

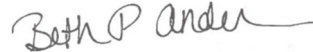
**AMENDMENT 11 TO THE  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This Amendment is made part of the Administrative Services Agreement and is effective January 1, 2021. This Amendment supplements and amends the Agreement between JPA and Anthem Blue Cross Life and Health Insurance Company dba Anthem. If there are any inconsistencies between the terms of the Agreement or its Schedules and this Amendment, the terms of this Amendment shall control.

1. SCHEDULE A is replaced by the attached SCHEDULE A.
2. SCHEDULE B is replaced by the attached SCHEDULE B.
3. SCHEDULE C is replaced by the attached SCHEDULE C.
4. EXHIBIT A OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE is replaced by the attached EXHIBIT A OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE.
5. EXHIBIT B OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE is replaced by the attached EXHIBIT B OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE.
6. EXHIBIT C OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE is replaced by the attached EXHIBIT C OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE.

IN WITNESS WHEREOF, Anthem has caused this Amendment to be executed by affixing the signature of its duly authorized officer.

Anthem Blue Cross Life and Health Insurance Company



By: Beth Andersen  
Title: President, CA Commercial Business  
Date: February 25, 2021

**SCHEDULE A  
TO  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This Schedule A shall govern the Agreement Period from January 1, 2021 through December 31, 2021. For purposes of this Agreement Period, this Schedule shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedules, and this Schedule A, the terms of this Schedule A shall control.

**Section 1. Effective Date and Renewal Notice**

This Agreement Period shall be from 12:01 a.m. January 1, 2021 to the end of the day of December 31, 2021.

Paid Claims shall be processed pursuant to the terms of this Agreement when incurred and paid as follows:

Incurred from December 9, 2009 through December 31, 2021 and  
Paid from January 1, 2021 through December 31, 2021.

Anthem shall provide any offer to renew this Agreement at least 120 days prior to the end of an Agreement Period.

**Section 2. Broker or Consultant Base Compensation**

Not applicable

**Section 3. Administrative Services Fees**

Change to Administrative Services Fees. In addition to the provisions in Article 18(c), Anthem reserves the right to change the Administrative Services Fees provided in this Section 3 of Schedule A during the Agreement Period based upon the occurrence of any of the following events:

- JPA's Member to Subscriber ratio is not within +/-5% of 1.615;
- Anthem is not the sole third party administrator for medical and pharmacy benefits under JPA's Plan;
- The total number of average monthly Subscribers falls below 5600;
- JPA moves any of the Plan Benefits administered under this Agreement to another third party administrator or public or private exchanges;
- A change in law or regulation that materially impacts underwriting assumptions made at the time of the offer or renewal.

If JPA terminates the Pharmacy Services Schedule with PBM at any time, then Anthem shall have the right to amend the Administrative Services Fees indicated in Section 3 of Schedule A of this Agreement.

**A. Base Administrative Services Fee**

**PPO (Actives)**

Base Administrative Services Fee \$36.16 per Subscriber per month

**EPO (Actives)**

Base Administrative Services Fee \$50.41 per Subscriber per month

**HSA (Actives)**

Base Administrative Services Fee \$36.16 per Subscriber per month

Article 3(a) Retroactive Adjustments to Enrollment.

Anthem shall credit Administrative Services Fees for each retroactive deletion up to a maximum of 60 days and shall charge Administrative Services Fees for each retroactive addition up to a maximum of 60 days.

**B. Health and Wellness Program Fees**

|                               |  |
|-------------------------------|--|
| Future Moms (No Mailings)     | Included in the Base Administrative Services Fee |
| Anthem Health Guide: Standard | Included in the Base Administrative Services Fee |

**C. Other Fees or Credits**

Fee for Subrogation Services. The charge to JPA is 25% of gross subrogation recovery.

Fee for Overpayment Identification and Claims Prepayment Analysis Activities. The charge to JPA is 25% of (i) the amount recovered from review of Claims and membership data and audits of Provider and Vendor activity to identify overpayments and (ii) the difference between the amount JPA would have been charged absent prepayment analysis activities and the amount that was charged to JPA following performance of the prepayment analysis activities. This includes, but is not limited to COB, contract compliance, and eligibility. The fee for Overpayment Identification and Claims Prepayment Analysis Activities will not exceed \$25,000.00 per Claim.

Fee for Independent Claims Review: \$500.00 per independent review

Enhanced Personal Health Care Fee. A fee shall be charged for Anthem's oversight of Enhanced Personal Health Care with Providers or Vendors. Such fee shall be 25% of the per attributed Member per month amount charged to JPA for the Provider performance bonus portion of the Enhanced Personal Health Care program. These charges are included in Paid Claims on the invoice and may accumulate towards any stop loss policy amounts.

Non-Network Savings Fee. When Anthem forwards a non-Network Provider Claim to Vendor to negotiate with the non-Network Provider, JPA will pay a fee equal to 25% of the difference between the non-Network Provider's Billed Charges and Vendor's negotiated amount. In the absence of successfully negotiated Claims, there will be no fee charged as the amount will be determined by the local Blue plan. These Claims will not be included in any Performance Guarantee calculations.

Third Party Stop Loss Coordination Fee: Fee for generation of reports delivered to the JPA related to use of an external stop loss carrier is included in the Base Administrative Services Fee.

Fee for Pharmacy Carve-out. JPA has carved-out Prescription Drug management services. The charge to the JPA is included in the Base Administrative Services Fee (applies to PPO and EPO plans only).

Plan Program Credit. Anthem will provide a Plan Program Credit in the amount of \$50,000.00. The Plan Program Credit is only available from January 1, 2021 through December 31, 2021 and, subject to Anthem approval, may be applied towards the following:

- Wellness Programs

The Plan Program Credit does not apply towards programming expenses that are not directly related to administration of health care benefits, personnel/general consultant expenses, travel, and cash incentives.

Fee for Electronic Data Feeds to an Outside Vendor. Anthem shall provide, on an annual basis, up to twelve (12) electronic data feeds to an outside vendor in Anthem's standard format. The charge to Employer is \$1,000.00 for each additional feed.

**Section 4. Paid Claims, Billing Cycle and Payment Method**

**A. Paid Claims**

Paid Claims are described in Article 1-Paid Claims Definition of the Agreement.

**B. Billing Cycle**

Weekly

**C. Payment Method**

ACH Demand Debit Reimbursement for Paid Claims. Anthem will initiate an ACH demand debit transaction that will withdraw the amount due from a designated JPA bank account no later than the next business day following the Invoice Due Date, however, if the Invoice Due Date falls on either a banking holiday, a Saturday or a Sunday, the withdrawal shall be made on the following banking day.

**Section 5. Administrative Services Fees Billing Cycle and Payment Method**

**A. Billing Cycle**

Self-Bill. The Invoice Due Date is the first (1) day of each month and funds are due on that day.

**B. Payment Method**

Check Reimbursement. JPA shall provide the amount due by check to Anthem through a designated lockbox address as designated on the Administrative fee billing coupon. The check shall be made in accordance with any policies and regulations of the bank necessary to assure that the deposit is credited to Anthem's account no later than the next business day.

**Section 6. Claims Runout Services**

**A. Claims Runout Period**

Claims Runout Period shall be for the twenty four (24) months following the date of termination of this Agreement.

**B. Claims Runout Administrative Services Fee**

Medical:

A separate fee for Claims Runout Services will not be charged. Fees in Sections 3(B) and 3(C) of this Schedule A that (i) are associated with Claims processed or reviewed during the Claims Runout Period including without limitation subrogation fees, Claims prepayment analysis fees, recovery fees, network access fees; or (ii) apply to the Agreement Period but were not billed during the Agreement Period, will be billed and payable during the Claims Runout Period. Payment is due to Anthem by the Invoice Due Date.

**Section 7. Inter-Plan Arrangements**

Certain fees and compensation are charged each time a Claim is processed through the BlueCard Program and include, but are not limited to, Access Fees, Administrative Expense Allowance Fees, Central Financial Agency Fees and ITS Transaction Fees. Other Inter-Plan Program related fees that Anthem may charge include, but are not limited to, fees for BlueCross Blue Shield Global Core® Program services. These fees may be separately billed or included in Paid Claims. The extent to which these fees and compensation are (i) included in the Base Administrative Services Fee; or (ii) included in Paid Claims or separately billed to JPA is as follows:

**BlueCard Fees**

AEA will be included in the Base Administrative Services Fees for Claims incurred in the following states: California, Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri, Nevada, New Hampshire, New York, Ohio, Virginia, and Wisconsin.

Access Fees (Network Provider Claims only):

- 2.11% for 1,000–9,999 Blue PPO enrolled Subscribers of network savings, capped at \$2,000.00 per Claim.

Central Financial Agency Fee ("CFA") (Network Provider, Non-Network Provider and Blue Cross Blue Shield Global Core Claims):

- \$0.35 per payment notice.

ITS Transaction Fee ("ITS") (Network Provider, Non-Network Provider and Blue Cross Blue Shield Global Core Program Claims):

- \$0.05 per transaction.

**Blue Cross Blue Shield Global Core Fees**

Administrative Expense Allowance Fee:

- \$3.75 per Member-submitted Claim;
- \$4.75 per professional Claim; and
- \$17.00 per institutional Claim.

All other fees associated with the Blue Cross Blue Shield Global Core program, except the CFA and ITS Fees described above, are included in the Base Administrative Services Fee.

**Section 8. Other Amendments. The Administrative Services Agreement is otherwise amended as follows:**

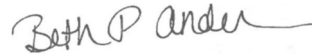
**Notice of Loss of Grandfathering Status**

In the event JPA maintains a grandfathered health plan(s), as that term is used in the Patient Protection and Affordable Care Act ("PPACA"), JPA shall not make any changes to such plan(s), including, but not limited to, changes with respect to JPA contribution levels, without providing Anthem with advance written notice of the intent to change such plan(s). Making changes to grandfathered plans without notice to Anthem may result in the plan(s) losing grandfathered status and significant penalties and/or fines to JPA and Anthem. In the event JPA implements changes to its plan(s) and does not provide advance notice to Anthem, JPA agrees to indemnify Anthem according to the indemnification provisions set forth elsewhere in this Agreement for any penalties, fines or other costs assessed against Anthem.

Additionally, at each renewal after September 23, 2010, JPA shall affirm in writing, upon reasonable request of Anthem, that it has not made changes to its plan(s) that would cause the plan(s) to lose its/their grandfathered status.

If JPA loses grandfathered Plan status under PPACA and notifies Anthem of such loss no fewer than 90 days before the effective date of the change, Anthem will implement the additional group market (insurance) reforms that apply to non-grandfathered health Plans subject to the provisions of Article 18 of this Agreement.

Anthem Blue Cross Life and Health Insurance Company



By: Beth Andersen  
Title: President, CA Commercial Business  
Date: February 25, 2021

**SCHEDULE B  
TO  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This Schedule B shall govern the Agreement Period from January 1, 2021 through December 31, 2021. For purposes of this Agreement Period, this Schedule B shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedules and this Schedule B, the terms of this Schedule B shall control.

The following is a list of services that Anthem will provide under this Agreement for the Base Administrative Services Fee listed in Section 3(A) of Schedule A. These services will be furnished to JPA in a manner consistent with Anthem's standard policies and procedures for self-funded plans.

Anthem may also offer additional, optional services to JPA, and such services, whether or not purchased by JPA, are not included in the services set forth below in this Schedule B. By way of example and not limitation, Anthem may offer certain optional programs that include utilization management activities. In such event, the services associated with those programs are not included in the services described below. Services under Article 13 will only be pursued or performed for Claims associated with these programs or that would have been impacted by these programs if the programs are purchased by JPA. If JPA has purchased such services, those services and any additional fees are also listed in Schedule A.

**SERVICES INCLUDED IN THE BASE ADMINISTRATIVE SERVICES FEE IN SECTION 3A OF SCHEDULE A**

**Management Services:**

Anthem's benefits and administration as described in this paragraph:

- Anthem definitions, and exclusions
- Anthem complaint and appeals process (One mandatory level of appeal, one voluntary level of appeal)
- Claims incurred and paid as provided in Schedule A, excluding activities related to Claim recovery
- Accumulation toward plan maximums beginning at zero on effective date
- Anthem Claim forms
- ID card
- Explanation of Benefits (Non-customized)
- Acceptance of electronic submission of eligibility information in HIPAA-compliant format
- Preparation of Benefits Booklet (accessible via internet)
- Account reporting - standard data reports
- Standard billing and banking services
- Plan Design consultation
- JPA eServices
  - Add and delete Members
  - Download administrative forms
  - View Member Benefits and request ID cards
  - View eligibility
  - View Claim status and detail
- Responsible Reporting Entity for the Plan
- Information for preparation of SBC

**Claims and Customer Services**

- Claims processing services
- Medicare crossover processing
- JPA customer service, standard business hours
- Member customer service, standard business hours
- 1099s prepared and delivered to Providers
- Residency-based assessments and/or surcharges and other legislative reporting requirements
- Member eServices
- Member identity theft and credit monitoring and identity repair

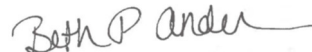
**Care Management**

- Health Care Management
  - Referrals
  - Utilization management
  - Case management
  - Anthem Medical Policy
- SpecialOffers
- Transplant services - Blues Distinction
- Member Digital Tools

**Networks**

- Network Access and Management
- Online Provider directory

Anthem Blue Cross Life and Health Insurance Company



By: Beth Andersen  
Title: President, CA Commercial Business  
Date: February 25, 2021

**SCHEDULE C  
TO THE  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

**Applies to the PPO and EPO Plans Only.**

This Schedule C provides certain guarantees pertaining to Anthem's performance under the Agreement between the Parties ("Performance Guarantees") and shall be effective for the period from January 1, 2021 through December 31, 2021 (the "Performance Period"). Descriptions of the terms of each Performance Guarantee applicable to the Parties are set forth in the Attachments (the "Attachments") to this Schedule C and made a part of this Schedule C. This Schedule shall supplement and amend the Agreement between the Parties. If there are any inconsistencies between the terms of the Agreement including any prior Schedules and this Schedule C, the terms of this Schedule C shall control. If there are any inconsistencies between the terms contained in this Schedule, and the terms contained in any of the Attachments to this Schedule C, the terms of the Attachments to this Schedule C shall control unless otherwise specified.

**Section 1. General Conditions**

- A. The Performance Guarantees described in the Attachments to this Schedule C shall be in effect only for the Performance Period indicated above, unless specifically indicated otherwise in the Attachments. Each Performance Guarantee shall specify a/an:
  - 1. Performance Category. The term Performance Category describes the general type of Performance Guarantee.
  - 2. Reporting Period. The term Reporting Period refers to how often Anthem will report on its performance under a Performance Guarantee.
  - 3. Measurement Period. The term Measurement Period is the period of time under which Anthem's performance is measured, which may be the same as or differ from the period of time equal to the Performance Period.
  - 4. Penalty Calculation. The term Penalty Calculation generally refers to how Anthem's payment will be calculated, in the event Anthem does not meet the target(s) specified under the Performance Guarantee.
  - 5. Amount at Risk. The term Amount at Risk means the amount Anthem may pay if it fails to meet the target(s) specified under the Performance Guarantee.
- B. Anthem shall conduct an analysis of the data necessary to calculate any one of the Performance Guarantees within the timeframes provided in the Attachments to this Schedule C. In addition, any calculation of Performance Guarantees, reports provided, or analysis performed by Anthem shall be based on Anthem's then current measurement and calculation methodology, which shall be available to JPA upon request.
- C. Any audits performed by Anthem to test compliance with any of the Performance Guarantees shall be based on a statistically valid sample size with a 95% confidence level.
- D. If the Parties do not have an executed Agreement, Anthem shall have no obligation to make payment under these Performance Guarantees.
- E. Unless otherwise specified in the Attachments to this Schedule C, the measurement of the Performance Guarantee shall be based on data that is maintained and stored by Anthem or its Vendors.
- F. If JPA terminates the Agreement between the Parties prior to the end of the Performance Period, or if the Agreement is terminated for non-payment, then JPA shall forfeit any right to collect any further payments under any outstanding Performance Guarantees, whether such Performance Guarantees are for a prior or current Measurement Period or Performance Period.



- G. Anthem reserves the right to make changes to any of the Performance Guarantees provided in the Attachments to this Schedule C upon the occurrence, in Anthem's determination, of:
  - 1. a change to the Plan benefits or the administration of the Plan initiated by JPA that results in a substantial change in the services to be performed by Anthem or the measurement of a Performance Guarantee;
  - 2. an increase or decrease of 10% or more of the number of Members that were enrolled for coverage on the latter of the effective date or renewal date of this Agreement;
  - 3. a change in law or regulation that materially impacts underwriting assumptions made at the time of offering such Performance Guarantees.
- H. For the purposes of calculating compliance with the Performance Guarantees contained in the Attachments to this Schedule C, if a delay in performance of, or inability to perform, a service underlying any of the Performance Guarantees is due to circumstances which are beyond the control of Anthem, or its Vendors, including but not limited to any act of God, civil riot, floods, fire, acts of terrorists, acts of war or power outage, such delayed or non-performed service will not count towards the measurement of the applicable Performance Guarantee.
- I. Some Performance Guarantees measure and compare year to year performance. Other than as set forth below, the term Baseline Period refers to the equivalent time period preceding the Measurement Period. Notwithstanding anything to the contrary in the Agreement, this Schedule C, or any Attachment to this Schedule C, the Baseline Period for the Performance Period year that begins in 2021 for any Care Management / Health and Wellness Performance Guarantee shall be the time period occurring from January 1, 2019 through December 31, 2019. Anthem will require specified historical Claims and utilization data to establish the Baseline Period for the first year of a Performance Guarantee utilizing a Baseline Period.
- J. As determined by Anthem, Performance Guarantees may be measured using either aggregated data or JPA-specific Data. The term JPA-specific Data means the data associated with JPA's Plan that has not been aggregated with other employer data. Performance Guarantees will specify if JPA-specific Data shall be used for purposes of measuring performance under the Performance Guarantee.
- K. If any Performance Guarantees are tied to a particular program and its components, such Performance Guarantees are only valid if JPA participates in the program and its components for the entirety of the Measurement Period associated with the Performance Guarantee.
- L. All Performance Guarantees in which Anthem will make outbound calls or will reach out through email or other means to members will exclude members who Anthem cannot reach due to incorrect or invalid telephone numbers, including numbers where permission is required by law but not provided, or those members who have requested that Anthem not contact them.
- M. All Performance Guarantees may be revisited and may potentially be impacted due to a cause beyond the reasonable control of a Party such as a pandemic (an outbreak of disease that affects an exceptionally high proportion of members) being declared by the Centers for Disease Control or if a Force Majeure event (meaning an act of God, civil or military disruption, terrorism, fire, strike, flood, riot or war) occurs during the Measurement or Baseline Period that impacts a meaningful portion of the JPA population.

**Section 2. Payment**

- A. If Anthem fails to meet any of the obligations specifically described in a Performance Guarantee, Anthem shall pay JPA the amount set forth in the Attachment described under the Performance Guarantee. Payment shall be in the form of a credit on JPA's invoice for Administrative Services Fees, which will occur annually unless otherwise stated in the Performance Guarantee.
- B. Notwithstanding the above, Anthem has the right to offset any amounts owed to JPA under any of the Performance Guarantees contained in the Attachments to this Schedule C against any amounts owed by JPA to Anthem under: (1) any Performance Guarantees contained in the Attachments to this Schedule C; (2) the Agreement; or, (3) any applicable Stop Loss Policy.

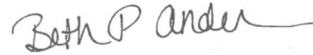
- C. Notwithstanding the foregoing, Anthem's obligation to make payment under the Performance Guarantees is conditioned upon JPA's timely performance of its obligations provided in the Agreement in this Schedule C, and the Attachments, including providing Anthem with the information or data required by Anthem in the Attachments. Anthem shall not be obligated to make payment under a Performance Guarantee if JPA or JPA's vendor's action or inaction adversely impacts Anthem's ability to meet any of its obligations provided in the Attachments related to such Performance Guarantee, which expressly includes but is not limited to JPA or its vendor's failure to timely provide Anthem with accurate and complete data or information in the form and format expressly required by Anthem.
- D. Where the Amount at Risk for a Performance Guarantee is on a percentage of a Per Subscriber Per Month (PSPM) fee basis, the Guarantee will be calculated by multiplying the PSPM amount by the actual annual enrollment during the Measurement Period.

**Section 3. Performance Guarantee Amounts at Risk**

The total amount at risk for the below performance guarantees between Anthem and San Joaquin Valley Insurance Authority shall not exceed the following:

- Operations Guarantees: 10.0% of Base Medical Administration fees

Anthem Blue Cross Life and Health Insurance Company



By: Beth Andersen  
Title: President, CA Commercial Business  
Date: February 25, 2021

**ATTACHMENT #1 TO SCHEDULE C**  
**Performance Guarantees**  
**TO ADMINISTRATIVE SERVICES AGREEMENT**  
**WITH**  
**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

**Operation Performance Guarantees**

This Attachment is made part of Schedule C and will be effective for the Performance Period from January 1, 2021 through December 31, 2021. This Attachment is intended to supplement and amend the Agreement between the Parties. Applies to the PPO and EPO Plans only.

**Operations Performance Guarantees**

| <b>Performance Category</b>                   | <b>Year 1</b>                |
|---|------------------------------|
| Claims Timeliness - (14 Calendar Days)        | 2.0% of Admin. Services Fees |
| Claim Timeliness - (30 Calendar Days)         | 2.0% of Admin. Services Fees |
| Claims Financial Accuracy                     | 2.0% of Admin. Services Fees |
| Claims Accuracy                               | 2.0% of Admin. Services Fees |
| Open Enrollment ID Card Issuance              | 2.0% of Admin. Services Fees |
| Processing of Ongoing Eligibility Information | 2.0% of Admin. Services Fees |
| Average Speed to Answer                       | 1.0% of Admin. Services Fees |
| Call Abandonment Rate                         | 1.0% of Admin. Services Fees |
| First Call Resolution                         | 1.0% of Admin. Services Fees |
| <b>Total Amount At Risk – Operations</b>      | <b>15.0% (10% Maximum)</b>   |

**Additional Terms and Conditions:**

- Performance will be based on the results of a designated service team/business unit assigned to San Joaquin Valley Insurance Authority, unless the guarantee is noted as measured with Employer-specific Data.

| <b>Performance Category</b>          | <b>Amount at Risk</b>                   | <b>Guarantee</b>   | <b>Penalty Calculation</b> |                | <b>Measurement and Reporting Period</b>                                  |
|--------------------------------------|---|--|----------------------------|----------------|--|
| Claims Timeliness (14 Calendar Days) | Year 1:<br>2.0% of Admin. Services Fees | A minimum of 90% of Non-investigated medical Claims will be processed timely.<br>Non-investigated Claims are defined as medical Claims that process through the system without the need to obtain additional information from the Provider, Subscriber or other external sources. Processed Timely is defined as Non-investigated medical Claims that have been finalized within 14 calendar days of receipt.<br><br>This Guarantee will be calculated based on the number of Non-investigated Claims that Processed Timely divided by the total number of Non-investigated Claims. The calculation of this Guarantee does not include Claim adjustments. The calculation of this Guarantee also excludes in any quarter, Claims for an Employer that requests changes to Plan benefits, until all such changes have been implemented.<br><br>This will be measured with Employer-specific Data. | <b>Result</b>              | <b>Penalty</b> | <b>Measurement Period</b><br>Annual<br><b>Reporting Period</b><br>Annual |
|                                      |   |  | 90.0% or Greater           | None           |  |
|                                      |   |  | 88.0% to 89.9. %           | 25%            |  |
|                                      |   |  | 86.0% to 87.9%             | 50%            |  |
|                                      |   |  | 85.0% to 85.9%             | 75%            |  |
| Less than 85.0%                      | 100%                                    |  |                            |                |  |

| Performance Category                | Amount at Risk                          | Guarantee  | Penalty Calculation |  | Measurement and Reporting Period  |
|-------------------------------------|---|--|---------------------|--|---|
| Claim Timeliness (30 Calendar Days) | Year 1:<br>2.0% of Admin. Services Fees | A minimum of 98% of Non-investigated medical Claims will be processed timely.<br><br>Non-investigated medical Claims are defined as Claims that process through the system without the need to obtain additional information from the Provider, Subscriber, or other external sources. Processed Timely is defined as Non-investigated medical Claims that have been finalized within 30 calendar days of receipt.<br><br>This Guarantee will be calculated based on the number of Non-investigated Claims that Processed Timely divided by the total number of in-investigated Claims. The calculation of this Guarantee does not include Claim adjustments. The calculation of this Guarantee also excludes in any quarter, Claims for an Employer that requests changes to Plan benefits, until all such changes have been implemented.<br><br>This will be measured with Employer-specific Data. | <b>Result</b>       | <b>Penalty</b>   | <b>Measurement Period</b><br>Annual   |
|                                     |   |  | 98.0% or Greater    | None   |   |
|                                     |   |  | 96.0% to 97.9%      | 25%  | <b>Reporting Period</b><br>Annual   |
|                                     |   |  | 94.0% to 95.9%      | 50%  |   |
|                                     |   |  | 92.0% to 93.9%      | 75%  |   |
| Less than 92.0%                     | 100%                                    |  |                     |  |   |
| Claims Financial Accuracy           | Year 1:<br>2.0% of Admin. Services Fees | A minimum of 99% of medical Claim dollars will be processed accurately.<br><br>This Guarantee will be calculated based on the total dollar amount of audited medical Claims paid correctly divided by the total dollar amount of audited medical Paid Claims. The calculation of this Guarantee includes both underpayments and overpayments. The calculation of this Guarantee does not include Claim adjustments or Claims in any quarter in which an Employer requests changes to Plan benefits, until all such changes have been implemented.  | <b>Result</b>       | <b>Penalty</b>   | <b>Measurement Period</b><br>Annual   |
|                                     |   |  | 99.0% or Greater    | None   |   |
|                                     |   |  | 98.0% to 98.9%      | 25%  | <b>Reporting Period</b><br>Annual   |
|                                     |   |  | 97.0% to 97.9%      | 50%  |   |
|                                     |   |  | 96.0% to 96.9%      | 75%  |   |
| Less than 96.0%                     | 100%                                    |  |                     |  |   |
| Claims Accuracy                     | Year 1:<br>2.0% of Admin. Services Fees | A minimum of 97% of medical Claims will be paid or denied correctly.<br><br>This Guarantee will be calculated based on the number of audited medical Claims paid and denied correctly divided by the total number of audited medical Claims paid and denied. The calculation of this Guarantee excludes in any quarter Claims for an Employer that requests changes to Plan benefits, until all such changes have been implemented.  | <b>Result</b>       | <b>Penalty</b>   | <b>Measurement Period</b><br>Annual   |
|                                     |   |  | 97.0% or Greater    | None   |   |
|                                     |   |  | 96.0% to 96.9%      | 25%  | <b>Reporting Period</b><br>Annual   |
|                                     |   |  | 95.0% to 95.9%      | 50%  |   |
|                                     |   |  | 94.0% to 94.9%      | 75%  |   |
| Less than 94.0%                     | 100%                                    |  |                     |  |   |
| Open Enrollment ID Card Issuance    | Year 1:<br>2.0% of Admin. Services Fees | 100% of ID cards will be mailed to Open Enrollment participants no later than the Employer's effective date provided that Anthem receives an accurate eligibility file.<br><br>An Accurate Eligibility File is defined as (1) an electronic eligibility file formatted in a mutually agreed upon manner; (2) received by Anthem no later than 30 calendar days prior to the Employer's effective date; and, (3) contains an error rate of less than 1%.<br><br>This will be measured with Employer-specific Data.  | <b>Result</b>       | <b>Penalty</b>   | <b>Measurement Period</b><br>Employer's effective date                      |
|                                     |   |  | 100%                | None   |   |
|                                     |   |  | 99.0% to 99.9%      | \$100 per ID Card not to exceed 25% of amount at risk for this measure | <b>Reporting Period</b><br>60 days following the Employer's effective date. |
|                                     |   |  | 98.0% to 98.9%      | 50%  |   |
|                                     |   |  | 97.0% to 97.9%      | 75%  |   |
| Less than 97.0%                     | 100%                                    |  |                     |  |   |

| Performance Category                          | Amount at Risk                          | Guarantee  | Penalty Calculation |                | Measurement and Reporting Period |
|---|---|--|---------------------|----------------|----------------------------------|
| Processing of Ongoing Eligibility Information | Year 1:<br>2.0% of Admin. Services Fees | 100% of Employer's ongoing electronic eligibility files will be processed timely.<br><br>Timely Processing is defined as electronic eligibility files processed and updated on the eligibility database within 7 business days of receipt of an eligibility file. This Guarantee only applies to the processing of eligibility files submitted by Employer outside of an open enrollment period. This Guarantee does not apply to a defective eligibility file. A defective Eligibility File is defined as an eligibility file that has issues that prevent Anthem's processing of the file. Anthem's payment of this Guarantee is conditioned upon receipt of eligibility files in a format mutually agreed upon by the Parties.<br><br>This Guarantee will be calculated by (1) dividing the total number of eligibility files processed within the timeframe set forth above by (2) the number of Employer's eligibility files processed.<br><br>This will be measured with Employer-specific Data. | <b>Result</b>       | <b>Penalty</b> | <b>Measurement Period</b>        |
|   |   |  | 100%                | None           | Annual                           |
|   |   |  | 98.0% to 99.9%      | 25%            |                                  |
|   |   |  | 96.0% to 97.9%      | 50%            | <b>Reporting Period</b>          |
|   |   |  | 94.0% to 95.9%      | 75%            | Annual                           |
|   |   | Less than 94.0%  | 100%                |                |                                  |
| Average Speed to Answer                       | Year 1:<br>1.0% of Admin. Services Fees | The average speed to answer (ASA) will be 45 seconds or less.<br><br>ASA is defined as the average number of whole seconds members wait and/or are in the telephone system before receiving a response from a customer service representative (CSR) or an interactive voice response (IVR) unit. This Guarantee will be calculated based on the total number of calls received in the customer service telephone system.   | <b>Result</b>       | <b>Penalty</b> | <b>Measurement Period</b>        |
|   |   |  | 45 seconds or less  | None           | Annual                           |
|   |   |  | 46 to 48 seconds    | 25%            |                                  |
|   |   |  | 49 to 51 seconds    | 50%            | <b>Reporting Period</b>          |
|   |   |  | 52 to 54 seconds    | 75%            | Annual                           |
|   |   | 55 or more seconds   | 100%                |                |                                  |
| Call Abandonment Rate                         | Year 1:<br>1.0% of Admin. Services Fees | A maximum of 5.0% of member calls will be abandoned.<br><br>Abandoned Calls are defined as member calls that are waiting for a customer service representative (CSR), but are abandoned before connecting with a CSR. This Guarantee will be calculated based on the number of calls abandoned divided by the total number of calls received in the customer service telephone system. Calls that are abandoned in less than 5 seconds will not be included in this calculation.   | <b>Result</b>       | <b>Penalty</b> | <b>Measurement Period</b>        |
|   |   |  | 5.0% or Less        | None           | Annual                           |
|   |   |  | 5.01% to 5.40%      | 25%            |                                  |
|   |   |  | 5.41% to 5.70%      | 50%            | <b>Reporting Period</b>          |
|   |   |  | 5.71% to 5.99%      | 75%            | Annual                           |
|   |   | 6.0% or Greater  | 100%                |                |                                  |
| First Call Resolution                         | Year 1:<br>1.0% of Admin. Services Fees | A minimum of 85% of member calls will be resolved during the initial contact with no further follow up required.<br><br>First Call Resolution is defined as member callers receiving a response to their inquiry during an initial contact with no further follow-up required. This Guarantee will be calculated based on the total number of members who receive a First Call Resolution divided by the total number of calls received into the customer service telephone system.  | <b>Result</b>       | <b>Penalty</b> | <b>Measurement Period</b>        |
|   |   |  | 85.0% or Greater    | None           | Annual                           |
|   |   |  | 83.0% to 84.9%      | 25%            |                                  |
|   |   |  | 81.5% to 82.9%      | 50%            | <b>Reporting Period</b>          |
|   |   |  | 80.0% to 81.4%      | 75%            | Annual                           |
|   |   | Less than 80.0%  | 100%                |                |                                  |

**EXHIBIT A – FEES & EXPENSES  
OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE  
TO  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This Exhibit A shall govern the Agreement Period from January 1, 2021 through December 31, 2021 and is made part of this Pharmacy Benefits Administrative Services Schedule. This Exhibit is intended to supplement the Agreement between the Parties as it relates to Pharmacy Services only. In the event of an inconsistency between the applicable provisions of this Pharmacy Services Schedule and the Agreement, the terms of this Pharmacy Services Schedule shall govern, but only as they relate to Pharmacy Services. Except as set forth herein, all other terms and conditions of the Agreement remain in full force and effect.

**Section 1. Effective Date and Renewal Notice**

This Agreement Period shall be from 12:01 a.m. January 1, 2021 to the end of the day of December 31, 2021.

Paid Claims shall be processed pursuant to the terms of this Pharmacy Services Schedule when incurred and paid as follows:

- Incurred from December 9, 2009 through December 31, 2021 and
- Paid from January 1, 2021 through December 31, 2021.

PBM shall provide any offer to renew this Pharmacy Services Schedule at least one hundred twenty (120) days prior to the end of an Agreement Period.

**Section 2. Base Compensation**

Not applicable

**Section 3. Pharmacy Administrative Services Fees**

Change to Administrative Services Fees. The Administrative Services Fees in Section 3 of Schedule A of the Agreement and the Pharmacy Administrative Services Fees in Section 3 of Exhibit A may be changed during the Agreement Period based upon an event in Article 18(c) of the Agreement or Section E(2) of the Pharmacy Services Schedule.

**A. Pharmacy Base Administrative Services Fee**

Pharmacy Base Administrative Services Fee. The Pharmacy Administrative Services Fees shall also include a fee that will be charged monthly for services related to pharmacy benefits management including, but not limited to, pharmacy mail services, clinical services, and customer services. Such fee shall be: \$0.00.

**B. Drug Rebate Allocation**

1. PBM and/or its Vendor has negotiated programs with pharmaceutical manufacturers for drug rebates on certain Prescription Drugs dispensed to Members and has arranged for payments of such rebates to be made directly to PBM (“Drug Rebate Programs”). PBM has entered into such Drug Rebate Programs on its behalf and not on behalf of Employer, and therefore retains all rights, title, and interest to any and all actual Prescription Drug Rebates it receives from manufacturers and/or its Vendor. Such Drug Rebate Programs are not based solely on the Prescription Drug utilization of one Employer Plan, but rather are based on the Prescription Drug utilization of all individuals enrolled in PBM managed programs. The Prescription Drug Rebates are conditioned on certain Prescription Drugs being included on the Formulary that PBM requires Employer to adopt as part of its Plan. Employer shall be paid or credited a portion or the amount attributable to its actual or estimated value of Prescription Drug Rebates as described in Section 3(B) of Exhibit A.

2. PBM may receive and retain Manufacturer Administrative Fees directly from pharmaceutical manufacturers. In addition, PBM may receive and retain service fees from pharmaceutical manufacturers for providing services (e.g., Provider and Member education programs that promote clinically appropriate and safe dispensing and use of Prescription Drugs). For purposes of this Pharmacy Services Schedule, Manufacturer Administrative Fees and service fees received by PBM shall not be considered Prescription Drug Rebates.
3. Prescription Drug Rebates: PBM will pay to Employer 80% of the Prescription Drug Rebates attributable to Employer's Plan subject to PBM's timely and actual receipt of payment and accompanying data from pharmaceutical manufacturers. On a Quarterly basis, PBM shall credit Employer the Prescription Drug Rebates it has collected. PBM shall have the right to collect from Employer any rebate amount that PBM is required to pay a pharmaceutical manufacturer as a result of a pharmaceutical manufacturer audit or for any other reason. Provided, however, if the total Prescription Drug Rebates Performance Guarantee, as defined in Exhibit C, exceeds the amount described herein, the PBM will pay the Employer the difference.
4. Medical Drug Rebates. PBM shall retain 100% of Medical Drug Rebates.

**C. Other Fees or Credits**

Fee for Pharmacy Prior Authorization \$55.00 per authorization.

Fee for Step Therapy PBM shall charge a fee of \$0.30 per pharmacy Claim.

Fee for Quantity Limits PBM shall charge a fee of \$0.55 per pharmacy Claim for applying frequency and quantity limits to certain Prescription Drugs.

Fee for Pharmacy Physician Review \$800.00 per review.

Fee for Vaccine Administration PBM shall charge a fee for the administration of vaccines at a retail pharmacy location of \$2.50 per vaccine.

Fee for Medication Review Note PBM shall charge a fee of \$0.25 per pharmacy Claim for clinical, quality and cost-of-care messages in personalized Member communications.

Fee for Custom Communications PBM shall charge a fee of \$1.00 per custom communication requested by the Employer.

Fee for Member-Submitted Claims PBM shall charge a fee of \$1.00 per Claim for each Member-submitted Claim.

Fee for Pharmacy Network Audit Services The charge to Employer is 20.00% of the total amount recovered from periodic onsite or field audits of Network Pharmacies, including but not limited to, audits to determine compliance with billing requirements and the terms and conditions of the Network Pharmacy agreements. These audits are separate and distinct from Claims processing and financial accuracy audits.

PBM Services Early Termination Fee In consideration of the special pricing arrangements under this Agreement, Employer shall pay PBM an Early Termination Fee, as described below, if Employer terminates the pharmacy portion of the Plan before the end of the Performance Period (as defined in Exhibit C) for any reason other than PBM's failure to comply with a material duty or obligation related to the administration of pharmacy benefits under this Agreement.

The Early Termination Fee shall be calculated by multiplying \$6.00 PSPM by (i) the average monthly Subscriber count for the 6 months immediately prior to termination; multiplied by (ii) the number of months remaining in the Performance Period. Upon termination of the Agreement, 0.00% of unpaid Rebates for services prior to termination will be retained by PBM subject to the provisions of Article 7. If Employer intends to terminate the pharmacy portion of the Plan before the end of the Performance Period, Employer must provide PBM with the required termination notice under Section G of the Pharmacy Services Schedule. In the event Employer terminates the pharmacy portion of the Plan before the end of the Performance Period, the applicable Early Termination Fee will be billed to Employer with the amount due within 30 days of the termination date.

Invoices for Prescription Drug Claims.

When PBM invoices Employer for Prescription Drug Claims, the amount billed will reflect pricing that may be greater than the amount that is paid to pharmacies for those Claims (Margin Pricing). The use of Margin Pricing provides some control over price swings that Members may otherwise experience when filling prescriptions.

Fee for Ad Hoc Reports. PBM shall provide, on an annual basis, up to 20 hours of time needed to generate custom or ad hoc reports at no additional charge. The charge to Employer beyond 20 hours per year is \$150.00 per hour for time needed to generate custom or ad hoc reports.

**Section 4. Pharmacy Administrative Services Fees and Paid Claims Billing Cycle and Payment Method**

Billing cycles and payment methods are contained in Schedule A.

**Section 5. Claims Runout Services**

**A. Claims Runout Period**

Claims Runout Period shall be for the 12 months following the date of termination of this Pharmacy Services Schedule.

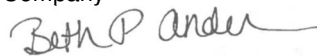
**B. Claims Runout Administrative Services Fee**

**Pharmacy:**

The fee for Claims Runout Services will be waived. Fees in Section 3(C) of this Exhibit A that (i) are associated with Claims processed or reviewed during the Claims Runout Period including without limitation subrogation fees, Claims prepayment analysis fees, recovery fees, network access fees; or (ii) apply to the Pharmacy Services Schedule Period but were not billed during the Pharmacy Services Schedule Period, will be billed and payable during the Claims Runout Period. Payment is due to PBM by the Invoice Due Date.

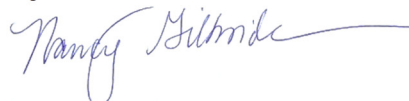
IN WITNESS WHEREOF, the Parties have executed this Exhibit to be effective as of the pharmacy Agreement Period.

Anthem Blue Cross Life and Health Insurance  
Company



By: Beth Andersen  
Title: President CA Commercial  
Date: February 25, 2021

IngenioRx, Inc.



By: Nancy Gilbride  
Title: VP& Chief Sales Officer - IngenioRx  
Date: February 25, 2021



**EXHIBIT B – PHARMACY SERVICES  
OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE  
TO THE  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This Exhibit B shall govern the Agreement Period from January 1, 2021 through December 31, 2021 and is made part of this Pharmacy Benefits Administrative Services Schedule. This Exhibit is intended to supplement the Agreement between the Parties as it relates to Pharmacy Services only. In the event of an inconsistency between the applicable provisions of this Pharmacy Services Schedule and the Agreement, the terms of this Pharmacy Services Schedule shall govern, but only as they relate to Pharmacy Services. Except as set forth herein, all other terms and conditions of the Agreement remain in full force and effect.

The following is a list of services that PBM will provide under this Pharmacy Services Schedule for the Base Administrative Services Fee set forth on Exhibit A. These services will be furnished to JPA in a manner consistent with PBM's standard policies and procedures for self-funded plans. PBM may also offer services to JPA that have an additional fee. If JPA has purchased such services, those services and any additional fees are also set forth on Exhibit A.

**Prescription Benefit Services**

- Home delivery pharmacy
- Specialty Pharmacy Services
  - Prescription eServices
  - Pharmacy locator
  - Online Formulary
- Point of sale claims processing
- Home delivery claims processing
- Home delivery call center with toll free number
- Home delivery regular shipping and handling
- Standard management reports
- Ad hoc reports (subject to additional programming charge)
- Concurrent Drug Utilization Review (DUR) programs
- Retrospective DURs
- Administrative override (i.e., vacation, lost, stolen or spilled medications)
- Pharmacy help desk with toll free number
- Daily Claims review audits of Network Pharmacies
- Assistance in determining "creditable prescription drug coverage" under Medicare Part D

**EXHIBIT C - PERFORMANCE GUARANTEES  
OF THE PHARMACY BENEFITS ADMINISTRATIVE SERVICES SCHEDULE  
TO THE  
ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

This Exhibit C provides certain guarantees pertaining to PBM's performance under the Agreement between the Parties ("Performance Guarantees") and shall be effective for each year in the period from January 1, 2021 through December 31, 2021 (the "Performance Period"). Descriptions of the terms of each Performance Guarantee applicable to the Parties are set forth in the Attachments (the "Attachments") to this Exhibit C and made a part of this Exhibit C. This Exhibit shall supplement and amend the Pharmacy Benefits Administrative Services Schedule between the Parties. If there are any inconsistencies between the terms of the Agreement and this Exhibit C, the terms of this Exhibit C shall control. If there are any inconsistencies between the terms contained in this Exhibit, and the terms contained in any of the Attachments to this Exhibit C, the terms of the Attachments to this Exhibit C shall control.

**Section 1. General Conditions**

- A. The Performance Guarantees described in the Attachments to this Exhibit C shall be in effect only for the Performance Period indicated above, unless specifically indicated otherwise in the Attachments. Each Performance Guarantee shall specify a/an:
  - 1. Allocation. The term Allocation is the percent of total Amount at Risk to each Performance Guarantee.
  - 2. Amount at Risk. The term Amount at Risk means the amount PBM may pay if it fails to meet the target(s) specified under the Performance Guarantee.
  - 3. Measurement Period. The term Measurement Period is the period of time under that PBM's performance is measured, that may be the same as or differ from the period of time equal to the Performance Period.
  - 4. Performance Category. The term Performance Category describes the general type of Performance Guarantee.
  - 5. Reporting Period. The term Reporting Period refers to how often PBM will report on its performance under a Performance Guarantee.
  - 6. Service Feature. The term Service Feature is a service standard stipulated and defined to be guaranteed.
- B. PBM shall conduct an analysis of the data necessary to calculate any one of the Performance Guarantees within the timeframes provided in the Attachments to this Exhibit C. In addition, any calculation of Performance Guarantees, reports provided, or analysis performed by PBM shall be based on PBM's then current measurement and calculation methodology, that shall be available to Employer upon request.
- C. Any audits performed by PBM to test compliance with any of the Performance Guarantees shall be based on a statistically valid sample size with a 95% confidence level.
- D. If the Agreement is not executed, PBM shall have no obligation to make payment under these Performance Guarantees.
- E. Unless otherwise specified in the Attachments to this Exhibit C, the measurement of the Performance Guarantee shall be based on data that is maintained and stored by PBM or its Vendors.
- F. If Employer terminates the Agreement or the Pharmacy Services Schedule between the Parties prior to the end of the Performance Period, or if the Agreement or the Pharmacy Services Schedule is terminated for non-payment, then Employer shall forfeit any right to collect any further payments under any outstanding Performance Guarantees, whether such Performance Guarantees are for a prior or current Measurement Period or Performance Period.
- G. PBM reserves the right to make changes to any of the Performance Guarantees provided in the Attachments to this Exhibit C upon the occurrence, in PBM's determination, of either:

1. a change to the Plan benefits or the administration of the Plan initiated by Employer that results in a substantial change in the services to be performed by PBM or the measurement of a Performance Guarantee;
2. an increase or decrease of 10.00% or more of the number of Members that were enrolled for coverage on the latter of the effective date or renewal date of this Pharmacy Services Schedule;
3. a failure by Employer to implement its responsibilities under the clinical management programs that are part of the Plan;
4. a failure by Employer to adopt the Formulary;
5. a change in the proportionate mix of Employer's retail and home delivery Prescription Drug Claims of more than 10.00% (including but not limited to a change in the overall Members' percentage of usage of retail versus mail order pharmacies);
6. a change in pharmacy utilization patterns of more than 10.00% (including but not limited to a change in the overall Members' percentage of usage of Brand Drugs versus Generic Drugs versus Specialty Drugs);
7. a change that results in PBM no longer being the exclusive source of Prescription Drug Rebates for Employer's Plan;
8. the determination that Employer has an on-site pharmacy with 340b designation or any such designation where the pharmacy receives upfront pricing discounts from pharmaceutical manufacturers, that was not disclosed or known by PBM as of the effective date of this Attachment to Exhibit C;
9. PBM is no longer the sole administrator for Employer's Prescription Drug Plan;
10. a government action or major change in pharmaceutical industry practices that eliminates or materially reduces the manufacturer Drug Rebate program; or
11. a failure by Employer to maintain the selected Formulary and applicable clinical edits or Employer has excepted Members from application of the selected Formulary and clinical edits that prevent full savings from accruing.
12. product offering decisions by drug manufacturers that result in a reduction of Prescription Drug Rebates, including the introduction of a lower cost alternative product which may replace an existing Brand Drug that is eligible for Prescription Drug Rebates; an unexpected launch of a Generic Drug; or a Brand Drug converted to over-the-counter ("OTC") status, recalled or withdrawn from the market.

Should there be a change in occurrence as indicated above and these changes negatively impact PBM's ability to meet the Performance Guarantees, PBM shall have the right to modify the Performance Guarantees contained in the Attachments.

Guarantees apply only as long as there are at least 8,651 Annualized Adjusted Prescription Drug Claims.

- H. For the purposes of calculating compliance with the Performance Guarantees contained in the Attachments to this Exhibit C, if a delay in performance of, or inability to perform, a service underlying any of the Performance Guarantees is due to circumstances that are beyond the control of PBM, or its Vendors, including but not limited to any act of God, civil riot, floods, fire, acts of terrorists, acts of war or power outage, such delayed or non-performed service will not count towards the measurement of the applicable Performance Guarantee.
- I. As determined by PBM, Performance Guarantees may be measured using either aggregated data or Employer-specific Data. The term Employer-specific Data means the data associated with Employer's Plan that has not been aggregated with other Employer data. Performance Guarantees will specify if Employer-specific Data shall be used for purposes of measuring performance under the Performance Guarantee.
- J. If any Performance Guarantees are tied to a particular program and its components, such Performance Guarantees are only valid if Employer participates in the program and its components for the entirety of the Measurement Period associated with the Performance Guarantee.

- K. Employer acknowledges and agrees that each Performance Guarantee will be measured based on the Measurement Period as described in the Attachments to this Exhibit C and prorated to account for Employer specific Effective or renewal dates when measured using aggregated data. The Performance Guarantee will begin on the Employer Effective Date. However, if the Employer terminates the Pharmacy Benefits Schedule before the end of a Measurement Period, the Performance Guarantee measured will be based on the entire Measurement Period during which the termination occurred.

**Section 2. Payment:**

- A. If PBM fails to meet any of the obligations specifically described in a Performance Guarantee described in the Attachments to this Exhibit C, PBM shall pay Employer the amount set forth in the Section describing the Performance Guarantee. Payment shall be in the form of a credit on Employer's invoice for Administrative Services Fees that will occur annually unless otherwise stated in the Performance Guarantee.
- B. Notwithstanding the above, PBM has the right to offset any amounts owed to Employer under any of the Performance Guarantees contained in the Attachments to this Exhibit C against any amounts owed by Employer to PBM under: (1) any Performance Guarantees contained in the Attachments to this Exhibit C; or (2) the Agreement.
- C. Notwithstanding the foregoing, PBM's obligation to make payment under the Performance Guarantees is conditioned upon Employer's timely performance of its obligations provided in the Agreement and the Pharmacy Schedule, in this Exhibit C and the Attachments, including providing PBM with the information or data required by PBM in the Attachments. PBM shall not be obligated to make payment under a Performance Guarantee if Employer or Employer's vendor's action or inaction adversely impacts PBM's ability to meet any of its obligations provided in the Attachments related to such Performance Guarantee, that expressly includes but is not limited to Employer or its vendor's failure to timely provide PBM with accurate and complete data or information in the form and format expressly required by PBM.
- D. Where the Amount at Risk for a Performance Guarantee is on a percentage of a Per Subscriber Per Month (PSPM) fee basis, the Guarantee will be calculated by multiplying the PSPM amount by the actual annual enrollment during the Measurement Period.
- E. PBM shall reconcile the pricing Performance Guarantees described in Attachment 1 to Exhibit C on an annual basis, calculated in accordance with Section 4 of this Exhibit C. The reconciliation for each year of the Performance Period will be submitted to Employer within 90 days after the end of the Measurement Period and any resulting value shortfall shall be paid by PBM to Employer within 30 days following submission of the reconciliation report.
- F. PBM shall pass through rebate amounts collected by PBM as described in Attachment 1 to Exhibit C on a quarterly basis in accordance with Section 3 of this Exhibit C to Employer within 180 days after the end of the calendar quarter. PBM will pass through additional collections from prior quarters in subsequent quarterly disbursements. PBM shall reconcile the Performance Guarantees for each rebate Performance Guarantee described in Attachment 1 to Exhibit C on an annual basis, calculated in accordance with Section 3 of this Exhibit C. The reconciliation for each Measurement Period will be submitted to Employer within 10 months following the end of the Measurement Period and any resulting value shortfall shall be paid by PBM to Employer within 30 days following the reconciliation. Prescription Drug Rebates collected post annual reconciliation attributable to the reconciled Measurement Period shall be retained by PBM.

**Section 3. Prescription Drug Rebate Performance Guarantees**

- A. Any payment due to Employer under a rebate Performance Guarantee will be offset by favorable results achieved in any other rebate Performance Guarantee. Any payment due to Employer under this Performance Guarantee will be offset by favorable results achieved in the Prescription Drug pricing Performance Guarantee.
- B. This Performance Guarantee will be determined by comparing the total Prescription Drug Rebates Performance Guarantee to the Prescription Drug Rebates credited to the Employer pursuant to the Pharmacy Services Schedule and Section 3(B) of Exhibit A. If the total Prescription Drug Rebates Performance Guarantee exceeds the Prescription Drug Rebates credited to the Employer, PBM will credit Employer the difference.

- C. For purposes of these Performance Guarantees, the following Claims will not be included in the calculation:
- Medicare Part D Claims;
  - 340b pharmacy;
  - Prescriptions filled in Massachusetts, Alaska, Hawaii, or Puerto Rico, or filled in any state that imposes some form of Most Favored Nations limitations on pharmacy reimbursement;
  - Vaccines and Supplies;
  - Prescriptions filled through the Employer's on-site pharmacy;
  - Single Source Generics;
  - Authorized Generics;
  - Over-the-counter drugs;
  - Member-submitted Claims;
  - Dispense As Written Claims with code 2;
  - Dispense As Written Claims with code 3;
  - Dispense As Written Claims with code 4;
  - Dispense As Written Claims with code 5 (House Generic Claims);
  - Dispense As Written Claims with code 6;
  - Dispense As Written Claims with code 7;
  - Dispense As Written Claims with code 8;
  - Dispense As Written Claims with code 9;
  - Coordination of Benefits (COB)/ Secondary Claims;
  - Drugs subject to patent litigation;
  - Government Reimbursement Claims;
  - Limited Distribution Drugs;
  - New to Market Drugs;
  - Biosimilar Drugs;
  - Out-of-Network Claims;
  - Subrogated Claims;
  - Outlier Claims;
  - Mail Non-Specialty Claims less than 60 days supply;
  - Claims with greater than 50% Member cost share;
  - Multi-Source Brands.

**Section 4. Prescription Drug Pricing Performance Guarantees**

- A. To determine any payment due to Employer under these Prescription Drug pricing Performance Guarantees, each Performance Guarantee is calculated based on the Prescription Drugs that were paid during the Measurement Period for:
1. Retail pharmacy
  2. Home Delivery
  3. Retail 90
  4. Specialty Drugs

(each such subset of Paid Claims for Prescription Drugs is referred to as a "Pricing Guarantee Category").

Each guarantee within a Pricing Guarantee Category is then compared to the sum of appropriate portion of the Paid Claims for Prescription Drugs plus any Member cost shares associated with each Performance Guarantee within that Pricing Guarantee Category. Paid Claims for Prescription Drugs include Ingredient Costs plus Dispensing Fees. Therefore, Paid Claims for Prescription Drugs dispensed by a retail pharmacy are separated into Brand and Generic Ingredient Costs and Brand and Generic Dispensing Fees. These Ingredient Costs and Dispensing Fees are compared against each identified Performance Guarantee provided in this Pharmacy Services Schedule to determine if the Performance Guarantee is met.

- B. Any payment due to Employer under any Performance Guarantee within a Pricing Guarantee Performance Category will be offset by favorable results achieved in any other guarantee regardless of the Pricing Guarantee Performance Category, or any rebate guarantee.

- C. The following conditions apply to this Performance Guarantee:
1. This Performance Guarantee applies to Claims submitted by Network Providers applicable to Employer's Plan.
  2. Drugs identified at the time the prescription is filled as Single Source Generics, will be included in the Generic Discount and Generic Dispensing Fee Performance Guarantees.
  3. Drugs identified at the time the prescription is filled as Dispense As Written Claims with code 9 will be included in the Generic Discount and Generic Dispensing Fee Performance Guarantees.
- D. PBM Reserves the right to make changes to any of the Prescription Drug Rebate Performance Guarantees provided in the Attachments to this Exhibit C upon the occurrence, in the PBM's determination, of either
1. The percentage of Claims subject to a consumer driven health plan (CDHP) is materially different from the assumption used to develop the Prescription Drug Pricing Performance Guarantee.
  2. This Guarantee shall only apply to Pharmacy Benefit Plans for which the PBM's Specialty Pharmacy is the exclusive pharmacy that may fill Specialty Drugs for Members, other than exclusive or Limited Distribution Products not available at the Specialty Pharmacy. The exclusive pricing offer for Employer is applicable if the specialty mail penetration based on aggregate spend is greater than 80.00%.
- E. The following Claims will be excluded from this Performance Guarantee:
- Medicare Part D Claims;
  - 340b pharmacy;
  - Prescriptions filled in Massachusetts, Alaska, Hawaii, or Puerto Rico, or filled in any state that imposes some form of Most Favored Nations limitations on pharmacy reimbursement;
  - Vaccines and Supplies;
  - Prescriptions filled through the Employer's on-site pharmacy;
  - Over-the-counter drugs;
  - Dispense As Written Claims with code 1;
  - Dispense As Written Claims with code 2;
  - Dispense As Written Claims with code 3;
  - Dispense As Written Claims with code 4;
  - Dispense As Written Claims with code 5 (House Generic Claims);
  - Dispense As Written Claims with code 6;
  - Dispense As Written Claims with code 7;
  - Dispense As Written Claims with code 8;
  - Drugs subject to patent litigation;
  - Government Reimbursement Claims;
  - Out-of-Network Claims;
  - Subrogated Claims;
  - Mail Non-Specialty Claims less than 60 days supply.
- F. In the event that there are court or government imposed or industry wide or pricing source initiated changes in the AWP reporting source or source changes in the methodology used for calculating AWP, including, without limitation, changes in the mark-up factor used in calculating AWP (collectively, the "AWP Changes"), the terms of any financial relationship between the Parties that relate to AWP will be modified by PBM such that the value of AWP for the purpose of such relationship(s) will have the same economic equivalence in the aggregate to the value used by the Parties prior to the AWP Change. The intent of this provision is to preserve the relative economics of both Parties for such financial relationships based upon AWP to that which existed immediately prior to the AWP Change.

In the event that the AWP pricing benchmark used by PBM's PBM hereunder is replaced with another benchmark calculation, PBM may switch to such new pricing benchmark. If a change to Pricing Guarantees is deemed necessary PBM will provide written notice of new pricing terms at least 30 days before the effective date of the change.

**ATTACHMENT 1 TO EXHIBIT C  
Performance Guarantees**

**TO ADMINISTRATIVE SERVICES AGREEMENT  
WITH  
SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

**Pharmacy Performance Guarantees**

This Attachment is made part of Exhibit C and will be effective for the Performance Period from January 1, 2021 through December 31, 2021. This Attachment is intended to supplement and amend the Agreement between the Parties. The Measurement Period for these Performance Guarantees will be annual, unless otherwise specified herein. These Performance Guarantees are guaranteed upon offer and acceptance of renewal of the medical portion of the Agreement.

**Prescription Drug Rebate Guarantees**

**Measurement  
Period**

Annual

**Minimum Drug Rebates:**

(a) The Prescription Drug Rebates Employer receives from PBM will not be less than the following amounts ("Total Drug Rebates Guarantee"):

**Reporting Period**

Annual

**NATIONAL FORMULARY**

**BRAND NAME PRESCRIPTION DRUGS**

(1) An amount equal to the sum of \$155.61 (YR1) per Paid Claim for Brand Name Prescription Drugs dispensed at **retail** pharmacy Network Providers; plus

(2) An amount equal to the sum of \$603.21 (YR1) per Paid Claim for Brand Name Prescription Drugs dispensed at **home delivery** Network Providers for a supply of 60 days or greater.

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**Prescription Drug Pricing Guarantees**

**Measurement  
Period**

Annual

**Prescription Drug Pricing:**

(a) The Prescription Drug Pricing Guarantees for Ingredient Cost Discount and Dispensing Fees will be the amounts listed under the following Pricing Guarantee Categories:

**Reporting Period**

Annual

**NATIONAL RETAIL PHARMACY NETWORK**

**RETAIL PHARMACY NETWORK PROVIDERS**

The guarantees for retail pharmacy Network Providers will be the following amounts:

1. Brand Discount: AWP minus 17.15% (YR1)
2. Brand Dispensing Fee: \$0.75 (YR1)
3. Generic Discount: AWP minus 81.30% (YR1)
4. Generic Dispensing Fee: \$0.55 (YR1)

**RETAIL 90 PHARMACY NETWORK PROVIDERS**

The guarantees for retail pharmacy RETAIL 90 Network Providers dispensing 84-90 day supplies will be the following amounts:

1. Brand Discount: AWP minus 19.65% (YR1)
2. Brand Dispensing Fee: \$0.55 (YR1)

### **MAIL/HOME DELIVERY OPTIONS**

#### **HOME DELIVERY PHARMACY**

The guarantees for home delivery for a supply of 60 days or greater will be the following amounts:

1. Brand Discount: AWP minus 24.00% (YR1)
2. Brand Dispensing Fee: \$0.00 (YR1)
3. Generic Discount: AWP minus 83.25% (YR1)
4. Generic Dispensing Fee: \$0.00 (YR1)

### **SPECIALTY SERVICE OPTIONS**

#### **SPECIALTY DRUGS**

The guarantees for Specialty DRUGS will be the following amounts:

1. Discount: AWP minus 17.75% (YR1)
  2. Dispensing Fee: \$0.00 (YR1)
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