

CLIENT ADDENDUM TO MASTER PHARMACY MANAGEMENT SERVICES AGREEMENT

This Client Addendum (this "Addendum") is entered into by and between **Navitus Health Solutions, LLC** ("Navitus"), and City of Missoula ("Client"), and is effective as of January 1, 2020 (the "Addendum Effective Date").

Background. Client and Allegiance Benefit Plan Management ("Allegiance") have entered into an agreement, pursuant which Client has contracted with Allegiance to administer Client's benefit plans. Allegiance and Navitus have entered into a Master Pharmacy Management Services Agreement dated **January 1, 2020**, a copy of which has been made available to Client by Allegiance (the "Agreement"). All capitalized terms not otherwise defined in this Addendum shall have the definitions set forth in the Agreement. Client desires for Allegiance and Navitus to manage the pharmacy benefits sponsored by Client and Navitus desires to manage such benefits in accordance with the Agreement and this Addendum.

Definitions: The terms listed below, including their single and plural forms, shall have the meanings set forth in this section:

Affordable Care Act or ACA means the Patient Protection and Affordable Care Act and the Health Care Education and Reconciliation Act of 2010 and their accompanying regulations, as amended from time to time.

Account means a depository account maintained by a Client at a federal or state chartered bank, savings and loan association or savings bank.

Allegiance means the Third-Party Administrator known as Allegiance Benefit Plan Management.

Average Wholesale Price or AWP means the average wholesale price of a prescription drug published and updated by Medi-Span, or another nationally-recognized reporting service purchased or licensed by Navitus.

Brand Covered Product or Brand means a Covered Product where the Medi-Span Multi-Source Indicator for the Covered Product reported by Medi-Span contains an "M" (co-branded product), "O" (originator brand) or an "N" (single source brand) for the Covered Product on the date dispensed except where the claim is submitted with a DAW code of "3", "5", or "6", in which case it shall be considered a Generic Drug.

Business Associate means a person assisting a Covered Entity in connection with its payment, treatment or health care operations, as more fully defined in 45 CFR §160.103.

Cardmember means one of a Client's active employees, and, if so indicated in the Client Addendum retired employees, who satisfy all the eligibility criteria necessary to receive pharmacy benefits under the Client's Plan and are identified by the Client to Navitus in accordance with the provisions of this Agreement as eligible for such benefits. For purposes of clarification, any Eligible Person who is a "Dependent," as defined below, is not a "Cardmember" for purposes of this Agreement.

CFR means the Code of Federal Regulations.

Claim means: (a) a contractual payment request submitted by a Participating Pharmacy dispensing one or more prescription drugs and transmitted in accordance with the electronic transaction standards set forth in 45 CFR Parts 160, 162 and 164, as amended from time to time; or (b) a Direct Reimbursement Claim submitted by a Participating Pharmacy, another provider, an Eligible Person or such Eligible Person's representative in connection with one or more prescription drugs dispensed to such Eligible Person.

Coinsurance means that portion of the charge for Covered Products, calculated as a percentage of the charge, which is to be paid by Eligible Persons pursuant to a Client's Plan Guidelines (or for certain Participating Pharmacies, if less, the U&C of the Covered Products).

Confidential Information has the meaning given in Section 10.04 of the Agreement.

Coordination of Benefits means claims administration when Eligible Persons are covered by more than one pharmacy benefit plan.

Co-payment means a fixed dollar portion of the charge for Covered Products which is to be paid by Eligible Persons pursuant to a Client's Plan Guidelines (or for certain Participating Pharmacies, if less, the U&C of the Covered Products).

Covered Entity means a health plan, a health care clearinghouse or a health care provider, as more fully defined in 45 CFR §160.103.

Covered Products means those prescription drugs and ancillary devices and supplies that are covered under Client's Plan Guidelines.

Deductible means a predetermined amount of money that an Eligible Person must pay before benefits are eligible for payment as indicated in a Client's Plan Guidelines. The deductible applies to each Eligible Person each contract year.

Dependent means an individual who satisfies all the eligibility criteria through a Cardmember necessary to receive pharmacy benefits under a Client's Plan and is identified by the Client to Navitus in accordance with the provisions of the Agreement as eligible for such benefits. For purposes of clarification, any Eligible Person who is a "Cardmember," as defined above, is not a "Dependent" for purposes of the Agreement.

Direct Reimbursement Claim means a request for reimbursement for the cost of one or more Covered Products dispensed by a pharmacy and submitted by a Participating Pharmacy, a Non-Participating Pharmacy, or an Eligible Person in a pre-printed universal claim form acceptable to Navitus.

Eligible Person means each Cardmember and Dependent.

ERISA means the Employee Retirement Income Security Act of 1974 and regulations promulgated thereunder, as amended from time to time.

FDA means the United States Food and Drug Administration.

Formulary means the list of FDA-approved Covered Products developed by Navitus' Pharmacy and Therapeutics Committee, subject to Client's Plan Guidelines and coverage decisions.

Generic Covered Product or Generic means a Covered Product for which there is an approved application under § 505(j) of the Federal Food Drug and Cosmetic Act (21 USC 355(j)) and the Medi-Span Multi-Source Indicator for the Covered Product is a "Y" on the date dispensed. Claims submitted with a Multi-Source Code, as defined by Medi-Span, of "O" and also submitted with a DAW code of "3", "5", or "6" shall also be considered a Generic Drug. If a drug product approval is based upon an abbreviated new drug application (ANDA), that drug is a Generic Covered Product. Single-source Generic Covered Products are included in the definition of "Generic Covered Products."

HIPAA means the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder, as amended from time to time.

HIPAA Privacy Rule means the federal regulations related to the use and disclosure of patients' Protected Health Information under 45 CFR Parts 160, 162 and 164 as amended from time to time.

HIPAA Rules mean the medical records, privacy, security, and standard transaction regulations under 45 CFR Parts 160, 162, and 164.

Initial Addendum Term means the initial term of this Addendum as set defined in Section 5.01 of this Addendum.

Mail Service Pharmacy means a pharmacy where prescriptions are filled and delivered to Eligible Persons via the United States Postal Service, United Parcel Service or other delivery service, and which has entered into an agreement with Navitus to dispense Covered Products.

Material Breach means a breach such that a reasonable person in the position of the non-breaching party would wish to terminate this agreement because of that breach.

Member means the same as "Eligible Person," and the two terms may be used interchangeably.

Navitus Maximum Allowable Cost ("MAC") means the maximum allowable cost determined by Navitus and updated at least monthly based upon review and analysis of current pricing in the marketplace.

Non-Participating Pharmacy means a pharmacy that does not have an agreement with Navitus to dispense Covered Products to the Eligible Persons receiving benefits under the Agreement.

Participating Pharmacy means a pharmacy, or a company authorized to represent one or more subsidiary, affiliated, or franchised pharmacies, which has entered into an agreement with Navitus to dispense Covered Products. For purposes of the Agreement, a "Participating Pharmacy" will not be considered a representative, subcontractor, or agent of Navitus and may include the Mail Service Pharmacy and the Specialty Pharmacy.

Pass-Through means that all Claims are invoiced to Client at the net amount Navitus pays the Participating Pharmacy for such Claims, and Rebates are provided to Client in accordance with Article IV of the Agreement, and Navitus does not retain any Rebates or any other direct financial benefits from drug manufacturers or pharmacies received by Navitus, and pays all such amounts to Client. Direct financial benefits will not include indirect benefits such as rebates paid to Lumicera, Navitus' wholly-owned subsidiary, that are not passed through to Clients.

Plan means Client's insured or self-funded benefit plan, which provides pharmacy benefits to Eligible Persons.

Plan Guidelines means a description of a Client's Plan related to pharmacy benefits and limitations thereto, including the framework of policies, interpretations, rules, practices and procedures applicable to such benefits, required and signed by the Client and submitted to Navitus. The Plan Guidelines shall not include any amendments except as provided in Section 3.02 of the Agreement.

Practitioner means a physician or other health care provider authorized to prescribe medication to Eligible Persons.

Prior Authorization means a prospective review to verify that certain criteria required by the Plan are satisfied for specific Covered Products prior to processing the claim for such Covered Products.

Protected Health Information or **PHI** has the meaning set forth in 45 CFR §164.501 and includes individually identifiable health information related to the physical or mental health or condition, the provision of health care, or the payment for the provision of health care to an Eligible Person or otherwise deemed confidential under federal or state law.

Rebates means rebates or discounts received by Navitus pursuant to a contract with a pharmaceutical manufacturer, and directly attributable to the Formulary and Covered Product utilization by Eligible Persons.

Renewal Term means the time period as defined in Section 5.01 of this Addendum.

Specialty Pharmaceuticals means those biotech and other Covered Products identified as specialty pharmaceuticals from time to time. A then-current list of Specialty Pharmaceuticals may be obtained at any time by contacting Navitus.

Specialty Pharmacy means a pharmacy that has entered into an agreement with Navitus to dispense Covered Products including Specialty Pharmaceuticals to Eligible Persons.

Usual and Customary Price or **U&C** means the retail price, including any minimum price, charged by a Non-Participating Pharmacy or a Participating Pharmacy for a Covered Product in a cash or uninsured transaction on the date such product is dispensed.

Wholesaler Acquisition Cost or **WAC** means the wholesale acquisition cost pricing data for a given pharmaceutical product, as published by Medi-Span or another nationally-recognized drug database reporting service used by Navitus.

Now therefore, Navitus and Client agree as follows:

1. Engagement. Client engages Navitus to provide pharmacy benefit management services for Client and its Eligible Persons, on the terms and conditions set forth in the Agreement and this Addendum, and Client expressly agrees to undertake and be bound by all of the obligations of a Client as set forth in the Agreement and this Addendum.

2. Role of Allegiance. Client represents and warrants that Allegiance is authorized to act as Client's agent and representative on any and all matters in connection with the Agreement and

this Addendum, including, but not limited to, (a) additions, deletions, and modifications of eligibility listings provided to Navitus; (b) payments to Navitus for claims, services, and fees; (c) direct receipt of manufacturer rebate dollars from Navitus on behalf of Client, if approved by Client; (d) plan design and coverage decisions; and (e) the provision and receipt of contractually required or permitted notices. Client acknowledges and agrees that Navitus shall be entitled to rely upon any and all acts by and documents from Allegiance and, further, that any and all such acts and documents shall be binding upon Client. For purposes of clarification, Client acknowledges that Allegiance, and Allegiance's delegated consulting partner(s) who have entered into confidentiality agreements with Navitus will have full claims-level access to Protected Health Information of Client's Eligible Persons for purposes of fulfilling Allegiance's obligations to Client, and such access may be provided by Navitus to Allegiance by electronic means, including Navitus' online reporting tool, Navi-Gate 3-D and through Navitus' Plan Sponsor Portal.

3. Navitus Duties and Obligations. Navitus will process Claims, render clinical and Formulary services, and provide Client standard management reports and consultative services, all in connection with Eligible Persons' Covered Product utilization and as more fully set forth in the Agreement, and Navitus expressly agrees to undertake and be bound by all of the obligations of Navitus as set forth in the Agreement and this Addendum.

4. Payments to Navitus. Client agrees to pay Navitus the administrative charges set forth in Exhibit 1 to this Client Addendum. Client also agrees to fund the payment of Covered Product Claims in accordance with the Prescription Pricing Schedule in Exhibit 2 to this Addendum and all applicable gross receipts, provider, sales, use and similar taxes. Client assumes all financial responsibility for funding the payment of Covered Product Claims submitted to Navitus with regard to Client's Eligible Persons, whether by Participating Pharmacies or Eligible Persons. Navitus will invoice Client for Claims at the amount Navitus pays for those Claims. Navitus will submit invoices between one (1) and three (3) business days after the end of each invoice cycle, and Client or Allegiance on Client's behalf agrees to pay Navitus for amounts owed thereunder within two (2) business days from the date of invoice. If requested by Client, and approved by Navitus, the Client may extend the time for making payments to Navitus by advancing to, and maintaining with, Navitus an amount equal to the sum of one (1) month's estimated Covered Product Claims and one (1) month's estimated administrative charges not later than fifteen (15) days prior to the Effective Date of this Addendum. Client agrees that Navitus may retain any earnings on these advances. If an advance payment is agreed upon by the parties, Invoices will be submitted between one (1) and three (3) days after the end of each invoice cycle, and payment in full will be due fifteen (15) days from the date of invoice. Client shall either (a) maintain a bank account from which Navitus will initiate ACH transfers in order to satisfy Client's obligations hereunder or (b) initiate ACH transfers from Client's bank account to Navitus' bank account in order to pay all amounts when due hereunder. Client shall be solely responsible for depositing funds and verifying that the account has sufficient funds to pay Covered Product Claims and Navitus' administrative charges. Client acknowledges and agrees that Navitus' account(s) into which money from Client's bank account is transferred may contain money from one or more other clients that have engaged Navitus to provide administrative services and further agrees that once such money is withdrawn from Client's Account, it is no longer a Plan asset. Client agrees that Navitus may retain any earnings on these advances.

5. Term and Termination; Notice Regarding Automatic Renewal.

5.01. Term of Addendum; Automatic Renewal. This Addendum is effective as of the Effective Date above and will continue in full force and effect for a period of two years ("Initial Addendum Term"). After the Initial Addendum Term has ended, this Addendum will continue from year to year ("Renewal Term") unless sooner terminated as described in Article VI of the Agreement.

Either party may terminate this Addendum upon 90 days prior written notice to the other party, provided however, the effective date of such termination shall not be before the first anniversary of the start of services with Navitus. Any additional Renewal Terms shall be subject to termination rights as otherwise provided in this Addendum. If Client terminates its agreement with Allegiance, Client will no longer qualify for the pricing under the Agreement and Client shall execute a new agreement with Navitus if Client desires to continue to receive Navitus services.

5.02. Deadline and Action Required to Decline Renewal. This Addendum will not renew for a Renewal Term if Client notifies Navitus or Navitus notifies Client of its intent not to renew this Addendum at least ninety (90) days before the end of the then-current term. If declining renewal, Client shall notify Navitus in writing by (a) regular U.S. mail, registered or certified mail; (b) fax; (c) e-mail; or (d) recognized overnight courier service.

5.03. Increase in Administrative Fees. As provided in Exhibit 1, "ADMINISTRATIVE SERVICES FEE SCHEDULE," attached hereto, at the beginning of the second full year of the Addendum and at the beginning of each full year thereafter, whether in the Initial Addendum Term or a Renewal Term, the amount of the administrative charge may increase by one and a half (1.5%) percent for inflation and other business-related expenses.

5.04. Notice of Change in Administrative Fees. After the Initial Addendum Term or any Renewal Term for which administrative fees have been expressly set forth in this Addendum, Navitus may change the administrative fees hereunder upon not less than 90 days prior written notice to Client. If any revision in the administrative fees is not acceptable, then Client shall so notify Navitus in writing not less than 60 days prior to the expiration of the 90-day notice period. In the event the parties cannot agree on the compensation adjustment on or before the expiration of the 90-day notice period, then Client may terminate this Addendum upon 60 days written notice to Navitus, provided such termination shall not be effective until after the end of the 90-day notice period.

Termination of this Addendum shall not affect any Client's financial responsibility for Covered Product claims and Navitus' administrative charges pertaining to the period prior to termination. Navitus' right to terminate this Addendum shall not be exclusive of any other remedies available to Navitus under this Agreement, at law or in equity.

6. Compliance. Contemporaneously with the execution of this Addendum, Client and Navitus shall execute a Business Associate Agreement in compliance with HIPAA. Client acknowledges that Navitus and Allegiance, in their capacity as Business Associates of Client, may share Protected Health Information and other data, consistent with their obligations under their respective Business Associate Agreements and in accordance with all applicable laws.

7. Notices. Communications in the ordinary course of performance of this Agreement, including communications regarding payment, may be conducted by any reasonable means, including but not limited to telephone, facsimile, or electronic mail. Any formal notice to be given in connection with this Agreement must be in writing and will be deemed to have been given and effective if and when sent by: (a) personal delivery or commercial courier; (b) certified or registered mail, return receipt requested with overnight or two-day guaranteed delivery, postage prepaid; or (c) a nationally recognized overnight delivery service, and addressed to the address for Navitus and Allegiance set forth in the Agreement. Navitus shall not be required to send a separate notice to Client; rather, any notice provided to Allegiance in accordance with the terms of Section 12.01 of the Agreement shall also be deemed notice to Client.

IN WITNESS WHEREOF, the parties have entered into this Addendum as of the day first written above.

Client: City of Missoula

Navitus Health Solutions, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Rebate Options. Client to initial one of the following options:

 X Client agrees Allegiance may receive manufacturer rebate amounts payable to Client.

 Client DOES NOT agree Allegiance may receive manufacturer rebate amounts payable to Client.

Exhibit 1
ADMINISTRATIVE SERVICES FEE SCHEDULE

Client agrees to pay Navitus an administrative fee of \$1.94 per Member per month (PMPM). Client also agrees to pay Navitus an additional \$0.55 which Navitus will collect from Client and pay to Allegiance on Client's behalf. If the total membership in Client's Plan decreases by 20% or more during the term of this Agreement, Client will pay Navitus the greater of the administrative fee set forth above or a minimum monthly administrative fee equal to 80% of the highest amount of administrative fees, in aggregate, paid, or required to be paid hereunder, during any month during the term of this Agreement.

[The amount of the fee that Navitus will collect from the Client and pay to Allegiance's behalf will be an amount agreed upon by the applicable Client and Allegiance .]

On the anniversary of the Effective Date, the amount of the administrative fees listed above will be increased by 1.5% for inflation and other business-related expenses, provided, however, the amount charged to each Client will be changed on the anniversary of the effective date of the Client Addendum to reflect the then current amount for clients of Allegiance under the Agreement. The administrative fee does not include fees for certain additional charges, described below.

The administrative fee will include the following services, which are all set forth more fully in the Agreement:

Services	Additional Fees (per Member per month ("PMPM"), unless noted otherwise)
Implementation & Plan Set-up	
Pre-Implementation Claims Analysis	Included
Pre-Implementation Guided Discovery	Included
Requirements Approval Process	Included
Dedicated Implementation Project Manager	Included
Status and Communication Frequency - Weekly	Included
Pre-Implementation and Go-Live Staffing	Included
Dedicated and Secure Client Web Portal	Included
Post-Implementation Review	Included
Program Consultation and Customization	Included
Standard Coordination of Benefits (COB)	Included
Member Fulfillment	
Member Booklet and ID Card Production Member Booklet and ID Card Mailing Member Booklet and ID Card Replacement	The PMPM fee assumes Client's TPA/Carrier will produce and mail initial enrollment booklets and ID cards and handle ongoing maintenance. Navitus offers a comprehensive Member fulfillment service and would welcome the

	opportunity to provide competitive pricing for this service, if requested.
Claims Management	
Point-of-Service Claims Processing	Included
Direct Member Reimbursement (paper claims)	Included
Manual Pharmacy-Submitted Claims Processing	Included
Eligibility Management	Included
Pharmacy Network Services	
Navitus Network Management	Included
Pharmacy Network Credentialing & Compliance	Included
Mail Service Program Management	Included
Specialty Program (Navitus SpecialtyRx) Clinical Management	Included
Maximum Allowable Cost (MAC) Program Administration	Included
Pharmacy Reimbursement	Included
Pharmacy Provider Compliance Audits:	
• Routine compliance audits facilitated through correspondence/telephonic interviews	Included
• Expanded Pharmacy Auditing Services	Optional - Client-specific audits will result in additional fees to be determined based on the extent of the audit
e-Prescribing	Set-up cost of \$5,000 per client, up to \$0.145 fee per eligibility transaction (transaction fees subject to change). Navitus will waive the \$5,000 set-up fee if the client implements e-Prescribing upon start up of full PBM services. Notwithstanding the foregoing, if Navitus' provider of e-prescribing services, increases the amount that it charges Navitus for e-prescribing provided to Eligible Persons under this Agreement, then Navitus may increase the amount that it charges Client for e-Prescribing hereunder by the amount of such increase, provided Navitus gives Client written notice of any such price increase.
Pharmacy Provider Communications – including quarterly newsletter, pharmacy panel meetings, client implementation communications	Included

Data Services	
Navitus Standard Claims Data File Export	Included
Standard Client Reports, including Web-based access via Navi-Gate® for Plan Sponsors	Included
Online Access to Navitus claims system for eligibility purposes and claims review, if required.	Seat license costs \$440 annually (*Unused licenses will be inactivated.)
Navi-Gate 3D Online Reporting	Seat license costs \$800 annually (*Unused licenses will be inactivated.)
Custom Ad Hoc Report Creation	\$150 per programming hour
Flexible Eligibility Format	Flat File & EDI
Eligibility Feeds	Included
Accumulator (Deductible & MOOP)	Included
Client Services	
Client Services Executive Support	Included
Clinical Account Executive Support	Included
Consultative Review	Includes annual consultative review at Client's office or via conference call
Operational Meetings	Includes up to monthly operational meetings as mutually agreed upon by Client and Navitus (via conference call unless otherwise agreed).
Health Fair & Employee Meeting Support	Optional, additional costs may apply based on number of events, number of employees attending, format, etc.
Customer Care	
Integrated Call Center with LIVE Representative Service: Member & Pharmacy Help Desk	Included
Pre-Implementation and Go-Live Staffing	Included
Secure Member Web Portal (Navi-Gate® for Members)	Included
Formulary and Rebate Services	
Navitus Formulary Management	Included
P&T Committee Review & Support	Included
Pharmaceutical Manufacturer Contracting and Management	Included

Safety, Drug Price and Volume Management	
Online Concurrent DUR	Included
Administrative/Non-Clinical Prior Authorization	Included
Clinical Prior Authorization	Included
Electronic Prior Authorization	Optional – pass through of vendor transaction costs plus administrative fees
ERISA Appeal Support for Claim Re-determinations	\$75 per Claim
First-level appeal for Claim re-determinations.	\$75 per Claim. Additional reviews by Independent Review Organizations (IROs) will be passed through at the cost of the review plus Navitus' then-current fee for handling such appeals.
External Reviews	Navitus will coordinate the external review process using an Independent Review Organization (IRO). All costs incurred by Navitus with regards to IRO reviews will be passed through to Client at the amount incurred (without mark-up), plus an administrative fee of \$175 per appeal and, upon Client's request, Navitus will provide documentation supporting such costs. Navitus will arrange for reviews by IRO, when necessary using criteria established by Navitus and Client. Client understands that IRO review pricing is subject to change, and upon request Navitus will provide Client with updated pricing for IROs after Navitus receives it from the IROs.
Step Therapy Care and Quantity Limits	Included
Retrospective DUR - Safety (RDUR)	
<ul style="list-style-type: none"> • Controlled Substance Monitoring • Multi-Prescriber • Multi-Prescription • Expanded Fraud, Waste & Abuse • Duplicate Therapy 	Included
Enhanced RDUR (Cost Programs)	

<ul style="list-style-type: none"> • Generic Alternatives Management • Lower Cost Rx Alternatives Management • RxCents Tablet Splitting • Dose Consolidation 	Optional Enhanced RDUR programs are conducted on an effort-by-effort basis and measured through a Pay-for-Performance (P4P) model, which is executed with no up-front risk to Client. Navitus executes the programs at its expense, and the Client pays Navitus 25% of plan savings, based on actual achieved savings.
Prescriber Insights (Prospective DUR)	
<p>Examples may include, but are not limited to:</p> <ul style="list-style-type: none"> • Formulary Compliance • Generic Dispensing Rate • Cost Per Prescription 	Optional - \$5,000 per year + pass through of mailing costs
Health Management Programs	
Asthma Management Program – program includes two clinical intervention mailings per year	Optional - \$0.05 additional PMPM
<p>Pharmacoadherence – program includes four mailings per year. Clients may choose from a subset of chronic disease states. For example:</p> <ul style="list-style-type: none"> • Hypertension • Cholesterol • Oral Diabetics 	Optional - \$0.09 - \$0.12 additional PMPM, depending upon scope and number of disease states targeted
Diabetes Management Health Services	Optional - pass through of vendor transaction costs
Respiratory Health Adherence Program	Optional - Cost of program passed through to Client

<p>Medication Therapy Management (MTM)</p> <p>Program offers:</p> <ul style="list-style-type: none"> • Guaranteed client customizable CMR Completion Rates • Unique targeting with focus on CMRs, Stars and intervention outcomes • Telephonic delivery model providing patient privacy and multi-lingual support • Full support of the Data Validation process • Clinical and Quality focus, with customizable and scalable programs • Regulatory expertise – Compliant with CMS Guidelines • Supports the Part C Star Measures • All member and prescriber outreach fulfilled, documented, and retained • Weekly member qualification • Prioritized Interventions and Patient Outreach • Extensive Monthly, Quarterly, and Annual reporting packages <p>In the Standard MTM Program Model, Navitus will work with the client to determine which targeting criteria and alerts the client desires. Further, we will work with the client to establish a CMR Rate that the client would like to achieve and then work within the program to ensure the client will meet the guaranteed CMR completion rate.</p>	<p>Optional - Pricing as agreed upon by the parties prior to implementation.</p>
<p>Disease Management via Navitus SpecialtyRx - For example:</p> <ul style="list-style-type: none"> • Growth Hormones • Hepatitis C • Multiple Sclerosis • Rheumatoid Arthritis 	<p>Included</p>
<p>"Included" items above represent all-inclusive services for a highly functional pharmacy benefit program. Additional fees may apply if higher intensity management is desired. Navitus will fully disclose any impact on pricing for more aggressive management, while consulting with Client to determine the value of product inclusion, customization, intensity level change, and potential member impact. With close client collaboration, Navitus will consider risk/reward financial arrangements aligned with trend management and program performance.</p>	

Exhibit 2
PRESCRIPTION PRICING SCHEDULE

General. Client acknowledges that the discount rates and dispensing fees set forth below are target discounts established for the pricing distribution channels necessary to meet access requirements. Client acknowledges that 100% of the pricing will be passed through to Client from the participating pharmacies. Navitus agrees to negotiate to achieve or exceed these target rates. Any discounts obtained by Navitus that exceed the targets stated below will be passed through to Client. It is acknowledged by both parties that individual contracts may vary from the targeted rate based upon negotiation. Client will be the beneficiary of any book-of-business pricing guarantees that are agreed to in writing between Allegiance and Navitus for Allegiance clients, consistent with the applicable requirements for such guarantees.

Navitus reserves the right to modify pricing for certain exclusive generics based on the demands of the marketplace and in the best interests of the Client.

A. Network Rates. Reimbursement for each Branded Covered Product, not requiring compounding, dispensed by a Participating Pharmacy will be based upon the lower of (1) AWP, less an average of the applicable percentage in the below table, plus an average dispensing fee of the applicable dispensing fee in the below table; (2) such pharmacy's Usual and Customary Price; or (3) the amount submitted by the pharmacy. Reimbursement for each Generic Covered Product dispensed by a Participating Pharmacy will be the lower of (1) the Navitus MAC plus a dispensing fee, if applicable; (2) each Participating Pharmacy's respective contracted price for such Covered Product, including a discount plus a dispensing fee; (3) such pharmacy's Usual and Customary Price; or (4) the amount submitted;. The average effective discount performance for generic Covered Product is AWP minus the applicable percentage in the below table plus an average dispense fee of the applicable dispensing fee in the below table.

Estimates		Discount off of AWP		Dispensing Fees	
Pharmacy Type	Brand/ Generic	2020	2021	2019	2020
Retail	Brands	18.25%	18.45%	\$0.78	\$0.73
Retail	Generics	84.25%	84.40%	\$0.78	\$0.73
Retail EDS	Brands	21.80%	22.00%	\$0.00	\$0.00
Retail EDS	Generics	88.00%	88.15%	\$0.00	\$0.00
Limited Retail	Brands	19.25%	19.45%	\$0.67	\$0.64
Limited Retail	Generics	85.25%	84.40%	\$0.67	\$0.64
Limited Retail EDS	Brands	22.55%	23.00%	\$0.00	\$0.00
Limited Retail EDS	Generics	90.00%	90.15%	\$0.00	\$0.00
Mail Order*	Brands	24.00%	24.00%	\$0.00	\$0.00
Mail Order*	Generics	89.00%	89.15%	\$0.00	\$0.00

Specialty					
On average, for specialty products dispensed through Lumicera Health Services	Combined	20%	20.15%	\$0.00	\$0.00

*The Mail Order estimate is contingent upon and applicable for Costco Mail only.

B. Rebates. Navitus estimates that from March 1, 2020 to December 31, 2021 rebates per brand Covered Product will meet or exceed the following:

Select or Traditional Formulary	2020	2021
Retail 30 day	\$141	\$152
Retail 90 day	\$322	\$347
Mail	\$424	\$458
Specialty	\$1,188	\$1,283

The rebate estimate for each channel is an aggregate estimate that applies to all Allegiance Commercial Clients and is not intended to be comparison for each Client of Allegiance. The Rebate estimate is established at an aggregate level for all Allegiance Clients, including those plans with independent guarantees, these independent guarantee groups utilization must be included in the overall aggregate estimate.

Formulary

Rebate estimates are based on and contingent upon the Client's primary Claims and use of the Navitus Select or Traditional Formulary with either a 2-tier closed design or a 3-tier design, with a minimum copay differential of \$20 between preferred Brands and non-preferred Brands, or at least 20% for a co-insurance benefit design. Rebate estimates are calculated in aggregate for all Allegiance clients covered under this Agreement.

Pharmacy and Claim Exclusions

Rebate estimates exclude Claims for which Navitus is unable to submit and collect rebates (e.g., 340B, long-term-care facilities, hospital-inpatient pharmacies, FSS pharmacies, GPO pricing), including Claims that may qualify for rebates under a government program, such as Claims covered by managed Medicaid. Rebate estimates exclude Claims where, after meeting the deductible, the Member's cost-sharing amount under the applicable benefit plan requires the Member to pay more than 50% of the Claim cost.

Rebate Per-Brand-Claim Calculation

Navitus agrees to pass 100% of rebates to the plan. Rebate estimate calculations exclude the following Brand products: vaccines, diabetic syringes and lancets, medical injectables and devices, generically named products, compounded medications or the medication components

used to compound, and non-legend drugs designated as over-the-counter (OTC), excluding diabetic test strips.

Post Patents

Rebate estimates are based on implementation of Navitus' post-patent agreements (e.g., Adderall XR). For purposes of the rebate estimates, levothyroxine-containing products (e.g., Synthroid) are considered Generic products. Post-patent rebate estimates are subject to change based on market dynamics and could impact the rebates.

Short-Term Market Event Assumptions

Rebate estimates are based on the assumption that albuterol products (Ventolin, ProAir, Proventil) will have AB-rated generics in the near future. Navitus may reasonably adjust the rebate estimates to reflect the impact of such events if they do not occur as anticipated.

Long-Term Market Event Assumptions

If any of the following occur, rebate estimates may be changed by Navitus upon notice to the Client:

- a) A plan design change or formulary customization directed by the Client that materially impacts the economics of the rebate arrangement
- b) A change in government legislation that materially impacts the economics of the rebating process between pharmaceutical manufacturers and Navitus
- c) A product that is unexpectedly introduced to the market and has a material, adverse impact on the rebate arrangement
- d) Material changes to rebate agreements with manufacturers for rebates of Branded drugs
- e) A change in the Brand/Generic or product mix that materially impacts the number of available Branded and rebated products
- f) Client's minimum prescription volume falls below 150 qualifying Brand Claims in any respective, stated channel (e.g., mail, retail-90, specialty) per quarter
- g) The average day supply of claims or the number of Claims varies by at least 5% from the data provided.

Navitus reserves the right to revise rebate estimates if lower-net-cost products become available or if manufacturers materially lower their list prices. Likely examples include, but are not limited to, approval of biosimilar agents, generic specialty products, hepatitis C price decreases, and lower-net-cost diabetic testing supplies and insulin products.

Specialty

Specialty minimum rebates estimates are defined by the specialty drug, regardless of channel used, and are inclusive of limited-distribution drugs (LDD). Specialty rebate estimates are contingent on historic hepatitis C utilization and any decline or lower-net-cost products may impact rebates.

THE FOLLOWING PROGRAM IS OPTIONAL AND WILL APPLY IF CHECKED BELOW OR IF REQUESTED BY CLIENT DURING THE TERM OF THE AGREEMENT BY NOTICE TO NAVITUS:

C. [] Compound Drug Program. Compound medications will be reimbursed as follows: WAC plus the compounding fee (described below), minus the Co-payment/coinsurance. The criteria for reimbursement: (1) the compound medication must have at least two ingredients,

and at least one ingredient must be an FDA legend drug; (2) all active ingredients must be covered as part of the Navitus Formulary and the NDC for each must be submitted. Compound prescriptions costing over \$200.00 and compounds containing ingredients not on the Navitus Formulary require prior authorization.

Compounding Fee Time Reimbursement Rates:

1 - 5 minutes	\$10.00
6-15 minutes	\$15.00
16-30 minutes	\$20.00
31+ minutes	\$25.00