

**AMENDMENT
TO THE
PHARMACY BENEFIT MANAGEMENT
SERVICES AGREEMENT**

This Amendment is made, effective as of January 1, 2018 (the "Effective Date"), to the Pharmacy Benefit Management Services Agreement ("Agreement") between **KENMORE TOWN OF TONAWANDA UFSD** ("Account") and **INDEPENDENT HEALTH'S PHARMACY BENEFIT DIMENSIONS, LLC** ("PBD").

WHEREAS, Account and PBD entered into the Agreement commencing May 1, 2014, for PBD to provide certain pharmacy benefit management services to and on behalf of Account in regard to the Account's health care plan (the "Plan").

WHEREAS, the parties desire to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Exhibit A of the Agreement shall be deleted in its entirety and replaced with the attached Exhibit A, Exhibit A shall go into effect as of the 1st day of the month following the Account's signature of this Amendment.
2. Paragraph 11 of the Agreement shall be amended to state that the Agreement shall continue for two years from the Effective Date.
3. All other terms and conditions of the Agreement not herein or previously amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment on the dates set forth below.

**INDEPENDENT HEALTH' PHARMACY
BENEFIT DIMENSIONS, LLC**

By: _____ Date: _____

Title: _____

KENMORE TOWN OF TONAWANDA UFSD

By: _____ Date: _____

Title: _____

EXHIBIT A
PHARMACY ADMINISTRATIVE SERVICES PRICING FEE SCHEDULE

Retail Pharmacy Network -	
Administrative fee per employee per month	\$0
Administrative fee per claim	\$1
Guaranteed Dispensing fee per Rx	
A. Retail Brand	\$1.25
B. Retail Brand 84 Days of Supply or greater	\$0
C. Retail Generic	\$1.50
D. Generic 84 Days of Supply or greater*	\$0
E. Compounded drugs	\$7
F. OTC	\$1.25
Discount Guarantee (% off posted Medispan AWP of actual package size dispensed)	
A. Brand medications	16.00%
B. Brand 84 days of Supply or greater	19.00%
C. Blended generic rate*	76.00%
D. Compounded drugs	16.00%
E. OTC	16.00%

Rebates

Minimum Guaranteed Rebate for each Brand Retail Rx

\$38

Minimum Guaranteed Rebate for each Brand Retail Rx
84 Day Supply or greater

\$90

Mail Order	
Administrative fee per employee per month	\$0
Administrative fee per claim	\$0
Dispensing fee	
A. Brand	\$0
B. Generic	\$0
C. Compounded drugs	\$0
D. OTC	\$0
E. Specialty	\$0
Discount Guarantee (% off posted Medispan AWP) of actual package size dispensed	
A. Brand medications (guaranteed discount)	23.50%
B. Generic (guaranteed discount)*	80.00%
C. Compounded drugs (guaranteed discount)	23.50%
D. OTC (guaranteed discount)	23.50%
E. Specialty (guaranteed discount)	16.50%

Rebates

Minimum Guaranteed Rebate for each Mail Brand Rx

\$95

**Minimum Guaranteed Rebate for each Specialty Brand
Rx**

\$300

Subrogation Claim Processing	Included
1 st Level Appeals Management	Included
2 nd Level Appeals Management	See Exhibit D
External Appeal Management	See Exhibit D
Standard Formulary Management	Included
New Member Welcome Kits	Initial new member kits included in administrative fees. \$2.50 per kit plus applicable mailing costs thereafter
Eligibility Verification or Manual Application Entry	Included
ID Cards	Initial ID Cards included in administrative fees. \$1.75 per card plus applicable mailing costs thereafter
Summary Plan Description	\$1,500 (upon request)
Summary Plan Description Modifications via Amendment	\$150/Hour
Reports: Management Reports including Specialty Pharmacy	Standard management reports included in base administrative fee. Customized reports are quoted upon request
Electronic Access to Reporting	Included
Member Education Mailings	Cost plus 10%
Clinical Management Programs <ul style="list-style-type: none"> - Step Therapy - Prior Authorization 	Standard management programs included in base administrative fee. Customized programs are quoted upon request
Concurrent and Retrospective Reviews	Included
Banking Arrangement Setup	Included
Creditable Coverage Determination	\$2,000/Year (upon request)
Creditable Coverage Letters	\$10/Letter
Formulary Booklets for Members	Cost plus 10%
Specialty Copay Assistance Program Management	Quoted upon request
Retro-Eligibility Claims Recovery	10% retained by PBD for administrative expense
Pharmacy Claims Audits	10% retained by PBD for administrative expense
Pharmacy Network Administration	Standard PBD Network is included in base administrative fee. Customized network is quoted upon request
Pharmacy Help Desk and Standard Toll-Free Number for Pharmacist	Included

Shared Pharmacy/Medical Benefit Administration Including but not limited to set-up and file transfers	Quoted upon request
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* All single-source and multiple source generic products are to be included in the generic guarantee measurement.

1. Zero balance or zero amount claims paid by a Client's plan will NOT be included in the guaranteed measurement for AWP, Ingredient cost or dispensing fees.
2. AWP discount guarantees MUST be measured and reconciled annually on a component (brand, generic, retail, mail order, and specialty pharmacy claims) basis only. Surpluses in one component may not be utilized to offset deficits in another component.

Discount Guarantees do not apply to claims filled at inhouse pharmacies or claims filled in states with Medicaid best pricing requirements.

Rebate Guarantees only apply to brand prescriptions for employer benefit designs that follow the PBD Formulary without exception and maintain at least a \$15 copay differential between preferred and non-preferred brand tiers. Guarantees do not apply to claims for vaccines, OTCs, compounds, devices (including but not limited to: needles, syringes, aero chambers, tablet splitters, etc.), or drugs funded in full or in part by separate government and/or pharmaceutical savings programs (including but not limited to 340B and foundations).

Upon thirty (30) days prior written notice to Client, we reserve the right to modify or amend the financial provisions in the offer in a manner designed to account for the impact of events outside of PBD's control as identified below. Such notice will include our explanation of the manner in which the modification accounts for the impact of the event:

1. Material change in membership or claims volume or component mix; or
2. Any government imposed, industry-wide change, including any prohibition or restriction on PBD's ability to receive rebates or discounts from pharmaceutical manufacturers; changes to methodology, availability, or publication of AWP; or changes in CMS guidelines for government regulated programs, if applicable; or
3. A generic version of a branded product is unexpectedly introduced in the market; or (ii) a branded product is recalled or unexpectedly withdrawn from the market.

Any shortfall between the actual results and the minimum guarantee for each financial guarantee will be paid by PBD, dollar-for-dollar, to Group within 90 days of the end contract year. Additionally, PBD will reconcile rebate guarantees to verify that Group is receiving the guaranteed rebates, any shortfall will be paid to the group by PBD, dollar-for-dollar for any shortfall. For each 30 days beyond the 90-day reconciliation/payment date that payment is not made to the Account, PBD shall pay a penalty of 1.5% per month.

Kathy Kightlinger <kkightlinger@ktufsd.org>

RE: PBD Contract Amendment for 2017 and 2018

1 message

Kathleen Almeter <KAlmeter@premierconsultingassoc.com>

Thu, Oct 12, 2017 at 10:47 AM

To: "Steve Bovino (sbovino@ktufsd.org)" <sbovino@ktufsd.org>, John Brucato <jbrucato@ktufsd.org>
Cc: Chris Swiatek <cswiatek@ktufsd.org>, Patrick Moses <pmoses@ktufsd.org>, Kathy Kightlinger <kkightlinger@ktufsd.org>

I apologize, I left the name Amherst Central in the email below, it should have read KenTon Union Free School District. I'm sorry for the confusion.

Kathy Almeter

Account Manager

Premier Consulting Associates, LLC.

1416 Sweet Home Road, Suites 5 & 6

Amherst, New York 14228-2784

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kalmeter@premierconsultingassoc.com

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From: Kathleen Almeter**Sent:** Thursday, October 12, 2017 10:45 AM**To:** Steve Bovino (sbovino@ktufsd.org) <sbovino@ktufsd.org>; John Brucato <jbrucato@ktufsd.org>**Cc:** Chris Swiatek <cswiatek@ktufsd.org>; Patrick Moses <pmoses@ktufsd.org>; Kathy Kightlinger <kkightlinger@ktufsd.org>; Kathleen Almeter <KAlmeter@Premierconsultingassoc.com>**Subject:** PBD Contract Amendment for 2017 and 2018

Good Morning,

As part of the services we provide, Premier's pharmacy team was able to re-negotiate the existing Rx contract with PBD. The sections that were reviewed included guaranteed discounts on retail or mail order generic, brand, specialty and compound medications, and guaranteed rebates on the aforementioned drugs. Attached, please find a copy of the amendment and an analysis done to demonstrate the additional annual savings. Amherst Central can expect to save an additional \$105,999 annually based on the new pricing.

The amendment states that the price guarantee is in effect for two years; however, the contract inforce allows the right to terminate the agreement with 90 days prior written notification, should the district wish.

Please take a moment to review, and contact me should you have any questions. If this meets with your consent, please sign and return to my attention. The amendment will take effect the first of the month following the date it is signed by you.

Thank you!

Kathy Almeter

Account Manager

Premier Consulting Associates, LLC.

1416 Sweet Home Road, Suites 5 & 6

Amherst, New York 14228-2784

Office – 716.688.5600, extension 245

kalmeter@premierconsultingassoc.com

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