



**Amendment Number Seven
To Contract with OptumRx, Inc
For Pharmacy Benefit Management and
Claims Administration Program**

This Amendment Number Seven (hereinafter referred to as “Amendment”) to Contract is made and entered into upon execution of all necessary signatures between OptumRx, Inc., with a place of business at 1600 McConnor Parkway, Schaumburg, Illinois, 60173 (hereinafter referred to as “Contractor”) and the County of Orange (hereinafter referred to as “County”), a political subdivision of the State of California, which are sometimes individually referred to as “Party”, or collectively referred to as “Parties”.

WHEREAS, County and Contractor executed Contract for Pharmacy Benefit Management and Claims Administration Program for the County of Orange, commencing January 1, 2021 through December 31, 2023 (hereinafter “Contract”); and

WHEREAS, the Parties entered into Amendment Number One of the Contract to amend Attachment A, B, and D of the Contract effective January 1, 2021; and

WHEREAS, the Parties entered into Amendment Number Two of the Contract to amend Attachments A, and D of the Contract effective January 1, 2022 and Attachment B of the Contract effective October 1, 2021; and

WHEREAS, the Parties entered into Amendment Number Three of the Contract to amend Attachment B of the Contract, and to include Attachment F effective January 1, 2023; and

WHEREAS, the Parties entered into Amendment Number Four of the Contract to amend Attachment B of the Contract effective January 1, 2022; and

WHEREAS, the Parties entered into Amendment Number Five of the Contract to add Attachment G to the Contract effective December 1, 2022; and

WHEREAS, the Parties entered into Amendment Number Six of the Contract to amend Attachment A effective June 1, 2023, and add Attachment H of the Contract effective January 1, 2023, and

WHEREAS, the Parties desire to amend the Contract to extend the Term for one (1) year, from January 1, 2024 through December 31, 2024, and amend Attachment B and Attachment F-1 effective January 1, 2024;

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, both County and Contractor agree as follows:

1. The Contract is hereby extended for one (1) additional year, effective January 1, 2024 and expiring on December 31, 2024.
2. Paragraph 3 of the Contract is hereby amended to read in its entirety as follows:
“3. Term of Contract: The Contract shall commence January 1, 2021, and shall continue in effect through December 31, 2024, unless earlier terminated by County. The Contract may be renewed thereafter for one (1) additional consecutive one (1) year term, upon written agreement of both Parties. Renewal of the Contract may require approval by the County Board of Supervisors. The County does not have to give a reason if it elects not to renew this Contract; however, the County must provide ninety (90) days advance written notice of its intent not to renew this Contract to Contractor. Permitted renewals of the Contract provided in this paragraph 3 shall not result in any

change in any other term, condition or provision of this Contract unless agreed to in writing by the Parties.”

3. Attachment B – Cost/Compensation for Contractor Services, Section I Compensation, is hereby replaced in its entirety with the following:

“I. COMPENSATION

1. The County will pay Contractor for the services provided herein pursuant to the following table:

Term of contract:		Traditional Pricing	01/01/2024 to 12/31/2024
Administrative Fee			
Base Admin Fees	Retail 30:	\$0.00	PNPC=Per Net Paid Claim
	Retail 90:	\$0.00	PNPC
	Mail Service:	\$0.00	PNPC
	Specialty:	\$0.00	PNPC
Paper Claim Fees		\$2.50	Per Processed Paper Claims plus the Base Admin Fee
PreCheck MyScript with ePrescribing		\$1.25	Per PreCheck MyScript Transaction
Broad Retail Pharmacy Network			
Brand Drug Discount AWP-19.10%	Brand Drug Dispensing Fee \$0.80 PNPC	Generic Drug Discount AWP-83.65%	Generic Drug Dispensing Fee \$0.80 PNPC
Broad Retail 90 Pharmacy Network			
Brand Drug Discount AWP-22.00%	Brand Drug Dispensing Fee \$0.00 PNPC	Generic Drug Discount AWP-86.65%	Generic Drug Dispensing Fee \$0.00 PNPC
Home Delivery Pharmacy			
Brand Drug Discount AWP-25.25%	Brand Drug Dispensing Fee \$0.00 PNPC	Generic Drug Discount AWP-86.75%	Generic Drug Dispensing Fee \$0.00 PNPC
Specialty Pharmacy – Open Network			
Discount AWP-19.30%		Dispensing Fee \$0.00 PNPC	
Specialty Pharmacy – Exclusive Network			
Discount AWP-20.30%		Dispensing Fee \$0.00 PNPC	
Rebate Management – Premium Formulary 100% Pass-Through			
Retail Pharmacy \$330.00 PNPB	Retail 90 Pharmacy \$825.00 PNPB	Home Delivery \$850.00 PNPB	Specialty \$2,750.00 PNPB
<p>The pricing guarantees included in Optum Rx’s offer do not account for the financial impact of manufacturer action in response to recent regulatory changes (i.e. the Inflation Reduction Act’s AMP Cap provision); accordingly, Optum Rx may invoke certain contractual rights in response to the financial impacts caused by these changes.</p>			

4. Attachment F-1 – Fees for EGWP Services is hereby replaced in its entirety with the following:

I. COMPENSATION

1. The County will pay Contractor for the services provided herein pursuant to the following table:

Term of contract:		Pass-Through Pricing	01/01/2024 to 12/31/2024	
Administrative Fee				
Base Admin Fee	\$1.50 PNPC		PNPC=Per Net Paid Claim	
EGWP Admin Fee	\$8.50 PMPM		EGWP=Per Member Per Month	
Broad Retail Pharmacy Network				
Brand Drug Discount AWP-19.25%	Brand Drug Dispensing Fee \$0.80 PNPC	Generic Drug Discount AWP-84.00%	Generic Drug Dispensing Fee \$0.80 PNPC	
Broad Retail 90 Pharmacy Network				
Brand Drug Discount AWP-21.75%	Brand Drug Dispensing Fee \$0.00 PNPC	Generic Drug Discount AWP-87.00%	Generic Drug Dispensing Fee \$0.00 PNPC	
Home Delivery Pharmacy				
Brand Drug Discount AWP-25.25%	Brand Drug Dispensing Fee \$0.00 PNPC	Generic Drug Discount AWP-87.00%	Generic Drug Dispensing Fee \$0.00 PNPC	
Specialty Pharmacy – Open Overall Aggregate Guarantee				
Discount AWP-19.30%		Dispensing Fee \$0.00 PNPC		
Rebate Management – Silver Rebate Guaranteed Amount				
Retail Pharmacy \$235.00 PNPB	Retail 90 Pharmacy \$570.00 PNPB	Home Delivery \$650.00 PNPB	Specialty \$1,285.00 PNPB	
Generic Dispense Rate Guarantee				
Retail 85.00%		Home Delivery 86.00%		
<p>For each channel referenced with a Generic Dispense Rate (GDR) guarantee above (i.e., retail and mail), the Generic Dispense Rate (GDR) guarantee means for any full Contract Year, the number of Prescription Claims for Generic Drugs, as adjusted below (“Adjusted Total Prescription Claims”), i.e., $[GDR = \text{GDR Utilization for Contract Year} / \text{Adjusted Total Prescription Claims for Contract Year}]$. The GDR guarantee will be expressed as a percentage. GDR Utilization and Adjusted Total Prescription Claims will be adjusted by excluding: (i) all Prescription Claims from the categories listed as exclusions of the discount and dispensing fee guarantees; and (ii) all Prescription Claims for Specialty Drugs.</p> <p>To be eligible for the GDR guarantee, Client must comply with each of the following for each Client Benefit Plan:</p> <ul style="list-style-type: none"> • Maintain an average copayment differential between tier 1 and tier 2 Formulary products of \$15 or more. • Adopt clinical programs associated with the Formulary; and • Implement dispense as written penalties for DAW 2 claims for the majority of Members. <p>The GDR guarantee will be measured and reconciled for each channel referenced with a GDR guarantee in the table above in the aggregate on an annual basis. Overachievement in one channel may be used to offset underperformance in another channel. The penalty for failure to achieve GDR guarantee for a Contract Year will be calculated as product of:</p>				

[Adjusted Total Prescription Claims] x (GDR guarantee-GDR achieved (each expressed as a percentage) x (average cost to Client for non-Specialty Brand Drugs for Contract Year minus average Member Cost Share Amount minus average applicable Rebate guarantee)-(average cost to Client for non-Specialty Generic Drugs for Contract Year minus average Member Cost Share Amount)]
The final penalty shall never exceed more than \$1.50 per Member per Contract Year.

The GDR guarantee reporting will be provided in conjunction with the pricing discount and dispensing fee guarantee reporting.

Credits and Allowances – Pharmacy Management Allowance

Client shall receive a pharmacy management allowance (PMA) of up to \$5.00 per Member annually, which must be utilized within the applicable year and will not carry over to the following year. This PMA allowance is to be used by Client to offset the cost of actions intended to maximize the value of the pharmacy program. Funds may be used for items including, but not restricted to , programming for customization, design and implementation of clinical or other programs, communications, documented expenses related to staff education and industry conference attendance, auditing, data integration and analytics, consulting fees (excluding market checks), and engagement of relevant vendors that impact the pharmacy program strategy and results. Client will be required to submit documentation to support the expenses for which it seeks reimbursement. If Client terminates this Agreement for any reason before the end of the Initial Term, Client shall refund to OptumRx within 30 days after effective date of such termination the full PMA allowance applicable to the year of termination. It is the intention of the parties that, for the purposes of the Federal Anti-Kickback Statute, this PMA allowance shall constitute and shall be treated as a discount against the price of drugs with the meaning of 42 U.S.C 1320a-7b(b)(3)(A). To the extent required by Laws or contractual commitment, Client agrees to fully and accurately disclose and report any such discount to Medicare, Medicaid or other government health care programs as a discount against the price of the Prescription Drugs provided under this Agreement.

General Financial Terms

Except where stated in this section, all terms set forth in Attachment A of this Agreement, where applicable, are incorporated herein by reference. Furthermore, all pricing and financial terms under this Attachment F-1 shall apply uniquely to the EGWP Services in Attachment F and be independently measured and reconciled from Client's commercial population.

- Under the Pass-Trough Pricing Model, Client shall pay the actual retail pharmacy rates paid by OptumRx for Prescription Drugs electronically processed and dispensed to a Member through OptumRx's retail Pharmacy Network, which are estimated to be the effective rates set forth above. OptumRx's compensation for its services shall be the Claims Administration Fees set forth above and a fee in an amount agreed to by the parties for any additional services authorized by Client.
- Optum Specialty Pharmacy shall be specialty providers under this Agreement and Members will receive Specialty Drug Covered Prescription Services only from a Network Pharmacy, including Specialty Pharmacy. Specialty dispensing fees and Specialty Drug pricing shall apply for any Specialty Drugs filled at retail and Home Delivery. The Specialty Drug List will be provided to Client upon request may be updated from time to time.
- Core Silver Formulary: The Guaranteed Rebate Amount is contingent upon Client's adoption, without deviation, of OptumRx's Formulary and utilization management programs. Clients must have a Rebate qualifying benefit design which includes a minimum of \$10 difference in member most between preferred and non-preferred drugs, and that Members, after the deductible phase, must not be responsible for more than 50 percent of the ingredient cost (e.g. a 50% or more co-insurance plan).
- This amendment must be signed at least 90 days before the effective date of the EGWP Services pricing in this Attachment F1.
- The effective date of the EGWP services pricing in this attachment F1 will be January 1, 2024, with prior notice of award 120 days before the effective date of this amendment.
- The EGWP services pricing in this attachment F1 is for a one-year contract term, subject to the terms and conditions in this amendment.
- The pricing guarantees included in Optum Rx's offer to not account for the financial impact of manufacturer action in response to recent regulatory changes (i.e. the Inflation Reduction Act's AMP Cap provision); accordingly, Optum Rx may invoke certain contractual rights in response to the financial impacts caused by these changes.

EGWP Services and Fees as Applicable	
EGWP Services	
<ul style="list-style-type: none"> • Enrollment/Finance Functions • Standard Client Reporting 	<p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p>
Explanation of Benefits (EOB)	
<ul style="list-style-type: none"> • CMS compliant document monthly print and mail (where applicable) • Spanish translated EOB, per Eligible Participant's request • Client variable information (plan logo, hours of operation, customer service information) • Programming changes as required for CMS requirements • Data management and processing • Application to enter formulary change information and message to appear on EOBs • Viewer tool for OptumRx call center 	<p>Standard Package included in EGWP fee.</p> <p>Customization requirements may incur additional fees for production and postage.</p>
Transition Member Services	
<ul style="list-style-type: none"> • Eligible Participant and Physician letter • Daily Transmission Claims Data file • Programming changes as required by CMS requirements • Data management and processing • Daily transition file(s), critical error if applicable • Eligible Participant or customer inquiry support 	<p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p>
PDE Management	
<ul style="list-style-type: none"> • CMS Attestations • PDE Creation • Error oversight, trend analysis, and prevention • Error resolution support and best practices • PDE reprocessing as required • CMS report distribution (i.e. P2P, Accum) • Programming as needed for CMS required changes • Reports (i.e. summary, statistics, pre-edit errors) • Report Catalog of CMS generated files 	<p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p>
Clinical Programs	
<ul style="list-style-type: none"> • CDUR & Level 1 (THEDOSE) • Medicare Drug Management Program • Overutilization Monitoring System • RDUR Star Focused • EGWP Medication Therapy Management • Basic Medication Adherence (Late to refill IVR) is not required under Part D, but we automatically include it in our standard EGWP offering. • Medicare Fraud, Waste, and Abuse Program • Medication Error Identification and Reduction (MEIR) • E-Prescribing Services • Opioid Risk Management – Medicare Member Education Program • Prior Authorization (includes clinical Prior Authorization and B vs. D coverage determinations) • Grievances (pharmacy benefit related grievance) • Re-determination of coverage (second level appeals) – Medical of Administrative 	<p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>\$50 per Prior Authorization</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p> <p>Included in EGWP Fee</p>

<ul style="list-style-type: none"> OptumRx Base Formulary 	
Print Fulfillment (as applicable)	
<ul style="list-style-type: none"> ID Cards 	Standard Package included in EGWP Fee. Customization requirements may incur additional fee.
<ul style="list-style-type: none"> Welcome Kits 	Standard Package included in EGWP Fee. Customization requests must be approved by OptumRx-EGWP and may incur additional fees.
<ul style="list-style-type: none"> ANOC/Evidence of Coverage (EOC) Mailing/Fulfillment 	Standard Package included in EGWP Fee. Customization requirements may incur additional fees
<ul style="list-style-type: none"> Summary of Benefits & Opt Out letter 	Included in EGWP Fee
<ul style="list-style-type: none"> Geo-Coded Pharmacy Directories 	Included in EGWP Fee
<ul style="list-style-type: none"> Formulary Drug List 	Included in EGWP Fee
<ul style="list-style-type: none"> Payment distribution to Eligible Participants and LTC's for adjustments that identified previous overpayment of the Eligible Participant cost share/Drug Refund Checks 	Included in EGWP Fee
<ul style="list-style-type: none"> Other Eligible Participants or physician communications 	Production and Postage at cost
<ul style="list-style-type: none"> Eligible Participant requested materials 	Production and Postage at cost
<ul style="list-style-type: none"> Medicare Secondary Payer Letter/Survey 	Included in EGWP Fee
<ul style="list-style-type: none"> All CMS-required CMS Transaction Reply Code (TRC) letter (post enrollment; including disenrollment, LEP, LIS, etc. 	Included in EGWP Fee
<ul style="list-style-type: none"> Return Mail Charge 	Included in EGWP Fee
Add-On Medicare Part D Services	
<ul style="list-style-type: none"> Specialized support for Medicare Post-enrollment Calls (Benefits, eligibility, EOB review, letters, claim resolution) 	Included in EGWP Fee
<ul style="list-style-type: none"> Manual Eligibility Data entry 	\$0.50 per record
<ul style="list-style-type: none"> Loading of the required 306 months of pharmacy data 	Included in EGWP Fee
<ul style="list-style-type: none"> Website with standard design: Access for Eligible Participants and Physicians 	Included in EGWP Fee
<ul style="list-style-type: none"> Custom Website Development 	\$250 per Hour
<ul style="list-style-type: none"> PBP And Plan Changes 	Included in EGWP Fee
<ul style="list-style-type: none"> Batch processing of client-caused/initiated adjustments (includes analysis and preparation of data files for processing, adjustment of TrOOP/Drug Spend balances and creation of overpayment and underpayment report as appropriate) 	Included in EGWP Fee
<ul style="list-style-type: none"> Coordination of Benefits with SPAP's or other mandated programs 	Included in EGWP Fee
<ul style="list-style-type: none"> GeoAccess report (in excess of one annually provided in Core Services) 	\$5,000 per Report
<ul style="list-style-type: none"> DMR Coverage letter (paper claim) 	Included in EGWP Fee
This is not an inclusive list. OptumRx may charge for any products or services not specifically represented herein	

5. Except as amended herein, all other terms and conditions, including those terms of the Contract and any amendments/modification are incorporated by this reference as if fully set forth herein and shall remain in full force.

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*** Signature Page ***

The Parties hereto have executed this Amendment to Contract on the dates shown opposite their respective signatures below.

OptumRx, Inc.

Kathryn Carey

CFO

Print Name
DocuSigned by:

Kathryn Carey

Title

8/10/2023 | 7:24:12 PM PDT

Signature
6D0EB8C02102443...

Date

Allison Davenport

president

Print Name
DocuSigned by:

Allison Davenport

Title

8/15/2023 | 1:01:58 PM PDT

Signature
0E51ED84C2D649C...

Date

*** If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth.**

The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President.

The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.

County of Orange, a political subdivision of the State of California

Print Name

Title

Signature

Date

Approved by Board of Supervisors on: Date _____

APPROVED AS TO FORM:

DocuSigned by:

Mehul Daftary

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Deputy, Office of County Counsel

Orange County, California