or disclose PHI only as follows:

(a) Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(b) Business Associate may disclose PHI for the proper management and administration, or to carry out the legal responsibilities, of the Business Associate, provided that disclosures are required by HIPAA, or Business Associate obtains reasonable written assurances from the person or entity to whom the PHI is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to the

person or entity, and the person or entity notifies the Business Associate of any instances of which it is aware or suspects in which the confidentiality of the PHI has been breached. In such case, Business Associate shall report such known or suspected breaches to Covered Entity as soon as possible and in accordance with timeframes set forth in this Agreement.

(c) Business Associate, upon written request by Covered Entity, may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B). For purposes of this Section, Data Aggregation means, with respect to PHI, the combining of such PHI by Business Associate with the PHI received by Business Associate in its capacity as a Business Associate of another Covered Entity to permit data analyses that relate to the health care operations of the respective Covered Entities. It is not contemplated that Business Associate will perform Data Aggregation services with PHI received from Covered Entity; however, Business Associate will perform Data Aggregation services only after obtaining express, written permission of Covered Entity.

(d) Business Associate may completely de-identify any and all PHI created or received by Business Associate under this Agreement; provided, however, that the de-identification conforms to the requirements of HIPAA and is in accordance with any guidance issued by the Secretary. Such resulting de-identified information would not be subject to the terms of this Agreement.

(e) Business Associate may create a Limited Data Set, as defined in HIPAA, and use such Limited Data Set pursuant to a Data Use Agreement that meets the requirements of HIPAA, provided Covered Entity agrees to such creation and use of a Limited Data Set. Business Associate will create any Limited Data Set using PHI of Covered Entity's Plan Participants only after first obtaining express, written consent of Covered Entity.

(f) Business Associate may use and disclose PHI to respond to requests for PHI either accompanied by an authorization that meets the requirements of 45 CFR 164.508 or from a covered entity or health care provider in accordance with 45 CFR 164.506(c); or to report violations of law to federal and state agencies consistent with 45 CFR 164.502(j)(1). On a quarterly basis and at any time requested by Covered Entity, Business Associate will submit written notice of use and disclosure of PHI to Covered Entity when responding to requests pursuant to Section 3(f) of this Agreement.

4. *Required Safeguards To Protect PHI.* Business Associate shall implement appropriate safeguards in accordance with HIPAA to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of the Agreement. To the extent that Business Associate creates, receives, maintains, or transmits electronic PHI ("ePHI") on behalf of Covered Entity, Business Associate shall comply with the HIPAA Security Rule as of the relevant effective date of this Agreement and further, shall implement Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the ePHI.

5. *Reporting to Covered Entity.* Business Associate shall report to Covered Entity any use or disclosure of PHI not provided for by this Agreement. As soon as reasonably practicable (but not more than three (3) business days after discovery), Business Associate shall report to Covered Entity breaches of unsecured PHI in accordance with the Breach Notification Rule (45 CFR Subpart D), and any Security Event of which it becomes aware that may constitute a breach of unsecured PHI. Business Associate shall cooperate with Covered Entity's investigation, analysis, notification, and mitigation activities, and shall be responsible for all costs incurred by Covered Entity for those activities. Business Associate shall conduct a breach risk assessment to ascertain the probability that PHI has been compromised within twenty (20) calendar days of when Business Associate (or its subcontractor) knew

or should have known of the use or disclosure of PHI not provided for by this Agreement. Business Associate shall provide the breach risk assessment to Covered Entity within twenty (20) calendar days of when Business Associate (or its subcontractor) knew or should have known of the use or disclosure of PHI not provided for by this Agreement. Security Event is defined in the OTS Information Security Policy as an observable event, or collection of events, that may indicate a potential incident and shall be reviewed or investigated and may or may not be required for promotion to an Incident. https://www.doa.la.gov/media/wvmhsr1r/louisiana_infosecpolicy.pdf.

6. *Notifications and Reporting to HHS.* Following a breach of unsecured PHI, Business Associate shall send the required notifications to plan participants, news media outlets, and the Secretary as required by HIPAA. Business Associate shall consult with Covered Entity prior to publishing a notification in a prominent media outlet and provide Covered Entity with a copy of the final publication within (1) business day of publication. Business Associate shall provide Covered Entity with copies of notifications sent to plan participants within five (5) business days of sending the notification(s). Business Associate shall provide Covered Entity with copies of notifications submitted to the Secretary within three (3) business days of submission.

7. *Mitigation of Harmful Effects*. Business Associate agrees to mitigate, to the extent practicable, any harmful effect of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement, including, but not limited to, compliance with any state law or contractual data breach requirements.

8. *Agreements with Third Parties*. Business Associate understands and agrees that any agent or subcontractor that may create, receive, maintain or transmit PHI on behalf of Business Associate must comply with all applicable laws and regulations as are applicable to Covered Entity in regard to PHI. Business Associate shall enter into a written agreement with any agent or subcontractor of Business Associate that will create, receive, maintain, or transmit PHI on behalf of Business Associate. Pursuant to such agreement, the agent or subcontractor shall agree to be bound by the same restrictions, terms, and conditions that apply to Business Associate under this Agreement with respect to such PHI. Such agreements with Business Associate's agents and subcontractors shall be provided to Covered Entity upon request and subject to audit hereunder.

9. *Access to Information*. Within ten (10) days of a request by Covered Entity for access to PHI about an individual contained in a Designated Record Set, Business Associate shall make available to Covered Entity such PHI for so long as such information is maintained by Business Associate in the Designated Record Set, as required by 45 CFR 164.524. In the event any individual delivers a request for access to PHI directly to Business Associate, Business Associate shall within five (5) days forward such request to Covered Entity.

10. *Availability of PHI for Amendment*. Within ten (10) days of receipt of a request from Covered Entity for the amendment of an individual's PHI or a record regarding an individual contained in a Designated Record Set (for so long as the PHI is maintained in the Designated Record Set), Business Associate shall provide such information to Covered Entity for amendment and incorporate any such amendments in the PHI as required by 45 CFR 164.526.

11. *Documentation of Disclosures*. Business Associate agrees to document disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. At a minimum, Business Associate shall provide Covered Entity with the following information: (i) the date of the disclosure; (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure.

12. *Accounting of Disclosures*. Within ten (10) calendar days of notice by Covered Entity to Business Associate that it has received a request for an accounting of disclosures of PHI regarding an individual, Business Associate shall make available to Covered Entity information collected in accordance with Section 10 of this Agreement, to permit Covered Entity to respond to the request for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. In the event the request for an accounting is delivered directly to Business Associate, Business Associate shall within five (5) days forward such request to Covered Entity. Business Associate hereby agrees to implement an appropriate record keeping process to enable it to comply with the requirements of this Section.

13. *Other Obligations*. To the extent that Business Associate is to carry out Covered Entity's obligation under HIPAA, Business Associate shall comply with the requirements of HIPAA that apply to the Covered Entity in the performance of such obligation. Such obligations include but are not limited to Covered Entity's obligations to provide breach notifications.

14. *Availability of Books and Records*. Business Associate hereby agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to Covered Entity and to the Secretary for purposes of determining Covered Entity's compliance with HIPAA for the term of this Agreement and for six years following the final payment under the Agreement.

15. *Effect of Termination of Agreement*. Upon the termination of the Agreement for any reason, Business Associate shall return to Covered Entity, at its expense and within sixty (60) days of the termination, all PHI owned by or belonging to Covered Entity as provided in the Agreement, and shall retain no copies of the PHI unless required by law. In the event that the law requires Business Associate to retain copies of PHI, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes required by law, for so long as Business Associate maintains such PHI. This provision includes, but is not limited to, PHI: (a) received from Covered Entity; (b) created or received by Business Associate on behalf of Covered Entity; and, (c) in the possession of subcontractors or agents of Business Associate. This provision includes PHI in any form, recorded on any medium, or stored in any storage system. In addition, the Business Associate shall return any books, records, or other documents required by the Agreement.

16. *Breach of Contract by Business Associate*. In addition to any other rights Covered Entity may have in this Agreement or by operation of law or in equity, Covered Entity may (i) immediately terminate the Agreement if Covered Entity determines that Business Associate has violated a material term of this Agreement, or (ii) at Covered Entity's option, permit Business Associate to cure or end any such violation within the time specified by Covered Entity. Covered Entity's exercise of its option to permit Business Associate to cure a breach of this Agreement shall not be construed as a waiver of any other rights Covered Entity has in this Agreement or by operation of law or in equity.

17. *Indemnification*. Business Associate shall defend, indemnify, and hold harmless Covered Entity and its officers, trustees, employees, subcontractors and agents from and against any and all claims, penalties, fines, costs, liabilities or damages, including but not limited to reasonable attorney fees, incurred by Covered Entity arising from a violation by Business Associate or its subcontractors of Business Associate's obligations under this Agreement or HIPAA. This Section 17 of the Agreement shall survive the termination of this Agreement.

18. *Exclusion from Limitation of Liability*. To the extent that Business Associate has limited its liability under the terms of the Agreement, whether with a maximum recovery for direct damages or a disclaimer against any consequential, indirect or punitive damages, or other such limitations, all limitations shall exclude any damages to Covered Entity arising from Business Associate's breach of

its obligations relating to the use and disclosure of PHI. This Section 18 of this Agreement shall survive the termination of this Agreement.

19. *Injunctive Relief*. Business Associate acknowledges and stipulates that the unauthorized use or disclosure of PHI by Business Associate or its subcontractors while performing services pursuant to this Agreement would cause irreparable harm to Covered Entity, and in such event, Covered Entity shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages and injunctive relief, together with the right to recover from Business Associate costs, including reasonable attorneys' fees, for any such breach of the terms and conditions of this Agreement.

20. *Third Party Rights*. The terms of this Agreement are not intended, nor should they be construed, to grant any rights to any parties other than Business Associate and Covered Entity.

21. *Owner of PHI*. Under no circumstances shall Business Associate be deemed in any respect to be the owner of any PHI used or disclosed by or to Business Associate pursuant to the terms of the Agreement.

22. *Changes in the Law*. Covered Entity may amend either this Agreement, as appropriate, to conform to any new or revised federal or state legislation, rules, regulations, and records retention policies to which Covered Entity is subject now or in the future including, without limitation, HIPAA.

23. *Judicial and Administrative Proceedings*. In the event Business Associate receives a subpoena, court, or administrative order, or other discovery request or mandate for release of PHI associated with this contract, other than a standard medical records request/medical records subpoena, Business Associate shall notify Covered Entity of such within five (5) business days by providing a copy of such and any applicable comments. Covered Entity shall have the right to control Business Associate's response to such request.

24. *Conflicts*. If there is any direct conflict between the Agreement and this Addendum, the terms and conditions of this Addendum shall control.

IN WITNESS WHEREOF, the parties have executed this Addendum effective the day and year first above written.

(Signature Page to Follow)

STATE OF LOUISIANA
OFFICE OF GROUP BENEFITS

By: Melissa Mayers
Signature

Melissa Mayers
Printed Name

Title: Chief Operating Officer

Date: 9/2/22

CAREMARKPCS HEALTH, L.L.C.

By: _____
Signature

Cheryl Byron
Printed Name

Title: Vice President

Date: 9/1/2022

LEGAL REVIEW

ATTACHMENT IV: RECORDS RETENTION SCHEDULE

Records Retention Schedule

SS ARC 932 (10/19)

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804

Http://www.sos.la.gov

Page 1 of 13 R2019-100 CFM

Indicate Use of Form
__ORIGINAL SUBMISSION
X RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Executive

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	Internal Audit Records/Reports	ACT + 2 FY	3 FY	ACT + 5 CY	M	S	Y	V	ACT = until the end of the FY in which the audit report is issued. AA
2	LLA Audit Records/Reports	ACT + 2 FY	3 FY	ACT + 5 CY	M	S	Y	V	ACT = until the end of the FY in which the audit report is issued. AA
3	Group Benefits Policy and Planning Board Meeting Presentations	ACT + 10 CY	0	ACT + 10 CY	P	S	N	I	ACT = until the end of the CY in which the presentations were created. AA
4	Group Benefits Policy & Planning Board Reports	ACT + 10 CY	0	ACT + 10 CY	M	S	N	V	ACT= Until end of CY in which OGB ceases to exist. **
5	Group Benefits Policy & Planning Board Meeting Minutes	PERM	0	PERM	M	R	N	V	
6	Group Benefits Estimating Conference Meeting Presentations	ACT + 10 CY	0	ACT + 10 CY	P	S	N	I	ACT = until the end of the CY in which the presentations were created. AA
7	Group Benefits Estimating Conference Meeting Minutes	PERM	0	PERM	M	R	N	V	
8	OGB 5-year Strategic Plan	ACT + 5 FY	0	ACT + 5FY	P	S	N	V	ACT = until the end of the FY in which the Strategic plan was drafted. AA
9	OGB HIPAA Compliance Records	ACT + 6 CY	0	ACT + 6 CY	M	S	N	V	ACT = until the end of the CY in which the records were created or received. AA

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
AA = May be part of an Imaging/Electronic Survey

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
LLA = Louisiana Legislative Auditor
OGB = Office of Group Benefits
HIPAA = Health Insurance Portability and Accessibility Act

Agency Approval

Date Signed 1-22-20

Secretary of State, State Archives & Records Services

Date Approved 1-8-2020

Records Retention Schedule

SS ARC 932 (10/19)

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804
Http://www.sos.la.gov

Indicate Use of Form
__ORIGINAL SUBMISSION
_XRENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Administration -- Finance

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	OGB Budget Request Documents/Records	ACT + 5 FY	0	ACT + 5 FY	P	R	N	V	ACT = until the end of the FY in which created^^
2	Actuarial Revenue/Expenditure Line-item Projections	ACT + 5 FY	0	ACT + 5 FY	M	S	N	V	ACT = until the end of the FY in which received^^
3	Actuarial Premium Rate Schedules	ACT + 5 CY	0	ACT + 5 CY	P	S	N	V	ACT = until the end of the FY in which received^^
4	Official Premium Rate Schedules	ACT + 10 CY	0	ACT+ 10 CY	P	S	N	V	ACT= until end of the CY in which the OGB ceases to exist**
5	Monthly OTS Invoices & Supporting Documents	ACT + 1 FY	3 FY	ACT + 4 FY	M	S	Y	V	ACT = until the end of the FY in which the document was received^^
6	Annual IAT Agreements & Supporting Documents	ACT + 1 FY	3 FY	ACT + 4 FY	M	S	Y	V	ACT = until the end of the FY in which the document was received^^
7	Miscellaneous/One-time Invoices & Supporting Documents	ACT + 1 FY	3 FY	ACT + 4 FY	M	S	Y	V	ACT = until the end of the FY in which the document was received^^
8	OGB Fiscal Note Worksheets & Supporting Documents	ACT + 5 CY	0	ACT + 5 CY	M	S	N	V	ACT = until the end of the CY in which the document was created^^
9	DOA Analysis Sheets & Supporting Documents	ACT + 5 CY	0	ACT + 5 CY	M	S	N	V	ACT = until the end of the CY in which the document was created^^
10	Fuel Invoices & Supporting Documents	ACT + 1 FY	3 FY	ACT + 4 FY	M	S	Y	V	ACT = until the end of the FY in which the document was received^^

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB – Office of Group Benefits
OTS – Office of Technology Services
IAT- Inter Agency Transfers
DOA – Division of Administration

Tammy League
Agency Approval

1-7-2020
Date Signed

Suzanne C. Snyder, CRM
Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804

Http://www.sos.la.gov

SS ARC 932 (10/19)

Indicate Use of Form
__ORIGINAL SUBMISSION
_X_RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Administration -- Communications

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	Annual Enrollment Member Guides	ACT + 10 CY	0	ACT + 10 CY	P	D	N	I	ACT = until the end of the CY in which OGB ceases to exist**
2	Annual Enrollment Member Presentations	ACT + 10 CY	0	ACT + 10 CY	P	S	N	I	ACT = until the end of the CY in which the presentations were created^^
4	Annual Enrollment HR Presentations	ACT + 10 CY	0	ACT + 10 CY	P	S	N	I	ACT = until the end of the CY in which the presentations were created^^
5	Agency/Member Memos on OGB Policies/Procedures Changes	ACT + 10 CY	0	ACT + 10 CY	P	D	N	V	ACT = until the end of the CY in OGB ceases to exist**
6	Medicare Part D Creditable Coverage Notices	ACT + 6 CY	0	ACT + 6 CY	M	S	N	V	ACT = until the end of the CY in which the notices were created^^
7	Publications	ACT + 10 CY		ACT + 10 CY	M	S	N	I	ACT = until end of CY in which OGB ceases to exist**

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
HR – Human Resources
OGB – Office of Group Benefits

Tommy Teague
Agency Approval

1-7-2020
Date Signed

Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804
Http://www.sos.la.gov

SS ARC 932 (10/19)

Indicate Use of Form
__ORIGINAL SUBMISSION
_XRENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Administration – General

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	OGB Employee Driver Authorization Forms	ACT + 2 FY	3 FY	ACT + 5 FY	M	S	Y	V	ACT = until the end of the FY in which the employee separates from agency**
2	OGB Employee Safety Meetings Training Materials & Sign-in Sheets	ACT + 2 FY	3 FY	ACT + 5 FY	M	S	Y	V	ACT = until the end of the FY in which the documents were created or received^^
3	OGB Employee PES Evaluations and Planning Session Documents	ACT + 2 FY	3 FY	ACT + 5 FY	M	S	Y	V	ACT = until the end of the FY in which supervision ends**
4	OGB Employee Time & Attendance Reports	ACT + 2 CY	3 CY	ACT + 5 CY	M	S	Y	V	ACT = until the end of the CY in which the reports were created or received^^
5	Vehicle Logs & Supporting Documents	ACT + 2 FY	3 FY	ACT + 5 FY	M	S	Y	V	ACT = until the end of the FY in which the documents were created or received^^
6	SOF & Supporting Documents	ACT + 2 FY	1 FY	ACT + 3 FY	M	S	Y	V	ACT = until the end of the FY in which the documents were created or received^^
7	OGB Visitor Logs/Sign-in Sheets	ACT + 2 FY	3 FY	ACT + 5 FY	M	S	Y	U	ACT = until the end of the FY in which the logs were created^^
8	Daily Documents/Mail Assignments Logs	ACT + 2 FY	3 FY	ACT + 5 FY	M	S	Y	U	ACT = until the end of the FY in which the logs were created^^
9	Records Management Files (Retention Schedules, disposal requests, Transmittals, Surveys and Exceptions)	ACT + 10 CY		ACT + 10 CY	M	S	N	V	ACT = until end of CY in which OGB ceases to exist. **

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
SOF –Special order Form
OGB= Office of Group Benefits
PES = Personnel Evaluation System

Tommy Teague
Agency Approval

1-7-2020
Date Signed

Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804

Http://www.sos.la.gov

SS ARC 932 (10/19)

Page 5 of 13

Indicate Use of Form
__ORIGINAL SUBMISSION
_X_RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Contracts Management

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	OGB Contracts, Contract Amendments, & Supporting Documents	ACT + 3 CY	7 CY	ACT + 10 CY	M	S	Y	V	ACT = Until the end of the CY in which the contract expires or is terminated**
2	OGB Contract Solicitations (RFP, ITB, RFI) & Supporting Documents	ACT + 3 CY	0	ACT + 3 CY	M	S	Y	V	ACT = Until the end of the CY in which the solicitations deadline ends^^

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB= Office of Group Benefits
RFP = Request for Proposal
ITB = Intent to Bid
RFI = Request for Information

Tommy Teague
Agency Approval

1-7-2020
Date Signed

Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

SS ARC 932 (10/19)

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804
Http://www.sos.la.gov

Indicate Use of Form
__ORIGINAL SUBMISSION
_X_RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Agency Services

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	OGB Member Participation Schedules	ACT + 10 CY	0	ACT + 10 CY	C	S	N	V	ACT= Until end of CY in which OGB ceases to exist**
2	OGB Member Collections Notices & Supporting Documents	ACT + 10 CY	0	ACT + 10 CY	C	S	N	V	ACT= Until end of CY in which OGB ceases to exist**
3	OGB Member Appeals & Supporting Documents	ACT + 10 CY	0	ACT + 10 CY	C	S	N	V	ACT= Until end of CY in which OGB ceases to exist**
4	OGB-participating Agency Administrative Error Appeals & Supporting Documents	ACT + 10 CY	0	ACT + 10 CY	C	S	N	V	ACT= Until end of CY in which OGB ceases to exist**

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB = Office of Group Benefits

Tammy Fuller
Agency Approval

1-2-2020
Date Signed

Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804

Http://www.sos.la.gov

SS ARC 932 (10/19)

Indicate Use of Form
__ORIGINAL SUBMISSION
_X_RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Customer Service

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	Enrollment Change Forms & Supporting Eligibility Documents (GB-01)	ACT + 10 CY		ACT + 10 CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
2	Designation Forms (OBG Coordinator, Agency Master User, Invoice Contact) (GB-74, GB-75, GB-78)	ACT + 10 CY		ACT + 10 CY	M	S	N	I	ACT = until the end of the CY in which OGB ceases to exist. **
3	OGB Member Correspondence	ACT + 10 CY		ACT + 10 CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
4	Daily Work Papers (includes printed copies of imaged documents and non-essential notes with PHI or OGB member contact info, produced by OGB Customer Service section staff)	ACT	0	ACT	M	S	N	U	ACT = until the end of the day in which the work papers were created ^^

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB= Office of Group Benefits
PHI = Personal Health Information

Agency Approval — 1-7-2020 Date Signed

Secretary of State, State Archives & Records Services — 1-8-2020 Date Approved

Records Retention Schedule

SS ARC 932 (10/19)

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804
Http://www.sos.la.gov

Indicate Use of Form
__ORIGINAL SUBMISSION
_X_RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Medical and Pharmacy Benefits Administration – Health Insurance

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	Self-funded Health Plan Medical TPA Invoices & Supporting Documents	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	V	ACT = until the end of the CY in which the document was received ^^
2	Self-funded Health Plan Pharmacy TPA Invoices & Supporting Documents	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	V	ACT = until the end of the CY in which the document was received ^^
3	Fully Insured Health Plan Vendors Invoices & Supporting Documents	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	V	ACT = until the end of the CY in which the document was received ^^
4	Capitated Primary Care Network Vendor Invoices & Supporting Documents	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	V	ACT = until the end of the CY in which the document was received ^^
5	IMMEHRA Vendor Invoices and Supporting Documents	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	V	ACT = until the end of the CY in which the document was received ^^
6	Health Plan Vendors Reports & Contract Deliverables	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	U	ACT = until the end of the CY in which the report or deliverable was received ^^
7	Health Savings Account Enrollment & Payroll Deduction Election/Changes (GB-79 Forms)	ACT + 10 CY		ACT + 10 CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
8	TPA Health and Pharmacy Claims (including supplemental Claims)	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
TPA = Third party administrator
IMMEHRA = Individual Medicare Market Exchange with Health Reimbursement Arrangements
OGB = Office of Group Benefits

Agency Approval

1-7-2020
Date Signed

Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804

Http://www.sos.la.gov

SS ARC 932 (10/19)

Indicate Use of Form
__ORIGINAL SUBMISSION
_XRENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Medical and Pharmacy Benefits Administration – Life Insurance

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	Fully Insured Basic and Supplemental Life Insurance Vendor Invoices & Supporting Documents	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	U	ACT = until the end of the CY in which the document was received ^^
2	Fully Insured Basic and Supplemental Life Insurance Vendor Reports & Contract Deliverables	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	U	ACT = until the end of the CY in which the report or deliverable was received ^^
3	Fully Insured Basic and Supplemental Life Insurance Member Beneficiary Designation/Change Forms	ACT+ 10 CY	0	ACT + 10 CY	C	S	N	V	ACT= Until end of the CY in which OGB ceases to exist. **

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB = Office of Group Benefits

Tommy Teggs
Agency Approval

12-27-2019
Date Signed

Duane E. Hopper, CRM
Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804

Http://www.sos.la.gov

SS ARC 932 (10/19)

Indicate Use of Form
__ORIGINAL SUBMISSION
X RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Medical and Pharmacy Benefits Administration – Flexible Benefits & COBRA

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	FSA & COBRA TPA Vendor Invoices & Supporting Documents	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	V	ACT = until the end of the CY in which the document was received ^^
2	FSA & COBRA TPA Vendor Reports & Contract Deliverables	ACT + 1 CY	3 CY	ACT + 4 CY	M	S	Y	V	ACT = until the end of the CY in which the report or deliverable was received ^^
3	Flexible Spending Arrangement Enrollment/Stop Form (GB-2)	ACT+ 10 CY	0	ACT + 10 CY	M	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB = Office of Group Benefits

Tammy Fuqua
Agency Approval

1-7-2020
Date Signed

Susanne C. Hopkins, CRM
Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804

Http://www.sos.la.gov

SS ARC 932 (10/19)

Page 11 of 13

Indicate Use of Form
__ORIGINAL SUBMISSION
X RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Discontinued Programs

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
1	Filing Deadline Mail Records	ACT + 3 CY		ACT + 3 CY	M	S	N	I	ACT = until the end of the CY in which the document was created or received ^^
2	Live and Event Claims Records	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist **
3	Field and Audit Reports	ACT + 5 CY		ACT+ 5 CY	M	S	N	I	ACT = until the end of the CY in which Report was issued. ^^
4	Health Claims (including supplemental Claims)	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
5	Explanation of Benefits (EOBs)	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist **
6	Medical Records	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
7	Pre-determinations	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
8	Case Management	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
9	Medical Necessities	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB = Office of Group Benefits

Agency Approval — 1-7-2020 Date Signed

Secretary of State, State Archives & Records Services — 1-8-2020 Date Approved

Records Retention Schedule

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804

Http://www.sos.la.gov

SS ARC 932 (10/19)

Indicate Use of Form
__ORIGINAL SUBMISSION
X_RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Discontinued Programs

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
10	Paid In Vouchers	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
11	Flexible Benefit Master File	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
12	Hospital Audits, Statistical Reports and Work Papers	ACT + 5 CY		ACT+ 5 CY	M	S	N	I	ACT = until the end of the CY in which Report was issued. ^^
13	Fraud and Abuse Case Files and Logs	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
14	Health Claim Audits and work papers (including over $500 plan Member check Audits)	ACT + 5 CY		ACT + 5CY	C	S	N	I	ACT = until the end of the CY in Audit is completed. ^^
15	Special Reports (Outlier, Check Cycle)	ACT + 10 CY		ACT + 10CY	M	S	N	I	ACT = until the end of the CY in which report is run. ^^
16	Reviews (Medical and Chiropractic)	ACT + 10 CY		ACT + 10CY	C	S	N	I	ACT = until the end of the CY in which OGB ceases to exist. **
17	Case Management	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
18	Medical Necessities	ACT + 10 CY		ACT + 10CY	C	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB = Office of Group Benefits

Tommy League
Agency Approval

1-7-2020
Date Signed

Susan E. Hayden, CRM
Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

Records Retention Schedule

SS ARC 932 (10/19)

Louisiana Secretary of State
Division of Archives, Records Management and History
Post Office Box 94125, Baton Rouge, LA 70804
Http://www.sos.la.gov

Indicate Use of Form
__ORIGINAL SUBMISSION
X_RENEWAL
__REPLACEMENT PAGE
__ADDENDUM PAGE

Agency No	Agency / Division / Section
003.005	Division of Administration / Office of Group Benefits / Discontinued Programs

Item Number	Records Series Title	Retention Period			Security	Archival	State Records Center	Vital	Remarks
		In Office	In Storage	Total Retention					
19	Preferred Provider Option/Exclusive Provider Option Contracts	ACT + 5 CY		ACT + 5CY	M	S	N	V	ACT = until the end of the CY in which OGB ceases to exist. **
20	Logic Approvals	ACT + 3 CY	7CY	ACT + 10CY	M	S	N	V	ACT = until the end of the CY in which plan expires. **
21	Adjusted Batch Listings	ACT + 7 CY		ACT+ 7CY	M	S	N	I	ACT = until the end of the CY in which plan expires. **

Permitted Retention Period Abbreviations
ACT – Active Period (when used define term in remarks column)
FY- Fiscal Year (July 1- June 30)
CY – Calendar Year (Jan 1 – Dec 31)
AY – Academic Year (Aug 1 – July 31)
FFY – Federal Fiscal Year (Oct 1 – Sept 30)
MO – Months WK – Week (Mon-Sun) DY - Day(s)
PERM – Permanent
** = May be part of an Imaging/Electronic Exception.
^^ = May be part of an Imaging/Electronic Survey.

Security Status Codes
P – Public Record
M – May Contain Confidential Information
C – Confidential Information

Archival Processing Codes
A – Transfer to State Archives
R – Retain in Agency Archives
S – Review by State Archives
D- Review by State Archives/Electronic
O – Other (Specify in Remarks)

State Records Center Use
Y – Yes
N - No

Vital Record Identification Code
V= Vital
I = Important
U= Useful

Agency Abbreviations
OGB = Office of Group Benefits

Tammy Teague
Agency Approval

1-7-2020
Date Signed

Susan E. Jones, CRM
Secretary of State, State Archives & Records Services

1-8-2020
Date Approved

ATTACHMENT V: IMAGING SYSTEM SURVEY COMPLIANCE AND RECORDS DESTRUCTION

In connection with OGB's electronic records retention requirements and within thirty (30) days of the Contract's effective date, Contractor shall complete a State Archives Imaging System Survey ("System Survey") and forward to OGB.Records@la.gov[1], or as otherwise directed by OGB. According to LAC 4:XVII.1305(A), the System Survey must contain the following information:

1. A list of all OGB records series[2] maintained/managed by Contractor's system;
2. The hardware and software used including model number, version number and total storage capacity;
3. The type and density of media used by Contractor's system;
4. The type and resolution of images being produced (TIFF class 3 or 4 and dpi);
5. Contractor's quality control procedures for image production and maintenance;
6. Contractor's system's back up procedures including location of back-up (on or off-site) and number of existing images; and
7. Contractor's migration plan for purging images from the system that have met their retention period.

OGB shall review the System Survey to make an initial determination of conformity with LAC 4:XVII.1305(A). Once OGB determines that Contractor's System Survey contains the requisite information, OGB will forward the System Survey to the Secretary of State. As a continuing requirement, any system changes necessitating a revised System Survey response must be submitted to the Secretary of State within ninety (90) days of the change. To ensure compliance with this rule, Contractor shall notify the Records Officer of these changes within sixty (60) days so that he or she may forward the appropriate information to the Secretary of State.

[1] If OGB makes a different designation, OGB will notify Contractor of the change and provide updated contact information.

[2] A records series is a group of related or similar records that may be filed together as a unit, used in a similar manner, and typically evaluated as a unit for determining retention periods. LAC 4:XVII.301(A). The records series listed in Contractor's imaging survey should correspond to the records series listed on the OGB official Record Retention Schedule, Attachment IV.

ATTACHMENT VI: CLINICAL MANAGEMENT PROGRAMS

OGB Current Programs to be supported by Caremark CVS			
Active / Non-Medicare Retirees Clinical Programs			
Item	Description	Confirm agreement that each program (or Contractor similar programs) are included in the All-inclusive Clinical Fee	Provide Contractor similar program name/ description
High Cost Generic Program	Copays for certain generic medications are at the member's Preferred Brand copay level (High Cost Generic Program listing not provided due to proprietary nature of listing)		Core - Formulary Management Strategy is designed to increase appropriate utilization of generics, provide hyperinflation protection, and control new-to-market product launch spend for specialty and non-specialty medications. Includes our Tier 1 strategy, which allows coverage of certain branded medications at the tier 1 generic copay, while blocking the generic equivalent, in order to deliver the lowest net cost for clients and their members.
If member is enrolled in OGB's Disease Management Program	$1500 Rx out of pocket is waived. Member pays $0 for generic, $20 for preferred brand, and $40 for non-preferred brand and specialty. In addition, all covered Diabetic Supplies including Test Strips are for $0 copay.		Plan design set-up which allows members to have OOP waived and applicable tiered copays apply. Additionally, our dedicated Diabetic meter team can support members in ordering a free Accu-Chek blood glucose meter, at no cost to the member or the plan. Members are able to order and select a meter via the website (www.caremark.com/managingdiabetes), via email or over the phone (1-877-418-4746 Mon.–Fri., 8 am–6 pm (CT)). The team can also assist members with obtaining a new or updated prescription for their diabetic testing supplies.
Clinical Edit Package	PA, Step Therapy, QL, Age/Gender edits in place under the formulary		Core- Clinical Edit Administration

Formulary Exclusions	[redacted]	[redacted]	Core – Formulary Management Strategy
510k management			Core – Formulary Management Strategy
Standard Concurrent Drug Utilization Review			Core – POS Safety Edits. Flags potential medication safety concerns at the point of sale. Additionally, reviews claims within 72 hours of adjudication to identify potential medication safety concerns.
Patent Exclusivity Management	Allows coverage of the branded product at the lower tier and the generic product is blocked from adjudication to achieve lowest net cost.		Core- Formulary Management Strategy (Tier 1)
Opioid Cumulative Dosing Program	POS edit providing hard- and soft-stops on Opioid claims based on Morphine Equivalent Dose per day		Core- Opioid MME Strategy. Enhanced opioid utilization management criteria that are aligned with the CDC Guideline recommendations to help improve management of opioid use and reduce potential misuse and abuse. This stricter criteria uses Morphine Milligram Equivalent (MME) to limit quantity of opioid products. Prior Authorization requests can be made if prescribers believe their patients should exceed the MME within the CDC recommendation. Not intended for patients with cancer or receiving palliative or end-of-life care.
Acetaminophen (APAP) Safety Controls Program	Identifies the dispensing of unsafe daily doses of the ingredient acetaminophen (APAP) of greater than 4gm/day		Combination of Opioid MME Strategy and POS Safety Edits
Polypharmacy DUE	Retrospectively identifies members receiving 10 or more unique, chronic medications from 3 or	[redacted]	Core & Enhanced Safety and Monitoring Solution. Reduces instances of prescription fraud, waste, and abuse through regular claims monitoring and timely interventions. Includes an

	more prescribers in the previous 3 months		extensive range of provider and member interventions to address more complex cases related to opioid abuse, controlled substance medications and top chronic classes at risk of abuse and misuse.
High Cost Generics Program	Program that identifies high cost generic drugs with lower cost generic alternatives to target for a higher copay (copays for certain generic medications are at the member's Preferred Brand copay level)		Core – Formulary Management Strategy
Item	**Description**		
Diabetic Supply Coverage	Diabetic Supplies including Test Strips that adjudicate throug the Part D benefit are for $0 copay		Plan design set-up for diabetic supplies including test strips that adjudicate through the Part D benefit for $0 copay
Patent Exclusivity Management	Generic equivalent products for brand Advair Diskus, Zytiga Tracleer, Mitigare, Afinitor, Novolog, Welchol packets		The EGWP formulary selected is designed to increase appropriate utilization of generics and provide hyperinflation protection for specialty and non-specialty medications.
Clinical Edit Package	PA, Step Therapy, QL Age/Gender edits in place under the formulary		Clinical Edit Administration. QL - Establishes a maximum quantity allowed over a period for medications with potential for overuse and misuse. ST - Automated step therapy edits that review a member's drug history to verify that a first-line therapy was attempted before the claim can be approved at the point of sale. PA - A drug class management technique that requires select prescriptions meet defined criteria before they are covered by the plan, requires prescribers to confirm medical necessity and allows members to appeal a denied claim.
Formulary Exclusions			The EGWP formulary selected is designed to increase appropriate utilization of generics and provide

		hyperinflation protection for specialty and non-specialty medications.
510k management		The EGWP formulary selected is designed to increase appropriate utilization of generics and provide hyperinflation protection for specialty and non-specialty medications.
Standard Concurrent Drug Utilization Review		POS Safety Edits. Flags potential medication safety concerns at point of sale (more than 500 plan design and safety edits).
Opioid Cumulative Dosing Program	POS edit providing hard- and soft-stops on Opioid claims based on Morphine Equivalent Dose per day	Enhanced opioid utilization management criteria that are aligned with CMS recommendations to help improve management of opioid use and reduce potential misuse and abuse.
Acetaminophen (APAP) Safety Controls Program	Identifies the dispensing of unsafe daily doses of the ingredient acetaminophen (APAP) of greater than 4gm/day	Combination of Opioid MME Strategy and POS Safety Edits
Care Quality and High Risk Safety Management Drug Use Evaluation (DUE) Programs	Physician outreach programs focused on care quality along with safety management interventions on the following topics: • Statin Use in Persons with Diabetes (SUPD) • High Risk Medication • Concurrent use of Opioids and Benzodiazepines • Naloxone	Reduces instances of prescription fraud, waste, and abuse through regular claims monitoring and timely interventions. Includes an extensive range of provider and member interventions to address more complex cases related to opioid abuse, controlled substance medications and top chronic classes at risk of abuse and misuse.
Medication Therapy Management Program (MTMP)	Member outreach program for members to make better use of their drug coverage and to improve their	The Medication Therapy Management program is designed to optimize Part D beneficiaries' understanding of medication use, provide better therapeutic outcomes for targeted enrollees by improving medication

	understanding of their medications	[redacted]	adherence, and reduce adverse drug events.
Opioid Overutilization & Safety Controls Programs	Opioid Overutilization & Safety Controls Programs which monitor the utilization of prescribed medications through use of drug utilization controls at the point-of-sale and retrospective interventional programs to increase Eligible Member safety		Enhanced opioid utilization management criteria that are aligned with CMS recommendations to help improve management of opioid use and reduce potential misuse and abuse.

Recommended Clinical Management Programs available on a-la-carte basis, to be selected at OGB's option			
Commercial			
Name of Recommended Clinical Management Programs	Description of Recommended Clinical Management Programs	Description of the Cost Savings for each Recommended Clinical Management Program	Plan Participant Per Month Cost
Optional Clinical Programs for OGB			
Transform Diabetes Care	Our Transform Diabetes Care™ program is intended to address the increasing costs and unique clinical needs associated with the growing prevalence of diabetes. This program can help plans control their trend and improve outcomes for their Members with diabetes to optimize health care savings.	Guaranteed [redacted] ROI on fees paid in driven by expected medical cost avoidance savings from diabetes. Delivers improved health outcomes, up to [redacted] average A1C reduction	[redacted] Per Diabetic Per Month
Transform Diabetes Care: Diabetes + Comorbidity (Hypertension only) Program	Our Transform Diabetes Care™ program is intended to address the increasing costs and unique clinical needs associated with the growing prevalence of diabetes and	Guaranteed [redacted] ROI on fees paid in driven by expected medical cost avoidance savings from diabetes.	[redacted] Per Diabetic Per Month

	diabetics with hypertension comorbidity. This program can help plans control their trend and improve outcomes for their Members with diabetes and hypertension to optimize health care savings.	Delivers improved health outcomes, up to [redacted] average A1C reduction and up to 15mm/Hg reduction in systolic blood pressure	
Specialty Guideline Management	Utilization management for specialty medications under the pharmacy benefit.	Up to [redacted] cost avoidance of specialty spend under the pharmacy benefit	[redacted] Per Review
Pharmacy Advisor Counseling All Channels	To drive chronic condition care management through pharmacy care. The program identifies members in need of support and provides individualized outreach with 1:1 connection that leads to better adherence, improved health outcomes and medical cost savings.	To drive chronic condition care management through pharmacy care. The program identifies members in need of support and provides individualized outreach with 1:1 connection that leads to better adherence, improved health outcomes and medical cost savings.	[redacted] PMPM
Drug Savings Review (DSR)	Drug Savings Review identifies members who might be at risk for drug-induced conditions or have opportunities for more cost-effective therapy and identifies appropriate opportunities to help reduce unnecessary prescriptions or simplify a member's therapy by using evidence based prescribing criteria.	Drug Savings Review identifies members who might be at risk for drug-induced conditions or have opportunities for more cost-effective therapy and identifies appropriate opportunities to help reduce unnecessary prescriptions or simplify a member's therapy by using evidence based prescribing criteria.	[redacted] PMPM

Health Advisor – Site of Care	Site of Care is a positive behavior change product that empowers smarter care decisions by guiding members to lower cost and in-network facilities. Members are engaged through low-touch and high-touch communication channels. Site of Care leverages enterprise capabilities with medical claims, pharmacy claims and lab data, provided by the client and/or health plan. Ultimately, this approach results in higher member engagement, better care delivery, and improved health outcomes	Site of Care improves behavior change between 5-15 percent. Behavior change is the difference between the actions of members who received a message from Site of Care and those who didn't.	[redacted] PMPM
Health Advisor – Medical Cost Avoidance	Medical Cost Avoidance is a positive behavior change product that empowers smarter care decisions by identifying opportunities to improve therapy through evidence-based assessment of gaps-in-care and opportunities to address them. Preventive care next best actions are delivered to members through low-touch and high-touch communication channels. Ultimately, this approach results in higher member engagement, better care delivery, improved health outcomes and reduced medical costs.	Site of Care improves behavior change between 5-15 percent. Behavior change is the difference between the actions of members who received a message from Site of Care and those who didn't.	[redacted] PMPM
PrudentRx	PrudentRx's offering minimizes the impact of manufacturer copay cards, targeting all Specialty Drugs, including highly utilized classes such as hepatitis C, autoimmune, oncology and	PrudentRx's offering minimizes the impact of manufacturer copay cards, targeting all Specialty Drugs, including highly utilized classes such as	[redacted]

	multiple sclerosis, to drive maximum value for Clients while providing Members with $0 out-of-pocket costs.	hepatitis C, autoimmune, oncology and multiple sclerosis, to drive maximum value for Clients while providing Members with $0 out-of-pocket costs.	[redacted]

EGWP

Name of Recommended Clinical Management Programs	Description of Recommended Clinical Management Programs	Description of the Cost Savings for each Recommended Clinical Management Program	Proposer's Per Plan Participant Per Month Cost
Optional Clinical Programs for OGB			
Transform Diabetes Care	Our Transform Diabetes Care™ program is intended to address the increasing costs and unique clinical needs associated with the growing prevalence of diabetes. This program can help plans control their trend and improve outcomes for their Members with diabetes to optimize health care savings.	Will target up to a [redacted] average A1C reduction in OGB's diabetic population.	[redacted] Per Diabetic Per Month
Transform Diabetes Care: Diabetes + Comorbidity (Hypertension only) Program	Our Transform Diabetes Care™ program is intended to address the increasing costs and unique clinical needs associated with the growing prevalence of diabetes and diabetics with hypertension. This program can help plans control their trend and improve outcomes for their Members with diabetes and hypertension to optimize health care savings.	Will target up to a [redacted] average A1C reduction in OGB's diabetic population, and up to a 15mm/Hg reduction in systolic blood pressure in those with diabetes and the comorbidity of hypertension.	[redacted] Per Diabetic Per Month
Pharmacy Advisor Counseling Quality Optimizer Adherence – All Channels	Provides one-on-one pharmacist counseling, face to face or by phone to improve adherence and close gaps in care for members with targeted conditions.		[redacted] PMPM

AccordantCare Rare	Proactively supports and empowers Members with rare conditions to manage their whole condition, not just adherence to their medication (beyond traditional specialty pharmacy care). Focus is across 19 specialty and non-specialty conditions.		[redacted] Per Engaged Member Per Month (15k minimum member)