

STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF PROCUREMENT SERVICES
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

AMENDMENT FOR CHANGE
AMENDMENT NO. 2

TO: LIMITED DISTRIBUTION - OHIO DEPARTMENT OF ADMINISTRATIVE SERVICES (DAS), BENEFITS
ADMINISTRATION SERVICES OFFICE (BAS)

FROM: ROBERT BLAIR, DIRECTOR, DEPARTMENT OF ADMINISTRATIVE SERVICES

SUBJECT: CONTRACT FOR STATE OF OHIO EMPLOYEE PHARMACY BENEFITS MANAGEMENT (PBM) SERVICES

Attached are pages 1, 18 & 19, and 21 through 23 to this contract. Remove these pages from the existing contract and replace with the attached page on the effective and/or revision date.

As a result of mutual agreement between the state of Ohio and the contractor, this amendment is issued to renew the subject contract an additional one (1) year, effective July 1, 2012 through June 30, 2013.

Renewal is based upon mutual agreement between the state of Ohio and Catalyst Rx's letter and attachments dated April 2, 2012 and May 17, 2012 acceptance of additional state of Ohio language concerning the ROI conditions. In addition this amendment advises of a new contact person for the state of Ohio.

All other prices, terms and conditions remain unchanged.

Questions regarding this Amendment and/or the Requirements Contract may be directed to:

Carol Clingman
carol.clingman@das.state.oh.us

This Amendment, the Contract and any additional Amendments thereto are available from the DAS Web site at the following address:

<http://www.ohio.gov/procure>

Affected Contractor(s):

HR00001254
Catalyst Rx
100 East Campus View Blvd.
Suite 250
Columbus, OH 43235
cdonahue@catalystrx.com



STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
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4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

MANDATORY USE CONTRACT FOR: STATE OF OHIO EMPLOYEE PHARMACY BENEFITS MANAGEMENT (PBM) SERVICES

CONTRACT NUMBER: CSP900510

EFFECTIVE DATES: 07/01/09 TO 06/30/12

* Renewal through 06/30/13

The Department of Administrative Services has accepted Proposals submitted in response to Request for Proposal (RFP) No. CSP900510 that opened on February 27, 2009. The evaluation of the Proposal responses has been completed. The Offeror listed herein has been determined to be the highest ranking Offeror and has been awarded a Contract for the services listed. The respective Proposal response including, Contract Terms & Conditions, any Proposal amendment, special Contract Terms & Conditions, specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Services Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated, or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to the Ohio Department of Administrative Services (DAS), Benefits Administration Services Office (BAS) as applicable.

The agency is eligible to make purchases of the contracted services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that department will purchase the volume of services as advertised in the Request for Proposal.

Questions regarding this and/or the Services Contract may be directed to:

* Carol Clingman
carol.clingman@das.state.oh.us

This Requirements Contract and any Amendments thereto are available from the DAS Web site at the following address:

<http://www.ohio.gov/procure>

* To advise of a twelve (12) month renewal of the contract effective July 1, 2012 through June 30, 2013 and notification of new state of Ohio contact person.

F. GENERAL REQUIREMENTS – PRICING. The State and the Contractor are in agreement that:

1. The state of Ohio will not provide a security deposit.
2. AWP is based on 11 digit NDC as supplied by a nationally recognized pricing source (i.e., First Databank or MediSpan) on the date of service (for both retail and mail).
3. The pricing shall be based on approved and paid claims not rejected or reversed claims.
4. Members will pay the lowest of: <ul style="list-style-type: none"> a. Copay; b. U&C; or c. Contracted rate <p>In no event will the member pay full copay if the contracted cost is lower.</p>
5. The Contractor shall pass-through 100% of negotiated discounts with network pharmacies at the point-of-service (i.e., the Contractor shall not retail spread as a revenue source).
6. The Contractor agrees to disclose all externally funded programs or services to the state of Ohio.
7. The state of Ohio shall require a quarterly report demonstrating that pass-through pricing has been achieved at retail.
8. The Contractor shall apply MAC at mail at NDC level discounts equal to or greater than the MAC discount rates applied at retail.
9. Minimum Generic Effective Rate Guarantees for both mail and retail shall be defined as follows: <p>[1-(Aggregate Discounted Ingredient Cost/ Aggregate Undiscounted AWP)]</p> <ul style="list-style-type: none"> a. Aggregate Discounted Ingredient Cost before the application of copayments shall be used in this calculation. b. Aggregate Undiscounted AWP shall be from a single, nationally recognized price source for all claims. c. Dispensing Fees shall not be included in the Aggregate Discounted Ingredient Cost. d. Both the Aggregate Discounted Ingredient Cost and Aggregate Undiscounted AWP from the date of adjudication shall be used. e. Aggregate Undiscounted AWP shall be the AWP of the 11-digit NDC of the product dispensed and in no event shall Average AWP be used. f. Both single-source and multi-source generic products shall be included in the guarantee. g. Claims paid 100% by the member copayment shall be included in the calculation with the applicable Discounted Ingredient Cost before the application of the copay. h. Only compounds, defined Specialty claims through the Contractor's specialty pharmacy, OTC claims, and claims with ancillary charges shall be excluded from the calculation. i. Guarantees shall be reconciled in the aggregate on an annual basis. Any shortfall between the actual result and the minimum guarantee shall be paid, dollar-for-dollar, to the client within 60 days of the end of the measurement period.

* To advise of modifications made effective July 1, 2012 through June 30, 2013 for Items #9g and #9i.

<p>10. Minimum Brand Effective Rate Guarantees for both mail and retail shall be defined as follows:</p> <p>[1-(Aggregate Discounted Ingredient Cost/ Aggregate Undiscounted AWP)]</p> <ul style="list-style-type: none"> a. Aggregate Discounted Ingredient Cost before the application of copayments shall be used in this calculation. b. Aggregate Undiscounted AWP shall be from a single, nationally recognized price source for all claims. c. Dispensing Fees shall not be included in the Aggregate Discounted Ingredient Cost. d. Both the Aggregate Discounted Ingredient Cost and Aggregate Undiscounted AWP from the date of adjudication shall be used. e. Aggregate Undiscounted AWP shall be the AWP of the 11-digit NDC of the product dispensed, and in no event shall Average AWP be used. f. Both Single-source and multi-source brand products shall be included in the guarantee. g. Claims paid 100% by the member copayment shall be included in the calculation with the applicable Discounted Ingredient Cost before the application of the copay. h. Only compounds, defined Specialty claims through the Contractor's specialty pharmacy, and OTC claims shall be excluded from the calculation. i. Guarantees shall be reconciled in the aggregate on an annual basis. Any shortfall between the actual result and the minimum guarantee shall be paid dollar-for-dollar to the client within 60 days of the end of the measurement period.
<p>11. Maximum Brand and Generic Aggregate Dispensing Fee Guarantees for both mail and retail shall be defined as follows:</p> <p>Aggregate Dispensing Fees of applicable claims / Total number of applicable claims</p> <ul style="list-style-type: none"> a. Aggregate Dispensing Fees shall be the total of all dispensing fees charged on applicable claims before the application of copayments. b. Compounds, defined Specialty claims and OTC claims shall be excluded from the calculation. c. Guarantees shall be reconciled in the aggregate on a semi-annual basis. Any shortfall between the actual result and the minimum guarantee shall be paid dollar-for-dollar to the client within 60 days of the end of the measurement period.
<p>12. 100% of manufacturer rebates and all administrative and other fees collected from pharmaceutical manufacturers based on the State's claims shall be paid to the state of Ohio.</p>
<p>13. All rebate revenue earned by state of Ohio shall be paid out to state of Ohio regardless of their termination status as a client.</p>
<p>14. The state of Ohio shall define the final list of products that are part of the specialty program. The state of Ohio and the Contractor shall mutually agree on the addition of new products and pricing to this list going forward.</p>
<p>15. The state of Ohio reserves the right to renegotiate improvements in the specialty pharmacy pricing on an annual basis.</p>
<p>16. The state of Ohio requires rebate and administrative fee reporting quarterly and payments on a quarterly basis (with an annual reconciliation to the guarantees).</p>
<p>17. Pricing elements (including fees) offered shall be effective and guaranteed for the term of the Contract (excluding the renegotiated specialty pricing) and shall not include adjustments for claims volume shifts amongst the various provider channels (i.e., mail utilization rates decline or 90 day retail utilization increases) or for changes in membership volumes.</p> <p>Claims shall be priced at the time of adjudication for all dispensing methods (i.e., Retail, Mail Service, and Specialty).</p>
<p>18. Rebates offered are based on sponsor allowing up to a 30 days supply in the standard retail network, up to a 90 day supply in the retail 90 network, and up to 90 days at mail. The rebate offer by delivery channel shall apply regardless of actual achieved average day supply.</p>

* To advise of modifications made effective July 1, 2012 through June 30, 2013 for Items #10g and #10i.

COST SUMMARY

TITLE: STATE OF OHIO EMPLOYEE PHARMACY BENEFITS MANAGEMENT (PBM) SERVICES

RFP NO.: CSP900510

INDEX NO.: DAS060

UNSPSC NO.: 80101500

EFFECTIVE DATE OF SERVICES: July 1, 2009

ITEM NO.:

ADMIN FEES: 16207

PHARM. FEES: 16206

All pricing elements and/or performance guarantees (PGs) shall be based upon the Contractor's Best and Final Offer (BAFO) and negotiations which concluded on May 28, 2009.

In consideration of the services described in this Contract, and based upon current available plan parameters including number of employees, drug utilization, etc, the approximate value of the Contract administrative fee is \$5.3 million with the approximate value of the drug cost expenses being \$324 million over the initial term of the Contract.

- * The renewal for July 1, 2012 through June 30, 2013 is based upon mutual agreement between the state of Ohio and Catalyst Rx's letter and attachments dated April 2, 2012 and May 17, 2012 acceptance of additional state of Ohio language concerning the ROI conditions. The new pricing for the renewal includes the elimination of the Diabetic Sense Program, the addition of the MedMonitor Program with the agreed upon ROI guarantee and revision to the Performance Guarantee to allow for an additional 10 days for the Contractor to provide in-person presentations at the end of each quarter. In addition the renewal includes the modifications as noted on pages 18 and 19 of this Contract.

- * To advise of a twelve (12) month renewal of the contract effective July 1, 2012 through June 30, 2013.

CONTRACTOR INDEX* CONTRACTOR AND TERMS:CONTRACT NO.: CSP900510-1 (06/30/13)

OAKS Vendor ID No.: HR00001254

Catalyst Health Solutions
800 King Farm Blvd.
Rockville, MD 20850

Remit to:

Remit checks via mail to:
Catalyst Rx
P.O. Box 60129
Charlotte, NC 28260-1616Remit via Wire/ACH to:
Wachovia Bank, Rockville, MD
Account Name: Catalyst Rx
Account Number: 2000013846958
ABA Number: 055003201Remit checks via overnight delivery:
Catalyst Rx
Lockbox #60129
1525 West WT Harris Blvd 2C2
Charlotte, NC 28260CONTRACTOR'S CONTACTS:Catherine Donahue
Client Services Manager
Catalyst Rx
100 East Campus View Blvd., Suite 250
Columbus, OH 43235Telephone: 614-438-4193
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To advise of a twelve (12) month renewal of the contract effective July 1, 2012 through June 30, 2013.

SUMMARY OF AMENDMENTS

AMENDMENT NUMBER	REVISION DATE	DESCRIPTION
2	05/25/12	To advise of a twelve (12) month renewal of the contract effective July 1, 2012 through June 30, 2013 and notification of new state of Ohio contact person.
1	10/02/09	To modify definition(s) based on class action lawsuits which resulted in adjusted AWP benchmarks; to indicate repagination of pages 2 – 22; to add the Summary of Amendments page (page 23); and include additional Cost Summary Information.