

**This Amendment (“Amendment”) is made to the Administrative Services Agreement (“Agreement”) by and between United HealthCare Services, Inc. and its affiliates (“United”) and Douglas County Government (CO) (“Customer”) and is effective on January 1, 2024.**

**Contract No. 932663**

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 Agreement is amended as follows:

**The Changes in Fees subsection under Exhibit A, Section 3—Fees of the Agreement is revised as follows:**

**Changes in Fees.** United may change the Fees on the latter of the expiration of:

- (1) a Renewal Term, or
- (2) any applicable multi-year fee term as set forth in Exhibit D - Fees.

United will provide Customer with 120 days prior written notice of the revised Fees for each Renewal Term, and such Fees will be effective the first day of such Renewal Term. United will provide Customer with a new Exhibit D – Fees that will replace the existing Exhibit D – Fees.

United may also change the Fees:

- (1) any time there are changes made to this Agreement or the Plan which affect the Fees,
- (2) any time there are changes in Law which affect the Services United is providing, or will be required to provide, under this Agreement,
- (3) if the number of Employees covered by the Plan or any Plan option changes (i) by 10% or more, or (ii) the enrollment band, or
- (4) if the total number of enrolled Participants divided by the total number of enrolled Employees (“Average Contract Size”), varies by 10% or more from the assumed average contract size.

Any new Fee will be effective as of the date the change is applicable, even if that date is retroactive.

If Customer does not agree to any change in Fees, Customer may terminate this Agreement after Customer receives written notice of the new Fees. Customer must still pay any amounts due for the periods during which the Agreement is in effect.

**The runout provision under Other Fees in Exhibit D—Fees of the Agreement is revised as follows:**

<b>Run-out Claims Administration</b>	12 months of runout No charge after the Initial Term.
--------------------------------------	--

**The following provision under Other Fees in Exhibit D—Fees of the Agreement is hereby removed:**

<b>Pharmacy Benefit Rebates - Termination</b>	Pursuant to the termination section of this Agreement, if Customer terminates the Pharmacy Benefit Services portion of this Agreement only during the Term of the Agreement and termination is for any reason other than for cause, United may retain all Rebates that have not been remitted to Customer as of the effective date of such termination.
---	---

**The pharmacy financial guarantees under Exhibit E—Guarantees is removed and replaced with the following:**

Pharmacy Financials				
Definition	Pharmacy rate guarantees.			
Measurement and Criteria		<b>01/01/2024</b>	<b>01/01/2025</b>	<b>01/01/2026</b>
	<b>Combined Discount Guarantee - Broad Network</b>			
	Retail Brand, Average Wholesale Price (AWP) less	19.00%	19.10%	19.20%
	Retail Brand -- 90 Day Supply, AWP less	20.00%	20.00%	20.00%
	Retail Generic - 30 and 90 Day Supply, AWP less	84.00%	84.10%	84.20%
	Mail Order Brand, AWP less	25.00%	25.10%	25.20%
	Mail Order Generic, AWP less	86.00%	86.10%	86.20%
	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.			
	<b>Dispensing Fees - Broad Network</b>			
	Retail Brand - 30 Day	\$0.60	\$0.60	\$0.60
	Retail Brand -- 90 Day Supply	\$0.30	\$0.30	\$0.30
	Retail Generic - 30 Day	\$0.60	\$0.60	\$0.60
	Retail Generic -- 90 Day Supply	\$0.30	\$0.30	\$0.30
	Dispensing fee totals are calculated by multiplying the actual scripts for each type by the contracted rate for that script type.			
	<b>Fixed Rebate Guarantee (Essential PDL)</b>			
	Basis, per script	Brand	Brand	Brand
	Retail - 30 Day	\$263.71	\$303.57	\$359.67
	Retail - 90 Day Supply	\$735.11	\$854.25	\$1,027.39
	Mail Order	\$821.86	\$938.33	\$1,140.35
	Specialty	\$3,127.97	\$3,600.98	\$4,315.78
	<b>Fees</b>			
	Prior Authorizations (per review)	\$50.00	\$50.00	\$50.00
	Direct Member Reimbursement (per paper claim)	\$2.50	\$2.50	\$2.50
	Variable Copay program (monthly, per eligible member)	\$0.45	\$0.45	\$0.45
Level	Customer Specific			
Period	Annually			
Payment Period	Annually			
Payment Amount -- Discounts	The amount the actual discounts are less than the combined guaranteed Retail, Mail, and Specialty 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 is less than the combined guaranteed Rebate amount.			
Conditions	<p><b>Discount &amp; Dispense Fee Specific Conditions</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Does not apply to items covered under the Plan for which no AWP measure exists.</li> </ul>			

- Discounts calculated based on AWP less the ingredient cost; discount percentages are the discounts divided by the AWP. Discounts for retail and mail order generic prescriptions represent the average AWP based on savings off 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 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 Indian Health Service Claims.
- The Arrangement excludes usual & customary claims, vaccines, long term care facility claims.
- The Arrangement includes veterans' affairs facility claims, over-the-counter claims.
- The 90 day supply Retail guarantee includes drugs dispensed for 84 days or greater.
- The Mail Order guarantee includes drugs dispensed for 46 days or greater.
- When a drug is identified as a brand name drug, it will be considered a brand name drug for the calculation of discount guarantees. When a drug is identified as a generic drug, it will be considered a generic drug for the calculation of discount guarantees.
- Specialty drugs dispensed outside United's specialty Pharmacy Network are included in the retail guarantees. Specialty drugs dispensed through United's specialty Pharmacy Network are excluded from the Retail and Mail guarantees.
- Drugs in the following Specialty therapeutic categories are included in the retail guarantees: None.

**Rebate Specific Conditions**

- Assumes implementation of United's Essential PDL
- Assumes adoption of United's brand for generic PDL strategy
- Rebate guarantees are contingent upon Customer's adoption, without deviation, of United's PDL and PDL exclusions, as well as any changes United makes to its PDL and PDL exclusions; and the implementation of the step therapies required by United, as well as any changes United makes to its utilization management programs.
- Notwithstanding the above, the Parties may agree to deviations from the list.
- Calculation of the guaranteed rebate amount will exclude ineligible claims including:
  - claims where the plan is not the primary payer (e.g., coordination of benefits and subrogation claims)
  - claims approved by formulary exception
  - claims not covered by Customer's benefit design or PDL
  - claims receiving 340B pricing
  - long term care pharmacy claims
  - federal government pharmacy claims
  - claims for non-FDA approved products
  - compound drug claims
  - direct member reimbursement claims
- Over-the-counter and repackaged drugs are excluded from the claim counts.
- Devices are excluded from the claim counts; Insulins and Test Strips are not excluded.
- Vaccines are excluded from the claim counts.
- Rebate guarantee payments or reconciliations may be adjusted in the event of a change impacting the level of Rebates due to the introduction of therapeutically equivalent, lower Rebate drugs (e.g. biosimilar, authorized brand alternative, lower cost non-Generic Drug alternative) or the reduction of Wholesale Acquisition Cost on a Brand Drug subject to Rebates. In the event a payment or reconciliation adjustment is required, such adjustment will be based on the difference between a) pharmaceutical manufacturer revenue prior to the introduction of the lower Rebate drugs and b) the actual pharmaceutical manufacturer revenue received after the introduction of the lower Rebate drugs. Such adjustment does not apply to Generic Drugs that launch after the Brand Drug no longer has patent protection.

- The Rebate guarantees set forth herein do not incorporate the impact of the elimination of the Average Manufacturer's Price (AMP) Cap pursuant to the American Rescue Plan Act of 2021. United reserves the right to modify or eliminate any Rebate guarantees once it has been able to determine that impact and the resulting changes to Rebates received from pharmaceutical manufacturers.

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 there is a change impacting the availability or amount of Rebates offered by drug manufacturer(s), including changes related to the elimination or material modification of a drug manufacturer(s) historic models or practices related to the provision of Rebates
- United will pay Fixed Rebates consistent with the Agreement. To the extent Rebates paid to United exceed the Fixed Rebate amount, We will retain the excess, including any Rebates United may earn on prescription drug products in any tiers not included in this arrangement and any related interest.
- Rebate Administrative Fee: United maintains systems and processes necessary for managing and administering Rebate programs. As consideration for these efforts, pharmaceutical manufacturers pay United administrative fees in addition to Rebates. Customer acknowledges that United retains Rebate Administration fees.
- Drugs in the following Specialty therapeutic categories are included in the retail per-Brand guarantees: None.

#### **General Conditions**

- All pricing guarantees shall remain in effect for the entire contract period of 01/01/2024 through 12/31/2026 ("Pharmacy Pricing Term"). Each twelve month period is a Guarantee Period.
- Specialty drugs typically covered under the medical benefit (administered / handled by a provider, administered in a physician's office, ambulatory or home infusion), and/or transitioned to the pharmacy benefit, are excluded from all guarantees.
- Drugs, products, supplies approved, covered and/or prescribed for the diagnosis, treatment or prevention of COVID-19 are excluded from all guarantees.
- Guarantee terms are subject to change based on an evaluation of customer specific utilization data.
- On mail order drugs, specialty 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.
- Pricing and guarantees assume enrollment of 1,222 Employees and 3,132 Participants; pricing and guarantees may be revised or withdrawn if actual enrollment varies by 10% or more from assumptions.
- The lesser of three logic (non-ZBL) will apply to Participant payments. Participants pay the lesser of the discounted price, the usual and customary charge or the cost share amount.
- All pricing guarantees require the selection of United as the exclusive mail provider.

United will have no financial guarantee obligation under the Agreement for any partial Guarantee Period if Customer terminates with an effective date prior to the end of the Pharmacy Pricing Term. In no way does this effect rebate payment earned by the Customer through the end date of this Agreement, whether terminated by the Customer or United.

- 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 quote; f) if Customer changes their mail service benefit; g) Customer utilizes a vendor, that facilitates steering members to different drugs or pharmacies to the extent these services impact the financial guarantees under this Agreement.

**Brand / Generic Reconciliation Definition**

- **Brand Drug:** An FDA approved drug, or a drug that is designated by FDA a DESI (Drug Efficacy Study Implementation) drug, or product, which is manufactured and distributed by an innovator drug company, or its licensee, set forth in Medi-Span's National Drug Data File as a brand drug identified by all of the products meeting at least one of the following criteria:

- Medi-Span Multi-Source Code ("MSC") is equal to M, O, or N.

- **Generic Drug:** An FDA approved drug, or a drug that is designated by FDA a DESI (Drug Efficacy Study Implementation) drug, or product, that is therapeutically equivalent to other pharmaceutically equivalent products, as set forth in Medi-Span's National Drug Data File as a generic drug identified by all products meeting at least one of the following criteria:

- Medi-Span Multi-Source Code ("MSC") is equal to Y.

TRRX (05/2023)

This Amendment will not affect any of the terms, provisions or conditions of the Agreement except as stated herein.

**Douglas County Government (CO)**

**United HealthCare Services, Inc.**

By \_\_\_\_\_

Authorized Signature

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

By  \_\_\_\_\_

Authorized Signature

Name Jeff Schneewind

Title Director

Date March 29, 2024

*Dawn & Barbara*  
*Notary Public*  
*MCE 6/30/2027*

