

**AMENDMENT #3 TO PRESCRIPTION BENEFIT ADMINISTRATION AGREEMENT**

This AMENDMENT #3 TO PRESCRIPTION BENEFIT ADMINISTRATION AGREEMENT (“Amendment #3”) is made and entered into as of January 1, 2023 (“Effective Date”) by and between San Joaquin Valley Insurance Authority (“Sponsor”), and EmpiRx Health LLC (“EmpiRx”).

**RECITALS**

**WHEREAS**, EmpiRx and Sponsor are parties to a Prescription Benefit Administration Agreement having a Contract Start Date of December 18, 2017 with a Service Commencement Date of January 1, 2018 (“Agreement”); and

**WHEREAS**, EmpiRx and Sponsor entered into an Amendment with an effective date of July 1, 2020 (“Amendment #1”); and

**WHEREAS**, EmpiRx and Sponsor amended and renewed the Agreement beginning January 1, 2023 (“Amendment #2”); and

**WHEREAS**, EmpiRx and Sponsor desire to further amend the Agreement beginning January 1, 2023 with this Amendment #3,

**NOW, THEREFORE**, the Parties agree to amend the Agreement as follows:

**TERMS OF AMENDMENT #3**

- Section 7: Term and Termination. Section 7.1** of the Agreement as previously amended shall now be further amended as follows:

Unless sooner terminated as herein provided, the term (“Term”) of this Amendment, shall commence on January 1, 2023 and end three (3) years following that date unless Sponsor wishes to extend the term for an additional, optional one (1) year at the rates provided below for such period. Thereafter the Agreement shall automatically renew for successive periods of one (1) year each (each a “Renewal Term”). Sponsor or EmpiRx will notify the other party in writing at least one hundred and twenty (120) days prior to the end of the Term of its intent not to continue for either the optional extension or an additional Renewal Term.

- Exhibit B: Pharmacy Reimbursement; Pricing; Rebates. Section 1. Pricing.** The financial tables in this section are deleted and replaced with the following:

**Discount & Dispensing Fee Guarantees**

<i>Broad Network</i>	<i>Year 1 (1/1/23- 12/31/23)</i>	<i>Year 2 (1/1/24- 12/31/24)</i>	<i>Year 3 (1/1/25- 12/31/25)</i>	<i>Optional Year 4 (1/1/26- 12/31/26)</i>	<i>Dispensing Fee (Per Rx)</i>
<i>Retail 30 Brand (1-83 DS)</i>	19.00%	20.00%	20.00%	20.00%	\$1.00
<i>Retail 30 Generic (1-83 DS)</i>	85.00%	85.00%	85.00%	85.00%	\$1.00
<i>Retail 90 Brand (84+ DS)</i>	23.00%	23.00%	23.00%	23.00%	\$0.50
<i>Retail 90 Generic (84+ DS)</i>	86.00%	86.00%	86.00%	86.00%	\$0.50
<i>Mail Brand</i>	25.50%	25.50%	25.50%	25.50%	\$0.00
<i>Mail Generic</i>	90.00%	90.00%	90.00%	90.00%	\$0.00
<i>Specialty Exclusive</i>	23.00%	23.00%	23.00%	23.00%	\$0.00
<i>Specialty Retail</i>	19.00%	19.50%	19.50%	19.50%	\$1.00
<i>Base Admin Fee Per Rx</i>	\$6.00	\$6.00	\$6.00	\$6.00	

**Rebate Guarantees**

<b>Total Care Plus Formulary (open) Per Net Paid Brand Rx</b>	<b>Year 1 (1/1/23- 12/31/23)</b>	<b>Year 2 1/1/24- 12/31/24)</b>	<b>Year 3 (1/1/25- 12/31/25)</b>	<b>Optional Year 4 (1/1/26- 12/31/26)</b>
Retail (1-83 DS)	\$190.00	\$225.00	\$230.00	\$235.00
Retail 90 (84+ DS)	\$475.00	\$650.00	\$660.00	\$670.00
Mail Order (84+ DS)	\$500.00	\$600.00	\$610.00	\$620.00
Specialty	\$1,800.00	\$2,600.00	\$2,625.00	\$2,650.00

**Clinical Savings Program Guarantees**

<b>Year 1 (1/1/23-12/31/23)</b>	<b>Year 2 (1/1/24-12/31/24)</b>	<b>Year 3 (1/1/25-12/31/25)</b>	<b>Optional Year 4 (1/1/26-12/31/26)</b>
\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000

3. **Exhibit B: Pharmacy Reimbursement; Pricing; Rebates. Section 1. Pricing. Subsection Pricing Assumptions:** The three bullets below shall be **deleted in their entirety**.

- The following will not be eligible for pricing guarantee reconciliation or rebate payment as defined above (i) appliances, devices, bandages, heat lamps, braces, splints, and artificial appliances, (ii) health and beauty aids, cosmetics and dietary supplements, (iii) other than diabetic supplies, OTC products, (iv) drugs purchased by a pharmacy pursuant to the 340 B program, (v) university pharmacy claims, (vi) government subrogation claims, (vii) secondary claims, and (viii) duplicate claims, (ix) GPO claims and in house pharmacy claims.
- Rebates will begin to be paid 180 days after the end of each applicable quarter, after the Agreement is fully executed.
- All financial guarantees will be measured on an aggregate basis and shall exclude creams, compounds, DMR claims, inhalers, powders, lotions, devices, and liquids and will include the addition of financial value generated by EmpiRx Health Care Management programs.

4. **Exhibit B: Pharmacy Reimbursement; Pricing; Rebates. Section 1. Pricing. Subsection Pricing Assumptions:** The following five bullets shall be **added** to this section:

- The following are excluded from guarantees: OTC products; creams; inhalers; powders; lotions; liquids; devices; vaccines; biosimilars; drugs purchased by a pharmacy pursuant to the 340B program; government subrogation Claims; secondary Claims; DMR Claims; compound Claims; U&C Claims; Veterans Affairs Pharmacy Claims; Long-Term Pharmacy Claims; and Claims submitted more than 180 days after service.
- Effective January 1, 2024, insulins are excluded from guarantees.
- Specialty Rebate Guarantees will apply to rebateable specialty brands. All other brands will receive applicable Rebate based on days’ supply and adjudication tier.
- Rebates shall be paid within 100 days after the end of each applicable quarter.
- For clarity, Rebates are only paid to Sponsor for Brand Name Drugs for which EmpiRx earns a Rebate. However, EmpiRx will pass through the value of any rebates received for biosimilars for claims in the event

EmpiRx receives any rebates on these products.

- 5. **Exhibit B: Pharmacy Reimbursement; Pricing; Rebates. Section 5. EmpiRx Health Clinical Savings Program Guarantee.** The last sentence of this paragraph shall be deleted and replaced with:

All financial guarantees will be measured on an aggregate basis and will include the addition of financial value generated by EmpiRx Health Clinical Savings Program.

- 6. **Exhibit B: Pharmacy Reimbursement; Pricing; Rebates.** The following new **Section 6. Sponsor Satisfaction Guarantee** shall be added to the Agreement as of **January 1, 2024**:

EmpiRx shall conduct a Sponsor satisfaction survey at the end of each contract year to measure overall satisfaction with EmpiRx’s Services. EmpiRx shall be responsible for the survey design, analysis, data collection, and all costs associated with conducting the survey. If EmpiRx does not receive a score of 4 out of a possible 5 overall, EmpiRx shall pay Sponsor a fee of \$10.00 per employee per year for any year where the metric is not met.

- 7. **Effect of Amendment.** To the extent any terms of the Agreement conflict with the terms of this Amendment #3, this Amendment #3 controls. All other terms and conditions of the Agreement remain in full force and effect. All capitalized terms not otherwise defined in this Amendment #3 shall have the meanings ascribed to them in the Agreement.

WITNESS WHEREOF, the Parties have caused this Amendment #3 to be executed as of the Effective Date.

**EMPIRX HEALTH, LLC**

**San Joaquin Valley Insurance Authority**

By:  \_\_\_\_\_

By: \_\_\_\_\_

Name: Aaron Johnson  
Title: SVP, Finance

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: 12/1/23

Date: \_\_\_\_\_