



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

This Amendment Number Two (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 desire to amend Attachments A, and D of the Contract effective January 1, 2022 and Attachment B of the Contract effective October 1, 2021;

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

1. Attachment A – Scope of Work, Section I Financial/Pricing Terms, Item 87 is hereby amended as follows:

"Contractor agrees rebates include:

- a. Base Rebates (negotiated regardless of plan sponsor management requirements such as UM or coinsurance differentials)
- b. Incentivized Rebates (additional rebates for plan sponsor adopting management criteria such as UM or coinsurance differentials, but not limited to those items)
- c. Educational grants
- d. Market Share rebates (additional rebates paid for achieving volume targets as specified in rebate contract)
- e. Price protection clauses
- f. Manufacturer Administrative Fees
- g. Clinical fees paid by pharmaceutical manufacturers for compliance programs"

2. Attachment A – Scope of Work, Section I Financial/Pricing Terms, Item 88 is deleted in its entirety.

3. Attachment A – Scope of Work, Section I Financial/Pricing Terms, Item 99 is hereby amended as follows:

"Contractor confirms that HIV, PCSK9 and Hep-C products will be dispensed in accordance with the County's plan design, and that the Per Brand Rx Rebate Guarantees will apply to all such products based on channel/network that was used to dispense said product. The Specialty Pharmacy Per Brand Rx Rebate Guarantees will apply to all such products dispensed at Contractor's specialty mail pharmacy."

4. Attachment A – Scope of Work, Section I Financial/Pricing Terms, Item 101 is hereby amended as follows:

“180 days after contract year-end, Contractor will reconcile the guaranteed percent pass-through of Total Rebates against the quarterly rebate payments made in accordance with the minimum Per Brand Rx Rebate Guarantees. The County will retain 100% of any additional savings achieved.”

5. Attachment A – Scope of Work, Section I Financial/Pricing Terms, Item 102 is hereby amended as follows:

“In the event that the County’s share of “Total Rebates” is greater than the total amount paid to the County via the corresponding quarterly rebate payments, Contractor shall pay/credit any amount due to the County within 180 days after the end of each contract year and will provide supporting standard documents.”

6. Attachment A – Scope of Work, Section I Financial/Pricing Terms, Item 103 is hereby amended as follows:

“Contractor will provide the County quarterly reporting, at the time of payment, that clearly itemizes Total Rebate amounts invoiced, amounts paid to the County, and the time frame in which they were earned. Payments will align to 180 days post contract year. If requested, this reporting will be itemized according to the County benefits account structure.”

7. Attachment A – Scope of Work, Section I Financial/Pricing Terms, Item 104 is hereby amended as follows:

“Rebates are reconciled and paid quarterly, every 90 days, after the annual reconciliation. The County’s share of any Total Rebates for the reconciliation period that are received by Contractor after the annual year-end reconciliation that exceed the total quarterly rebate payments made to the County for the calendar year, will be paid/credited to the County on a calendar quarter basis (every 90 calendar days). Such amounts will not be applied to the next annual rebate reconciliation.”

8. Attachment A – Scope of Work, Section I Financial/Pricing Terms, Item 106 is hereby amended as follows:

“Contractor shall offer drug-specific point of sale rebate program option (along with any fees, limitations, audit rights, etc.) at the County’s request.”

9. Attachment B – Cost/Compensation for Contract Services, Section IV, Additional Services is hereby amended to include:

Diabetes High-Risk Counseling only 100% of diabetics to be identified as high-risk and therefore included in Diabetes Counseling	\$195 per counseled member per year
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10. Attachment D – Contractor Performance Standards is replaced in its entirety with the following:

## **ATTACHMENT D**

### **CONTRACTOR PERFORMANCE GUIDELINES**

Contractor shall adhere to the terms outlined in the Statement of Work regarding Performance Guarantees. Upon the later of the Effective Date OR the date that the Contract is executed by both parties, Contractor will measure its performance guidelines (the “Guidelines”) quarterly, and report results to County. The maximum payment for missed Guidelines shall not exceed \$75,000 annually, with no more than 20% of this maximum for any missed Guideline annually. Penalties associated with Performance Guarantees shall be reported and reconciled 60 days from the end of the Contract year and

penalties, if any, shall be passed on annual aggregate results and paid within 90 days after the end of applicable contract year, subject to County's adherence to payment obligations under this Contract. Payments for Missed Guideline represent County's sole and exclusive remedy for any Guidelines set forth herein. Any such performance failure will not be deemed a material breach that gives County the right to terminated under Section 33 of this Contract.

Service	Performance Guideline	Contractor or Client Book of Business	Standard
Eligibility processing – Timeliness	At least 99 percent of usable eligibility files will be loaded and active in OptumRx's on-line claims adjudication system within 24 hours of OptumRx's receipt. Eligibility files must be transmitted in a mutually agreed upon format and with a mutually agreed upon file naming convention. Eligibility files must not exceed the mutually agreed upon file "edit" threshold, must not arrive during scheduled system maintenance/downtime and cannot contain a "critical" error or failure that would prevent OptumRx from loading the file into its online claims adjudication system.	County Specific	99% within 1 business day
Eligibility - Accuracy	Electronic eligibility records will be loaded with 100% accuracy. This standard is contingent upon receipt of clean eligibility data delivered in an agreed upon format and Contractor incorrectly loaded the eligibility.	County Specific	Loaded with 100% accuracy
Eligibility error report	As long as the Client eligibility provider continues to accept electronic error reports, Contractor shall produce and transmit an error report on eligibility file updates to the firm-designated eligibility provider within 48 hours of the Contractor receiving a clean and complete eligibility file.	County Specific	100%
System availability	The percent of time the claims processing system will be available to retail pharmacies as measured by the number of hours the system is available, divided by the total number of hours within the reporting period excluding regularly scheduled maintenance or telecommunication failure outside of Contractor's control. Measured on Contractor's book-of-business.	Contractor Book of Business	$\geq 99.5\%$
Network pharmacy access	As measured by the number of Client members with access to a retail network pharmacy within one (1) mile urban, three (3) miles suburban or ten (10) miles rural of their home zip code (where a pharmacy exists within the	County Specific	$\geq 98.5\%$

	specified standard), divided by the total number of Client members.		
On-site pharmacy audits	As measured by the number of network pharmacies audited onsite each year divided by the total number of network pharmacies.	Contractor Book of Business	3.00%
Welcome booklets	The amount of time that elapses between when a clean eligibility file or transmission identifying the applicable member is received by the Contractor to when welcome booklets are mailed to the member, provided the communication materials have been approved and the clean eligibility file was provided 20 business days prior to the County's effective date.	County Specific	99% within five (5) business days prior to the County's effective date.
Call center average speed of answer (ASA)	Percent of all calls answered within 30 seconds or less. Calculated as the amount of time that elapses once a call is placed into the customer service queue to the time the call is answered by a live customer service representative (CSR). Measurement excludes calls routed to interactive voice response (IVR) system.	Contractor Book of Business	100% within an average of 30 seconds
Pharmacist/clinical support ASA	Measured as the time elapsed once a member requests to speak to a pharmacist from a CSR or selects this option from the IVR menu to the time the call is answered by a pharmacist.	Contractor Book of Business	< 45 seconds
Specialty care call center average speed of answer (ASA)	Percent of all calls answered within an average of 30 seconds. Calculated as the amount of time that elapses once a call is placed into the customer service queue to the time the call is answered by a CSR. Measurement excludes calls routed through an interactive voice response (IVR) system. Excludes calls to the general toll-free telephone line separately established for non-Specialty Drugs	Contractor Book of Business	100% within an average of 30 seconds
Call center abandonment rate	Percentage of calls that are not answered by PBM (caller hangs up before call is answered). Calculated as the number of incoming telephone calls to the member service telephone line that are not answered divided by the number of calls received. Measurement excludes calls routed to IVR and includes calls abandoned within the first 20 seconds. Excludes calls to the toll-free telephone line separately established for Specialty Drugs.	Contractor Book of Business	<= 2.0%
First call resolution	Percent of the County member calls resolved during the first point of contact. First call resolution means the	Contractor Book of Business	≥ 95.0%

	call is resolved and the member does not call back regarding the same inquiry. Calculated as the percent of calls resolved during the first call divided by the total number of calls answered by a CSR. Excludes calls to the toll-free telephone line separately established for Specialty Drugs.		
Responsiveness to written inquiries from members received by designated email box.	Contractor will respond to at least 99% of the County's member written inquiries (including email) which require a response within five (5) business days of receipt and 100% within ten (10) business days of receipt. Response time for all member-written inquiries will be based on the number of business days subtracting the date received from the date answered.	Contractor Book of Business	≥ 99.0% within 5 business days and 100% within 10 business days
Responsiveness to non-specialty written inquiries from members via designated email box and received via U.S. mail.	Contractor will respond to all written inquiries from members accordingly:  Email: within 5 business days of email receipt date received via designated email box.  All mail: including email and U.S. mail, within an average of 10 business days from date of receipt for inquiries received via designated email box and received via U.S. mail.	Contractor Book of Business	≥ 95.0% of email inquiries within 5 business days:  100% of all written inquiries (written and mail): an average of 10 business days
Member appeal response time	Contractor will respond to 99% of all formal written first level appeals within 30 calendar days, measured from the date of appeal receipt to date response mailed to member. Response to appeal is defined as a thorough review of all information related to the appeal followed by a detailed explanation of the final determination in writing, citing specific reasons for denials	County Specific	≥ 99.0% within 30 calendar days
Member satisfaction survey for members utilizing the pharmacy benefit	Overall member satisfaction survey results will be "Satisfied" or greater for at least 90% of respondents. Member satisfaction results will be measured by the responses to Contractor's member post-call "Voice of the Customer" satisfaction survey. County specific measurement contingent upon a statistically valid response rate.	County Specific	≥ 90.0%
Specialty medication member satisfaction survey	Optum Specialty Pharmacy guarantees 90% or greater overall customer satisfaction measured by the responses to OptumRx's member post-call "Voice of the Customer" satisfaction survey. Measured and reported	Optum Specialty Pharmacy book of business data.	≥ 90.0%

	annually and based upon Optum Specialty Pharmacy book of business data.		
Claims processing accuracy	Percent of claims processed and paid accurately based on the applicable coverage, pricing and plan design. Calculated as: (1) the number of retail claims, mail claims, specialty drug claims and directly submitted paper claims adjudicated by Contractor that do not contain a material adjudication error (i.e., any inaccuracy relating to the processing of the claim that results in an incorrect charge to Client or its members), divided by (2) the total number of all such claims adjudicated.	County Specific	> 99.7%
Mail order/specialty pharmacy dispensing accuracy	Percent of all mail order and specialty pharmacy claims dispensed accurately with no errors according to the prescription written and the Client's plan design(s). Calculated as the total number of prescriptions dispensed, less the total number of prescriptions dispensed with the incorrect drug, strength, form, patient name, directions, address (resulting in the medication being delivered incorrectly) or packaging non-conformances, divided by the total number of prescriptions dispensed.	County Specific	≥ 99.99%
Retail paper claims processing time	Contractor will process at least 95% of Client member submitted clean claims within ten (10) business days from receipt.	County Specific	At least 95 % of all clean direct member reimbursement claims will be processed within 10 business days from receipt.
Mail order turnaround time (clean Rx)	Measured in business days from the date the prescription is received by the Contractor (either via paper, phone, fax or Internet) to the date it is shipped. Calculated as the number of "clean" mail order prescription claims processed within two (2) business days divided by the total number of mail order claims processed.	Contractor Book of Business	100% within 2 business days
Mail order turnaround time (non-clean Rx)	Measured in business days from the date the prescription is received by the Contractor (either via paper, phone, fax or Internet) to the date it is shipped. Calculated as the number of mail order prescription claims requiring intervention processed within five (5) business days divided by the total number of mail order claims processed.	Contractor Book of Business	100% within 5 business days

Account management meetings	Contractor agrees to meet with the County on a regular basis as follows: (a) Contractor will meet in person or by conference call with the County on a monthly basis as agreed upon to review ongoing account and service issues, (b) Contractor will meet with the County on a quarterly basis to review program performance including financial, clinical and plan design and (c) Contractor will meet with the County on an annual basis within 120 days after the end of each calendar year for an overall program review including Contractor's book of business comparisons, prescription drug program trends, Contractor initiatives and recommendations for the County program.	County Specific	100%
Account management staffing changes	Contractor agrees that Client will be consulted on account management staffing changes (national account executive, account manager, account coordinator, clinical account executive and financial analyst) and have the opportunity to interview potential replacements with final right of approval.  If the account executive/manager is promoted, moves to a new role or leaves the organization, OptumRx will notify the Customer and work through the director of client management to seamlessly transition responsibility.  If a new account team is requested by County, Contractor will make a reasonable attempt to appoint a new account team within thirty (30) days of request.	County Specific	100%
Account management reporting	Contractor will prepare and provide the County its standard management /utilization reports (including reviews and appeals management reports) and other standard reports to be mutually agreed upon.  Penalty for late delivery of any and all reports, including the report card, any pricing guarantee reports, rebate payments, clinical programs reports, etc. Specified reports (as mutually agreed upon in advance). Online reporting data will be available within ten (10) days after each month end. Billing data will be available within ten (10) days after the billing cycle.	County Specific	Reports delivered on time - 100%

Account management scorecard for pharmacy designated account representatives	Designated members of the County's benefits staff will complete a quarterly report card to evaluate overall satisfaction with account management. Contractor will guarantee overall satisfaction ratings of at least 4.0 on a 5-point scale (5 is best rating). For the purposes of this guarantee, satisfaction shall be defined as Satisfied or better on the following 5-point scale: Completely Satisfied, Very Satisfied, Satisfied, Dissatisfied, or Very Dissatisfied. Contractor will be responsible for data collection, analysis and all costs associated with the surveys.	County Specific	>= Meets Expectation
Account Management Responsiveness	Contractor guarantees that 100% of the County calls to the account service team will be responded to within twenty-four (24) hours of receipt and 100% of written inquiries responded to within twenty-four (24) hours of receipt.	County Specific	100% within 24 hours
Rebate Payment Timeliness	Contractor will pay/credit applicable "estimated" per brand Rx rebates to the County within ninety (90) calendar days of the close of each calendar quarter.	County Specific	Payment and reporting within 90 calendar days of each calendar quarter
Rebate Payment Reconciliation	An annual reconciliation of the rebate pass-through percentage against contractually specified guaranteed minimums will be made within 180 calendar days of the end of the contract year. Any additional collections received from manufacturers after the annual reconciliation period will be remitted thereafter on a calendar quarter basis (every 90 calendar days).	County Specific	<=180 Days  Measured and reported annually
Clinician savings guarantee	Reconciliation of all newly implemented clinical program guarantees including but not limited to; DUR, coverage management and physician profiling	County Specific	100%
Report Accuracy	Penalty for inaccurate reporting of any and all reports, including the report card, any pricing guarantee reports, quarterly rebate payment reports, annual rebate reconciliation reports, any clinical programs reports, etc.	County Specific	Reports provided with 98% accuracy
Quality control documentation	Contractor will maintain a documented quality control and pre-implementation document and provide it to County for review and approval prior to implementation of any benefit or program change.	County Specific	100%

Plan administration accuracy	With written Client sign-off of the accuracy of Client's plan design(s) and/or requested changes and testing, Contractor guarantees that the Client plan design(s) will be implemented with 99% accuracy. Client will be responsible for reporting any failure to meet the above stated guarantee to Contractor on an annual basis. This is measured and reported on a calendar year and Client specific basis.	County Specific	99%
Corrective Action Plan	For any missed performance guarantee Contractor shall define the source problem and create a written Corrective Action Plan which shall be submitted to the County within a mutually agreed upon timeframe. Once agreed to by the County, the actions and timelines will be adhered to.	County Specific	100%
Accumulators Data File Accuracy – Batch	The standard accumulator extract format will be accurately populated based on data in the adjudication system. Data accuracy is dependent on plan setup, eligibility feeds, and the accuracy of the data provided in the file.	County Specific	99%
Accumulators Data File Timeliness – Batch	The standard accumulator extract will be available by 12:00 PM CST on a date mutually agreed upon within a scheduled frequency.	County Specific	99%
Accumulators Data File Accuracy – Incoming Files – Batch	Incoming medical adjustments will be accurately loaded into the claims adjudication system. Load accuracy is dependent on eligibility, plan set-up and the accuracy of the data provided in the file.	County Specific	99%

11. 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.

(Signature page to follow)

**\* Signature Page \***

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

**OptumRx, Inc.**

Ellen Nelson

President, Public Sector and Government Market Segment

Print Name

Title

DocuSigned by:



11/5/2021

Signature

Date

Jeffrey Grosklags

CFO

Print Name

Title

DocuSigned by:



11/8/2021

Signature

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.

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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:



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Deputy, Office of County Counsel

Orange County, California