

FINANCIAL RENEWAL AND TERMS AMENDMENT

This Amendment ("Amendment") is made to the Administrative Services Agreement ("Agreement") by and between United HealthCare Services, Inc. ("United") and City of Denton ("Customer"), Contract No. 715130, and is effective on January 1, 2011 unless otherwise specified.

Any capitalized terms used in this Amendment have the meanings shown in the Agreement. These terms may or may not have been capitalized in prior contractual documents between the parties but will have the same meaning as if capitalized.

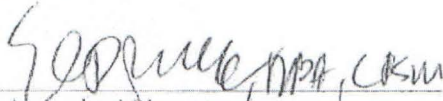
The agreements that are being amended include any and all amendments, if any, that are effective prior to the effective date of this Amendment.

Nothing shown in this Amendment alters, varies or affects any of the terms, provisions or conditions of the agreements other than as stated herein.

The parties, by signing below, agree to amend the agreements as contained herein.

City of Denton

United HealthCare Services, Inc.

By 
Authorized Signature

By 
Authorized Signature

Print Name Edith D. Basco

Print Name Jennifer Lombardi

Print Title Mayor

Print Title Regional Contract Mgr

Date 3-23-16

Date 3/31/2016

The Administrative Services Agreement is amended as noted below.

Effective January 1, 2011

1. Section 1- Definitions is amended by the addition of the following:

Network Pharmacy: A pharmacy, including a specialty pharmacy and home delivery pharmacy which has entered into or is governed by a contractual arrangement with Us, Our affiliate, Our pharmacy benefit services (PBS) subcontractor, or Our PBS subcontractor's affiliates under which the pharmacy agrees to provide prescription drug services to Participants.

2. The definition of Proprietary Business Information and Rebates shown in Section 1 – Definitions are amended to read as follows:

Proprietary Business Information: Nonpublic information, trade secrets, and other data including, but not limited to, sales and marketing information, management systems, strategic plans and other information about the disclosing party's business, industry, products and services, plans, specifications, operation methods, pricing, costs, techniques, manuals, know-how and other intellectual property, in written, oral or other tangible form, provided by one party to another or its representative; and all information, documents, technology, products, and services containing or derived from Proprietary Business Information which was or may have been transmitted, given or made available to or viewed by one party or another in the course of the receiving party's relationship. Our Proprietary Business Information shall include, but not be limited to, financial provisions related to prescription drug products covered under the medical benefit, the Prescription Drug List, reimbursement rates, PBS subcontractor and other subcontractor compensation, and all other financial provisions related to the pharmacy benefits contained in this Agreement. While the Prescription Drug List is considered our Proprietary Business Information, it may be disclosed in the limited circumstances outlined in this Agreement.

Rebates: All rebates, discounts or other financial incentives (whether access, base, Prescription Drug List (PDL), incentive, market share, volume, or other), and administrative fees which We receive directly or indirectly from a pharmaceutical manufacturer and which are obtained in connection with prescription drug products dispensed to Participants under the Plan's pharmacy benefit or the medical benefit. Rebates do not include any purchasing discounts obtained by a PBS subcontractor or subcontractor or specialty pharmacy or home delivery pharmacy when purchasing prescription drug products for home delivery pharmacy services or specialty pharmacy services through a PBS subcontractor or direct distribution. Rebates to customers are administered and paid under the medical benefit plan or pharmacy benefit plan as outlined in this Agreement.

3. Section 4 – Services Provisions is amended by the addition of Section 4.25 Pharmacy Benefit Services as follows:

Section 4.6 Pharmacy Benefit Services. We will make Network Pharmacies available to Your Participants. We will determine which pharmacies are Network Pharmacies. Network Pharmacies can change at any time. We will make a reasonable effort to provide You with advance notice if any material changes occur to the Network Pharmacy. We will provide You information on the reimbursement rate to Our affiliate Network Pharmacy for specialty pharmacy.

Home Delivery Pharmacy Services. We will provide home delivery pharmacy services for Your Participants. Your pricing terms for home delivery pharmacy services are based on package sizes of 100 units, 16 ounce quantities or the next closest quantity available and at least a 46 day supply. Prescriptions filled through the home delivery pharmacy that are less than a 46 day supply will be processed at retail pricing and will be counted with retail utilization. We will retain the difference between the package size of 100 units or 16 ounces and the actual manufacturer's package size which the home delivery pharmacy's price is based on.

Prescription Drug List (PDL) You have adopted one or more of Our PDLs for use with Your benefit plans. You agree not to copy, distribute, sell, or otherwise provide the PDL to another party without Our prior written approval, except to Participants as described below. On termination of this Agreement or if You terminate the Pharmacy Benefit Services portion of this Agreement,, You will stop all use of the PDL.

While You are the ultimate decision-maker on selecting the design of your PDL(s), You have requested that We supply, and We have assisted You with, certain PDL development and management functions including but not limited to drug tiering decisions. Our intent is to provide You with the same PDL and management strategies that We develop and employ in the management of our fully insured business.

We make the final classification of an FDA-approved prescription drug product to a certain tier of the PDL by considering a number of factors including, but not limited to, clinical and economic factors. Clinical factors may include, but are not limited to, evaluations of the place in therapy, relative safety or relative efficacy of the prescription drug product, as well as whether supply limits or notification requirements should apply. Economic factors may include, but are not limited to, the prescription drug product's acquisition cost including, but not limited to, available Rebates, and assessments on the cost effectiveness of the prescription drug product.

We may periodically down-tier the placement of a prescription drug product among the tiers. These changes may occur without prior notice. Once a year, We may also up-tier the placement of a prescription drug product among the tiers and/or recommend specific prescription drug product exclusions from coverage. We will provide notice to You of material changes to the PDL, our drug tier classification procedures, coverage exclusions, and clinical programs. If You choose not to implement a particular coverage exclusion or clinical program change, You need to inform Us in writing sixty (60) days prior to the effective date of the exclusion or change. Current drug placement and related information may be obtained from the member website, or by calling customer service.

Claims Processing. We will process the claims received from a Network Pharmacy in accordance with the Summary Plan Description, as well as the pricing and other terms of the Network Pharmacy's participation agreement. On home delivery and retail pharmacy services, We will retain the difference between what we reimburse the Network Pharmacy and Your payment for a prescription drug product or service.

4. Section 4 – Services Provisions is amended by the addition of Section 4.26 Pharmacy Benefit Services as follows:

Section 4.26 Pharmacy Benefit Rebates.

Allocation and Payment of Rebates. We, a PBS Subcontractor, or a subcontractor will negotiate with drug manufacturers for the payment of Rebates to Us. The amount of Rebates that is available depends on many factors including whether You have an incentive benefit design, arrangements with drug manufacturers, the volume of prescription drug claims and the structure of the PDL. We will pay You an amount equal to 80% of the Rebates We receive (and We may pay interest on this amount as described in this Section). We will retain the balance of such Rebates (and any related interest) as part of Our compensation. You agree that all payments associated with Rebates and any related interest are not due and owing to You until We actually pay them to You pursuant to this Agreement.

You will only receive Your Rebates to the extent that Rebates are actually received by Us. For example, if a government action or a major change in pharmaceutical industry practices eliminates or materially reduces manufacturer Rebate programs, Your payment amount may be reduced or eliminated. In such event, We shall promptly notify You and revise or eliminate such payment effective with the date of the reduction or elimination in Rebate payments. In addition, reduction or elimination of Rebates in this event shall constitute a change in the Agreement as described in the Service Fees Section such that We have the right to increase the service fees for the Pharmacy Benefits Management services or increase the percentage of Rebate dollars retained by Us.

Pharmacy Benefit Rebates Received From PBS Subcontractor or Other Subcontractor

When Our PBS subcontractor or another subcontractor on Our behalf contracts with drug manufacturers for the payment of Rebates to Us, We may receive estimated payments before Rebates are actually earned. The Rebate You receive from Us will include interest from the time We receive the estimated payments through the date We receive the report from Our PBS subcontractor or another subcontractor. The interest We will pay You will be calculated at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month.

We will pay Rebates to You, generally, within thirty (30) calendar days after We receive the actual Rebates earned report. If We are not able to make payment to You within thirty (30) calendar days, We will pay You additional interest, calculated at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month, on such Rebates from the date of receipt of the Rebates earned report through the date that We make the Rebate payment to You less approximately thirty (30) days for processing. We will retain interest earned during the processing timeframe.

Pharmacy Benefit Rebates Received Directly By Us From a Drug Manufacturer

When We negotiate directly with drug manufacturers for the payment of Rebates to Us, We will pay You the agreed upon Rebates within thirty (30) calendar days of Our receipt of such Rebates from the drug manufacturer. If We are not able to make payment to You within thirty (30) calendar days, We will pay You interest on such Rebates from the date of receipt until We make payment to You, less approximately thirty (30) days for processing. We will retain interest earned during this processing timeframe. We will pay Rebates to You in the agreed upon amount no less than annually. Interest will be paid at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month.

PBS Subcontractor or Other Subcontractor Payments to Pharmacies. In connection with prescription drug claims, We forward funds from Your claims account to Our PBS subcontractor's or another subcontractor's account prior to the time that pharmacies and other payees present checks for payment. Our PBS subcontractor or another subcontractor issues checks to pharmacies and other payees within, on average, 3 days of receiving payment from Your account. These checks generally are presented for payment within, on average, 5 ½ days later. Our PBS subcontractor or another subcontractor may retain interest earned on these amounts during this time. Interest is expected to be paid at overnight deposit rates by the PBS subcontractor's or other subcontractor's banking institution.

Your Compliance. You agree that during the term of this Agreement, neither You nor the Plan will negotiate or arrange or contract in any way for Rebates on or the purchase of prescription drug products from any manufacturer with respect to the pharmacy benefits. If you or the Plan does, We may, without limiting Our right to other remedies, immediately terminate Your and Plan's entitlement to Rebates (including forfeiture of any Rebates earned but not paid) and/or terminate the pharmacy benefit services. Termination of pharmacy benefit services shall constitute a change in the Agreement as described in the Service Fees Section such that We have the right to increase the services fees for medical management services under this Agreement.

In addition, You agree to reasonably cooperate with Us in order to obtain Rebates. You will encourage Your Participants to use a Network Pharmacy. You will also encourage Your Participants to electronically access the PDL on Our website, and encourage Participants to share the PDL with their physicians or refer their physicians to the PDL on Our website.

5. Section 9.3 Audits is superseded and replaced by the following :

Section 9.3 Audits. During the term of the Agreement, and at any time within six (6) months following its termination, You or a mutually agreeable entity may audit Us once each calendar year to determine whether We are fulfilling the terms of this Agreement. Prior to the commencement of this audit, We must receive a signed, mutually agreeable confidentiality agreement.

Such confidentiality agreement must give Our PBS subcontractor third party beneficiary rights to enforce the confidentiality requirements with respect to Our PBS subcontractor's confidential information.

Without limiting the foregoing, with respect to audits regarding the payment of Rebates by pharmaceutical manufacturers, the audit must be conducted solely by a "big four" public accounting firm that maintains a separate and stand-alone audit department and is not providing support in conjunction with any litigation

pending against Our PBS subcontractor or Us. However, if no “big four” public accounting firm is qualified to perform the audit due to the above requirements, another mutually agreeable firm meeting such requirements may be used. You must advise Us in writing of Your intent to audit. The place, time, type, duration, and frequency of all audits must be reasonable and agreed to by Us. All audits will be limited to information relating to the calendar year in which the audit is conducted, and/or the immediately preceding calendar year. With respect to Our transaction processing services, the audit scope and methodology will be consistent with generally acceptable auditing standards, including a statistically valid random sample or other acceptable audit technique as approved by Us (“Scope”).

You will pay any expenses that You incur in connection with the audit. In addition, You will be charged a reasonable per claim charge and a \$1,000 charge per day for audits outside of the following parameters: (1) more than one audit per calendar year; (2) any on-site audit visit that is not completed within five (5) business days; (3) sample sizes exceeding the Scope specified above; or (4) any audit initiated after this Agreement has terminated. The additional fees cover the additional resources, facility fees, and other incremental costs associated with an audit that exceeds the Scope.

In addition to Your expenses and any applicable fees, You will also pay any extraordinary expenses We incur in connection with the audit. For any audit initiated after this Agreement is terminated, You will pay all expenses incurred by Us.

You will provide Us with a copy of any audit reports within thirty (30) days after You receive the audit report(s) from the auditor.

Effective January 1, 2012

1. Section 4 – Services Provisions is amended by the addition of Section 4.27 Bariatric Resource Services as follows:

Section 4.27 Bariatric Resource Services. For the service fee specified in Exhibit A, We, through Our affiliate, United Resource Networks (U.R.N.) will provide Bariatric Resource Services (“BRS”) to eligible Participants. BRS may include pre-surgical patient consultation and behavioral health evaluation, coordinated post-surgery follow-up and behavioral health support, long-term patient telephonic monitoring for behavioral health issues, as well as access to a network of providers for the provision of bariatric services. U.R.N. will use outreach strategies designed to maximize eligible Participants’ program utilization. Outreach strategies that U.R.N. may employ currently include, but are not limited to, communications to all eligible Participants regarding availability of Bariatric Resource Service facilities, instructions for requesting educational materials, and/or direct mail to Participants diagnosed with bariatric conditions.

U.R.N. is not responsible for the medical outcomes or the quality or competence of any provider or facility rendering services, or the payment for services rendered by the provider or facility.

Effective January 1, 2015

This Amendment will not affect any of the terms, provisions or conditions of the Agreement except as stated herein. Following the Effective Date and after Customer has provided one (1) months’ worth of claims funding, this Amendment is deemed executed by the parties.

1. Section 4.3 Managed Care Network Services of the Agreement is amended by the addition of the following:

Value Based Contracting Program.

United’s contracts with some Network Providers may include withholds, incentives, and/or additional payments that may be earned, conditioned on meeting standards relating to utilization, quality of care, efficiency measures, compliance with United’s other policies or initiatives, or other clinical integration or practice transformation

standards. Customer shall fund these payments due the Network Providers as soon as United makes the determination the Network Provider is entitled to receive the payment under the Network Provider's contract, either upfront or after the standard has been met. For upfront funding, if United makes the determination that the Network Provider failed to meet a standard, United will return to Customer the applicable amount. United shall provide Customer reports describing the amount of payments made on behalf of Customer's Plan.

Only the initial claims based reimbursement to Network Providers will be subject to the Participant's copayment, coinsurance or deductible requirements. Customer will pay the Network Provider the full amount earned or attributable to its Participants, without a reduction for copayments or deductibles and agree that there will be no impact from these payments on the calculation of the Participant's satisfaction of their annual deductible amount.

EXHIBIT A

Contract Number 715130

The following financial terms are effective for the period January 1, 2015 through December 31, 2016.

The Standard Medical Service Fees are the sum of the following:

The Standard Medical Service Fees are as stated below. These fees do not include state or Federal surcharges, assessments, or similar Taxes imposed by governmental entities or agencies on the Plan or United, including but not limited to those imposed pursuant to The Patient Protection and Affordable Care Act of 2010, as amended from time to time as these are the responsibility of the Plan. The Standard Medical Fees are based upon an estimated minimum of 1,268 enrolled Employees for 2015 and 1,313 enrolled Employees for 2016.

Effective January 1, 2015 through December 31, 2016

- \$40.52 per Employee per month covered under the Plan.

- Average Contract Size: 2.56

Pharmacy AWP Contract Rate

Customer's contract rate for prescription drugs is as provided in Exhibit B. United uses Medi-Span's national drug data file as the source for average wholesale price (AWP) information. United reserves the right to revise the pricing and adopt a new source or benchmark if there are material industry changes in pricing methodologies.

Service Description	Fee
Fraud and Abuse Management	Fee equal to thirty-two and five-tenths percent (32.5%) of the gross recovery amount
Hospital Audit Program Services	Fee not to exceed thirty-one percent (31%) of the gross recovery amount
Credit Balance Recovery Services	Fee not to exceed ten percent (10%) of the gross recovery amount.
Third Party Liability Recovery (Subrogation) Services	Fee equal to thirty-three and one-third percent (33.3%) of the gross recovery amount
Shared Savings Program	Customer will pay a fee equal to 35% of the Savings Obtained as a result of the Shared Savings Program. Savings Obtained means the amount that would have been payable to a health care provider, including amounts payable by both the Participant and the Plan, if no discount were available, minus the amount that is payable to the health care provider, again, including amounts payable by both the Participant and the Plan, after the discount is taken.
Advanced Analytics and Recovery Services	Fee equal to twenty four percent (24%) of the gross recovery amount
External Reviews	For each subsequent external review beyond 5 total reviews per year, a fee of \$500 will apply per review.
Care24 Effective January 1, 2015 through December 31, 2015	\$1.45 Per participant per month for each medical and non-medical Employee

Wellness Allowance

United will provide a wellness allowance so Customer may enhance Customer's medical benefits during the term of the Agreement. The wellness allowance may be used at Customer's discretion as Customer utilizes wellness programming and services from United.

\$20,000 Wellness allowance in 2015

\$20,000 Wellness allowance in 2016

EXHIBIT B – PERFORMANCE GUARANTEES FOR HEALTH BENEFITS

The Standard Medical Service Fees (excluding Optional and Non-Standard Fees and that portion of the Standard Medical Service Fees attributable to Commission Funds, if applicable, as described in Exhibit B), (hereinafter referred to as “Fees”) payable by Customer under this Agreement will be adjusted through a credit to its fees in accordance with the performance guarantees set forth below unless otherwise defined in the guarantee. Unless otherwise specified, these guarantees apply to medical benefits and are effective for the period beginning January 1, 2015 and ending on December 31, 2016 (each twelve month period is a “Guarantee Period”). With respect to the aspects of our performance addressed in this exhibit, these fee adjustments are Customer’s exclusive financial remedies.

United reserves the right from time to time to replace any report or change the format of any report referenced in these guarantees. In such event, the guarantees will be modified to the degree necessary to carry out the intent of the parties. United shall not be required to meet any of the guarantees provided for in this Agreement or amendments thereto to the extent United’s failure is due to Customer’s actions or inactions or if United fails to meet these standards due to fire, embargo, strike, war, accident, act of God, acts of terrorism or United’s required compliance with any law, regulation, or governmental agency mandate or anything beyond United’s reasonable control.

Prior to the end of the Guarantee Period, and provided that this Agreement remains in force, United may specify to Customer in writing new performance guarantees for the subsequent Guarantee Period. If United specifies new performance guarantees, United will also provide you with a new Exhibit that will replace this Exhibit for that subsequent Guarantee Period.

Claim is defined as an initial and complete written request for payment of a Plan benefit made by an enrollee, physician, or other healthcare provider on an accepted format. Unless stated otherwise, the claims are limited to medical claims processed through the UNET claims systems. Claims processed and products administered through any other system, including claims for other products such as vision, dental, flexible spending accounts, health reimbursement accounts, health savings accounts, or pharmacy coverage, are not included in the calculation of the performance measurements. Also, services provided under capitated arrangements are not processed as a typical claim; therefore capitated payments are not included in the performance measurements.

Pharmacy Financials				
Definition	Contracted pharmacy rates that will be delivered to You.			
Measurement and Criteria			01/01/2015	01/01/2016
	Combined Discount Guarantee			
	Retail Brand, Average Wholesale Price (AWP) less	16.9%	16.9%	
	Retail Generic - 30 Day, AWP less	81.3%	81.3%	
	Mail Order Brand, AWP less	25.1%	25.1%	
	Mail Order Generic, AWP less	70.5%	70.7%	
	The Guaranteed Discount amount will be determined by multiplying the AWP by the guaranteed discount off AWP by each component and adding the amounts together.			
	Dispensing Fees			
	Retail Brand	\$1.40	\$1.40	
	Retail Generic	\$1.40	\$1.40	
	Dispensing fee totals are calculated by multiplying the actual scripts for each type by the contracted rate for that script type.			
	Minimum Rebate Guarantee			
	Rebate Sharing Percentage	80.0%	80.0%	
	Basis, per script	Brand	Brand	
Retail	\$20.29	\$23.42		

-	Mail Order	\$43.56	\$45.01
Level	Customer Specific		
Period	Annually		
Payment Period	Annually		
Payment Amount -- Discounts	The amount the actual discounts are less than the combined contracted discount amount.		
Payment Amount -- Dispensing Fees	The amount the combined actual dispensing fee exceeds the combined contracted dispensing fee.		
Payment Amount -- Rebates	The amount the combined actual Rebate amount are less than the combined guaranteed Rebate amount.		
Conditions	<p>Discount Specific Conditions</p> <ul style="list-style-type: none"> • Discounts are based on actual Network Pharmacy brand and generic usage of retail and mail order drugs The guaranteed discount amount will be determined by multiplying the AWP by the contracted discount rate off AWP by component. • Does not apply to items covered under the Plan for which no AWP measure exists. • Discounts calculated based on AWP less the ingredient cost; discount percentages are the discounts divided by the AWP. Discounts for retail generic prescriptions represent the average savings off AWP based on Maximum Allowable Cost (MAC) pricing for MAC generics and percentage discount savings off AWP for non-MAC generics. All other discounts represent the percentage discount savings off of AWP. • The arrangement excludes all specialty drugs, generic medications launched as an "at-risk" product, generic medication with pending litigation, compound drugs, retail out of network claims, mail order drugs (for dispensing fee arrangement) and non-drug items. • The retail and mail order generic discounts exclude any generic drug that has two or fewer generic manufacturers; the retail and mail order brand discounts include any generic drug that has two or fewer generic manufacturers. <p>Rebate Specific Conditions</p> <p>We reserve the right to modify or eliminate this arrangement as follows based upon changes in Rebates:</p> <ul style="list-style-type: none"> • if changes made to Our PDL, for the purpose of achieving a lower net drug cost for You and Our other ASO customers, result in significant reductions to the Rebate level • in the event that there are material deviations to the anticipated timing of drugs that will come off patent and no longer generate Rebates • if You change or do not elect an Incented plan design • We will pay Rebates consistent with the Agreement. A reconciliation of the Rebate amounts will occur after the end of each annual contract period and when Rebate payments are substantially complete. The reconciliation calculates the minimum rebate amount by multiplying the actual number of scripts filled by the applicable rebate amount for that script type. <p>General Conditions</p> <ul style="list-style-type: none"> • On mail order drugs and retail pharmacy drugs and services including dispensing fees, We will retain the difference between what we reimburse the Network Pharmacy and Your payment for a prescription drug product or service. 		

TRRX (02/2014)	<ul style="list-style-type: none"> • A minimum of 1,141 Employees and 2,918 Participants enrolled in the pharmacy plan is required. • All pricing guarantees require the selection of United as the exclusive mail provider and a mail benefit design as applicable to the historical data provided for the purpose of this cost proposal. All rates and fees are subject to change otherwise. • We reserve the right to revise or revoke this arrangement if: a) changes in federal, state or other applicable law or regulation require modifications; b) there are material changes to the AWP as published by the pricing agency that establishes the AWP as used in these arrangements; c) You make benefit changes that impact the arrangements; d) there is a material industry change in pricing methodologies resulting in a new source or benchmark; e) it is not accepted within ninety (90) days of the issuance of our initial quote; f) if you change your mail service benefit.
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Effective January 1, 2016 through December 31, 2016

Pharmacy Financials	
Definition	Contracted pharmacy rates that will be delivered to You.
Measurement and Criteria	01/01/2016
	Combined Discount Guarantee
	Retail Brand, Average Wholesale Price (AWP) less 16.9%
	Retail Generic - 30 Day, AWP less 81.3%
	Mail Order Brand, AWP less 25.1%
	Mail Order Generic, AWP less 70.5%
	The Guaranteed Discount amount will be determined by multiplying the AWP by the guaranteed discount off AWP by each component and adding the amounts together.
	Dispensing Fees
	Retail Brand \$1.40
	Retail Generic \$1.40
	Dispensing fee totals are calculated by multiplying the actual scripts for each type by the contracted rate for that script type.
	Minimum Rebate Guarantee
-	Rebate Sharing Percentage 80.0%
-	Basis, per script Brand
-	Retail \$40.39
-	Mail Order \$97.59
	Fees
Level	Customer Specific
Period	Annually
Payment Period	Annually
Payment Amount -- Discounts	The amount the actual discounts are less than the combined contracted discount amount.
Payment Amount -- Dispensing Fees	The amount the combined actual dispensing fee exceeds the combined contracted dispensing fee.
Payment Amount -- Rebates	The amount the combined actual Rebate amount are less than the combined guaranteed Rebate amount.

Conditions

Discount Specific Conditions

- Discounts are based on actual Network Pharmacy brand and generic usage of retail and mail order drugs

The guaranteed discount amount will be determined by multiplying the AWP by the contracted discount rate

off AWP by component.

- Does not apply to items covered under the Plan for which no AWP measure exists.
- Discounts calculated based on AWP less the ingredient cost; discount percentages are the discounts divided

by the AWP. Discounts for retail generic prescriptions represent the average savings off AWP based on

Maximum Allowable Cost (MAC) pricing for MAC generics and percentage discount savings off AWP for

non-MAC generics. All other discounts represent the percentage discount savings off of AWP.

- The arrangement excludes all specialty drugs, generic medications launched as an 'at-risk' product, generic medication with pending litigation, compound drugs, retail out of network claims, mail order drugs (for dispensing fee arrangement) and non-drug items.

- The retail and mail order generic discounts exclude any generic drug that has two or fewer generic

manufacturers; the retail and mail order brand discounts include any generic drug that has two or fewer

generic manufacturers.

Rebate Specific Conditions

United reserves the right to modify or eliminate this arrangement as follows based upon changes in Rebates:

- if changes made to United's PDL, for the purpose of achieving a lower net drug cost for Customer and United's other ASO

customers, result in significant reductions to the Rebate level

- in the event that there are material deviations to the anticipated timing of drugs that will come off patent and no

longer generate Rebates

- if Customer changes or does not elect an Incented plan design

- United will pay Rebates consistent with the Agreement. A reconciliation of the Rebate amounts will occur after

the end of each annual contract period and when Rebate payments are substantially complete. The

reconciliation calculates the minimum rebate amount by multiplying the actual number of scripts filled by the

applicable rebate amount for that script type.

General Conditions

- On mail order drugs and retail pharmacy drugs and services including dispensing fees, United will retain the

difference between what United reimburses the Network Pharmacy and Customer's payment for a prescription drug

product or service.

- A minimum of 1,182 Employees and 3,020 Participants enrolled in the pharmacy plan is required.

- The lesser of two logic (ZBL) will apply to Participant payments. Participants pay the lesser of the usual and customary charge or the cost share amount.

- All pricing guarantees require the selection of United as the exclusive mail provider and a mail benefit

design as applicable to the historical data provided for the purpose of this cost proposal. All rates

TRRX (05/2015)	<p>and fees are subject to change otherwise.</p> <ul style="list-style-type: none"> • United reserves the right to revise or revoke this arrangement if: a) changes in federal, state or other applicable law or regulation require modifications; b) there are material changes to the AWP as published by the pricing agency that establishes the AWP as used in these arrangements; c) Customer makes benefit changes that impact the arrangements; d) there is a material industry change in pricing methodologies resulting in a new source or benchmark; e) it is not accepted within ninety (90) days of the issuance of our initial quote; f) if Customer changes their mail service benefit.
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Effective January 1, 2016 through December 31, 2016

Claim Calculations:	<u>Choice Plus</u>	-	Fee Calculations:	<u>Choice Plus</u>
Mature expected paid claims Med & Rx	\$1,337.83			-
Assumed Rx %	16.2%			-
Expected Med only claims	\$1,121.10		Base administration fee	\$34.94
Expected Network Discount %	50.9%			
Expected Network Utilization %	88.0%		<u>Optional services:</u>	
OVERALL UHC Network savings discount factor*	44.8%		Standard UBH	\$2.20
Threshold %	40.0%		Nurseline	\$1.05
			Rx	\$0.00
Billed claims @ 44.8% Discount	\$2,030.69		BRS	\$0.31
			Fiduciary	\$0.75
PEPM savings @ 44.8% Discount	\$909.59		3rd party ISL	\$0.00
PEPM savings @ 40% Discount	\$812.27	-	Wellness Budget	\$1.27
				<hr/>
	<u>Choice Plus</u>		Total fixed target fee	\$40.52
% of savings charged for admin	12.1%			

Flex Share Fee Calculations:	<u>1/01/2016 to</u>	-	<u>1/01/2017</u>
	<u>Choice Plus</u>	-	-
Fixed PEPM	\$23.12	-	-
Variable % of Savings over 40% Savings	12.1%	-	-
<u>Optional Services :</u>		-	-
Standard UBH	\$2.20	-	-
Nurseline	\$1.05	-	-
Rx	\$0.00	-	-
BRS	\$0.31	-	-
Fiduciary	\$0.75	-	-

3rd party ISL	\$0.00
Wellness Budget	<u>\$1.27</u>
Total Fixed Fee PEPM (incl. Optional Services)	\$28.70

Billed Capped at: \$40.52

Reconciled at year end.

ASSUMPTIONS:

Variable fee to be withdrawn from customers bank account as discount share reward on a quarterly basis.

Reconciled at year end.

Optional Services elected will be added to the \$23.12 fixed for billing proposes.

Assumes InNetwork Utilization of 88.0%

or better.

Assumes In-Network Only discounts savings factor of 50.9% and In Network Utilization of 88.0%.

Overall UHC Network Savings discount factor calculated as: $50.9\% \times 88.0\% = 44.8\%$.

Flex Share Reward billing will be based on the Overall UHC Network Savings discount factor.